



November 15, 2012

VIA E-MAIL

Ms. Sauntia Warfield
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: HRW Permit Holder Incentive Program
KCBT Submission No.12-02**

Dear Ms. Warfield:

The Kansas City Board of Trade ("KCBT" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement an incentive program for Kansas City Board Of Trade ("KCBT") Permit Holders in support of KCBT HRW Wheat Futures and Options products ("Program"). The proposed Program will become effective on December 3, 2012.

Exhibit 1 sets forth the terms of the proposed Program.

KCBT business staff responsible for the Program and the KCBT legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, KCBT staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants and Compliance with Rules.

The proposed Program will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. The proposed Program does not impact the Exchange's order execution. Market participants that meet the criteria described in Exhibit 1 shall be entitled to participate. The Exchange rules include prohibitions against fraudulent, non-competitive, unfair or abusive practices. The proposed Program is subject to these rules.

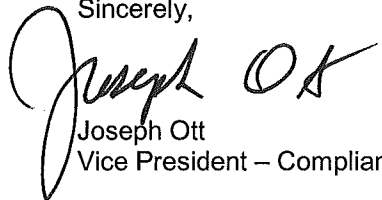
KCBT certifies that the proposed Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at http://www.kcbot.com/histdata/rule_book/kcbot_pending_certif.html.

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If you have any questions regarding this submission, please contact me at 816-753-7500 or via email at jott@kcbt.com. Alternatively, you may contact Jeff Borchardt at 816-753-7500 or via email at jeffb@kcbt.com. Please reference KCBOT Submission No. 12-02 in any related correspondence.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph Ott". The signature is stylized with a large, looping initial "J" and a distinct "O" and "T".

Joseph Ott
Vice President – Compliance

Attachments

EXHIBIT 1

KCBT PERMIT HOLDERS WHEAT INCENTIVE PROGRAM

Program Purpose

The purpose of this Program is to incentivize trading in the products listed below. A more liquid contract benefits the entire marketplace.

Product Scope

KCBOT hard red wheat futures and option contracts ("Products").

Eligible Participants

There is no limit to the amount of participants in the Program. Participants must be KCBOT Permit Holders(Legacy Members).

Program Term

Start date is December 3, 2012. End date is November 30, 2013.

Hours

The incentives will apply to all trades made in the Product by all participants regardless of the execution time.

Program Incentives:

Participants in the Program shall be entitled to trade the Products at the following rates per contract side traded:

Exchange Fees:¹

Account Type	Platform	Exchange Fee
KCBT Permit Holder (Legacy Individual Members)	Open Auction	\$0.00
	Electronic	\$0.15
KCBT Permit Holder(Other Legacy Members)	Open Auction	\$0.00
	Electronic	\$0.50

Clearing Fees:

Account Type	Platform	Exchange Fee
KCBT Permit Holder (Legacy Individual Members)	Open Auction	\$0.00
	Electronic	\$0.00
KCBT Permit Holder(Other Legacy Members)	Open Auction	\$0.00
	Electronic	\$0.00

Legacy Member - For purposes of computing fees, a "**Legacy Individual Member**" shall mean a person in whose name the Permit is registered, and trades for such person's individual 100%-owned trading account. "**Other Legacy Members**" shall mean a firm, partnership or corporation that such person is registered with the Exchange as representing (referred to as " Legacy member firm") and trading is done for such firm, partnership or corporation. Member does not include employees, associated persons, affiliate companies, subsidiary corporations or parent corporations of such member firm unless they also own a membership.

Monitoring and Termination of Status

The Exchange shall monitor trading activity and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements of the Program.

ⁱ Exchange contract fees are shown on a "per side" basis and are applicable to exchange for physical (EFP), exchange for risk (EFR), delivery of futures, and exercised, expired or assigned options contracts. Exchange fees are not applicable to transfer trades.