



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

June 27, 2014

VIA E-MAIL

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

**RE: Modifications to the Agricultural Futures ~~Market Maker~~ Resting Order Program
CME/CBOT Submission No. 14-258**

Dear Ms. Jurgens:

Chicago Mercantile Exchange Inc. ("CME") and the Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, the "Exchanges") hereby notify the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the Agricultural Futures ~~Market Maker~~ Resting Order Program ("Program"). The modifications to the Program will become effective on July 15, 2014.

Modifications to the Program appear below in Exhibit 1, with additions underscoring and deletions ~~overstruck~~.

The Exchanges reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, the Exchanges' staff identified the following Core Principles as potentially being impacted: Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program and proposed modifications will not impact the Exchanges' ability to perform their trade practice and market surveillance obligations under the CEA and the Exchanges' market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchanges have implemented systems to track Program participants' obligations under the Program to ensure proper distribution of earned incentives. The incentives in the Program do not impact the Exchanges' order execution. Participants in the Program will be selected by Exchanges' staff using criteria as further stated in Exhibit 1. Chapter 4 of the Exchanges' rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with the Exchanges in which each participant will expressly agree to comply with and be subject to, applicable regulations and rules. The Program and proposed modifications are subject to the Exchanges' record retention policies which comply with the CEA.

The Exchanges certify that the Program and the proposed modifications comply with the CEA and the regulations thereunder. There were no substantive opposing views to this proposal.

The Exchanges certify that this submission has been concurrently posted on the Exchanges' website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please contact Tim Elliott at 312-466-7478 or via e-mail at tim.elliott@cmegroup.com, or contact me at 212-299-2200. Please reference our CME/CBOT Submission No. 14-258 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

Agricultural Futures Market Maker Resting Order Program

Program Purpose

The purpose of this Program is to incentivize market participants to trade the products listed below. The resulting increase in liquidity benefits all participant segments in the market.

Product Scope

Oat Futures, Rough Rice Futures, Class III Milk Futures, Class IV Milk Futures, Cash-Settled Butter Futures, Cash-Settled Cheese Futures, Non-fat Dry Milk Futures, Dry Whey Futures, and Lumber Futures that are traded on Globex® ("Products").

Eligible Participants

Participants must be CME or CBOT members. The Exchanges may designate up to ~~three (3)~~ ten (10) participants per product group in the Program. Participants in the Program will be selected on a first come, first served basis. If at any time there are less than three (3) participants in a product group, a new participant may apply for participation in that product group and be eligible to receive the Program incentives upon entry into the Program. If there are three (3) or more participants in any product group and a new participant wants to apply for that product group, the new participant will have to wait until the next full quarter to be eligible to receive the Program incentives. ~~If a prospective participant applies and all slots in the Program are taken, the prospective participant's performance will be monitored by the Exchange for a period of one month based on a variety of factors developed by the Exchange, including, for example, a measurement of bid/ask spreads and quote size. If the prospective participant's performance during the test month is deemed to exceed a current participant's month for the same period, that prospective participant will be admitted to the Program at the beginning of the next quarter and the lowest performing participant will be removed.~~ Notwithstanding the foregoing, the Exchanges may, from time to time, add to or subtract from the factors listed above as it deems necessary.

Program Term

Start date is January 2, 2014. End date is ~~December 31, 2014~~ December 31, 2015.

Hours

N/A

Obligations

~~*Quoting Requirements.* Participants will be required to provide two-sided electronic markets in the Products with contracted bid/ask spreads and minimum quote sizes on a monthly basis. Although participants will be required to adhere to certain specific contracted quoting requirements that may vary, all participants will be required to adhere to the following minimum quoting standards:~~

Futures Products	Avg Bid/Ask Spread (ticks)	Avg Quote Size	% Time in Market	CST Evaluation Window
Oats	20	2	60%	8:30 – 13:15
Rough Rice	20	2		8:30 – 13:15
Class III Milk	3	5		9:00 – 13:00
Class IV Milk	8	5		9:00 – 13:00
Cash-Settled Butter	20	2		9:00 – 13:00
Cash-Settled Cheese	8	2		9:00 – 13:00
Non-fat Dry Milk	10	2		9:00 – 13:00
Dry Whey	10	2		9:00 – 13:00
Lumber	10	2		9:00 – 13:00

In order to be eligible to receive Program incentives, participants must meet the requirements as set forth in the table below:

<u>Eligibility Criteria</u>	<u>Eligibility Ranking</u>	<u>Product Group</u>	<u>Incentive</u>
<u>CBOT Members</u>	<u>Top three (3) in passive volume*</u>	<u>Oat Futures</u>	<u>Fee waiver for trading and clearing fees</u>
<u>CBOT Members</u>	<u>Top three (3) in passive volume*</u>	<u>Rough Rice Futures</u>	<u>Fee waiver for trading and clearing fees</u>
<u>CME Members</u>	<u>Top three (3) in passive volume*</u>	<u>Lumber Futures</u>	<u>Fee waiver for trading and clearing fees</u>
<u>CME Members</u>	<u>Top three (3) in passive volume*</u>	<u>Dairy Futures:</u> <u>Class III Milk Futures,</u> <u>Class IV Milk Futures,</u> <u>Cash-Settled Butter</u> <u>Futures, Cash-Settled</u> <u>Cheese Futures, Non-fat</u> <u>Dry Milk Futures, and</u> <u>Dry Whey Futures**</u>	<u>Fee waiver for trading and clearing fees</u>

* "Passive Volume" is defined as volume resulting from a participant's resting order being executed. Give-up volume will not be counted as passive volume.

** All Dairy Futures volume will be aggregated.

Incentives

Fee Waivers. If all Program requirements are met, Participants that rank in the top three (3) in passive volume on a quarterly basis per product group, as defined above, will be eligible to have their trading fees and clearing fees in the Products waived.

Monitoring and Termination of Status

The Exchanges shall monitor participants' activity and performance in the Products 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.