Chapter 14B
Mini-Sized Wheat Futures

14B00. SCOPE OF CHAPTER

This chapter is limited in application to futures trading of mini-sized wheat. The procedures for trading, clearing, inspection, delivery and settlement, and any other matters not specifically covered herein or in Chapters 7 and 14 shall be governed by the general rules of the Exchange.

14B01. CONTRACT SPECIFICATIONS

Each futures contract shall be for 1,000 bushels of No. 2 Soft Red Winter, No. 2 Hard Red Winter, No. 2 Dark Northern Spring, and No. 2 Northern Spring at par; and No. 1 Soft Red Winter, No. 1 Hard Red Winter, No. 1 Dark Northern Spring and No. 1 Northern Spring at 3 cents per bushel over contract price. Every delivery of mini-sized wheat may be made up of the authorized grades for shipment from eligible regular facilities provided that no lot delivered shall contain less than 1,000 bushels of any one grade in any one facility.

14B02. TRADING SPECIFICATIONS

Trading in mini-sized wheat futures is regularly conducted in five months – July, September, December, March and May. The number of months open for trading at a given time shall be determined by the Exchange.

14B02.A. Trading Schedule

The hours for trading of mini-sized wheat futures shall be determined by the Exchange.

On the last day of trading in an expiring future, the close of the expiring future shall begin at 12 o'clock noon and trading shall be permitted thereafter for a period not to exceed one minute. Quotations made during this one minute period shall constitute the close.

14B02.B. Trading Unit

The unit of trading shall be 1,000 bushels of wheat.

14B02.C. Price Increments

The minimum fluctuation for mini-sized wheat futures shall be 1/8 cent per bushel ($1.25 per contract), including spreads.

14B02.D. Daily Price Limits[1]

There shall be no trading in mini-sized wheat futures at a price more than $0.60 per bushel ($600 per contract) above or below the previous day's settlement price. Should two or more wheat futures contract months within the first five listed non-spot contracts (or the remaining contract month in a crop year) close at limit bid or limit offer, the daily price limits for all contract months shall increase to $0.90 per bushel the next business day. Should two or more wheat futures contract months within the first five listed non-spot contracts (or the remaining contract month in a crop year) close at limit bid or limit offer while price limits are $0.90 per bushel, daily price limits for all contract months shall increase to $1.35 per bushel the next business day. If price limits are $1.35 per bushel and no wheat futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to $0.90 per bushel the next business day. If price limits are $0.90 per bushel and no wheat futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to $0.60 per bushel the next business day. There shall be no price limits on the current month contract on or after the second business day preceding the first day of the delivery month.

14B02.E. Position Limits

For the purposes of this rule, one mini-sized wheat contract is equivalent to one-fifth of a corresponding full-sized wheat contract, and positions in wheat and mini-sized wheat will be aggregated for the purpose of determining compliance with the contracts' position limit.

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

[1] Revised February 2008, April 2008.

1. 3,000 contracts net long or net short in the spot month.

   In the last five trading days of the expiring futures month in May, the speculative position limit will be 3,000 contracts if deliverable supplies are at or above 12,000 contracts, 2,500 contracts if deliverable supplies are between 10,000 and 11,999 contracts, 2,000 contracts if deliverable supplies are between 8,000 and 9,999 contracts, 1,500 contracts if deliverable supplies are between 6,000 and 7,999 contracts, and 1,100 contracts if deliverable supplies are below 6,000 contracts. Deliverable supplies will be determined from the CBOT's Stocks of Grain report on the Friday preceding the first notice day for the May contract month.

2. 60,000 futures-equivalent contracts net long or net short in any single month other than the spot month or in all months combined.

3. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Wheat Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Wheat. The 600 certificate maximum shall include mini-sized Wheat certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

   If a person stops Wheat certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

   A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

14B02.F. Termination of Trading

No trades in mini-sized wheat futures deliverable in the current month shall be made after the business day preceding the 15th calendar day of that month. Any contracts remaining open after the last day of trading must be either:

(a) Settled by delivery no later than the second business day following the last trading day (tender on business day prior to delivery).

(b) Liquidated by means of a bona fide Exchange of Futures for Related Position, no later than the business day following the last trading day.

14B03. SETTLEMENT PRICES

Settlement prices of mini-sized wheat futures contracts shall be set equal to the settlement prices of the corresponding contracts in the primary market. Where a particular contract has opened on the Exchange for which the primary market has established no settlement price, the Clearing House shall set a settlement price consistent with the spread relationships of other contracts; provided, however, that if the contract is not subject to daily price fluctuation limits then the settlement prices shall be set at the fair market value of the contract at the close of trading.

14B04. GRADES / GRADE DIFFERENTIALS

A mini-sized futures contract for the sale of wheat shall be performed on the basis of United States origin only upon written request by a taker of delivery at the time loading orders are submitted only upon written request by a taker of delivery at the time loading orders are submitted.

WHEAT GRADE DIFFERENTIALS	
At 3¢ Premium	**At Contract Price**
No. 1 Soft Red Winter	No. 2 Soft Red Winter
No. 1 Hard Red Winter	No. 2 Hard Red Winter
No. 1 Dark Northern Spring	No. 2 Dark Northern Spring
No. 1 Northern Spring	No. 2 Northern Spring

Wheat which contains moisture in excess of 13.5% is not deliverable.

A mini-sized contract for the sale of wheat for future delivery shall be performed on the basis of the grades officially promulgated by the Secretary of Agriculture as conforming to United States Standards at the time of making the contract. If no such United States grades shall have been officially promulgated, then such contract shall be performed on the basis of the grades established by the Department of Agriculture of the State of Illinois, or the standards established by the Rules of the Exchange in force at the time of making the contract.

Effective September 1, 2011, all wheat shipping certificates shall be marked as either 2 parts per million deoxynivalenol (vomitoxin), 3 parts per million vomitoxin, or 4 parts per million vomitoxin.Shipping certificates marked as 2 parts per million vomitoxin shall be delivered at contract price, while shipping certificates marked as 3 parts per million shall be delivered at a 12 cent per bushel discount and shipping certificates marked as 4 parts per million shall be delivered at a 24 cent per bushel discount. A taker of delivery of wheat shall have the option to request in writing vomitoxin testing. At the taker's expense, a determination of the level of vomitoxin shall be made at the point of load-out by the Federal Grain Inspection Service or by a third party inspection service which is mutually agreeable to the maker and taker of delivery. Regular facilities shall load out wheat containing unit average testing results of 2 parts per million vomitoxin or below for canceled shipping certificates marked as 2 parts per million, shall load out wheat containing unit average testing results of 3 parts per million vomitoxin or below for canceled shipping certificates marked as 3 parts per million, and shall load out wheat containing unit average testing results of 4 parts per million vomitoxin or below for canceled shipping certificates marked as 4 parts per million.

Effective September 1, 2013, all wheat shipping certificates shall be marked as either 2 parts per million deoxynivalenol (vomitoxin), or 3 parts per million vomitoxin. Shipping certificates marked as 2 parts per million vomitoxin shall be delivered at contract price, while shipping certificates marked as 3 parts per million shall be delivered at a 20 cent per bushel discount. A taker of delivery of wheat shall have the option to request in writing vomitoxin testing. At the taker's expense, a determination of the level of vomitoxin shall be made at the point of load-out by the Federal Grain Inspection Service or by a third party inspection service which is mutually agreeable to the maker and taker of delivery. Regular facilities shall load out wheat containing unit average testing results of 2 parts per million vomitoxin or below for canceled shipping certificates marked as 2 parts per million and shall load out wheat containing unit average testing results of 3 parts per million vomitoxin or below for canceled shipping certificates marked as 3 parts per million.

14B05. LOCATION DIFFERENTIALS

In accordance with the provisions of Rule 14B06., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of mini-sized Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of mini-sized Wheat futures contracts at a discount of 20 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching districts may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.

For deliveries in the September 2013 and subsequent contracts:

In accordance with the provisions of Rule 14B06., wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, on the Ohio River, or the Toledo, Ohio Switching District may be delivered in satisfaction of minisized Wheat futures contracts at contract price, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities in the Northwest Ohio territory may be delivered in satisfaction of mini-sized Wheat futures contracts at a discount of 10 cents per bushel, subject to the differentials for class and grade outlined above. Wheat for shipment from regular facilities on the Mississippi River may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 20 cents per bushel, subject to the differentials for class and grade outlined above. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching districts may be delivered in satisfaction of mini-sized Wheat futures contracts at a premium of 10 cents per bushel over contract price, subject to the differentials for class and grade.

14B06. DELIVERY POINTS

Wheat shipping certificates shall specify shipment from one of the currently regular for delivery facilities located in one of the following territories:

Wheat for shipment from regular facilities located within the Chicago Switching District, the Burns Harbor, Indiana Switching District, the Northwest Ohio Territory, on Ohio River, on Mississippi River or the Toledo, Ohio Switching District may be delivered in satisfaction of mini-sized wheat futures contracts. Only No. 1 Soft Red Winter and No. 2 Soft Red Winter Wheat for shipment from regular facilities located within the St. Louis-East St. Louis and Alton Switching Districts may be delivered in satisfaction of mini-sized Wheat futures. When used in these Rules, Burns Harbor, Indiana Switching District will be that area geographically defined by the boundaries of Burns Waterway Harbor at Burns Harbor, Indiana which is owned and operated by the Indiana Port Commission. The Northwest Ohio Territory shall be shuttle loading facilities within the following 12 counties: Allen, Crawford, Hancock, Hardin, Henry, Huron, Marion, Putnam, Sandusky, Seneca, Wood, and Wyandot. The Ohio River facilities shall be river loading facilities on the Ohio River from mile marker 455 to the Mississippi River. The Mississippi River facilities shall be river loading facilities on the Mississippi River downriver from the St. Louis-East St. Louis Alton Switching District to mile marker 715.

14B07. DELIVERIES BY MINI-SIZED WHEAT CERTIFICATES AND DELIVERY PAYMENT[1]

14B07.A. Deliveries by Mini-Sized Wheat Certificates

Deliveries of CBOT mini-sized Wheat shall be made by delivery of mini-sized Wheat Certificates created by the Exchange from Wheat Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Wheat, utilizing the Clearing House electronic delivery system. In order to effect a valid delivery, each Certificate must be properly endorsed by the holder making the delivery, and transfer as specified above constitutes endorsement. Such endorsement shall constitute a warranty of the genuineness of the Certificate and of good title thereto, but shall not constitute a guaranty, by an endorser, of performance by the warehouseman. Such endorsement shall also constitute a representation that all storage charges have been paid on the commodity covered by the Certificate, in accordance with Rule 14B08.

Mini-sized Wheat Certificates may not be cancelled for load-out. Upon the return of five (5) min-sized Wheat Certificates to the Exchange, a registered Wheat Shipping Certificate will be delivered by the Exchange to the holder of the five (5) mini-sized Wheat Certificates, utilizing the Clearing House electronic delivery system.

(Refer to Rule 713., Delivery Procedures.)

[1] Revised June 2008.

14B07.B. Delivery Payment

Delivery Payment shall be made utilizing the electronic delivery system via the Clearing House's online system. Delivery Payment will be made during the 6:45 a.m. collection cycle, or such other time designated by the Clearing House. Thus, the cost of delivery will be debited or credited to a clearing firm's settlement account. Buyers obligated to accept delivery must take delivery and make Delivery Payment and sellers obligated to make delivery must make delivery during the 6:45 a.m. settlement process, or such other time designated by the Clearing House, on the day of delivery, except on banking holidays when delivery must be taken or made and Delivery Payment made during the 6:45 a.m. settlement process, or such other time designated by the Clearing House, on the next banking business day. Adjustments for differences between contract prices and delivery prices established by the Clearing House shall be made with the Clearing House in accordance with its rules, policies and procedures.

14B08. PREMIUM CHARGES

To be valid for delivery on futures contracts, all certificates covering mini-sized wheat under obligation for shipment must indicate the applicable premium charge. No certificate shall be valid for delivery on futures contracts unless the premium charges on such wheat shall have been paid up to and including the 18th calendar day of the preceding month, and such payment is endorsed on the certificate. Unpaid accumulated premium charges at the posted rate applicable to the facility shall be allowed and credited to the buyer by the seller up to and including date of delivery.

The maximum premium charges on mini-sized Wheat shall be determined prior to the nearby contract delivery period. The Exchange shall measure the nearby spread relative to financial full carry each business day from the 19th calendar day of the delivery month of the contract that expires prior to the nearby contract until the last Friday which precedes by at least two business days the last business day of the month preceding the nearby contract delivery month. For example, for a September expiration, the Exchange would measure the September – December spread relative to financial full carry each business day from July 19 until the last Friday in August which precedes by at least two business days the last business day in August. Financial full carry will be determined by the following formula:

$$N * [\left(\frac{i}{360}\right) * FP + P]$$

Where:

N = Number of calendar days from the first delivery day in the nearby contract to the first delivery day in the contract that follows the nearby contract

i = 3-Month LIBOR rate + 200 basis points

FP = Settlement price for the nearby futures contract

P = Current daily premium charge

The percentage of the nearby spread to financial full carry is calculated each business day during the calculation period and a running average of each of these daily values is calculated. At the end of the calculation period (the last Friday which precedes by at least two business days the last business day of the month preceding the nearby contract delivery month), should the running average carry be 80 percent of financial full carry or greater, then the maximum daily premium charge shall increase 10/100's of one cent per bushel on the 18th calendar day of the nearby contract delivery month. Should the running average carry be 50 percent of financial full carry or less, then the maximum daily premium charge shall decrease 10/100's of one cent per bushel on the 18th calendar day of the nearby contract delivery month.

Premium charges shall not be reduced below 16.5/100's of one cent per bushel per day.