

Special Executive Report

S-4688

March 26, 2008

CHANGES TO CBOT AGRICULTURAL PRICE LIMITS

Effective with the trade date of March 28, 2008, daily price limits in CBOT corn, mini-sized corn, soybeans, mini-sized soybeans, and soybean oil will be increased. In addition, price limits for all CBOT agricultural futures contracts will be allowed to expand during volatile market conditions and revert back to their initial levels when volatile market conditions subside. Options on CBOT agricultural futures are subject to the same price limits as the underlying futures.

Initial price limits in corn and mini-sized corn will increase to \$0.30 per bushel from \$.20 per bushel; initial price limits in soybeans and mini-sized soybeans will increase to \$0.70 per bushel from \$0.50 per bushel; and initial price limits in soybean oil will increase to \$0.025 per pound from \$0.020 per pound. In addition, daily price limits will expand beyond their initial levels, in increments of approximately 50%, for the following CBOT futures contracts: wheat, mini-sized wheat, corn, mini-sized corn, soybeans, mini-sized soybeans, soybean meal, soybean oil, oats, and rough rice. Expanded limits will be triggered as follows: two contract months within the first five non-spot contracts or the remaining contract month in a crop year close at limit bid or limit offer in corn, mini-sized corn, wheat, mini-sized wheat and oats; two contract months within the first seven non-spot contracts or the remaining contract month in a crop year close at limit bid or limit offer in soybeans and mini-sized soybeans; two contract months within the first eight non-spot contracts or the remaining contract month in a crop year close at limit bid or limit offer in soybean meal and soybean oil; and two contract months within the first six non-spot contracts or the remaining contract month in a crop year close at limit bid or limit offer in rough rice. Price limits may expand two times. When no contract months close at limit bid or limit offer, the price limits will revert back down, in the same increments which they expanded, until reaching their initial level.

The table below is a summary of initial price limits and the price limits after the first and second expansions for the affected contracts. The table also contains the number of non-spot contracts from which at least two must close at limits to trigger expanded limits.

Contract	Initial Price Limit	First Expansion	Second Expansion	Number of Contracts
Corn and Mini-Corn	\$0.30 per bushel	\$0.45 per bushel	\$0.70 per bushel	5
Soybeans and Mini-Soybeans	\$0.70 per bushel	\$1.05 per bushel	\$1.60 per bushel	7
Wheat and Mini-Wheat	\$0.60 per bushel	\$0.90 per bushel	\$1.35 per bushel	5
Soybean Meal	\$20 per ton	\$30 per ton	\$45 per ton	8
Soybean Oil	\$0.025 per pound	\$0.035 per pound	\$0.055 per pound	8
Oats	\$0.20 per bushel	\$0.30 per bushel	\$0.45 per bushel	5
Rough Rice	\$0.50 per cwt.	\$0.75 per cwt.	\$1.15 per cwt.	6

The text of the rule amendments is given below, with additions underlined and **bold** and deletions bracketed and overstruck:

WHEAT FUTURES CONTRACTS

14102.D. Daily Price Limits

There shall be no trading in wheat futures at a price more than \$0.60 per bushel (\$3,000 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** ~~[a crop year]~~ (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** ~~[by 50 percent]~~ 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.** ~~[and an additional 50 percent each subsequent day two or more contract months within a crop year (or the remaining contract month in a crop year) close at limit bid or limit offer.]~~ **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.** ~~[Daily price limits shall revert back to \$0.60 after no wheat futures contract month closes limit bid or limit offer for three consecutive business days.]~~ 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.

MINI-SIZED WHEAT FUTURES

14B02.D. Daily Price Limits

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 ~~[a crop year]~~ (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 ~~[by 50 percent]~~ 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. ~~[and an additional 50 percent each subsequent day two or more contract months within a crop year (or the remaining contract month in a crop year) close at limit bid or limit offer.]~~ 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. ~~[Daily price limits shall revert back to \$0.60 after no wheat futures contract month closes limit bid or limit offer for three consecutive business days.]~~ 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.

CORN FUTURES

10102.D. Daily Price Limits

There shall be no trading in corn futures at a price more than ~~[\$.20]~~ \$0.30 per bushel (~~[\$1,000]~~ \$1,500 per contract) above or below the previous day's settlement price. Should two or more corn 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 \$0.45 per bushel the next business day. Should two or more corn 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 \$0.45 per bushel, daily price limits for all contract months shall increase to \$0.70 per bushel the next business day. If price limits are \$0.70 per bushel and no corn futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$0.45 per bushel the next business day. If price limits are \$0.45 per bushel and no corn futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$0.30 per bushel the next business day. ~~[except that there]~~ 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.

MINI-SIZED CORN FUTURES

10B02.D. Daily Price Limits

There shall be no trading in mini-sized corn futures at a price more than [~~\$.20~~] **\$0.30** per bushel (~~[\$200]~~ **\$300** per contract) above or below the previous day's settlement price. Should two or more corn 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 \$0.45 per bushel the next business day. Should two or more corn 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 \$0.45 per bushel, daily price limits for all contract months shall increase to \$0.70 per bushel the next business day. If price limits are \$0.70 per bushel and no corn futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$0.45 per bushel the next business day. If price limits are \$0.45 per bushel and no corn futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$0.30 per bushel the next business day. [~~except that there~~] 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.

SOYBEAN FUTURES

11102.D. Daily Price Limits

There shall be no trading in soybean futures at a price more than [~~\$.50~~] **\$0.70** per bushel (~~[\$2,500]~~ **\$3,500** per contract) above or below the previous day's settlement price. Should two or more soybean futures contract months within the first seven 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 \$1.05 per bushel the next business day. Should two or more soybean futures contract months within the first seven listed non-spot contracts (or the remaining contract month in a crop year) close at limit bid or limit offer while price limits are \$1.05 per bushel, daily price limits for all contract months shall increase to \$1.60 per bushel the next business day. If price limits are \$1.60 per bushel and no soybean futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$1.05 per bushel the next business day. If price limits are \$1.05 per bushel and no soybean futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$0.70 per bushel the next business day. [~~except that there~~] 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.

MINI-SIZED SOYBEAN FUTURES

11B02.D. Daily Price Limits

There shall be no trading in mini-sized soybean futures at a price more than [~~\$.50~~] **\$0.70** per bushel (~~[\$500]~~ **\$700** per contract) above or below the previous day's settlement price. Should two or more soybean futures contract months within the first seven 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 \$1.05 per bushel the next business day. Should two or more soybean futures contract months within the first seven listed non-spot contracts (or the remaining contract month in a crop year) close at limit bid or limit offer while price limits are \$1.05 per bushel, daily price limits for all contract months shall increase to \$1.60 per bushel the next business day. If price limits are \$1.60 per bushel and no soybean futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$1.05 per bushel the next business day. If price limits are \$1.05 per bushel and no soybean futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$0.70 per bushel the next business day. [except that there] 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.

SOYBEAN MEAL FUTURES

13102.D. Daily Price Limits

There shall be no trading in Soybean Meal futures at a price more than \$20 per unit of trading (\$2,000 per contract) above or below the previous day's settlement price. Should two or more soybean meal futures contract months within the first eight 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 \$30 per unit of trading the next business day. Should two or more soybean meal futures contract months within the first eight listed non-spot contracts (or the remaining contract month in a crop year) close at limit bid or limit offer while price limits are \$30 per unit of trading, daily price limits for all contract months shall increase to \$45 per unit of trading the next business day. If price limits are \$45 per unit of trading and no soybean meal futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$30 per unit of trading the next business day. If price limits are \$30 per unit of trading and no soybean meal futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$20 per unit of trading the next business day. [except that there] 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.

SOYBEAN OIL FUTURES

12102.D. Daily Price Limits

There shall be no trading in soybean oil futures at a price more than [\$.02] \$.025 per unit of trading ([\$1,200] \$1,500 per contract) above or below the previous day's settlement price. Should two or more soybean oil futures contract months within the first eight 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 \$.035 per unit of trading the next business day. Should two or more soybean oil futures contract months within the first eight listed non-spot contracts (or the remaining contract month in a crop year) close at limit bid or limit offer while price limits are \$.035 per unit of trading, daily price limits for all contract months shall increase to \$.055 per unit of trading the next business day. If price limits are \$.055 per unit of trading and no soybean oil futures

contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$.035 per unit of trading the next business day. If price limits are \$.035 per unit of trading and no soybean oil futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$.025 per unit of trading the next business day. [except that there] **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.

OAT FUTURES

15102.D. Daily Price Limits

There shall be no trading in Oat futures at a price more than \$.20 per bushel (\$1,000 per contract) above or below the previous day's settlement price. Should two or more oat 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 \$.30 per bushel the next business day. Should two or more oat 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 \$.30 per bushel, daily price limits for all contract months shall increase to \$.45 per bushel the next business day. If price limits are \$.45 per bushel and no oat futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$.30 per bushel the next business day. If price limits are \$.30 per bushel and no oat futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$.20 per bushel the next business day. [except that there] **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.

ROUGH RICE FUTURES

17102.D. Daily Price Limits

There shall be no trading in rough rice futures at a price more than \$.50 per hundredweight (\$1,000 per contract) above or below the previous day's settlement price. Should two or more rough rice futures contract months within the first six 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 \$.75 per hundredweight the next business day. Should two or more rough rice futures contract months within the first six listed non-spot contracts (or the remaining contract month in a crop year) close at limit bid or limit offer while price limits are \$.75 per hundredweight, daily price limits for all contract months shall increase to \$1.15 per hundredweight the next business day. If price limits are \$1.15 per hundredweight and no rough rice futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$.75 per hundredweight the next business day. If price limits are \$.75 per hundredweight and no rough rice futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to \$.50 per hundredweight the next business day. [except that there] **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.