



Special Executive Report

DATE: December 16, 2024

SER#: 9483

SUBJECT: Amendments to the Physically Delivered Corn, Mini-Sized Corn, Soybeans, Mini-Sized Soybeans, Wheat, Mini-Sized Wheat, KC HRW Wheat, Mini-Sized KC HRW Wheat, and Oat Futures Contracts and Related Amendments to Chapter 7 ("Delivery Facilities and Procedures")

Effective January 2, 2025, and pending all relevant CFTC regulatory review periods, The Board of Trade of the City of Chicago, Inc. ("CBOT") will amend the physically delivered Corn, Soybean, Wheat, KC HRW Wheat Futures contracts and their related Mini-Sized Futures contracts and the Oat Futures contract (collectively, the "Contracts") as well as related amendments to CBOT Chapter 7 ("Delivery Facilities and Procedures") and the Interpretations & Special Notes related to Chapter 7 (collectively, the "Rule Amendments").

Contract Title	CME Globex Code	Rulebook Chapter
Corn Futures/Mini-Sized Corn Futures	ZC/XC	10/10B
Soybean Futures/Mini-Sized Soybean Futures	ZS/XK	11/11B
Wheat Futures/Mini-Sized Wheat Futures	ZW/XW	14/14B
KC HRW Wheat Futures/Mini-Sized KC HRW Wheat Futures	KE/MKC	14H/14N
Oat Futures	ZO	15

Specifically, the Exchange will amend the Contracts as follows:

- **Corn and Mini-Sized Corn Futures:** an increase in the maximum premium for free on board ("FOB") conveyance on Corn shipping certificates to nine (9) cents per bushel (Rule 703.C. ("Load-Out")). Currently, the maximum premium for FOB conveyance on corn shipping certificates is six (6) cents per bushel. These rates have been in effect for outstanding Corn deliveries since late 2001. The cost of elevation has increased over time and the load-out fee needs to be updated to reflect this. This change will be effective on December 17, 2027, which is after all current relevant open interest. Additionally, in Corn Futures (Rule 10105. ("Location Differentials")) and Mini-Sized Corn Futures (Rule 10B05. ("Location Differentials")), an increase from 16.25 cents per bushel over par to 24 cents per bushel over par in the delivery differential for the St. Louis-East St. Louis and Alton Switching Districts. Due to their location on both the Illinois River and the Mississippi River, the St. Louis-East St. Louis and Alton Switching Districts have a unique territory differential calculation. In calculating cash differentials over the previous ten years using both the Illinois and Mississippi barge tariff rates, the Exchange determined the revised differential is greater aligned with cash markets and an increase is warranted. This change will be effective after the December 2027 expiry on December 17, 2027, and therefore shall apply to all contract months with no open interest.
- **Soybean and Mini-Sized Soybean Futures:** an increase in the maximum premium for FOB conveyance on Soybean shipping certificates to nine (9) cents per bushel (Rule 703.C. ("Load-Out")). Currently, the maximum premium for FOB conveyance on Soybean shipping certificates is six (6) cents per bushel. These rates have been in effect for outstanding Soybean

deliveries since late 2001. The cost of elevation has increased over time and the load-out fee needs to be updated to reflect this. This change will be effective expiry on December 17, 2027, and therefore shall apply to all contract months with no open interest. Additionally, in Soybean Futures (Rule 11105. (“Location Differentials”)) and Mini-Sized Soybean Futures (Rule 11B05. (“Location Differentials”)), an increase from 16.25 cents per bushel over par to 24 cents per bushel over par in the delivery differential for the St. Louis-East St. Louis and Alton Switching Districts. Due to their location on both the Illinois River and the Mississippi River, the St. Louis-East St. Louis and Alton Switching Districts have a unique territory differential calculation. In calculating cash differentials over the previous ten years using both the Illinois and Mississippi barge tariff rates, the Exchange determined the revised differential is greater aligned with cash markets and an increase is warranted. This change will be effective after the November 2027 expiry on November 17, 2027, and therefore shall apply to all contract months with no open interest.

- **Oat Futures:** an increase in the maximum premium for FOB conveyance on Oat shipping certificates to nine (9) cents per bushel (Rule 703.C. (“Load-Out”)). Currently, the maximum premium for FOB conveyance on Oat shipping certificates is six (6) cents per bushel. These rates have been in effect for outstanding Oat deliveries since late 2001. The cost of elevation has increased over time and the increased load-out fee are therefore appropriate. This change will be effective after the December 2027 expiry on December 17, 2027, and therefore shall apply to all contract months with no open interest.
- **Wheat and Mini-Sized Wheat Futures:** an increase in the maximum premium for FOB conveyance on Wheat shipping certificates to nine (9) cents per bushel (Rule 703.C. (“Load-Out”)). Currently, the maximum premium for FOB conveyance on Wheat shipping certificates is six (6) cents per bushel. These rates have been in effect for outstanding Wheat deliveries since late 2001. The cost of elevation has increased over time and the increased load-out fee is therefore appropriate. This change will be effective on December 17, 2027, and therefore shall apply to all contract months with no open interest. Additionally, an increase in the minimum premium charge from 16.5/100s of one cent per bushel per day to 26.5/100s of one cent per bushel per day. Consistent with the conveyance fee, the cost to store commodities has increased over time. Additionally, since wheat often shares space with corn and soybeans, the Exchange will harmonize the base storage rates of the wheat contracts at approximately eight (8) cents per bushel per month. This change will be effective on Wheat Futures (Rule 14108. (“Premium Charges”)) and Mini-Sized Wheat Futures (Rule 14B08. (“Premium Charges”)) after the December 2026 expiry on December 17, 2026, and therefore shall apply to all contract months with no open interest.
- **KC HRW Wheat and Mini-Sized KC HRW Wheat Futures:** An increase in the maximum premium for FOB conveyance KC HRW Wheat shipping certificates to nine (9) cents per bushel (Rule 703.C. (“Load-Out”)). Currently, the maximum premium for FOB KC HRW Wheat shipping certificates is eight (8) cents per bushel. These rates have been in effect for outstanding KC HRW Wheat deliveries since July 2008. The cost of elevation has increased over time and the increased load-out fee is therefore appropriate. This change will be effective on December 17, 2027, and therefore shall apply to all contract months with no open interest. Additionally, an increase in the minimum premium charge from 16.5/100s of one cent per bushel per day to 26.5/100s of one cent per bushel per day. Consistent with the conveyance fee, the cost to store commodities has increased over time. Additionally, since wheat often shares space with corn and soybeans, the Exchange will harmonize the base storage rates of the wheat contracts at approximately eight (8) cents per bushel per month. This change will be effective on KC HRW Wheat Futures (Rule 14H08. (“Premium Charges”)) and Mini-Sized KC HRW Wheat Futures (Rule 14N08. (“Premium Charges”)) after the December 2026 expiry on December 17, 2026, and therefore shall apply to all contract months with no open interest. Lastly, several changes to the delivery structure of KC HRW Wheat and Mini-Sized KC HRW Wheat contracts, including:

- o The expansion of the area of existing delivery territories on KC HRW Wheat Futures (Rule 14H06. (“Delivery Points”)) and Mini-Sized KC HRW Wheat Futures (Rule 14N06. (“Delivery Points”)) to facilities on Class I Railroads up to 75 road miles from the center of the current switching districts. New facilities within the newly defined territory but outside the switching district will deliver at a 1 cent per bushel discount from its respective switching district. Currently KC HRW Wheat Futures have eight (8) regular firms with 17 regular delivery elevators with just under 164M bushels of regular space. KC HRW Wheat Futures have a three (3)-firm concentration ratio of over 67 percent and a Herfindahl-Hirschman Index (“HHI”) of 1,929, which is considered moderately concentrated. For comparison, Corn and Soybean Futures have a three-firm concentration ratio of 56 percent and an HHI of 1,713. Expansion of the KC HRW Wheat Futures delivery territory will potentially attract approximately six (6) to eight (8) new regular facilities and significantly reduce concentration. This change will be effective following the next new crop expiry, which is for deliveries taking place beginning after the July 2025 contract month.
- o An elimination of the weekly rate of loading obligation on KC HRW Wheat load outs in favor of only a daily rate of loading obligation (Rule 703. (“Regular Warehouses and Shipping Stations”)). This change harmonizes KC HRW Wheat with the other grains and oilseeds and eliminates confusion around loading and storage charge obligations. The elimination of the weekly rate of loading obligation removes the need for the explanation on how storage is calculated based on weekly loading, found in the “Grain Load Out” subsection of the “Interpretations & Special Notices Relating to Chapter 7” section. This change will be effective after the September 2026 expiry on September 17, 2026, and therefore shall apply to all contract months with no open interest.
- o The introduction of a cash premium for loading KC HRW Wheat faster than the obligated daily rate of loading (Rule 703. (“Regular Warehouses and Shipping Stations”)). This premium will be 10/100ths of one cent per bushel over the prevailing storage rate and will be paid by the stopper to the issuer for each day of loading saved by the increased cadence. This change will be effective after the September 2026 expiry on September 17, 2026, and therefore shall apply to all contract months with no open interest.
- o The inclusion of specific rules around placing 110-car unit trains in KC HRW Wheat load outs (Rule 703. (“Regular Warehouses and Shipping Stations”)). Specifically, the new rules call for a premium of 14 cents per bushel on shuttle load outs, require a pre-advice window of 5 to 10 days, limit the obligation to load shuttles to one per week, set a loading rate of one shuttle per 24-hour period, require access to warehouse load-in and load-out lineups, specify the responsibility of demurrage to the stopper and the railroad loading incentives to the issuer, and explain the mechanism for calling for shuttle load out in the event of a stopper holding fewer than 80 shipping certificates. This change will be effective after the September 2026 expiry on September 17, 2026, and therefore shall apply to all contract months with no open interest.

The Rule Amendments in blackline format may be viewed [HERE](#).

Please refer any questions on this subject to:

Alison Coughlin
Fred Seamon

alison.coughlin@cmegroup.com
fred.seamon@cmegroup.com

312-338-7171
312-634-1587