

S-7913

May 11, 2017

Removal of Majority Condition of Force Majeure Declaration at Corn and Soybean Shipping Stations

On May 4, 2017, The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) declared a condition of Force Majeure for Corn and Soybean shipping stations because a majority of the Exchange approved regular facilities on the Illinois River were unable to load due to high water levels and/or flooding. (See SER-7910).

The current status of the Illinois River allows for a majority of Exchange approved regular Corn and Soybean Shipping Stations to load barges. Therefore, the majority condition of the Force Majeure declaration invoked on May 4, 2017, is no longer in effect, and shipping stations not under Force Majeure conditions will be required to load at their daily rate of loading.

However, Force Majeure conditions continue to exist at some Exchange approved Corn and Soybean Shipping Stations, which may prevent these facilities from loading. CBOT Rule 703.C.G(8) (“Regular Warehouses and Shipping Stations”) details the responsibilities of these Shipping Stations in providing grain at an alternative regular location that is not under Force Majeure conditions.

For reference, the relevant portion of Rule 703.C.G(8) that applies to those facilities that may be unable to load out Corn or Soybeans is provided below:

The shipper shall load water conveyance at the shipping station designated in the shipping certificate. **If it becomes impossible to load at the designated shipping station for three (3) consecutive business days due to any circumstance beyond the control of the shipping station (including, but not limited to an act of God, strike, lockout, blockage, embargo, governmental action or terrorist activity) and precludes any party from making or taking delivery of product, the shipper will arrange for water conveyance to be loaded at another regular shipping station in conformance with the shipping certificate and will compensate the owner for any transportation loss resulting from the change in the location of the shipping station.** If the aforementioned condition of impossibility prevails at a majority of regular shipping stations, and a declaration of Force Majeure is made pursuant to Rule 701, then shipment may be delayed for the number of days that such impossibility prevails at a majority of regular shipping stations. If conditions covered in this Rule make it impossible to load at the designated shipping station, the shipper shall notify the Registrar’s Office in writing of such condition within 24 hours of when the condition of impossibility began.

Questions regarding this matter may be directed to the following individuals in the Market Regulation Department:

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