CME Group

Special Executive Report

DATE: **April 11, 2016**

SER#: **7641**

SUBJECT: **No Changes to the Milling Yield Premium and Discount Schedule in Rough Rice Futures**

The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") is advising that the Rough Rice Futures contract (CME Globex Code: ZR; Clearing and CME ClearPort Code: 14; Rulebook Chapter 17) milling yield premium and discount fee schedule shall remain unchanged for 2016.

The Rough Rice futures contract milling yield premium and discount schedule is updated each September based on the United States Department of Agriculture (USDA) loan rate. The USDA has announced the 2016 rice loan rates by class[1]. For the 2016 crop stored in commercial warehouses, the whole kernel (head rice) loan rate for long grain rice is $9.98 per hundredweight (cwt.) and the broken kernel (broken rice) loan rate for long grain rice is $7.16 per cwt. The Rough Rice futures premium and discount schedule is based on the 20 percent trimmed mean of the 2012 through 2016 USDA loan rates for long grain rice as described below:

USDA Loan Rates – Long Grain Rice ($ per cwt.)

Year	Head Rice	Broken Rice
2012	$10.13	$6.03
2013	~~$10.34~~	~~$5.83~~
2014	$10.25	$6.18
2015	$10.22	$6.51
2016	~~$9.98~~	~~$7.16~~
Trimmed Mean Avg.	**$10.20**	**$6.24**

Current milling yield premium and discount rates are $10.20 per cwt. for head rice and $6.24 per cwt. for broken rice. Thus, there will be no changes on September 1, 2016 to the milling yield premium and discount rates, which will continue at $10.20 per cwt. for head rice and $6.24 per cwt. for broken rice.

[1] http://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/Price-Support/pdf/2016/2016ricelr.pdf

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