



Special Executive Report

DATE: November 30, 2021

SER#: 8894

SUBJECT: Variable Storage Rate (VSR) Results for Wheat and KC HRW Wheat Premium (Storage) Rates

The Variable Storage Rate (VSR) mechanism in The Board of Trade of the City of Chicago, Inc. ("CBOT"):

- (1) Wheat futures contract (CME Globex Code: ZW; Clearing and CME ClearPort Code: W; Rulebook Chapter: 14); and
- (2) KC HRW Wheat futures contract (CME Globex Code: KE; Clearing and CME ClearPort Code: KW; Rulebook Chapter: 14H)

examines nearby calendar spreads to determine adjustments in maximum contract premium (storage) rates. Below are the results of the December 2021 – March 2022 calendar spread relative to financial full carry during the period of September 20, 2021 through November 26, 2021.

Wheat and Mini-Sized Wheat Futures – (No Change)

The December 2021 – March 2022 Wheat calendar spread averaged **63.61 percent** of financial full carry during the period of September 20, 2021 through November 26, 2021. VSR results between 50 percent and 80 percent of financial full carry do not trigger any changes to the maximum premium charges. Therefore, the maximum premium charge that a Chicago SRW Wheat regular delivery facility may charge holders of its outstanding shipping certificates **will not change** from the current maximum charge of 16.5/100s of one cent per bushel per day (approximately 5 cents per bushel per month).

KC HRW & Mini-Sized KC HRW Wheat Futures – (No Change)

The December 2021 – March 2022 KC HRW Wheat calendar spread averaged **29.55 percent** of financial full carry during the period of September 20, 2021 through November 26, 2021. VSR results that fall below 50 percent of financial full carry normally trigger a reduction in the maximum premium charge. However, regular delivery facility charges for holders of outstanding shipping certificates for KC HRW Wheat are already at the minimum rate. Therefore, the maximum premium charge that a KC HRW Wheat regular delivery facility may charge holders of its outstanding shipping certificates **will not change** from the current maximum charge of 16.5/100s of one cent per bushel per day (approximately 5 cents per bushel per month).

The Next Evaluation Period

The next evaluation period for both contracts will measure the March 2022 – May 2022 calendar spread relative to financial full carry during the period of December 20, 2021 to February 18, 2022 with the next possible adjustment to contract premium charges on March 19, 2022.

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