



Special Executive Report

S-5653

March 7, 2011

MILLING YIELD PREMIUM AND DISCOUNT SCHEDULE EFFECTIVE SEPTEMBER 1, 2011 IN ROUGH RICE FUTURES

As previously announced in SER-5369 issued on August 12, 2010 and SER-5631 issued on February 19, 2011: from September 1, 2011 onward, all outstanding and newly listed warehouse receipts delivered in satisfaction of CBOT Rough Rice futures will have milling yield premium and discount schedules based on USDA-CCC loan rates rather than on fixed percentages.

http://www.cmegroup.com/rulebook/files/20100812S_5369.pdf

http://www.cmegroup.com/rulebook/files/S_5631.pdf

USDA has announced the 2011 rice loan rates by class. For the 2011 crop stored in commercial warehouses, the whole kernel (Head Rice) loan rate for long grain rice is \$9.93 per cwt and the broken kernel loan rate for long grain rice is \$7.06 per cwt. The CBOT Rough Rice futures contract milling yield premium and discount schedule that takes effect on September 1, 2011 is based on the 20 percent trimmed mean of the 2007 through 2011 USDA loan rates for long grain rice.

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

Year	Head Rice	Broken Rice
2007	\$10.12	\$6.81
2008	\$10.00	\$6.67
2009	\$9.94	\$6.84
2010	\$9.94	\$7.01
2011	\$9.93	\$7.06
Trimmed Mean Avg.	\$9.96	\$6.89

Beginning September 1, 2011, milling yield premium and discounts will be based on the value of \$9.96 per cwt. for head rice and \$6.89 per cwt. for broken rice. Assuming an outstanding warehouse receipt specifying 60 percent head rice and 10 percent broken rice and a underlying futures price of \$14.75 would be delivered \$14.90 per hundredweight ($14.75 + (.60 - .55)*9.96 - (.15 - .10)*6.89$).

If you require any additional information, please contact Fred Seamon at 312-634-1587 or via e-mail at Fred.Seamon@cmegroup.com or Dave Lehman at 312-930-1875 or via e-mail at David.Lehman@cmegroup.com.