



## Special Executive Report

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S-6467R

November 14, 2012

### **Conditions of Load Impossibility in Corn, Soybean, and Wheat Futures**

#### **This SER Replaces SER S-6467**

CBOT Rules 703.C.G.(8) and 703.C.G.(9) (<http://www.cmegroup.com/rulebook/CBOT/I/7/7.pdf>) specify delivery procedures when it becomes impossible to load-out cargo from a designated regular facility or a majority of designated regular facilities.

Rule 703.C.G.(8) specifies procedures when an impossibility to load-out barges occurs at individual regular facilities or at the majority of regular facilities. Rule 703.C.G.(9) covers river traffic obstructions that last for a period of fifteen days or longer as a result of the conditions of impossibility listed in 703.C.G.(8). Since 703.C.G.(8) refers specifically to facilities being unable to load cargo, any river obstruction that does not affect a regular facility or a majority of regular facilities from loading cargo would likely not result in a condition of load impossibility.

Thus, any Mississippi River obstruction between St. Louis and Cairo would likely not affect any Corn regular facilities on the Illinois River from loading cargo, and would be unlikely to result in a condition of load impossibility and Force Majeure. However, such potential obstruction could potentially affect St. Louis – East St. Louis and Alton district wheat regular facilities and Soybean Zone 6 facilities ability to load, but would not affect a majority of wheat or soybean regular facilities. Under that scenario, any affected St. Louis – East St. Louis and Alton facility or Zone 6 soybean facility would be required by Rule 703.C.G.(8) to arrange for water conveyance to be loaded at another regular facility and compensate the taker for any transportation loss resulting from the change in location.

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