



Special Executive Report

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VARIABLE STORAGE RATE CALCULATION ON THE JULY – SEPTEMBER SPREAD IN CBOT WHEAT

The Variable Storage Rate (VSR) calculation in CBOT Wheat futures is a process that allows the maximum storage rate that regular warehouses can charge holders of outstanding shipping certificates to change following each contract expiration depending on the size of the nearby calendar spread relative to financial full carry. For details on the VSR calculation, please see <http://www.cmegroup.com/vsr>.

Beginning on the first delivery day of the September 2013 contract, the discount for shipping certificates marked 3 parts per million (ppm) vomitoxin will increase from 12 cents (\$0.12) per bushel to 20 cents (\$0.20) per bushel (see SER-5911R issued on December 1, 2011, SER-6555 issued on February 8, 2013, or Chapter 14 of the CBOT Rulebook). Because of this change in delivery value, the 2013 July – September Wheat spread could possibly expand (September increase relative to July) up to 8 cents per bushel beyond the quantity of the spread absent the change in vomitoxin specifications. **Thus, the 2013 July – September Wheat spread, for purposes of calculating VSR only, will be adjusted by 8 cents per bushel.** For example, if during the VSR calculation period the 2013 September Wheat futures contract settles 15 cents above the 2013 July Wheat futures contract, for purposes of calculating the daily VSR value, the spread will be evaluated in the VSR calculation at 7 cents per bushel (15 cents minus 8 cents).

The VSR calculation period for the 2013 July – September spread is scheduled to run from May 20, 2013 until June 21, 2013.

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