



## Special Executive Report

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April 26, 2013

### **NO CHANGE IN WHEAT PREMIUM (STORAGE) RATES**

The Variable Storage Rate (VSR) mechanism in Chicago Board of Trade (CBOT) Wheat futures examines nearby calendar spreads to determine adjustments in contract premium (storage) charges. The May 2013 – July 2013 wheat calendar spread averaged 21.93 percent of financial full carry during the period of March 19, 2013 through April 26, 2013. Since this result is below 50 percent of financial full carry and since current Wheat storage rates are at their minimum, the maximum premium charge that a 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 will measure the July 2013 – September 2013 calendar spread relative to financial full carry during the period of May 20, 2013 to June 21, 2013 with the next possible adjustment to contract premium charges on September 18, 2013. Please note that due to a change in the vomitoxin discount that takes effect with September 2013 deliveries, how the July – September spread is measured in the VSR calculation will be adjusted (please see SER S-6575 available at [http://www.cmegroup.com/rulebook/files/ser\\_6575\\_-\\_vsr\\_calc\\_on\\_jul\\_sep\\_spread.pdf](http://www.cmegroup.com/rulebook/files/ser_6575_-_vsr_calc_on_jul_sep_spread.pdf)).

The current maximum storage rate of 16.5/100s of one cent per bushel per day is the contract minimum storage charge, and a VSR calculation at or below 50% on the July 2013 – September 2013 spread cannot trigger a lower storage rate.

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