

November 20, 2007

## **NOTICE**

**RE: CORN AND SOYBEAN INDUSTRY MEETING**

Tuesday, December 4, 2007, 1:45 p.m.

5<sup>th</sup> Floor Theatre, Chicago Board of Trade

CME Group Commodity Research and Product Development staff will hold an industry meeting to discuss the following issues related to the CBOT Corn and Soybean futures contracts:

- **Contract Performance**

The performance of the CBOT Corn and Soybean futures contracts will be examined. Issues such as volume, open interest, cash market correlation, and convergence will be discussed.

- **National Grain and Feed Association (NGFA) Recommendations**

The NGFA formed a Futures Market Performance Task Force this past July to address concerns about CBOT agricultural futures convergence and utility. The NGFA has made several recommendations:

1. Increase corn and soybean premium (storage) charges from 15/100s of one cent per bushel per day (approximately 4.5 cents per bushel per month) to 16.5/100s of one cent per bushel per day (approximately 5 cents per bushel per month) to bring futures storage rates more in line with cash market storage rates.

2. Increase corn and soybean load out charges from 4 cents per bushel to 6 cents per bushel.

3. Examine mechanisms that will allow domestic consumers better execution of the delivery process, including the possibility of adding east and west rail delivery points to the delivery territory.

4. Study the possibility of allowing the maker of delivery the ability to compel the taker of delivery to load out.

5. Study the potential for additional index products that could be used as a better investment vehicle for hedge and index fund traders compared to traditional agricultural futures contracts and/or convert the existing agricultural contracts to cash settlement.

All of these recommendations will be discussed at the meeting.

- **Price Limits**

For the first time in several years, the corn and soybean markets have witnessed several limit move days in 2007. Current price limits are \$0.20 per bushel for non-spot corn futures and \$0.50 per bushel for non-spot soybean futures. With the current relatively high corn and soybean futures prices, it is easier to reach limit price changes. We will discuss the alternatives for increasing price limits in corn and soybean futures.

- **Electronic Spread Market**

The electronic agricultural markets have been trading side-by-side with the floor for over a year now. Exchange Management would like to gather market feedback from our customers on their experiences trading on both the floor and the electronic platform following implementation of side-by-side trading.

- **Miscellaneous**

Meeting participants will be given an opportunity to discuss other issues related to CBOT Corn and Soybean futures contract performance.

CBOT members and industry representatives are encouraged to attend to discuss and provide input on the above agenda items. If you are unable to attend the meeting in person, a conference bridge also will be set up.

Please contact Mabel Myrick at 312-338-7127 to make a reservation for this meeting. You may also call Fred Seamon (312-634-1587) or David Lehman (312-930-1875) for more information.



Paul J. Draths

Vice President and Secretary