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Advisory Notice

Clearing House

TO: Clearing Member Firms
Back Office Managers

FROM: Clearing House Department

ADVISORY #: 05-79

DATE: May 17, 2005

SUBJECT: **Ethanol Delivery Procedures**

CME Ethanol futures contract was listed for trading on March 29, 2005, with the first delivery month of May 2005. The CME Ethanol contract will not be available in the CME Delivery System. For clearing member firms that will be participating in an Ethanol delivery, the firm will have to phone their final positions into the Clearing House on the last day of trading. Firms will also be required to submit their delivery forms to the Clearing House at the designated deadlines. For your convenience the forms needed to complete the delivery are attached and will be available on CME's website. Listed below are the procedures to be followed for completing a CME Ethanol delivery.

Seller's Responsibilities

The seller must give notice of Intent to deliver to the Clearing House prior to 12:00 noon (Chicago Time) on any business day in the contract month after termination of trading. The seller is responsible for taking a sample at point of origin. A single sample representative of all shipments that day may be taken. The seller shall follow the buyer's shipping instructions within seven business days after receipt of such instructions. The seller shall prepay the actual freight charges and bill the buyer through the Clearing House. In addition, within one business day after acceptance by the railroad, the Clearing House must receive shipping notification from the seller giving the car number, unit size and date of acceptance by the railroad. **The seller shall, on the business day after acceptance by the railroad, send the sample to Intertek Caleb Brett. The sample should consist of a minimum of one quart stored in amber glass bottles. The sample should be sent via overnight delivery to: Intertek Caleb Brett, 2100 L&A Road, Metairie, LA 70001. The seller must indicate the following on the sample: Chicago Mercantile Exchange Inc., CME assignment number and car numbers that the sample represents.**

Buyer's Responsibilities

The buyer assigned the Notice of Intent shall deposit with the Clearing House no later than 10:00 a.m. (Chicago time) on the following business day a wire transfer in amount equal to 30,000 times the settlement price. The buyer shall, within two business days of receipt of the Notice of Intent submit to the Clearing House shipping instructions, to include consignee, point of destination and routing acceptable to the originating carrier.

Payment

To complete the delivery, the seller must deposit with the Clearing House a Delivery Notice, a certificate of chemical analysis from an independent laboratory noting the properties specified in the commodity specifications and a uniform straight bill of lading. These forms must be received by the Clearing House postmarked within fourteen business days of the date of receipt of shipping instructions.

Attached are forms needed to complete the delivery which can be found on CME's website.

Please contact the Deliveries Unit at (312) 930-3172 with any questions regarding these procedures.