



Special Executive Report

DATE: November 11, 2015

SER#: 7510

SUBJECT: Amendments to Grades/Grade Differentials Rule for the Oats Futures Contract

Effective Sunday, December 6, 2015 for trade date Monday, December 7, 2015, and pending all relevant CFTC regulatory review periods, The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") will amend Rule 15104. ("Grades/Grade Differentials") of the Oat Futures contract (Globex Code: ZO; Clearing Code: O; Rulebook Chapter 15). The amendments are intended to clarify existing language in the Exchange Rulebook. Specifically, the USDA grading standard for oats states that slightly weathered oats may be graded not better than No. 3 regardless of the other factors. Thus, the Exchange allows No. 3 oats that are slightly weathered. However, for all of the other factors included in the USDA standard with the exception of slightly weathered, the deliverer must deliver No. 1 or No. 2 as described in the table in Rule 15104.

Amendments to CBOT Rule 15104. appear below in blackline format.

Chapter 15

Oat Futures

15104. GRADES / GRADE DIFFERENTIALS

OATS GRADE DIFFERENTIALS	
No. 1 Extra Heavy Oats	At 7 cents per bushel over contract price
No. 2 Extra Heavy Oats	At 4 cents per bushel over contract price
No. 1 Heavy Oats	At 3 cents per bushel over contract price
No. 2 Heavy Oats	At contract price
No. 1 Oats	At contract price
No. 2 Oats (36 lb. minimum test weight)	At 3 cents per bushel under contract price

Oats with more than 30% thin oats that pass through a 5/64 x 3/4 inch slotted-hole sieve are not deliverable.

Slightly weathered oats may be delivered at a 20 cent per bushel discount. **The No. 3 grade (on account of slightly weathered) is allowed with all other quality factors meeting at least No. 2 grade. When registering oat shipping certificates, if the warehouseman specifies one of the oat grades in the table above (e.g., No. 2 Extra Heavy Oats) but also designates that it is delivering weathered oats by selecting "Yes" in the "Slightly Weathered" field, at load-out the warehouseman may load**

oats that are slightly weathered (No. 3), but all other grade factors shall be equivalent to or better than the grade specified on the registered shipping certificate.

Bright Oats shall carry no additional premium or discount. Oats with more than 14% moisture are not deliverable.

A contract for the sale of oats for future delivery shall be performed on the basis of the grades officially promulgated by the Secretary of Agriculture as conforming to United States Standards at the time of making the contract. If no such United States grades shall have been officially promulgated, then such contract shall be performed on the basis of the grades established by the Department of Agriculture of the State of Illinois, or the standards established by the Rules of the Exchange in force at the time of making the contract.

If you require any additional information, please contact Alison Coughlin at (312) 338-7171 or Alison.Coughlin@cmegroup.com or Joanna Litchfield at (312) 338-2653 or Joanna.Litchfield@cmegroup.com.