



Electronic Mail

January 7, 2004

Ms. Jean A. Webb
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, D.C. 20581

RE: Request for Commission rule approval

Dear Ms. Webb:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c(c)(2) and Commodity Futures Trading Commission (ACommission@) Regulation 40.5(a), the Minneapolis Grain Exchange (AMGEX@) hereby submits for Commission approval the attached amendments to Rules 7413.00., 7613.00. and 7813.00., and Regulation 2013.02.

The purpose for the amendments is to remove antiquated and unnecessary speculative gross position limits for National Corn Index, National Soybean Index and Hard Wheat Index options on futures contracts. The speculative gross options position limits are no longer part of the requirements of Guideline No. 1, Interpretive Statement of the CFTC's Economic Requirements for Listing Products or Commission Regulations. Further, gross options position limits often bear no relation to traders' net market risk, and can actually operate as a hindrance to traders attempting to manage risk through spreading.

Pursuant to the authority and procedures of MGEX Rule 204.01., the Board of Directors and the Ownership by a large majority approved amending the Rules. Pursuant to the authority and procedures of MGEX Rules 7413.00., 7613.00. and 7813.00., the Board of Directors approved the amendment to delete the Regulation. The MGEX intends to implement the amendments forty-five days after receipt of this submission to the Commission or sooner should the Commission provide notice of approval.

If there are any questions regarding this submission, please contact me at (612) 321-7166. Thank you for your attention to this matter.

Sincerely,

Mark G. Bagan
Vice President,
Market Administration

Enclosure
cc: Anne Reuter

7413.00. EXEMPTIONS FROM POSITION LIMITS.

- ~~A. **Maximum Exemption for Option/Option and Option/Futures Spreads.** Option/option or option/futures spread exemptions shall be determined by the Board of Directors. See **Regulation 2013.02.**~~
- ~~B. **Exemption Request.** To be eligible for an exemption from the position limits, an applicant must submit a written request to the Department of Audits and Investigations. The request shall follow the requirements of **Rule 7309.00.**~~

7613.00. EXEMPTIONS FROM POSITION LIMITS.

- ~~A. **Maximum Exemption for Option/Option and Option/Futures Spreads.** Option/option or option/futures spread exemptions shall be determined by the Board of Directors. See **Regulation 2013.02.**~~
- ~~B. **Exemption Request.** To be eligible for an exemption from the position limits, an applicant must submit a written request to the Department of Audits and Investigations. The request shall follow the requirements of **Rule 7509.00.**~~

7813.00. EXEMPTIONS FROM POSITION LIMITS.

- ~~A. **Maximum Exemption for Option/Option and Option/Futures Spreads.** Option/option or option/futures spread exemptions shall be determined by the Board of Directors. See **Regulation 2013.02.**~~
- ~~B. **Exemption Request.** To be eligible for an exemption from the position limits, an applicant must submit a written request to the Department of Audits and Investigations. The request shall follow the requirements of **Rule 7709.00.**~~

~~2013.02. POSITION LIMIT EXEMPTIONS.~~

- ~~A. **National Corn Index.** Pursuant to the provisions of **Rule 7413.00.**, the Board of Directors has adopted this Regulation.~~
- ~~A maximum of two thousand five hundred (2,500) Options for all months and all strike prices combined is allowed, provided that at least one thousand (1,000) of the contracts are part of an eligible option/option or option/Futures spread.~~
- ~~B. **National Soybean Index and Hard Wheat Index.** Pursuant to the provisions of **Rules 7613.00.** and **7813.00.**, the Board of Directors has adopted this Regulation.~~
- ~~A maximum of two thousand (2,000) Options for all months and all strike prices combined is allowed, provided that at least one thousand (1,000) of the contracts are part of an eligible option/option or option/Futures spread.~~