

# CME Group

## Agricultural Contract Review Process

**Timothy J Andriesen, Managing Director, Agricultural Commodities**

# Contract Reviews

CME Group takes a proactive approach to ensure our contracts meet our commercial agricultural hedger's needs by engaging in a regular program of contract reviews.

We review all of our major contracts on a regular, rotating basis and, if necessary, make adjustment to the contract terms

# The Process

**Issue Identification** – CMEG R&PD identifies any potential issues they believe should be addressed in the review

**Customers Interviews** – Staff engages in in-depth interview with key customers to identify view around potential issues or other items of concern

**Focus Group Discussions** – Staff hold focus group discussions to flush out various position on the issues

**Request for Comments** – Staff prepares and distributes potential contract changes or follow up questions for broader industry feedback. In some cases, this is in the form of a survey.

**Change Decision & Submission** – Staff decided if changes are needed and if so submits changes to the regulator

# Contracts Under Review

## Lean Hogs

Status: Completed – No changes anticipated at this time

## Corn Futures

Status: Currently assessing data collected in our request for feedback

Key Issues: Quality discounts, Freight differentials, extension of delivery territory

## Feeder Cattle

Status: Currently is in the request for comments stage

Key Issues: Weight range used in the index

## Kansas City Wheat

Status: Currently is the request for comments stage

Key Issues: No significant issues however we are exploring load out cadence,