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January 5, 2009

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

RE: CBOT Rule Amendments to Limit Holdings for Non-Commercial Purposes in Delivery Instruments Underlying Corn, Wheat, Oat, Rough Rice, Soybean, Soybean Oil and Soybean Meal Contracts CBOT Submission No. 09-001

Dear Mr. Stawick:

The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") hereby requests approval from the Commission to implement rule amendments to limit the quantity of registered shipping certificates or warehouse receipts that a person may own or control for non-commercial purposes. The accumulation, or potential for accumulation, of shipping certificates/warehouse receipts in full carry or near full carry markets by participants employing a cash and carry strategy has been perceived by some to be an impediment to delivery, in part because the outstanding delivery instruments issued by a facility effectively represent call options on the elevation capacity of the facility and have the potential to negatively impact the facility's ongoing business and business opportunities.

The proposed amendments are intended to mitigate potential negative impacts to contract performance resulting from the significant accumulation of certificates/receipts by parties holding the delivery instruments as financial instruments. The amendments do not preclude the implementation of a cash and carry strategy, but do impose limits on the extent to which the strategy may be employed by market participants. By reducing the degree to which a facility's capacity is tied up by participants holding certificates for this purpose, the facility will theoretically be more inclined to deliver, and to the extent this is the case, the proposed amendments may favorably impact contract performance.

While the primary impetus for the amendments is the concern regarding inconsistent convergence in the CBOT's wheat contract, the Exchange believes it is an appropriate prophylactic measure to take in all CBOT agricultural futures contracts and is therefore submitting corresponding rule amendments for Corn, Soybeans, Soybean Meal, Soybean Oil, Oats and Rough Rice.

The rule amendments allow for exemptions to the certificate/receipt limits provided that the participant can demonstrate that the certificates serve a bona fide commercial purpose. Additionally, banks which offer financing to multiple participants employing cash and carry strategies will qualify for an exemption, although each participant employing the strategy will be

subject to the prescribed limits. Certain financing arrangements are structured such that the party obtaining the financing sells the certificates to the bank with the right, but not the obligation, to buy back the certificates. Certificates which are financed in this manner will be considered under the control of the person with the option to buy back the certificates and will be aggregated with any additional certificates the person may hold. As noted above, the entity providing the financing may qualify for an exemption.

Some facilities may also enter into financing arrangements to finance their inventory. Banks or entities offering such financing often prefer to hold registered certificates as collateral because of the liquidity of the certificates. In order not to disrupt the commercial financing currently occurring, exemptions for an entity financing its inventory with its *own* certificates will be permitted.

With Commission approval, the new rules will be implemented on February 17, 2009, such that from that date forward no person may acquire certificates in excess of the limits. Entities holding certificates in excess of the new limits as of February 17, 2009, will have until May 31, 2009, to come into full compliance with the new limits. A party holding a long position who stops certificates/receipts for delivery in a quantity that would cause the party to exceed the limit must cancel, retender or sell the quantity in excess of the limit by the end of the following business day.

There were no opposing views expressed by the Approving Officers of the Exchange to the proposed rule amendments.

CBOT certifies that these changes comply with the Commodity Exchange Act and regulations thereunder.

The rule changes are set forth below, with additions underscored.

If you have any questions regarding this matter, please contact Joe Hawrysz, Director, Market Surveillance, at 312.341.7750, Dean Payton, Managing Director and Chief Regulatory Officer, at 312.435.3658, Dave Lehman, Director, Commodity Research and Product Development, at 312.930.1875 or me at 312.648.5422. Please reference CBOT Submission No. 09-001 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack
Director and Associate General Counsel

Chapter 10 CORN FUTURES

10102.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 600 contracts net long or net short in the spot month.

2. 13,500 futures-equivalent contracts net long or net short in any single contract month excluding the spot month. Additional futures contracts may be held outside of the spot month as part of futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit.

3. 22,000 futures-equivalent contracts net long or net short in all months combined.

For the purposes of this rule, one mini-sized corn contract is equivalent to one-fifth of a corresponding full-sized corn contract, and positions in corn and mini-sized corn will be aggregated for the purpose of determining compliance with the contracts' position limit.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Corn Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Corn. The 600 certificate maximum shall include mini-sized Corn certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

If a person stops Corn certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Chapter 10B MINI-SIZED CORN FUTURES

10B02.E. Position Limits

For the purposes of this rule, one mini-sized Corn contract is equivalent to one-fifth of a corresponding full-sized Corn contract, and positions in Corn and mini-sized Corn will be aggregated for the purpose of determining compliance with the contracts' position limit.

In accordance with Rule 559, Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 3,000 mini-sized contracts net long or net short in the spot month.

2. 67,500 mini-sized futures-equivalent contracts net long or net short in any single contract month excluding the spot month. Additional futures contracts may be held outside of the spot month as part of

futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit.

3. 110,000 mini-sized futures-equivalent contracts net long or net short in all months combined.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Corn Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Corn. The 600 certificate maximum shall include mini-sized Corn certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

If a person stops Corn certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Chapter 11 SOYBEAN FUTURES

11102.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 600 contracts net long or net short in the spot month.

2. 6,500 futures-equivalent contracts net long or net short in any single contract month excluding the spot month. Additional futures contracts may be held outside of the spot month as part of futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit.

3. 10,000 futures-equivalent contracts net long or net short in all months combined.

For the purposes of this rule, one mini-sized soybean contract is equivalent to one-fifth of a corresponding full-sized soybean contract, and positions in soybean and mini-sized soybean contracts will be aggregated for the purpose of determining compliance with the contracts' position limit.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Soybean Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Soybeans. The 600 certificate maximum shall include mini-sized Soybean certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

If a person stops Soybean certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Chapter 11B MINI-SIZED SOYBEAN FUTURES

11B02.E. Position Limits

For the purposes of this rule, one mini-sized soybean contract is equivalent to one-fifth of a corresponding full-sized soybean contract, and positions in soybeans and mini-sized soybeans will be aggregated for the purpose of determining compliance with the contracts' position limit.

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 3,000 contracts net long or net short in the spot month.

2. 32,500 futures-equivalent contracts net long or net short in any single contract month excluding the spot month. Additional futures contracts may be held outside of the spot month as part of futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit.

3. 50,000 futures-equivalent contracts net long or net short in all months combined.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Soybean Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Soybeans. The 600 certificate maximum shall include mini-sized Soybean certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

If a person stops Soybean certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Chapter 14 WHEAT FUTURES

14102.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 600 contracts net long or net short in the spot month.

In the last five trading days of the expiring futures month in May, the speculative position limit will be 600 contracts if deliverable supplies are at or above 2,400 contracts, 500 contracts if deliverable supplies are between 2,000 and 2,399 contracts, 400 contracts if deliverable supplies are between 1,600 and 1,999 contracts, 300 contracts if deliverable supplies are between 1,200 and 1,599 contracts, and 220 contracts if deliverable supplies are below 1,200 contracts. Deliverable supplies will be determined from the CBOT's Stocks of Grain report on the Friday preceding the first notice day for the May contract month.

2. 5,000 futures-equivalent contracts net long or net short in any single contract month excluding the spot month. Additional futures contracts may be held outside of the spot month as part of futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit.

3. 6,500 futures-equivalent contracts net long or net short in all months combined. For the purposes of this rule, one mini-sized wheat contract is equivalent to one-fifth of a corresponding full-sized wheat contract, and positions in wheat and mini-sized wheat will be aggregated for the purpose of determining compliance with the contracts' position limit. Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Wheat Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Wheat. The 600 certificate maximum shall include mini-sized Wheat certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

If a person stops Wheat certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Chapter 14B MINI-SIZED WHEAT FUTURES

14B02.E. Position Limits

For the purposes of this rule, one mini-sized wheat contract is equivalent to one-fifth of a corresponding full-sized wheat contract, and positions in wheat and mini-sized wheat will be aggregated for the purpose of determining compliance with the contracts' position limit.

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 3,000 contracts net long or net short in the spot month.

In the last five trading days of the expiring futures month in May, the speculative position limit will be 3,000 contracts if deliverable supplies are at or above 12,000 contracts, 2,500 contracts if deliverable supplies are between 10,000 and 11,999 contracts, 2,000 contracts if deliverable supplies are between 8,000 and 9,999 contracts, 1,500 contracts if deliverable supplies are between 6,000 and 7,999 contracts, and 1,100 contracts if deliverable supplies are below 6,000 contracts. Deliverable supplies will be determined from the CBOT's Stocks of Grain report on the Friday preceding the first notice day for the May contract month.

2. 25,000 futures-equivalent contracts net long or net short in any single contract month excluding the spot month. Additional futures contracts may be held outside of the spot month as part of futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit.

3. 32,500 futures-equivalent contracts net long or net short in all months combined. Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Wheat Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Wheat. The 600 certificate maximum shall include mini-sized Wheat certificates such that each mini-sized certificate represents the equivalent of one-fifth of a full-sized certificate.

If a person stops Wheat certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Chapter 12 SOYBEAN OIL FUTURES

12102.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 540 contracts net long or net short in the spot month.

2. 5,000 futures-equivalent contracts net long or net short in any single contract month excluding the spot month. Additional futures contracts may be held outside of the spot month as part of futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit.

3. 6,500 futures-equivalent contracts net long or net short in all months combined.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

4. **Limit on Holdings of Registered and Outstanding Receipts** – No person, at any time, shall own or control more than 540 registered and outstanding Soybean Oil Receipts issued by facilities designated by the Exchange as regular to issue receipts for Soybean Oil.

If a person stops Soybean Oil receipts for delivery in a quantity that would cause such person to exceed the 540 receipt limit, the person must cancel, retender or sell the quantity of receipts in excess of 540 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Chapter 13 SOYBEAN MEAL FUTURES

13102.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 720 contracts net long or net short in the spot month.

2. 5,000 futures-equivalent contracts net long or net short in any single contract month excluding the spot month. Additional futures contracts may be held outside of the spot month as part of futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit.

3. 6,500 futures-equivalent contracts net long or net short in all months combined.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 720 registered and outstanding Soybean Meal Shipping Certificates issued by facilities designated by the Exchange as regular to issue shipping certificates for Soybean Meal.

If a person stops Soybean Meal certificates for delivery in a quantity that would cause such person to exceed the 720 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 720 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Chapter 15 OAT FUTURES

15102.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 600 contracts net long or net short in the spot month.

2. 1,400 futures-equivalent contracts net long or net short in any single contract month excluding the spot month. Additional futures contracts may be held outside of the spot month as part of futures/futures spreads within a crop year provided that the total of such positions, when combined with outright positions, does not exceed the all months combined limit.

3. 2,000 futures-equivalent contracts net long or net short in all months combined.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

4. **Limit on Holdings of Registered and Outstanding Shipping Certificates** – No person, at any time, shall own or control more than 600 registered and outstanding Oat Shipping Certificates issued by facilities designated by the Exchange as regular to issue certificates for Oats.

If a person stops Oat Shipping Certificates for delivery in a quantity that would cause such person to exceed the 600 certificate limit, the person must cancel, retender or sell the quantity of certificates in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Chapter 17 ROUGH RICE FUTURES

17102.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 600 contracts net long or net short in the spot month; however, the speculative position limit during the last five trading days for the July futures month will be 200 contracts and for the September futures month the limit will be 250 contracts

2. 1,800 futures-equivalent contracts net long or net short in any single contract month excluding the spot month.

3. 1,800 futures-equivalent contracts net long or net short in all months combined.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

4. **Limit on Holdings of Registered and Outstanding Warehouse Receipts** – No person, at any time, shall own or control more than 600 registered and outstanding Rough Rice Warehouse Receipts issued by facilities designated by the Exchange as regular to issue receipts for Rice.

If a person stops Rough Rice receipts for delivery in a quantity that would cause such person to exceed the 600 receipt limit, the person must cancel, retender or sell the quantity of receipts in excess of 600 not later than the following business day.

A person seeking an exemption from this limit for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.