



Via Electronic Mail

November 15, 2011

Mr. David Stawick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, D.C. 20581

SUBJECT: Request for Approval

Dear Mr. Stawick:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c and Commodity Futures Trading Commission ("Commission") Regulations 40.4(a) and 40.5, Minneapolis Grain Exchange, Inc. ("MGEX") hereby requests Commission approval for the effective date of removal of the attached Resolution 803.01. ("Resolution") from the MGEX Rulebook be modified from the May 2013 Hard Red Spring Wheat ("HRSW") contract month to the September 2012 contract month. MGEX certifies that removal of the Resolution complies with the CEAct and the regulations thereunder. MGEX further certifies that notice of pending implementation to remove the Resolution earlier and this submission has been posted on the MGEX website.

Concise Explanation and Analysis

The purpose for removing the Resolution earlier is to delete a non-material option that is not currently used. MGEX has not been able to identify any market participant who has utilized the option to request a formal certificate of U.S. origin in at least the last five years. Consequently, the evidence indicates the origin certificate is not a material term or condition to the HRSW futures contract. Neither is the origin certificate apparently material to the delivery process since this option is not being used by those taking physical delivery. These factors provide sufficient evidence that the Resolution is unnecessary and that the condition is not a material pricing factor for either the futures or cash markets. Lastly, the vast majority of those who held an open position as of August 16, 2011 have not withheld consent of the Resolution's earlier removal. For these reasons, MGEX determined the Resolution should be removed from the MGEX Rulebook immediately and made effective beginning with the September 2012 contract month.

Reason for CFTC Approval

On August 16, 2011, pursuant to the authority of MGEX Rule 210.01., the Board of Directors unanimously approved removing the Resolution. MGEX subsequently filed self-certification of removal of the Resolution effective with the May 2013 contract month since that was the first contract month without open interest. Prior to certification, MGEX also posted on the front page of its website a notice to the public that all new positions taken in the contract months of September 2012, December 2012 and March 2013 after August 16 may be subject to earlier implementation of the Resolution's removal. Therefore, any new positions taken after August 16, 2011 were done with actual knowledge (or the opportunity to have such knowledge) that such positions might be subject to the removal of the U.S. origin condition. Further, as of August 16, 2011, the September 2012 contract month only had open interest of 1,801 contracts, the December 2012 contract month only had open interest of 1,715 contracts and the March 2013 contract month had open interest of a mere 16 contracts. In addition, as of November 7, 2011, the September 2012 contract month still only had open interest of 3,033 contracts, the December 2012 contract month only had open interest of 2,003 contracts and the March 2013 contract month had open interest of a just 82 contracts

After self-certification to remove the U.S. origin condition for all contract months effective with the May 2013 contract month, MGEX sent a consent form to all market participants who held an open position in the September 2012, December 2012 and March 2013 contract months. The forms offered position holders an opportunity to withhold their consent for removing the U.S. origin condition from said contract months. Of the 222 position holders, only seven elected to withhold consent – which represents 3.15 percent of position holders and only 4.19% of all positions (most of which comes from one omnibus account). While this does not represent unanimous consent, it is unreasonable to allow such a small minority to frustrate the marketplace. For example, March 2013 unanimous consent is being frustrated by a 1 lot position holder. Furthermore, during the last five delivery periods, outside of an omnibus account, only one position holder who withheld consent was involved in the delivery process – that means almost 86% of those who withheld consent did not participate in the delivery process and could not have been impacted by the absence of the Resolution.

Conclusion

As previously noted, the Resolution offering a taker of physical delivery of HRSW the option to request a certificate of U.S. origin has not been utilized in at least five years. MGEX has already removed the Resolution from its rulebook effective with the May 2013 HRSW contract month. The marketplace has been informed about the potential for earlier implementation and removing the Resolution for the contract months of September 2012, December 2012 and March 2013. Total open interest in these months was not significant and remains insignificant. The vast majority of position holders have not withheld consent and have not expressed opposition to earlier implementation. Neither MGEX nor position holders have been able to clearly or even generally identify a pricing factor derived from retaining the Resolution. Consequently, no quantifiable economic value is attached to the Resolution.

Therefore, MGEX requests Commission approval for the effective date of removal of the attached Resolution from the MGEX Rulebook be modified from the May 2013 HRSW contract month to the September 2012 contract month.

If there are any questions regarding this submission, please contact me at (612) 321-7169. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Layne G. Carlson", followed by a long horizontal flourish.

Layne G. Carlson
Corporate Secretary

Enclosure
cc: Thomas Bloom

The following resolution is to be removed effective with the September 2012 contract month.

RESOLUTION 803.01.

The Minneapolis Grain Exchange Board of Directors has adopted the following Resolution:

BE IT RESOLVED, that, pursuant to **Rule 803.01.**, the Minneapolis Grain Exchange Board of Directors shall require that, effective with the December 1998 delivery month, elevators declared regular to deliver Spring Wheat on MGEX futures contracts provide a certificate of U.S. origin for delivered Spring Wheat if specifically requested in writing by the taker of delivery at the time load-out instructions are submitted.

Approved by the Board July 10, 1997.