cme
Chicago Mercantile Exchange

20 South Wacker Drive
Chicago, IL 60606-7499
www.cme.com

312/930.1000 tel
312/466.4410 fax

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February 14, 2007

Ms. Eileen Donovan
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: Section 5c(c)(1), Regulation 40.2 Submission. Exchange Certification for
CME Dry Whey Futures and Options contracts.
CME Submission #07-14

Dear Ms. Donovan:

Chicago Mercantile Exchange Inc. hereby notifies the Commission regarding the CME Dry Whey Futures and Options launch date, trading hours, and provides rule language for CME Dry Whey Futures and Options.

The Exchange certifies that CME Dry Whey Futures and Options complies with the Act and rules thereunder.

<u>CME Dry Whey Futures will begin trading on Monday, March 19, 2007.</u>

- Months list for trading – April 2007, May 2007, June 2007, July 2007, August 2007, September 2007, October 2007, November 2007, December 2007, January 2008, February 2008 and March 2008.

Options on CME Dry Whey will not be listed for trading at this time.

<u>Electronic Trading Hours:</u> 8:30 A.M. to 1:10 P.M. (12:10 P.M. on Last Trading Day). CME Dry Whey futures will trade exclusively on GLOBEX®.

The text of the contract rules for CME Dry Whey futures and options is as follows:

CME DRY WHEY FUTURES

5700. SCOPE OF CHAPTER

This chapter is limited in application to futures trading Dry Whey. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

5701. COMMODITY SPECIFICATIONS

Each futures contract shall be valued at 44,000 times the USDA monthly weighted average price per pound in the U.S. for dry whey.

5702. FUTURES CALL

5702.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours and in such months as may be determined by the Board of Directors.

5702.B. Trading Unit

The unit of trading shall be 44,000 pounds.

5702.C. Price Increments

Minimum price fluctuations shall be in multiples of $0.00025 per pound.

5702.D. Daily Price Limits

There shall be no trading at a price more than $0.020 per pound above or below the previous day's settlement price, except that there shall be no daily price limits in the spot month during the last 5 trading days in the spot month.

If any contract that is subject to a daily limit closes on the limit bid or the limit offer, then the daily price limit shall be raised to $0.040 per pound for all contracts. If none of the contracts that are subject to a daily price limit of $0.040 close at the limit bid or offer, the price limits for all contracts shall revert to $0.020 per pound on the next business day.

5702.E. Position Limits

No person shall own or control more than:

1. 1000 contracts long or short in any contract month;

2. 200 contracts long or short in the expiring contract month as of the close of business on the business day immediately preceding the last 5 trading days in the expiring contract.

For positions involving options on Dry Whey futures, this rule is superseded by the option speculative position limit rule.

5702.F. Accumulation of Positions

For purposes of this rule the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

5702.G. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the Commodity Futures Trading Commission and the Rules of the Exchange and shall not apply to other positions exempted pursuant to Rule 543.

5702.H. Termination of Trading

Trading shall terminate on the business day immediately preceding the release date for the USDA monthly weighted average price in the U.S. for Dry Whey.

5702.I. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all deliveries must conform to government regulations in force at the time of delivery. If any federal governmental agency issues an order, ruling, directive, or law that conflicts with the requirements of these rules, such order, ruling, directive, or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

5703. FINAL SETTLEMENT

There shall be no delivery of dry whey in settlement of this contract. All contracts open as of the termination of trading shall be cash settled based upon the USDA monthly weighted average price in the U.S. for dry whey, as first released.

5704. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 57)

OPTIONS ON DRY WHEY FUTURES

57A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on the Dry Whey futures contract. The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

57A01. OPTION CHARACTERISTICS

57A01.A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Board of Directors.

57A01B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Dry Whey futures contract as specified in Chapter 57.

57A01.C. Minimum Fluctuations

The price of an option shall be quoted in cents per pound. Minimum price fluctuations shall be in multiples of \$.00025 per pound (also known as one tick). A trade may also occur at a price of \$.000125 per pound (\$5.50, also known as one-half tick), whether or not it results in the liquidation of positions for both parties to the trade.

57A01.D. Exercise Prices

The exercise prices shall be stated in terms of cents per pound. For all contract months, exercise prices shall be at intervals of 1 cent; e.g., 20 cents, 21 cents, etc. In addition, for the 2 nearest contract months, some exercise prices shall be at intervals of .50 cent; e.g., 20.50 cents, 21.50 cents, as described below.
At the commencement of option trading in a contract month, the Exchange shall list put and call options in a range of 5 cents above and below the previous day's settlement price of the underlying futures contract.

When a sale, bid, offer, or settlement price in the underlying futures contract occurs at, or passes through an exercise price, the Exchange shall list on the next trading day put and call option contracts at the next higher (or next lower) exercise price within a 5 cent range above (or below) the exercise price at which or through which the underlying futures sale, bid, offer, or settlement price occurred.

When a contract month becomes the second nearest contract month, the Exchange shall add exercise prices at .50 cent intervals at a range of 5 cents above and below the previous day's settlement price of the underlying futures contract. If the previous day's futures contract settlement price equals an eligible exercise price, then that exercise price shall also be listed, if not yet listed. Thereafter, when a sale, bid, offer, or settlement price in the underlying futures contract occurs at, or passes through, an exercise price within a 5 cent range above (or below) the exercise price at which or through which the underlying futures sale, bid, offer, or settlement price occurred, the Exchange shall list on the next trading day put and call options at the next higher (or next lower) exercise price within a 5 range above (or below) the exercise price at which or through which the underlying futures sale, bid, offer, or settlement price occurred.

New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

57A01.E. Position Limits

No person shall own or control a combination of options and underlying futures that exceeds:

1. 1000 futures equivalent contracts net on the same side of the market in any contract month.

2. 200 contracts long or short in the expiring contract month as of the close of business on the business day immediately preceding the last 5 trading days in the expiring contract.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

57A01.F. Accumulation of Positions

The positions of all accounts owned or controlled by a person or persons acting in concert or in which such person or persons have a proprietary or beneficial interest, shall be cumulated. The Board may impose position limits for any such accounts as it deems appropriate.

57A01.G. Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543.A. and shall not apply to other option positions exempted pursuant to Rule 543.

57A01.H. Termination of Trading

Options trading shall terminate on the same date and time as the underlying futures contract.

57A01.I. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling, directive, or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such government orders.

57A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7 the following shall apply to the exercise of Dry Whey options.

57A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer on any business day the option is traded. Exercise of an option is accomplished by the clearing member representing the buyer presenting an Exercise Notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instruction delivered to the Clearing House by 7:00 p.m. on the day of termination of trading by the clearing member representing the option buyer, be exercised automatically.

57A02.B. Assignment

Exercise Notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same areas. A clearing member to which an Exercise Notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes prior to the opening of trading in the underlying futures contract on the following business day.

The clearing member assigned an Exercise Notice shall be assigned a short position in the underlying futures contract if a call was exercised or a long position if a put was exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call was exercised and a short position if a put was exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day following acceptance by the Clearing House of the Exercise Notice.

57A03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 57A)

If you require any additional information regarding this action, please do not hesitate to contact Mr. Charles Piszczor at 312-930-4536 or via e-mail at cpiszczo@cme.com. We would be appreciative if you could reference our CME Submission #07-14 in any related correspondence.

Sincerely,

John W. Labuszewski, Managing Director
Research & Product Development