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April 19, 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 40.6(a) Submission. Exchange Self-Certification Rule  
Change for CME Milk and Class IV Milk Futures contracts.  
CME Submission #07-27

Dear Ms. Donovan:

Chicago Mercantile Exchange Inc. hereby notifies the Commission regarding a non-material rule change clarifying the language used in defining the settlement procedures in Milk and Class IV Milk futures.

The newly added language defines that once the U.S. Government releases a monthly number, that number will be used to settle the contract, even if that number is revised at a later date. These changes to the settlement rule language will add parity across all cash-settled dairy products and better reflect current Exchange procedures.

These changes will apply to all Milk and Class IV Milk futures contracts and will become effective on Friday, April 20, 2007.

The Exchange certifies that these non-material changes comply with the Act and rules thereunder.

Changes to the rule language are as follows with additions underlined and deletions overstruck.

**Chapter 52  
Milk Futures**

**5203. SETTLEMENT PROCEDURES**

**5203.A. Final Settlement**

There shall be no delivery of milk in settlement of this contract. All contracts open as of the termination of trading shall be cash settled based upon the USDA Class III price for milk for the particular month, as first released.

**Chapter 55  
Class IV Milk Futures**

**5503. SETTLEMENT PROCEDURES**

**5503.A. Final Settlement**

There shall be no delivery of Class IV milk in settlement of this contract. All contracts open as of the termination of trading shall be cash settled based upon the USDA Class IV Price for milk [~~used in manufacturing butter/powder and also used for the purpose of setting minimum monthly prices for such milk in federal milk marketing orders, at 3.5% butterfat for fluid milk~~] for the particular month, as first released.

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 [cpiszczor@cme.com](mailto:cpiszczor@cme.com). We would be appreciative if you could reference our CME Submission #07-27 in any related correspondence.

Sincerely,



John W. Labuszewski, Managing Director  
Research & Product Development