

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-097

Organization: The Board of Trade of the City of Chicago, Inc.

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 03/08/24 Filing Description: Initial Listing of the Options on Urea (Granular) FOB US Gulf Futures Contract

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers:

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name: See filing.

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:



March 8, 2024

VIA ELECTRONIC PORTAL

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: CFTC Regulation 40.2(a) Certification. Initial Listing of the Options on Urea (Granular) FOB US Gulf Futures Contract. CBOT Submission No. 24-097

Dear Mr. Kirkpatrick:

The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of the Options on Urea (Granular) FOB US Gulf Futures contract (the “Contract”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective Sunday, March 24, 2024 for trade date Monday, March 25, 2024.

Contract Title	Options on Urea (Granular) US Gulf Futures
CME Globex and CME ClearPort Code	UGO
Rulebook Chapter	41A
Underlying Futures Contract / Commodity Code / Rulebook Chapter	Urea (Granular) FOB US Gulf Futures / UFV / Rulebook Chapter 41
Contract Size	100 Tons
Price Quotation	U.S. Dollars and Cents per Ton
Minimum Price Fluctuation	\$0.25
Value Per Tick	\$25.00
Exercise Procedure	American – Expires into underlying future. Contrarian instructions are prohibited.
Listing Schedule	Monthly contracts listed for twelve (12) consecutive months
Initial Listing Schedule	April 2024 through March 2025
Strike Price Listing Schedule	Strikes listed for 50% of the underlying settlement price above and below the at-the-money strike at \$5 per ton increment.
Minimum Block Threshold / Reporting Window	2 contracts – subject to a 15-minute reporting window
Termination of Trading	Trading terminates on the last business day of the contract month which is also a Profercy and/or ICIS publication date.
CME Globex Matching Algorithm	F - FIFO
Trading and Clearing Hours	CME Globex Pre-open: Sunday 4:00 p.m. - 5:00 p.m. Central Time/CT Monday – Thursday 4:45 p.m. - 5:00 p.m. CT

	<p>CME Globex: Sunday 5:00 p.m. – Friday 4:00 p.m. CT with a daily maintenance period from 4:00 p.m. - 5:00 p.m. CT</p> <p>CME ClearPort: Sunday 5:00 p.m. - Friday 4:00 p.m. CT with no reporting Monday – Thursday from 4:00 p.m. – 5:00 p.m. CT</p>
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The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA”) and identified that the Contract may have some bearing on the following Core Principles:

- **Compliance with Rules:** Trading in the Contract will be subject to the rules in CBOT Rulebook Chapter 4 which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices. Additionally, trading in this Contract will also be subject to the full range of trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group’s designated contract markets, activity in this product will be subject to extensive monitoring and surveillance by CME Group’s Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.
- **Contracts Not Readily Subject to Manipulation:** The Contract is not readily subject to manipulation because of its structural attributes, underlying market, and reliance on a well administered index. The Contract expires into an underlying future in which the final settle is to an index based on market assessments published by Profercy, Ltd. and Reed Business Information Ltd (trading as "ICIS") and licensed to the Exchange.
- **Prevention of Market Disruption:** Trading in the Contract will be subject to Rules of CBOT, which include prohibitions on manipulation, price distortion and disruption to the cash settlement process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the Contract proposed herein will be subject to monitoring and surveillance by CME Group’s Market Regulation Department.
- **Position Limitations or Accountability:** The speculative position limits for the Contract as demonstrated in this submission are consistent with the Commission’s guidance.
- **Availability of General Information:** The Exchange will publish on its website information regarding the Contract specifications, terms, and conditions, as well as daily trading volume, open interest, and price information.
- **Daily Publication of Trading Information:** The Exchange will publish the trading volumes, open interest levels, and price information daily on its website and through quote vendors for the Contract.
- **Execution of Transactions:** The Contract will be listed for trading on the CME Globex electronic trading system and for clearing through the CME ClearPort. The CME Globex trading venue provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.
- **Trade Information:** All requisite trade information for the Contract will be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- **Financial Integrity of Transactions:** The Contract will be cleared by the CME Clearing House, a derivatives clearing organization registered with the CFTC and subject to all CFTC regulations related thereto.

- **Protection of Market Participants**: CBOT Rulebook Chapters 4 and 5 set forth multiple prohibitions that preclude intermediaries from disadvantaging their customers. These rules apply to trading in all of the Exchange's competitive trading venues and will be applicable to transaction in the Contract.
- **Disciplinary Procedures**: Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the Rulebook. Trading in the contract will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in the product are identified.
- **Dispute Resolution**: Disputes with respect to trading in the Contract will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. Chapter 6 allows all non-members to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a non-member is required to participate in the arbitration pursuant to Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange hereby certifies that the Contract complies with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

The Exchange certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (312) 466-7478 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Timothy Elliott
 Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: CBOT Rulebook Chapter 41A
 Exhibit B: Position Limit, Position Accountability, and Reportable Level Table in
 Chapter 5 of the CBOT Rulebook (attached under separate cover)
 Exhibit C: CBOT Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”)
 Table
 Exhibit D: CBOT Rulebook Chapter 300. – Strike Price Listing and Exercise
 Procedures Table
 Exhibit E: Exchange Fees
 Exhibit F: Cash Market Overview and Analysis of Deliverable Supply

EXHIBIT A

Chapter 41A

Options on Urea (Granular) FOB US Gulf Futures

41A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Urea (Granular) FOB US Gulf futures. In addition to this chapter, options on Urea (Granular) FOB US Gulf futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

41A01. OPTIONS CHARACTERISTICS

41A01.A. Contract Months

Options contracts shall be listed for such contract months and final settlement in such months as may be determined by the Exchange.

41A01.B. 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 100 short ton Urea (Granular) FOB US Gulf futures contract as specified in Chapter 41.

41A01.C. Minimum Fluctuations

The price of an option shall be quoted U.S. dollars and cents per ton. The minimum price fluctuation shall be \$0.25 per ton. Minimum price fluctuations shall be in multiples of \$0.25 per ton.

41A01.D. Trading Hours

The hours of trading for options on Urea (Granular) FOB US Gulf futures contracts shall be determined by the Exchange. Options on Urea (Granular) FOB US Gulf futures shall be opened and closed for all months and strike prices simultaneously.

41A01.E. Exercise and Exercise Prices

Transactions and exercise of options shall be conducted for option contracts as set forth in the [Strike Price Listing and Exercise Procedures Table](#).

41A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits 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.

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

41A01.G. Nature of Option

A call option on the Urea (Granular) FOB US Gulf futures contract represents an option for a buyer to assume a long position in the underlying Urea (Granular) FOB US Gulf futures at the strike price.

A put option on the Urea (Granular) FOB US Gulf futures contract represents an option for a buyer to assume a short position in the underlying Urea (Granular) FOB US Gulf futures at the strike price.

41A01.H. [Reserved]

41A01.I. Termination of Trading

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

41A02. ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the assignment of Urea (Granular) FOB US Gulf options.

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 series. A clearing member to which an exercise notice is assigned shall be notified of the assignment as soon as practicable after such notice is assigned by the Clearing House.

The clearing member assigned an Exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position in the underlying futures contract if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is 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 of acceptance by the Clearing House of the Exercise notice.

41A03.

DISCLAIMERS

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41A04.-29.

[RESERVED]

EXHIBIT B

CBOT Rulebook

Chapter 5

(“Trading Qualifications and Practices”)

Position Limit, Position Accountability, and Reportable Level Table

(under separate cover)

EXHIBIT C

CBOT Rulebook

Chapter 5

(“Trading Qualifications and Practices”)

Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table

(additions underscored)

Instrument	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Minimum Ticks	NRR: Globex Format	NRR: Outright Minimum Ticks
<u>Options on Urea (Granular) FOB US Gulf Futures</u>	<u>UGO</u>	<u>The greater of the following:</u> <ul style="list-style-type: none"><u>•Delta multiplied by the underlying futures non-reviewable range</u><u>•20% of premium up to ¼ of the underlying futures non-reviewable range</u><u>•5 ticks</u>				

EXHIBIT D

CBOT Rulebook

Chapter 300

(“Options Contracts”)

Rule 300.20. – Strike Price Listing and Exercise Procedure Table

(additions underscored)

Commodity Code	CME Globex Code	Product Name	Product Group	Product Subgroup	Exchange	Rulebook Chapter	Strike Price Listing Rule	Option Style	Contrary Instructions	Exact At-The-Money Characteristics	Underlying Commodity Code	Underlying Product Name
UGO	UGO	<u>Options on Urea (Granular) FOB US Gulf Futures</u>	Agriculture	Fertilizer	CBT	41A	Strikes listed for 50% of the underlying settlement price above and below the at-the-money strike at \$5 per ton increment.	American	N/A	Exercise Calls / Abandon Puts	UFV	<u>Urea (Granular) FOB US Gulf Futures</u>

EXHIBIT E

Exchange Fees

Level	Account Owner	Execution Type	Venue/Transaction Type	Fee
1	Individual Members	Member Account Owner	CME Globex	\$4.50
			EFP	\$5.00
			EFR	
			Block	
	Individual Delegates	Delegate Trading Own Account	CME Globex	\$5.00
			EFP	\$5.50
			EFR	
			Block	
Equity Members (Individual Equity members, Clearing Equity Member Firms and Equity Member Firms)				
2	Rule 106.J Equity Member Firms Rule 106.I Affiliate Equity Member Firms Individual Equity Members (Other Member/Delegate executing trade)	Member or Delegate	CME Globex	\$4.50
			EFP	\$5.00
			EFR	
			Block	
	Clearing Equity Member Firms Rule 106.I Affiliate Membership Umbrella - Qualified Affiliate	Non-Member	CME Globex	\$4.50
			EFP	\$5.00
			EFR	
			Block	
	Rule 106.S. Family of Funds Equity Member Firms	Member, Delegate or Non-Member	CME Globex	\$4.50
			EFP	\$5.00
			EFR	
			Block	
Trading Members (Individual Non-Equity Members, Clearing Non-Equity Member Firms and Non-Equity Member Firms)				
3	Individual Non-Equity Members (Other Member/Delegate executing trade)	Member, Delegate or Non-Member	CME Globex	\$5.00
			EFP	\$5.50
			EFR	

	Clearing Non-Equity Member Firms Rule 106.H. Member Firms Rule 106.I. Affiliate Trading Member Firms (w/ an owned seat)		Block	
	Individual Delegates (Other Member/Delegate executing trade) Rule 106.I. Affiliate Trading Member Firms (w/ a leased seat)	Member, Delegate or Non-Member	CME Globex	\$5.00
			EFP	\$5.50
			EFR	
			Block	
	Rule 106.S. Family of Funds Trading Member Firms	Member, Delegate or Non-Member	CME Globex	\$5.00
			EFP	\$5.50
			EFR	
			Block	

Level	Account Owner	Execution Type	Venue/Transaction Type	Fee
Electronic Corporate Member Firm				
4	Rule 106.R Electronic Corporate Member Firms (For other than CME Globex – See Non-Members)	Member, Delegate or Non-Member	CME Globex	\$5.50
Non-Members				
5	International Incentive Program (IIP) International Volume Incentive Program (IVIP) (For other than CME Globex – See Non-Members)	Member, Delegate or Non-Member	CME Globex	\$5.50
	Latin American Fund Manager Incentive Program (FMIP) (For other than CME Globex – See Non-Members)	Member, Delegate or Non-Member	CME Globex	\$5.50
	Non-Members	N/A	CME Globex	\$5.50
			EFP	\$6.00
EFR				
Block				
CMACE Permit Holders				
6	CMACE Permit Holders (For Rough Rice & Mini-sized Ag Products Only; All other products - Non-Member rates apply)	Member, Delegate or Non-Member	CME Globex	N/A
			EFP	N/A
			EFR	N/A
			Block	N/A

Processing Fees	Fee
Exchange Fees for Non-Trades (Member/Delegate/Non-Member)	\$4.00
Exchange Fees for Non-Trades - Expired Options	\$0.10
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.06
Facilitation Fee	\$0.40

EXHIBIT F

Cash Market Overview and Analysis of the Deliverable Supply

Urea is a fertilizer that is commonly used in the agricultural industry. Urea is a combination of ammonia, carbon dioxide and oxygen, and is comprised of 46% nitrogen. Urea can be purchased in two forms: prilled or granulated. The CBOT futures contract, which is based on two assessments from price reporting agencies, includes only granular urea and excludes prilled urea.

Urea is one of the most commonly used nitrogen fertilizers and is produced around the world. Nearly 180 million tonnes of urea are produced globally on an annual basis, and global production capacity is expected to increase.¹ The largest increases in overall fertilizer capacity will come from urea. The largest producers of urea – China and India – are also the largest consumers of urea, which means only about a quarter of urea produced around the world is traded across border. Global trade of urea, which is about 52 million metric tons annually, is concentrated among the top few exporting countries, mostly found in the Black Sea and Middle Eastern regions.

The United States is one of the largest importers of urea globally. The agricultural sector in the United States relies on imported fertilizer – namely nitrogen products like urea – to continually increase yield in field crops. The other major importers of urea include India and Brazil. Demand is expected to increase and supply is expected to stabilize in the next few years. It takes approximately four years to build out urea plants, so aside from those already known to be under construction (a few plants in Brazil and in Iran), global production and supply is not expected to grow significantly. However, as the United States and Brazil continue to plant large acreage for agricultural production, demand will continue to grow.

The CBOT Urea (Granular) FOB U.S. Gulf Futures contract is based on two aggregated assessments from price reporting agencies: Profercy and ICIS. The Option on Urea (Granular) FOB US Gulf Future contract expires into the underlying futures as the futures expires.

Urea Production/Imports:

The assessments used by Profercy and ICIS cover both imported and domestically produced urea. However, the United States produces a negligible amount of urea when compared to imports, and no good data are available on U.S. production. Therefore, deliverable supply will focus solely on U.S. urea imports.

On average, the U.S. comprises approximately 15-20% of global urea imports. As of only a few years ago, the U.S. was the largest importer of urea in the world. As Brazil's agricultural growth has exploded, so has its need for fertilizer. The U.S. imports from a wide variety of suppliers, mainly located in the Middle East and the Black Sea. The U.S. also relies on Canada for urea supply.

U.S. Urea Suppliers (MT) 2022²

Qatar	1,093,067
Oman	797,978
Russia	733,576
Saudi Arabia	694,919
Canada	525,335
Nigeria	280,929
Algeria	270,223
Netherlands	126,714
Bahrain	80,246
Trinidad and Tobago	79,923
WORLD	4,682,910

¹ [The Fertilizer Industry Handbook](#).

² 2023 Data not yet available.

The following table aggregates all the suppliers to the U.S. into one table and breaks down the imports on a monthly basis over the last three full years.³

U.S. Urea Imports (Short Tons)				
	2021	2022	2023	AVERAGE
January	483,054	454,698	343,551	427,101
February	342,651	504,920	670,678	506,083
March	935,514	800,222	656,659	797,465
April	1,149,971	774,278	593,955	839,401
May	636,107	644,731	794,372	691,737
June	401,477	478,182	380,307	419,989
July	499,464	197,131	111,105	269,233
August	284,288	166,897	210,379	220,522
September	307,202	265,473	298,205	290,293
October	691,961	216,476	489,605	466,014
November	818,489	580,674	347,473	582,212
December	359,287	313,940	407,633	360,287
TOTAL	6,909,464	5,397,622	5,303,924	5,870,337
AVERAGE	575,789	449,802	441,994	489,195

The assessments used to settle the fertilizer contract look at urea imported into the U.S. Gulf. The U.S. Census Bureau provides monthly data broken down by import port, which is found in the table below. Deliverable supply is based on three full years of data from 2021 to 2023.⁴

U.S. Urea Imports (Gulf Districts) (Short Tons)				
	2021	2022	2023	AVERAGE
January	258,056	333,371	255,652	282,360
February	192,818	310,959	476,412	326,730
March	691,357	662,833	510,949	621,713
April	839,240	605,313	340,366	594,973
May	332,461	388,345	435,285	385,364
June	259,063	263,925	193,635	238,874
July	307,294	54,798	1,496	121,196
August	145,580	54,607	55,586	85,258
September	75,077	187,896	235,439	166,138
October	555,029	124,444	279,269	319,581
November	586,224	490,810	172,969	416,668
December	283,821	187,227	314,049	261,699
TOTAL	4,526,020	3,664,529	3,271,107	3,820,552

³ USDA, Foreign Agricultural Service, Global Agricultural Trade System (GATS).

⁴ USDA 2023 data may be preliminary. December 2023 data was released in early February and may be subject to updates.

AVERAGE	377,168	305,377	272,592	318,379
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Imports of urea are generally seasonal. The U.S. imports more urea in the late winter/early spring for application in April and May. Urea imports into the U.S. dry up during the height of the summer months. The Exchange evaluates seasonality on the deliverable supply across all fertilizer futures contract expirations. To the extent that 25 percent of any contract month's future estimated deliverable supply falls below the current spot month limit, the Exchange will evaluate whether there is a need to adjust the spot-month position limit for that corresponding contract month.

These figures represent overall urea imports, both prilled and granular. As the futures contract and underlying assessments only price granular urea, a trimming of the data is required to retrieve only granular urea imports into the U.S. Both price reporting agencies have experts that estimate over 90% of urea imported into the U.S. is granular, while only a small segment is prilled. To that end, the following table shows a reduction of 10% U.S. of urea imports into U.S. Gulf ports, and should represent only granular imports.

U.S. Granular Urea Imports (Gulf Districts) (Short Tons)				
	2021	2022	2023	AVERAGE
January	232,251	300,033	230,087	254,124
February	173,536	279,864	428,771	294,057
March	622,221	596,550	459,854	559,542
April	755,316	544,781	306,329	535,476
May	299,215	349,510	391,756	346,827
June	233,156	237,532	193,635	221,441
July	276,565	49,318	1,496	109,126
August	131,022	49,147	55,586	78,585
September	67,570	169,107	235,439	157,372
October	499,526	112,000	279,269	296,932
November	527,602	441,729	172,969	380,767
December	255,439	168,505	314,049	245,997
TOTAL	4,073,418	3,298,076	3,069,241	3,480,245
AVERAGE	339,451	274,840	255,770	290,020

Additionally, the Exchange excludes all urea under long term contract. Estimates from the price reporting agencies suggest that approximately 30% of urea imported into the U.S. is under long term contract, and not considered part of underlying deliverable supply. The table below cuts 30% off of the granular urea imports into U.S. Gulf ports.

U.S. Granular Urea Imports (Gulf Districts) (Short Tons)				
	2021	2022	2023	AVERAGE
January	162,575	210,023	161,061	177,887

February	121,476	195,904	300,139	205,840
March	435,555	417,585	321,898	391,679
April	528,721	381,347	214,430	374,833
May	209,450	244,657	274,229	242,779
June	163,209	166,273	135,545	155,009
July	193,595	34,523	1,047	76,388
August	91,715	34,403	38,910	55,009
September	47,299	118,375	164,807	110,160
October	349,668	78,400	195,488	207,852
November	369,321	309,210	121,078	266,537
December	178,807	117,953	219,834	172,198
TOTAL	2,851,392	2,308,653	2,148,469	2,436,171
AVERAGE	237,616	192,338	179,039	203,014

Deliverable Supply:

The assessments from Profercy and ICIS are based on transactions, bids, and offers on U.S. Gulf FOB prices. The assessment captures the value of imports into the U.S. through Gulf ports from all countries in the world, which is why granular urea imports were used to determine the amount of the underlying commodity.

Using the average of the last three years of available data, the deliverable supply of granular urea from the U.S. Gulf is 2,436,171 tons (2,436 contract equivalents) annually, or 203,014 tons (2,030 contract equivalents) per month. This figure represents the average of 2021-2023 granular urea imports into the U.S. Gulf not under long term contract. Using the spot-month speculative position limit formula of 25 percent of deliverable supply, the maximum deliverable supply for the Urea (Granular) FOB U.S. Gulf Futures contract supports position limits of 507 contracts ($2,030 \times 0.25$). However, due to the seasonality of urea imports into the U.S. Gulf, there are a few summer months that have average import volumes below annual averages, which is in part due to lower demand in these months once the crops have been planted in the U.S. To account for this difference, the Exchange recommends a spot month position limit below 507 contracts. Ultimately, the Exchange recommends a spot month position limit of 400 contracts. The Exchange will continue to evaluate whether there is a need to adjust the spot-month position limit for any specific contract month.