



BY ELECTRONIC TRANSMISSION

05-6
February 17, 2005

Ms. Jean A. Webb
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: **Amendments to Rules 4.04(b) and 8.04 and Coffee Appendices II and IV -
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Ms. Webb:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6, the Board of Trade of the City of New York, Inc. ("Exchange") submits, by written certification, amendments to Rules 4.04(b) and 8.04 and Coffee Appendices II and IV, attached as Exhibit A.

The amendments to Floor Trading Rule 4.04(b) provide that the opening call for the Mini Coffee "C" futures contract be conducted in a simultaneous or "shotgun" manner rather than through the month-by-month rotation currently used. The purpose is to alleviate any potential disruption to the reopening of the regular Coffee "C" futures contract.

The amendments to Coffee Rule 8.04(c) and Appendix II paragraphs (e), (f) and (g) revise the standards for deliverable coffee and procedures for grading coffee to include a new requirement that such coffee be "free from all unwashed flavors", and add to Schedule of Imperfections in the grading standards a new criteria for counting broca-damaged or "bored" beans as an imperfection under the Schedule. The intent of the amendments regarding unwashed flavors is to provide a more commercially relevant standard for cupping in light of evolving practices used to prepare coffee at origin. The intent of the amendment to the Schedule of Imperfections is also to bring the schedule in line with commercial practice.

The amendment to Appendix IV – Coffee "C" Differentials revises the discount for deliveries of Burundi coffee to 100 points off basis, from the current 300 points off. The

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recommendation is intended to recognize that improvements in the processing of Burundian coffee has resulted in an increase in the relative value of this coffee over the past several years.

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The Exchange certifies that the amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder.

The amendments were adopted by the Exchange's Board of Governors on February 16, 2005. The amendments to Rule 4.04(b) will become effective February 22, 2005. The amendments to Rules 4.04(b) and Appendices II and IV will become effective with the March 2007 delivery month and all subsequent delivery months. No substantive opposing views were expressed by members or others with respect to the amendments.

If you have any questions or need further information, please contact me at jfassler@nybot.com or 212-748-4084.

Sincerely,

Jill S. Fassler
Vice President
Associate General Counsel

cc: Riva Adriance
Thomas Leahy
CFTC, Division of Market Oversight
Allen Cooper
CFTC, New York Regional Office

(In the text of the amendment below, additions are underlined and deletions are bracketed and lined out.)

Rule 4.04. Opening Call for Exchange Futures Contracts

* * *

(b)(i) Except for the Financial, [~~and~~] Index and Mini Coffee "C" Futures Contracts, all calls for Exchange Futures Contracts shall be conducted in sequence by months, one (1) delivery month at a time in sequence beginning with the then current delivery month and continuing through the list of months then open for trading.

(ii) With respect to the Financial, [~~and~~] and Mini Coffee "C" Index Futures Contracts, the first minute of trading shall be deemed the opening period, and all expiration months shall begin trading simultaneously.

[REMAINDER OF RULE UNCHANGED]

Rule 8.04. Standards

Coffee "C" shall consist of one (1) growth, in sound condition, [~~sweet~~] free from all unwashed flavors in the cup, of good roasting quality, and of bean size and color in accordance with criteria established by the Exchange. No delivery shall be permitted of coffee containing more than fifteen (15) full imperfections below the basis for the respective growth, except that in the case of Colombian coffee no delivery shall be permitted of coffee containing more than ten (10) full imperfections below the basis for the respective growth. Imperfections shall be established on the basis of a grading schedule established by the Exchange.

APPENDIX II

Procedures for Grading Coffee and Issuance of Certificates of Grade

The following procedures must be followed by Members and Licensees in connection with the grading of Coffee "C":

* * *

(e) Procedures for Grading.

Graders shall grade samples in accordance with normal commercial practice and:

(1) shall only grade samples of such size as is contained in a standard three hundred fifty (350) gram tray;

(2) shall not perform any grading unless an Exchange employee is present in the grading room at all times during such grading;

(3) shall test no fewer than six (6) cups of each Chop in determining whether coffee is sound and free from all unwashed flavors in the cup; and

(4) shall examine the roasted coffee in determining whether coffee is of good roasting quality.

(f) Minimum Standards.

The minimum standards for delivery under the Coffee "C" Futures Contract are as follows:

(1) The coffee is sound and free from all unwashed flavors in the cup;

EXHIBIT A

(2) The coffee is of good roasting quality;

(3) The coffee is of such bean size that (i) fifty percent (50%) of the coffee sampled screens fifteen (15) or larger, and (ii) no more than five percent (5%) of the coffee sampled screens below fourteen (14);

(4) The coffee is greenish and free of foreign odors; and

(5) The coffee contains no more than fifteen (15) full imperfections below the basis, except that in the case of Colombian coffee the maximum number of full imperfections below the basis shall be ten (10).

(g) Schedule of Imperfections.

(1) The following constitute one (1) full imperfection:

one (1) full black;

one (1) full sour;

one (1) pod or cherry;

five (5) shells;

five (5) broken or cut beans;

two (2) to five (5) partly black or partly sour beans, depending upon the extent to which each bean is discolored or spoiled;

five (5) floaters;

three (3) sticks smaller than one-half (1/2) inch;

one (1) stick ranging in size from one-half (1/2) inch to one (1) inch;

three (3) stones passing through a screen size below twelve (12);

one (1) stone passing through a screen size no smaller than twelve (12);

two (2) to three (3) hulls or husks, depending upon size;

ten (10) bored beans; and

two (2) to three (3) parchments, depending upon size.

(2) The following constitute two (2) full imperfections:

one (1) stick ranging in size from one (1) inch to two (2) inches; and

one (1) stone passing through a screen size no smaller than sixteen (16).

(3) The following constitute three (3) full imperfections:

one (1) stick larger than two (2) inches; and

one (1) stone passing through a screen size over twenty (20).

(4) Any additional non-coffee item shall be one (1) full imperfection.

[REMAINDER OF APPENDIX UNCHANGED]

APPENDIX IV

Coffee "C" Differentials

The differentials for coffees delivered under the Coffee "C" Futures Contract are as follows:

* * *

(2) The differences in value between various grades and growths shall be as follows:

**The Following Text of Schedule C-2 is Effective With Respect to the March 2007 Delivery Month
and All Delivery Months Thereafter**

<u>Mexico, Salvador, Guatemala, Costa Rica, Nicaragua, Kenya, New Guinea, Tanzania, Uganda, Panama, Peru and Honduras</u>	<u>Basis</u>
<u>Colombia</u>	<u>Plus 200 pts.</u>
<u>Venezuela, Burundi and India</u>	<u>Minus 100 pts.</u>
<u>Rwanda.....</u>	<u>Minus 300 pts.</u>
<u>Dominican Republic, Ecuador</u>	<u>Minus 400 pts.</u>

[REMAINDER OF APPENDIX UNCHANGED]