Commodity Markets Council
1300 L St., N.W. Suite 1020
Washington, DC 20005
Tel 202-842-0400
Fax 202-789-7223
www.cmcmarkets.org

Via Electronic Mail

October 3, 2008

David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Request By Chicago Board of Trade To Amend Its Wheat Futures Contract

Dear Mr. Stawick,

The Commodity Markets Council welcomes the opportunity to comment on the Chicago Board of Trade's (CBOT) proposed rule changes to the CBOT Wheat futures contract. Over the last two years, the CBOT Wheat contract has shown inconsistent convergence and raised serious questions about the ability of the contract to meet the needs of its customers. In light of this dynamic situation, CMC believes that the proposed contract amendments represent significant changes that balance the interests of all categories of market participants.

CMC is a trade association that represents commodity futures exchanges, regional boards of trade, and numerous industry counterparts in the agriculture and energy businesses. The businesses of many of our member firms depend upon the efficient and competitive functioning of the CBOT Wheat contract.

After lengthy discussions with our member and other industry participants, CMC does not believe that there is a single silver bullet. All the proposed modifications, including demand certificates, delivery locations, storage rates, and index-settled contracts, offer some advantages and some disadvantages. As CMC stated at the Commission's Ag Advisory Committee meeting on July 29, we believe that any modification to the existing contract must maintain the balance between the long and short hedgers. The current proposal represents such a balanced changes intended to address the convergence issue in three ways:

1) The proposed additional delivery locations on the Mississippi and Ohio Rivers and in Central Ohio will add a significant amount of new delivery capacity and create a better pricing mechanism by accessing the heart of production and export origination areas of the U.S, soft red winter wheat market;

2) The proposed seasonal storage rate will allow futures market carrying charges to expand when demand for storage is greatest during the five-month period following harvest; and

3) Lowering the maximum vomitoxin level from three ppm to two ppm will ensure that the CBOT Wheat contract is pricing milling quality wheat.

In combination, these changes should improve convergence by better aligning the futures delivery terms with the underlying cash market.

This proposal represents significant change, but we encourage the Exchange to continue to work with its customers to ensure that the contract meets their needs. While we look forward to continuing to work with CBOT and the Commission on this important issue, we recommend that the Commission approve the proposed changes and implementation schedule.

Thank you for the opportunity to comment. If you have any questions or would like to discuss our comments, please contact me at (202) 842-0400 or mwalter@cmcmarkets.org.

Sincerely,

Michael D. Walter

MICHAEL D. WALTER
President