MGEX

MINNEAPOLIS GRAIN EXCHANGE

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Via Electronic Mail

February 7, 2008

Mr. David Stawick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, D.C. 20581

SUBJECT: Rule Submission

Dear Mr. Stawick:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c(c) and Commodity Futures Trading Commission ("Commission") Regulation 40.5(a), the Minneapolis Grain Exchange ("MGEX") hereby submits for Commission review and approval the attached amended Regulation 2012.00. Additions have been underlined; there are no deletions.

The purpose for amending the Regulation is to remove daily price limits on spot Hard Red Spring Wheat ("HRSW") futures commencing the first business day after expiration of non-serial options on the spot month. Also, to remove price limits on the Index futures and options contracts commencing two business days preceding the first business day of the expiring contract month.

The primary reason for the need to remove price limits going into a delivery month is to assist an orderly liquidation of positions. The recent trend of significant cash price movements underlying the HRSW futures contract is increasing at extraordinary rates beyond the current HRSW futures price limits. As a result, short position holders in the market are having difficulty closing out their positions. The problem becomes potentially more acute entering the delivery month. During 9 of the last 10 trading days, the March HRSW futures contract month has locked limit up while the cash grain price keeps rising because there are no price limits in the cash market. Every time futures lock price limit up or down, price discovery and risk mitigation is hindered, and liquidity and trade activity disappears. Such a result puts many position holders at risk, and runs counter to the purposes for a futures market.

The MGEX request for Commission approval to remove spot month limits in not new territory; two other designated contract markets with wheat futures contracts already permit unlimited price movement immediately prior to and during a delivery month. The MGEX is of the opinion that reasonable and sound economic business practice argues in support of this submission and request.

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Pursuant to the authority of MGEX Rule 210.01., the Board of Directors unanimously approved amending the Regulation. The proposed effective date is the February 25, 2008 trade day upon Commission approval.

With the importance of the need to implement the regulation in a timely manner, the MGEX respectfully requests immediate attention to this submission by the Commission. If there are any questions regarding this submission, please contact me at (612) 321-7169. Thank you.

Sincerely,

Layne G. Carlson
Corporate Secretary

Enclosure
cc: Thomas J. Bloom
Anne Reuter

Attachment

2012.00. TRADING LIMITS.

Trading is prohibited during any day in Futures Contracts of commodities traded on this Exchange at a price outside the limit above or the limit below either the settlement price for such commodity on the previous business day, or the average of the opening range, or the first trade during the first day of trading in a Futures Contract.

A. Wheat .....$0.40 per bushel

B. National Corn Index.....$0.25

C. National Soybean Index.....$0.60

D. Wheat Indices.....$0.40

However, there shall be no price limits on the spot Hard Red Spring Wheat futures contract month commencing the first business day after expiration of non-serial options on the spot month.

Further, there shall be no price limits on Index futures and options contracts commencing two business days preceding the first business day of the expiring contract month.