



**KANSAS CITY  
BOARD OF TRADE**

February 8, 2008

**SENT VIA E-MAIL:**  
[submissions@cftc.gov](mailto:submissions@cftc.gov)

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

**Re: Submission pursuant to Commission Regulation 40.5**

Dear Mr. Stawick:

- I. **Submission.** The Kansas City Board of Trade ("KCBT") hereby submits for Commission review and approval, pursuant to Commission Regulation Section 40.5, proposed amendments to Rule 2006.00 increasing the daily price limit for KCBT wheat futures from 30 cents to 60 cents per bushel. It is the intent of the KCBT to have this rule change effective business date Monday, February 11, 2008 (the evening session on Sunday, February 10, 2008) in coordination with other wheat markets subject to Commission approval. The Board of Directors, in a special meeting held on February 8, 2008, acting pursuant to authority granted them under Rules 233.01(o) and 2006.00, approved the amendments to Rule 2006.00. In the opinion of KCBT, the rights of open position holders are not significantly altered by these proposed rule amendments.
- II. **Date of Implementation.** Amended Rule 2006.00 shall be effective business date Monday February 11, 2008 (the evening session on Sunday, February 10, 2008). This proposed effective date is contingent upon Commission approval pursuant to Regulation Section 40.5.
- III. **Substantive Opposing Views.** To the knowledge of the Board of Directors and staff, no substantive opposing views were expressed by members or others regarding the amendments.

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- IV. **Text of Proposed Rule.** The text of amended Rule 2006.00 is shown as follows, with additions underlined and deletions lined out:

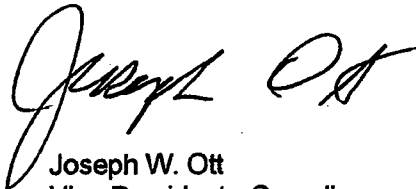
### **Chapter 20 Wheat Futures**

**2006.00 Limitation On Fluctuation Of Prices.** The Board of Directors may at any time, upon ten (10) hours' notice, by resolution, provide that there shall be no trading in any specified contract for delivery in any specified month at prices more than a fixed limit above or below the official closing price of the preceding business day. Any member who enters into any contracts under the rules of the Board of Trade in violation of such resolution shall be subject to disciplinary action pursuant to Chapter 14.

Note: Pursuant to a Resolution of the Board of Directors on February 8, 2008, there shall be no trading in wheat futures at a price more than ~~\$.30~~ ~~\$.40~~ \$.60 per bushel \$3,000 per contract above or below the previous day's settlement price. Should two or more wheat futures contract months within a crop year (or the remaining contract month in a crop year) close at limit bid or limit offer, the daily price limits for all contract months shall increase by 50 percent the next business day and an additional 50 percent each subsequent day two or more contract months within a crop year (or the remaining contract month in a crop year) close at limit bid or limit offer. Daily price limits shall revert back to \$.60 after no wheat futures contract month closes limit bid or limit offer for three consecutive business days. ~~except that there~~ There shall be no price limits on the current month contract on or after the second business day preceding the first day of the delivery month.

- V. **Operation, Purpose & Effect of Proposed Rule.** Wheat futures have experienced unprecedented price levels and volatility during the past year. During 2008, KCBT wheat futures have closed at a limit move on eleven (11) days which has restricted price discovery. The price of the commodity has more than doubled during the past year. The KCBT feels that a larger price limit is necessary for the long term health of our contract. The proposed price increase is being made in coordination with the other wheat markets to not distort the intermarket spread relationships that exist among the wheat markets.
- VI. **Closing.** Any questions regarding this submission should be directed to the undersigned at 816-753-7500.

Sincerely,



Joseph W. Ott  
Vice President - Compliance