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March 23, 2009

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

**Re: CME Chapter 58 - Deliverable Nonfat Dry Milk Contracts
CME Submission No. 09-044**

Dear Mr. Stawick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission of the CME Deliverable Nonfat Dry Milk futures and options launch date, trading hours, and New CME Rules with respect to the Deliverable Nonfat Dry Milk futures and options contracts. The text of the rules is attached.

CME Deliverable Nonfat Dry Milk Futures and Options will begin trading on Monday, April 20, 2009.

- Months list for trading: June 2009, July 2009, August 2009, September 2009, October 2009, November 2009, December 2009, January 2010, February 2010, March 2010, April 2010, May 2010, June 2010, July 2010, August 2010, September 2010, October 2010, November 2010, December 2010, January 2011, February 2011, March 2011, April 2011 and May 2011.

Electronic Trading Hours: Monday – Thursday 9:05 a.m. to 4:00 p.m.; Reopen at 5:00 p.m.; Friday, Close at 1:55 p.m. (12:10 p.m. LTD)

CME certifies that these actions comply with the Commodity Exchange Act and regulations thereunder.

If you require any additional information regarding this matter, please do not hesitate to contact Mr. Charles Piszczor at 312-930-4536 or via e-mail at charles.piszczor@cmegroup.com or me at 312-648-5422. We would be appreciative if you could reference our CME Submission No. 09-044 in any related correspondence.

Sincerely,

/s/ Stephen M. Szarmack
Director and Associate General Counsel

Chapter 58
Deliverable Nonfat Dry Milk Futures
(All New)

5800. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in nonfat dry milk. The procedures for trading, clearing, inspection, delivery, settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

5801. COMMODITY SPECIFICATIONS

The commodity traded pursuant to this chapter shall consist of Grade A and Extra Grade Nonfat Dry Milk.

5802. FUTURES CALL

5802.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours and in such months as may be determined by the Board of Directors.

5802.B. Trading Unit

The unit of trading shall be 44,000 pounds.

5802.C. Price Increments

Minimum price fluctuations shall be in multiples of \$0.00025 per pound.

5802.D. Daily Price Limits

There shall be no trading at a price more than \$0.025 per pound above or below the previous day's settlement price, except that there shall be no daily price limits in the spot month during the last 5 trading days in the spot month.

If any contract that is subject to a daily price limit settles on the limit bid or the limit offer, then the daily price limit shall be raised to \$0.05 per pound for all contracts subject to a daily price limit. If none of the contracts that are subject to a daily price limit of \$0.05 settles at a limit bid or limit offer, the price, without regard to market direction, limits for all contracts subject to a daily limit shall revert to a \$0.025 per pound on the next business day.

5802.E. Position Limits

No person shall own or control more than:

1. 1,000 contracts long or short in any contract month;
2. 500 contracts long or short in the expiring contract month as of the close of business on the business day immediately preceding the last 5 trading days in the expiring contract.

For positions involving options on Nonfat Dry Milk futures, this rule is superseded by the option speculative position limit rule.

5802.F. Accumulation of Positions

For purposes of this rule the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person

or persons have a proprietary or beneficial interest, shall be cumulated.

5802.G. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the Commodity Futures Trading Commission and the rules of the Exchange and shall not apply to other positions exempted pursuant to Rule 543.

5802.H. Termination of Trading

Futures trading shall terminate on the business day immediately preceding the last seven business days of the contract month.

5802.I. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract, except that all deliveries must conform to government regulations in force at the time of delivery. If any federal governmental agency issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules and all open and new contracts shall be subject to such government orders.

5803. SETTLEMENT PROCEDURES

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the delivery of nonfat dry milk:

5803.A. - B. [Reserved]

5803.C. Delivery Days

Delivery may be made on any business day of the contract month, except that delivery may not be made prior to the third business day following the first Friday of the contract month.

5803.D. Seller's Duties

To make delivery, the seller shall furnish no later than 4:30 p.m. two business days prior to delivery, to the Exchange's Clearing House, a written Delivery Notice on a form prescribed by the Exchange. The buyer shall be notified by the Exchange no later than 4:30 p.m. of said day unless such notification deadline is extended by the President. The seller shall present by 12:00 noon on the business day following the day of intent, which shall be the first business day following the first Friday of the month, an Official Exchange Certificate, a USDA grading certificate indicating that the nonfat dry milk is Grade A or Extra Grade and a Certificate of Analysis.

The Certificate of Analysis shall show the results of the tests for fat and moisture content, titratable acidity, solubility, bacterial estimate, coliform, scorched particles, flavor, yeast and mold, grade, heat process, salmonella and whey protein nitrogen.

5803.E. Buyer's Duties

The buyer receiving a delivery notice may not liquidate the long position assigned delivery and must deposit with the Clearing House not later than 12:00 noon on the business day following the day of intent, a wire transfer for the payment amount as described in Rule 5803.F.

5803.F. Payment

Buyer's payment to the seller shall equal the product of the net weight delivered and the settlement

price on the day of tender adjusted by the allowance for deliveries outside Chicago as described in Rule 5804.C., plus storage charges as described in Rule 5807.B.

5803.G. Completion of Delivery

Upon receipt of the buyer's payment and the seller's fulfillment of the delivery in accordance with all the conditions of the contract herein set forth, the Clearing House shall release the Official Exchange Certificate and USDA inspection certificate to the buyer and make the corresponding payment to the seller.

5803.H. Approved Facilities

Delivery of nonfat dry milk shall be made from approved warehouses only.

5804. PAR DELIVERY AND SUBSTITUTIONS

5804.A. Par Delivery Unit

1. Quality Specifications

A par delivery unit is 44,000 pounds of Grade A or Extra Grade nonfat dry milk.

The nonfat dry milk shall be free flowing and manufactured using the spray process with a low heat treatment classification. It shall not show less than 6.0 milligrams undenatured whey protein nitrogen per gram. On the day of sale, the nonfat dry milk shall be less than 180 days old. All nonfat dry milk shall be certified Kosher by a Rabbinical Service that provides Kosher classification. The methods of analysis shall be those specified by the USDA.

All nonfat dry milk sold on the Exchange shall have been produced in facilities that at the time of production have been surveyed and approved by the Grading Service of the USDA and are on the eligible list of that Service.

Two grades of nonfat dry milk are allowed and are outlined as follows:

- **Grade A**

Nonfat dry milk sold as Grade A shall, at the time of production, have been produced in a facility that has a sanitation rating of at least 90 as evidenced in the "Sanitation Compliance and Enforcement Ratings of Interstate Milk Shippers" (IMS List) from the US Department of Health and Human Services-Public Health Service/Food and Drug Administration.

Nonfat dry milk sold as Grade A shall have a butterfat content of not more than 1.25% and a moisture content of not more than 4.00%. Its titratable acidity shall be not more than 0.15% and its solubility index shall be not more than 1.2 milliliters. It shall have a bacterial estimate of not more than 30,000 per gram and coliform of less than 10 per gram. Its scorched particle content shall be not more than 15.0 per gram.

- **Extra Grade**

Nonfat dry milk sold as Extra Grade shall conform to the requirements of that grade as established by the USDA.

2. Packaging

The nonfat dry milk shall be packaged in multiwall paper bags of 25 kilogram net capacity. The bag shall be constructed of a minimum of 3 walls of flat or extensible kraft paper and a minimum 2.0 mil (guaranteed) low density polyethylene food grade liner. The outermost ply shall be wet-strength paper. The total basis weight of the walls of paper shall be a minimum of 180 pounds when flat kraft is used and 160 pounds when extensible paper is used. All bags shall show the name and location of the manufacturing plant, the USDA plant number, the manufacturer's lot and subplot number, net weight, the date of manufacture, the grade, and that the heat treatment classification is low heat.

The closure for the bag shall meet one of the two following descriptions:

1. The bottom and top closures of the bag shall be closed by sewing through all walls of the outer bag with 12/6 needle and 12/5 cotton looper thread, or a comparable strength or with a single thread chain stitch with a 12/6 thread. The stitches shall be spaced 3.0 to 3.6 to the inch and not less than 3/8 inch and not more than 3/4 inch from the top and bottom ends of the bag.

The stitches along the bottom and top of the bag shall be covered with not less than 70-pound basis weight flat extensible or low stretch creped kraft tape.

2. The bottom and top of the bag shall be closed to provide a tight seal using hot-melt or thermoplastic adhesive applied along the top edge of the long side of the bag extending downward at least 1-3/8 inches. The fold line of the closure shall be 1-5/8 inches plus or minus 3/8 inch below the top edge of the long side of the bag. The outer wall of the bag shall be stepped at the bottom and top fold over flap beyond all inner walls in order to provide a positive seal over the ends of the inner walls.

5804.B. [Reserved]

5804.C. Delivery Points and Allowances

Delivery may be made only from approved locations within the 48 contiguous states. Par delivery of nonfat dry milk shall be made from approved warehouses in Chicago. Deliveries made from approved warehouses outside Chicago shall be subject to a freight allowance determined by the Exchange as follows: up to 400 miles outside Chicago with a discount of \$.00625 per pound; between 400 and 800 miles outside Chicago with a discount of \$.0125 per pound; between 800 and 1200 miles outside Chicago with a discount of \$.0195 per pound; between 1200 and 1600 miles outside Chicago with a discount of \$.0260 per pound; and beyond 1600 miles outside Chicago with a discount of \$.0345 per pound. The allowance shall be calculated on the net weight delivered.

5804.D. Deviations and Allowances

The delivery unit may vary between 42,000 and 45,000 pounds in gross weight but payment shall be made on the basis of the net weight delivered.

5805. INSPECTION

Grading of nonfat dry milk must meet the standards promulgated from time to time by the Secretary of Agriculture, and all inspections shall be made in accordance with such standards.

A USDA Grading certificate shall not be valid for delivery if the nonfat dry milk has been moved from the location indicated on the certificate. The USDA grading certificate shall indicate state(s) of manufacture.

5806. EXCHANGE CERTIFICATE

The seller shall include as part of the delivery papers an Official Exchange Certificate valid through the date of delivery.

5807. ASSOCIATED COSTS

5807.A. General

The costs of all examinations, documentation and related services performed by the USDA grader and the costs of Exchange documentation and related services, such as repackaging after examination shall be borne by the seller.

5807.B. Delivery from Warehouse

The seller shall assume storage charges up to 5:00 p.m. on the second business day after the date of delivery, which is defined as the third business day after the day of intent. The buyer shall be responsible for the remainder of the storage month. The buyer's share shall be computed by dividing the prevailing monthly storage rate by 30, raising the quotient to the nearest five cents and multiplying by the number of days remaining until the next expiration date (all months figured as 30 days). Storage charges shall be paid in advance by the seller and the pro rata share due from the buyer shall be added to and shown on the tender notice. All charges for handling prior to the date of tender, defined as the first Monday or business day after the first Friday of the month, shall be borne by the seller. All charges incurred thereafter shall be borne by the buyer.

5807.C. [Reserved]

5807.D. [Reserved]

5807.E. Container and Pallet Charges

Nonfat Dry Milk must be loaded on pallets for shipping. Buy must arrange for full exchange of pallets or make payments at \$12.50 per pallet.

5808 ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. - ACTS OF GOVERNMENT, ACTS OF GOD, AND OTHER EMERGENCIES)

(End Chapter 58)

Chapter 58A Options on Deliverable Nonfat Dry Milk Futures

58A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on the Deliverable Nonfat Dry Milk futures contract. The procedures for trading, clearing, inspection, delivery and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

58A01. OPTION CHARACTERISTICS

58A01.A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Board of Directors.

58A01.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 Deliverable Nonfat Dry Milk futures contract as specified in Chapter 58.

58A01.C. Minimum Fluctuations

The price of an option shall be quoted in cents per pound. Minimum price fluctuations shall be in multiples of \$.00025 per pound (also known as one tick). A trade may also occur at a price of \$.000125 per pound (\$5.50, also known as one-half tick), whether or not it results in the liquidation of positions for both parties to the trade.

58A01.D. [Reserved]

58A01.E. Exercise Prices

The exercise prices shall be stated in terms of cents per pound. For all contract months, exercise prices shall be at intervals of 2 cents; e.g., 100 cents, 102 cents, etc. In addition, for the nearest contract month, exercise prices shall be at intervals of 1 cent, as described below.

At the commencement of option trading in a contract month, the Exchange shall list put and call options in a range of 10 cents above and below the previous day's settlement price of the underlying futures contract.

When a sale, bid, offer, or settlement price in the underlying futures contract occurs at, or passes through an exercise price, the Exchange shall list on the next trading day put and call option contracts at the next higher (or next lower) exercise price within a 10 cent range above (or below) the exercise price at which or through which the underlying futures sale, bid, offer, or settlement price occurred.

When a contract month becomes the nearest contract month, the Exchange shall add exercise prices at 1 cent intervals at a range of 4 cents above and below the previous day's settlement price of the underlying futures contract. If the previous day's futures contract settlement price equals an eligible exercise price, then that exercise price shall also be listed, if not yet listed. Thereafter, when a sale, bid, offer, or settlement price in the underlying futures contract occurs at, or passes through, an odd-numbered exercise price, the Exchange shall list on the next trading day put and call options at the next higher (or next lower) exercise price within a 4 range above (or below) the exercise price at which or through which the underlying futures sale, bid, offer, or settlement price occurred.

New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

58A01.F. Position Limits

No person shall own or control a combination of options and underlying futures that exceeds:

1. 1000 futures equivalent contracts net on the same side of the market in any contract month.
2. 500 futures equivalent contracts net on the same side of the market in the expiring contract month as of the close of business on the business day immediately preceding the last 5 trading days in the expiring contract.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

58A01.G. Accumulation of Positions

The positions of all accounts owned or controlled by a person or persons acting in concert or in which such person or persons have a proprietary or beneficial interest, shall be cumulated. The Board may impose position limits for any such accounts as it deems appropriate.

58A01.H. Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 559. and shall not apply to other option positions exempted pursuant to Rule 559.

58A01.I. Termination of Trading

Options trading shall terminate on the first Friday of the delivery month of the underlying futures contract. If that Friday is not a business day, then trading shall terminate on the immediately preceding business day.

58A01.J. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an

agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling, directive, or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such government orders.

58A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7 the following shall apply to the exercise of Deliverable Nonfat Dry Milk options.

58A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer on any business day the option is traded. Exercise of an option is accomplished by the clearing member representing the buyer presenting an Exercise Notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instruction delivered to the Clearing House by 7:00 p.m. on the business day following the expiration by the clearing member representing the option buyer, be exercised automatically.

58A02.B. Assignment

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 thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes prior to the opening of trading in the underlying futures contract on the following business day.

The clearing member assigned an Exercise Notice shall be assigned a short position in the underlying futures contract if a call was exercised or a long position if a put was exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call was exercised and a short position if a put was 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.

58A03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701 – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 58A)

FLEXIBLE DELIVERABLE NONFAT DRY MILK OPTIONS

58A30. SCOPE OF FLEXIBLE OPTION RULES

Unless otherwise noted below, the following flexible option rules supersede the standard option regulations presented in the earlier part of the chapter.

58A31. FLEXIBLE OPTION CHARACTERISTICS

58A31.A. Nature of Flexible Contracts

Flexible options on Deliverable Nonfat Dry Milk futures shall be permitted in puts and calls that do not have the same underlying futures contract, and the same strike price, and the same exercise style, and the same expiration date as the standard listed options that are already available for trading.

Trading in standard options under certain flexible trading procedures shall be permitted prior to the listing of such options. Once and if these options are listed for trading as standard options, they will be traded only as standard options subject to the standard option trading requirements. Upon such listing, all existing open positions established under flexible procedures shall be fully fungible with transactions in the respective standard option series for all purposes under these regulations.

58A31.B. Trading Unit

The minimum size for requesting a quote and/or trading in a flexible option series is 1 contract, where each contract represents an option to buy, in the case of a call, or to sell, in the case of a put, one Deliverable Nonfat Dry Milk futures contract as specified in Chapter 58.

Respondents to a request for quote must be willing to trade at least 1 contract.

58A31.C. Minimum Fluctuations

(Refer to Rule 58A01.C.—Minimum Fluctuations)

58A31.D. Underlying Futures Contracts

The underlying futures contract for a flexible option shall be any Deliverable Nonfat Dry Milk futures contract that is currently available for trading, as specified in Chapter 58.

58A31.E. Exercise Prices

Exercise prices shall be stated in terms of the Deliverable Nonfat Dry Milk futures contract that is deliverable upon exercise of the option and may be at intervals of .25 cents per pound for all levels from 00.25 to 1,000; e.g., 100.25, 100.50.

58A31.F. Position Limits

No person shall own or control a combination of options and futures that exceeds:

1. 1,000 contracts long or short in any contract month;
2. 500 contracts long or short in the expiring contract month as of the close of business on the business day immediately preceding the last 5 trading days in the expiring contract.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for the purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

58A31.G. Accumulation of Positions

(Refer to Rule 58A01.G.—Accumulation of Positions)

58A31.H. Exemptions

(Refer to Rule 58A01.H.—Exemptions)

58A31.I. Termination of Trading

Flexible option expiration dates may be specified for any Exchange business day up to and including the business day immediately preceding the last trading day of the underlying futures contract.

A new flexible option series may not be opened on its last day of trading. However, an existing flexible option series may be traded on its last day of trading.

58A31.J. Contract Modification

(Refer to Rule 58A01.J.—Contract Modification)

58A32. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of flexible options on Deliverable Nonfat Dry Milk futures.

58A32.A. Exercise of Flexible Option by Buyer

Flexible options may be specified to have either American-style or European-style exercise.

A flexible option with American-style exercise may be exercised by the buyer on any business day that the option is traded and also on its expiration date. To exercise the option, the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 P.M. on the day of exercise.

A flexible option with European-style exercise may be exercised by the buyer only on the day that the option expires. To exercise the option, the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 P.M. on the day of exercise.

Any flexible option that is in the money and has not been liquidated or exercised prior to its expiration date shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 P.M. on the day of termination of trading by the clearing member representing the option buyer, be exercised automatically.

58A32.B. Assignment

(Refer to Rule 58A02.B.—Assignment)

58A33. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

58A34. INITIATING A FLEXIBLE OPTION CONTRACT SERIES

For each trading session, the opening of trading in any flexible option series shall occur through a Request For Quote (RFQ). No RFQ's will be accepted prior to ten minutes after the daily scheduled opening time of the underlying futures. No RFQ's will be accepted within thirty minutes of the daily scheduled closing time of the underlying futures.

58A35. RESPONSE TIME INTERVAL

No trades against the first RFQ submitted for a flexible option series on any trading day may occur prior to the end of the Response Time Interval. The Response Time Interval shall be a 5 minute period and will begin immediately upon acceptance of an RFQ by the designated flexible option pit official. The designated flexible option pit official shall signal the end of the Response Time Interval for each RFQ.

58A36. RFQ TRADING INTERVAL

A flexible option series shall be immediately open for trading following the Response Time Interval. Priority for RFQ's is determined by order of submission to the RFQ official, except that all RFQ's submitted before the open shall be treated equally.

58A37. EXPIRATION OF AN RFQ

Trading in a given flexible option series following an RFQ shall remain open for the remainder of the trading session.

58A38. REPORTING OF FLEXIBLE OPTION TRADES

It shall be the responsibility of the participants in a flexible option trade to report the quantities and prices to the designated flexible option pit official in a timely manner, including any later trades in open flexible contract term series.

(End Chapter 58A)