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KANSAS CITY BOARD OF TRADE F.C. OF THE SECRETARIAT

June 26, 2008

SENT VIA E-MAIL TO:
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 Section 5c(c) of the Act and Commission Regulations 40.4 and 40.5 - "Request for Commission rule approval."

Dear Ms. Donovan:

I. REQUEST FOR COMMISSION APPROVAL

The Kansas City Board of Trade ("KCBT" or "exchange") hereby submits, pursuant to Section 5c(c) of the Act and Commission Regulations 40.4 and 40.5, Resolution 12-1215.00-1, setting forth a 4 ppm (four parts per million) deoxynivalenol (vomitoxin) restriction, at takers request, on wheat delivered in satisfaction of futures contracts.

II. TEXT OF RESOLUTION

The text of the new Resolution is shown as follows:

RES 12-1215.00-1 Deliveries on Warehouse Receipts; Requirements

Deoxynivalenol (also known as Vomitoxin) Restriction

RESOLVED, that when warehouse receipts are surrendered to the issuer for load-out pursuant to Rule 1215.00, the taker of delivery shall have the option to, at taker's expense, request in such written load-out instructions that the wheat contain no more than 4 ppm (four parts per million) of deoxynivalenol (vomitoxin). A determination of the level of deoxynivalenol shall be made at the point of origin by the Federal Grain Inspection Service or such other third party inspection service mutually agreeable to the maker and taker of delivery. The determination of the level of deoxynivalenol shall be based on the average test results of the wheat loaded in a single day from a single warehouse for each taker of delivery. As of the effective date of this rule (July 1, 2008), any warehouse receipts previously issued and outstanding shall be subject to the provisions of this Resolution.

III. EXCHANGE ACTION TAKEN AND EFFECTIVE DATE

The Board of Directors, in a special meeting held on June 26, 2008 and acting pursuant to authority granted them under Rule 233.01(o), unanimously approved Resolution 12-1215.00-1 as recommended by the Wheat Contract Committee. Subject to Commission approval, Resolution 12-1215.00-1 shall become effective July 1, 2008. The membership is being notified today by exchange circular and press release of our proposed effective date.

IV. OPERATION, PURPOSE AND EFFECT OF RESOLUTION

The exchange Wheat Contract Committee held special meetings on June 24 and June 25 in response to reports in the hard red winter (HRW) wheat growing region of fields where the fungal disease "scab" has been reported. Since fields infected with scab may also contain the mycotoxin deoxynivalenol (also known as vomitoxin), the committee discussed the prudence of preemptively and proactively implementing a vomitoxin restriction effective immediately (July 1, 2008) in order to ensure that deliveries of HRW wheat in satisfaction of futures contracts do not contain unreasonable levels of vomitoxin. Rarely is this mycotoxin prevalent in HRW wheat, and it is still too early in the HRW wheat harvest to determine whether there will be any significant amounts of vomitoxin in this year's crop. However, the unusual weather patterns this year prior to harvest, specifically significant amounts of moisture received at a critical time in plant development, has resulted in areas where the possibility of vomitoxin exists.

Because vomitoxin is not normally an issue associated with HRW wheat, the committee was concerned that vomitoxin wheat making its way into the delivery system could have an impact on the pricing of KCBT wheat futures, given that millers and exporters do not accept HRW wheat with vomitoxin levels higher than 2 ppm in normal domestic and export contracts. Although the amount (if any) of vomitoxin in this year's HRW wheat crop is undeterminable at this time, the committee determined that the mere possibility of unacceptable levels of vomitoxin making its way into the delivery mechanism is sufficient cause to implement a restriction limiting the level of vomitoxin in delivery wheat.

As a result, the committee proposed and unanimously approved a resolution (Resolution 12-1215.00-1) restricting vomitoxin levels in delivery wheat to no more than 4 ppm and recommended that the board of directors approve such resolution for immediate implementation.

V. SUBSTANTIVE OPPOSING VIEWS

To the knowledge of the Board of Directors and staff of the KCBT, no substantive opposing views were expressed by members or others regarding Resolution 12-1215.00-1. There were some questions expressed as to the implementation timeframe, which the committee overwhelmingly determined was better sooner rather than later.

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VI. **CLOSING**

The exchange is not aware of any Commission regulations that need amending or interpreting in order to approve Resolution 12-1215.00-1.

Sincerely,



Jeff C. Borchardt
President



June 26, 2008

Circular No. 08-46

To: All Members

Board Advisory - Wheat Vomitoxin Restriction

The Board of Directors, in a special meeting held on June 26, 2008, approved Resolution 12-1215.00-1 (Vomitoxin Restriction) as recommended by the Wheat Contract Committee. The Resolution has been submitted to the Commodity Futures Trading Commission for final approval.

The purpose of this advisory is to inform the membership and their market participants that the Board intends to make Resolution 12-1215.00-1 effective on July 1, 2008, subject to Commodity Futures Trading Commission approval. In that regard, any person establishing a position in the market should do so with that understanding.

The rationale for Resolution 12-1215.00-1 is as follows:

The exchange Wheat Contract Committee held special meetings recently in response to reports in the hard red winter (HRW) wheat growing region of fields where the fungal disease "scab" has been reported. Since fields infected with scab may also contain the mycotoxin deoxynivalenol (also known as vomitoxin), the committee discussed the prudence of preemptively and proactively implementing a vomitoxin restriction effective immediately (July 1, 2008) in order to ensure that deliveries of HRW wheat in satisfaction of futures contracts do not contain unreasonable levels of vomitoxin. Rarely is this mycotoxin prevalent in HRW wheat, and it is still too early in the HRW wheat harvest to determine whether there will be any significant amounts of vomitoxin in this year's crop. However, the unusual weather patterns this year prior to harvest, specifically significant amounts of moisture received at a critical time in plant development, has resulted in areas where the possibility of vomitoxin exists.

Because vomitoxin is not normally an issue associated with HRW wheat, the committee was concerned that vomitoxin wheat making its way into the delivery system could have an impact on the pricing of KCBT wheat futures, given that millers and exporters do not accept HRW wheat with vomitoxin levels higher than 2 ppm (parts per million) in normal domestic and export contracts. Although the amount (if any) of vomitoxin in this year's HRW wheat crop is undeterminable at this time, the committee determined that the mere possibility of unacceptable levels of vomitoxin making its way into the delivery mechanism is sufficient cause to implement a restriction limiting the level of vomitoxin in delivery wheat to no more than 4 ppm.

The text of Resolution 12-1215.00-1 is shown as follows:

RES 12-1215.00-1 Deliveries on Warehouse Receipts; Requirements

Deoxynivalenol (also known as Vomitoxin) Restriction

RESOLVED, that when warehouse receipts are surrendered to the issuer for load-out pursuant to Rule 1215.00, the taker of delivery shall have the option to, at taker's expense, request in such written load-out instructions that the wheat contain no more than 4 ppm (four parts per million) of deoxynivalenol (vomitoxin). A determination of the level of deoxynivalenol shall be made at the point of origin by the Federal Grain Inspection Service or such other third party inspection service mutually agreeable to the maker and taker of delivery. The determination of the level of deoxynivalenol shall be based on the average test results of the wheat loaded in a single day from a single warehouse for each taker of delivery. As of the effective date of this rule (July 1, 2008), any warehouse receipts previously issued and outstanding shall be subject to the provisions of this Resolution.

Jeffrey C. Borchardt
President