

October 1, 2012

**VIA E-MAIL**

Ms. Sauntia Warfield  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

**RE: Regulation § 40.6(a) Certification: Updated delivery  
differentials for soybean meal and soybean oil  
CBOT Submission 12-295**

Dear Ms. Warfield:

The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) pursuant to Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a) hereby notifies the Commission that it is self-certifying Soybean Meal and Soybean Oil differentials for 2013 as required in Chapter 12 (Rule 12106) and Chapter 13 (Rule 13106) of the CBOT Rules and Regulations. These amendments shall be effective on January 2, 2013.

A copy of the updated rules, with additions underlined and deletions ~~stricken through~~, is attached hereto as Exhibit A.

CBOT Soybean Oil and Soybean Meal delivery differentials are determined each year according to an Automatic Adjustment Mechanism formula. The Automatic Adjustment Mechanism formula was designed to allow the delivery differentials to automatically adjust annually so that not one territory – due to its location, logistical issues, and/or distance from end users – was either economically advantaged or disadvantaged relative to the other delivery territories. By the nature of how the differentials are recalculated each year, this ensures that deliverable supply remains high and reduces the likelihood that all deliveries occur in one or just a few territories, and reduces the likelihood that futures prices converge to only one or a few deliverable territories. The location differentials are specifically enumerated in CBOT Rules 12106 (Delivery Points) for Soybean Oil and 13106 (Shipping Plants) for Soybean Meal. Soybean Oil and Soybean Meal delivery differentials are updated each January based on the Automatic Adjustment Mechanism formula calculated from January through August in Soybean Oil and September through August in Soybean Meal. Special Executive Reports S-6390 and S-6391 are attached as Exhibit B and Exhibit C, respectively, for your convenience. The updated differentials will take effect with the January 2013 delivery month cycle.

CBOT business staff responsible for updating the differentials and the CBOT legal department collectively reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act”). During the review, CBOT staff identified the following Core Principles as potentially being impacted:

- **Compliance with Rules:** Yearly adjustments in the delivery differentials are required by the contracts' terms and conditions as set out in CBOT Rule 12106 and Rule 13106.
- **Availability of General Information:** The ratios are published on a weekly basis from September 1<sup>st</sup> to August 31<sup>st</sup> for Soybean Meal and from January 1<sup>st</sup> to Augusts 31<sup>st</sup> for Soybean Oil. This is available to the public on the Exchange's website in the Deliverable Commodities Under Registration report: <http://www.cmegroup.com/market-data/reports/registrar-reports.html>
- **Recordkeeping:** All spreadsheets used to calculate the ratios are maintained by the Registrar's Office. There are electronic records that go back at least 5 years.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that updating the Soybean Meal and Soybean Oil differentials complies with the Act, including regulations under the Act. There were no substantive opposing views to the proposal. These amendments shall be effective on January 2, 2013.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (312) 930-8167 or [Sean.Downey@cmegroup.com](mailto:Sean.Downey@cmegroup.com).

Sincerely,

/s/ Sean Downey  
Director and Assistant General Counsel

Attachments: Exhibit A – Rule 12106 and Rule 13106  
Exhibit B – S-6390  
Exhibit C – S-6391

# EXHIBIT A

## Text of Rule Amendments

(Additions are underlined, deletions are bracketed and overstruck.)

### Chapter 12 Soybean Oil Futures

#### 12106. DELIVERY POINTS

Crude Soybean Oil may be delivered in satisfaction of Soybean Oil futures contracts from regular warehouses located in the Illinois Territory, Eastern Territory, Eastern Iowa Territory, Southwest Territory, Western Territory or Northern Territory as defined in this rule and at the following price differentials:

- (a) Illinois Territory (That portion of the state of Illinois north of latitude 38°00' N.) at contract price.
- (b) Eastern Territory (Those portions of the states of Indiana and Kentucky west of the Ohio-Indiana border and its extension and north of latitude 38°00'N.) at 3040/100ths of one cent per pound under contract price.
- (c) Eastern Iowa Territory (That portion of the state of Iowa east of longitude 93°50'W.) at 120440/100ths of one cent per pound under contract price.
- (d) Southwest Territory (Those portions of the states of Missouri and Kansas north of latitude 38°00'N. and east of longitude 97°00'W.) at 7565/100ths of one cent per pound over contract price.
- (e) Western Territory (Those portions of the states of Iowa west of longitude 93°50'W., and Nebraska east of longitude 97°00'W.) at 5/100ths of one cent per pound over contract price.
- (f) Northern Territory (Those portions of the states of Minnesota south of latitude 45°10'N., and South Dakota south of latitude 45°10'N., and east of 97°00'W.) at 125/100ths of one cent per pound under contract price.

## Chapter 13 Soybean Meal Futures

### 13106. SHIPPING PLANTS

Soybean Meal Shipping Certificates shall specify shipment from one of the plants currently regular for delivery and located in the Central Territory, Northeast Territory, Mid South Territory, Missouri Territory, Eastern Iowa Territory, or Northern Territory as defined in this Rule. The Exchange may declare additional shipping plants regular for delivery which shall apply on all contracts outstanding or made thereafter.

#### SHIPPING PLANTS

- (a) All loadings of Soybean Meal against Soybean Meal Shipping Certificates shall be in bulk free on board railroad cars at shipping plants.
- (b) Payment for Shipping Certificates issued in the Central Territory (i.e. shipping plants located in Illinois and Kentucky) will be at contract price.
- (c) Payment for Shipping Certificates issued in the Northeast Territory (i.e. shipping plants located in Indiana and Ohio) will be at a premium of \$2.00 ~~4.00~~ per ton over contract price.
- (d) Payment for Shipping Certificates issued in the Mid South Territory (i.e. shipping plants located in all of Tennessee and Arkansas and that part of Mississippi and Alabama north of a line extending eastward from the Arkansas and Louisiana border) will be at a premium of \$9.50 ~~8.50~~ per ton over contract price.
- (e) Payment for Shipping Certificates issued in the Missouri Territory (i.e. shipping plants located in Missouri) will be at a premium of \$3.50 ~~2.50~~ per ton over contract price.
- (f) Payment for Shipping Certificates issued in the Eastern Iowa Territory (i.e. shipping plants located in Iowa on and South of the main line of the Illinois Central Gulf RR from Dubuque, Iowa to Iowa Falls, Iowa; and on and East of the main line of the Chicago Rock Island RR from Iowa Falls to the Union Pacific RR from Des Moines through Blockton, Iowa) will be made at a discount of \$2.00 ~~3.00~~ per ton under contract price.
- (g) Payment for Shipping Certificates issued in the Northern Territory (i.e. shipping plants located in that portion of Iowa not included in the Eastern Iowa Territory) will be at a discount of \$2.50 ~~3.50~~ per ton under contract price.

# EXHIBIT B

## SPECIAL NOTICES RELATING TO CHAPTER 12 Soybean Oil Delivery Differentials in Cents Per 100 lbs.

For Delivery Months January through December 201342

<b>DELIVERY TERRITORY DIFFERENTIALS*</b>
<b>Warehouse Location</b>
<b>Illinois Territory: PAR</b>
Bloomington, IL
Danville, IL
Decatur, IL
Galesburg, IL
Gibson City, IL
Quincy, IL
<b>Eastern Territory: (3040)</b>
Decatur, IN
Frankfort, IN
Lafayette, IN
Logansport, IN
<b>Eastern Iowa Territory: (120410)</b>
Ackley, IA
Buffalo, IA
Cedar Rapids, IA
Cedar Rapids (E), IA
Des Moines, IA
Iowa Falls, IA
Mason City, IA
<b>Southwest Territory: 7565</b>
Kansas City, MO
Mexico, MO
St. Joseph, MO
Emporia, KS
<b>Northern Territory: (125)</b>
Dawson, MN
Mankato, MN
Volga, SD
<b>Western Territory: 5</b>
Eagle Grove, IA
Emmetsburg, IA
Manning, IA
Sergeant Bluff, IA
Sheldon, IA
Lincoln, NE
Omaha, NE

\* Differentials enclosed by parentheses ( ) are discounts.

# EXHIBIT C

## **SPECIAL NOTICES RELATED TO CHAPTER 13** **Soybean Meal Approved Delivery Locations and Differentials**

For Delivery Months January through December 2013<sup>12</sup>

<b>DELIVERY TERRITORY DIFFERENTIALS*</b> <b>Plant Locations</b>
<b>Central Territory: PAR</b>
Bloomington, IL
Cairo, IL
Danville, IL
Decatur, IL
Galesburg, IL
Gibson City, IL
Quincy, IL
Owensboro, KY
<b>Northeast Territory: \$2.00 1.00</b>
Bellevue, OH
Claypool, IN
Decatur, IN
Fostoria, OH
Frankfurt, IN
Lafayette, IN
Morristown, IN
Mt. Vernon, IN
Sidney, OH
<b>Midsouth Territory: \$9.50 8.50</b>
Decatur, AL
Guntersville, AL
Little Rock, AR
Stuttgart, AR
<b>Missouri Territory: \$3.50 2.50</b>
Kansas City, MO
Mexico, MO
St. Joseph, MO
<b>Eastern Iowa Territory: (\$2.00 3.00)</b>
Cedar Rapids (East), IA
Des Moines, IA
Iowa Falls, IA
<b>Northern Territory: (\$2.50 3.50)</b>
Eagle Grove, IA
Council Bluffs, IA
Creston, IA
Emmetsburg, IA
Manning, IA
Mason City, IA
Sergeant Bluff, IA
Sheldon, IA
Sioux City, IA

\* Differentials enclosed by parentheses ( ) are discounts.