

## **Chapter 10 Corn Futures**

### **10100. SCOPE OF CHAPTER**

This chapter is limited in application to Corn futures. The procedures for trading, clearing, inspection, delivery and settlement of Corn futures not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

### **10101. CONTRACT SPECIFICATIONS**

Each futures contract shall be for 5,000 bushels of No. 2 yellow corn at par, No. 1 yellow corn at 1½ cents per bushel over contract price, or No. 3 yellow corn at between 2 and 4 cents per bushel under contract price depending on broken corn and foreign material and damage grade factors. Every delivery of corn may be made up of the authorized grades for shipment from eligible regular facilities provided that no lot delivered shall contain less than 5,000 bushels of any one grade from any one shipping station.

### **10102. TRADING SPECIFICATIONS**

Trading in Corn futures is regularly conducted in five months – September, December, March, May, and July. The number of months open for trading at a given time shall be determined by the Exchange.

#### **10102.A. Trading Schedule**

The hours for trading of Corn futures shall be determined by the Exchange.

On the last day of trading in an expiring future, the close of the expiring future shall begin at 12 o'clock noon and trading shall be permitted thereafter for a period not to exceed one minute. Quotations made during this one minute period shall constitute the close.

#### **10102.B. Trading Unit**

The unit of trading shall be 5,000 bushels of corn.

#### **10102.C. Price Increments**

The minimum fluctuation for Corn futures shall be ¼ cent per bushel (\$12.50 per contract), including spreads.

#### **10102.D. Daily Price Limits**

Corn futures are subject to either initial or expanded daily price limits each trading day as described in this Rule.

Initial and expanded daily price limits for Corn futures are reset every six months. The first reset date would be the first trading day in May based on the following: Daily settlement prices are collected for the nearest July contract over 45 consecutive trading days before and on the business day prior to April 16th. The average price is calculated based on the collected settlement prices and then multiplied by seven percent. The resulting number, rounded to the nearest 5 cents per bushel, or 20 cents per bushel, whichever is higher, will be the new initial price limit for Corn futures. The new expanded price limit shall be the new initial price limit multiplied by 1.5 and rounded up to the nearest 5 cents per bushel. The new initial and expanded price limits will become effective on the first trading day in May and will remain in effect through the last trading day in October.

The second reset date would be the first trading day in November based on the following: Daily settlement prices are collected for the nearest December contract over 45 consecutive trading days before and on the business day prior to October 16th. The average price is calculated based on the collected settlement prices and then multiplied by seven percent. The resulting number, rounded to the nearest 5 cents per bushel, or 20 cents per bushel, whichever is higher, will be the new initial price limit for Corn futures. The new expanded price limit shall be the new initial price limit multiplied by 1.5 and rounded up to the nearest 5 cents per bushel. The new initial and expanded price limits will become effective on the first trading day in November and will remain in effect through the last trading day in next April.

There shall be no trading in Corn futures at a price more than the initial price limit above or below the previous day's settlement price. Should one or more Corn futures contract months within the first five listed non-spot contracts settle at limit, the daily price limits for all contract months shall increase to the expanded price limit the next business day. Price limits will remain at the expanded price limit until all Corn futures contract months settle at a price change less than the initial price limit, at which point, daily price limits for all contract months shall revert back to the initial price limit the following business day.

If there are any settlements at the expanded price limit across Corn futures for two consecutive trading days, the initial price limit shall be reset to the expanded price limit and the expanded price limit shall be reset 1.5 times higher rounded up to the nearest 5 cents per bushel. All Corn futures contracts will be subject to the updated initial price limit on the next business day. These updated initial and expanded price limits and will remain in effect until the next normal reset or unless another reset is warranted under these Rules.

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.

**10102.E. Position Limits, Limits on Holdings of Registered and Outstanding Shipping Certificates, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits, limits on holdings of registered and outstanding shipping certificates and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits, limits on holdings of registered and outstanding shipping certificates for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

**10102.F. RESERVED**

**10102.G. Termination of Trading**

No trades in Corn futures deliverable in the current month shall be made after the business day preceding the 15th calendar day of that month. Any contracts remaining open after the last day of trading must be either:

- (a) Settled by delivery no later than the second business day following the last trading day (tender on business day prior to delivery).
- (b) Liquidated by means of a bona fide Exchange of Futures for Related Position, no later than the business day following the last trading day.

**10103. RESERVED**

**10104. GRADES / GRADE DIFFERENTIALS**

Upon written request by a taker of delivery at the time loading orders are submitted, a futures contract for the sale of corn shall be performed on the basis of United States origin only.

A contract for the sale of corn for future delivery shall be performed on the basis of the grades officially promulgated by the Secretary of Agriculture as conforming to United States Standards at the time of making the contract. If no such United States grades shall have been officially promulgated, then such contract shall be performed on the basis of the grades established by the Department of Agriculture of the State of Illinois, or the standards established by the Rules of the Exchange in force at the time of making the contract.

<b>CORN DIFFERENTIALS</b>	
No. 1 Yellow Corn (maximum 15% moisture)	at 1½ cents per bushel over contract price
No. 2 Yellow Corn (maximum 15% moisture)	at contract price
No. 3 Yellow Corn (maximum 15% moisture)	at 2 cents per bushel under contract price if on account of broken corn and foreign material only (BCFM between 3.1 and 4%)

No. 3 Yellow Corn (maximum 15% moisture)	at 2 cents per bushel under contract price if on account of total damage only (total damage between 5.1 and 7%)
No. 3 Yellow Corn (maximum 15% moisture)	at 4 cents per bushel under contract price on account of both broken corn and foreign material (BCFM between 3.1 and 4%) and total damage (total damage between 5.1 and 7%).

## **10105. LOCATION DIFFERENTIALS**

### **(FOR ALL CONTRACT MONTHS UP TO AND INCLUDING DECEMBER 2027)**

Corn for shipment from regular shipping stations located within the Chicago Switching District or the Burns Harbor, Indiana Switching District may be delivered in satisfaction of Corn futures contracts at contract price, subject to the differentials for class and grade outlined above.

Corn for shipment from regular shipping stations located within the Lockport-Seneca Shipping District may be delivered in satisfaction of Corn futures contracts at a premium of 4.75 cents per bushel over contract price, subject to the differentials for class and grade outlined above.

Corn for shipment from regular shipping stations located within the Ottawa-Chillicothe Shipping District may be delivered in satisfaction of Corn futures contracts at a premium of 6.25 cents per bushel over contract price, subject to the differentials for class and grade outlined above.

Corn for shipment from regular shipping stations located within the Peoria-Pekin Shipping District may be delivered in satisfaction of Corn futures contracts at a premium of 8.75 cents per bushel over contract price, subject to the differentials for class and grade outlined above.

Corn for shipment from regular shipping stations located within the Havana-Grafton Shipping District may be delivered in satisfaction of Corn futures contracts at a premium of 10.25 cents per bushel over contract price, subject to the differentials for class and grade outlined above.

Corn for shipment from regular shipping stations located in the St. Louis-East St. Louis and Alton Switching Districts may be delivered in satisfaction of Corn futures contracts at a premium of 16.25 cents per bushel over contract price, subject to the differentials for class and grade outlined above.

## **10105. LOCATION DIFFERENTIALS**

### **(FOR ALL CONTRACT MONTHS COMMENCING WITH MARCH 2028)**

Corn for shipment from regular shipping stations located within the Chicago Switching District or the Burns Harbor, Indiana Switching District may be delivered in satisfaction of Corn futures contracts at contract price, subject to the differentials for class and grade outlined above.

Corn for shipment from regular shipping stations located within the Lockport-Seneca Shipping District may be delivered in satisfaction of Corn futures contracts at a premium of 4.75 cents per bushel over contract price, subject to the differentials for class and grade outlined above.

Corn for shipment from regular shipping stations located within the Ottawa-Chillicothe Shipping District may be delivered in satisfaction of Corn futures contracts at a premium of 6.25 cents per bushel over contract price, subject to the differentials for class and grade outlined above.

Corn for shipment from regular shipping stations located within the Peoria-Pekin Shipping District may be delivered in satisfaction of Corn futures contracts at a premium of 8.75 cents per bushel over contract price, subject to the differentials for class and grade outlined above.

Corn for shipment from regular shipping stations located within the Havana-Grafton Shipping District may be delivered in satisfaction of Corn futures contracts at a premium of 10.25 cents per bushel over contract price, subject to the differentials for class and grade outlined above.

Corn for shipment from regular shipping stations located in the St. Louis-East St. Louis and Alton Switching Districts may be delivered in satisfaction of Corn futures contracts at a premium of 24 cents per bushel over contract price, subject to the differentials for class and grade outlined above.

## **10106. DELIVERY POINTS**

Corn shipping certificates shall specify shipment from one of the warehouses or shipping stations currently regular for delivery and located in one of the following territories:

- A. Chicago and Burns Harbor, Indiana Switching District - When used in these Rules, the Chicago Switching District will be that area geographically defined by Tariff ICC WTL 8020-Series and that portion of the Illinois Waterway at or above river mile 304 which includes the Calumet Sag Channel and the Chicago Sanitary & Ship Canal. When used in these Rules, Burns Harbor, Indiana Switching District will be that area geographically defined by the boundaries of Burns Waterway Harbor at Burns Harbor, Indiana which is owned and operated by the Indiana Port Commission.
- B. Lockport-Seneca Shipping District - When used in these Rules, the Lockport-Seneca Shipping District will be that portion of the Illinois Waterway below river mile 304 at the junction of the Calumet Sag Channel and the Chicago Sanitary & Ship Canal and above river mile 244.6 at the Marseilles Lock and Dam.
- C. Ottawa-Chillicothe Shipping District - When used in these Rules, the Ottawa-Chillicothe Shipping District will be that portion of the Illinois Waterway below river mile 244.6 at the Marseilles Lock and Dam and at or above river mile 170 between Chillicothe and Peoria, IL.
- D. Peoria – Pekin Shipping District - When used in these Rules, the Peoria-Pekin Shipping District will be that portion of the Illinois Waterway below river mile 170 between Chillicothe and Peoria, IL and at or above river mile 151 at Pekin, IL.
- E. Havana-Grafton Shipping District - When used in these Rules, the Havana-Grafton Shipping District will be that portion of the Illinois Waterway below river mile 151 at Pekin, IL to river mile 0 at Grafton, IL.
- F. St. Louis-East St. Louis and Alton Switching Districts - When used in these Rules, St. Louis-East St. Louis and Alton Switching Districts will be that portion of the upper Mississippi River below river mile 218 at Grafton, IL and above river mile 170 at Jefferson Barracks Bridge in south St. Louis, MO.

**10107. REGISTRATION AND DELIVERY OF CORN SHIPPING CERTIFICATES AND DELIVERY PAYMENT**

**10107.A. Registration and Delivery of Corn Shipping Certificates**

(Refer to Rule 712., Delivery and Registration, and Rule 713., Delivery Procedures.)

**10107.B. Delivery Payment**

Delivery payment shall be made utilizing the electronic delivery system via the Clearing House's online system. Delivery Payment will be made during the 6:45 a.m. collection cycle, or such other time designated by the Clearing House. Thus, the cost of delivery will be debited or credited to a clearing firm's settlement account. Buyers obligated to accept delivery must take delivery and make Delivery Payment and sellers obligated to make delivery must make delivery during the 6:45 a.m. settlement process, or such other time designated by the Clearing House, on the day of delivery, except on banking holidays when delivery must be taken or made and Delivery Payment made during the 6:45 a.m. settlement process, or such other time designated by the Clearing House, on the next banking business day. Adjustments for differences between contract prices and delivery prices established by the Clearing House shall be made with the Clearing House in accordance with its rules, policies and procedures.

**10108. PREMIUM CHARGES**

To be valid for delivery on futures contracts, all shipping certificates covering corn under obligation for shipment must indicate the applicable premium charge. No shipping certificates shall be valid for delivery on Corn futures contracts unless the premium charges on such corn shall have been paid up to and including the 18th calendar day of the preceding month, and such payment is endorsed on the shipping certificate. Unpaid accumulated premium charges at the posted rate applicable to the facility shall be allowed and credited to the buyer by the seller up to and including the date of delivery.

The premium charges on corn shall not exceed 26.5/100 of one cent per bushel per day.

**10109. REGULARITY OF WAREHOUSES AND ISSUERS OF SHIPPING CERTIFICATES**

**10109.A. Regularity Requirements**

In addition to the conditions set forth in Rule 703. A., Conditions for Approval, the following shall constitute requirements and conditions for regularity:

1. The operator of a shipping station issuing corn shipping certificates shall limit the number of shipping certificates issued to an amount not to exceed:

- a. 20 times his registered total daily rate of loading barges, or in the case of the Chicago, Illinois and Burns Harbor, Indiana Switching Districts, his registered storage capacity; and
  - b. a value greater than 50 percent of the operator's net worth.
2. The shipper issuing corn shipping certificates shall register his total daily rate of loading barges at his maximum 8 hour load out capacity in an amount not less than:
- a. One barge per day at each shipping station within the Lockport-Seneca Shipping District, within the Ottawa-Chillicothe Shipping District, and within the Peoria-Pekin Shipping District; and for March 2019 and any ensuing contract months, within the Havana-Grafton Shipping District, and within the St. Louis-East St. Louis and Alton Switching District; and
  - b. three barges per day at each shipping station in the Chicago, Illinois and Burns Harbor, Indiana Switching Districts.
3. Shippers located in the Chicago, Illinois and Burns Harbor, Indiana Switching Districts shall be connected by railroad tracks with one or more railway lines.

#### **10109.B. Location**

For the delivery of corn, regular facilities may be located within the Chicago Switching District or within the Burns Harbor, Indiana Switching District or within the Lockport-Seneca Shipping District or within the Ottawa-Chillicothe Shipping District or within the Peoria-Pekin Shipping District or for March 2019 and any ensuing contract months, within the Havana-Grafton Shipping District or within the St. Louis-East St. Louis and Alton Switching District.

No such regular facility within the Chicago Switching District shall be declared regular unless it is conveniently approachable by vessels of ordinary draft and has customary shipping facilities. Ordinary draft shall be defined as the lesser of (1) channel draft as recorded in the Lake Calumet Harbor Draft Gauge, as maintained by the Corps of Engineers, U.S. Army, minus one foot, or (2) 20 feet.

Delivery in Burns Harbor must be made from regular facilities providing water loading facilities and maintaining water depth equal to normal seaway draft of 27 feet.

In addition, deliveries of corn may be made from regular elevators or shipping stations within the Burns Harbor Switching District PROVIDED that:

- (a) When corn represented by shipping certificates is ordered out for shipment by a barge, it will be the obligation of the party making delivery to protect the barge freight rate from the Chicago Switching District (i.e. the party making delivery and located in the Burns Harbor Switching District will pay the party taking delivery an amount equal to all expenses for the movement of the barge from the Chicago Switching District, to the Burns Harbor Switching District and the return movement back to the Chicago Switching District).

If inclement weather conditions make the warehouse or shipping station located in the Burns Harbor Switching District unavailable for barge loadings for a period of five or more calendar days, the party making delivery will make grain available on the day following this five calendar day period to load into a barge at one mutually agreeable water warehouse or shipping station located in the Chicago Switching District; PROVIDED that the party making delivery is notified on the first day of that five-day period of inclement weather that the barge is available for movement but cannot be moved from the Chicago Switching District to the Burns Harbor Switching District, and is requested on the last day of this five calendar day period in which the barge cannot be moved.

- (b) When corn represented by shipping certificates is ordered out for shipment by vessel, and the party taking delivery is a recipient of a split delivery of grain between a warehouse or shipping station located in Burns Harbor and a warehouse or shipping station in Chicago, and the grain in the Chicago warehouse or shipping station will be loaded onto this vessel, it will be the obligation of the party making delivery at the request of the party taking delivery to protect the holder of the shipping certificates against any additional charges resulting from loading at one berth in the Burns Harbor Switching District and at one berth in the Chicago Switching District as compared to a single berth loading at one location. The party making delivery, at his option, will either make the grain available at one water warehouse or shipping station operated by the party making delivery and located in the Chicago Switching District for loading onto the

vessel, make grain available at the warehouse or shipping station in Burns Harbor upon the surrender of shipping certificates issued by other regular elevators or shipping stations located in the Chicago Switching District at the time vessel loading orders are issued, or compensate the party taking delivery in an amount equal to all applicable expenses, including demurrage charges, if any, for the movement of the vessel between a berth in the other switching district. On the day that the grain is ordered out for shipment by vessel, the party making delivery will declare the regular warehouse or shipping station in which the grain will be available for loading.

Delivery within the Lockport-Seneca Shipping District or within the Ottawa-Chillicothe Shipping District or within the Peoria-Pekin Shipping District or for March 2019 and any ensuing contract months, within the Havana-Grafton Shipping District must be made at regular shipping stations providing water loading facilities and maintaining water depth equal to the draft of the Illinois River maintained by the Corps of Engineers.

Delivery in the St. Louis-East St. Louis and Alton Switching District for March 2019 and any ensuing contract months must be made at regular shipping stations providing water loading facilities and maintaining water depth equal to the draft of the Mississippi River maintained by the Corps of Engineers.

**10109.C. Barge Load-Out Procedures for Corn**

(Refer to Rule 703. C., Load-Out, and the Interpretations to Chapter 7).

**10110.**

**BILLING**

**10110.A. Corn (Chicago Delivery)**

The Chicago shipper is not required to furnish transit billing on corn represented by shipping certificate deliveries in Chicago, Illinois. Delivery shall be flat.

**10110.B. Corn (Burns Harbor Delivery)**

When corn represented by shipping certificates delivered in Burns Harbor is ordered out for shipment by rail, it will be the obligation of the party making delivery to protect the Chicago rail rate, if lower, which would apply to the owner's destination had a like kind and quantity of corn designated on the shipping certificates been loaded out and shipped from a regular shipping station located in the Chicago Switching District. If corn is loaded out and shipped to an industry in the Chicago Switching District, the party making delivery will protect the minimum crosstown switch charge in the Chicago Switching District.

When rail loading orders are submitted, the party taking delivery shall state in writing if he elects to receive the applicable rail rates from Burns Harbor or Chicago. If the party taking delivery specifies Burns Harbor, the party making delivery will load rail cars at the Burns Harbor shipping station and will not be required to protect the Chicago rates.

If the party taking delivery specifies Chicago rates, the party making delivery will declare on the day that the corn is ordered out for shipment by rail, the shipping station at which the corn will be made available, which is operated by the party making delivery and is located either in the Burns Harbor or the Chicago Switching Districts. If the declared shipping station is located in the Chicago Switching District, the party making delivery will provide only that billing specified in Rule 10110.A.

However, if the declared shipping station is located in Burns Harbor and the rail rate from Chicago or the minimum Chicago crosstown switch charge requires protection, the party making delivery will compensate the party taking delivery. The compensation shall be in an amount equivalent to the difference of the freight charges from Burns Harbor and the freight charges which would be applicable had the corn been loaded at and shipped from a shipping station located in the Chicago Switching District to the owner's destination.