



Complete and current CME Rulebook
available on the CME's web site at:
www.cme.com/rulebook

SPECIAL EXECUTIVE REPORT

S-3983

August 21, 2003

CFTC APPROVES AMENDMENTS TO BUTTER FUTURES

At its Regular Meeting on July 3, 2003, the Board of Directors approved, and the CFTC subsequently approved, amendments to the Butter futures contract. These amendments will become effective at the start of business on Monday, August 25, 2003 for the May 2004 and all subsequent contract months.

The changes to the futures contracts are shown below, with additions underlined and deletions bracketed and overstruck.

CHAPTER 51 BUTTER FUTURES

5100. SCOPE OF CHAPTER

This chapter is limited in application to futures trading of [~~fresh or storage~~] frozen butter. 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.

5101. COMMODITY SPECIFICATIONS

The commodity traded pursuant to this chapter shall consist of Grade AA [~~"fresh" or "storage"~~] frozen butter.

5103. SETTLEMENT PROCEDURES

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the delivery of [~~fresh or storage~~] frozen butter:

(Remainder of Rule 5103 unchanged)

5104. PAR DELIVERY AND SUBSTITUTIONS

5104. A. Par Delivery Unit

1. Quality Specifications

A par delivery unit is 40,000 pounds of Grade AA salted butter. The entire unit shall be exclusively ~~[fresh or storage]~~ frozen butter at temperatures not to exceed 0 degrees Fahrenheit at the time of delivery. The entire unit ~~[and]~~ shall be uniform in color, salt content and weight. Grade A butter shall not be deliverable.

~~[Fresh butter shall be butter that on the day of delivery, has been in cooler rooms or freezer rooms of approved cold storage warehouse for 24 calendar days or less from date of manufacture of the earliest churning in the carlot at temperatures not to exceed 45 degrees Fahrenheit.]~~

Commencing no later than the 30th calendar day after the date of manufacture of the earliest churning in the carlot, the butter shall be held at temperatures not to exceed 0 degrees Fahrenheit. Prior to the 30th calendar day after the date of manufacture of the earliest churning in the carlot, butter may have been held in the cooler room of an approved cold storage warehouse at temperatures not to exceed 45 degrees Fahrenheit.

~~[Storage butter shall be butter that, on the day of delivery, has been in cold storage in an approved warehouse 25 calendar days or more from the date of manufacture of the earliest churning in the carlot at temperatures not to exceed 45 degrees Fahrenheit. Commencing on the 30th calendar day after the date of manufacture of the earliest churning in the carlot, the butter shall be held at temperatures not to exceed 0 degrees Fahrenheit.]~~

To be eligible for delivery in any month, the butter shall not have been produced ~~[or stored]~~ prior to December 1 of the previous year.

(Remainder of Rule 5104 unchanged)

If you have any questions, please contact Paul Peterson, Director, Commodity Product Development, at (312) 930-4587, or Charles Piszczor, Senior Market Analyst, Commodity Product Development, at (312) 930-4536.