

Special Executive Report

S-4333

September 16, 2005

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1. **CME CASH-SETTLED BUTTER FUTURES BEGIN TRADING MONDAY, SEPTEMBER 19, 2005**

CME will launch Cash-Settled Butter futures on Monday, September 19, 2005. The following months will be listed for trading: October 2005, November 2005, December 2005, January 2006, February 2006, March 2006, April 2006, May 2006, June 2006, July 2006, August 2006, and September 2006.

CME Cash Settled Butter futures will trade exclusively on CME Globex platform.

Options on CME Cash-Settled Butter futures may be launched at a later date.

2. SPECIFICATIONS AND RULES FOR CME CASH SETTLED BUTTER FUTURES CONTRACT

CME CASH-SETTLED BUTTER FUTURES CONTRACT

Contract Size:	20,000 pounds - Grade AA
Quotation:	U.S. cents per pound
Minimum Price Increment:	\$.00025
Tick Value:	\$5.00
Price Bands:	\$.0075 (plus or minus) around the "CME Last Price"
Months Traded:	All Twelve Months
Termination of Trading:	Business day preceding the release date for the USDA monthly weighted average price in the U.S. for butter.
Ticker Symbol:	CB
Settlement:	Cash-settled to USDA monthly weighted average price in the U.S. for butter.
Position Limits:	
Spot month, as of the close of business on the business day preceding the last 5 trading days:	50 contracts
Other months:	500 contracts
Electronic Trading Hours:	9:30 a.m. to 1:10 p.m. (12:10 p.m. on last day of trading)

CHAPTER 56
CASH SETTLED BUTTER FUTURES

5600. SCOPE OF CHAPTER

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

5601. COMMODITY SPECIFICATIONS

Each futures contract shall be valued at 20,000 times the USDA monthly weighted average price per pound in the U.S. for butter.

5602. FUTURES CALL

5602A. 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.

5602.B. Trading Unit

The unit of trading shall be 20,000 pounds.

5602.C. Price Increments

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

5602.D. Daily Price Limits

There shall be no trading at a price more than \$0.05 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 days of trading.

If the contract nearest to expiration 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 \$0.10 per pound for all contracts subject to a daily price limit.

If, after the daily price limits have been increased to \$0.10 per pound, the contract nearest to expiration 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 \$0.20 per pound for all contracts subject to a daily price limit.

If the contract nearest to expiration that is subject to a daily price limit of \$0.20 does not settle at the limit bid or offer, the price limits shall revert to \$0.10 per pound on the next business day.

If the contract nearest to expiration that is subject to a daily price limit of \$0.10 does not settle at the limit bid or offer, the price limits shall revert to \$0.05 per pound on the next business day.

5602.E. Position Limits

No person shall own or control more than:

1. 500 contracts long or short in any contract month;
2. 50 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 Cash Settled Butter futures, this rule is superseded by the option speculative position limit rule.

5602.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.

5602.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.

5602.H. Termination of Trading

Trading shall terminate on the business day immediately preceding the release date for the USDA monthly weighted average price in the U.S. for butter.

5602.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.

5603. FINAL SETTLEMENT

5603.A. Cash Settlement

There shall be no delivery of butter in settlement of this contract. All contracts open as of the termination of trading shall be cash settled based upon the USDA monthly weighted average price in the U.S. for butter, as first released.

5603.B. - H. Reserved

5604-07 [RESERVED]

5608. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If the Exchange President determines that the calculation of the final settlement price is prevented by a strike, fire, accident, action of government, or act of God, he shall call a special meeting of the Board of Directors or the Business Conduct Committee and arrange for the presentation of evidence respecting the emergency condition. If the Board or Committee determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

(End Chapter 56)

If you have any questions about these procedures, please contact Charles Piszczor, Senior Market Analyst, Commodity Product Development, at (312) 930-4536.

3. CLEARING & CME GLOBEX FEES FOR CME CASH SETTLED BUTTER FUTURES

CME Globex system fees, customer fees and applicable clearing fees should be charged according to the rates currently established for agricultural products. IMM, IOM and GEM shareholders should be charged the current 'out-of-division' rate on fees.

If you have any questions regarding clearing fees, please contact Julie Balzarini, Accounting, at (312) 648-5470.

4. REPORTABLE POSITION LEVELS FOR CME CASH SETTLED BUTTER FUTURES

For purposes of Rule 817. - REPORTS OF LARGE POSITIONS, the minimum levels at which positions must be reported to the Exchange are as follows for CME Cash Settled Butter futures:

<u>COMMODITY PRODUCT</u>	<u>REPORTABLE LEVEL</u>
CME Cash Settled Butter Futures	25 contracts

If you have any questions about these levels, please contact Joel Koranteng, Market Surveillance, at (312) 466-4372.

5. PERFORMANCE BONDS FOR THE CME CASH SETTLED BUTTER FUTURES

If you have any questions about these requirements, please contact the Risk Control Department at (312) 648-3888.

6. CME GLOBEX ERROR TRADE POLICY

The CME Globex error trade policy for CME Cash Settled Butter Futures contract calls for a No Bust Range of \$.0075 per pound or less.

If you have any questions, please contact John Restivo, Director, CME GLOBEX Control Center (GCC), at (312) 648-5475.

7. CME GLOBEX PRICE BANDING

CME Cash Settled Butter Futures price bands will be \$.0075 (plus or minus) around the "CME Last Price".

If you have any questions, please contact John Restivo, Director, CME Globex Control Center (GCC), at (312) 648-5475.

8. SELECTED QUOTE VENDORS

Cash-Settled Butter Futures

Vendor Name	System Name	Cash-Settled Butter Futures
		CB
Bloomberg	Bloomberg	V6A <index>
Comstock	Comstock	
CQG Inc.	CQG for Windows	CCB
Data Transmission Network		CB
E-Signal	eSignal	CB
Futuresource	Futures Source	CB
Hyperfeed/PC Quote		/CBym
ILX Systems	ILX Workstation	
Moneyline Telerate		
Reuters	IDN (ETH)	<0#CB:>
Bridge	BIS	us@CB.1
Track Data	MX	CI'
TradeStation		CB

If you have any questions, please contact Ms. Laura Sutor, Market Data Analyst, Market Data Operations, at (312) 648-5480.