Delivery Assignment Process

The Minneapolis Grain Exchange, Inc. (MGEX) uses a random process for making delivery assignments. The process ensures neither the long nor short position holder is favored during the assignment process at any time. Specifically, each side of the market - the short position holder (deliverer) and the long position holder (taker) - have separate queues which are established by the Clearing House prior to making assignments. For a description of each queue, please see below:

**Short Queue (deliverer)**

All of a single business day's delivery intentions (warehouse receipts) received by the deadline by the Clearing House are randomly queued by delivering warehouseman based on their warehouse license. This is referred to as the short queue.

**Long Queue (taker)**

The oldest long is determined by date and assigned receipts from the above short queue until all open positions for the oldest long are filled or receipts in the short queue are exhausted. Should there be additional receipts after this step which remain in the short queue, the process continues to the next oldest long and so on until all receipts from the above short queue are exhausted.

If during this process there are two or more takers who share the same oldest long date, then each individual taker is randomly placed in order (1st, 2nd, 3rd, etc...) and a long queue is established. Receipts are assigned from the short queue until the first taker’s total open positions are filled completely prior to moving to the next taker in the long queue. This process continues until all receipts are exhausted or until all position holders who share the same oldest long date from the long queue have no remaining open positions. Should receipts still remain, the Clearing House selects the next oldest long date and repeats the above process (including the development of a new long queue, if necessary) until all receipts have been assigned.