



Web 2010-4

March 9, 2010

Dear Members & Rulebook Recipients:

The following Chapters have been amended:

<b><u>Chapter</u></b>	<b><u>Rule &amp; Resolution</u></b>	<b><u>Purpose</u></b>
8 Deliveries on Futures Contracts	803.02.	Notice of Rule deletion to occur after December 2011.
72 Resolutions	803.02.	Notice of Resolution deletion to occur after December 2011.

You can view these changes by visiting the MGEX website at <http://www.mgex.com>:

1. On the top, go to "RESOURCES" and click "Rules and Regulations"
2. In the middle of the page, click "Click here to download changes to MGEX RULES AND REGULATIONS"
3. Then print if you wish to obtain an updated hard copy for your book.

If you have any questions or problems accessing the Rulebook, please contact Layne G. Carlson at (612) 321-7169 or [lcarlson@mgex.com](mailto:lcarlson@mgex.com).

A handwritten signature in black ink that reads "Layne G. Carlson" followed by a large, stylized flourish.

Layne G. Carlson  
Corporate Secretary

All above grades that have a test weight per bushel of sixty (60) lbs. or more deliverable at a two cents (2¢) per bushel premium.

The maximum allowable moisture for Spring Wheat delivered on Futures Contracts will be thirteen and one-half percent (13 ½%).

The maximum allowable total dockage for Spring Wheat delivered on Futures Contracts shall not exceed one and one-half percent (1 ½%) of the gross quantity which includes dockage.

The above grades of wheat may be delivered "In Store" in a waterfront elevator, located within the Duluth-Superior District (see [Rule 900.00. A.](#)), at a three cents (3¢) per bushel premium. [See Interpretation.](#)

### **803.01. DELIVERY OF U.S. ORIGIN GRAIN.**

The Board of Directors may, by Resolution adopted prior to the commencement of trading of futures contracts deliverable in prospective months, require that elevators declared eligible for delivery of wheat provide a certificate of U.S. origin for delivered grain if specifically requested in writing by the taker of delivery. (See [Resolution 803.01.](#))

### **803.02. DELIVERY OF NON-GENETICALLY MODIFIED WHEAT.**

***This Rule shall remain in effect through the December 2011 contract month, after which it shall be removed from the Rulebook.***

If specifically requested in writing by the taker of delivery at the time load-out instructions are submitted, elevators regular for delivery of Hard Red Spring Wheat shall provide a certificate stating the wheat delivered meets the standards established by the Board of Directors by Resolution for non-genetically modified wheat.

By Resolution, the Board of Directors may also establish the criteria for issuance of a certificate as well as the obligations of the taker and delivery elevator. (See [Resolution 803.02.](#))

### **804.00. DELIVERIES ON FUTURES CONTRACTS: HOW MADE.**

Delivery on Futures Contracts shall be made by the delivery of warehouse receipts for commodities "In Store" in a Regular elevator, except as otherwise specified. Such receipts must be for a Contract or other Deliverable Grade of the commodity specified in the Futures Contract, in accordance with the Official Grain Standards of the United States made applicable to such contract by the provision of [Rule 802.00.](#)

Pursuant to Title 7 of the Code of Federal Regulations, Part 735 – Regulations For The United States Warehouse Act, the warehouse operator must deliver to the depositor or lawful holder of a warehouse receipt the agricultural product of such identity, quantity, grade and condition as set forth in such warehouse receipt.

All warehouse receipts delivered on Futures Contracts must bear dates that, under the interpretation of the law hereinabove stated, make them conform to the requirements of this Rule.

Storage payments on grain to be shipped pursuant to loading orders shall not extend beyond the fifth (5th) calendar day after suitable transportation is constructively placed for load-out (see [Rule 813.00.E.](#)).

Official/certified loading weights, inspection grades and protein will be final in determining satisfactory performance on Futures Contracts. (Official/certified weights, inspection grades and protein that are acceptable are the following weights and inspection grades as defined in the National Grain and Feed Association "Grain Trade Rules," Rules 10. Inspection and 14. Weights. Inspections shall include Class A and Class B Official Inspections. Official weights shall include U.S. Class X Weights and U.S. Class Y Weights. Certified Weights shall include U.S. Class I and U.S. Class II weights. The inspection method and weight to be used shall be appropriate to the business practice in the defined marketplace. Such weights, inspection grades and protein shall be supervised in accordance with the requirements set forth in Minneapolis Grain Exchange Rules.)

- A. On delivery against Wheat Contracts at Minneapolis-St. Paul and Red Wing, delivery must be made "In Store" in Regular elevators (see [Rule 900.00.](#)).

The deliverer shall have up to and including fifteen (15) calendar days upon call to make the grain available to load into a barge at one river location within the Minneapolis, St. Paul and Red Wing barge loading districts (see [Rule 900.00.A.](#)) if all of the following conditions exist:

1. the warehouse receipt is issued for grain in a Regular elevator that is located off water,
2. such off water elevator is not under a common Federal License with a Regular river elevator, and
3. the buyer calls for barge delivery.

This Rule is irrevocable unless mutually agreed upon in writing and received by mail, fax or hand delivered.

The party making delivery shall be responsible for any additional expense incurred to move delivery grain from a Regular interior elevator into barges.

The party taking delivery must present barge equipment ([Rule 1015.00.](#)) clean and ready to load within fifteen (15) calendar days from the time warehouse receipts and loading orders are tendered to the delivering party.

Official/certified weights, inspection grades and protein as loaded into the barge shall govern for delivery purposes.

- B. Delivery on Spring Wheat Futures Contracts in the Duluth-Superior District may be delivered "In Store" in a Regular waterfront elevator in the Duluth-Superior District.

#### **804.01. DELIVERY ON WHEAT CONTRACTS AT MINNEAPOLIS-ST. PAUL AND RED WING.**

- A. If barge shipment is requested, when a riverside elevator and an interior off-water elevator are licensed under one Federal license, the party making

delivery must make the grain available at one river location within the Minneapolis-St. Paul barge-loading district to the party taking delivery when the equipment is constructively placed (see [Rule 813.00.A.2.](#)). This condition supersedes [Rule 804.00.A.](#), which otherwise allows the delivering party fifteen (15) calendar days to make the grain available at one river location within the Minneapolis-St. Paul barge-loading district.

- B. Since each company keeps a record of warehouse receipts surrendered to satisfy a delivery on the Futures Contract, no supplemental certificate is necessary to assure the party holding the receipt that the grain will be delivered to the water if so desired. Any holder of such a receipt is entitled to water delivery if so desired.
- C. If an interior Regular off-water elevator is combined under one license with a river house, storage charges shall not extend beyond the tenth (10th) calendar day after suitable transportation is constructively placed for load-out (see [Rule 813.00.A.2.](#)).

#### **805.00. WARRANTY OF TITLE BY SELLER.**

In all sales of commodities for future delivery in this market, the party making delivery, whether acting as owner, agent or Commission Merchant, shall be deemed and held to warrant his right to sell and pass full clear title to the commodities upon the delivery thereof on the Futures Contract. In every such sale for future delivery, a warranty by such party making delivery of the title in the buyer's name to the commodity purchased upon the delivery thereof shall be part of the contract of sale with the same force and effect as if expressly incorporated therein; PROVIDED, however, that the Clearing House shall not undertake said warranty by reason of the fact that it assumes the position of seller in the process of clearing such Futures Contracts. Said warranty shall be one that inures to the benefit of the buyer and to the benefit of the Clearing House, when it assumes the position of buyer in the process of clearing such Futures Contracts.

#### **806.00. RISK OF LOSS AND INSURANCE COVERAGE: COMMODITIES DELIVERED ON FUTURES CONTRACTS.**

The warehouse shall maintain insurance, in its own name, for the account of the holders of warehouse receipts, for the full market value of all grain represented by warehouse receipts delivered on Futures Contracts from loss by fire, tornado and other contingencies provided for in the standard form of "extended-coverage" endorsements or policies until such time as the grain has been actually loaded out of the warehouse.

#### **807.00. CONTRACT PRICE.**

The contract price for Futures Contracts cleared by the Clearing House shall be the last settling price for such contracts with the Clearing House.

#### **808.00. DELIVERIES ON FUTURES CONTRACTS: DETERMINATION OF VALUE.**

The amount to be paid for commodities delivered on Futures Contracts shall be determined by taking into account the number of bushels or pounds delivered, the contract price for such commodity for the day on which delivery is being made (as determined in [Rule 807.00.](#)), the

premium or discount, if any, for the grade delivered, and the amount of storage and insurance charges, if any, that are to be allowed to the buyer.

**809.00. DELIVERIES ON FUTURES CONTRACTS: STORAGE CHARGES ON WAREHOUSE RECEIPTS.**

(The attention of Members is directed to the State and Federal laws relating to terminal warehouses located in Minnesota and Wisconsin and to the provisions of such laws governing charges for receiving, handling, storing and delivering commodities at such warehouses.)

The expression "delivery charges," as used in this Rule and in endorsements placed on warehouse receipts, shall mean the charges for delivering commodities that are authorized by law and that are in effect at elevators eligible to make deliveries under the Rules of the Corporation.

All storage and other charges, except delivery charges on commodities represented by any warehouse receipt delivered on a Futures Contract, shall be paid or allowed by the Seller up to and including the date on which such warehouse receipt is delivered to the Buyer in accordance with the provisions of **Rule 810.00.**

All warehouse receipts that are delivered on Futures Contracts made in this market shall bear an endorsement placed thereon by the warehouseman who issued such receipts, indicating the date to which storage has been paid. Storage shall be deemed to have been paid to the date so endorsed, and additional storage shall accrue immediately thereafter. Such endorsement shall follow precisely the following form, and no other form of endorsement shall be used:

**ALL STORAGE AND OTHER CHARGES PAID TO AND INCLUDING  
EXCEPT DELIVERY CHARGES.**

( \_\_\_\_\_ )  
Warehouseman

**810.00. DELIVERIES ON FUTURES CONTRACTS: WHERE MADE AND PAYMENT.**

A Buyer who has duly received a Delivery Notice from the Clearing House shall present the same at the office of the Seller by whom such Notice was issued along with full payment for the net amount due. All payments shall be by wire transfer of funds or by certified check or cashiers check on a national bank located in the Minneapolis/St. Paul metropolitan areas or upon other mutually agreeable methods. The Seller shall thereupon make delivery to the Buyer of the warehouse receipts described in such notice. The hours governing Delivery Notices shall be in accordance with Regulations adopted by the Board of Directors pursuant to the authority granted by **Rule 231.00.** (See **Resolution 2101.00.C.** and **Regulation 2025.00.**)

**811.00. LOAD-OUT, STORAGE AND INSURANCE CHARGES: DELIVERY GRAIN.**

The maximum load-out, storage and insurance charges on delivery grain which is tendered in satisfaction of a Minneapolis Grain Exchange Futures Contract, shall be determined by the Board of Directors (see Regulation 2027.00.). By Regulation the Board may from time to time revise these charges.

## CHAPTER 72 RESOLUTIONS

### RESOLUTION 372.00.

Pursuant to **Rule 372.00. I.** and **J.**, the Minneapolis Grain Exchange Board of Directors has adopted the following requirements to be met by Delegates of the Exchange.

A Delegate shall deposit one thousand dollars (\$1,000.00) with the Exchange. No interest will be paid on the deposit.

A Delegate shall pay a fee of two hundred dollars (\$200.00) each month unless said Delegate trades a minimum of twenty five (25) MGEX futures and/or options contracts.

Approved by the Board July 9, 2009, effective September 1, 2009.

### RESOLUTION 719.00.

The Minneapolis Grain Exchange Board of Directors has adopted a \$0.70 fee to be paid to the Corporation by the buyer and the seller for each Minneapolis Grain Exchange contract involved in an exchange for risk or exchange for physical transaction.

Approved by the Board March 18, 2008, effective April 1, 2008.

### RESOLUTION 803.01.

The Minneapolis Grain Exchange Board of Directors has adopted the following Resolution:

BE IT RESOLVED, that, pursuant to **Rule 803.01.**, the Minneapolis Grain Exchange Board of Directors shall require that, effective with the December 1998 delivery month, elevators declared regular to deliver Spring Wheat on MGEX futures contracts provide a certificate of U.S. origin for delivered Spring Wheat if specifically requested in writing by the taker of delivery at the time load-out instructions are submitted.

Approved by the Board July 10, 1997.

### RESOLUTION 803.02.

***This Resolution shall remain in effect through the December 2011 contract month, after which it shall be removed from the Rulebook.***

Pursuant to **Rule 803.02.**, the Minneapolis Grain Exchange Board of Directors has adopted this Resolution.

A delivery elevator can meet the certificate requirement for non-genetically modified wheat by providing a letterhead statement issued by the Grain Inspection, Packers and Stockyards Administration (GIPSA) that states, "There are no transgenic wheat varieties for sale or in commercial production in the United States at this time."

If the GIPSA statement is not available, the delivery elevator must provide a certificate, along with supporting documentation, that the delivery wheat is non-genetically modified wheat in accordance with the following testing procedures and tolerance criteria: