



# NEWS RELEASE

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## MGEX Announces Changes to Hard Red Spring Wheat Contract

**MINNEAPOLIS** – MGEX, a Designated Contract Market (DCM) and Derivatives Clearing Organization (DCO), today announced it received regulatory approval from the Commodity Futures Trading Commission (CFTC) for changes to its flagship Hard Red Spring Wheat (HRSW) contract. Approval means the U.S. origin condition will be removed from the HRSW contract, ensuring spring wheat market participants from around the world can choose to deliver spring wheat in satisfaction of open MGEX HRSW futures positions. The removal of the U.S. condition is effective with the September 2012 contract month. Deliveries must meet all HRSW contract specifications and grades. The CFTC approval came after an in-depth regulatory review.

A multi-phase approach to ensure the HRSW contract meets the needs of the global marketplace was announced by the Exchange in August 2011. In addition to the removal of the U.S. origin condition, MGEX also announced it has added a deoxynivalenol (vomitoxin) specification to the HRSW contract effective with the May 2013 contract month. The new specification is a 2.0 parts per million (ppm) maximum for spring wheat delivery. Vomitoxin levels above 2.0 ppm will be delivered with a twenty cents (\$0.20) per bushel discount. Levels exceeding 3.0 ppm vomitoxin will not be deliverable on the HRSW contract. The change will continue to showcase the HRSW futures contract as the foremost quality wheat contract available to global market participants.

Further, the Exchange announced a change in storage rates for spring wheat delivery on the HRSW futures contract. Rates will increase from the current five cents (\$0.05) per bushel per month to seven cents (\$0.07) per bushel per month effective with the May 2013 contract month.

“Given the changes, worldwide wheat market participants can be certain the MGEX spring wheat contract will continue to represent their market interests and fulfill their risk management needs,” Mark G. Bagan, CEO & President, MGEX said. “On behalf of the MGEX management team, I would like to publicly thank our Contracts Committee and Board of Directors for their dedication to our flagship contract and ensuring it meets global risk management needs. This is a significant step in cementing the MGEX Hard Red Spring Wheat contract as the world’s premium quality wheat contract,” Bagan said.

The [MGEX Rulebook](#) provides additional details on the three HRSW contract improvements mentioned above.

Information on Exchange volume and open interest is available at [www.mgex.com](http://www.mgex.com).



### About MGEX

MGEX, a Designated Contract Market (DCM) and Derivatives Clearing Organization (DCO), was established in 1881 and is the only market for Hard Red Spring Wheat (HRSW), National Corn Index (NCI), National Soybean Index (NSI), Hard Red Winter Wheat Index (HRWI), Hard Red Spring Wheat Index (HRSI) and Soft Red Winter Wheat Index (SRWI) futures and options. To learn more about MGEX visit [www.mgex.com](http://www.mgex.com).