

Chapter 34

Cash Grain Call

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Interpretations

- INTRP 34-3405.00-1 Cash Grain Call; Members Only
- INTRP 34-3425.00-1 Cash Grain Call; Billing Time On Multi-Car Corn

Chapter 34

Cash Grain Call

Applicable Rules

3400.00 Rules To Apply. Except as specified in this Chapter, KCBT rules shall apply.

3400.01 Amendments. These rules and terms may be amended by the Board of Directors or by the Cash Call Committee on ten (10) hours' notice.

Time And Place

3402.00 Time. The cash grain call session will be held each regular market trading day at 10:30 A.M. and will end promptly at 11:30 A.M., or sooner if there are no responses to the final call.

- Notes:
1. First session was held June 6, 1977.
 2. The starting times have varied beginning at 11:00 A.M., changing to noon on July 30, 1979, and changing to 10:30 A.M. on August 10, 1981.
 3. Amended by Cash Call Committee August 4, 1981 to be effective Aug. 10, 1981.

3403.00 Place. The cash grain call session will be held at the south end of the trading floor.

3403.01 On Floor. All trades must be made between members of the KCBT who are on the floor.

Who Can Trade

3405.01 Brokers. Only members of the KCBT are authorized to be a broker in the Cash Grain Call.

3405.02 Nonmembers. A nonmember's bid or offer may be given through a member-broker and posted on the Board for acceptance, subject to the following:

- a. The nonmember principal must be identified by firm name as part of the posted bid or offer on the board.
- b. Such nonmember must file with the member-broker an agreement to be subject to the rules of the Cash Call Session.

3405.03 Members. A member's bid or offer may be given through a member-broker and posted on the board for acceptance, without disclosure of the member-principal's name on the board.

3405.04 Acceptance. Only a member may accept a trade by taking a posted bid or offer; such acceptance, however, may be conveyed through a member-broker.

- Notes:
1. See INTRP 34-3405.00-1.
 2. Approved by the Board October 1, 1981.

Floor Procedure

3408.00 Calls. Initially there will be five (5) calls per session: multi-car corn—Kansas City basis; Gulf wheat; Gulf corn; Gulf sorghum; and then a last call for these four (4) commodities. (Other cash commodity calls may be held if requested by members, if and on terms approved by the Cash Call Committee.) The first four (4) calls will continue for approximately fifteen (15) minutes each, or they may be terminated sooner by the caller if there are no further bids or offers.

3409.00 Open And Close. The caller will declare the call session open and declare the call session ended when the time expires or when there are no further bids or offers, whichever occurs first. The decisions of the caller are final.

3409.01 Duties Of Caller. The caller will perform the following duties:

- a. Recognize members who raise their hands;
- b. Take single bids and/or offers;
- c. Declare sales;
- d. Make a written record in three (3) copies for seller, buyer, and the Board of Trade; and
- e. Make final calls.

3410.00 Marker. The marker will record bids and offers in the order received on the board. Following the close of the call, all member initials will be erased from the board.

3411.00 Bids And Offers. A bid or an offer will stay "live" on the board until the end of the call for that contract.

3411.01 Standard Terms. Unless otherwise specified, bids and offers will be for the standard market call session terms.

Note: See Rules 3425.00 and 3426.00 for standard terms.

3411.02 Format. Bids and offers will be in the following format:

- a. Bid or offer;
- b. Quantity;

- c. Quality (if necessary);
- d. Shipment period;
- e. Freight (if necessary);
- f. Any special terms; and
- g. Price.

For convenience in identification, bids and offers will be numbered on the board.

3411.03 Posting; Members Initials. Member's assigned badge initials will be posted with bids and offers.

3411.04 Minimum Quantity. So long as a seller or buyer books the minimum quantity set by contract terms, any portion can be booked unless a bid or offer is entered "all or none".

3411.05 Bids And Offers At Close. When a call is closed, all bids and offers for that commodity are "dead" and have no further force and effect.

3411.06 Fees Imposed. The following shall govern when fees are chargeable:

- a. **No Fee.** A bid may be raised, an offer lowered, a bid or an offer made less restrictive, or the quantity increased at no cost.
- b. **Fee Of \$25.00.** A fee of \$25.00 per bid or offer will be charged to lower a bid, to raise an offer, to decrease the quantity, to make a bid or offer more restrictive, or to "kill" or take a bid or offer off the board.
- c. **Fee Of \$5.00:** Each buyer and seller will pay \$5.00 each for each unit or part thereof traded.

3411.07 Fees Payable; When. All fees will be paid to the Board of Trade when billed.

Trading Procedure

3415.00 Transaction Consummated. A member may consummate a transaction at any time after a bid or offer is written on the board by calling out "buy" or "sell", identifying the bid or offer (or portion thereof), and identifying the principal. The caller must declare a sale and identify the successful taker (if more than one) to make it official.

3416.00 Give Up Name Immediately. Both the bidder/offeror and the taker must immediately publicly give up the name of another member or member firm in the event of a sale or the trade will be in their name.

3417.00 Taking Opposite Side Of Trade. Once a bid or offer is posted, a member acting as a broker can, by calling out buy or sell, become a principal and take the opposite side of the trade.

3418.00 Pricing. Basis contracts shall be priced according to Rule 3013.00 for shipments within thirty (30) days. Unless otherwise mutually agreed to by the parties, contracts calling for deferred shipments shall be priced by the first market day of the month of shipment or last business day prior to the first delivery day of pricing futures, whichever comes first.

Note: Rules 3080.00 through 3087.00 relating to margins on time contracts may be used for a sale made on the cash call session.

3419.00 Written Confirmation. All parties to a sale (buyer, seller, and broker) must exchange written confirmations.

3420.00 Record; Access. The Board of Trade will keep a permanent record of trades, bids, and offers. Media representatives shall have access to the information on the board following the session.

Trading Terms

3425.00 Multi-Car Corn, Export Wheat, Export Corn, Export Sorghum, and Multi-Car Sorghum. The following terms shall apply unless otherwise specified and declared at the time of the bid or offer:

- a. **Quantity.** Minimum of 25,000 bushels on anything other than spot shipment; except on units of three (3) hoppers (one "multi"), minimum of 10,200 bushels of multi-car corn or sorghum.
- b. **Quality.** Multi-Car Corn; No. 2 yellow corn, No. 3 yellow corn account FM to apply at one cent (1¢) discount.
All Export Wheat Offered; No. 1 hard red winter, with a discount of one-half cent (.05¢).
Export Corn; 52 — 15.5, 7 and 4, 1/2, 1/2, and 2.
Export And Multi-Car Grain Sorghum: The applicable grade will be No. 2.
- c. **Shipment Date.** The time of shipment of the contract will be specified by each trader (bid or offer).
- d. **Rail.** Shipments by rail.
- e. **Documents.** Shippers order bill of lading.
- f. **Weights.** All trades shall be made basis first official weights.
- g. **Inspection.** All trades shall be made basis first official inspection (white certificate).
- h. **Price.** Shall be basis delivered Houston or Galveston export, except this shall not apply to multi-car corn.
- i. **Multi-Car Corn And Grain Sorghum Rate Basis.** F.O.B. Kansas City, Mo., non-transit Mo. Pac.
- j. **Multi-Car Corn And Grain Sorghum Billing Time Allowed.** For buyer to provide billing to seller on applications on contract:
 1. Cars applied by 2:30 P.M. must be billed by 5:00 P.M.;
 2. Multis applied after 2:30 P.M. on a regular business day must be billed by 11:00 A.M. of the following day and where the following day is a holiday, they must be billed by 11:00 A.M. of the next business day; and

- 3. Failure to comply entitles seller to bill buyer \$20.00 per car per day for each twenty-four (24) hours or part thereof.
- k. **Cool And Sweet.** Seller guarantees multi-car corn and grain sorghum to be cool and sweet on arrival at first billed destination.

- Notes:
- 1. In some cases this will result in Saturday billing.
 - 2. See INTRP 34-3425.00-1 regarding billing time on multi-car corn.

3426.00 25 Hopper K.C. Trains; Corn. Effective February 11, 1980, the call session for Gulf corn rail cars will also include 25 hopper Kansas City trains of corn. Such trains will be traded by the following rules and terms unless otherwise specified:

- a. **Quantity.** Each train will be for 87,500 bushels of corn.
- b. **Quality.** The grade maximum and minimum factors will be:
 - 1. 52 lbs. TW on a 1/2¢ scale below 54 lbs.;
 - 2. 15.0% moisture average for the train with no individual hoppers over 15.5% moisture to apply;
 - 3. 7% maximum TD to apply on a 1/2¢ per bushel scale over 5%; and
 - 4. 4% maximum FM to apply on a 2¢ per bushel scale over 3%.
- c. **Rail.** Buyers and sellers must specify railroad.
- d. **Cool And Sweet.** Trains are guaranteed "cool and sweet" on arrival at first billed destination.
- e. **Inspection And Weights.** Trains will trade on first official grades and destination weights.
- f. **Rate Basis.** Freight base will be delivered at Kansas City.
- g. **Demurrage.** Trains will trade under the demurrage rules of the applicable railroad tariff.

3430.00 PNW Train Corn.

- a. **Quantity.**
 - 1. UP or ATSF or UP/CNW 25 car — 87,500
50 car — 175,000
75 car — 260,000
54 car — 190,000
 - 2. BN
- b. **Quality.** The grade maximum and minimum factors will be:
 - 1. 52 lbs. minimum test weight @ 1/2¢ per lb. below 54 lbs.
 - 2. 15% moisture average for trains with no individual hopper over 15.5% moisture to apply.
 - 3. 7% maximum T.D. to apply at 1¢ per bu. discount per each percent over 5%.
 - 4. 5% maximum FM to apply at 3¢ per bu. discount 3% to 4% FM; an additional 4¢, 4% to 5%FM.
- c. **Rail.** Buyer and seller must specify railroad.
- d. **Cool and Sweet.** Trains are guaranteed "cool and sweet" on arrival at first billed destination.
- e. **Inspection and Weights.** Trains will trade on first official grades (white certificate) and first certified

weights.

- f. **Documents.** Bill of lading or release order and if applicable weight and inspection certificate.
- g. **Payment Terms.** Unless otherwise specifically agreed upon, *all bills for carload lots of grain, mill feed, or seeds, when accompanied with the proper papers and presented to the purchaser before 10:45 A.M., must be paid that day before 12:30 P.M. Bills presented after 10:45 A.M. must be paid not later than 11:30 A.M. the next following business day. Members, whose offices are in Kansas City located other than at 4800 Main Street, receiving invoices by the morning mail prior to 10:45 A.M., shall pay to the seller on the floor of the KCBT or leave a check for the same at the Office of the Secretary before 12:30 P.M. the day of the receipt of the invoice. The foregoing is to be maintained on a year-round basis.
- * Such as payment by draft (D) or wire transfer (W), which must be specified with the bid or offer.
- h. **Billing.** For buyer to provide billing to seller on applications on contract —
1. Trains applied by 4:00; must be billed that day.
 2. Failure to comply entitles seller to bill buyer for demurrage under the demurrage rules of the applicable railroad tariff.
 3. Embargoes — If buyer fails to bill train because of embargo, buyer will pay seller upon receipt of proper documents.

Trade to begin Monday, August 31, 1981, under these rules as part of the KCBT call session, which begins at 10:30 A.M. C.T.

Interpretations

INTRP 34-3405.00-1 Cash Grain Call; Members Only

Question: Can a member trade in the call session for an affiliated corporation (parent) which does not have a member per se?

Answer: A member of the Board of Trade cannot make a cash trade during the call session and give up as principal another corporation who is not a bona fide member of the Board of Trade. This decision holds true even if the corporation who is given up as principal is an affiliated corporation of the member making the trade or even the parent corporation of the member making the trade (November 7, 1977).

INTRP 34-3425.00-1 Cash Grain Call; Billing Time on Multi-Car Corn

Question: A question has been raised regarding whether Rule 3055.01† applies to the following situation: Multi-corn traded in the call session on first official weights and grades is loaded at an interior subterminal on official weights and grades. The seller notifies the buyer at 3:40 P.M. of the cars, asking for disposition and stating that demurrage will start accruing for the account of the buyer at 4:00 P.M. the same day.

Answer: Billing times on multi-car corn are covered by Rule 3425.00 of the Cash Grain Call rules (July 26, 1977).