

PRESS RELEASE

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FOR IMMEDIATE RELEASE

eGrain: CME Group Uses Electronic Warehouse Receipts as Collateral for it's Shipping Certificates

eGrain, Inc., a USDA licensed provider of electronic documents for the grain industry based in Springfield, IL, said today that the CME Group, the world's largest and most diverse derivatives exchange, has become a receiver of electronic warehouse receipts (EWRs) as collateral for wheat shipping certificates using eGrain's warehouse receipts system.

Given the recent volatile market conditions, EWRs are beneficial for warehouses since they can instantly issue additional EWRs to the Registrar's Office. The eGrain System allows both the warehouses and the Registrar's Office to instantly monitor their positions via the web-based system.

CME Group changed the delivery method to shipping certificates from warehouse receipts beginning with the July 2008 futures contract.

According to the rules and regulations of the CBOT agriculture futures markets, the issuers of shipping certificates for corn, oats, wheat, and soybeans must file a bond and/or designated letter of credit with sufficient collateral to cover the value of the registered shipping certificates. Warehouses are required to monitor the value of their outstanding shipping certificates using the futures spot month settlement price. If the amount of the letter of credit falls below 80%, the issuer must increase the letter of credit or obtain a new one to bring the level back to 100% of the value of the commodity. Firms may also use USDA warehouse receipts as collateral, which allows warehouses to utilize grain in store to cover their obligations. Using warehouse receipts for collateral eliminates the possibility of having to increase the amount posted with CME Group as the value of the grain in store will increase/decrease with market movements. "The use of the eGrain System is an efficient and cost effective replacement to costly letters of credit and bonds," said Drew Earles, eGrain Director of New Business Development.

CME Group has also been utilizing the eGrain System to handle warehouse receipts delivered in satisfaction of its Rough Rice futures contract since September 2007. The



use of EWRs is more efficient than paper warehouse receipts and they eliminate the costs associated with traceable delivery of these documents between futures clearing agents and warehouses.

The eGrain System is a dynamic, web-based system designed to facilitate the use of electronic documents in the grain industry, specifically the use of EWRs and price later contracts. eGrain's powerful central filing system allows subscribers to access historical information and sort data by various categories. Information can be viewed/downloaded into easily customized reports or imported into accounting systems. For more information about eGrain and our services, visit www.egrain.com or contact Drew Earles at (800) 278-6799.

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