

Chapter 55 Class IV Milk Futures

5500. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in Class IV Milk. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

5501. COMMODITY SPECIFICATIONS

Each futures contract shall be valued at 2,000 times the USDA Class IV Milk price.

5502. FUTURES CALL

5502.A. Trading Schedule ¹

Futures contracts shall be scheduled for trading during such hours and delivery in such months as may be determined by the Board of Directors.

5502.B. Trading Unit

The unit of trading shall be 200,000 pounds, expressed as 2,000 hundredweight (cwt.).

5502.C. Price Increments

Minimum price fluctuations shall be in multiples of \$.01 per cwt.

5502.D. Daily Price Limits ²

There shall be no trading at a price more than \$0.75 per cwt. above or below the previous day's settlement price.

5502.E. Position Limits

No person shall own or control more than:

1. 1000 contracts long or short in any contract month;
2. 250 contracts long or short in the expiring contract month as of the close of business on the business day immediately preceding the first business day of the contract month.

For positions involving options on Class IV Milk futures, this rule is superseded by the option speculative position limit rule.

5502.F. Accumulation of Positions

For purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

5502.G. Exemptions

The foregoing position limits shall not apply to bona fide hedging positions meeting the requirements of Regulation 1.3(z)(1) of the Commodity Futures Trading Commission and rules of the Exchange and shall not apply to other positions exempted pursuant to Rule 559.

5502.H. Termination of Trading

Trading shall terminate on the business day immediately preceding the day on which the USDA announces the Class IV price for that contract month.

5502.I. Contract Modifications

If any federal governmental agency issues an order, ruling, directive, or law that conflicts with the requirements of these rules, such order, ruling, directive, or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

¹ Revised December 2001.

² Revised October 2003.

5503. SETTLEMENT PROCEDURES

5503.A. Final Settlement

There shall be no delivery of Class IV milk in settlement of this contract. All contracts open as of the termination of trading shall be cash settled based upon the USDA Class IV Price for milk for the particular month, as first released.

5503.B.-H. [Reserved]

5504. - 07. [RESERVED]

5508. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701 – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 55)