

Chapter 52 Milk Futures

5200. SCOPE OF CHAPTER ¹

This chapter is limited in application to futures trading in Class III 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.

5201. COMMODITY SPECIFICATIONS ²

Each futures contract shall be valued at 2,000 times the USDA Class III Price for milk.

5202. FUTURES CALL

5202.A. Trading Schedule³

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

5202.B. Trading Unit

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

5202.C. Price Increments

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

5202.D. Daily Price Limits ⁴

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

5202.E. Position Limits ⁵

No person shall own or control more than:

1,500 contracts long or short in any contract month;

For positions involving options on Milk futures, this rule is superseded by the option speculative position limit rule.

5202.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.

5202.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.

5202.H. Termination of Trading ⁶

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

5202.I. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all deliveries must conform to government regulations in force at the time of delivery. 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 August 1998; March 2000.

² Revised August 1998; March 2000.

³ Revised December 2001.

⁴ Revised June 2000; October 2003.

⁵ Revised March 2000; June 2000, October 2001; July 2003.

⁶ Revised August 1998; March 2000.

5203. SETTLEMENT PROCEDURES

5203.A. Final Settlement⁷

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

5203.B.-H. [Reserved]

5204.-07. [RESERVED]

5208. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

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

(End Chapter 52)

⁷ Revised September 1997; August 1998; March 2000..