

Livestock

CME Livestock Futures include the following:

- [Normal Daily Settlement Procedure](#)
- [CME Feeder Cattle Futures Final Settlement Procedure](#)
- [CME Lean Hog Futures Final Settlement Procedure](#)
- [CME Pork Cutout Futures Final Settlement Procedure](#)
- [CME Live Cattle Futures Final Settlement Procedure](#)

Normal Daily Settlement Procedure

CME Group staff determines the daily settlements for Feeder Cattle (GF), Lean Hogs (HE), Live Cattle (LE), and Pork Cutout (PRK) futures based on trading activity on CME Globex between 12:59:30 and 13:00:00 Central Time (CT), the settlement period.

Tier 1: Each contract month settles to its volume-weighted average price (VWAP) of all trades that occur between 12:59:30 and 13:00:00 CT, the settlement period, rounded to the nearest tradable tick. If the VWAP is exactly in the middle of two tradable ticks, then the settlement will be the tradable price that is closer to the contract's prior day settlement price.

Tier 2: If no trades occur on CME Globex between 12:59:30 and 13:00:00 CT, the settlement period, then the last trade is used to determine the settlement price validated against the bid/ask.

Tier 3: In the absence of any trading activity, the daily settlement price will be determined by applying the net change from the preceding contract month to the given contract month's prior daily settlement price validated against the bid/ask and adjusted to the bid or ask if necessary.

If you have any questions, please call the CME Global Command Center at 800.438.8616, in Europe at 44.800.898.013, or in Asia at 65.6532.5010.

CME Feeder Cattle Futures Final Settlement Procedure

Feeder Cattle (GF) futures are cash settled. Please note that the settlement price determined on the last day of trading is only a temporary settlement price, and the contract will be cash settled based upon the CME Feeder Cattle Index™ price for the seven calendar days ending on the day on which trading terminates. The index price is released one business day after trading in the expiring contract month terminates. For example, the index for the seven calendar days ending on Thursday, May 21, 2015 was released on Friday, May 22, 2015.

Temporary Settlement Calculation for Expiring Contract

CME Group staff determines the temporary settlement for the expiring Feeder Cattle (GF) futures contract based on trading activity on CME Globex between 11:58:30 and 12:00:00 Central Time (CT) – the last minute and a half of the contract's life.

Tier 1: The expiring contract's temporary final settlement is its volume-weighted average price (VWAP) of all trades that occur between 11:58:30 and 12:00:00 CT on the day of expiration, rounded to the nearest tradable tick. If the VWAP is equidistant between two ticks, then it's rounded to the nearest tradable tick that is closer to the prior-day's settlement price.

Tier 2: In the absence of any trade activity in the expiring contract between 11:58:30 and 12:00:00 CT, the bid price that is higher than the last trade or prior day's settlement price, or the ask price that is lower than the last trade or prior day's settlement price, from 11:58:30 and 12:00:00 CT will determine the temporary final settlement price for that contract month.

Tier 3: If there is no market activity, then the contract settles to the prior-day settlement price.

Final Settlement Details

For additional details, please see the CME Rulebook (**Chapter 102**):

<http://www.cmegroup.com/rulebook/CME/II/100/102/102.pdf>

CME Lean Hog Futures Final Settlement Procedure

Lean Hog (HE) futures are cash settled. Please note that the settlement price determined on the last day of trading is only a temporary settlement price, and the contract will be cash settled based upon the CME Lean Hog Index® price for the two-day period ending on the day on which trading terminates. The relevant index price is released two business days after trading in the expiring contract month terminates. For example, the index for the two-day period ending on Friday, June 12, 2015 was released on Tuesday, June 16, 2015.

Temporary Settlement Calculation for Expiring Contract

CME Group staff determines the settlement for the expiring Lean Hog (HE) future contract based on trading activity on CME Globex between 11:58:30 and 12:00:00 Central Time (CT) – the last minute and a half of the contract's life.

Tier 1: The expiring contract's temporary final settlement is its volume-weighted average price (VWAP) of all trades that occur between 11:58:30 and 12:00:00 CT on the day of expiration, rounded to the nearest tradable tick. If the VWAP is equidistant between two ticks, then it's rounded to the nearest tradable tick that is closer to the prior-day's settlement price.

Tier 2: In the absence of any trade activity in the expiring contract between 11:58:30 and 12:00:00 CT, the bid price that is higher than the last trade or prior day's settlement price, or the ask price that is lower than the last trade or prior day's settlement price, from 11:58:30 and 12:00:00 CT, will determine the temporary final settlement price for that contract month.

Tier 3: If there is no market activity, then the contract's temporary final settlement will be its prior-day settlement price.

Final Settlement Details

For final settlement details, please see the CME Rulebook (**Chapter 152**):

<http://www.cmegroup.com/rulebook/CME/II/150/152/152.pdf>

CME Pork Cutout Futures Final Settlement Procedure

Pork Cutout (PRK) futures are cash settled. Please note that the settlement price determined on the last day of trading is only a temporary settlement price, and the contract will be cash settled based upon the CME Pork Cutout Index® price for the five-day period ending on the day on which trading terminates. The relevant index price is released one business day after trading in the expiring contract month terminates. For example, the index for the five-day period ending on Monday, December 14, 2020 was released on Tuesday, December 15, 2020.

Temporary Settlement Calculation for Expiring Contract

CME Group staff determines the settlement for the expiring Pork Cutout (PRK) future contract based on trading activity on CME Globex between 11:58:30 and 12:00:00 Central Time (CT) – the last minute and a half of the contract's life.

Tier 1: The expiring contract's temporary final settlement is its volume-weighted average price (VWAP) of all trades that occur between 11:58:30 and 12:00:00 CT on the day of expiration, rounded to the nearest tradable tick. If the VWAP is equidistant between two ticks, then it's rounded to the nearest tradable tick that is closer to the prior-day's settlement price.

Tier 2: In the absence of any trade activity in the expiring contract between 11:58:30 and 12:00:00 CT, the bid price that is higher than the last trade or prior day's settlement price, or the ask price that is lower than the last trade or prior day's settlement price, from 11:58:30 and 12:00:00 CT, will determine the temporary final settlement price for that contract month.

Tier 3: If there is no market activity, then the contract's temporary final settlement will be its prior-day settlement price.

Final Settlement Details

For final settlement details, please see the CME Rulebook (**Chapter 156**):

<https://www.cmegroup.com/content/dam/cmegroup/rulebook/CME/II/150/156.pdf>

CME Live Cattle Futures Final Settlement Procedure

Final Settlement Calculation for Expiring Contract

CME Group staff determines the settlement for the expiring Live Cattle (LE) futures contract based on trading activity on CME Globex between 11:58:30 and 12:00:00 Central Time (CT) – the last minute and a half of the contract's life.

Tier 1: The expiring contract settles to its volume-weighted average price (VWAP) of all trades that occur between 11:58:30 and 12:00:00 CT on the day of expiration, rounded to the nearest tradable tick. If the VWAP is equidistant between two ticks, then it's rounded to the nearest tradable tick that is closer to the prior-day's settlement price.

Tier 2: In the absence of any trade activity in the expiring contract between 11:58:30 and 12:00:00 CT, the bid price that is higher than the last trade or prior day's settlement price, or the ask price that is lower than the last trade or prior day's settlement price, from 11:58:30 and 12:00:00 CT, will determine the temporary final settlement price for that contract month.

Tier 3: If there is no market activity, then the contract's temporary final settlement will be its prior-day settlement price.

Final Settlement Details

For final settlement details, please see the CME Rulebook (**Chapter 101**):

<http://www.cmegroup.com/rulebook/CME/II/100/101/101.pdf>

If you have any questions, please call the **CME Global Command Center**.

Note: In the event the aforementioned calculations described in this advisory cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity yields results that are not representative of the fair value of the contract, the staff may determine an alternative settlement price.