AGRICULTURE

Sorghum Futures

The Sorghum futures contract provides the market with a dedicated tool to isolate and manage the unique risk of the sorghum market. By pricing directly as a spread differential to CBOT Corn futures, the 5,000 bushel Sorghum basis futures contract eliminates flat-price liquidity hurdles, allowing market participants to trade the pure structural volatility of one of the world's most resilient coarse grains.

Key features

Physical delivery in the heart of sorghum country

Sorghum futures feature physical delivery of shipping certificates and loadout via truck or railcars. By utilizing the existing KC Hard Red Winter Wheat delivery footprint in the nation's largest sorghum-producing state, the contract provides a seamless, trusted mechanism for commercials to take title or load out physical grain.

Manage high-volatility basis risk

While sorghum correlates heavily with corn over long macro horizons, geopolitics and regional supply dynamics frequently fracture that relationship. In recent years, the sorghum-to-corn cash spread has swung wildly from sharp premiums to deep discounts. The Sorghum futures contract allows you to isolate and trade that volatile basis risk without being exposed to the flat-price directional swings of the broader grain complex.

A flexible new tool for the grain toolbox

Sorghum futures are a basis spread contract, not a flat-price market and are engineered to build on deep, existing pools of liquidity. Traders can take a view on the basis relationship or hedge flat price risk, giving participants access to protect gross processing margins, hedge elevator inventory values or capitalize on shifting feed-grain yield spreads.

Insight into a highly versatile global commodity

Sorghum sits at the cross section of many global demand channels. A single contract gives the market a front row seat to:

- The domestic feed sector: Fueling major beef cattle feedlots and dairies across the High Plains.
- The biofuel grind: Serving as a highly efficient, core feedstock for regional ethanol processors.
- International export corridors: Sorghum represents a unique, concentrated global trade flow defined by stark demand shifts. The market is highly reactive to the presence of China, its primary international buyer.

SORGHUM FUTURES SPECIFICATIONS	
LISTING EXCHANGE	CBOT
CONTRACT UNIT	5,000 bushels
PRICE QUOTATION	U.S. cents per bushel
MINIMUM PRICE FLUCTUATION	$0.0025 per bushel ($12.50 per contract)
PRODUCT CODES	**CME Globex:** MILO **CME ClearPort:** MILO **Clearing:** MILO
LISTING SCHEDULE	Two Decembers and all preceding March, May, July and September contracts listed annually following the expiry of the December contract
TRADING HOURS	CME Globex: Monday – Friday, 8:30 a.m. – 1:20 p.m. CT CME ClearPort: Sunday 5:00 p.m. – Friday 5:45 p.m. CT with no reporting Monday – Thursday from 5:45 p.m. – 6:00 p.m. CT
TERMINATION OF TRADING	Fourth to last business day preceding the contract month (first holding day for Corn futures)
SETTLEMENT METHOD	Physically delivered via shipping certificates
DELIVERY DAY	First business day of the contract month
DELIVERABLE GRADES AND QUALITIES	U.S. No. 2 at par; U.S. No. 1 at a 1.5 cent premium Maximum 14.0 percent moisture
DELIVERY LOCATIONS	Kansas City at contract price Wichita, Kansas at a discount of 6 cents per bushel Hutchinson, Kansas at a discount of 9 cents per bushel Salina/Abilene, Kansas at a discount of 12 cents per bushel
BLOCK MINIMUM	10 contracts

For more information, visit cmegroup.com/sorghum or email sorghum@cmegroup.com