



## Special Executive Report

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**DATE:** March 18, 2021

**SER#:** 8740

**SUBJECT: Removal of Daily Price Limits in Class III Milk Futures and Class IV Milk Futures Contracts During the Final Month of Trading in an Expiring Contract Month**

Effective Sunday, April 11, 2021 for trade date Monday, April 12, 2021, and pending all relevant Commodity Futures Trading Commission ("CFTC") review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange"), will amend Rule 5202.D. ("Daily Price Limits") of the Class III Milk Futures and Rule 5502.D. ("Daily Price Limits") of the Class IV Milk Futures contracts as noted the table below (the "Contracts").

Contract Title	CME Rulebook Chapter	CME Globex/ CME ClearPort Code
Class III Milk Futures	52	DC/DA
Class IV Milk Futures	55	GDK/DK

Specifically, the Exchange has determined to amend Rules 5202.D. and 5502.D. to remove daily price limits in the Contracts during the final month of trading for an expiring contract month. Additionally, the Exchange is inserting language in the Rules to clarify that during this period, the expiring contract month will be excluded from the calculation of daily price limits (collectively, the "Rule Amendments").

The Rule Amendments are provided in blackline format in Exhibit A below.

Should you have any questions regarding this Special Executive Report, please contact either: Jim Sullivan, Director, Commodity Research and Product Development, 312-930-2308, [Jim.Sullivan@cmegroup.com](mailto:Jim.Sullivan@cmegroup.com), or Joanna Litchfield, Manager, Agricultural Products, 312-338-2653, [Joanna.Litchfield@cmegroup.com](mailto:Joanna.Litchfield@cmegroup.com).

For media inquiries concerning this Special Executive Report, please contact CME Group Corporate Communications at 312-930-3434 or [news@cmegroup.com](mailto:news@cmegroup.com).

## **Exhibit A**

### **CME Rulebook**

(additions underscoring; deletions ~~struck through~~)

## **Chapter 52**

### **Class III Milk Futures**

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#### **5202. TRADING SPECIFICATIONS**

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##### **5202.D. Daily Price Limits**

There shall be a daily price limit of \$0.75 per cwt. above or below the previous day's settlement price, except that there shall be no daily price limits in the expiring contract as of close of trading on the business day prior to the first trading day of the contract month.

Should any Class III Milk futures contract month settle at limit, the daily price limits for all contract months shall expand to \$1.50 per cwt. on the next business day.

If none of the listed Class III Milk futures contracts settle at a price change equal to or greater than \$0.75 per cwt. on the next business day, daily price limits for all contract months shall revert back to \$0.75 per cwt. on the following business day. As of the close of trading on the business day prior to the first trading day of the expiring contract month, the expiring contract month shall be excluded from triggering expanded limits.

Should any futures component of the Class III Crush (Class III, Cash-Settled Cheese, Block Cheese, and Dry Whey) trigger an expanded limit, the daily price limits for other futures components shall also expand on the same day. If no futures component settles at a price change equal to or greater than its respective initial price limit, daily price limits for all futures components of the Class III Crush shall revert back to their respective initial limits the following business day.

[Remainder of Rule Unchanged.]

## **Chapter 55**

### **Class IV Milk Futures**

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#### **5502. TRADING SPECIFICATIONS**

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##### **5502.D. Daily Price Limits**

There shall be a daily price limit of \$0.75 per cwt. above or below the previous day's settlement price, except that there shall be no daily price limits in the expiring contract as of close of trading on the business day prior to the first trading day of the contract month.

Should any Class IV Milk futures contract month settle at limit, the daily price limits for all contract months shall expand to \$1.50 per cwt. on the next business day.

If none of the listed Class IV Milk futures contracts settle at a price change equal to or greater than \$0.75 per cwt. on the next business day, daily price limits for all contract months shall revert back to \$0.75 per cwt. on the following business day. As of the close of trading on the business day prior to the first trading day of the expiring contract month, the expiring contract month shall be excluded from triggering expanded limits.

Should any futures component of the Class IV Crush (Class IV, Cash-Settled Butter, and Nonfat Dry Milk) trigger an expanded limit, the daily price limits for other futures components shall also expand on the same day. If no futures component settles at a price change equal to or greater than its respective initial price limit, daily price limits for all futures components of the Class IV Crush shall revert back to their respective initial limits the following business day.

[Remainder of Rule Unchanged.]