

Chapter 52 Class III Milk Futures

5200. SCOPE OF CHAPTER

This chapter is limited in application to Class III Milk futures. In addition to this chapter, Class III Milk futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

5201. CONTRACT SPECIFICATIONS

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

5202. TRADING SPECIFICATIONS

5202.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and final settlement in such months as may be determined by the Exchange.

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 \$0.01 per cwt.

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.

5202.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

5202.F. [Reserved]

5202.G. [Reserved]

5202.H. Termination of Trading

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. [Reserved]

5203. SETTLEMENT PROCEDURES

5203.A. Final Settlement

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.-08. [RESERVED]

(End Chapter 52)