



## CME Group to Launch Pork Cutout Futures and Options on November 9

September 29, 2020

CHICAGO, Sept. 29, 2020 /PRNewswire/ -- [CME Group](#), the world's leading and most diverse derivatives marketplace, today announced it will launch Pork Cutout futures and options on November 9, 2020, pending all relevant regulatory review periods.

"As the market has evolved, our customers continue to look for new tools to manage the price risk associated with hog and pork production," said Tim Andriesen, CME Group Managing Director of Agricultural Products. "The Pork Cutout futures and options are complementary to our Lean Hog contracts and will provide clients with the ability to manage risk and discover price from the hog all the way to the meat case."

Hogs are increasingly bought and sold in the physical market based on a formula which uses the cutout. The Pork Cutout reflects the approximate value of a hog calculated using the prices paid for wholesale cuts of pork. The values, or cuts, used to calculate the pork cutout include the loin, butt, picnic, rib, ham and belly. The new contracts reflect the price of the wholesale product after processing.

"The National Pork Producers Council welcomes the introduction of the new Pork Cutout trading vehicle," said NPPC President Howard "AV" Roth, a pork producer for Wauzeka, Wisconsin. "We applaud CME Group for providing another risk management option, in addition to the Lean Hog contract, and for enhancing market visibility, which is so important to maintaining a highly competitive and innovative pork production system in the United States."

Pork Cutout futures and options will be financially-settled to the CME Pork Cutout Index, which is a five-business day weighted average of prices reported by the US Department of Agriculture (USDA) and published in its "National Daily Pork Report Fob Plant - Negotiated Sales – Afternoon" report daily.

The new contracts will be quoted in U.S. cents per pound, will have a contract size of 40,000 pounds and will be available for trading on CME Globex or through block trades via CME ClearPort, and will be listed by and subject to the rules and regulations of CME.

For more information on CME Group's Pork Cutout futures and options and the CME Pork Cutout Index, please visit: [www.cmegroup.com/pork-cutout](http://www.cmegroup.com/pork-cutout).

As the world's leading and most diverse derivatives marketplace, CME Group ([www.cmegroup.com](http://www.cmegroup.com)) enables clients to trade futures, options, cash and OTC markets, optimize portfolios, and analyze data – empowering market participants worldwide to efficiently manage risk and capture opportunities. CME Group exchanges offer the widest range of global benchmark products across all major asset classes based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural products](#) and [metals](#). The company offers futures and options on futures trading through the [CME Globex®](#) platform, fixed income trading via BrokerTec and foreign exchange trading on the EBS platform. In addition, it operates one of the world's leading central counterparty clearing providers, CME Clearing. With a range of pre- and post-trade products and services underpinning the entire lifecycle of a trade, CME Group also offers optimization and reconciliation services through TriOptima, and trade processing services through Traiana.

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