

part of eex group



# Efficient hedging of dairy price risks

**Exchange trading and trade registration  
for butter, skimmed milk powder, whey  
powder and liquid milk at the leading  
European dairy futures market**

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New since August 2018:

European  
Liquid Milk  
Futures

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## Trading Dairy products

EEX offers exchange trading for futures on butter, skimmed milk powder, whey powder and liquid milk. In addition, over-the-counter transactions can also be registered for clearing (Trade Registration). Clearing and settlement of all transactions are provided by ECC, the EEX Group clearing house.

## Financial Settlement

All products will be settled financially upon maturity (cash settlement). In this process, reference prices adequately reflecting the value of the traded products are used. These price indices increase market transparency – also in the futures contracts.

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**137,820** tons of goods equivalent  
were traded on the  
dairy futures market in 2017:

**+ 68%**

as against the previous year

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More information:

[www.eex.com](http://www.eex.com) > Products > Agricultural Products

## Why trade Agricultural Derivatives on EEX?

- > Hedging of price risks on the agricultural markets
- > Financial settlement of all transactions based on reliable reference prices
- > Access to a broad range of commodity products

## Hedging of price risks

The development of prices for butter, skimmed milk powder, whey powder and liquid milk shows that the European markets for milk products are subject to fluctuations. Exchange trading offers the necessary instruments enabling market participants to hedge against risks.



## Contact

**Sascha Siegel**

Head of Agricultural Commodities

Phone: +49 341 2156-272

E-mail: [sascha.siegel@eex.com](mailto:sascha.siegel@eex.com)

## Contract Specifications \*

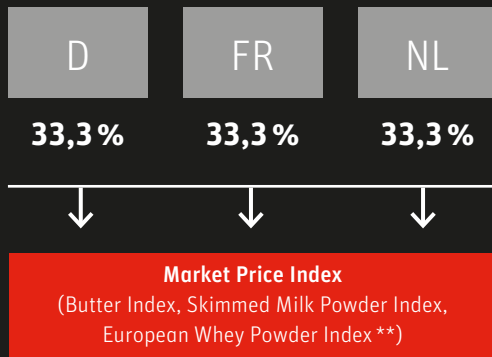
	BUTTER FUTURE	SKIMMED MILK POWDER FUTURE	EUROPEAN WHEY POWDER FUTURES	EUROPEAN LIQUID MILK FUTURES
<b>PRODUCT-ID</b>	FABT	FASM	FAWH	FALM
<b>PRODUCT-ISIN</b>	DE000A13RUP8	DE000A13RUM5	DE000A13RUN3	DE000 A2G9 892
<b>UNDERLYING</b>	Butter Index	Skimmed Milk Powder Index	European Whey Powder Index **	EEX European Liquid Milk Index
<b>CONTRACT VOLUME/ QUOTATION</b>	5 metric tons /EUR per metric tonne			25,000 kilogram
<b>PRICING AND MINIMUM PRICE CHANGE</b>	Pricing in EUR per tonne, minimum price change: EUR 1 per tonne			Pricing in EUR per 100 kilogram, minimum price change: EUR 0.01 per 100 kilogram
<b>MATURITIES</b>	At maximum, the following maturities can be traded on EEX: the maturities of the current and the respective next 18 consecutive calendar months			
<b>TRADING HOURS</b>	Continuous Trading, 8:45–18:00 (CET); until 12:00 (CET) on the last day of trading			
<b>LAST DAY OF TRADING</b>	The last Wednesday of the respective maturity month (If this is not a trading day, the preceding exchange trading day shall be the last trading day.) The third Wednesday of the month in the maturity month of December (If this is not a trading day, the following exchange trading day shall be the last trading day.)			The 12th calendar day of the month. If this is a weekend day or a public holiday, the following exchange day is the last day of trading.
<b>SETTLEMENT</b>	Cash settlement, difference between the final settlement price and the settlement price of the previous exchange trading day			
<b>FINAL SETTLEMENT PRICE</b>	Status of the respective decisive index on the last day of trading at 19:00 (CET)			Status of the respective index on the last day of trading at 13:00 hrs (CET/CEST)

\* Please note that this document is exclusively intended for you information and is not legally binding.

\*\* The European Whey Powder Index is provided by the Agrarmarkt Informations-Gesellschaft mbH (AMI) in Bonn.

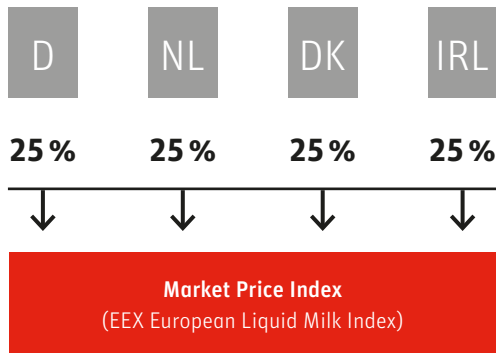
## Market price indices as the basis for prices on the dairy market

For the calculation of the index, recognised prices established in Germany, France and the Netherlands are used and combined into an unweighted average. As seen from a historical perspective, the correlation between these quotations is very high. As a result, the indices reflect the market price of the referenced products within the European Economic Area.



## EEX European Liquid Milk Index

The Index consists of prices determined in Germany, the Netherlands, Denmark and Ireland which are summarised into an unweighted average. They are based on the prices of the "Milk Market Observatory" of the European Commission as per (EU) No 2017/1185 Article 12 (a) – Annex II. 4(a).



## NEW: Liquid Milk Futures

On 15th August 2018, the EEX has expanded trading in milk products with liquid milk futures. As a result, EEX has become the first exchange in Europe to offer a liquid milk future.



# Hedged your milk price yet?

EEX is the leading energy exchange in Europe which develops, operates and connects secure, liquid and transparent markets for energy and related products.

As part of EEX Group, EEX offers contracts on Power, Emission Allowances as well as Freight and Agricultural Products.

EEX Group is part of Deutsche Börse Group.

EEX Group provides market platforms and clearing houses for energy and commodity products across the globe.

European Energy Exchange AG  
Augustusplatz 9  
04109 Leipzig, Germany

[www.eex.com](http://www.eex.com)

As of March 2019

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