### Commodity at a Glance

**NCDEX Rapeseed Mustard Seed Futures**

- Benchmark Futures contract for RM Seed
- Hedging and price risk management tool for value chain
- Efficient and transparent price discovery
- Robust delivery mechanism
- Connects the entire value chain

#### DEPOSIT AND DELIVERIES

<table>
<thead>
<tr>
<th>Year</th>
<th>Deposits</th>
<th>Deliveries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>14,000 MT</td>
<td>8,000 MT</td>
</tr>
<tr>
<td>2015</td>
<td>12,000 MT</td>
<td>9,000 MT</td>
</tr>
<tr>
<td>2016</td>
<td>10,000 MT</td>
<td>10,000 MT</td>
</tr>
<tr>
<td>2017</td>
<td>8,000 MT</td>
<td>8,000 MT</td>
</tr>
<tr>
<td>2018</td>
<td>6,000 MT</td>
<td>6,000 MT</td>
</tr>
</tbody>
</table>

*Future trading was not available from 28 July 2016 – 13 July 2017
Source - NCDEX*

#### CONTRACT SPECIFICATIONS

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Ticker Symbol</th>
<th>Basis*</th>
<th>Additional Delivery center*</th>
<th>Delivery Logic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapeseed-Mustard seed</td>
<td>RMSEED</td>
<td>Jaipur</td>
<td>Alwar, Kota, Sri Ganganagar, Bikaner, Jodhpur, Tonk and Agra</td>
<td>Compulsory Delivery</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quotation</th>
<th>GST</th>
<th>Trading and Delivery Unit</th>
<th>Tick Size</th>
<th>Expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs. per quintal</td>
<td>Exclusive</td>
<td>10 MT</td>
<td>Rs.1</td>
<td>20th of the delivery month</td>
</tr>
</tbody>
</table>

#### Quality Specifications

<table>
<thead>
<tr>
<th>Specification</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moisture content</td>
<td>5% (basis)</td>
</tr>
<tr>
<td>Oil Content (at 5% moisture content level):</td>
<td>42% (basis)</td>
</tr>
<tr>
<td>FFA%</td>
<td>1.0 (max)</td>
</tr>
<tr>
<td>Foreign Matter</td>
<td>0.50% (basis)</td>
</tr>
<tr>
<td>Damaged or Shriveled or discolored seeds</td>
<td>0.75% (max)</td>
</tr>
<tr>
<td>Insect damaged matter</td>
<td>Insect damaged matter should be within 0.75%.</td>
</tr>
</tbody>
</table>

*upto the radius of 50 kms from the municipal limits.

For detailed contract specifications visit website www.ncdex.com

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Launched on 15 Dec, 2003

**Highest monthly**
- ADTQ 4,08,094 MT
- ADOI 4,53,837 MT

**Total deliveries till Jan 2019**
- 17,40,400 MT

*Since Inception*
India is the 4th largest producer of mustard seed in the world, followed by the European Union (EU), China and Canada. India produces 70 lakh MT of mustard seed, while global production is approx. 740 lakh MT.

Mustard producing states: Rajasthan, Uttar Pradesh, Punjab/Haryana, Gujarat, Madhya Pradesh, West Bengal, Bihar, Chattisgarh.

Major exporting countries: Canada, European Union.

Major consuming countries: India, China, Pakistan, Japan, and European Union.

Mustard oil is one of the largest sources of vegetable oils in India, especially in the North and East regions.

Being rich in protein and low in glucosinolate content, RM meal is used as an ingredient for cattle feed and poultry feed in India.

Mustard oil has anti-fungal properties, hence beneficial for body massage for control of skin diseases.

Mustard seeds are used as a versatile spice for culinary preparations of fish, meat, vegetables, etc.

Uses of RMSEED

- Mustard oil is one of the largest sources of vegetable oils in India, especially in the North and East regions.
- Being rich in protein and low in glucosinolate content, RM meal is used as an ingredient for cattle feed and poultry feed in India.

Factors influencing the price:

- Weather condition
- Demand for mustard seed from millers and solvent plant
- Demand for rape meal from poultry and feed industry
- Government policies
- Demand-supply and price of other competitive oils
- Price movement in other production or consumption countries
- International production of mustard seed

Processor/Hedger locks in the RM Seed Futures price at Rs 3800/quintal for a long position.

If the price of RM Seed decreases in the physical market, the gain in the physical market is offset by the loss in the Futures market.

If the price of RM Seed increases in the physical market, the loss in the physical market is offset by the gain in the Futures market.

Farmer/Hedger locks in the RM Seed Futures price at Rs 3900/quintal for a short position.

If the price of RM Seed decreases in the physical market, the loss in the physical market is offset by the gain in the Futures market.

If the price of RM Seed increases in the physical market, the gain in the physical market is offset by the loss in the Futures market.

Graphs: For illustrative purposes only.

Annualised Volatility

- 2016-17 (18.69%)
- 2017-18 (14.98%)
- 2018-19 (15.21%)