NCDEX Paddy (Basmati) – Pusa 1121 Futures

**Commodity at a Glance**

**NCDEX Paddy (BASMATI) – PUSA 1121 Futures**

For detailed contract specifications visit website www.ncdex.com

- Hedging and price risk management tool for value chain
- Efficient and transparent price discovery
- Robust delivery mechanism
- Connects the entire value chain

**Quality Specifications**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Specification</th>
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<tbody>
<tr>
<td>Moisture</td>
<td>14% Max</td>
</tr>
<tr>
<td>Foreign Matter</td>
<td>1%</td>
</tr>
<tr>
<td>Damaged, Discolored and Weevilled Grains (%)</td>
<td>4% Max</td>
</tr>
<tr>
<td>Immature (%)</td>
<td>4% Max</td>
</tr>
<tr>
<td>Green Grains (%)</td>
<td>5% Max</td>
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<tr>
<td>Admixture of lower class (%)</td>
<td>5% Max</td>
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<tr>
<td>Empty shell%</td>
<td>2% Max</td>
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<tr>
<td>Hulling recovery (%)</td>
<td>78% Min</td>
</tr>
<tr>
<td>Average Kernel length of Hulled Rice before cooking (mm)</td>
<td>8.6 mm (Min)</td>
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<tr>
<td>Broken (%) after De-husking</td>
<td>25% (Max)</td>
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</tbody>
</table>

**Minimum Order Size, Quantity variation & Basis Delivery center**

- Maximum Order Size: 500 MT +/- 5%
- Basis Delivery center: Karnal (within 50 km radius from the APMC/municipal limits)

**Contract Specifications**

- For detailed contract specifications visit website www.ncdex.com
- Since Inception

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GENERAL INTRODUCTION PADDY (BASMATI) – PUSA 1121

- Basmati rice variety is generally produced along the Indo-Gangetic plains.
- It is an aromatic rice variety which is known for its exquisite aroma and soft texture.
- Punjab and Haryana are the leading producers of Basmati rice variety in India.
- Due to its high demand, it fetches a premium price in both national and international market.
- India is the leading producer and exporter of Basmati rice in the world.

SEASONALITY

<table>
<thead>
<tr>
<th>India</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
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<tbody>
<tr>
<td>Kharif</td>
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<td>Rabi</td>
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</table>

Source: Indian Council of Agricultural Research

USES - PADDY(BASMATI)-PUSA 1121

- Rice is consumed as a staple food in the south India and the east India.
- Rice starch is used in making ice-cream, custard powder, puddings, gel, distillation of potable alcohol, etc.
- Rice bran oil is used as edible oil, in soap and fatty acids manufacturing.
- Rice bran is used in confectionery products like bread, snacks, cookies and biscuits. The defatted bran is also used as cattle feed, organic fertilizer (compost), medicinal purpose and in wax making.
- Rice husk is used as a fuel, in board and paper manufacturing, packing and building materials and as an insulator.

PRICE VOLATILITY - PADDY (BASMATI) – PUSA 1121

- Demand in both national and international market
- State and central government policies concerning domestic rice trade or rice export
- Insufficient rainfall for production
- Obstruction in information movement
- Increase/decrease in rice production in other countries

PRICE RISK HEDGING

Processors/Hedger locks in the Paddy Futures price at Rs. 3400/quintal for a long position.

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

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

Graphs: For illustrative purposes only