

CONTRACT SPECIFICATIONS

Commodity	Ticker Symbol	Basis	Additional Delivery center	Delivery Logic
Paddy (Basmati) – Pusa 1121	PADYPB1121	Kota	-	Compulsory Delivery

Quotation	GST	Trading and Delivery Unit			Position Limits			
		Tick Size	Expiry date	Aggregate	Near Month			
Rs. per Quintal	Exclusive	10 MT	Rs.1	20th of the delivery month	Member 5,00,000	Client 50,000	Member 1,25,000	Client 12,500

Maximum Order Size	Quantity variation
500 MT	+/- 5%

Quality Specifications	Moisture	13% Basis
	Foreign Matter	1% max
	Damaged, discoloured, weeviled and broken grain (%)	4% Max
	Immature (%)	4% Max
	Green Grains (%)	5% Max
	Admixture of lower class (%)	5% Max
	Empty shell%	2% Max
	Hulling recovery (%)	72% Min
	Average Kernel length of Hulled Rice before cooking (mm)	8.30 mm (Min)
	Quality variation	5%

For detailed contract specifications visit website www.ncdex.com

National Commodity & Derivatives Exchange Limited

CIN: U51909MH2003PLC140116

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Commodity at a Glance

NCDEX Paddy (BASMATI) – PUSA 1121 Futures

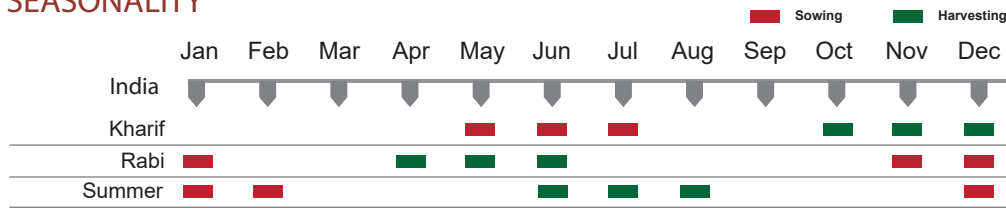


- Hedging and price risk management tool for value chain
- Efficient and transparent price discovery
- Robust delivery mechanism
- Connects the entire value chain

GENERAL INTRODUCTION PADDY (BASMATI) – PUSA 1121

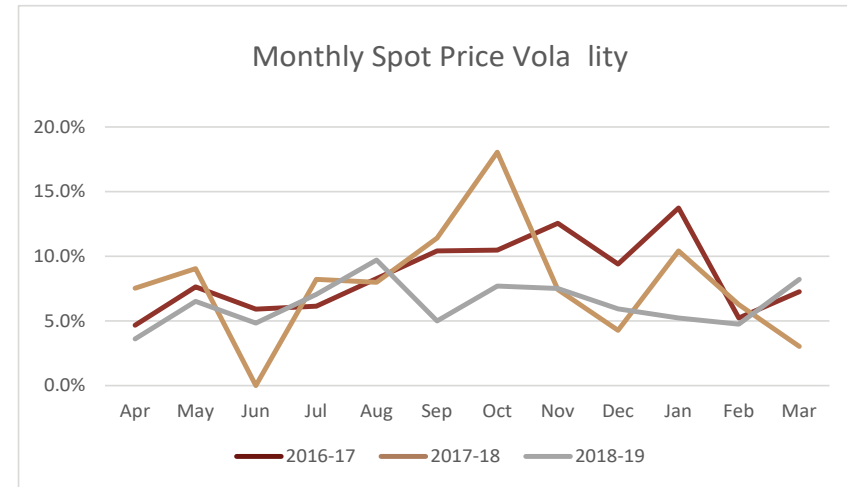
- Basmati rice variety is generally produced along the Indo-Gangetic plains.
- It is an aromatic rice variety which is known for its exquisite aroma and soft texture.
- Punjab and Haryana are the leading producers of Basmati rice variety in India.
- Due to its high demand, it fetches a premium price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

SEASONALITY



Source: Indian Council of Agricultural Research

PRICE VOLATILITY - PADDY (BASMATI) – PUSA 1121



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

Processors/Hedger locks in the Paddy Futures price at Rs. 3500/quintal for a short position.

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

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

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.

FACTORS AFFECTING PRICES - 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