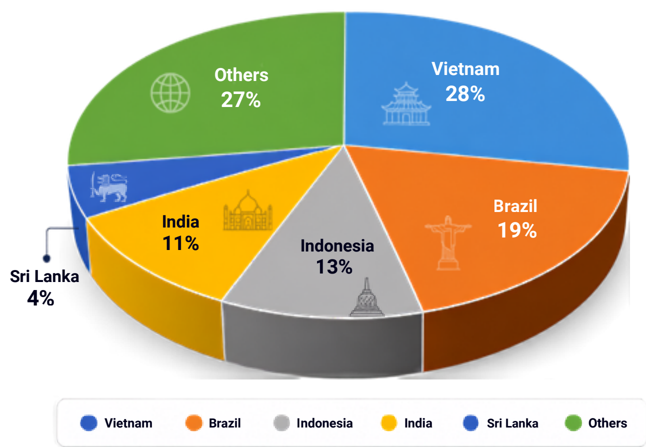
Black Pepper Futures Contract

Global Production and supply – Black Pepper

- Global Production of Black pepper is expected to be in range of 5-6 lakh MT annually.
- Vietnam is the largest producer of black pepper in the world, followed by Brazil, Indonesia and India.
- India is one of the major producing and important processing country for Black Pepper.
- Consumption of black pepper in India has also gone up in recent years with rising disposable income.

Country wise global production share
(in %)



Source : FAQ

Black Pepper Futures

- Historically India is one the major trading center for Black Pepper.
- There is no active derivative contract for Black pepper in any other country.
- NCDEX Black Pepper Futures contract will act as the price benchmark for domestic as well as global trade.
- It will also provide price risk management for all the trade participants, such as planters, traders, processors, importers, and exporters, etc.

Black Pepper Futures Contract

CONTRACT SPECIFICATIONS

Type of Contract	Futures Contract
Name of commodity	Pepper – Not for Direct Human Consumption
Ticker symbol	PEPPER
Trading system	NCDEX Trading System
Hours of Trading	As notified by the Exchange from time to time, currently: Mondays through Fridays: 10:00 AM to 05:00 PM The Exchange may vary the above timing with due notice.
Basis	Ex-warehouse Kochi exclusive of GST
Unit of trading	1000 kgs (=1 MT)
Delivery Unit	1000 kgs (=1 MT)
Maximum order size	50 MT
Quotation/Base Value	Rs per KG
Tick size	10 Paise
Quality specification	Light Berries: 3% Max Other matter (including pinheads & Broken berries): 0.5% Max Moisture: 11% Max from November to April 11.5% Max from May to October Bulk Density: 550 gm/liter (Minimum) Moldy Berries – 0.25% Non-volatile ether extract on dry basis: Not less than 6.0 percent by weight Volatile oil content on dry basis: Not less than 2.0 percent by v/w Piperine content on dry basis: Not less than 4.0 percent by weight The Product shall be free from living and dead insects, insect fragments and rodent contamination. It shall be free from added colour, mineral oil and any other harmful substance.
Quantity variation	+/- 2%

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Pepper Futures Contract

CONTRACT SPECIFICATIONS

No. of Active Contracts	As per the launch calendar
Delivery Centre	Kochi (within a radius of 60 km from the municipal limits)
Additional Delivery Centre	None
Delivery Logic	Compulsory delivery
Opening of contracts	Trading in any contract month will open on the 1st of the month. If the 1st day happens to be a non-trading day, contracts would open on the next trading day.
Tender Period	Tender Date –T Tender Period: The tender period would be the last 3 trading days (including expiry day) of the contracts. Pay-in and Pay-out: On a T+2 basis. If the tender date is T, then pay-in and pay-out would happen on T+2 day. If such a T+2 day happens to be a Saturday, a Sunday or a holiday at the Exchange, Clearing Corporation, clearing banks or any of the service providers, pay-in and pay-out would be effected on the next working day.
Closing of contracts	Clearing and settlement of contracts will commence with the commencement of Tender Period by compulsory delivery of each open position tendered by the seller on T+2 to the corresponding buyer matched by the process put in place by the Exchange. Upon the expiry of the contract all the outstanding open position shall result in compulsory delivery.
Due date/Expiry date	Expiry date of the contract: 20th day of the delivery month. If 20th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange, which is other than a Saturday. The settlement of contract would be by a staggered system of Pay-in and Pay-out including the Last Pay- in and Pay-out which would be the Final Settlement of the contract.

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CONTRACT SPECIFICATIONS

Delivery Specification	Upon expiry of the contracts all the outstanding open positions shall result in compulsory delivery. During the Tender period, if any delivery is tendered by seller, the corresponding buyer having open position and matched as per process put in place by the Exchange, shall be bound to settle by taking delivery on T + 2 day from the delivery centre where the seller has delivered same. The penalty structure for failure to meet delivery obligations will be as per circular no. NCCL/CLEARING-023/2026 dated April 13, 2026.
Daily Price Limit (DPL)	Daily price limit is (+/-) 4%. Once the 4% limit is reached, then after a period of 15 minutes this limit shall be increased further by 2%. The trading shall be permitted during the 15 minutes period within the 4% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 6%. The DPL on the launch (first) day of new contract shall be as per the circular no. NCDEX/TRADING-010/2021 dated March 22, 2021.
Position limits	Member-wise: 6200 MT or 15% of market wide open interest in the commodity, whichever is higher. Client-wise: 620 MT Bona fide hedger may seek exemption as per approved Hedge Policy of the Exchange notified vide Circular No. NCDEX/TRADING-026/2021/ dated August 30, 2021. For near month contracts: The following limits would be applicable from the 1st of every month in which the contract is due to expire. If 1st happens to be a non-trading day at the Exchange, the near month limits would start from the next trading day. Member-wise: 1550 MT or one-fourth of the member’s overall position limit in that commodity, whichever is higher. Client-wise: 155 MT
Minimum Initial Margin	10%

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For any query, Kindly connect with us at www.ncdex.com askus@ncdex.com 18002662339