

ECX WHEAT CONTRACTS: DETAILS AND GRADES



Wheat Type	Symbol	Grade
Hard	HW	1,2
Soft	SW	1,2,3
Mixed	MW	1,2,3



ECX WHEAT CONTRACTS: GRADES AND STANDARDS

GENERAL REQUIREMENTS

Wheat shall have a good natural colour and free from objectionable odor, smut, ergot, have a maximum moisture content of 13.0%, and contain no live insects, glass, toxic seeds or metal fragments.

DEFINITION	
Moisture Content	The moisture content, expressed on a wet weight basis, shall be determined using an approved moisture meter calibrated according to a method prescribed by the Quality and Standards Authority of Ethiopia (QSAE). (ES ISO 6540)
Impurities	Means damaged or defective grains, foreign matter and other cereal grains
Broken grains	Grains which have been cracked, or chipped beyond the pericarp and horny endosperm or in the embryo area and which pass through the appropriate size round hole sieve. For Wheat: 2.0 mm
Foreign matter	Anything other than wheat grains which will pass through the appropriate size round hole sieve and any mineral, animal or plant matter which will not pass through the appropriate size round hole sieve.
Defective grains	Means grains or pieces of grain that fall into one or more of the following categories: Immature grains, Diseased grains, Insect/pest damaged grains, Other damaged grains
Immature grains	Grains or pieces of grain that are light and thin and not fully developed.
Diseased grains	Grains which are obviously rotted by fungi, bacteria or other organisms of decay
Insect/ pest damaged grains	Grains that have been damaged by any insect or animal pest.

Grading parameter for Hard Wheat		
PARAMETERS	HW1	HW2
Total Impurities, % max	6	9
Of Which:		
- Underdeveloped and Broken kernels, % max	2.0	3
- Damage, % max.	3.0	4.5
- Foreign matter, % max	1	1.5
Contrasting Colour, % max	5	7
Total Impurities, % max	6	9
Test mass Kg/hl, min	79	77
Virtuousness (Hard Kernel) Min,%	80.0	

Grading parameter for Soft Wheat			
PARAMETERS	SW1	SW2	SW3
Total Impurities, % max	6	9	12
Of Which:			
- Underdeveloped and Broken kernels, % max	2	3	4
- Damage, % max.	3	4.5	6
- Foreign matter, % max	1	1.5	2
Contrasting Colour, % max	5	7	10
Total Impurities, % max	6	9	12
Test mass Kg/hl, min	77	75	73
Virtuousness (Hard Kernel) %	Less than 60.0		

Grading parameter for Mixed Wheat			
PARAMETERS	MW1	MW2	MW3
Total Impurities, % max	6	9	12
Of Which:			
- Underdeveloped and Broken kernels, % max	2.0	3	4
- Damage, % max.	3.0	4.5	6
- Foreign matter, % max	1	1.5	2
Contrasting Colour, % max	5	7	10
Test mass Kg/hl, min	77.0	75	73
Virtuousness (Hard Kernel) %	60-79% hard kernel		

PACKAGING	
Packaging	Each grade of wheat shall be packed in clean and sound polypropylene (PP) bag that containing approximately 100 kg per bag. Delivery will be effective on gross weight basis, which implies that weighing of Wheat will be done on inclusive of bags basis and no additional payment will be given for the cost of bag.
SAMPLING PROCEDURES	
Sampling and analysis at time of deposit and delivery	Conduct sampling analysis using ECX standards
Sampling procedure	Sampling procedure based on ECX standards
Failing of sample	Owner of the commodity has the right to request an appeal of the sample and/or grade: <ul style="list-style-type: none"> - to the Warehouse Manager for the first failure - to the ECX Warehouse Operations for the second failure - to independent analyst appointed by QSAE for the third failure
Dispute settlement	If agreement is not reached on first two analyses, QSAE will be the final arbitrator



ECX WHEAT CONTRACTS: STANDARD TRADING TERMS

Trading unit	50 quintals (referred to as one contract)
Maximum order size (In 50Quintal increments)	Maximum order size represents the maximum number of contracts that a Member may transact in a single transaction 20 contracts or 1000 quintals
Tick size (minimum price movement)	Minimum price increment or decrement that price may be quoted: 1 Birr
Daily Position Limit	10,000 Quintals for members 2,000 Quintals for clients The Daily Position Limit is the total quantity a member or a client is allowed to buy or sell during a trading session.
Daily price filter	The daily price filter is the maximum percentage range, relative to the previous day's closing price, outside of which offer and bid prices may not fall or rise. ECX may change these limits from time to time, on a pre-announced basis. Wheat: 5 %
Warehouse Receipt	All transactions must be based on ECX Warehouse Receipt, indicating that commodities are in deposit in an ECX warehouse prior to trade.
Contract quote basis	All prices will be quoted "arrived Addis Ababa," regardless of actual deposited location, exclusive of taxes, fees and charges. A location differential will be applied after the order is executed.
Quotation Factor	Prices are represented in Birr per Quintal
Trading session	Monday through Friday: 8:00 am to 12:00 pm, with the exception of public holidays.



ECX WHEAT CONTRACTS: STANDARD SETTLEMENT TERMS

Pay-in of Funds (Time when funds will be withdrawn from buyer pay-in accounts).	On trade date (T)
Pay-out of Funds (Time when funds will be deposited into seller pay-out account)	Next working day (T+1)
Weight Tolerance Adjustment	The tolerance for difference between exact weight recorded and the contract standard weight is adjusted at settlement
Exchange transaction fee	0.2% of transaction value
Handling and Product Certification fee	Sampling and grading, weighting, loading and unloading fees- Birr 1.45 per bag.
Warehouse Storage charge	Birr 0.04 per bag per day



ECX WHEAT CONTRACTS: STANDARD DELIVERY TERMS

ECX Warehouse Locations	Initial locations are: Addis Ababa, Nazareth, Shashemene, Bure, Nekemte, Humera (to be expanded on regular basis)
Delivery Notice (Warehouse pick-up instructions will be delivered to the Member representing the buyer)	Next working day after the trade day
Pick Up Notice (Member must fill out a pick up notice (PUN) with the exchange before picking up goods)	After delivery notice is issued but before trade plus ten (T+10) calendar days
Delivery Period (Number of days the buyer will have to pick up the lots from the warehouse without paying additional charges)	Trade plus ten (T+10) calendar days
Failure to Pick up	Buyer is responsible for making arrangement to pick up commodity within the delivery period (T+10). There will be a 1% charge per day of the value of the trade if buyer fails to pick up goods from warehouse after the allotted time.
Extension of Delivery Period	As per the Exchange decision due to a force majeure.