

## CONTRACT SPECIFICATIONS

Commodity	Ticker Symbol	Basis	Additional Delivery center*	Delivery Logic
Uncorticated Cotton Seed Oilcake – Akola	COCUDAKL	Ex-Warehouse Akola	Kadi (Gujarat)	Compulsory Delivery

Quotation	GST	Trading and Delivery Unit		Expiry date	Position Limits			
		10 MT	Re. 1.00		Aggregate		Near Month	
Rs. Per Quintal	Exclusive			20th of the delivery month	Member 9,00,000	Client 90,000	Member 2,25,000	Client 22,500

Quality Specifications	Pure unadulterated Cotton Seed Oilcake in pellet form	
	Moisture content	9% (Max)
	Oil Content	6% (Min)
	Fibre	27% (Max)
	Sand and Silica	2.5% (Max)
	Protein	22% (Min)
	Colour	Greenish Yellow
	Free from adulterants like Rice Bran cake, Rice Bran husk, Castor seed husk, safflower cake (Kardi cake)	

within a radius of 60 km from the municipal limits

For detailed contract specifications visit website [www.ncdex.com](http://www.ncdex.com)

National Commodity &amp; Derivatives Exchange Limited

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## Commodity at a Glance

## NCDEX Cotton Seed Oilcake Futures



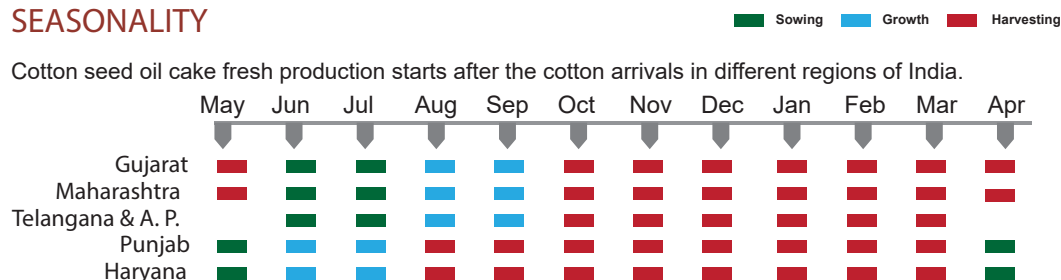
- Benchmark Futures contract for Cotton Seed Oilcake
- Hedging and price risk management tool for value chain
- Efficient and transparent price discovery
- Robust delivery mechanism
- Connects the entire value chain

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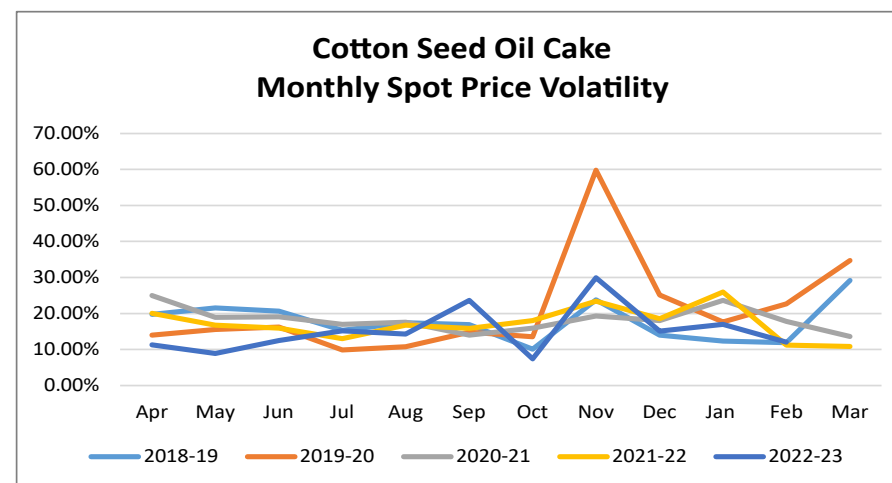
- India is one of the largest producer in the world with annual production of around 75 - 90 Lakh MT.
- Major producing states: Gujarat, Maharashtra, Telangana, Andhra Pradesh and Punjab.
- Major consuming states: Rajasthan, Punjab, Delhi, Telangana/AP, Haryana, Gujarat, Maharashtra and MP.
- There is no export or import of this commodity. The total quantity is produced and consumed domestically.

## SEASONALITY

Cotton seed oil cake fresh production starts after the cotton arrivals in different regions of India.



## COTTON SEED OILCAKE FUTURES MONTHLY PRICE VOLATILITY



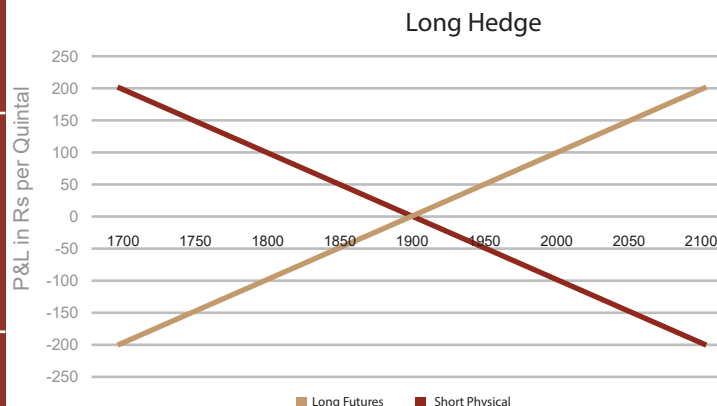
Source - NCDEX Futures Price

## PRICE RISK HEDGING

Processor/Hedger locks in the Cotton Seed Oilcake Futures price at Rs 1900/quintal for a long position

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

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

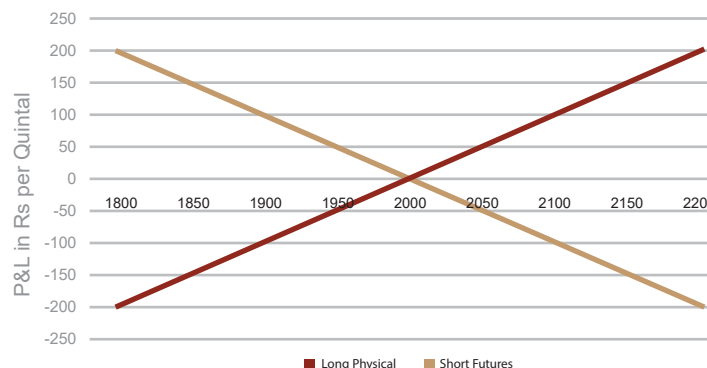


## Short Hedge

Farmer/Hedger locks in the Cotton Seed Oilcake Futures price at Rs 2000/quintal for a short position

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

If the price of Cotton Seed Oilcake 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

## USES OF COTTON SEED OILCAKE

- When Cotton Seed is crushed for extraction of oil, the by-product which remains after extraction of oil is called Cotton Seed Oil Cake or Kapasia Khali in hindi. This is mainly used as cattle feed.
- Cotton Seed Oil Cake has around 25% protein content in it. Consumption of Cotton Seed Oil Cake by cattle does add viscosity to the milk.

## FACTORS INFLUENCING THE PRICE

- Weather condition in cotton producing areas especially at sowing, flowering and harvesting stage
- Demand for Cotton Seed Oil Cake from farmers, dairy and feed industry
- Demand-Supply and price of other competitive feeds like Guar churi, Korma, Maize churi, Pulses churi, Mustard seed oil cake, other oil cakes, Green fodder, etc.
- Price movement in cotton, especially Cotton Seed
- Quality of Cotton Seed Oil Cake especially the oil%
- International production of Cotton