

CONTRACT SPECIFICATIONS

Commodity	Ticker Symbol	Basis		Delivery Center*		Delivery Logic	
Quotation/base value	GST	Trading and Delivery Unit		Tick Size	Expiry date	Position Limits	
						Aggregate	Near Month
Gur (Feed Grade)	GUR	Ex- Cold Storage Warehouse Muzaffarnagar, inclusive of local taxes		Muzaffarnagar		Compulsory Delivery	
100% dry golden brown Cane Gur of Chaku type of the following specifications:							
Quality Specifications	Sucrose (on dry basis) percent by mass		75-80 % min				
	Reducing sugars (on dry basis) percent by mass		10-15% max				
	Moisture		10 % max				
	Sulphur Dioxide (on dry basis) percent by mass		150 ppm max				
	Water insoluble matter (on dry basis) percent by mass		1.5 % max				
	Sulphated Ash (on dry basis) percent by mass		3.5% max				
	Ash insoluble in Dilute Hydrochloric Acid (on dry basis) percent by mass		0.3% max				

*up to the radius of 50 Kms from the municipal limits

For detailed contract specifications visit website www.ncdex.com

Commodity at a Glance

NCDEX Gur (Feed Grade) Futures



- Benchmark Futures contract for Gur (Feed Grade)
- Hedging and price risk management tool for value chain
- Efficient and Transparent price discovery
- Robust delivery mechanisms
- Connects the entire value chain



Pragati ka Solid Exchange

National Commodity & Derivatives Exchange Limited

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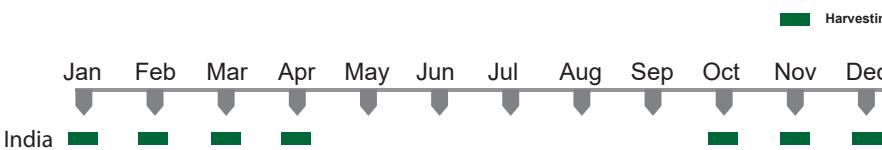
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GENERAL INTRODUCTION – GUR

- India is the largest producer of Gur/Jaggery in the world. Percentage share of global production is around 70%
- Major Gur producing states in India: Uttar Pradesh, Maharashtra, Karnataka, Tamil Nadu.
- India is majorly exporting Gur/Jaggery to Sri Lanka, Nepal, Benin, Indonesia and USA.

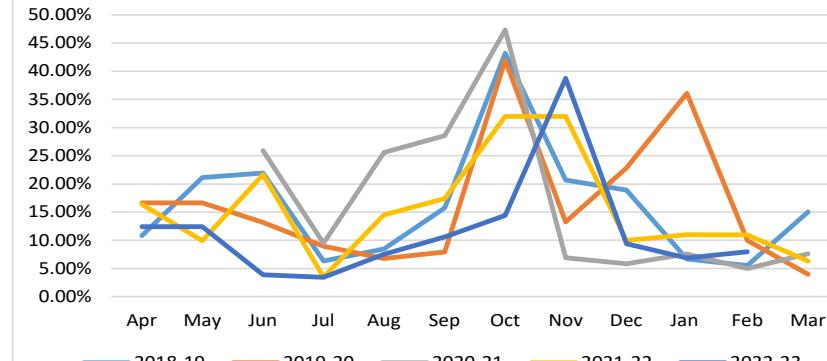
SEASONALITY

Gur/Jaggery is a processed commodity, its fresh production starts after the Sugarcane is harvested in different regions of India. Sugarcane harvesting starts from October onwards. The harvesting of Sugarcane is illustrated below:



GUR SPOT MONTHLY PRICE VOLATILITY

Gur Monthly Spot Price Volatility



Source - NCDEX Spot prices

PRICE RISK HEDGING

End Consumer locks in the Gur Futures price at Rs. 3200/quintal for a long position

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

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

A gain of Rs. 400 in Spot market

Long Hedge

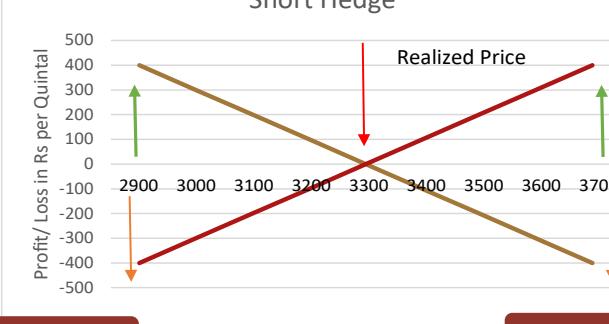


A gain of Rs. 400 in Futures market

Short Hedge

A gain of Rs. 400 in Futures market

A gain of Rs. 400 in Spot market



A loss of Rs. 400 in Spot market

A loss of Rs. 400 in Futures market

End Consumer locks in the Gur Futures price at Rs. 3300/quintal for a short position

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

If the price of Gur 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 GUR

- Gur/Jaggery is one of the traditional items of various ingredients in Indian way of cooking.
- Gur/Jaggery is considered as an instant source of energy
- Gur/Jaggery is popularly known as the "medicinal sugar" and is nutritionally comparable with honey
- Gur has medicinal benefits like relieving fatigue, relaxation of muscles, nerves and blood vessels, maintains blood pressure and reduces water retention, increases hemoglobin level and prevents anaemia
- It helps animals in digesting food and also increases their productivity.

FACTORS AFFECTING PRICES – GUR

- Prices of the other competitive sweeteners like sugar etc.
- Any changes in demand both in domestic as well as international markets
- Celebrations and festival seasons when the Gur is consumed in larger quantities
- Prices of other feed replacements for animals