

GCX PADDY RICE CONTRACT

GHANA COMMODITY EXCHANGE PADDY RICE CONTRACT

1. CONTRACT CLASSIFICATIONS AND DELIVERY CENTERS

Paddy Rice (P)	Walewale
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2.0 General Specifications

Criteria	Specifications	Details
Colour	Brown	
Length of Grain	Long grain (L)	Paddy Rice with 80% or more of kernels after milling to a well-milled degree, having a length of at least 6.67mm and a length/width ratio of over 3.0.
	Medium grain (M)	Paddy Rice with 80% or more of kernels after milling to a well-milled degree, having a length greater than or equal to 6.2mm but less than or equal to 6.66mm and a length/width ratio between 2.0 and 3.0.
Variety	Aromatic- (A) Non-Aromatic – (N)	Aromatic rice has a nut-like aroma while non-aromatic rice has no aroma.

2.1 Paddy Rice Grading Parameters

Paddy Rice Type	Delivery Location	Symbol	Grade
Aromatic Long Grain Paddy Rice	GCX certified warehouse	ALPR	1,2,3,4
Non - Aromatic Long Grain Paddy Rice	GCX certified warehouse	NLPR	1,2,3,4
Aromatic Medium Grain Paddy Rice	GCX certified warehouse	AMPR	1,2,3,4
Non-Aromatic Medium Grain Paddy Rice	GCX certified warehouse	NMPR	1,2,3,4

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2.2 General Requirements

All Paddy rice delivered and stored in a GCX certified warehouse shall:

- Be dry, mature, clean and wholesome.
- Be uniform in size, colour and shape.
- Be safe and suitable for human consumption.
- Be free from abnormal flavors, musty, sour or other undesirable odour.
- Be free from any obnoxious smell.
- Be free from discoloration.
- Be free from micro-organisms and substances originating from micro-organisms.
- Be free from fungi or other poisonous or deleterious substances in amounts that may constitute a hazard to human health.
- Have a maximum moisture content of 14.0%,
- Not contain any live or dead pest
- Not contain any toxic seeds, or metal fragments.

2.3 Definitions

Paddy Rice		Whole or broken kernels of rice from the Oryza species retaining its husk after threshing.
Moisture Content		The moisture content, expressed on a wet weight bases, shall be determined using a GSA calibrated moisture meter.
Extraneous matter	Filth	Impurities of animal origin (Including dead pest)
	Inorganic Extraneous Matter	Inorganic components other than whole and broken kernels of rice such as stone, soil, metal fragments, glass pieces, dust, pieces of plastic etc.
	Organic Extraneous Matter	Organic components other than whole or broken kernels of rice such as foreign seeds, husks, bran, fragments of straw.
Pest damaged Kernels		Kernels with obvious pest bored holes or which have evidence of boring or tunneling, indicating the presence of pest, pest webbing or pest refuse, or seeds chewed in one

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	or more than one part of the grain which exhibit evidence of an attack by vermin.
Damaged Kernels	Head rice or broken kernel showing evident deterioration due to moisture, pest, disease or other causes but excluding heat-damaged kernels.
Heat Damaged Kernels	Kernels, whole or broken, that have changed their normal colour as a result of microbiological heating.
Discoloured Kernel	Stained kernel, whole or broken kernel which has undergone an obvious change in its natural colour, even if on a small area of its surface.
Shriveled Kernels	Paddy rice kernels that are shrunk and wrinkled from great heat or lack of moisture
Immature Kernels	Malformed Kernel. Head rice or broken Kernel which is unripe or badly developed.
Other grains	Grains, whole or broken, other than Paddy Rice.
Poisonous, Toxic and/or Harmful seeds	Any seeds which if present may have damaging effect on health, organoleptic properties or technological performance such as Jimson weed Datura (D. fastousa Linn and D. stramonium Linn.) corn cokle (Agrostemma githago L., Machai Lallium remulenum Linn.) Akra (Vicia species), Argemone mexicana, Khesari and other seeds that are commonly recognised as harmful to health.
Live Insect Infestation	The presence of any living insect.
Undesirable Odour	Unpleasant smell that is caused by weathering, chemical contamination, mold infection, disease or damage caused by pests.
Admixture	The presence of kernels of undesirable rice varieties.
Red Kernels	Whole or broken kernels with a red-coloured pericarp covering more than one quarter of its surface.

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Ungelatinized/Chalky Kernels	Whole or Broken except for glutinous rice, of which at least three-quarters of the surface has an opaque and floury appearance.
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2.4 Grading Parameters

GHANA COMMODITY EXCHANGE GRADING STANDARDS FOR PADDY RICE

Parameter	Grade 1	Grade 2	Grade 3	Grade 4
Moisture Content	14.00%	14.00%	14.00%	14.00%
Extraneous Matter (E.M)	1.10%	1.25%	1.75%	2.50%
*Immature /Shrivelled	0.5%	1.00%	3.00%	5.00%
Pest Damaged	0.3%	0.5%	0.75%	1.00%
*Damaged Kernels	0.2%	0.25%	1.00%	3.00%
*Heat Damaged	0.05%	0.10%	0.20%	0.60%
*Ungelatinized/Chalky Kernels	1.45%	2.00%	3.00%	5.00%
*Red Kernel/Discoloured	1.00%	1.50%	3.00%	4.50%
Admixture	1.50%	3.00%	4.00%	5.50%
Total Defective Grains	6.10%	9.60%	16.70%	27.10%
Live Insect Infestation	None	None	None	None
* These parameters to be evaluated after test milling.				

- A downward adjustment of 1.5% is made to the weight of the grain on deposit to make provision for weight losses during the handling and storage process.
- Total Defective Grains include the sum of:
 - Extraneous Matter (E.M)
 - Pest damaged
 - Damaged
 - Immature /Shrivelled
 - Ungelatinized/Chalky
 - Heat damaged Kernels,
 - Red Kernel/Discoloured.

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- Admixture
- The sampling and grading is done using a work sample of at least 200 gram and is based on the procedures below.

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AFLATOXIN IS NOT A GRADING PARAMETER BUT NO GRADE 1, 2, 3 or 4 Paddy Rice will be accepted by the GCX for trading if the

- Total Aflatoxin level exceeds 10 ppb
- Aflatoxin B1 exceeds 5ppb

Based on test run on all commodities received in GCX warehouses.

- ****Fumonisin exceeds 2ppb**
- ****Deoxynivalenol(DON) exceeds 2000ppb**
- ****Testing would only be done based on buyer's request by sending samples to the Ghana Standards Authority (GSA) for testing.**

Paddy rice which does not meet the requirements of Table 2.4 shall not be accepted to be stored at GCX warehouses.

The GCX may not accept Paddy Rice at all the warehouses based on operational factors such as lack of space, Aflatoxin levels exceeding 10ppb and live insect infestation.

PACKAGING	
Packaging	Each grade of Paddy rice shall be packed in clean and sound 83.333 kg capacity Jute sacks used no more than once prior to deposit. Delivery will be effective on Net Weight basis, which implies that weighing of Paddy rice will be done exclusive of bag basis and no additional payment will be given for the cost of bag.
SAMPLING PROCEDURES	
Sampling Procedures	<ol style="list-style-type: none"> 1. A representative sample shall be taken from the consignment. 2. The number of bags sampled per consignment will depend on the number of bags delivered <ol style="list-style-type: none"> a) <25 bags: Every bag shall be sampled b) ≥25 bags: 10 % of consignment (min 25 bags) must be sampled 3. The sample shall be ≥ 0.5 kg 4. The sample shall be clearly marked.

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	<p>5. The samples shall be taken at different parts on the bags like at the bottom of the bag, in the middle of the bag and on the top of the bag. More than one sample can also be taken from the same bag.</p>
Weighing Procedure	<p>The bags of rice will be weighed by applying the following:</p> <ul style="list-style-type: none"> • GSA calibrated scales shall be used. • The GCX warehouse operating manual shall be followed. • The equipment shall be clean, empty and balanced (zero) before the process starts.
Grading Procedure	<p>The grading of the Paddy rice shall be done according to the grading standards in 2.4, based on the following:</p> <ol style="list-style-type: none"> 1. A working sample of at least 200grams will be obtained by dividing the grading sample into smaller samples using a Multi slot divider. 2. The moisture content will be measured by using a moisture meter with a repeatability of ± 0.3 as indicated by the supplier of the moisture meter. 3. Apart from pest damaged, extraneous matter and admixture, all other grading parameters will be adhered to by test milling a 200g sample of paddy rice and identifying the non-conformed kernels according to the definitions in 2.4 and calculating the grading parameter percentages.
Disputes during intake	<p>The depositor may request the GCX Warehouse Manager to regrade and resample his Paddy rice. Where the depositor is dissatisfied with the grading results, the depositor may request for regrading and resampling in accordance with the GCX dispute resolution process.</p>
Disputes during deliveries (out loading)	<ol style="list-style-type: none"> 1. The holder of the electronic warehouse receipt may be present when the Paddy rice is being regraded and reweighed. 2. Where the holder of the electronic warehouse receipt is not satisfied with the grading results and the quantity, the GCX Warehouse Manager may repeat the process of sampling and grading. Where the holder of the electronic warehouse receipt is dissatisfied with the results of the regrading and resampling the following shall be carried out:

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	<p>3. Where quantity is disputed, the scale / weighbridge shall be tested by using the test weights. The quantity / weight shall be accepted as the final quantity where the test weights confirm the weight. Where the scale weighs the test weights incorrectly there is the need to re-calibrate the scale and re-test the weights after which the product will be re-weighed.</p> <p>4. Where the grade result is in dispute, an independent mediator may be requested to grade the sample under dispute.</p> <p>5. The independent mediator may give an opinion on the sample in dispute.</p> <p>6. The findings of the independent mediator are final</p> <p>The losing party in the dispute shall be responsible for travel cost, fees of the independent mediator as well as any standing cost of the transport vehicle for pickup of the Paddy rice. Consequential damages are excluded from the claim. The independent mediator may be an expert grader from the Ghana Standards Authority (GSA)</p>
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3.0 STANDARD TRADING TERMS

Trading unit	1 Metric Tonne (MT) net weight (in 83.333kg bags) equivalent to 1000kg . The weight tolerance level per lot upon deposit is +/- 1.5%
Tick size (minimum price movement)	Minimum price increment or decrement by which price may be quoted: 1 Ghana Cedis
Daily Trade Limit	1,000MT for members 500MT for clients The Daily Trade Limit is the total quantity a member or a client is allowed to buy or sell during a trading session.
Weight Tolerance Per Lot	The difference between exact weight recorded and the contract standard weight is adjusted at settlement.

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Daily price filter/Price range	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. GCX may change these limits from time to time, on a pre-announced basis. Price Limit for Paddy rice: +/- 4%
Warehouse Receipt Expiration Period	The Warehouse Receipt will be tradable for a period of 90 days from the date of Warehouse Receipt issuance.
Penalty on warehoused goods after expiration of Warehouse Receipt	A penalty of 0.1% per day calculated on the current tradable value of the good, using the closing price of the same grade as the warehoused goods, will be applied after the expiry of the Warehouse Receipt.
Warehouse Receipt	All transactions shall be based on GCX Warehouse Receipt, indicating that commodities are in deposit in a GCX operated or certified warehouse prior to trade.
Contract quote basis	All prices will be quoted "Ex- Warehouse", exclusive of taxes, fees and charges.
Quotation Factor	Prices are represented in Ghana Cedis per MT
Trading session	Monday through Friday, with the exception of public holidays.

4.0 STANDARD SETTLEMENT TERMS

Pay-in of Funds (Time when funds will be withdrawn from buyer pay-in accounts).	Next working day (T+1)										
Pay-out of Funds (Time when funds will be deposited into seller pay-out account)	Next working day (T+1)										
Trading fees	0.91% of transaction value (Buyer & Seller)										
Regulatory (SEC) fees	0.20% of transaction value (Buyer & Seller)										
Handling and Product Certification fee	The handling and product certification fee will include: <table> <tr> <td>Sampling and Testing</td><td>No charge</td></tr> <tr> <td>Handling (Loading & Offloading)</td><td>GHS3.00 per 83.333kg bag</td></tr> <tr> <td>Storage & Fumigation (Per Month)</td><td>GHS0.80 per 83.333kg bag</td></tr> <tr> <td>Grading, Weighing and Rebagging</td><td>GHS9.50 per 83.333kg bag</td></tr> <tr> <td>Electronic Warehouse Receipt</td><td>GHS2.00 per MT</td></tr> </table>	Sampling and Testing	No charge	Handling (Loading & Offloading)	GHS3.00 per 83.333kg bag	Storage & Fumigation (Per Month)	GHS0.80 per 83.333kg bag	Grading, Weighing and Rebagging	GHS9.50 per 83.333kg bag	Electronic Warehouse Receipt	GHS2.00 per MT
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Grading, Weighing and Rebagging	GHS9.50 per 83.333kg bag										
Electronic Warehouse Receipt	GHS2.00 per MT										

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5.0 STANDARD DELIVERY TERMS

GCX Warehouse Locations	Delivery locations will be GCX certified delivery centers.
Delivery Notice	Warehouse pick-up instructions will be delivered to the Member representing the buyer (T+1)
Pick Up Notice	Member must fill out a pickup notice (PUN) with the exchange before picking up goods
Delivery Period	Number of days the buyer will have to pick up the lots from the warehouse without paying additional charges is T+10 (calendar days)
Failure to Pick up	Buyer is responsible for making arrangement to pick up commodity by T+10 (calendar days). Buyer will be responsible for all warehouse storage charges after failure to pick up the commodity.
Extension of Delivery Period	The Exchange may extend the delivery period in the event of a force majeure situation

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