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AHCX COWPEAS CONTRACT

Cowpeas shall be deemed to comply with this standard if upon inspection and grading the provision in the below clauses are satisfied. Cowpeas which does not meet the requirements of the below clause is considered as substandard and cannot be accepted to be stored at AHCX warehouses.

1. Contract classification and delivery centers

Cowpeas Type	Delivery Location	Symbol	Grade
	Mzuzu, Karonga Kasungu; Mponela; Lilongwe Balaka; Limbe; Luchenza AHCX Community Warehouses	CP1,CP2,CP3,	ALL

2. Packaging and Sampling procedures

PACKAGING	
Packaging	Each grade of Cowpeas shall be packed in clean and sound 50 kg capacity polypropylene (PP) bags used no more than once prior to deposit. Delivery will be effective on Net Weight basis, which implies that weighing of Cowpeas will be done on exclusive of bags basis and no additional payment will be given for the cost of bag.
SAMPLING PROCEDURES	
Sampling and analysis at time of deposit	Conduct sampling and analysis using AHCX standards
Sampling and analysis at time of delivery	Conduct sampling and analysis using AHCX standards at request and cost of the client.
Sampling procedure	Sampling procedure based on AHCX standards 3 samples taken, one stored till clearing and settlement is complete.
Failing of sample	Owner of the commodity has the right to request an appeal of the sample and/or grade: - to the Warehouse Manager/Supervisor for the first failure - to the AHCX Collateral Manager for the second failure
Dispute settlement	If agreement is not reached on first two analyses, A third party superintendent will be the final arbitrator at a cost of the appealing client.

3. Grading Parameters

Parameters	Grade 1	Grade 2	Grade 3
Test Mass kg/hl. % min.	75.0	72.0	69.0
Moisture content	Less than 12%	12.01 to 13.00%	13.01 to 14%
Total Impurities, max % by weight	6	7.5	8.5
Of Which:			
Under developed & broken kernels, max % by weight	2.0	2.0	2.0
Foreign matter, max % by weight	0.5	1.0	1.0
Damage, max % by Weight	2.0	2.0	2.0
Other grains, max % by weight	0.5	0.5	0.5
Contrasting Color, max % by weight	1.0	2.0	3.0

- a. The lower of the grading parameters will determine the final grade of Cowpeas.
- b. % of Weight adjustment to be adopted upon receipt of commodity beyond 14% moisture

4. Trading terms

Trading unit	1mt net weight Tolerance limit:4%
Maximum order size (In 1mt increments)	Maximum order size represents the maximum number of contracts that a Member may transact in a single transaction 60 contracts or 60 MT
Tick size (minimum price movement)	Minimum price increment or decrement that price may be quoted: 0.5 Malawi Kwacha
Daily Position Limit	The Daily Position Limit is the total quantity a member or a client is allowed to buy or sell during a trading session. 1000mt for members 200mt for clients
Daily price limits	The daily price limit 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. AHCX may change these limits from time to time, on a pre-announced basis. Cowpeas: 5 %
Warehouse Receipt	All transactions must be based on AHCX Warehouse Receipt, indicating that commodities are in deposit in an AHCX controlled warehouse prior to trade.
Contract quote basis	All prices will be quoted "Ex- Warehouse", exclusive of taxes, fees and charges. Logistics cost to be quoted separately
Quotation Factor	Prices are represented in Malawi Kwacha per Kg
Trading session	Monday through Friday, with the exception of public holidays.


5. Standard settlement terms

Pay-in of Funds	On trade date (T)
Pay-out of Funds (Time when funds will be deposited into seller member 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	1% to buyer & Seller
Clearing fees	1% to buyer & Seller
Handling and Product Certification fee	Sampling and grading Seller: Mwk 500 per lot weighting, loading and unloading fees- Seller- Mwk 4000 Commodity Sacks: Buyer – Fee to be confirmed
Warehouse Storage charge	Mwk 30 per Mt per Day

6. Standard Delivery terms EX-Warehouse

AHCX Warehouse Locations	Delivery locations will be Lilongwe, Karonga, Luchenza, Mponela, Kasungu, Mzuzu, Limbe, Balaka and Community Warehouse.
Delivery Intention (Warehouse pick-up instructions will be delivered to the Member representing the buyer)	By next working day after the trade day
Handover Instruction	After Delivery Intention is issued but before trade plus One (T+1) 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 Five (T+5) calendar days
Failure to Pick up	<p>Buyer is responsible for making arrangement to pick up commodity within the delivery period (T+5). Late Pick up will attract the following charges</p> <ol style="list-style-type: none"> 1. Within first week of late delivery K60 per tonne times number of days delivery not taken. 2. Within the second week of late delivery K80 per tonne times number of days delivery not taken. 3. Within third week of late delivery K100 per tonne times times number of days delivery not taken. 4. Within fourth week of late delivery K120 per tonne times number of days delivery not taken. <p>The Exchange reserves the right to impose a penalty payable for non-deliveries after 4 weeks. Buyers that make arrangements with the Exchange to extend the delivery grace period beyond the initial 5 days will become liable to the above penalties once the extended grace period expires</p>
Extension of Delivery Period	As per the Exchange decision due to a force majeure.

7. Commodity Picture

Picture	Name	AHCX Code
	Cowpeas	CP

8. Withdrawals

Withdrawal Charges	1. Within the first 30 days K30 per tonne times number of days the commodity has been kept. (e.g. withdraw after storage of 10 tonnes for 20 days $K30 \times 10 \times 20 = K6000$) 2. Storage of 30-60 days K60 per tonne times number of days the commodity has been kept 3. Storage of 61-90 days K90 per tonne times number of days the commodity was kept The Exchange reserves the right to impose a penalty payable for withdraws after revalidation.
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9. General Definitions

- Moisture content: expressed on a wet weight bases, shall be determined using an approved moisture meter.
- Impurities: The sum of the damaged Cowpeas, broken kernels, foreign matter and other grains.
- Under developed & broken Kernels: Cowpeas and pieces of Cowpeas that pass through 4.5mm round hole sieve and remains on top of a 2.38mm sieve
- Foreign Matter: All matter except other grains that pass through a 2.38mm round hole sieve and all matter other than Cowpeas remaining on top of the 4.5mm and 2.38mm sieve after sieving.
- Damage: A piece of Cowpeas that are; Germ damage, Heat damaged, Mold damaged, Stained grains, Discolored grains, Diseased grains, Sprouted grains, Immature grains, Insect damaged, Otherwise damaged
- Good Natural Colour: The natural appearance of the grain, which is pure and has not been affected by natural or man-made factors.
- Objectionable smell: Unpleasant smell that is caused by weathering, chemical contamination, mould infection, disease or damage caused by insect.
- Other Grains: Grains, whole or broken, other than grain under consideration.
- Test Mass: A measure of grain density determined by weighing a known volume of grain and expressed as *Kilogram per Hectoliter*.
- Mixed Cowpeas: Mixture of different natural colors of Cowpeas grain.
- Immature grains: Grains or pieces of grains that are not fully developed.
- Heat Damaged: Grains or pieces of grains of Cowpeas which have been materially damaged by spontaneous heat or as a result of heat caused by fermentation.
- Contrasting Color: Cowpeas kernels that have a seed coat color that is different from the predominant kernel color.