



# ASX Grain Futures & Options Migration to ASX 24 and ASX Clear (Futures)

## Market Specifications

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# 1 Contract Specifications

## 1.1 Background

ASX operates a Grain Futures and Options market for five commodities – collectively referred to as the Grain Market. The Grain Market is being migrated from ASX (*ASX Trade / ASX Clear*) to ASX 24 (*ASX Trade24 / ASX Clear (Futures)*).

This document outlines the Market Specifications for the ASX Grain Market from a technical viewpoint for the purpose of preparing systems for the migration to ASX 24. It is not intended to replace the Operating Rules for ASX 24 and ASX Clear (Futures) and in the case of any discrepancy, the Operating Rules prevail.

Post migration to ASX 24, the contract specifications for the Grain Market will remain largely the same, however;

- the contracts will be re-named and have new codes (refer 1.2),
- the trading hours will change (refer 1.3), and
- grain options will be listed as futures style options (premium paid in arrears) on ASX 24, rather than premium paid upfront as is presently the case on ASX.

Further information concerning the migration to ASX 24 can be found at: <http://www.asx.com.au/products/asx-grain-futures-and-options-migrating.htm>.

## 1.2 Contract Names and Product Codes

The following table details the names and codes proposed to be used to identify the Grain Market contracts (futures and options) on ASX 24 and will be carried throughout the ASX 24 Trading, Clearing and Market Data systems.

ASX To: COB Friday 21 October 2011			ASX 24 From: Monday 24 October 2011	
Contract Name	Code		Contract Name	Code
Australian Milling Wheat	AWM	becomes	NSW Wheat	VW
Western Australia Wheat	WAW	becomes	WA Wheat	WK
Australian Feed Barley	AFB	becomes	Eastern Australia Feed Barley	UB
Australian Sorghum	ASM	becomes	Australian Sorghum	US
Australian Canola	ACM	becomes	Eastern Australia Canola	VC

### Tendered Grain Contract Codes

Tendered Contracts will be created in order to facilitate deliveries against open positions in the Grain Market. For example, if an open position in NSW Wheat was being tendered, the open position registered as a VW contract would be replaced by an open position of equal size in the tendered contract KW. Further information about the application of the Tendered Contract is provided in Section 4.3.3 of Market Communication – Update 2.

ASX 24 Code	Tendered Code	Description	Contract Type
WK	KK	WA Wheat Tendered	Future
VW	KW	NSW Wheat Tendered	Future
UB	KB	Eastern Australia Feed Barley Tendered	Future
US	KS	Australian Sorghum Tendered	Future
VC	KC	Eastern Australia Canola Tendered	Future

## 1.3 Trading Hours

Futures & Options	Pre-Open	Open	Close	Period
NIGHT SESSION	5.04 pm	5.14 pm	7.00 am	For period from second Sunday in March to first Sunday in November.
	5.04 pm	5.14 pm	7.30 am	For period from first Sunday in November to second Sunday in March.
DAY SESSION	10.50 am	11.00 am	4.00 pm	Year round.

The trading hours listed above are the proposed hours for trading the Grain Market on ASX 24. The logic applied in terms of market reporting is consistent with existing ASX 24 products. That is;

- end of day settlement will be calculated as at the close of the day session at 4.00pm,
- night session activity is reported as trade date activity for the following day session,
- all times listed are AEST/AEDT.

## 2 Contract Months Listing Logic

### 2.1 ASX Grain Futures Settlement Months

There are eight (8) Futures Settlement Months listed at any one time. These consist of the nearest 6 Settlement Months representing the next calendar year (12 months) and two outer 'new crop' Settlement Months.

When a contract month, other than a new crop month, expires - the same contract month in the next calendar year is automatically created. For example, the business day after March 2011 expires - March 2012 will be created.

When a 'New Crop' contract month expires - the same contract month three calendar years into the future is automatically created. For example, after January 2012 expires, January 2015 will be listed for trading the next trading session for all grain commodities except Australian Sorghum. When May 2012 Sorghum expires, May 2015 will be created.

#### New Crop Month

Futures Settlement Month	ASX Grain Market			
January	NSW Wheat (VW)	WA Wheat (WK)	EA Feed Barley (UB)	EA Canola (VC)
May	Australian Sorghum (US)			

NSW Wheat		VW															
WA Wheat		WK															
EA Feed Barley		UB															
EA Canola		VC															
Futures Listed	Migration Oct-11	Contracts Expire															
		X11	F12	H12	K12	N12	U12	X12	F13	H13	K13	N13	U13	X13	F14	H14	K14
X11	1																
F12	2	1															
H12	3	2	1														
K12	4	3	2	1													
N12	5	4	3	2	1												
U12	6	5	4	3	2	1											
X12		6	5	4	3	2	1										
F13	7	7	6	5	4	3	2	1									
H13				6	5	4	3	2	1								
K13					6	5	4	3	2	1							
N13						6	5	4	3	2	1						
U13							6	5	4	3	2	1					
X13								6	5	4	3	2	1				
F14	8	8	7	7	7	7	7	7	6	5	4	3	2	1			
H14										6	5	4	3	2	1		
K14											6	5	4	3	2	1	
N14												6	5	4	3	2	1
U14													6	5	4	3	2
X14														6	5	4	3
F15			8	8	8	8	8	8	7	7	7	7	7	7	6	5	4
H15																6	5
K15																	6
N15																	
U15																	
X15																	
F16									8	8	8	8	8	8	7	7	7
H16																	
K16																	
N16																	
U16																	
X16																	
F17															8	8	8
Contract Expires																	
Contract Created																	
New Crop Contract																	

Australian Sorghum		US															
Futures Listed	Migration Oct-11	Contracts Expire															
		X11	F12	H12	K12	N12	U12	X12	F13	H13	K13	N13	U13	X13	F14	H14	K14
X11	1																
F12	2	1															
H12	3	2	1														
K12	4	3	2	1													
N12	5	4	3	2	1												
U12	6	5	4	3	2	1											
X12		6	5	4	3	2	1										
F13			6	5	4	3	2	1									
H13				6	5	4	3	2	1								
K13	7	7	7	7	6	5	4	3	2	1							
N13						6	5	4	3	2	1						
U13							6	5	4	3	2	1					
X13								6	5	4	3	2	1				
F14									6	5	4	3	2	1			
H14										6	5	4	3	2	1		
K14	8	8	8	8	7	7	7	7	7	7	6	5	4	3	2	1	
N14												6	5	4	3	2	1
U14													6	5	4	3	2
X14														6	5	4	3
F15															6	5	4
H15																6	5
K15					8	8	8	8	8	8	7	7	7	7	7	7	6
N15																	
U15																	
X15																	
F16																	
H16																	
K16											8	8	8	8	8	8	7
N16																	
U16																	
X16																	
F17																	
H17																	
K17																	8
Contract Expires																	
Contract Created																	
New Crop Contract																	

## 2.2 ASX Grain Options Expiry Months

There are five Option Expiry Months listed at any time which always includes options over the 'new crop' Settlement Month. That is, when an option contract over the 'new crop' Settlement Month expires, the next option contract to be listed will be over the next 'new crop' Settlement Month.

ASX Grain Options expire the month before the Settlement Month for the underlying futures contract e.g. Options over January Futures expire in December.

### New Crop Month

Futures Settlement Month	Options Expiry Month	ASX Grain Contracts			
January	December	NSW Wheat (VW)	WA Wheat (WK)	EA Feed Barley (UB)	EA Canola (VC)
May	April	Australian Sorghum (US)			

Underlying Future		Options Contract	Migration Oct-11	Contracts Expire															
				Z11	G12	J12	M12	Q12	V12	Z12	G13	J13	M13	Q13	V13	Z13	G14	J14	M14
F12	Z11	1																	
H12	G12	2	1																
K12	J12	3	2	1															
N12	M12	4	3	2	1														
U12	Q12	5	4	3	2	1													
X12	V12			5	3	2	1												
F13	Z12		5	4	4	3	2	1											
H13	G13				5	4	3	2	1										
K13	J13					5	4	3	2	1									
N13	M13						5	4	3	2	1								
U13	Q13							5	4	3	2	1							
X13	V13									5	3	2	1						
F14	Z13									5	4	3	2	1					
H14	G14										5	4	3	2	1				
K14	J14											5	4	3	2	1			
N14	M14												5	4	3	2	1		
U14	Q14													5	4	3	2	1	
X14	V14															5	3	2	1
F15	Z14															5	4	4	3
H15	G15																5	4	3
K15	J15																	5	4
N15	M15																		5
Contract Expires																			
Contract Created																			
New Crop Contract																			

Australian Sorghum		US																		
Underlying Future	Options Contract	Migration Oct-11	Contracts Expire																	
			Z11	G12	J12	M12	Q12	V12	Z12	G13	J13	M13	Q13	V13	Z13	G14	J14	M14		
F12	Z11	1																		
H12	G12	2	1																	
K12	J12	3	2	1																
N12	M12	4	3	2	1															
U12	Q12	5	4	3	2	1														
X12	V12		5	4	3	2	1													
F13	Z12			5	4	3	2	1												
H13	G13				5	4	3	2	1											
K13	J13					5	5	4	3	2	1									
N13	M13						5	4	3	2	1									
U13	Q13							5	4	3	2	1								
X13	V13								5	4	3	2	1							
F14	Z13									5	4	3	2	1						
H14	G14										5	4	3	2	1					
K14	J14											5	5	4	3	2	1			
N14	M14												5	4	3	2	1			
U14	Q14													5	4	3	2	1		
X14	V14														5	4	3	2		
F15	Z14															5	4	3		
H15	G15																5	4		
K15	J15																	5		
N15	M15																			
Contract Expires																				
Contract Created																				
New Crop Contract																				

## 2.3 Price Display

All prices quoted and traded for futures, options and spreads are quoted in terms of dollars and cents. For example a bid for \$250 will be quoted as 250.00.

### 2.3.1 Grain Options Exercise Prices

The exercise prices created are based on the increment prescribed in the contract specification. For example:

- for NSW Wheat options, exercise prices are at \$5 increments. A typical sequence would be \$250, \$255, \$260 etcetera; while,
- for Eastern Australia Canola options, exercise prices are set at \$10 increments. A typical sequence would be \$550, \$560, \$570 etcetera.

### 3 Spreads

#### 3.1 Intra-commodity Spreads

Intra-commodity Spread functionality on *ASX Trade24* will:

- be available for all grain futures contracts (VW, WK, VC, UB, US);
- include all available Settlement Months (8);
- interact with the underlying outright market in each contract month; and
- replicate existing trading functionality and quotation logic in terms of bid and offer and the basis month.

##### Intra-commodity Spread logic

- Spreads are quoted in terms of the nearby contract month (the closest to expiry), in terms of the quoted price difference and whether bidding or offering the spread.
- The spread price/differential is determined by subtracting the far month price from the near month price (near – far = differential) .
- For example, the below table explains how intra-commodity spreads may apply for the NSW Wheat Futures contract (VW).

Intra-commodity Spread Description	Spread quoted Basis	Bid Example	Offer Example
Nov 11 – Jan 12 VWX11 – VWF12	Nov 11	\$10 under = buying Nov 11 NSW Wheat \$10 under selling Jan 12 NSW Wheat	\$10 over = selling Nov 11 NSW Wheat \$10 over buying Jan 12 NSW Wheat
Jan 12 – Jan 13 VWF12 – VWF13	Jan 12	\$50 over = buying Jan 12 NSW Wheat \$50 over selling Jan 13 NSW Wheat	\$60 over = selling Jan 12 NSW Wheat \$60 over buying Jan 13 NSW Wheat
Jan 12 – Mar 12 VWF12 – VWH12	Jan 12	\$5 under = buying Jan 12 NSW Wheat \$5 under selling Mar 12 NSW Wheat	\$5 over = selling Jan 12 NSW Wheat \$5 over buying Mar 12 NSW Wheat
Mar 12 – Jul 12 VWH12 – VWN12	Mar 12	\$5 over = buying Mar 12 NSW Wheat \$5 over selling Jul 12 NSW Wheat	\$10 over = selling Mar 12 NSW Wheat \$10 over buying Jul 12 NSW Wheat

### 3.2 Inter-commodity Spreads

The inter-commodity spread functionality facilitates the trading in Exchange defined spreads between separate instruments using spread differential pricing. Inter-commodity Spread functionality on *ASX Trade24* will:

- be available for;
  - NSW Wheat vs. WA Wheat
  - NSW Wheat vs. EA Feed Barley
  - NSW Wheat vs. Australian Sorghum
  - Australian Sorghum vs. EA Feed Barley,
- for the same Settlement Months (e.g. Jan 2012 NSW Wheat vs. Jan 2012 WA Wheat), and
- on a one for one basis (1:1) (e.g. sell 50 NSW Wheat contracts and buy 50 WA Wheat contracts).

The inter-commodity spreads for the Grain Market will replicate existing functionality on *ASX Trade24* in terms of quoting the spread strategy (buying or selling) and the price differential. Both are quoted in terms of the Dominant Leg.

Inter-commodity Spread Description	Settlement Months Listed	Dominant Leg	Bid Example	Offer Example
NSW Wheat - WA Wheat VW – WK	Spreads available over all 8 Settlement Months	WA Wheat (WK)	\$10 over = buying WA Wheat (WK) \$10 over selling NSW Wheat (VW)	\$30 over = selling WA Wheat (WK) \$30 over buying NSW Wheat (VW)
NSW Wheat – Feed Barley VW – UB		Feed Barley (UB)	\$100 under = buying Feed Barley (UB) \$100 under selling NSW Wheat (VW)	\$50 under = selling Feed Barley (UB) \$50 under buying NSW Wheat (VW)
NSW Wheat – Sorghum VW – US	Spreads available over front 6 Settlement Months	Sorghum (US)	\$150 under = buying Sorghum (US) \$150 under selling NSW Wheat (VW)	\$50 over = selling Sorghum (US) \$50 over buying NSW Wheat (VW)
Sorghum – Feed Barley US – UB		Feed Barley (UB)	\$20 under = buying Feed Barley (UB) \$20 under selling Sorghum (US)	\$00 = selling Feed Barley (UB) at evens to buying Sorghum (US)

## 4 Standard Contract Specifications

### 4.1 ASX Grain Futures

Contract Unit	20 metric tonnes				
Manner of Quoting Futures Prices	Australian Dollars per tonne				
Quotation Tick Size	AUD \$0.10 per tonne. Tick value of \$2 per contract.				
Settlement Months	January, March, May, July, September, November January is treated as the 'new crop' month for wheat, barley and canola. May is treated as the 'new crop' month for sorghum. New crop months are listed out three years.				
Final Trading Day	The third Thursday of the Settlement Month, provided this is a Business Day. If that day is not a Business Day then the Business Day immediately preceding the third Thursday of the Settlement Month.				
Trading Hours	<table border="0"> <tr> <td style="padding-right: 20px;">Day Session</td> <td>11.00am to 4.00pm (AEST/AEDT) (pre-open 10.50am)</td> </tr> <tr> <td>Night Session</td> <td>For period from second Sunday in March to first Sunday in November;           <ul style="list-style-type: none"> <li>• 5.14pm to 7.00am (AEST/AEDT) (pre-open 5.04pm)</li> </ul>           For period from first Sunday in November to second Sunday in March;           <ul style="list-style-type: none"> <li>• 5.14pm to 7.30am (AEST/AEDT) (pre-open 5.04pm)</li> </ul>           Trading ceases at 12.00pm on the Final Trading Day (AEST/AEDT)         </td> </tr> </table>	Day Session	11.00am to 4.00pm (AEST/AEDT) (pre-open 10.50am)	Night Session	For period from second Sunday in March to first Sunday in November; <ul style="list-style-type: none"> <li>• 5.14pm to 7.00am (AEST/AEDT) (pre-open 5.04pm)</li> </ul> For period from first Sunday in November to second Sunday in March; <ul style="list-style-type: none"> <li>• 5.14pm to 7.30am (AEST/AEDT) (pre-open 5.04pm)</li> </ul> Trading ceases at 12.00pm on the Final Trading Day (AEST/AEDT)
Day Session	11.00am to 4.00pm (AEST/AEDT) (pre-open 10.50am)				
Night Session	For period from second Sunday in March to first Sunday in November; <ul style="list-style-type: none"> <li>• 5.14pm to 7.00am (AEST/AEDT) (pre-open 5.04pm)</li> </ul> For period from first Sunday in November to second Sunday in March; <ul style="list-style-type: none"> <li>• 5.14pm to 7.30am (AEST/AEDT) (pre-open 5.04pm)</li> </ul> Trading ceases at 12.00pm on the Final Trading Day (AEST/AEDT)				
Type of Contract	Deliverable				
Delivery Period	Begins on the second Business Day of the Settlement Month and ends at 3pm (AEST/AEDT) on the Final Trading Day.				
Notice Day	Any Business Day within the Delivery Period on which notice is given via lodgement of Tender Documentation with an Approved Clearing Facility.				
Settlement Day	The Business Day following the Notice Day.				

### 4.2 ASX Grain Options

Contract Size	An ASX grain futures contract (20 tonnes per contract)
Manner of Quoting Contract Premium	Australian Dollars per tonne
Tick Size per Premium Quote	\$0.10 AUD per tonne. Tick value \$2 per contract
Premium	Premium paid in arrears (futures style)
Exercise Style	American Style i.e. exercisable on or before the Declaration Date
Type	Call and Put Options
Expiry Months	February, April, June, August, October, December
Declaration Date	The fifteenth Trading Day of the month immediately prior to the underlying futures contract Settlement Month. e.g. Options with a December Expiry Month are over January Futures
Trading Hours	As for ASX Grain Futures. Trading ceases at 4.00pm on Declaration Date (AEST/AEDT)
Automatic Exercise	Unless otherwise manually excluded from exercise, in the money options are automatically exercised at expiry.
Final time for lodgement of Request or Deny Automatic Exercise Request	Unexercised option positions shall expire at 4pm (AEST/AEDT) on the Declaration Date. Clearing Participants have until 4pm to notify ASX Clear (Futures) whether they would like to exercise. On any day other than the Declaration Date, Clearing Participants have up to 20 minutes after close of trading.

## 5 NSW Wheat (VW)

### 5.1 Contract Specifications: Futures

Contract Name	NSW Wheat Futures Contract
ASX 24 Code	VW
Physical Grade	Grain Trade Australia (GTA) Wheat Standard CSG 104 (APW2) 10% protein
Pricing Point	Newcastle and Port Kembla Track (New South Wales)
Adjusted Settlement Value	The Adjusted Settlement Value is calculated from the Settlement Value on the Notice Day. This price is adjusted for Grain Trade Australia (GTA) location differentials, Shrinkage, protein premiums, receival fees and GST.
Underlying Commodity / Deliverable Stock	Australian Milling Wheat as per GTA Wheat Standard CSG 104 (APW2) or better, new crop year, transferred on a grower receival stack average* basis. Milling wheat must be new crop stock.
Season	New Crop / Current Season
Approved Locations	Up-country locations in New South Wales of an Approved Bulk Handler, tributary to either Newcastle or Port Kembla with rail and road outloading capability.
Premiums and Discounts	Protein premium paid at 60 cents per 0.1% of protein. Protein range payable from 10% to 11.4%. Premiums paid on grower receival stack average data as per Approved Bulk Handler's stock report*.

\*When grain is initially received at a delivery depot, it is tested and the results are recorded. At the completion of harvest, each delivery depot has an average of the grain characteristics for each grain type. This is referred to as the grower receival stack average. As is industry practice, when a futures contract is tendered and the grain is transferred from one party to another, the transfer and any associated premium and discount price adjustments are based on the grower receival stack average grain characteristics.

### 5.2 Contract Specifications: Options

Contract Name	Ordinary Options over NSW Wheat Futures Contract
Contract Unit	A NSW Wheat Futures contract.
Exercise Price Intervals	Set at intervals of AUD \$5 per tonne.
Settlement on Exercise	Creation of the underlying position in NSW Wheat Futures.

## 6 WA Wheat (WK)

### 6.1 Contract Specifications: Futures

Contract Name	WA Wheat Futures Contract
ASX 24 Code	WK
Physical Grade	Grain Trade Australia (GTA) Wheat Standard CSG 104 (APW2) 10% protein
Pricing Point	Kwinana Track (Western Australia)
Adjusted Settlement Value	The Adjusted Settlement Value is calculated from the Settlement Value on the Notice Day. This price is adjusted for Grain Trade Australia (GTA) location differentials, Shrinkage, protein premiums, receival fees and GST.
Underlying Commodity / Deliverable Stock	Australian Milling Wheat as per GTA Wheat Standard CSG 104 (APW2) or better, new crop year, transferred on a quality average* basis. Milling wheat must be new crop stock.
Season	New Crop / Current Season
Approved Locations	<ul style="list-style-type: none"> <li>• CBH sites within Kwinana Zone</li> <li>• Kwinana Terminal is the pricing point for entitlement transfers</li> <li>• Delivery in other port zones, priced back to Kwinana Terminal, if possible</li> </ul>
Premiums and Discounts	Protein premium paid at 60 cents per 0.1% of protein. Protein range payable from 10% to 11.4%. Premiums paid on average data as per Approved Bulk Handler's stock report*.

\* When grain is initially received at a delivery depot, it is tested and the results are recorded. At the completion of harvest, each delivery depot has an average of the grain characteristics for each grain type nominated to that site. When a futures contract is tendered and the grain is transferred from one party to another, the transfer and any associated premium and discount price adjustments are based on the quality average characteristics based on the tonnage nominated at the applicable delivery depot.

### 6.2 Contract Specifications: Options

Contract Name	Ordinary Options over WA Wheat Futures Contract
Contract Unit	A WA Wheat Futures Contract
Exercise Price Intervals	Set at intervals of AUD \$5 per tonne.
Settlement on Exercise	Creation of the underlying position in WA Wheat Futures.

## 7 Eastern Australia Feed Barley (UB)

### 7.1 Contract Specifications: Futures

Contract Name	Eastern Australia (EA) Feed Barley
ASX 24 Code	UB
Physical Grade	Grain Trade Australia (GTA) Feed Barley Standard F1
Pricing Point	Victorian Track (Geelong and Portland) New South Wales Track (Newcastle and Port Kembla)
Adjusted Settlement Value	The Adjusted Settlement Value is calculated from the Settlement Value on the Notice Day. This price is adjusted for Grain Trade Australia (GTA) location differentials, Shrinkage, receival fees and GST.
Underlying Commodity / Deliverable Stock	The deliverable grade is Australian origin and is a minimum of GTA Feed Barley (F1) or equivalent as specified by Grain Trade Australia (GTA) 'Feed Barley Standards' and tested in accordance with the GTA Receival Standards of the specified Bulk Handling Company. The deliverable grade must be free of any regulatory control that is applied on either a State basis or determined by crop year.
Season	Any Season.
Approved Locations	Any up-country location in Victoria or New South Wales of an Approved Bulk Handler, tributary to Geelong, Portland, Port Kembla or Newcastle Track.

### 7.2 Contract Specifications: Options

Contract Name	Ordinary Options over Eastern Australia Feed Barley Futures Contract
Contract Unit	An Eastern Australia Feed Barley Futures Contract
Exercise Price Intervals	Set at intervals of AUD \$5 per tonne.
Settlement on Exercise	Creation of the underlying position in Eastern Australia Feed Barley Futures.

## 8 Australian Sorghum (US)

### 8.1 Contract Specifications: Futures

Contract Name	Australian Sorghum
ASX 24 Code	US
Physical Grade	Grain Trade Australia (GTA) Sorghum Standard SOR
Pricing Point	Brisbane and Newcastle Track
Adjusted Settlement Value	The Adjusted Settlement Value is calculated from the Settlement Value on the Notice Day. This price is adjusted for Grain Trade Australia (GTA) location differentials, Shrinkage, receival fees and GST.
Underlying Commodity / Deliverable Stock	The deliverable grade is Australian origin and is a minimum of GTA Sorghum (SOR) or equivalent as specified by Grain Trade Australia (GTA) 'Sorghum Standards' and tested in accordance with the GTA Receival Standards of the specified Bulk Handling Company. The deliverable grade must be free of any regulatory control that is applied on either a State basis or determined by crop year.
Season	Any Season.
Approved Locations	Up-country locations in Queensland and New South Wales of an Approved Bulk Handler, tributary to Brisbane and Newcastle Track markets with rail and road outloading capability.

### 8.2 Contract Specifications: Options

Contract Name	Ordinary Options over Australian Sorghum Futures Contract
Contract Unit	An Australian Sorghum Futures Contract
Exercise Price Intervals	Set at intervals of AUD \$5 per tonne.
Settlement on Exercise	Creation of the underlying position in Australian Sorghum Futures.

## 9 Eastern Australia Canola (VC)

### 9.1 Contract Specifications: Futures

Contract Name	Eastern Australia (EA) Canola Futures Contract
ASX 24 Code	VC
Physical Grade	Australian Oilseeds Federation (AOF) Trading Standard CSO1
Pricing Point	New South Wales (Newcastle and Port Kembla) Track Victoria (Geelong and Portland) Track South Australia (Port Adelaide) Track
Adjusted Settlement Value	The Adjusted Settlement Value is calculated from the Settlement Value on the Notice Day. This price is adjusted for Grain Trade Australia (GTA) location differentials, Shrinkage, oil and admixture adjustments, receival fees and GST.
Underlying Commodity / Deliverable Stock	Australian Canola as per AOF Canola Standard CSO1, new crop year, transferred on a grower receival stack average* basis.
Season	New Crop / Current Season
Approved Locations	Any up-country location in New South Wales, Victoria or South Australia of an Approved Bulk Handler, tributary to the underlying track markets.
Premiums and Discounts	Premiums paid on grower receival stack average data as per Approved Bulk Handler's stock report*. The adjustments are based on the differences between the delivered (stack average) quality and the standard quality: <ul style="list-style-type: none"> <li>Gross weight is adjusted on the basis of a 1% deduction for each 1% of admixture (impurity) up to maximum as per AOF.</li> <li>Price is adjusted on the basis of plus/minus 1.5% of clean seed value for each 1% above/below 42% oil as per AOF.</li> </ul>

\*When canola is initially received at a delivery depot, it is tested and the results are recorded. At the completion of harvest, each delivery depot has an average of the canola characteristics for each grade. This is referred to as the grower receival stack average. As is industry practice, when a futures contract is tendered and the canola is transferred from one party to another, the transfer and any associated premium and discount price adjustments are based on the grower receival stack average characteristics.

### 9.2 Contract Specifications: Options

Contract Name	Ordinary Options over Eastern Australia Canola Futures Contract
Contract Unit	An Eastern Australia Canola Futures Contract
Exercise Price Intervals	Set at intervals of AUD \$10 per tonne.
Settlement on Exercise	Creation of the underlying position in Eastern Australia Canola Futures.