

LONDON NOTICE No. 3241

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COCOA FUTURES CONTRACT (EXCHANGE CONTRACT NO. 401)**EXTENSION OF GRADING ALLOWANCE PRICE RANGE CATEGORIES****Executive Summary**

The Exchange has determined to extend the price range categories in respect of grading allowances for the Cocoa Futures Contract.

1. General Notice No. 1280, issued on 21 September 1998, advised Members of the Cocoa Futures Contract grading allowances for slaty beans, defective beans, bean count per 100g, residue and foreign matter and Standard Deviation of the Bean Count ("SDBC") for price range category (scales) A to G, which covered daily settlement prices from £0 to £2,999. As Members will be aware, at the time of publication of those grading allowances more than ten years ago, the market price of Cocoa was over fifty per cent lower than it is today.
2. The existing grading allowances already include market prices down to zero and can therefore accommodate any future reductions in the market price of Cocoa. In order to ensure the continuing relevance of the grading allowances should market prices rise in the future, the purpose of this Notice is to inform Members of the introduction of additional grading allowance scales H to K to cover daily settlement prices from £3,000 to £4,599. An updated table of grading allowances, which includes allowances in respect of the additional price range categories, forms the Attachment to this Notice.

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The Euronext Derivatives Markets comprise the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets. Euronext is part of the NYSE Euronext group.

Grading Allowances

Slaty Allowances
Percentage

SCALE	A	B	C	D	E	F	G	H	I	J	K
Upper Range	£599	£999	£1,399	£1,799	£2,199	£2,599	£2,999	£3,399	£3,799	£4,199	£4,599
Lower Range	£0	£600	£1,000	£1,400	£1,800	£2,200	£2,600	£3,000	£3,400	£3,800	£4,200
0	0	0	0	0	0	0	0	0	0	0	0
1	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0
6	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11
7	-1	-4	-6	-8	-10	-12	-14	-16	-18	-20	-22
8	-2	-6	-9	-12	-15	-18	-21	-24	-27	-30	-33
9	-3	-8	-12	-16	-20	-24	-28	-32	-36	-40	-44
10	-4	-10	-15	-20	-25	-30	-35	-40	-45	-50	-55
11	-4	-12	-18	-24	-30	-36	-42	-48	-54	-60	-66
12	-5	-14	-21	-28	-35	-42	-49	-56	-63	-70	-77
13	-6	-16	-24	-32	-40	-48	-56	-64	-72	-80	-88
14	-7	-18	-27	-36	-45	-54	-63	-72	-81	-90	-99
15	-7	-20	-30	-40	-50	-60	-70	-80	-90	-100	-110
16	-8	-22	-33	-44	-55	-66	-77	-88	-99	-110	-121
17	-9	-24	-36	-48	-60	-72	-84	-96	-108	-120	-132
18	-10	-26	-39	-52	-65	-78	-91	-104	-117	-130	-143
19	-10	-28	-42	-56	-70	-84	-98	-112	-126	-140	-154
20	-11	-30	-45	-60	-75	-90	-105	-120	-135	-150	-165

Defective Allowances
Percentage

SCALE	A	B	C	D	E	F	G	H	I	J	K
Upper Range	£599	£999	£1,399	£1,799	£2,199	£2,599	£2,999	£3,399	£3,799	£4,199	£4,599
Lower Range	£0	£600	£1,000	£1,400	£1,800	£2,200	£2,600	£3,000	£3,400	£3,800	£4,200
0	2	7	10	13	17	20	23	26	29	32	35
1	2	7	10	13	17	20	23	26	29	32	35
2	2	7	10	13	17	20	23	26	29	32	35
3	2	7	10	13	17	20	23	26	29	32	35
4	1	3	5	7	8	10	12	14	16	18	20
5	0	0	0	0	0	0	0	0	0	0	0
6	-1	-3	-5	-7	-8	-10	-12	-14	-16	-18	-20
7	-2	-7	-10	-13	-17	-20	-23	-26	-29	-32	-35
8	-4	-10	-15	-20	-25	-30	-35	-40	-45	-50	-55
9	-5	-13	-20	-27	-33	-40	-47	-54	-61	-68	-75
10	-6	-17	-25	-33	-42	-50	-58	-66	-74	-82	-90
11	-7	-20	-30	-40	-50	-60	-70	-80	-90	-100	-110
12	-9	-23	-35	-47	-58	-70	-82	-94	-106	-118	-130
13	-10	-27	-40	-53	-67	-80	-93	-106	-119	-132	-145
14	-11	-30	-45	-60	-75	-90	-105	-120	-135	-150	-165
15	-12	-33	-50	-67	-83	-100	-117	-134	-151	-168	-185

Bean Count Allowances

No. of beans per 100 grammes

SCALE	A	B	C	D	E	F	G	H	I	J	K
Upper Range	£599	£999	£1,399	£1,799	£2,199	£2,599	£2,999	£3,399	£3,799	£4,199	£4,599
Lower Range	£0	£600	£1,000	£1,400	£1,800	£2,200	£2,600	£3,000	£3,400	£3,800	£4,200
90 (and below)	3.5	10	15	20	25	30	35	40	45	50	55
91	3.5	9	13.5	18	22.5	27	31.5	36	40.5	45	49.5
92	3	8	12	16	20	24	28	32	36	40	44
93	2.5	7	10.5	14	17.5	21	24.5	28	31.5	35	38.5
94	2	6	9	12	15	18	21	24	27	30	33
95	2	5	7.5	10	12.5	15	17.5	20	22.5	25	27.5
96	1.5	4	6	8	10	12	14	16	18	20	22
97	1	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5
98	0.5	2	3	4	5	6	7	8	9	10	11
99	0.5	1	1.5	2	2.5	3	3.5	4	4.5	5	5.5
100	0	0	0	0	0	0	0	0	0	0	0
101	-0.5	-1.5	-2.5	-3.5	-4	-5	-6	-7	-8	-9	-10
102	-1	-3.5	-5	-6.5	-8.5	-10	-11.5	-13	-14.5	-16	-17.5
103	-2	-5	-7.5	-10	-12.5	-15	-17.5	-20	-22.5	-25	-27.5
104	-2.5	-6.5	-10	-13.5	-16.5	-20	-23.5	-27	-30.5	-34	-37.5
105	-3	-8.5	-12.5	-16.5	-21	-25	-29	-33	-37	-41	-45
106	-3.5	-10	-15	-20	-25	-30	-35	-40	-45	-50	-55
107	-4.5	-11.5	-17.5	-23.5	-29	-35	-41	-47	-53	-59	-65
108	-5	-13.5	-20	-26.5	-33.5	-40	-46.5	-53	-59.5	-66	-72.5
109	-5.5	-15	-22.5	-30	-37.5	-45	-52.5	-60	-67.5	-75	-82.5
110	-6	-16.5	-25	-33.5	-41.5	-50	-58.5	-67	-75.5	-84	-92.5
111	-7	-18.5	-28	-37.5	-46.5	-56	-65.5	-75	-84.5	-94	-103.5
112	-7.5	-20.5	-31	-41.5	-51.5	-62	-72.5	-83	-93.5	-104	-114.5
113	-8.5	-22.5	-34	-45.5	-56.5	-68	-79.5	-91	-102.5	-114	-125.5
114	-9	-24.5	-37	-49.5	-61.5	-74	-86.5	-99	-111.5	-124	-136.5
115	-10	-26.5	-40	-53.5	-66.5	-80	-93.5	-107	-120.5	-134	-147.5
116	-10.5	-28.5	-43	-57.5	-71.5	-86	-100.5	-115	-129.5	-144	-158.5
117	-11.5	-30.5	-46	-61.5	-76.5	-92	-107.5	-123	-138.5	-154	-169.5
118	-12	-32.5	-49	-65.5	-81.5	-98	-114.5	-131	-147.5	-164	-180.5
119	-13	-34.5	-52	-69.5	-86.5	-104	-121.5	-139	-156.5	-174	-191.5
120	-13.5	-36.5	-55	-73.5	-91.5	-110	-128.5	-147	-165.5	-184	-202.5

Allowance for Standard Deviation of the Bean Count

Standard Deviations

SCALE	A	B	C	D	E	F	G	H	I	J	K
Upper Range	£599	£999	£1,399	£1,799	£2,199	£2,599	£2,999	£3,399	£3,799	£4,199	£4,599
Lower Range	£0	£600	£1,000	£1,400	£1,800	£2,200	£2,600	£3,000	£3,400	£3,800	£4,200
0-25	0	0	0	0	0	0	0	0	0	0	0
26	-1	-3	-4	-5	-7	-8	-9	-10	-11	-12	-13
27	-2	-5	-8	-11	-13	-16	-19	-22	-25	-28	-31
28	-3	-8	-12	-16	-20	-24	-28	-32	-36	-40	-44
29	-4	-11	-16	-21	-27	-32	-37	-42	-47	-52	-57
30	-5	-13	-20	-27	-33	-40	-47	-54	-61	-68	-75
31	-6	-16	-24	-32	-40	-48	-56	-64	-72	-80	-88
32	-7	-19	-28	-37	-47	-56	-65	-74	-83	-92	-101
33	-8	-21	-32	-43	-53	-64	-75	-86	-97	-108	-119
34	-9	-24	-36	-48	-60	-72	-84	-96	-108	-120	-132
35	-10	-27	-40	-53	-67	-80	-93	-106	-119	-132	-145
36	-11	-29	-44	-59	-73	-88	-103	-118	-133	-148	-163
37	-12	-32	-48	-64	-80	-96	-112	-128	-144	-160	-176
38	-13	-35	-52	-69	-87	-104	-121	-138	-155	-172	-189
39	-14	-37	-56	-75	-93	-112	-131	-150	-169	-188	-207
40	-15	-40	-60	-80	-100	-120	-140	-160	-180	-200	-220

Residue and Foreign Matter (all origins except Papua New Guinea)
Grammes per 2 kg

SCALE	A	B	C	D	E	F	G	H	I	J	K
Upper Range	£599	£999	£1,399	£1,799	£2,199	£2,599	£2,999	£3,399	£3,799	£4,199	£4,599
Lower Range	£0	£600	£1,000	£1,400	£1,800	£2,200	£2,600	£3,000	£3,400	£3,800	£4,200
0-25	0	0	0	0	0	0	0	0	0	0	0
26-35	-1	-4	-6	-8	-10	-12	-14	-16	-18	-20	-22
36-45	-3	-8	-12	-16	-20	-24	-28	-32	-36	-40	-44
46-55	-4	-12	-18	-24	-30	-36	-42	-48	-54	-60	-66
56-65	-6	-16	-24	-32	-40	-48	-56	-64	-72	-80	-88
66-75	-7	-20	-30	-40	-50	-60	-70	-80	-90	-100	-110

Residue and Foreign Matter (Papua New Guinea only)
Grammes per 2 kg

SCALE	A	B	C	D	E	F	G	H	I	J	K
Upper Range	£599	£999	£1,399	£1,799	£2,199	£2,599	£2,999	£3,399	£3,799	£4,199	£4,599
Lower Range	£0	£600	£1,000	£1,400	£1,800	£2,200	£2,600	£3,000	£3,400	£3,800	£4,200
0-50	0	0	0	0	0	0	0	0	0	0	0
51-60	-1	-4	-6	-8	-10	-12	-14	-16	-18	-20	-22
61-70	-3	-8	-12	-16	-20	-24	-28	-32	-36	-40	-44
71-80	-4	-12	-18	-24	-30	-36	-42	-48	-54	-60	-66
81-90	-6	-16	-24	-32	-40	-48	-56	-64	-72	-80	-88
91-100	-7	-20	-30	-40	-50	-60	-70	-80	-90	-100	-110