

Lilongwe, 9th October 2013


PRESS RELEASE - FORWARD CONTRACTS

The Agricultural Commodity Exchange for Africa (ACE) has issued the first guaranteed forward contracts. Buyers are guaranteed to receive the commodity and Sellers are guaranteed to receive payment.

First Merchant Bank is financing these forward contracts which make it possible for the Seller to receive part or full payment immediately, or anytime in the period of the contract.



ACE will on a daily basis release forward contract prices. To begin with these prices will be published in the newspapers every Wednesday. See to the right the prices published this Wednesday. (The prices are based in the spot price + storage charges + finance charges.)

In the left column the spot price is published. That is the price you can get on ACE today. In the column to the right, it is the forward contract prices. These are the prices Sellers will receive the 15th of the month – i.e the 15th of December Seller will receive MWK 113 per kg for maize or MWK 217 for Soya



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LATEST PRICE ON ACE MITENGO YA LERO			FORWARD CONTRACT PRICE MITENGO WAPATSOGOLO PA KONTILAKITI		
COMMODITY MBEU	DATE	PRICE/KG	DECEMBER	JANUARY	FEBRUARY
MAIZE	09/10/2013	K 96.00	K 113.00	K 118.00	K 123.00
SOYA BEANS	09/10/2013	K 190.00	K 217.00	K 225.00	K 234.00
PIGEON PEAS	09/10/2013				
SUNFLOWER	09/10/2013	K 130.00	K 151.00	K 157.00	K 163.00
COW PEAS	09/10/2013				
GROUNDNUTS CHALIMBANA	09/10/2013	K 270.00	K 306.00	K 317.00	K 328.00
GROUNDNUTS CG7	09/10/2013				

 For more information visit www.aceafrica.org
 or email ace@aceafrica.org


Please note that there are costs associated to these forward prices. To get a forward contract a Seller must have the commodity on a warehouse receipt. This is to secure performance so the Buyer is guaranteed that the commodity will be available on the forward date.

ACE will work towards publishing prices for the whole marketing season at the beginning of the season. This will increase transparency and the ability of agricultural businesses to plan effectively.

Please contact ACE if you are interested in learning more about forward contracting