

UAN 30 FERTILISER FUTURES

What are UAN 30 Fertiliser Futures?

The first physically-deliverable futures contract for nitrogen fertiliser solution. They are traded in euros and backed by partners across the fertiliser supply chain.

Who are UAN 30 Fertiliser Futures for?

European market participants, allowing users to manage price risk and cover their overall positions more efficiently, for both agricultural inputs and for grains and oilseeds.

Why trade UAN 30 Fertiliser Futures?

Use these contracts to hedge your margins more efficiently, based on a key EU import destination in Rouen.

Benefits

- Hedge your margins more efficiently: facilitate the calculation of nitrogen input and protein output
- Trade a physically-deliverable contract, based on a key EU import destination
- Efficient tool to manage basis risk
- Additional pricing tool throughout the entire fertiliser supply chain
- Central orderbook trading on Euronext's Regulated Market
- Clearing provided by LCH S.A., limiting counterparty and default risk.

Euronext is launching a new physically delivered futures contract based on UAN 30 Nitrogen Fertiliser solution. The new contract has been developed at the request of key agricultural market players who use Euronext's commodity futures on grains and oilseeds. It is the first contract of its sort to focus exclusively on Europe.

The addition of this contract to the Euronext commodities suite will give you a comprehensive suite of tools to manage price risk and cover your overall positions more efficiently, for both agricultural inputs and for grains and oilseeds such as wheat, rapeseed and corn.

Euronext is supported by terminal operator Rubis Terminal, as well as stakeholders across the fertiliser supply chain such as producers, traders, cooperatives and end users.

The delivery point will be in Rouen, France, a major trading hub for fertiliser imports as well as for crop exports such as wheat.

Clearing is handled by LCH S.A.¹

The initial expiry calendar has been set for March, June, September and November over a 2-year horizon, reflecting the seasonal pattern of sowing, manuring and harvesting for different types of crop.

More about UAN 30

- UAN 30 is a fertiliser solution derived from urea and ammonium nitrate² with a total nitrogen content of 30%.
- The family of nitrogen-based fertilisers is the largest product group in terms of product diversity and product use, as opposed to the phosphate and potash families. Nitrogen-based fertiliser consumption represents about 60% of total fertiliser consumption.
- Volatility on fertiliser prices is significant, as the product depends on complex international market factors such as production shocks, seasonality, exchange rates, etc.
- In line with EU regulations, the UAN 30 fertiliser contract is based on an agricultural framework preserving and contributing to optimised soil fertility.

¹ subject to regulatory approval

² as per EU Regulation (EC) No 2000/2003 and EU Regulation (EC) No 1907/2006 (REACH), Annex II

CONTRACT SPECIFICATIONS NITROGEN FERTILISER SOLUTION UAN 30 FUTURES CONTACT

UNIT OF TRADING	30 mt (thirty metric tonnes)
VENDOR CODES	Euronext: UAN Bloomberg: JHPA Comdty <GO> CQG: UAN
ORIGINS TENDERABLE	Any origin
QUALITY	Nitrogen Fertiliser solution derived from urea and ammonium nitrate as per EU Regulation (EC) No 2003/2003 of the European Parliament relating to fertilisers and EU Regulation (EC) No 1907/2006 (REACH), Annex II, with sound, fair and merchantable quality, all duties and taxes paid, and having the following specifications: COMPOSITION Chemical analysis* (Total nitrogen content: 30 %): <ul style="list-style-type: none"> ■ Ureic nitrogen 15% ■ Ammoniacal nitrogen 7.5% ■ Nitric nitrogen 7.5% Physical analysis: <ul style="list-style-type: none"> ■ Appearance: No sediment, free of solid particles ■ Relative density equivalent at 20°C +/-0.5°C = 1.305-1.325 ■ Containing corrosion inhibitor
STORAGE	In tank, commingled
PACKAGING	Bulk
DELIVERY MONTHS	March, June, September, November such that 10 consecutive delivery months are available for trading
PRICE BASIS	Euro and euro cents per metric tonne as per FCA-Incoterms 2010 basis at an accredited tank in Rouen (France). Each lot shall be made available FCA truck/rail at the place of the approved terminal and presented "ready for loading" to the buyer ready to receive goods
TICK SIZE AND VALUE	25 euro cents per tonne (€7.50)
LAST TRADING DAY	The 10th calendar day of the month preceding the delivery month (or trading day prior to this date if the 10th is a non-trading day)
NOTICE DAY	First trading day following the last trading day (by 10:30 CET)
DELIVERY PERIOD	Delivery takes place from the 6th trading day following the Expiry until the end of the Delivery Period. "Delivery Period" is the period commencing on and including the 1st Trading Day following the Expiry and up to the last working day of a specified delivery month. The detailed delivery schedule is mentioned in LCH S.A.'s clearing rules, notably in LCH S.A.'s Notice relating to the delivery procedure applied to UAN 30 nitrogen fertiliser solution
TRADING HOURS	10:45 CET - 18:30 CET
EURONEXT MARKET	Paris
TRADING PLATFORM	Universal Trading Platform
ALGORITHM	Central order book applies a price-time trading algorithm, with priority given to the first order at the best price
CLEARING	LCH S.A.
WHOLESALE TRADING FACILITIES	Against Actuals, Exchange for Swaps
DELIVERY LIMITS	Delivery limits are set by LCH S.A. and are published 80 days before the last trading day and are applicable for 12 days before the last trading day of the delivery month. Please refer to the LCH S.A. notices on the website www.lch.com/risk-collateral-management/risk-notice

* Tolerance margins in accordance with EC Regulation 2003/2003, (Annex II, 1.1, 4.). Total nitrogen grade as per contract 30% (can also stem from UAN 32 solution with increased water content).

Find out more

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