



Allowances & Discounts

London Cocoa Futures & Euro Cocoa Futures

Allowances are effective from May 2017 expiry up to the September 2021 expiry.

Grading Allowances

The applicable scale of grading allowances for any given delivery month is determined on the following basis:

Gradings Between the:		Price-Range Category Based on the Daily Settlement Price of the Following Delivery Months:	Determined on the Last Trading Day of the Following Delivery Months:
Notice Day of:	And the Last Trading Day of:		
March	May	May	May
May	July	July	July
July	September	September	September
September	December	December	December
December	March	March	March

Allowances for Defective Beans

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
%	Pounds Sterling Per Tonne										
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

Allowances for Slaty Beans

Scale Upper range Lower range	A £599 £0	B £999 £600	C £1,399 £1,000	D £1,799 £1,400	E £2,199 £1,800	F £2,599 £2,200	G £2,999 £2,600	H £3,399 £3,000	I £3,799 £3,400	J £4,199 £3,800	K £4,599 £4,200
%	Pounds Sterling Per Tonne										
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

Allowances for Free Fatty Acids (FFA) Content (Bulk Delivery Units Only)

Maximum Ffa (%)	Allowance
Up to 2	Par
> 2 and < 2.25	0.5%
> 2.25 and < 2.5	1.0%
> 2.5 and < 2.75	2.0%
> 2.75 and < 3.0	3.0%
> 3.0 and < 3.25	4.5%
> 3.25 and < 3.5	6.0%
Above 3.5	Non-Tenderable

Allowances for Bean Count

Scale Upper range Lower range	A £599 £0	B £999 £600	C £1,399 £1,000	D £1,799 £1,400	E £2,199 £1,800	F £2,599 £2,200	G £2,999 £2,600	H £3,399 £3,000	I £3,799 £3,400	J £4,199 £3,800	K £4,599 £4,200
No. of beans per 100 grammes	Pounds Sterling Per Tonne										
90 (and below)	3.5	10.0	15.0	20.0	25.0	30.0	35.0	40.0	45.0	50.0	55.0
91	3.5	9.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	45.0	49.5
92	3.0	8.0	12.0	16.0	20.0	24.0	28.0	32.0	36.0	40.0	44.0
93	2.5	7.0	10.5	14.0	17.5	21.0	24.5	28.0	31.5	35.0	38.5
94	2.0	6.0	9.0	12.0	15.0	18.0	21.0	24.0	27.0	30.0	33.0
95	2.0	5.0	7.5	10.0	12.5	15.0	17.5	20.0	22.5	25.0	27.5
96	1.5	4.0	6.0	8.0	10.0	12.0	14.0	16.0	18.0	20.0	22.0
97	1.0	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5
98	0.5	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0
99	0.5	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0	5.5
100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
101	-0.5	-1.5	-2.5	-3.5	-4.0	-5.0	-6.0	-7.0	-8.0	-9.0	-10.0
102	-1.0	-3.5	-5.0	-6.5	-8.5	-10.0	-11.5	-13.0	-14.5	-16.0	-17.5
103	-2.0	-5.0	-7.5	-10.0	-12.5	-15.0	-17.5	-20.0	-22.5	-25.0	-27.5
104	-2.5	-6.5	-10.0	-13.5	-16.5	-20.0	-23.5	-27.0	-30.5	-34.0	-37.5
105	-3.0	-8.5	-12.5	-16.5	-21.0	-25.0	-29.0	-33.0	-37.0	-41.0	-45.0
106	-3.5	-10.0	-15.0	-20.0	-25.0	-30.0	-35.0	-40.0	-45.0	-50.0	-55.0
107	-4.5	-11.5	-17.5	-23.5	-29.0	-35.0	-41.0	-47.0	-53.0	-59.0	-65.0
108	-5.0	-13.5	-20.0	-26.5	-33.5	-40.0	-46.5	-53.0	-59.5	-66.0	-72.5
109	-5.5	-15.0	-22.5	-30.0	-37.5	-45.0	-52.5	-60.0	-67.5	-75.0	-82.5
110	-6.0	-16.5	-25.0	-33.5	-41.5	-50.0	-58.5	-67.0	-75.5	-84.0	-92.5
111	-7.0	-18.5	-28.0	-37.5	-46.5	-56.0	-65.5	-75.0	-84.5	-94.0	-103.5
112	-7.5	-20.5	-31.0	-41.5	-51.5	-62.0	-72.5	-83.0	-93.5	-104.0	-114.5
113	-8.5	-22.5	-34.0	-45.5	-56.5	-68.0	-79.5	-91.0	-102.5	-114.0	-125.5
114	-9.0	-24.5	-37.0	-49.5	-61.5	-74.0	-86.5	-99.0	-111.5	-124.0	-136.5
115	-10.0	-26.5	-40.0	-53.5	-66.5	-80.0	-93.5	-107.0	-120.5	-134.0	-147.5
116	-10.5	-28.5	-43.0	-57.5	-71.5	-86.0	-100.5	-115.0	-129.5	-144.0	-158.5
117	-11.5	-30.5	-46.0	-61.5	-76.5	-92.0	-107.5	-123.0	-138.5	-154.0	-169.5
118	-12.0	-32.5	-49.5	-65.5	-81.5	-98.0	-114.5	-131.0	-147.5	-164.0	-180.5
119	-13.0	-34.5	-52.0	-69.5	-86.5	-104.0	-121.5	-139.5	-156.5	-174.0	-191.5
120	-13.5	-36.5	-55.0	-73.5	-91.5	-110.0	-128.5	-147.0	-165.5	-184.0	-202.5

Allowances for Residue and Foreign Matter

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
grammes per 2KG	Pounds Sterling Per Tonne										
0-45	0	0	0	0	0	0	0	0	0	0	0
46-55	-1	-4	-6	-8	-10	-12	-14	-16	-18	-20	-22
56-65	-3	-8	-12	-16	-20	-24	-28	-32	-36	-40	-44
66-75	-4	-12	-18	-24	-30	-36	-42	-48	-54	-60	-66
76-85	-6	-16	-24	-32	-40	-48	-56	-64	-72	-80	-88
86-95	-7	-20	-30	-40	-50	-60	-70	-80	-90	-100	-110
96-105	-8	-24	-36	-48	-60	-72	-84	-96	-108	-120	-132

Allowances for Bean Clusters

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
grammes per 2KG	Pounds Sterling Per Tonne										
0-50	0	0	0	0	0	0	0	0	0	0	0
51-70	-1	-4	-6	-8	-10	-12	-14	-16	-18	-20	-22
71-90	-3	-8	-12	-16	-20	-24	-28	-32	-36	-40	-44
91-110	-4	-12	-18	-24	-30	-36	-42	-48	-54	-60	-66
111-130	-6	-16	-24	-32	-40	-48	-56	-64	-72	-80	-88
131-150	-7	-20	-30	-40	-50	-60	-70	-80	-90	-100	-110

Allowances for Standard Deviation of the Bean Count

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
No. of beans per 2KG	Pounds Sterling Per Tonne										
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

Standard Deviation of the Bean Count Test

The standard deviation of the bean count test (homogeneity) is designed to assess the uniformity of bean size within a delivery unit. The formula used is based on a standard deviation calculation whereby the average number of beans per 100g for the whole delivery unit is measured and then compared against the overall variability of bean sizes within the delivery unit. Excessive variability will result in the award of allowances or, above the maximum permitted value, in the delivery unit being graded as not tenderable.

Where:

- A = Bean count/100g in 13mm round-holed sieve
- B = Bean count/100g in 11.5mm round-holed sieve
- C = Bean count/100g in 10.5mm round-holed sieve
- D = Bean count/100g in base
- P = % bean-weight to total weight in 13mm round-holed sieve
- Q = % bean-weight to total weight in 11.5mm round-holed sieve
- R = % bean-weight to total weight in 10.5mm round-holed sieve
- S = % bean-weight to total weight in base
- Z = Total bean count/100g

The following are needed to calculate the standard deviation of the bean count:

- Number of beans per sieve and base; and
- Weight of beans per sieve and base

Formula for the standard deviation of the bean count test:

$$\sqrt{\frac{(P(Z - A)^2 + Q(Z - B)^2 + R(Z - C)^2 + S(Z - D)^2)}{Z}}$$

From this data the following may be derived:

Bean Count/100G per Sieve or Base

$$(A, B, C, \text{ or } D \text{ above}) = \frac{\text{Number of beans in sieve} \times 100}{\text{Weight of beans in sieve}}$$

Percentage Weight per Sieve

$$(P, Q, R \text{ or } S \text{ above}) = \frac{\text{Weight of beans in sieve}}{\text{Total weight of beans}}$$

Total Bean Count per 100G

$$(P, Q, R \text{ or } S \text{ above}) = \frac{\text{Total number of beans in each sieve and base} \times 100}{\text{Total weight of beans in each sieve and base}}$$

Please See Below for Worked Example:

Sample	13 MM Sieve		11.5 MM Sieve		10.5 MM Sieve		Base		Total		St. dev.
	Beans	(P) / (A)	Beans	(Q) / (B)	Beans	(R) / (C)	Beans	(S) / (D)	Beans	(Z)	
	Wt.(g) / No.	%Wt. / BC	Wt.(g) / No.	%Wt. / BC	Wt.(g) / No.	%Wt. / BC	Wt.(g) / No.	%Wt. / BC	Wt.(g) / No.	BC	
No. 1	-6	-16	-24	-32	-40	-48	-56	-64	-72	-80	-88
No. 2	-7	-20	-30	-40	-50	-60	-70	-80	-90	-100	-110

	= Original data
	= Derived values
	= Standard Deviation of the Bean Count

Weight Allowances

Time Passed Since Original Weigh Date	Fully Accrued % Allowance (Per Tonne Net Weight)
0 - 183 days	Accrues daily up to 0.5%
184 - 548 days	Accrues daily up to an additional 0.5% (for an aggregate total of 1%)
549 - 913 days	Accrues daily up to an additional 0.25% (for a maximum aggregate of 1.25%)

Weight Tolerances

The weight of delivery units tendered against the contract must be within the permitted tolerance as outlined in the table below:

Effective from 17 March 2020

Permitted Weight Tolerances of Delivery Units				
Delivery unit	SDU	LDU	BDU	
Nominal net weight (tonnes)	10	100	1,000	
Upper limit (%)	+1.5	+1.5	First Piling	+1.5
			Subsequent Pilings	+1.5
Lower limit (%)	-1.5	-1.0	First Piling	+0.5
			Subsequent Pilings	-0.5

Further information

Soft Commodity Derivatives

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