

exw (ex works)

"Ex works" means that the seller delivers when he places the goods at the disposal of the buyer at the seller's premises or at another named place (i.e. works, factory, warehouse, etc.). The seller does not need to load the goods on any collecting vehicle nor does he need to clear the goods for export, where such clearance is applicable.

fca (free carrier) place of delivery

"Free Carrier" means that the seller delivers the goods to the carrier or another person nominated by the buyer at the seller's premises or another named place. The parties are well advised to specify as clearly as possible the point within the named place of delivery, as the risk passes to the buyer at that point.

fob (free on board) port of shipment

"Free on Board" means that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The buyer bears all costs from that moment onwards.

cif (cost, Insurance, Freight) port of destination

"Cost, Insurance and Freight" means that the seller delivers the goods beyond the ship's rail. The risk of loss of or damage to the goods are transferred from the seller to the buyer as soon as the goods are on board the ship. The seller has to conduct the transport contract and to bear cost and freight required for transporting the goods to the named port of destination.

carriage free

The seller delivers the goods without charging transport and insurance cost to a specified train station, river port or seaport, processing site.

promptly

Delivery has to be carried out promptly, that is within seven days after the deal.

ARAG

Abbreviation for the parity of North Sea ports: Amsterdam, Rotterdam, Antwerp, Gent

loco

Latin (on-site). Purchase of goods which are immediately available on-site. Loco-business: Farm-gate sales are the easiest form.

USDA

The abbreviation USDA stands for United States Department of Agriculture, i.e. the US Ministry of Agriculture. The monthly estimation of the global grain and oil-seeds supply is of fundamental importance for the market.

**CME Chicago Board of Trade
(Chicago Stock Exchange)**

Founded as commodity exchange in 1848, CME today is a conglomerate of stock exchanges which, in addition to agricultural products, lists a broad range of products including gold, silver, US government bonds and energy.

spot

The term spot market refers to markets where predominantly transactions in commodities are promptly performed. Promptly means that goods are paid and delivered immediately. The Rotterdam spot market for crude oil is one example. The oil is delivered by ships and can immediately be sold to buyers on the spot market. There are also spot markets for other goods. Generally, a spot market only has a limited trading area, i.e. only local sellers and buyers come together on a spot market. More rarely, spot market transactions are settled from the distance. The fact that spot market transactions are promptly settled is the key difference between a spot market and financial markets. There are almost no futures and option contracts. The price of a certain good on a spot market results from the direct combination of supply and demand.