

WHITEPAPER

Specialized Commodities

Sugar, Coffee, Cocoa and Grains: we'd like to tell you all about four of our favorite soft commodities and the special treatment they get from Agiblocks



Agiblocks Specialized Commodities: an Agiboo whitepaper on sugar, coffee, cocoa and grains

Agiboo's flagship software was launched over a decade ago and focused on the early adopter initiatives for cocoa, coffee and sugar. It offered specialized industry CTRM for these first commodities, and has since expanded to support anything from grain to cotton, nuts and (edible) oils. In other words, almost the whole range of agricultural commodities can be traded by implementing Agiblocks as your go-to solution. Moreover, Agiblocks comes with unique features for four specific commodities: Sugar, Coffee, Cocoa and Grains.

You've probably heard us say that before. Now we'd like to tell you a little more about those specialized commodities, and what it means in the context of working with Agiblocks. You can find out all about it in our latest Agiboo whitepaper.

Agricultural or soft commodities are something to be desired

Commodities in general can be divided into three different groups: agricultural, metals and energy. When thinking of 'commodity trade', the mind easily goes to petroleum, gold, precious metals and, basically, any of the commodities that are either metals or energy. But agricultural or soft commodities are something to be desired as well.

Indeed, the industry has experienced boosts in interest due to investors looking to diversify their portfolio of stocks and bonds. For traders, even the smallest percentage of any soft commodity will lead to a reduction of both volatility and risks. The top five of soft commodities in terms of annual consumption is made up of cocoa, coffee, grain, sugar and cotton. Agiblocks covers all five, of course – but has four of them listed as Specialized Commodities to boot.

They may have lots in common, but obviously have their unique characteristics as well. That's why we would like to address these commodities in depth, as well as explain to you how Agiblocks caters to them with unrivalled dedication.

We started by addressing the history of each of these products and several aspects that help explain what make them such complex commodities. Those background chapters can be found in our online Knowledge Center on Agiboo.com – just click on Knowledge in the navigation bar at the top of our website to find the complete articles. For our whitepaper, we'll focus on explicit complexities that set these commodities apart from all others.

Agiblocks CTRM

Agiblocks is a powerful and agile commodity trade and risk management tool. It supports trading management as well as financial management from the same source of data and within the same easily accessible application. As such, it is the preferred CTRM solution for a growing number of customers.

One of its distinguishing USP's is the fact that Agiblocks provides a large number of detailed

features and functions, in many cases specialized for a certain commodity or commodity group. It is this specialization that makes Agiblocks the foremost CTRM solution for agricultural trade not only in general, but for four of the biggest soft commodities specifically as well. Let's talk Sugar, Coffee, Cocoa and Grains!





1 SUGAR

Sugar is a sweet-flavored ingredient, used in many types of food and drinks around the world. It can be found in pretty much every plant, but it can only be extracted – or at least economically efficiently – from sugarcane and sugar beet. This sweetener has become a preferred ingredient in almost every food product. The three biggest producers of sugar are: Brazil, India and the European Union.

Sugar can be produced from either sugarcane or sugar beet. The former is by far the more popular resource, as it is used for approximately three quarters of all production. There are a number of reasons why sugarcane exceeds sugar beet in production volume, the two most notable are the climate and production costs. These two factors are to a great extent intertwined. Thailand, China, Brazil and India are major producers of sugarcane due to their favorable tropical climate.

This climate provides a significant longer production period when compared to sugar beet. Sugar beet is produced mainly in Europe and the U.S.

To find out more about sugar and the factors that attribute to the complexity of its trade, such as trading and exchanges and the different kinds of (and standards for) sugar, head over to agiboo.com to find our more exhaustive background in our online Knowledge Center. Just click on Knowledge in the navigation bar at the top of our website. For the purpose of this whitepaper, we'll focus on complexities that set these commodities apart from all others. Sugar trading has a number of very specific aspects to it that not every CTRM solution will be able to handle with ease, or even at all. We will walk you through some of them, as Agiboo has made it its mission to handle all of them – with Agiblocks.

1.1 Deposit Payment Terms

Commonly, sugar traders will utilize deposit payment terms to minimize counterparty credit issues. These can be extremely complex, including percentage or lump sum deposit requirements expressed in the payment terms for a trade or purchase/sale. Not only do these complex payment terms need to be captured at deal entry time, but they also need to be considered in monitoring credit exposures and in receiving and tracking payments.

1.2 Break bulk and bulk logistics

In sugar trading, managing logistics is made more complex by the fact that while white sugar is usually containerized, raw sugar can be traded in bulk. This means that a CTRM system for sugar must be able to handle both types of movement. For white sugar, containers will need to be tracked; and deliveries may be made up of single or multiple containers whose movements need to be managed as well. On the other hand, bulk raw sugar requires a number of altogether different items to be handled, including loading times and vessel size. Many (other) CTRM solutions can cater for one or the other type of logistics, but not both.

1.3 Unique conversion

Sugar is unique in that it has two principal markets or products that can be converted to each other physically. Raw sugar can be processed and converted into white sugar and hence there is a differential known as the white premium that can value the conversion. The premium can change daily based on things like fuel costs and therefore needs to be tracked. The white premium has to be handled by a CTRM used for sugar explicitly.



1.4 Polarization

Polarization is a quality measure that is specific to sugar and may also need to be tracked by the CTRM. The clearer the sugar crystals, the less it costs to convert raw sugar into white sugar. Therefore, polarization is a quality item expressed in the contract and measured using laboratory testing. This premium has to be tracked by the system and utilized in calculations and cost accruals to gain an accurate picture of profit and loss.

1.5 Pricing

Over time, a number of product properties have emerged that also need to be ‘understood’ by the CTRM and these are specific to sugar. An example is the Coca Cola specification. All of these product properties need to be captured and held in the CTRM solution.

1.6 Product properties

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1.7 Change and evolution

The CTRM needs to be continually maintained and upgraded in line with changing market needs across all segments of the industry. For example, new ICE containerized sugar futures will need to be properly handled. Additionally, EU quotas, export limits and guaranteed prices will almost certainly result in some market dynamic changes that could have an impact on future requirements too.

Mind you, these are just a few of the specific issues around sugar trading that are often either not supported in a generic CTRM solution, or may require some form of work-around to handle. As a result, anyone looking to procure a CTRM solution for sugar trading should ensure that the short-listed CTRM solutions are able to handle such specifics along with all of the other expected functions and features of a good and usable solution. This actually narrows the field of potential solutions quite considerably.





2 COFFEE

Coffee is consumed in such great quantities, it is the world's second largest traded commodity, surpassed only by crude oil. The market for our most beloved beverage after water and tea is worth well over 100 billion dollars worldwide, so you can imagine the trade is indeed a very lively one – it's an economy in and of itself. Roasters, packers, growers and traders depend on the commodity, as does the coffee shop around the corner and the massive chains like Starbucks and Dunkin' Donuts.

A coffee bean is the name of the seed of the coffee plant, or rather the pit inside the red or purple fruit often referred to as a cherry. 'Coffee seed' or 'coffee pit' doesn't have quite the same ring to it though, so given the fact they sort of resemble beans, we have come to know them as coffee beans. As for the name Coffee, that is most likely derived from the kingdom of Kaffa in Ethiopia where the plant has its origins, and where the first coffee bearing trees date back to the ninth century. The first recordings of coffee as drink are dates much later on though, around the middle of the fifteenth century in Yemen.

Coffee quickly spread across the Arab world and was introduced in Europe about a century later when it first arrived in Italy. Production was still exclusively being controlled by the Arabs until the seventeenth century, but at the end of this century the Dutch managed to obtain coffee seeds and started their own production. After the success of the Dutch plantations in Batavia and Suriname, the British and the French also started to start up their own coffee plantations in their colonies in the Americas. After the introduction into the various colonies, coffee became one of the most profitable export products in the world.

To find out more about coffee and the factors that attribute to the complexity of its trade, such as production and processing, logistics, applications and types of coffee, head over to agiboo.com to find our more exhaustive background in our online Knowledge Center. Just click on Knowledge in the navigation bar at the top of our website. For the purpose of this whitepaper, we'll focus on complexities that set these commodities apart from all others. Coffee trading has a number of very specific aspects to it that not every CTRM solution will be able to handle with ease, or even at all. We will walk you through some of them, as Agiboo has made it its mission to handle all of them – with Agiblocks.

2.1 Trading and price factors

The prices of the coffee futures contracts on this exchange are a benchmark for other prices around the world.

In general, limited production countries influence the price of a commodity, and indeed the same applies to coffee, as the greatest part of global supply is offered by just a few countries.

More specifically however, the correlation between the two types of coffee (see 1.3), Robusta and Arabica, is an important factor in pricings. When demand for one goes up, so does the price, while demand of the other declines (as does the price). Monitoring both can be a very useful indicator for future prices.

2.2 Logistics: various shapes and sizes and the need for hedge ratios

Global production of coffee is generally measured in jute bags which hold up to 60 kg of coffee – although most exporters have shifted to one-ton polypropylene super-sacks instead of jute bags. However, there is no universally agreed upon size for the bags that make up a shipment. Ethiopia for instance ships mostly in those 60kg bags, whereas Guatemala goes for 30, 60 and 69 while Ecuador has 20, 50 and 70–to name a few.

Agiblocks supports all sizes, so you can leave your pocket calculator out of the equation.

**SPECIFIC FUNCTIONALITY
FOR SPECIFIC
COMMODITIES IS WHAT IS
OFTEN MISSING FROM
MORE GENERAL LEGACY
CTRMS – BUT NOT IN
AGIBLOCKS.**



2.3 Logistics: franchise and tolerance

One very important aspect in the transportation and overall logistics of coffee is the changes in weight before and after transport; how do you load exactly 20 metric tons of coffee beans, for instance? Well, you don't. Moreover, the weight tends to shift marginally due to changes in temperature and humidity. For this reason, there is the concept of tolerance and franchise. Also: invoicing in your Agiblocks software can be adjusted to reflect real-world differences in weight bought and received, just as easily!

2.4 Logistics: sample-based

Transports of coffee are subject to rigorous quality controls. That is true of most commodities, indeed the agricultural ones, but here too several things are different for coffee. Most commodities have quality control upon delivery, but coffee is subjected to sample-based checks at various points along the logistics chain as well. These taste and quality measurements can even determine whether or not shipments can go ahead (or not).

That property of coffee comes with, among other things, pricing specifics such as SAS (Sale on Approved Sample or Subject to Approved Sample), where the contract is based on the buyer's approval of the sample.

Coffee samples are often randomly selected by blending contents of say 10 percent of the bags into one large quantity, send to the buyer to grade. Additionally, there's also the options of NANS or 'no approval, no sale', and Replace / No Replace, which specifies whether the buyer is agreeing to a new pre-shipment sample to be offered in place of the rejected sample.

2.5 Pricing of market differentials

The price specific to origin and quality of any product is not always the same; it may be higher or lower. For instance, there are country premiums on top of the commercial market price for any grade of arabica coffee. There are premiums for countries and regions, but for specialty coffees too. The premium (or discount) of the physical product, the differential, represents the value the market attaches to the product, plus or minus, depending on price/quality. Now that's a given for several commodities, including coffee.

There is a difference when we're talking about the pricing of these premiums though: when calculating premiums for sugar and cocoa, you use dollars per ton. When calculating premiums for coffee, you use cents per pound. That minor yet important difference is accounted for in Agiblocks.

2.6 Certification

In the coffee chain, increasing attention is being paid to sustainability. This is reflected, among other things, in the sustainability of the production conditions of the coffee farmers themselves. UTZ is a certification program for sustainable production of, among other commodities, coffee, tea and cocoa.

UTZ certification shows consumers that products have been sourced, from farm to shop shelf, in a sustainable manner. To become certified, all UTZ suppliers have to follow our Code of Conduct, which offers expert guidance on better farming methods, working conditions and care for nature. This in turn leads to better production, a better environment and a better life for everyone.

Now, say you are in the business of selling coffee to local vendors, and you have just sold a shipment of UTZ certified beans. Your buyer wishes to receive that shipment as soon as possible, but transport from Colombia is still several weeks out.

Meanwhile, your storage facility has the right volume in stock, but that particular batch comes from elsewhere and has no UTZ certification. The system allows you to exchange certification within your own product balance, provided you don't sell more uncertified stock than you buy. Agiblocks has the tools to set up that exchange in your CTRM software.

Mind you, these are just a few of the specific issues around coffee trading that are often either not supported in a generic CTRM solution, or may require some form of work-around to handle. And those work-arounds don't come easily. Because some of these aforementioned factors may seem like small areas of functionality, to add them to an existing CTRM is a major undertaking as that the functionality needs to work across the system. For example, in position management reporting, for hedging purposes where traders need to hedge small quantities of commodities individually; both currencies and terminal markets, where it impacts pricing, price formulae and so on.



3 COCOA

Cocoa was first consumed by the Olmecs, an ancient civilization in Mexico, around 1500 B.C. They realized the cocoa fruit was edible by observing rats eating the fruit. In the early stages the cocoa was crushed and mixed with water and spices and consumed as a beverage. The Mayans and Aztecs quickly adopted the cocoa beverage and also developed effective methods of cultivating cocoa beans. Interestingly, they also used the beans also as a measuring unit and as a form of currency. When the Spanish discoverers first tasted cocoa, they were immediately interested in this new beverage and transported it back to Europe, where it became highly popular in the 17th century.

Cocoa beans are the dried and fermented seeds of *Theobroma cacao*. Processing cocoa beans delivers cocoa powder and cocoa butter, which are both ingredients for chocolate.

To find out more about cocoa and the factors that attribute to the complexity of its trade, such as production and processing, transport and application, head over to agiboo.com to find our more exhaustive background in our online Knowledge Center. Just click on Knowledge in the navigation bar at the top of our website. For the purpose of this whitepaper, we'll focus on complexities that set these commodities apart from all others. Cocoa trading has a number of very specific aspects to it that not every CTRM solution will be able to handle with ease, or even at all. We will walk you through some of them, as Agiboo has made it its mission to handle all of them – with Agiblocks.

3.1 The currency situation

One of the major specifics of cocoa, and possibly the biggest factor that sets cocoa apart from other commodities in terms of pricing and administrative implications, is the fact that trading of cocoa takes place on two exchanges: New York Mercantile Exchange (NYMEX) and the Intercontinental Exchange (ICE) in London.

The prices in London are based on cocoa from Africa, while New York bases its prices on the South-Asian market – which plays an important part on pricing in general: NYMEX uses dollars, ICE is based on pound sterling.

Obviously, your Agiblocks software is equipped to handle that duality.

3.2 Other pricing factors

In general, weather conditions are always a critical factor in agricultural commodities and cocoa is no exception. Cocoa production requires very specific weather conditions, both in temperature and rainfall. The global warming can have far-reaching consequences for cocoa farmers and the overall supply of cocoa.

Political unrest can play a significant role in the price stability of cocoa as well. Major producing countries are Ivory Coast, Ghana and Indonesia, where political unrest is not uncommon. This uncertainty about developing political changes and unrest can have a major impact on the prices and also the supply. That of course applies to any number of commodities, but as far as cocoa goes specifically, there is one important factor here: Ivory Coast and Ghana together are responsible for 60 to 70 percent of global production of cocoa beans.

If either – or worse, both – of them close their borders for whatever reason, it would have a major impact on the industry as a whole.

Moreover, in terms of pricing, the oligopolic position of these countries has resulted in price fixing. The Ghana Cocoa Board is a Ghanaian government-controlled institution that fixes the buying price for cocoa in Ghana, while the GUCE in Ivory Coast does the same.

The option model specific to these pricing agreements can be found in Agiblocks.

Another specific political factor is child labor, which was found to be common on cocoa farms in Africa.

With increased inspections on eliminating child labor and establishing proper wages, the productions costs for cocoa will increase, which will consequently influence the eventual price of cocoa.

The living standards in countries such as China and India are steadily increasing, resulting in a rising demand for products that were previously considered a luxury such as chocolate. These enormous populations require a huge increase in cocoa production in order to meet the demand for chocolate. There is a small number of leading companies active in the chocolate producing industry. Due to this limited number of companies, a change in demand from one of these companies can have a great impact on the prices of cocoa.



3.3 Logistics: hedge ratios

Agiblocks isn't limited to a single particular commodity, as it focuses on a group of commodities that it has extensive experience with trading – including our four specialized commodities (cocoa, coffee, sugar and grains). For each of these commodities the business logic and processes needed to manage it effectively are embedded in Agiblocks and its modular design allows more commodities to be added whenever needed.

What this means is that it includes specific functionality for specific commodities that are often missing from more general legacy CTRMs including. Turning our attention back to cocoa, this means for instance that ratio hedging is supported.

Cocoa beans are generally transported in jute bags by sea container, of which the inside of the container is completely wrapped in insulating material, thus creating the ideal climate. However, there is no universally agreed upon size for these bags. Ghana and Cameroon ship 60kg bags, whereas Costa Rica uses 55kg bags.



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so you can leave your pocket
calculator out of the equation.**

On top of that, the cocoa commodity has a specific trading logic of its own, being traded on multiple exchanges in multiple currencies while the physical commodity has very specific attributes such as bean size, infestation, certification, and so on. One very important aspect is the changes in weight before and after transport; how do you load exactly 20 metric tons of cocoa beans?

Well, you don't. Moreover, the weight tends to diminish marginally as cocoa beans can dry out during transport. For this reason, there is the concept of tolerance and franchise. Also: invoicing in your Agiblocks software can also be adjusted to reflect real-world differences in weight bought and received, just as easily!

3.4 Product properties

Over time, a number of cocoa-specific product properties have emerged that need to be ‘understood’ by the CTRM. As a corollary, the system needs to be adaptive to the complex landscape of the industry, which has a very rich history and heritage as well as a quintessentially dynamic future. Any software solution should reflect that by being able to adapt to new developments and conditions. While many things have changed over the years, Agiblocks is unique in the continuous processing of all those variables.

However, there is an aspect of cocoa beans that is very much a given, and that is the fact that the chocolate industry also consumes semi-finished products, which are derived from the cocoa beans, such as cocoa powder, cocoa butter, cakes and cocoa liqueurs. These semi-finished products usually are traded, priced and/or hedged based on ratios versus the original cocoa bean.

3.5 Certification

This is reflected, among other things, in the sustainability of the production conditions of the cocoa farmers themselves. UTZ is a certification program for sustainable farming of, among others, cocoa.

UTZ certification shows consumers that products have been sourced, from farm to shop shelf, in a sustainable manner. To become certified, all UTZ suppliers have to follow our Code of Conduct, which offers expert guidance on better farming methods, working conditions and care for nature. This in turn leads to better production, a better environment and a better life for everyone.

Now, say you are in the business of selling cocoa to chocolate producers, and you have just sold a shipment of UTZ certified beans.



**In the cocoa chain, increasing
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Your buyer wishes to receive that shipment as soon as possible, but transport from Ghana is still several weeks out. Meanwhile, your storage facility has the right volume in stock, but that particular batch comes from elsewhere and has no UTZ certification. The system allows you to exchange certification within your own product balance, provided you don't sell more uncertified stock than you buy. Agiblocks has the tools to set up that exchange in your CTRM software.

Mind you, these are just a few of the specific issues around cocoa trading that are often either not supported in a generic CTRM solution, or may require some form of workaround to handle. And those work-arounds don't come easily. Because some of these aforementioned factors may seem like small areas of functionality, to add them to an existing CTRM is a major undertaking as that the functionality needs to work across the system. For example, in position management reporting, for hedging purposes where traders need to hedge small quantities of commodities individually; both currencies and terminal markets, where it impacts pricing, price formulae and so on.





4 GRAINS

Grain is the collective term used to describe edible seeds harvested for human and animal consumption. Various grain types are an integral part of diets across the world which causes an increasing demand and volatility for these commodities. As grain is a collective term that is used for anything from wheat to barley and rice, it is essential to work in a CTRM system that supports all the various specifics.

To find out more about grains and the factors that attribute to the complexity of its trade, such as the various types from wheat to corn, barley and rice, head over to agiboo.com to find our more exhaustive background in our online Knowledge Center. Just click on Knowledge in the navigation bar at the top of our website.

For the purpose of this whitepaper, we'll focus on complexities that set these commodities apart from all others.

First and foremost: Grain is an umbrella term for everything from wheat to corn, barley and even rice, as previously discussed. In addition, oilseeds are often raked into the mix too. That divisibility makes it a very complex commodity. That means we're obviously dealing with multiple market prices for all these variations, but more than that there's a multitude of differentiating factors within one overall commodity that needs to be addressed, ranging from quality factors in wheat and the various uses for corn to all available varieties of rice, for instance. All of that needs to be covered in the software you use to collect and trade all of your contracts. All of it is, of course – in Agiblocks.

4.1 Logistics: storage

Grain is stored in huge silos that can hold up to 100 tons of product. However, due to the local nature of grains both in terms of production and processing, the contents of a particular silo, no matter the quantity, are usually not sourced from one seller, nor are they intended for one single buyer. That means any silo holds up to N quantities of grain, where company A is responsible for 2 tons, company B holds 5 tons, and so on.

A full silo of corn therefore may look like a rather straightforward deal in terms of trade and traffic (Company A has 100 tons of corn, Company B would like to buy 100 tons of corn), but in reality, it is a complicated mix of stakeholders. Our Agiblocks CTRM software has all the necessary tools to reflect that reality – including Weighbridge Integration to increase efficiency and manage the potentially multi-location architecture of the deal.

4.2 Logistics: transport

Another logistics related issue that sets grains apart from sugar, cocoa and coffee is the fact that grain is very often transported by train. Canada and the countries surrounding the Black Sea, for instance – two important regions for grain – have an entire logistics chain set up in which trains are used in combination with railroad silos.

Bulk shipments are also substantially different, as cocoa for instance is placed in big bags used to fill containers, whereas grain can fill an entire Panamax ship.

These deviating dimensions with respect to commodity logistics are reflected in Agiblocks.



4.3 Exchanges: lots of exchanges

Grain Futures are heavily traded on exchange across the globe. Wheat Futures contracts are being traded on three exchanges in the United States: Chicago Board of Trade (CBOT), Kansas City Board of Trade (KCBT) and Minneapolis Grain Exchange (MGEX). The main exchange for wheat futures contracts is the CBOT.

Corn Futures are also traded on the Chicago Board of Trade (CBOT). Barley Futures are being traded on the Inter Continental Exchange (ICE) Canada.

Similar to wheat and corn futures contracts, the Chicago Board of Trade (CBOT) is the main exchange for trading rough rice futures.

Not only are there many markets and exchanges, but there's also a strong influence of regions on the pricing. For example, Black Sea Grains (/Wheats), grains that grow around the Black Sea, are substantially different from the products of Canada. In other words, there is not only a variety of different types of grain within the overall commodity, the various 'sub commodities' also have very different properties, all affecting the market price.

Furthermore, different regions have different ways of trading.

In Canada, one might do business with a huge GMO farm that supplies all your corn needs, whereas rural areas in Mexico and France are made up of a lot of small farmers, many of which might not even have the capacity for essential elements of trading such as a proper financial administration. In other words, when you source your product from these local producers, you might have to sit down and create the appropriate invoices.

On the other hand, you could have Agiblocks do that for you.

4.4 Differentials and derivatives

Another factor that plays into pricing for grain is the effect quality has, on a level that cannot be compared to cocoa or sugar. That's because the quality of grain is assessed on the basis of a lot more parameters than those other commodities. Uniform moisture contents, high test weight, absence of foreign material, low percentage of discolored, broken and damaged kernels, low breakability, high milling quality – et cetera, et cetera. All the variables have to be accounted for in your software solution when trading grains.

Furthermore, location is a huge part of pricing as well. A ton of wheat could go for 200 dollars, whereas a ton of cocoa might set you back 2000 pounds – making freight a much more important component for grains. Cocoa is, in general, produced to be exported, so it's all sent to ports for shipping. Distribution of grains is much more, pardon the pun, fine-grained: more local cultivation, more local storage, much more local processing.



4.5 The GMO factor

The last variable we'd like to discuss here is the 'GMO factor'. In the coffee and cocoa trade, for instance, quality-control and to a more important degree sustainability of production is reflected in UTZ certifications. In the production of grain, or soy beans, there is an increasing amount of GMO technologies. A GMO, or genetically modified organism, is a plant, animal, microorganism or other organism whose genetic makeup has been modified in a laboratory using genetic engineering or transgenic technology.

Now where not saying that UTZ certification has anything to do with GMO, but on a practical level the GMO factor in grains is something that sets it apart from most other commodities, so it does need to be addressed here. For instance, agricultural commodities produced in North America by means of GMO technologies can't be imported into EU countries just as easily as product from the Black Sea-region can. In other words, this creates another distinctive factor that sets commodities apart from one another.

Note that these are just a few of the specific issues around grain trading that are often either not supported in a generic CTRM solution, or may require some form of work-around to handle. And those workarounds don't come easily. Because some of these aforementioned factors may seem like small areas of functionality, to add them to an existing CTRM is a major undertaking as that the functionality needs to work across the system. For example, in position management reporting, for hedging purposes where traders need to hedge small quantities of commodities individually; both currencies and terminal markets, where it impacts pricing, price formulae and so on.

5. Agiblocks: a specialized solution

Agiblocks is a multi-commodity capable system out of the box. Built on modern technology, it provides functionality for trading physical commodities and their terminal market instruments. It supports contract management, logistics fulfillment, forex and hedging, and it has tools for real-time risk analysis and risk management. It supports both trading management and financial management from the same source of data and within the same application. Its modular structure allows users to implement an end-to-end solution or to select individual functions to implement only the functions that are needed.

While Agiblocks is a strong contender across many commodities, it is extremely strong in terms of meeting the specific requirements of the sugar, coffee, cocoa and grains markets with a number of customers implemented and using the software to support those specific trading businesses.

Agiblocks provides all of the functionalities discussed in the four previous chapters and is the go-to solution for commodity traders.

Experience Agiblocks and judge for yourself

Experience our CTRM software solution for free and get a front-row seat to all the benefits Agiblocks has to offer with our free demo. The full range of Agiblocks functionality is available within the demo environment for your browsing leisure.

Familiarize yourself with the tools and features of our powerful and agile software solution and find out how you can make the daily practices of commodity trade and risk management more efficient.

Fill out the form on agiboo.com/demo and we will get back to you.

REQUEST A **LIVE DEMO** IF YOU ARE:

01

A trader in soft
and/or agricultural
commodities

02

A buyer or importer
of soft and/or
agricultural
commodities (for
instance: a
producer
purchasing raw
materials)

03

A seller of soft
and/or agricultural
commodities

.. or if you are simply interested in our next-generation CTRM solution

Request Demo



About Agiboo

The commodity trade and risk management software Agiblocks incorporates detailed understanding of the specific business and information technology requirements to successfully deploy commodity trading and risk management. Agiblocks is positioned as a 'next generation' CTRM solution for commodity purchasers and traders.

Agiboo has its roots in the commodity trade and is one of the organizations driving commodity knowledge through the industry. People at Agiboo have their background in or did projects in a variety of commodity trading organizations. Products of Agiboo BV have been deployed in more than 20 commodity industry companies, where additional services have been delivered to more than 30 commodity industry organizations.

Senior staff at Agiboo has been exposed to senior management roles in trade, procurement, finance and information management. For its development and delivery processes Agiboo employs senior staff with each individually well over 20 years of experience in software development and delivery. Besides inhouse consultants and developers Agiboo has long standing relations with external software development and implementation consulting companies.

Agiblocks has been developed in one of the latest available software architectures, cloud services based and is designed to be accessible through any browser on any computer or tablet. Due to its design and its technology it offers a unique and intuitive user experience and is very scalable in its implementation. Together this facilitates easy implementations and a low total cost of ownership. Agiblocks can be deployed on a single server on site or made available in the cloud and is offered on perpetual license or on subscription basis. These alternatives make Agiblocks an attractive alternative for any CTRM need in almost any situation. Let's talk solutions.