

## AEA Emu Oil Trade Rules

In the last year the AEA has turned to outside advisers for our industry to be in line with the world market of fats and oils. Dr Frank Orthoefer presented a presentation at our 1999 convention on the important of trade rules. Dr Orthoefer gave a comparison of where AEA Emu oil standards are to where the Fat and Oil industry is. After continues studying of different trade rules, the AEA has formed a starting point on our trade rules.

Trade rules are designed to give the **buyer and seller suggestions** on how to form sales contracts, grade oil for further processing, grade oil for specific purposes, standard quantity of net weights, how to handle changes and taxes of contract specifics, terms of shipment, time of shipments, freight rates, routing, commission or brokerage, arbitration and contingencies. The rules are universal in the trade of different fats and oils. Trade rules are to be reviewed occasional by a review board to insure the rules are up to date with the economy growing times.

AEA has formed three rules to start with. Rule 102 is set up to grade crude Emu oil for further processing. Crude Emu oil needs to meet certain specs. to insure a proper grade after processing. The rule has deviations, for price adjustment of the oil that is off in color and has allow the oil to be bleach to meet a color range.

Rule 103 is designed to defined Emu oil grades for specific purposes. Emu oil has been defined into three different grades, Crude Emu oil, Once Refined Emu Oil and Fully Refined Emu Oil. The grades are defined with different specs. The buyer and seller would decide which grade would fit their application. For example: Crude may be used for soap and industrial applications, Once refined may be used as a topical application and Full refined could be used for pharmaceutical or nutritional supplement grade. Again this rule has taken in account of deviations. The buyer and seller can apply the percentage of deviation to the contract price.

Rule 104 is set up to standardize the unit of weight of Emu oil. The rule gives net weight of five gallon and fifty-five gallon containers.

The rules have been number 102,103 and 104 for a purpose to allow more rules in the future.

By setting up different grades, it has allowed AEA to start an oil certification program.