



Contracts Offered

Open Storage (OS)

Open storage allows you to deliver grain to Heritage Grain Co-op while maintaining ownership. Stored grain may be used for loan collateral. Corn in Open Storage is subject to a shrink and dry down to 14.5% moisture.

- Storage rates for harvest delivery are 18 cents per bushel upon delivery which gets you to January 15th of the next year. A per day rate (\$0.001) is then charged from January 15th until the grain is sold. Old crop grain left in Open Storage after August 31st is subject to a new minimum storage charge.

Delayed Price Contract (PL) (DP)

A Delayed Price Contract, (also known as Price Later (PL)) allows you to move grain without establishing any price. In a DP Contract the title to the grain passes to Heritage Grain Co-op upon delivery. Therefore, you are unable to use DP grain as security collateral for loans. Corn in Delayed Price is subject to a shrink and dry down to 15.0% moisture.

A **state-mandated** contract form must be **signed** and **returned**.

- Delayed Price rates for harvest delivery are 21 cents per bushel upon delivery which gets you through February 1st plus \$0.001 per bushel per day through August 31st of the next year. Old crop grain left in Delayed Price after August 31st is subject to a new minimum storage charge.

Spot Sale

"Spot" grain is a cash sale at the nearby market price. The market price used is our closing bid, for the current delivery period, on the day the grain sale is made. Spot sales may take place for bushels delivered over the scale on the day of delivery or when the bushels are being placed in "hold".

Cash Sale Contract

In a cash sale contract, you contract to sell a specific quantity of grain at the nearby bid (or at the market). Heritage Grain Co-op will communicate the price, quantity, and delivery period in the contract.

Forward Contract

A Forward Contract is used to lock in a price for grain at a future time period. The price, quantity, and delivery period are established in the contract. Any changes to the contract must be agreed upon by both the seller and Heritage Grain Co-op before delivery.



Basis Contract

A basis contract allows the seller to lock in local elevator basis levels for delivery at Heritage Grain Co-op while maintaining the potential for appreciation in the Chicago Board of Trade (or futures market) prices. In a basis contract the quantity, delivery period, and the basis component of the price are established at the time the contract is written. The CBOT price is left open to be established at a later date.

- Basis contracts will be rolled from one futures month to the next if the CBOT price is not set by the Last Trading Day of that contract month. Each roll will include an adjustment to the established basis level by the spread of the nearby month and the next. A fee of \$0.01 per bushel will be placed on each roll of a basis contract as well. While there is no fee to establish a basis contract, it is important to note that adverse outcomes may take place in various market situations.

Hedge-to-Arrive (HTA) Contract

The hedge-to-arrive contract delivery period, quantity, and the futures price are established at the time the contract is written, but the basis level is left to be established at a later date. A date by which the contract must be priced is determined and included in the contract terms when it is written. The contract must have a basis established before the time of delivery.

Minimum Price Contract

A minimum price contract establishes a guaranteed base price to protect you against lower prices while still allowing for appreciation in the futures market. The delivery period, quantity, minimum price, strike price, and premium cost are listed on the contract. Additional gains from these associated bushels will come from the purchase of a futures option by Heritage Grain Co-op. The minimum price is determined by taking the delivery period cash price and subtracting the option premium and a fee of \$0.02 per bushel.

Additional Marketing Strategies

- Heritage Grain Co-op provides additional resources for their patrons. Included in these programs will be opportunity to enroll bushels in average price programs and managed bushel programs through the AgriVisor-Insight program.
- Heritage Grain Co-op also works with several brokers that can provide independent and unbiased expertise and service directly to the farmer.
- Contact Shawn, Stacey, or Cory at (217)874-2392 to learn more about your opportunities.