



Tremont Co-operative Grain Co.

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Tremont Co-operative Average Pricing Program

Our average pricing program for fall 2020 corn and soybean bushels is back again. If you are lacking direction in your marketing bias or don't wish to fall behind on pricing fall bushels, an average pricing program will allow you to market a portion of your expected fall volume over a period of time that incorporates the spring volatility into the summer weather markets that are often the hardest to anticipate and react to. The 2019 average price for corn bushels in the program was \$3.7783, and despite the slower start to the pricing window, as the market added more risk premium due to the weather planting delays, the program finished with several weeks in the \$4.00-plus range. Soybeans showed very little volatility relative to corn and averaged \$8.3833 for the year. But again, we stress the importance of repetitive enrollment in this program to see that over time, this will continue to be good pricing times for you.

The bushels that you commit to the program will be priced over a 12 week period using the closing fall cash bid on Wednesday afternoons. The program will run from mid-April until the end of June, and the bushels will be evenly divided amongst those weeks. We ask that you commit at minimum of 1200 bushels to the program, which works out to 100 bushels per week.

We still hold to our recommendation that typically not more than 20-30% of your anticipated bushels be enrolled in this program. Additionally, consider the following crop year when looking at programs like this, albeit with smaller quantities – oftentimes, the prices for the 2021 crop year will be some of the better priced bushels, especially in a normal to above-average production year.

We are putting a **sign-up date of April 1, 2020** on this, one week before the start of the program. Pricing dates will be as follows:

April 8, 15, 22, 29

May 6, 13, 20, 27

June 3, 10, 17 and 24

The final price of the program will be the average of the 12 weeks and we will mail out a copy of the prices used in calculating the average. Those prices will also be available online and updated weekly. If you have any questions about the process, please don't hesitate to call and we will be happy to help you out.

3 Year Averages for the Program:

corn - \$3.6883

beans - \$9.0500