



2019 Grain Programs Effective 10/22/2019

Cash or Spot Contracts

Producers can lock in the cash price we are offering for any posted delivery period. Currently we have bids out to November 2020. Delivery windows are generally at least 30 days from the start date of the contract unless specified otherwise.

Producers can also deliver grain at any time without a contract in place and it will be placed on a spot contract at the closing bid on the day it is delivered. Grain delivered on a Saturday, Sunday, or market holiday will be priced at the closing bid of the most recent close prior to delivery. Contract overruns will go to the next open contract (within the delivery period) or they are placed on a spot contract.

Free Price Later Program– Effective 10/22/19 – 12/31/19:

We are offering free Price Later for new deliveries through 12/31/19. Starting 01/01/20 there will be a service charge of \$.03 per bushel per month (\$.001 per day) assessed on any unpriced bushels until final price is established. Final price must be established by 07/31/2020.

Price later bushels must be priced at the current spot bid and may not be applied to future contracts.

Sellers must notify one of the grain buyers that you want your grain placed in the Price Later Program before delivering. Our scale operators will not be taking instructions to place grain on price later contracts.

Seller is eligible for an 80% advance on delivered quantities – with the balance of proceeds to be issued upon final settlement.

Basis Contracts

Producers may set their basis for any delivery period within the crop year versus the respective futures month for that time frame.

-Seller can set their futures price at any time before delivery, or may elect to deliver corn and leave the futures open.

-Seller can roll basis one time to the next futures month at the market spread for a 2 cent fee. Rolling a second time will be at buyer's discretion.

- Seller is eligible for an 80% advance on delivered quantities – with the balance of proceeds to be issued upon final settlement.

Futures Fixed / Hedge To-Arrive Contracts

Producers may elect to set futures only for any posted delivery month versus the respective futures month for that time frame (i.e. Jan, Feb, or Mar delivery vs the March Futures).

-Seller may set basis at any time between the date the contract is written and the first day of delivery of the month for which it is written. If basis is not set by the first day of delivery it will be set by NuGen on that day.

-Seller may elect to roll the futures to another futures month (and a new delivery period) 2 times within the crop year Oct-Sep. Seller must notify NuGen of their intention to roll at least 30 days prior to the start date of the initial delivery period. If notice is not given at least 30 days out seller will be obligated to deliver within the initial delivery period. The fee to roll will be 2 cents per bushel the first time. There will be no fee to roll the second time.

Currently there are no initiation fees for futures fixed contracts now – May 2020 delivery. June - July is a 3 cent fee, August – September is a 4.5 cent fee, and October–December 2020 is a 6 cent fee at this time. These fees may change as we approach the respective delivery periods.

Minimum Price Contract

We will now be offering minimum price contracts; which allow you to sell cash grain now and still have the opportunity to participate in futures market increases.

Sellers may contract cash grain for a specified delivery period and then select a futures month and call strike price. NuGen will then buy the call option and deduct the cost of the call and a 3 cent service fee from the cash grain delivered price at a guaranteed minimum price. The guaranteed minimum price is equal to the futures, plus or minus the basis, less the call premium and service charge. At any time prior to the exchange option expiration, you may liquidate the call and receive the remaining premium, or market value, for that call option. The remaining premium value is added to the guaranteed minimum price for the final cash price. If the call expires with no value, the guaranteed minimum price is the maximum cash price achieved.

A minimum price contract allows you to set a satisfactory price with the opportunity to realize unlimited gains for an additional known cost. This contract essentially replaces your long cash grain position with a call option that has a pre-defined cost and unlimited upside potential.

Other Notes

Please give any contract splits or special payment instructions to the admin office at the time of contracting or delivery (for spot loads).

Please note that the scale will not be taking instructions to place grain in our price later program – arrangements need to be made with the admin office before the grain is delivered or it will be spot priced at the closing bid that day.

Tuesdays and Thursdays are our normal payment days for grain delivered prior to those days. We will automatically pay on contracts when they are filled - unless requested otherwise. Checks are generally available by 3:00pm on Tuesdays and Thursdays. If you would like to get a check another day of the week, please let us know by 11:00am on that day and we can usually have one issued by 3:00pm. If you wish to pick up your payment in person, please let us know ahead of time so that it does not get mailed out.

If you are deferring your payment into 2020, let us know before a settlement is issued.

***Please note that these are programs will be subject to change throughout the year.**

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