



Grain Programs

Effective 10/01/2022

Fall Price Later Program– Effective 10/01/2022

There will be no charges assessed on bushels put in the Fall Price Later program through 12/31/2022.

Starting January 1st, 2023 charges will accrue at a rate of 5 cents per bushel per month prorated to the day (.167 cents/day).

Final price must be established by **10/20/2023**.

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

Seller must notify one of the grain buyers that they want their 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 a 70% advance on delivered quantities – with the balance of proceeds to be issued upon final settlement. Grain is subject to buyers pricing if the value of the advance exceeds the value of the underlying contract.

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 October 2024. 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.

Basis Contracts

Seller 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 buyers discretion.

Seller is eligible for a 70% advance on delivered quantities – with the balance of proceeds to be issued upon final settlement. Grain is subject to buyer's pricing if the value of the advance exceeds the value of the underlying contract.

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 the delivery period 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 each time.

Initiation fees for Futures Fixed/Hedge To-Arrive Contracts vary depending on the delivery period. Please talk to one of the grain buyers to confirm what if any initiation fees there are for the period you wish to sell.

Minimum Price Contract

Minimum price contracts 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 per bushel 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.

Accounting

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

During harvest we will not be automatically issuing payments given the large number of deferrals that are already being requested into 2023. Please contact Jill at 605-648-2104 and let her know how you would like your payment processed.

Check requests will be issued Tuesdays and Thursdays for grain delivered prior to those days- per usual. Checks are generally available by 3:00pm. If you wish to pick up your check in person, please let us know ahead of time so that it does not get mailed out. Payments can also be issued via ACH and deposited directly into your account if you want to avoid the paper shuffle.

Grain must be paid out or put on a deferred payment contract within 30 days of delivery per South Dakota regulations. Deferred payments will be sent out on the first business day in January 2023.

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Grain Accounting Contact:

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