Grain Programs and Contract Offerings

FUTURES + BASIS = CASH PRICE

Traditional Contracts

Forward Contract – Establishing both the futures and basis in the same transaction resulting in a cash price on a forward contract for a specified delivery period.

Basis Contract - Setting just the basis portion of the contract price. Bushels can be delivered prior to setting a futures price. Allows producers to take advantage of local basis bids ahead of delivery while creating the possibility of futures appreciation. This contract can be advanced.

Futures Contract (HTA) – Setting the futures price only at the current CBOT board values. Basis must be established prior to physical delivery of bushels. Allows producers to capitalize on CBOT board values ahead of delivery while creating the possibility of optimal basis appreciation.

Delayed Price- Bushels are delivered and no part of the cash price is set. The title of the grain passes on to Kalmbach Feeds. Fees can be associate with this contract.

Averaging Contracts- Commitment of bushels only and then acts like a futures only contract. Each trade day, during the pricing window, the futures are priced on the close at an equal percentage, creating an average price. Basis can be set any time prior to delivery.

Target Offers- A firm offer to sell grain at a specified targeted price. Designates the amount of bushels, the delivery period, and results in a commitment if it hits. Reduces the risk of missing a desired price.

Elevated Contracts

Minimum Price- Creating a floor where, your final price is no less than the floor value established. Allows producers to eliminate the downside risk while creating upside potential.

Value Boost- Adding a premium to your contracted price with the possibility of an addition obligation of a like set of bushels. A call option is typically sold at the value of the producer's choice. Allows producers to enhance a flat price contract while assisting with discipline of future sales.

JSA Select Pricing- A specified number of bushels are enrolled in the program and committed to be delivered during a specified window of time. The experts at John Steward and Associates (JSA) are responsible for establishing the futures price within a specified pricing period. The producer sets the basis any time prior to delivery. Bi-weekly status updates on the pricing are available, and the producer benefits from the 3rd party professional pricers' experience. Fee of 5 cents per bushel.

Structured Tools: Customizable method of marketing to fit your goals, needs, and market bias. Risk management strategies that allow for simplified decision and full disclosure of risks.

Originator – Provides added premium to a contract, contingent on the market staying above a specified knockout level. A possibility of an obligation of a like set of bushels is typical. Call for details

Enhancer – Similar to an originator contract, but differs in the details of the premium and the knockout level. Call for details

Amplifier – Similar to both the originator and enhancer, but differs in that each week bushels are either priced at the premium or canceled. Call for details.

Floor – Creating a floor where, your final price is no less than the floor value established. Prices weekly at the market value, or the floor price. There are no extra decisions to be made and the upside potential is unlimited

Call 419-294-3838 ext.5
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