Price Later Contract

A price later contract passes title of the grain upon application, but allows the producer to price futures and basis at a later date. Storage stops upon application to the contract. No minimum or maximum price is established. **Price later contracts typically have an expiration date and have a charge of X cents per bushel per month. There is no minimum quantity.**

Example – In October producers are looking to raise near record bushels of corn, milo, and soybeans during the fall harvest. AgMark wants to insure adequate storage space at harvest, so determines a need to ship out soybeans at harvest. Rather than force producers to price soybeans as they come into the facility, they implement a price later program. All soybeans that are delivered to an AgMark location are put on price later contracts. Title of the grain passes to AgMark and AgMark ships out the soybeans, making space for the upcoming corn and milo crops. The producers have until May 1st to price the soybeans.