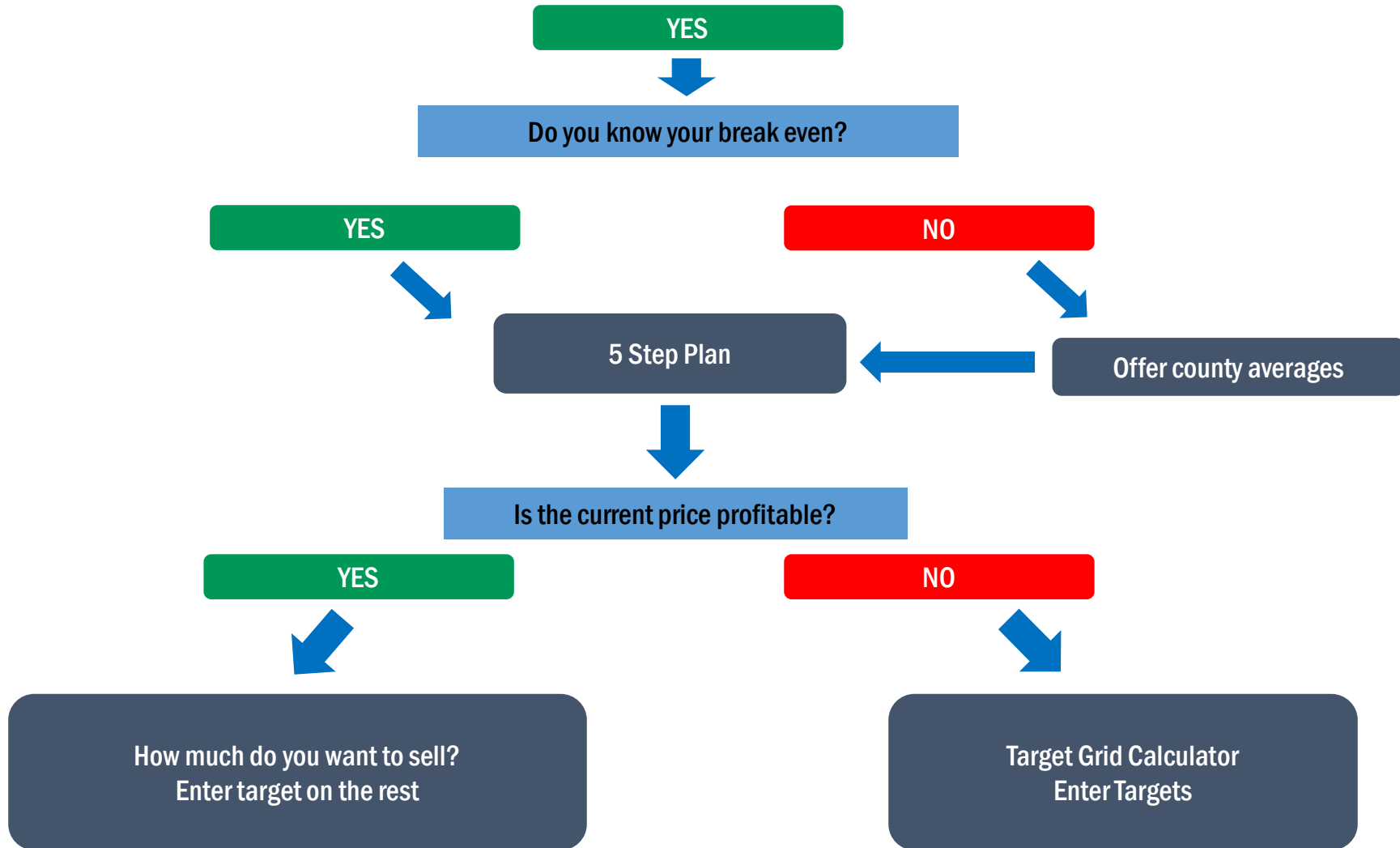


## Pathways for Purchasing Grain

Contract Types	Pros	Cons
Sell at Current Price Forward Contract	<ul style="list-style-type: none"> <li>• FREE</li> <li>• get paid &amp; have use of your cash</li> <li>• removes downside risk</li> <li>• known result</li> <li>• available up to 2 years out</li> </ul>	<ul style="list-style-type: none"> <li>• none</li> <li>• if view is loss of opportunity, see MPC</li> </ul>
Minimum Price Contract (sell and get increase in futures market if one occurs)	<ul style="list-style-type: none"> <li>• establishes floor</li> <li>• removes downside risk</li> <li>• majority of your money is received upfront</li> <li>• have use of money</li> <li>• upside potential</li> </ul>	<ul style="list-style-type: none"> <li>• has an upfront cost which depends on how long they want upside opportunity</li> <li>• more time = more cost</li> </ul>
Extended Price Contract (establishes reference price, producer gets any increase or decrease in the July futures)	<ul style="list-style-type: none"> <li>• can receive advance (\$1.70 corn; \$5.00 soybeans)</li> <li>• upside potential</li> <li>• have use of money</li> <li>• no monthly fee</li> </ul>	<ul style="list-style-type: none"> <li>• 3¢ per bushel cost</li> <li>• unlimited downside risk (without taking advance) or until knockout price is reached (if taking advance)</li> </ul>
Basis Only	<ul style="list-style-type: none"> <li>• upside potential</li> </ul>	<ul style="list-style-type: none"> <li>• unlimited downside risk</li> <li>• direct cost if contract is rolled</li> <li>• affected by spreads if rolled</li> <li>• no use of money</li> </ul>
HTA or Futures Only	<ul style="list-style-type: none"> <li>• upside potential</li> </ul>	<ul style="list-style-type: none"> <li>• unlimited downside risk</li> <li>• upfront cost</li> <li>• additional cost if contract is rolled</li> <li>• no use of money</li> </ul>
Storage or Delayed Price	<ul style="list-style-type: none"> <li>• upside potential</li> </ul>	<ul style="list-style-type: none"> <li>• direct monthly cost taken off final price</li> <li>• no use of money</li> <li>• unlimited downside risk</li> </ul>

Pre-Harvest Talk: *Do you have grain to sell for this crop year?*



Pre-Harvest Talk: *Do you have grain to sell for this crop year?*



At-Harvest Talk: Are you comfortable with NO downside protection?

