

By planning your business using the eleven contracting options, you are making the things that are impossible to control— such as weather, advances in technology, and market trends— work for you.

When you are able to understand each of the pricing methods, you can choose which best suits your situation. You will be able to take full advantage of your financial opportunities and manage your business and its risks by knowing the possibilities and planning accordingly.

This brochure will give you a broad overview of each contract. We suggest that you read it through, mark the contracts that are of interest to you, then discuss them with your POET Grain representative. We will thoroughly explain each contract and the advantages and disadvantages of each one.

You will be **Adding Value to Your Farm** when you know your pricing options, understand them, and choose the best alternative for your business



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Grain Contracts



Spot



Basis



Forward Flat Price



Hedge to Arrive



Flex Hedge



Delayed Price



Minimum Price



Premium Plus



Min. Price Plus



Min / Max



Average Price



Adding value to your farm



Spot Contract

Move Now, Price Now

By delivering and pricing your grain now, you generate immediate cash flow and run no risk of pricing your grain later—in the uncertain future.

Basis Contract

Move Now, Price Basis Now, Fix Futures Later,
OR
Move Later, Price Basis Now, Fix Futures Later

Lock in a favorable basis and leave the futures price open—allowing you to take advantage of a potential rise in the futures. *A cash advance up to 80% on your delivered bushels is available.*

Forward Flat Price

Move Later, Price Basis & Futures Now

Locking in a price and delivery time now not only secures a satisfactory price for your grain but also eliminates both price and basis risk.

Futures Only (HTA)

Move Later, Fix Futures Now
Price Basis Prior to Delivery

The flexibility of delivery allows you to take advantage of basis appreciation. And, by fixing the futures portion of the contract, you eliminate future risk. *There is no money up front required from you. (\$.03 / bu nearby plus a penny forward service fee).*

Flex Hedge Contract

Same as Hedge to Arrive with additional flexibility to delivery to alternate locations. *(\$.05 / bu additional fee if delivery is flexed).*

Delayed Price Contract

Move Now, Price Basis Later, Fix Futures Later

Transferring the title of the grain to the ethanol plant on delivery eliminates storage quality risks as well as the need for on-farm storage. Without setting the basis price or fixing futures at delivery, you are able to take advantage of possible Basis and Board of Trade futures improvements. This contract is not always available or may be available for a fee.

Minimum Price Contract

Move Now or Later at Minimum Flat Price,
Unlimited Futures Potential

By locking in a minimum delivery price, you can take advantage of the potential in Board of Trade futures advances—without risking your guaranteed minimum price. Cash flow may be generated by receiving your minimum price when the grain is delivered. Pays penny for penny above strike price. *No up front cost.*

Premium Plus

Move Now or Later, Price Now at Premium,
Future Offer at Agreed Strike Price

Get a premium on a sale made today in exchange for a firm offer with a set strike price and strike date. Get that little extra out of the market today while starting your marketing plan with an offer. **Secondary obligation required.**

Minimum Price Plus Contract

Move Now or Later at Lower Cost Min Flat Price,
Unlimited Futures Potential, Future Offer at
Agreed Strike Price

This contract is a combination of the Minimum Price and the Premium Plus contracts. Lock in a lower cost minimum price and take advantage of the potential in Board of Trade futures advances. The lower cost is generated by a firm offer with a set strike price and strike date. **Secondary obligation required.**

Min / Max Contract

Move Now or Later, Price Now at Lower Cost
Min Price, Obtain the Value of the Difference
Between the 2 Options

By locking in a minimum delivery price, you can take advantage of the potential in Board of Trade futures advances up to the max.—without risking your guaranteed minimum price.

Average Price Contract

Move Now or Later, Price Basis Prior to Delivery,
Futures Fixed with Averaging a Time Period

Taking some of the frustration out of marketing your grain, the Average Price Contract will average the close during a set time period establishing the futures portion of your contract. Sign up deadlines apply. *(\$.05 / bu service fee).*