



ELITE EDGE (PRO-PRICING)



How It Works

This is an excellent contract to take emotion out of the marketing process. A producer just has to decide on an amount of bushels to enroll into the contract and the rest is done for you. This is a professionally traded strategy that uses multiple market functions to ensure a grower has a differentiated portfolio. The strategy is made up of a computer algorithm, a group of professional brokers, and a group of local professionals. This contract also has the added bonus of protection against total crop failure. In the event of catastrophic crop failure due to drought, hail, or freeze there is an option to get out of the contract. It should be noted, though, that the first bushels harvested will be applied to this contract before all other contracts. Understand this should not be treated as an insurance policy and only total crop failure trigger the clause. This contract comes with a per bushel fee and would be paid out upon delivery to the elevator. *Basis remains open for producer to lock in in the pricing timeframe.*

When To Use

A producer should use this contract to help diversify his market plan. This should not be used for the bulk of a market plan and should be no more than 30% of expected production. This contract helps producers take emotion out of the marketing process and allows them the comfort of knowing the plan is professionally managed and differentiated to protect against one strategy influencing too much of the final price.

Primary Risks

Production Risk- This will be a risk in every contract. Use multi-year average yields to help determine the appropriate amount to forward sell per commodity. This contract has a total crop failure clause to ease some of the production risk. First bushels harvested are applied to the contract. So, this should not be treated as crop insurance.

Missed Opportunity Risk- By enrolling bushels in this contract you eliminate the ability to price at higher levels on the contracted bushels if the markets were to go up after the pricing window.

Basis Risk – By leaving Basis open there is the possibility it weakens and could reduce cash price

Wheat -Enroll by Feb 26th
Futures Set by June 1st
Basis Locked In by June 18th

Corn or Milo-Enroll By April 30th
Futures Set by Oct 1st
Basis Locked In by Nov 19th

Soybeans – Enroll by April 30th
Futures Set by Oct 1st
Basis Locked In by Oct 22nd

**Professionally
priced to remove
emotion out of
trading**

**Limited use - no
more than 30%
of expected
production**

**Basis remains
open for the
producer to lock
in during the
pricing period**

**Fee =
\$0.10/Bushel**

**Minimum
1000 Bushel
Increments**