



HARVEST MAX (HIGH OF THE DAY)



How It Works

This contract, at its core, is an averaging contract but has a unique twist. Producers just have to decide the amount of bushels they wish to enroll into the contract. Those bushels are then divided evenly and marketed during the trading period. Each day, at the end of the session, the divided bushels will be priced. What makes this contract unique is that, rather than pricing the close, we will be giving the producer the HIGH trade of the day. At the end of the pricing period, the producer will be given an average price based on all the daily high trades for the market period. The marketing period will be predetermined based on historical data to decide optimal pricing windows. This contract is only offered for corn and milo and does come with a fee that will be subtracted from the final price. *Basis is left open for the producer to lock in before the final pricing date.* The producer is paid upon delivery to the elevator.

When To Use

This contract best fits into a marketing plan as a way to help diversify the portfolio. Only a portion of the total bushels should be used in this contract, it should not make up the bulk of your marketing plan. Averaging contracts are a great way to capture pricing opportunities from a window of seasonally high pricing. This contract gives the unique opportunity to capture the high price of the day. So, even on a down day you don't have to worry.

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.

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

Corn or Milo

Enroll By April 30th

Futures Set July 09th

Basis Locked In by Nov 19th

Only Available in
Corn & Milo

Producer
receives the
average price of
the high of the
day across a set
number of days

Set days are
during the
historically
highest trading
period of the
season
(May-July)

Fee =
\$0.10/Bushel

Minimum
1000 Bushel
Increments

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