THE EQUITY

GO EDGE PLUS+

A contract to sell grain that establishes sale price above current futures value with the potential of doubling the contracted bushels if the futures prices are above a specified price upon the expiration of the contract.

HOW DOES IT WORK:

The producer agrees to sell a specific quantity of grain for a specific delivery period at a premium to the current market in return for the possible obligation of owing a second, equal amount of bushels if market prices upon expiration are above the Edge Level.

WHEN TO USE:

- GO EDGE prices represent an opportunity to lock in a desired margin level.
- Current prices are high relative to historic levels.
- Price outlook is bearish.
- Market volatility is high.

WHEN TO USE:

- Edge Level – The level where the bushels in the contract are priced.
- Double Up Level –The price level above which contract volume doubles at the expiration of the contract. Typically the same as the Edge Level.
- Expiration Date - The date the contract stops pricing and determines if the Double-Up is in exercised.

ADVANTAGES:

- ***The contract establishes a sale price higher than the current market.***
- ***Price risk eliminated.***
- ***Volatile markets can increase the premium added to current prices.***
- ***No Knock-Out Levels found in traditional Accumulators***
- ***All quantities are guaranteed***

THINGS TO CONSIDER:

- Contract may result in selling two times the initial volume sold.
- Price of the contract, and contingent second unit, may be below the market at the expiration of the contract.
- Prices are fixed. Improvements in the market will not increase contract price.
- In a short production year, second unit may be a larger portion of production than originally planned.

ANTICIPATING ADJUSTMENTS AND BEST PRACTICES

- If the market moves significantly, it may be possible to reopen upside opportunity on the second unit of bushels.

For More Information:
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