

Contract Overview

Use if you believe futures will weaken and basis will improve. Futures price is “locked” in at the time the contract is made. Basis is set prior to grain settlement to determine the final cash price.

Contract Specifics

- 1000 bu increments
- Pricing deadline: 26th of the month prior to the Reference Month
 - Example: Hedge to Arrives vs. March futures will be priced by February 26th
- Service fees will apply

Potential Advantages

- Can be rolled forward to capture market carries
- Protected if futures price declines
- Take advantage of basis gains

Potential Disadvantages

- Cannot participate in futures price increases
- Basis could weaken
- Must stay in the same crop year if rolled and pay a \$0.02 fee