



Cash Plus Contract

The Cash Plus contract provides producers with a premium or a “push” in the price of old crop grain in exchange for a firm offer on an equivalent number of new crop bushels at a specific strike price. This is a great way to enhance old crop bushels while making a new crop bushel offer at beneficial level.

One advantage of this contract is that it can be done for any quantity of bushels; no minimum of bushels required. In addition, the expiration dates in these contracts can be chosen in a manner that allows producers to know their new crop obligations prior to harvest – a critical factor in everyone’s marketing plan.

Cash Plus is one of the CHI COMPASS® family of over-the-counter products from Country Hedging. These products help level out price risk with alternative cash contracts that simplify both decision-making and execution. CHI COMPASS contracts price themselves over a specific period of time and are simply initiated by signing up current bushels.

Learn more at www.countryhedging.com.

For informational purposes only. There is a risk of loss when engaging in these kinds of transactions.



Cash Plus Contract Example

Old Crop Soybean Bid	\$9.50
Futures Contract	November 10 (SX0)
Strike Price	\$11
Expiration Date	August 16
Premium	\$0.66

Potential Results

Old Crop

Old Crop Soybean Bid	\$9.50
Premium	\$0.66
Net Cash Price to Producer	\$10.16

New Crop

If SX0 futures are **at or above \$11** at the close of trade on August 16, futures pricing will occur for new crop soybeans at \$11. This could be a Futures Fixed contract or be the pricing of an existing basis contract.

If SX0 futures are **below \$11** at the close of trade on August 16, no new crop futures pricing is created. The producer keeps the premium received on the old crop bushels.

