



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 levels.

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 Corn Bid		\$6.80
Futures Contract	December 12 (CZ12)	
Strike Price		\$6.80
Expiration Date	October 24, 2012	
Premium		\$0.41

Potential Results

Old Crop

Old Crop Corn Bid	\$6.80
Premium	\$0.41
Net Cash Price to Producer	\$7.21

New Crop

If CZ12 futures are **at or above \$6.80** at the close of trade on October 24, 2012 futures pricing will occur for new crop corn at \$6.80. This could be a Futures Fixed contract or be the pricing of an existing basis contract.

If CZ12 futures are **below \$6.80** at the close of trade on October 24, 2012 no new crop futures pricing is created. The producer keeps the premium received on the old crop bushels.

