

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 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 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 CHS 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.chshedging.com

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On YouTube: CHSHedging Channel



This communication is a solicitation and 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	\$7.36
Futures Contract	December 13 (CZ13)
Strike Price	\$6.60
Expiration Date	October 30, 2013
Premium	\$0.28

Potential Results

Old Crop

Old Crop Corn Bid	\$7.36
Premium	\$0.28
Net Cash Price to Producer	\$7.64

New Crop

If CZ13 futures are **at or above \$6.60** at the close of trade on October 30, 2013, futures pricing will occur for new crop corn at \$6.60. This could be a Futures Fixed contract or be the pricing of an existing basis contract.

If CZ13 futures are **below \$6.60** at the close of trade on October 30, 2013, no new crop futures pricing is created. The producer keeps the premium received on the old crop bushels.



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