



SEASONAL AVERAGE PROGRAM 2020 CROP

How a SEASONAL AVERAGE Contract works:

- The seasonal average contract allows a producer to price a set number of bushels using an average over a set period of time. Your final price will not be the high of the market, but it will eliminate your bushels being sold at the low.
- The pricing period will be January 30 through June 25 for corn (22 weeks) and February 20 through July 16 for beans (22 weeks).
- On noon of each Thursday during the pricing period, a portion of your bushels will be sold versus the December 20 corn futures or November 20 bean futures (an equal portion each trading day).
- Your final price will be the average price of futures sold. Adjustments will be made to the enrollment fee and accounting for the cash basis.
- Cost for the program is 5 cents per bushel.
- Minimum enrollment is 2,500 bushels of corn and 1,000 bushels of beans. Producers are encouraged not to enroll more than 25 percent of expected production.
- The producer will essentially end with an HTA contract when the pricing period has finished.
- Basis can be set any time prior to delivery and MUST be set before the bushels are first delivered.
- Producers will have the opportunity to roll the futures ahead within the same crop year.

Reasons to use a SEASONAL AVERAGE Contract:

Allows for the futures price to be set during a time when the market is gathering information on the growing crop. This timeframe has historically provided producers with some of the best pricing opportunities. The SEASONAL AVERAGE contract helps manage your risk during this volatile time.

Risks of SEASONAL AVERAGE Contracts:

The futures price increase after the contract value is set.

Opportunities of SEASONAL AVERAGE Contracts:

Allows for additional time to take advantage of improvements to the basis.

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Atterberry (217) 632-7307
Bluff Springs (217) 323-2815
Camden (217) 667-2111

Fairview (309) 778-2216
Havana (309) 543-0060
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