



Average Grain Price Programs

Fall 2022 - Fall 2023

POET®



Portfolio Approach

A Portfolio Approach to grain marketing can diversify your marketing efforts.

Any given year can change which marketing approach works best.

Average Price contracts are solid and traditional foundations to a diverse marketing program.

POET Grain Average Price Program

- Select a delivery period to enroll bushels
- Select a pricing period that will determine the average price based on daily CBOT settlements
- Establish basis anytime up to delivery

How it Works

- Number of bushels priced daily will be equal to number of unpriced bushels remaining divided by number of trading days remaining in your pricing period.
- You can always price remaining unpriced bushels at any time.
- You can set the basis any time prior to delivery.



Example

You enter into an Average Price contract to sell 5,000 bushels of corn for November 2023 with a pricing period of Jan 3, 2023 thru Mar 31, 2023, for an investment of 5 cents. The Average Price contract guarantees that your futures price will be the average of the daily close during the pricing period.

**5,000 bushels/62 days
= 81 bushels per day
will be priced during the
pricing period.**



Delivery Period	Oct-Dec 2022 Prog #34	June-July 2023 Prog #35	Oct-Dec 2023 Prog #36	Oct-Dec 2023 Prog #37	Oct-Dec 2023 Prog #38
Futures Month:	May '23	July '23	Dec '23	Dec '23	Dec '23
2023 Pricing Period	Jan 3 to Mar 31	Jan 3 to May 31	Jan 3 to June 30	April 17 to July 15	June 1 to Aug 31
Fee Per Bushel	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
Sign Up Deadline:	Dec 16, 2022	Dec 16, 2022	Dec 16, 2022	April 12, 2023	May 26, 2023

*Basis must be set prior to delivery for all Average Price Contracts at locations posted bid.

**Program details subject to change

Scenarios

Scenario #1: The Average daily futures settlement for the period was \$4.00.

\$5.00 Average Settlement Price
 -\$.05 Avg Price Contract Fee
-\$1.10 Basis (Varies by location)

\$4.85 Cash Price

Scenario #2: Midway thru the pricing period CBOT Futures have rallied 30 cents higher. You decide to price the remainder of the un-priced bushels on the Average Price contract. The average price up to that date is \$4.90 on 2,500 bushels that have been priced so far. The remaining 2,500 bushels are priced at an average of \$5.20 making the new average price on the entire 5,000 bushels \$5.05.

\$5.05 Average Settlement Price
 -\$.05 Avg Price Contract Fee
-\$1.10 Basis (Varies by location)

\$4.90 Cash Price

