

Guardian Lima's Grain Contracting Options

- **Cash (Spot)** – One of the most commonly used contract options. Through this type of sale the producer receives the posted closing price at the end of the day the delivery has been made. No arrangements need to be made prior to delivery once an account has been setup. The producer can choose to receive payment for their grain during the weekly settlement run or defer the payment until a later date.
- **Forward Delivery Contract** – The Forward Delivery Contract allows the producer to lock in Guardian Lima's deferred cash grain price. This contract locks in both futures and basis components along with a specified delivery period. This contract is preferred by producers who want to lock in a price for delivery at a later date.
- **Futures Only (Hedge-to-Arrive)** – The Futures Only Contract is priced in two distinct steps. The initial contract establishes the bushel amount (5,000 bushel minimum), the delivery period and the futures price. The second step is to lock-in the basis prior to the start of the contracted delivery period. Once the basis has been locked-in the contract becomes a cash contract. Futures Only Contracts can be rolled one time within the same crop year.
- **Basis** – A Basis Contract, like the Futures Only Contract, is priced in two distinct steps. The initial contract establishes the bushel amount (5,000 bushel minimum), the delivery period and the "basis" relative to a particular futures options month. This allows the seller to partially lock in a future delivery price. The second component of a Basis Contract, the futures price, must be locked-in prior to the start of the contracted delivery period. The "basis" is the difference between the cash price and the futures price on the CBOT.
- **Price Later (Delayed Price)** – The Price Later Contract, also known as Delayed Pricing, allows producers to haul in their grain today with the flexibility to price their corn over an extended period of time. Price Later is an un-priced contract where the producer delivers their corn to Guardian Lima and has until a later date to establish the final flat price. A service charge may apply. Title of the grain passes to Guardian Lima upon delivery. A signed Ohio Department of Ag Delayed Price Agreement form must be signed within 15 days of first delivery or grain left un-priced will be priced prior to market close.