

# Seasonal Averaging Contract

## Take Back Control

The majority of grain is marketed at the bottom third of the market. AgState's Seasonal Averaging Contract is a risk management tool that averages sales during traditional seasonal highs of the marketing year.

#### When to utilize:

The first consideration when marketing grain should be what market average you would like to achieve. The Seasonal Averaging Contract allows you to sell equal amount of bushels every day, at the close of market, during a specific time frame.

#### What are the advantages:

- Prices during a timeframe that is traditionally in the top 1/3 of prices
- Minimal investment
- Guarantees the average futures price
- Creates a plan that removes stress and risk

#### **Additional features:**

- Flexibility to establish your basis prior to delivery
- Detailed averaging reports available

Establishing a diversified marketing plan, that includes Seasonal Averaging Contracts, helps to take the worry and risk out of unknown markets while providing a stable ROI.

# Diversified Marketing Plan Seasonal Averaging Contract

## **Enroll Today**

# Seasonal Averaging Enrollment

Producers Name:	Account #:
Гotal Bushels to Enroll:	Date:
Corn Bushels:	Favallad by
Rean Rushels:	Enrolled by:

# **OUR GRAIN ORIGINATORS**

YOUR TRUSTED PARTNERS IN RISK MANAGEMENT





WEST REGION



(563) 590-1875

# Seasonal Averaging Contract

#### The Formula:

December corn futures is trading at \$4.7475 on April 1, you enter into a Seasonal Averaging Contract to sell 10,000 bushels of corn. The start date is April 1st to June 15th for the averaging period with an investment of 5 cents. The Seasonal Averaging Contract guarantees that your futures level for the contracted bushels will be the average of the daily close of Decembers futures during the averaging period. You can set the basis level at anytime prior to September 30th.

See below examples on how this would have worked last year vs. selling in the fall.

#### #1 - Seasonal Averaging Contract

The average futures level for April 1st, 2024 to June 15 2024 was \$4.75 CZ24

\$4.75 Seasonal Averaging Contract

-0.05 Investment

-0.20 (under) Your established basis

\$4.50 is your final contract price

### #2 - No Forward Contracting, Selling in October 2024

The average Oct. price for December futures was \$4.16 CZ24

\$4.16 Fall Futures

-0.20 (under) Your established basis

\$3.96 cash is your final contract price

## \$0.54 Gain by participating in a Seasonal Averaging Contract

