



AgriBusiness

www.perdueagribusiness.com

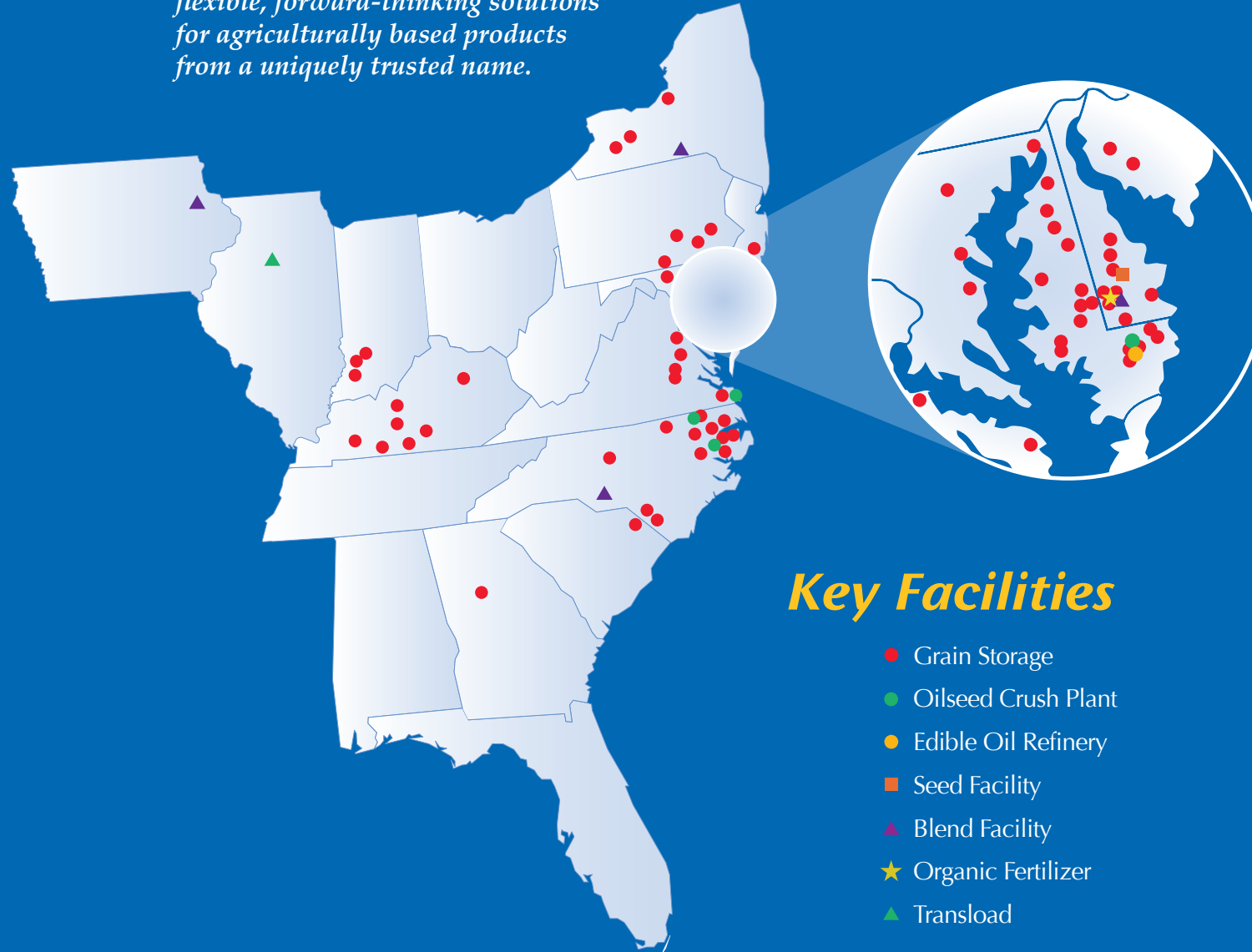
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or call us at:

Delmarva	866.816.7946
Indiana	800.654.6972
Kentucky	800.598.3661
New York	877.796.2999
North Carolina	252.943.3061
Virginia	800.650.4389
Norfolk	800.331.2879

Our Customer Promise

Helping customers prosper with flexible, forward-thinking solutions for agriculturally based products from a uniquely trusted name.



Key Facilities

- Grain Storage
- Oilseed Crush Plant
- Edible Oil Refinery
- Seed Facility
- ▲ Blend Facility
- ★ Organic Fertilizer
- ▲ Transload



AgriBusiness

Grain Marketing Programs

Grain Marketing Programs

Perdue AgriBusiness offers several marketing programs for your corn, soybeans, wheat, barley and milo

1. If your market outlook is **rising futures** prices with a **weakening basis**, then consider these grain marketing programs:

BASIS CONTRACT

- Basis is established. Chicago Board of Trade (CBOT) price is not established.
- Grain delivery period is established at the time of contract.
- Contract must be priced or rolled by the next to the last business day of the month prior to the expiration month of the underlying futures month.
- Basis contracts must be priced before the end of the crop year the grain was delivered.
- An advance is available at 80% of the value of the grain at time of request. No interest will be due on this advance.
- If an advance is taken, the seller's advance must not exceed 95% of the total contract value. If this occurs, **Perdue AgriBusiness** will request return of some of the advance.

3. If your market outlook is **falling futures** prices with a **weakening basis**, then consider these grain marketing programs:

SPOT or CASH CONTRACT

- The price is the daily posted price at the elevator. It is calculated by using the nearby delivery period elevator basis and the corresponding CBOT close of the prior day.
- Elevators post different spot price hours.
- Customers can defer payment on this contract.

FLAT PRICE CONTRACT

- This is a forward priced contract on deferred delivery months.
- Factors used to determine the flat price are:
 - Delivery location
 - Delivery period
 - Basis
 - Level at which the corresponding CBOT option month is trading

MINIMUM PRICED CONTRACT

- Customer receives a guaranteed minimum price, payable upon delivery.
- Contract amounts must be in 5,000 bushel increments (minimum 5,000 bushels).
- Call options are bought and maintained at cost plus 1¢ per bushel to guarantee minimum price.
- Contract must be priced or rolled by the 15th of the month prior to the option month, i.e. if using a December Call option, the contract must be priced by November 15th.
- Customer must determine the strike price, option month and how much they are willing to pay for the option.
- Basis will be fixed at the time of the contract.
- Minimum price is calculated as follows:
$$\text{CBOT} \pm \text{Basis} = \text{Cash Price}$$
$$\text{Cash Price} - \text{Call Option Price} - 1\text{¢ service fee} = \text{Minimum Price}$$

- Customers can defer payment on this contract.
- Customer is not eligible for an advance.
- Grain must be delivered during the time specified on the contract—not earlier or later unless agreed to by both parties and the contract is amended.

SEASONAL AVERAGE CONTRACT (for corn or soybeans)

- Seasonal average price is calculated as average of the CBOT corn or soybean closes over a designated period.
- Price is for a deferred delivery period, e.g. harvest or January-March.
- Basis must be established when contract is written.
- There is no minimum delivery requirement, but an amount must be specified.
- Harvest delivery contracts will be hedged on December futures; the January-March delivery contracts will be hedged on March futures.



Each year, Perdue AgriBusiness handles in excess of 300 million bushels of corn, soybeans, wheat, barley and milo utilizing storage space at more than 70 locations. There's a Perdue grain elevator near you, and we want your grain!

- A contract can be priced any time during CBOT trading hours and prior to expiration of the option. The customer is entitled to the full value of the call option premium. If the option premium is priced prior to physical delivery of the commodity, another option can be purchased with a later expiration therefore, establishing a new minimum contract price.
- If minimum price is not exercised by expiration, the entire value of the option will be credited to the seller and the price will be adjusted and automatically mailed to the seller. If, at expiration, the option is worthless, the previously settled contract will be closed and no further checks will be issued.

2. If your market outlook is **rising futures** prices with a **strengthening basis**, then consider these grain marketing programs:

NO PRICE ESTABLISHED (NPE)

- Price is based upon the nearby bid at the time of sale during Chicago Board of Trade (CBOT) trading hours. Must be priced by a date prior to next harvest.
- Ownership transfers to **Perdue AgriBusiness** at time of delivery. The customer reserves the right to price.
- There is a free period to the farmer during harvest to determine to enroll or price with no per bushel charge.
- Space per customer is unlimited as long as available.
- Charges are established prior to harvest based upon carry and perceived basis appreciation.
- Rates will generally be cheaper than storage as **Perdue AgriBusiness** will have ownership.
- Mostly a harvest time program, but rates will vary outside of harvest to reflect market conditions.

4. If your market outlook is **falling futures** prices with a **strengthening basis**, then consider this grain marketing program:

HEDGE TO ARRIVE CONTRACT

- CBOT price is established but basis is open.
- Basis must be established prior to the first day of contract delivery period.
- Grain delivery period is established at the time of contract.
- Charges are due when grain is delivered.

