Grain Contracts

We offer a significant array of cash grain contracting alternatives as listed below. Contact any of our locations and /or grain buyers to assist you with your marketing plan.
Please note these contract types can be used for bushels delivered to the elevator or via direct ship (direct ship allows the farmer to sell through Farm City to any local market such as but not limited to local ethanol and local feeders).

Farm City Elevator's Grain Contracting Alternatives:

Cash (Spot) - Probably the most commonly used contract. Through this type of sale a producer receives the spot price at the time of delivery. No arrangements need to be made prior to delivery. The producer can choose to receive payment for their grain immediately or they may defer the payment until a later date.

Forward Delivery Contract - The Forward Delivery Contract allows the producer to lock in an elevator's deferred cash grain price. It locks in both futures and basis and setting the delivery period. This contract is preferred by many producers to establish a new crop selling price.

Basis - A Basis Contract is priced in two distinct steps. The initial contract specifies the bushel amount, the delivery period and the "basis" relative to a particular futures option month. This contract allows the seller to partially lock in a future delivery price. The part of the price that is fixed is the basis. The "Basis" is the difference between the cash price and the futures on the CBOT. The futures price is to be set at a future date. Delivery of grain can be made without pricing the CBOT futures price.

Price Later (or Delayed Price) - The Priced Later Contract, also called Delayed Price, or No Price Established, allows a high degree of price flexibility for an extended period of time. Price Later is an un-priced contract whereby you deliver the grain and have until a later date to establish the final flat price. A service charge may apply. Also, title of the grain passes upon delivery to the elevator.

Hedge-to-Arrive (or HTA, Futures Only) - The Futures Only Contract, like the basis contract, is priced in two distinct steps. The initial contract establishes the bushel amount, the delivery period and the futures price. The basis then must be locked-in prior to delivery. Once the basis has been locked-in, the contract becomes a cash contract.

Minimum Price - Minimum Priced Contracts are a very safe opportunity for the producer to participate in market movement for further profit. The producer should use this when anticipating a favorable market move which will enhance his base price while protecting a minimum price should that move not materialize.

Min/Max Price - Similar to a Minimum Price Contract, a Min/Max Contract allows you to sell your grain with a better minimum price in exchange for a known limit of upside potential. These contracts should be used when you think the prices are expected to be in a narrow range, yet trend higher over a period of time before the final pricing deadline. Should the price be lower than the minimum, then you receive that price.