



TARGET AVERAGING

A twist on the traditional averaging contract, the Target Averaging contract only prices futures on days that the market is at or above a Target Price that you designate. When the average futures price is finalized, bushels may be delivered to the destination of your choice.

HOW IT WORKS:

1.) Commit to a bushel amount. Tell us how many bushels you would like to enroll in the Target Averaging program. You can enroll in old crop and/or new crop pricing periods, just be sure to sign up prior to the enrollment deadline.

2.) Designate a target price. The Target Price does not lock in a price, but it represents the minimum futures price at which you are willing to make sales. For example, you might select a Target Price that represents your break-even price to ensure that you are only averaging on days when prices are above your cost of production.

3.) Let the averaging begin! Each day the futures market settles **above** your Target Price, a few bushels are sold at that day's settlement price. Each day the futures market settles **below** your Target Price, no bushels are sold, but they are put on hold and accumulated until the market returns to the Target Price. If the market never reaches the Target Price, then the bushels remain unsold.

Please note: Depending on the Target Price you select and market action, there is no guarantee that your bushels will get priced.

EXAMPLE

Target Price	\$5.00
Max Bushel Commitment	15,000
Trading Days in Pricing Period	150
Bushels Per Trading Day	100

ENROLLMENT

	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Continues Until Day 150
Settlement Price	\$5.02	\$4.97	\$4.96	\$4.98	\$5.00	\$5.09	\$5.12	\$5.10	
Bushels Priced	100	0	0	0	400	100	100	100	

Program	Fee (cents/bu)	Enrollment	Averaging Period	Futures Contract
Old Crop 2021	4	By December 31, 2021	Jan. 1, 2022 - Jun. 30, 2022	Jul. '22 Corn/Jul. '22 Beans
New Crop 2022	6	By December 31, 2021	Jan. 1, 2022 - Aug. 31, 2022	Dec. '22 Corn/Nov. '22 Beans
New Crop 2023	8	By December 31, 2021	Jan. 1, 2022 - Aug. 31, 2023	Dec. '23 Corn/Nov. '23 Beans

Call to contract grain with the Target Averaging Program!

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