

Bonus Target

Receive a premium on old crop bushels

VITERRA



Market next year's crop while adding a premium to old crop

What is it?

The Bonus Target contract is a commitment to sell a specified quantity of grain at the local cash price, plus a bonus to be paid at the time of settlement.

How it works

Bonus Target contract allows a producer to sell a specified quantity of grain at a set cash price, generating a bonus to be paid at the time of cash settlement. The bonus is determined by your choice of target futures price and target expiration date. Futures price on the second quantity will be at, but not higher than, the target futures price selected, if equal to or above that target price at expiration.

- If futures settle at or above the target futures price on the date of expiration, the bushels are priced at the target price with basis to be established separately with your local merchandiser.
- If futures settle below the target futures price on the date of expiration, you keep the bonus applied to the original sale and are not required to deliver the contingent bushels of new crop against this contract. You can then choose to market these bushels however you see fit.

What are the advantages?

- Receive a premium on delivered bushels
- Allows you to set a target price
- Potential to market a portion of new bushels

What should you know?

- This contract is offered for corn, soybeans, and wheat futures.
- Grain under this contract is delivered to Viterro only if the futures price on the expiration date is equal to or above the target futures price.

While the contract described herein provides a marketing option available through Viterro, no contract or marketing program can remove all risk from your grain marketing decisions. Historical results are not a guarantee of future returns, and Viterro does not represent the historical information provided is without omissions or errors, although it strives to avoid them. You should use this information only as you believe will best assist you with your grain marketing needs.