

CHI Cash Plus Contract

One in the CHS Hedging CHI Compass family of contracts



Get paid today for an offer to sell grain in the future at a price you're happy with

CHI Cash Plus is a marketing tool that allows you to collect a premium on your personally customized firm offer.

Who is it for and when is it used?

The Cash Plus contract can be used anytime during the marketing year and is for producers that would be glad to price production above the current market, collect a premium and keep a percentage of their crop unsold until the firm offer date.

What are the advantages and benefits to the Cash Plus contract?

- Any quantity of bushels with a target price and firm offer date customized to meet your objectives
- Extracts value for a firm offer price you'd be happy to sell at today
- Utilizes production that is currently at market risk anyway

What are the disadvantages to you and your operation?

- No floor on firm offer bushels, bushel are null/void if futures finish below the target on expiration
- Firm offer bushels are capped until expiration at the target price

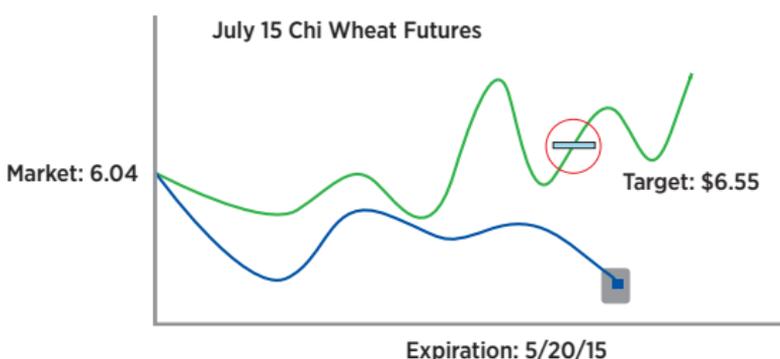
Learn more about the full family of CHI Compass contracts at chshedging.com



This communication is a solicitation and for informational purposes only. There is a risk of loss when engaging in these kinds of transactions.

How does it work?

A producer contracts bushels for either spot or forward delivery and is paid a cash price “plus” a premium on the cash sale for a firm offer to sell additional production at a specific target price on a specific date.



Sell Cash	\$5.60
Cash Plus Addition	\$0.26
Your New Price	\$5.86

Above on Expiration:	Bushels Hit at Target Price
Below on Expiration:	No Obligation

Example: The selected Cash Plus contract pays you 26 cents per bushel on wheat you are selling to the elevator today (\$5.60 cash bid) in exchange for a firm offer to sell a like quantity of bushels at the target price of \$6.55 if July 15 futures are \$6.55 or greater on 5/20/15.

Scenario 1

In the pricing scenario defined by the green line, you receive a 24-cent premium on top of the \$5.60 cash bid for a total of \$5.86 per bushel. Futures settle at \$7.00 (above the \$6.55 target price) on 5/20/15 resulting in a futures only contract at \$6.55.

Scenario 2

In the pricing scenario defined by the blue line, you receive a 24-cent premium on top of the \$5.60 cash bid for a total of \$5.86 per bushel. Futures settle at \$6.00 (below the \$6.55 target price) on 5/20/15 and the firm offer bushels are null/void.



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