

# CHI Price Builder Bonus Contract

One in the CHS Hedging CHI Compass family of contracts



## Make the most of your unsold bushels with the opportunity to price above the market

CHI Price Builder Bonus is a marketing tool that prices equal allotments daily at a price above current market levels. If futures hit the knockout price the contract ends. If the futures market is at or above the target price on expiration your bushel obligation doubles.

### Who is it for and when is it used?

The Price Builder Bonus contract can be used at any point in the marketing year and is for producers wanting to leverage their sales to enhance their marketing strategy.

### What are the advantages and benefits to the Price Builder Bonus contract?

- Any bushel quantity with customizable floor, target, knock-out, and pricing period
- Sells above the current market daily as long as the knock-out level is not traded
- Creates a marketing plan for bushels that would otherwise remain unpriced

### What are the disadvantages to you and your operation?

- Contracted bushels are not guaranteed to be priced
- Contracted bushels can double on expiration

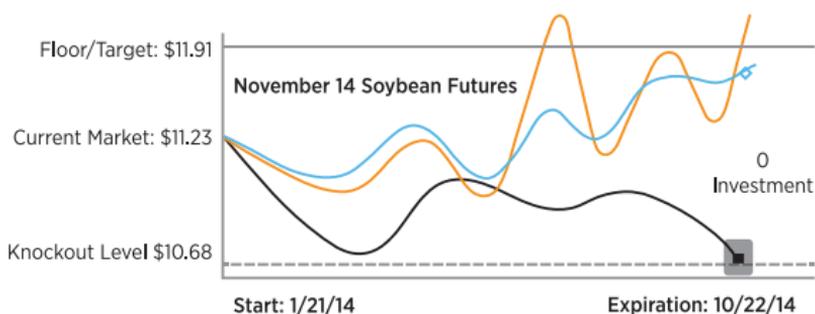
Find out more about the full family of CHI Compass Contracts at [chshedging.com](http://chshedging.com)



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?

Equal allotment of bushels are priced each day at the floor price and up to the target price. (The target may be equal to or above the floor price.) Daily pricing continues until either the contract is filled at expiration or the knock-out price is hit. If the knock-out price is hit, the contract ends (firm offer is null/void). If at expiration futures are above the target level, contracted bushels double at the target price.



	3 Scenarios	1st Set of Bushels	2nd Set of Bushels
	#1:	\$11.91	-----
	#2:	Days before KO are at \$11.91	-----
	#3:	\$11.91	\$11.91

**Example:** The selected Price Builder Bonus contract prices an equal portion of bushels every day at the floor of \$11.91 as long as the knock-out is not traded. The pricing period runs from 1/21-10/22. If the \$10.68 knock-out is traded, the contract ends and firm offer bushels are null/void. If contract trades to expiration and is above the \$11.91 target on 10/22, the bushels double.

### Scenario 1

In the pricing scenario defined by the blue line above, you will have all contracted bushels priced at \$11.91 at expiration on 10/22. Firm offer bushels are null/void.

### Scenario 2

In the pricing scenario defined by the black line above, you will have daily allotments prior to knock-out priced at \$11.91 and remaining bushels are unpriced. Firm offer bushels are null/void.

### Scenario 3

In the pricing scenario defined by the orange line above, you will have all contacted bushels priced at \$11.91 at expiration on 10/22 and because the market is above the \$11.91 target on 10/22 bushels will double.



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