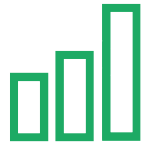


Fixed Futures Contract

Minimize your price risk and wait for the basis to improve.



Get the flexibility to determine a futures price without committing to a basis.

What is it?

A fixed futures contract allows you to fix the futures price on a quantity of grain and leave the basis open.

How does it work?

You sign a contract securing the futures price on a fixed tonnage for a specific delivery month and price the basis portion at a later date.

What are the advantages of a Fixed Futures Contract?

- You have minimized a portion of your price risk by securing the futures.
- Secure futures market strength.
- Secure a delivery period for your product.
- Ability to apply a basis contract against a program being offered for like quality and delivery period.

What should you know?

- The basis values could weaken (i.e. get wider).
- The futures values can improve.
- For program offerings, product must be of like quality quoted in program offering.
- You must lock in a basis value upon the date of first delivery, or if not delivered prior to the "Priced by Date" on the contract.
- This contract is establishing the **futures only** for the commodity and is contracted under base grade (1 Canada, 1CWRS 13.5, etc)

When is it used?

The Fixed Futures Contract is most effective in a carry market when the futures price is high and the basis is weak.