

CWB GRAINFLOW CONTRACT

What is GrainFlow?

The newest of the CWB delivery contracts is the GrainFlo. This contract allows producers to choose when they deliver their milling wheat or durum without having to wait for CWB calls.

How does it work?

GrainFlo is a delivery system for (CWRS) wheat and (CWAD) durum. The contract has four defined delivery periods to choose from:

- Period 1 November 1 to December 31
- Period 2 January 1 to February 28
- Period 3 March 1 to April 03
- Period 4 May 1 to July 31

The producer will offer the CWB tonnes by grade and protein for the period they choose. Tonnes must be signed up by October 31st. There are limited tonnes in all 4 delivery periods and tonnes are accepted on a first come basis. The CWB agrees to accept 100% of the CWRS offered and will announce the acceptance of CWAD after the contract sign up deadline has passed. Deliveries in periods 2, 3 and 4 will have storage paid. Storage of 1\$ per tonne per month will be paid from November 1st to the day the cash ticket is made or the end of the delivery period (which ever is sooner).

Why should this be used?

The GrainFlo contract gives producers more control over when they deliver their wheat and durum. This contract should be used to help manage bin space. Also like the A,B and C series delivery contracts, the GrainFlo contract can be combined with any of the Producer Payment Options (PPO) for producers that want to manage their cash flow. With the storage payments that the GrainFlo contract provides it may be a great option for the producer who prefers to deliver their wheat and durum later in the crop year.

What should you know?

There is the risk of the wheat or durum going out of condition. The CWB requires the producer to deliver the grade and protein range they signed up. If a different grade or protein class is delivered, the producer could face liquidated damages from the CWB of up to \$25 per tonne. The GrainFlo contract also does not allow deliveries prior to the selected delivery period; so producers can not use this contract to deliver off the combine. For these reasons, it is a good idea to have tonnes also signed up on an A, B or C series contract that allows some flexibility on grade.

Is the GrainFlo contract right for you?

The GrainFlo delivery contract should be considered by producers who want to control their wheat and durum deliveries. It allows the producer to better manage deliveries and cash flow.

For more information on this and other CWB delivery contracts, please visit: <http://www.cwb.ca/public/en/farmers/contracts/>