Minimum Price Contract

Capture the rally while protecting the downside.

VITERRA

Choose a Minimum Price Contract and protect a guaranteed minimum price.

What is it?

A minimum price contract provides the protection of a guaranteed minimum price, a delivery opportunity and cash flow, while allowing you to continue to participate in the market using a put or call option.

How does it work?

- Sign up a grain purchase agreement with Viterra for a specific commodity, grade and delivery period.
- Attach an option to the corresponding tonnes on contract.
- Upon delivery of grain you will receive payment of your minimum price.
- Should the futures market increase in price you can exercise your re price option and would receive an additional payment.

What are the advantages of a Minimum Price Contract?

- You have locked in a minimum price to protect from the futures market moving down while maintaining the opportunity to benefit from higher prices.
- Provides you cash flow by paying the minimum price payment when delivery takes place.
- You can deliver your grain now but still have time in the marketplace to establish a final price.
- It removes stress and risk from volatile futures markets.

What should you know?

- An option can only be re-priced once, so having a marketing plan and a futures target is beneficial to your decision.
- Your Viterra Representative can help you monitor your re-pricing goals and provide you with updates.
- There is a cost for minimum price contracts but premiums are deducted from the contract price and do not require up-front payment.
- You may face foreign exchange exposure on your additional payment for US exchanges.