Fixed Price Contract

Lock in the futures price and delivery period for your grain.

VITERRA

Establish a fixed price and period for future grain deliveries.

What is it?

A Fixed Price Contract, also known as a Deferred Delivery Contract (DDC), locks in the futures and basis portion of your contract, providing you with a fixed price and delivery period for your future grain deliveries.

How does it work?

You contract a specific quantity and quality of grain or oilseeds for future delivery at a fixed price. Upon delivery of the contracted commodity, payment can be issued.

What are the advantages of a Fixed Price Contract?

- Provides you with the opportunity to establish a fixed priced and delivery period for your grain.
- You can lock in a price for a specific grade and protein.
- Eliminates the risk of a declining futures market.
- Reserves space for future deliveries.
- Helps you manage cash flow requirements.

What should you know?

- The net price of your Fixed Price Contract may not cover the cost of storing your grain.
- Futures prices and/or basis levels may improve after establishing the Fixed Price Contract.

When is it used?

Sellers generally use the Fixed Price Contract when a futures price and basis level combine to provide a net price that meets or exceeds your marketing objectives. It also allows the seller to manage cash flow and establish a delivery period for their grain.