

SEASONAL AVERAGE POOL

A contract to sell grain that establishes price in a window that historical seasonal tendencies are typically the highest.

HOW DOES IT WORK:

The producer agrees to sell a specific quantity of grain for a specific delivery period. The bushels are priced over the specified period resulting in an average of the prices observed.

ADVANTAGES:

- Takes the emotion and stress out of the marketing decisions by automatically pricing.
- Captures historically beneficial pricing windows and may provide a better price than harvest.
- Diversifies and adds discipline to marketing programs.
- No premium costs.

THINGS TO CONSIDER:

- Historical price patterns are not a guarantee of future prices.
- Price received may not be the best versus the life of the contract average.
- Price is an average. No attempt is made to delay or accelerate pricing based on market action during the averaging period.

*The information concerning underlying, exchange traded positions on this page is for reference purposes only. You will not have any futures contracts or options, but rather you have one or more cash commodity transactions that are priced on the basis of the referenced futures contracts and/or options.
Past performance is not indicative of future results.*