

# Prinsburg Farmers Co-op

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## 2018 Fall Corn Drying & Corn / Bean Storage Programs & Quality Discounts

ROLL INTENTIONS MUST BE GIVEN PRIOR TO DELIVERY OR BASIS WILL BE  
SET IN 5,000 BUSHEL INCREMENTS AT DELIVERY IF NOT DONE PRIOR  
ONE ROLL ALLOWED PER CROP YEAR BY FIRST NOTICE DAY

### Corn drying:

\$ .040 each point of moisture removed  
shrink 1.50% for each point of moisture removed (calculated by tenths)  
drying 15.1-15.5 = \$.02 / 15.6-16.0 = \$.04  
moisture 16.1 and up calculated by tenths

### Soybean Shrink:

13.01 - 13.50 = 1.50  
13.51 - 14.00 = 3.00  
14.01 - 14.50 = 4.50  
14.51 - 15.00 = 6.00  
15.01 - 15.50 = 9.00

Additional 3.00% each half % above 15.50%

### Storage Options are as follows:

#### **Warehouse Storage:**

Corn - shrink & dry to 13%                      Beans - shrink to 13%  
Corn storage \$.04 minimum (30 days) then  
\$.04 each month – prorated by the day  
Bean storage \$.05 minimum (30 days) then  
\$.05 each month – prorated by the day  
CCC loan available with storage paid to loan maturity  
2018 Fall Program Begins September 17, 2018

#### **Delayed Pricing Agreement:**

*DPA grain cannot be transferred to warehouse rcpt., open store,  
grain bank or be redelivered after 10 days (redelivery charge \$.20/bu.)*

Corn - shrink & dry to 14%                      Beans - shrink to 13%  
Corn – service charge \$.04 minimum (30 days)  
then \$.04 each month – prorated by the day  
Soybeans – service charge \$.05 minimum (30 days)  
then \$.05 each month – prorated by the day  
advance on corn up to \$1.70 (before discounts) @ 7.00% per annum  
advance on beans \$5.00 @ 7.00% per annum  
2018 Fall Program Begins September 17, 2018  
service charge begins after the 10th day of delivery

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Fall Storage Program Fall of 2018

**Basis Contract:**

Corn - shrink &amp; dry to 15%

Beans - shrink to 13%

no storage charges

advance on corn \$1.70 less all discounts including drying

advance on beans \$ 5.00

no interest on corn or bean advance

pricing by contract written

ex#1 on 09/17/18 NC bid 2.92 - May ftrs 3.68 = .76 under the May Futures

ex#2 on 09/17/18 NC bid 7.06 - May ftrs 8.64 = 1.58 under the May Futures

in both examples the contract would have to be priced or rolled on or

before the last day before the month owned - 1 roll would be allowed

on a basis contract - you are at risk to whatever the futures do

**Minimum Price Contract**

Corn - shrink &amp; dry to 15%

Beans - shrink to 13%

no storage charges

take all money this year or next (deferred to 2019 @ 0% per annum)

sell NC Grain buy call options in Dec, Mar, May and or July.

this would put a floor on your grain but allow you to participate in

part of a rally

options should be treated the same way you would buy an insurance

policy

\$.03 per bushel to write contract

Corn Drying Table:

<b>Delayed Pricing</b>			<b>vs.</b>	<b>Cash / Contract</b>	
MT	Shrink	Drying Chg		Shrink	Drying Chg
14.1	0.15%	\$0.020			
14.2	0.30%	\$0.020			
14.3	0.45%	\$0.020			
14.4	0.60%	\$0.020			
14.5	0.75%	\$0.020			
14.6	0.90%	\$0.040			
14.7	1.05%	\$0.040			
14.8	1.20%	\$0.040			
14.9	1.35%	\$0.040			
15.0	1.50%	\$0.040			
15.1	1.65%	\$0.044		0.15%	\$0.020
15.2	1.80%	\$0.048		0.30%	\$0.020
15.3	1.95%	\$0.052		0.45%	\$0.020
15.4	2.10%	\$0.056		0.60%	\$0.020
15.5	2.25%	\$0.060		0.75%	\$0.020
15.6	2.40%	\$0.064		0.90%	\$0.040
15.7	2.55%	\$0.068		1.05%	\$0.040
15.8	2.70%	\$0.072		1.20%	\$0.040
15.9	2.85%	\$0.076		1.35%	\$0.040

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Fall Storage Program Fall of 2018

<b>Delayed Pricing</b>			<b>Cash / Contract</b>	
MT	Shrink	Drying Chg	Shrink	Drying Chg
16.0	3.00%	\$0.080	1.50%	\$0.040
16.1	3.15%	\$0.084	1.65%	\$0.044
16.2	3.30%	\$0.088	1.80%	\$0.048
16.3	3.45%	\$0.092	1.95%	\$0.052
16.4	3.60%	\$0.096	2.10%	\$0.056
16.5	3.75%	\$0.100	2.25%	\$0.060
16.6	3.90%	\$0.104	2.40%	\$0.064
16.7	4.05%	\$0.108	2.55%	\$0.068
16.8	4.20%	\$0.112	2.70%	\$0.072
16.9	4.35%	\$0.116	2.85%	\$0.076
17.0	4.50%	\$0.120	3.00%	\$0.080
17.1	4.65%	\$0.124	3.15%	\$0.084
17.2	4.80%	\$0.128	3.30%	\$0.088
17.3	4.95%	\$0.132	3.45%	\$0.092
17.4	5.10%	\$0.136	3.60%	\$0.096
17.5	5.25%	\$0.140	3.75%	\$0.100
17.6	5.40%	\$0.144	3.90%	\$0.104
17.7	5.55%	\$0.148	4.05%	\$0.108
17.8	5.70%	\$0.152	4.20%	\$0.112
17.9	5.85%	\$0.156	4.35%	\$0.116
18.0	6.00%	\$0.160	4.50%	\$0.120
18.1 to 35.0	shrink 0.15% each 1/10 <sup>th</sup> drying \$0.004 each 1/10 <sup>th</sup>			

**Test Weight Discount**

53.9 to 53.0	\$0.02
52.9 to 52.0	\$0.04
51.9 to 51.0	\$0.07
50.9 to 50.0	\$0.10
49.9 to 49.0	\$0.14
additional -.04 each 1 lb under 49	

**Foreign Material Discount**

3.1 to 4.00%	\$0.050
4.1 to 5.00%	\$0.100
5.1 to 6.00%	\$0.150
6.1 to 7.00%	\$0.210
7.1 to 8.00%	\$0.270
additional -.07 each 1% over 8.0	

**Damage Discount**

5.1 to 6.0%	\$0.01
6.1 to 7.0%	\$0.02
7.1 to 8.0%	\$0.03
8.1 to 9.0%	\$0.04
9.1 to 10.0%	\$0.05
additional -.01 each 1% over 10.0%	

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Fall Storage Program Fall of 2018