Innovative Ag Services
Grain Contract Glossary

IAS Price Later Contract (credit sale contract)
Price later contracts are unpriced grain contracts where title to the grain passes to the buyer upon delivery to the elevator. The seller does not set the price or the basis of the grain up front. The sellers will price the grain based on the markets at their discretion before the contract due date. If the seller fails to price the contract before the due date it will automatically be priced at the close for that day. These contracts can also be extended past the original expiration. These contracts can be written for corn or beans and for any bushel amount. The service fee will vary depending on the time of the year and the carry the market offers, but normally will have a front load fee followed by a per bushel per day fee. Please check with your location for current fees.

IAS Forward delivery or cash contracts
These contracts can be negotiated in person or over the phone with any Ag service division employee. A written contract must follow with all pertinent information; Name of seller, Bushels, Commodity, Price, Delivery period, Whether it needs to be picked up or delivered. A cash contract is for immediate delivery or grain that is already in storage and a forward contract is for delivery in a future predetermined time frame. A bid for cash and the most popular forward bids are published and posted at each Ag service location each afternoon. Other forward bids are available, please give us a call and we will figure one for you.

IAS Hedge to Arrive contract (HTA)
Hedge to arrive contracts are cash market forward contracts in which the futures price has been fixed in the contract, but not the basis. Therefore the final price is not set until a later date. These contracts are offered for both corn and soybeans in 5000 bushel contracts. A contract fee is charged; $.02 - $.04 for 5000 Bu contract. These contracts must be basis priced before delivery. All moisture docks and discounts are deducted as per our regular discount schedule. These contracts can only be traded when the Chicago Board Of Trade is in session.

IAS Minimum Price Contract
Minimum Price contracts are cash grain contracts in which we agree with the seller to set a price floor or minimum price but no ceiling. This contract is a way for a producer to sell cash grain, yet retain a chance for higher prices, by utilizing call options. 5000 bushel contracts are traded for corn or beans. The minimum price per bushel is paid upon delivery of the grain.

IAS Basis Contract
A basis contract is initially unpriced, but with a fixed differential versus a futures contract set within the contract. 80% of the base price of the contract will be paid to the seller upon delivery of the grain. The contract must be final priced before the end of the month prior to the futures month for which the contract is written. All discounts and grade factors in place at the time of delivery will be deducted from the settlement.

IAS Deferred payment contract
A deferred payment contract extends the date for which settlement for grain will be made. Most generally it is a fall forward contract for which the producer does not want the income until the following year. Under no circumstances will a check be made out before the date on the deferred payment contract once the contract has been rendered and signed.

IAS Offer contract
An offer to sell contract is a contract where the producer offers to sell a commodity at a certain price to be delivered at a certain time. We will then monitor the market daily until the determined price is achieved and automatically contract the grain for the producer and notify them.

IAS Accumulator Contract
IAS offers the Accumulator contract periodically. The accumulator contract allows the producer to have bushels priced weekly above the current market, at no up front premium cost, if certain conditions are met. Call for further details. **Risk Clause: Can be a very effective pricing tool for the Producer, but should NOT be used for entire position due to Knock-out and Double-up (DU) risk exposure…10% to 25% of expected production would be the maximum recommended on this contract.**