

# SCS Newsletter

October 27, 2015

## QUICK SNAPSHOT

With harvest well under way and commodity prices near the lower edge of their recent range, producers have been employing re-ownership strategies to open the upside of bushels being delivered.

In this case, Deferred Contracts (both Floors and Ranges) were a producer favorite. These were mostly done with an additional quantity commitment into the next crop year.

Long dated corn contracts were looked at as well, particularly Fence Plus Plans that provide producers with an opportunity to capture upside into 2017.

## IN THE SPOTLIGHT

Did you know that SCS is flexible in allowing producers to choose the expiry of their additional quantity commitments?

For structures that come with an ExtPlus or ExtReserve feature, SCS provides you with the option to prolong the expiry of the double up, instead of it expiring with the rest of the structure. This modification reduces the overall cost of the contracts.

This feature is not currently available in the Pricing Tool (for ease of use), but SCS is happy to value these contracts manually. We'll consider adding this feature to the tool as their popularity continues to increase.

For additional information on this feature, contact your Broker or the SCS Desk.

## WHAT'S HOT

### CORN

...with CK16 at \$3.98... CN16 at \$4.02.. CZ16 at \$4.07.. CN17 at \$4.27

**Deferred Floor (CK16)** - floor at 3.98, exp Apr'16, costs 24.2 cents

**Deferred Floor ExtPlus (CK16)** - floor at 3.98, double up in CZ16 at 4.50, all exp Apr'16, costs 16.8 cents

**Deferred Floor ExtPlus (CN16)** - floor at 4.02 (exp Jun'16), double up in CZ16 (exp Nov'16) at 4.50, costs 5.6 cents

**Deferred Range ExtPlus (CN16)** - floor at 4.02, cap at 4.52, double up in CZ16 at 4.50, all exp Jun'16, costs 10.2 cents

**Fence Plus (CN17)** - floor at 4.27, cap and double up at 5.04875, stop protect at 3.55, all exp Jun'17, no cost

### SOYBEANS

...with SH16 at \$8.92 ... SK16 at \$8.96... SX16 at \$8.91

**Deferred Floor ExtPlus (SH16)** - floor at 8.92, double up in SX16 at 9.45, all exp Feb'16, costs 23.4 cents

**Deferred Range ExtPlus (SH16)** - floor at 8.92, cap at 9.62, double up in SX16 at 9.45, all exp Feb'16, costs 18.8 cents

**Deferred Floor ExtPlus (SK16)** - floor at 8.96, double up in SX16 at 9.45, all exp Apr'16, costs 25.6 cents

**Deferred Range ExtPlus (SK16)** - floor at 8.96, cap at 9.756 double up in CZ16 at 9.45, all exp Apr'16, costs 16 cents

### WHEAT

... with WN16 at \$5.18

**Deferred Floor (WN16)** - floor at 5.18, exp Jun'16, costs 37 cents

**Deferred Range (WN16)** - floor at 5.18, cap at 5.78, all exp Jun'16, costs 27 cents

Questions? Comments? Contact us!

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