



## Master Deferred Plans

Similar to Minimum Price Contracts, **SCS Master Deferred Pricing Contracts** allow producers to market their grain today while retaining the upside of those bushels for a period of time. The bushels are priced and marketed at harvest, but the final price for those bushels is adjusted higher based on the price action of a specified future between now and the expiry of the Deferred Pricing Contracts.

Cheaper than minimum price contracts, **SCS Master Deferred Pricing Contracts** are also a more conservative choice, since the adjustments are averaged into over time and not subject to the uncertainty of one price point in the future.

**SCS Master Deferred Pricing Contracts** are available in several variations including Floors and Ranges, and can have additional quantities into the current or next year's crop included to cheapen the price of the contract. Other versions available upon request.

### TOOL GROUP Deferred

#### PRODUCER BIAS:

- > Master Deferred Floor—bullish, but wants to lock in protection to the downside
- > Master Deferred Range—bullish (range-bound), but wants to lock in protection to the downside

#### ADVANTAGES:

- > Producer participates in full or capped upside for bushels already priced
- > Complete protection from downside
- > Producer can attach this plan to a present HTA
- > The final price for bushels is adjusted higher

#### DISADVANTAGES:

- > Can still be expensive
- > If committing to an additional quantity, the additional bushels are priced at a predetermined level, thereby eliminating upside for those bushels

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## Master Deferred Plans

### Examples

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CN16 Futures Price at \$4.00... CZ16 at \$4.50

#### 1. MASTER DEFERRED FLOOR EXT PLUS

- Bushels priced weekly in CN16 with a floor price set at \$4.00
- Double-up in CZ16 (if hit, additional bushels are to be delivered in CZ16) at the end of the CN16 contract set at \$4.51625
- NO COST

#### 2. MASTER DEFERRED RANGE EXT RESERVE

- Bushels priced weekly in CN16 with a floor price set at \$4.00 and a cap at \$4.3975
- Weekly double-up in CZ16 (if ever hit, additional bushels are to be priced on a weekly basis for CZ16 delivery) at \$4.51625
- NO COST

*Market Scenario graphs for Deferred Plans are currently unavailable.*