

# WFS 2009 Grain Policies and Marketing Programs

- **Intent upon delivery of grain:** Farmers need to let the scale dump operator know upon unloading their grain whether it is to be Sold, Warehouse Receipt, Grain Bank, or Contracted. If no notice is given within the day, the scale ticket will be posted as Open Storage. You will then have 10 days to make a choice. If no choice is made within those 10 days, it will stay on open storage and the charges for open storage will begin to accrue from the date of deposit. ***If there are contracts for the current delivery period the first grain brought in will be applied to the oldest contract. You will not be allowed to put grain on storage first and fill contracts later.***
- **Wet corn brought in and dry corn taken home:** Normal discounts for dry and shrink will be taken. Redelivery must be taken within 10 days of deposit.
- **Moisture Allowance:**
  - Corn: Warehouse Receipt, Open Storage, and Grain Bank** – Drying assessed above 14.0% moisture and shrink assessed down to 14.0% moisture. **Sold** – Drying assessed above 15.0% moisture and shrink assessed down to 15.0% moisture.
  - Drying Charges** - \$.055 per bushel for each point of moisture down to 14.0% for storage or 15.0% if sold. Shrink will be 1.4% for each point of moisture taken out. Drying charges will be invoiced in November.
  - Beans: Warehouse Receipt, Open Storage or Sold** – Shrink deducted above 13.0% moisture. Shrink will be 1% of the weight for each ½% of moisture from 13.1% to 14.0%. Shrink will be 2% of the weight for each ½% of moisture from 14.1% and up.
- **Discounts:**
  - Corn:** All corn factors (test weight, moisture, damage, heat damage, BCFM, sour, musty & infested) are discounted on a load by load basis.
  - Beans:** All soybean factors (test weight, moisture, damage, heat damage, FM, sour, musty & infested) are discounted on a load by load basis.
  - Sealed Grain:** When grain is warehoused and sealed, storage must be prepaid according to loan maturity.
- **Warehouse Receipt and Open Storage**
  - Corn – will be .15 per bushel minimum for 90 days, then .00133 (4 cents per month) per day thereafter.
  - Beans – will be .15 per bushel minimum for 90 days, then .00133 (4 cents per month) per day thereafter.

- **Deferred Payment Contracts** – we will offer deferred payment contracts for those wishing to defer income. There will be no interest paid on deferred payment contracts or installment sales.
- **Grain Loan and Advance Program** – we will not be making grain loans and advances through the grain department. People interested should deal directly with Dean Olsen at AgQuest.
- **Minimum Price Contracts** – Grain must be sold to WFS by the producer in 5,000 bushel increments. WFS will then purchase a call option for the producer at a cost of the option premium plus a 2 cent service charge, to be deducted from the proceeds of the sale. The call will belong to WFS, and WFS will sell the option when the merchandiser is notified by the producer. The proceeds from the sale will belong totally to the producer.
- **Basis Fixed Contract** – The producer can fix basis on corn in 5,000 bushel amounts and soybeans in 2,500 bushel amounts. These bushels must be priced or rolled before the first delivery notice in the month that the basis is fixed. When the grain is delivered, if the price had not been set, a 70% advance will be paid. The remainder will be paid when the price has been set. The producer must maintain a 10% margin to offset a sharply lower market.
- **Guaranteed Maximum Basis Contracts** – This contract locks the futures price but allows the basis to be repriced by the producer if it improves. There is a 5 cent service fee taken off the original price and is carried forward if the basis is priced again. The final basis must be established prior to delivery of the grain.
- **Grain Buying Hours** – For risk management, WFS will ONLY buy grain from 9:30AM until 4:30PM on the days that the Chicago Board of Trade is trading.

**WFS grain policies and marketing programs are subject to change at any time.**

If you have any questions concerning these policies, please contact your local WFS location manager.