

## Seasonal Price Averaging Strategy

Bellingham Elevator would like to invite you to contract through our internal seasonal price averaging strategy. Basically, our goal is to take an average price during the early/midseason part of the production cycle by selling an equal portion each week consistently. I will be up front; this is not a cure all approach to grain marketing, but is an idea to marketing a percentage of your unpriced grain for next season. Since this is the first year we have limited it to October/November corn deliveries only (new crop 2017) and we will NOT be charging any service fees. We hope to expand this next season to extended deliveries (Jan, Feb, March, April, May, June, and July) and also beans.

So here is how it works:

1. The peremeter of time will be from March 21, 2017 to July 25, 2017 to average the price (19 Weeks).
2. Depending on total volume there will be one or two sales each week. Assuming one sale/week it will be every Tuesday (July 4th sales will be July 6th).
3. The price will be established by Trade At Settlement (TAS).
4. These contracts will be cash contracts for October/November delivery with futures and basis being established each week.
5. The sign up deadline will be March 20, 2017

If anyone has any questions please feel free to call and ask. It is our opinion this type of contracting should not be used to market 100% of your crop. Look at this as a way to diversify the way your currently marketing by placing a portion/percentage on the seasonal average described above. Again, this is not a cure all to grain marketing. "Be decisive. Right or wrong, make a decision. The road of life is paved with flat squirrels who couldn't make a decision."

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