

## POET Average Pricing Program

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- Select a delivery period to enroll bushels
- Select a pricing period that will determine the average price based on daily CBOT closing prices
- Establish basis anytime up to delivery.



|           |      |      |      |      |      |      |
|-----------|------|------|------|------|------|------|
| Jan - Sep | CZ14 | CZ13 | CZ12 | CZ11 | CZ10 | CZ09 |
| Max       | 513  | 594  | 839  | 775  | 522  | 473  |
| Min       | 362  | 442  | 505  | 542  | 344  | 306  |
| Spread    | 151  | 152  | 334  | 233  | 178  | 167  |

| Jan - Sep | Max     | Min     |
|-----------|---------|---------|
| CZ14      | 4/8/14  | 8/1/14  |
| CZ13      | 2/4/13  | 9/30/13 |
| CZ12      | 8/21/12 | 5/11/12 |
| CZ11      | 8/30/11 | 1/7/11  |
| CZ10      | 9/24/10 | 6/29/10 |
| CZ09      | 6/2/09  | 9/4/09  |

Did you know that in recent years the dollar range between the high and low new crop futures price has been \$1.51 to \$3.34 with highs set anywhere from February to September?

Do you expect to know when the markets will be at their highs and if so, can you afford to wait? Will you miss pricing any bushels there while waiting for it to go higher?

POET's average pricing program can help take the emotion out of grain marketing, and keep you pricing corn day in day out while still allowing you to deliver corn at a time that works best for you.

## POET Average Pricing Program

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**POET**<sup>®</sup>  
grain

*"Where Farmers Fuel America"*

In the last 5 years, we have lost most of the predictability of the market. Below is a table demonstrating the volatility.

In 2011 and 2012, selling \$5.00 harvest corn would have you marketing at the low of the year while in 2010 and 2014, selling \$5.00 corn was brilliant.

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| Jan - Apr | CK14 | CK13 | CK12 | CK11 | CK10 | CK09 |
|-----------|------|------|------|------|------|------|
| Max       | 516  | 742  | 673  | 776  | 433  | 438  |
| Min       | 420  | 629  | 600  | 604  | 345  | 350  |
| Spread    | 96   | 113  | 73   | 172  | 88   | 88   |

| Jan - Apr | MAX       | MIN       |
|-----------|-----------|-----------|
| CK14      | 4/29/2014 | 1/9/2014  |
| CK13      | 1/31/2013 | 4/5/2013  |
| CK12      | 3/16/2012 | 1/18/2012 |
| CK11      | 4/11/2011 | 1/7/2011  |
| CK10      | 1/11/2010 | 3/31/2010 |
| CK09      | 1/6/2009  | 3/2/2009  |

## POET Average Pricing Program

### Advantages of Being Average:

1. Evenly market your crop over several months with a single contract.
2. Takes the emotion out of grain marketing decisions.
3. Reduces the need to try to time and predict the forward market.
4. You never have to worry about potentially selling everything at the market's bottom.
5. Low cost; cheaper than DP.

### Disadvantage:

1. You will not sell everything at the market high....but how often does that happen?

### Other points to consider:

In recent years with ample supply, the new crop market still moved over \$1.50. Timing of the highs varied anywhere from February to September. Average pricing ensures you wouldn't have missed out on the entire \$1.50 by keeping emotions out of the way of getting corn marketed.

In nearby years with abundant corn, the old crop market still moved around 90 cents between January and April. Timing of the highs were anywhere from the first of January to the end of April. Average pricing keeps you from missing out on the entire 90 cent range by selling too soon or waiting too long.

In a carry market, pricing forward months at better prices than the nearby month, just makes good sense.

## Available Pricing Periods

|                 |  |                                      |                                       |   |
|-----------------|--|--------------------------------------|---------------------------------------|---|
| Delivery Period | April-May                              | June-July                            | Oct-Nov                               | Oct-Nov                                 |
| Futures Month   | CK5                                    | CN5                                  | CZ5                                   | CZ5                                     |
| Deadline        | Dec 19, 2014                           | Dec 19, 2014                         | Dec 19, 2014                          | Jul 24, 2015                            |
| Pricing Period  | Jan - March daily 2:15 Eastern closing | Jan - May daily 2:15 Eastern closing | Jan - June daily 2:15 Eastern closing | Aug - Sep 15 daily 2:15 Eastern closing |
| Fee per bushel  | 3¢                                     | 3¢                                   | 3¢                                    | 3¢                                      |

Number of bushels that will be priced daily will be number of unpriced bushels remaining divided by number of trading days remaining in your pricing period.

You can always price unpriced bushels at any time and you can set the basis any time prior to delivery.