



Non-Guaranteed Price Accumulator Limited Knock-Out (LKO)

A forward marketing contract that can allow you to achieve price targets at better levels than the current market.

The Formula

- $\text{Bushels Contracted} \div \text{Number of Pricing Days} = \text{Daily Pricing Quantity}$
- Every day that the market settles above the Limited Knock-Out (LKO) Level and At or Below the Accumulation Level, 1x the Daily Pricing Quantity will be priced at the Accumulation Level.
- Every day that the market settles above the Accumulation Level, 2x the Daily Pricing Quantity will be priced at the Accumulation Level.
- If the market settles at or below the Limited Knock-Out Level, the daily pricing quantity will not be priced by this accumulator, while remaining quantity can still be priced by this accumulator if market settles above the Limited Knock-Out level. All priced quantities will be applied toward the original contract and any unpriced balance will remain unpriced by this formula, but must be priced by delivery.

Here's How It Works

1. You choose the number of bushels you want to price, the time period in which pricing for a specific commodity will occur and a delivery period.
2. When the pricing period concludes, the final futures reference price will be established on your contract by summing the daily pricings and quantities according to the formula in place.
3. Prior to grain delivery, you set the basis.
4. You deliver your contracted grain and receive the final cash price, which is the **Final Futures Reference Price +/- Basis - Service Fee + Premium Paid (if any)**.

The Benefits

- Helps achieve target price levels that may not otherwise be achievable.
- Forward marketing can help you mitigate risk, making it a critical component to your overall marketing portfolio.
- It automatically executes for you, minimizing stress and worry.

Performance

Price Accumulator Contracts perform according to the formula put in place, pricing an equal portion of grain each day during the pricing period while recognizing price guarantees, if any. Additional quantities will be priced if underlying futures settlements exceed established Accumulation Hedge Levels.

Contact your local ADM representative or visit [ADMadvantage.com](https://www.adm.com)

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