



## 1x2 Contract

A forward marketing contract that protects your price with a floor and gives you the opportunity to double your contract quantity at a ceiling price you set.

### Background

Instead of selling your grain at the market price today, the 1x2 contract sets a minimum (floor) and maximum (ceiling) price, with a final pricing date determined at the time of contracting. If prices go lower, you are protected by the floor, and if prices go higher, you maintain participation and may sell additional bushels.

### The Benefits

- Ensures a minimum futures reference price for your grain
- Helps you achieve target price levels regardless of subsequent market conditions
- Offers upside potential while protecting you from downside
- Executes automatically on the pricing date
- Provides certainty on a portion of your grain production

### How It Works

1. You choose the number of bushels you want to price and the delivery period.
2. You specify the floor and ceiling prices for the final pricing date.
3. The Futures Reference Price will be established on your contract on the final pricing date you specified. If the market settles:
  - Above your ceiling price, then double the original contract quantity will be priced at the ceiling price
  - At or below your ceiling price but above your floor price, then the original contract quantity will be priced at the market settlement price
  - Below your floor price, then the original contract quantity will be priced at your floor price
4. You deliver your contracted grain and receive the final cash price.

## Contract Choices

The 1x2 contract can be applied to any new contract today, for bushels to be delivered at a specified date.

You can work with your ADM representative to determine these components:

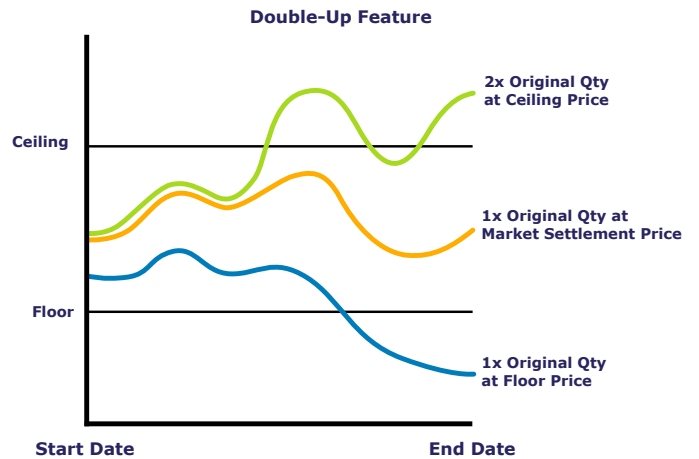
- Number of bushels contracted
- Maximum price (ceiling)
- Minimum price (floor)
- Delivery date(s)

## Performance

1x2 contracts perform according to the formula put in place, referencing a defined underlying futures reference market and price, on a specific pricing date to determine whether or not an additional bushel obligation will occur.

## Double-Up Feature

If the market settles above your ceiling price, then double the original contract quantity will be priced at the ceiling price.



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

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