



Canola Basis Contract

Set your basis level for canola during a specific delivery period while you wait to set your futures price.

Background

If you feel there is a potential for futures prices to improve, but basis levels may get worse, a Basis Contract allows you to lock in only the basis portion of a cash contract for a specific delivery period. The Basis Contract allows you to wait until a later date (subject to certain limitations) to set the futures reference pricing portion of your cash contract. Basis Contracts may also allow you to receive a payment advance on an estimated portion of the contract value for the canola that has been delivered.

The Benefits

- It helps you actively manage your final canola price.
- It helps diversify your marketing.
- It can help improve cash flow, if needed.

How It Works

1. Working with your ADM representative, you lock in the basis for a specific delivery period.
2. If you wish, you may be able to receive a partial cash advance after delivery has occurred.
3. You set your final futures reference price prior to the deadline provided by the contract terms.
4. You deliver your canola within the contracted period and receive the contracted cash price (minus your cash advance, if applicable), which is the Futures Reference Price +/- Basis.

Entering into this contract does not result in the seller opening a futures or options account or having a futures or options position. Any futures or options position taken by the buyer is for the benefit of the buyer only and shall be in the buyer's name. Futures and/or options may be employed as a canola pricing mechanism. This contract is not a futures or options contract or a commodity pool agreement.

Contact your local ADM representative or visit ADMadvantage.com

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