# MINIMUM PRICE CONTRACT

**Capture the rally while protecting the downside.**

VITERRA®

## Choose a Minimum Price Contract and protect a guaranteed minimum price.

### What is it?

A minimum price contract provides the protection of a guaranteed minimum price, a delivery opportunity and cash flow, while allowing you to continue to participate in the market using a put or call option.

### How does it work?

1. Sign up a grain purchase agreement with Viterra for a specific commodity, grade and delivery period.
2. Attach an option to the corresponding tonnes on contract.
3. Upon delivery of grain you will receive payment of your minimum price.
4. Should the futures market increase in price you can exercise your re price option and would receive an additional payment.

### What are the advantages of a Minimum Price contract?

- You have locked in a minimum price to protect from the futures market moving down  while maintaining the opportunity to benefit from higher prices
- Provides you cash flow by paying the minimum price payment when delivery takes place
- You can deliver your grain now but still have time in the marketplace to establish a final price
- It removes stress and risk from volatile futures markets

### What should you know?

- An option can only be re-priced once, so having a marketing plan and a futures target is beneficial to your decision
- Your Viterra Representative can help you monitor your re-pricing goals and provide you with updates
- There is a cost for minimum price contracts but premiums are deducted from the contract price and do not require up-front payment
- You may face foreign exchange exposure on your additional payment for US exchanges

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