

GAP Contract

- Contracts Available
 - New Crop Corn (Fall 2022)
 - New Crop Soybeans (Fall 2022)
 - January Corn Delivery (January 2023)
 - January Bean Delivery (January 2023)

- Pricing Period
 - April 21, 2022 through July 21, 2022
 - Priced at close every Thursday for 14 weeks

- Other
 - FREE
 - No minimum bushels needed to participate
 - No early pricing penalty (See example below)
 - \$0.10/bu cancellation fee
 - A running average will be tracked and updated on the website on a weekly basis

 - Sign up at any time (even after the program has started) and your bushels will be evenly priced based on how many weeks are remaining.

EXAMPLE: This is an example of how the contract worked in 2021! **These are actual cash prices!**

Farmer Brown committed 5,000 bushels of corn to a GAP contract.

Goodwine divided the 5,000 bushels of corn into 14 equal parts. Goodwine priced the bushels at the market's settlement price each Thursday during the pricing period. The table on the right shows exactly how the pricing worked. These are the actual prices we paid for GAP corn last year on those specific dates.

- Farmer Brown was obligated to deliver 5,000 bu of corn during harvest 2021.
- Goodwine was obligated to pay Farmer Brown \$5.32/bu on the 5,000 bu delivered.

Dates of pricing	Bushels Priced	Price
4/22/21	357.14	\$ 5.23
4/29/21	357.14	\$ 5.16
5/6/21	357.14	\$ 5.95
5/13/21	357.14	\$ 5.28
5/20/21	357.14	\$ 5.22
5/27/21	357.14	\$ 5.25
6/3/21	357.14	\$ 5.36
6/10/21	357.14	\$ 5.86
6/17/21	357.14	\$ 5.02
6/24/21	357.14	\$ 5.06
7/1/21	357.14	\$ 5.59
7/8/21	357.14	\$ 4.93
7/15/21	357.14	\$ 5.26
7/22/21	357.14	\$ 5.31
	5,000.00	\$ 5.32

DISCLAIMER: While research shows that selling ahead results in a higher price than selling during harvest nearly 72% of the time, we realize that not every year follows that pattern. Goodwine does not guarantee that the GAP contract will have a higher average price than the harvest average. As a matter of fact, 2020 was a prime example of the program delivering undesirable results.

The bulk of the 2021 corn harvest took place during the months of October. Had Farmer Brown waited and priced this same 5,000 bu in equal increments as he delivered it over that period, he would have averaged \$5.06 which was **\$0.26/bu less** than the GAP contract!

Dates of pricing	Bushels Priced	Price
10/7/21	1,250.00	\$ 5.04
10/14/21	1,250.00	\$ 4.86
10/21/21	1,250.00	\$ 5.02
10/28/21	1,250.00	\$ 5.32
	5,000.00	\$ 5.06

Early Pricing Example: On 5/27/21, the price of new crop reached \$5.25. On that date, Farmer Brown could have called and priced the unpriced portion of his bushels. Using the same example, Goodwine would have already priced 1,785.70 bushels (priced on 4/22, 4/29, 5/6, 5/13, and 5/20) at an average price of \$5.37. The remaining 3,214.29 bushels would have then been priced at \$5.25 giving Farmer Brown a final GAP Contract price of \$5.29. At this point, Farmer Brown's participation in the GAP contract would end as all his committed bushels would be priced.

Dates of pricing	Bushels Priced	Price
4/22/21	357.14	\$ 5.23
4/29/21	357.14	\$ 5.16
5/6/21	357.14	\$ 5.95
5/13/21	357.14	\$ 5.28
5/20/21	357.14	\$ 5.22
5/27/21	3,214.29	\$ 5.25
	5,000.00	\$ 5.29