

GAP Contract

- **Contracts Available**

- New Crop Corn (Fall 2020)
- New Crop Soybeans (Fall 2020)
- January Corn Delivery (January 2021)
- January Bean Delivery (January 2021)

- **Pricing Period**

- April 23, 2020 to July 23, 2020
- 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 2019! These are actual prices this past year!

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 2019.
- Goodwine was obligated to pay Farmer Brown \$3.93/bu on the 5,000 bu delivered.

Dates of pricing	Bushels Priced	Price
4/25/19	357.14	\$ 3.37
5/2/19	357.14	\$ 3.47
5/9/19	357.14	\$ 3.32
5/16/19	357.14	\$ 3.56
5/23/19	357.14	\$ 3.68
5/30/19	357.14	\$ 4.15
6/6/19	357.14	\$ 4.08
6/13/19	357.14	\$ 4.25
6/20/19	357.14	\$ 4.33
6/27/19	357.14	\$ 4.23
7/2/19	357.14	\$ 4.00
7/11/19	357.14	\$ 4.29
7/18/19	357.14	\$ 4.13
7/25/19	357.14	\$ 4.11
	5,000.00	\$ 3.93

DISCLAIMER: While research shows that selling ahead results in a higher price than selling during harvest nearly 75% 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.

The bulk of the 2019 corn harvest took place during the months of October and November. 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 \$3.70 which was **\$0.23/bu less** than the GAP contract!

Dates of pricing	Bushels Priced	Price
10/4/19	625.00	\$ 3.69
10/11/19	625.00	\$ 3.82
10/18/19	625.00	\$ 3.76
10/25/19	625.00	\$ 3.71
11/1/19	625.00	\$ 3.79
11/8/19	625.00	\$ 3.67
11/15/19	625.00	\$ 3.61
11/22/19	625.00	\$ 3.58
	5,000.00	\$ 3.70

Early Pricing Example: On 5/30/19, the price of new crop reached \$4.15. 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 4/25, 5/2, 5/9, 5/16, and 5/23) at an average price of \$3.48. The remaining 3,214.29 bushels would have then been priced at \$4.15 giving Farmer Brown a GAP Contract price of \$3.91. At this point, Farmer Browns participation in the GAP contract would have ended.

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