

Bonus Target

Market next year's crop while adding a premium to old crop.



How it works

- Bonus Target contract allows a producer to sell a specified quantity of grain at a set cash price, generating a bonus to be paid at the time of cash settlement. The bonus is determined by your choice of target futures price and target expiration date. Futures price on the second quantity will be at, but not higher than, the target futures price selected, if equal to or above the target price at expiration.
- If futures settle at or above the target futures price on the date of expiration, the bushels are priced at the target price with basis to be established separately with your local merchandiser.
- If futures settle below the target futures price on the date of expiration, you keep the bonus applied to the original sale and are not required to deliver the contingent bushels of new crop against this contract. You can then choose to market these bushels however you see fit.



What are the advantages?

- Receive a premium on delivered bushels
- Allows you to set a target price
- Potential to market a portion of new bushels



What should you know?

- Grain under this contract is delivered to Bunge only if the futures price on the expiration date is equal to or above the target futures price.

Contact your local Bunge representative for live quotes, additional flexibility options, and other alternative contract offerings to accommodate your marketing needs.