



The Pre-harvest Strategic Program suits growers who are looking to protect downside risk for wheat, barley and canola but also participate if the market rises in the months ahead. Utilising an Options strategy, Market Check can protect your grain price from downward movements, with zero washout risk, whilst maintaining full potential to participate in a stronger market toward harvest if prices improve.

Key Benefits

- Peace of mind with an “insurance policy” against falling prices by using an Options strategy.
- Upside is open - if the market rallies, you participate.
- Less risk than forward contracts (no washout costs if the market rallies).
- The only cost is the upfront Option premium.
- Due to lower risk, more tonnes can be covered than with hedging or forward selling.

Strategy & Duration

The Pre-harvest strategy utilises Options to protect against a fall in new crop prices or unfavourable currency movements. At harvest, when your production is secure, a Market Check Advisor will assist you with selecting which harvest strategy to roll into in order to best meet your objectives.

Individual Returns

Your returns reflect market conditions on your contract date. The equity belonging to each Pre-harvest Pool participant will be paid out based on the Option strategy’s performance.

Fees

The Pre-harvest pool does not have a management fee, however we require a deposit of \$20/t for wheat & barley and \$25/t for canola to cover the cost of the Options. For current poolers, we use unpaid pool equity to cover this deposit.

Payment Terms

Payment is finalised when the Pre-harvest Program is wound up post-harvest. Pre-harvest Program participants are required to enter one of our Managed Programs where the applicable payment terms will apply for the balance of the equity.



The Put Option pay-off

Put Option sets price floor



Buy Put Option to protect price pre-harvest via a premium paid for a strike price, which combined creates a floor.

If market rises



Example 1: Market rises; Put Option not required and physical grain sold into a higher cash market.

If market falls



Example 2: Market falls; Put Option is exercised netting a profit and off-setting a lower cash market.