

Min/Max (Fence) Contract

RMS offers many programs to help meet the diverse needs of our membership. Outlined below is the Fence Contract. We offer many products and variations of the products – please call to discuss your operation’s needs and concerns, and we can find a product that is well suited for your operation.

Program Specifications

- Variable contract size
- Individual month, and multi-month contracts
- Contracts are based on Class III price
- Basis would be received in addition to contract price

The Fence Contract can help you minimize the risk of milk price volatility. By setting a minimum and maximum Class III milk price, the Fence

Contract protects you from a downturn in the market, while still allowing you to receive a limited amount of upside potential. For your contracted milk amount, you will receive a Class III milk price that is above the minimum price, and below the maximum price. Often there can be a \$1.00 - \$2.00 difference between the minimum and maximum prices. Many producers enjoy the flexibility and low cost of the Fence Contract as compared to the Minimum price contract. Upside Rider insurance is available for this product as well.

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