

Fixed Price Forward Contract and the Upside Rider

RMS offers many programs to help meet the diverse needs of our membership. Outlined below are the Fixed Price Forward Contract, and the Upside Rider. 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.

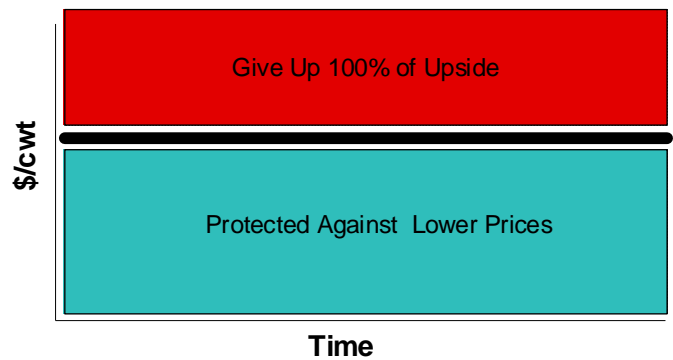
Program Specifications:

- 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 Fixed Price Program allows you to lock in a set Class III price for a portion of your milk. By using the Fixed Price Program, you will be fully protected from any possible lower prices, but you will give up any possible higher prices for the contracted amount of milk. The Fixed Price Program offers you a way to closely manage your milk price, for no additional cost.

Although the Fixed Price Program does not allow you to receive any of the market’s upside potential, RMS offers a program that can be used with the Fixed Price Program to return some of the upside potential. The Upside Rider is an insurance-like program you can, but don’t have to, add to your Fixed Price contract. By paying a set premium, you will be able to return a portion of the milk price when it moves higher than your chosen level of coverage. If you have a multi-month fixed price contract, you can purchase Upside Rider insurance for one, two, or any number of months you choose.

Fixed Price Program



Upside Rider Forward Contracting Insurance

