

### **PRICE LATER CONTRACTS: GUIDELINES FOR USE (06/2024)**

1. Written Price Later Contracts (WPLC) must have the signature of both the producer and dealer within 30 days after the last date of delivery of grain intended to be sold by WPLC. If an Electronic Price Later Contract (EPLC) is used, the EPLC must be maintained as an electronic record containing electronic signatures and security procedures for both parties within 30 days after the last date of delivery of grain intended to be sold by EPLC. ***If not signed by both parties within 30 days of the last date of delivery, grain is to be priced by dealer according to Section 40/10-15(e) of the Grain Code*** (Recommendation: A large sign at delivery point telling producers of the pricing mechanism for failure to sign contracts.)
2. For WPLCs, producers and dealers must date their respective signatures on price later contracts when signing. If a producer fails to date a signed price later contract, they have mailed back to the grain dealer, the dealer should record the date received and initial. Grain dealer personnel shall not pre-date seller signature on price later contracts.
3. All price later contracts are to display bushels, commodity, option month and basis terms, service charges, last date of delivery, balance of grain not priced, check numbers, and date canceled or priced.
4. Upon reissuing all price later contracts for all or any part of the same lot of grain, the date of last delivery from the original contract must be used on the reissued contract. The contract number of the original contract should be noted on the reissued contract for audit trail purposes.
5. Only **one** commodity can be referenced on each contract.
6. The bushel amount on all price later contracts cannot be increased. Bushel amounts can only decrease as settlements are made.
7. For all grain delivered for sale to a grain dealer by price later, all scale tickets shall contain the following: “Sold Grain Price Later”. If scale tickets are not so marked, grain cannot be considered “company owned” at time of delivery.
8. No “storage” charges can be made with respect to any commodity purchased by price later. Only a “service” charge may be assessed. **No reference to “storage charges” shall be on any price later contract.**
9. All price later contracts should be canceled the date the seller first becomes eligible for payment.
10. All grain on price later contracts that is sold via forward cash contract shall be so stated on the contract for cross-referencing purposes.

11. For WPLCs, a dealer shall keep a copy of all WPLCs, in numerical order, and must show current balance and disposition of all portions priced, on each contract. For EPLCs, a dealer shall maintain all EPLCs as electronic records containing electronic signatures and security procedures along with current balance and disposition of all portions priced.

A dealer shall keep a numerical list of open and canceled price later contracts.

**Manual Records:** A copy of price later contracts are to be maintained in numerical order, must show both parties signatures, the current balance and disposition of any portion priced for Illinois Department of Agriculture examination purposes.

**Computer Records:** Should be in spreadsheet or other acceptable document form, as approved by the department. This electronic record should be in State of Illinois Price Later Contract numerical order, with one record per price later contract. The record should reflect the disposition of each contract as of the provided examination cut-off date. Records will be requested by date ranges, contract number range, or other similar parameters.

All data that would appear on a paper price later contract must be available in a format, acceptable to the department, electronically or otherwise, upon request for examination purposes.

An example of the listing should include, but not limited to, the following:

State of Illinois Price Later Contract Number – in numerical order  
Internal Software generated contract number (if applicable)  
Reference Numbers, notes, delivery sheet number, etc. (if applicable)  
Seller's name  
Commodity  
Date of Last Delivery  
Balance of unpriced grain  
Indicate type of contract, Price Later or Basis  
Basis amount as well as Option Month and Year  
Advance Dollar Amount paid  
Date signed by buyer.  
Date signed by seller.  
Electronic signature yes / no  
Date of Last Activity (basis roll over, partial settlement, etc.)  
Date final balance priced (Date Cancelled)  
Original Contract Balance (Contract balance as of date of issuance/signature)  
Grain Dealer must be able to provide copies of any and/or all pricing transactions on the State of Illinois Price Later Contract.

12. If issued as a WPLC, the rollover of a basis contract may be documented on the original contract with initials of both parties, or a new contract may be issued with proper cross-referencing. If by EPLC, a rollover of a basis contract shall be documented by electronic signature and security procedure on the contract. As a reminder, delivered Basis grain is another type of Price Later grain.
13. Grain may not be transferred from storage (warehouse receipt, open storage, or hold accounts) to price later until the price later contract is signed and dated by both parties. The “date of delivery” in this case is the date the price later contract is signed by the last signer usually the seller.
14. When a pre-delivery price later contract is signed, the estimated bushel amount of the contract must be indicated. Only the bushels that have been delivered against the price later contract shall be reflected in the long/short record.
15. When a price later contract is used as a pre-delivery contract, the original bushels may be adjusted down to reflect the actual amount of grain delivered against the contract. For a WPLC, the buyer and seller must both initial this adjustment. For an EPLC, the buyer and seller must note agreement by electronic signature and security procedure on the contract. If the producer delivers more than the original bushels, this over-run must be put on another contract, priced out, or put into storage.

**SUGGESTION:**

When mailing WPLC to producers, always keep a copy for your numerical file.

**NOTE:**

Examiners are to report non-compliance with any of these guidelines for price later contracts. Depending on the severity of any price later violation, the Department may suspend privileges for future use of price later contracts.