

## Welcome

*eGrain Insider* is a quarterly update for the eGrain System and the grain industry.

## EWRs as collateral

The eGrain System allows warehouses to issue Electronic Warehouse Receipts (EWRs) for all 12 grains as collateral with subscriber lending institutions.

### GRAINS

Barley  
Canola  
Corn  
Flaxseed  
Oats  
Rice  
Rye  
Sorghum  
Soybeans  
Sunflower Seed  
Wheat  
Triticale



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## Exploring Electronic Price Later Contracts

Price later and credit-sales contracts are marketing tools that are widely used by grain producers and grain dealers. These contracts benefit the producer by delaying receipt of grain income into a later tax period. Producers surrender title of the grain at harvest and still maintain pricing flexibility later in the season when commodity prices may be higher. In addition, price later contracts can be used by grain dealers to ensure a consistent flow of low volume commodities such as specialty grains. Warehouses call for delivery of the commodity when supply is needed, while the producer can wait and price the commodity at a later date when prices may be more favorable.

eGrain, Inc. has developed an easy-to-use, web-based, price later contract application that offers many benefits and efficiencies for grain dealers and their producers. Grain dealers login to their own account and create a price later contract in the form of a PDF document. Once the contract is created, the grain dealer can update changes in basis, terms, service fees and settlements. Some states even allow price later contracts to be electronically

signed by both the producer and the grain dealer. In addition, the eGrain System allows grain dealers to print their price later contracts to be signed by the producer and filed like a traditional paper contract.

Grain dealers can sign up their producers on the eGrain System free of charge and give them the opportunity to save both parties time and money. Producers can go online at their convenience to view, print, sign and return by mail or fax, the price later contracts that have been electronically created. Grain dealers avoid the costs of having to print, mail or hand-deliver contracts to them for signature. Grain dealers also gain the ability to more easily comply with state laws that require a 30-day signature requirement.

Both grain dealer and producer users can manage and sort price later contracts by which ones have been signed and the number bushels are remaining to be settled.

Contact eGrain, Inc. to subscribe to the eGrain System and access the price later contract application or to schedule a demo.

## AN INSIDE LOOK Company News

Welcome to the first issue of the *eGrain Insider*. We developed this newsletter to keep our subscribers and others within the grain industry informed about updates and happenings with eGrain, Inc.

It has been an exciting spring here at eGrain, Inc. as we have been working on a complete makeover to our web site and have been patiently waiting for our new office building to be completed. The parent company of eGrain, Inc., King Technology, has been renovating a historic building along the square of the Old State Capitol in downtown Springfield, Illinois. It has been pretty interesting to witness the transformation of this building. We should be moved into the new building by the time the next issue of *eGrain Insider* is published.

Many of our subscribers may have noticed several changes on the eGrain System's Price Later Contract application. Many of these changes have been a result of suggestions by our users. Your suggestions are greatly appreciated and they truly make the eGrain System better with every modification.

It looks like the spring of 2009 could be a repeat of 2008, as not much progress has been made in planting the 2009 corn and soybean crop here in central Illinois.

Drew Earles, Director  
New Business Development



## Expansion of the eGrain System

Iowa is the latest state to allow the use of electronic warehouse receipts (EWRs) and electronic contracts for its state-licensed grain warehouses and grain dealers. They have chosen eGrain, Inc. as their provider of these electronic documents.

On March 18, 2009 Iowa Department of Agriculture and Land Stewardship approved the use of EWRs and electronic contracts. It joins 13 other states that allow their state-licensed warehouses to issue EWRs. EWRs make grain transactions more secure, efficient, and economical for grain warehouses, lending

institutions, and producers. EWRs eliminate the costs and need to store, file, safeguard and account for used and unused paper warehouse receipts, automate the transfer process, and are instantly accessible at any Internet-connected location.

### DEFERRED PAYMENT CONTRACTS

Some states, including Iowa, have separate requirements for deferred payment contracts. Many grain dealers use these contracts as a major component of marketing strategies with their producers. We now offer electronic deferred

payment contracts along with electronic price later and credit sales contracts. We are excited to offer a variety of contracts to grain dealers so they can utilize the many efficiencies of the eGrain System.

### eLICENSING

We are currently working with the USDA to create an application where grain warehouses can manage applications, renewals and payments for USDA service licenses. This application will eliminate the burdens associated with handling, filing, and storing the licenses. Look for more information about eLicensing soon.

## eGrain Subscriber Comments

eGrain has been such a great resource for our customers and has made our lives easier. We never have problems, but if we have questions, eGrain's staff is there to provide their support. The transfer of EWRs is simple, more flawless than ever, and paperless! We recommend this service to all of our grain customers.

Tanna Suits

Farm Credit Services of Illinois



**"The user manual was very helpful in getting our account set up and when I was confused about issuing receipts, I knew you were only a telephone call away."**

*Faye Fowler  
Crop Marketing Services*

**"I love using it. Unfortunately not all of our customers use it. I would love everyone to be on it."**

*Jeannine Wylder  
Commerce Bank*