

The CWB offers a target pricing service for the Basis Price Contract (BPC) that lets you place orders to sign up a BPC or to lock in a basis or futures price on an existing BPC. Target orders allow you to take advantage of market rallies while leaving the responsibility of monitoring prices to the CWB.

You can choose the length of time you want your order to stand, up to the relevant sign-up deadline or expiry date for the program. You can place target orders for BPCs at any time during the sign-up period. Lock-in orders for existing BPCs can be placed until the relevant expiry date for your contract.

**There is no fee for the target pricing service.**

## 2011-12 BPC basis contract month expiry dates

Futures month	Sign-up deadline	Expiry dates
December 2011	9 p.m. CT November 25, 2011	9 p.m. CT November 25, 2011
March 2012	9 p.m. CT February 24, 2012	9 p.m. CT February 24, 2012
May 2012	9 p.m. CT March 15, 2012	9 p.m. CT April 20, 2012
July 2011	9 p.m. CT March 15, 2012	9 p.m. CT June 22, 2012

You may also select the force majeure option on a target price order during the force majeure sign-up period. The sign-up deadline for CWRW wheat was December 17, 2010. The sign-up deadline for the other six classes of wheat was April 29, 2011. If the target is reached after the force majeure sign-up period ends, the target will be executed without the force majeure provision. For more information on force majeure, please see the force majeure information sheet.

You can place a target price order by logging into e-Services and completing a target order transaction, by calling the CWB at 1-800-275-4292, Monday to Friday, or by faxing a target pricing application form to 1-204-983-8031. Application forms are available on the CWB Web site at [www.cwb.ca](http://www.cwb.ca).

The CWB posts prices every business day at 3 p.m. CT. Futures target orders are matched against settlement, not intra-day, values. Sign-up target orders for BPCs are filled net of the adjustment factor. If your target price order is matched or exceeded, the CWB will fill the order at the higher value. A contract confirmation will be mailed to you if the order was placed by fax or phone. If you place an order through e-Services, you can print off a confirmation from the confirmation screen. You may cancel unfilled target orders at any time prior to expiry. If your target price is not met during the specified time period, you have the option of placing a new target order.

### Example

On July 23, a producer places a target order for a 200-tonne CWRS BPC at a Minneapolis December futures price of \$230 per tonne and selects November 23, 2011 at 9 p.m. CT for the duration of the order. The CWB sends the producer a letter confirming the target order has been received.

On September 3, the futures close at \$230 per tonne and the adjustment factor is -\$5 per tonne. The net value is \$225 ( $\$230 + (-\$5)$ ). The order is not filled.

On October 5, the futures close at \$240 per tonne and the adjustment factor is -\$6 per tonne. The CWB fills the order at a net value of \$234 per tonne ( $\$240 + (-\$6)$ ).

The contract is locked in at that level and the CWB mails the producer a BPC contract confirmation.