

# Direct Shipped Grain Frequently Asked Questions

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Frequently asked questions regarding Direct Shipped Grain.

## **Q. What Are Direct Shipments?**

A. Direct shipments are deliveries from a farmer's site directly to a terminal or ethanol plant where the farmer is expecting payment from the local Elevator. The local Elevator may be applying elevator established contracts to the direct shipped grain. The local Elevator will be paid by the Terminal or ethanol plant.

## **Q. Why would you treat this grain differently than grain brought into the elevator?**

A. Most examiners prefer that only grain that is delivered into/out of the local elevator appear on the grain in/out line on the Daily Position Report (DPR). Using the Direct In checkbox on scale tickets and shipments will keep these units from being totaled in the grain in/out line on the DPR. Instead these units will be shown on the Direct Shipped In or Direct Shipped Out line of the combo DPR. Additionally, many times the discount schedules used on these transactions will be different than the local elevators discounts and the pricing on contracts delivered to the terminal will be different than pricing on grain delivered to the elevator. Also an elevator that pays patronage will sometimes pay at a different rate on direct ship grain than they pay on grain delivered to the elevator.

## **Q. How are Direct Shipments Entered?**

A. When the elevator receives notice of the direct shipments from the terminal that involves a farmer's grain, the shipment will be entered using the direct ship check box. The shipment can be settled and completed at this time, or later. Next the elevator will need to enter in a scale ticket for the farmer also using the direct ship check box for the same number of units. Both of these entries will show in the Direct Shipment area of the DPR rather than the grain in/out line. These MUST be done on the same DPR or the DPR will be out of balance.

## **Q. What about premium and discount differences?**

A. The terminal discount schedules can be set up in Agvance as non-master schedules. When a new assembly is made for the farmer, the appropriate discount schedules can be attached to the assembly on the Shrink, Dock & Premium Discount tab. These discount schedules will apply to any grain that is added to this assembly. These discounts schedules can also be applied to the purchase contract and would be used if that contract is on an assembly.

## **Q. What about shrink and dock differences?**

A. The terminal shrink or dock schedules can also be set up in Agvance as non-master schedules. When a new assembly is made for the farmer, the appropriate shrink and dock schedules can be attached to the assembly on the Shrink, Dock & Premium Discount tab. These shrink/dock percentages will apply to all grain on the assembly. The purchase contract does not have an area to apply a shrink/dock table. Therefore the assembly is the best place to apply these tables.

## **Q. Why should the units on the scale ticket match the units on the shipment?**

A. The direct ship scale tickets and shipments do not hit the grain in or grain out lines on the DPR. Therefore they

are not included in the Total Stocks line of the DPR. However these unit amounts do affect the various liabilities and position areas of the DPR. If the Direct Shipped In/Out do not match, the DPR will be out of balance. The Direct Ship In/Out amounts can be seen by running the Combined Daily Position report. Should the DPR be out of balance for this reason, please call SSI support as soon as possible for instructions on how to correct the out of balance DPR.

**Q. Patronage and Farmer Settlements**

A. Many elevators will pay patronage to farmers delivering grain as direct ship at a reduced rate. If the direct ship flag is used on the inbound scale tickets, the flag will be carried thru to the settlement process for patronage. If direct ship tickets are combined with delivered units on the settlement, the user will get a warning that the settlement will lose the direct ship flag. If the user proceeds, the total settlement units will be listed as delivered to elevator rather than as direct ship for patronage purposes.