



## MARK-TO-MARKET GRAIN ACCOUNTING

### **A Grain Merchant Certification Program Specialty Course**

**4 Weeks Online | Live Event - GMC Summit**

A specialty course that concentrates on proper accounting procedures as they pertain to a basis trading operation, with special emphasis on Mark-to-Market valuations of cash grain and futures contracts.

Designed to give students a greater depth of knowledge in the way basis trading activities flow through the financial statement – from both the merchandising perspective and the accounting perspective – so that the methods of accounting that are most appropriate and suitable for the business can be decided and implemented.

Build common ground and understanding between the merchandiser, controller, bookkeeper, auditor, accountant and lender about how basis trading activity is reflected in the company's financial records.

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### **Course Overview**

#### **Week 1: Making the Basis Trading/Accounting Connection**

- Make the distinction between the merchandising facets of the grain operation and the way activities are accounted for
- Clarify the purpose of Mark-to-Market
- Outline the Mark-to-Market routine
- Establish a frame of reference for the methods of Mark-to-Market

#### **Week 2: Connecting Mark-to-Market to the Financial Statement**

- Examine “best practices” of Mark-to-Market in a grain operation
- Layout the process for valuing the futures side of the basis transaction
- Review recommendations for account set-up on Financial Statements to aid in verifying the numbers
- Outline reversing entries needed at the start of a new month/year

#### **Week 3: Spreads, DP, Options and Other Accounting Puzzles**

- Understand the use of spreads and how they enter into the financial statement
- Develop a method to identify the impact of spread fluctuations on the P & L
- Layout the procedures for the accounting of DP bushels in the mark-to-market process
- Gain an understanding of the use of options in the elevator's operations and how they are properly accounted for

#### **Week 4: Banking and Finance**

- Use Financial Trend Analysis to give a great first impression
- Understand the effect of Mark-to-Market entries on your credit line
- Learn what you do with grain repos and swaps

**GMC Summit:** Opportunity for all those who play an integral part in the grain merchandising operations to get together to discuss issues specific to their success. This includes the merchandiser, general manager, CFO, controller, accountant, lender and anyone else needing a deeper understanding of the connection between the merchandising, accounting and financing sides of the grain operations.