12.6 Basics of Futures Contracts
Futures are similar in goals to Forwards.

Purpose of futures market:
bring buyers & sellers together,
deal with book-keeping and price fluctuations.

At mid-July delivery of corn: 1 unit = 5000 bushels.
Suppose I want 1 unit:
If using a Forward contract, my broker calls a farmer willing to sell.
& they agree on a price $F_0$.
Tomorrow, someone else calls a broker who calls the farmer
& they agree on a price $F_1$.

etc.
Farmer has lots of orders, lots of different prices.
I also have lots of different prices, if orders on different dates.
Futures market accounts for such fluctuations, pays immediately.