



### Forward Contract Compared to Put Option Opportunity

Today's Date **2/3/2012**

#### Forward Contract Opportunity

July Futures Price	\$ 12.50
Today's Basis - for delivery	\$ (0.60)
Today's Forward Contract Price	\$ 11.90

2011 Old Crop Soybean

#### Put Option Opportunity Using July 12 Soybean Put Options Expiration June 22

Strike Price	\$ 12.60	\$ 12.40	\$ 12.20	\$ 12.00	\$ 11.80	\$ 11.60	\$ 11.40
Less Premium Cost	\$ (0.73)	\$ (0.62)	\$ (0.52)	\$ (0.43)	\$ (0.35)	\$ (0.29)	\$ (0.23)
Less Transaction Cost	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Futures Floor	\$ 11.86	\$ 11.77	\$ 11.67	\$ 11.56	\$ 11.44	\$ 11.30	\$ 11.16
Less Expected Basis	\$ (0.60)	\$ (0.60)	\$ (0.60)	\$ (0.60)	\$ (0.60)	\$ (0.60)	\$ (0.60)
Expected Minimum Cash Price	\$ 11.26	\$ 11.17	\$ 11.07	\$ 10.96	\$ 10.84	\$ 10.70	\$ 10.56

#### Revenue Per Acre Protected

Yield Estimate of 53 bu/ac	\$597	\$592	\$587	\$581	\$575	\$567	\$560
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Futures "Trade off point" above this point the put strategy nets more than the forward sale

	\$ 13.23	\$ 13.12	\$ 13.02	\$ 12.93	\$ 12.85	\$ 12.79	\$ 12.73
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#### Outcomes over a range of futures prices

Range of Prices	Expected Cash Prices at Various Futures Prices						
\$15.00	\$13.66	\$13.77	\$13.87	\$13.96	\$14.04	\$14.10	\$14.16
\$14.75	\$13.41	\$13.52	\$13.62	\$13.71	\$13.79	\$13.85	\$13.91
\$14.50	\$13.16	\$13.27	\$13.37	\$13.46	\$13.54	\$13.60	\$13.66
\$14.25	\$12.91	\$13.02	\$13.12	\$13.21	\$13.29	\$13.35	\$13.41
\$14.00	\$12.66	\$12.77	\$12.87	\$12.96	\$13.04	\$13.10	\$13.16
\$13.75	\$12.41	\$12.52	\$12.62	\$12.71	\$12.79	\$12.85	\$12.91
\$13.50	\$12.16	\$12.27	\$12.37	\$12.46	\$12.54	\$12.60	\$12.66
\$13.25	\$11.91	\$12.02	\$12.12	\$12.21	\$12.29	\$12.35	\$12.41
\$13.00	\$11.66	\$11.77	\$11.87	\$11.96	\$12.04	\$12.10	\$12.16
\$12.75	\$11.41	\$11.52	\$11.62	\$11.71	\$11.79	\$11.85	\$11.91
\$12.50	\$11.26	\$11.27	\$11.37	\$11.46	\$11.54	\$11.60	\$11.66
\$12.25	\$11.26	\$11.17	\$11.12	\$11.21	\$11.29	\$11.35	\$11.41
\$12.00	\$11.26	\$11.17	\$11.07	\$10.96	\$11.04	\$11.10	\$11.16
\$11.75	\$11.26	\$11.17	\$11.07	\$10.96	\$10.84	\$10.85	\$10.91
\$11.50	\$11.26	\$11.17	\$11.07	\$10.96	\$10.84	\$10.70	\$10.66
\$11.25	\$11.26	\$11.17	\$11.07	\$10.96	\$10.84	\$10.70	\$10.56
\$11.00	\$11.26	\$11.17	\$11.07	\$10.96	\$10.84	\$10.70	\$10.56

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