



Forward Contract Compared to Put Option Opportunity

Today's Date 5/5/2010

Forward Contract Opportunity

December Futures Price	\$ 3.80
Today's Basis - fall del.	\$ (0.50)
Today's Forward Contract Price	\$ 3.30

New Crop Corn

Put Option Opportunity

Strike Price	\$ 4.00	\$ 3.80	\$ 3.70	\$ 3.60	\$ 3.50
Less Premium Cost	\$ (0.42)	\$ (0.30)	\$ (0.24)	\$ (0.22)	\$ (0.18)
Less Transaction Cost	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Futures Floor	\$ 3.57	\$ 3.49	\$ 3.45	\$ 3.37	\$ 3.31
Less Expected Basis	\$ (0.50)	\$ (0.50)	\$ (0.50)	\$ (0.50)	\$ (0.50)
Expected Minimum Cash Price	\$ 3.07	\$ 2.99	\$ 2.95	\$ 2.87	\$ 2.81

Revenue Per Acre Protected

Yield Estimate of 185 bu/ac	\$567.95	\$553.15	\$545.75	\$530.95	\$519.85
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Futures "Trade off point" above this point the put strategy nets more than the forward sale

	\$ 4.22	\$ 4.10	\$ 4.04	\$ 4.02	\$ 3.98
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Outcomes over a range of futures prices

Range of Prices	Expected Cash Prices at Various Futures Prices				
\$5.60	\$4.67	\$4.79	\$4.85	\$4.87	\$4.91
\$5.40	\$4.47	\$4.59	\$4.65	\$4.67	\$4.71
\$5.20	\$4.27	\$4.39	\$4.45	\$4.47	\$4.51
\$5.00	\$4.07	\$4.19	\$4.25	\$4.27	\$4.31
\$4.80	\$3.87	\$3.99	\$4.05	\$4.07	\$4.11
\$4.60	\$3.67	\$3.79	\$3.85	\$3.87	\$3.91
\$4.40	\$3.47	\$3.59	\$3.65	\$3.67	\$3.71
\$4.20	\$3.27	\$3.39	\$3.45	\$3.47	\$3.51
\$4.00	\$3.07	\$3.19	\$3.25	\$3.27	\$3.31
\$3.80	\$3.07	\$2.99	\$3.05	\$3.07	\$3.11
\$3.60	\$3.07	\$2.99	\$2.95	\$2.87	\$2.91
\$3.40	\$3.07	\$2.99	\$2.95	\$2.87	\$2.81
\$3.20	\$3.07	\$2.99	\$2.95	\$2.87	\$2.81
\$3.00	\$3.07	\$2.99	\$2.95	\$2.87	\$2.81
\$2.80	\$3.07	\$2.99	\$2.95	\$2.87	\$2.81

2010 Corn

	Revenue Insurance floor			\$3.99 base		
Coverage Election	65%	70%	75%	80%	85%	
Futures Price	\$ 2.59	\$ 2.79	\$ 2.99	\$ 3.19	\$ 3.39	
Basis	\$ (0.50)	\$ (0.50)	\$ (0.50)	\$ (0.50)	\$ (0.50)	
Cash Equivalent	\$ 2.09	\$ 2.29	\$ 2.49	\$ 2.69	\$ 2.89	