



Forward Contract Compared to Put Option Opportunity

Today's Date 5/20/2010

Forward Contract Opportunity

| | |
|--------------------------------|-----------|
| December Futures Price | \$ 3.77 |
| Today's Basis - fall del. | \$ (0.50) |
| Today's Forward Contract Price | \$ 3.27 |

New Crop Corn

Put Option Opportunity

| | | | | | |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Strike Price | \$ 4.00 | \$ 3.80 | \$ 3.70 | \$ 3.60 | \$ 3.50 |
| Less Premium Cost | \$ (0.49) | \$ (0.35) | \$ (0.30) | \$ (0.25) | \$ (0.20) |
| Less Transaction Cost | \$ (0.01) | \$ (0.01) | \$ (0.01) | \$ (0.01) | \$ (0.01) |
| Futures Floor | \$ 3.50 | \$ 3.44 | \$ 3.39 | \$ 3.34 | \$ 3.29 |
| Less Expected Basis | \$ (0.50) | \$ (0.50) | \$ (0.50) | \$ (0.50) | \$ (0.50) |
| Expected Minimum Cash Price | \$ 3.00 | \$ 2.94 | \$ 2.89 | \$ 2.84 | \$ 2.79 |

Revenue Per Acre Protected

| | | | | | |
|-----------------------------|----------|----------|----------|----------|----------|
| Yield Estimate of 185 bu/ac | \$555.00 | \$543.90 | \$534.65 | \$525.40 | \$516.15 |
|-----------------------------|----------|----------|----------|----------|----------|

Futures "Trade off point" above this point the put strategy nets more than the forward sale

| | | | | | |
|--|---------|---------|---------|---------|---------|
| | \$ 4.26 | \$ 4.12 | \$ 4.07 | \$ 4.02 | \$ 3.97 |
|--|---------|---------|---------|---------|---------|

Outcomes over a range of futures prices

| Range of Prices | Expected Cash Prices at Various Futures Prices | | | | |
|-----------------|--|--------|--------|--------|--------|
| \$5.60 | \$4.60 | \$4.74 | \$4.79 | \$4.84 | \$4.89 |
| \$5.40 | \$4.40 | \$4.54 | \$4.59 | \$4.64 | \$4.69 |
| \$5.20 | \$4.20 | \$4.34 | \$4.39 | \$4.44 | \$4.49 |
| \$5.00 | \$4.00 | \$4.14 | \$4.19 | \$4.24 | \$4.29 |
| \$4.80 | \$3.80 | \$3.94 | \$3.99 | \$4.04 | \$4.09 |
| \$4.60 | \$3.60 | \$3.74 | \$3.79 | \$3.84 | \$3.89 |
| \$4.40 | \$3.40 | \$3.54 | \$3.59 | \$3.64 | \$3.69 |
| \$4.20 | \$3.20 | \$3.34 | \$3.39 | \$3.44 | \$3.49 |
| \$4.00 | \$3.00 | \$3.14 | \$3.19 | \$3.24 | \$3.29 |
| \$3.80 | \$3.00 | \$2.94 | \$2.99 | \$3.04 | \$3.09 |
| \$3.60 | \$3.00 | \$2.94 | \$2.89 | \$2.84 | \$2.89 |
| \$3.40 | \$3.00 | \$2.94 | \$2.89 | \$2.84 | \$2.79 |
| \$3.20 | \$3.00 | \$2.94 | \$2.89 | \$2.84 | \$2.79 |
| \$3.00 | \$3.00 | \$2.94 | \$2.89 | \$2.84 | \$2.79 |
| \$2.80 | \$3.00 | \$2.94 | \$2.89 | \$2.84 | \$2.79 |

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 | |