



Forward Contract Compared to Put Option Opportunity

Today's Date 05/20/10

Forward Contract Opportunity

November Futures Price	\$ 9.00
Today's Basis - fall del.	\$ (0.60)
Today's Forward Contract Price	\$ 8.40

New Crop Soybeans

Put Option Opportunity

Strike Price	\$9.20	\$9.00	\$8.80	\$8.60	\$8.40
Less Premium Cost	\$ (0.70)	\$ (0.56)	\$ (0.44)	\$ (0.38)	\$ (0.29)
Less Transaction Cost	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Futures Floor	\$ 8.49	\$ 8.43	\$ 8.35	\$ 8.21	\$ 8.10
Less Expected Basis	\$ (0.60)	\$ (0.60)	\$ (0.60)	\$ (0.60)	\$ (0.60)
Expected Minimum Cash Price	\$ 7.89	\$ 7.83	\$ 7.75	\$ 7.61	\$ 7.50

Revenue Per Acre Protected

Yield Estimate of 50 bu/ac	\$394.50	\$391.50	\$387.50	\$380.50	\$375.00
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Futures "Trade off point" above this point the put strategy nets more than the forward sale

\$ 9.70	\$ 9.56	\$ 9.44	\$ 9.38	\$ 9.29
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Outcomes over a range of futures prices

Range of Prices	Expected Cash Prices at Various Futures Prices				
\$11.00	\$9.69	\$9.83	\$9.95	\$10.01	\$10.10
\$10.75	\$9.44	\$9.58	\$9.70	\$9.76	\$9.85
\$10.50	\$9.19	\$9.33	\$9.45	\$9.51	\$9.60
\$10.25	\$8.94	\$9.08	\$9.20	\$9.26	\$9.35
\$10.00	\$8.69	\$8.83	\$8.95	\$9.01	\$9.10
\$9.75	\$8.44	\$8.58	\$8.70	\$8.76	\$8.85
\$9.50	\$8.19	\$8.33	\$8.45	\$8.51	\$8.60
\$9.25	\$7.94	\$8.08	\$8.20	\$8.26	\$8.35
\$9.00	\$7.89	\$7.83	\$7.95	\$8.01	\$8.10
\$8.75	\$7.89	\$7.83	\$7.75	\$7.76	\$7.85
\$8.50	\$7.89	\$7.83	\$7.75	\$7.61	\$7.60
\$8.25	\$7.89	\$7.83	\$7.75	\$7.61	\$7.50
\$8.00	\$7.89	\$7.83	\$7.75	\$7.61	\$7.50
\$7.75	\$7.89	\$7.83	\$7.75	\$7.61	\$7.50
\$7.50	\$7.89	\$7.83	\$7.75	\$7.61	\$7.50
\$7.25	\$7.89	\$7.83	\$7.75	\$7.61	\$7.50
\$7.00	\$7.89	\$7.83	\$7.75	\$7.61	\$7.50
\$6.75	\$7.89	\$7.83	\$7.75	\$7.61	\$7.50

2010 Soybean

Coverage Election	Revenue Insurance floor					\$9.23 base
	65%	70%	75%	80%	85%	
Futures Price	\$ 6.00	\$ 6.46	\$ 6.92	\$ 7.38	\$ 7.85	
Basis	\$ (0.60)	\$ (0.60)	\$ (0.60)	\$ (0.60)	\$ (0.60)	
Cash Equivalent	\$ 5.40	\$ 5.86	\$ 6.32	\$ 6.78	\$ 7.25	