



Forward Contract Compared to Forward Contract Covered with Calls

Today's Date 01/21/11

Forward Contract Opportunity

November Futures Price	\$ 13.39
Today's Basis - fall del.	\$ (0.80)
Today's Forward Contract Price	\$ 12.59

2011 New Crop Soybeans

Call Option Opportunity

Strike Price	\$ 13.40	\$ 13.60	\$ 13.80	\$ 14.00	\$ 14.20
Less Premium Cost	\$ (1.38)	\$ (1.30)	\$ (1.23)	\$ (1.17)	\$ (1.11)
Less Transaction Cost	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Cash Price Floor	\$ 11.20	\$ 11.28	\$ 11.35	\$ 11.41	\$ 11.47

Revenue Per Acre Protected

Yield Estimate of 50 bu/ac	\$560.00	\$564.00	\$567.50	\$570.50	\$573.50
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Futures Price where call option may add to cash sale price.

\$ 14.79	\$ 14.91	\$ 15.04	\$ 15.18	\$ 15.32
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Outcomes over a range of futures prices

Range of Prices	Expected Cash Prices at Various Futures Prices				
\$20.00	\$17.80	\$17.68	\$17.55	\$17.41	\$17.27
\$19.50	\$17.30	\$17.18	\$17.05	\$16.91	\$16.77
\$19.00	\$16.80	\$16.68	\$16.55	\$16.41	\$16.27
\$18.50	\$16.30	\$16.18	\$16.05	\$15.91	\$15.77
\$18.00	\$15.80	\$15.68	\$15.55	\$15.41	\$15.27
\$17.50	\$15.30	\$15.18	\$15.05	\$14.91	\$14.77
\$17.00	\$14.80	\$14.68	\$14.55	\$14.41	\$14.27
\$16.50	\$14.30	\$14.18	\$14.05	\$13.91	\$13.77
\$16.00	\$13.80	\$13.68	\$13.55	\$13.41	\$13.27
\$15.50	\$13.30	\$13.18	\$13.05	\$12.91	\$12.77
\$15.00	\$12.80	\$12.68	\$12.55	\$12.41	\$12.27
\$14.50	\$12.30	\$12.18	\$12.05	\$11.91	\$11.77
\$14.00	\$11.80	\$11.68	\$11.55	\$11.41	\$11.47
\$13.50	\$11.30	\$11.28	\$11.35	\$11.41	\$11.47
\$13.00	\$11.20	\$11.28	\$11.35	\$11.41	\$11.47
\$12.50	\$11.20	\$11.28	\$11.35	\$11.41	\$11.47
\$12.00	\$11.20	\$11.28	\$11.35	\$11.41	\$11.47
\$11.50	\$11.20	\$11.28	\$11.35	\$11.41	\$11.47
\$11.00	\$11.20	\$11.28	\$11.35	\$11.41	\$11.47

2011 Soybean - Example Guess

Revenue Insurance floor

\$13.00 base

	65%	70%	75%	80%	85%
Coverage Election					
Futures Price	\$ 8.45	\$ 9.10	\$ 9.75	\$ 10.40	\$ 11.05
Basis	\$ (0.80)	\$ (0.80)	\$ (0.80)	\$ (0.80)	\$ (0.80)
Cash Equivalent	\$ 7.65	\$ 8.30	\$ 8.95	\$ 9.60	\$ 10.25