



Forward Contract Compared to Forward Contract Covered with Calls

Today's Date **01/21/11**

Forward Contract Opportunity

December Futures Price	\$ 9.28
Today's Basis - fall del.	\$ (0.50)
Today's Forward Contract Price	\$ 8.78

Dec New Crop Spring Wheat

Call Option Opportunity Dec Mpls Calls

Strike Price	\$ 9.30	\$ 9.40	\$ 9.60	\$ 9.80	\$ 10.00
Less Premium Cost	\$ (1.41)	\$ (1.37)	\$ (1.30)	\$ (1.24)	\$ (1.13)
Less Transaction Cost	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Cash Price Floor	\$ 7.36	\$ 7.40	\$ 7.47	\$ 7.53	\$ 7.64

Revenue Per Acre Protected

Yield Estimate of 50 bu/ac	\$368.00	\$370.00	\$373.50	\$376.50	\$382.00
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Futures Price where call option starts to add to cash sale price.

\$ 10.72	\$ 10.78	\$ 10.91	\$ 11.05	\$ 11.14
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Outcomes over a range of futures prices

Range of Prices	Expected Cash Prices at Various Futures Prices				
\$16.00	\$14.06	\$14.00	\$13.87	\$13.73	\$13.64
\$15.50	\$13.56	\$13.50	\$13.37	\$13.23	\$13.14
\$15.00	\$13.06	\$13.00	\$12.87	\$12.73	\$12.64
\$14.50	\$12.56	\$12.50	\$12.37	\$12.23	\$12.14
\$14.00	\$12.06	\$12.00	\$11.87	\$11.73	\$11.64
\$13.50	\$11.56	\$11.50	\$11.37	\$11.23	\$11.14
\$13.00	\$11.06	\$11.00	\$10.87	\$10.73	\$10.64
\$12.50	\$10.56	\$10.50	\$10.37	\$10.23	\$10.14
\$12.00	\$10.06	\$10.00	\$9.87	\$9.73	\$9.64
\$11.50	\$9.56	\$9.50	\$9.37	\$9.23	\$9.14
\$11.00	\$9.06	\$9.00	\$8.87	\$8.73	\$8.64
\$10.50	\$8.56	\$8.50	\$8.37	\$8.23	\$8.14
\$10.00	\$8.06	\$8.00	\$7.87	\$7.73	\$7.64
\$10.50	\$8.56	\$8.50	\$8.37	\$8.23	\$8.14
\$10.00	\$8.06	\$8.00	\$7.87	\$7.73	\$7.64
\$9.50	\$7.56	\$7.50	\$7.47	\$7.53	\$7.64
\$9.00	\$7.36	\$7.40	\$7.47	\$7.53	\$7.64

2011 Hard Red Spring Wheat

Revenue Insurance floor Estimate

\$9.00 base

Coverage Election	65%	70%	75%	80%	85%
Futures Price	\$ 5.85	\$ 6.30	\$ 6.75	\$ 7.20	\$ 7.65
Basis	\$ (0.50)	\$ (0.50)	\$ (0.50)	\$ (0.50)	\$ (0.50)
Cash Equivalent	\$ 5.35	\$ 5.80	\$ 6.25	\$ 6.70	\$ 7.15