



### Forward Contract Compared to Put Option Opportunity

Today's Date 7/16/2010

#### Forward Contract Opportunity

December Futures Price	\$ 4.00
Today's Basis - fall del.	\$ (0.50)
Today's Forward Contract Price	\$ 3.50

New Crop Corn

#### Put Option Opportunity

Strike Price	\$ 4.00	\$ 3.90	\$ 3.80	\$ 3.70	\$ 3.60
Less Premium Cost	\$ (0.27)	\$ (0.22)	\$ (0.18)	\$ (0.16)	\$ (0.12)
Less Transaction Cost	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Futures Floor	\$ 3.72	\$ 3.67	\$ 3.61	\$ 3.53	\$ 3.47
Less Expected Basis	\$ (0.50)	\$ (0.50)	\$ (0.50)	\$ (0.50)	\$ (0.50)
<b>Expected Minimum Cash Price</b>	<b>\$ 3.22</b>	<b>\$ 3.17</b>	<b>\$ 3.11</b>	<b>\$ 3.03</b>	<b>\$ 2.97</b>

#### Revenue Per Acre Protected

Yield Estimate of 185 bu/ac	\$595.70	\$586.45	\$575.35	\$560.55	\$549.45
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Futures "Trade off point" above this point the put strategy nets more than the forward sale

	\$ 4.27	\$ 4.22	\$ 4.18	\$ 4.16	\$ 4.12
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#### Outcomes over a range of futures prices

##### Range of Prices Expected Cash Prices at Various Futures Prices

\$5.60	\$4.82	\$4.87	\$4.91	\$4.93	\$4.97
\$5.40	\$4.62	\$4.67	\$4.71	\$4.73	\$4.77
\$5.20	\$4.42	\$4.47	\$4.51	\$4.53	\$4.57
\$5.00	\$4.22	\$4.27	\$4.31	\$4.33	\$4.37
\$4.80	\$4.02	\$4.07	\$4.11	\$4.13	\$4.17
\$4.60	\$3.82	\$3.87	\$3.91	\$3.93	\$3.97
\$4.40	\$3.62	\$3.67	\$3.71	\$3.73	\$3.77
\$4.20	\$3.42	\$3.47	\$3.51	\$3.53	\$3.57
\$4.00	\$3.22	\$3.27	\$3.31	\$3.33	\$3.37
\$3.80	\$3.22	\$3.17	\$3.11	\$3.13	\$3.17
\$3.60	\$3.22	\$3.17	\$3.11	\$3.03	\$2.97
\$3.40	\$3.22	\$3.17	\$3.11	\$3.03	\$2.97
\$3.20	\$3.22	\$3.17	\$3.11	\$3.03	\$2.97
\$3.00	\$3.22	\$3.17	\$3.11	\$3.03	\$2.97
\$2.80	\$3.22	\$3.17	\$3.11	\$3.03	\$2.97

#### 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