



Forward Contract Compared to Forward Contract Covered with Calls

Today's Date 05/23/08

Forward Contract Opportunity

December Futures Price	\$ 6.25
Today's Basis - fall del.	\$ (0.55)
Today's Forward Contract Price	\$ 5.70

Call Option Opportunity

Strike Price	\$ 6.20	\$ 6.40	\$ 6.60	\$ 6.80	\$ 7.00
Less Premium Cost	\$ (0.66)	\$ (0.62)	\$ (0.56)	\$ (0.49)	\$ (0.45)
Less Transaction Cost	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Cash Price Floor	\$ 5.03	\$ 5.07	\$ 5.13	\$ 5.20	\$ 5.24

Revenue Per Acre Protected

Yield Estimate of 185 bu/ac	\$930.55	\$937.95	\$949.05	\$962.00	\$969.40
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Futures Price where call option starts to add to cash sale price.

	\$ 6.87	\$ 7.03	\$ 7.17	\$ 7.30	\$ 7.46
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Outcomes over a range of futures prices

Range of Prices	Expected Cash Prices at Various Futures Prices				
\$9.00	\$7.83	\$7.67	\$7.53	\$7.40	\$7.24
\$8.50	\$7.33	\$7.17	\$7.03	\$6.90	\$6.74
\$8.00	\$6.83	\$6.67	\$6.53	\$6.40	\$6.24
\$7.50	\$6.33	\$6.17	\$6.03	\$5.90	\$5.74
\$7.00	\$5.83	\$5.67	\$5.53	\$5.40	\$5.24
\$6.50	\$5.33	\$5.17	\$5.13	\$5.20	\$5.24
\$6.00	\$5.03	\$5.07	\$5.13	\$5.20	\$5.24
\$5.50	\$5.03	\$5.07	\$5.13	\$5.20	\$5.24
\$5.00	\$5.03	\$5.07	\$5.13	\$5.20	\$5.24
\$4.50	\$5.03	\$5.07	\$5.13	\$5.20	\$5.24
\$4.00	\$5.03	\$5.07	\$5.13	\$5.20	\$5.24
\$3.50	\$5.03	\$5.07	\$5.13	\$5.20	\$5.24
\$3.00	\$5.03	\$5.07	\$5.13	\$5.20	\$5.24
\$2.50	\$5.03	\$5.07	\$5.13	\$5.20	\$5.24
\$2.00	\$5.03	\$5.07	\$5.13	\$5.20	\$5.24