



Forward Contract Compared to Put Option Opportunity

Today's Date **07/21/08**

Forward Contract Opportunity

November Futures Price	\$ 14.07
Today's Basis - fall del.	\$ (1.35)
Today's Forward Contract Price	\$ 12.72

Put Option Opportunity

Strike Price	\$14.00	\$13.60	\$13.00	\$12.80	\$12.60
Less Premium Cost	\$ (1.02)	\$ (0.76)	\$ (0.55)	\$ (0.44)	\$ (0.36)
Less Transaction Cost	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Futures Floor	\$ 12.97	\$ 12.83	\$ 12.44	\$ 12.35	\$ 12.23
Less Expected Basis	\$ (0.70)	\$ (0.70)	\$ (0.70)	\$ (0.70)	\$ (0.70)
Expected Minimum Cash Price	\$ 12.27	\$ 12.13	\$ 11.74	\$ 11.65	\$ 11.53

Revenue Per Acre Protected

Yield Estimate of 50 bu/ac	\$613.50	\$606.50	\$587.00	\$582.50	\$576.50
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Futures "Trade off point" above this point the put strategy nets more than the forward sale

\$ 15.09	\$ 14.83	\$ 14.62	\$ 14.51	\$ 14.43
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Outcomes over a range of futures prices

Range of Prices	Expected Cash Prices at Various Futures Prices				
\$16.00	\$14.27	\$14.53	\$14.74	\$14.85	\$14.93
\$15.50	\$13.77	\$14.03	\$14.24	\$14.35	\$14.43
\$15.00	\$13.27	\$13.53	\$13.74	\$13.85	\$13.93
\$14.50	\$12.77	\$13.03	\$13.24	\$13.35	\$13.43
\$14.00	\$12.27	\$12.53	\$12.74	\$12.85	\$12.93
\$13.50	\$12.27	\$12.13	\$12.24	\$12.35	\$12.43
\$13.00	\$12.27	\$12.13	\$11.74	\$11.85	\$11.93
\$12.50	\$12.27	\$12.13	\$11.74	\$11.65	\$11.53
\$12.00	\$12.27	\$12.13	\$11.74	\$11.65	\$11.53
\$11.50	\$12.27	\$12.13	\$11.74	\$11.65	\$11.53
\$11.00	\$12.27	\$12.13	\$11.74	\$11.65	\$11.53
\$10.50	\$12.27	\$12.13	\$11.74	\$11.65	\$11.53
\$10.00	\$12.27	\$12.13	\$11.74	\$11.65	\$11.53
\$9.50	\$12.27	\$12.13	\$11.74	\$11.65	\$11.53
\$9.00	\$12.27	\$12.13	\$11.74	\$11.65	\$11.53
\$8.50	\$12.27	\$12.13	\$11.74	\$11.65	\$11.53
\$8.00	\$12.27	\$12.13	\$11.74	\$11.65	\$11.53
\$7.50	\$12.27	\$12.13	\$11.74	\$11.65	\$11.53