

**Forward Pricing Alternatives for Corn (crop) in Storage**

Date	Cash Market	Hedge/Hedge To Arrive		Put Options (Minimum Price HTA)			Call Options (Minimum Price)			
			July	July	July	July	July	July	July	
	<i>Current Price</i>	<b>4.26</b>		<b>4.62</b>		<b>4.40</b>	<b>4.60</b>		<b>4.70</b>	4.70
<b>2/24/2013</b>	Forward Contract		Futures Month	Sell	Futures Month	Strike Price	Strike Price	Futures Month	Strike Price	Strike Price
	Price for:		Less:					Cash Sale		<u>4.26</u>
	<b>February 13, 2014</b>	<b>4.37</b>	Expected Basis	<b>-0.20</b>	Expected Basis	<u>-0.20</u>	<u>-0.20</u>	Forward Contract		<u>4.37</u>
	Less Storage Costs	<b>-0.08</b>	Storage Costs	<u>-0.08</u>	Storage Costs	<u>-0.08</u>	<u>-0.08</u>	Storage Costs	N/A	<u>-0.08</u>
	<i>Net Price From</i>									
	<i>Forward Contract</i>	<b>4.29</b>	Brokerage Costs	<b>-0.01</b>	Brokerage Costs	<u>-0.01</u>	<u>-0.01</u>	Brokerage Costs	<u>-0.01</u>	<u>-0.01</u>
	Basis Contract				Options Premium	<b>-0.13</b>	<b>-0.22</b>	Options Premium	<b>-0.20</b>	<u>-0.20</u>
	Relative to:		Equals Net Price		Equals Minimum			Equals Minimum		
	<b>July</b>	-0.36	Expected From		Selling Price			Expected		
			Hedge	<b>4.33</b>	Expected	<b>3.98</b>	<b>4.09</b>	Selling Price	<b>4.05</b>	<b>4.08</b>

**OUTCOMES**

<b>6/15/2014</b>	Cash Price	<b>3.85</b>	July	<b>4.00</b>	July			July		
	Less Storage Costs	<u>-0.08</u>	Futures Month		Futures Month			Futures Month		
	<i>Equals Net Price</i>		Actual Basis	-0.15	Options Premium	0.41	0.61	Options Premium	0.01	0.01
	<i>From Cash Sale</i>	<b>3.77</b>			Intrinsic Value	0.40	0.60	Intrinsic Value	0.00	0.00
	<i>Net Price From</i>				Time Value	<b>0.01</b>	<b>0.01</b>	Time Value	<b>0.01</b>	0.01
	<i>Basis Contract</i>	<b>3.64</b>								
	Cash Price On	<b>06/15/14</b>		<u>3.85</u>		<u>3.85</u>	<u>3.85</u>	Cash Sale/ Forward Contract	<u>4.26</u>	<u>4.37</u>
	Sell and Buy Futures			<u>0.62</u>	Plus Buy and Sell Options	<u>0.28</u>	<u>0.39</u>	Plus Buy and Sell Options	<u>-0.19</u>	<u>-0.19</u>
	Less:									
	Storage Costs			<u>-0.08</u>	Storage Costs	<u>-0.08</u>	<u>-0.08</u>	Storage Costs	N/A	<u>-0.08</u>
	Brokerage Costs			<u>-0.01</u>	Brokerage Costs	<u>-0.01</u>	<u>-0.01</u>	Brokerage Costs	<u>-0.01</u>	<u>-0.01</u>
	Equals Net Return			<u>0.53</u>	Equals Net Return	<u>0.19</u>	<u>0.30</u>	Equals Net Return	<u>-0.20</u>	<u>-0.28</u>
	<i>Equals Net Price Received</i>			<b>4.38</b>		<b>4.04</b>	<b>4.15</b>		<b>4.06</b>	<b>4.09</b>