



Stay in the Market: Call Strategy Comparison to Price Later/Fees

Stay in the Market

Sell Corn @ \$

Determine the option month to use: How long do you want to stay in the market?

Futures / Month

Buy \$ Call @ ¢
Net Cost = ¢

Subtract from cash sale establishes **Floor price** \$

Benefits

- ★ 5¢ Improvement on basis
- ★ Cost is approx. 2 ½ ¢ / month
- ★ Upside potential
- ★ Possible gain of penny per penny over futures strike purchased
- ★ No more costs
- ★ Peace of mind, floor is set
- ★ Can price value anytime between cash & option expiration date
- ★ Money paid and being used upfront, unless you want deferred

Negatives

- ★ Stagnant market yields no extra gains
- ★ Potential risk if basis improves

Price Later

Put your own corn on a Price Later w/ fees of 15¢ minimum for 90 days and be charged 4¢/month/bushel there after

Benefits

- ★ Open for upside potential

Negatives

- ★ Still have downside market risks
- ★ You have no floor established
- ★ Have a cost of 4¢/ month
- ★ Not using your money