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 12¢ 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