



Peter Paperfarmer

Corn



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Grain Marketing Specialist

Like Barney, Peter has no on-farm storage - he sells his grain at harvest.
He re-owns his crop on November 1, with the purchase of an at-the-money July corn call options.
Peter maintains his option position until expiration in mid-June.
He pays 1 cent per bushel in brokerage fees to purchase the options, and another 1 cent to exercise a profitable option at expiration.

crop year	First business day of November	CBOT July Futures Price	July A-T-M Call	Premium	Expire Date	CBOT July Futures					Pipestone Price Friday Oct 12-18	Peter's average price
						Price at option expiration	Premium at expiration	July Option profit (loss)	brokerage fee	Option profit (loss) after fees		
1989	1-Nov-89	\$2.5025	\$2.60	\$0.1325	22-Jun-90	\$2.8200	\$0.2250	\$0.0925	\$0.02	\$0.0725	\$2.08	\$2.15
1990	1-Nov-90	\$2.5075	\$2.60	\$0.1200	21-Jun-91	\$2.3475	\$0.0000	(\$0.1200)	\$0.01	(\$0.1300)	\$1.98	\$1.85
1991	1-Nov-91	\$2.7000	\$2.70	\$0.1700	19-Jun-92	\$2.5125	\$0.0000	(\$0.1700)	\$0.01	(\$0.1800)	\$2.15	\$1.97
1992	2-Nov-92	\$2.3250	\$2.40	\$0.1000	10-Jun-93	\$2.1625	\$0.0000	(\$0.1000)	\$0.01	(\$0.1100)	\$1.83	\$1.72
1993	1-Nov-93	\$2.7300	\$2.80	\$0.1200	17-Jun-94	\$2.8325	\$0.0413	(\$0.0788)	\$0.01	(\$0.0888)	\$2.20	\$2.11
1994	1-Nov-94	\$2.4025	\$2.50	\$0.0900	23-Jun-95	\$2.7900	\$0.3025	\$0.2125	\$0.02	\$0.1925	\$1.83	\$2.02
1995	1-Nov-95	\$3.3825	\$3.40	\$0.1725	21-Jun-96	\$4.7000	\$1.3375	\$1.1650	\$0.02	\$1.1450	\$2.78	\$3.93
1996	1-Nov-96	\$2.8050	\$2.90	\$0.1250	20-Jun-97	\$2.6550	\$0.0000	(\$0.1250)	\$0.01	(\$0.1350)	\$2.46	\$2.33
1997	3-Nov-97	\$3.0500	\$3.10	\$0.2225	17-Jun-98	\$2.5350	\$0.0000	(\$0.2225)	\$0.01	(\$0.2325)	\$2.38	\$2.15
1998	2-Nov-98	\$2.4075	\$2.50	\$0.1325	18-Jun-99	\$2.2075	\$0.0000	(\$0.1325)	\$0.01	(\$0.1425)	\$1.64	\$1.50
1999	1-Nov-99	\$2.2225	\$2.30	\$0.1300	23-Jun-00	\$1.9950	\$0.0000	(\$0.1300)	\$0.01	(\$0.1400)	\$1.38	\$1.24
2000	1-Nov-00	\$2.3250	\$2.40	\$0.1463	22-Jun-01	\$1.8825	\$0.0000	(\$0.1463)	\$0.01	(\$0.1563)	\$1.56	\$1.40
2001	1-Nov-01	\$2.3150	\$2.40	\$0.1100	21-Jun-02	\$2.1025	\$0.0000	(\$0.1100)	\$0.01	(\$0.1200)	\$1.57	\$1.45
2002	1-Nov-02	\$2.5525	\$2.60	\$0.1513	20-Jun-03	\$2.4275	\$0.0000	(\$0.1513)	\$0.01	(\$0.1613)	\$2.23	\$2.07
2003	3-Nov-03	\$2.5100	\$2.60	\$0.1763	25-Jun-04	\$2.7625	\$0.1625	(\$0.0138)	\$0.02	(\$0.0338)	\$1.80	\$1.77
2004	1-Nov-04	\$2.2525	\$2.30	\$0.1225	24-Jun-05	\$2.3275	\$0.0275	(\$0.0950)	\$0.02	(\$0.1150)	\$1.77	\$1.66
2005	1-Nov-05	\$2.2600	\$2.30	\$0.1313	23-Jun-06	\$2.2825	\$0.0000	(\$0.1313)	\$0.01	(\$0.1413)	\$1.41	\$1.27
2006	1-Nov-06	\$3.6000	\$3.60	\$0.3500	22-Jun-07	\$3.6750	\$0.0750	(\$0.2750)	\$0.02	(\$0.2950)	\$2.69	\$2.40
2007	1-Nov-07	\$4.0475	\$4.10	\$0.3600	20-Jun-08	\$7.2125	\$3.1125	\$2.7525	\$0.02	\$2.7325	\$3.06	\$5.79
2008	3-Nov-08										\$3.58	
1990-2007		\$2.69	\$2.75	\$0.16			\$0.28	\$0.12		\$0.10	\$2.04	\$2.14