



Peter Paperfarmer

Soybeans



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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 soybean 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.

<u>crop year</u>	<u>First</u>	<u>CBOT July</u>	<u>July</u>	<u>Premium</u>	<u>Expire</u>	<u>CBOT July</u>	<u>Premium</u>	<u>July</u>	<u>brokerage</u>	<u>Option</u>	<u>Pipestone</u>	<u>Peter's</u>
	<u>business</u>	<u>Futures</u>	<u>A-T-M</u>			<u>Futures</u>				<u>Price</u>	<u>at</u>	
	<u>day of</u>	<u>Price</u>	<u>Call</u>		<u>Date</u>	<u>at option</u>	<u>at</u>	<u>Option</u>		<u>after fees</u>	<u>Oct 12-18</u>	<u>price</u>
	<u>November</u>				<u>expiration</u>			<u>profit (loss)</u>				
1989	1-Nov-89	\$6.0550	\$6.25	\$0.2750	22-Jun-90	\$5.9950	\$0.0000	(\$0.2750)	\$0.01	(\$0.2850)	\$5.06	\$4.78
1990	1-Nov-90	\$6.4950	\$6.50	\$0.3300	14-Jun-91	\$5.6750	\$0.0000	(\$0.3300)	\$0.01	(\$0.3400)	\$5.79	\$5.45
1991	1-Nov-91	\$5.9125	\$6.00	\$0.3050	19-Jun-92	\$6.0325	\$0.0338	(\$0.2713)	\$0.01	(\$0.2813)	\$5.20	\$4.92
1992	2-Nov-92	\$5.7600	\$6.00	\$0.1950	18-Jun-93	\$6.0525	\$0.0413	(\$0.1538)	\$0.01	(\$0.1638)	\$5.00	\$4.84
1993	1-Nov-93	\$6.5025	\$6.50	\$0.5000	17-Jun-94	\$7.1100	\$1.1300	\$0.6300	\$0.02	\$0.6100	\$5.75	\$6.36
1994	1-Nov-94	\$5.8250	\$6.00	\$0.1875	23-Jun-95	\$6.0175	\$0.0238	(\$0.1638)	\$0.01	(\$0.1738)	\$4.85	\$4.68
1995	1-Nov-95	\$7.0050	\$7.00	\$0.3800	21-Jun-96	\$7.9175	\$0.8750	\$0.4950	\$0.02	\$0.4750	\$5.92	\$6.40
1996	1-Nov-96	\$6.7825	\$7.00	\$0.2638	20-Jun-97	\$8.2600	\$1.3000	\$1.0363	\$0.02	\$1.0163	\$6.30	\$7.32
1997	3-Nov-97	\$7.3725	\$7.50	\$0.4350	19-Jun-98	\$6.5200	\$0.0000	(\$0.4350)	\$0.01	(\$0.4450)	\$6.38	\$5.94
1998	2-Nov-98	\$5.8775	\$6.00	\$0.2950	18-Jun-99	\$4.7150	\$0.0000	(\$0.2950)	\$0.01	(\$0.3050)	\$4.93	\$4.63
1999	1-Nov-99	\$4.9825	\$5.00	\$0.3400	23-Jun-00	\$4.9850	\$0.0025	(\$0.3375)	\$0.01	(\$0.3475)	\$4.17	\$3.82
2000	1-Nov-00	\$4.9825	\$5.00	\$0.3050	22-Jun-01	\$4.5400	\$0.0100	(\$0.2950)	\$0.01	(\$0.3050)	\$4.05	\$3.75
2001	1-Nov-01	\$4.5575	\$4.60	\$0.2938	21-Jun-02	\$4.9550	\$0.3500	\$0.0563	\$0.02	\$0.0363	\$3.80	\$3.84
2002	1-Nov-02	\$5.5250	\$5.60	\$0.3200	20-Jun-03	\$6.2850	\$0.6925	\$0.3725	\$0.02	\$0.3525	\$5.03	\$5.38
2003	3-Nov-03	\$7.3400	\$7.40	\$0.6250	25-Jun-04	\$9.2050	\$1.8050	\$1.1800	\$0.02	\$1.1600	\$6.81	\$7.97
2004	1-Nov-04	\$5.4100	\$5.60	\$0.3050	24-Jun-05	\$7.4450	\$1.8450	\$1.5400	\$0.02	\$1.5200	\$4.72	\$6.24
2005	1-Nov-05	\$6.0550	\$6.40	\$0.3050	23-Jun-06	\$5.8050	\$0.0000	(\$0.3050)	\$0.01	(\$0.3150)	\$5.17	\$4.86
2006	1-Nov-06	\$6.7950	\$6.80	\$0.5250	22-Jun-07	\$7.9700	\$1.1700	\$0.6450	\$0.02	\$0.6250	\$5.24	\$5.87
2007	1-Nov-07	\$10.3250	\$10.40	\$0.8750	20-Jun-08	\$15.3250	\$4.9250	\$4.0500	\$0.02	\$4.0300	\$8.62	\$12.65
2008	3-Nov-08	\$9.7000	\$9.80	\$1.2150	26-Jun-09						\$8.24	
1990-2007		\$6.31	\$6.41	\$0.38			\$0.79	\$0.41		\$0.40	\$5.43	\$5.83