



Peter Paperfarmer
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**PRE-HARVEST
Spring Wheat**



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Peter copies Terry Timer's approach to pre-harvest sales, BUT...
He re-owns each sale with the purchase of an at-the-money September wheat call option.
Some options premiums are estimates.
Peter maintains his option position until expiration in mid-August.
Year by year of results for Peter are on page 1.

Year	# Sales	Futures Average	Average Option Profit (Loss)	Futures Average adjusted for option P&L	percent pre-harvest priced	Crookston Nearby HRS Basis Friday Aug 20-26	Pre-harvest average price	Crookston Price Friday Aug 20-26	Peter's weighted** average price
1989	3	\$4.16	(\$0.26)	\$3.90	75%	(\$0.29)	\$3.62	\$3.64	\$3.62
1990	3	\$3.62	(\$0.18)	\$3.44	75%	(\$0.28)	\$3.15	\$2.52	\$3.00
1991	0	#N/A	#N/A	#N/A	0%	(\$0.27)	#N/A	\$2.59	\$2.59
1992	3	\$3.70	(\$0.21)	\$3.49	75%	(\$0.19)	\$3.30	\$2.97	\$3.22
1993	0	#N/A	#N/A	#N/A	0%	\$0.29	#N/A	\$3.51	\$3.51
1994	0	#N/A	#N/A	#N/A	0%	(\$0.13)	#N/A	\$3.63	\$3.63
1995	3	\$3.59	\$0.61	\$4.20	75%	(\$0.29)	\$3.91	\$4.35	\$4.02
1996	3	\$5.21	(\$0.33)	\$4.88	75%	(\$0.29)	\$4.59	\$4.37	\$4.53
1997	3	\$3.99	(\$0.13)	\$3.86	75%	(\$0.31)	\$3.55	\$3.84	\$3.63
1998	3	\$3.82	(\$0.21)	\$3.61	75%	(\$0.24)	\$3.37	\$2.96	\$3.27
1999	2	\$3.54	(\$0.22)	\$3.33	50%	(\$0.43)	\$2.90	\$2.91	\$2.91
2000	2	\$3.52	(\$0.16)	\$3.36	50%	(\$0.34)	\$3.02	\$2.63	\$2.82
2001	2	\$3.50	(\$0.18)	\$3.33	50%	(\$0.17)	\$3.15	\$2.96	\$3.06
2002	0	#N/A	#N/A	#N/A	0%	(\$0.15)	#N/A	\$3.95	\$3.95
2003	3	\$3.56	\$0.00	\$3.56	75%	(\$0.38)	\$3.18	\$3.43	\$3.25
2004	3	\$4.31	(\$0.26)	\$4.04	75%	(\$0.27)	\$3.77	\$3.18	\$3.62
2005	3	\$3.57	(\$0.22)	\$3.34	75%	(\$0.07)	\$3.27	\$3.50	\$3.33
2006	3	\$4.33	(\$0.18)	\$4.15	75%	(\$0.29)	\$3.86	\$4.16	\$3.94
2007	3	\$5.12	\$1.22	\$6.34	75%	(\$0.69)	\$5.66	\$6.02	\$5.75
2008	3	\$10.19	(\$0.93)	\$9.26	75%	(\$0.56)	\$8.70	\$8.82	\$8.73
2009	3	\$6.44	(\$0.56)	\$5.88	75%	(\$0.36)	\$5.52	\$4.96	\$5.38
2010	0	#N/A	#N/A	#N/A	0%	(\$0.90)	#N/A	\$6.10	\$6.10
1990-2010			(\$0.12)			(\$0.30)		\$3.97	\$4.01

** Peter is willing to price grain up to his insurance level (75%). His final price will be a weighted average of up to 75% from pre-harvest sales and the balance from harvest sales, at the harvest price.