



Price it.
Control it.
Share it.

STRUCTURED COMMODITY SOLUTIONS

Structured Product Guide

Structured Commodity Solutions

What are structured products?

Structured products are grain contracts with pricing rules

When a farmer is sitting on un-priced
grain, what are his goals?

No downside

All upside

No cost

...Unfortunately, he can only have 2

No downside + No cost = Selling you his grain

All upside + No cost = Doing nothing

No downside + All upside = Buying puts

**When a farmer is pricing grain, what
are his goals?**

Optimizing his downside, upside, and
cost to create flexibility



**Flexibility is introduced through the
addition of optionality**

Assurance Plan

Just like an HTA

With a Master Assurance Plan, the producer has:

- A fixed price on his bushels (just like an HTA)

Master Assurance Plan is suitable for:

- A producer who is bearish and wishes to sell grain at the current market

Near Term

Bullish



Neutral



Bearish



Long Term

Bullish



Neutral



Bearish





All structures accumulate an average price instead of being set at the outset

It's June 1st
10,000 bushels
Delivery in August
Instead of one price on 10,000 bu
10 prices on 1,000 bu
This *accumulates* a price until delivery

Assurance Plan + Additional Quantity

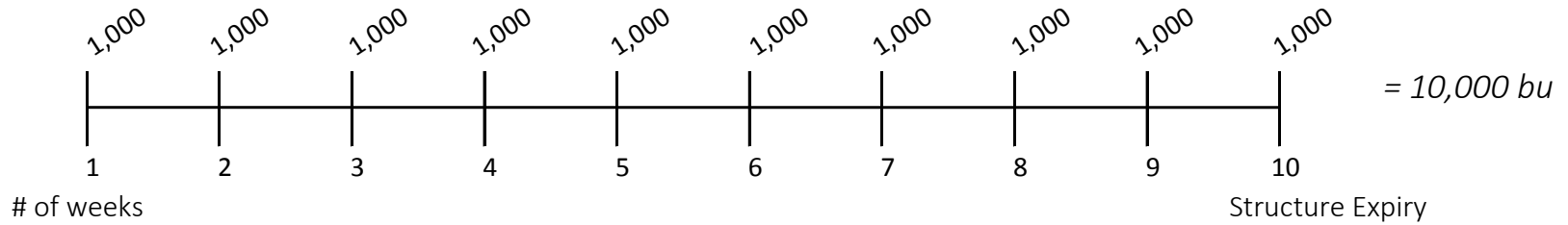
Additional Quantity Types:

1. **Reserve** – prices additional bushels on a weekly basis
2. **Plus** – prices additional bushels at the structure's expiry

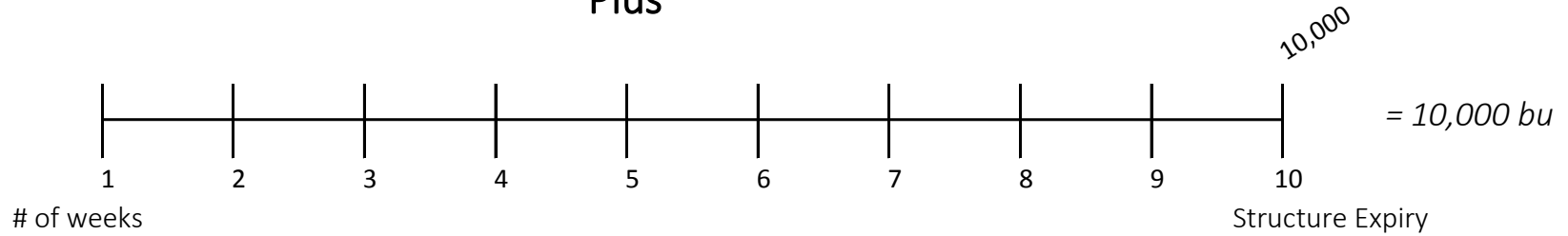


Let's say your additional quantity is on
10,000 bu...

Reserve



Plus



Assurance Reserve Plan

When an HTA is not bearish enough

With a Master Assurance Reserve Plan, the producer:

- Has a fixed price for his bushels above current market
- Is committed to possibly selling additional bushels above current market on a weekly basis

Master Assurance Reserve Plan is suitable for:

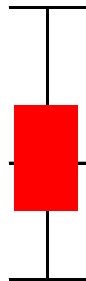
- A producer who is bearish and wishes to sell grain above the market

Near Term

Bullish

Neutral

Bearish

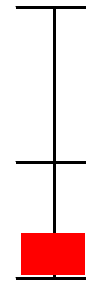


Long Term

Bullish

Neutral

Bearish



Assurance Plus Plan

When an HTA is not bearish enough

With a Master Assurance Plus Plan, the producer:

- Has a fixed price above current market
- Is committed to possibly selling additional bushels above current market at structure expiry

Master Assurance Plus Plan is suitable for:

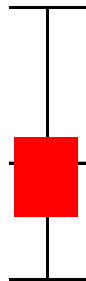
- A producer who is bearish and wishes to sell grain above the market

Near Term

Bullish

Neutral

Bearish

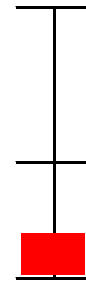


Long Term

Bullish

Neutral

Bearish



Structured Product Matrix

Nothing
 KO/Reset
 KO Only
 Sell OTM Put
 Buy Strip of OTM Call Spreads
 Buy Strip of OTM Calls
 KO higher

Floor	Min/Max	Fixed
Floor	Range	Assurance
		Originator
	Reset	Enhancer
Support	Fence	
		Deferred Range
		Deferred Floor
Release		

Floor Plan

Nothing
 KO/Reset
 KO Only
 Sell OTM Put
 Buy Strip of OTM Call Spreads
 Buy Strip of OTM Calls
 KO higher

Floor	Min/Max	Fixed
Floor	Range	Assurance
		Originator
	Reset	Enhancer
Support	Fence	
		Deferred Range
		Deferred Floor
Release		

Floor Plan

Max Protection, Max Upside, a little cheaper than outright puts

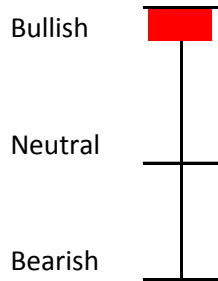
With a Master Floor Plan, the producer has:

- All his upside, though his sales are averaged into over time
- No downside
- A slightly cheaper price than a put

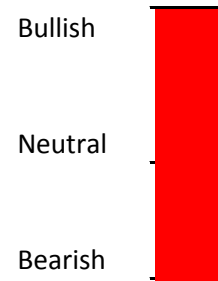
A Master Floor Plan is suitable for:

- A producer who is bullish, but wants to lock in protection to the downside

Near Term



Long Term



Floor Reserve/Plus Plan

Max Protection, Max Upside, a little cheaper



With a Master Floor Reserve Plan, the producer:

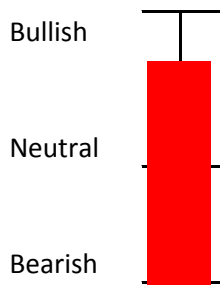
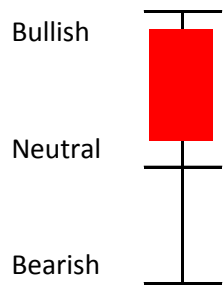
- Has all his upside, though his sales are averaged into over time
- Has no downside
- Is committed to possibly selling additional bushels above current market on a weekly basis

A Master Floor Reserve Plan is suitable for:

- A producer who is bullish, but thinks it's likely it will end lower than the reserve price but also wants to lock in protection to the downside

Near Term

Long Term



With a Master Floor Plus Plan, the producer:

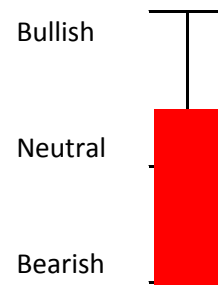
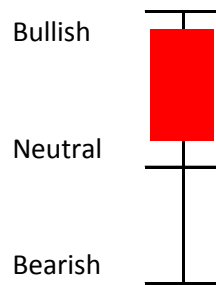
- Has all his upside, though his sales are averaged into over time
- Has no downside
- Is committed to possibly selling additional bushels above current market at the end of the structures life

A Master Floor Plus Plan is suitable for:

- A producer who is bullish, but feels comfortable making another sale at the plus price but also wants to lock in protection to the downside

Near Term

Long Term



Range Plan

Nothing
 KO/Reset
 KO Only
 Sell OTM Put
 Buy Strip of OTM Call Spreads
 Buy Strip of OTM Calls
 KO higher

Floor	Min/Max	Fixed
Floor	Range	Assurance
		Originator
	Reset	Enhancer
Support	Fence	
		Deferred Range
		Deferred Floor
Release		

Range Plan

Max Protection, Capped Upside, a little cheaper

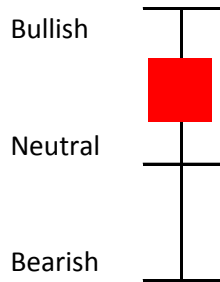
With a Master Range Plan, the producer has:

- Capped upside, with sales averaged over time
- No downside
- A cheaper price than a Master Floor Plan

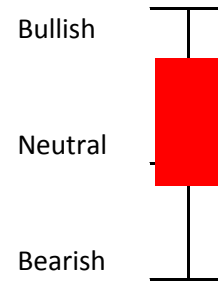
A Master Range Plan is suitable for:

- A producer who is bullish (range-bound), and wants to lock in protection to the downside

Near Term



Long Term



Range Reserve/Plus Plan

Max Protection, Capped Upside, a little cheaper

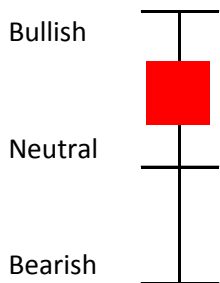
With a Master Range Reserve Plan, the producer:

- Has capped upside, with sales averaged over time
- Has no downside
- Has a cheaper price than a Master Range Plan
- Is committed to possibly selling additional bushels above current market on a weekly basis

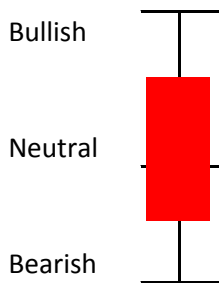
A Master Range Reserve Plan is suitable for:

- A cost conscious producer who is mildly bullish, but wants to lock in protection to the downside

Near Term



Long Term



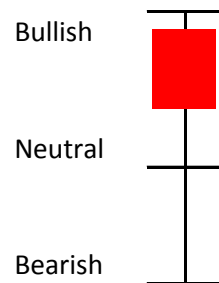
With a Master Range Plus Plan, the producer producer:

- Has capped upside, with sales averaged over time
- Has no downside
- Has a cheaper price than a Master Range Plan
- Is committed to possibly selling additional bushels above current market at the end of the structures life

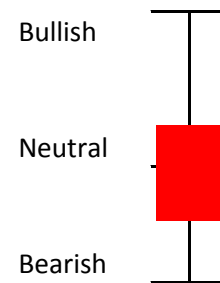
A Master Range Plus Plan is suitable for:

- A cost conscious producer who is mildly bullish, but wants to lock in protection to the downside

Near Term



Long Term



Support Plan

Nothing
 KO/Reset
 KO Only
 Sell OTM Put
 Buy Strip of OTM Call Spreads
 Buy Strip of OTM Calls
 KO higher

Floor	Min/Max	Fixed
Floor	Range	Assurance
		Originator
	Reset	Enhancer
Support	Fence	
		Deferred Range
		Deferred Floor
Release		

Support Plan

Limited Protection, Max Upside - a cheaper floor



With a Master Support Plan, the producer has:

- unlimited upside
- downside protection which ends beyond a certain level
- a cheaper price than a Master Floor Plan

A Master Support Plan is suitable for:

- a producer who is really bullish, and wants to lock in protection to the downside above a certain level
- particularly suitable for a producer with crop insurance

Near Term

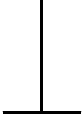
Bullish



Neutral



Bearish



Long Term

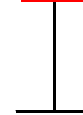
Bullish



Neutral



Bearish



Support Reserve/Plus Plan

Limited Protection, Max Upside - a cheaper floor



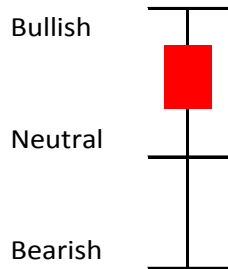
With a Master Support Reserve Plan, the producer:

- Has unlimited upside
- Has downside protection which ends beyond a certain level
- Has a slightly cheaper price than a Master Support Plan
- Is committed to possibly selling additional bushels above current market on a weekly basis

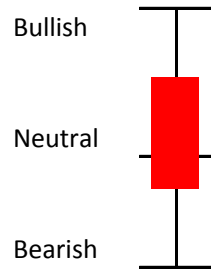
A Master Support Reserve Plan is suitable for:

- a producer who is really bullish, and wants to lock in protection to the downside above a certain level
- particularly suitable for a producer with crop insurance

Near Term



Long Term



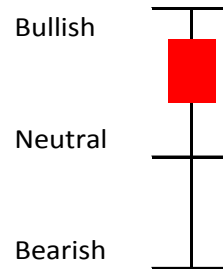
With a Master Support Plus Plan, the producer:

- Has unlimited upside
- Has downside protection which ends beyond a certain level
- Has a slightly cheaper price than a Master Support Plan
- Is committed to possibly selling additional bushels above current market at the end of the structures life

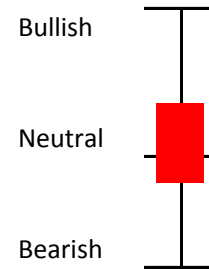
A Master Support Plus Plan is suitable for:

- a producer who is really bullish, and wants to lock in protection to the downside above a certain level
- particularly suitable for a producer with crop insurance

Near Term



Long Term



Release Plan

Nothing
 KO/Reset
 KO Only
 Sell OTM Put
 Buy Strip of OTM Call Spreads
 Buy Strip of OTM Calls
 KO higher

Floor	Min/Max	Fixed
Floor	Range	Assurance
		Originator
	Reset	Enhancer
Support	Fence	
		Deferred Range
		Deferred Floor
Release		

Release Plan

Max Protection with a second chance to price higher

With a Master Release Plan, the producer has:

- Upside with a Trigger Level that releases the remaining bushels
- No downside
- A little cheaper than a Floor

A Master Release Plan is suitable for:

- A producer who is bullish and is ok making a new decision if prices rise beyond his release level, but wants to lock in protection to the downside for now.

Near Term

Bullish

Neutral

Bearish



Long Term

Bullish

Neutral

Bearish



*...No additional
quantity*

Fence Plan

Nothing
 KO/Reset
 KO Only
 Sell OTM Put
 Buy Strip of OTM Call Spreads
 Buy Strip of OTM Calls
 KO higher

Floor	Min/Max	Fixed
Floor	Range	Assurance
		Originator
	Reset	Enhancer
Support	Fence	
		Deferred Range
		Deferred Floor
Release		

Fence Plan

Limited Protection, Max Upside - a cheaper/better range

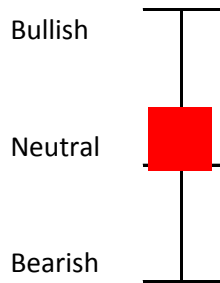
With a Master Fence Plan, the producer has:

- Capped upside
- Downside protection which ends beyond a certain level
- A cheaper price (or better range) than a Master Range Plan

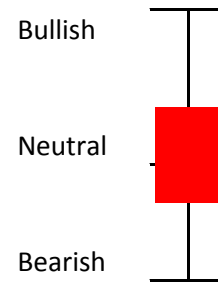
A Master Fence Plan is suitable for:

- A producer who is mildly bullish, and wants to lock in protection to the downside above a certain level
- Particularly suitable for a producer with crop insurance

Near Term



Long Term



Fence Reserve/Plus Plan

Limited Protection, Max Upside - a cheaper/better range



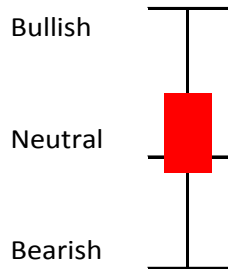
With a Master Fence Reserve Plan, the producer:

- Has capped upside
- Has downside protection which ends beyond a certain level
- Has a cheaper price (or better range) than a Master Range Plan
- Is committed to possibly selling additional bushels above current market on a weekly basis

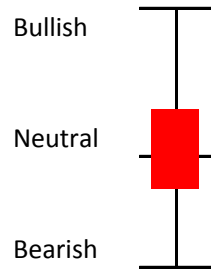
A Master Fence Reserve Plan is suitable for:

- A producer who is mildly bullish, and wants to lock in protection to the downside above a certain level
- Particularly suitable for a producer with crop insurance

Near Term



Long Term



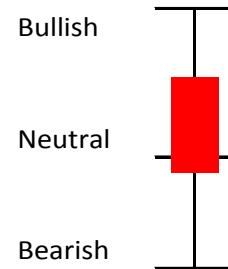
With a Master Fence Plus Plan, the producer:

- Has capped upside
- Has downside protection which ends beyond a certain level
- Has a cheaper price (or better range) than a Master Range Plan
- Is committed to possibly selling additional bushels above current market at the end of the structures life

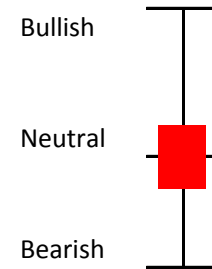
A Master Fence Plus Plan is suitable for:

- A producer who is mildly bullish, and wants to lock in protection to the downside above a certain level
- Particularly suitable for a producer with crop insurance

Near Term



Long Term



Reset Plan

Nothing
 KO/Reset
 KO Only
 Sell OTM Put
 Buy Strip of OTM Call Spreads
 Buy Strip of OTM Calls
 KO higher

Floor	Min/Max	Fixed
Floor	Range	Assurance
		Originator
	Reset	Enhancer
Support	Fence	
		Deferred Range
		Deferred Floor
Release		

Reset Plan

It's a question of when

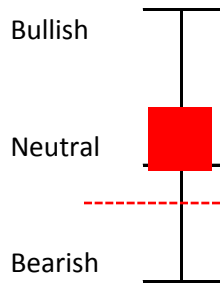
With a Master Reset Plan, the producer has:

- Capped upside
- Has downside protection that ends beyond a certain point (in the form of a trigger level)
- A cheaper price than a Master Range Plan

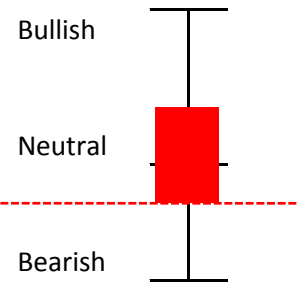
A Master Reset Plan is suitable for:

- A mildly bullish producer who thinks grain will be range bound (especially in the near term), and wants to lock in downside protection above a certain level

Near Term



Long Term



Reset Reserve/Plus Plan

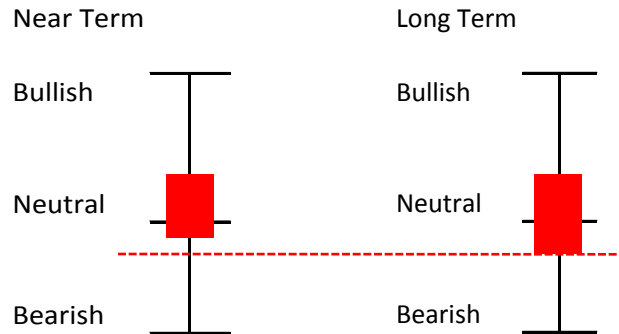
It's a question of when

With a Master Reset Reserve Plan, the producer:

- Has capped upside
- Has downside protection, but that ends beyond a certain point
- Has a cheaper price than a Master Reset Plan
- Is committed to possibly selling additional bushels above current market on a weekly basis

A Master Reset Reserve Plan is suitable for:

- A mildly bullish producer who thinks grain will be range bound (especially in the near term), and wants to lock in downside protection above a certain level

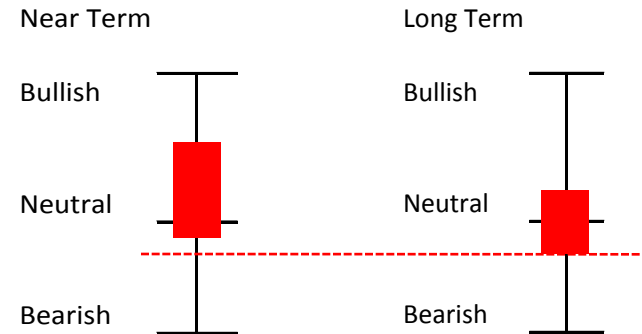


With a Master Reset Plus Plan, the producer:

- Has capped upside
- Has downside protection, but that ends beyond a certain point
- Has a cheaper price than a Master Reset Plan
- Is committed to possibly selling additional bushels above current market at the end of the structure's life

A Master Reset Plus Plan is suitable for:

- A mildly bullish producer who thinks grain will be range bound (especially in the near term), and wants to lock in downside protection above a certain level



Originator Plan

Nothing
 KO/Reset
 KO Only
 Sell OTM Put
 Buy Strip of OTM Call Spreads
 Buy Strip of OTM Calls
 KO higher

Floor	Min/Max	Fixed
Floor	Range	Assurance
		Originator
	Reset	Enhancer
Support	Fence	
		Deferred Range
		Deferred Floor
Release		

Originator Plan

We're going down, but slowly



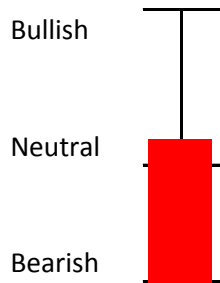
With a Master Originator Plan, the producer has:

- A fixed price at the current market
- A trigger level which if touched:
 - > Reprices remaining bushels at the futures price at the time the structure was put on

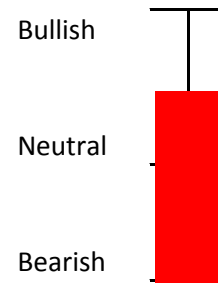
Master ORIGINATOR Plan is suitable for:

- Producer who is bearish (especially near term) and likes the current market price

Near Term



Long Term



Originator Reserve/Plus Plan

We're going down, but slowly

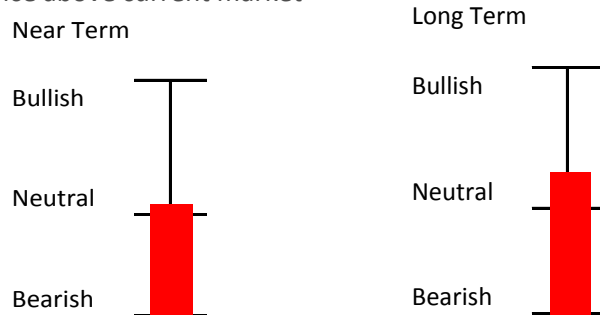


With a Master Originator Reserve Plan, the producer has:

- A fixed price above current market
- Committed to possibly selling additional bushels above current market on a weekly basis
- A trigger level which if touched:
 - > Eliminates additional quantity
 - > Re-prices remaining bushels at the futures price at the time the structure was put on

Master ORIGINATOR Reserve Plan is suitable for:

- Producer who is mildly bearish (especially near term), but wants a price above current market

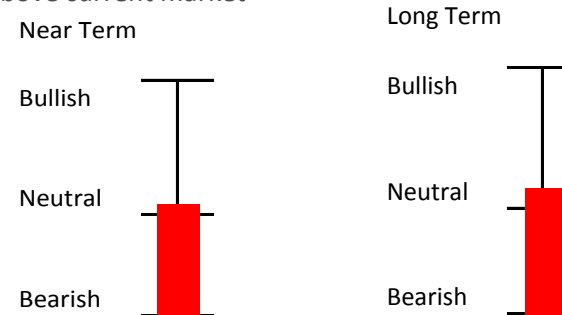


With a Master Originator Plus Plan, the producer has:

- A fixed price above current market
- Committed to possibly selling additional bushels above current market at the end of the structure's life
- A trigger level which if touched:
 - > Eliminates additional quantity
 - > Re-prices remaining bushels at the futures price at the time the structure was put on

Master ORIGINATOR Plus Plan is suitable for:

- Producer who is mildly bearish (especially near term), but wants a price above current market



Enhancer Plan

Nothing
 KO/Reset
 KO Only
 Sell OTM Put
 Buy Strip of OTM Call Spreads
 Buy Strip of OTM Calls
 KO higher

Floor	Min/Max	Fixed
Floor	Range	Assurance
		Originator
	Reset	Enhancer
Support	Fence	
		Deferred Range
		Deferred Floor
Release		

Enhancer Plan

Master Enhancer Plan



With a Master Enhancer Plan, the producer has:

- A fixed price at the current market
- A trigger level which if touched will cancel all remaining bushels

Master Enhancer Plan is suitable for:

- Producer who is bearish (especially near term) and likes the current market price



Enhancer Reserve/Plus Plan

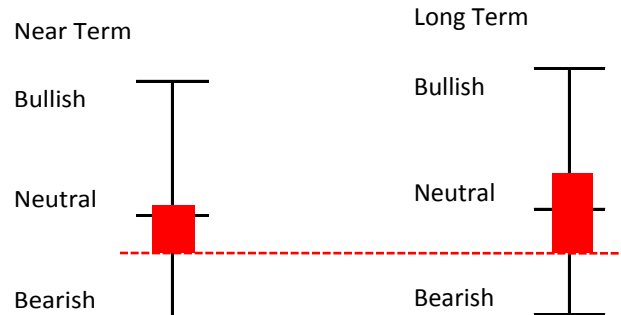
Master Enhancer Plan

With a Master Enhancer Reserve Plan, the producer has:

- Fixed price above current market
- Committed to possibly selling additional bushels above current market on a weekly basis
- A trigger level which if touched will:
 - > Eliminate the additional quantity
 - > Cancel all remaining bushels

Master Enhancer Reserve Plan is suitable for:

- Producer who is mildly bearish (especially near term), but wants a price above current market

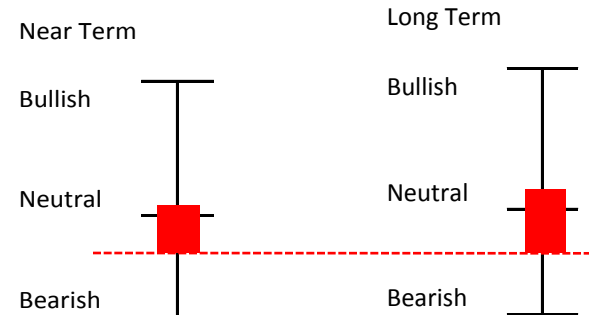


With a Master Enhancer Plus Plan, the producer has:

- Fixed price above current market
- Committed to possibly selling additional bushels above current market at the end of the structure's life
- A trigger level which if touched will:
 - > Eliminate the additional quantity
 - > Cancel all remaining bushels

Master Enhancer Plus Plan is suitable for:

- Producer who is mildly bearish (especially near term), but wants a price above current market



Deferred Floor Plan

Nothing
 KO/Reset
 KO Only
 Sell OTM Put
 Buy Strip of OTM Call Spreads
 Buy Strip of OTM Calls
 KO higher

Floor	Min/Max	Fixed
Floor	Range	Assurance
		Originator
	Reset	Enhancer
Support	Fence	
		Deferred Range
		Deferred Floor
Release		

Deferred Floor Plan

When you have to sell some now



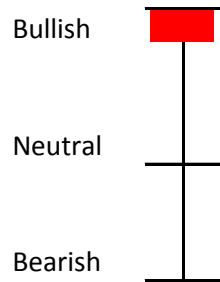
With a Master Deferred Floor Plan, the producer:

- Prices his grain today
- Retains maximum upside participation

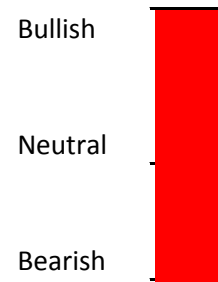
Master Deferred Floor Plan is suitable for:

- A producer who is bullish, but needs to sell now

Near Term



Long Term



Deferred Floor Reserve/Plus Plan

When you have to sell some now



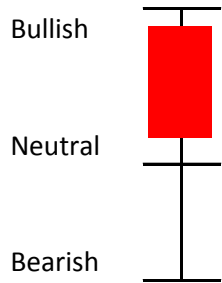
With a Master Deferred Floor Reserve Plan, the producer:

- Prices his grain today
- Retains maximum upside participation
- Is committed to possibly selling additional bushels on a weekly basis

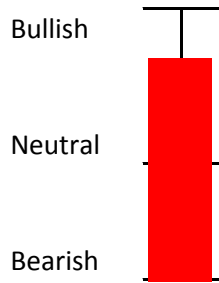
Master Deferred Floor Reserve Plan is suitable for:

- A producer who is bullish, but needs to sell now

Near Term



Long Term



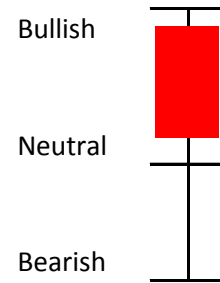
With a Master Deferred Floor Plus Plan, the producer:

- Prices his grain today
- Retains maximum upside participation
- Is committed to possibly selling additional bushels at the end of the structure's life

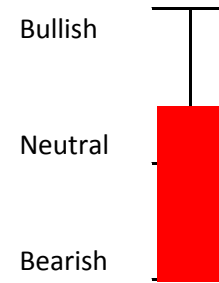
Master Deferred Floor Plus Plan is suitable for:

- A producer who is bullish, but needs to sell now

Near Term



Long Term



Deferred Range Plan

Nothing
 KO/Reset
 KO Only
 Sell OTM Put
 Buy Strip of OTM Call Spreads
 Buy Strip of OTM Calls
 KO higher

Floor	Min/Max	Fixed
Floor	Range	Assurance
		Originator
	Reset	Enhancer
Support	Fence	
		Deferred Range
		Deferred Floor
Release		

Deferred Range Plan

When you have to sell some now

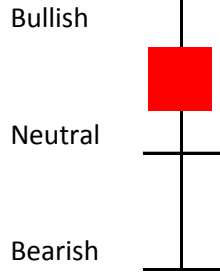
With a Master Deferred Range Plan, the producer:

- Prices his grain today
- Sets a minimum and maximum price for his bushels

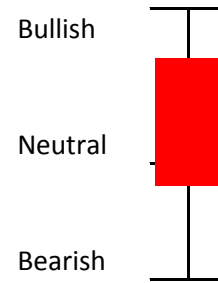
Master Deferred Range Plan is suitable for:

- A producer who is bullish (range-bound), but needs to sell now

Near Term



Long Term



Deferred Range Reserve/Plus Plan

When you have to sell some now

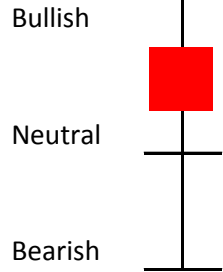
With a Master Deferred Range Reserve Plan, the producer:

- Prices his grain today
- Sets a minimum and maximum price for his bushels
- Commits to possibly selling additional bushels on a weekly basis

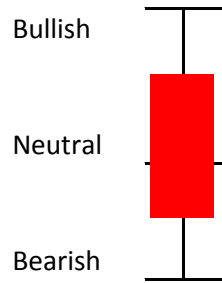
Master Deferred Range Reserve Plan is suitable for:

- A producer who is bullish (range-bound), but needs to sell now

Near Term



Long Term



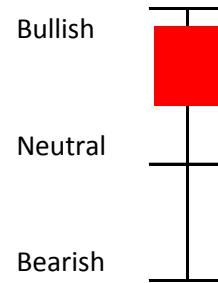
With a Master Deferred Range Reserve Plan, the producer:

- Prices his grain today
- Sets a minimum and maximum price for his bushels
- Commits to possibly selling additional bushels at the end of the structure's life

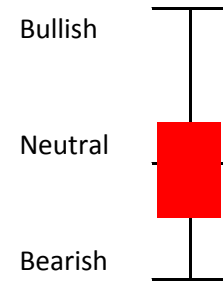
Master Deferred Range Plan is suitable for:

- A producer who is bullish (range-bound), but needs to sell now

Near Term



Long Term



Extended Reserve & Plus

Choosing the contract



- Will cheapen a structure significantly, though generally not as much as a regular Plus or Reserve
- Allow the producer to have the additional quantity on a different contract (and therefore crop year), thereby reducing risk of a bad crop.
- Limit the upside on the additional quantity



Price it.
Control it.
Share it.

Questions? Contact the SCS desk at:
structureddesk@structuredcommoditysolutions.com