



Price it.  
Control it.  
Share it.

Master Producer

# INDEPENDENCE

Plan

The Master Independence Plan (Proposal)

## DETAILS

- ⇒ Premium to enter into program determined by the market (by way of example, in today's market, with volatility relatively high and corn at \$4.15, 17 weeks of CZ15 would cost 36 cents, 69 weeks of CZ16 would cost 56 cents)
- ⇒ Customer can free his bushels and re-establish his hedge as often as he wants at market price
- ⇒ At the very end, if position is unhedged, the hedge is re-established (at no cost)
- ⇒ Final price for bushels is the Hedged price at expiry +/- any gains/losses accrued over life, though losses are **capped at the premium paid**

## DEFERRED MODE

The Master Independence Program can be implemented in Deferred mode. In Deferred mode, bushels are (or have already been) delivered in one contract whose base price is set, with the price modified by any gains/losses accrued over the time of the Chosen Program in a different contract.

## MECHANICS

- ⇒ Every instance of a customer entering a program will be given a Trade ID
- ⇒ Elevator communicates customer request to SCS Desk via normal channels (depending on popularity, SCS will add functionality to the trading tool to add Trade ID, and Hedge/Remove info)
- ⇒ Confirmation email will be sent once order is placed/executed
- ⇒ Up-to-date reports will be generated daily detailing current hedge price (with history of hedge/removal per Trade ID)

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