



Master Floor Plan

SCS Master Floor Plans serve as a cheaper alternative to purchasing put options, allowing the producer to preserve all of his upside. With Master Floor Plans, however, bushel sales are averaged over time, instead of all done at the very end.

Cheaper than equivalent put options, **SCS Master Floor Plans** allow producers to lock in a "floor" price that provides maximum protection from falling grain prices.

Master Floor Plans can have additional quantities into the current or next year's crop included to cheapen the price of the original contract.

TOOL GROUP Floor

PRODUCER BIAS

- > Master Floor Plan — Very bullish in the near term, unsure in the long term. Wants to be fully protected either way.
- > Master Floor Plus Plan — bullish in the near term, neutral in the long term. OK with pricing additional bushels at the end of the contract.
- > Master Floor Reserve Plan—bullish in the near term, neutral in the long term. OK with pricing additional bushels on a weekly basis.

ADVANTAGES

- > Producer has unlimited upside
- > Full protection from downside moves
- > Can only get Floor price or better

DISADVANTAGES

- > Most expensive plan
- > Possibly pricing additional bushels at a predetermined level, thereby eliminating upside for those bushels as well

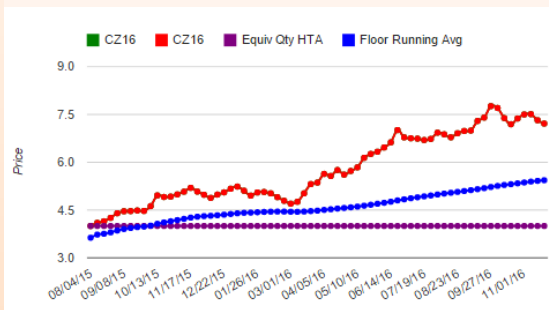
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Examples

CZ16 Futures Price at \$4.00

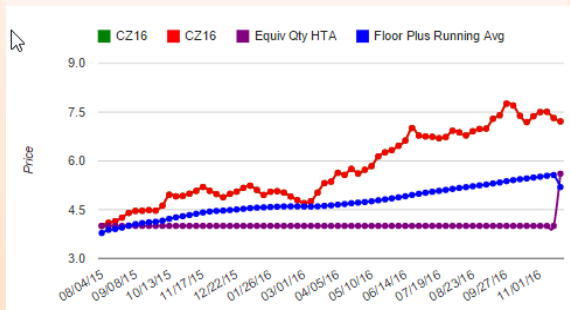
1. MASTER FLOOR

- Bushels priced weekly in CZ16 with a floor at \$4.00
- Costs 36.8 cents/bu

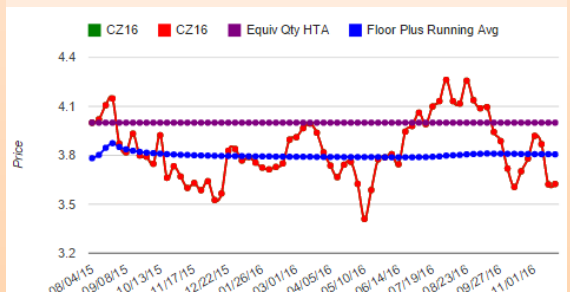
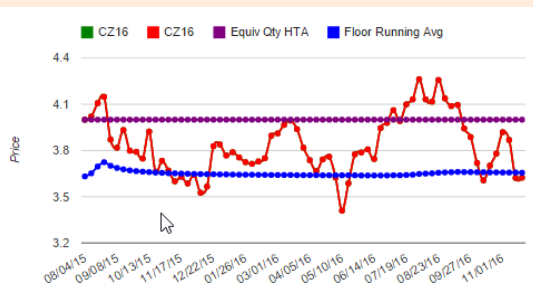


2. MASTER FLOOR PLUS

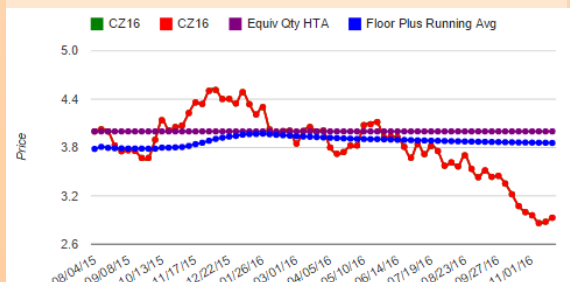
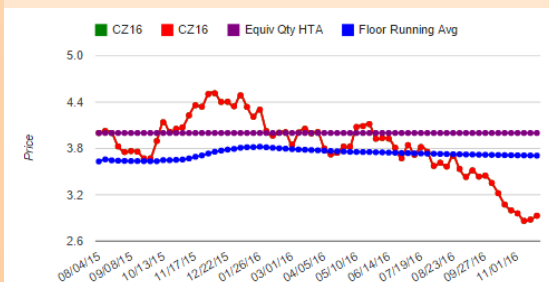
- Bushels priced weekly with a floor price at \$4.00
- Double-up at the end of contract at \$4.80
- Costs 21.8 cents/bu



BULL MARKET



NEUTRAL MARKET



BEAR MARKET

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.