

# Master Release Plan

Similar to traditional floor plans, **SCS Master Release Plans** allow producers to lock in a "floor" price that provides maximum protection from falling grain prices. Master Release Plans also come with a Trigger Level. Should the futures price trade at or above the Trigger Level, all unaccumulated bushels are cancelled, allowing the producer to implement a new hedging strategy.

**SCS Master Release Plans** are suitable for the bullish producer who wishes to lock in a minimum price for his bushels, but wishes to retain flexibility to modify his hedge, should prices go higher.

### TOOL GROUP: Floor

#### **PRODUCER BIAS**

> Master Release Plan— bullish in the near term and is OK with making a new decision if prices rise beyond his release level, but wants to lock in protection the downside as well.

#### ADVANTAGES:

- > Producer participates in upside market moves
- > Full protection from downside moves
- > Cheaper than a minimum price contract
- > Flexibility to take back control of bushels once futures price hits a desirable level

#### DISADVANTAGES:

> A bit expensive

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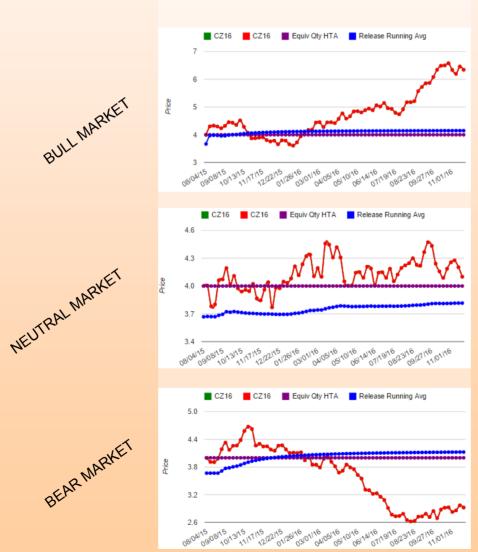
# Master Release Plan

## **Examples**

CZ16 Futures Price at \$4.00

#### 1. MASTER RELEASE

- Bushels priced weekly in CZ16 with a floor at \$4.00
- Release level at \$4.50 that releases or re-prices remaining bushels at \$4.50
- Costs 33.2 cents/bu



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 PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS AND COMPONENTIAL TRADING PROGRAM TO 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 ARE TAL RESULTS.