



# **The Premium Charge and Convergence**

by

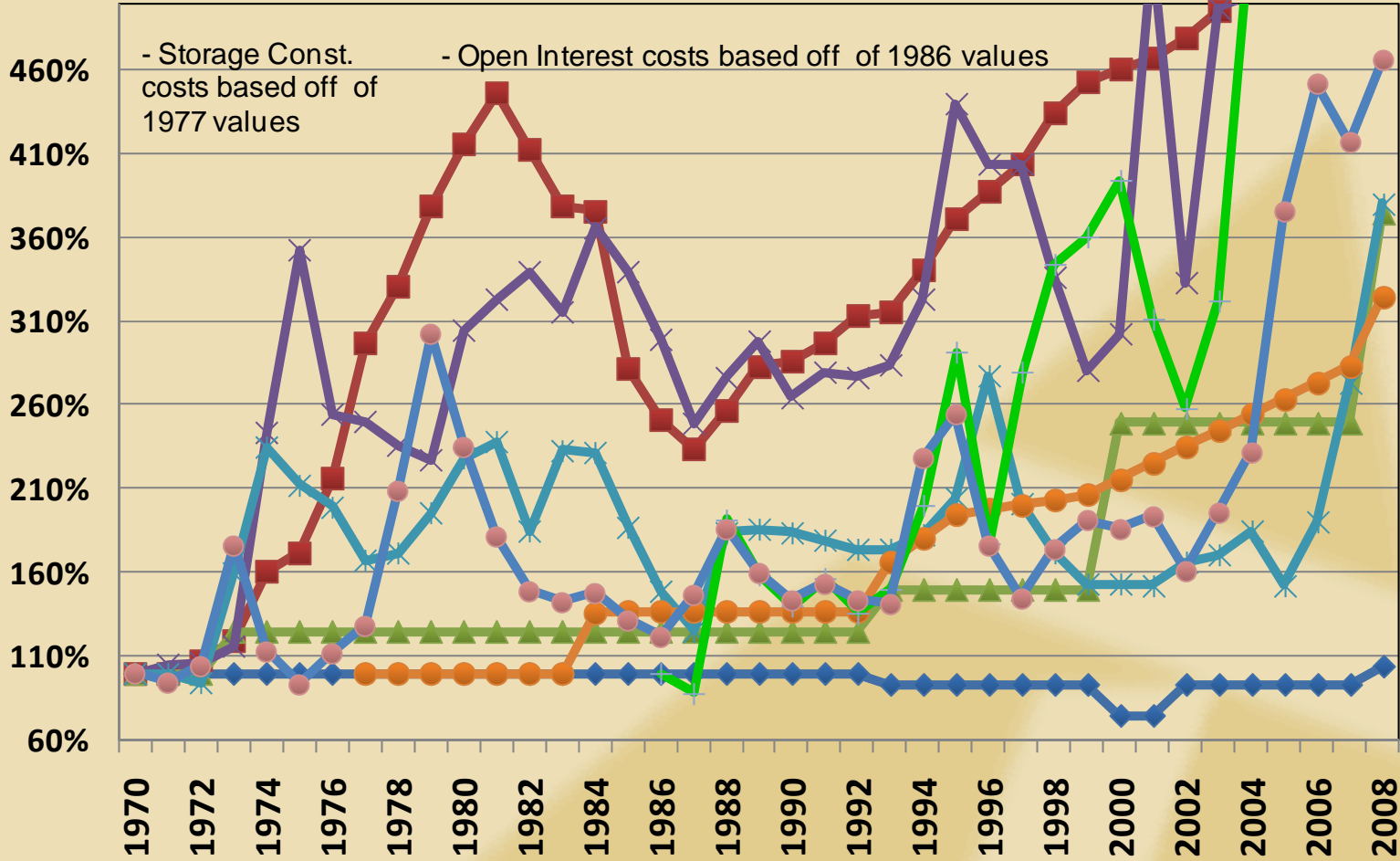
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**Commodity Futures Trading  
Agriculture Advisory Committee  
Washington, DC  
July 29, 2008**



# Percentage of 1970 Values



- ◆ CBOT Prem Chg - 104%
- ▲ CBOT Corn Limit - 375%
- \* CBOT Nearby Corn - 381%
- + CBOT Corn O I - 1176%
- Farmland Price - 884%
- ✕ Anhydrous Price - estimate range 933% - 1333%
- Storage Const. Cost - 325%
- IL River Freight - 466%



# Return on Investment Comparison as of 7-1-2008

**FDIC Insured  
CD, 90 day**

**3.089%**  
(no-commissions)

**T-Bill  
60 day**

**1.67%**  
(before-commissions)

**CN8:CU8  
Spread**

**3.20%**  
(before-commissions)

# Peoria DVE

## 7-1-2008

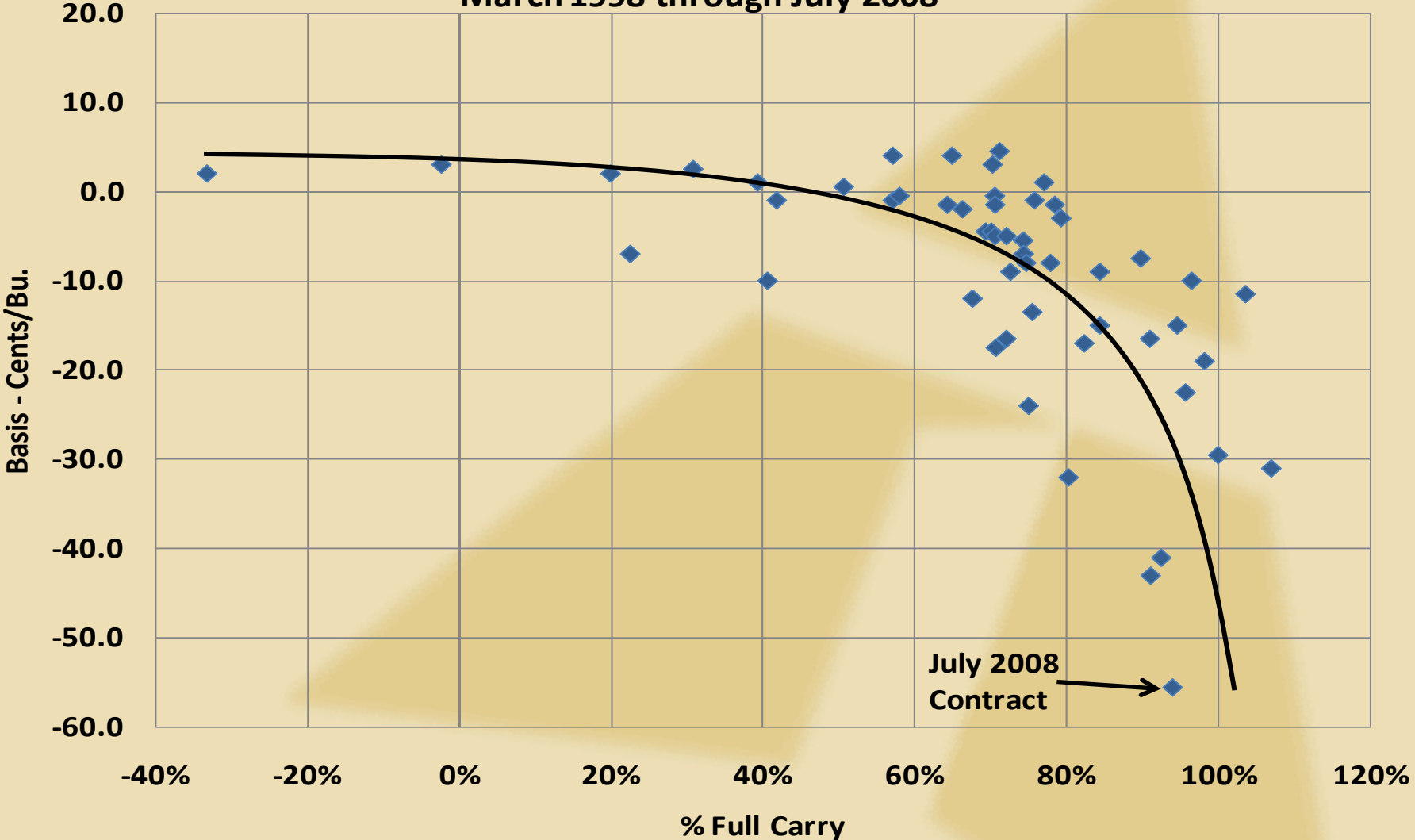


<b>NOLA CIF Bid</b>	<b>+35c</b>	<b>CN8</b>
<b>Barge Freight</b>	<b><u>-84c</u></b>	
<b>FOB Barge</b>	<b>-49c</b>	
<b>Delivery value</b>	<b>+7c</b>	
<b>Non-convergence</b>	<b>56c</b>	

# Convergence and Full Carry



Ottawa, IL. Corn Basis vs. % Full Carry on First Notice Day  
March 1998 through July 2008





# ***Disclaimer***

**This data is provided for information purposes only and is not intended to be used for specific trading strategies without consulting Advance Trading, Inc.**

**Because trading futures and options normally involves risk, determining the appropriateness of hedging with futures and options can only be made on a case-by-case basis.**

**All information is based upon data that is believed to be reliable. However, we cannot guarantee the accuracy or completeness of the data.**