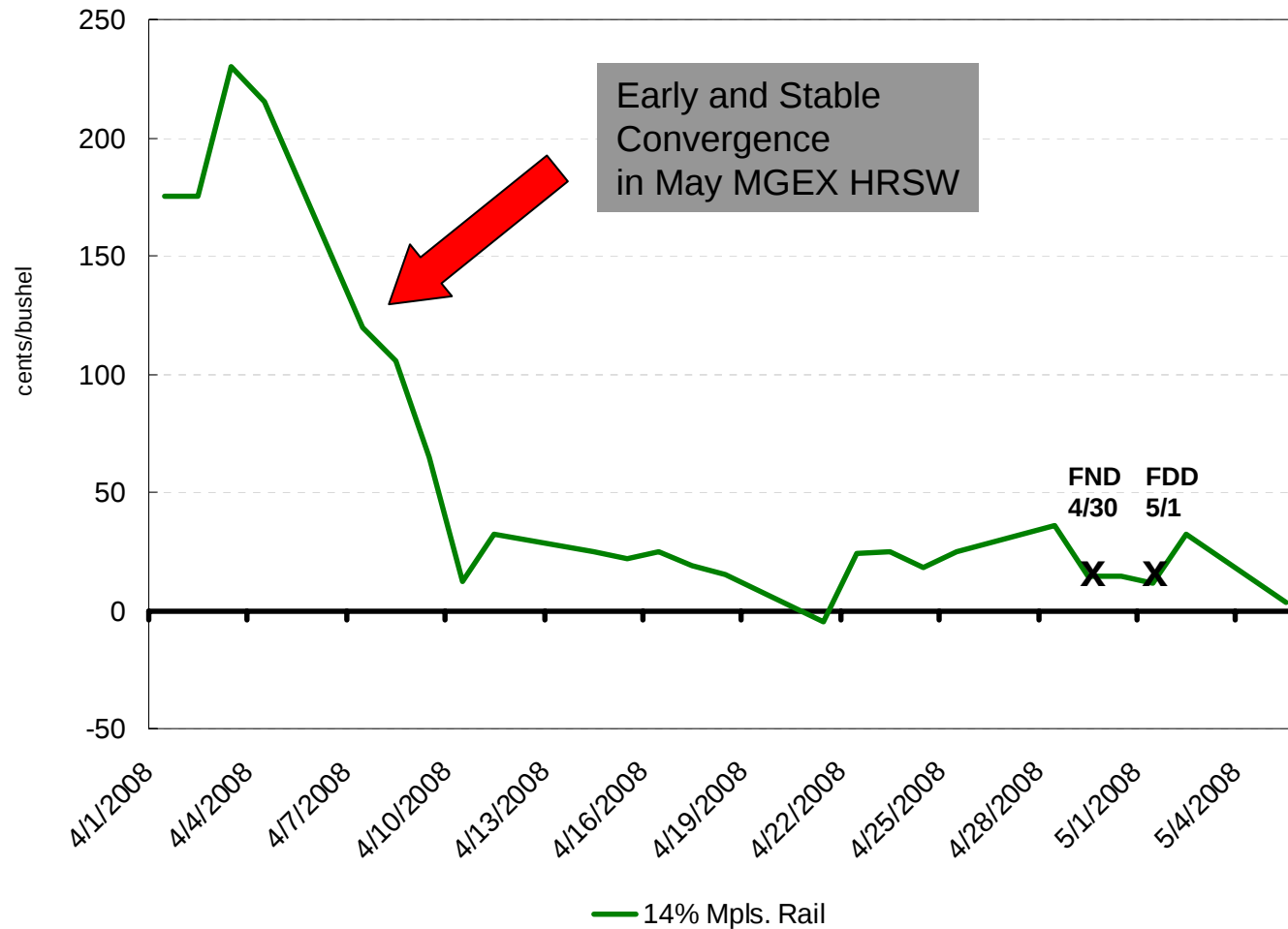


AGRICULTURAL ADVISORY COMMITTEE

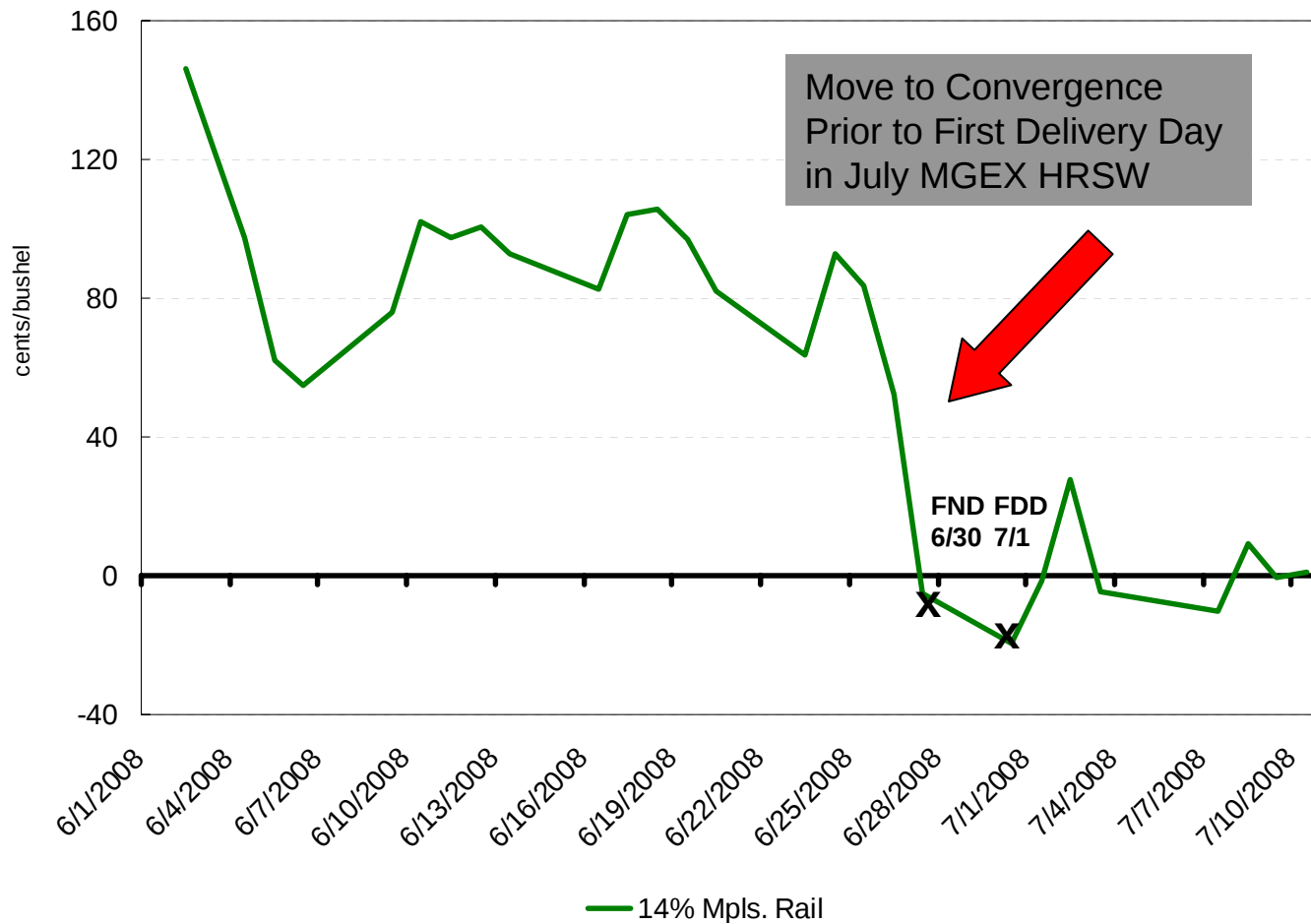
CFTC
July 29, 2008



MAY 2008 MGEX HARD RED SPRING WHEAT (HRSW) Basis Levels for Minneapolis



JULY 2008 MGEX HARD RED SPRING WHEAT (HRSW) Basis Levels for Minneapolis

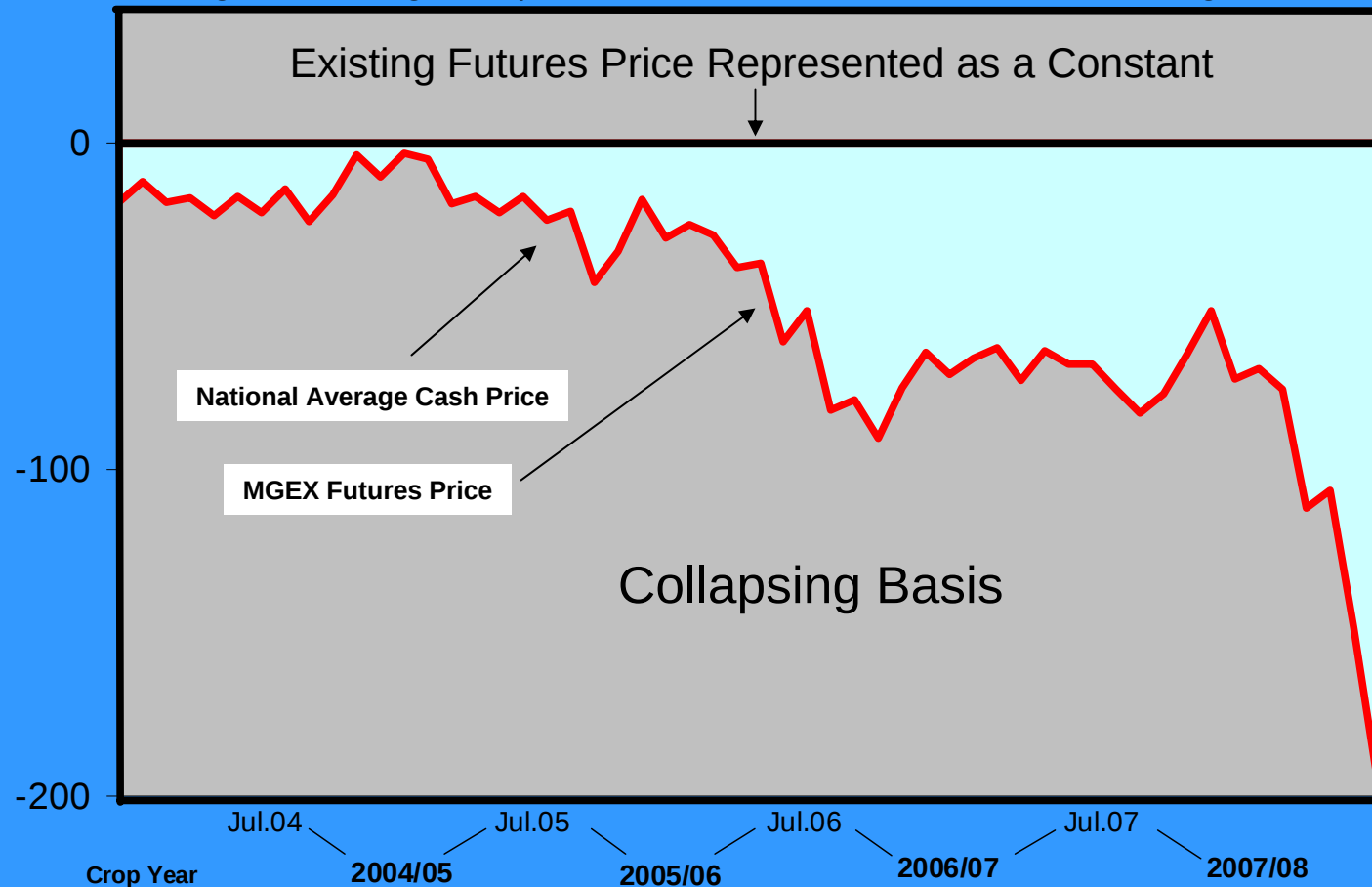


MGEX INDEX PRODUCTS
- Superior Hedge Performance –
An Alternative to the Existing
Traditional Contracts

- The grain industry is suffering from a lack of convergence for the traditional basis hedger.
- In today's environment, weak basis, even collapsing basis levels, have made reliability upon past basis relationships meaningless.
- The traditional basis hedge reduced risk in the past but may actually increase risk today.

MGEX SRW INDEX FUTURES - EXISTING WHEAT FUTURES

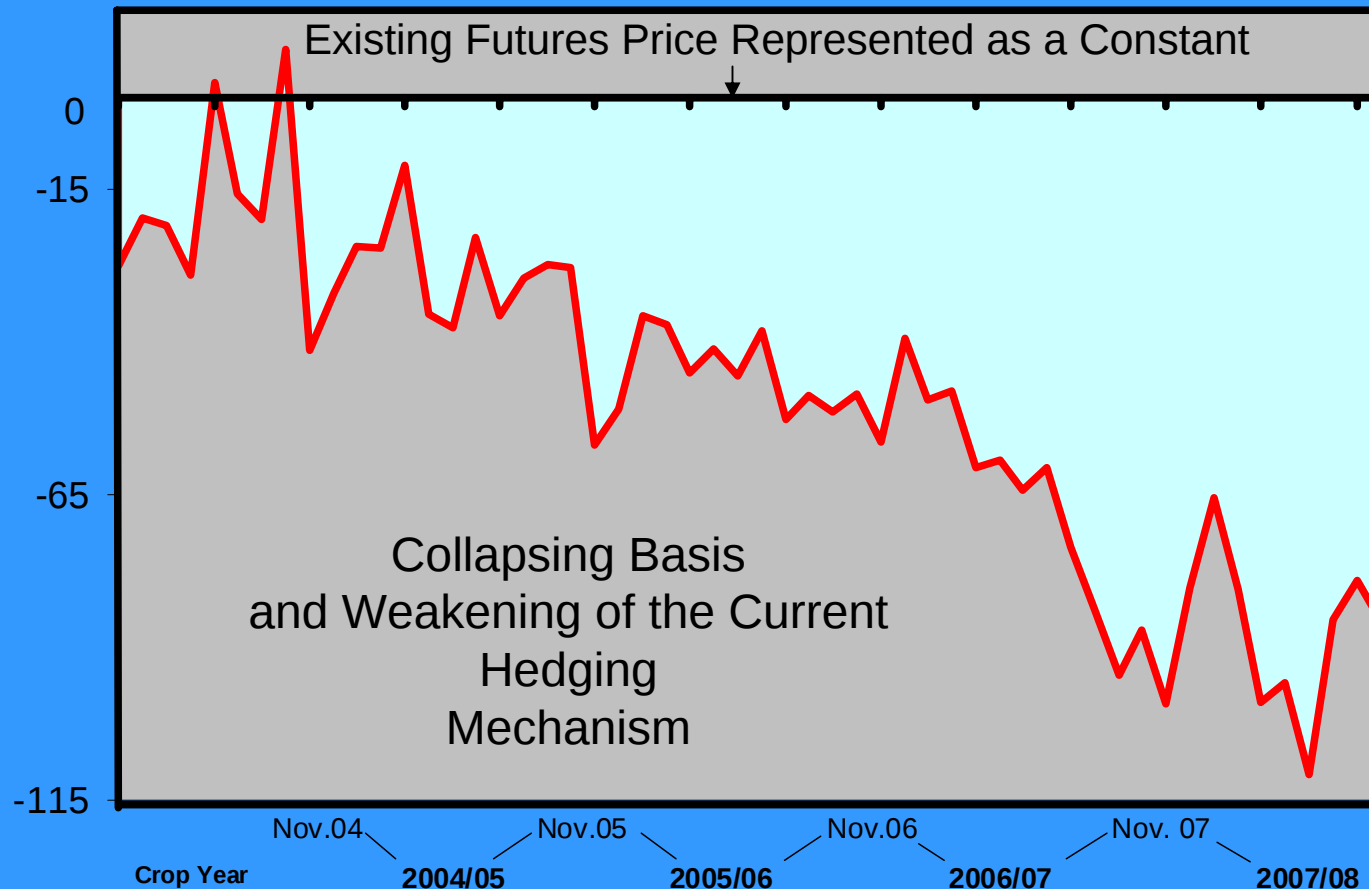
National Average Cash Price and MGEX Futures Price
ARE THE SAME,
guaranteeing near perfect CONVERGENCE for the short hedger.



Q: Which is the Better Hedge?

MGEX NATIONAL SOYBEAN INDEX (NSI) FUTURES – EXISTING SOYBEAN FUTURES

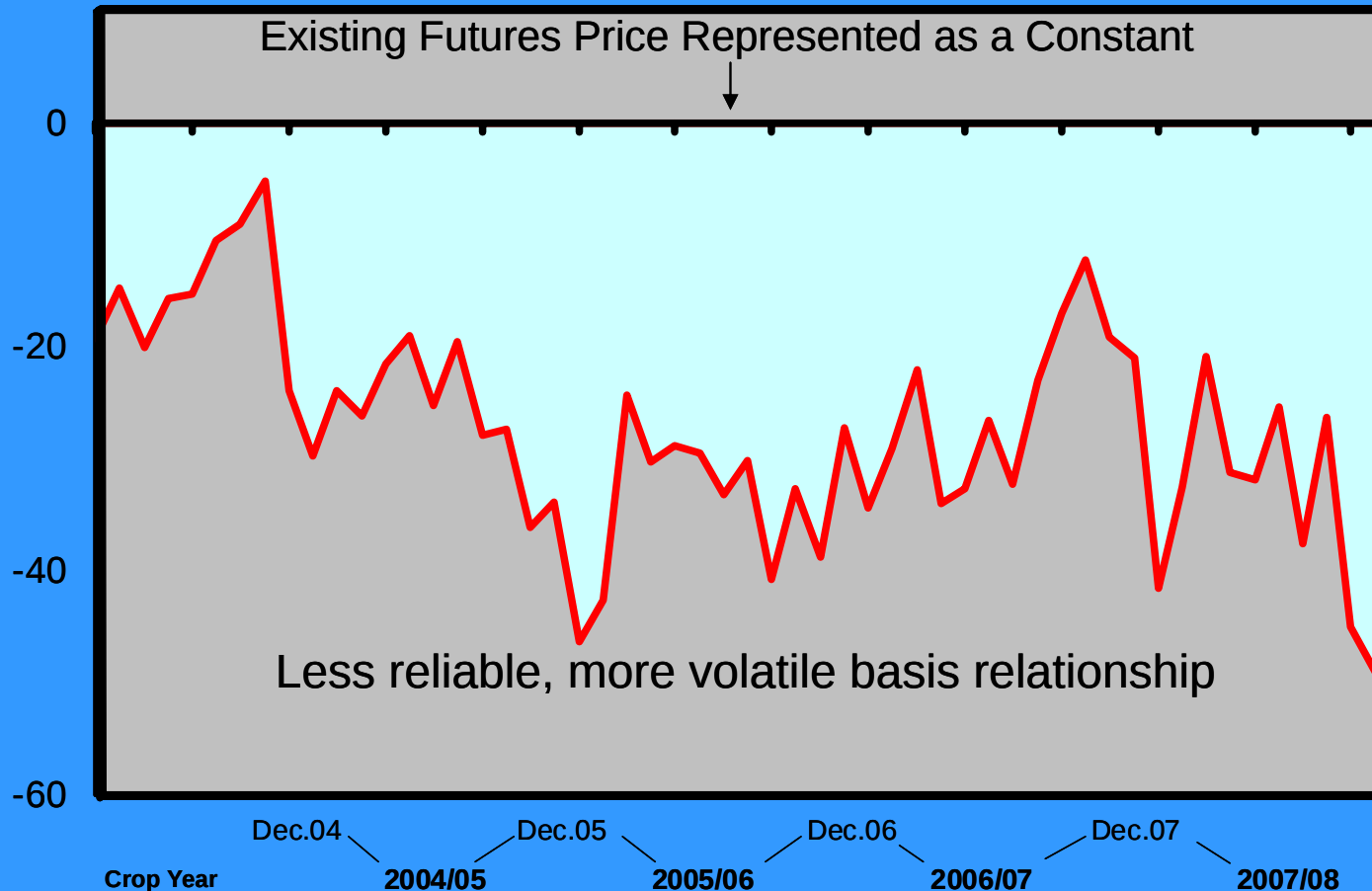
The same challenge of the hedging mechanism that occurred in Wheat is also beginning to develop in Soybeans.



Q: Which is the Better Hedge?

MGEX NATIONAL CORN INDEX (NCI) FUTURES – EXISTING CORN FUTURES

The same challenge of the hedging mechanism that occurred in Wheat and has started in Soybeans may be developing in Corn.



Q: Which is the Better Hedge?

1. Settle FINANCIALLY into the DTN National Average Cash Price
2. NO PHYSICAL DELIVERY
3. Financial settlement allows ALL PARTIES to participate in the market without negative consequences to others:



Short hedgers

Long hedgers

Speculators

Index/financial investors and hedgers

**FINANCIAL SETTLEMENT OF GRAIN FUTURES CONTRACTS
IS THE NEW MODEL THAT ACCOMODATES
ALL PLAYERS IN THE MARKETPLACE**