Long Call

PAPER CONTRACT

“buy a call”

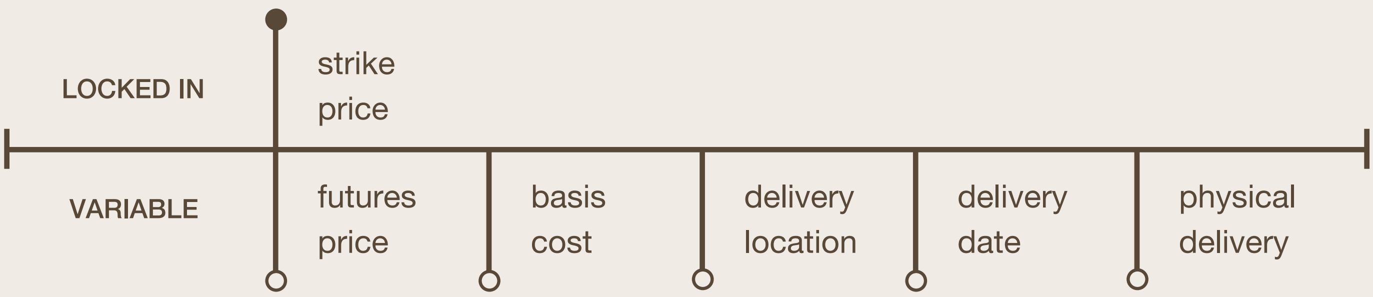
$ brokerage fee per contract

no margin required

premium paid to buy the option

If the market is bullish and goes above your strike price of $4, you are “in the money” and will profit from the difference between the current futures price and the strike price, minus the premium you paid for the call.

If the market is bearish and goes below your strike price of $4, you are “out of the money,” and your call will expire, worthless. Your loss is limited to the premium you paid for the call.



USE CASE

- You think the market is going to go up, and you are willing to pay a premium to set a price ceiling.
- You can profit in a bullish market while only risking your premium.
- You would typically pair this with a physical cash sale to lock in a price for your crop while maintaining flexibility to participate in a market rally.

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