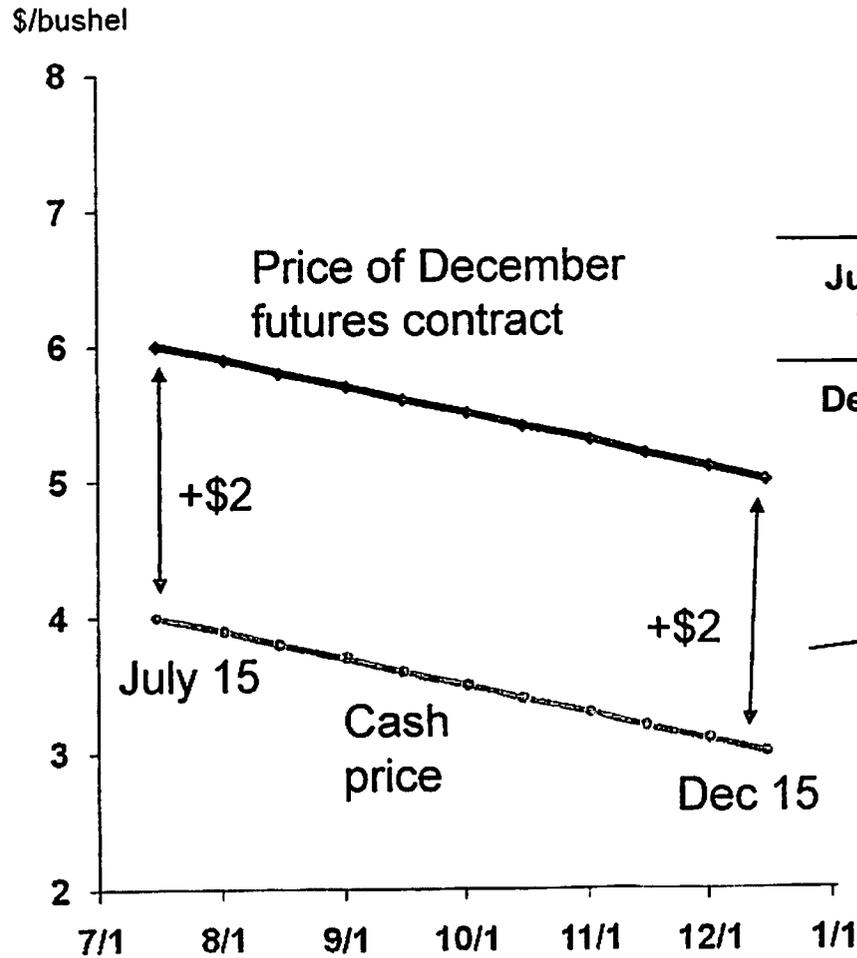


Example of a Hedge Without Convergence

Permanent Subcommittee on Investigation
EXHIBIT #5



Net gain: \$0 bu.

| | Cash Market | Futures Market | Net |
|---------|----------------|----------------|----------|
| July 15 | BUY @ \$4/bu. | SELL @ \$6/bu. | +\$2/bu. |
| Dec. 15 | SELL @ \$3/bu. | BUY @ \$5/bu. | -\$2/bu. |

Lack of convergence reduces effectiveness of the hedge