



SETTLEMENT PROCESS FOR THE NATIONAL CORN INDEX (NCI) FUTURES AND OPTIONS

National Corn Index (NCI) is a simple average of elevator bids for U.S. No. 2 Yellow Corn collected and published daily by the Data Transmission Network (DTN). Over 1800 elevator bids comprise the daily NCI spot price (which is posted on the MGEX website www.mgex.com). It is this broad based average that insulates the NCI from market factors that may disproportionately affect CBOT Corn delivery points.

The elevators that comprise the index are located across the country, but 75% are in seven states (IA, IL, IN, KS, MN, NE, OH). The elevator bids in the index represent well over 90% of the elevators in the United States. Each day, DTN contacts designated individuals by phone to collect the bids. If a bid falls outside a designated range, it is flagged and confirmed prior to inclusion in the index. The MGEX conducts audits of this process to ensure integrity in the calculation of the index. The index is calculated daily, and serves as the underlying 'asset' for NCI futures and options contracts.