

# Cargill Elevate<sup>TM</sup>

## Progressive Pacer

Progressive Pacer is a contract that provides daily pricing over a pricing period only when the market settles at or above a customizable threshold price

### Price

Simplify grain marketing. Build a price and protect against volatility.



PRICE



INSURE



ENHANCE

## When should I use this contract?

- Would like to stay in the market for an extended period of time but want to avoid the frustration of trying to “time” the market.
- Want to participate in market upside and historical price seasonality but maintain control with a threshold price.
- Are concerned about selling below crop insurance base price or profit goals and want the ability to reprice at any time based on your bias.

## What are the advantages?

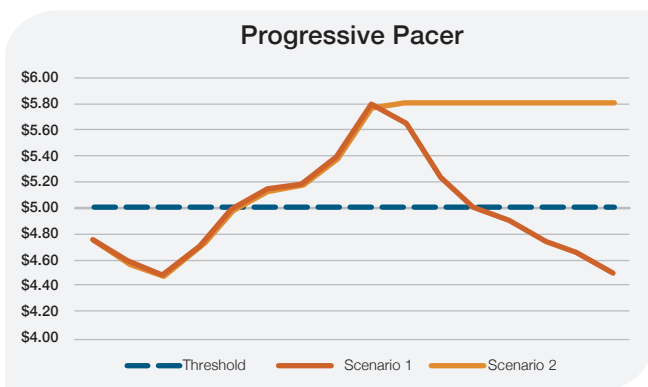
- Provides discipline by pricing grain over a customizable timeframe, while giving you the control to not price any bushels below your selected threshold price.
- Uses a progressive feature which dynamically resets the daily quantity needed to price based on remaining days.

### Risk:

- There is no guarantee that the contracted quantity will be priced.

## How Progressive Pacer works

On March 1, you believe the market will rally based on historical trends but are unsure when to sell. After meeting with your Cargill representative, you decide to enter into a Progressive Pacer contract to sell 10,000 bushels of corn for delivery to your local Cargill elevator. You select April 1-June 30 as the pricing period using December corn futures reference month and establish \$5.00 as your threshold price.



### Scenario 1:

During the first month, the market is below the threshold price and no bushels are priced. The market rallies and closes at or above \$5.00, and grain is priced daily according to the number of bushels remaining to be priced and the number of days remaining in the pricing period. At the end of the pricing period on June 30, since the market in the last weeks was below your threshold, you’ve only priced 7500 bushels at a weighted average price of \$5.30. The remaining 2500 are not priced and can be priced at your discretion using any other available pricing method in accordance with local policies.

### Scenario 2:

Halfway through the pricing period, you chose to price out early and the remaining bushels are priced at the market price of \$5.80. The price out calculation is 50% at the running average of \$5.20 and 50% at the market price of \$5.80 for a final Progressive Pacer average of \$5.50. \*Note: had the market at time of early priceout been below the Threshold Price, you would have been choosing to price the remaining bushels below your Threshold Price.

Contact your Cargill representative to help you decide if Progressive Pacer is right for you.