Cargill Helping the world thrive

Pacer Ultra

What is the Pacer Ultra contract?

A Pacer Ultra contract provides a futures floor price at or above current market levels and allows unlimited upside participation. During the selected pricing period, grain is priced every day at market close or your floor price, whichever is higher, resulting in an enhanced average. Pacer Ultra allows you to select the floor and the averaging period you desire while giving you the control to price out at any time.

Should I use this contract?

Yes, if you:

- Want to participate in market upside but maintain the safety of a floor
- Want to participate in seasonal averages prior to harvest delivery
- Would like to forward sell your production to take advantage of potential market rallies
- Are concerned about selling at the market low or below average and want the ability to reprice at any time based on your bias

What are the advantages?

- Downside protection at the floor price
- Unlimited upside participation above the floor price
- Potential to significantly beat the average
- Control and flexibility with the opportunity to price out early

How does it work?

- Establish the floor price of your choice.
- Select the averaging period.
- Pacer Ultra prices an equal portion of your grain daily using the market close or your floor price, whichever is higher.
- Retain the ability to price out at any time during the pricing period.

How Pacer Ultra works

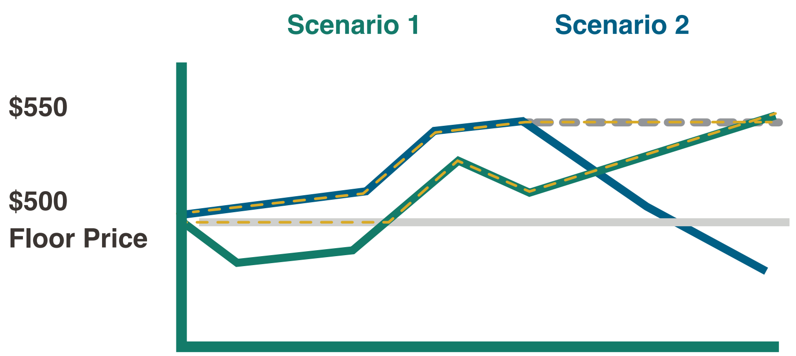
On April 2, you believe the market will rally based on historical seasonality trends but are unsure when to sell. After meeting with your Cargill representative, you decide to enter into a Pacer Ultra contract to sell 100 MTs of canola for delivery to your local Cargill elevator. You select April 2 – Aug 28 as the pricing period using November Canola futures reference month and establish $500 CAD as your Pacer Ultra floor price.

Scenario 1

During the first month, the market closes below the floor price, therefore, you are protected with the guaranteed $500 floor price being used to calculate the enhanced average. The market then begins to trade above $500 so the daily market closing prices are used in the average calculation.

Scenario 2

Halfway through the pricing period, you price out the remaining bushels at the market price of $550. The price out calculation is 50% at the running average of $520 and 50% at the market of $550 for a final Pacer Ultra average of $535.



How does Pacer fit within my grain marketing plan?

FOUNDATIONAL

- ProPricing
- Pacer

FLOOR

- Minimum Price
- Daily Floor Plus
- Pacer Ultra

TRADITIONAL

- Cash
- Basis
- Market Tracker
- Grain Pricing Order

ENHANCE

- Premium Offer
- Focal Point

For more information, drop by your nearest Cargill location, contact your Cargill representative or visit CargillAg.ca