



Performance  
Family

Landea®  
Performance  
Active Opti

# Dynamic Performance

Markets are constantly moving. Marketing grain has become increasingly difficult as market volatility rises. The products of the Performance family, developed by Landea®, are price mechanisms, which provide the farmer the opportunity to benefit from increasing prices, by keeping control of the risks.

## TO WHOM IS THIS DEDICATED

The Landea® Performance Active Opti price mechanism is developed for the farmer who would like to be protected against downside trends of the market, while still having the possibility to participate in any upside movements. This farmer likes to follow the market closely and adjust quickly his marketing decisions.

## WHAT ARE THE ADVANTAGES?

- You can benefit for the total quantity if prices at the Referenced Futures Contract are above your Activation Level.
- You determine the discount by choosing your Activation Level and the Referenced Futures Contract.
- You decide based on the market development when to lock your final contract price.
- Your discount will be deducted from your physical contract price.

## WHAT NEEDS TO BE CONSIDERED?

You need follow the market closely to be able to decide when to re-price your Landea® Performance Active Opti price mechanism. You have to determine the Referenced Futures Contract and the Activation Level. The discount for this price mechanism means a price reduction to your physical contract.

## HOW DOES PRICING OF THE CONTRACT WORK?

On April 1<sup>st</sup> you discuss a wheat forward contract with your collector for a delivery ex crop. You expect the market prices to increase, but want to avoid the risk of decreasing prices. Therefore you decide to sell your wheat and to attach a Landea® Performance Active Opti price mechanism to be able to benefit from a later market increase.

### EXAMPLES:

- You get an offer on April 1<sup>st</sup>, to sell 50 mt Wheat at 160 €/mt ex crop (fix price). The respective

Futures Level at Euronext (Matif) for the Referenced Futures Contract “December” is at 170 €/mt.

- Your discount for this Activation Level is e.g. 12 €/mt. This discount price will be deducted from your contract price of 160 €/mt. You will receive 148 €/mt when you deliver your grain.
- Over the entire period until November 15<sup>th</sup> you can re-price your Landea® Performance Active Opti to participate from increasing prices.
- Your payout price is calculated based on two components if you reprice before expiration. The first component will be the difference between your Activation Level and the Futures Level at the time you want to re-price this price mechanism. The second component will be derived from the Futures Level at the time of re-pricing, the time until expiration of your contract and the current market volatility.
- You will not get any price increase if the market closes below your Activation Level at expiry. But as you made an early selling decision you have been protected against decreasing prices at the prevailing market price at the time of decision.

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## CONTACT

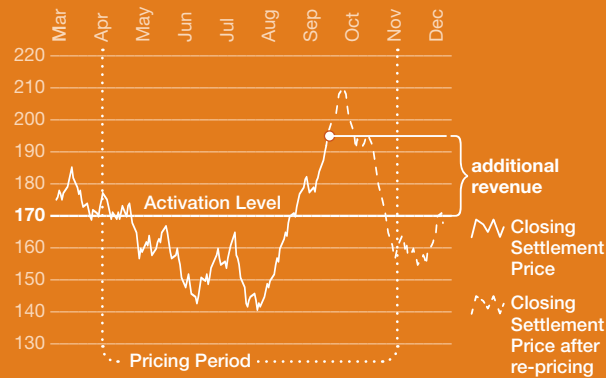
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### SCENARIO 1:

You priced your wheat at 160 €/mt, the discount of 12 €/mt will be deducted. You will receive 148 €/mt as a partial payment after delivery. On September 23<sup>rd</sup>, December wheat futures have risen to 195 €/mt you decide to fix re-price your price mechanism.

160,00 €/mt	Contract price
-12,00 €/mt	Discount
+26,00 €/mt	Result of Performance Active Opti

174,00 €/mt is your final contract price

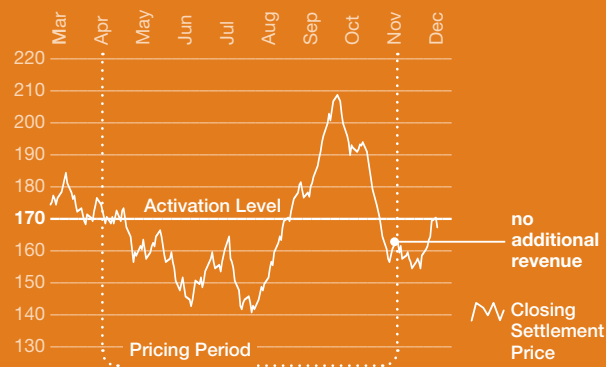


### SCENARIO 2:

You priced your wheat at 160 €/mt, the discount of 12 €/mt will be deducted. You will receive 148 €/mt as a partial payment after delivery. On November 15<sup>th</sup>, December wheat futures have fallen to 162 €/mt. The Futures level is below the Activation Level. The price mechanism has not been re-priced during the Pricing Period.

160,00 €/mt	Contract price
-12,00 €/mt	Discount
+0,00 €/mt	Result of Performance Active Opti

148,00 €/mt is your final contract price



Note: Do not take prices and values in this example as for granted. They are just chosen to simulate scenarios.