



**Cargill®
Entrust**

Use Cargill's market know-how

The agricultural markets are characterized by dynamic price movements, which are increasingly difficult to predict. Our pricing mechanisms help you participate in market developments starting from sowing until the end of the marketing period in order to mitigate your risk. Cargill® Entrust allows you to benefit from the expertise of the internationally experienced agricultural trading company Cargill for part a of your crop (up to 1/3).

TO WHOM IS THIS DEDICATED?

The price mechanism has been developed for farmers who want to incorporate a second, independent market opinion into their marketing strategy or have little time to analyze agricultural markets.

Benefit as a farmer from the experience of Cargill traders and their ability to respond to the multiple factors that affect agricultural prices on a daily basis. At the same time you can manage your risk of selling your crop at the wrong time, e.g. because you may be driven by emotions such as fear or greed.

WHAT ARE THE ADVANTAGES?

- Diversification: You use an independent professional market opinion for your marketing strategy.
- Transparency: Every month you receive a current status as well as market information of the past weeks.
- Discipline: You reduce marketing stress by early price delegation of a part of your crop to your collector.
- Benchmark: You can measure your own marketing result against the performance of professional traders.

WHAT TO CONSIDER?

- Cargill® Entrust does not have a minimum price for the physical contract.
- You must fix the basis (difference between referenced future contract and local market price) in a physical contract with your collector.
- Participation is open multiple times a year with specific deadline.

HOW DOES THE CONTRACT WORK?

You conclude a physical contract with your collector with Cargill® Entrust for 100t Wheat with delivery in November. The basis for the future reference contract "Matif Wheat Dec." is fixed at € -15 / t. The wave starts on April 16th and ends on November 20th.

Your contract price is the result of the future price component (Cargill® Entrust) minus the discount and the basis.

Your Collector hedges the volume with Cargill. During the pricing period, Cargill traders will determine the price for Cargill® Entrust by trading MATIF and pass it to your collector.

The discount for Cargill® Entrust includes a fixed component of 2,50 €/t as well as a variable component of 20% above the average of all closing prices of the referenced futures contract (see calculation examples).

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SCENARIO 1:

On November 20th Cargill® Entrust is 185 €/t.

The average closing settlement price of the pricing period of the future reference contract December is 175 €/t.

The result of Cargill® Entrust is 10 €/t above the average, resulting in a variable discount of 2 €/t.

185,00 €/t	Cargill® Entrust
- 2,50 €/t	Fix discount
- 2,00 €/t	Variable discount (20%*(185 €/t-175 €/t))
- 15,00 €/t	Basis (fixed with collector)

165,50 €/t Contract price

SCENARIO 2:

On November 20th Cargill® Entrust is 170 €/t.

The average closing settlement price of the term of the future reference contract December is 175 €/t.

The result of Cargill® Entrust is below the average, so that there is no variable discount.

170,00 €/t	Cargill® Entrust
- 2,50 €/t	Fix discount
- 0,00 €/t	Variable discount (170 €/t < 175 €/t)
- 15,00 €/t	Basis (gestellt durch Ihren Erfasser)

152,50 €/t Contract price

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