



Opportunity  
Family

Landea®  
Opportunity  
Active

## Dynamic Performance

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

### TO WHOM IS THIS DEDICATED?

It is developed for livestock producers who would like to be protected against upside trends of the market, while still having the chance to fully participate in downside movements.

This producer likes to follow the market closely and keep control of his purchase decision.

### WHAT ARE THE ADVANTAGES?

- You can benefit for the total quantity if prices at the Referenced Futures Contract are below your Activation Level.
- You determine the markup 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 markup will be added to your physical contract price.

### WHAT TO CONSIDER?

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

## HOW DOES PRICING OF THE CONTRACT WORK?

- On April 1<sup>st</sup> you discuss a wheat contract with your supplier for a delivery on farm. You expect the market prices to decrease, but you want to avoid the risk of increasing prices. Therefore you decide to buy your wheat and to attach a Landea® Opportunity Active price mechanism to be able to benefit from a later market decrease.
- You get an offer to buy 50 mt feed wheat at 175 €/mt ex crop (fix price). The respective Futures Level at Euronext (Matif) for the Referenced Futures Contract "December" is at 170 €/mt.
- Your markup for this Activation Level is e.g. 12 €/mt. This markup price will be added to your contract price of 175 €/mt. You will have to pay 187 €/mt when the feed wheat is delivered to you.

- Over the entire period until November 15<sup>th</sup> you can re-price your Landea® Opportunity Active price mechanism to participate from decreasing prices.
- Your price reduction is calculated based on two components if you reprice before expiration. The first component will be the difference between your Activation Level and the current Futures Level. The second component will be derived from the current 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 reduction if the market closes above your Activation Level at End Date. But as you made an early buying decision you have been protected against increasing prices.

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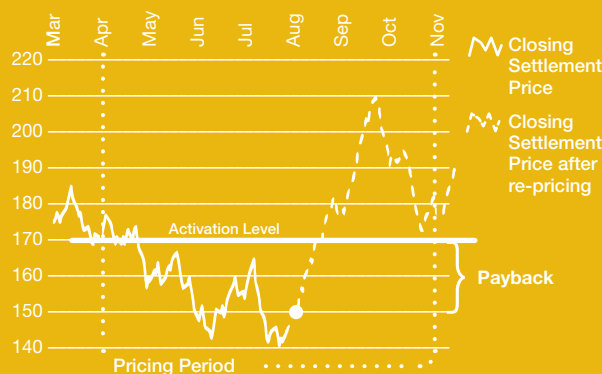
## CONTACT

Landea® Team  
Phone: +49-211-54025027  
Email: Landea-Kontakt-DE@cargill.com

### SCENARIO 1:

You pay 175 €/mt for your wheat, the markup of 12 €/mt for the Activation level of 170€/mt for Matif wheat future December will be added. Therefore you pay 187 €/mt at delivery. On August 23rd, December wheat futures have dropped to 149 €/mt you decide to re-price your price mechanism.

175 €/mt	Contract price
+ 12 €/mt	markup
- 21 €/mt	Result of Opportunity Active <sup>1</sup>
<hr/>	
166 €/mt	is your final contract price

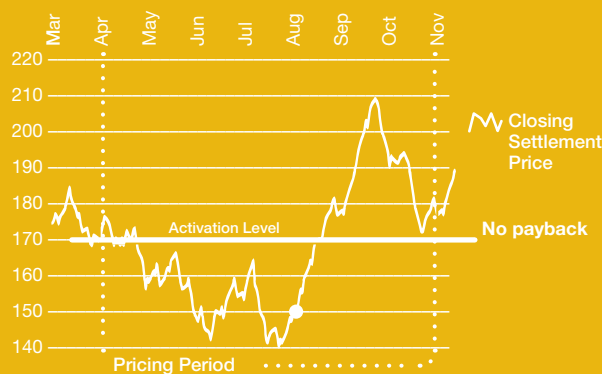


<sup>1</sup> = Your price reduction is calculated based on two components. The first component will be the difference between your Activation Level and the current Futures Level. The second component will be derived from the current Futures Level at the time of re-pricing, the time until expiration of your contract and the current market volatility

### SCENARIO 2:

You pay 175 €/mt for your wheat, the markup of 12 €/mt for the Activation level of 170€/mt for Matif wheat future December will be added. You will have to pay 187 €/mt after delivery. On November 15th, December wheat futures expires at 177 €/mt. The Futures level is above the Activation Level. The price mechanism has not been re-priced during the Pricing Period.

175 €/mt	Contract price
+ 12 €/mt	markup
- 0 €/mt	Result of Opportunity Active
<hr/>	
187 €/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.