Cargill Elevate™

Minimum Price Strategies

Put / Call Collar

Minimum Price Put/Call Collar strategies added to your unpriced grain contract provide unlimited downside protection while also providing limited upside participation. Use these when you are uncertain where the market will go or have a bearish market bias.

Insure

Protect against market volatility with a minimum futures price.

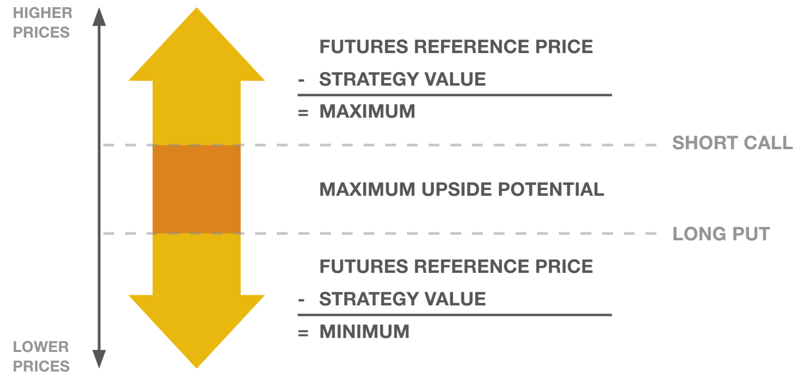
PRICE INSURE ENHANCE

Cargill™

When should I use this contract?

When you:

- Want unlimited downside protection because you believe the market will go lower, but think a single leg long put strategy is too expensive. By adding the value of a short call, you limit upside potential, but lower the cost of the strategy.



How Minimum Price works

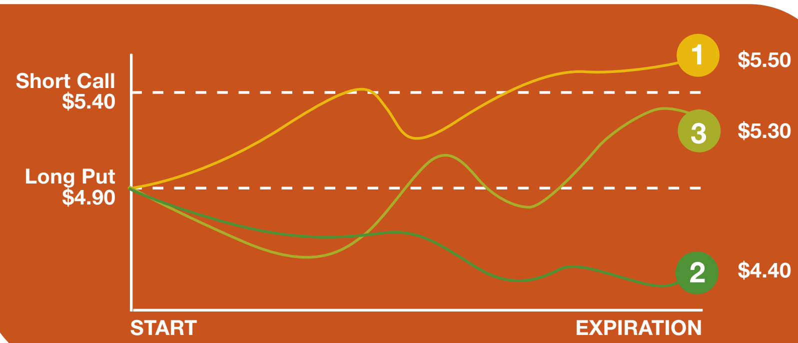
Minimum Price Put/Call Collar Example *(based on values of Long Put and Short Call)*

You feel there may be a rise in prices between early spring and harvest, but are still concerned that we may have a record corn crop. You would like to protect against lower prices without giving up the opportunity to participate in potential upside. Currently the December futures month is quoted at **$4.90/bushel**, and you are comfortable with potential upside limited to **$0.50**.

You chose to enter into a grain contract with the Futures Reference Price and Basis to be determined later, but for now add the Minimum Price Put/Call Collar strategy based on values of a current **At-the-Money Put ($4.90)** with a cost of **$0.30,** and a current **Out-of-the-Money Call ($5.40**) with a value of **$0.15**. This Minimum Price collar strategy has a total cost of **$0.15.**

Collar Cost Calculation

$4.90 Long Put Initial Cost	($0.30)
$5.40 Short Call Initial Value	$0.15
Total Cost	**($0.15)**



Potential Final Price Scenarios At Expiration*

	Initial Cost	Futures Price*	Final Value	Net Price Adjustment	Net Futures Equivalent
1	($0.15)	$5.50	$0.10	($0.25)	$5.25
2	($0.15)	$4.40	$0.50	$0.35	$4.75
3	($0.15)	$5.30	$0	($0.15)	$5.15

Note: if the Market finishes above the short call price, the futures price established at the market will be reduced by a negative price adjustment due to the repricing cost of the short call.