Daily Floor Plus

What is the Daily Floor Plus contract?

The Daily Floor Plus contract allows you to potentially price a portion of grain at a premium to the current market with guaranteed downside protection. This contract establishes your futures reference price by pricing an equal portion of your bushels every day during a specified pricing period at the Plus Price as long as the market stays above the trigger price. Should the market price for the future reference month trade at or below the Trigger Price during the pricing period, any remaining unpriced bushels will be priced at a guaranteed minimum Floor Price. As a part of the Daily Floor Plus contract, you agree to a Contingent Offer for like quantity if the market stays above the Trigger Price and is at or above the Target Price on the pricing date.

Should I use this contract?

Yes, if you:

- Want a “set it and forget it” approach to grain marketing.
- Are looking for a guaranteed floor price but want the potential to price above the current market.

What are the advantages of this contract?

- You can start pricing above the current market when entering the contract.
- You choose a Floor Price to protect your bottom line.
- Customization allows you to set the Plus Price, Floor Price, Trigger Price and Target Price to help reach your price targets.
- Low cost pricing will vary depending on pricing levels selected.

How do I customize this contract?

If you seek greater opportunity when selling grain in a neutral or moderately volatile market, ask yourself these four questions:

- What price would you like to sell at today?
  PLUS PRICE
- What price level would you like to protect?
  FLOOR PRICE
- How low do you think the market could go?
  TRIGGER PRICE
- At what price would you like to make another sale?
  TARGET PRICE

How Daily Floor Plus works

On **May 19** the price for the November canola futures reference month is **$484 per ton**. You enter into a no cost 100 MT Daily Floor Plus contract to sell canola for October delivery with the following pricing parameters:

Plus Price (price to sell at today):	$500
Floor Price (price to protect):	$485
Trigger Price (potential market low):	$470
Target Price (price for another sale):	$500

Scenario 1

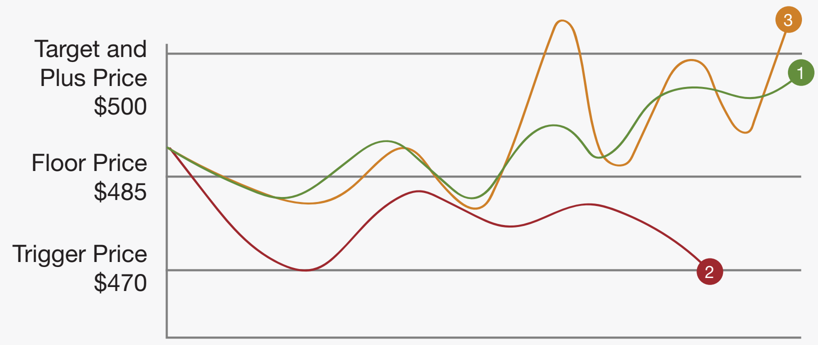
The price for the futures reference month never trades down to the Trigger Price and closes below the Target Price on the final day. The full original quantity prices at **$500** (Plus Price). The Contingent Offer bushels do not have to be delivered because the price on the last day is below the Target Price.

Scenario 2

The price for the futures reference month trades above the Trigger Price of **$470** for a period of time, then trades down to that level toward the end of the pricing period. Bushels prior to futures reference hitting the Trigger Price are priced at **$500** (Plus Price). The remaining unpriced quantity prices at **$485** (Floor Price). Prices are combined on weighted average and the original quantity receives one final price. The Contingent Offer is no longer applicable.

Scenario 3

The price for the futures reference month never trades down to the Trigger Price and settles above the Target Price of **$500** on the final day. The full original quantity prices at **$500** (Plus Price). The Contingent Offer obligation is met at **$500** (Target Price) and the customer has these additional bushels to deliver.



How does it fit in your 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