Pacer™

Take Back Control

The majority of grain is marketed in the bottom one third of the market. Cargill® Pacer is a marketing tool that guarantees the average price and helps you keep pace with a volatile world. The Pacer contract allows you to select the averaging period you desire and gives you the control to price out at anytime.

When is it used?

The market average should be the first consideration when marketing grain. The Pacer contract allows you to capture the average of the time period you choose in a cost-effective manner. New crop or old, grain in the bin or in the field—the choice is yours.

What are the advantages of the Pacer contract?

- ☐ *You establish the averaging period that you desire*
- ☐ *Minimal investment required*
- ☐ *Ability to price out at any time*
- ☐ *Establishes a disciplined marketing plan*
- ☐ *Guarantees the average futures level*
- ☐ *Removes stress, frustration, and risk from marketing grain*

Additional Features

- ☐ *Flexibility to establish your basis any time prior to delivery*
- ☐ *Detailed averaging report available upon request*

*See **example** on back* ▶

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How does it work?

Example On December 15th, with July corn futures trading at $4.98, you enter into a Pacer contract with your local elevator to sell 10,000 bushels of corn. You choose a January 1st to May 15th averaging period for an investment of 3 cents. The Pacer contract guarantees that your futures level for the contracted bushels will be the average of the daily close of July futures during the averaging period. You also have the ability to price out the remaining bushels in the averaging window at anytime.

In December, you set the basis level at 10 cents under the July corn futures. A number of scenarios are possible:

Scenario 1

The average futures level for the period was $6.12:

$6.12 Pacer futures price
-0.03 Pacer investment
-0.10 (under) Basis you established

$5.99 is your final contract price

Scenario 2

The average futures level for the period was $4.84:

$4.84 Pacer futures price
-0.03 Pacer investment
-0.10 (under) Basis you established

$4.71 is your final contract price

Scenario 3

It is March 15th and the current running average futures level for the period is $4.84. However, the futures are currently at $5.26. You elect to price out the balance of the bushels (roughly 5,000 bushels) at the market price. Your adjusted price is $5.05 and will be used to calculate your final contract price:

$5.05 Pacer futures price
-0.03 Pacer investment
-0.01 Re-pricing
-0.10 (under) Basis you established

$4.91 is your final contract price