

Long Put Contracts



Set and protect a floor price in volatile markets without sacrificing upside pricing potential



Benefits

- Bunge structures are traded off-exchange and embedded in grain delivery cash contracts
- Quoting is transparent for dependable accuracy and swift execution
- Offers a duration to modify active positions as markets change before final pricing versus traditional contracts
- Conveniently adjusted short-term protection around USA reports



Risks

- Max loss is limited to price paid for floor protection and occurs if the price of the underlying is greater than or equal to the floor price



Risk Profile

- Appropriate for outlook that market prices could decline ahead of final pricing
- Provides transparency of total volume pricing potential
- Practical price protection alternative for deferred volume

CUSTOMIZATION

Floor Protection

Structured cost-effectively using features not available in CBOT commodity exchanges

Adjustments

Capability to sell floor protection back any time before expiration at market return value

Pricing

Contingent on an expiration date consistent with individual marketing plans and position bias

Contact your local Bunge representative for live quotes, additional flexibility options, and other alternative contract offerings to accommodate your marketing needs.

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Long Put Contracts

Producers seeking floor protection with unlimited upside potential can utilize Long Put contracts cost-effectively as they continue to navigate uncertain markets. The floor price is uniquely structured to protect price targets around harvest schedules, or even government report schedules often seen to move markets and increase volatility. The protection also offers flexibility to exit any time before the expiration to recuperate some of the premium initially spent, making for a versatile insurance tool.

Long Puts

Behavior applies across all CBOT commodities



Pricing Scenario

One of the following will take place on expiration:

- Price deferred grain if futures settle below floor price on expiration
- OR -
- No deferred grain is priced if the market settles at or above floor price on expiration

* Minimum Requirement: 2,000 bushels

Total cost of deferred volume protection will be deducted from a current cash, basis or no price contract.

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