



Cargill Aqua Nutrition

Price Risk Management Solutions

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President



Manage risk with confidence

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Risk
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About Us

This is Cargill

Our Purpose is to be the leader nourishing the world in a safe, responsible and sustainable way.



With 155,000 Employees



Speaking 65+ Languages



Located in 70 Countries



Over 150 Years of Experience



We Operate Within Four Key Business Segments



Food / Feed

We provide food and beverage manufacturers, food service companies and retailers

With high-quality ingredients, meat and poultry products, and health-promoting ingredients and ingredient systems.



Agriculture

We buy, process and distribute grain, oilseeds and other commodities to makers of food and animal nutrition products.

We also provide products and services to crop and livestock producers.



Financial

We provide our food, agricultural, industrial and financial customers

Around the world with risk management and financial solutions.



Industrial

We serve industrial users of energy, salt, starch and steel products.

We also develop and market sustainable products made from agricultural feedstocks.

Our team

Our vision



Risk Management is core to what we do at Cargill.

- **Engrained in our culture**, going back to the start more than 155 years ago
- Enables running the largest food and agriculture business in the world and provides insights to **help serve customers** in more than 125 countries
- Our strategy for risk management is one of **growth**
- With our expertise, technology and culture, we aim to be the **world's premier risk management expert**

Our Trading, Data and Analytics team powers us around the globe

200 locations in 50 countries

- Traders
- Merchants
- Analysts
- Risk professionals



We source and manage risk in a wide range of commodities

	Corn	Soybeans	Soybean meal	Wheat	Liquid oils	Tropical oils	Canola	Cocoa	Cotton	Coffee	Livestock	Ocean freight	Iron ore	Steel	Energy	Financial trading
World Trading Group	●	●	●	●	●	●	●	●	●	●	●		●		●	
Agricultural Supply Chain	●	●	●	●	●	●	●		●							
Animal Nutrition & Health	●	●	●	●												
Protein & Salt	●	●	●								●					
Food Ingredients & Bioindustrial	●	●	●	●	●	●	●	●								
Ocean Transportation												●	●			
Metals												●	●	●		
Trade & Capital Markets																●
Cargill Risk Management	●	●	●	●						●					●	

On 40 exchanges

- Hundreds of products
- Thousands of instruments
- 250K international shipments a year
- Aligned with the largest physical footprint in food and agriculture

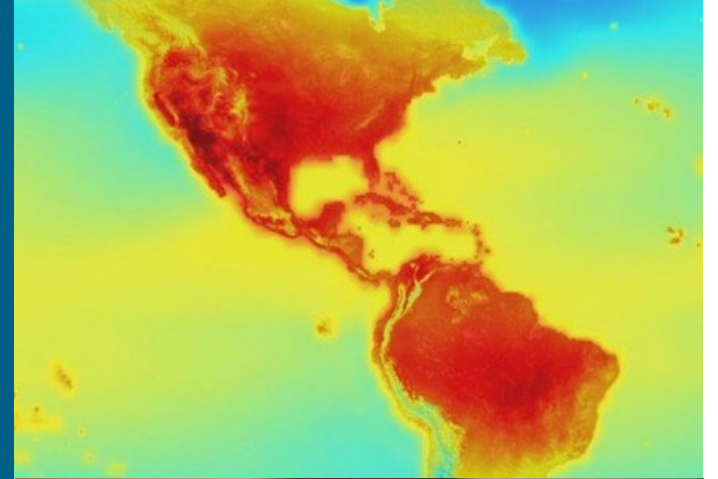
Many businesses also trade numerous other specialized product lines

Fundamentals remain core to our advantage



To feed our global view, our analysts:

- Have expertise in agronomy, meteorology, climatology, economics and data science
- Visit fields in all major production regions
- Engineer cutting-edge geospatial tools
- Track and forecast global order flow



Some of the world's largest companies participate in Risk Management with Cargill



Why it Matters

WHY PRICE RISK MATTERS

Factors that impact prices

Global commodity prices used to be determined by just three things: US planting, US Weather and global demand – basic economics.

Today, it's far more complicated.

Commodity prices can be affected both directly and indirectly by any number of the following factors.

Economic factors

- Global supply and demand
- Credit markets
- Currency changes
- Energy markets
- Hedge and pension funds

Political factors

- New administrations
- Government subsidies
- Trade agreements
- Agriculture policy
- New regulations

Environmental factors

- Weather patterns
- Natural disasters
- Crop cycles

Science and technology factors

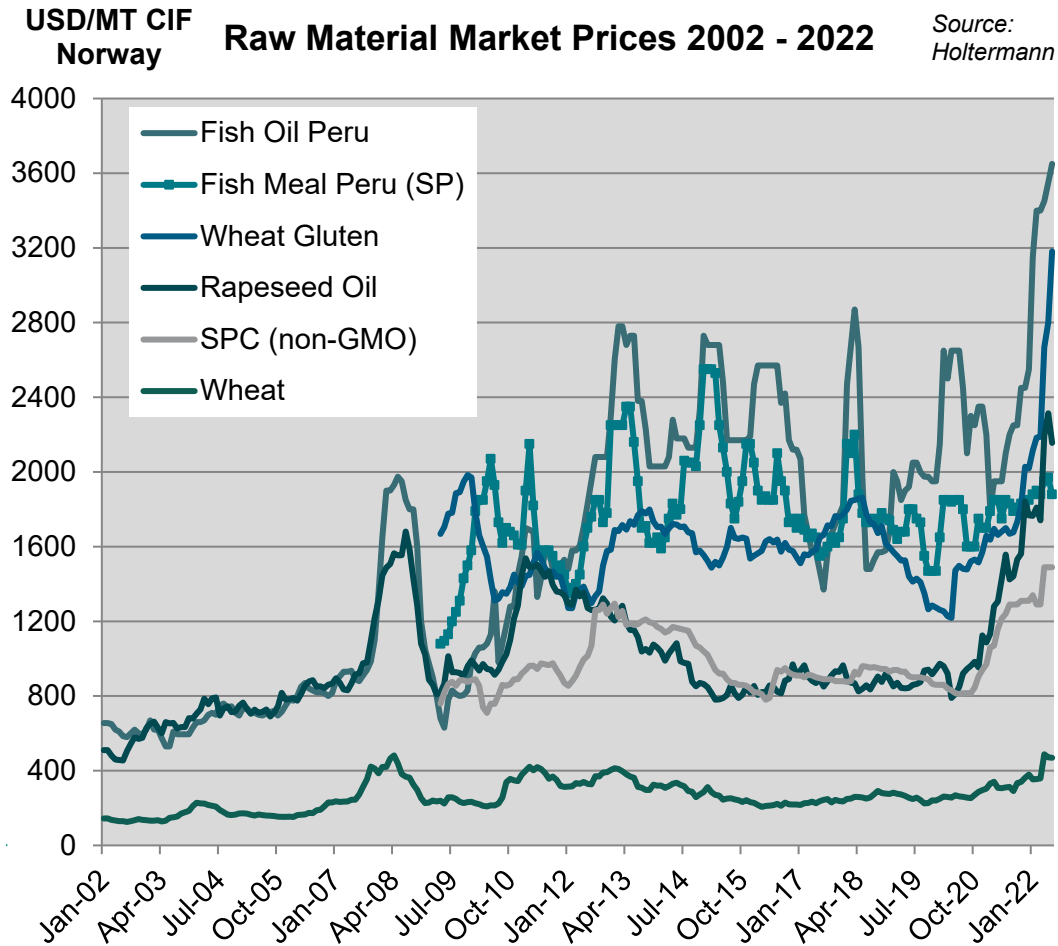
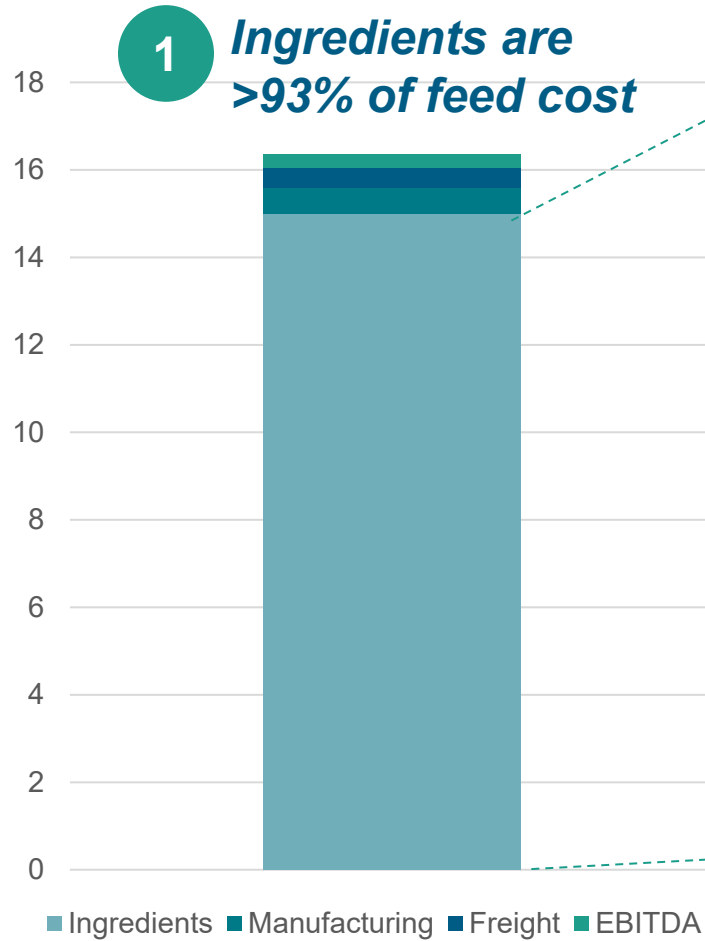
- Biofuels
- Renewable resources
- Crop trait enhancements
- Evolving farm practices
- Electronic trading

Social factors

- GMO acceptance
- Energy efficiency
- Demand for organic and natural foods

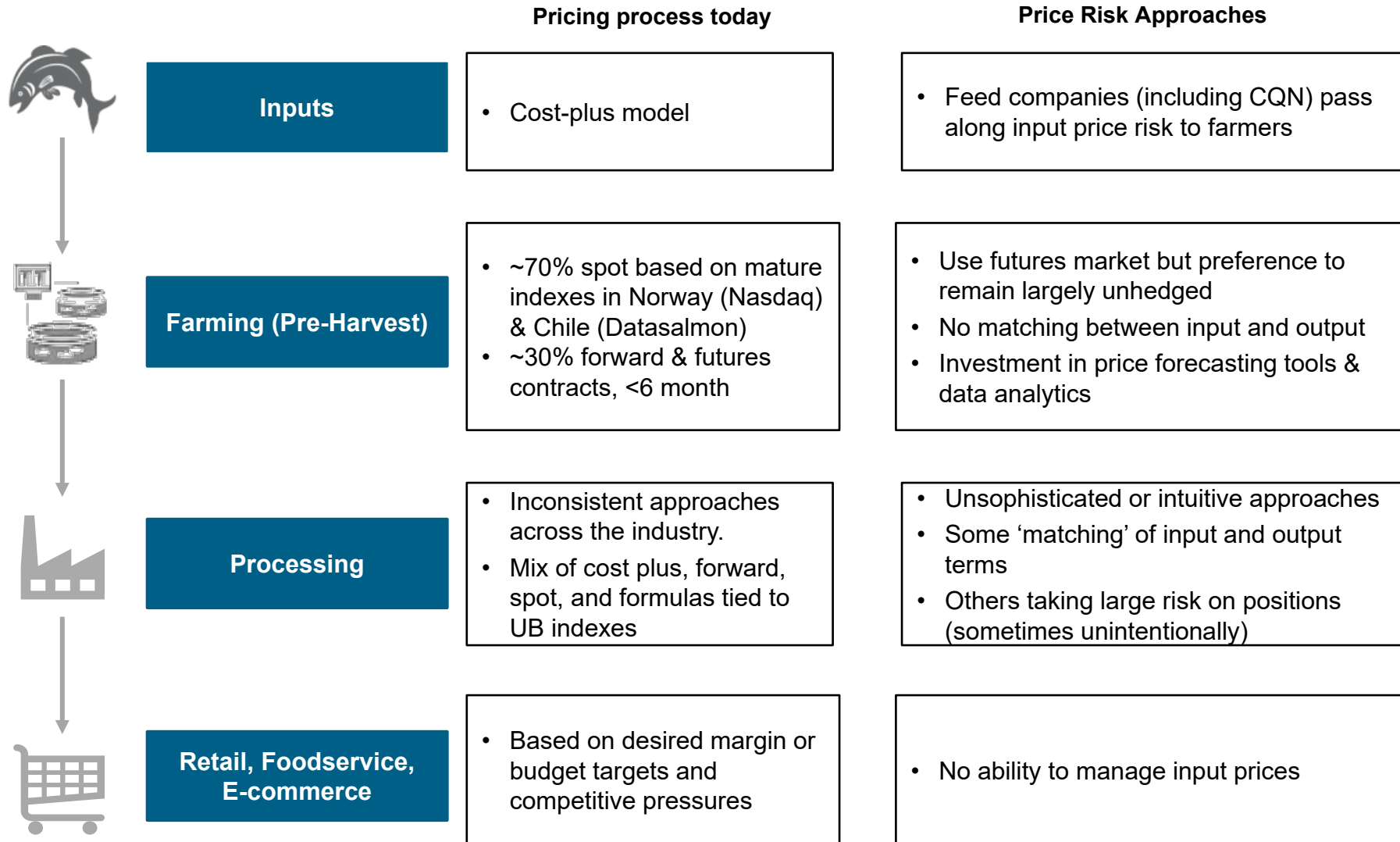
WHY PRICE RISK MATTERS

Volatility then and now – 3 key takeaways



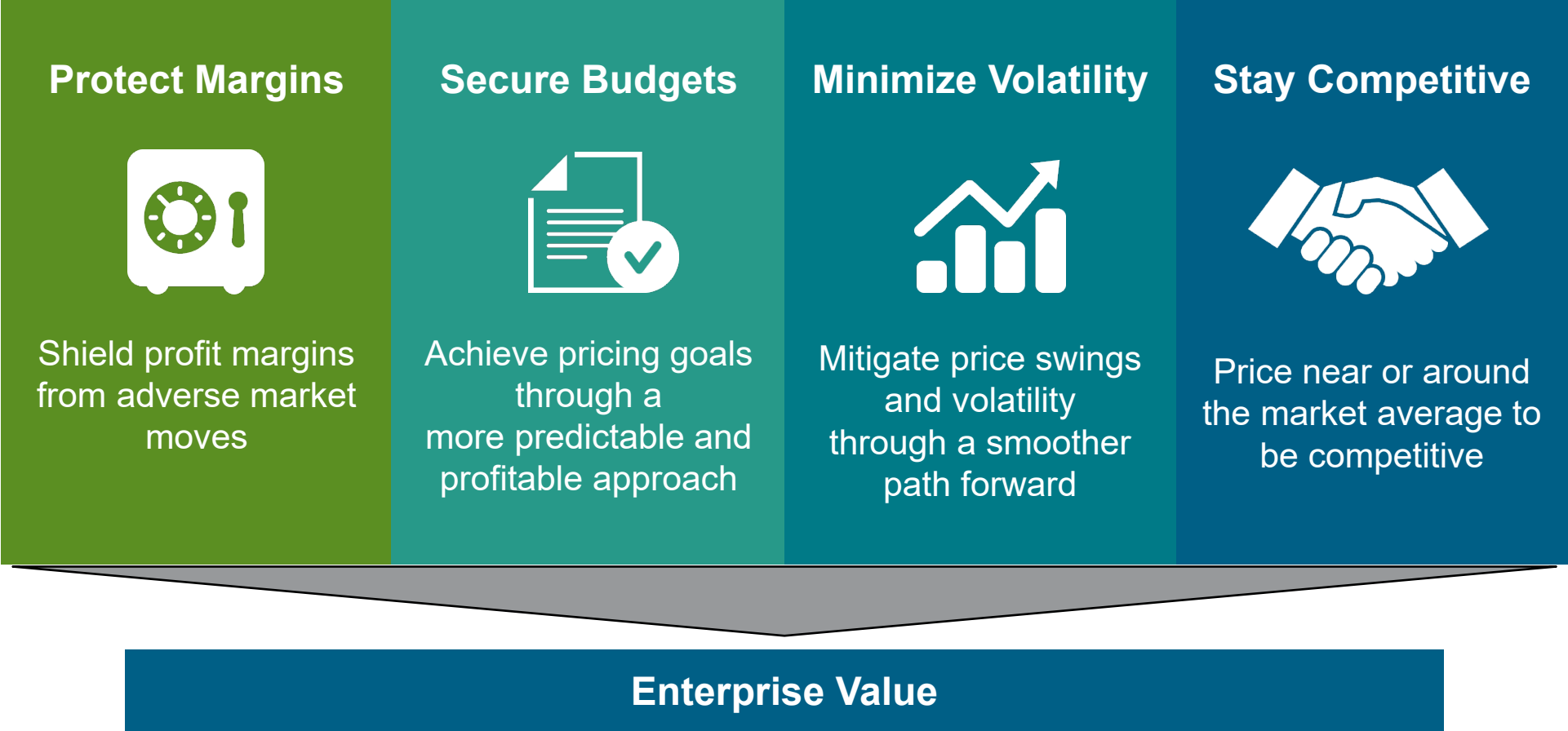
- 2** *Rising prices; +8-10% CAGR*
- 3** *Increasing volatility and availability risk*

Today, participants in the seafood industry have a limited ability to manage price risk



Hedging price risk can help customers with several benefits

We understand customer business objectives, pricing needs and market views to tailor solutions to mitigate risks



How We Work Together

Risk Management Mandate

Our role is to enable and strengthen our customer's profitability

Key Accountabilities



Proactively identify and quantify risks



Preserve value through **meaningful conversations** underpinned with data



Enable business growth and enhance earnings through **risk expertise and insights**



Win together through an **integrated mindset**



Starting Point: Risk Profile Assessment

Using a one-size-fits-all approach isn't how we operate. **Instead, we ask questions. We listen. And then, we strategize.**

We want to know things like:

- What is your current approach to market volatility and risk management?
- What are your purchasing objectives?
- Who currently drives pricing decisions? What information do they consider?
- What is your sales cycle and how do you manage that risk?
- And many more!

Based on your answers, we create a tailored risk profile that includes supply agreements, frequent touch points, direct access to Cargill global analytics and systematic pricing.



How we make decisions

We decide on 3 dimensions...



What?

We can buy, sell and hold many different commodities



How much?

Operations can range from 1 ton to millions of bushels in a day



How?

Operations can be executed physically or on the exchange market

...that are influenced by multiple factors



Customer commitments

We must deliver on our promises



Financial position

We maintain healthy balance sheets



Sustainability mandates

We meet our sustainability objectives



Supply chain availability

We execute physical trades

What could Risk Management allow you to do?

- ✓ Understand global market drivers
- ✓ Take advantage of market movements
- ✓ Take volatility out of cost of goods sold
- ✓ Match feed costs with fish sales
- ✓ Target budget numbers for coverage
- ✓ Align incentives to reduce total feed cost
- ✓ Allow for more predictable cash flows
- ✓ Make more informed buying decisions
- ✓ Incorporate whole business risk into purchasing decision



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