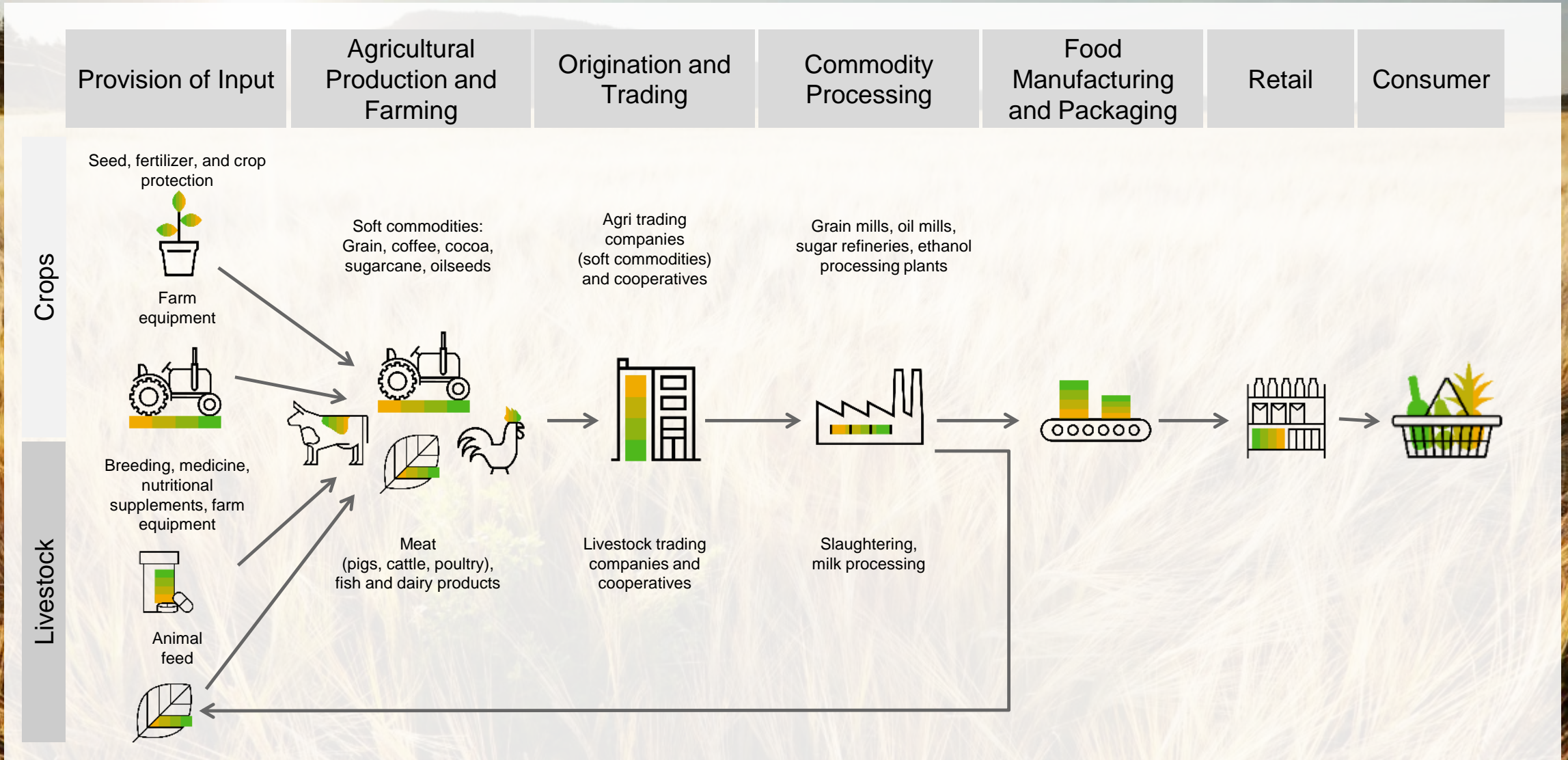




SAP Agricultural Contract Management & Commodity Risk Management

PUBLIC

Farm to Consumer Agribusiness Value Chain



SAP's Approach to Commodity Origination and Trading

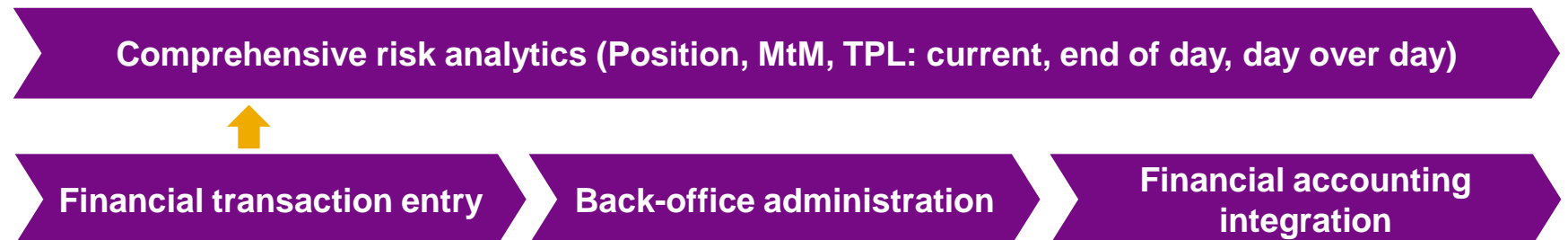
SAP Agricultural Contract Management / Commodity Risk Management solution for exchange traded crops



Agricultural Contract Management



Commodity Risk Management



SAP has successfully co-innovated with Agribusiness customers

Example: Co-Innovation with Cargill around Commodity Origination and Trading



Cargill co-innovates supply chain with SAP

<https://www.youtube.com/watch?v=yQsYDCcXrZk&t=1s>

- Cargill and SAP have built a strong partnership
- A key area for co-innovation is Commodity Origination and Trading
- The solution enables Cargill to standardize business processes and data on a single platform



Key Business Requirements in Agricultural Origination & Trading

1

How to establish pricing at different times during execution, for partial quantities, with multiple components building up the price?

2

How to capture specific contract terms for quality, optionalities, tolerances?

3

How to assign deliveries to multiple contracts and change these assignments flexibly?

4

How to make adjustments to contract fulfillment based on changing commodity quality /weight information?

5

How to manage fees associated with a deal and how to recover expenses related to the contract with the counterparty?

6

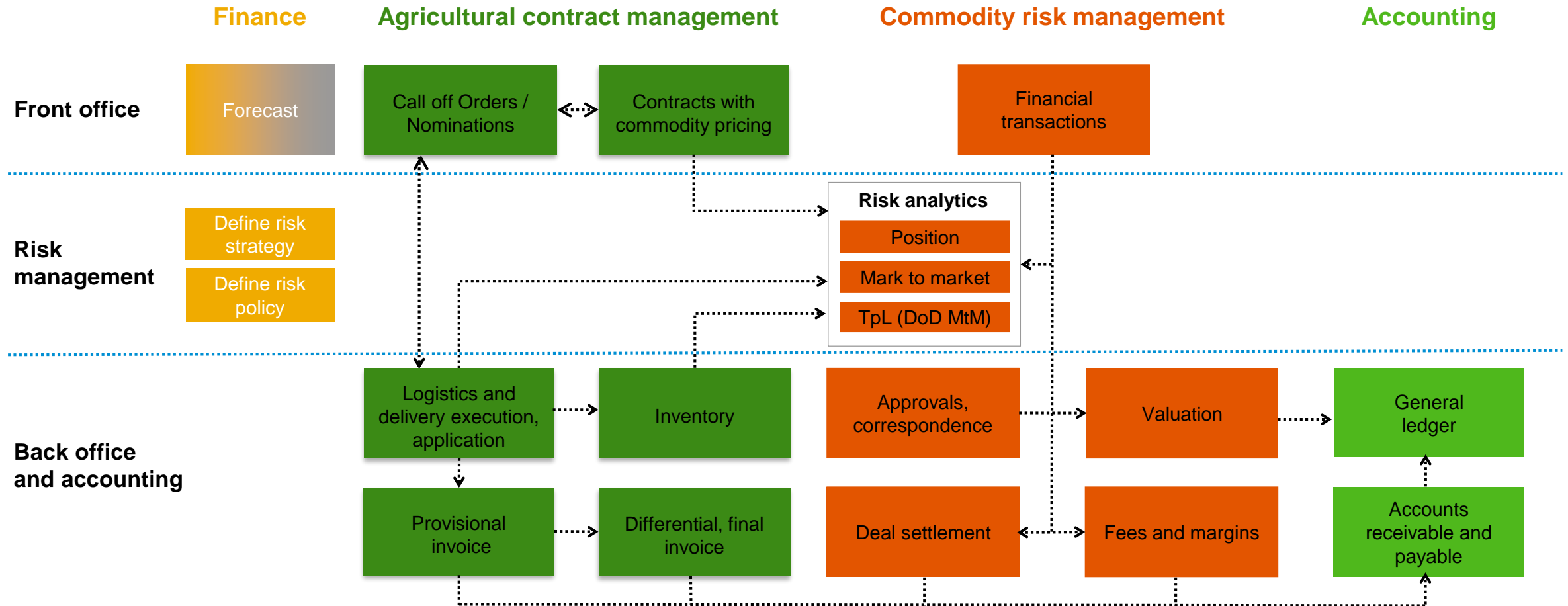
How to manage the market risk associated with the deals?

7

How to manage 3rd party stock at my location and how do I manage my stock at a 3rd party location?



End-to-end agricultural contract management & commodity risk management



The SAP Agricultural Contract Management application helps you streamline business processes from end to end – enabling accurate, timely, and profitable procurement, sales, and hedging of commodities.

Become an Intelligent Enterprise faster with SAP Model Company

The New SAP® Model Company

SAP Model Company increasing customer speed to value



Blueprint

up to **90%** savings with an industry-specific reference architecture to start from practice processes modeled



Realization

up to **50%** savings with best-practices processes configured and documented



Testing

up to **30%** savings with test case template and operations support templates

Traditional Approach

Prepare

Business
Blueprint

Build & Test

Testing &
Go-live

Model Company with
Value Assurance

Prepare

Explore

Realization

Deploy

up to **30%** decrease

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Service Summary

SAP® Model Company for Agribusiness

The SAP® Model Company service for Agribusiness offers a comprehensive reference solution to support the processes of a Agribusiness company. It is delivered with relevant business content, accelerators, and enablement services, helping reduce costs, decrease risks, and accelerate adoption during discovery, exploration, and realization activities.

Business Processes and Capabilities

Support for comprehensive processes with a special focus on:

- Third Party Commodity Procurement
- Third Party Sales
- Back-to-Back
- Commingled Stock
- Spot Purchase
- Intercompany Business
- Intracompany Business
- Washout
- Product Transformation
- Risk Management and Analytics for Commodities

Integration and Features, such as:

- Global Trade Management
- Trader's and Scheduler's Workbench (TSW)
- Fully Integration with Financial Accounting
- Contract Capture
- Commodity Pricing Engine
- Expense Management
- Call-Off
- Load Data Capture
- Contract Application
- Contract Settlement
- Risk Reporting
- Best-practice approaches on US1809 baseline

Applications

- SAP S/4HANA® Enterprise Management 1809 FPS01
- SAP Multinational Corporation for S/4HANA® 1809 FPS01
- SAP FIORI FOR SAP S/4HANA® 1809 FPS01
- SAP Agricultural Contract Management for SAP S/4HANA® 1809 FPS01
- SAP Commodity Risk Management for SAP S/4HANA® 1809 FPS01
- SAP Solution Manager 7.2

Delivery Approach

Preconfigured solution

- Ready-to-run appliance with applications, configuration, and sample data
- System provisioning over the SAP Cloud portfolio, your preferred cloud provider, or on premise



Business content and accelerators

- Business-process documentation
- Configuration guides
- Test scripts
- Templates for SAP S/4HANA migration cockpit

When to Consider

- Discover the capabilities and innovations of a comprehensive SAP solution for your specific use case
- Prepare and explore using a ready-to-run system for enablement, fit-gap analysis, and solution design
- Support an agile and lean implementation approach with hands-on experience from day one
- Address resource bottlenecks in IT and business, and reduce time and effort during realization

Benefits

- Reduced costs and resource effort thanks to a preconfigured, ready-to-run solution
- Elimination of risk through proven reference-solution architecture and comprehensive process support
- Increased innovation adoption and decreased time to value through agile and lean principles
- Accelerated enablement and increased engagement

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Service-Scope Options

- 01 – Third Party Commodity Procurement
- 02 – Third Party Sales
- 03 – Back-to-Back
- 04 – Commingled Stock
- 05 – Spot Purchase
- 06 – Intercompany Business
- 07 – Intracompany Business
- 08 – Washout
- 09 – Product Transformation
- 10 – Risk Management and Analytics for Commodities
- 99 – Business Processes Workshops

Contact and Further Information

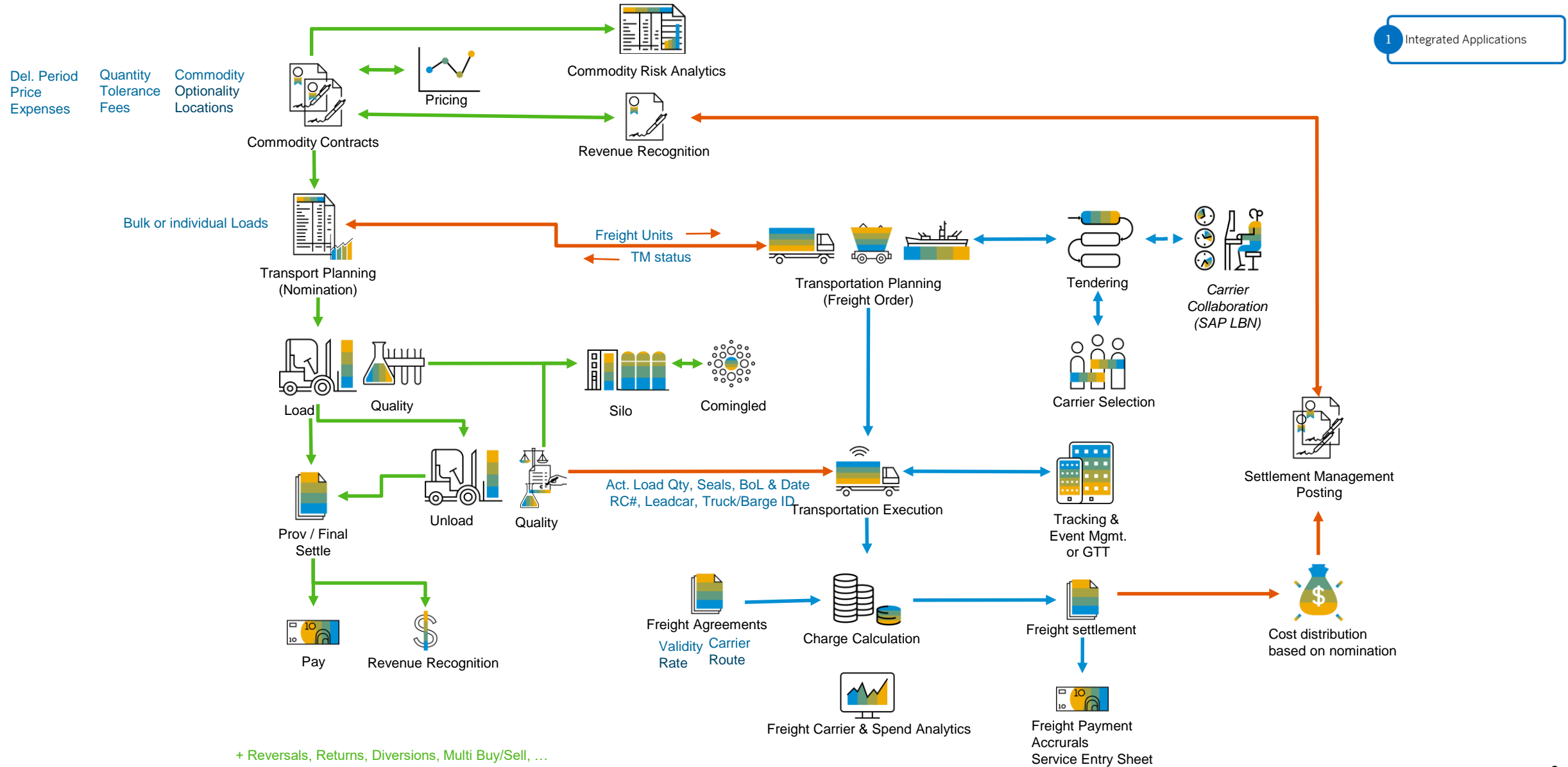
- www.sap.com/modelcompany
- sapmodelcompany@sap.com



THE BEST RUN

- Get a reference solution with preconfigured processes and data for your industry and/or your line of business
- Take advantage of leading practices and processes, accelerators, and business and implementation guides
- Simplify all phases of your deployment project including discovery and user adoption

SAP S/4HANA, bulk transportation extension for SAP Agricultural Contract Management



Intelligent user experience: **FIORI Launchpad Tiles** indicating **workload** and allowing to **work on exceptions**

ACM / CM allows **high degree of automation** through delivered interfaces, e.g.

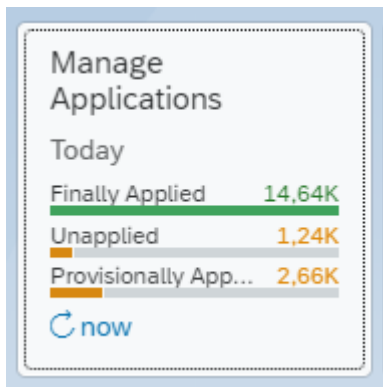
- Contracting through portal / web interfaces
- Loading through weighbridge connection
- Settlement batch process enabled



Enables new **“work on exceptions” approach** through FIORI Smart Business Tiles based on user specific workload:

- Contract approval, management & pricing
- Application unapplied & provisional
- Settlement review & release

Workload



Overview List & **perform task**

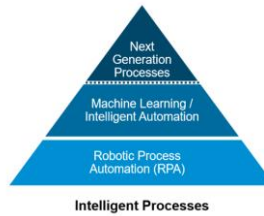
Document	Document Type	Application Instructions	LDC object ID	Application Status	Counterparty	Material
245	Purchase Application Document (PAD)	Order Reference (04)	485	Ready To Apply	100145 ACM Test cust	ACM Wheat
245	Purchase Application Document (PAD)	Order Reference (04)	485	Ready To Apply	100145 ACM Test cust	ACM Wheat



Detailed Info

Quantity Type	Quantity
Delivered Quantity	1.800,000 LB
Applied Quantity	0,000 LB
Adjusted Quantity	9.000,000 LB
Item Quantity	30,000 BU

Intelligent processes: Brisken Market data Hub App on SAP Cloud Platform



<https://www.sapappcenter.com/apps/4063#!overview>



- Pricing and risk management for commodities and currencies is typically based on market data from exchanges
- Market data information is stored in SAP Commodity Management and can be uploaded through an open interface
- Driven by several customer requests, SAP has recently started a partnership with Brisken who have build a SAP Cloud Platform based market data hub application initially for currency data, now extended for commodity market data

Predefined **SAP Analytics Cloud Content** Become an Intelligent Enterprise with instant business insight

ACM/CM Risk Content

Target Roles: Trader, Risk Manager, Risk Officer, CFO & Finance

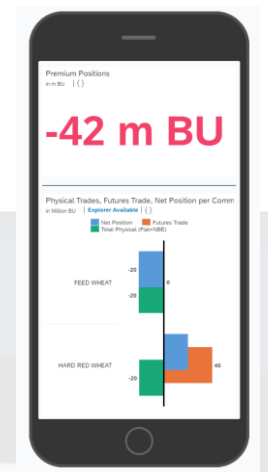
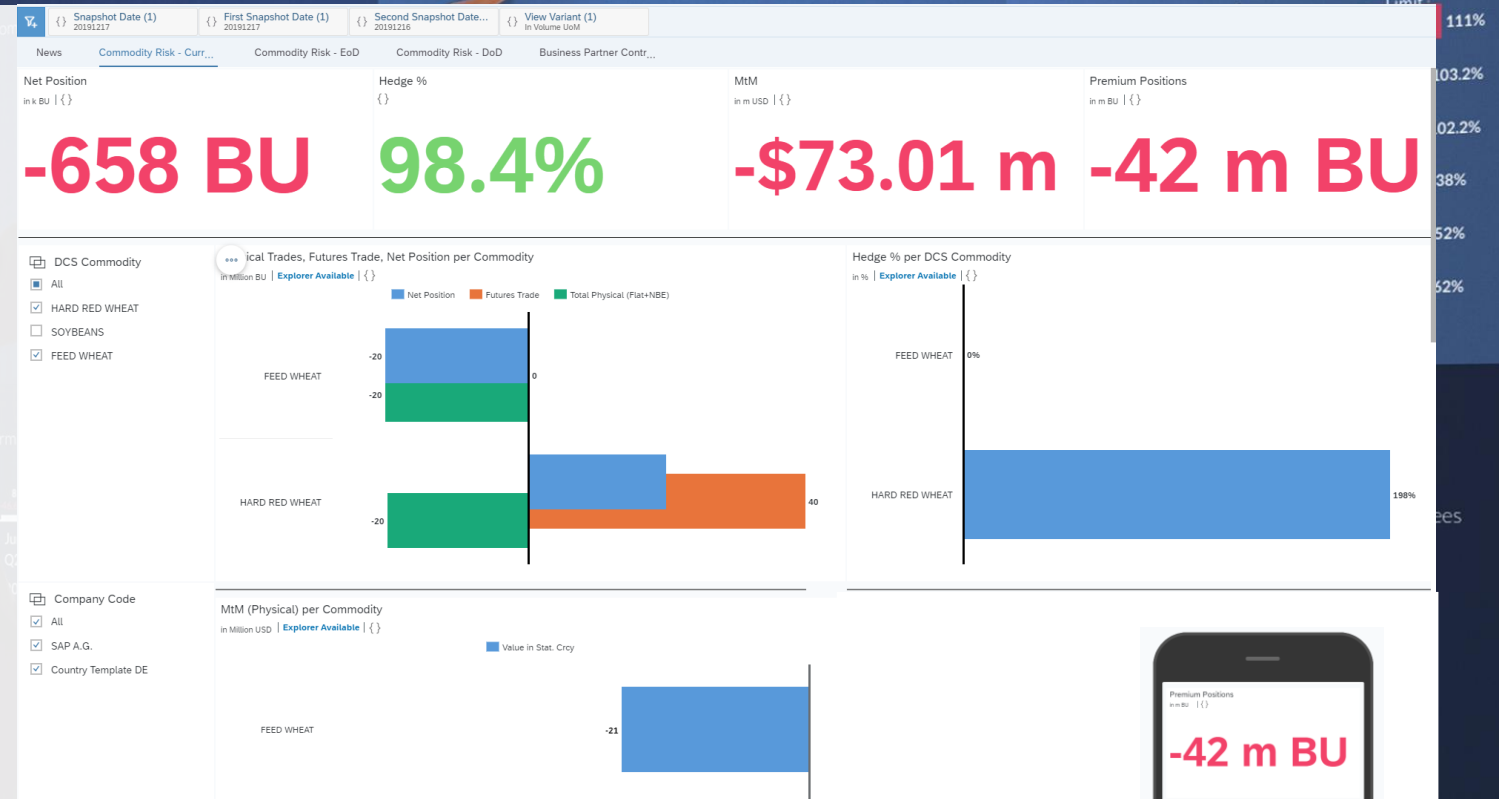
- Market data & news
- Commodity risk analytics – real-time / current
- Commodity risk analytics – end of day and day over day comparison
- Business partner trade analytics (current open trades)

Data Connectivity & consumption

- Live Models, mobile enabled

Additional Intelligent technologies

- Search to Insight (Natural Language)



Integrated end to end demo



Create 3rd party (purchase) contract using template, including pricing of future component

- ☐ Soybeans, delivery period November 2019, 10.000 BU
- ☐ Pricing: 10.000 BU @ 9.09 USD, CBOT ZSF20 (Jan 20), Basis unpriced



Risk Management

- ☐ Position
- ☐ Mark-to-Market
- ☐ Hedge with Future (2 lots, ZSF20)



Unload truck from weighbridge [AUTOMATIC / THROUGH INTERFACE]

- ☐ Unload Quantity and apply to contract
- ☐ Receive quality



Review Application

- ☐ Allows to apply unapplied contracts, to re-apply to other contracts or to split to multi contracts





(self-) Settlement





- ☐ Automatic or manual (self) settlement
- ☐ Release and create documents incl. FI/GL integration (Accounts Payable)



Interactive Roadmap

 **Road Maps** BETA Products Processes Industries My Road Maps Disclaimer

SAP S/4HANA X Risk Management for Commodities (S/4 OP) X Agricultural Contract Management (S/4 OP) X 

Products 1 Processes Industries More Filters Q2 2019 – Q4 2021     Save

Q2 2019 2 Innovations

SAP S/4HANA 1809

Risk Management for Commodities

Commodity risk management – BAPIs for commodity derivatives include free characteristics

Agility SAP S/4HANA

Commodity risk management – commodity derivative order and trade execution enhancements in SAP S/4HANA (1809 feature package 02)

Agility SAP S/4HANA

Q3 2019 3 Innovations

SAP S/4HANA 1909

Risk Management for Commodities

Value-at-risk interface for commodity risk management

Agility SAP S/4HANA

Commodity-risk management – exercise of listed options

Agility SAP S/4HANA

Commodity management – ability to integrate SAP Trader's and Scheduler's Workbench to risk-management functionality

Agility SAP S/4HANA

Q1 2020 CURRENT 1 Innovations

Agricultural Contract Management

Intelligent tiles in SAP Fiori for agricultural contract management

Effectiveness SAP S/4HANA

Q4 2020 1 Innovations

Agricultural Contract Management

Machine learning in agricultural ticketing

Effectiveness SAP S/4HANA

[In interactive Roadmap, please filter on SAP S/4HANA, Agricultural Contract Management \(S/4 OP\), Risk Management for Commodities \(S/4 OP\)](#)

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