The Agribusiness Response: A Cooperative Perspective

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WHO WE ARE

• Nation’s leading cooperative, owned by U.S. farmers, ranchers and co-ops
• Global energy, grains and foods business
• Helping producers, co-ops and customers grow their businesses
• More than 10,000 employees in the U.S. and 24 other countries
• Number 62 on 2014 Fortune listing
WHY GO GLOBAL?
ASKING THE HARD QUESTIONS

Does this extend value chain for farmers?

Does this help farmers grow?

Does this make CHS more relevant to our owners and customers?
• Technology creates 24/7/365 marketplace
• Global demand growth for food, energy
GLOBAL MIDDLE CLASS GROWTH

A Crossover from West to East

Size of the Middle Class, 2009 - 2030
(millions of people and global share)

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>338</td>
<td>333</td>
<td>322</td>
</tr>
<tr>
<td>Europe</td>
<td>664</td>
<td>703</td>
<td>680</td>
</tr>
<tr>
<td>Central and South America</td>
<td>181</td>
<td>251</td>
<td>313</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>525</td>
<td>1,740</td>
<td>3,228</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>32</td>
<td>57</td>
<td>107</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>105</td>
<td>165</td>
<td>234</td>
</tr>
<tr>
<td>World</td>
<td>1,845</td>
<td>3,249</td>
<td>4,884</td>
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</tbody>
</table>
Global grain customer: “I’d like to order a cargo of soybeans to arrive in June.”

U.S. grain cooperative: “Sorry, we’re out. Call me in September.”

Will you remain relevant?
THE OBJECTIVE:

Global market relevance

Speed

Space
BEING RELEVANT FOR OUR GLOBAL CUSTOMERS

Being a Tier One supplier -- 24/7/365:

• Market knowledge/price discovery
• Export competitiveness
• Manage risk/global arbitrage
• Year-round customer service
• Long-term growth prospects
• A grower connection
GLOBAL GROWTH STARTS AT HOME

North America and CHS producers remain core of our platform:

• Continuing investments in domestic origination supply chain through shuttle loader facilities, supply chain
• Investing in export infrastructure
• Establishing Canada presence in Winnipeg; retail agronomy presence in Alberta and Saskatchewan
• Leveraging enterprise connections of CHS facilities, co-ops, inputs, services
CHS GLOBAL PRESENCE: MORE THAN GRAIN

• Crop nutrients sourcing from 19 countries; global trading on three continents
• Renewable fuels marketing in North America, South America and Europe
• Sunflower processing in Argentina
INVESTING IN GLOBAL COMMODITIES AT HOME AND AROUND THE WORLD

• North American grain/fertilizer origination and distribution $656 million
• South America origination/import/export $48 million
• Black Sea origination/import/export $102 million
• Asia-Pacific origination/import/marketing $16 million
INVESTING IN FOOD AND INGREDIENTS

Major projects (in millions)

Soy protein business acquisition $129
Creston soy flour expansion 26
South Sioux City, Neb., upgrade 16
Illinois ethanol plant 160
LESSONS LEARNED: ADJUST EXPECTATIONS

• Rate of return expectations must be adjusted
• Risk assessment differs from U.S.
• Risk varies by country
  • Economic
  • Geopolitical
  • Operating environment
  • Weather
• Choose the right partner
THE END GAME

Origination + Logistics + Destination Added Value = Relevance
Thank you. Questions?
CHS

Farmer-owned with global connections