Field Notes: “What our owners are telling us about agriculture’s future”
Carl Casale
President & CEO
A bit about CHS

- CHS is the nation’s leading producer-owned cooperative providing essential energy, grains and foods resources to businesses and consumers around the world. We:
  - Serve producers and consumers throughout the United States
  - Supply grain and other products to customers in 65 countries
  - Have more than 10,000 employees worldwide
Ownership

- 75,000 individual producers (through company-owned facilities) - Voting equity 30%
- 1,100 locally owned cooperatives serving about 300,000 producers - Voting equity 70%
- 10,000 preferred stockholders (CHSCP on NASDAQ Exchange) - Voting equity 0%
Structure

Member-owners
Co-ops/Individuals
(voting)

Preferred stockholders
(non-voting)

CHS

Ventura
Foods
50%

TEMCO
50%

McPherson,
Kansas
refinery
79.2%

Ardent Mills
12%*

CHS/Local
Partnerships
vary

Wholly owned businesses

- Energy (refining, distribution, refined fuels, propane, lubricants, renewable fuels)
- Grain Marketing
- Crop Nutrients
- Processing and Food Ingredients
- Country Operations
- CHS Nutrition
- CHS Sunflower
- Ag States Group
- CHS Hedging Inc.
- CHS Capital
- Transportation

*Pending regulatory approval
Each dot represents a CHS location, member company or business affiliation
Listening to Our Owners, Customers & Employees
Listening to Our Owners, Customers & Employees
Our owners want: Investments in their future
In just over two years we have:

- Spent or committed to $4 billion in expansion and growth of our core businesses
- Made three dozen significant announcements
- Returned more than $1 billion to our owners
- Grown to 10,000 employees in two dozen countries
- Strengthened alignment with our owners
Record investments to help our owners grow

- Energy platform
- Domestic and global grain
- Crop nutrients
- Value-added processing
CHS Aspirations

- **Leverage Enterprise Value**
- **Global Commodities Expansion**
- **Energy Platform Expansion**
- **Food and Food Ingredient Growth**

- **Alignment choices to strengthen the cooperative system**
- **Access to global markets**
- **Assured supply of quality products/services**
- **Producer owned**
- **Create value for producers**

[Diagram showing the aspirational components as described above]
What do we mean by “enterprise?”

- Collaboration among multiple business units that deliberately align with CHS strategic priorities
- Maximized efficiency and value to CHS
- Value for producer and cooperative owners
- Maximized value of assets – people, knowledge, facilities
Our owners want: Access to technology
CHS YieldPoint

- Trusted advisors and prime data
- Prescriptions based on local insights and sound agronomy
- Seed selection expertise, including regional hybrid/variety results
- Access to pooled information for a larger, more accurate database
- Industry-leading local data on new products through YieldPoint field trials
- Ability to manage risk with more accurate information
- In-depth reports on farm, field or operational failures and successes
Technology for managing risk

ONLINE & SOCIAL TOOLS

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YouTube
Daily commentary after market close gives the highlights of the day’s activity. Periodic video analysis follows major USDA reports. Our CHS Hedging Channel on YouTube also offers various tutorials for our electronic trading systems.
Technology for efficient fuel delivery

- Automated fuel delivery system
- Combines technology-driven monitoring, routing, billing
- Strong economics for dealers; dependable supply for customers
Our owners want: Support for next generations
New Leader Forum

- Specially selected group of top young producers
- Explore issues facing cooperatives, agriculture, rural America
- Leadership development
- Many go on to serve as cooperative directors
CHS Center for Cooperative Growth

LATEST TREND
Board Alignment: Four Perspectives

“Faster better decisions.”
“Critically important.”
“Big thinking.”
“Persistence and dedication.”

OUR APPROACH: ENGAGE AND EDUCATE.
We gather diverse viewpoints for a dynamic discussion. Supply useful tools. Share relevant news. Encourage participation. All aimed at accelerating cooperative success in a changing landscape.

FUTURE TOPICS
Value of the cooperative business model: How are co-ops becoming more relevant? What is the true value of the core cooperative principles in today’s changing grain and farm supply marketplace?

Past Topics
Equity management

Community
What’s your perspective?
Community news and stories
Submit a topic idea

Resources
Connect with an expert
Resource and discussion guides
Development opportunities
Our owners want:
People they can count on
Investing in Leaders

- CHS University
- CHS Agro University
- Geneva University

Master of Grain Trading
Homegrown talent

- More than 100 interns in summer 2013
  - 50 CHS locations across the U.S.
  - Two- and four-year students
  - Two-thirds in agronomy
  - Other areas include accounting, merchandising, rail logistics, credit, terminal operations, energy, EHS, hedging
Spreading the word

- Visited 22 colleges and universities and five leadership events to recruit interns and trainees
- An active supporter of FFA, 4-H, Agriculture Future of America, rural leadership programs and other organizations
- 75 ag students received $1,000 CHS Foundation scholarships in 2013
Get ‘em while they’re young

- Agriculture Career Pathway Program
  - Phase One
    - Two-year program combining educational support and hands-on learning experiences.
    - A summer job with one of three CHS retail units
    - A $4,000 scholarship
    - Participation in the CHS New Leaders Forum
    - Internship
    - Eligibility to apply for CHS Foundation scholarship
  - Phase Two
    - Upon successful completion of phase one, the student may be offered a full-time position
    - Additional $4,000 tuition assistance
Cultivating future local leaders

- CHS Country Operations Trainee Program
  - Career path development
- Ag Associate program
  - Hands-on experience in key businesses
CHS Future 40 Program

- New development program for emerging leaders
- CHS partnering with University of Minnesota Carlson School of Management
- Experiential learning, case studies, leadership development, international experience
- CHS is committed to helping develop human capital
Our owners want:
To share in CHS success
Creating Value for Owners – Cash Returns

$ in millions

$3.1 billion!
# Record 2013 Distributions

$ in millions/estimated based on FY2012 earnings

<table>
<thead>
<tr>
<th>Distribution</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Cash Patronage</td>
<td>$379</td>
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<tr>
<td>Equity Redemptions – Cooperatives</td>
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<tr>
<td>Equity Redemptions – Individuals</td>
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<tr>
<td>Dividends on Preferred Stock</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$600</strong></td>
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The ultimate goal -- relevance

Maintaining financial strength amid ongoing uncertainty that:

• Allows us to provide our owners with products, services and relationships that add value every day

• Invest in current and expanded businesses

• Deliver an economic return to our owners
Thank You!

Questions?