





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



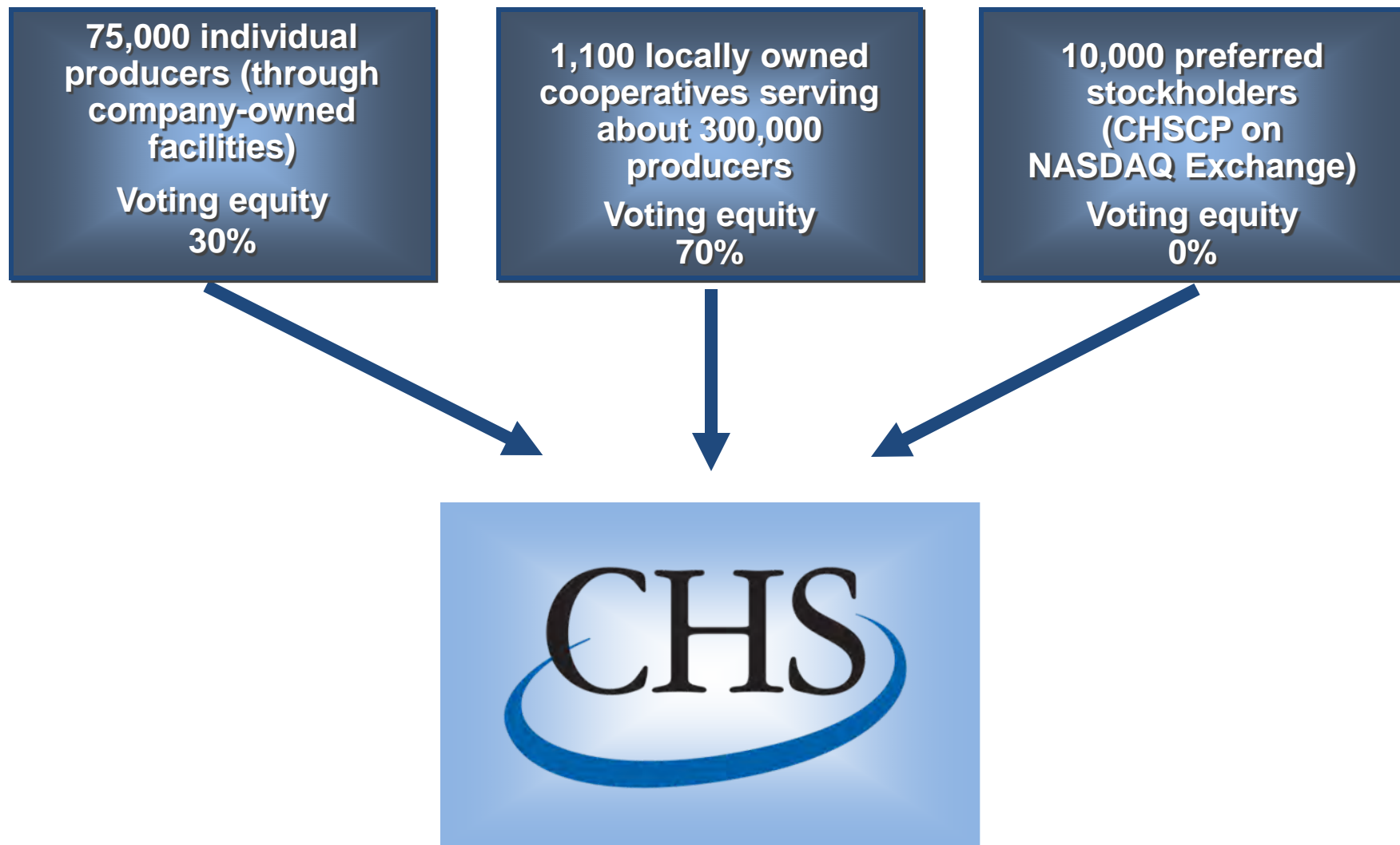


A bit about CHS

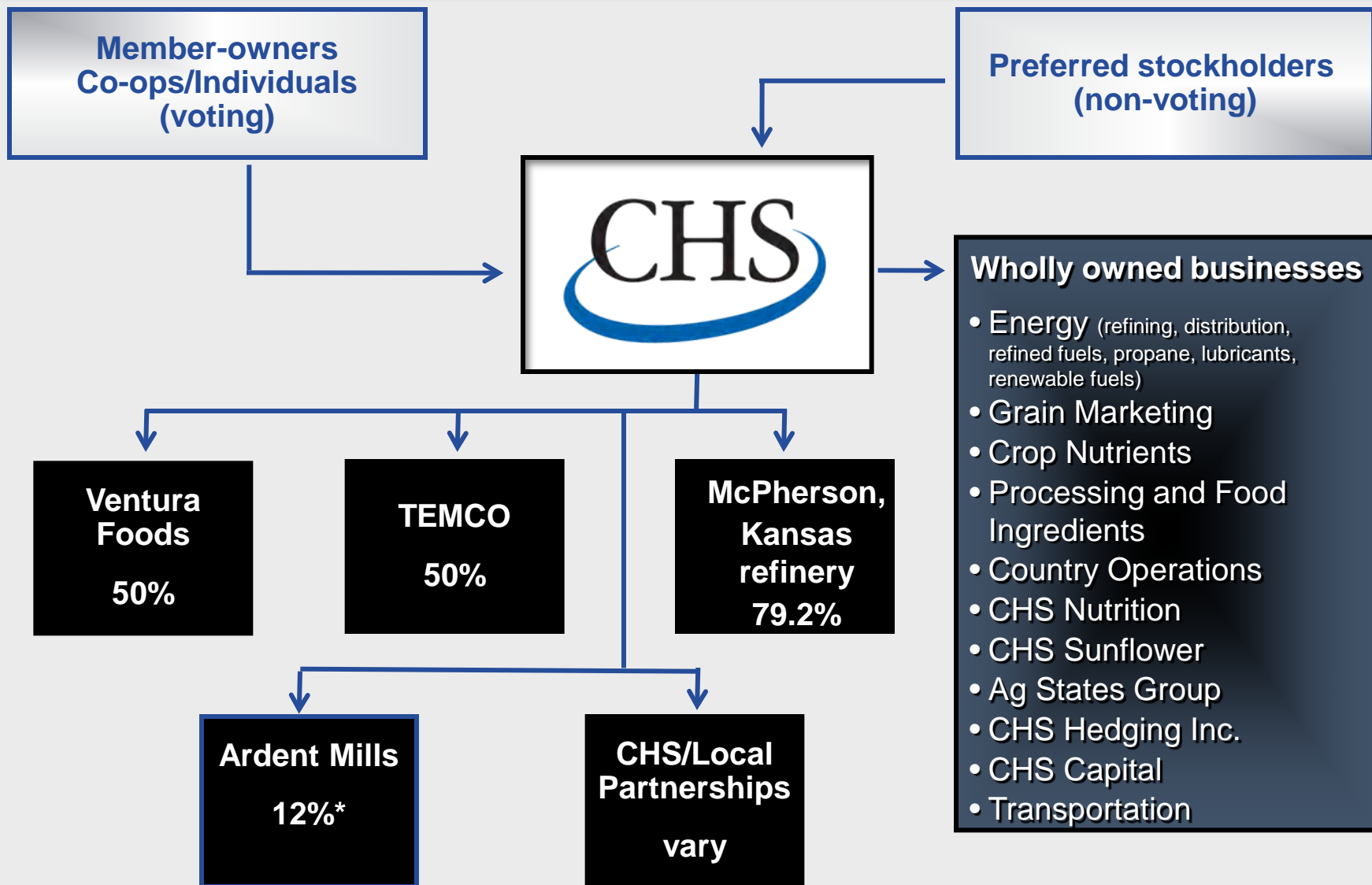
- CHS is the nation's leading producer-owned cooperative providing essential energy, grains and foods resources to businesses and consumers around the world. We:
 - Serve producers and consumers throughout the United States
 - Supply grain and other products to customers in 65 countries
 - Have more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



Ownership

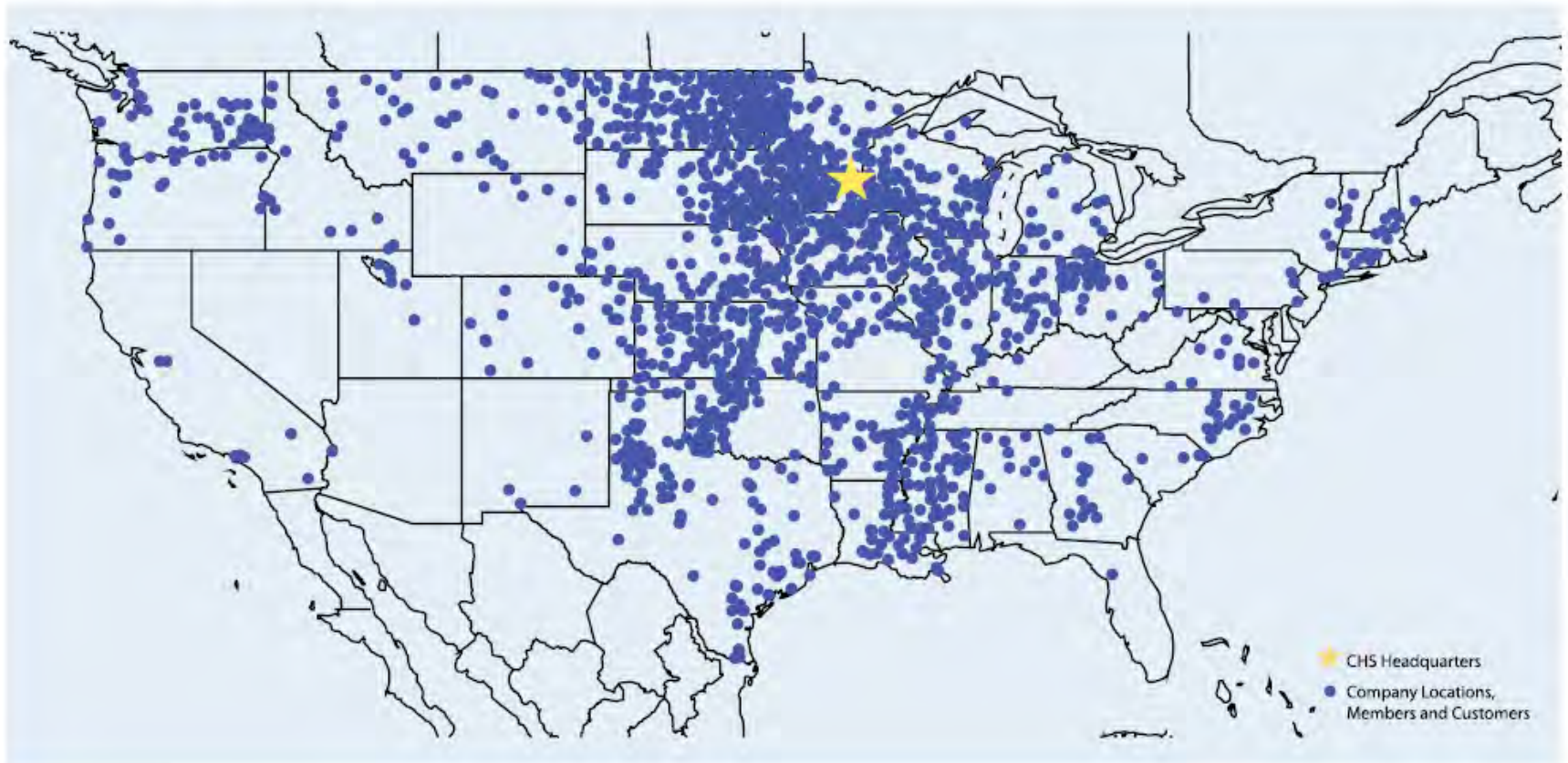


Structure



*Pending regulatory approval

CHS System Locations

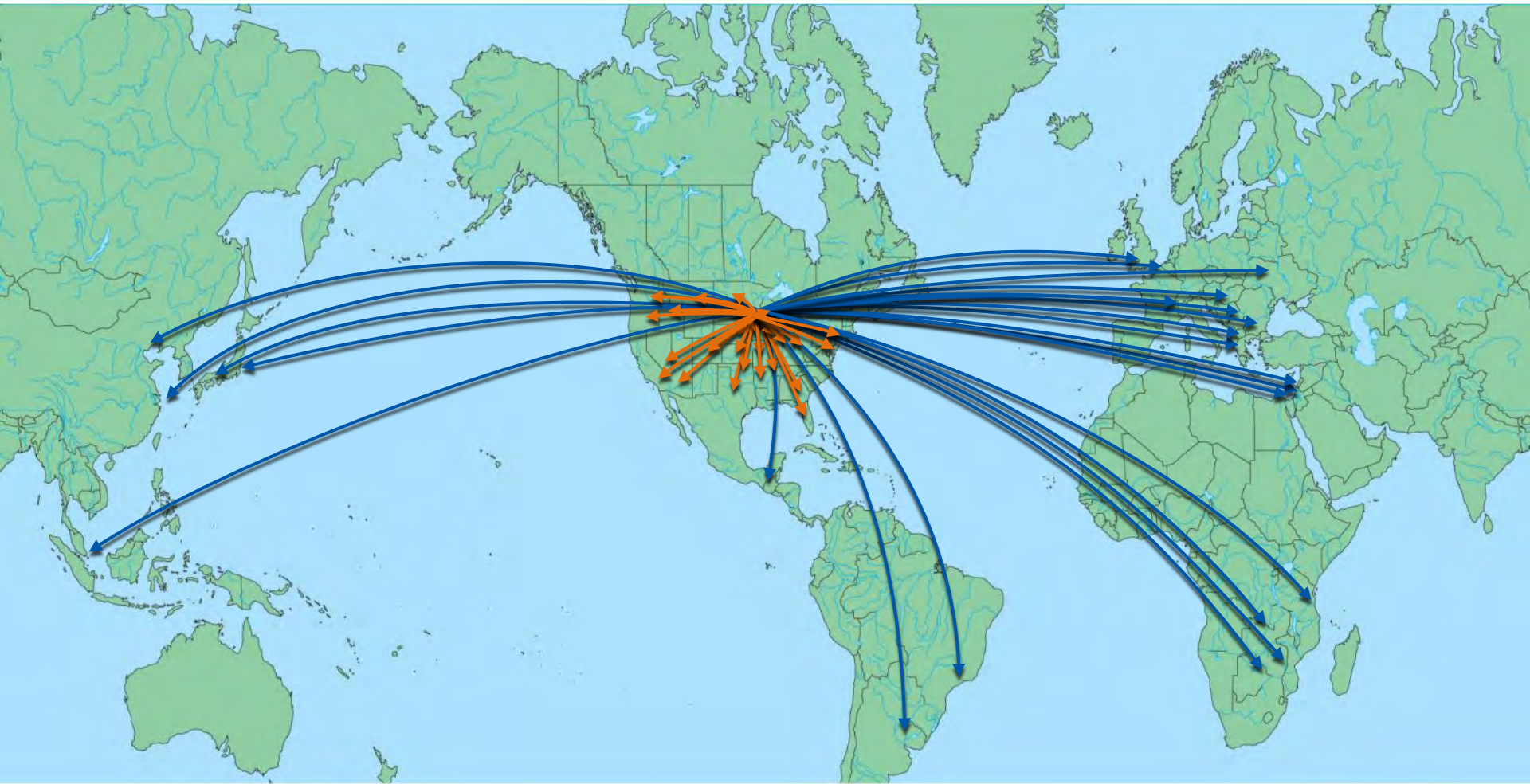


Each dot represents a CHS location, member company or business affiliation

Listening to Our Owners, Customers & Employees



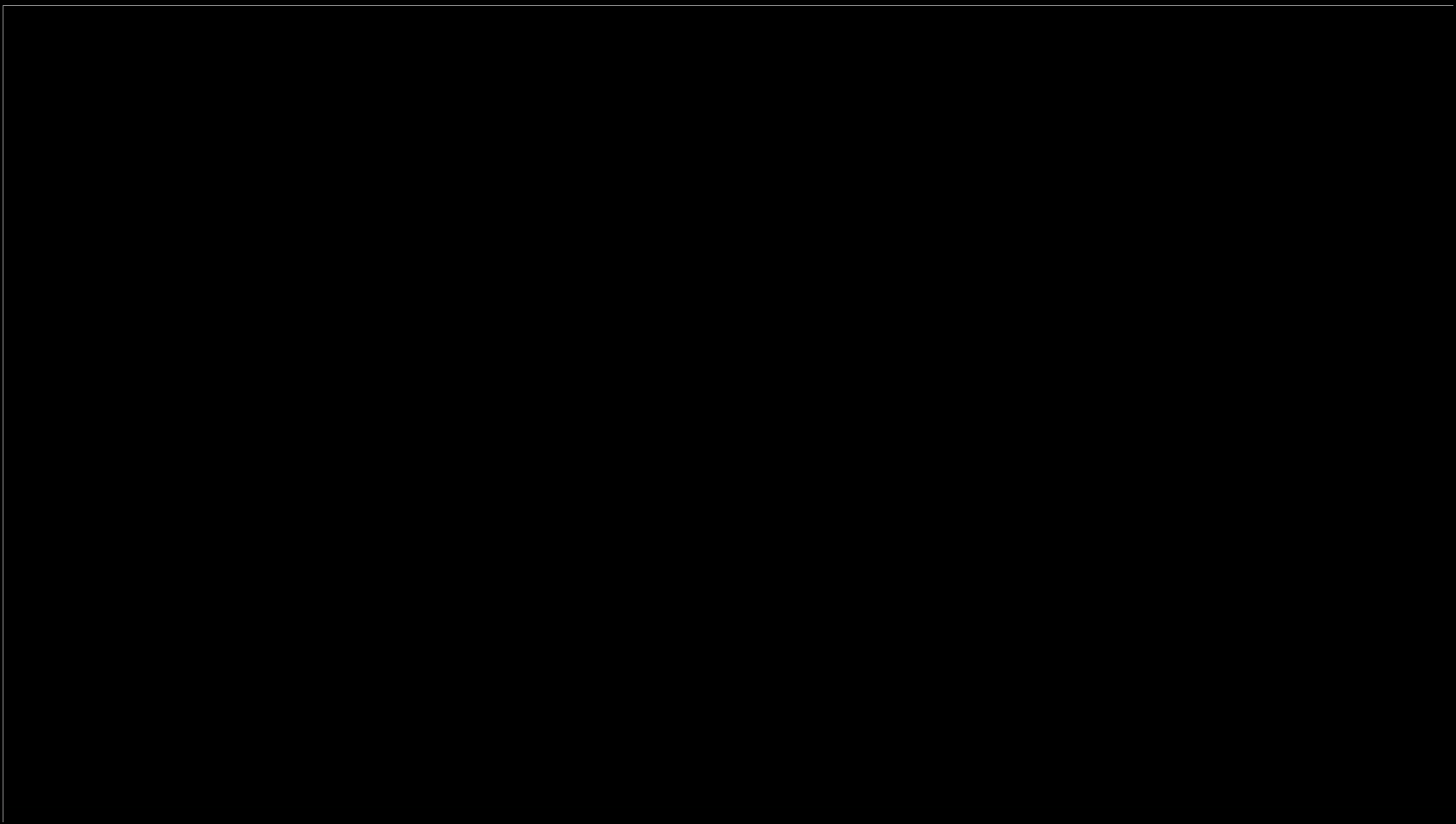
Listening to Our Owners, Customers & Employees





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





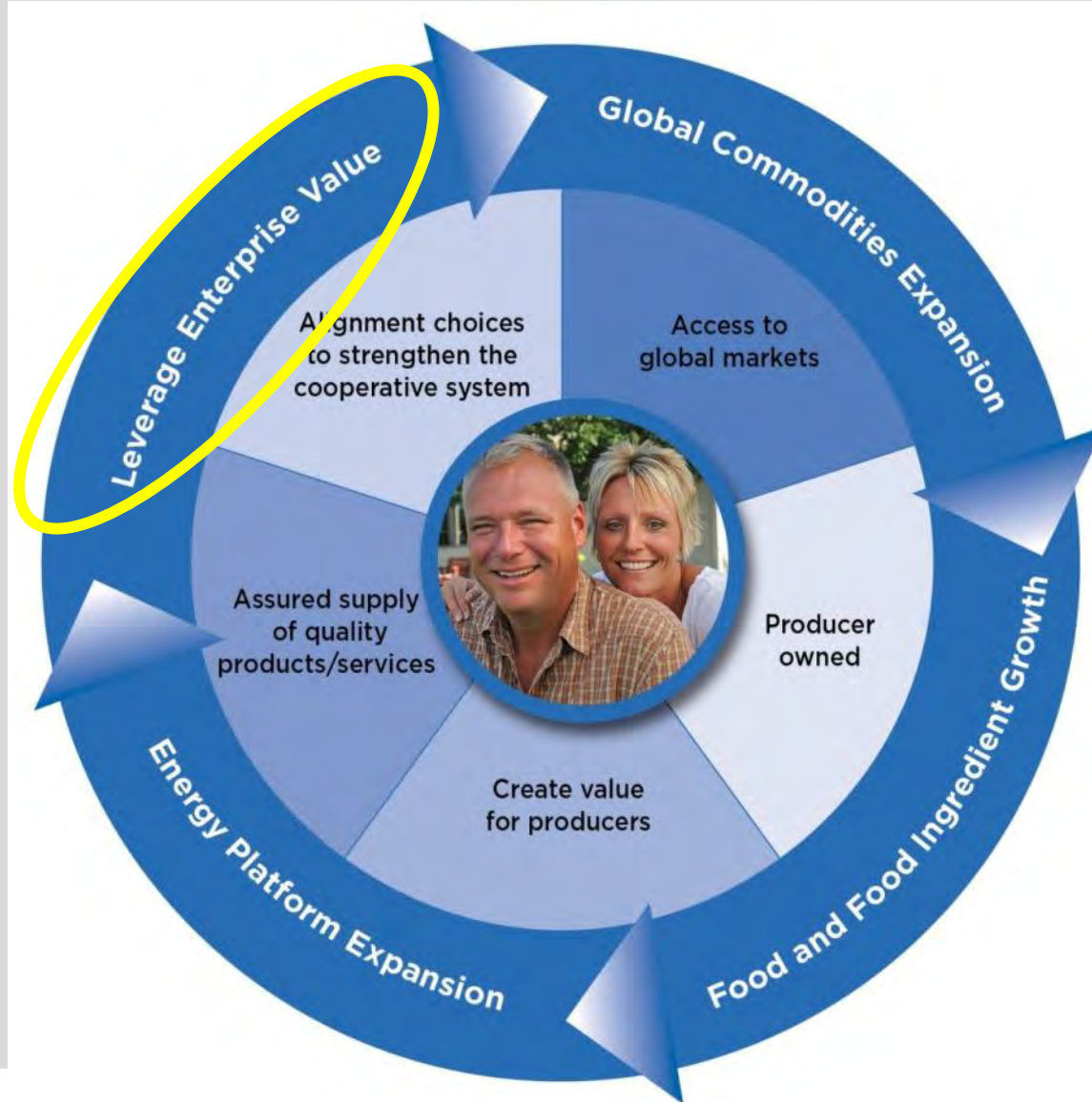
\$4 billion

acquisitions
expansions
new projects

Record investments to help our owners grow

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

CHS Aspirations



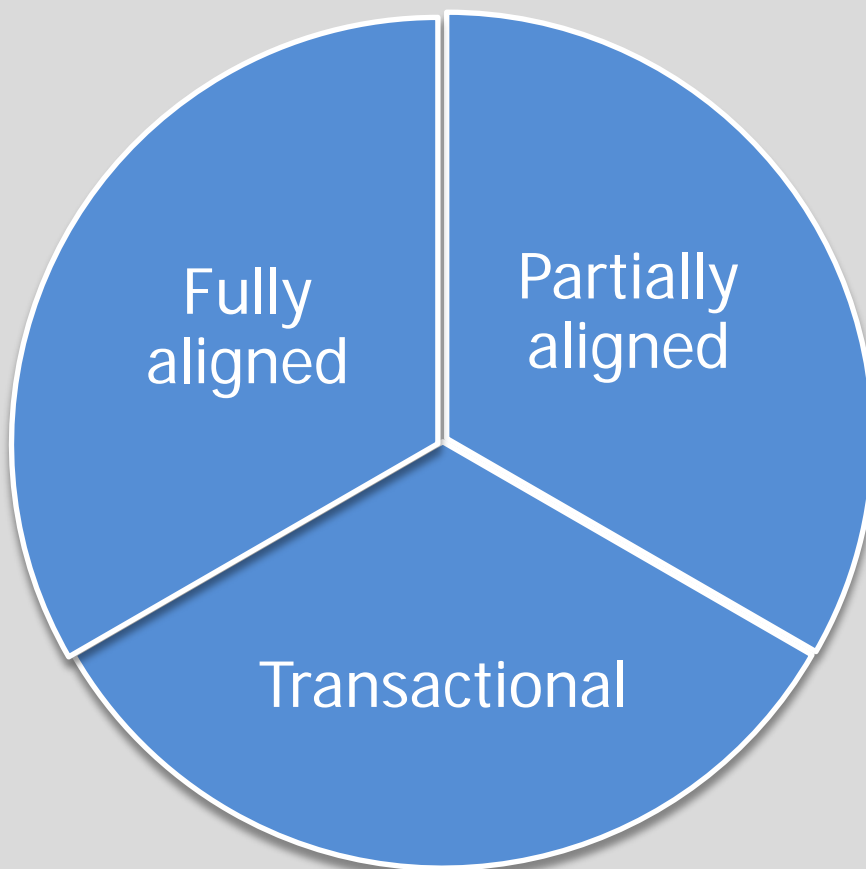


What do we mean by “enterprise?”

- 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

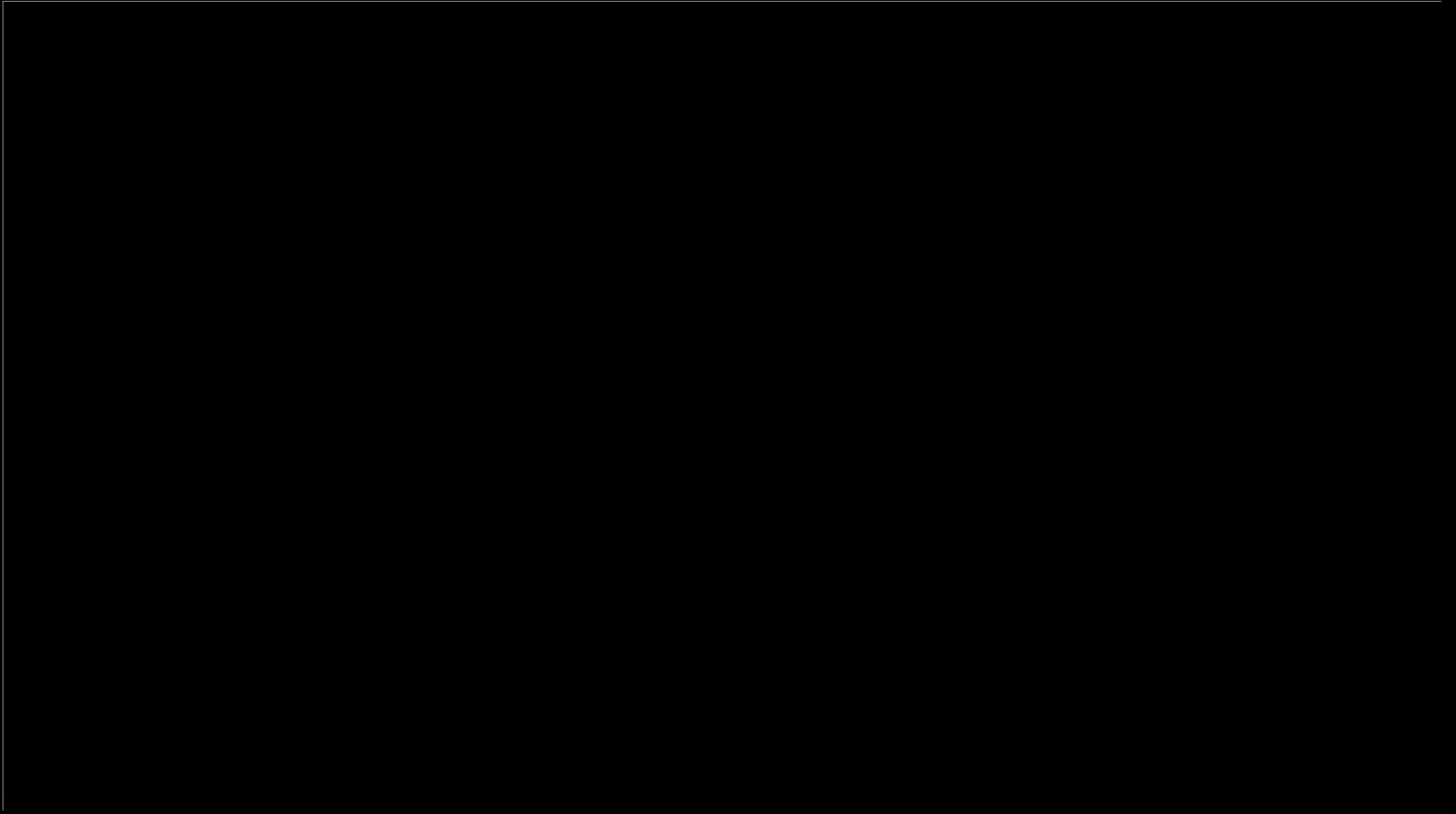


Owner alignment



A close-up photograph of a person's hand adjusting a knob on a piece of machinery. The machinery has a digital display screen showing the number '5.0' and some text. The background is a blurred outdoor setting with a fence and trees.

**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



A SERVICE OF CHS



Technology for managing risk



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Individual

Commercial

Commentaries

Weather & Quotes

Programs & Products

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Individual

Individual Customers
Producer Services
Russell Consulting Services
Trading Products
Online & Social Tools
Find a Broker
Forms

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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










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




CHS Center for Cooperative Growth


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LATEST TREND 


Board Alignment: Four Perspectives



"Faster, better decisions."
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"Critically important."
[VIEW VIDEO >](#)




"Big thinking."
[VIEW VIDEO >](#)




"Persistence and dedication."
[VIEW VIDEO >](#)

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.



Want bigger thinking and better alignment?

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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?

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A photograph of two men standing in a lush green field of crops, likely soybeans. The man on the left is wearing a blue button-down shirt and is looking down at a plant. The man on the right is wearing a white polo shirt and jeans, and is talking on a mobile phone. In the background, there are several large silver metal grain silos under a bright blue sky with scattered white clouds.

**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



Bryan Lewis
MANAGER, PROPANE RISK MANAGEMENT, CHS | INVER GROVE HEIGHTS, MINN.

At age 10, Bryan Lewis worked for a neighbor picking rocks. It wasn't glamorous, but for this country kid it was the start of many summers spent working on area farms that eventually led to a career in agriculture. While at the University of North Dakota, he took a summer job at a local asphalt plant for the former Cenex company, loading trucks and unloading rail cars. When the facility manager retired and the assistant manager moved up, they asked him to step into the vacant role. "I've always appreciated that they were willing to work around my school schedule. That flexibility is what laid the foundation for my loyalty to CHS."

He advanced quickly as a dispatcher for Grand Forks and Minot, N.D., and Glendive, Mont., locations and then handled compliance for CHS Transportation. Today, Lewis leads propane safety and compliance efforts for both the wholesale propane division and CHS Country Operations retail propane locations.

FLIP PAGE



Krystal Ballah
CONTROLLER, CHS YUMA | YUMA, COLO.

If there was an opportunity available through 4-H or FFA, Krystal Ballah likely took advantage of it. Growing up in western Kansas, Ballah worked closely with a local veterinarian and at a feedlot to explore careers in agriculture. A high school accounting class and job opportunity with a local accountant launched her interest in accounting. She enrolled in the accounting program at Kansas State University in Manhattan, Kan., then completed her degree online after moving to eastern Colorado. She started her career at a local bank, then became an agronomy accountant at the cooperative. She quickly advanced to assistant controller and now serves as controller. "It's rewarding to help customers and be able to offer solutions to help their businesses run more efficiently."

Find profiles and videos at chsinc.com/careers.

>>>



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



CHS 40
FUTUREFORTY



**Our owners want:
To share in CHS
success**

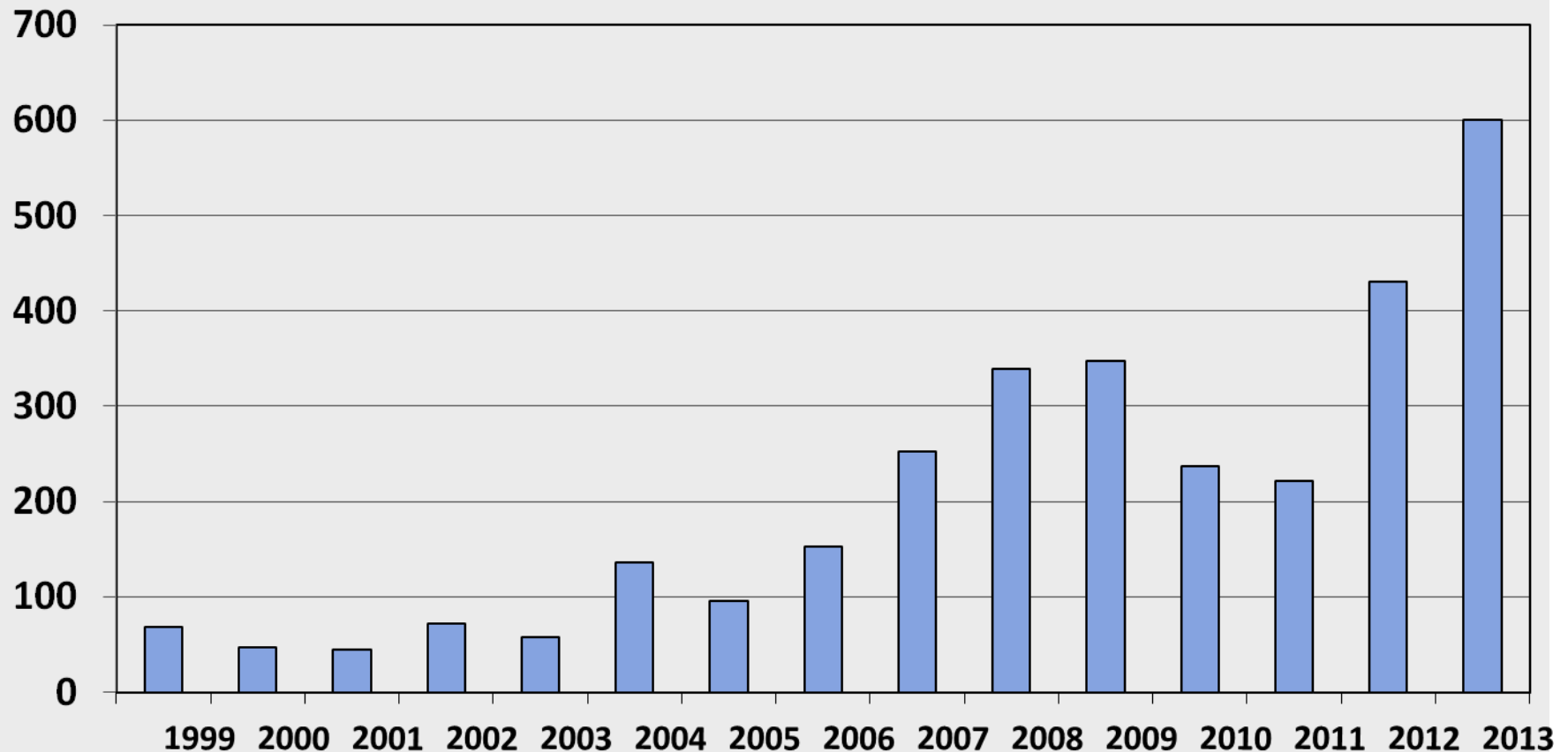




Creating Value for Owners – Cash Returns

\$ in millions

**\$600
million**



\$3.1 billion!

Record 2013 Distributions

\$ in millions/estimated based on FY2012 earnings

Cash Patronage	\$ 379
Equity Redemptions – Cooperatives	166
Equity Redemptions – Individuals	30
Dividends on Preferred Stock	<u>25</u>
	\$ 600





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?

