OFFERING CIRCULAR **October 19, 2017**

Cargill, Incorporated

(incorporated with limited liability in the State of Delaware, United States of America)

U.S.$6,000,000,000
Euro Medium Term Note Program

In 1996, Cargill, Incorporated ("**Cargill, Inc.**", "**Cargill**", the "**Company**" or the "**Issuer**") established a euro medium term note program (the "**Program**") for the issuance of up to an aggregate nominal amount of U.S.$1,000,000,000 medium term notes (such aggregate nominal amount was increased to U.S.$6,000,000,000 on December 5, 2007). Under the Program, Cargill, Inc., may from time to time issue notes in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**" and, together with Bearer Notes, the "**Notes**") denominated in any currency (including euro) as agreed between Cargill, Inc. and the relevant Dealer (as defined below). Cargill, Inc. will not issue Bearer Notes unless it and any Dealer participating in the issue of such Bearer Notes has received a written opinion of independent legal counsel of recognized standing stating that payments on such Bearer Notes will not be subject to U.S. federal withholding tax.

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed U.S.$6,000,000,000 (or its equivalent in other currencies calculated as described herein).

Application has been made to the Luxembourg Stock Exchange in its capacity as market operator of the Euro MTF market of the Luxembourg Stock Exchange (the "**Euro MTF Market**") under Part IV of the Luxembourg Act dated July 10, 2005 relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*), as amended (the "**Luxembourg Act**") for Notes issued under the Program as described in this Offering Circular to be admitted to trading on the Euro MTF Market and listed on the official list of the Luxembourg Stock Exchange.

The Euro MTF Market is not a regulated market pursuant to the provisions of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**") but is subject to the supervision of the financial sector and exchange regulator, the Commission de Surveillance du Secteur Financier.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information, including any other terms and conditions not contained herein, which is applicable to each Tranche (as defined under "**Terms and Conditions of the Notes**") of Notes will be set forth in a pricing supplement (the "**Pricing Supplement**") which, with respect to Notes to be admitted to trading on the Euro MTF Market, will be delivered to the Luxembourg Stock Exchange on or before the date of issue of the Notes of such Tranche and published in accordance with the rules and regulations of the Luxembourg Stock Exchange, as amended from time to time.

This Offering Circular and any supplement thereto will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu). References in this Offering Circular to Notes being "listed" (and all related references) shall mean that such Notes are intended to be admitted to listing on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market. The Program provides that Notes may be listed on or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between Cargill, Inc. and the relevant Dealer. In addition, Cargill, Inc. may from time to time issue unlisted Notes and/or Notes which are not admitted to trading on any market. The applicable Pricing Supplement in respect of the issue of any Notes will specify whether Notes will be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market (and/or on any other stock exchange or market).

See "**Risk Factors**" on pages 8 to 11 for a discussion of certain factors to be considered in connection with an investment in the Notes.

Dealers

BNP PARIBAS *Deutsche Bank* *HSBC*

Cargill, Inc. accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of Cargill, Inc. (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorized by Cargill, Inc. to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Program or any information supplied by Cargill, Inc. or such other information as is in the public domain and, if given or made, such information or representation must not be relied upon as having been authorized by Cargill, Inc. or any Dealer.

The Dealers have not separately verified the information contained herein. Accordingly, no representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates make any representation or warranty or accept any responsibility, as to the accuracy or completeness of the information contained in this Offering Circular. Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true or correct as of any time subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial situation of Cargill, Inc. since the date hereof or, as the case may be, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Program is true or correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended, from January 1, 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, as amended (the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

This document constitutes a prospectus for the purposes of Part IV of the Luxembourg Act. Neither this Offering Circular nor any related supplement is a prospectus for the purposes of the Prospectus Directive. This Offering Circular and any related supplement have been prepared on the basis that any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in this Offering Circular, as completed by the Pricing Supplement in relation to the offer of those Notes, may only do so in circumstances in which no obligation arises for the Issuer or any of the Dealers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Issuer nor the Dealers have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Dealers to publish a prospectus for such offer. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a Relevant Member State.

The communication of this Offering Circular, any related supplement and any other document or materials relating to the issue of the Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "**FSMA**"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, the Notes offered hereby are only available to, and any investment or investment activity to which this Offering Circular and any related supplement relate will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this Offering Circular or any related supplement or any of their contents.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular or any Pricing Supplement comes are required by Cargill, Inc. and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of notes and on the distribution of this Offering Circular or any Pricing Supplement and other offering material relating to the Notes, see "Subscription and Sale". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, any United States persons within the meaning of Regulation S under the Securities Act (other than distributors) unless the Notes are registered under the Securities Act or an exemption from such registration requirements is available (see "Subscription and Sale"). **Neither this Offering Circular nor any Pricing Supplement may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.**

Neither this Offering Circular nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by Cargill, Inc. or the Dealers that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of the Offering Circular or any Pricing Supplement shall be deemed to have made its own investigation and appraisal of the condition (financial or otherwise) of Cargill, Inc.

All references in this Offering Circular to "**$**", "**dollars**", "**Dollars**", "**U.S.$**" or "**U.S. dollars**" are to United States dollars, references to "**EUR**", "**€**", "**Euro**" and "**euro**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended and references to "**Sterling**" and "**£**" are to United Kingdom Pounds Sterling.

This Offering Circular should be read and construed in conjunction with any supplement hereto. Furthermore, in relation to any Series of Notes, this Offering Circular should be read and construed together with the applicable Pricing Supplement.

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In connection with the issue of any Tranche of Notes under the Program, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilization action or over-allotment shall be conducted in accordance with all applicable laws and rules.

AVAILABLE INFORMATION

Cargill, Inc. is not subject to the information reporting requirements of the United States Securities Exchange Act of 1934, as amended.

This document may contain forward-looking statements that reflect management's current view with respect to future results, achievements and financial performance. These statements may be identified by their use of forward-looking terminology such as "believes," "expects," "anticipates," "may," "will," "should," "seeks," "approximates," "suggests," "intends," "aims," "plans," "estimates," or the negative of these words or other comparable terminology. Such forward-looking statements are subject to risks and uncertainties that may cause Cargill Inc.'s actual results, achievements or performance to differ materially from those projected or implied. The most significant of these risks are described in this document. To the extent permitted by applicable law, Cargill, Inc. assumes no obligation to update any forward-looking statements as a result of new information or future events.

Cargill, Inc. will, at the specified offices of Citibank, N.A., London Branch in its capacity as paying agent (the "**Paying Agent**") provide during normal business hours, free of charge, upon the oral or written request therefor, a copy of this Offering Circular. Written or oral requests for this document should be directed to Cargill, Inc. at its principal office set out at the end of this Offering Circular. In addition, this Offering Circular will be available on the website of the Luxembourg Stock Exchange at *www.bourse.lu*.

If the terms of the Program are modified or amended in a manner which would make this Offering Circular, as supplemented, inaccurate or misleading, a new Offering Circular will be prepared. Cargill, Inc. will, in connection with the listing of the Notes on the official list of the Luxembourg Stock Exchange, so long as any Notes remain outstanding and listed on such exchange, in the event of any material adverse change in the financial condition of Cargill, Inc. or material change in the Terms and Conditions of the Notes or the Program (including an increase in the size of the Program) which is not reflected in the Offering Circular, prepare a further supplement to the Offering Circular or a new Offering Circular for use in connection with any subsequent issue of Notes to be listed on the official list of the Luxembourg Stock Exchange.

OVERVIEW

The following is a brief overview of the Program only and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this document and, in relation to any Notes, in conjunction with the relevant Pricing Supplement and, to the extent applicable, the Terms and Conditions of the Notes set out herein.

Words and expressions defined under "Terms and Conditions of the Notes" below shall have the same meanings in this section.

ISSUER:	Cargill, Incorporated.
DEALERS:	BNP Paribas Deutsche Bank AG, London Branch HSBC Bank plc and any other Dealer appointed from time to time either in respect of a single Tranche or in respect of the Program.
FISCAL AGENT AND REGISTRAR:	Citibank, N.A., London Branch.
CALCULATION AGENT:	Citibank, N.A., London Branch, unless otherwise specified in the relevant Pricing Supplement.
LUXEMBOURG LISTING AGENT:	Banque Internationale à Luxembourg.
ISSUE PRICE:	Notes may be issued at any price, as specified in the relevant Pricing Supplement.
MATURITIES:	Notes may have such maturities as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant currency specified in the applicable Pricing Supplement. At the date of this Offering Circular, the minimum maturity of all Notes is one month. **Notes having a maturity of less than one year** Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are received by the Issuer in the United Kingdom and which have a maturity of less than one year will only be issued if (a) the redemption value of each such Note is not less than £100,000 (as determined at the time of issuance or an amount of equivalent value denominated in a currency other than Sterling), (b) no part of any Note may be transferred unless the redemption value of that part is not less than £100,000 (or such an equivalent amount), and (c) they are issued to a limited class of professional investors, unless the relevant Note(s) can be issued and sold without contravention of Section 19 of the FSMA or as permitted by then current laws, regulations and directives.
PROGRAM AMOUNT:	U.S.$6,000,000,000 (or the equivalent in other currencies) in aggregate principal amount of Notes outstanding at any one time. For this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes using the spot

rate of exchange for the purchase of such currency against payment of U.S. dollars being quoted by the Fiscal Agent on the date on which the Relevant Agreement (as defined in the Ninth Amended and Restated Dealership Agreement dated October 19, 2017 (the "**Dealership Agreement**")) in respect of the relevant Tranche was made or such other rate as the Issuer and the Relevant Dealer (as defined in the Dealership Agreement) may agree. The maximum aggregate principal amount of Notes which may be outstanding under the Program may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement.

PRICING SUPPLEMENT :	Notes issued under the Program may be issued pursuant to this Offering Circular and the relevant Pricing Supplement. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as completed to the extent described in the relevant Pricing Supplement.
ISSUANCE IN SERIES:	Notes will be issued in series (each, a "**Series**"). Each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") issued on different issue dates. The Notes of each Series will have identical terms, except that (i) the issue date, the issue price and the amount of the first payment of interest may be different in respect of different Tranches and (ii) a Series may comprise Notes in more than one denomination. The Notes of each Tranche will all have identical terms in all respects save that a Tranche may comprise Notes of different denominations.
FORM OF NOTES:	Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). The Issuer will not issue Bearer Notes unless it and any Dealer participating in the issue of such Bearer Notes has received a written opinion of independent legal counsel of recognized standing stating that payments on such Bearer Notes will not be subject to U.S. federal withholding tax. Registered Notes will not be exchangeable for Bearer Notes or vice versa. In respect of each Tranche of Bearer Notes, the Issuer will deliver a Temporary Global Note that will be deposited on or before the relevant issue date therefor, as set forth in the relevant Pricing Supplement, with a common depositary. If the Temporary Global Note is in bearer form and is intended to be in new global note ("**NGN**") form, as set forth in the relevant Pricing Supplement, the Temporary Global Note must be delivered to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). If the Temporary Global Note is not intended to be issued in NGN form and is intended to be issued in classic global note ("**CGN**") form, the Temporary Global Note must be delivered to a common depositary (the "**Common Depositary**") for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Bearer Notes will be CGNs unless otherwise specified in the Pricing Supplement. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Notes in definitive bearer form in accordance with its terms. Each Permanent Global Note will be exchangeable in whole but not in part for Notes in definitive bearer form: see Condition 1(a)(iv) of the Terms and Conditions of the Notes for further details. Bearer Notes in definitive bearer form will, if interest-bearing, have interest coupons ("**Coupons**") attached and, if appropriate, a talon ("**Talon**") for further Coupons.

Registered Notes will initially be represented by a Temporary Global Note and, subject to satisfaction of certain conditions, will be exchangeable for interests in a Permanent Global Note Certificate: see Condition 1(a)(viii) of the Terms and Conditions of the Notes for further details. If the Temporary Global Note or the Permanent Global Note Certificate (as applicable) is intended to be issued under the new safekeeping structure ("**NSS**"), as stated in the relevant Pricing Supplement, the Temporary Global Note or the Permanent Global Note Certificate (as applicable) must be delivered to a Common Safekeeper and registered in the name of a nominee of the Common Safekeeper. If the Temporary Global Note or Permanent Global Note Certificate (as applicable) is not intended to be issued under the NSS, and is intended to be issued under the classic safekeeping structure ("**CSS**"), the Temporary Global Note (or the Permanent Global Note Certificate (as applicable) must be delivered to the Common Depositary and be registered in the name of the Common Depositary or the name of a nominee of the Common Depositary. Registered Notes will be issued under the CSS unless otherwise specified in the relevant Pricing Supplement. Registered Notes will be issued without Coupons or Talons.

CURRENCIES: Subject to any applicable legal or regulatory restrictions, the Notes shall be denominated in such currencies as may be agreed between the Issuer and the relevant Dealer(s), including, without limitation, euro, Sterling, U.S. Dollars, Canadian Dollars and Japanese Yen (as indicated in the applicable Pricing Supplement).

REDENOMINATION: The applicable Pricing Supplement may provide that certain Notes may be redenominated into euro. The relevant provisions applicable to such redenomination will be set forth in full in the applicable Pricing Supplement.

STATUS: Notes will be direct, unsecured (subject to the Negative Pledge provisions described herein) and senior obligations of the Issuer ranking *pari passu* with all other present and future unsecured and senior general obligations of the Issuer but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

REDEMPTION: The Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default (as defined in Condition 8)) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Unless previously redeemed, or purchased and cancelled, each Note shall be redeemed at its maturity redemption amount as specified in the applicable Pricing Supplement.

INTEREST: Notes may bear interest at fixed rates or floating rates or bear no interest at all.

Interest periods, interest rates and the terms of and/or amounts payable on redemption will be specified in the applicable Pricing Supplement.

DENOMINATIONS:	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to a minimum denomination of €100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency), and integral multiples of 1,000 units of the relevant currency in excess thereof. The minimum denomination of any Bearer Notes issued with a maturity of 183 days or less will be U.S.$500,000 or its equivalent in other currencies (determined by reference to the spot rate at the date of issuance), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements applicable to the relevant specified currency. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution. See "Maturities" above.
TAXATION:	All payments in respect of Notes by or on behalf of the Issuer to a Holder will be made without withholding or deduction for or on account of any any present or future tax imposed by the United States (or any political subdivision or taxing authority thereof or therein), unless that withholding or deduction is required by law. In that event, the Issuer will pay to the Holder of any Note or Coupon that is a United States Alien (as such term is defined in Condition 9(a)(iii) of the Terms and Conditions of the Notes) as additional interest such additional amounts as may be necessary to ensure that the net amount received by the Holder is equal to the amount that would have been received by the Holder in the absence of that withholding or deduction, subject to the exceptions described in Condition 9(b) of the Terms and Conditions of the Notes.
NEGATIVE PLEDGE:	The terms of the Notes will contain a negative pledge provision as further described in Conditions 4(a) to 4(d) of the Terms and Conditions of the Notes.
CONSOLIDATION, MERGER OR SALE OF ASSETS:	The terms of the Notes will contain a provision on consolidation, merger or sale of assets, as further described in Condition 5 of the Terms and Conditions of the Notes.
CROSS DEFAULT:	The terms of the Notes will contain a cross-default provision as further described in Condition 8 of the Terms and Conditions of the Notes.
GOVERNING LAW:	The Notes and all related contractual documentation will be governed by, and construed in accordance with, the laws of the State of New York.
APPROVAL, LISTING AND ADMISSION TO TRADING:	Application has been made to the Luxembourg Stock Exchange for Notes issued under the Program during the period of 12 months from the date of this Offering Circular, to be admitted to trading on the Euro MTF Market and to list the Notes on the official list of the Luxembourg Stock Exchange. The Notes may also be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets, as may be agreed between the Issuer and the relevant Dealer in relation to each Series and as stated in the applicable Pricing Supplement. Notes may be issued, which are neither listed nor admitted to trading on any stock exchange or market. The terms of such Notes will be set forth in a Pricing Supplement (the form of which is set out in "Schedule 6—Form of Pricing Supplement" to the Dealership Agreement).

TERMS AND CONDITIONS:	The terms and conditions applicable to each Tranche will be as set out herein under "Terms and Conditions of the Notes" as completed to the extent required by the relevant Pricing Supplement.
CLEARING SYSTEMS:	Euroclear, Clearstream, Luxembourg and/or, in relation to any Notes, any other relevant clearing system as may be specified in the relevant Pricing Supplement.
SELLING RESTRICTIONS:	There are selling restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "Subscription and Sale".

RISK FACTORS

The Issuer believes that the following risk factors may affect its ability to fulfill its obligations under Notes issued under the Program. Most of these risk factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, risk factors which are material for the purpose of assessing the market risks associated with Notes issued under the Program are also described below.

The Issuer believes that the risk factors described below represent the principal risks inherent in investing in Notes issued under the Program, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

References in this section to "our", "we" or "us" are to the Issuer.

Risks related to our business

Our performance is subject to a number of risks and uncertainties, the continuation or worsening of which could materially and adversely affect our business, financial condition, liquidity and/or results of operations.

We are subject to risks and uncertainties that are specific to the various businesses in which we are engaged and the geographic markets we serve. Certain of our businesses are highly regulated and complex and require significant resources and local market experience and expertise. Significant risks include fluctuations in commodity prices and exchange rates, supply/demand imbalances, political uncertainties in emerging markets, crop and livestock diseases and other risks associated with the successful delivery to the market of competitively priced products and the use of such products. Although we have had many years' experience in the management of such risks, recent geopolitical and macroeconomic fluctuations have introduced additional challenges, including, among others, a credit crisis, global recessionary conditions, fluctuating oil prices, falling consumer confidence, government intervention and policies, unforeseen environmental costs, technology issues such as data breaches and global financial markets losses and instability. The continuation or worsening of such conditions may materially and adversely affect our business, financial condition, liquidity and/or results of operations, including our ability to obtain or refinance indebtedness on satisfactory terms as and when required.

Product Liability Risks

The Company's involvement in the processing of food and food ingredients results in a significant risk that Cargill or its subsidiaries will be subject to product liability claims resulting from the production or sale of same. From time to time, Cargill or its subsidiaries will be held liable or incur costs to settle or defend claims if Cargill or its subsidiaries cause, or are claimed to cause, injury. These risks exist even with respect to food products that have received, or in the future may receive, regulatory approval or clearance for consumer use. Cargill cannot guarantee that it or its subsidiaries will be able to avoid product liability exposure. Although the Company currently maintains product liability insurance at levels that it believes are sufficient and consistent for companies in its industry and of its size, Cargill cannot guarantee that its product liability insurance is adequate. A product liability claim or product recall could result in liability to Cargill in a greater amount than is covered by Cargill's insurance coverage.

Risks which are material for the purpose of assessing the market risks associated with Notes issued under the Program

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should, among other things:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular or any applicable supplement and all the information contained in the applicable Pricing Supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Program. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common features:

Notes subject to optional redemption by the issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Uncertainty relating to the LIBOR calculation process and potential phasing out of LIBOR after 2021 may adversely affect the value of the Notes.

Regulators and law enforcement agencies in the United Kingdom and elsewhere are conducting civil and criminal investigations into whether the banks that contribute to the British Bankers' Association (the "**BBA**") in connection with the calculation of daily London inter-bank offered rate ("**LIBOR**") may have been under-reporting or otherwise manipulating or attempting to manipulate LIBOR. A number of BBA member banks have entered into settlements with their regulators and law enforcement agencies with respect to this alleged manipulation of LIBOR. Actions by the BBA, regulators or law enforcement agencies may result in changes to the manner in which LIBOR is determined or the establishment of alternative reference rates. For example, on July 27, 2017, the United Kingdom's Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. At this time, it is not possible to predict the effect of any such changes, any establishment of alternative reference rates or any other reforms to LIBOR that may be enacted in the United Kingdom or elsewhere. Uncertainty as to the nature of such potential changes, alternative reference rates or other reforms may adversely affect the trading market for LIBOR-based securities, including the Notes. Reform of, or the replacement or disappearance of, LIBOR and proposed regulation of LIBOR and other "benchmarks" may adversely affect the value of and return on the Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest- bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Fiscal Agent and the Issuer may, without the consent of Noteholders, agree to any modification of any of the provisions of the Notes, the Coupons or the Issue and Paying Agency Agreement (as defined in the Terms and Conditions of the Notes), in the circumstances described in Condition 14 of the Terms and Conditions of the Notes.

Change of law

The conditions of the Notes are based on the laws of the State of New York in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the State of New York or administrative practice after the date of this Offering Circular.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and make any payments in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

GENERAL DESCRIPTION OF THE PROGRAM

Under the Program, the Issuer may from time to time issue the Notes denominated in any currency agreed by the Issuer and the relevant Dealer(s) having maturities of one month or longer (or such other minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency). The Issuer may issue Notes that bear interest at fixed rates or floating rates or no interest at all. An overview of the terms and conditions of the Program and the Notes appears on pages 3 to 7. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer(s) prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes attached to, incorporated by reference into, or endorsed on the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes.

Subject as set out herein, this Offering Circular and any supplement hereto may only be used for admitting the Notes to trading on the Euro MTF Market and to listing on the official list of the Luxembourg Stock Exchange and/or obtaining the listing and/or admission to trading of Notes on or by any other relevant stock exchange and/or market in an aggregate principal amount which, when added to the aggregate principal amount then outstanding of all Notes previously or simultaneously issued under this Program (including unlisted Notes), does not exceed U.S.$6,000,000,000 or its equivalent in other currencies.

The aggregate principal amount of Notes outstanding at any time under the Program is subject to, and will be limited by, the then existing grant of authority by the Board of Directors of the Issuer. The grant of authority existing from time to time may permit the Issuer to issue and have outstanding more or less than U.S.$6,000,000,000 aggregate principal amount of Notes. This Offering Circular will be amended or supplemented to indicate any such increase which may result in Notes outstanding in an aggregate principal amount in excess of U.S.$6,000,000,000.

FORM OF PRICING SUPPLEMENT

PRICING SUPPLEMENT

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC (AS AMENDED) FOR THE ISSUE OF NOTES DESCRIBED BELOW.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended[, from January 1, 2018,]* to be offered, sold or otherwise made available to and[, with effect from such date,]** should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[*Date*]

Cargill, Incorporated

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
under the U.S. $6,000,000,000
Euro Medium Term Note Program

PART A—CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Offering Circular dated October 19, 2017 [and the supplement[s] to the Offering Circular dated [ ]]. This document constitutes the Pricing Supplement of the Notes and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular [as so supplemented]. The Offering Circular [and the supplement[s] to the Offering Circular], [is] [are] available for viewing at, and copies may be obtained from, the principal office of the Issuer and the specified offices of the Fiscal Agent and the Paying Agent during normal business hours. The Offering Circular [and the supplement[s] to the Offering Circular], and (in the case of Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market) the applicable Pricing Supplement will also be published on the website of the Luxembourg Stock Exchange at www.bourse.lu.

[Include whichever of the following apply or specify as "Not Applicable" *(N/A*). *Note that the numbering should remain as set out below, even if* "*Not Applicable*" *is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

[Any Bearer Notes issued with a maturity of 183 days or less will be U.S.$500,000 or its equivalent in other currencies (determined by reference to the spot rate at the date of issuance).]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other Specified Currency.]

* Note: Do not include this date reference in a Pricing Supplement for offers concluded on or after January 1, 2018.
** Note: Do not include this date reference in a Pricing Supplement for offers concluded on or after January 1, 2018.

1.	[(i)] Series Number:	[ ]
	[(ii) Tranche Number:	[ ]
	[(iii) Fungibility; Date on which Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [*insert date*/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in Item [21] below [which is expected to occur on or about [*insert date*]]].]
2.	Specified Currency or Currencies:	[ ]
3.	Aggregate Principal Amount of Notes:	[ ]
	[(i)] Series:	[ ]
	[(ii) Tranche:	[ ]]
4.	Issue Price:	[ ] per cent. of the Aggregate Principal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
5.	Specified Denominations:	[ ] [*Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies*).]
6.	(i) Issue Date:	[ ]
	(ii) Interest Commencement Date	[*Specify/Issue Date/Not Applicable*]
7.	Maturity Date:	[Specify date or (for Floating Rate Notes) specify the Interest Payment Date falling in or nearest to the relevant month and year]
8.	Interest Basis:	[[ ] per cent. Fixed Rate] [[*LIBOR/EURIBOR*] +/– [ ] per cent. Floating Rate] [Zero Coupon]
9.	Redemption Basis:	Unless previously redeemed, or purchased and cancelled, each Note shall be redeemed at its [Specify Outstanding Principal Amount (for a Note which is interest bearing) or Amortized Face Amount (for a Note which is non-interest bearing)]
10.	Put/Call Options:	[Investor Put–Optional Early Redemption (Put)] (*N.B. Condition 7(f) applies*) [Issuer Call–Optional Early Redemption (Call)] (*N.B. Condition 7(c) applies*)
11.	Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively]] (*NB. Only relevant where Board (or similar) authorization is required for the particular tranche of Notes*)
12.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i)	Fixed Rate[(s)] of Interest:	[ ] per cent. per annum [payable [annually/semi annually/quarterly/monthly] in arrear] (*if payable other than annually, consider amending Condition 6*)
	(ii)	Fixed Interest Date(s):	[[ ] in each year up to and including the Maturity Date]
	(iii)	Fixed Coupon Amount[(s)]:	[Not Applicable][*If applicable, specify [ ] per Note of [ ] Specified Denomination*] [*(For the avoidance of doubt, the amount of interest payable on the Fixed Interest Date shall be the Fixed Coupon Amount or any Broken Amount, if applicable)*]
	(iv)	Broken Amount(s):	[ ] per Note of [ ] Specified Denomination payable on the Fixed Interest Date falling [in/on] [ ] [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)*]]
	(v)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] (*NB. Actual/Actual (ICMA) is normally only appropriate for Fixed Rate Notes denominated in euros)*
	(vi)	Determination Dates:	[ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
	(viii)	Additional Business Centre(s):	[ ]
14.	Floating Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i)	Interest Period(s)/Interest Payment Dates:	[[ ] in each year, subject to adjustment in accordance with the Business Day Convention set out in [(ii)] below].
	(ii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(iii)	Additional Business Centre(s):	[ ]
	(iv)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(v)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not Fiscal Agent):	[ ]

	(vi)	Reference Banks (if any):	[ ]
	(vii)	Screen Rate Determination:	[Condition 6(b)(iii)(C) applies/Not Applicable]
	–	Reference Rate:	[ ] (*Either LIBOR or EURIBOR*)
	–	Interest Determination Date(s):	[ ] (*Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
	[ ]	– Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
	(viii)	ISDA Determination:	[Condition 6(b)(iii)(A) applies/Not Applicable]
		– Floating Rate Option:	[ ]
		– Designated Maturity:	[ ]
		– Reset Date:	[ ]
	(ix)	Margin(s):	[+/-][ ] per cent. per annum
	(x)	Minimum Rate of Interest:	[ ] per cent. per annum
	(xi)	Maximum Rate of Interest:	[ ] per cent. per annum
	(xii)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)] (See Condition 6 for alternatives)
15.	Zero Coupon Note Provisions		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i)	[Amortization/Accrual] Yield:	[ ] per cent. per annum
	(ii)	Reference Price:	[ ]
	(iii)	[Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

16.	Issuer Call – *Optional Early Redemption(Call*):		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[ ]

	(ii)	Optional Redemption Amount(s) of each Note:	[ ] per Note of [ ] Specified Denomination
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[ ]
		(b) Maximum Redemption Amount:	[ ]
	(iv)	Notice period (if other than as set out in the Conditions):	[ ] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
17.	Investor Put – *Optional Early Redemption (Put)*:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s) of each Note:	[ ] per Note of [ ] Specified Denomination
	(iii)	Notice period (if other than as set out in the Conditions):	[ ] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.*)
18.	Final Redemption Amount of each Note:		[ ] per Note of [ ] Specified Denomination
19.	Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default:		[ ] per Note of [ ] Specified Denomination

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20.	New Global Note Form:		[Yes] [No]
21.	Form of Notes:		
	(i)	Bearer Notes:	[Not Applicable/The Notes will be Bearer Notes and will initially be represented by a temporary global Note in bearer form, without interest coupons attached, which will be deposited with a common [safekeeper] [depositary] (*delete as applicable*) for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") [*specify other clearing system agreed*] on or about the Issue Date. The Issuer will not issue Bearer Notes unless it and any Dealer participating in the issue of such Bearer Notes has received a written opinion of independent legal counsel of recognized standing stating that payments on such bearer notes will not be subject to U.S. federal withholding tax. Interests in the temporary global Note will be exchangeable for

		interests in a permanent global Note, without interest coupons attached, [or, definitive Notes in bearer form,] on a date (the "**Exchange Date**") not earlier than 40 days after the closing date upon appropriate certification as to non-U.S. beneficial ownership. The permanent global Note will be exchangeable in whole, but not in part, for definitive Notes in bearer form in the limited circumstances specified in Condition 1(a)(iv). Interests in the permanent global Note will not be exchangeable for Notes in registered form.]
	(ii) Registered Notes:	[Not Applicable/The Notes will be Registered Notes and will initially be represented by a temporary global Note registered in the name of a nominee for, and deposited with, a common [safekeeper] [depositary] (*delete as applicable*) for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") [*specify other clearing system agreed*] on or about the Issue Date. Interests in the temporary global Note will be exchangeable for interests in a permanent global Note Certificate on a date (the "**Exchange Date**") not earlier than 40 days after the completion of distribution upon appropriate certification as to non U.S. beneficial ownership. Interests in the permanent global Note Certificate will not be exchangeable for Notes in bearer form. Interests in the permanent global Note Certificate will be exchangeable for definitive Notes in registered form in the limited circumstances specified in Condition 1(a)(viii)] [*NB. If Individual Note Certificates are required to be issued (a) notwithstanding that some Individual Note Certificates may be in permitted Specified Denominations, which are not integral multiples of €100,000; (b) trading in the Individual Note Certificates will be limited to Individual Note Certificates in denominations of €100,000 or integral multiples of €100,000 in excess thereof; and (c) payments of principal and interest on the portion of any Individual Note Certificates that is not an integral multiple of €100,000 will not be made through Euroclear or Clearstream, Luxembourg. In such circumstance, there may not be any trading market for Individual Note Certificates that are not in Specified Denominations of €100,000 or integral multiples of €100,000 in excess thereof, and payments of principal and interest on the portion of any Individual Note Certificates that is not an integral multiple of €100,000 will be available only from the Issuer or the Fiscal Agent*]
22.	Record Date:	[Not Applicable/*give details*] [Condition 10(b)(i) applies] (*N.B. Only applicable for Registered Notes*)
23.	Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/*give details*] (*Note that this item relates to the date and place of payment, and not interest period end dates, to which items 13(viii) and 14(iii) relates*)
24.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes] [No] [*If yes, give details*]

25.	Further issue provisions:	[Not Applicable/Condition 16 applies. If the Issuer issues further Notes of the same Series during the initial 40-day restricted period applicable to the outstanding Notes of such Series, then such 40-day period will be extended until 40 days after the later of the commencement of the offering and the Issue Date of such further issue of Notes. In addition, if the Issuer issues further Notes of the same Series after the expiration of the 40-day restricted period, a new 40-day restricted period will be applied to such further issue of Notes without applying to the outstanding Notes. After the expiration of the new 40-day restricted period, all such Notes will be consolidated and form a single Series with the outstanding Notes.]

RELEVANT THIRD PARTY INFORMATION

[[Relevant third party information] has been extracted from [ ]]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: ____________________________________

Duly Authorized

PART B—OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing:	[Application [has been] [will be] made for the Notes to be listed on the official list of the Luxembourg Stock Exchange] [*Specify other*] [Not Applicable]
(ii) Admission to trading:	[Application [has been] [will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Euro MTF Market] with effect on or about [the Issue Date]] [*Specify other*] [Not Applicable] // *(where documenting a fungible issue need to indicate that original securities are already admitted to trading)*
(iii) Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings:	[[The Notes to be issued [have been/are expected to be rated]. [The following ratings reflect ratings assigned to Notes of this type issued under the Program generally]]: [S&P: [ ]] [Moody's: [ ]]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

[Save for any fees payable to the Dealers and as discussed in ["**Subscription and Sale**"] section of the Offering Circular, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. *—Amend as appropriate if there are other interests.*]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer:	[ ] (*See* "*Use of Proceeds*" *wording in the Offering Circular—if the reasons for the offer are different from those set out therein will need to include those reasons here*)
[(ii)] Estimated net proceeds:	[ ] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)
[(ii)/(iii)] Estimated total expenses:	[ ]

5. YIELD (*Fixed Rate Notes only*)

Indication of yield:	[ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

(i)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No]
		[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with either (a) Euroclear Bank SA/NV or (b) Clearstream Banking S.A. (the "ICSDs") as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] [*include this text for Registered Notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank (the "ECB") being satisfied that Eurosystem eligibility criteria have been met.] [*include this text if "yes" selected in which case the Notes must, if in bearer form, be issued in NGN form.*]
		[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
(ii)	ISIN:	[ ]
(iii)	Common Code:	[ ]
(iv)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable] [*Give name(s) and number(s)*]
(v)	Delivery:	Delivery [against] [free of] payment
(vi)	Names and addresses of additional [ ] Paying Agent(s) (if any):	[ ]
(vii)	Name and address of transfer agent in Luxembourg (if any):	[*Note—Must appoint a transfer agent in Luxembourg for all Luxembourg listed Registered Notes*]
(viii)	Additional Investment Considerations:	[Applicable, see Annex attached] [Not Applicable]

7. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-Syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Stabilizing Manager(s) (if any):	[Not Applicable/*give names*]
(iv)	If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
(v)	U.S. selling restrictions:	[Reg. S Compliance Category 3; TEFRA C/ TEFRA D/ TEFRA Not Applicable]
(vi)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the offer of the Notes is concluded prior to January 1, 2018, or on and after that date the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes will be concluded on or after January 1, 2018 and the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which (subject to completion and amendment) will be applicable to each Series of Notes, provided that the relevant Pricing Supplement in relation to any Notes may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such Notes.

The Notes are issued pursuant to and in accordance with a Ninth Amended and Restated Issue and Paying Agency Agreement dated October 19, 2017 (as supplemented and/or modified and/or restated from time to time) (the "**Issue and Paying Agency Agreement**") among Cargill, Incorporated, Citibank, N.A., London Branch in its capacity as fiscal agent, Calculation Agent, Registrar and Transfer Agent (the "**Fiscal Agent**", which expression shall include any successor thereto) and in its capacity as paying agent (the "**Paying Agent**", and, together with any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement, the "**Paying Agents**"). Copies of the Issue and Paying Agency Agreement are available for inspection during normal business hours at the specified office of each of the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement insofar as they relate to the relevant Notes.

The Notes are issued in series (each, a "**Series**") and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Notes. Each Tranche will be the subject of a Pricing Supplement (each, a "**Pricing Supplement**"), a copy of which will be available during normal business hours at the specified office of each of the Paying Agents. In the case of a Tranche of Notes in relation to which application has not been made for listing on any stock exchange, copies of the Pricing Supplement will only be available for inspection by a Holder (as defined in Condition 2(a)) of such Notes and such Holder must produce evidence satisfactory to the relevant Paying Agent as to its holding and to identity.

References in these Terms and Conditions to the "**Notes**" are to the Notes of the relevant Series only and not to the Notes of any other Series and any references to Coupons (as defined in Condition 1(a)(v)) are to Coupons relating to the Notes. For the purposes of these Terms and Conditions, references to "**Notes**" shall, as the context may require, be deemed to be Temporary Global Notes, Permanent Global Notes, or, as the case may be, Definitive Notes, in the case of Bearer Notes, or Permanent Global Note Certificates, or Individual Note Certificates, in the case of Registered Notes (each as defined in Condition 1(a)).

References in these Terms and Conditions to the Pricing Supplement are to the Pricing Supplement prepared in relation to the Notes of the relevant Tranche or Series. Words and expressions used in the Pricing Supplement shall have the same meanings given thereto in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

In respect of any Notes, references herein to these Terms and Conditions are to these terms and conditions as supplemented or modified or (to the extent thereof) replaced by the Pricing Supplement.

1. Form and Denomination

(a) *Notes*

Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), as specified in the Pricing Supplement and are serially numbered. The Issuer will not issue Bearer Notes unless it and any Dealer participating in the issue of such Bearer Notes has received a written opinion of independent legal counsel of recognized standing stating that payments on such Bearer Notes will not be subject to U.S. federal withholding tax. Registered Notes will not be exchangeable for Bearer Notes and vice versa.

Bearer Notes

Each Tranche of Bearer Notes is represented upon issue by a temporary global Note (a "Temporary Global Note"). Interests in the Temporary Global Note may be exchanged for:

(A) interests in a permanent global Note (a "**Permanent Global Note**"); or

(B) if so specified in the Pricing Supplement, definitive Notes in bearer form ("**Definitive Notes**").

Exchanges of interests in a Temporary Global Note for a Permanent Global Note or, as the case may be, Definitive Notes will be made only on or after the date (the "**Exchange Date**") which is forty days after the completion of the distribution of the Bearer Notes of the relevant Tranche provided certification has been received as to the non-U.S. beneficial ownership thereof as required by U.S. Treasury regulations and the Securities Act (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system).

(ii) The bearer of any Temporary Global Note shall not (unless, upon due presentation of such Temporary Global Note for exchange (in whole or in part) for a Permanent Global Note or for delivery of Definitive Notes, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Bearer Note represented by such Temporary Global Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

(iii) Subject to Condition 1(a)(ii), any date on which a payment of interest is due on the Bearer Notes of a Tranche occurs whilst any of the Bearer Notes of that Tranche are represented by a Temporary Global Note, the related interest payment will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not issued in new global note ("**NGN**") form) only to the extent that, in the case of Bearer Notes with maturities of over 183 days, certification as to the non-U.S. beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear Bank, SA/NV ("**Euroclear**", which expression shall include any successor thereto) or Clearstream Banking S.A. ("**Clearstream, Luxembourg**", which expression shall include any successor thereto) or any other relevant clearing system. Payments of amounts due in respect of a Permanent Global Note will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system (against presentation or surrender (as the case may be) of the Permanent Global Note, if the Permanent Global Note is not issued in NGN form) without any requirement for certification.

(iv) Interests in a Permanent Global Note will be exchangeable by the Issuer in whole but not in part only at the option of the Holder of such Permanent Global Note (and, in the case of paragraph (C), at the option of the Issuer) for Definitive Notes in bearer form:

(A) if an Event of Default (as defined in Condition 8) occurs and is continuing; or

(B) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system, is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so; or

(C) the Issuer or any Paying Agent has or will become obliged to pay Additional Amounts as provided or referred to in Condition 9 which would not be required were the Bearer Notes represented by the Permanent Global Note to be in definitive form; or

(D) at the option of the Holder of such Permanent Global Note upon such Holder's request,

in all cases free of charge to the Holder.

In order for the Holder to exercise the options contained in paragraph (A), (B) or (D) above, the Holder must, not less than fifteen days in the case of paragraph (A) or (B) or forty-five days in the case of paragraph (D), before the date upon which the delivery of such Definitive Notes is required, deposit such

Permanent Global Note with the Fiscal Agent at its specified office with the form of exchange notice endorsed thereon duly completed.

In order for the Issuer to exercise the option contained in paragraph (C) above, the Issuer must give not less than fifteen days notice to the Holder.

(v) Interest-bearing Definitive Notes have attached thereto at the time of their initial delivery coupons ("**Coupons**"), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. Interest-bearing Definitive Notes, if so specified in the Pricing Supplement, have attached thereto at the time of their initial delivery, a talon ("**Talon**") for further coupons and the expression "**Coupons**" shall, where the context so requires, include Talons.

Registered Notes

(vi) Each Tranche of Registered Notes is represented upon issue by a Temporary Global Note, which shall be exchangeable for interests in a permanent global note certificate (a "**Permanent Global Note Certificate**"). Interests in the Permanent Global Note Certificate may be exchanged, if so specified in the Pricing Supplement, for Registered Notes in individual certificated form (each, an "**Individual Note Certificate**") in the limited circumstances specified in Condition 1(viii) below. Exchanges of interests in a Temporary Global Note for a Permanent Global Note Certificate or, as the case may be, Individual Note Certificates will be made only on or after the date (the "**Exchange Date**") which is forty days after the completion of the distribution of the Registered Notes of the relevant Tranche, provided (a) certification has been received certifying that each beneficial owner is not a U.S. person within the meaning of Regulation S under the Securities Act (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system), or (b) other procedures acceptable to the Issuer and the Fiscal Agent (which may include certification and/or an opinion of counsel) are established to ensure compliance with the requirements of Regulation S.

(vii) Registered Notes of any Series are registered in the name of a nominee for, and deposited on the relevant Issue Date with (i) in the case of Notes held under the new safekeeping structure (the "**NSS**"), a common safekeeper and (ii) in the case of Notes not held under the NSS, a common depositary, for Euroclear and Clearstream, Luxembourg or any other relevant clearing system. Accordingly, each person who owns a beneficial interest in Registered Notes that are represented by a Temporary Global Note or a Permanent Global Note Certificate must rely on the rules and procedures of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system as the case may be, to exercise any rights of a registered holder of such Notes. Unless otherwise specified in the relevant Pricing Supplement, Citibank, N.A., London Branch is the principal registrar and transfer agent (the "**Registrar**") with respect to Registered Notes and is authorized on behalf of the Issuer to register Registered Notes for each Series and transfers of any Individual Note Certificates in a register maintained by it for such purpose (the "**Register**"). The Issuer may appoint alternative registrars and transfer agents pursuant to the Issue and Paying Agency Agreement as specified in the applicable Pricing Supplement; provided, however, that for so long as any Registered Notes represented by Individual Note Certificates are admitted to trading on the Euro MTF Market and the rules so require, the Issuer shall maintain a transfer agent in Luxembourg.

(viii) Interests in a Permanent Global Note Certificate will be exchangeable for Individual Note Certificates only in the following limited circumstances:

(A) if an Event of Default (as defined in Condition 8) occurs and is continuing; or

(B) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system, is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so.

In order for the Holder to exercise the options contained in paragraph (A) or (B) above, the Holder must, not less than fifteen days before the date upon which the delivery of such Individual Note Certificates is required, give notice to the Registrar at its specified office.

Such Individual Note Certificates shall be registered in such name or names as the common depositary shall instruct the Registrar and shall be in the form agreed by the Issuer and the Registrar at the time of exchange.

Registered Notes, or interests in Registered Notes, shall not be exchangeable for Bearer Notes or interests in Bearer Notes, as applicable.

(b) *Denomination of Notes*

Notes are in the Specified Denominations specified in the Pricing Supplement, subject to a minimum denomination of €100,000 and integral multiples of €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amounts in such currency), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Notes of one denomination may not be exchanged for Notes of any other denomination. The minimum denomination of any Bearer Notes issued with a maturity of 183 days or less will be U.S.$500,000 or its equivalent in other currencies (determined by reference to the spot rate as at the date of issuance). Bearer Notes of one denomination may not be exchanged for Bearer Notes of any other denomination.

(c) *Currency of Notes*

Subject to any legal or regulatory restrictions and/or central bank requirements, the Notes are denominated and/or payable in such currency as may be specified in the Pricing Supplement (including, without limitation, Euro, Japanese Yen, Canadian Dollars and United States dollars).

2. Title and Transfer

(a) *Transfer of Title*

Title to the Bearer Notes and Coupons passes by delivery. Subject as provided below, references herein to the "**Holders**" of Bearer Notes or Coupons are to the bearers of the Bearer Notes or such Coupons. Title to the Registered Notes will pass by registration in the Register (as defined above) which is kept by the Registrar in accordance with the provisions of the Issue and Paying Agency Agreement. The Issuer, the Registrar and any Paying Agent shall deem and treat the person in whose name any Registered Note is registered in the Register as the absolute owner thereof for all purposes but, in the case of any Permanent Global Note Certificate, without prejudice to the provisions set out in this Condition 2(a), references herein to the "**Holders**" of Registered Notes are to the persons in whose names such Permanent Global Note Certificates are so registered in the Register. For so long as any of the Notes are represented by a Temporary Global Note and/or a Permanent Global Note or a Permanent Global Note Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg or any other relevant clearing system, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or any other relevant clearing system as the holder of a particular nominal amount of Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or any other relevant clearing system as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Fiscal Agent, the Registrar and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than, save as specifically otherwise provided in the relevant Temporary Global Note and/or Permanent Global Note or Permanent Global Note Certificate, as the case may be, with respect to the payment of principal or interest on the Notes, for which purpose (i) in the case of Bearer Notes, the bearer of the relevant Temporary Global Note and/or Permanent Global Note, and (ii) in the case of Registered Notes, the person in whose name the Permanent Global Note Certificate is registered in the Register, shall be treated by the Issuer, the Fiscal Agent and any Paying Agent as the Holder of such nominal amount of such Notes in accordance with and subject to the terms of the Temporary Global Note, Permanent Global Note or Permanent Global Note Certificate, as the case may be (and the expression "**Holder**" and related expressions shall be construed accordingly). Notes which are represented by a Temporary Global Note and/or a Permanent Global Note or a Permanent Global Note Certificate, as the case may be, will be transferable only in accordance with the then current rules and procedures of Euroclear or of Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Fiscal Agent.

(b) *Title to Notes*

The Holder of any Bearer Note or Coupon or the Registered Holder (as such term is defined below) of any Registered Note will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

(c) *Transfer of Registered Notes represented by Individual Note Certificates*

Registered Notes represented by Individual Note Certificates may, upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum Specified Denomination) upon the surrender of the relevant Individual Note Certificate to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any other transfer agent appointed by the Issuer for such purpose, and upon the Registrar being satisfied with the identity of the person making the request.

In exchange for any Individual Note Certificate properly presented for exchange at the office of the Registrar or any other such transfer agent, the Registrar shall promptly authenticate or cause to be authenticated and deliver or cause to be delivered to the specified offices of the Registrar and to be made available for collection by each relevant Holder or, at the option of the Holder requesting such transfer, be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder, an Individual Note Certificate of the same Series registered in the name of the relevant transferee. The Registrar shall not register the transfer of any Individual Note Certificate during a period beginning at the opening of business fifteen (15) days before any election to redeem Notes of that Series and ending on the close of business on the day of the mailing of the relevant notice of early redemption, except with respect to the unredeemed portion of Notes redeemed in part.

3. Status of Obligations

Status of the Notes

The Notes are direct, unsecured (subject to Condition 4(d)) and senior obligations of the Issuer ranking *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured and senior general obligations of such Issuer but in the event of insolvency only to the extent permitted by applicable laws relating to creditors' rights.

4. Covenants

(a) *Definitions*

As used herein:

"**Attributable Debt**" means, as to any particular Sale and Leaseback Transaction, at the time of determination, the present value (discounted at the rate per annum of 10 per cent., compounded semi-annually) of the obligation of the lessee of the property subject to such Sale and Leaseback Transaction for rental payments under the remaining term of the lease included in such transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended or until the earliest date on which the lessee may terminate such lease upon payment of a penalty (in which case the rental payments shall include such penalty), after excluding all amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water, utilities and similar charges. Notwithstanding the foregoing, there shall not be deemed to be any "**Attributable Debt**" in respect of a Sale and Leaseback Transaction if such transaction is excluded from the provisions of Condition 4(c) by virtue of clause (ii) thereof.

"**Consolidated Net Tangible Assets**" means as of the date of any determination thereof the aggregate amount of all assets (less depreciation, valuation and other reserves and items deductible therefrom under generally accepted accounting principles) after deducting therefrom (a) all goodwill, patents, trademarks and other like intangibles and (b) all current liabilities (excluding any thereof which are by their terms extendible or renewable at the option of the obligor for a time more than twelve months after the time as of which the amount thereof is being computed), all as set forth on the most recent quarterly consolidated balance sheet of Cargill, Inc. and its consolidated Subsidiaries and computed in accordance with United States generally accepted accounting principles.

"**Debt**" means any obligation for borrowed money.

"**Funded Debt**" means (a) all Debt of Cargill, Inc. or any consolidated Subsidiary (excluding Debt that is payable on demand, non-recourse Debt, or Debt that is an intercompany borrowing), having a final maturity of more than twelve months from the date as of which the amount thereof is to be determined or having a final maturity of less than twelve months but by its terms is renewable or extendible beyond twelve months from such date at the option of the obligor, computed in accordance with generally accepted accounting principles, and there shall not be included any principal amount of Debt having such a final maturity required to be redeemed within twelve months from the date as of which the amount thereof is to be determined pursuant to any sinking fund provisions or otherwise, (b) any guaranty by Cargill, Inc. or any consolidated Subsidiary of Funded Debt of the kind described in the preceding clause, and (c) the total amounts required to be capitalized by Cargill, Inc. or any consolidated Subsidiary under any leases which are not non-recourse.

"**Lien**" means any mortgage, security interest, pledge, lien or other encumbrance.

"**Person**" means an individual, a corporation, a partnership, a joint venture, a trust, an unincorporated organization or a government or any agency or political subdivision thereof.

"**Principal Property**" means any building, structure or other facility (which for purposes of this definition shall not include barges, railroad cars or other transportation equipment, vehicles or vessels), together with the land upon which it is erected and fixtures comprising a part thereof, used primarily for manufacturing, processing, or warehousing in the United States of America or Canada, owned or leased (under capital lease) by Cargill, Inc. or any Restricted Subsidiary, the gross book value (without deduction of any depreciation reserves) of which on the date as of which the determination is being made exceeds 1 per cent. of Consolidated Net Tangible Assets, other than any such building, structure to other facility or portion thereof or any such land or fixture (a) which is financed by outstanding obligations issued by a state, a territory or a possession of the United States of America, or any political subdivision of any of the foregoing, or the District of Columbia, or (b) which, in the reasonable opinion of the applicable Board of Directors, is not of material importance to the total business conducted by the Issuer and its Restricted Subsidiaries as an entirety.

"**Restricted Subsidiary**" means Cargill Americas, Inc., Cargill Juice North America, Inc., Cargill Limited—Cargill Limitee, Cargill Canada Ltd., Mighty Peace Shipping & Transportation Ltd., National Grain & Feeds Limited, Cargill Kitchen Solutions, Inc. and any other Subsidiary of Cargill, Inc. (a) which is organized under the laws of any state of the United States of America, Canada or any Province of Canada, (b) which conducts the major portion of its business in the United States of America or Canada, (c) which is not engaged in banking, leasing, insurance or finance business, and (d) which is designated as a Restricted Subsidiary with respect to the Notes by the Board of Directors of Cargill, Inc.

"**Sale and Leaseback Transaction**" has the meaning specified under Condition 4(c) below; and

"**Subsidiary**" means any corporation a majority of the voting stock of every class of which shall, at the time as of which any determination is made, be owned by Cargill, Inc. either directly or through Subsidiaries, or through voting trusts.

(b) *Restrictions on Secured Debt*

Except as provided under Condition 4(d) below, Cargill, Inc. will not, and will not permit any Restricted Subsidiary to, incur, issue, assume, guarantee or otherwise become liable in respect of any Debt secured by a Lien upon any of its Principal Property or any Restricted Subsidiary, whether now owned or hereafter acquired, unless after giving effect thereto, the aggregate amount of all Debt secured by such Liens then outstanding on Principal Property plus all Attributable Debt of Cargill, Inc. and its Restricted Subsidiaries in respect of Sale and Leaseback Transactions involving Principal Property would not exceed 5 per cent. of Consolidated Net Tangible Assets; provided, however, that the following are specifically excepted from the foregoing limitations on Liens and any computations with respect thereto:

(i) Liens existing on any property of any corporation at the time it becomes a Restricted Subsidiary, Liens existing on any property acquired by Cargill, Inc. or any Restricted Subsidiary, whether or not assumed by Cargill, Inc. or such Restricted Subsidiary, or Liens placed upon property being acquired or constructed by Cargill, Inc. or any Restricted Subsidiary to secure all or any portion of the purchase price or construction cost thereof and incurred within nine months of such acquisition or construction;

(ii) Liens on property or assets of a Restricted Subsidiary to secure obligations of such Restricted Subsidiary to Cargill, Inc. or another Restricted Subsidiary;

(iii) Liens in favour of the United States of America or any state or any agency, department or other instrumentality thereof, to secure progress, advance or other payments pursuant to any contract or provision of any statute; and

(iv) any Lien renewing, extending or refunding, in whole or in part, any Liens permitted under clauses (i) through (iii) above, provided that the principal amount then secured is not increased and the Lien is not extended to other property.

(c) *Restrictions on Sales and Leasebacks*

Cargill, Inc. will not and will not permit any Restricted Subsidiary to enter into any arrangement with any Person (not including arrangements between Cargill, Inc. and a Restricted Subsidiary or between Restricted Subsidiaries) providing for the sale and leasing back by Cargill, Inc. or any Restricted Subsidiary for a period, including renewal, in excess of three years of any Principal Property which has been owned or operated for more than nine months after the acquisition thereof or the completion of construction and commencement of full operation thereof by Cargill, Inc. or any Restricted Subsidiary (a "**Sale and Leaseback Transaction**") involving any Principal Property, unless either:

(i) Cargill, Inc. or such Restricted Subsidiary would be entitled pursuant to the provisions of Condition 4(b) above to incur Debt secured by Liens on the Principal Property to be leased back in an amount equal to Attributable Debt with respect to such Sale and Leaseback Transaction; or

(ii) Cargill, Inc., within 120 days after the sale or transfer shall have been made by Cargill, Inc. or by any such Restricted Subsidiary, applies an amount equal to the fair market value of the Principal Property so sold and leased back at the time of entering into such arrangements (as reasonably determined in good faith by Cargill, Inc.) to the optional prepayment of Funded Debt (other than Funded Debt owed to Subsidiaries).

(d) *Covenant to Secure Securities*

If Cargill, Inc. or any Restricted Subsidiary shall, without the approval by Extraordinary Resolution (as defined in the Agency Agreement) of the Holders of the Notes at the time outstanding, incur, issue, guarantee or assume or otherwise become liable in respect of any Debt secured by any Lien upon any of its Principal Properties now owned or hereafter acquired, which is in violation of the provisions of Condition 4(b) above, it will make or cause to be made effective provisions whereby the Notes will be validly secured by such Lien equally and ratably with any other Debt thereby secured.

5. Consolidation, Merger or Sale of Assets

Cargill, Inc. may without the consent of the Holders consolidate or merge with or into any other corporation and may convey, transfer or lease its property as an entirety or substantially as an entirety to any corporation, provided that (i) the corporation (if other than Cargill, Inc.) formed by or resulting from any such consolidation or merger or which shall have received such property shall be a corporation organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and shall expressly assume by supplemental agreement the due and punctual payment of the principal of, and premium, if any, and interest, if any, on, the Notes issued by Cargill, Inc. and the performance and observance of each agreement or covenant to be performed or observed by Cargill, Inc. under the Notes, the Issue and Paying Agency Agreement, and (ii) immediately after giving effect to such transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing. Cargill, Inc. shall be obligated to deliver to the Fiscal Agent an officers' certificate and an opinion of counsel, each stating that all conditions precedent to such consolidation, merger, conveyance, transfer or lease have been satisfied.

6. Interest

In this Condition 6, "**Business Day**" means (unless otherwise provided in the applicable Pricing Supplement) a day which is both:

(A) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Pricing Supplement; and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (the "**TARGET2 System**") or any successor thereto is open.

(a) *Interest on Fixed Rate Notes*

(i) Each Fixed Rate Note bears interest on its principal amount from (and including) the Interest Commencement Date specified in the applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Rate(s) of Interest specified in the applicable Pricing Supplement payable on the Fixed Interest Date(s) in each year and on the Maturity Date so specified if it does not fall on a Fixed Interest Date. The first payment of interest shall be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount specified in the applicable Pricing Supplement. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount specified in the applicable Pricing Supplement.

(ii) Interest shall be paid, with respect to Fixed Rate Notes which are Bearer Notes represented by Definitive Notes, against surrender of the appropriate Coupons, subject to and in accordance with the provisions of Condition 10(a).

(iii) If interest is required to be calculated for a period of less than a full year, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" for Fixed Rate Notes means:

(A) if "**Actual/Actual (ICMA)**" is specified in the applicable Pricing Supplement:

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) if "**30/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M1)] + (D_2 - D_1)]}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Accrual Period falls:

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the accrual Period falls;

"D_1" is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30.

In these Terms and Conditions:

"**Determination Period**" means the period from (and including) a Determination Date to (but excluding) the next Determination Date; and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest on its principal amount from (and including) the Interest Commencement Date specified in the applicable Pricing Supplement and such interest will be payable on each interest payment date (each an "**Interest Payment Date**") or, if no express Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (an "**Interest Payment Date**") which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date. Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement date) to (but excluding) the next (or first) Interest Payment Date). If any Interest Payment Date (or other date) which is specified in the applicable Pricing Supplement to be subject to adjustment in accordance with a business day convention (a "**Business Day Convention**") would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

(1) the Floating Rate Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) occurred; or

(2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

(ii) *Interest payments*

Interest will be paid, with respect to Floating Rate Notes which are Bearer Notes represented by Definitive Notes, against surrender of the appropriate Coupons, subject to and in accordance with the provisions of Condition 10(a).

(iii) *Rate of Interest*

The Rate of Interest payable from time to time with respect to each Series of Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement:

(A) **ISDA Determination for Floating Rate Notes**

If the applicable Pricing Supplement specifies that this Condition 6(b)(iii)(A) shall apply, the Rate of Interest shall be calculated on such dates and in such amounts as would have been calculated (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Interest Rate and Currency Exchange Agreement published by the International Swaps and Derivatives Association, Inc. (the "**ISDA Agreement**") and evidenced by a Confirmation (as defined in the ISDA Definitions) incorporating the 2006 ISDA Definitions (as amended and updated as at the issue date of the first Tranche of the Notes and as published by the International Swaps and Derivatives Association, Inc.) (the "**ISDA Definitions**") under which:

(1) the basis of calculation was the Floating Rate Option;

(2) the Issuer was the Floating Rate Payer;

(3) the Fiscal Agent was the Calculation Agent or as otherwise specified in the applicable Pricing Supplement;

(4) the Interest Commencement Date was the Effective Date;

(5) the aggregate principal amount of the Series was the Notional Amount;

(6) the Designated Maturity was the period specified in the applicable Pricing Supplement;

(7) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") for a currency or on the Euro-zone interbank offered rate ("**EURIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement;

(8) the Interest Payment Dates were the Floating Rate Payer Payment Dates; and

(9) all other terms were as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (A), "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(B) When Condition 6(b)(iii)(A) applies, with respect to each relevant Interest Payment Date:

(1) the amount of interest determined for such Interest Payment Date shall be the Interest Amount for the relevant Interest Period for the purposes of these Terms and Conditions as though calculated under Condition 6(b)(v) below;

(2) the Rate of Interest for such Interest Period shall be the Floating Rate (as defined in the ISDA Definitions) determined by the Fiscal Agent (or such other agent specified in the applicable Pricing Supplement) in accordance with the preceding sentence; and

(3) the Fiscal Agent will be deemed to have discharged its obligations under Condition 6(b)(v) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(C) **Screen Rate Determination for Floating Rate Notes**

If the applicable Pricing Supplement specifies that this Condition 6(b)(iii)(C) applies:

(1) the Rate of Interest for each Interest Period shall, subject as provided below, be:

I. the quotation; or

II. the arithmetic mean (rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations (expressed as a percentage rate per annum),

for the Reference Rate or Rates which appears or appear, as the case may be, on the appropriate page of the Screen as at 11:00 a.m. (London time) in the case of LIBOR or 11:00 a.m. (Brussels time) in the case of EURIBOR on the Interest Determination Date (as defined below) in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Fiscal Agent;

(2) if, in the case of (I) above, no such rate appears or, in the case of (II) above, fewer than two of such offered rates appear at such time or if the offered rate or rates which appears or appear, as the case may be, as at such time do not apply to a period of a duration equal to the relevant Interest Period, the Rate of Interest for such Interest Period shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards) of the quotations for deposits in the Specified Currency for that Interest Period (expressed as a percentage rate per annum) of which the Fiscal Agent is advised by, if the Reference Rate is LIBOR, the London offices or, if the Reference Rate is EURIBOR, the principal Euro-zone offices, of four leading banks engaged in the Eurodollar market (the "**Reference Banks**"), if the Reference Rate if LIBOR, as at 11:00 a.m. (London time) or, if the Reference Rate is EURIBOR, as at 11:00 a.m. (Brussels time) on the Interest Determination Date plus or minus (as appropriate) the Margin (if any), all as determined by the Fiscal Agent;

(3) if on any Interest Determination Date to which this Condition 6(b)(iii)(C) applies two or three only of the Reference Banks advise the Fiscal Agent of such offered quotations, the Rate of Interest for such Interest Period shall, subject as provided below, be determined as in Condition 6(b)(iii)(C) on the basis of the rates of those Reference Banks advising such offered quotations;

(4) if on any Interest Determination Date to which this Condition 6(b)(iii)(C) applies only one or none of the Reference Banks advises the Fiscal Agent of such quotations, the Rate of Interest for such Interest Period shall, subject as provided below, be whichever is the higher of:

I. the Rate of Interest in effect for the last preceding Interest Period to which Condition 6(b)(iii)(C) shall have applied (plus or minus (as appropriate), where a different Margin is to be applied to the next Interest Period to that which applied to the last preceding Interest Period, the Margin relating to that last preceding Interest Period, plus or minus (as appropriate) the Margin for the next Interest Period) and

II. the reserve interest rate which shall be the rate per annum which the Fiscal Agent determines to be either (x) the arithmetic mean (rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards) of the lending rates for the Specified Currency which leading banks selected by the Fiscal Agent in the principal financial center of the country of the Specified Currency or, in the case of Notes payable in euro, in the Euro-zone, are quoting on the relevant Interest Determination Date for the next Interest Period to the Reference Banks or those of them (being at least two in number) to which such quotations are, in the opinion of the Fiscal Agent, being so made plus or minus (as appropriate) the Margin (if any),

or (y) in the event that the Fiscal Agent can determine no such arithmetic mean, the lowest lending rate for the Specified Currency which leading banks selected by the Agent in the principal financial center of the country of the Specified Currency or, in the case of Notes payable in euro, in the Euro-zone, are quoting on such Interest Determination Date to leading European banks for the next Interest Period plus or minus (as appropriate) the Margin (if any), provided that if the banks selected as aforesaid by the Fiscal Agent are not quoting as mentioned above, the Rate of Interest shall be the Rate of Interest specified in (I) above;

(5) the expression "**the appropriate page of the Screen**" means such page, whatever its designation, on which, if the Reference Rate is LIBOR, London inter-bank offered rates or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank offered rates, in each case for deposits in the Specified Currency of prime banks, are for the time being displayed on the Reuters Screen, or the Dow Jones Markets, or any successor service or such other service, as specified in the applicable Pricing Supplement;

(6) "**Interest Determination Date**" means, unless otherwise specified in the applicable Pricing Supplement, (x) other than in the case of Condition 6(b)(iii)(C)(4), with respect to Notes denominated in any Specified Currency other than Sterling, the second Banking Day in London prior to the commencement of the relevant Interest Period and, in the case of Condition 6(b)(iii)(C)(4), the second Banking Day in the principal financial center of the country of the Specified Currency prior to the commencement of the relevant Interest Period and (y) with respect to Notes denominated in Sterling, the first Banking Day in London of the relevant Interest Period;

(7) the expression "**Banking Day**" means, in respect of any place, any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that place or, as the case may be, as indicated in the applicable Pricing Supplement; and

(8) if the Reference Rate from time to time in respect of Floating Rate Notes is specified as being other than the London inter-bank offered rate or the Euro-zone inter-bank offered rate, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(iv) *Minimum and/or maximum Rate of Interest*

If the applicable Pricing Supplement specifies a minimum Rate of Interest for any Interest Period, then in no event shall the Rate of Interest for such period be less than such minimum Rate of Interest. If the applicable Pricing Supplement specifies a maximum Rate of Interest for any Interest Period, then in no event shall the Rate of Interest for such Interest Period calculated in accordance with Conditions 6(b)(iii) above be greater than such maximum Rate of Interest.

(v) *Determination of Rate of Interest and calculation of Interest Amount*

The Fiscal Agent will, on or as soon as practicable after, if the Reference Rate is LIBOR, 11:00 a.m. (London time) or, if the Reference Rate is EURIBOR, 11:00 a.m. (Brussels time) (or, if appropriate, such other time as is customary in the principal financial center of the country of the Specified Currency) on each Interest Determination Date, determine the Rate of Interest (subject to any minimum or maximum Rate of Interest specified in the applicable Pricing Supplement) and calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes with respect to each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

(1) if "**Actual/Actual (ISDA)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(2) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(3) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(4) if "**30/360**", "**360/360**" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(5) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30; and

(6) if "**30E/360 (ISDA)**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Termination Date, or (ii) such number would be 31, in which case D_2 will be 30.

(vi) *Notification of Rate of Interest and Interest Amount*

The Fiscal Agent will notify the Issuer, the Registrar (in the case of Registered Notes), any other Paying Agent and any stock exchange on which the relevant Floating Rate Notes are for the time being listed of the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date, and will cause the same to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without publication as aforesaid in the event of an extension or shortening of the Interest Period in accordance with the provisions hereof. Each stock exchange on which the relevant Floating Rate Notes are for the time being listed shall be promptly notified of any such amendment.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b), by the Fiscal Agent, shall (in the absence of manifest error) be binding on the Issuer, the Registrar, in the case of Registered Notes, any other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the

Noteholders or the Couponholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(viii) *Limitations on Interest*

In addition to any maximum Rate of Interest which may be applicable to any Floating Rate Note pursuant to Condition 6(b)(iv) above, the interest rate on Floating Rate Notes shall in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application. Under present New York law, the maximum rate of interest is 25 per cent. per annum on a simple interest basis. This limit may not apply to the Notes in which U.S.$2,500,000 or more has been invested. While the Issuer believes that New York law would be given effect by a state or federal court sitting outside of New York, state laws frequently regulate the amount of interest that may be charged to and paid by a borrower (including, in some cases, corporate borrowers).

(c) *Accrual of Interest*

Interest shall accrue on the Outstanding Principal Amount of each Note during each Interest Accrual Period from the Interest Commencement Date. Interest will cease to accrue as of and from the due date for redemption therefor unless upon due presentation or surrender thereof (if required), payment in full of the Redemption Amount (as defined in Condition 7(j)) is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Interest Rate then applicable or such Default Rate as may be specified for this purpose in the Pricing Supplement until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 15 that the Fiscal Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

(d) *Interest Amount(s), Calculation Agent and Reference Banks*

If a Calculation Agent is specified in the Pricing Supplement, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount, obtain any quote or make any determination or calculation) will determine the Interest Rate and calculate the Interest Amount(s) in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Redemption Amount to be notified to the Fiscal Agent, the Registrar (in the case of Registered Notes), the Issuer, the Holders in accordance with Condition 15 and if the Notes are listed on any stock exchange and the rules of such exchange so requires, such exchange as soon as possible after their determination or calculation or in the time required by the laws of the relevant stock exchange. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of an Interest Accrual Period or the Interest Period. If the Notes become due and payable under Condition 8, the Interest Rate and the accrued interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, Redemption Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Interest Rate applicable to the Notes and a Calculation Agent, if provision is made for one in the Terms and Conditions.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Accrual Period or to calculate the Interest Amounts or to fulfill any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(e) *Non-Interest Bearing Notes*

If any Maturity Redemption Amount (as defined in Condition 7(a)) in respect of any Note which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortization Yield defined in the Pricing Supplement or at such other rate as may be specified for this purpose in the Pricing Supplement until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the date on which, the Fiscal Agent or the Registrar (in the case of Registered Notes) having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 15 that the Fiscal Agent or the Registrar (in the case of Registered Notes) has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 6 as if the Interest Rate was the Amortization Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the Pricing Supplement or, if not so specified, 30E/360.

(f) *Calculations and Adjustments*

For the purposes of any calculations referred to in these Terms and Conditions, (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

7. Redemption and Purchase

(a) *Redemption at Maturity*

Unless previously redeemed, or purchased and cancelled, each Note shall be redeemed at its maturity redemption amount (the "**Maturity Redemption Amount**") (which shall be its Outstanding Principal Amount or, in the case of a Note which is non-interest bearing, its Amortized Face Amount (as defined in Condition 7(k))) on the maturity date or dates specified in the Pricing Supplement.

(b) *Early Redemption for Taxation Reasons*

If (a) as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or any change in the official application (including a ruling by a court of competent jurisdiction in the United States) or interpretation of such laws, regulations or rulings which change or amendment is announced or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, the Issuer becomes or will become obligated to pay Additional Amounts as provided in Condition 9 or (b) any act is taken by a taxing authority of the United States on or after the date on which agreement is reached to issue the first Tranche of the Notes, whether or not such act is taken with respect to the Issuer or any affiliate, that results in a substantial likelihood that the Issuer will or may be required to pay such Additional Amounts then, in either case the Issuer may, at its option, redeem all the outstanding Notes (but not some only) on not less than 30 nor more than 60 days' prior notice (ending, in the case of Notes which bear interest at a Floating Rate, on a day on which interest is payable), at their early tax redemption amount (the "**Early Redemption Amount (Tax)**") (which shall be their Outstanding Principal Amount or, in the case of Notes which are non-interest bearing, their Amortized Face Amount (as defined in Condition 7(k))), together with accrued interest (if any) thereon, to but excluding the due date for redemption; provided that the Issuer determines, in its business judgment, that the obligation to pay such Additional Amounts cannot be avoided by the use of reasonable measures available to it, not including substitution of the obligor under the Notes or any action that would entail a material cost to the Issuer. No redemption pursuant to this Condition 7(b) may be made unless the Issuer shall have received an opinion of independent counsel to the effect that as a result of the change or amendment described in (a) above the Issuer becomes or will become obligated to pay the Additional Amounts described above or that an act taken by a taxing authority of the United States described in (b) above results in a substantial likelihood that it will or may be required to pay the Additional Amounts described above and the Issuer shall have delivered to the Fiscal Agent and the Registrar (in the case of Registered Notes) a certificate, signed by a duly authorized officer, stating that based on such opinion the Issuer is entitled to redeem the Notes pursuant to this provision.

No such notice of redemption may be given earlier than 90 days (or, in the case of Notes which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Notes under Condition 8.

The Notes are also subject to redemption in whole, but not in part, in the circumstances described in Condition 9(c).

(c) *Optional Early Redemption (Call)*

If this Condition 7(c) is specified in the Pricing Supplement as being applicable, then the Issuer may, having given the appropriate notice and subject to such conditions as may be specified in the Pricing Supplement, redeem all (but not, unless and to the extent that the Pricing Supplement specifies otherwise, some only) of the Notes at their call early redemption amount (the "**Early Redemption Amount (Call)**") (which shall be their Outstanding Principal Amount or, in the case of Notes which are non-interest bearing, their Amortized Face Amount), together with accrued interest (if any) thereon, to but excluding the due date for redemption.

In the event of a redemption of only some of such Notes of this Series, such redemption must be for an amount being at least the Minimum Redemption Amount or at most the Maximum Redemption Amount, in each case as indicated in the applicable Pricing Supplement. The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 7(f).

(d) *Notice*

The appropriate notice referred to in Condition 7(c) is a notice given by the Issuer to the Holders of the Notes in accordance with Condition 15, which notice shall be irrevocable and shall specify:

(i) the Notes that are subject to redemption;

(ii) whether the Notes are to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Note, Permanent Global Note or Permanent Global Note Certificate) the serial numbers of the Notes which are to be redeemed;

(iii) the due date for such redemption, which shall be not less than thirty days nor more than sixty days after the date on which such notice is given and which shall be such date or the next of such dates ("**Call Option Date(s)**") or a day falling within such period ("**Call Option Period**"), as may be specified in the Pricing Supplement and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and

(iv) the Early Redemption Amount (Call) at which such Notes are to be redeemed.

(e) *Partial Redemption*

If the Notes are to be redeemed in part only on any date in accordance with Condition 7(c):

(i) in the case of Bearer Notes represented by Definitive Notes, the Notes to be redeemed shall be drawn by lot in such city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair;

(ii) in the case of Bearer Notes represented by a Temporary Global Note or a Permanent Global Note, the Notes to be redeemed shall be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or any other relevant clearing system; and

(iii) in the case of Registered Notes, the Notes shall be redeemed (so far as may be practicable) pro rata to their principal amounts, provided always that the amount redeemed in respect of each Registered Note shall be equal to the minimum Specified Denomination thereof or an integral multiple of 1,000 units of the relevant specified currency in excess thereof, subject always to compliance with all applicable rules and the requirements of the Luxembourg Stock Exchange and/or any other stock exchange on which the Notes may be listed.

*In the case of the redemption of part only of a Registered Note represented by Individual Note Certificate*s, a new Individual Note Certificate representing the unredeemed balance shall be issued in accordance with Condition 2(c), which shall apply as in the case of a transfer of Registered Notes represented by Individual Note Certificates as if such new Individual Note Certificates were in respect of the untransferred balance.

(f) *Optional Early Redemption (Put)*

If this Condition 7(f) is specified in the Pricing Supplement as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Note, redeem such Note on the date specified in the relevant Put Notice (as defined below) at its put early redemption amount (the "**Early Redemption Amount (Put)**") (which shall be its Outstanding Principal Amount or, if such Note is non-interest bearing, its Amortized Face Amount), together with accrued interest (if any) thereon to but excluding the due date for redemption. In order to exercise such option, the Holder must, not less than forty-five days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates ("**Put Date(s)**") or a day falling within such period ("**Put Period**") as may be specified in the Pricing Supplement), deposit the relevant Note (together in the case of an interest-bearing Definitive Note, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 10(a)(v) apply)) during normal business hours at the specified office of, in the case of Bearer Notes, any Paying Agent outside the United States or, in the case of Registered Notes, the Registrar, together with a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar, specifying, in the case of a Temporary Global Note or Permanent Global Note, the aggregate principal amount in respect of which such option is exercised (which must be the minimum denomination specified in the Pricing Supplement or an integral multiple thereof). No Note so deposited and option exercised may be withdrawn except where prior to the due date of redemption an Event of Default (as defined in Condition 8) shall have occurred and be continuing in which event the relevant Holder, at its option, may elect by notice to the Paying Agent to withdraw the Put Notice given pursuant to this Condition 7(f) and instead declare such Note to be forthwith due and payable pursuant to Condition 8.

In the case of the redemption of part only of a Registered Note represented by Individual Note Certificates, a new Individual Note Certificate representing the unredeemed balance shall be issued in accordance with Condition 2(c), which shall apply as in the case of a transfer of Registered Notes represented by Individual Note Certificates as if such new Individual Note Certificates were in respect of the untransferred balance.

The Holder of a Note may not exercise such option in respect of any Note which is the subject of a prior exercise by the Issuer of its option to redeem such Note under Condition 7(b) or 7(c) or Condition 9.

(g) *Purchase of Notes*

The Issuer or any of its Affiliates may at any time purchase Notes in the open market or otherwise and at any price provided that all unmatured Coupons appertaining thereto are purchased therewith.

For the purposes hereof, "**Affiliates**" means, with respect to the Issuer, any corporation, partnership, joint venture or other person (including a natural person) that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Issuer.

(h) *Cancellation of Redeemed and Purchased Notes*

All unmatured Notes and Coupons redeemed or purchased in accordance with this Condition 7 may at the option of the Issuer, be cancelled forthwith and not be reissued or resold.

(i) *Further Provisions applicable to Redemption Amounts*

The provisions of Conditions 6(d) and 6(f) shall apply to any determination or calculation of the Redemption Amounts required by the Pricing Supplement to be made by the Calculation Agent.

(j) *Redemption Amount*

References herein to "**Redemption Amount**" shall mean, as appropriate, the Maturity Redemption Amount, Early Redemption Amount (Tax), Early Redemption Amount (Call), Early Redemption Amount (Put) and Early Termination Amount.

(k) *Amortized Face Amount—Calculation*

In the case of any Note which is non-interest bearing, the "**Amortized Face Amount**" shall be an amount equal to the sum of:

(i) the Issue Price specified in the Pricing Supplement; and

(ii) the product of the Amortization Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the Pricing Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction specified in the Pricing Supplement for the purposes of this Condition 7(k).

(l) *Amortized Face Amount—Alternative Method of Calculation*

In the case of any Note which is non-interest bearing, if any Redemption Amount (other than the Maturity Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortized Face Amount shall be calculated as provided in Condition 7(k) but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Note becomes due and repayable were replaced by references to the earlier of:

(i) the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made;

(ii) (except where presentation or surrender of the relevant Note is not required as a precondition of payment) the date on which, the Fiscal Agent or, as the case may be, the Registrar, having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 15 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

8. Events of Default

In case one or more of the following events (herein referred to as "**Events of Default**") shall have occurred and be continuing, that is to say:

(a) default in the payment of any interest on any Note when due and payable, and continuance of such default for a period of 30 days; or

(b) default in the payment of the principal of, or any premium on, any Note when due and payable, and continuance of such default for a period of 7 days; or

(c) default in the performance, or breach, of any covenant of Cargill, Inc. contained in the Notes and continuance of such default or breach for a period of 30 days after written notice thereof shall have been given to Cargill, Inc. by a Holder of Notes then outstanding; or

(d) if any event of default (as defined in any mortgage, indenture or instrument under which they may be issued, or by which there may be secured or evidenced) of any indebtedness of Cargill, Inc. or any Restricted Subsidiary for money borrowed, whether such indebtedness exists on the Issue Date or shall be created thereafter, shall occur and shall result in such indebtedness in principal amount in excess of U.S.$100,000,000 (or the equivalent thereof in other or composite currencies) becoming or being declared due and payable prior to the date on which it would otherwise become due and payable, and such acceleration shall not be rescinded or annulled, or such indebtedness shall not have been discharged, within a period of 30 days after written notice thereof shall have been given to Cargill, Inc. by a Holder of Notes then outstanding; or

(e) the entry by a court of competent jurisdiction of (i) a decree or order for relief in respect of Cargill, Inc. in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law, as the case may be, or (ii) a decree or order adjudging Cargill, Inc. bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Cargill, Inc. under any applicable law, appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of Cargill, Inc. or for all or substantially all of the property of Cargill, Inc., or ordering the winding up or liquidation of the affairs of Cargill, Inc., and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(f) Cargill, Inc., shall have commenced a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law, as the case may be, or consent to the institution of proceedings thereunder or to the entry of an order for relief in an involuntary case under any such law or consent to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of Cargill, Inc. or for any substantial part of the property of Cargill, Inc., or the making by Cargill, Inc. of a general assignment for the benefit of creditors, or Cargill, Inc. shall admit in writing its inability to pay its debts generally as they become due, or shall take any corporate action in furtherance of any of the foregoing,

then any Holder of an outstanding Note may, by written notice to Cargill, Inc., and to the Fiscal Agent or the Registrar, as the case may be, effective on the date of receipt thereof by Cargill, Inc., declare the principal amount of, and all interest then accrued on, the Note held by the Holder to be forthwith due and payable, whereupon the same shall become forthwith due and payable, without presentment, demand, protest or other notice of any kind unless prior to such date all Events of Default shall have been cured.

For the purposes of paragraph (d) above, any indebtedness which is in a currency other than U.S. dollars shall be translated into U.S. dollars at the "spot" rate for the sale of the U.S. dollars against the purchase of the relevant currency as quoted by the Fiscal Agent on the calendar day in London corresponding to the calendar day on which such premature repayment becomes due or, as the case may be, such default occurs (or, if for any reason such a rate is not available on that day, on the earliest possible date thereafter).

The amount payable in respect of each Note upon default shall be its early termination amount (the "**Early Termination Amount**") (which shall be its Outstanding Principal Amount or, if such Note is non-interest bearing, its Amortized Face Amount or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement), together with accrued interest (if any) thereon to but excluding the date paid.

9. Taxation

(a) Except as otherwise indicated, for purposes of these Terms and Conditions:

(i) "**United States**" means the United States of America (including any state thereof and the District of Columbia), and its possessions;

(ii) "**United States person**" means an individual who is a citizen or resident of the United States, a corporation or partnership, including an entity treated as a corporation or partnership for United States federal income tax purposes, created or organized in or under the laws of the United States, any state thereof, the District of Columbia (except, in the case of a partnership, as provided by U.S. Treasury Regulations), an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions (and certain other trusts as provided by U.S. Treasury Regulations); and

(iii) *"**United States Alien**" means any person that is not a United States person.*

(b) *U.S. Taxation*

All payments in respect of the Notes by or on behalf of the Issuer to a Holder will be made without withholding or deduction of any present or future tax, assessment or governmental charge imposed by the United States (or any political subdivision or taxing authority thereof or therein), unless that withholding or deduction is required by law. In that event, the Issuer will, subject to the exceptions and limitations set forth below, pay to the Holder of any Note or Coupon that is a United States Alien as additional interest such additional amounts ("**Additional Amounts**") as may be necessary to ensure that that the net amount received by the Holder is equal to the amount that would have been received by the Holder without such withholding or deduction. However, the Issuer will not be required to make any payment of Additional Amounts for or on account of:

(i) any tax, assessment or other governmental charge that would not have been so imposed but for (1) the existence of any present or former connection between such Holder or a beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder of, or a person holding a power over, such Holder, if such Holder is an estate, trust, partnership or corporation) and the United States or any political subdivision or taxing authority thereof or therein, including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member, shareholder or person holding a power) being or having been a citizen or resident or treated as a resident thereof, or being or having been engaged in a trade or business or present therein, or having or having had a permanent establishment therein, (2) the presentation by the Holder of any Note or any Coupon for payment on a date more than 10 days after the date on which such payment became due and payable or the date on which payment thereof was duly provided for, whichever occurred later, or

(3) such Holder's or beneficial owner’s present or former status as a controlled foreign corporation for United States tax purposes, a foreign private foundation or other foreign tax-exempt organization or a corporation that accumulates earnings to avoid United States federal income tax; or

(ii) any estate, inheritance, gift, sales, transfer, wealth, personal property or similar tax, assessment or other governmental charge; or

(iii) any tax, assessment or other governmental charge that is payable otherwise than by deduction or withholding from a payment on a Note or Coupon; or

(iv) any tax, assessment or other governmental charge required to be withheld by any Paying Agent from any payment on a Note or Coupon if such payment can be made without such withholding by any other Paying Agent; or

(v) any tax, assessment or other governmental charge that would not have been imposed but for a failure by a Holder or beneficial owner of a Note or Coupon to comply with any applicable certification, information, identification, documentation or other reporting requirements (including entering into an agreement with the Internal Revenue Service (the “**IRS**”)) concerning the nationality, residence, identity or connection with the United States of the Holder or beneficial owner of a Note or Coupon if, without regard to any tax treaties, such compliance is required as a precondition to relief or exemption from such tax, assessment or other governmental charge; or

(vi) any tax, assessment or other governmental charge imposed pursuant to Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended (the “**Code**”) and the U.S. Treasury Regulations promulgated thereunder (commonly referred to as “**FATCA**”); or

(vii) any tax, assessment or other governmental charge imposed as a result of a person's actual or constructive holding of 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote or as the result of the receipt of interest by a bank on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; or

(viii) any tax, assessment or other governmental charge imposed on any payment on a Note or Coupon to a Holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of such Note or Coupon; or

(ix) any tax, assessment or other government charge which would not have been imposed but for the fact that such Note or Coupon constitutes a "United States real property interest" as defined in section 897(c)(1) of the Code with respect to the beneficial owner of such Note or Coupon; or

(x) any combination of (i), (ii), (iii), (iv), (v), (vi), (vii), (viii) and (ix) above.

(c) *Early redemption of Bearer Notes for U.S. Tax Information Reporting Reasons*

If the Issuer shall determine, based upon a written opinion of independent legal counsel of recognized standing, that any payment made outside the United States by the Issuer or any Paying Agent of any amount of principal or interest due with respect to any Bearer Note or Coupon would be subject to any certification, documentation, information or other reporting requirement of any kind under any present or future United States laws or regulations, the effect of which requirement would be the disclosure to the Issuer, any Paying Agent or any governmental authority of the nationality, residence or identity of a beneficial owner of such Bearer Note or Coupon that is a United States Alien (other than a requirement (a) that would not be applicable to a payment made by the Issuer or any Paying Agent (i) directly to the beneficial owner or (ii) to a custodian, nominee or other agent of the beneficial owner, or (b) that can be satisfied by such custodian, nominee or other agent certifying to the effect that the beneficial owner is a United States Alien, provided that, in any case referred to in clauses (a)(ii) or (b), payment by the custodian, nominee or other agent to the beneficial owner is not otherwise subject to any such requirement, or (c) that would not be applicable to a payment by at least one Paying Agent), the Issuer shall at its option either (x) redeem all of the outstanding Bearer Notes (but not some only), at their Early Redemption Amount (Tax) together with accrued interest (if any) thereon, or (y) if the conditions in Condition 9(d) are satisfied, pay the Additional Amounts specified in Condition 9(d). The Issuer shall make such determination as soon as practicable and publish prompt notice thereof in the manner specified in Condition 15 (the "**Determination Notice**"), stating the effective date of such certification, documentation, information or other reporting requirement, whether the Issuer will redeem the Bearer Notes or pay the additional amounts specified in Condition 9(d), and (if applicable) the last date by which the redemption of the Bearer Notes must take place, as provided in the next succeeding sentence. If the Bearer Notes are to be redeemed pursuant to this paragraph, such redemption shall take place on such date (which date, in the case of Bearer Notes which bear interest at a floating rate, shall be a date upon which interest is payable), not later than one year after the publication of the Determination Notice, as the Issuer shall elect by notice to the Fiscal Agent at least 30 days before the date fixed for redemption. Notice of such redemption of the Bearer Notes will be given to the Holders of the Bearer Notes by publication in the manner specified in Condition 15, the publication to be not less than 30 days nor more than 60 days prior to the date fixed for redemption. Notwithstanding the foregoing, the Issuer shall not so redeem the Bearer Notes if the Issuer shall subsequently determine, not less than 30 days prior to the date fixed for redemption, that subsequent payments in respect of the Bearer Notes and Coupons would not be subject to any such certification, documentation, information or other reporting requirement, in which case the Issuer shall give prompt notice of such subsequent determination by publication in the manner specified in Condition 15 and any earlier redemption notice shall be revoked and of no further effect.

(d) *Payment of Additional Amounts—Bearer Notes*

Notwithstanding Condition 9(c), if and so long as the certification, documentation, information or other reporting requirement referred to in Condition 9(c) would be fully satisfied by payment of a backup withholding tax or similar charge, the Issuer may elect, prior to publication of the Determination Notice, to pay as additional interest such additional amounts ("**Additional Amounts**") as may be necessary so that every net payment made by the Issuer or any Paying Agent outside the United States following the effective date of such requirement in respect of any Bearer Note or any Coupon of which the beneficial owner is a United States Alien (but without any requirement that the nationality, residence or identity, other than status as a United States Alien, of such beneficial owner be disclosed to the Issuer, any Paying Agent or any governmental authority), after deducting or withholding for or on account of such backup withholding tax or similar charge (other than a backup withholding tax or similar charge that (i) would not be applicable in the circumstances referred to in the first parenthetical clause of the first sentence of the preceding paragraph, (ii) is imposed as a result of presentation of such Bearer Note or Coupon for payment more than 10 days after the date on which such payment became due and payable or on which payment thereof was duly provided for, whichever occurred later, or (iii) is imposed as a result of the fact that the Issuer or any Paying Agent has actual knowledge that the beneficial owner of such Bearer Note or Coupon is within the category of persons described above in paragraph (i)(1) or (i)(3) of Condition 9(b)), will not be less than the amount provided for in such Bearer Note or Coupon to be then due and payable. If the Issuer elects to pay Additional Amounts pursuant to this Condition 9(d), the Issuer shall continue to have the right to redeem the Bearer Note at any time (in the case of Bearer Notes which do not bear interest at a floating rate) or on any date upon which interest is payable (in the case of Bearer Notes which do bear interest at a floating rate), as a whole but not in part, subject to the provisions of the last two sentences of Condition 9(c). If the Issuer elects to pay Additional Amounts pursuant to this Condition 9(d) and the condition specified in the first sentence of this Condition 9(d) can no longer be satisfied, then the Issuer shall redeem the Bearer Notes pursuant to the provisions of Condition 9(c).

(e) *Definitions*

Any reference in these Terms and Conditions to "**principal**" and/or "**interest**" in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 9. Unless the context otherwise requires, any reference in these Terms and Conditions to "**principal**" shall include any premium payable in respect of a Note or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and "**interest**" shall include all amounts payable pursuant to Condition 6 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the relevant Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

10. Payments

10(a). Payments—Bearer Notes

(i) Payment of amounts (other than interest) due in respect of the Bearer Notes will be made against presentation and surrender of the relevant Bearer Notes at the specified office of any of the Paying Agents.

(ii) Payment of amounts in respect of interest on the Bearer Notes will be made:

(A) in the case of a Temporary Global Note or Permanent Global Note, against presentation of the relevant Temporary Global Note or Permanent Global Note (if the relevant Temporary Global Note or Permanent Global Note is not issued in NGN form) at the specified office of any of the Paying Agents outside the United States (unless Condition 10(a)(iii) applies) and, in the case of a Temporary Global Note with a maturity of over 183 days, upon due certification of non U.S. beneficial ownership as required therein;

(B) in the case of Definitive Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Notes at the specified office of any of the Paying Agents outside the United States (unless Condition 10(a)(iii) applies); and

(C) in the case of Definitive Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Definitive Notes, in either case at the specified office of any of the Paying Agents outside the United States (unless Condition 10(a)(iii) applies).

(iii) Payments of amounts due in respect of interest on the Bearer Notes and exchanges of Talons for coupon sheets in accordance with Condition 10(a)(vi) will not be made at the specified office of any Paying Agent in the United States (as defined in the Code and the U.S. Treasury Regulations promulgated thereunder) unless, (x) payment in full of amounts due in respect of interest on such Bearer Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (y) such payment or exchange is permitted by applicable United States law. If paragraphs (x) and (y) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

(iv) If the due date for payment of any amount due in respect of any Bearer Notes is not both a Relevant Financial Center Day (as defined in Condition 10(c)(ii)) and a local banking day (as defined in Condition 10(c)(ii)), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Relevant Financial Center Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 6(c) or, if appropriate, Condition 6(e).

(v) Each Definitive Note initially delivered with Coupons or Talons attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Coupons and Talons relating thereto, failing which:

(A) if the Pricing Supplement specifies that this paragraph (A) of Condition 10(a)(v) is applicable (and, in the absence of specification, this paragraph (A) shall apply to Definitive Notes which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (C) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date (as defined in Condition 9(e)) applicable to payment of such Redemption Amount;

(B) if the Pricing Supplement specifies that this paragraph (B) of Condition 10(a)(v) is applicable (and, in the absence of specification, this paragraph (B) shall apply to Definitive Notes which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (C) below, Talons) relating to such Definitive Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them; and

(C) in the case of Definitive Notes initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them.

The provisions of paragraph (A) of this Condition 10(a)(v) notwithstanding, if any Definitive Notes should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (A) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (A) in respect of such Coupons as have not so become void, the amount required by paragraph (A) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

(vi) In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 10(a)(iii) applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 11 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

10(b). Payments—Registered Notes

(i) Any payment of interest, other than on the Maturity Date or upon earlier redemption will be payable on any Interest Payment Date with respect to a Registered Note to the Holder in whose name the Registered Note is registered in the Register ("**Registered Holder**") at the close of business on the Business Day preceding such Interest Payment Date (in the case of Notes in global form), at the close of business on the fifteenth (15^{th}) calendar day (whether or not a Business Day) preceding such Interest Payment Date (in the case of Notes in definitive form), or such other date as may be specified in the applicable Pricing Supplement (the "**Record Date**"); provided that, if the Issue Date is after the Record Date and before the next succeeding

Interest Payment Date the first payment of interest thereon will not be payable until the second Interest Payment Date following the Issue Date to the Holder in whose name the Registered Note is registered at the close of business on the Record Date immediately preceding such second Interest Payment Date. Any principal (including any premium, the Final Redemption Amount, the Early Redemption Amount or any other amount payable in respect thereof) payable in respect of Registered Notes at the Maturity Date or upon earlier redemption shall be payable, upon presentation and surrender thereof at the specified office of the Fiscal Agent in London, England or at the offices of any of the other Paying Agents.

(ii) If there is a subsequent failure to pay interest in accordance with these Terms and Conditions interest shall continue to accrue as provided in Condition 6(c) or, as appropriate, Condition 6(e).

(iii) Payments, if any, on a Registered Note will be made to the Registered Holder hereof on any Interest Payment Date or the Maturity Date, as applicable, or on such earlier date of redemption on which the Registered Notes may become due and payable in accordance with the Terms and Conditions, but only to the extent that an appropriate certificate with respect to the non-U.S. beneficial ownership of the Registered Note which satisfies the requirements under the Securities Act (and which certificate shall be in a form acceptable to the Registrar) has been provided and received from the beneficial owner ("**Owner**") of the Registered Note. In the event that the certification of non-U.S. beneficial ownership is not received from the Owner of the Registered Note by the Registrar at least five (5) London Business Days prior to the date of any such payment of principal and/or interest, if any, due on this Registered Note, payment will not be made on such date of payment. If the aforementioned certification is received by the Registrar at any time after the fifth London Business Day prior to the date of such payment, the Registrar shall make payment to the Registered Holder hereof of principal and/or interest, if any, on this Registered Note within five (5) London Business Days after receipt by the Registrar of the applicable certification. Interest shall cease to accrue on such Registered Note on any such date of payment, including the Maturity Date, and no additional interest shall be paid for the period from (and including) the date of payment or Maturity Date to the actual date of payment.

(iv) The Issuer and each Holder and Owner, by acceptance of a Registered Note (or a beneficial interest therein), agree (1) unless otherwise provided in the applicable Pricing Supplement, to treat such Note, for the purposes of United States federal, state and local income and franchise taxes and any other taxes imposed on or measured by income, as indebtedness of the Issuer and to report the Registered Notes on all applicable tax returns in a manner consistent with such treatment and (2) to timely furnish the Issuer or its agents with any United States federal income tax form or certification (such as, but not limited to, IRS Form W-8BEN, W-8BEN-E (together with IRS Form W-8BEN, referred to as "W-8BEN"), W-8ECI or W-8IMY (with appropriate attachments)) that the Issuer, the Registrar, the Paying Agents, or any other agent of the Issuer may reasonably request and shall update such form or certification in accordance with its terms or its subsequent amendments.

10(c). *Payments—General Provisions*

Save as otherwise specified in these Terms and Conditions, this Condition 10(c) is applicable to both Bearer Notes and Registered Notes but is subject to Condition 10(b) in the case of payments on Registered Notes:

(i) Payments of amounts due (whether principal, interest or otherwise) in respect of Notes will be made in the currency in which such amount is due (A) by cheque (drawn on a bank in a principal financial centre of the country of such Specified Currency), (B) at the option of the payee, by transfer to an account denominated in the relevant currency specified by the payee (in the case of payment in Japanese Yen to a non-resident of Japan, non-resident account specified by the payee) or, (C) if in euro, by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro check. Payments will, without prejudice to the provisions of Condition 9, be subject in all cases to any applicable fiscal or other laws and regulations.

(ii) For the purposes of these Terms and Conditions:

(A) "**Relevant Financial Center Day**" means, in the case of any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the relevant Financial Center (as defined in the ISDA Definitions) and in any Additional Financial Centre specified in the Pricing Supplement or in the case of payment in euro, a day on which the TARGET2 System is open and on which commercial banks and foreign exchange markets settle payments in any Additional Financial Centre specified in the Pricing Supplement;

(B) "**local banking day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Notes or Coupon; and

(C) "**London Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

(iii) No commissions or expenses shall be charged to the Holders of Notes or Coupons in respect of such payments.

11. Limitation

The Notes and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9). Talons will become void unless presented for exchange for a further Coupon sheet within a period of five years from the date on which all Coupons on the Coupon sheet to which the Talon appertains have matured. Under the State of New York's statute of limitations, any legal action upon the Notes must be commenced within six years after the payment thereof is due.

There shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 10(a)(v) or the due date for the payment of which would fall after the due date for the redemption of the relevant Note or which would be void pursuant to this Condition 11 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Note.

12. The Paying Agents, the Registrar and the Calculation Agent

(a) *Appointment of the Paying Agents, the Registrar and the Calculation Agent*

The initial Paying Agents and the initial Registrar and their respective initial specified offices are specified below. The Calculation Agent (as defined in the ISDA Definitions) in respect of any Notes shall be specified in the Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or the Registrar or the Calculation Agent and to appoint additional or other Paying Agents (including the Fiscal Agent) or any other Registrar or Calculation Agent provided that the Issuer will at all times maintain (i) a Fiscal Agent, (ii) in the case of Registered Notes, a Registrar, (iii) so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and/or any other stock exchange, a Paying Agent and a transfer agent with a specified office in Luxembourg and/or in such other place as may be required by the rules of such other stock exchange, (iv) in the circumstances described in Condition 10(a)(iii), a Paying Agent with a specified office in New York City and (v) a Calculation Agent where required by the Terms and Conditions applicable to any Notes (in the case of (i), (ii), (iii) and (iv) with a specified office located in such place (if any) as may be required by these Terms and Conditions). The Paying Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agent, Registrar or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 15. In addition, the Issuer undertakes to appoint a Luxembourg paying agent in the event Notes are issued in definitive form.

(b) *Terms of the Agency*

The Paying Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer and save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Note or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

13. Replacement of Notes

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the Pricing Supplement (in the case of Bearer Notes and Coupons) or of the Registrar (in the case of Registered Notes) ("**Replacement Agent**"), subject to all applicable rules and regulations and the requirements of the Luxembourg Stock Exchange and/or any other stock exchange on which the Notes are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Notes and Coupons must be surrendered before replacements will be delivered therefor.

14. Meetings of Holders and Modification, Amendments and Waivers

The Issue and Paying Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of a modification of the Notes, the Coupons or any of the provisions of the Issue and Paying Agency Agreement. Such a meeting may be convened by the Issuer or Holders holding not less than five per cent in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of the Notes or any date for payment of interest thereof, reducing or canceling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or Coupons or the majority required to pass an Extraordinary Resolution, the quorum shall be one or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting, and on all holders of Coupons.

The Fiscal Agent, the Registrar (in the case of Registered Notes) and the Issuer may agree, without the consent of the Holders or holders of Coupons, as applicable, to:

(i) any modification (except as mentioned above) of the Issue and Paying Agency Agreement which is not prejudicial to the interests of the Holders; or

(ii) any modification of the Notes or the Coupons, as applicable, or the Issue and Paying Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated or any other applicable mandatory provision of law.

Any such modification shall be binding on the Holders and the holders of Coupons, as applicable, and any such modification shall be notified to the Holders in accordance with Condition 15 as soon as practicable thereafter.

15. Notices

(a) *To Holders of Bearer Notes*

Notices to Holders of Bearer Notes will, save where another means of effective communication has been specified herein or in the Pricing Supplement, be published (i) in a leading daily newspaper having general circulation in London (which is expected to be the Financial Times) and (ii) if and for so long as the Bearer Notes are listed on the official list of the Luxembourg Stock Exchange on the website of the Luxembourg Stock Exchange at www.bourse.lu or, if in either case, this is not practicable, one other English language daily newspaper having general circulation in Europe and a leading Luxembourgish newspaper, as the Issuer, in consultation with the Fiscal Agent shall decide. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange on which the Bearer Notes are for the time being listed.

Until such time as any Definitive Notes are issued, there may (provided that, in the case of Bearer Notes listed on a stock exchange, the rules of such stock exchange permits) so long as the relevant Temporary Global Note or Permanent Global Note is or are held on its/their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests in the relevant Temporary Global Note or Permanent Global Note.

Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or, as the case may be, on the fourth weekday after the date of such delivery to Euroclear and Clearstream, Luxembourg and/or such other clearing system.

Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Notes in accordance with this Condition.

(b) *To Holders of Registered Notes*

Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day. In the case of Registered Notes which are listed on the official list of the Luxembourg Stock Exchange and the rules of that exchange so require such notices will also be published on the Luxembourg Stock Exchange's website www.bourse.lu.

Until such time as any Individual Note Certificates are issued, there may (provided that, in the case of Registered Notes listed on a stock exchange, the rules of such stock exchange permits) so long as the relevant Permanent Global Note Certificate is registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests in the relevant Permanent Global Note Certificate.

16. Further Issues

The Issuer may from time to time, without the consent of the Holders of the Notes or the Coupons (if any) appertaining thereto, create and issue further notes, bonds or debentures having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination(s) thereof) so as to be consolidated and form a single series with the outstanding Notes, subject to the provisions set forth in Conditions 4(a) to 4(d) above.

17. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Note, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take another action in the same, similar or other instances without such notice or demand.

18. Governing Law and Jurisdiction

The Notes, the Coupons and the Issue and Paying Agency Agreement are governed by, and shall be construed in accordance with, the laws of the State of New York applicable to agreements made and to be performed wholly within such jurisdiction.

The Issuer submits to the non-exclusive jurisdiction of any United States federal or New York State court sitting in New York City, the Borough of Manhattan solely for the purpose of any legal action or proceeding brought to enforce its obligations hereunder or under any Coupon or Talon. As long as any Note or Coupon remains outstanding, the Issuer shall either maintain an office or have an authorized agent in New York City, upon whom process may be served in any such legal action or proceeding. Service of process upon the Issuer at its office or upon such agents with written notice of such service mailed or delivered to the Issuer shall to the fullest extent permitted by applicable law be deemed in every respect effective service of process upon the Issuer in any such legal action or proceeding. The Issuer appoints CT Corporation System, presently situated at 111 Eighth Avenue, New York, New York 10011, as their agent for such purposes and covenant and agree that service of process in any legal action or proceeding may be made upon them at their respective offices, or upon their agent at such agent's specified offices in New York City.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the Notes will be used by the Company for general corporate purposes. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

BUSINESS

Cargill, Inc., headquartered in Minneapolis, Minnesota, is an international provider of food, agricultural, financial and industrial products and services with 155,000 employees in 70 countries. Founded as a grain warehousing and merchandising company in 1865, Cargill today is one of the world's largest, privately held companies.

Cargill reports results from operations in four business segments: Animal Nutrition & Protein, Origination & Processing, Food Ingredients & Applications, and Industrial & Financial Services. Non-operating activities are recorded in Corporate & Other. Its businesses operate in four geographic regions: Asia Pacific; Europe, Middle East and Africa; Latin America; and North America.

Cargill, Inc., is the parent company of the Cargill group and was incorporated under the laws of the State of Delaware, USA on July 18, 1930 with file number 0286124. Cargill's principal offices are located at 9350 Excelsior Blvd, Mail Stop 3-6-9320, Hopkins, MN 55343, United States of America and its telephone number is: +1 (952) 742-2000.

Summary of Cargill Business Segments and Units

Cargill reports results by four segments:

1. **Animal Nutrition & Protein** delivers customized animal nutrition products and services to commercial producers in aqua, beef, dairy, pork, poultry and pet food. The segment also provides a full range of meat and poultry products to food manufacturers, foodservice companies and retailers, as well as industrial customers.

2. **Origination & Processing** connects producers and users of grain, oilseeds and other agricultural commodities through origination, processing, marketing, risk management and distribution capabilities and services. It also provides basic and customized farm services and products to producers.

3. **Food Ingredients & Applications** serves food manufacturers, foodservice companies and retailers with food and beverage ingredients, specialty ingredients, and food applications and services. The segment also provides raw materials for animal nutrition and industrial applications.

4. **Industrial & Financial Services** provides Cargill customers and the company with physical products and risk management in energy, metals and ocean freight and offers asset management services through an independently managed subsidiary.

Animal Nutrition & Protein

Cargill Aquaculture Nutrition consists of the EWOS business which Cargill acquired in October 2015, and Cargill's legacy aqua feed business. The business includes feed manufacturing facilities in Norway, North and South America, Scotland and Asia – and research and development centers located in Norway and Chile. These facilities produce around 1.8 million metric tons of feed for some of the largest fish producers in the world.

Cargill Feed & Nutrition develops, manufactures and markets a broad range of animal feeds and customized animal nutrition solutions direct to producers and through dealers in more than 25 countries. The business sells branded products in the aqua, beef, dairy, poultry, pork and pet food segments. The majority of product is sold through the Cargill®, Nutrena® and non-U.S. Purina® brands. Additional products are sold under the Loyall® pet food brand and Promote® feed additives brand. Commercial agricultural feed is sold in different forms such as concentrate and complete feed. The business also includes CAN Technologies Inc., which provides technical services, technology licensing, software and management services to both internal and external customers.

Cargill Premix & Nutrition develops, manufactures and sells customized animal nutrition products and services for customers primarily focused on beef, dairy, ruminants, poultry and swine. With 54 production centers in

20 countries, it also provides technical services, technology licensing, software and management services to customers. Some of its branded products include Provimi®, Akey®, Vigortone®, Citura®, Neolait®, Nutral® and Nutron®.

Cargill Poultry is an integrated business that operates farms, hatcheries, feed mills and processing plants in Asia, Central America and Europe. It includes retail branded businesses that process and distribute chilled and frozen poultry, luncheon meats and other further-processed food products. In China, operations are located in Lai'an, Anhui province and products are sold domestically to quick-service restaurants, large food manufacturers and meat distributors. Poultry operations in Central America are located in Honduras, Costa Rica and Nicaragua and processed-meat operations are in Costa Rica, Guatemala and Honduras. The Central America business produces, processes and markets more than 500 refrigerated and branded products to more than 70,000 customers across four countries. European facilities are located in England, France, the Netherlands and Russia. The business supplies customer-branded chicken and further-processed poultry products to U.K. retail chains, the quick-service food industry and food manufacturers in Europe, and it is the largest supplier to the McDonald's European chicken products market. Operations in Thailand produce a wide range of fully-cooked frozen chicken products, with more than 80 percent of the products exported to Japan, Europe, Canada and Hong Kong.

Cargill Protein is a major producer and processor of beef, chicken, turkey, eggs and value-added meat products. The global business offers products for sale to restaurant chains, food distributors, retailers, foodservice distributors, protein further processors, institutions and cruise lines. The business' wide variety of products includes boxed beef, case-ready beef, ground beef, variety meats, hides, tallow, frozen ground beef patties and chubs, fresh ground beef patties and chubs, chunked and formed products, chicken products, and liquid and prepared egg products. The business also offers whole-bird turkeys, case-ready turkey products and further-processed turkey. Cooked meat products include multi-species deli meats, prime rib, hot dogs, tenders and wings.

Cargill Protein is the second largest beef processor in North America, processing more than 7.1 million head of cattle annually, with eight beef slaughter and fabrication facilities, and eight secondary processing facilities located in the U.S. and Canada. A joint venture partnership formed in Australia operates six beef processing facilities, three feedlots, two value-added facilities, and a tannery.

The business is the distinct supplier of chicken and beef products to McDonald's restaurants in Canada and the distinct supplier of egg products to McDonald's in Canada and the U.S. The business produces both branded and private label products.

Other protein operations are located in Arkansas, Minnesota, Missouri, Nebraska, Virginia, Texas, California, Iowa, and Wisconsin. Canadian facilities include locations in Alberta and Ontario. Nine distribution centers are located across the U.S. to support merchandising operations and provide aging, storage and purchasing services to 3,500 customers in 49 states and to export destinations. The business also operates several joint ventures including McDonald's Asia-Pacific Consortium Pty Ltd (MAC), Catallia Mexican Foods and a hide-chew business in partnership with D.R. Diedrich in Milwaukee, Wis. A transportation business in the U.S. owns approximately 170 trailers and contracts additional transportation services through third parties.

Origination & Processing

Agricultural Supply Chain (CASC) consists of four regional business groups and one world trading group that operate on an integrated global basis. CASC sources, stores, trades, processes and distributes grains and oilseeds, including wheat, corn, oilseeds, barley and sorghum, as well as vegetable oils, meals and biofuels. Its business activities also include farmer services, providing a range of basic and customized services and products to producers, including grain origination and storage, grain marketing resources, agronomic advice and crop input products. CASC employs more than 36,000 people in more than 46 countries, and operates more than 480 interior silos, 26 import and export elevators, over 60 oilseed processing plants, as well as palm oil plantations in Indonesia. It has a broad global presence in grain origination, shipping and processing which includes expertise in handling identity-preserved and differentiated products. This supply chain efficiency combined with origin and logistical flexibility enables CASC to deliver significant value to its global customer base. It has numerous joint ventures and works closely in cooperation with other groups in Cargill including the global edible oil solutions group, in some cases operating vegetable oil refineries, as well as the risk management teams to offer a further range of financial and hedging products.

Alvean Sugar (Joint Venture) is an independent, 50-50 sugar trading joint venture with Brazilian-based Copersucar. Alvean specializes in originating, commercializing and trading raw and white sugar. The joint venture combines Copersucar's strong Brazilian sugar origination footprint, logistics and market knowledge with Cargill's global presence and trading, analytics and risk-management capabilities.

Cargill Cotton originates raw cotton lint and sells predominantly to spinning mills that, in turn, produce yarn for the manufacturing of textile products. The business serves customers throughout the supply chain from origination to ginning to yarn production through a network of regional buying and selling offices, trading centers and warehouses. Based in Memphis, Tenn., the business merchandises western-hemisphere origin cottons. Eastern-hemisphere origin merchandising operates out of the U.K. Sales to textile mills are typically made through agents or Cargill sales personnel in local markets. Trading activities are located in the U.K. and the U.S.; origination offices are located in Australia, Brazil, China, India, and the U.S.

Frontier Agriculture Limited (Joint Venture) is a 50-50 joint venture formed by Cargill and Associated British Foods. Frontier Agriculture originates and markets grain (e.g., wheat, barley, oats, rye) to U.K. food and feed makers, and sells crop inputs, such as fertilizer, seed and crop protection products to 10,500 farm customers. In addition, the business provides crop marketing and agronomic services, and processes a full range of cereal, oilseed, pulse and herbage seeds.

Cargill Sugar & Ethanol Brazil operates sugar cane mills, producing sugar, ethanol and energy, in Brazil through its investments in nonconsolidated joint ventures (Cevasa and SJC Bioenergia). The joint ventures produce sugar for the export market and produce ethanol, primarily for the domestic market in Brazil.

Food Ingredients & Applications

Ardent Mills (Joint Venture) is a flour milling joint-venture, with CHS and ConAgra Foods. Ardent Mills is headquartered in Denver, and owns 40 flour mills, three bakery mix facilities and a specialty bakery, located in the U.S., Canada and Puerto Rico.

Cargill Food Ingredients & Bio-Industrial Asia Pacific is a diversified group that specializes primarily in starches & sweeteners and refined oils operations across the Asia Pacific region. The starches & sweeteners business produces and sells corn-based starch, dextrose, maltodextrin, glucose, high fructose corn syrup, tapioca starch, and sorbitol. The refined oils business trades, refines, and markets soybean, sunflower, palm, palm kernel, olive, and coconut oils. Cargill Toshoku, based in Japan, sources products from Cargill businesses as well as third-third party suppliers to deliver unique products and ingredients to its customers. Manufacturing locations are in India, Malaysia, China, Thailand, Indonesia and Australia.

Cargill Cocoa & Chocolate offers its customers quality cocoa and chocolate products and services, delivering a wide range of products to be used in bakery, confectionery, and dairy applications. Product range includes Gerkens® Cacao, chocolate including Wilbur®, Peter's®, Ambrosia®, Veliche® and Genuine®, coatings and fillings, cocoa liquor and cocoa butter. Facilities are located in Belgium, Brazil, Canada, Côte d'Ivoire, France, Germany, Ghana, the Netherlands, UK, Indonesia and the United States with a total of 35 locations. For recipe development and optimization, there are seven specialized Application Centers around the world.

Cargill Foods Argentina is a "go-to-market" organization for imported Cargill food ingredients (e.g., texturizers, cocoa, gluten, polyols, vegetable oils and other ingredients) operating in Argentina and the neighboring countries of Bolivia, Chile, Paraguay, Peru and Uruguay. The business also produces corn-based products in Argentina through a joint venture with Ledesma. These products are sold in Argentina's domestic market and other Latin American countries.

Cargill Global Edible Oil Solutions trades, manufactures and sells refined oils, fats, and consumer products to a wide range of food and nonfood manufacturers, retail and foodservice customers. Additionally, they operate a fully-integrated business that produces and markets premium canola oils with distinct characteristics for food applications that begins by developing proprietary planting seed and contracting with growers in Australia, Canada and the U.S. In Brazil, the business produces bottled cooking and blended oils, mayonnaise, salad dressings, and tomato based products under a number of brand names. The business operates refineries, packaging/bottling facilities, research facilities, manufacturing sites, and distribution locations in the following countries: Belgium, Brazil, Canada, France, Germany, Mexico, the Netherlands, Russia, Spain, Turkey, the U.K., and the United States. Many of the business' manufacturing locations are integrated with Cargill's crushing activities, which provide the crude oils for further processing.

Cargill Industrial Specialties provides vegetable-oil-based products to industrial customers worldwide in the paints and coatings, hardboard manufacturing, inks, refrigerant, oil drilling, metalworking, pharmaceutical, textiles, wax, and specialty chemical industries. Main product lines include soybean oil products, linseed oil products, soy-based transformer fluid, corn oil products, U.S. pharmacopeia and crude glycerin products, fatty acid, polyol ester, wax, and ester products used in drilling. The business produces BiOH® bio-based polyurethanes that are used in the manufacturing of flexible foams (furniture, bedding, automotive), rigid foams (building insulation and refrigeration), coatings, adhesives, sealants and elastomers. The business also produces and sells chemical-based products including curing agents, surfactants, diluents and specialty epoxies. The business serves customers in North America, South America, Europe and Asia, from its main manufacturing sites in Chicago, Ill, Dalton, Ga, Mairinque, Brazil, Ismit, Turkey, and Kurkumbh, India, and ships products from other oil refineries in the U.S. and Brazil.

Cargill Malt originates and transforms malting barley into malt that is supplied to the brewing industry worldwide. Products include brewers' malt and specialty malts. The business also provides research and development services, as well as technical solutions. The business operates 17 malting plants located in Argentina, Australia, Belgium, Canada, France, Germany, the Netherlands, Spain and the U.S., and two technical centers in Belgium and the U.S.

Cargill Starches & Sweeteners serves food, beverage, and industrial customers globally with a portfolio of sweeteners, texturants, and starch derived bio industrial products. The group's sweetener portfolio includes caloric sweeteners such as corn syrup and isoglucose and non caloric sweeteners including a range of stevia based sweeteners and the Truvia ® consumer product business in North America. The texturant business develops food ingredient systems for our customers, providing key functionality in our customer's products (i.e. mouth feel, bulking, emulsification, etc.), relying on ingredients such as pectin, lecithin, soy proteins, and food starch. The bio industrial product lines rely on starch from our processing facilities that is processed into dextrose and then fermented into products such as ethanol (potable and non potable), citric acid, lactic acid, and as dextrose sold "over the fence" to customers/partners co-located at our facilities. The group operates over 40 manufacturing facilities in North and South America, Europe, and the Middle East (Turkey), these facilities process over 17 million metric tons of corn and wheat annually. An output of the manufacturing process includes over 5 million tons of protein (gluten, fiber) and fat (corn oil) that is distributed regionally and globally for food use and animal nutrition. In addition to its core product lines, the group also participates in several significant joint ventures, including Louisiana Sugar Refining (LSR) a 50/50 JV that refines raw sugar into finished sugar for distribution in North America and MEFSCO, a 20% Cargill participation JV in Saudi Arabia that produces sweeteners.

Cargill Salt mines, produces, processes, packages and ships salt products for agricultural, food, water conditioning, chemical and industrial, and deicing customers. The business offers more than 1,300 different salt products and markets national and regional brands, including Diamond Crystal® branded consumer food, foodservice, water softener and packaged deicing salt products, Champion's Choice® branded agricultural products for animal feed, Pro's Pick® water conditioning and pool products, as well as Cargill® branded specialty salt products for food manufacturing and industrial customers. Cargill Salt uses three major production methods to mine salt at 13 locations. Vacuum-evaporated production facilities are located in Kansas, Louisiana, Michigan, New York and Ohio; solar evaporation and harvesting from ponds is used in Oklahoma, Utah, California, and Bonaire; and rock salt is excavated from mines in Louisiana, New York and Ohio. As a leader in the North American deicing industry, the business' main product is bulk deicing salt; other products delivered directly to customers include ClearLane® enhanced deicer, AccuBrine® automated brine maker and the Safelane® anti-icing pavement overlay system. Cargill Salt has a supply chain with more than 90 terminals to deliver road salt to its customers in the winter season. Major customers are governmental agencies and private commercial accounts responsible for safe transportation in the snow-belt regions of North America.

Industrial and Financial Services

CarVal Investors LLC, an independently managed subsidiary of Cargill, is a leading global alternative investment manager. It offers a global platform focused on investing in distressed and credit-intensive assets and market inefficiencies, which are divided into four different asset classes: corporate securities, loan portfolios, real estate and special opportunities. Since 1987, CarVal has opportunistically invested more than $73 billion in more than 4,500 transactions across 70 countries. CarVal has more than $10 billion in assets under management in both credit and real estate strategies.

Black River Asset Management, an independently managed subsidiary of Cargill, announced plans in September 2015 to spin off its three businesses into independent firms. After a strategic review of its structure and various offerings, the Black River's board and senior management determined independent firms would be best positioned to serve investors, including Cargill. All three of Black River's core businesses exited Cargill by February 1, 2016, and the company is winding down its remaining investments.

Cargill Metals Supply Chain is involved in the global trading, distribution and processing of steel mill consumables and products. Products include iron ore, hot rolled steel coils, steel billets and reinforcing bar (rebar) steel. Through offices worldwide, it serves customers such as mills, processors and end users to help them manage volatility and increase profits. The business is based in Singapore and the U.S. where it handles all international trading and distribution. It also operates steel trading and distribution businesses in the U.S. and China; and steel service centers in Colorado, Florida, Illinois, Indiana, Oklahoma, Tennessee and Texas and, starting June 1, 2014, entered into a two-year partnership agreement with Shanghai Baoyue Distribution Ltd. to provide hot rolled coil (HRC) supply chain solutions. These facilities process flat rolled steel for use by industrial manufacturers in products such as storage tanks, lawn mowers, metal furniture and oil filters. The flat rolled steel can be leveled and cut to length or slit to meet customer specifications.

Cargill Ocean Transportation provides worldwide bulk chartering and shipping services to Cargill business groups and manages Cargill's ocean freight risk. Annual volume on behalf of Cargill businesses is approximately 65 million tons. Cargill Ocean Transportation also sells freight to third parties on a voyage-charter basis, with a sales volume of 135 million tons per year. In addition to these services, Cargill Ocean Transportation provides market information and quotes, and performs pre-chartering and post-chartering services. The business operates globally with trading offices in Geneva, Singapore and New Jersey, and brokerage offices in Tokyo, Shanghai, Amsterdam and London.

DIRECTORS

Cargill, Incorporated is a privately-held company, the majority of the shares of which are held in private trusts and in an employee stock ownership plan.

As of the date of this Offering Circular, the following are directors of Cargill whose business address is at 9350 Excelsior Blvd, Mail Stop 3-6-9320, Hopkins, MN 55343:

	Within the Company	**Outside the Company**
Richard H. Anderson	Director, Cargill, Incorporated	President and Chief Executive Officer of National Railroad Passenger Corporation
Richard A. Cargill	Director, Cargill, Incorporated	
Louis R. Chênevert	Director, Cargill, Incorporated	Retired Chairman and Chief Executive Officer of United Technologies Corporation
Arthur D. Collins, Jr.	Director, Cargill, Incorporated	Retired Chairman and Chief Executive Officer of Medtronic, Inc.
Todd B. Hall	Director, Executive Vice President, Cargill, Incorporated	
Stephen J. Hemsley	Director, Cargill, Incorporated	Retired Chief Executive Officer of UnitedHealth Group
Andrew C. Liebmann	Director, Cargill, Incorporated	
David W. MacLennan	Chairman, CEO and President, Cargill, Incorporated	
John H. MacMillan IV	Director, Cargill, Incorporated	
David D. MacMillan	Director, Cargill, Incorporated	
John C. MacMillan	Director, Cargill, Incorporated	
Anne MacMillan Pedrero	Director, Cargill, Incorporated	
Bernard J. Poussot	Director, Cargill, Incorporated	Retired Chairman, Chief Executive Officer and President of Wyeth
Trudy A. Rautio	Director, Cargill, Incorporated	Retired President and Chief Executive Officer Carlson
Marcel H.M. Smits	Director, Executive Vice President and Chief Financial Officer, Cargill, Incorporated	
Joseph J. Stone	Director, Executive Vice President and Chief Risk Officer, Cargill, Incorporated	

There are no potential conflicts of interest between any duties owed to Cargill, Inc. and the private interests and or other duties of the directors that would be material with respect to the issuance of Notes.

CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS TO UNITED STATES ALIENS

The following is a summary of certain United States federal tax consequences of the acquisition, ownership and disposition of Registered Notes by original purchasers of Registered Notes that are United States Aliens as defined under Condition 9(a)(iii) of the Terms and Conditions of the Notes. This summary does not address any United States federal tax consequences of the acquisition, ownership or disposition of Bearer Notes. Prospective investors must consult their tax advisors regarding the United States federal tax consequences of the acquisition, ownership or disposition of Bearer Notes. This summary is based on existing United States federal income and estate tax laws, which are subject to change, possibly retroactively. This discussion does not discuss all aspects of United States federal taxation that may be relevant to a particular investor in light of its personal investment circumstances or to investors subject to special treatment under the United States federal income tax laws (including certain financial institutions). Prospective investors are urged to consult their tax advisors regarding the United States federal tax consequences of acquiring, holding and disposing of any Notes, as well as any tax consequences that may arise under the laws of any non-U.S., state, local or other taxing jurisdiction.

Special United States federal tax considerations applicable to the particular terms of a Tranche may be described in more detail in the applicable Pricing Supplement.

General

A United States Alien as defined under Condition 9(a)(iii) of the Terms and Conditions of the Notes that is an individual or corporation (or an entity that is treated as a corporation for United States federal income tax purposes) holding Registered Notes on its own behalf will not be subject to United States federal income tax and withholding tax on payments of principal, premium (if any) or interest (including original issue discount, if any) on a Registered Note provided that such payments are not effectively connected with the conduct by such United States Alien of a trade or business within the United States and subject to the FATCA (as defined below) discussion below, unless, in the case of payments of interest, (i) such United States Alien is a direct or indirect 10 per cent. or greater shareholder of the Issuer, a controlled foreign corporation related to the Issuer through stock ownership, or a bank receiving interest described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "**Code**") or (ii) such interest is certain types of contingent interest. To qualify for the exemption from taxation, the Withholding Agent, as defined below, must have received a statement from the individual or corporation that:

- is signed under penalties of perjury by the beneficial owner of the Registered Note,
- certifies that such owner is not a United States holder, and
- provides the beneficial owner's name and the address of the beneficial owner's permanent residence.

A "Withholding Agent" is any person, United States or foreign, that has control, receipt or custody of an amount subject to withholding or who can disburse or make payments of an amount subject to withholding. Generally, the aforementioned statement is made on an Internal Revenue Service ("**IRS**") Form W-8BEN or W-8BEN-E (together with IRS Form W-8BEN referred to as "**W-8BEN**"), which is generally effective for the period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect or a successor form is required. The beneficial owner must inform the Withholding Agent within 30 days of a change in circumstances that makes any information on the W-8BEN incorrect and must furnish a new W-8BEN (or applicable successor form). A beneficial owner of a Registered Note that is not an individual or corporation (or an entity treated as a corporation for United States federal income tax purposes) holding the Registered Notes on its own behalf may have substantially increased reporting requirements. In particular, in the case of Registered Notes held by a foreign partnership (or certain foreign trusts), such partnership (or trust) may be required to provide the certification from each of its partners (or beneficiaries), and such partnership (or trust) may be required to provide certain additional information.

A United States Alien that does not qualify for an exemption from U.S. federal income tax and withholding tax as described above generally will be subject to a 30% withholding tax (or such lower rate as may be specified by an applicable income tax treaty) on interest (including original issue discount) on a Registered Note, unless the interest is effectively connected with the conduct of a trade or business within the United States.

If a payment (including interest and original issue discount) on a Registered Note is effectively connected with the conduct by a Unites States Alien of a trade or business within the United States and, if an applicable income tax treaty requires, is attributable to a permanent establishment or fixed base maintained by the United States Alien in the United States, such payment (1) generally will be subject to U.S. federal income tax on a net income basis at the rates applicable to "United States persons" (within the meaning of the Code) and, with respect to corporate United States Aliens, may also be subject to a 30% branch profits tax (or such lower rate as may be specified by an applicable income tax treaty), and (2) will not be subject to U.S. federal withholding tax so long as the relevant United States Alien provides the Issuer or applicable Withholding Agent with the appropriate documentation (generally on IRS Form W-8ECI).

Subject to the FATCA (as defined below) discussion below, a United States Alien generally will not be subject to United States federal income taxes on any amount which constitutes capital gain upon the sale, redemption or other disposition of a Registered Note, unless (i) such United States Alien is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and such gain is derived from sources within the United States, or (ii) the gain is effectively connected with the United States Alien's conduct of a trade or business in the United States. If the first exception applies, a United States Alien generally will be subject to tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on its net U.S.-source capital gain upon the sale, redemption or other disposition of a Registered Note, which gain may be offset by certain U.S.-source capital losses. If the second exception applies, gain on the sale, redemption or other disposition of a Registered Note that is effectively connected with the conduct by a United States Alien of a trade or business within the United States (and, if an applicable income tax treaty requires, is attributable to a permanent establishment or fixed base maintained by the United States Alien in the United States) generally will be subject to U.S. federal income tax on a net income basis at the rates applicable to "United States persons" (within the meaning of the Code) and, with respect to corporate United States Alien, may also be subject to a 30% branch profits tax (or such lower rate as may be specified by an applicable income tax treaty). Certain other exceptions may be applicable, and a United States Alien should consult its tax advisor in this regard.

The Registered Notes will generally not be includable in the estate of an individual United States Alien for U.S. federal estate tax purposes unless the individual is a direct or indirect 10 per cent. or greater shareholder of the Issuer or, at the time of such individual's death, payments in respect of the Registered Notes would have been effectively connected with the conduct by such individual of a trade or business in the United States.

Backup Withholding and Information Reporting

Generally, information returns will be filed with the Internal Revenue Service (the "**IRS**") in connection with payments made to a United States Alien on a Registered Note. Copies of these information returns may also be made available under the provisions of a specific income tax treaty or other agreement to the tax authorities of the country in which a United States Alien resides. United States Aliens generally will not be subject to backup withholding with respect to payments made on a Registered Note, provided that the appropriate W-8BEN is received. Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules generally will be allowed as a credit against the United States Alien's U.S. federal income tax liability, and may entitle the United States Alien to a refund, provided that the requisite information is properly and timely provided to the IRS. United States Aliens are urged to consult their tax advisors regarding the application of the backup withholding and information reporting rules in light of their particular circumstances, the availability of an exemption therefrom, and the procedure for obtaining such an exemption, if applicable.

U.S. Foreign Account Tax Compliance

Sections 1471 through 1474 of the Code and the U.S. Treasury Regulations promulgated thereunder (commonly referred to as "**FATCA**") generally imposes a 30% withholding tax on certain types of payments made to "foreign financial institutions," as specially defined under FATCA, and certain other non-U.S. entities. FATCA currently applies to certain payments of U.S.-source interest income (including original issue discount) and other periodic payments, and as of January 1, 2019, will apply to gross proceeds from the sale, redemption or other disposition of a Registered Note paid to a foreign financial institution unless the foreign financial institution (i) is deemed to be compliant with FATCA or (ii) enters into an agreement with the IRS to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on applicable payments to certain account holders the actions of which prevent the foreign financial institution from complying with these reporting and other requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to certain types of non-financial foreign entities unless the entity certifies that it does not have any substantial U.S. owners or furnishes identifying information to the IRS or to the withholding agent regarding each substantial U.S. owner.

Noteholders will not be entitled to receive any Additional Amounts in the event that payments the Registered Notes are subject to withholding under FATCA. Prospective Noteholders should consult their tax advisors about the application and requirements of information reporting and withholding under FATCA and any intergovernmental agreement for the implementation of FATCA in respect of the Registered Notes.

The above discussion is based upon certain of the facts set forth in this Offering Circular and other documents related to the issuance of the Registered Notes and upon compliance with the provisions thereof and the representations and agreements therein. In addition, the above is based upon the Code, U.S. Treasury Regulations, rulings and decisions in effect as of the date of this Offering Circular, all of which are subject to change.

THE PROPOSED FINANCIAL TRANSACTION TAX

The European Commission has published a proposal for a Directive for a common financial transaction tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in the proposed form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposals, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of BNP Paribas, Deutsche Bank AG, London Branch and HSBC Bank plc (the "**Dealers**"). Notes may also be sold by the Issuer directly to institutions who are not Dealers. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the Ninth Amended and Restated Dealership Agreement dated October 19, 2017 (as supplemented and/or modified and/or restated from time to time) (the "**Dealership Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Program or in relation to a particular Tranche of Notes. The Dealership Agreement provides that the obligations of the Dealers to subscribe for Notes may be subject to certain conditions precedent, including (among other things) receipt of legal opinions from counsel.

United States of America

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has agreed and each further Dealer appointed under the Program will be required to agree that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until forty days after the later of (a) the completion of the distribution of the relevant Tranche of which such Notes are a part, as determined and certified to the Fiscal Agent, the Registrar or the Issuer by the relevant Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to Notes of such Tranche purchased by or through it, in which case the Fiscal Agent, the Registrar or the Issuer shall notify each such Dealer when all such Dealers have so certified) and (b) the closing date of such Tranche of Notes, within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act, and such Dealer at or prior to the confirmation of a sale of Notes will have sent to each distributor, dealer (as defined in Section 2(a)(12) of the Securities Act) or person receiving a selling concession, fee or other remuneration in respect of the Notes sold, that purchases Notes from it or through it during the distribution compliance period relating thereto, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons.

In addition, until forty days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Bearer Notes are subject to U.S. federal income tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. Treasury Regulations. Each Dealer has agreed that it will have in effect, in connection with the offer and sale of the Bearer Notes during the restricted period relating thereto, procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Bearer Notes are aware that the Bearer Notes cannot be offered or sold during such restricted period to a United States person or a person within the United States. Terms used in the preceding sentence have the meanings given to them by the Code, and the U.S. Treasury Regulations thereunder.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Notes other than:

  (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "**SFO**") and any rules made thereunder; or

  (b) in other circumstances which do not result in such document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong) (the "**Companies Ordinance**") or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and

(ii) it has not issued, or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended; the "FIEL"), and each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that, in respect of any offer of Notes on or after January 1, 2018, unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", it will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Directive; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prior to January 1, 2018, and from that date if the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Relevant Member State, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State other than:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the publication by the Issuer or any Dealer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Republic of Singapore

This Offering Circular has not been registered as a prospectus under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") by the Monetary Authority of Singapore, and the offer of the Notes in Singapore is made primarily pursuant to the exemptions under Sections 274 and 275 of the SFA. Accordingly, each Dealer represents and agrees that this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor as defined in Section 4A of the SFA (an "**Institutional Investor**") pursuant to Section 274 of the SFA; (ii) to an accredited investor as defined in Section 4A of the SFA (an "**Accredited Investor**") or other relevant person as defined in Section 275(2) of the SFA (a "**Relevant Person**") and pursuant to Section 275(1) of the SFA, or to any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with, the conditions of any other applicable exemption or provision of the SFA.

It is a condition of the offer that where Notes are subscribed for or acquired pursuant to an offer made in reliance on Section 275 of the SFA by a Relevant Person which is:

(a) a corporation (which is not an Accredited Investor), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an Accredited Investor; or

(b) a trust (where the trustee is not an Accredited Investor), the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an Accredited Investor,

the shares, debentures and units of shares and debentures of that corporation and the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has subscribed for or acquired the Notes except:

(1) to an Institutional Investor, or an Accredited Investor or other Relevant Person, or which arises from an offer referred to in Section 275(1A) of the SFA (in the case of that corporation) or Section 276(4)(i)(B) of the SFA (in the case of that trust);

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) in relation to any Notes having a tenor of 364 days or less, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

General

Unless otherwise stated in the applicable Pricing Supplement, no action has been taken by the Issuer that would permit an offer to the public of the Notes or possession or distribution of this Offering Circular or any other offering material in any jurisdiction where action for that purpose is required. Accordingly, each Dealer has agreed and each further Dealer appointed under the Program will be required to agree, that it will comply to the best of its knowledge and belief with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Offering Circular or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and none of the Issuer or any other Dealers shall have no responsibility therefor.

With regard to each Series, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

GENERAL INFORMATION

Authorization

The current update of the Program and the issue of Notes thereunder was authorized by the Executive Committee of the Board of Directors of the Issuer on May 31, 2017. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes. As at September 29, 2017 (being the last practicable date at which such figures could be obtained), the Issuer's issued and outstanding capital comprised 1,802,808,000 issued and 702,682,000 outstanding ordinary shares of common stock of a nominal value of US$0.01 each, all of which were fully paid.

Approval, Listing and Admission to Trading

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Program during the 12 months from the date of this Offering Circular, to be admitted to trading on the Euro MTF Market and to be listed on the official list of the Luxembourg Stock Exchange.

Documents Available

From the date of this Offering Circular and, for so long as Notes are capable of being issued under the Program and/or remain outstanding, copies of the following documents will, when published, be available from the principal office of the Issuer and from the specified offices of the Fiscal Agent and the Paying Agents:

(i) the constitutional documents of the Issuer;

(ii) the consolidated audited financial statements of the Issuer in respect of the financial years ended May 31, 2017 and 2016;

(iii) the most recently published consolidated and non-consolidated (if any) audited annual financial statements of the Issuer and the most recently published interim quarterly financial statements of the Issuer;

(iv) the Issue and Paying Agency Agreement (which contains the forms of the Temporary Global Notes, the Permanent Global Notes, the Permanent Global Note Certificates, the Definitive Notes, the Coupons and the Talons); and

(v) a copy of this Offering Circular together with any supplement thereto.

In addition, copies of this Offering Circular, any prospectus supplements and each Pricing Supplement relating to Notes which are listed on the official list of the Luxembourg Stock Exchange, are available on the Luxembourg Stock Exchange's website at www.bourse.lu.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the relevant Pricing Supplement. Transactions will normally be effected for settlement not earlier than two days after the date of the transaction.

The address of Euroclear is 3 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer and its subsidiaries on a consolidated basis since August 31, 2017, and there has been no material adverse change in the prospects of the Issuer since May 31, 2017.

Litigation

Save as disclosed on page A-14 of Annex A and B-17 of Annex B herein, neither the Issuer nor, as the case may be, any subsidiary of the Issuer (whether as defendant or otherwise) is, or has been, engaged in any governmental, legal or arbitration proceedings, the results of which might have or have had during the last twelve months a significant effect on the financial position or profitability of the Issuer and/or the Issuer and its subsidiaries on a consolidated basis nor is the Issuer aware of any such proceedings which are pending or threatened.

Independent Auditors

The consolidated financial statements of the Issuer as of May 31, 2017 and 2016, and for the years then ended, included in this Offering Circular, have been audited by KPMG LLP, independent auditors, as stated in their report appearing herein.

INDEX TO FINANCIAL INFORMATION

KPMG LLP
4200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402

Independent Auditors' Review Report

The Board of Directors
Cargill, Incorporated:

Report on the Financial Statements

We have reviewed the condensed consolidated financial statements of Cargill, Incorporated and its subsidiaries, which comprise the unaudited condensed consolidated balance sheet as of August 31, 2017, the unaudited condensed consolidated statements of earnings and comprehensive income for the three months ended August 31, 2017 and 2016, and the unaudited condensed consolidated statements of cash flows and stockholders' equity for the three month periods ended August 31, 2017 and 2016.

Management's Responsibility

The Company's management is responsible for the preparation and fair presentation of the condensed consolidated financial information in accordance with U.S. generally accepted accounting principles; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial information in accordance with U.S. generally accepted accounting principles.

Auditors' Responsibility

Our responsibility is to conduct our reviews in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial information. Accordingly, we do not express such an opinion.

Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated financial information referred to above for it to be in accordance with U.S. generally accepted accounting principles.

Report on Condensed Consolidated Balance Sheet as of May 31, 2017

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of May 31, 2017, and the related consolidated statements of earnings, comprehensive income, cash flows, and stockholders' equity for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 28, 2017. In our opinion, the accompanying condensed consolidated balance sheet of Cargill, Incorporated and its subsidiaries as of May 31, 2017, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG LLP

Minneapolis, Minnesota
October 5, 2017

Cargill, Incorporated and Subsidiaries

CONSOLIDATED BALANCE SHEETS
August 31, 2017 and May 31, 2017
(In Millions)
(Unaudited)

		August 31, 2017	May 31, 2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$	3,212	2,679
Short-term investments		1,139	370
Trading securities		1,209	933
Accounts receivable, notes receivable, and accrued income, net		12,578	11,980
Inventories		12,138	12,785
Other		1,993	1,853
TOTAL CURRENT ASSETS		**32,269**	**30,600**
OTHER ASSETS			
Investments and advances		4,109	4,091
Goodwill		3,489	3,352
Intangibles		1,044	1,027
Other assets		3,055	2,923
TOTAL OTHER ASSETS		**11,697**	**11,393**
PROPERTY			
Owned property, plant & equipment		30,008	29,217
Property under capital leases		318	316
Construction in progress		1,534	1,538
		31,860	31,071
Less accumulated depreciation and amortization		17,884	17,264
NET PROPERTY		**13,976**	**13,807**
TOTAL ASSETS (a)	$	**57,942**	**55,800**
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term debt	$	2,350	1,737
Financial instruments sold with agreements to repurchase		2,480	1,439
Accounts payable and accrued expenses		11,952	12,630
Accrued income taxes		249	251
TOTAL CURRENT LIABILITIES		**17,031**	**16,057**
OTHER LIABILITIES			
Long-term debt		5,852	5,776
Other liabilities		3,472	3,515
TOTAL LIABILITIES (a)		**26,355**	**25,348**
STOCKHOLDERS' EQUITY			
Capital stock		8	8
Retained earnings		33,342	32,586
Unearned ESOP compensation		--	--
Accumulated other comprehensive loss		(2,143)	(2,527)
TOTAL CARGILL, INCORPORATED STOCKHOLDERS' EQUITY		**31,207**	**30,067**
Noncontrolling interests		380	385
TOTAL STOCKHOLDERS' EQUITY		**31,587**	**30,452**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	**57,942**	**55,800**

The accompanying notes are an integral part of the consolidated financial statements.

(a) Consolidated assets at August 31, 2017 and May 31, 2017, include total assets of $489 million and $502 million, respectively, of certain variable interest entities (VIEs) that can only be used to settle the liabilities of those VIEs. Consolidated liabilities at August 31, 2017 and May 31, 2017, include total liabilities of $349 million and $338 million, respectively, of certain VIEs for which the VIE creditors do not have recourse to the Company.

The unaudited Consolidated Financial Statements have been prepared from the accounting records of the Company and do not include all the notes required by U.S. generally accepted accounting principles for complete financial statements. In my opinion, the unaudited Consolidated Balance Sheet includes all adjustments, consisting primarily of recurring accruals, considered necessary for a fair presentation of the Company's financial position.

10/5/2017
Date

Corporate Vice President and Controller

Cargill, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS

Three months ended August 31, 2017 and 2016
(In Millions)
(Unaudited)

		Three Months Ended	
		8/31/2017	8/31/2016
Sales and other revenues	$	27,319	27,130
Cost of sales and other revenues (Exclusive of depreciation and amortization, as shown below)		24,108	24,124
Gross profit		3,211	3,006
Expenses and other income			
Selling, general and administrative expenses		1,313	1,264
Depreciation and amortization		435	422
Interest on long-term debt		74	107
Interest on short-term debt		36	28
Other expense, net		57	45
Earnings of consolidated companies before income taxes		1,296	1,140
Income tax expense		342	305
Net earnings of consolidated companies		954	835
Add equity in net earnings of nonconsolidated companies		31	36
Net earnings		**985**	**871**
Deduct net earnings attributable to noncontrolling interests		(12)	(19)
NET EARNINGS ATTRIBUTABLE TO CARGILL, INCORPORATED	$	**973**	**852**
Net earnings per share attributable to Cargill, Incorporated			
		($ Per Share)	
Basic	$	1.28	1.12
Diluted	$	1.27	1.11

The accompanying notes are an integral part of the consolidated financial statements.

The unaudited Consolidated Financial Statements have been prepared from the accounting records of the Company and do not include all the notes required by U.S. generally accepted accounting principles for complete financial statements. In my opinion, the unaudited Consolidated Statement of Earnings includes all adjustments, consisting primarily of recurring accruals, considered necessary for a fair presentation of the Company's financial position.

10/5/2017

Corporate Vice President and Controller

Cargill, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Three months ended August 31, 2017 and 2016
(In Millions)
(Unaudited)

		Three Months Ended	
		8/31/2017	**8/31/2016**
Net earnings	$	985	871
Other comprehensive income, net of tax:			
Foreign currency translation adjustments		352	131
Unrealized gain on securities		2	6
Unrealized (loss) gain on cash flow hedges		(19)	2
Pension and other postretirement benefits liability adjustments		51	16
Other comprehensive income, net of tax		386	155
Total comprehensive income		1,371	1,026
Deduct comprehensive income attributable to noncontrolling interests		(14)	(20)
Comprehensive income attributable to Cargill, Incorporated	$	**1,357**	**1,006**

The accompanying notes are an integral part of the consolidated financial statements.

The unaudited Consolidated Financial Statements have been prepared from the accounting records of the Company and do not include all the notes required by U.S. generally accepted accounting principles for complete financial statements. In my opinion, the unaudited Consolidated Statements of Comprehensive Income includes all adjustments, consisting primarily of recurring accruals, considered necessary for a fair presentation of the Company's financial position.

10/5/2017

Corporate Vice President and Controller

Cargill, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended August 31, 2017 and 2016
(In Millions)
(Unaudited)

		Three Months Ended	
		8/31/2017	8/31/2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings attributable to Cargill, Incorporated	$	973	852
Net earnings attributable to noncontrolling interests		12	19
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Equity in net earnings of nonconsolidated companies, net of dividends		9	(23)
Depreciation and amortization		435	422
Deferred income taxes		(28)	(11)
Share-based compensation		20	15
Affiliated private investment funds income, net of dividends		(24)	(42)
Other, net		(5)	1
Total cash from operations		1,392	1,233
Increase in trading securities		(277)	(156)
Increase in accounts receivable, notes receivable and accrued income		(569)	(659)
Decrease in inventories		740	1,310
Increase in financial instruments sold with agreements to repurchase		1,040	334
Decrease in accounts payable and accrued expenses		(882)	(550)
Increase in other current assets and liabilities		(810)	(521)
Other, net		187	258
Net cash provided by operating activities		821	1,249
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property		(330)	(335)
Investments in businesses acquired, less cash acquired		(79)	(174)
Net (investments in) proceeds from nonconsolidated companies		(43)	9
Total capital investments		(452)	(500)
Net proceeds from property and business disposals		143	75
Net proceeds from (investments in) loan portfolios and real estate		8	(6)
Net proceeds from affiliated private investment funds		166	59
Other, net		(409)	(87)
Net cash used by investing activities		(544)	(459)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from (payments on) short-term debt		451	(22)
Proceeds from long-term debt		2	8
Payments on long-term debt		(12)	(13)
Dividends paid to stockholders		(109)	(102)
Dividends paid to noncontrolling interests		(15)	(13)
Purchase of noncontrolling interests, less cash acquired		(3)	--
Capital stock transactions, net		(97)	(131)
Other, net		(11)	27
Net cash provided by (used by) financing activities		206	(246)
Effect of exchange rate changes on cash		50	11
INCREASE IN CASH AND CASH EQUIVALENTS		533	555
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,679	2,558
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	3,212	3,113

The accompanying notes are an integral part of the consolidated financial statements.

The unaudited Consolidated Financial Statements have been prepared from the accounting records of the Company and do not include all the notes required by U.S. generally accepted accounting principles for complete financial statements. In my opinion, the unaudited Consolidated Statements of Cash Flow includes all adjustments, consisting primarily of recurring accruals, considered necessary for a fair presentation of the Company's financial position.

10/5/2017

Corporate Vice President and Controller

Cargill, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Three months ended August 31, 2017 and 2016
(In millions)
(Unaudited)

	Cargill, Incorporated Shareholders						
	Capital Stock	Add'l. Paid In Capital	Retained Earnings	Unearned ESOP Compen-sation	Accum. Other Compre-hensive Income (Loss)	Non-controlling Interests	Total Stock-holders' Equity
Balance at May 31, 2016	$ 8	--	30,552	(2)	(2,590)	408	28,376
Shares issued	--	1	--	--	--	5	6
Shares reacquired	--	(22)	(110)	--	--	--	(132)
Net earnings	--	--	852	--	--	19	871
Other comprehensive income	--	--	--	--	154	1	155
Share-based compensation	--	17	--	--	--	--	17
Tax benefit on ESOP dividends	--	--	3	--	--	--	3
Tax benefit on stock options and grants	--	4	--	--	--	--	4
Amortization of unearned ESOP compensation	--	--	--	2	--	--	2
Dividends	--	--	(107)	--	--	(13)	(120)
Other	--	--	29	--	--	(19)	10
Balance at August 31, 2016	8	--	31,219	--	(2,436)	401	$ 29,192
Balance at May 31, 2017	$ 8	--	32,586	--	(2,527)	385	$ 30,452
Shares issued	--	6	--	--	--	--	6
Shares reacquired	--	(24)	(79)	--	--	--	(103)
Purchase of noncontrolling interest	--	--	--	--	--	(3)	(3)
Net earnings	--	--	973	--	--	12	985
Other comprehensive income	--	--	--	--	384	2	386
Share-based compensation	--	20	--	--	--	--	20
Dividends	--	--	(147)	--	--	(15)	(162)
Other	--	(2)	9	--	--	(1)	6
Balance at August 31, 2017	$ 8	--	33,342	--	(2,143)	380	31,587

The accompanying notes are an integral part of the consolidated financial statements.

The unaudited Consolidated Financial Statements have been prepared from the accounting records of the Company and do not include all the notes required by U.S. generally accepted accounting principles for complete financial statements. In my opinion, the unaudited Consolidated Statements of Stockholders' Equity includes all adjustments, consisting primarily of recurring accruals, considered necessary for a fair presentation of the Company's financial position.

10/5/2017

Corporate Vice President and Controller

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Significant accounting policies followed in preparing the consolidated financial statements are summarized below.

Basis of Presentation

The unaudited consolidated financial statements reflect, in the opinion of the management of Cargill, Incorporated and Subsidiaries ("Cargill" or "the Company"), all normal recurring adjustments necessary for a fair presentation of the statements of financial position, results of operations and cash flows for the interim periods. The consolidated financial statements are condensed and, therefore, do not include all of the footnotes and information required by accounting principles generally accepted in the United States of America for complete financial statements. The accompanying consolidated balance sheet as of May 31, 2017, has been derived from the May 31, 2017, audited financial statements. For further information, refer to the audited consolidated financial statements and footnotes for the year ended May 31, 2017. The results of operations and cash flows for interim periods are not necessarily indicative of results for a full year.

Nature of Business

Cargill is engaged in the international marketing and processing of food, agricultural, industrial and financial products and services. Operating in 70 countries worldwide, the Company markets its products principally in four geographic regions: Asia/Pacific, Europe/Africa, Latin America and North America.

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of Cargill, Incorporated and all entities where the Company has a controlling financial interest. Intercompany accounts and transactions are eliminated in consolidation. Investments in companies where the Company does not have a controlling financial interest, but has the ability to exercise significant influence, are accounted for by the equity method. Net earnings include the Company's share of net income in these companies. Other investments where the Company is unable to exercise significant influence over operating and financial decisions are accounted for at cost. If the fair value of an investment is determined to be less than the carrying amount, a write-down is recorded based on the excess of carrying amount over the fair value of the investment.

The Company determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity.

Voting Interest Entities Voting interest entities are entities in which (i) the total equity investment at risk is sufficient to enable the entity to finance its activities independently and (ii) the equity holders have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the losses of the entity and the right to receive the residual returns of the entity. The usual condition for a controlling financial interest in a voting interest entity is ownership of a majority voting interest. If the Company has a majority voting interest in a voting interest entity, the entity is consolidated. When the Company is a general partner, it considers substantive removal rights held by other parties in determining if the Company holds a controlling financial interest in a voting interest entity.

(1) **Summary of Significant Accounting Policies** (cont.)

Basis of Consolidation (cont.)

Variable Interest Entities (VIE) A VIE is an entity that lacks one or more of the characteristics of a voting interest entity. A VIE is consolidated by its primary beneficiary, which is the party that has a controlling financial interest in the entity. The Company has a controlling financial interest in a VIE when the Company has a variable interest or interests that provide it with the (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. If the power to make the decisions that most significantly impact the economic performance of the VIE are shared by two unrelated parties, then neither party is considered to be the primary beneficiary. The Company considers power to be shared when all significant decisions require unanimous consent between unrelated parties. For VIEs with attributes consistent with that of an investment company, the primary beneficiary is the party or group of related parties that absorbs a majority of the expected losses of the VIE, receives the majority of the expected residual returns of the VIE, or both.

Affiliated Private Investment Funds

The Company's noncontrolling investment in several affiliated private investment funds is included in the "Investments and advances" in the accompanying consolidated balance sheets. These affiliated private investment companies use investment company accounting and report substantially all assets and liabilities, excluding debt, at fair value. The Company's share of each fund's earnings is included in the determination of the net earnings.

The Company's subsidiary, CarVal Investors, LLC (CarVal), is a global asset management company that has developed and marketed several affiliated private investment funds to provide institutional investors with a variety of value investments including loan portfolios, corporate securities, real estate and special opportunities. CarVal provides investment advisory services to these funds and for certain proprietary accounts of the Company.

Cargill has investments of $1,125 million and $1,159 million as of August 31, 2017 and May 31, 2017, respectively, in nonconsolidated affiliated private investment funds managed by CarVal. As of August 31, 2017 and May 31, 2017, approximately 49 percent of the underlying assets in the funds were recorded at fair value by CarVal utilizing valuation methodologies involving market-based or market-derived information, collectively Level 1 and 2 measurements. The remaining 51 percent of the assets as of August 31, 2017 and May 31, 2017, were measured by CarVal using model-based techniques, or Level 3 measurements (see the "Fair Value Measurements" note).

Resale and Repurchase Agreements

Financial instruments purchased with agreements to resell (reverse repurchase agreements) and financial instruments sold with agreements to repurchase (repurchase agreements) are treated as collateralized financing transactions and are recorded at the amount at which the financial instruments were initially acquired or sold, including accrued interest. Interest income is recorded on reverse repurchase agreements and interest expense is recorded on repurchase agreements.

(1) **Summary of Significant Accounting Policies** (cont.)

Resale and Repurchase Agreements (cont.)

It is the Company's policy to take delivery of financial instruments purchased with agreements to resell. The Company has the ability to sell or repledge the securities. The Company monitors the market value of the securities to be resold daily and obtains additional collateral when deemed appropriate. The market value of the collateral received for securities to be resold totaled $289 million and $214 million at August 31, 2017 and May 31, 2017, respectively.

The collateral pledged for the financial instruments sold with agreements to repurchase consists of trading securities, accounts receivable and notes receivable and totaled $2,686 million and $1,643 million at August 31, 2017 and May 31, 2017, respectively. The repurchase agreements as of August 31, 2017 have maturities of less than 30 days with the exception of $84 million, which have maturities of less than 60 days. The payable balance of $2,480 million is collateralized as follows: $702 million by short-term investments, $1,156 million by loans and $828 million by foreign issued securities. The transferees have the right to repledge the collateral. The Company offsets resale and repurchase agreements that meet the applicable netting criteria.

Trading Securities Sold, Not Yet Purchased

Trading securities sold, not yet purchased represent obligations of the Company to deliver specified securities at a contracted price. These transactions result in off-balance-sheet market risk as the Company's ultimate obligation for trading securities sold, not yet purchased may exceed the amounts recognized in the consolidated balance sheet. Trading securities sold, not yet purchased were classified as accounts payable and accrued expenses in the accompanying consolidated balance sheets and were $133 million and $186 million at August 31, 2017 and May 31, 2017, respectively.

New Accounting Pronouncements Issued but Not Yet Adopted

In August 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-12, Derivatives and Hedging (Topic 815), Targeted Improvements to Accounting for Hedging Activities, which is intended to improve financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. Additionally, the amendment makes certain targeted improvements to simplify the application of the hedge accounting. The Company is required to adopt this guidance on June 1, 2020. The Company is currently evaluating the potential impact of adoption of this standard on its consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, Compensation - Retirement Benefits (Topic 715), Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. The new guidance changes the presentation of net periodic benefit cost related to employer sponsored defined benefit plans and other postretirement benefits. Service cost should be included in the same income statement line item as other compensation costs arising from services rendered during the period, while other components of net periodic benefit pension cost should be presented separately outside of operating income. Additionally, only service costs may be capitalized in assets. The Company is required to adopt the standard on June 1, 2019. Early adoption is permitted. Entities should apply the guidance on the presentation of the components of net periodic benefit cost in the income statement retrospectively. The guidance limiting the capitalization of net periodic benefit cost in assets to the service cost component should be applied prospectively. The Company is currently evaluating the potential impact of adoption of this standard on its consolidated financial statements.

(1) **Summary of Significant Accounting Policies** (cont.)

New Accounting Pronouncements Issued but Not Yet Adopted (cont.)

In February 2017, the FASB issued ASU 2017-05, Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20), Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets. The new guidance clarifies the scope of Subtopic 610-20 on the sale or transfer of nonfinancial assets to noncustomers, including partial sales. The Company is required to adopt the standard on June 1, 2019. Early adoption is permitted. The new requirements may be implemented using a full or modified retrospective approach. The Company is currently evaluating the potential impact of adoption of this standard on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, Intangibles - Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment. The new guidance eliminates Step 2 from the goodwill impairment test. Instead an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The Company plans to adopt the new guidance on December 1, 2017.

In January 2017, the FASB issued ASU 2017-01, Business Combinations (Topic 805), Clarifying the Definition of a Business, which narrows the existing definition of a business and provides a framework for evaluating whether a transaction should be accounted for as an acquisition (or disposal) of assets or a business. Under the new guidance, fewer acquisitions and disposals are expected to be considered businesses. The Company is required to adopt this guidance on June 1, 2019.

In October 2016, the FASB issued ASU 2016-16, Income Taxes (Topic 740), Intra-Entity Transfers of Assets Other Than Inventory. The guidance requires entities to recognize the income tax consequences of an intra-entity transfer, other than inventory, when the transfer occurs. Under current accounting rules, entities are prohibited from recognizing current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party. The Company will be required to adopt the amended guidance on a modified retrospective approach on June 1, 2019. Early adoption is permitted as of the beginning of an annual period. The Company does not expect adoption of this amended guidance to have a significant impact on the Company's financial results.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments that will eliminate diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The guidance is effective for our fiscal year ended May 31, 2020. Early adoption is permitted and the retrospective transition method should be applied. The Company expects adoption of this guidance will not have a material impact on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments, which revises guidance for the accounting for credit losses on financial instruments within its scope. The new standard introduces an approach, based on expected losses, to estimate credit losses on certain types of financial instruments and modifies the impairment model for available-for-sale debt securities. The new approach to estimating credit losses applies to most financial assets measured at amortized cost and certain other instruments. The Company is required to adopt this guidance on June 1, 2021. The Company is currently evaluating the potential impact of adoption of this standard on its consolidated financial statements.

(1) **Summary of Significant Accounting Policies** (cont.)

New Accounting Pronouncements Issued but Not Yet Adopted (cont.)

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The new standard requires a lessee to recognize most leases on its balance sheet as lease liabilities with corresponding right-of-use assets. The objective of this guidance is to increase transparency and comparability across organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The new standard will be effective for the Company on June 1, 2020. Early adoption is permitted. The Company is currently evaluating the effect that the new standard will have on its consolidated financial statements and disclosures.

In July 2015, the FASB issued ASU 2015-11, Inventory (Topic 330), Simplifying the Measurement of Inventory. Under the new guidance, inventory is measured at the lower of cost or net realizable value (NRV), which is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The guidance is effective for our fiscal year ended May 31, 2018. Early adoption is permitted. The Company is evaluating the effect that the new standard will have on its consolidated financial statements and disclosures.

In February 2015, the FASB issued ASU 2015-02, Amendments to the Consolidation Analysis, and in October 2016 the FASB issued ASU 2016-17, Interests Held through Related Parties That Are under Common Control, to improve targeted areas of the consolidation guidance (Topic 810). The new standards impact the way reporting enterprises evaluate whether (a) they should consolidate limited partnerships and similar entities, (b) fees paid to a decision maker are a variable interest into a variable interest entity (VIE), and (c) variable interests held by related parties of the reporting enterprise require the reporting enterprise to consolidate the VIE. The new standard will be effective for the Company on May 31, 2018. The Company will utilize the modified retrospective approach for any cumulative effect adjustment, although none is anticipated.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The new standard requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The amended guidance will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. In August 2015, the FASB issued amended guidance (ASU 2015-14) approving a one year delay of the revenue recognition standard, and accordingly, the new standard will be effective for the Company on June 1, 2019. The Company continues to hold workshops with its accounting and commercial teams across the globe to identify areas of potential impact under the standard, including separate identification and recognition of distinct performance obligations provided to customers. Any changes in how the Company recognizes revenue will not alter the amount of revenue that is recognized but may change the timing of recognition and will result in additional disclosures to disaggregate those revenues recognized at a point in time from those recognized over time. We continue to make significant progress on our contract reviews and are also in the process of evaluating the impact, if any, on changes to our business processes, systems and controls to support recognition and disclosure under the new guidance. Based on the foregoing, we do not expect this guidance to have a material impact on the timing of when the Company recognizes revenue.

(2) **Inventories**

Certain agricultural inventories that meet the requirements for mark-to-market treatment are stated principally at fair value. Other inventory is stated principally at the lower of cost or market, determined by either the first-in, first-out (FIFO), weighted average, or last-in, first-out (LIFO) method. Fair value is primarily determined from market prices quoted on public commodity exchanges, adjusted for expected freight costs to normal delivery points and a price premium or discount to cover local supply and demand factors as estimated by management. The availability and market price of agricultural commodities are subject to wide fluctuations due to unpredictable factors such as weather, plantings, domestic and foreign government farm programs and policies, global production and other factors. The Company generally minimizes the risk of market fluctuations by hedging these inventories with futures and options, cash contracts, and foreign exchange contracts.

A summary of inventories follows:

		August 31, 2017	May 31, 2017
		(In millions)	
Inventories at lower of cost or market			
FIFO and weighted average inventories	$	5,083	5,220
LIFO inventories, net of reserve of $493 and $553 at August 31, 2017 and May 31, 2017, repectively		1,053	1,255
Total inventories at lower of cost or market		6,136	6,475
Total inventories at fair value		6,002	6,310
Total inventories	$	12,138	12,785

(3) **Acquisitions**

2018 Acquisitions

Acquisition of Pollos El Bucanero SA

On June 1, 2017, Cargill acquired Pollos El Bucanero SA (Bucanero), a poultry processing business located in Colombia for $93 million.

Cargill preliminarily allocated the purchase price to the Bucanero tangible and identifiable intangible assets acquired and liabilities assumed based on estimated fair values as of June 1, 2017. Cargill is still assessing the valuation of the intangible assets, net property and goodwill.

Goodwill represents the amount by which the purchase price exceeds the fair value of the net assets acquired. The goodwill acquired in this acquisition is not amortizable under local tax rules.

Other Acquisitions

Acquisition of Grain Elevator

On August 11, 2017, Cargill acquired a grain elevator from Archer Daniels Midland located in Ohio in exchange for a grain elevator in Illinois. The Illinois facility was accounted for as noncash consideration transferred in a business combination.

(3) **Acquisitions** (cont.)

Cargill allocated the total consideration transferred to the tangible assets acquired and liabilities assumed based on fair values as of August 11, 2017.

A summary of the fair values of assets acquired and liabilities assumed during the year ended August 31, 2017, at the date of acquisition is as follows:

	Bucanero	Other Acquisitions	Total
		(In millions)	
Cash	$ 2	12	$ 14
Accounts receivable	29	--	29
Inventories	56	2	58
Other assets	1	--	1
Intangible assets	22	--	22
Goodwill	56	--	56
Owned property, plant & equipment	79	15	94
Liabilities	(152)	(4)	(156)
Total purchase price	$ 93	25	$ 118
Noncash consideration	--	(25)	(25)
Total cash paid	$ 93	--	$ 93

(4) **Disposals**

During the three months ended August 31, 2017, the Company disposed of its petroleum trading business with offices in North America, Europe and Asia. The Company also disposed of other non strategic businesses. Total proceeds related to disposals amounted to $143 million resulting in an after tax loss of $6 million.

(5) **Transfers of Assets with Continuing Involvement**

The Company sells certain trade receivables and trade related loans through established programs to various third parties, which primarily include foreign and domestic financial institutions. As part of these transactions, the Company often maintains continuing involvement with the transferred assets. The continuing involvement includes, but is not limited to servicing responsibilities, recourse obligations and retained interests such as interest-only strips. Servicing responsibilities consist of the collection and remittance of cash on assets sold. Most of these transactions are accounted for as sales in accordance with accounting standards for transfers and servicing of financial assets. Therefore, the assets transferred are removed from the consolidated balance sheet and a gain or loss is recognized for the difference between the assets sold and the assets and liabilities recognized as part of these transactions. Assets and liabilities recognized as part of these transactions, including servicing and recourse obligations are measured at fair value. The Company's recourse obligation on assets transferred with recourse is generally a maximum of 15 percent.

(5) **Transfers of Assets with Continuing Involvement** (cont.)

The following tables present information regarding receivable transfers by type of continuing involvement and for which the Company has received sales treatment.

	August 31, 2017	May 31, 2017
	(In millions)	
Assets sold		
Principal amount outstanding		
With limited recourse	$ 3,591	$ 4,210
With no recourse	1,677	2,026
Total	$ 5,268	$ 6,236

	August 31, 2017	August 31, 2016
	(In millions)	
Sale proceeds for the three months ended		
Cash proceeds from sale		
With limited recourse	$ 910	$ 889
With no recourse	1,468	1,037
Total	$ 2,378	$ 1,926

The fair value of the servicing liability for the principal amounts outstanding above was insignificant as of August 31, 2017 and May 31, 2017. During the three months ended August 31, 2017 and August 31, 2016 the initial fair value of retained interests and recourse obligations recorded for new transfers was $18 million and $21 million, respectively.

The pre-tax gain recorded on the sale of assets with continuing involvement during the three months ended August 31, 2017, and August 31, 2016, was $14 million and $14 million, respectively.

In certain circumstances, the Company transfers a portion of an asset instead of an entire asset. Since the portion of the asset transferred does not meet the definition of a participating interest, these transactions do not meet the criteria for sales treatment under the accounting guidance for transfers of financial assets and are required to be treated as a secured borrowing. For these transactions, the Company cannot remove the asset from its consolidated financial statements and is required to recognize a liability for the proceeds received. As of August 31, 2017, and May 31, 2017, the principal amount outstanding for secured borrowings was approximately $7 million and $9 million, respectively.

(6) **Variable Interest Entities**

The Company enters into various types of transactions with entities that involve variable interests. Variable interests are generally defined as contractual, ownership or other economic interests in an entity that change with fluctuations in the entity's net asset value. The Company determines whether it is the primary beneficiary of a VIE based on a qualitative assessment of the VIE. This includes a review of the VIE's capital structure, contractual relationships and terms, the nature of the VIE's operations and purpose, the nature of the VIE's interests issued, and the Company's involvements with the entity. The Company also evaluates the design of the VIE and the related risks the entity was designed to expose the variable interest holders to in evaluating consolidation.

The following provides a summary of significant transactions the Company has entered into with entities that involve different types of VIEs:

(6) **Variable Interest Entities** (cont.)

Real Estate (RE) and Nonperforming Loan (NPL) VIEs: the Company is involved with certain VIEs that were formed with one or more investors to acquire, hold, restructure and dispose of real estate assets and performing and nonperforming loans. These VIEs are typically financed through debt and/or equity provided by the investors, including the Company. The investors and third-party creditors generally have recourse only to the extent of the assets held by these VIEs. The entities included in this disclosure are VIEs because generally they do not have sufficient equity to finance their activities without additional subordinated financial support, or the investors do not have the ability to make significant decisions about the entities activities. The Company does not generally provide financial support to any of these VIEs beyond that which is contractually required.

Hedge Fund VIEs: the Company is involved with certain affiliated hedge fund VIEs both as the investment adviser and an investor into the funds. The purpose of such VIEs is to provide strategy specific investment opportunities for investors in exchange for management and performance based fees. The investment strategies of the hedge funds differ by product; however, the fundamental risks of the hedge funds have similar characteristics, including loss of invested capital and loss of management fees and performance based fees. The investors and third-party creditors generally have recourse only to the extent of the assets held by these VIEs. The entities included in this disclosure are VIEs because the equity investors lack the characteristics of a controlling financial interest. The Company does not provide performance guarantees and has no other financial obligation to provide funding to these consolidated VIEs other than its own capital commitments.

Other VIEs: the Company also has variable interests with certain other entities that are involved in leasing, food and other industrial activities. These VIEs are typically financed through debt and/or equity provided by the investors, including the Company. The investors and creditors generally have recourse only to the extent of the assets held by these VIEs. The entities included in this disclosure are VIEs because generally they do not have sufficient equity to finance their activities without additional subordinated financial support. The Company does not generally provide financial support to any of these VIEs beyond that which is contractually required.

In considering aggregation, qualitative and quantitative information about the different risk and reward characteristics was assessed. The Company has aggregated its involvement in VIEs based upon principal business activity for both consolidated and nonconsolidated VIEs.

(6) **Variable Interest Entities** (cont.)

The following tables displays the carrying amount and classification of assets and liabilities of consolidated VIEs that are included in the Company's consolidated balance sheet as of August 31, 2017. The equity interests of consolidated VIEs not owned by the Company are reported as noncontrolling interests on the Company's consolidated balance sheet.

	RE and NPL VIEs	Hedge Fund VIEs	Other VIEs	Total VIEs
		(In millions)		
Cash and cash equivalents	$ --	2	17	$ 19
Accounts receivable, notes receivable, and accrued income, net	4	--	39	43
Inventories	--	--	83	83
Other	--	--	5	5
Total current assets	4	2	144	150
Investments and advances	--	--	59	59
Other assets	--	1	97	98
Total other assets	--	1	156	157
Net property	--	--	182	182
Total assets	$ 4	3	482	$ 489
Short-term debt	$ --	--	12	$ 12
Accounts payable and accrued expenses	10	1	81	92
Total current liabilities	10	1	93	104
Long-term debt	--	--	27	27
Other liabilities	--	2	248	250
Total liabilities	$ 10	3	368	$ 381

(6) **Variable Interest Entities** (cont.)

The following table displays the carrying amount and classification of assets and liabilities of consolidated VIEs that are included in the Company's consolidated balance sheet as of May 31, 2017. The equity interests of consolidated VIEs not owned by the Company are reported as noncontrolling interests on the Company's consolidated balance sheet.

	RE and NPL VIEs	Hedge Fund VIEs	Other VIEs	Total VIEs
		(In millions)		
Cash and cash equivalents	$ 1	2	15	$ 18
Accounts receivable, notes receivable, and accrued income, net	4	--	51	55
Inventories	--	--	77	77
Other	--	--	6	6
Total current assets	5	2	149	156
Investments and advances	--	--	61	61
Other assets	--	1	95	96
Total other assets	--	1	156	157
Net property	--	--	189	189
Total assets	$ 5	3	494	$ 502
Short-term debt	$ --	--	14	$ 14
Accounts payable and accrued expenses	10	--	69	79
Total current liabilities	10	--	83	93
Long-term debt	--	--	27	27
Other liabilities	--	2	250	252
Total liabilities	$ 10	2	360	$ 372

The Company also holds variable interests in the form of loan and equity investments in a variety of VIEs for which the Company is not the primary beneficiary. The Company's involvement with nonconsolidated VIEs consists of assisting in the formation and financing of the entity, and making passive debt and or equity investments. The Company is not required to consolidate these entities because the nature of its involvement with the activities of the VIEs does not give it power over decisions that significantly affect their economic performance. The classification of the Company's variable interest in these entities in the consolidated financial statements is based on the nature of the entity and the type of investment held. These investments are classified in the following captions in the accompanying consolidated balance sheets: "Accounts receivable, notes receivable, and accrued income, net" for current receivables from nonconsolidated VIE affiliates, "Inventories" and "Investments and advances" for long term receivables and investments in nonconsolidated VIE companies accounted for using the equity method of accounting.

(6) **Variable Interest Entities** (cont.)

The following tables summarizes the carrying amounts of the assets and the maximum loss exposure as of August 31, 2017 and May 31, 2017, related to the Company's involvement with variable interests in nonconsolidated VIEs.

Type of VIE		Accounts receivable, notes receivable, and accrued income, net	Inventories	Investments and advances	Maximum exposure to loss *
		(In millions)			
August 31, 2017					
RE and NPL VIEs	$	--	--	--	--
Other VIEs		34	--	60	120
Total	$	34	--	60	120
May 31, 2017					
RE and NPL VIEs	$	--	--	--	--
Other VIEs		25	279	62	422
Total	$	25	279	62	422

* Includes maximum exposure to loss attributable to guarantees and unfunded commitments

(7) **Goodwill**

Goodwill is not amortized, but is reviewed annually for impairment and more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the asset's fair value. This determination is made at the aggregated reporting unit level and consists of two steps. First, the Company determines the fair value of a reporting unit and compares it to its carrying amount. Second, if the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill.

The changes in the carrying amount of goodwill during the three months ended ended August 31, 2017 consisted of the following:

		May 31, 2017	Additions	Disposals	Foreign currency translation and other		August 31, 2017
				(In millions)			
Goodwill	$	3,352	56	(17)	98	$	3,489

(8) **Fair Value Measurements**

Fair value is the price that would be received for an asset or paid to transfer a liability in the Company's principal or most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy that generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances. The Company determines the fair value of derivatives, marketable securities and certain other assets and liabilities using the following fair value definition and hierarchy levels:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Values generated from model-based techniques that use significant assumptions not observable in the market. Commodity prices are based on a combination of futures exchange quoted prices, observable market prices obtained through publications, broker quotes, and/or recently reported transactions in the marketplace when available, and the Company's internally developed prices and option pricing models. Freight prices are based on observable market prices obtained through publications, broker quotes, and/or recently reported transactions in the marketplace when available, and internally developed prices. Internally developed prices and models reflect the Company's estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of input that is a significant component of the fair value measurement determines the placement of the entire fair value measurement in the hierarchy. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of fair value assets and liabilities within the fair value hierarchy levels.

(8) **Fair Value Measurements** (cont.)

The following table sets forth, by level, the Company's assets and liabilities that were accounted for at fair value on a recurring basis as of August 31, 2017.

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		(In millions)	
Assets:			
Derivatives			
Commodity	$ 927	933	157
Foreign exchange	--	1,211	2
Freight	--	320	248
Interest rate	--	46	--
Other	--	14	--
Total derivatives	927	2,524	407
Trading securities			
Debt securities	68	1,141	--
Investments and advances			
Available for sale debt securities	--	93	--
Available for sale equity securities	70	--	--
Total assets	$ 1,065	3,758	407

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		(In millions)	
Liabilities:			
Derivatives			
Commodity	$ 974	925	111
Foreign exchange	--	1,261	1
Freight	--	307	106
Interest rate	--	33	--
Other	--	5	--
Total derivatives	974	2,531	218
Trading securities sold, not yet purchased			
Debt securities	--	133	--
Total liabilities	$ 974	2,664	218

(8) **Fair Value Measurements** (cont.)

The following table sets forth, by level, the Company's assets and liabilities that were accounted for at fair value on a recurring basis as of May 31, 2017.

		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			(In millions)	
Assets:				
Derivatives				
Commodity	$	654	1,074	167
Foreign exchange		--	788	1
Freight		--	247	337
Interest rate		--	27	--
Other		--	18	--
Total derivatives		654	2,154	505
Trading securities				
Debt securities		57	876	--
Investments and advances				
Available for sale debt securities		--	100	--
Available for sale equity securities		70	--	--
Total assets	$	781	3,130	505

		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			(In millions)	
Liabilities:				
Derivatives				
Commodity	$	845	847	112
Foreign exchange		--	797	1
Freight		--	360	78
Interest rate		--	16	--
Other		--	9	--
Total derivatives		845	2,029	191
Trading securities sold, not yet purchased				
Debt securities		--	186	--
Total liabilities	$	845	2,215	191

The Company uses the market approach valuation technique to measure the majority of its assets and liabilities carried at fair value. There were no significant changes in valuation techniques during the three months ended August 31, 2017.

(8) **Fair Value Measurements** (cont.)

The Company's derivative contracts that are measured at fair value include forward commodity purchase and sale contracts, exchange-traded commodity futures and option contracts, and over-the-counter (OTC) instruments related primarily to agricultural commodities, energy, and foreign currencies. Exchange-traded futures and options contracts are valued based on unadjusted quoted prices in active markets and are classified in Level 1. Fair value for forward commodity purchase and sale contracts is estimated primarily based on exchange-quoted prices adjusted for differences in local markets. These differences are generally valued using inputs from broker or dealer quotations or market transactions in either the listed or OTC markets. When observable inputs are available for substantially the full term of the asset or liability, the derivative contracts are classified in Level 2. When unobservable inputs have a significant impact on the measurement of fair value, the contract's fair value is classified in Level 3.

Based on historical experience with the Company's suppliers and customers, the Company's knowledge of current market conditions, and the Company's own credit risk, the Company does not view counterparty risk to be a significant input to fair value for the majority of its forward commodity purchase and sale contracts. However, in situations when the Company believes the counterparty risk to be a significant input, the Company records estimated fair value adjustments and classifies the contracts in Level 2 or 3 in the fair value hierarchy depending on the significance of the adjustment. The fair value of derivatives is included in the consolidated balance sheet in accounts receivable, other long-term assets, accounts payable, or other long-term liabilities. Changes in the fair market value of commodity-related derivatives are recognized in the consolidated statement of earnings as a component of cost of sales and other revenues. Changes in the fair market value of foreign currency-related derivatives are recognized in the consolidated statement of earnings as a component of sales and other revenues or cost of sales and other revenues. The effective portions of changes in the fair market value of derivatives designated as cash flow hedges are recognized in the consolidated balance sheet as a component of accumulated other comprehensive income.

The Company's trading and available-for-sale securities are comprised of U.S. Treasury securities, obligations of U.S. government agencies, corporate and municipal debt securities, and equity investments. U.S. Treasury securities and certain publicly traded equity investments are valued using quoted market prices and are classified in Level 1. Obligations of U.S. government agencies, corporate and municipal debt securities, and certain equity investments are valued using third-party pricing services and substantially all are classified as Level 2. Security values that are determined using pricing models are classified in Level 3.

The fair value of marketable securities is included in the consolidated balance sheet as trading securities or investments and advances. Unrealized changes in the fair market value of available-for-sale marketable securities are recognized in the consolidated balance sheet as a component of accumulated other comprehensive income.

(8) **Fair Value Measurements** (cont.)

The following tables presents a reconciliation of net assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the three months ended August 31, 2017 and August 31, 2016.

Derivatives (Net)		**Commodity**	**Foreign exchange**	**Freight**
			(In millions)	
Balance at May 31, 2017	$	55	--	259
Total gains (losses) realized and unrealized, included in earnings before income taxes		(4)	1	(76)
Purchases		7	--	--
Sales		(4)	--	--
Net settlements		(7)	--	(41)
Net transfers in and out of Level 3		(1)	--	--
Balance at August 31, 2017	$	46	1	142
Unrealized portion of total gains (losses) to assets and liabilities held at August 31, 2017	$	19	1	(59)

Derivatives (Net)		**Commodity**	**Foreign exchange**	**Freight**
			(In millions)	
Balance at May 31, 2016	$	102	6	383
Total gains (losses) realized and unrealized, included in earnings before income taxes		38	(3)	(18)
Purchases		31	--	--
Sales		(52)	--	--
Net settlements		(58)	(3)	(106)
Net transfers in and out of Level 3		(6)	--	--
Balance at May 31, 2017	$	55	--	259
Unrealized portion of total gains (losses) to assets and liabilities held at May 31, 2017	$	45	(1)	1

(9) **Derivative Instruments and Hedging Activities**

Because of global operations and financing activities, the Company is exposed to changes in agricultural commodity prices, transportation costs, foreign currency exchange rates, interest rates and energy costs which may affect results of operations and financial position. Derivative instruments are used for the purpose of managing the exposures associated with commodity prices, transportation costs, foreign currency exchange rates, interest rates and energy costs. While these hedging instruments are subject to fluctuations in value, those fluctuations are generally offset by the value of the underlying exposures being hedged. While the hedging positions are intended to minimize the volatility on operating profits, occasionally the hedging activity can result in earnings volatility, some of which may be material. The counterparties to these contractual arrangements are primarily major financial institutions or, in the case of commodity futures and options, a commodity exchange. Certain hedges are executed through the

(9) **Derivative Instruments and Hedging Activities** (cont.)

over-the-counter market and related counterparty exposure is managed through credit analysis and review by a credit committee. As a result, there is no concentration of credit risk arising from these contracts. The Company's finance and risk policy committee supervises, reviews and periodically revises overall risk management policies and risk limits.

Commodity Derivatives

The Company operates in many areas of the food industry, from agricultural raw materials to the production and sale of food products. As a result, the Company purchases and produces various materials, many of which are agricultural commodities, including soybeans, soybean oil, soybean meal, sunflower seed, rapeseed or canola, wheat, corn, cotton, sugar, and cocoa beans. The Company consumes energy commodities at its facilities and operates an energy trading business. Agricultural and energy commodities are subject to price fluctuations due to a number of unpredictable factors that may create price risk. The Company is subject to the risk of counterparty defaults on non-exchange traded contracts.

The Company enters into various derivative contracts, primarily purchase and sale contracts for physical delivery and exchange-traded futures and options, with the objective of managing exposure to adverse price movements in agricultural commodities and energy costs related to operations. The Company has established policies that limit the amount of unhedged fixed-price commodity positions permissible for each business, which are a combination of quantity and value-at-risk limits. Net commodity positions are measured and reviewed on a daily basis.

Freight Derivatives

The market price for ocean freight varies depending on the supply and demand for ocean vessels, global economic conditions and other factors. The Company uses derivative financial instruments in its ocean freight operations, including forward freight agreements and charter contracts to manage ocean freight costs.

Foreign Exchange Derivatives

The Company's global operations require active participation in foreign exchange markets. To reduce the risk arising from foreign exchange rate fluctuations, the Company follows a policy of hedging monetary assets and liabilities and commercial transactions with foreign currency exposure. The Company will enter into derivative financial instruments, such as forward contracts and swaps, and foreign currency options, to limit exposures to changes in foreign currency exchange rates with respect to recorded foreign currency denominated assets and liabilities and local currency operating expenses. The Company may also hedge other foreign currency exposures as deemed appropriate.

The Company uses various derivative instruments for trading purposes and to manage interest rate risk associated with outstanding or forecasted fixed- and variable-rate debt and debt issuances, including interest rate swaps, options, and futures as may be required.

(9) **Derivative Instruments and Hedging Activities** (cont.)

Interest Rate Derivatives

The Company uses various derivative instruments for trading purposes and to manage interest rate risk associated with outstanding or forecasted fixed- and variable-rate debt and debt issuances, including interest rate swaps, options, and futures as may be required. The interest rate swaps used as derivative hedging instruments have been recorded at fair value in the accompanying consolidated balance sheet with changes in fair value recorded currently in earnings. Additionally, the carrying amount of the associated debt is adjusted through earnings for changes in the fair value due to changes in interest rates. Ineffectiveness is recognized to the extent that these two adjustments do not offset.

Derivatives in the Financial Statements

The majority of the Company's foreign currency exchange contracts, commodities contracts and freight contracts do not qualify for hedge accounting treatment; therefore, unrealized gains and losses are recorded in the consolidated statement of earnings. Unrealized gains and losses on foreign currency exchange contracts related to inventory purchases, commodities contracts and certain forward freight agreements are recorded in cost of sales and other revenues in the consolidated statement of earnings. The table below shows the unrealized gains and (losses) on derivative instruments related to interest rate contracts, foreign currency exchange contracts, commodity contracts and freight contracts.

Derivatives in the Consolidated Statement of Earnings

			Derivatives not designated as an accounting hedge	
			Three months ended	
Income location:	**Type of derivative**		**August 31, 2017**	**August 31, 2016**
			(In millions)	
Sales and other revenues	Interest rate	$	4	(1)
	Foreign exchange		(85)	(35)
	Commodity		(92)	674
	Freight		--	--
	Other		6	--
Expense location:				
Cost of sales and other revenues	Interest rate	$	(13)	(34)
	Foreign exchange		(61)	15
	Commodity		(9)	(187)
	Freight		(17)	44
	Other		(8)	(1)
Selling, general and administrative expenses	Foreign exchange	$	(2)	30
Other expense, net	Foreign exchange	$	(65)	(1)

(9) **Derivative Instruments and Hedging Activities** (cont.)

Amounts below are derivative assets and liabilities, on a gross basis, prior to the offsetting of amounts where legal right of offset exists.

Derivatives in the Consolidated Balance Sheet

		August 31, 2017		May 31, 2017	
	Type of derivative	**Derivatives not designated as an accounting hedge**	**Derivatives designated as an accounting hedge**	**Derivatives not designated as an accounting hedge**	**Derivatives designated as an accounting hedge**
		(In millions)			
Asset location					
Accounts receivable,	Interest rate	$ 38	--	$ 23	--
notes receivable,	Foreign exchange	1,067	13	696	10
and accrued	Commodity	1,934	3	1,770	24
income, net	Freight	340	--	330	--
	Other	14	--	18	--
Other assets	Interest rate	$ 8	--	$ 4	--
(long term)	Foreign exchange	45	88	39	44
	Commodity	80	--	101	--
	Freight	228	--	254	--
Liability location	Interest rate	$ 23	--	$ 10	--
Accounts payable and	Foreign exchange	1,096	96	690	61
accrued expenses	Commodity	2,006	--	1,788	--
	Freight	307	--	310	--
	Other	5	--	9	--
Other liabilities	Interest rate	$ 10	--	$ 6	--
(long term)	Foreign exchange	68	2	45	2
	Commodity	4	--	16	--
	Freight	106	--	128	--

(9) **Derivative Instruments and Hedging Activities** (cont.)

Master Netting and Collateral Arrangements

In connection with its derivative activities, the Company may enter into master netting arrangements and collateral arrangements with its counterparties. These agreements provide the Company with the right, in the event of a default by the counterparty (such as bankruptcy or a failure to pay or perform), to net a counterparty's rights and obligations under the agreement and to liquidate and setoff collateral against any net amount owed by the counterparty. The following tables present information about the offsetting of derivative instruments and related collateral amounts. Amounts not offset in the consolidated balance sheet meeting the offsetting guidance were insignificant as of August 31, 2017 and May 31, 2017.

Offsetting Arrangements at August 31, 2017

	Gross amounts*	Amounts offset in the consolidated balance sheet **	Net amounts presented in the consolidated balance sheet
		(In millions)	
Assets			
Short-term derivatives	$ 3,409	2,041	$ 1,368
Long-term derivatives	449	99	350
Margin deposits	1,072	374	698
Total assets	$ 4,930	2,514	$ 2,416
Liabilities			
Short-term derivatives	$ 3,534	2,036	$ 1,498
Long-term derivatives	190	60	130
Margin deposits	749	413	336
Other	183	6	177
Total liabilities	$ 4,656	2,515	$ 2,141

* Amounts include all derivative instruments and margins irrespective of whether there is a legally enforceable master netting arrangement in place.

** Amounts relate to legally enforceable master netting arrangements and collateral arrangements and are reported on a net basis in the consolidated balance sheet when criteria are met in accordance with applicable offsetting accounting guidance.

(9) **Derivative Instruments and Hedging Activities** (cont.)

Offsetting Arrangements at May 31, 2017

	Gross amounts*	Amounts offset in the consolidated balance sheet **	Net amounts presented in the consolidated balance sheet
		(In millions)	
Assets			
Short-term derivatives	$ 2,871	1,571	$ 1,300
Long-term derivatives	442	104	338
Margin deposits	814	351	463
Total assets	$ 4,127	2,026	$ 2,101
Liabilities			
Short-term derivatives	$ 2,868	1,692	$ 1,176
Long-term derivatives	197	44	153
Margin deposits	427	288	139
Other	88	2	86
Total liabilities	$ 3,580	2,026	$ 1,554

* Amounts include all derivative instruments and margins irrespective of whether there is a legally enforceable master netting arrangement in place.

** Amounts relate to legally enforceable master netting arrangements and collateral arrangements and are reported on a net basis in the consolidated balance sheet when criteria are met in accordance with applicable offsetting accounting guidance.

Credit-Risk-Related Contingent Features

Certain derivative instruments contain provisions that require the Company to post collateral. These provisions also state that if the Company's long-term debt were to be rated below investment grade, certain counterparties to the derivative instruments could request full collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a liability position on August 31, 2017and May 31, 2017, was $96 million and $84 million, respectively. The Company has posted cash collateral of $10 million at August 31, 2017, and $7 million at May 31, 2017, in the normal course of business associated with these contracts. If the credit-risk-related contingent features underlying these agreements were triggered on August 31, 2017 and May 31, 2017, the Company would be required to post up to an additional $86 million and $77 million, respectively, of collateral assets, which would be cash collateral to the counterparties.

(10) Net Earnings per Share

Basic earnings per share are determined by dividing net earnings by the weighted average number of shares outstanding. Shares outstanding include Common, ESOP Common, Management and Retiree stock. In computing diluted earnings per share, the weighted average number of shares outstanding is increased to include additional shares from the assumed exercise of stock options and the issuance of shares from stock grants. The number of additional shares is calculated by assuming stock grants are issued and options were exercised and that the proceeds from exercises were used to acquire shares at the average fair market value during the reporting period.

The following is a reconciliation of basic net earnings per share to diluted net earnings per share for the years ended August 31, 2017 and 2016.

		August 31, 2017	**August 31, 2016**
		(Shares in millions)	
Basic net earnings per share	$	1.28	1.12
Average shares outstanding – basic		758	764
Shares from assumed stock option exercises and issuance of stock grants		8	5
Adjusted average shares outstanding – diluted		766	769
Diluted net earnings per share	$	1.27	1.11

(11) Assets and Liabilities Held for Sale

The Company has decided to sell certain non-strategic businesses in North America and Europe and is actively marketing those businesses as of August 31, 2017. The assets held for sale have been reported in other current assets, and the liabilities held for sale have been reported in accounts payable and accrued expenses and consist of the following:

		Amount
Assets		(In millions)
Accounts receivable	$	194
Inventories		118
Other assets		68
Owned property, plant & equipment		35
Assets held for sale	$	415
Liabilities		
Accounts payable and accrued expenses	$	64
Deferred liabilities		56
Liabilities held for sale	$	120

(12) **Subsequent Events**

Cargill has evaluated subsequent events through October 5, 2017, which is the date these consolidated financial statements were available to be issued, and has disclosed material items with respect to such events in this report.

On September 10, 2017, the Company announced the sale of its U.S. Metals Supply Chain business to Metal One, a Tokyo-based steel distribution, processing, and trading company. The business includes eight steel processing facilities around the U.S. The transaction is expected to close during the third quarter of fiscal 2018, pending regulatory approvals.

On September 15, 2017, the Company sold its North America Power & Gas Business to the Macquarie Group for $125 million.

On September 22, 2017, the Company acquired the animal feed business of Southern States Cooperative, Inc. for $180 million.

On September 25, 2017 the Company and Faccenda Foods announced an agreement to establish a joint venture to create a UK food company focused on poultry. The formation of this joint venture is subject to clearance by the relevant regulatory authorities, with a decision expected in early 2018.

KPMG LLP
4200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402

Independent Auditors' Report

The Board of Directors
Cargill, Incorporated:

We have audited the accompanying consolidated financial statements of Cargill, Incorporated and Subsidiaries, which comprise the consolidated balance sheets as of May 31, 2017 and 2016, and the related consolidated statements of earnings, comprehensive income, cash flows, and stockholders' equity for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Cargill, Incorporated and Subsidiaries as of May 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Minneapolis, Minnesota
July 28, 2017

Cargill, Incorporated and Subsidiaries
CONSOLIDATED BALANCE SHEETS

		At May 31	
		2017	**2016**
		(In millions)	
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$	2,679	2,558
Short-term investments		370	1,017
Trading securities		933	564
Accounts receivable, notes receivable, and accrued income, net		11,980	13,113
Inventories		12,785	13,489
Other		1,853	1,644
TOTAL CURRENT ASSETS		**30,600**	**32,385**
OTHER ASSETS			
Investments and advances		4,091	4,440
Goodwill		3,352	3,200
Intangibles		1,027	1,079
Other assets		2,923	2,748
TOTAL OTHER ASSETS		**11,393**	**11,467**
PROPERTY			
Owned property, plant & equipment		29,217	28,070
Property under capital leases		316	303
Construction in progress		1,538	1,577
		31,071	29,950
Less accumulated depreciation and amortization		17,264	16,313
NET PROPERTY		**13,807**	**13,637**
TOTAL ASSETS (a)	$	**55,800**	**57,489**
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term debt	$	1,737	2,508
Financial instruments sold with agreements to repurchase		1,439	1,831
Accounts payable and accrued expenses		12,630	12,599
Accrued income taxes		251	168
TOTAL CURRENT LIABILITIES		**16,057**	**17,106**
OTHER LIABILITIES			
Long-term debt		5,776	8,046
Other liabilities		3,515	3,961
TOTAL LIABILITIES (a)		**25,348**	**29,113**
STOCKHOLDERS' EQUITY			
Capital stock		8	8
Retained earnings		32,586	30,552
Unearned ESOP compensation		--	(2)
Accumulated other comprehensive loss		(2,527)	(2,590)
TOTAL CARGILL, INCORPORATED STOCKHOLDERS' EQUITY		**30,067**	**27,968**
Noncontrolling interests		385	408
TOTAL STOCKHOLDERS' EQUITY		**30,452**	**28,376**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	**55,800**	**57,489**

The accompanying notes are an integral part of the consolidated financial statements.

(a) Consolidated assets at May 31, 2017 and May 31, 2016, include total assets of $502 million and $605 million, respectively, of certain variable interest entities (VIEs) that can only be used to settle the liabilities of those VIEs. Consolidated liabilities at May 31, 2017 and May 31, 2016, include total liabilities of $338 million and $342 million, respectively, of certain VIEs for which the VIE creditors do not have recourse to the Company.

Cargill, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS

	Year Ended May 31	
	2017	**2016**
	(In millions)	
Sales and other revenues	$ 109,699	107,164
Cost of sales and other revenues	97,895	96,792
(Exclusive of depreciation and amortization, as shown below)		
Gross profit	11,804	10,372
Expenses and other income		
Selling, general and administrative expenses	5,465	5,381
Depreciation and amortization	1,712	1,701
Interest on long-term debt	426	426
Interest on short-term debt	108	120
Restructuring and asset impairment charges	319	430
Venezuela remeasurement and impairment charges	--	176
Gain on North Star Steel	--	(625)
Gain on pork business sale	--	(909)
Other expense, net	140	184
Earnings of consolidated companies before income taxes	3,634	3,488
Income tax expense	862	1,163
Net earnings of consolidated companies	2,772	2,325
Add equity in net earnings of nonconsolidated companies	102	130
Net earnings	**2,874**	**2,455**
Deduct net earnings attributable to noncontrolling interests	(39)	(78)
NET EARNINGS ATTRIBUTABLE TO CARGILL, INCORPORATED	$ **2,835**	**2,377**
Net earnings per share attributable to Cargill, Incorporated		
	($ Per Share)	
Basic	$ 3.72	3.09
Diluted	$ 3.69	3.07

The accompanying notes are an integral part of the consolidated financial statements.

Cargill, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year Ended May 31	
		2017	**2016**
		(In millions)	
Net earnings	$	2,874	2,455
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments		67	(285)
Unrealized gain on securities		10	7
Unrealized gain (loss) on cash flow hedges		38	(13)
Pension and other postretirement benefits liability adjustments		(45)	(79)
Other comprehensive income (loss), net of tax		70	(370)
Total comprehensive income		2,944	2,085
Deduct comprehensive income attributable to noncontrolling interests		(46)	(70)
Comprehensive income attributable to Cargill, Incorporated	$	**2,898**	**2,015**

The accompanying notes are an integral part of the consolidated financial statements.

Cargill, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year Ended May 31	
		2017	**2016**
		(In millions)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings attributable to Cargill, Incorporated	$	2,835	2,377
Net earnings attributable to noncontrolling interests		39	78
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Equity in net earnings of nonconsolidated companies, net of dividends		75	41
Depreciation and amortization		1,714	1,701
Restructuring and asset impairment charges		319	430
Deferred income taxes		(117)	30
Share-based compensation		95	69
Affiliated private investment funds income, net of dividends		(108)	26
Venezuela remeasurement and impairment charges		--	176
Gain on North Star Steel		--	(625)
Gain on pork business sale		--	(909)
Other, net		(159)	16
Total cash from operations		4,693	3,410
(Increase) decrease in trading securities		(356)	142
Decrease in accounts receivable, notes receivable and accrued income		914	1,437
Decrease (increase) in inventories		502	(168)
(Decrease) increase in financial instruments sold with agreements to repurchase		(392)	676
Decrease in accounts payable and accrued expenses		(324)	(1,955)
Decrease in other current assets and liabilities		638	216
Other, net		(249)	(46)
Net cash provided by operating activities		5,426	3,712
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property		(1,892)	(2,148)
Investments in businesses acquired, less cash acquired		(226)	(2,066)
Net proceeds from nonconsolidated companies		17	4
Total capital investments		(2,101)	(4,210)
Net proceeds from property and business disposals		702	2,394
Net proceeds from (investments in) loan portfolios and real estate		7	219
Net proceeds from affiliated private investment funds		340	342
Other, net		(240)	(191)
Net cash used by investing activities		(1,292)	(1,446)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from (payments on) short-term debt		337	(1,001)
Proceeds from long-term debt		34	68
Payments on long-term debt		(3,417)	(743)
Dividends paid to stockholders		(428)	(409)
Dividends paid to noncontrolling interests		(108)	(99)
Purchase of noncontrolling interests, less cash acquired		(29)	--
Capital stock transactions, net		(474)	(566)
Other, net		91	(177)
Net cash used by financing activities		(3,994)	(2,927)
Effect of exchange rate changes on cash		(19)	(25)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		121	(686)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,558	3,244
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	2,679	2,558

The accompanying notes are an integral part of the consolidated financial statements.

Cargill, Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In millions)

	Cargill, Incorporated Shareholders						
	Capital Stock	Add'l. Paid In Capital	Retained Earnings	Unearned ESOP Compen-sation	Accum. Other Compre-hensive Income (Loss)	Non-controlling Interests	Total Stock-holders' Equity
Balance at May 31, 2015	$ 8	--	29,041	(16)	(2,228)	513	$ 27,318
Shares issued	--	3	--	--	--	5	8
Shares reacquired	--	(102)	(468)	--	--	(87)	(657)
Net earnings	--	--	2,377	--	--	78	2,455
Other comprehensive income (loss)	--	--	--	--	(362)	(8)	(370)
Share-based compensation	--	82	--	--	--	--	82
Tax benefit on ESOP dividends	--	--	10	--	--	--	10
Tax benefit on stock options and grants	--	17	--	--	--	--	17
Amortization of unearned ESOP compensation	--	--	--	14	--	--	14
Dividends	--	--	(410)	--	--	(99)	(509)
Other	--	--	2	--	--	6	8
Balance at May 31, 2016	$ 8	--	30,552	(2)	(2,590)	408	$ 28,376
Shares issued	--	2	--	--	--	10	12
Shares reacquired	--	(80)	(391)	--	--	--	(471)
Purchase of subsidiary shares from noncontrolling interest	--	--	--	--	--	(29)	(29)
Net earnings	--	--	2,835	--	--	39	2,874
Other comprehensive income (loss)	--	--	--	--	63	7	70
Share-based compensation	--	80	--	--	--	--	80
Tax benefit on ESOP dividends	--	--	--	--	--	--	--
Tax benefit on stock options and grants	--	(2)	--	--	--	--	(2)
Amortization of unearned ESOP compensation	--	--	--	2	--	--	2
Dividends	--	--	(435)	--	--	(108)	(543)
Other	--	--	25	--	--	58	83
Balance at May 31, 2017	$ 8	--	32,586	--	(2,527)	385	30,452

The accompanying notes are an integral part of the consolidated financial statements.

(1) Summary of Significant Accounting Policies

Significant accounting policies followed in preparing the consolidated financial statements are summarized below.

Nature of Business

Cargill, Incorporated and Subsidiaries (“Cargill” or “the Company”) is engaged in the international marketing and processing of food, agricultural, industrial and financial products and services. Operating in 70 countries worldwide, the Company markets its products principally in four geographic regions: Asia/Pacific, Europe/Africa, Latin America and North America.

Fiscal Year

The Company’s fiscal year ends on May 31 each year. The consolidated financial statements include the Company’s Animal Protein businesses which are wholly owned and consolidated with a 52-week or 53-week reporting period ending in May. The Animal Protein fiscal years each consisted of 52-week periods ending May 27, 2017 and May 28, 2016.

Basis of Presentation and Consolidation

The accompanying consolidated financial statements include the accounts of Cargill, Incorporated and all entities where the Company has a controlling financial interest. Intercompany accounts and transactions are eliminated in consolidation. Investments in companies where the Company does not have a controlling financial interest, but has the ability to exercise significant influence, are accounted for by the equity method. Net earnings include the Company’s share of net income in these companies. Other investments where the Company is unable to exercise significant influence over operating and financial decisions are accounted for at cost. If the fair value of an investment is determined to be less than the carrying amount, a write-down is recorded based on the excess of carrying amount over the fair value of the investment.

The Company determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity.

Voting Interest Entities Voting interest entities are entities in which (i) the total equity investment at risk is sufficient to enable the entity to finance its activities independently and (ii) the equity holders have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the losses of the entity and the right to receive the residual returns of the entity. The usual condition for a controlling financial interest in a voting interest entity is ownership of a majority voting interest. If the Company has a majority voting interest in a voting interest entity, the entity is consolidated. When the Company is a general partner, it considers substantive removal rights held by other parties in determining if the Company holds a controlling financial interest in a voting interest entity.

(1) **<u>Summary of Significant Accounting Policies</u>** (cont.)

<u>Basis of Presentation and Consolidation</u> (cont.)

Variable Interest Entities (VIE) A VIE is an entity that lacks one or more of the characteristics of a voting interest entity. A VIE is consolidated by its primary beneficiary, which is the party that has a controlling financial interest in the entity. The Company has a controlling financial interest in a VIE when the Company has a variable interest or interests that provide it with the (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. If the power to make the decisions that most significantly impact the economic performance of the VIE are shared by two unrelated parties, then neither party is considered to be the primary beneficiary. The Company considers power to be shared when all significant decisions require unanimous consent between unrelated parties. For VIEs with attributes consistent with that of an investment company, the primary beneficiary is the party or group of related parties that absorbs a majority of the expected losses of the VIE, receives the majority of the expected residual returns of the VIE, or both.

<u>Use of Estimates</u>

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on knowledge of current events and actions expected to be undertaken in the future, actual results may ultimately differ from estimates.

<u>Cash and Cash Equivalents</u>

Cash equivalents consist of short-term, highly liquid investments with original maturities of 90 days or less.

<u>Short-term Investments</u>

Short-term investments include highly liquid investments with original maturities greater than 90 days, but less than one year and are primarily accounted for at cost.

<u>Affiliated Private Investment Funds</u>

The Company's noncontrolling investment in several affiliated private investment funds is included in the "Investments and advances" in the accompanying consolidated balance sheets. These affiliated private investment companies use investment company accounting and report substantially all assets and liabilities, excluding debt, at fair value. The Company's share of each fund's earnings is included in the determination of the net earnings.

(1) **Summary of Significant Accounting Policies** (cont.)

Affiliated Private Investment Funds (cont.)

The Company's subsidiary, CarVal Investors, LLC (CarVal), is a global asset management company that has developed and marketed several affiliated private investment funds to provide institutional investors with a variety of value investments including loan portfolios, corporate securities, real estate and special opportunities. CarVal provides investment advisory services to these funds and for certain proprietary accounts of the Company.

As the investment advisor, CarVal is entitled to receive management fees and, in certain cases, advisory fees or incentive fees from these funds. These fees totaled $263 million and $127 million in 2017 and 2016, respectively. At May 31, 2017 and 2016, the fees receivable from these funds were $16 million and $17 million, respectively.

Cargill has investments of $1,159 million and $1,345 million as of May 31, 2017 and 2016, respectively, in nonconsolidated affiliated private investment funds managed by CarVal. As of May 31, 2017 and 2016, approximately 49 percent of the underlying assets in the funds were recorded at fair value by CarVal utilizing valuation methodologies involving market-based or market-derived information, collectively Level 1 and 2 measurements. The remaining 51 percent of the assets as of May 31, 2017 and 2016, were measured by CarVal using model-based techniques, or Level 3 measurements (see the "Investments and Advances" note and the "Fair Value Measurements" note).

Resale and Repurchase Agreements

Financial instruments purchased with agreements to resell (reverse repurchase agreements) and financial instruments sold with agreements to repurchase (repurchase agreements) are treated as collateralized financing transactions and are recorded at the amount at which the financial instruments were initially acquired or sold, including accrued interest. Interest income is recorded on reverse repurchase agreements and interest expense is recorded on repurchase agreements.

It is the Company's policy to take delivery of financial instruments purchased with agreements to resell. The Company has the ability to sell or repledge the securities. The Company monitors the market value of the securities to be resold daily and obtains additional collateral when deemed appropriate. The market value of the collateral received for securities to be resold totaled $214 million and $174 million at May 31, 2017 and 2016, respectively.

The collateral pledged for the financial instruments sold with agreements to repurchase consists of trading securities, accounts receivable and notes receivable and totaled $1,643 million and $1,878 million at May 31, 2017 and 2016, respectively. The repurchase agreements as of May 31, 2017 have maturities of less than 30 days with the exception of $48 million, which have maturities of less than 60 days. The payable balance of $1,439 million is collateralized as follows: $106 million by short-term investments, $926 million by loans and $611 million by foreign issued securities. The transferees have the right to repledge the collateral. The Company offsets resale and repurchase agreements that meet the applicable netting criteria.

Trading Securities and Derivatives

Trading securities are carried at fair value with realized and unrealized gains and losses included in the determination of net earnings. Derivative instruments, including swaps, futures contracts, forward commitments, options and other similar types of contracts and commitments based on either interest rates or foreign exchange rates, as well as equity and commodity derivatives, are traded by the Company. These instruments are carried at their fair value, with realized and unrealized gains and losses included in the determination of net earnings, unless the Company has elected a normal purchases normal sales exception, or has documented and qualified for hedge accounting.

(1) **Summary of Significant Accounting Policies** (cont.)

Trading Securities Sold, Not Yet Purchased

Trading securities sold, not yet purchased represent obligations of the Company to deliver specified securities at a contracted price. These transactions result in off-balance-sheet market risk as the Company's ultimate obligation for trading securities sold, not yet purchased may exceed the amounts recognized in the consolidated balance sheet. Trading securities sold, not yet purchased were classified as accounts payable and accrued expenses in the accompanying consolidated balance sheets and were $186 million and $115 million at May 31, 2017 and 2016, respectively.

Inventories

Certain agricultural inventories that meet the requirements for mark-to-market treatment are stated principally at fair value. Other inventory is stated principally at the lower of cost or market, determined by either the first-in, first-out (FIFO), weighted average, or last-in, first-out (LIFO) method. Fair value is primarily determined from market prices quoted on public commodity exchanges, adjusted for expected freight costs to normal delivery points and a price premium or discount to cover local supply and demand factors as estimated by management. The availability and market price of agricultural commodities are subject to wide fluctuations due to unpredictable factors such as weather, plantings, domestic and foreign government farm programs and policies, global production, and other factors. The Company generally minimizes the risk of market fluctuations by hedging these inventories with futures and options, cash contracts, and foreign exchange contracts.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Costs of significant assets include capitalized interest incurred during the construction and development period. Repairs and maintenance costs are expensed when incurred. Assets are placed in service on the date they are ready and available for intended use.

Depreciation and amortization is primarily determined on the straight-line method over the estimated useful lives of the assets. Buildings are generally depreciated over 15 to 40 years. Machinery and equipment and transportation equipment are generally depreciated over 4 to 12 years. Software is generally depreciated over 4 to 8 years.

The Company periodically evaluates the carrying amount of these long-lived assets for impairment when events and circumstances indicate the carrying amount of an asset group may not be recoverable. An impairment loss on assets held and used would be recognized when estimated undiscounted future cash flows from the operation and disposition of the asset group are less than the carrying amount of the asset group. Asset groups have identifiable cash flows and are largely independent of other asset groups. Measurement of an impairment loss would be based on the excess of the carrying amount of the individual assets over its fair value. Fair value is measured using a discounted cash flow model, market data, or independent appraisals, as appropriate.

Goodwill

Goodwill is not amortized, but is reviewed annually for impairment and more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the asset's fair value. This determination is made at the reporting unit level and consists of two steps. First, the Company determines the fair value of a reporting unit and compares it to its carrying amount. Second, if the carrying amount of a reporting unit exceeds its fair

(1) **Summary of Significant Accounting Policies** (cont.)

Goodwill (cont.)

value, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill.

Intangible Assets

Intangible assets principally consist of trademarks, customer relationships, and other intangible assets resulting from or related to businesses and assets purchased by the Company. Definite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives. The Company reviews amortizing intangible assets for possible impairment as part of a long-lived asset group whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. An impairment loss on amortizing intangible assets would be measured and recognized similar to property, plant and equipment.

The Company reviews indefinite-lived intangible assets, principally comprised of certain trademarks, annually for impairment, and more frequently if events and circumstances indicate that the asset might be impaired. The impairment test for indefinite-lived intangible assets encompasses calculating a fair value of an indefinite-lived intangible asset and comparing the fair value to its carrying value. If the carrying value exceeds the fair value, impairment is recorded.

Asset Retirement Obligations

The Company incurs obligations related to the retirement of certain long-lived assets. The fair values of these retirement obligations are recorded as liabilities on a discounted basis at the time the obligations are incurred. Upon recognition of the liability, the cost is capitalized as part of the related long-lived asset and depreciated over the estimated useful life of the related asset. Accretion expense in connection with the discounted liability is recognized up to the estimated settlement date. The Company’s asset retirement obligations were $57 million and $57 million at May 31, 2017 and 2016, respectively.

Pension and Postretirement Plans

The Company and its subsidiaries have various defined benefit pension and postretirement benefit plans covering most of its domestic employees and many of its foreign employees. The benefits are based on age, years of service and compensation levels during the final years before retirement.

The Company records annual amounts relating to its pension and postretirement plans based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, assumed rates of return, compensation increases, turnover rates and healthcare cost trend rates. The Company reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The effect of modifications to those assumptions is recorded in accumulated other comprehensive income and amortized to net periodic cost over future periods generally using the corridor method. The Company believes that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience and market conditions.

The net periodic costs are recognized as employees render the services necessary to earn the pension and postretirement benefits.

(1) **Summary of Significant Accounting Policies** (cont.)

Share-Based Payment Plans

As discussed more fully in the "Share-Based Payment Plans" note, the Company recognizes expense for its share-based compensation based on the fair value of the awards that are granted. The fair value of stock options is estimated at the date of grant using the Black-Scholes option valuation model which requires the input of certain assumptions. Measured compensation cost is recognized over the service period of the related share-based compensation award. The Company recognizes the impact of any forfeitures when they occur.

Revenue Recognition

The Company recognizes revenue from commodity or product sales when the goods are shipped or delivered, title has transferred, the customer has assumed the risks and rewards of ownership, prices are fixed or determinable, and collectability is reasonably assured. Service revenue is generally recognized over the period of service.

Sales and other revenues include gross sales less value-added, excise and sales taxes and other discounts. Sales that are primarily of a financial nature, such as those related to trade structured financing, energy trading activity and risk management solutions, are recorded net, including unrealized gains and losses on derivative contracts, and margins earned on such transactions are included in sales and other revenues. Shipping and handling costs are included in cost of sales and other revenues.

Transaction Taxes

The Company accounts for transaction taxes collected from customers and remitted to governmental authorities on a net basis included in cost of sales and other revenues.

Foreign Currency Translation

Translation of the financial statements of foreign subsidiaries, whose functional currency is their local currency, is performed for balance sheet accounts using the current exchange rates in effect as of the balance sheet date, and for revenue and expense accounts using a monthly weighted-average exchange rate throughout the year. The translation adjustments are included in other comprehensive income.

Remeasurement gains and losses of foreign subsidiaries operating in hyperinflationary economies and foreign subsidiaries where the U.S. dollar is the functional currency are included in net earnings. Net foreign currency transaction and remeasurement results included in net earnings was a $268 million loss in 2017 and a $208 million loss in 2016.

Income Taxes

The Company and substantially all domestic subsidiaries are members of a group, which files a consolidated Federal income tax return. Federal income taxes or tax benefits are allocated to each subsidiary on the basis of its individual taxable income or loss and tax credits included in the return. Deferred income taxes are recognized for tax consequences of temporary differences by applying enacted statutory tax rates, applicable to future years, to differences between the financial reporting and the tax basis of existing assets and liabilities. The Company records a valuation allowance reducing deferred tax assets when it is more likely than not that such assets will not be realized.

Summary of Significant Accounting Policies (cont.)

Income Taxes (cont.)

The Company records liabilities for uncertain income tax positions based on assessments of the technical merits of the individual tax positions. When the individual tax position has a likelihood of greater than 50% of being sustained, including resolution of any related appeals or litigation processes, a benefit is recognized. The amount of the benefit recorded is dependent upon the Company's assessment of the relevant facts and circumstances. For tax positions that are estimated to have a less than 50% likelihood of being sustained, zero tax benefit is recorded. In future periods, changes in facts, circumstances or new information may require the Company to change the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recorded in results of operations and financial position in the period in which such changes occur.

It is generally the policy of the Company to reinvest unremitted earnings of foreign subsidiaries and corporate joint ventures indefinitely, or for foreign subsidiaries to remit earnings only when the tax effect is minor. Accordingly, no provision has been made for income taxes that may be payable upon remittance of such earnings.

The cumulative amount of unremitted earnings of foreign subsidiaries for which no deferred taxes have been provided at May 31, 2017 and May 31, 2016, was approximately $20,317 million and $18,828 million, respectively. Federal income taxes on any amounts remitted would be partly offset by foreign tax credits. It is impracticable to estimate the amount of income taxes that may be payable upon remittance of such earnings.

Net Earnings Per Share

Basic earnings per share are determined by dividing net earnings attributable to Cargill, Inc. by the weighted average number of shares outstanding. Shares outstanding include Common, Employee Stock Ownership Plan (ESOP) Common, Management, and Retiree stock. In computing diluted earnings per share, the weighted average number of shares outstanding is increased to include additional shares from the assumed exercise of stock options and the issuance of shares from stock grants. The number of additional shares is calculated by assuming stock grants are issued and options were exercised and that the proceeds from exercises were used to acquire shares at the average fair market value during the reporting period.

New Accounting Pronouncements Adopted

In March 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-09, Compensation-Stock Compensation (Topic 718), Improvements to Employee Share-Based Payment Accounting. The new standard provides for simplification for several aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. Early adoption is permitted and the Company adopted the standard effective June 1, 2016. As a result of the adoption, all excess tax benefits or tax deficiencies are now recognized as income tax benefit or expense as applicable. Previously, the benefits were recorded in stockholder's equity. The tax benefit recorded in the consolidated statement of earnings for the year ended May 31, 2017 was $25 million. The standard does not permit retrospective presentation of this benefit in prior years but does require modified retrospective adoption for unrecognized excess tax benefits generated in prior years. The previously unrecognized excess tax benefits are not material.

(1) **Summary of Significant Accounting Policies** (cont.)

New Accounting Pronouncements Adopted (cont.)

In September 2015, the FASB issued ASU 2015-16, Business Combinations (Topic 805), Simplifying the Accounting for Measurement-Period Adjustments. The new standard simplifies the accounting for adjustments made to provisional amounts recognized in a business combination. The amended guidance requires an acquirer to recognize adjustments to provisional amounts identified during the measurement period in the reporting period in which the adjustment amounts are determined. The effect on earnings of changes is recorded in that same period's financial statements. The Company adopted the guidance on June 1, 2016. The adoption of this amended guidance did not have a significant impact on the Company's financial results.

In April 2015, the FASB issued ASU 2015-03, Interest – Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs. The standard requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The Company adopted the guidance on June 1, 2016 and the adoption did not have a material impact on the Company's financial statements.

New Accounting Pronouncements Issued but Not Yet Adopted

In March 2017, the FASB issued ASU 2017-07, Compensation - Retirement Benefits (Topic 715), Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. The new guidance changes the presentation of net periodic benefit cost related to employer sponsored defined benefit plans and other postretirement benefits. Service cost should be included in the same income statement line item as other compensation costs arising from services rendered during the period, while other components of net periodic benefit pension cost should be presented separately outside of operating income. Additionally, only service costs may be capitalized in assets. The Company is required to adopt the standard on June 1, 2019. Early adoption is permitted. Entities should apply the guidance on the presentation of the components of net periodic benefit cost in the income statement retrospectively. The guidance limiting the capitalization of net periodic benefit cost in assets to the service cost component should be applied prospectively. The Company is currently evaluating the potential impact of adoption of this standard on its consolidated financial statements.

In February 2017, the FASB issued ASU 2017-05, Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20), Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets. The new guidance clarifies the scope of Subtopic 610-20 on the sale or transfer of nonfinancial assets to noncustomers, including partial sales. The Company is required to adopt the standard on June 1, 2019. Early adoption is permitted. The new requirements may be implemented using a full or modified retrospective approach. The Company is currently evaluating the potential impact of adoption of this standard on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, Business Combinations (Topic 805), Clarifying the Definition of a Business, which narrows the existing definition of a business and provides a framework for evaluating whether a transaction should be accounted for as an acquisition (or disposal) of assets or a business. Under the new guidance, fewer acquired sets are expected to be considered businesses. The Company is required to adopt this guidance on June 1, 2019. The Company is currently evaluating the potential impact of adoption of this standard on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, Income Taxes (Topic 740), Intra-Entity Transfers of Assets Other Than Inventory. The guidance requires entities to recognize the income tax consequences of

(1) **<u>Summary of Significant Accounting Policies</u>** (cont.)

<u>New Accounting Pronouncements Issued but Not Yet Adopted</u> (cont.)

an intra-entity transfer, other than inventory, when the transfer occurs. Under current accounting rules, entities are prohibited from recognizing current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party. The Company will be required to adopt the amended guidance on a modified retrospective approach. The Company will adopt the amended guidance on June 1, 2019. Early adoption is permitted as of the beginning of an annual period. The Company does not expect the adoption of this amended guidance to have a significant impact on the Company's financial results.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments that will eliminate diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The guidance is effective for our fiscal year ended May 31, 2020. Early adoption is permitted and the retrospective transition method should be applied. The Company expects the impact of adopting this guidance will not have a material impact on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments, which revises guidance for the accounting for credit losses on financial instruments within its scope. The new standard introduces an approach, based on expected losses, to estimate credit losses on certain types of financial instruments and modifies the impairment model for available-for-sale debt securities. The new approach to estimating credit losses applies to most financial assets measured at amortized cost and certain other instruments. The Company is required to adopt this guidance on June 1, 2021. The Company is currently evaluating the potential impact of adoption of this standard on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The new standard requires a lessee to recognize most leases on its balance sheet as lease liabilities with corresponding right-of-use assets. The objective of this guidance is to increase transparency and comparability across organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The new standard will be effective for the Company on June 1, 2020. Early adoption is permitted. The Company is currently evaluating the effect that the new standard will have on its consolidated financial statements and disclosures.

In July 2015, the FASB issued ASU 2015-11, Inventory (Topic 330), Simplifying the Measurement of Inventory. Under the new guidance, inventory is measured at the lower of cost or net realizable value (NRV), which is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The guidance is effective for our fiscal year ended May 31, 2018. Early adoption is permitted. The Company is evaluating the effect that the new standard will have on its consolidated financial statements and disclosures.

In February 2015, the FASB issued ASU 2015-02, Amendments to the Consolidation Analysis, and in October 2016 the FASB issued ASU 2016-17, Interests Held through Related Parties That Are under Common Control, to improve targeted areas of the consolidation guidance (Topic 810). The new standards impact the way reporting enterprises evaluate whether (a) they should consolidate limited partnerships and similar entities, (b) fees paid to a decision maker are a variable interest into a variable interest entity (VIE), and (c) variable interests held by related parties of the reporting enterprise require the reporting enterprise to consolidate the VIE. The new standard will be effective for the Company on June 1, 2017. The Company will utilize the modified retrospective approach for any cumulative effect adjustment, although none is anticipated.

(1) **Summary of Significant Accounting Policies** (cont.)

New Accounting Pronouncements Issued but Not Yet Adopted (cont.)

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The new standard requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The amended guidance will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. In August 2015, the FASB issued amended guidance (ASU 2015-14) approving a one year delay of the revenue recognition standard, and accordingly, the new standard will be effective for the Company on June 1, 2019. The Company continues to hold workshops with its accounting and commercial teams across the globe to identify areas of potential impact under the standard, including separate identification and recognition of distinct performance obligations provided to customers. Any changes in how the Company recognizes revenue will not alter the amount of revenue that is recognized but may change the timing of recognition and will result in additional disclosures to disaggregate those revenues recognized at a point in time from those recognized over time. We continue to make significant progress on our contract reviews and are also in the process of evaluating the impact, if any, on changes to our business processes, systems and controls to support recognition and disclosure under the new guidance. Based on the foregoing, we do not expect this guidance to have a material impact on the timing of when the Company recognizes revenue.

(2) **Other Financial Statement Data**

The following table provides additional information related to selected balance sheet accounts:

		2017	2016
		(In millions)	
Accounts receivable, notes receivable, and accrued income, net			
Trade	$	6,940	7,456
Unrealized gains on derivative contracts		1,300	2,230
Income tax receivables		434	454
Receivables from non-consolidated affiliates		167	161
Non-Trade		3,591	3,305
		12,432	13,606
Less: Allowance for doubtful accounts		452	493
Total	$	11,980	13,113
Accounts payable and accrued expenses			
Trade	$	6,403	6,014
Unrealized losses on derivative contracts		1,176	2,032
Accrued expenses		2,594	2,324
Other		2,457	2,229
Total	$	12,630	12,599

(3) **Trading Securities**

Trading securities are carried at fair value and include the following:

		2017	2016
		(In millions)	
Trading securities			
Foreign issued securities	$	835	521
U.S. Treasury securities		57	--
Corporate and other securities		41	43
Total	$	933	564

(3) **Trading Securities** (cont.)

Trading securities pledged as collateral for financial instruments sold with agreements to repurchase were $611 million and $232 million at May 31, 2017 and 2016, respectively.

(4) **Inventories**

A summary of inventories follows:

		2017	2016
		(In millions)	
Inventories at lower of cost or market			
FIFO and weighted average inventories	$	5,220	5,792
LIFO inventories, net of reserve of $553 and $609 in 2017 and 2016, respectively		1,255	1,414
Total inventories at lower of cost or market		6,475	7,206
Total inventories at fair value		6,310	6,283
Total	$	12,785	13,489

(5) **Acquisitions**

2017 Acquisitions

Acquisition of Five Star Custom Foods, Ltd.

On July 1, 2016, Cargill acquired Five Star Custom Foods, Ltd. (Five Star), a business specializing in cooked protein products and custom prepared soups and sauces located in Fort Worth, Texas for $176 million.

Cargill allocated the purchase price to the Five Star tangible and identifiable intangible assets acquired and liabilities assumed based on fair values as of July 1, 2016.

Goodwill represents the amount by which the purchase price exceeds the fair value of the net assets acquired. The goodwill acquired in this acquisition is not amortizable under local tax rules.

Other Acquisitions

Acquisition of BioBased Technologies LLC

On May 15, 2017, the Company purchased Biobased Technologies, LLC, an industrial oils business in the U.S. for $3 million.

Acquisition of SGS Agricultura e Industria Ltda

On December 29, 2016, the Company acquired SGS Agricultura e Industria Ltda. (SGS), a business that produces vegetable-based industrial oils, fatty acids and derivatives located in Ponta Grossa, Brazil for $46 million.

Cargill allocated the purchase price to the SGS tangible and identifiable intangible assets acquired and liabilities assumed based on fair values as of December 29, 2016.

Goodwill represents the amount by which the purchase price exceeds the fair value of the net assets acquired. The goodwill acquired in this acquisition is not amortizable under local tax rules.

(5) **Acquisitions** (cont.)

Other Acquisitions (cont.)

Acquisition of Earlypig

On November 28, 2016, the Company purchased Earlypig, an animal nutrition business in France for $2 million.

A summary of the fair values of assets acquired and liabilities assumed during the year ended May 31, 2017, at the date of acquisition is as follows:

	Five Star	Other Acquisitions	Total
		(In millions)	
Cash	$ 1	--	$ 1
Accounts receivable	10	3	13
Inventories	19	5	24
Intangible assets	56	7	63
Goodwill	71	32	103
Owned property, plant & equipment	26	9	35
Liabilities	(7)	(5)	(12)
Total cash paid	$ 176	51	$ 227

2016 Acquisitions

Acquisition of EWOS

On October 8, 2015, Cargill acquired EWOS, a producer of feed for salmon and other fish species for $1,641 million ($1,594 million cash and $47 million holdback that was paid in April 2016). The acquisition expands Cargill's presence in the aquaculture nutrition business.

Cargill allocated the purchase price to the EWOS tangible and identifiable intangible assets acquired and liabilities assumed based on the fair values as of October 8, 2015.

Goodwill represents the amount by which the purchase price exceeds the fair value of the net assets acquired. The goodwill acquired in this acquisition is not amortizable under local tax rules.

Acquisition of ADM Chocolate Business

On July 31, 2015, Cargill acquired the global chocolate business of Archer Daniels Midland (ADM) for $436 million. The acquisition complements Cargill's existing chocolate business. On April 29, 2016 Cargill divested of ADM's industrial chocolate business in Germany to address the European Commission's conditional clearance to complete the acquisition. In the table below, $55 million of assets related to the German business are reported as held for sale and are included in other assets. An impairment charge of $46 million was recorded in August of 2015 related to the German business.

Cargill allocated the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed based on fair values as of July 31, 2015.

Goodwill represents the amount by which the purchase price exceeds the fair value of the net assets acquired. The goodwill acquired in this acquisition is amortizable under local tax rules.

(5) **Acquisitions** (cont.)

Other Acquisitions

Acquisition of NatureWax
On April 19, 2016, Cargill acquired NatureWax, a market-leading provider of natural, vegetable-based waxes in Illinois from Elevance Renewable Sciences, Inc. for $22 million ($18 million cash and $4 million contingent future payment). The acquisition complements Cargill's bio-industrial business.

Cargill allocated the purchase price to the assets acquired and liabilities assumed based on fair values as of April 19, 2016.

Acquisition of Dossche Feed Mills
On March 22, 2016, Cargill acquired four feed mills in Poland from Dossche Mills NV for $29 million. The acquisition complements Cargill's feed and nutrition business in Poland. Cargill allocated the purchase price to the assets acquired and liabilities assumed based on fair values as of March 22, 2016.

Acquisition of FPL Ground Beef Processing Facility
On March 4, 2016, Cargill acquired a ground beef processing facility in South Carolina from FPL Food, LLC for $58 million. The acquisition enhances Cargill's North America Beef business. Cargill allocated the purchase price to the assets acquired and liabilities assumed based on fair values as of March 4, 2016.

Acquisition of Format International Ltd.
On December 8, 2015, Cargill acquired Format International Ltd., a leading global feed formulation software company for $13 million. Format International will become part of Cargill Feed Management Systems, a software company that provides formulation and operations solutions to the animal feed industry. Cargill allocated the purchase price to the tangible and intangible assets acquired and liabilities assumed based on fair values as of December 8, 2015.

Acquisition of FMC Pectin Business
On September 15, 2015, Cargill acquired the pectin operations in Milazzo, Sicily (Italy) from FMC Corporation for $7 million. The acquisition complements Cargill's portfolio of texturizing products. Cargill allocated the purchase price to the tangible assets acquired and liabilities assumed based on fair values as of September 15, 2015.

Acquisition of Ekol Gida
On September 4, 2015, Cargill acquired 51% of Ekol Gida, a leading company operating in premix and feed additives markets in Turkey for $7 million. The acquisition complements Cargill's existing animal nutrition business. Cargill recorded a preliminary allocation of the purchase price to the tangible assets acquired and liabilities based on fair values as of September 4, 2015.

Acquisition of Zamanita Ltd.
On June 1, 2015, Cargill acquired Zamanita Ltd., the soybean crushing and oil refining subsidiary of Zambeef for $27 million. The acquisition complements Cargill's existing businesses in Zambia. Cargill allocated the purchase price to the tangible assets acquired and liabilities assumed based on fair values as of June 1, 2015.

A summary of the fair values of assets acquired and liabilities assumed during the year ended May 31, 2016, at the date of acquisition, is as follows:

(5) **Acquisitions** (cont.)

	EWOS	ADM Chocolate	Other Acquisitions	Total
		(In millions)		
Cash	$ 111	10	2	$ 123
Accounts receivable	365	18	53	436
Inventories	195	127	41	363
Other assets	59	63	1	123
Intangible assets	338	28	53	419
Goodwill	788	34	61	883
Owned property, plant & equipment	323	162	52	537
Liabilities	(538)	(6)	(88)	(632)
Non-controlling interests	--	--	(12)	(12)
Total purchase price	1,641	436	163	2,240
Holdback	(47)	--	(4)	(51)
Total cash paid	$ 1,594	436	159	$ 2,189

(6) **Disposals**

During 2017, the Company disposed of certain oilseeds processing and refining facilities located in Europe and the U.S. crop inputs business. The Company also divested of other non-strategic businesses and investments. Total proceeds related to disposals amounted to $667 million resulting in a before tax gain of $192 million and an after tax gain of $112 million.

During 2016, Cargill sold its U.S. pork business to JBS USA Pork for $1.42 billion. The sale included two processing plants, five feed mills and four swine farms that resulted in a before tax gain of $909 million and an after tax gain of $548 million. Cargill also sold its 50% stake in North Star BlueScope Steel LLC to BlueScope Steel Ltd. for $720 million which resulted in a before tax gain of $625 million and an after tax gain of $401 million. Additionally, the Company sold other non-strategic businesses for $107 million that resulted in a before tax gain of $22 million recorded in other expense, net and an after tax gain of $14 million.

(7) **Transfers of Assets with Continuing Involvement**

The Company sells certain trade receivables and trade related loans through established programs to various third parties, which primarily include foreign and domestic financial institutions. As part of these transactions, the Company often maintains continuing involvement with the transferred assets. The continuing involvement includes, but is not limited to servicing responsibilities, recourse obligations and retained interests such as interest-only strips. Servicing responsibilities consist of the collection and remittance of cash on assets sold. Most of these transactions are accounted for as sales in accordance with accounting standards for transfers and servicing of financial assets. Therefore, the assets transferred are removed from the consolidated balance sheet and a gain or loss is recognized for the difference between the assets sold and the assets and liabilities recognized as part of these transactions. Assets and liabilities recognized as part of these transactions, including servicing and recourse obligations are measured at fair value. The Company's recourse obligation on assets transferred with recourse is generally a maximum of 15 percent.

(7) **Transfers of Assets with Continuing Involvement** (cont.)

The following tables present information regarding receivable transfers by type of continuing involvement and for which the Company has received sales treatment.

	2017	2016
	(In millions)	
Assets sold		
Principal amount outstanding		
With limited recourse	$ 4,210	$ 3,981
With no recourse	2,026	2,205
Total	$ 6,236	$ 6,186
Sale proceeds		
Cash proceeds from sale		
With limited recourse	$ 4,122	$ 4,580
With no recourse	4,611	6,370
Total	$ 8,733	$ 10,950

The fair value of the servicing liability for the principal amounts outstanding above was insignificant as of May 31, 2017, and 2016. The initial fair value of retained interests and recourse obligations recorded for new transfers during the year ended May 31, 2017 and 2016, was $130 million and $170 million, respectively.

The pre-tax gain recorded on the sale of assets with continuing involvement during the year ended May 31, 2017 and 2016, was $77 million and $92 million, respectively.

In certain circumstances, the Company transfers a portion of an asset instead of an entire asset. Since the portion of the asset transferred does not meet the definition of a participating interest, these transactions do not meet the criteria for sales treatment under the accounting guidance for transfers of financial assets and are required to be treated as a secured borrowing. For these transactions, the Company cannot remove the asset from its consolidated financial statements and is required to recognize a liability for the proceeds received. As of May 31, 2017 and 2016, the principal amount outstanding for secured borrowings was approximately $9 million and $9 million, respectively.

(8) **Variable Interest Entities**

The Company enters into various types of transactions with entities that involve variable interests. Variable interests are generally defined as contractual, ownership or other economic interests in an entity that change with fluctuations in the entity’s net asset value. The Company determines whether it is the primary beneficiary of a VIE based on a qualitative assessment of the VIE. This includes a review of the VIE's capital structure, contractual relationships and terms, the nature of the VIE's operations and purpose, the nature of the VIE's interests issued, and the Company’s involvements with the entity. The Company also evaluates the design of the VIE and the related risks the entity was designed to expose the variable interest holders to in evaluating consolidation.

The following provides a summary of significant transactions the Company has entered into with entities that involve different types of VIEs:

(8) **Variable Interest Entities** (cont.)

Real Estate (RE) and Nonperforming Loan (NPL) VIEs: the Company is involved with certain VIEs that were formed with one or more investors to acquire, hold, restructure and dispose of real estate assets and performing and nonperforming loans. These VIEs are typically financed through debt and/or equity provided by the investors, including the Company. The investors and third-party creditors generally have recourse only to the extent of the assets held by these VIEs. The entities included in this disclosure are VIEs because generally they do not have sufficient equity to finance their activities without additional subordinated financial support, or the investors do not have the ability to make significant decisions about the entities activities. The Company does not generally provide financial support to any of these VIEs beyond that which is contractually required.

Hedge Fund VIEs: the Company is involved with certain affiliated hedge fund VIEs both as the investment adviser and an investor into the funds. The purpose of such VIEs is to provide strategy specific investment opportunities for investors in exchange for management and performance based fees. The investment strategies of the hedge funds differ by product; however, the fundamental risks of the hedge funds have similar characteristics, including loss of invested capital and loss of management fees and performance based fees. The investors and third-party creditors generally have recourse only to the extent of the assets held by these VIEs. The entities included in this disclosure are VIEs because the equity investors lack the characteristics of a controlling financial interest. The Company does not provide performance guarantees and has no other financial obligation to provide funding to these consolidated VIEs other than its own capital commitments.

Other VIEs: the Company also has variable interests with certain other entities that are involved in leasing, food and other industrial activities. These VIEs are typically financed through debt and/or equity provided by the investors, including the Company. The investors and creditors generally have recourse only to the extent of the assets held by these VIEs. The entities included in this disclosure are VIEs because generally they do not have sufficient equity to finance their activities without additional subordinated financial support. The Company does not generally provide financial support to any of these VIEs beyond that which is contractually required.

In considering aggregation, qualitative and quantitative information about the different risk and reward characteristics was assessed. The Company has aggregated its involvement in VIEs based upon principal business activity for both consolidated and nonconsolidated VIEs.

(8) **Variable Interest Entities** (cont.)

The following table displays the carrying amount and classification of assets and liabilities of consolidated VIEs that are included in the Company's consolidated balance sheet as of May 31, 2017. The equity interests of consolidated VIEs not owned by the Company are reported as noncontrolling interests on the Company's consolidated balance sheet.

	RE and NPL VIEs	Hedge Fund VIEs	Other VIEs	Total VIEs
	(In millions)			
Cash and cash equivalents	$ 1	2	15	$ 18
Short-term investments	--	--	--	--
Trading securities	--	--	--	--
Accounts receivable, notes receivable, and accrued income, net	4	--	51	55
Inventories	--	--	77	77
Other	--	--	6	6
Total current assets	5	2	149	156
Investments and advances	--	--	61	61
Other assets	--	1	95	96
Total other assets	--	1	156	157
Net property	--	--	189	189
Total assets	$ 5	3	494	$ 502
Short-term debt	$ --	--	14	$ 14
Accounts payable and accrued expenses	10	--	69	79
Total current liabilities	10	--	83	93
Long-term debt	--	--	27	27
Other liabilities	--	2	250	252
Total liabilities	$ 10	2	360	$ 372

In 2017, the Company consolidated a previously nonconsolidated investment as the Company became the primary beneficiary. The consolidation resulted in an increase in total assets and liabilities of $47 million and $43 million, respectively.

The Company also transferred $161 million of assets and $24 million of liabilities from a consolidated real estate VIE to a wholly owned voting interest entity. The transaction had zero impact on the total assets of the Company at May 31, 2017.

(8) **Variable Interest Entities** (cont.)

The following table displays the carrying amount and classification of assets and liabilities of consolidated VIEs that are included in the Company's consolidated balance sheet as of May 31, 2016. The equity interests of consolidated VIEs not owned by the Company are reported as noncontrolling interests on the Company's consolidated balance sheet.

	RE and NPL VIEs	Hedge Fund VIEs	Other VIEs	Total VIEs
	(In millions)			
Cash and cash equivalents	$ 14	1	8	$ 23
Short-term investments	--	--	--	--
Trading securities	--	--	--	--
Accounts receivable, notes receivable, and accrued income, net	1	--	57	58
Inventories	--	--	28	28
Other	7	--	2	9
Total current assets	22	1	95	118
Investments and advances	140	1	71	212
Other assets	--	1	57	58
Total other assets	140	2	128	270
Net property	--	--	217	217
Total assets	$ 162	3	440	$ 605
Short-term debt	$ --	--	28	$ 28
Accounts payable and accrued expenses	24	2	49	75
Total current liabilities	24	2	77	103
Long-term debt	--	--	29	29
Other liabilities	--	--	260	260
Total liabilities	$ 24	2	366	$ 392

The Company also holds variable interests in the form of loan and equity investments in a variety of VIEs for which the Company is not the primary beneficiary. The Company's involvement with nonconsolidated VIEs consists of assisting in the formation and financing of the entity, and making passive debt and or equity investments. The Company is not required to consolidate these entities because the nature of its involvement with the activities of the VIEs does not give it power over decisions that significantly affect their economic performance. The classification of the Company's variable interest in these entities in the consolidated financial statements is based on the nature of the entity and the type of investment held. These investments are classified in the following captions in the accompanying consolidated balance sheets: "Accounts receivable, notes receivable, and accrued income, net" for current receivables from nonconsolidated VIE affiliates, "Inventories" and "Investments and advances" for long term receivables and investments in nonconsolidated VIE companies accounted for using the equity method of accounting.

(8) **Variable Interest Entities** (cont.)

The following table summarizes the carrying amounts of the assets and the maximum loss exposure as of May 31, 2017 and 2016, related to the Company's involvement with variable interests in nonconsolidated VIEs.

Type of VIE	Accounts receivable, notes receivable, and accrued income, net	Inventories	Investments and advances	Maximum exposure to loss *
	(In millions)			
2017				
RE and NPL VIEs	$ --	--	--	--
Other VIEs	25	279	62	422
Total	$ 25	279	62	422
2016				
RE and NPL VIEs	$ --	--	4	4
Other VIEs	19	229	64	342
Total	$ 19	229	68	346

* Includes maximum exposure to loss attributable to guarantees and unfunded commitments

(9) **Foreign Operations**

The following table summarizes amounts included in the accompanying consolidated financial statements for operations located outside the U.S., before elimination of intercompany accounts with domestic companies.

	2017	2016
	(In millions)	
Working capital	$ 11,184	8,556
Net other assets	13,815	13,222
	24,999	21,778
Less noncontrolling interests	353	364
Equity in net assets exclusive of noncontrolling interests	$ 24,646	21,414
Net earnings of foreign operations	$ 1,948	664

(10) **Venezuela Operations**

The Company has operations in Venezuela that import various food and feed ingredients and manufacturing equipment into the country and pay U.S. dollars for these goods. These operations further process and refine the goods, and sell the finished products to local third-party customers for Venezuelan bolivars.

(10) **Venezuela Operations** (cont.)

Effective November 30, 2015, the Company stopped consolidating its Venezuelan operations and began accounting for its investment in those operations using the cost method of accounting. This change reflects the Company's inability to convert Venezuelan bolivars to U.S. dollars or to pay U.S. dollar dividends, combined with the continued decline in the ability to control the operations as a result of local government intervention. This change in accounting treatment does not directly impact the local Venezuelan operations. The Company remains committed to serving the Venezuelan market place.

As a result of this deconsolidation, the Company recorded a before tax charge of $176 million ($149 million after tax) during fiscal 2016 to remove all assets and liabilities of the Venezuelan operations from the consolidated balance sheet. Subsequent to November 30, 2015, the Company has excluded the operating results of the Venezuelan operations from its consolidated financial statements, and will only report earnings upon the receipt of U.S. dollars.

(11) **Investments and Advances**

A summary of investments and advances is as follows:

	2017	2016
	(In millions)	
Nonconsolidated companies accounted for using the equity method of accounting:		
Investments	$ 2,149	2,297
Advances	140	117
Investments carried at cost	34	35
Available for sale securities	70	70
Investments in private investment funds:		
CarVal Asset Management Funds	1,159	1,345
Other funds	261	308
Investments in real estate assets	140	135
Other miscellaneous investments	138	133
Total	$ 4,091	4,440

(11) **Investments and Advances** (cont.)

The summarized financial information shown below includes all nonconsolidated companies accounted for using the equity method of accounting, and is based on the most recently available financial information which approximates the information as of and for the years ended May 31, 2017 and 2016. These companies include a U.S. flour milling company, a global sugar trading company, Australian flour milling business (for the year ended May 31, 2016 and for the 10 months ended March 31, 2017), Australian beef processing businesses, a U.S. steel company (for the five months ended October 31, 2015), and other agricultural joint ventures.

		2017	2016
		(In millions)	
Sales and other revenues	$	21,941	19,772
Net earnings		306	328
Equity in net earnings		102	130
Cash	$	898	620
Financial instruments		10	14
Accounts receivable		2,115	2,158
Inventories		2,073	2,073
Other assets		1,944	2,553
Property, plant and equipment		2,638	2,796
Total assets		9,678	10,214
Debt obligations		2,461	3,185
Other liabilities		3,017	2,561
Net assets	$	4,200	4,468
Equity in net assets	$	2,149	2,297

Certain debt obligations shown above have recourse to Cargill and are supported by Cargill guarantees with terms equal to the related debt amounts. No liability has been recorded related to these guarantees. Other portions of the debt obligations shown above are non-recourse to Cargill, are collateralized by specific assets of the nonconsolidated companies and the lenders do not have recourse to any other assets of the Company.

(11) **Investments and Advances** (cont.)

The summarized financial information shown below includes all nonconsolidated investments in private investment funds accounted for using the equity method of accounting, and is based on the most recently available financial information, which approximates the information as of and for the years ended May 31, 2017 and 2016.

		2017	2016
		(In millions)	
Net investment income	$	136	28
Realized gains		1,184	298
Unrealized gains/(losses)		304	(262)
Cash	$	2,261	1,820
Cash deposits and collateral held with brokers		1,226	856
Investments in securities, at fair value		33,747	31,951
Investments in real estate, at fair value		533	549
Investments in loan portfolios, at fair value		2,102	2,393
Investments in special opportunities, at fair value		976	662
Receivable for repurchase agreements		11,534	32,002
Receivable for securities sold		6,026	4,876
Other assets		2,505	2,419
Total assets	$	60,910	77,528
Investments in securities sold short, at fair value		32,036	26,785
Financial instruments sold with agreements to repurchase		4,713	31,256
Payable for securities purchased		7,421	4,121
Debt obligations		202	408
Margin payable		699	584
Other liabilities		1,361	1,038
Net assets	$	14,478	13,336
Equity in net assets	$	1,420	1,653

(12) **Restructuring and Asset Impairment Charges**

Restructuring charges in 2017 resulted primarily from global function reorganization and transfer of activities to shared services. Restructuring charges in 2016 resulted primarily from facility closures in Europe and organizational restructuring.

Asset impairments in 2017 principally resulted from impairments of assets in businesses that are held for sale in Switzerland and impairments of held for use assets in Zambia, U.S. and Australia. Asset impairments in 2016 include impairments of poultry production assets in China, chocolate production assets in Germany, and flour milling assets in Argentina.

(12) **Restructuring and Asset Impairment Charges** (cont.)

A summary of restructuring and asset impairment charges follows:

		2017	2016
		(In millions)	
Restructuring	$	160	103
Asset impairment			
U.S. and Australia malt assets		69	--
Zambia processing assets		29	--
Switzerland animal nutrition assets		29	--
China poultry assets		--	166
Germany chocolate assets		--	46
Argentina flour assets		--	30
Other		32	85
Total asset impairment charges		159	327
Total restructuring and asset impairment charges	$	319	430

(13) **Other Expense, Net**

Other expense, net for the year ended May 31, 2017, includes $192 million of gains from the divestiture of certain non-strategic businesses, $153 million of expenses related to the extinguishment of long-term debt, $98 million of net foreign currency transaction and translation losses and $80 million of charitable contribution expense.

Other expense, net for the year ended May 31, 2016, includes $22 million of gains from the divestiture of certain non-strategic businesses, $55 million of gains on the disposal of certain fixed assets, $74 million gain related to a property insurance settlement, $245 million of net foreign currency transaction and translation losses, and $16 million of losses on legal matters.

(14) **Property**

The components of property are summarized below:

	2017	2016
	(In millions)	
Owned property, plant and equipment at cost:		
Land	$ 709	691
Buildings	8,108	7,789
Machinery and equipment	18,362	17,625
Transportation equipment	935	889
Software	1,103	1,076
Total	$ 29,217	28,070
Property under capital leases:		
Land, improvements and buildings	$ 163	157
Machinery and equipment	128	121
Transportation equipment	25	25
Total	$ 316	303
Accumulated depreciation and amortization:		
Owned property, plant and equipment	$ 17,059	16,124
Property under capital leases	205	189
Total	$ 17,264	16,313

Capitalized interest on major construction projects was $17 million and $30 million in 2017 and 2016, respectively.

(15) **Goodwill and Other Intangible Assets**

Acquired intangible assets as of May 31, 2017 consisted of the following:

	Gross carrying amount	Accumulated amortization
	(In millions)	
Amortizing intangible assets:		
Trademarks	$ 30	13
Customer relationships	602	258
Land use rights	146	26
Other assets	227	72
Total	$ 1,005	369
Indefinite-lived intangible assets:		
Trademarks	$ 391	

(15) **Goodwill and Other Intangible Assets** (cont.)

Acquired intangible assets as of May 31, 2016 consisted of the following:

		Gross carrying amount	Accumulated amortization
		(In millions)	
Amortizing intangible assets:			
Trademarks	$	31	10
Customer relationships		645	212
Land use rights		148	23
Other assets		164	52
Total	$	988	297
Indefinite-lived intangible assets:			
Trademarks	$	388	

Based on the identified intangible assets recorded at May 31, 2017, the future amortization expense for the next five years is as follows:

Years ending May 31		Amount
		(In millions)
2018	$	100
2019		96
2020		93
2021		68
2022		54
Amortization expense 2017	$	100
Amortization expense 2016	$	98

The changes in the carrying amount of goodwill for the years ended May 31, 2017 and 2016, were as follows:

		2017	2016
		(In millions)	
Balance at beginning of year	$	3,200	2,470
Additional goodwill acquired		103	883
Decrease in goodwill from disposals		(5)	(49)
Foreign currency translation and other		54	(104)
Balance at end of year	$	3,352	3,200

(16) **Short-term Debt**

Short-term debt consists of the following at May 31:

	2017	2016
	(In millions)	
Notes payable to banks	$ 1,135	804
Current portion of long-term debt and obligations under capital leases	161	1,270
Secured loans	97	136
Unsecured loans	344	298
Total	$ 1,737	2,508

Cargill's $5 billion syndicated committed credit facility was refinanced in October 2016. It is structured as a revolving line of credit, consisting of a $1.25 billion, 364-day facility and a $3.75 billion, five-year facility that matures in October 2021. These credit facilities provide backup liquidity to the Company's commercial paper programs. As of May 31, 2017 and 2016, the Company had no borrowings outstanding on the credit facility.

Cargill also has a $1 billion committed revolving credit facility on non-U.S. markets. The 364-day facility, which was renewed in March 2017, enhances Cargill's flexibility in meeting short-term funding needs. The facility includes a one-year term-out option. As of May 31, 2017 and 2016, the Company had no borrowings outstanding on the credit facility.

Cash paid for interest on short-term debt, long-term debt and repurchase agreements, was $537 million and $609 million in 2017 and 2016, respectively.

(17) **Long-term Debt**

In April 2017, the Company issued a tender offer and a make-whole call to extinguish portions of the long-term debt maturing between 2017 and 2042. During May 2017, the offers redeemed a total of $2,143 million in face value of long-term debt which included $898 million of the 6.0% notes due in 2017, $450 million of the 7.35% notes due in 2019, $522 million of the 4.307% notes due in 2021, $207 million of the 4.1% notes due in 2042, $25 million of the 8.89% notes due in 2022, $4 million of the 7.5% notes due in 2026, $1 million of the 7.41% notes due in 2027, $19 million of the 7.375% notes due in 2025, $1 million of the 6.875% notes due in 2036, $4 million of the 6.625% notes due in 2037 and $12 million of the 6.125% notes due in 2036. The Company recognized the transactions as an extinguishment of debt and recorded $153 million of costs related to the transactions in other expense.

In October 2015, Cargill issued a tender offer to refinance a portion of the long-term debt maturing between 2025 and 2037 with a total face value of $1,465 million. The offer included the exchange of two 6.125% senior notes, 6.625% senior notes, and 7.5% senior notes. As a result of the offer, Cargill exchanged approximately $484 million of the existing debt for $602 million in newly issued debt. The exchange was accounted for as a debt modification as the exchanged instruments were not substantially different from the original instruments. The Company recognized $5 million of issuance costs related to the debt exchange in earnings.

(17) **Long-term Debt** (cont.)

Long-term debt consists of the following:

		2017	2016
		(In millions)	
Senior Notes and Debentures:			
1.9%, $0 face value, due March, 2017	$	--	650
3.25%, $500 face value, due November, 2021		499	499
3.3%, $350 face value, due March, 2022		349	349
4.1%, $243 face value, due November, 2042		242	449
4.307%, $677 face value, due May, 2021		661	1,162
4.76%, $602 face value, due November, 2045		475	470
6.0%, $0 face value, due November, 2017		--	898
6.125%, $162 face value, due April, 2034		159	159
6.125%, $133 face value, due September, 2036		132	143
6.625%, $197 face value, due September, 2037		196	200
6.875%, $99 face value, due February, 2036		100	101
7.25%, $91 face value, due November, 2036		91	91
7.28%, $35 face value, $5 due annually to June, 2023		35	40
7.375%, $156 face value, due October, 2025		156	175
7.5%, $105 face value, due September, 2026		105	109
8.89%, $75 face value, due March, 2022		75	100
8.93%, $100 face value, due December, 2024		100	100
U.S. Medium Term Notes:			
6.875%, $310 face value, due May, 2028		90	90
7.35%, $0 face value, due March, 2019		--	449
7.41%, $99 face value, due June, 2027		99	100
7.07% to 7.3%, $78 face value, due in various installments to November, 2028		78	98
European Medium Term Notes:			
1.875%, €500 face value, due September, 2019		559	556
2.5%, €500 face value, due February, 2023		558	555
4.875%, €500 face value, due May, 2017		--	556
5.375%, £150 face value, due March, 2037		192	218
Industrial Revenue Bonds:			
0.44% to 2.375%, due in various installments to June, 2041		492	492
Railcar and barge financing		21	22
Obligations under capital leases		204	195
Obligations of foreign subsidiaries		269	263
Other		--	27
		5,937	9,316
Less current portion		161	1,270
Total	$	5,776	8,046

The Company has pledged assets of $157 million and $149 million at May 31, 2017 and 2016, respectively, as security for various long-term loans. Annual maturities of long-term debt are $148 million in 2019, $574 million in 2020, $694 million in 2021, $936 million in 2022, $3,424 million thereafter.

(18) Capital Stock

All of the following classes of stock are equal in preference, except that the preferred stock and special preferred stock are senior to all other classes of stock. All of the classes of stock have the same voting rights, except for the retiree stock and special management stock, which have no voting rights. The preferred stock and special preferred stock receive 5% cumulative dividends, and all other classes of stock receive dividends at the same rate.

The following summarizes transactions in the Company's capital stock:

	Issued	Outstanding	Amount
	(Shares in thousands)		(In millions)
Preferred stock			
5% cumulative dividend, $50 par value; 400,000 shares authorized:			
Balance at May 31, 2015, 2016 and 2017	199	--	$ --
Special preferred stock			
5% cumulative dividend, $50 par value; 10,000 shares authorized:			
Balance at May 31, 2015, 2016 and 2017	6	6	$ 0.3
Common stock			
$.01 par value; 2,400,000,000 shares authorized:			
Balance at May 31, 2015, 2016 and 2017	1,802,808	702,682	$ 7.0
ESOP common stock			
$.01 par value; 500,000,000 shares authorized:			
Series A ESOP common stock			
125,000,000 shares designated:			
Balance at May 31, 2015	115,875	55,963	$ 0.6
Acquired for treasury	--	(6,184)	(0.1)
Balance at May 31, 2016	115,875	49,779	0.5
Acquired for treasury	--	(4,244)	--
Balance at May 31, 2017	115,875	45,535	$ 0.5

(18) **Capital Stock** (cont.)

	Issued	Outstanding	Amount
	(Shares in thousands)		(In millions)
Series B ESOP common stock			
50,000,000 shares designated:			
Balance at May 31, 2015, 2016 and 2017	2,897	--	$ --
Management stock			
$.01 par value; 321,000,000 shares authorized:			
Balance at May 31, 2015	107,850	9,395	$ 0.1
Acquired for treasury	--	(3,465)	--
Issued from treasury under employee compensation plans	--	1,081	--
Balance at May 31, 2016	107,850	7,011	$ 0.1
Acquired for treasury	--	(5,251)	(0.1)
Issued from treasury under employee compensation plans	--	842	--
Balance at May 31, 2017	107,850	2,602	$ --
Retiree stock			
$.01 par value; 71,500,000 shares authorized:			
Balance at May 31, 2015	20,015	5,879	$ 0.1
Acquired for treasury	--	(3,232)	(0.1)
Issued from treasury	--	2,313	--
Balance at May 31, 2016	20,015	4,960	--
Acquired for treasury	--	(2,712)	--
Issued from treasury	--	4,922	0.1
Balance at May 31, 2017	20,015	7,170	$ 0.1
Special management stock			
$.01 par value; 3,500,000 shares authorized:			
Balance at May 31, 2015, 2016 and 2017	500	--	$ --

(19) **Dividends on Capital Stock**

The Company generally pays cash dividends on its capital stock. The annual amounts of dividends declared per share, are as follows:

		2017	2016
		($ per share)	
Special preferred	$	2.50	2.50
Common		.56	.52
ESOP common		.56	.52
Management		.56	.52
Retiree		.56	.52

(20) **Share-Based Payment Plans**

The Company has a Stock Option Plan (The Plan) to encourage stock ownership and provide greater incentive for key management employees and officers through the granting of options to purchase shares of Management Stock. The Plan provides for the granting of options at fair market value on the date of grant. Options granted prior to 2014 may be exercised after three years (cliff vesting) and expire ten years from the grant date. Options granted in 2014 and thereafter may be exercised after one year (three year graded vesting) and expire ten years from the grant date. The Company settles stock option exercises with treasury shares.

A summary of stock option activity under the Plan is as follows:

	Shares	Weighted average exercise price	Weighted average remaining contractual life (Years)
Balance at May 31, 2015	41,097,555	40.48	5.5
Options granted	7,682,135	46.09	
Options forfeited/expired	(1,916,727)	46.96	
Options exercised	(4,949,553)	30.35	
Balance at May 31, 2016	41,913,410	42.41	5.4
Options granted	7,474,764	48.57	
Options forfeited/expired	(614,520)	48.29	
Options exercised	(7,707,925)	37.10	
Balance at May 31, 2017	41,065,729	44.44	5.5
Exercisable at May 31, 2017	27,480,109	42.67	4.1

Using the Black-Scholes option-pricing model, the weighted average fair value of options granted was estimated based on weighted average assumptions as follows:

	2017	2016
Weighted average fair value	$ 6.34	$ 6.77
Risk free interest rates	1.11%	1.64%
Expected lives	6.0 years	6.0 years
Expected dividend yield	1.15%	1.12%
Expected volatility	14.74%	15.09%

(20) **Share-Based Payment Plans** (cont.)

Risk free interest rates reflect the yield on U.S. Treasury securities. Expected lives are based on Company experience and estimated employee exercise behavior. Expected volatility is based on the historic volatility of Company stock.

Compensation expense for the Plan was $46 million and $54 million in 2017 and 2016, respectively. The total intrinsic value of stock options exercised was $109 million and $90 million in 2017 and 2016, respectively. At May 31, 2017, total unrecognized compensation expense of nonvested stock options was $32 million. That expense is expected to be recognized over a weighted average period of 1.0 year. The total fair value of stock options vested during 2017 and 2016 was $55 million and $86 million, respectively.

The Company also provides a Cash Performance Option Plan. Like stock options, the cash performance options offer participants a chance to share in the Company's growth through options that are tied to the Company's performance. Participants receive the cash equivalent of any appreciation in Management Stock between the time the cash options are awarded and the time they are exercised. Cash options granted prior to 2014 may be exercised after three years (cliff vesting) and expire five years from the grant date. Cash options granted in 2014 and thereafter may be exercised after one year (three year graded vesting) and expire five years from the grant date. Cash performance option expense (benefit) was $13 million in 2017 and $(15) million in 2016, and is recognized over the vesting period of the options, with changes in the fair market value of the underlying stock recognized currently in earnings for vested amounts, and prospectively for unvested amounts. At May 31, 2017, the Management Stock value was $55.54 per share, and total unrecognized expense of cash performance options was $1 million.

A Stock Grant Program (the Program) is administered to retain and motivate certain top executives of the Company. The Program provides for grants that vest in one to ten years. Shares granted and outstanding under the program were 1,854,523 and 1,530,676, at May 31, 2017 and 2016, respectively. Stock grant expense is recognized over the vesting period based on the grant-date fair value and was $34 million in 2017 and $27 million in 2016.

(21) **Employee Stock Ownership Plan**

In February 1992, the Company established an Employee Stock Ownership Plan (ESOP). The ESOP borrowed $691 million from outside lenders and $39 million from the Company. The loan proceeds were used to purchase approximately 17% of the Company's outstanding common stock. The ESOP then exchanged the common stock for ESOP common stock. The Company paid the final installment on the ESOP debt from outside lenders during 2007.

The ESOP common stock pays a dividend equal to the dividends on common stock. A dividend of $0.56 per share was declared in 2017. The Company is obligated to make additional contributions to the ESOP when funding shortfalls occur.

The ESOP covers most U.S. non-union employees and allocates shares to employees as a substitute for certain pension and retiree health care benefits and as a 401K contribution match of 100% on the first 3% of pay and a 50% match on the next 2% of pay. ESOP income included in net earnings consists of dividends received less expenses determined on a shares-allocated method, and was $0 million for both 2017 and 2016.

(22) **Pension and Other Postretirement Benefits**

The Company and its subsidiaries have defined benefit pension plans covering most of their domestic employees and many of their foreign employees. Most pension plans have been closed to new participants, who have been transitioned to defined contribution plans. Benefits are based on years of service and compensation. U.S. pensions are funded in accordance with the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Pension Protection Act of 2006. Foreign pensions are funded in compliance with local laws and practices. The Company uses a measurement date of May 31 for its pension and postretirement benefit plans.

In addition to providing pension benefits, the Company and certain subsidiaries provide health care and some life insurance benefits for certain retired employees. The Company records the expected cost of retiree health benefits as an expense during the service lives of employees. The initial accumulated postretirement benefit obligation of $202 million is being amortized over 20 years.

The key components of the defined benefit pension plans and postretirement benefit plans for domestic and foreign companies are as follows:

	Pension plans		Postretirement plans	
	2017	**2016**	**2017**	**2016**
	(In millions)		(In millions)	
Change in benefit obligations:				
Benefit obligation at beginning of year	$ 7,838	8,064	$ 204	213
Service cost	145	177	3	3
Interest cost	212	265	6	8
Actuarial (gain) loss	397	(86)	(7)	(3)
Currency fluctuations	(142)	(102)	1	(4)
Plan amendments	1	(15)	--	--
Acquisitions / divestitures	8	22	--	--
Benefits paid	(313)	(492)	(14)	(14)
Other	3	5	2	1
Benefit obligation at end of year	$ 8,149	7,838	$ 195	204

	Pension plans		Postretirement plans	
	2017	**2016**	**2017**	**2016**
	(In millions)		(In millions)	
Change in plan assets:				
Fair value at beginning of year	$ 5,644	5,994	$ --	1
Actual return on plan assets	568	(92)	--	--
Employer contributions	282	293	12	14
Benefits paid	(313)	(492)	(14)	(14)
Currency fluctuations	(120)	(86)	--	--
Acquisitions / divestitures	11	19	--	--
Other	15	8	2	(1)
Fair value at end of year	$ 6,087	5,644	$ --	--
Funded status as of May 31	$ (2,062)	(2,194)	$ (195)	(204)

(22) **Pension and Other Postretirement Benefits** (cont.)

Amounts recognized in the balance sheet:						
Noncurrent assets	$	35	6	$	--	--
Current liabilities		(35)	(36)		(14)	(14)
Noncurrent liabilities		(2,062)	(2,164)		(181)	(190)
Net liability	$	(2,062)	(2,194)	$	(195)	(204)

		Pension plans			Postretirement plans	
		2017	**2016**		**2017**	**2016**
		(In millions)			(In millions)	
Amounts recognized in accumulated other comprehensive income consist of:						
Net actuarial loss	$	2,454	2,456	$	(1)	1
Net prior service credit		(56)	(61)		(42)	(48)
Transition obligation		1	1		--	--
Total	$	2,399	2,396	$	(43)	(47)

The Company's pension plans with projected benefit obligations in excess of plan assets as of May 31 were as follows:

		2017	**2016**
		(In millions)	
Projected benefit obligations	$	7,908	7,714
Fair value of plan assets		5,690	5,577

Estimated amounts to be amortized from accumulated other comprehensive income into net periodic benefit cost in the year ending May 31, 2018, are as follows:

		Pension plans	**Postretirement plans**
		(In millions)	
Recognized net actuarial loss	$	138	--
Amortization of net prior service credit		(5)	(6)
Total	$	133	(6)

		Pension plans			Postretirement plans	
		2017	**2016**		**2017**	**2016**
		(In millions)			(In millions)	
Net periodic benefit costs:						
Service cost	$	145	177	$	3	3
Interest cost		212	265		6	8
Expected return on assets		(309)	(328)		--	--
Amortization		139	130		(6)	(6)
Other		8	25		1	--
Total	$	195	269	$	4	5

(22) **Pension and Other Postretirement Benefits** (cont.)

	Pension plans		Postretirement plans	
	2017	**2016**	**2017**	**2016**
Weighted average assumptions used to determine benefit obligations:				
Discount rate	3.1%	3.3%	3.4%	3.3%
Rate of increase in compensation levels	3.1%	3.1%	--	--
Expected long-term rate of return on plan assets	5.1%	5.5%	--	--
Weighted average assumptions used to determine net benefit cost:				
Discount rate for benefit obligations	3.3%	3.4%	3.3%	3.7%
Rate for interest on benefit obligations	2.8%	3.4%	2.9%	3.7%
Discount rate for service cost	3.2%	3.1%	1.3%	1.4%
Rate for interest on service cost	3.0%	3.1%	1.3%	1.4%
Rate of increase in compensation levels	3.1%	3.3%	--	--
Expected long-term rate of return on plan assets	5.5%	5.7%	--	--

The discount rate reflects the current rate at which the pension liabilities could be effectively settled at the measurement date. The U.S. rate was determined using a cash flow matching technique whereby the rates of a yield curve, developed by the Company's actuary from high-quality debt securities, were applied to the expected benefit obligations to determine the appropriate discount rate. For the Company's non-U.S. plans, discount rates were derived using the respective yield curves, based on appropriate local market data and conditions. For non-U.S. countries where the market for high-quality long-term corporate bonds is not deep enough to construct a yield curve, discount rates are based on comparable indices of long-term corporate or government bonds. When government bonds are used to determine the discount rate, a credit risk spread may be added to approximate corporate bond yields.

The rate of increase in compensation levels is determined by the Company based upon the long-term plans for such increases.

The expected long-term rate of return on U.S. plan assets is based on the strategic asset allocation of the plan using forward-looking expected returns provided by the Company's actuary and other external investment professionals for each asset category represented in the investment program. The rate of return for non-U.S. plans is calculated on a plan-by-plan basis using plan asset allocations and expected returns.

Assumed health care trend rates used to measure the expected cost of benefits covered by the postretirement plans were as follows:

	2017	**2016**
Weighted average assumptions used to determine benefit obligations:		
Health care cost trend rate assumed	5.2%	5.5%
Ultimate health care cost trend rate	3.9%	3.9%
Year that the rate reaches the ultimate trend rate	2029	2029

(22) **Pension and Other Postretirement Benefits** (cont.)

	2017	2016
Weighted average assumptions used to determine net postretirement cost:		
Health care cost trend rate assumed	5.5%	5.7%
Ultimate health care cost trend rate	3.9%	3.9%
Year that the rate reaches the ultimate trend rate	2029	2023

The Company reviews external data and its own historical trends for health care costs to determine the health care cost trend rates for the postretirement medical benefit plan. A 1% increase in the health care cost trend rate assumption would increase the accumulated postretirement benefit obligation by $12 million at May 31, 2017, and the expense by $1 million for 2017.

In the year ending May 31, 2018, the Company estimates it will contribute $249 million to the domestic and foreign pension plans and $14 million to the postretirement plans.

Following are expected pension and postretirement benefit payments for the next five years and in the aggregate for the five years thereafter:

Year ending May 31	**Pension**	**Postretirement**
	(In millions)	
2018	$ 286	14
2019	289	14
2020	301	13
2021	312	13
2022	321	12
Next five years (aggregate)	1,789	56

The Company sponsors defined contribution plans covering both domestic and foreign employees. The general purpose of these plans is to provide additional financial security during retirement by providing employees with an incentive to make regular savings. The Company contributed $68 million and $61 million to defined contributions plans in 2017 and 2016, respectively.

The investment objective for the defined benefit plans is to secure the benefit obligations to participants at a reasonable cost to the Company by optimizing long-term return on plan assets at an acceptable level of risk. To achieve the investment objective, the investment policy includes a target strategic asset allocation. The target allocation is diversified across broad asset categories. Within asset categories, the portfolio is further diversified across investment strategy, style, geography, and investment manager. A portion of the assets are matched to the interest rate profile of the benefit obligation through long duration fixed income securities. Actual allocations to broad asset categories may vary around the long-term target allocation based on market fluctuations. Rebalancing to the target allocation will occur when actual allocations move outside of acceptable ranges around the target. Plan assets are held in trusts and managed by external investment managers.

(22) **Pension and Other Postretirement Benefits** (cont.)

The Company's weighted average retirement plan asset allocation for 2017 and 2016 and the target by asset category are as follows:

	2017 Target	Plan assets as of May 31, 2017	2016 Target	Plan assets as of May 31, 2016
Asset Category:				
Equity securities	32%	30%	34%	29%
Debt securities	43%	40%	36%	36%
Real estate	6%	7%	6%	6%
Other assets	19%	23%	24%	29%
Total	100%	100%	100%	100%

The fair values of the assets held by the defined benefit plans as of May 31, 2017, by asset category are as follows:

	Fair value measurements using inputs considered as			Fair value at May 31,
	Level 1	Level 2	Level 3	2017
Asset Category:		(In millions)		
Equity securities (1):				
U.S.	$ 218	437	--	$ 655
Non-U.S.	211	940	--	1,151
Debt securities (2):				
Government bonds	676	561	--	1,237
Corporate bonds and other	374	851	--	1,225
Real estate (3)	--	100	328	428
Private equity (3)	--	3	202	205
Hedge funds (3)	--	3	711	714
Cash and cash equivalents	98	98	--	196
Other	8	55	213	276
Total	$ 1,585	3,048	1,454	$ 6,087

(22) **Pension and Other Postretirement Benefits** (cont.)

The fair values of the assets held by the defined benefit plans as of May 31, 2016, by asset category are as follows:

	Fair value measurements using inputs considered as			Fair value at May 31,
	Level 1	Level 2	Level 3	2016
Asset Category:	(In millions)			
Equity securities (1):				
U.S.	$ 160	394	--	$ 554
Non-U.S.	86	999	--	1,085
Debt securities (2):				
Government bonds	1,026	121	--	1,147
Corporate bonds and other	43	832	--	875
Real estate (3)	--	75	283	358
Private equity (3)	--	2	204	206
Hedge funds (3)	--	4	919	923
Cash and cash equivalents	111	120	--	231
Other	8	48	209	265
Total	$ 1,434	2,595	1,615	$ 5,644

(1) Consists of (a) individual securities valued at the closing price on the major stock exchange on which they are traded and are classified as level 1 within the valuation hierarchy; (b) common/collective trust funds valued based on the NAV as determined by the fund custodian. The NAV is used as a practical expedient in the determination of fair value and is based on the fair value of the underlying securities owned by the fund and are classified as level 2 within the valuation hierarchy.

(2) Government issued bonds are valued at the closing price reported in the active market in which the individual security is traded and are classified as level 1. Corporate bonds, along with other bonds and notes, are valued at either the yields currently available on comparable securities or valued under a discounted cash flow model. Individual corporate bonds held by the trust are classified as level 2, and corporate bonds held through common/collective trusts are classified as level 3.

(3) Consists of interests in limited partnerships that invest in real estate, private equity and hedge funds. Real estate includes debt and equity investments in U.S. and non-U.S. securities. Private equity includes debt and equity investments in U.S. and non-U.S. securities and is diversified across buyouts, growth capital, distressed debt, mezzanine debt, and venture capital. Real estate and private equity valuations require significant management judgment due to the absence of quoted market prices and are primarily classified within level 3 of the valuation hierarchy. Hedge fund investments are diversified by manager, geography and strategy. Hedge funds are valued based on the NAV as determined by the fund administrator which is used as a practical expedient in the determination of fair value and are primarily classified within level 3 of the valuation hierarchy due to redemption restrictions.

(22) **Pension and Other Postretirement Benefits** (cont.)

The following table sets forth a summary of changes in the fair values of the pension plans' level 3 assets for the year ended May 31, 2017:

	Fair value at May 31, 2016	Realized/ unrealized gains (losses)	Net purchases, sales and settlements	Net transfers in and out of Level 3	Fair value at May 31, 2017
			(In millions)		
U.S. equity securities	$ --	--	--	--	$ --
Corporate bonds and other	--	--	--	--	--
Real estate	283	25	20	--	328
Private equity	204	15	(17)	--	202
Hedge funds	919	7	(215)	--	711
Other	209	(13)	17	--	213
Total	$ 1,615	34	(195)	--	$ 1,454

The following table sets forth a summary of changes in the fair values of the pension plans' level 3 assets for the year ended May 31, 2016:

	Fair value at May 31, 2015	Realized/ unrealized gains (losses)	Net purchases, sales and settlements	Net transfers in and out of Level 3	Fair value at May 31, 2016
			(In millions)		
U.S. equity securities	$ --	--	--	--	$ --
Corporate bonds and other	8	--	(8)	--	--
Real estate	257	18	19	(11)	283
Private equity	178	2	24	--	204
Hedge funds	981	(34)	(14)	(14)	919
Other	171	9	29	--	209
Total	$ 1,595	(5)	50	(25)	$ 1,615

(23) **Income Taxes**

U.S. and foreign income tax expense (benefit) is made up of the following components:

		2017	2016
		(In millions)	
United States:			
Current	$	459	809
Deferred		(144)	26
Foreign:			
Current		520	324
Deferred		27	4
Total	$	862	1,163

The effective tax rate is different from the statutory U.S. Federal income tax rate for the following reasons:

	2017	2016
U.S. statutory rate	35.0%	35.0%
Impact of foreign operations	(24.5)	(6.9)
Increase in valuation allowance	19.4	7.8
State and local income taxes	0.7	0.9
Additional taxes (credited) charged	(0.8)	1.0
Special deductions and credits	(4.2)	(3.2)
Impact of noncontrolling interests	(0.3)	(0.7)
Other	(1.6)	(0.6)
Effective tax rate	23.7%	33.3%

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are presented below:

		2017	2016
		(In millions)	
Deferred tax liabilities:			
Depreciation and amortization	$	898	936
Other		1,176	913
Total deferred tax liabilities		2,074	1,849
Deferred tax assets:			
Accrued expenses and other		1,535	1,501
Tax loss carryforwards		1,888	1,206
Capital loss carryforwards		16	63
Tax credits		926	575
Total deferred tax assets		4,365	3,345
Valuation allowance		(2,079)	(1,380)
Total net deferred tax assets		2,286	1,965
Net deferred tax assets	$	212	116

(23) **Income Taxes** (cont.)

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of the Company's income tax provision. Interest and penalties accrued in the consolidated balance sheet at May 31, 2017 and May 31, 2016, were $21 million and $38 million, respectively, and are included in other liabilities (long term). For 2017 and 2016, the Company recognized income related to interest and penalties of $17 million and $4 million, respectively, in the accompanying consolidated statements of earnings.

The Company operates in multiple tax jurisdictions, both within the U.S. and outside the U.S., and is subject to audits from various tax authorities. Resolution of any related tax issues through negotiations with tax authorities may take years to complete and it is difficult to predict the timing of the resolution. Although unpredictable, it is reasonably possible that the amount of the unrecognized tax benefit with respect to uncertain tax positions will increase or decrease during the next twelve months; however, Cargill does not currently expect any change to have a significant effect on the consolidated results of operations or the consolidated financial position. The statutes of limitation for fiscal years ended May 31, 2010, May 31, 2011, and May 31, 2012, have been extended until June 30, 2018. Refunds for each of those years agreed with the IRS are currently under review by The Joint Committee on Taxation. The IRS examination of fiscal years 2013 and 2014 is still in process and should be completed by September 2017. The IRS has not yet initiated an audit of fiscal years ended May 31, 2015, May 31, 2016, and May 31, 2017.

At May 31, 2017, the Company has net operating loss carryforwards, capital loss carryforwards and tax credits of approximately $7,480 million, $64 million and $926 million, respectively. Of the total loss carryforwards, $1,430 million expires in various years through 2037, and $6,113 million is available indefinitely. The majority of the tax credits will expire between 2019 and 2027.

Cash paid for income taxes was $1,015 million and $1,192 million in 2017 and 2016, respectively.

(24) **Fair Value Measurements**

Fair value is the price that would be received for an asset or paid to transfer a liability in the Company's principal or most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy that generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances. The Company determines the fair value of derivatives, marketable securities and certain other assets and liabilities using the following fair value definition and hierarchy levels:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Values generated from model-based techniques that use significant assumptions not observable in the market. Commodity prices are based on a combination of futures exchange quoted

(24) **Fair Value Measurements** (cont.)

prices, observable market prices obtained through publications, broker quotes, and/or recently reported transactions in the marketplace when available, and the Company's internally developed prices and option pricing models. Freight prices are based on observable market prices obtained through publications, broker quotes, and/or recently reported transactions in the marketplace when available, and internally developed prices. Internally developed prices and models reflect the Company's estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of input that is a significant component of the fair value measurement determines the placement of the entire fair value measurement in the hierarchy. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of fair value assets and liabilities within the fair value hierarchy levels.

The following table sets forth, by level, the Company's assets and liabilities that were accounted for at fair value on a recurring basis as of May 31, 2017.

	Quoted prices in active markets for identical assets (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets:		(In millions)	
Derivatives			
Commodity	$ 654	1,074	167
Foreign exchange	--	788	1
Freight	--	247	337
Interest rate	--	27	--
Other	--	18	--
Total derivatives	654	2,154	505
Trading securities			
Debt securities	57	876	--
Equity securities	--	--	--
Investments and advances			
Available for sale debt securities	--	100	--
Available for sale equity securities	70	--	--
Other assets	--	--	--
Total assets	$ 781	3,130	505

(24) **Fair Value Measurements** (cont.)

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		(In millions)	
Liabilities:			
Derivatives			
Commodity	$ 845	847	112
Foreign exchange	--	797	1
Freight	--	360	78
Interest rate	--	16	--
Other	--	9	--
Total derivatives	845	2,029	191
Trading securities sold, not yet purchased			
Debt securities	--	186	--
Equity securities	--	--	--
Total liabilities	$ 845	2,215	191

The following table sets forth, by level, the Company's assets and liabilities that were accounted for at fair value on a recurring basis as of May 31, 2016.

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		(In millions)	
Assets:			
Derivatives			
Commodity	$ 1,315	1,711	251
Foreign exchange	--	904	6
Freight	--	205	487
Interest rate	--	78	--
Other	--	25	--
Total derivatives	1,315	2,923	744
Trading securities			
Debt securities	--	564	--
Equity securities	--	--	--
Investments and advances			
Available for sale debt securities	--	89	--
Available for sale equity securities	70	--	--
Other assets	--	--	--
Total assets	$ 1,385	3,576	744

(24) **Fair Value Measurements** (cont.)

		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities:			(In millions)	
Derivatives				
Commodity	$	1,458	1,926	149
Foreign exchange		1	925	--
Freight		--	475	104
Interest rate		--	78	--
Other		--	16	--
Total derivatives		1,459	3,420	253
Trading securities sold, not yet purchased				
Debt securities		--	115	--
Equity securities		--	--	--
Total liabilities	$	1,459	3,535	253

The Company uses the market approach valuation technique to measure the majority of its assets and liabilities carried at fair value. There were no significant changes in valuation techniques during the year.

The Company's derivative contracts that are measured at fair value include forward commodity purchase and sale contracts, exchange-traded commodity futures and option contracts, and Over- The-Counter (OTC) instruments related primarily to agricultural commodities, energy, and foreign currencies. Exchange-traded futures and options contracts are valued based on unadjusted quoted prices in active markets and are classified in Level 1. Fair value for forward commodity purchase and sale contracts is estimated primarily based on exchange-quoted prices adjusted for differences in local markets. These differences are generally valued using inputs from broker or dealer quotations or market transactions in either the listed or OTC markets. When observable inputs are available for substantially the full term of the asset or liability, the derivative contracts are classified in Level 2. When unobservable inputs have a significant impact on the measurement of fair value, the contract's fair value is classified in Level 3.

(24) **Fair Value Measurements** (cont.)

Based on historical experience with the Company's suppliers and customers, the Company's knowledge of current market conditions, and the Company's own credit risk, the Company does not view counterparty risk to be a significant input to fair value for the majority of its forward commodity purchase and sale contracts. However, in situations when the Company believes the counterparty risk to be a significant input, the Company records estimated fair value adjustments and classifies the contracts in Level 2 or 3 in the fair value hierarchy depending on the significance of the adjustment. The fair value of derivatives is included in the consolidated balance sheet in accounts receivable, other long-term assets, accounts payable, or other long-term liabilities. Changes in the fair market value of commodity-related derivatives are recognized in the consolidated statement of earnings as a component of cost of sales and other revenues. Changes in the fair market value of foreign currency-related derivatives are recognized in the consolidated statement of earnings as a component of sales and other revenues or cost of sales and other revenues. The effective portions of changes in the fair market value of derivatives designated as cash flow hedges are recognized in the consolidated balance sheet as a component of accumulated other comprehensive income.

The Company's trading and available-for-sale securities are comprised of U.S. Treasury securities, obligations of U.S. government agencies, corporate and municipal debt securities, and equity investments. U.S. Treasury securities and certain publicly traded equity investments are valued using quoted market prices and are classified in Level 1. Obligations of U.S. government agencies, corporate and municipal debt securities, and certain equity investments are valued using third-party pricing services and substantially all are classified as Level 2. Security values that are determined using pricing models are classified in Level 3.

The fair value of marketable securities is included in the consolidated balance sheet as trading securities or investments and advances. Unrealized changes in the fair market value of available-for-sale marketable securities are recognized in the consolidated balance sheet as a component of accumulated other comprehensive income.

(24) **Fair Value Measurements** (cont.)

The following table presents a reconciliation of net assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended May 31, 2017 and 2016.

Derivatives (Net)		**Commodity**	**Foreign exchange**	**Freight**
			(In millions)	
Balance at May 31, 2015	$	11	5	445
Total gains (losses) realized and unrealized, included in earnings before income taxes		180	6	66
Purchases		37	--	--
Sales		(68)	--	--
Net settlements		(47)	(5)	(151)
Net transfers in and out of Level 3		(11)	--	23
Balance at May 31, 2016		102	6	383
Total gains (losses) realized and unrealized, included in earnings before income taxes		38	(3)	(18)
Purchases		31	--	--
Sales		(52)	--	--
Net settlements		(58)	(3)	(106)
Net transfers in and out of Level 3		(6)	--	--
Balance at May 31, 2017	$	55	--	259
Unrealized portion of total gains attributable to assets and liabilities held at May 31, 2016	$	110	4	88
Unrealized portion of total gains (losses) attributable to assets and liabilities held at May 31, 2017	$	45	(1)	1

(24) **Fair Value Measurements** (cont.)

Trading Securities, Investments and Advances, Other Assets and Long-term Debt		**Trading securities**	**Investments and advances**	**Other assets**
			(In millions)	
Balance at May 31, 2015	$	14	--	16
Total gains (losses), realized and unrealized, included in earnings before income taxes		(2)	--	--
Purchases		--	--	--
Sales		(9)	--	--
Net settlements		(3)	--	(16)
Net transfers in and out of Level 3		--	--	--
Balance at May 31, 2016	$	--	--	--
Unrealized portion of total gains (losses) attributable to assets and liabilities held at May 31, 2016	$	--	--	--

During 2017, $6 million of net assets were transferred out of Level 3 into Level 2 primarily due to a decrease in the use of internal estimates. During 2016, $12 million of net assets were transferred into Level 3 from Level 2 primarily due to an increase in the use of internal estimates. Internal estimates are required when there is minimal to no observable market activity or because fair value calculations require significant adjustments for credit default risk.

Other Financial Instruments

The carrying amount of cash and cash equivalents, short-term investments, short-term debt, other current assets and liabilities, and other assets approximates fair value due to the short maturity of these instruments. The fair value of long-term debt at May 31, 2017 and 2016, was determined by using interest rates currently available for issuance of debt with similar terms and remaining maturities as follows:

		2017	**2016**
		(In millions)	
Carrying amount	$	5,776	8,046
Fair value	$	6,545	9,330

(25) **Derivative Instruments and Hedging Activities**

Because of global operations and financing activities, the Company is exposed to changes in agricultural commodity prices, transportation costs, foreign currency exchange rates, interest rates and energy costs which may affect results of operations and financial position. Derivative instruments are used for the purpose of managing the exposures associated with commodity prices, transportation costs, foreign currency exchange rates, interest rates and energy costs. While these hedging instruments are subject to fluctuations in value, those fluctuations are generally offset by the value of the underlying exposures being hedged. While the hedging positions are intended to minimize the volatility on operating profits, occasionally the hedging activity can result in earnings volatility, some of which may be material. The counterparties to these contractual arrangements are primarily major financial institutions or, in the case of commodity futures and options, a commodity exchange. Certain hedges are executed through the over-the-counter market and related counterparty exposure is managed through credit analysis and review by a credit committee. As a result, there is no concentration of credit risk arising from these contracts. The Company's finance and risk policy committee supervises, reviews and periodically revises overall risk management policies and risk limits.

(25) **Derivative Instruments and Hedging Activities** (cont.)

Commodity Derivatives

The Company operates in many areas of the food industry, from agricultural raw materials to the production and sale of food products. As a result, the Company purchases and produces various materials, many of which are agricultural commodities, including soybeans, soybean oil, soybean meal, sunflower seed, rapeseed or canola, wheat, corn, cotton, sugar, and cocoa beans. The Company consumes energy commodities at its facilities and operates an energy trading business. Agricultural and energy commodities are subject to price fluctuations due to a number of unpredictable factors that may create price risk. The Company is subject to the risk of counterparty defaults on non-exchange traded contracts.

The Company enters into various derivative contracts, primarily purchase and sale contracts for physical delivery and exchange-traded futures and options, with the objective of managing exposure to adverse price movements in agricultural commodities and energy costs related to operations. The Company has established policies that limit the amount of unhedged fixed-price commodity positions permissible for each business, which are a combination of quantity and value-at-risk limits. Net commodity positions are measured and reviewed on a daily basis.

Freight Derivatives

The market price for ocean freight varies depending on the supply and demand for ocean vessels, global economic conditions and other factors. The Company uses derivative financial instruments in its ocean freight operations, including forward freight agreements and charter contracts to manage ocean freight costs.

Foreign Exchange Derivatives

The Company's global operations require active participation in foreign exchange markets. To reduce the risk arising from foreign exchange rate fluctuations, the Company follows a policy of hedging monetary assets and liabilities and commercial transactions with foreign currency exposure. The Company will enter into derivative financial instruments, such as forward contracts and swaps, and foreign currency options, to limit exposures to changes in foreign currency exchange rates with respect to recorded foreign currency denominated assets and liabilities and local currency operating expenses. The Company may also hedge other foreign currency exposures as deemed appropriate.

The Company uses various derivative instruments for trading purposes and to manage interest rate risk associated with outstanding or forecasted fixed- and variable-rate debt and debt issuances, including interest rate swaps, options, and futures as may be required.

Interest Rate Derivatives

The Company uses various derivative instruments for trading purposes and to manage interest rate risk associated with outstanding or forecasted fixed- and variable-rate debt and debt issuances, including interest rate swaps, options, and futures as may be required. The interest rate swaps used as derivative hedging instruments have been recorded at fair value in the accompanying consolidated balance sheet with changes in fair value recorded currently in earnings. Additionally, the carrying amount of the associated debt is adjusted through earnings for changes in the fair value due to changes in interest rates. Ineffectiveness is recognized to the extent that these two adjustments do not offset.

(25) **Derivative Instruments and Hedging Activities** (cont.)

Notional Amounts

As of May 31, 2017 and 2016, the total absolute notional volume associated with the Company's outstanding derivative instruments is summarized below:

Derivative Category		**2017**	**2016**
		(In millions)	
Interest rate	$	2,688	7,701
Foreign exchange		64,850	77,712
Commodity		67,701	90,886
Freight		3,981	3,055
Other		962	678

Derivatives in the Financial Statements

The majority of the Company's foreign currency exchange contracts, commodities contracts and freight contracts do not qualify for hedge accounting treatment; therefore, unrealized gains and losses are recorded in the consolidated statement of earnings. Unrealized gains and losses on foreign currency exchange contracts related to inventory purchases, commodities contracts and certain forward freight agreements are recorded in cost of sales and other revenues in the consolidated statement of earnings. The table below shows the unrealized gains and (losses) on derivative instruments related to interest rate contracts, foreign currency exchange contracts, commodity contracts and freight contracts.

(25) **Derivative Instruments and Hedging Activities** (cont.)

Derivatives in the Statement of Earnings for the Year Ended May 31, 2017

	Type of derivative	Derivatives not designated as an accounting hedge (In millions)
Income location		
Sales and other revenues	Interest rate	$ 13
	Foreign exchange	(211)
	Commodity	(48)
	Freight	--
	Other	(4)
Expense location		
Cost of sales and other revenues	Interest rate	$ 9
	Foreign exchange	47
	Commodity	233
	Freight	105
	Other	--
Selling, general and administrative expenses	Foreign exchange	$ --
Other expense, net	Foreign exchange	$ (37)

Derivatives in the Statement of Earnings for the Year Ended May 31, 2016

	Type of derivative	Derivatives not designated as an accounting hedge (In millions)
Income location		
Sales and other revenues	Interest rate	$ (3)
	Foreign exchange	12
	Commodity	(369)
	Freight	--
	Other	(3)
Expense location		
Cost of sales and other revenues	Interest rate	$ (45)
	Foreign exchange	(83)
	Commodity	(265)
	Freight	(138)
	Other	6
Selling, general and administrative expenses	Foreign exchange	$ (6)
Other expense, net	Foreign exchange	$ (106)

(25) **Derivative Instruments and Hedging Activities** (cont.)

Amounts below are derivative assets and liabilities, on a gross basis, prior to the offsetting of amounts where legal right of offset exists.

Derivatives in the Balance Sheet at May 31, 2017

	Type of derivative	Derivatives not designated as an accounting hedge	Derivatives designated as an accounting hedge
		(In millions)	
Asset location			
Accounts receivable, notes receivable, and accrued income, net	Interest rate	$ 23	--
	Foreign exchange	696	10
	Commodity	1,770	24
	Freight	330	--
	Other	18	--
Other assets (long term)	Interest rate	$ 4	--
	Foreign exchange	39	44
	Commodity	101	--
	Freight	254	--
Liability location			
Accounts payable and accrued expenses	Interest rate	$ 10	--
	Foreign exchange	690	61
	Commodity	1,788	--
	Freight	310	--
	Other	9	--
Other liabilities (long term)	Interest rate	$ 6	--
	Foreign exchange	45	2
	Commodity	16	--
	Freight	128	--

(25) **Derivative Instruments and Hedging Activities** (cont.)

Derivatives in the Balance Sheet at May 31, 2016

	Type of derivative	Derivatives not designated as an accounting hedge	Derivatives designated as an accounting hedge
		(In millions)	
Asset location			
Accounts receivable, notes receivable, and accrued income, net	Interest rate	$ 78	--
	Foreign exchange	860	8
	Commodity	3,183	--
	Freight	364	--
	Other	25	--
Other assets (long term)	Interest rate	$ --	--
	Foreign exchange	42	--
	Commodity	94	--
	Freight	328	--
Liability location			
Accounts payable and accrued expenses	Interest rate	$ 78	--
	Foreign exchange	833	27
	Commodity	3,456	8
	Freight	336	--
	Other	16	--
Other liabilities (long term)	Interest rate	$ --	--
	Foreign exchange	57	9
	Commodity	69	--
	Freight	243	--

Master Netting and Collateral Arrangements

In connection with its derivative activities, the Company may enter into master netting arrangements and collateral arrangements with its counterparties. These agreements provide the Company with the right, in the event of a default by the counterparty (such as bankruptcy or a failure to pay or perform), to net a counterparty's rights and obligations under the agreement and to liquidate and setoff collateral against any net amount owed by the counterparty. The following tables present information about the offsetting of derivative instruments and related collateral amounts. Amounts not offset in the consolidated balance sheet meeting the offsetting guidance were insignificant as of May 31, 2017, and May 31, 2016.

(25) **Derivative Instruments and Hedging Activities** (cont.)

Offsetting arrangements at May 31, 2017

	Gross amounts *	Amounts offset in the consolidated balance sheet **	Net amounts presented in the consolidated balance sheet
		(In millions)	
Assets			
Short-term derivatives	$ 2,871	1,571	$ 1,300
Long-term derivatives	442	104	338
Margin deposits	814	351	463
Total assets	$ 4,127	2,026	$ 2,101
Liabilities			
Short-term derivatives	$ 2,868	1,692	$ 1,176
Long-term derivatives	197	44	153
Margin deposits	427	288	139
Other	88	2	86
Total liabilities	$ 3,580	2,026	$ 1,554

Offsetting arrangements at May 31, 2016

	Gross amounts *	Amounts offset in the consolidated balance sheet **	Net amounts presented in the consolidated balance sheet
		(In millions)	
Assets			
Short-term derivatives	$ 4,518	2,288	$ 2,230
Long-term derivatives	464	104	360
Margin deposits	1,384	854	530
Total assets	$ 6,366	3,246	$ 3,120
Liabilities			
Short-term derivatives	$ 4,754	2,722	$ 2,032
Long-term derivatives	378	109	269
Margin deposits	569	408	161
Other	257	7	250
Total liabilities	$ 5,958	3,246	$ 2,712

* Amounts include all derivative instruments and margins irrespective of whether there is a legally enforceable master netting arrangement in place.

** Amounts relate to legally enforceable master netting arrangements and collateral arrangements and are reported on a net basis in the consolidated balance sheet when criteria are met in accordance with applicable offsetting accounting guidance.

(25) **Derivative Instruments and Hedging Activities** (cont.)

Credit-Risk-Related Contingent Features

Certain derivative instruments contain provisions that require the Company to post collateral. These provisions also state that if the Company's long-term debt were to be rated below investment grade, certain counterparties to the derivative instruments could request full collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a liability position on May 31, 2017 and 2016, was $84 million and $149 million, respectively. The Company has posted cash collateral of $7 million at May 31, 2017, and $40 million at May 31, 2016, in the normal course of business associated with these contracts. If the credit-risk-related contingent features underlying these agreements were triggered on May 31, 2017 and 2016, the Company would be required to post up to an additional $77 million and $109 million, respectively, of collateral assets, which would be cash collateral to the counterparties.

(26) **Net Earnings Per Share**

The following is a reconciliation of basic net earnings per share to diluted net earnings per share for the years ended May 31, 2017 and 2016. Shares outstanding include Common, ESOP common, Management, and Retiree stock.

	2017	2016
	(Shares in millions)	
Basic net earnings per share	$ 3.72	3.09
Average shares outstanding – basic	762	769
Shares from assumed stock option exercises and issuance of stock grants	6	5
Adjusted average shares outstanding – diluted	768	774
Diluted net earnings per share	$ 3.69	3.07

(27) **Changes in Noncontrolling Interests**

The purchase of additional ownership in an already controlled subsidiary is recorded as an equity transaction with no gain or loss recognized in the consolidated net earnings or comprehensive income. Similarly, decreases in ownership interest while retaining control are recorded as equity transactions with no gain or loss recognized in the consolidated net earnings or comprehensive income. The following schedule reflects the effect of changes in ownership interest between Cargill, Inc. and noncontrolling interests.

	2017	2016
	(In millions)	
Net earnings attributable to Cargill, Inc.	$ 2,835	2,377
(Decrease) /increase in Cargill, Inc.'s equity for purchase of subsidiary shares	(13)	2
Change from net earnings attributable to Cargill, Inc. and transfers from the noncontrolling interests	$ 2,822	2,379

(28) **Accumulated Other Comprehensive Income**

The following provides the components of accumulated other comprehensive income (loss):

	Foreign currency translation adjustments	Unrealized gain (loss) on securities	Unrealized gain (loss) on cash flow hedges	Pension & other post-retirement benefits liability adjustments	Accumulated other comprehensive income (loss)
			(In millions)		
Balance at May 31, 2015	$ (702)	31	(32)	(1,525)	$ (2,228)
Current-period other comprehensive income (loss)	(328)	6	(64)	(304)	(690)
Amounts reclassified to earnings	10	--	59	132	201
Tax effect	40	1	(8)	94	127
Balance at May 31, 2016	(980)	38	(45)	(1,603)	(2,590)
Current-period other comprehensive income (loss)	32	13	79	(136)	(12)
Amounts reclassified to earnings	48	1	(13)	129	165
Tax effect	(20)	(4)	(28)	(38)	(90)
Balance at May 31, 2017	$ (920)	48	(7)	(1,648)	$ (2,527)

(28) **Accumulated Other Comprehensive Income** (cont.)

The following provides the amounts reclassified to earnings from accumulated other comprehensive income (loss):

	Affected line item in the Consolidated Statement of Earnings		Amount reclassified for the year ended May 31, 2017
			(In millions)
Foreign currency translation adjustments			
Sale/liquidation of foreign entities	Other expense, net	$	48
	Total	$	**48**
Unrealized gain on securities	**Total**	$	**1**
Unrealized gain (loss) on cash flow hedges			
Commodity derivative contracts	Cost of sales and other revenues	$	6
Foreign exchange derivative contracts	Cost of sales and other revenues		(18)
	Depreciation and amortization		2
	Selling, general and administrative expenses		(9)
Interest rate derivative contracts	Interest on long-term debt		6
	Total	$	**(13)**
Pension & other postretirement benefits liability adjustments			
Amortization of prior service costs	These items are included in the computation of net periodic pension cost. See Pension and Other Postretirement Benefits note.	$	(6)
Net actuarial loss			135
	Total	$	**129**

The Company uses foreign currency debt and forwards to hedge portions of the Company's net investment in foreign operations. For hedges that meet the effectiveness requirements, the net gains or losses are recorded in foreign currency translation adjustments within accumulated other comprehensive income. The unrealized gain for hedges recorded in foreign currency translation adjustments was $398 million and $374 million at May 31, 2017 and 2016, respectively.

(29) **Contingencies and Commitments**

Contingencies

The Company and its subsidiaries have various legal actions, claims and proceedings pending against them including those arising from product defects, employment-related matters, intellectual property and governmental regulations. The Company has established reserves for matters in which losses are probable and can be reasonably estimated. Litigation is subject to uncertainties and the outcome of individual litigated matters is not predictable with assurance. However, after discussion with counsel, it is the opinion of management, that any ultimate liability in these matters has been provided for or will not have a material adverse effect on the Company's consolidated financial position or results of operations.

The Company and its subsidiaries are contingently liable for guaranteed obligations of third parties totaling $781 million at May 31, 2017.

Operating Lease Commitments

The Company and its subsidiaries lease real property, barges, rail cars, other transportation equipment and various machinery and equipment under noncancelable operating lease agreements, extending through 2115. These include operating leases with certain shareholders under terms deemed to be the same as arms-length transactions, with future minimum lease payments of $78 million at May 31, 2017. Future minimum operating lease payments are as follows:

Years ending May 31	**Amount**
	(In millions)
2018	$ 290
2019	231
2020	171
2021	125
2022	90
Later years	364
Total minimum lease payments	$ 1,271
Rental expense 2017	$ 490
Rental expense 2016	$ 509

Commitments

The Company and its subsidiaries have performance guarantees and outstanding letters of credit issued by banks for the purchase of commodities, margin deposit requirements, and other purposes totaling $41 million and $1,314 million, respectively, at May 31, 2017.

The Company has approved capital expenditures aggregating $1,769 million at May 31, 2017, for the future purchase or construction of property, plant and equipment and for the acquisition of other businesses.

The Company has remaining capital commitments, which aggregated $304 million as of May 31, 2017, to certain funds managed by CarVal. These commitments can be drawn by the funds on demand.

(30) **Long-Term Ocean Freight Agreements**

The Company enters into long-term freight supply agreements, which are accounted for as derivatives and included in the Derivative Instruments and Hedging Activities note. The Company uses the long-term freight supply agreements for the purpose of transporting agricultural and other commodities for the Company. The long-term freight supply agreements range from 12 months to 10 years, and in relation to these supply agreements, the Company has long-term physical forward-contracted third-party freight sales through 2027. Future commitments under the long-term freight supply agreements are $717 million in 2018 and $801 million thereafter. Related long-term physical forward-contracted freight sales are $611 million in 2018 and $427 million thereafter.

(31) **Assets and Liabilities Held for Sale**

The Company has decided to sell certain non-strategic businesses in Europe and North America and is actively marketing those businesses as of May 31, 2017. The assets held for sale have been reported in other current assets, and the liabilities held for sale have been reported in accounts payable and accrued expenses and consist of the following:

	Amount (In millions)
Assets	
Accounts receivable	$ 251
Inventories	228
Other assets	80
Owned property, plant & equipment	32
Assets held for sale	$ 591
Liabilities	
Accounts payable and accrued expenses	$ 104
Deferred liabilities	60
Liabilities held for sale	$ 164

(32) **Subsequent Events**

Cargill has evaluated subsequent events through July 28, 2017, which is the date these consolidated financial statements were available to be issued, and has disclosed material items with respect to such events in this report.

On June 1, 2017, the Company acquired Pollos El Bucanero SA (Bucanero), a poultry processing business located in Colombia.

On June 9, 2017, Cargill announced the sale of its North America Power & Gas business to the Macquarie Group. The transaction is expected to close in the first quarter of fiscal 2018, pending regulatory approvals.

On June 30, 2017, the Company sold its petroleum trading business with offices in North America, Europe and Asia to the Macquarie Group based in Australia for $146 million. The sale of the business generated an immaterial gain.

On July 5, 2017, Cargill made an equity investment of $27 million in Delacon, a global leader in phytogenic feed additives, which is located in Austria.

ANNEX A

Management's Discussion and Analysis of Financial Condition and Results of Operations

For the three months ended Aug. 31, 2017, compared with the three months ended Aug. 31, 2016.

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Cargill, Incorporated and Subsidiaries

Management's Discussion and Analysis of Financial Condition and Results of Operations

For the three months ended Aug. 31, 2017, compared with the three months ended Aug. 31, 2016.

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I. Overview

Cargill, Incorporated and Subsidiaries, headquartered in Minneapolis, Minnesota, is an international provider of food, agricultural, financial and industrial products and services with 155,000 employees in 70 countries. Founded as a grain warehousing and merchandising company in 1865, Cargill today is one of the world's largest, privately held companies.

A. Corporate Organization and Strategic Direction

Cargill's purpose is to be the leader in nourishing the world in a safe, responsible and sustainable way. The company carries out its purpose by combining its knowledge and experience in food, agriculture and risk management to create solutions that help customers and partners succeed.

Backed by a strong balance sheet, the company's portfolio management and capital investment strategy is focused on sectors where it intends to lead. Cargill aims to achieve high performance and sustained growth, and to be the most trusted partner in agriculture, food and nutrition.

Cargill reports results from operations in four business segments: Animal Nutrition & Protein, Origination & Processing, Food Ingredients & Applications, and Industrial & Financial Services. Non-operating activities are recorded in Corporate & Other. Its businesses operate in four geographic regions: Asia Pacific; Europe, Middle East and Africa; Latin America; and North America.

Cargill will be the leader in nourishing the world in a safe, responsible and sustainable way.

$110b
Revenues in fiscal 2017

70 countries

155k employees

II. Consolidated Review

A. Financial Performance

All comparative figures are for the first quarter of fiscal 2018, which ended August 31, 2017, and the first quarter of fiscal 2017, which ended August 31, 2016.

CONSOLIDATED SUMMARY OF QUARTERLY FINANCIAL RESULTS

Dollars in millions	Three months ended Aug. 31, 2017	Aug. 31, 2016	Percent change
Net earnings attributable to Cargill, Incorporated	**$ 973**	$ 852	14 %
Adjusted operating earnings[a]	**888**	827	7
Net earnings before interest, income taxes, depreciation and amortization (EBITDA)	**1,872**	1,733	8
Sales and other revenues	**27,319**	27,130	1

In the first quarter: Adjusted operating earnings totaled $888 million, a 7 percent increase from the prior year's first quarter. The Animal Nutrition & Protein segment contributed the largest share of earnings with continued strength in North American beef, where a decrease in live cattle prices, strong consumer demand and full utilization of processing capacity bolstered profits. In animal nutrition, higher premix sales offset reduced earnings from aqua nutrition caused by competitive pressure in the North Sea region and decreased fish prices in Vietnam. A focus on operational excellence and raw material sourcing led to broad-based growth across the Food Ingredients & Application segment's portfolio of starches, sweeteners and cocoa products. Origination & Processing trailed the prior year with lower crush margins and exports in the U.S., smaller origination margins in South America as producers held onto their stocks awaiting higher prices, and weak rapeseed crush margins in Europe. Industrial & Financial Services almost matched the year-ago level. Improved earnings in trade and structured finance and Asia-based metals nearly offset declines in the segment's energy businesses as those businesses reduced trading activities in preparation for being sold. First-quarter revenues of $27.32 billion increased 1 percent on higher sales of beef. Volumes for the quarter edged up 3 percent due to higher shipments of grain and oilseeds and metals, partially offset by decreases in other businesses.

RECONCILIATION OF EARNINGS

Dollars in millions	Three months ended Aug. 31, 2017	Aug. 31, 2016
Adjusted operating earnings	**$ 888**	$ 827
Adjustments (net of taxes):		
Timing differences – inventory, derivatives & hedging	**85**	56
LIFO inventory adjustment	**38**	-
Amortization of intangible assets	**(19)**	(17)
Gain/(loss) on changes in investment structure	**-**	-
Asset impairment and restructuring charges	**(16)**	(8)
Gain/(loss) on sales of businesses & other long term assets	**-**	(2)
Loss attributable to non-controlling interests[b]	**(3)**	(4)
Net earnings attributable to Cargill (U.S. GAAP)	**$ 973**	$ 852

Differences between adjusted operating earnings and net earnings for the quarter included amortization of intangible assets; impairment of assets; restructuring costs; a LIFO inventory adjustment in the U.S. protein business; and timing differences for inventory, derivatives and hedging. The first-quarter pretax adjustment gain totaled $147 million in fiscal 2018, compared with a $44 million gain in fiscal 2017. As of fiscal 2018, LIFO inventory adjustments, which historically were made in the fourth quarter, will now be made on a quarterly basis.

a – Net of earnings attributable to non-controlling interests of Cargill's asset management business.
b – Excludes earnings attributable to non-controlling interests of Cargill's asset management business.

B. Significant Developments

1. 2018 second quarter

- On September 25, 2017, Cargill agreed to establish a new joint venture to create a leading UK food company focused on chicken, turkey and duck with the capability to respond to changing customer needs in the retail and food service sectors. The formation of this joint venture is subject to clearance by the relevant regulatory authorities, with a decision expected in early 2018. Cargill will continue to process and sell cooked poultry products in the UK, as well as operate its poultry import, trading and distribution business. Cargill will also continue to operate its European poultry businesses in France, Russia and the Netherlands.
- On September 22, 2017, Cargill completed the acquisition of Southern States Cooperative's animal feed business for $180 million. The deal includes seven feed mills and other assets that will help Cargill better serve its customers in the eastern United States.
- On September 8, 2017, Cargill announced the sale of its U.S. metals business to Metal One Corporation. The sale includes commercial activities based in Minneapolis and Houston, as well as eight processing facilities located in Colorado, Florida, Illinois (two facilities), Indiana, Oklahoma, Tennessee and Texas. The sale is expected to close later this year, pending regulatory approvals.
- On September 15, 2017, Cargill completed the sale of its North America Power & Gas business to Australia-based Macquarie Group.

2. 2018 first quarter

- On August 30, 2017, Cargill announced the sale of Cargill's cotton gin, maize mill and other assets in Chipata, Zambia to Parrogate Ginnery Ltd. The transaction is subject to clearance by relevant authorities.
- On July 6, 2017, Cargill announced an equity investment in Austria-based Delacon, a global leader in phytogenic feed additives. The purchase will advance Cargill's presence in natural, plant-based feed additives for the animal nutrition market.
- On June 30, 2017, Cargill completed the sale of its petroleum trading business with offices in North America, Europe and Asia to Australia-based Macquarie Group.
- On June 1, 2017, Cargill completed the acquisition of Colombian based Pollos El Bucanero S.A., one of Colombia's leading producers of chicken and processed meat products. Pollos Bucanero has more than 30 years of experience in the Colombian market where its products are the preferred choice of food service companies and retailers there.

C. Liquidity and Capital Resources

CONSOLIDATED SUMMARY OF CASH FLOWS

Dollars in millions	Three months ended **Aug. 31, 2017**	Three months ended Aug. 31, 2016	Percent change
Total cash from operations	**$ 1,392**	$ 1,233	13 %
Cash investments:			
Additions to property	**$ 330**	$ 335	(1)
Investments in businesses acquired, less cash acquired	**79**	174	(55)
Net investments in, (proceeds from) nonconsolidated companies	**43**	(9)	578
Total capital investments	**$ 452**	$ 500	(10) %

1. Cash flow

Cash flow from operations totaled $1.39 billion, a 13 percent increase, reflecting a similar increase in net earnings.

2. Capital investments

Business acquisitions, less cash acquired, totaled $79 million in the first quarter of fiscal 2018. Acquisitions and investments completed in the current year are discussed in Section II. B. Acquisitions and investments in fiscal 2017 included Five Star Custom Foods, a business specializing in cooked protein products for the foodservice and food processing sectors, among other smaller acquisitions.

3. Debt

The company's debt consists of the debt of Cargill, Incorporated and its consolidated subsidiaries. Cargill's consolidated debt totaled $8.2 billion on August 31, 2017, a 9 percent increase from May 31, 2017.

SUMMARY OF DEBT AT:

Dollars in millions	**Aug. 31, 2017**	May 31, 2017	Increase (decrease)	Percent change
Short-term debt	**$ 2,350**	$ 1,737	$ 613	35 %
Long-term debt	**5,852**	5,776	76	1
Cargill consolidated debt	**$ 8,202**	$ 7,513	$ 689	9 %

Consolidated interest expense on short-term debt totaled $36 million in the first quarter, an $8 million increase from the prior year. Interest expense on long-term debt equaled $74 million, a $33 million decrease from last year's level.

On August 31, 2017, working capital included $7.48 billion of readily marketable commodity inventories. The comparable figure on May 31, 2017 was $7.82 billion.

Cargill's $5 billion syndicated committed credit facility was renewed in October 2016. It is structured as a revolving line of credit, consisting of a $1.25 billion, 364-day facility and a $3.75 billion, five-year facility that matures in October 2021. These credit facilities provide backup liquidity to the company's commercial paper programs.

Cargill also has a $1 billion committed revolving credit facility focused on non-U.S. markets. The 364-day facility, which was renewed in March 2017, enhances Cargill's flexibility in meeting short-term funding needs. The facility includes a one-year term-out option.

4. Credit rating

CARGILL'S CREDIT RATING SUMMARY AT AUGUST 31, 2017

Agency	Long-term rating	Short-term rating
Standard & Poor's	A	A-1
Moody's Investors Service	A2	P-1
Fitch Ratings	A	F1

III. Segment Review

SUMMARY OF SALES AND OTHER REVENUES TO UNAFFILIATED CUSTOMERS

	Three months ended		Percent
Dollars in millions	**Aug. 31, 2017**	Aug. 31, 2016	change
Animal Nutrition & Protein	**$ 8,482**	$ 8,014	6 %
Origination & Processing	**11,357**	11,833	(4)
Food Ingredients & Applications	**5,878**	5,890	-
Industrial & Financial Services	**1,626**	1,401	16
Corporate, Other and Eliminations	**70**	17	312
Total adjusted sales and other revenues	**27,413**	27,155	1
Adjustments	**(94)**	(25)	
Total	**$ 27,319**	$ 27,130	1 %

SUMMARY OF NET EARNINGS (LOSSES) BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

	Three months ended		Percent
Dollars in millions	**Aug. 31, 2017**	Aug. 31, 2016	Change
Animal Nutrition & Protein	**$ 762**	$ 612	25 %
Origination & Processing	**355**	573	(38)
Food Ingredients & Applications	**611**	516	18
Industrial & Financial Services	**120**	134	(10)
Corporate, Other and Eliminations	**(148)**	(172)	13
Total adjusted EBITDA	**1,699**	1,663	2
Adjustments	**173**	70	
Total	**$ 1,872**	$ 1,733	8 %

SUMMARY OF ADJUSTED OPERATING EARNINGS (LOSSES)

	Three months ended		Percent
Dollars in millions	**Aug. 31, 2017**	Aug. 31, 2016	change
Animal Nutrition & Protein	**$ 450**	$ 338	33%
Origination & Processing	**139**	279	(50)
Food Ingredients & Applications	**304**	224	36
Industrial & Financial Services	**61**	64	(5)
Corporate, Other and Eliminations	**(66)**	(78)	15
Total	**$ 888**	$ 827	7%

A. Animal Nutrition & Protein

Animal Nutrition & Protein delivers customized animal nutrition products and services to commercial producers in aqua, beef, dairy, pork, poultry and pet food. The segment also provides a full range of meat and poultry products to food manufacturers, foodservice companies and retailers, as well as industrial customers.

Dollars in millions	Three months ended **Aug. 31, 2017**	Three months ended Aug. 31, 2016	Percent change
Adjusted sales and other revenues	**$ 8,482**	$ 8,014	6 %
Adjusted EBITDA	**762**	612	25
Adjusted operating earnings	**450**	338	33

Adjusted operating earnings for the first quarter totaled $450 million, up from $338 million a year ago. Segment sales and other revenues increased 6 percent to $8.48 billion.

Protein earnings exceeded last year, fueled by robust consumer demand, falling live cattle costs, and full utilization of processing capacity that led to historically high beef processing margins in North America. In the U.S.-based turkey business, however, the economics of an abundantly supplied market pushed breast meat prices to low levels as competitors worked to decrease their inventory positions. Global poultry results declined slightly with weaker results in Central America offset in part by strong performances in Southeast Asia, driven by higher volumes of cooked chicken exports, and improved operational performance in China.

Animal nutrition earnings neared last year’s results. Feed and nutrition earnings were flat as China improved with higher sales prices and lower ingredient costs, while Vietnam contended with oversupply in the swine market that impacted sales volumes. Its premix and nutrition business performed well across a number of geographies with top-line sales growth initiatives generating good profits against a somewhat weak comparative period. Stiff competition in the North Sea region of Europe drove down aqua feed volumes and margins, as did decreased fish prices in Vietnam.

B. Origination & Processing

Origination & Processing connects producers and users of grain, oilseeds and other agricultural commodities through origination, processing, marketing, risk management and distribution capabilities and services. It also provides basic and customized farm services and products to producers.

Dollars in millions	Three months ended **Aug. 31, 2017**	Aug. 31, 2016	Percent change
Adjusted sales and other revenues	**$ 11,357**	$ 11,833	(4) %
Adjusted EBITDA	**355**	573	(38)
Adjusted operating earnings	**139**	279	(50)

The segment's first-quarter adjusted operating earnings fell 50 percent to $139 million. Adjusted sales and other revenues were $11.36 billion, down 4 percent compared with the prior period.

Despite strong trading, earnings in the grain and oilseed supply chain businesses declined against a strong first quarter last year that included wide soybean processing margins, solid biodiesel demand and strong U.S. exports. The decline in this year's results were due to lower crush margins and exports in the U.S. and low origination margins in South America where producers held stocks awaiting higher prices. The Europe, Middle East, Africa region was down significantly on lower oilseed crush margins. In contrast, Asia Pacific put up improved earnings in China and Australia.

Elsewhere in the segment, tropical palm improved earnings with higher crop production and prices, but poor trading results in raw sugar reduced earnings in the Alvean sugar joint venture.

C. Food Ingredients & Applications

Food Ingredients & Applications serves food manufacturers, foodservice companies and retailers with food and beverage ingredients, specialty ingredients and food applications and services. The segment also provides raw materials for animal nutrition and industrial applications.

Dollars in millions	Three months ended Aug. 31, 2017	Aug. 31, 2016	Percent change
Adjusted sales and other revenues	**$ 5,878**	$ 5,890	- %
Adjusted EBITDA	**611**	516	18
Adjusted operating earnings	**304**	224	36

Adjusted operating earnings in the segment's first quarter totaled $304 million, up $80 million from a year ago.

Results across the segment improved broadly compared with the prior year with a strong contribution from starches and sweeteners in North America, Europe and Asia as well as improved ethanol results in the U.S., which benefited from increased volumes and lower net input costs.

Strong cocoa press margins and West Africa origination sent earnings up significantly in the cocoa business. Global chocolate earnings also improved on solid ingredient positioning in Europe and higher sales in North America.

Results were slightly lower in global edible oils due to unfavorable risk management results, higher inbound freight costs and less profitable products in its North America sales mix.

A decline in salt earnings was mainly attributable to lower prices and volumes for deicing products as a result of customers' high carryover of inventory from the prior year's mild winter.

D. Industrial & Financial Services

Industrial & Financial Services provides Cargill customers and the company with risk management in energy, metals, ocean freight and commodities. It also provides financial solutions that facilitate trade and mitigate trade-related risks. Lastly, it offers asset management services through an independently managed subsidiary.

	Three months ended		Percent
Dollars in millions	**Aug. 31, 2017**	Aug. 31, 2016	change
Adjusted sales and other revenues	**$ 1,626**	$ 1,401	16 %
Adjusted EBITDA	**120**	134	(10)
Adjusted operating earnings (losses)	**61**	64	(5)

Effective this quarter, results from Cargill's trade and structured finance and risk management businesses moved from the Corporate, Other and Eliminations segment into the Industrial & Financial Services segment. Prior year figures have been restated to reflect the segment change.

The segment earned $61 million in the first quarter compared with $64 million in the year-ago period. Adjusted sales and other revenues were $1.63 billion, up 14 percent over the prior year.

In total, segment results were in line with the prior year with mixed performances across businesses. Cargill continued divestiture activities this quarter: The sale of the petroleum business to Macquarie Group closed at the end of June, while the power and gas business reduced activity in anticipation of the completion of the agreed sale, also to Macquarie. Results in gas trading dropped with a significant narrowing in gas price spreads on a large Canadian gas transport position.

Metals in Asia effectively captured significant iron ore and steel trading opportunities and booked customer-focused deals, leading to a sharp improvement in earnings. Ocean transportation results declined from a year ago with lower trading results and costs incurred to reposition its fleet in preparation for harvest in the Northern Hemisphere.

Trade and structured finance reported moderately improved earnings in the first quarter as market opportunities were relatively diverse across regions, particularly in Asia.

Cargill's investment in funds managed by CarVal Investors delivered results slightly below last year's level with positive returns across the majority of funds offset by higher interest expenses.

E. Corporate, Other and Eliminations

	Three months ended		Percent
Dollars in millions	**Aug. 31, 2017**	Aug. 31, 2016	change
Adjusted operating earnings (losses)	**(66)**	(78)	15

Corporate costs declined, reflecting U.S. tax benefits and lower interest expenses as a result of last year's long-term debt buyback.

IV. Other Operating Matters

A. Business Disposals

During fiscal 2018, Cargill disposed of its petroleum trading business with offices in North America, Europe and Asia. In fiscal 2017's first quarter, Cargill sold its Argentina flour milling business.

B. Litigation Summary

The outcome of any litigation is not predictable with certainty or subject to the company's control. However, it is the opinion of management that any ultimate liability in any known litigation against the company has been provided for in, or will not have a material adverse effect on the consolidated financial condition, cash flows or results of operations.

C. Non-GAAP Measures

Cargill reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). Adjusted operating earnings (AOE); earnings before interest, taxes, depreciation and amortization (EBITDA); and adjusted EBITDA are non-GAAP measures that may provide users with additional meaningful comparisons between current results and results in prior periods. AOE, EBITDA and adjusted EBITDA are not measures of consolidated operating results under U.S. GAAP and should not be considered as an alternative to net earnings or any other measure of consolidated results under U.S. GAAP.

Definitions:

Adjusted Operating Earnings (AOE) – In calculating adjusted operating earnings, Cargill includes earnings from non-controlling interests and mark-to-market gains or losses on intercompany contracts between the Origination & Processing and Food Ingredients & Applications segments. Cargill excludes the following seven items on an after-tax basis:

- Timing differences related to inventory, derivatives, and hedging. Timing differences include:
  - Mark-to-market adjustments for inventory and contracts that are not marked to market under U.S. GAAP in the Food Ingredients & Applications segment and in the energy businesses
  - Adjustments for the timing effect of hedges that are marked to market in the animal protein businesses
- Last-in, first-out (LIFO) inventory adjustments
- Amortization of intangible assets
- Gains and losses on changes in investment structures
- Asset impairment and restructuring reserves
- Gains and losses on disposals of businesses and other long-term assets
- Earnings attributable to non-controlling interests of the asset management subsidiary

EBITDA – Net earnings before interest, taxes, depreciation and amortization

Adjusted EBITDA – Adjusted operating earnings before interest, taxes, depreciation and amortization

ANNEX B

Management's Discussion and Analysis of Financial Condition and Results of Operations

For the three months and year ended
May 31, 2017, compared with the three months
and year ended May 31, 2016.

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Cargill, Incorporated

Management's Discussion and Analysis of Financial Condition and Results of Operations

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I. Overview

Cargill, Incorporated and subsidiaries, headquartered in Minneapolis, Minnesota, is an international provider of food, agricultural, financial and industrial products and services with 150,000 employees in 70 countries. Founded as a grain warehousing and merchandising company in 1865, Cargill today is one of the world's largest, privately held companies.

A. Corporate Organization and Strategic Direction

Cargill's purpose is to be the leader in nourishing the world in a safe, responsible and sustainable way. The company carries out its purpose by combining its knowledge and experience in food, agriculture and risk management to create solutions that help customers and partners succeed.

Backed by a strong balance sheet, the company's portfolio management and capital investment strategy is focused on the sectors where it intends to lead. Cargill aims to achieve high performance and sustained growth, and to be the most trusted partner in agriculture, food and nutrition.

Cargill reports results from operations in four reportable business segments: Animal Nutrition & Protein, Origination & Processing, Food Ingredients & Applications, and Industrial & Financial Services. Its businesses operate in four geographic regions: Asia Pacific; Europe, Middle East and Africa; Latin America; and North America.

Cargill will be the leader in nourishing the world in a safe, responsible and sustainable way.

$110b revenues in fiscal 2017

70 countries

150k employees

II. Consolidated Review

A. Financial Performance

All comparative figures are for the fourth quarter and full year of fiscal 2017, which ended May 31, 2017, and the fourth quarter and full year of fiscal 2016, which ended May 31, 2016.

CONSOLIDATED SUMMARY OF QUARTERLY FINANCIAL RESULTS

Dollars in millions	Three months ended May 31, 2017	May 31, 2016	Percent change
Net earnings attributable to Cargill, Incorporated	**$ 347**	$ 15	2,213 %
Adjusted operating earnings[a]	**460**	(19)	2,521
Net earnings before interest, income taxes, depreciation and amortization (EBITDA)	**922**	787	17
Sales and other revenues	**28,345**	27,135	4

In the fourth quarter: Adjusted operating earnings totaled $460 million, a $479 million increase from the prior year's fourth quarter, with improved earnings across all four business segments. The Animal Nutrition & Protein segment contributed the highest earnings for the quarter with strong gains across many of its businesses. Strengthened consumer demand for beef and case-ready meats at the start of the summer grilling season, along with lower cattle costs, drove protein earnings. Animal nutrition results rose against a weak comparative period with gains in Brazil supported by stronger customer focus and by improved aqua feed sales in Chile that helped offset difficult conditions in aquaculture in several countries. Gains across starches and sweeteners, cocoa and chocolate, and the Ardent Mills joint venture boosted earnings in Food Ingredients & Applications as the segment continued its efforts to improve operations and enhance its commercial capabilities. Industrial & Financial Services outperformed last year with better market conditions in ocean transportation and good trading results in Asia metals and North America power and natural gas. Cargill's share of earnings in its asset management investments also rose with gains in European financial markets. Within the Origination & Processing segment, North America grain and oilseeds delivered solid profits with improved canola crush margins and export volumes there. In the year-earlier period, the segment posted a loss from widening crush margins. Fourth quarter revenues increased 4 percent driven by higher sales prices of grain and oilseeds and increased volumes in metals. Overall sales volumes decreased 2 percent from last year's fourth quarter.

RECONCILIATION OF EARNINGS

Dollars in millions	Three months ended May 31, 2017	May 31, 2016
Adjusted operating earnings	**$ 460**	$ (19)
Adjustments (net of taxes):		
Timing differences – inventory, derivatives & hedging	**30**	59
LIFO inventory adjustment	**20**	233
Amortization of intangible assets	**(18)**	(17)
Gain/(loss) on changes in investment structure	**-**	-
Asset impairment and restructuring charges	**(171)**	(289)
Gain/(loss) on sales of businesses & other long term assets	**20**	45
Gain attributable to non-controlling interests[b]	**6**	3
Net earnings attributable to Cargill (U.S. GAAP)	**$ 347**	$ 15

Differences between adjusted operating earnings and net earnings for the quarter included amortization of intangible assets; impairment of assets; restructuring costs; gains on the sales of Cargill's investment in the Allied Mills joint venture and two U.S. cattle feed yards; LIFO inventory adjustments in the U.S. protein and chocolate businesses; and timing differences for inventory, derivatives and hedging, which increased to a net gain compared with last year's fourth quarter loss. Asset impairment charges were taken on assets held for sale as well as malt assets in Australia and the U.S., a soybean crushing and oil refining facility in Zambia, and animal nutrition assets in Switzerland. Fourth-quarter pretax adjustment losses totaled $167 million in fiscal 2017, compared with a $201 million gain in fiscal 2016.

a – Net of earnings attributable to non-controlling interests of Cargill's asset management businesses.
b – Excludes earnings attributable to non-controlling interests of Cargill's asset management businesses.

CONSOLIDATED SUMMARY OF FULL YEAR FINANCIAL RESULTS

Dollars in millions	Years ended May 31, 2017	May 31, 2016	Percent change
Net earnings attributable to Cargill, Incorporated	**$ 2,835**	$ 2,377	19 %
Adjusted operating earnings[a]	**3,035**	1,642	85
Net earnings before interest, income taxes, depreciation and amortization (EBITDA)	**5,982**	5,865	2
Sales and other revenues	**109,699**	107,164	2

Full year: Adjusted operating earnings rose 85 percent to $3.04 billion with improved profitability in all segments. Results were led by the Animal Nutrition & Protein segment with gains in North American beef, egg products and global poultry. In particular, the beef business had an exceptional year, capitalizing on greater cattle availability, renewed consumer demand, and previous capital investments that allowed for processing more boxed beef through its supply chain. Within the Food Ingredients & Applications segment, wider sweeteners margins in North America and Europe, higher cocoa press margins, and improved results from the Ardent Mills joint venture more than offset moderate declines in the salt and Asia-based food businesses. Origination & Processing delivered healthy results in North America as steady global demand and farmer retention of crops in South America had buyers looking to the U.S. and Canada to fulfill their needs. The segment's export facilities in North America operated at near-record levels with good margins in grain; softseed crush facilities in Canada also saw higher margins. A slow recovery in the ocean transportation market helped lift the Industrial & Financial Services segment above the prior year in which significant counterparty risk adjustments were taken. Cargill's investment in CarVal Investors also contributed with broad gains across its funds due to stronger credit markets and price appreciation in residential properties that positively affected loan strategies. Full-year revenues and volumes increased 2 and 6 percent respectively with higher sales of grain, oilseeds and metals.

RECONCILIATION OF EARNINGS

Dollars in millions	Years ended May 31, 2017	May 31, 2016
Adjusted operating earnings	**$ 3,035**	$ 1,642
Adjustments (net of taxes):		
Timing differences – inventory, derivatives & hedging	**(28)**	93
LIFO inventory adjustment	**20**	233
Amortization of intangible assets	**(70)**	(70)
Gain/(loss) on changes in investment structure	**-**	-
Asset impairment and restructuring charges	**(253)**	(539)
Gain/(loss) on sales of businesses & other long term assets	**147**	1,040
Gain attributable to non-controlling interests[b]	**(16)**	(22)
Net earnings attributable to Cargill (U.S. GAAP)	**$ 2,835**	$ 2,377

Differences between adjusted operating earnings and net earnings for the full year included amortization of intangible assets; impairment of assets; restructuring costs; gains on the sales of the U.S. crop inputs business, two oilseed processing plants in Europe, Cargill's investment in the Allied Mills joint venture, four U.S. cattle feed yards and other small sales; LIFO inventory adjustments in the U.S. beef and chocolate businesses; and timing differences for inventory, derivatives and hedging, which decreased to a net loss compared with a net gain in the prior year. Asset impairment charges were taken this year on assets held for sale, malt assets in Australia and the U.S., a soybean crushing and oil refining facility in Zambia, and animal nutrition assets in Switzerland. Last year's differences between adjusted operating earnings and net earnings included gains on the sale of Cargill's pork business and Cargill's 50 percent interest in NorthStar Blue Scope Steel in addition to impairment charges related to the deconsolidation of Cargill's operations in Venezuela and the China poultry business. Adjustments on a pretax basis totaled a $238 million loss in fiscal 2017 compared with a $1.45 billion gain in fiscal 2016.

a – Net of earnings attributable to non-controlling interests of Cargill's asset management businesses.
b – Excludes earnings attributable to non-controlling interests of Cargill's asset management businesses.

B. Significant Developments

1. 2018 first quarter

- On July 6, 2017, Cargill announced an equity investment in Delacon, a global leader in phytogenic feed additives, which will advance the market presence of natural, plant-based feed additives.
- On June 30, 2017, Cargill completed the sale of its petroleum trading business with offices in North America, Europe and Asia to the Australia-based Macquarie Group for $146 million.
- On June 9, 2017, Cargill announced the sale of its North America Power & Gas business to Macquarie Group. The transaction is expected to close in the first quarter of fiscal 2018, pending regulatory approvals.
- On June 1, 2017, Cargill completed the acquisition of Colombian based Pollos El Bucanero S.A., one of Colombia’s leading producers of chicken and processed meat products. Pollos Bucanero has more than 30 years of experience in the Colombian market where its products are the preferred choice of food service companies and retailers in multiple regions.

2. 2017 fourth quarter

- On May 16, 2017, Cargill completed the sale of two U.S. cattle feed yards in Colorado and Kansas to Green Plains Cattle Company LLC for $58 million.
- On April 24, 2017, Cargill announced the opening of Hebei Jiahao Grain & Oil Co Ltd, a joint venture partnership with New Hope Group, and Hebei Bohai Investment Group in Canzhou, China. The oilseed processing plant will help meet the growing demand for high quality food products in northern China.
- On April 11, 2017, Cargill completed the conversion of its fresh ground beef facility in Columbus, Nebraska to a cooked meats operation. Announced in late 2015, the project underscores the company's commitment to invest and grow the protein business in response to changing customer needs.
- On March 16, 2017, Cargill completed the $54 million sale of its 40 percent share in Allied Mills Australia, a flour milling joint venture in Australia, to Pacific Equity Partners.

3. 2017 third quarter

- On Feb. 28, 2017, Cargill completed the $319 million sale to Bunge of two oilseed processing plants in the Netherlands and France.
- On Dec. 29, 2016, Cargill completed the $46 million purchase of SGS Agricultura e Industria Ltda., a company based in Ponta Grossa, Brazil. SGS processes and produces oleo chemicals and emulsifiers for the food, animal nutrition, and industrial segments, for domestic and export sales.

4. 2017 second quarter

- On Nov. 1, 2016, Cargill completed the $33 million sale of beef cattle feed yards in Bovina and Dalhart, Texas, to Amarillo-based Friona Industries.
- On Sep. 20, 2016, Cargill announced a new 60-40 joint venture with So Good Food, a wholly-owned subsidiary of agri-food company Japfa, to produce and supply fully cooked chicken products in Indonesia. Cargill and Japfa also will work together to produce a new range of value-added consumer food products.
- On Sep. 1, 2016, Cargill completed the $91 million sale to Agrium of 18 crop input retail locations in Indiana, Michigan, Minnesota, Nebraska, South Dakota and Wisconsin.

5. 2017 first quarter

- On Aug. 31, 2016, Cargill sold its Argentina flour milling business to Molino Cañuelas for $57 million.
- On July 1, 2016, Cargill completed the acquisition of Fort Worth, Texas-based Five Star Custom Foods, Ltd., a business specializing in cooked protein products for the foodservice and food processing sectors. The $176 million acquisition included facilities in Fort Worth and Nashville,

Tennessee. Adding Five Star Custom Foods will enhance the company's existing cooked protein capabilities and provide innovation opportunities.

C. Liquidity and Capital Resources

CONSOLIDATED SUMMARY OF CASH FLOWS

Dollars in millions	Years ended May 31, 2017	May 31, 2016	Percent change
Total cash from operations	**$ 4,693**	$ 3,410	38 %
Cash investments:			
Additions to property	**$ 1,892**	$ 2,148	(12)
Investments in businesses acquired, less cash acquired	**226**	2,066	(89)
Net proceeds from nonconsolidated companies	**(17)**	(4)	(325)
Total capital investments	**$ 2,101**	$ 4,210	(50) %

1. Cash flow

Cash flow from operations in fiscal 2017 totaled $4.69 billion, a 38 percent increase over last fiscal year. In fiscal 2016, cash flow from operations included significant tax cash outflows from the sales of the pork business and Cargill's interest in North Star BlueScope Steel. The current year's higher earnings also contributed to the increase.

2. Capital investments

Business acquisitions, less cash acquired, totaled $226 million in fiscal 2017. Acquisitions and investments completed in the current year are discussed in Section II. B. Acquisitions and investments in fiscal 2016 included the purchase of a global chocolate business from Archer Daniels Midland Company; the purchase of EWOS, a global salmon feed company; the formation of a joint venture with Naturisa, a shrimp producer in Ecuador; the acquisition of Zamanita, a soybean crushing and oil refining business in Lusaka, Zambia; the purchase of FMC's pectin plant in Italy; the 51 percent purchase of Ekol Gida, a premix and feed additive company in Turkey; a ground beef processing plant in Columbia South Carolina from FPL Food, LLC; four feed mills in Poland from Dossche Mills NV; NatureWax, a market leader in natural, vegetable-based waxes based in Woodridge, Illinois; and the purchase of Format International Ltd., a leading global feed formulation software company.

3. Debt

The company's debt consists of the debt of Cargill, Incorporated and its consolidated subsidiaries. Cargill's consolidated debt totaled $7.51 billion on May 31, 2017, a significant decrease from May 31, 2016.

SUMMARY OF DEBT AT:

Dollars in millions	May 31, 2017	May 31, 2016	Increase (decrease)	Percent change
Short-term debt	**$ 1,737**	$ 2,508	$ (771)	(31) %
Long-term debt	**5,776**	8,046	(2,270)	(28)
Cargill consolidated debt	**$ 7,513**	$ 10,554	$ (3,041)	(29) %

Consolidated interest expense on short-term debt totaled $108 million in fiscal 2017, a $12 million decrease from the prior year. Full-year interest expense on long-term debt equaled $426 million, the same as last year's level.

On May 31, 2017, working capital included $7.82 billion of readily marketable commodity inventories. The comparable figure on May 31, 2016 was $8.4 billion.

Cargill's $5 billion syndicated committed credit facility was renewed in October 2016. It is structured as a revolving line of credit, consisting of a $1.25 billion, 364-day facility and a $3.75 billion, five-year facility that matures in October 2021. These credit facilities provide backup liquidity to the company's commercial paper programs.

Cargill also has a $1 billion committed revolving credit facility focused on non-U.S. markets. The 364-day facility, which was renewed in March 2017, enhances Cargill's flexibility in meeting short-term funding needs. The facility includes a one-year term-out option.

Cargill launched a combined tender offer and make whole call on April 21, 2017 to buy back approximately $2.1 billion of Cargill outstanding debt.

The buyback was part of Cargill's overall debt management program. By repurchasing high coupon debt, the company avoids paying higher interest rates in future years. The total cost of the buyback was approximately $153 million before tax. The transactions were completed on May 26, 2017.

4. Credit rating

CARGILL'S CREDIT RATING SUMMARY AT MAY 31, 2017

Agency	Long-term rating	Short-term rating
Standard & Poor's	A	A-1
Moody's Investors Service	A2	P-1
Fitch Ratings	A	F1

III. Segment Review

SUMMARY OF SALES AND OTHER REVENUES TO UNAFFILIATED CUSTOMERS

Dollars in millions	Three months ended May 31, 2017	May 31, 2016	Percent change
Animal Nutrition & Protein	**$ 7,879**	$ 7,697	2 %
Origination & Processing	**12,563**	12,025	4
Food Ingredients & Applications	**6,298**	6,224	1
Industrial & Financial Services	**1,552**	1,103	41
Corporate, Other and Eliminations	**148**	87	70
Total adjusted sales and other revenues	**28,440**	27,136	5
Adjustments	**(95)**	(1)	
Total	**$ 28,345**	$ 27,135	4 %

SUMMARY OF NET EARNINGS (LOSSES) BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

Dollars in millions	Three months ended May 31, 2017	May 31, 2016	Percent Change
Animal Nutrition & Protein	**$ 576**	$ 321	79 %
Origination & Processing	**195**	(61)	420
Food Ingredients & Applications	**554**	513	8
Industrial & Financial Services	**138**	(44)	414
Corporate, Other and Eliminations	**(400)**	(173)	(131)
Total adjusted EBITDA	**1,063**	556	91
Adjustments	**(141)**	231	
Total	**$ 922**	$ 787	17 %

SUMMARY OF ADJUSTED OPERATING EARNINGS (LOSSES)

Dollars in millions	Three months ended May 31, 2017	May 31, 2016	Percent change
Animal Nutrition & Protein	**$ 334**	$ 161	107%
Origination & Processing	**7**	(196)	104
Food Ingredients & Applications	**260**	216	20
Industrial & Financial Services	**92**	(107)	186
Corporate, Other and Eliminations	**(233)**	(93)	(151)
Total	**$ 460**	$ (19)	2,521%

SUMMARY OF SALES AND OTHER REVENUES TO UNAFFILIATED CUSTOMERS

Dollars in millions	Years ended May 31, 2017	May 31, 2016	Percent change
Animal Nutrition & Protein	**$ 31,239**	$ 31,755	(2) %
Origination & Processing	**47,572**	45,988	3
Food Ingredients & Applications	**24,616**	24,402	1
Industrial & Financial Services	**5,718**	4,152	38
Corporate, Other and Eliminations	**741**	932	(20)
Total adjusted sales and other revenues	**109,886**	107,229	2
Adjustments	**(187)**	(65)	
Total	**$ 109,699**	$ 107,164	2 %

SUMMARY OF NET EARNINGS (LOSSES) BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

Dollars in millions	Years ended May 31, 2017	May 31, 2016	Percent Change
Animal Nutrition & Protein	**$ 2,400**	$ 1,465	64 %
Origination & Processing	**1,641**	1,274	29
Food Ingredients & Applications	**2,222**	1,998	11
Industrial & Financial Services	**460**	9	5,011
Corporate, Other and Eliminations	**(607)**	(437)	(39)
Total adjusted EBITDA	**6,116**	4,309	42
Adjustments	**(134)**	1,556	
Total	**$ 5,982**	$ 5,865	2 %

SUMMARY OF ADJUSTED OPERATING EARNINGS (LOSSES)

Dollars in millions	Years ended May 31, 2017	May 31, 2016	Percent change
Animal Nutrition & Protein	**$ 1,346**	$ 735	83 %
Origination & Processing	**617**	391	58
Food Ingredients & Applications	**1,018**	830	23
Industrial & Financial Services	**260**	(145)	279
Corporate, Other and Eliminations	**(206)**	(169)	(22)
Total	**$ 3,035**	$ 1,642	85 %

A. Animal Nutrition & Protein

Animal Nutrition & Protein delivers customized animal nutrition products and services to commercial producers in aqua, beef, dairy, pork, poultry and pet food. The segment also provides a full range of meat and poultry products to food manufacturers, foodservice companies and retailers, as well as industrial customers.

Dollars in millions	Three months ended May 31, 2017	May 31, 2016	Percent change
Adjusted sales and other revenues	**$ 7,879**	$ 7,697	2 %
Adjusted EBITDA	**576**	321	79
Adjusted operating earnings	**334**	161	107

Dollars in millions	Years ended May 31, 2017	May 31, 2016	Percent change
Adjusted sales and other revenues	**$ 31,239**	$ 31,755	(2) %
Adjusted EBITDA	**2,400**	1,465	64
Adjusted operating earnings	**1,346**	735	83

Fourth-quarter adjusted operating earnings totaled $334 million, up sharply from $161 million a year ago. Segment sales and other revenues increased 2 percent to $7.9 billion.

Earnings in protein substantially surpassed last year with North American beef continuing to benefit from low cattle costs and a pick-up in demand for cuts for grilling. Case-ready meats and egg products also contributed to increased protein results, with both experiencing higher demand at good margins. The turkey business remained under margin pressure as whole-bird and breast meat prices dropped in a heavily supplied market. Global poultry earnings trailed last year's fourth quarter, with difficulties in Central America offset in part by higher sales volumes and reduced feed costs in Southeast Asia, as well as higher fresh chicken demand in Europe.

Animal nutrition earnings exceeded last year's weak fourth quarter. Premix and nutrition results increased due to focused customer sales in Brazil and higher volumes for swine and ruminant feeds in Ireland. Feed and nutrition's North American results improved against a weak comparative with lower administrative costs that were partially offset by competitive and market pressure in China and Vietnam and operational issues in Europe. Despite a challenging start to the year, aqua feed sales in Chile started to recover with new contracts and exports, while sales of aqua feeds in Southeast Asia declined due to adverse weather conditions, competitive pressure and price disruption in Vietnam's fish market.

B. Origination & Processing

Origination & Processing connects producers and users of grain, oilseeds and other agricultural commodities through origination, processing, marketing, risk management and distribution capabilities and services. It also provides basic and customized farm services and products to producers.

Dollars in millions	Three months ended **May 31, 2017**	May 31, 2016	Percent change
Adjusted sales and other revenues	**$ 12,563**	$ 12,025	4 %
Adjusted EBITDA	**195**	(61)	420
Adjusted operating earnings	**7**	(196)	104

Dollars in millions	Years ended **May 31, 2017**	May 31, 2016	Percent change
Adjusted sales and other revenues	**$ 47,572**	$ 45,988	3 %
Adjusted EBITDA	**1,641**	1,274	29
Adjusted operating earnings	**617**	391	58

The segment's fourth-quarter adjusted operating earnings rose 104 percent to $7 million. Adjusted sales and other revenues were $12.6 billion, up 4 percent compared with the prior period.

Improving upon last year's fourth quarter loss when oilseed crush margins widened and caused position losses, earnings in the grain and oilseed supply chain businesses were tempered by challenging markets in several regions. South America's origination volumes were impacted by slow farmer selling in the low price environment and in Argentina, rainy weather caused harvest delays and higher logistics costs. Weak sunflower crush margins in Europe and customer bad debts in Sub-Saharan Africa weighed on that region's results, while limited volatility and opportunities challenged World Trading. In North America, canola crush margins and grain export demand increased.

Tropical palm earnings were supported by a combination of higher selling prices and higher crop volumes against a weak comparative period. Falling sugar prices led to losses in the Alvean sugar joint venture. Solid margins on physical contracts and revenue from customer solutions strengthened cotton's earnings.

C. Food Ingredients & Applications

Food Ingredients & Applications serves food manufacturers, foodservice companies and retailers with food and beverage ingredients, specialty ingredients and food applications and services. The segment also provides raw materials for animal nutrition and industrial applications.

Dollars in millions	Three months ended May 31, 2017	Three months ended May 31, 2016	Percent change
Adjusted sales and other revenues	**$ 6,298**	$ 6,224	1 %
Adjusted EBITDA	**554**	513	8
Adjusted operating earnings	**260**	216	20

Dollars in millions	Years ended May 31, 2017	Years ended May 31, 2016	Percent change
Adjusted sales and other revenues	**$ 24,616**	$ 24,402	1 %
Adjusted EBITDA	**2,222**	1,998	11
Adjusted operating earnings	**1,018**	830	23

Adjusted operating earnings in the segment's fourth quarter totaled $260 million, up $44 million from a year ago.

Global starches and sweeteners edged ahead of last year's results, aided by effective margin management in North America and Europe around a tight supply-and-demand balance. North American ethanol earnings also improved with higher sales prices and lower input costs. In Latin America, sales volume to over-the-fence partners increased and prices held steady despite continued economic weakness in the region.

Results in Asia Pacific starches and sweeteners were flat with the prior year as its new plant in India faced operational challenges and startup costs, which were offset by improved results in its China operations.

Cocoa and chocolate earnings improved with higher cocoa press margins and chocolate pricing initiatives contributing in Europe, and increased cocoa bean exports out of West Africa made possible by the lifting of Ivory Coast's main crop export quotas. While continuing to integrate the production facilities acquired from ADM in the previous fiscal year, the North America business contended with lower sales volumes and higher manufacturing costs.

Global edible oils reported earnings slightly below last year due to lower sales volumes. Integration costs related to two recent acquisitions held earnings in plant-based bio-industrials below the year-ago level.

Elsewhere in the segment, good risk management earnings offset lower sales volumes for Ardent Mills, while salt earnings fell short due to lower prices in a highly supplied market.

D. Industrial & Financial Services

Industrial & Financial Services provides Cargill customers and the company with physical products and risk management in energy, metals and ocean freight, and offers asset management services through an independently managed subsidiary.

Dollars in millions	Three months ended May 31, 2017	Three months ended May 31, 2016	Percent change
Adjusted sales and other revenues	**$ 1,552**	$ 1,103	41 %
Adjusted EBITDA	**138**	(44)	414
Adjusted operating earnings (losses)	**92**	(107)	186

Dollars in millions	Years ended May 31, 2017	Years ended May 31, 2016	Percent change
Adjusted sales and other revenues	**$ 5,718**	$ 4,152	38 %
Adjusted EBITDA	**460**	9	5,011
Adjusted operating earnings	**260**	(145)	279

The segment earned $92 million in the fourth quarter compared with a $107 million loss in the year-ago period. Adjusted sales and other revenues were $1.6 billion, up 41 percent over the prior period.

Ocean transportation earnings improved substantially, driven by positive trading across vessel sizes, good fleet positioning that capitalized on demand for South American grain exports and an increase in transaction volumes. Last year's fourth-quarter results reflected a significant counterparty risk adjustment.

Metals reported improved earnings in Asia as its market insight correctly anticipated price movements in iron ore and steel. Earnings in the energy businesses surpassed the year-ago level as natural gas benefited from higher prices due to cold weather early in the quarter, and power posted broad regional gains. During April, the petroleum trading desks incurred losses as a result of a collapse in flat prices in the gasoline market. De-risking of positions in May, in preparation for the upcoming sale of the business, also dampened results.

Earnings from Cargill's investment in funds managed by CarVal Investors strengthened against the prior year with good performance across European financial markets and certain tax benefits.

E. Corporate, Other and Eliminations

Higher corporate costs reflected extinguishment costs associated with a $2.1 billion debt buyback completed in the fourth quarter, various reserves and tax expense. Earnings in trade and structured finance declined slightly against the strong comparable period, with lower results from the Middle East, Brazil and the former Soviet Union. Risk management results also declined against strong results in the prior year.

IV. Other Operating Matters

A. Business Disposals

During fiscal 2017, Cargill disposed of its flour milling business in Argentina, crop input business in the U.S., four U.S. feedlots, two oilseed processing plants in the Netherlands and France, and its investment in Allied Mills Australia. In fiscal 2016, Cargill sold its U.S. pork business, its 50 percent interest in North Star BlueScope Steel, its dressings, sauces and mayonnaise business, and a small equity investment. In addition, Black River Asset Management LLC was spun off into three independent asset management firms.

B. Venezuelan Operations

Cargill's operations in Venezuela import various food and feed ingredients and manufacturing equipment into the country and pay U.S. dollars for these goods. These operations further process and refine the goods, and sell the finished products to local third-party customers for Venezuelan bolivars.

Effective Nov. 30, 2015, the company stopped consolidating its Venezuelan operations and began accounting for its investment in those operations using the cost method of accounting. This change reflects the company's inability to convert Venezuelan bolivars to U.S. dollars or to pay U.S. dollar dividends, combined with the continued decline in the ability to control the operations as a result of local government intervention. This change in accounting treatment does not directly impact the local Venezuelan operations. Cargill remains committed to serving the Venezuelan marketplace.

As a result of this deconsolidation, in the second quarter of fiscal year 2016, the company recorded a charge of $176 million before tax and $149 million after tax to remove all assets and liabilities of the Venezuelan operations from its consolidated balance sheet. This charge was excluded from adjusted operating earnings. Subsequent to Nov. 30, 2015, the company has excluded the operating results of its Venezuelan operations from its consolidated financial statements and will only report earnings upon the receipt of U.S. dollars.

C. Litigation Summary

The outcome of any litigation is not predictable with certainty or subject to the company's control. However, it is the opinion of management that any ultimate liability in any known litigation against the company has been provided for in, or will not have a material adverse effect on the consolidated financial condition, cash flows or results of operations.

D. Non-GAAP Measures

Cargill reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). Adjusted operating earnings (AOE); earnings before interest, taxes, depreciation and amortization (EBITDA); and adjusted EBITDA are non-GAAP measures that may provide users with additional meaningful comparisons between current results and results in prior periods. AOE, EBITDA and adjusted EBITDA are not measures of consolidated operating results under U.S. GAAP and should not be considered as an alternative to net earnings or any other measure of consolidated results under U.S. GAAP.

Definitions:

Adjusted Operating Earnings (AOE) – In calculating adjusted operating earnings, Cargill includes earnings from non-controlling interests and mark-to-market gains or losses on intercompany contracts between the Origination & Processing and Food Ingredients & Applications segments. Cargill excludes the following seven items on an after-tax basis:

- Timing differences related to inventory, derivatives, and hedging. Timing differences include:
    - Mark-to-market adjustments for inventory and contracts that are not marked to market under U.S. GAAP in the Food Ingredients & Applications segment and in the energy businesses
    - Adjustments for the timing effect of hedges that are marked to market in the animal protein businesses
- Last-in, first-out (LIFO) inventory adjustments
- Amortization of intangible assets
- Gains and losses on changes in investment structures
- Asset impairment and restructuring reserves
- Gains and losses on disposals of businesses and other long-term assets
- Earnings attributable to non-controlling interests of the asset management subsidiary

EBITDA – Net earnings before interest, taxes, depreciation and amortization

Adjusted EBITDA – Adjusted operating earnings before interest, taxes, depreciation and amortization

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