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## **CHS reports \$209.2 million first quarter earnings for fiscal 2017**

ST. PAUL, MINN. (January 12, 2017) – CHS Inc., the nation's leading farmer-owned cooperative and a global energy, grains and foods company, today reported net income of \$209.2 million for the first quarter of its 2017 fiscal year.

Earnings for the period (Sept. 1 – Nov. 30, 2016) declined 22 percent from the same period of fiscal 2016. The decrease was primarily attributed to lower pretax earnings in the company's Energy and Foods segments along with Corporate and Other. These declines were partially offset by increased pretax earnings in the CHS Ag segment as well as earnings from the new Nitrogen Production segment.

"We've been in business for nearly nine decades, so we've experienced these types of cycles before," said CHS President and Chief Executive Officer Carl Casale. "Although it's not possible to predict how long the current down cycle in the ag and energy industries will continue, we'll navigate through this period by continuing to run our businesses efficiently and effectively, by maintaining a strong balance sheet and by ensuring we serve our owners' and customers' needs in all we do."

The CHS Energy segment generated a pretax income of \$70.0 million for the first three months of the 2017 fiscal year, compared to \$192.9 million for the same period in 2016, representing a decline of 64 percent. This reduction is primarily due to the down cycle in the energy sector and significantly reduced refining margins for the company's two refineries. In addition, earnings for the company's transportation business declined while the lubricants business remained flat and propane earnings increased from the same period a year ago.

The CHS Ag segment, which includes its domestic and global grain and crop nutrients businesses, renewable fuels, local retail operations and processing and food ingredients, generated income of \$109.2 million, an increase of 58 percent over the same period a year ago. Grain marketing earnings increased as a result of increased grain margins. Earnings from renewable fuels marketing and production operations increased as a result of higher ethanol sales margins. The wholesale crop nutrients business increased mainly due to increased margins. Country operations earnings increased because of increased grain volumes and other income, which was partially offset by loan loss reserves. CHS processing and food ingredients businesses experienced decreased earnings due to the sale of an international location and lower margins in the domestic soybean crushing business. These reductions were partially offset by higher margins in the canola crushing and soybean refining businesses.

The Nitrogen Production segment generated income of \$27.0 million before taxes during the first three months of the fiscal year. This increase in income was primarily driven by a gain of \$29.1 million associated with an embedded derivative asset established due to the terms of our strategic investment in CF Industries Nitrogen, LLC ("CF Nitrogen"). There are no comparable results in the prior year as this segment represents our investment in CF Nitrogen, which occurred in February 2016.

First quarter results for the Foods segment, which was previously reported as a component of Corporate and Other, generated pretax earnings of \$10.6 million during the first quarter of 2017. This represents a decrease of \$7.7 million compared to the same period the year before. This segment consists solely of our equity investment in Ventura Foods, LLC.

Corporate and Other generated pretax earnings of \$8.8 million during the first quarter of fiscal 2017, compared to \$9.4 million during the same time period the previous year. This segment primarily represents the company's equity investment in the Ardent Mills, LLC wheat milling joint venture and Business Solutions operations.

CHS Inc. (www.chsinc.com) is a leading global agribusiness owned by farmers, ranchers and cooperatives across the United States. Diversified in energy, grains and foods, CHS is committed to helping its customers, farmer-owners and other stakeholders grow their businesses through its domestic and global operations. CHS, a Fortune 100 company, supplies energy, crop nutrients, grain marketing services, animal feed, food and food ingredients, along with business solutions including insurance, financial and risk management services. The company operates petroleum refineries/pipelines and manufactures, markets and distributes Cenex® brand refined fuels, lubricants, propane and renewable energy products.

*This document and other CHS Inc. publicly available documents contain, and CHS officers and representatives may from time to time make, "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Report Act of 1995. Forward-looking statements can be identified by words such as "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on CHS current beliefs, expectations and assumptions regarding the future of its businesses, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of CHS control. CHS actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause CHS actual results and financial condition to differ materially from those indicated in the forward-looking statements are discussed or identified in CHS public filings made with the U.S. Securities and Exchange Commission, including in the "Risk Factors" discussion in Item 1A of CHS Annual Report on Form 10-K for the fiscal year ended August 31, 2016. Any forward-looking statements made by CHS in this document are based only on information currently available to CHS and speak only as of the date on which the statement is made. CHS undertakes no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.*

**CHS Inc. Earnings  
By segment  
(in millions \$)**

**For the Three Months Ended  
Nov. 30,**

	<b>2017 (fiscal year)</b>	<b>2016 (fiscal year)</b>
Energy	\$70.0	\$192.9
Ag	109.2	69.3
Nitrogen Production	27.0	-
Foods	10.6	18.3
Corporate and Other	<u>8.8</u>	<u>9.4</u>
Income before income taxes	225.6	289.9
Income taxes	<u>(16.6)</u>	<u>(23.7)</u>
Net income	209.0	266.2
Net income attributable to non-controlling interests	<u>0.2</u>	<u>0.3</u>
Net income attributable to CHS Inc.	\$209.2	\$266.5