

For further information,
Contact: Malissa Fritz
(651) 355-4585
malissa.fritz@chsinc.com

CHS reports fiscal year-end results and announces FY 2018 priorities

ST. PAUL, MINN. (Nov. 9, 2017) – CHS Inc., the nation's leading farmer-owned cooperative and a global energy, grains and foods company, today reported net income of \$127.9 million for the fiscal year ended Aug. 31, 2017, compared to net income of \$424.2 million for the fiscal year ended Aug. 31, 2016. Consolidated revenues totaled \$31.9 billion for fiscal 2017, approximately a five percent increase over consolidated revenues of \$30.3 billion for fiscal 2016.

"It's been a challenging year, but we're committed to meeting the long-term needs of our cooperative owners and customers. We will continue to take prudent actions to ensure the company is well positioned for future opportunities," said CHS President and Chief Executive Officer Jay Debertin.

For fiscal 2017, CHS experienced a loss before income taxes of \$54.8 million, down from income before income taxes of \$419.9 million in fiscal 2016, reflecting significant charges that relate to a Brazilian trading partner entering into bankruptcy-like proceedings under Brazilian law, intangible and fixed asset impairments, and bad debt and loan loss reserve charges, of which a significant portion relate to a single large producer borrower.

"As fiscal 2018 unfolds, CHS is focusing on three key priorities: strengthen relationships with owners and customers, sharpen focus on operational excellence, and restore financial flexibility," Debertin said. "I'm happy to report that we've seen progress on these priorities already. We are making significant headway towards managing credit risk consistently across the organization and are leveraging our ongoing asset review to drive decisions that will further strengthen our balance sheet."

For fiscal year 2017 ending on Aug. 31, 2017, reporting segments results are:

- **Energy:**
Year-over-year income before income taxes declined 72 percent to \$76.9 million, primarily due to significantly reduced refining margins and a charge incurred for the write-off of assets associated with a cancelled project. These decreases were partially offset by higher demand for energy products, most significantly in refined fuels.
- **Ag:**
The CHS Ag segment includes domestic and global grain marketing, wholesale crop nutrients, renewable fuels, local retail operations, and processing and food ingredients. CHS Ag experienced a loss before income taxes of \$230.8 million for fiscal 2017, compared to income before income taxes of \$30.9 million for fiscal 2016. Grain marketing earnings decreased primarily due to charges associated with a trading partner in our Brazilian operations entering bankruptcy-like proceedings under Brazilian law. Country operations experienced a decrease in pretax income due to changes in reserves related to a single producer borrower and asset impairments, which were significantly offset by higher grain margins and volumes. A decrease in processing and food ingredients pretax income was primarily caused by long-lived asset impairment charges. Pretax income for crop nutrients and renewable fuels increased due to higher volumes and higher margins, respectively.
- **Nitrogen Production:**
The Nitrogen Production segment is comprised of the company's investment in CF Industries Nitrogen, LLC ("CF Nitrogen"), and generated income before income taxes of \$29.7 million during fiscal 2017, compared to \$34.1 million in fiscal 2016. The decrease is primarily due to downward pressures on the pricing of urea and urea ammonium nitrate, which are produced and sold by CF Nitrogen. The decrease was partially offset by a \$30.5 million gain from an embedded derivative associated with CF Nitrogen.

- **Food:**
The Foods segment is comprised of the company's investment in Ventura Foods, LLC ("Ventura Foods"), and generated income before income taxes of \$26.0 million during fiscal 2017, compared to \$64.8 million the previous year. The decreases were primarily due to reduced margins at Ventura Foods.
- **Corporate and Other:**
The Corporate and Other category is primarily comprised of the company's wheat milling joint venture and Business Solutions operations. Year over year income before taxes increased to \$43.4 million, compared to \$14.7 million during fiscal 2016.

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, 2017. 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. Net Income

By segment (in millions \$)

For the Twelve Months Ended August 31,

	2017 (fiscal year)	2016 (fiscal year)
Energy	76.9	275.4
Ag	(230.8)	30.9
Nitrogen Production	29.7	34.1
Foods	26.0	64.8
Corporate and Other	43.4	14.7
Income (loss) before income taxes	(54.8)	419.9
Income tax expense (benefit)	(182.1)	(4.1)
Net income (loss)	127.3	424.0
Net income (loss) attributable to non-controlling interests	(0.6)	(0.2)
Net income attributable to CHS Inc.	127.9	424.2