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CHS reports fiscal 2017 second-quarter and first-half results

*Earnings increase in second quarter on improved conditions across
CHS wholesale and retail agricultural related businesses*

ST. PAUL, MINN. (April 5, 2017) – CHS Inc., the nation's leading farmer-owned cooperative and a global energy, grains and foods company, today reported net income of \$14.6 million for the second quarter of its 2017 fiscal year (the three-month period ended Feb. 28, 2017), compared to a net loss of \$31 million for the second quarter of fiscal 2016. Operating earnings for the company's second quarter were \$10.5 million, up from a loss of \$91.8 million from the second quarter of fiscal 2016. Revenues for the second quarter were \$7.3 billion, up 11 percent compared with \$6.6 billion for the second quarter of fiscal 2016.

Earnings for the six months of the company's fiscal 2017 (the six-month period ended Feb. 28, 2017), were \$223.7 million, compared to \$235.5 million for the first six months of fiscal 2016, a decrease of 5 percent. The decrease is a result of increased loan loss reserves, higher income taxes and continued challenges in the energy operating environment, which were partially offset by improved conditions across CHS wholesale and retail agricultural related businesses.

Revenues for the first six months of fiscal 2017 were \$15.4 billion, compared to \$14.4 billion for the first six months of fiscal 2016, an increase of 7 percent.

"As our operating environment remains challenging, we continue to act prudently, taking appropriate and measured actions regarding costs and investments, while positioning ourselves to take advantage of opportunities as they arise while focusing on return on our invested capital," said CHS President and Chief Executive Officer Carl Casale. "We are on a journey and are starting to see the benefits of our focus."

The CHS Energy segment generated a pretax income of \$16.6 million for the second quarter of the 2017 fiscal year, compared to a loss of \$63.1 million for the same period in fiscal 2016, representing an increase of \$79.7 million. Results were primarily due to increased refining margins and a \$46.1 million non-cash charge to reduce inventory to market value in the second quarter of fiscal 2016 that did not recur in the current year. The company's propane and lubricants businesses experienced an increase in earnings, partially offset by a decrease in the company's transportation business compared to the same period of the prior year. For the first six months of fiscal 2017, the segment generated pre-tax earnings totaled \$86.6 million, compared to \$129.9 million for the same period last year.

The CHS Ag segment, which includes domestic and global grain marketing and crop nutrients businesses, renewable fuels, local retail operations and processing and food ingredients, lost \$9.3 million in the second quarter of fiscal 2017, compared to a loss of \$31.1 million for the second quarter for 2016. Each of the primary business units in the Ag segment realized increased earnings during the second quarter of fiscal 2017, as compared to the second quarter of fiscal 2016, with the exception of country operations. Grain marketing increased earnings due primarily to improved grain margins. Wholesale crop nutrients income increased for the quarter due to higher volumes. Processing and food

ingredients earnings increased due to an impairment charge for assets held for sale in the prior fiscal year. Earnings from renewable fuels marketing and production operations also increased, primarily due to higher margins. These increases were partially offset by increased loan loss reserves related to the company's country operations retail business. Absent these reserve increases, the country operations retail business experienced strong second quarter operating performance versus the prior year's second quarter. These earnings were part of the \$99.9 million total for the CHS Ag segment for the first six months of fiscal 2017, compared to \$38.1 million for the first six months of fiscal 2016.

The Nitrogen Production segment generated income of \$5.5 million during the three months ended Feb. 28, 2017, compared to income of \$1.3 million over the previous fiscal year's quarterly period, and \$32.4 million for first six months of fiscal 2017 compared to \$1.3 million from the same period in fiscal 2016. The increase is primarily due to six months of activity in the current fiscal year, compared to only one month of activity in the first half of the prior fiscal year, given the CHS investment in CF Nitrogen occurred in February 2016.

The company's Foods segment, previously reported as a component of Corporate and Other, generated pretax earnings of \$3.1 million during the second quarter of fiscal 2017, a decrease of \$8.4 million compared to \$11.5 million for the same period the fiscal year before, and \$13.7 million during the first six months of fiscal 2017, compared to \$29.9 million for the same period of fiscal 2016. The decreases were primarily due to decreased margins at Ventura Foods, LLC, the CHS equity method investment that makes up the Foods segment.

Corporate and Other generated pretax income of \$7.7 million during the second quarter of fiscal 2017, compared to \$4.9 million during the same time period the previous year, an increase of \$2.8 million, or 57 percent, and income of \$16.5 million for the six months ended Feb. 28, 2017, compared to \$14.2 million during the first six months of fiscal 2016. Earnings in this category are derived from the company's equity investment in the Ardent Mills, LLC wheat milling joint venture and CHS 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		For the Six Months Ended	
	February 28/29,		February 28/29,	
	2017	2016	2017	2016
	(fiscal year)	(fiscal year)	(fiscal year)	(fiscal year)
Energy	\$16.6	\$(63.1)	\$86.6	\$129.9
Ag	(9.3)	(31.1)	99.9	38.1
Nitrogen Production	5.5	1.3	32.4	1.3
Foods	3.1	11.5	13.7	29.9
Corporate and Other	7.7	4.9	16.5	14.2
Income (loss) before income taxes	23.6	(76.5)	249.1	213.4
Income tax (benefit) expense	8.6	(46.3)	25.2	(22.6)
Net income (loss)	15.0	(30.2)	223.9	236.0
Net income (loss) attributable to non-controlling interests	0.4	0.8	0.2	0.5
Net income attributable to CHS Inc.	<u>\$14.6</u>	<u>\$(31.0)</u>	<u>\$223.7</u>	<u>\$235.5</u>