



Rural Development at Cargill

As an international provider of food, agricultural, financial and industrial products and services, Cargill relies on rural communities to provide the essential raw materials and skills that support the products we offer to our customers. Our employees around the world are helping improve the quality of local agriculture, as well as developing infrastructure and operating facilities that strengthen the local economic base in 45 developing nations.

Our focus on rural development involves improving conditions in non-urban areas, especially where agriculture is prominent in the economy. Our investments can improve livelihoods for rural residents in economically meaningful, environmentally sustainable and socially responsible ways.

Rural development provides us with reliable partners to help our customers succeed. For instance, higher crop yields and quality help ensure a dependable supply of inputs for our processing facilities. Farmers who produce better crops or livestock gain additional income and therefore stand to become better customers for our animal feeds businesses and better long-term suppliers for us.

Investing in Agricultural Production

Each year, Cargill works directly with hundreds of thousands of farmers to help increase their productivity, thereby helping to raise their standard of living and our access to quality raw materials. Our activities include training farmers on best practices in crop and animal agriculture; providing credit, inputs, transport and infrastructure for farmers and cooperatives; establishing fair and transparent pricing policies; and increasing access to markets.

- In China, Cargill is working in cooperation with the government to improve farm irrigation in rural areas to conserve water, increase crop yields and as a result, farmer incomes. The first pilot project will take place in Henan province, which has been hard hit by drought. China's agricultural irrigation water accounts for 65 percent of the country's annual water consumption.
- More than 2.1 million Chinese farmers have participated in our free productivity-enhancing programs on animal nutrition, sanitation, genetics and farm management. Cargill will expand its farmer training centers to 40 locations in China, allowing for an additional 700,000 farmers to be trained on modern animal nutrition and planting technologies by 2015. The program helped Cargill win the 2008 global award for corporate responsibility from the U.S. State Department.
- In Côte d'Ivoire, our cocoa buying stations provide transparent pricing information and conduct quality checks. This ensures that farmers get the best price for their crop, are rewarded for good quality beans and get paid upon delivery. We purchase more than 50 percent of our cocoa beans from farmer cooperatives. Our farmer field schools program will teach 10,000 farmers in 35 cooperatives during 2010 better and safer agricultural practices to improve quality, yields and farmer incomes. In May 2010 two farmer cooperatives received more than U.S. \$400,000 in premiums for certified cocoa to share with their 1,600 farmer members. In Southern Africa, we provide inputs and training to more than 100,000 cotton farmers and operate a credit program on an in-kind basis in Zimbabwe to protect farmers from currency fluctuations. Farmer training in the region has more than tripled yields at some locations.
- In the United States, our on-farm storage program provides qualifying farmers with a free grain storage bin in exchange for a multi-year grain delivery commitment. Farmers gain flexibility to better time the sale of their crops to coincide with higher prices.



Investing in Food, Feed and Fuel Processing

Many of our processing plants are in rural areas. Adding value where raw materials are grown brings jobs, and increased economic opportunities and incomes for people living in these regions. Whether it is cocoa processing in Côte d'Ivoire and Ghana, sugar mills in Brazil, malt production in France, or corn milling in Russia, all these operations contribute to increasing wealth in the local economy and creating new market demand that prompts new local businesses.

- Cargill is investing \$30 million to construct a chicken processing facility at its complex in Efremov, Russia. It will have the capacity to produce 18,000 tonnes of chicken products annually, and will supply Chicken McNuggets for McDonald's restaurants in Russia. This is in addition to a new U.S. \$12.5 million animal feed mill. These plants form part of our unique cluster of facilities at Efremov, which also include corn and wheat sweeteners plants, a vegetable oil refinery, a bottling facility and a malt plant. The complex currently employs 855 people. Our facilities also buy about 600,000 tons of local grain every year. The employee-led Cargill Cares Council in Efremov helps young people in the community by supporting a vocational school, building playgrounds and refurbishing the local children's hospital.
- We are expanding our animal nutrition footprint in Romania through a major investment in our feed plant in Sura Mica near the town of Sibiu. The investment will allow us to manufacture pelleted feed in both bag and bulk form, and will result in an increased capacity of nearly 50,000 metric tons per year. The facility employs about 45 people and could potentially provide for up to 15 more jobs.
- We've invested U.S. \$100 million to double the size of our canola crushing plant in Clavet, Saskatchewan in Canada. It is now the largest plant of its kind in the world. For the 8,000 farmers who grow specialty canola on contract for the plant, it means they have a locked in buyer for their crop. Cargill also provides marketing information and price-discovery tools so they can make good decisions on price.
- We have opened our sixth aquaculture feed mill in Vietnam. The plant in the Mekong Delta province of Dong Thap is designed to have an annual capacity of 60,000 tons of aquaculture feed, which will give our business in the country a total production capacity of 720,000 metric tons per year. We employ 560 people in Vietnam.

Investing in Communities

We recognize our continued success depends on the growth and health of our communities and partners. In fiscal year 2010, we invested in local communities in 54 countries where we have a presence with U.S. \$57.5 million in contributions.

We focus on long-term solutions to health and nutrition, education and environmental issues in partnership with some of the world's most respected humanitarian organizations. A number of these efforts place particular emphasis on advancing women's contributions to the agricultural value chain because many farmers in developing nations are women. Our corporate contributions are supplemented by our individual business units and employee-led fundraising and volunteer efforts through 300 Cargill Cares Councils around the world. Here are just a few examples:

- A U.S. \$10 million donation over five years to CARE is helping 100,000 people in rural areas lift themselves out of poverty in India, Brazil, Ghana, Côte d'Ivoire, Honduras and Guatemala.
- Cargill donated \$3.3 million to combat hunger across the globe as part of its "Nourishing People" challenge to its business units. On World Food Day, Cargill challenged its businesses to reach out to local hunger relief organizations to address immediate needs and provide long-term solutions to hunger. Activities ranged from helping food banks in the United States restock their shelves during the holiday season, to building school kitchens in Honduras.



- Our six year, U.S \$5.5 million commitment with the World Food Programme is bringing food, medication, improved hygiene and new drinking water wells to more than 30,000 children in 130 schools in Indonesia. In 2010, we started a new project supporting a WFP school feeding program in India.
- More than 90 percent of Cargill employees in Guatemala and Honduras volunteer for community projects, including building houses with Habitat for Humanity and constructing a school for disabled students.
- Cargill employees in China have contributed more than 42,000 volunteer hours over the past six years through 31 employee-led Cargill Cares Councils. Projects include a program to improve the education and welfare of China's children by refurbishing existing rural schools and building new schools and libraries that are located near Cargill facilities throughout China.

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