Momentum 2017 Annual Report



With speed and conviction, Cargill is taking action to achieve results that help others thrive. Our purpose is to nourish the world in a safe, responsible and sustainable way. We are drawing the food system closer together through insights and partnerships that accelerate impact.



David MacLennan Chairman and CEO

Marcel Smits Executive Vice President and CFO

Rising to the moment

Cargill achieved strong results this fiscal year. The changes we made across our company prepared us to make the most of the opportunities in our markets and to deliver unmatched solutions in agriculture, food and nutrition. As these markets rapidly evolve, customers and other partners value the expertise, reliability and forward-looking perspective that Cargill provides.

No matter the environment, our focus is to expand earnings so we can invest for continued growth. Opportunities to build world-class businesses, solve challenges, and lead on some of the most important issues of the day are attracting a new generation of talent with diverse skills and experiences to our company. We are proud of the momentum we have generated this year and look forward to continued progress as we help build the food system of the future.

Financial performance

We reached \$3.04 billion in adjusted operating earnings in fiscal 2017, an 85 percent increase year-on-year with gains across all four business segments. Net earnings on a U.S. GAAP basis rose 19 percent to \$2.84 billion. Revenues grew 2 percent to \$109.7 billion on higher sales of grain, oilseeds and metals. Cash flow from operations climbed 38 percent to \$4.69 billion.

These broad-based gains were accomplished in a period of mixed macroeconomic trends for agriculture. A fourth consecutive year of strong crop yields worldwide led to large surpluses, low commodity prices and little volatility. Despite solid demand and robust movement of crops along supply chains, stocks continued to build at both origin and destination.

Segment results

Animal Nutrition & Protein was the largest contributor to Cargill's adjusted operating earnings, with results lifted by exceptional performance in global protein. Results were buoyed by customer-focused strategies with a shift toward value-added products. Renewed consumer demand for beef also created favorable market conditions in North America. Animal nutrition earnings came in just above the prior year, as feed demand in many countries was buffeted by a mix of environmental and market factors.

We had a year of growth, forming poultry joint ventures with leading food companies in Indonesia and the Philippines, and expanding our own operations in Thailand. In the U.S., we purchased a specialty business in cooked meats and converted one of our own plants to respond to market growth. We sold four cattle feed yards, which freed up working capital. In animal nutrition, we opened an innovation center in Chile dedicated to fish health, as well as feed mills in China, India and Indonesia.

This report combines our financial and corporate responsibility performance in a manner that reflects our intersecting focus on purpose and profitability.



Net and adjusted operating earnings DOLLARS IN MILLIONS | • NET EARNINGS • ADJUSTED OPERATING EARNINGS \$3,000 \$2,000 \$1,000 \$0 2013 2014 2015 2016 2016 2017



Cargill sales and other revenues by destination FISCAL 2017

36% North America	
27% Asia Pacific	
24% Europe, Middle East and Africa	
13% Latin America	







Cargill employees by geography FISCAL 2017

36% Asia Pacific	
30% North America	
19% Latin America	\sum
15% Europe, Middle East and Africa	

Food Ingredients & Applications saw earnings rise moderately. A keen focus on strengthening commercial capabilities and operating efficiencies raised performance, especially in our global cocoa, and corn- and wheat-based product portfolios. We opened food innovation centers in Minneapolis and Shanghai. In Brazil and the U.S., we acquired two businesses that expand our offerings in plant-based bio-industrials.

Earnings in **Origination & Processing** exceeded the year-ago level, as record U.S. crops were met with brisk demand stemming from global growth in livestock production and reduced South American competition for exports. Our origination, crush and export assets in North America operated at high capacity in the first half, with good export volumes continuing into the second half. Global trading performance added to segment results, even though opportunities were limited by low volatility in many commodity markets.

We sold our U.S. crop inputs business, two oilseeds plants in Europe and our share in a flour milling joint venture in Australia. We invested in data, analytics and trading technologies. At year-end, we joined with local partners to open a major oilseeds processing plant and port facility in northern China.

Earnings rebounded in **Industrial & Financial Services**, driven by increased returns from asset management investments, excellent trading and customercentered merchandising in North American natural gas and power markets, and improved market conditions in ocean shipping. In separate transactions early in the new fiscal year, we sold our petroleum business and agreed to sell our natural gas and power business to a company that can position them for greater growth. The second transaction is expected to close in the first quarter of fiscal 2018.

An integrated approach to deliver greater value

Two years ago, we set out to build a more integrated, focused and agile Cargill that is equipped to lead in a quickly evolving world. We consolidated our business units into a smaller number of global groups centered on specific product lines, and simplified our leadership structure to speed decision-making and raise accountability. With the aim of being the market leader across our portfolio, we exited businesses where we did not see a path to growth and redeployed capital to those where we did.

We also sought to realize the full benefits of becoming an integrated operating company, one with world-class capabilities and processes implemented at scale everywhere we do business. Some of these are skill sets for which Cargill has long been known: trading and risk management, supply chain and logistics expertise, and ingredient and formulation development. Some are areas where we have put in significant work to achieve progress in recent years: efficient plant operations and functional shared services. And some are proficiencies where we aspire to change the game within our industry: sustainability, digitalization and analytics, and leadership on issues that matter.

At the center of this work is a revitalized purpose, which we adopted across our organization: *Cargill will be the leader in nourishing the world in a safe, responsible and sustainable way.* This includes sectors like food and agriculture where we have demonstrated consistent success. It also encompasses emerging opportunities in human and animal nutrition, the data economy, and sustainable products and services. In all cases, we build on an unparalleled global network of talent and assets that allows us to serve customers in unique ways.

Achievements this year

Established a new strategic direction, identifying and strengthening capabilities that will set us apart as we serve our customers and partners. Reached \$3 billion in adjusted operating earnings, with all four segments reporting year-onyear gains.

Reshaped the business portfolio through \$1 billion of investment in strategic acquisitions, joint ventures, and new and expanded facilities, as well as \$700 million of divestitures in non-strategic assets. Provided training to more than 650,000 farmers on agricultural best practices to raise productivity and protect the planet. Mapped 166 million hectares across about 1,900 Cargill sourcing areas worldwide to establish a baseline for measuring progress in eliminating deforestation from our supply chains. The fair value of Cargill stock, which is independently valued on a quarterly basis, reached a record high on May 31, 2017. Although Cargill will continue to strengthen these capabilities, our accomplishments to date have contributed significantly to the results we saw this fiscal year. This report highlights many examples and points the way forward for how we will win in the market by helping our customers and other stakeholders *thrive*.

Partnerships for impact

We know that building a resilient food and agricultural system will require many hands and varied approaches tailored to local needs. This year, Cargill achieved significant milestones with our global corporate responsibility partners. Our close collaboration with CARE serves as a vivid illustration of the powerful impact we can have when combining our expertise with that of others.

Cargill and CARE have worked together for more than 50 years, with Cargill investing \$18 million in the partnership since 2008. During the past three years, the partnership has positively impacted 300,000 lives in seven countries by increasing farmers' productivity, market access and livelihoods, as well as improving food and nutrition security, community governance and education resources. This year, we embarked on a \$7 million extension of the partnership with a goal to reach a total of 1 million people in agricultural communities by 2020.

With World Food Program USA, we initiated a \$1 million school meals program that will benefit 100,000 students in Honduras, Kenya and Indonesia over the next two years. We announced a \$3 million grant with Feeding America to support nutrition education, increased access to fruits and vegetables, diabetes prevention and food safety measures. And in Europe, we helped advance a training program for food bank managers with the European Federation of Food Banks, to reach some of the 43 million people there who remain food and nutrition insecure.

We also expanded partnerships focused on protecting the planet. With World Resources Institute and The Nature Conservancy, we undertook significant work to map and protect water and forest resources. Our Poliplant and PT Hindoli oil palm plantations in Indonesia received certification from the Roundtable on Sustainable Palm Oil, and the Indonesian government cited five of our palm oil mills for excellence in environmental management and sustainable production.

Our customers acknowledge the value of the work we are doing in these areas. Kellogg Company honored us with an award for our efforts to drive sustainability and traceability in its palm oil supply chain. KFC Asia gave us its 2016 Supply Chain Partner Award in part for our sustainability commitments. And a partnership for food safety innovations culminated in a supplier award from U.K. food retailer Tesco.

Our commitment to safety

We continued to advance employee and contractor safety across Cargill. We implemented a global safe driving policy that includes a ban on all mobile phone use – even hands-free devices – while driving for the company. Our recordable injury frequency rate reached another all-time low this year, and our three-year fatality rate dropped below the average for all companies reported by the U.S. Bureau of Labor Statistics.

Despite these results, we have yet to meet our most critical goal of sending each colleague home safe every day. We suffered seven fatalities this year, a number we will not accept. That's why we have enlisted everyone across Cargill to proactively analyze all activities, stop work if they see an unsafe situation, and make a change to remove or mitigate the risk. Through this collective effort, combined with industry-leading programs and standards we are deploying worldwide, we know we can eliminate fatalities and serious injuries.

In closing

As we turn the page to a new year, Cargill is poised to lead in our markets. Living our purpose, we know we have a clear contribution to make in the world. Working with farmers, customers, communities and other partners, we look forward to making powerful progress.

David Macleman

David MacLennan Chairman and Chief Executive Officer

Marcel Smits

Executive Vice President, Chief Financial Officer and Chief Compliance Officer

August 8, 2017

This year, we contributed \$54.7m across 54 countries to advance programs that make a difference.

Momentum

Cargill is leading in a rapidly evolving landscape. Customers, farmers and communities need a bold partner with a broad view and deep insights. Around the globe, our passion is translating their goals into solutions. Each day, we are advancing new possibilities.

We connect with new partners to expand markets.

Growth for poultry in Asia

In Indonesia, the world's fourth most-populous nation, convenience stores and petrol kiosks are where many consumers socialize and eat. To rapidly reach this growing market, Cargill formed a joint venture with local company So Good Food to deliver fully cooked chicken products. The venture combines So Good Food's established brand recognition and distribution channels with Cargill's world-class processing and product development expertise. Additionally, in Thailand, we are expanding our operations to increase exports regionally.

Jollibee Foods is the largest Asian foodservice brand, with more than 2,500 locations in its home country of the Philippines. This year, Cargill formed a joint venture to build a state-of-the-art processing facility that will supply a variety of chicken products to Jollibee's restaurants. The partnership also provides local poultry farmers with breakthrough access to expanding urban markets.

In China, where e-commerce sales are higher than in the U.S. and Europe combined, Cargill is mobilizing our fully integrated poultry supply chain to reach consumers online. Our Sun Valley[®] brand is now available directly to consumers on platforms like Alibaba and Tencent. This focus on quickly changing taste and flavor preferences allows us to share valuable insights with our foodservice and retail customers. Also in China, we are partnering with Heifer International to assist small poultry farms – many led by women – in growing their operations with best practices in animal husbandry.

Assisting small businesses

Rising demand for animal protein must be met with strong distribution networks. In Central America, our poultry business works with owners of small local shops to provide business training and install refrigeration, so the shops can increase sales of fresh chicken products. These efforts provide greater access to protein and other nutritious products for consumers, while shop owners surveyed have increased sales by an average of 14 percent.

New sources of protein

Cargill, Silicon Valley-based innovator Calysta and third-party investors are constructing the world's largest gas fermentation facility in the U.S. to make FeedKind® protein. Produced through a process where microbes feed on methane and are then converted into dried protein, FeedKind products will initially be substituted for fishmeal in aqua feed. This will help protect marine ecoystems by replacing fishmeal from up to 1 million tons of fish a year.



"We are changing the game on how protein is delivered to consumers, bringing best-in-class capabilities in food safety, product innovation and supply chain management to Jollibee's dynamic brand. We are building something meaningful."

RENATO HUELGAS, AGRICULTURE PROJECT LEADER CARGILL AND JOLLIBEE PHILIPPINES JOINT VENTURE

Cargill manages approximately 250,000 shipments of goods across borders every year.

Growth in poultry consumption in Asia, 2000-2025

KILOGRAMS PER CAPITA, SOURCE: OECD, FAO

+57% China +93% Philippines +100% Indonesia

2000

15

2025 (projected)

2016

We share our expertise to accelerate new solutions.

A network for innovation

Cargill is partnering with customers to anticipate and respond to changing consumer preferences. Our global network of innovation centers, including three new facilities opened this year, accelerates collaboration with customers to deliver critical research and market-ready, sustainable product solutions. In total, we invested \$40 million to expand our research and development capabilities this year.

The Shanghai Innovation Center offers a one-stop consultancy to food companies, combining the talents of our chefs, product development teams and ingredients businesses to bring customers what they need. For example, we supported an international customer looking to expand its business to China by adapting its offerings, ingredients and supply chains to meet local preferences. This approach was underpinned by consumer research that led to targeted product selections.

In Colaco, Chile, Cargill opened one of the world's foremost innovation centers devoted to fish health. The \$10.5 million investment increases by 30 percent the global capacity for conducting research trials to prevent and treat diseases that threaten aquaculture productivity. Research undertaken here will help ensure a sustainable future for this growing source of global protein. Our research and development center in Minneapolis is pursuing projects that will transform food and nutrition. The team is advancing the Cargill stevia product line to enable customers of all sizes to create more nutritious products across the beverage, dairy, cereal, snack and confectionery categories. In collaboration with global colleagues, the center also is researching fermentation, enzymology, molecular biology and other fields to achieve breakthroughs in how food can be sustainably produced.

Safer, simpler packaging

Cargill is creating solutions that boost food safety and reduce waste. For retail ground beef sold in stores across North America, we developed packaging that keeps meat fresh longer and improves food safety. And in the U.K., we partnered with grocer Tesco to design chicken packaging with multiple sealed sections for separate portions, making it easy to prepare smaller servings with less waste.

Beauty solutions

For the personal care market, Cargill is offering sustainable, nature-derived alternatives to traditional synthetic ingredients. Our bio-fermented Actigum[™] line and our seaweed-derived Satiagel[™] brand of texturizers add natural body to a variety of skin and haircare products. We also are collaborating with leaders such as Unilever and L'Oréal to help craft clean-label cosmetics that appeal to consumers' values.



"Our passion for aquaculture is to further the science. We are working to develop fish feeds that combat the risks of disease and help this young industry grow sustainably."

DR. EVA JAKOB, SCIENTIFIC LEADER CARGILL INNOVATION CENTER, CHILE

We have more than 2,000 scientists, researchers and related specialists working worldwide.

Growth in global aquaculture versus wild catch SOURCE: OECD, FAO



1995

As aquaculture rises rapidly, safeguarding fish health will be vital for the growth and sustainability of the sector.

2025 (projected)

We apply analytics to ignite growth through data.

New tools for farmers

In today's complex marketplace, farmers are looking for a digital edge. Cargill is deploying a variety of smart tools for producers that enable us to work together more effectively and sustainably.

Cargill teams in Canada use Greenlight Grower Management, a cloud-based program developed by a third-party vendor, to capture field and crop data for farmer customers. The tool analyzes this data to help customers plan crop rotation, as well as fertilizer and crop protection applications. Farmer customers are empowered to make more informed choices for their operations that help drive profitability.

In Côte d'Ivoire, Cargill and SourceTrace Systems developed a software solution that helps cocoa farmers increase the sustainability of their production. Equipped with a cloud-enabled mobile app, lead farmers who act as coaches collect and quickly analyze field-level data. With the resulting insights, farmers work with their coaches and cooperatives to make production decisions that increase vields and meet certification standards for sustainable cocoa. GPS maps generated through the process also advance understanding of how climate change may impact cocoa farming and help

address deforestation. Aided by this on-farm coaching, cocoa farmers who fully adopted farm development plans saw yields rise by an average of 49 percent last year.

Dairy Enteligen™, a Cargill animal nutrition software platform debuted in Italy, Spain and the U.S., helps dairy farmers make the most of their operations. The system connects disparate data on feed formulation, animal biometrics, and farm management and finances. It creates a comprehensive analysis that changes how Cargill consultants work with their dairy customers. Before even setting foot on the farm, they know how much milk a customer's cows are producing and why, and have identified opportunities for improvement.

An eye in the sky

Tapping data gathered by satellites and other sensors, Cargill is developing more informed analysis about everything from crop yields to the movements of shipping vessels on the high seas. These insights help us better serve our customers and reveal ways to achieve greater sustainability.

This year, we partnered with World Resources Institute's Global Forest Watch to map approximately 1,900 Cargill sourcing areas of cocoa, palm, soy and other commodities – a region almost seven times the size of the U.K. Based on 2014 data, this work establishes a baseline that we will use to track our progress in eliminating deforestation in our supply chains.



"The future of work is changing so quickly. With our purpose to nourish the world, Cargill is an incredible place to build a career in information technology and analytics. The opportunities are boundless."

JUSTIN KERSHAW, CARGILL CHIEF INFORMATION OFFICER

Cargill's proprietary data network has about 7 petabytes of information.

Within 10 years, digitalized agriculture has the potential to raise yields sufficiently to provide food for

1 billion people SOURCE: A.T. KEARNEY

We scale up sustainability to protect the planet.

To make food and agriculture more sustainable, we are focusing on areas where our size and market presence can make a significant impact: land use, climate change, water resources and farmer livelihoods.

Addressing climate change

For more than 20 years, Cargill has been taking action to mitigate climate change by steadily reducing greenhouse gas (GHG) emissions in our operations. Now, against the backdrop of the Paris Agreement and the U.N. Sustainable Development Goals, we are working with The Nature Conservancy and other partners to chart a bolder path forward. Renewable energy has long been central to our work. Using 15 types of renewable energy at our facilities worldwide helped Cargill avoid 1 million metric tons of GHG emissions this year. What sets Cargill apart is our use of biomass – often byproducts of the agricultural goods we process that might otherwise go to waste. In Southeast Asia, for example, palm fruit fibers and hulls power nearly all of our oil palm plantations and mills.

We also are deploying systems that generate combined heat and power on site, decreasing the amount of electricity we buy from the grid. The ability to produce heat and power from the same source reduces our GHG emissions. For instance, recent upgrades at our oilseeds facility in Riesa, Germany, have helped lower the plant's GHG intensity by more than 20 percent.

To accelerate GHG reductions, our new climate project is exploring energy use, transportation and supplier relations related to row crop farming and livestock production.

Shipping more efficiently

As one of the largest charterers of dry bulk and tanker shipping, Cargill is advancing sustainable ocean transportation. Today, 98 percent of Cargill's dry bulk fleet has been vetted with one of the five highest grades for efficiency from RightShip. This year, we supported the Carbon War Room's efforts to decarbonize maritime industries. And alongside 47 other shipowners and charterers, we called for ambitious action and stronger regulations on sulphur emissions in ocean shipping.

Protecting soil and water

Cargill is a founding member of the Midwest Row Crop Collaborative, which unites industry and conservation leaders to improve soil and water guality in the U.S. states of Illinois, Iowa and Nebraska. Working with established groups like the Soil Health Partnership and Field to Market, the collaborative is supporting farmer-led efforts to reduce nutrient loss and enhance the efficient and sustainable production of commodity crops. This year, the collaborative helped fund 20 new demonstration farms in three priority watersheds to test practices that can improve soil health, such as decreased tillage, advanced nutrient management and cover crops.

Facing page: Our facility in Frankfurt am Main, Germany, produces biodiesel – one of many Cargill bio-industrial products made from renewable agricultural sources.



"It's very gratifying to build projects that accelerate our positive impact on the environment, and to see them go from an idea to implementation with tangible results."

ALESSANDRA ELISIARIO, GLOBAL ENERGY LEAD CARGILL AGRICULTURAL SUPPLY CHAIN We have engaged 148,000 farmers

globally to help protect forests in our cocoa, cotton, palm and soy supply chains.

Progress this year on energy and natural resource use

1 · F | K · 305

THE REAL



We take bold action to lead for impact.

In a rapidly changing geopolitical landscape, the role of the private sector has never been more important. We are evolving our approach to have an even greater impact. Our long-term corporate responsibility partnerships combine with the work our businesses do every day to build stronger communities and a more sustainable, food-secure future.

Nourishing our world

Working with partners in many countries, Cargill is advancing systemic approaches to food security, nutrition and food system innovation. We are partnering with farmers to help improve their productivity and access to markets. Our work with CARE, TechnoServe, Solidaridad and other organizations helped us reach more than 650,000 farmers this year.

Through Partners in Food Solutions, Cargill employees shared their expertise with small and growing food processors in Africa to improve access to safe, nutritious and affordable food in local communities. During the past year, 67 employees contributed more than 1,400 hours to support nearly 50 African small businesses.

In the U.S., cooking contests engaged students in building healthier school lunches that meet nutritional standards, while Cargill Foundation partnerships reached more than 300,000 schoolkids with nutrition programs during 2016.

Protecting our planet

We are conserving vital natural resources to create a more sustainable future. We focused this year on establishing baselines for our work in land use, water resources and climate change. Through work with outside experts, we identified the areas where Cargill's global scale and reach could have the biggest impact.

We signed onto global coalitions such as the World Business Council on Sustainable Development to advance sustainability results. By joining the Cocoa & Forests Initiative, we also are accelerating efforts to protect forests in the cocoa supply chain. These endeavors increase collaboration for addressing common challenges through large-scale solutions.

This year, we also worked with World Wildlife Fund to develop a policy and practices to ensure that 100 percent of the fiber-based packaging products we source will be Forest Stewardship Council certified or recycled by 2025.

Enriching our communities

Cargill is investing in the communities where we live and work. Through efforts focused on economic and community development and employee engagement, we are leveraging our expertise and insights. We expanded the reach of our Global Scholars Program for top university students in agricultural fields, bringing the program to Indonesia this year. To date, more than 300 scholars have benefited. We also reached secondary and post-secondary students by supporting agricultural, engineering and IT programs in countries such as the U.S. and the U.K.

The impact of our programs and partnerships is multiplied by our employees, who invest in their communities through a wide range of activities supported by hundreds of Cargill Cares Councils worldwide. During the season surrounding World Food Day in October 2016, employee volunteers reached more than 260,000 people, including more than 124,000 children and young people. And for Earth Day, employees contributed more than 9,500 hours on environmental projects around the world.



"I know one of Cargill's goals is to be an inclusive company. Helping my homeland of Somalia in a time of need makes me feel included. I've never seen a company so involved in nourishing communities."

ILHAAN HUSSEIN, CARGILL OPERATIONS ANALYST IN GENEVA, IN RESPONSE TO CARGILL'S \$300,000 CONTRIBUTION TO HELP ADDRESS FAMINE IN EAST AFRICA SOURCE: BUSINESS & SUSTAINABLE DEVELOPMENT COMMISSION

Cargill's global contributions this year totaled

\$54.7m across 54 countries

Our impact

Working with diverse partners around the globe, we advance a wide range of approaches to keep the food and agriculture system strong. Aligned with our business objectives and the U.N. Sustainable Development Goals, these actions deliver on our purpose to be the leader in nourishing the world in a safe, responsible and sustainable way.

Our 2030 goals



Our corporate responsibility priorities and highlights

Nourishing our world

Food security and nutrition	 Engaged more than 600,000 people in nutrition education programs in 14 countries. Enabled more than 3.7 million meals to be delivered through food bank partnerships in 18 countries.
Food system innovation	 Invested \$40 million to expand our research and development capabilities.
Farmer livelihoods	• Provided training to more than 650,000 farmers on agricultural best practices to help raise their productivity.

Protecting our planet

Land use	• Trained 300 employees to evaluate and track implementation of Brazil's Forest Code.
Climate solutions	 Established a roadmap to accelerate reductions of GHG emissions across our operations.
	Reinforced our commitment to the Paris Climate Agreement.
Water resources	• Worked with World Resources Institute to research agriculture's impact on water quality in North America.

Bnriching our communities

Economic and community development	 Invested more than \$2.5 million through the Cargill Foundation in STEM education and college and career readiness programs, reaching more than 64,000 students. Improved education for more than 31,000 students in China, Indonesia and Vietnam through investments in infrastructure and environmental education.
Employee engagement	• Supported employee-led Cargill Cares Councils in more than 40 countries to implement local volunteer projects and community partnerships.

Our leadership team

David MacLennan Chairman and CEO

LeighAnne Baker Human Resources

David Dines Metals and Shipping Todd Hall

Protein and Salt

Ruth Kimmelshue Business Operations and Supply Chain

Marcel Smits Finance and Compliance Joe Stone Animal Nutrition

Gert-Jan van den Akker Agricultural Supply Chain

Frank van Lierde Food Ingredients and Bio-Industrial

We are building momentum toward a singular focus: heping the world thrive.



thrive

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