

CHS INC
Form S-1/A
September 03, 2013

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As filed with the Securities and Exchange Commission on September 3, 2013

Registration No. 333-190019

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

AMENDMENT NO. 1

to

Form S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CHS INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Minnesota

(State or other jurisdiction of
incorporation or organization)

41-0251095

(I.R.S. Employer
Identification Number)

5150

(Primary Standard Industrial
Classification Code Number)

Lisa Zell

**Executive Vice President and General Counsel
CHS Inc.**

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(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box:

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a
smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Class B Reset Rate Cumulative Redeemable Preferred Stock, Series 1	\$250,000,000	\$34,100

- (1) Estimated solely for purposes of determining the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.
- (2) Includes shares of Class B Reset Rate Cumulative Redeemable Preferred Stock, Series 1, which may be purchased by the underwriters to cover their over-allotment option to purchase additional shares of Class B Reset Rate Cumulative Redeemable Preferred Stock, Series 1.
- (3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion dated September 3, 2013

PROSPECTUS

Shares

CHS INC.

**Class B Reset Rate Cumulative Redeemable Preferred Stock, Series 1
(Liquidation Preference Equivalent to \$25.00 Per Share)**

Dividends on Class B Reset Rate Cumulative Redeemable Preferred Stock, Series 1 (the "Class B Preferred Stock"), of CHS Inc. ("CHS") will be cumulative and will be payable quarterly in arrears, if, when and as declared by our Board of Directors, at the rate of % per annum of the liquidation preference of \$25.00 per share (equivalent to \$ per share per annum) from and including , 2013 to but excluding , 2023, and thereafter, for each ten year period while the Class B Preferred Stock is outstanding, at a reset rate calculated on the basis of with a maturity of ten years, as determined prior to the applicable ten year period, plus a spread of %, but in no event will the sum of the reset rate and such spread be greater than 8% per annum. See "Description of Class B Preferred Stock Dividends."

The Class B Preferred Stock will not be redeemable prior to , 2023. On and after 2023, the Class B Preferred Stock may be redeemed for cash at the option of CHS, in whole or in part, at a per share redemption price equal to the per share liquidation preference of \$25.00, plus accumulated and unpaid dividends, if any, thereon to and including the date of redemption. The Class B Preferred Stock will not have a stated maturity and, except in connection with certain change of control transactions, holders thereof will not have the right to require CHS to redeem their Class B Preferred Stock at any time. The Class B Preferred Stock, by its terms, will not be convertible into or exchangeable for any property or securities of CHS. See "Description of Class B Preferred Stock Redemption Redemption at our Option."

The Class B Preferred Stock is a new issue of securities and, prior to this offering, there has been no established trading market for the Class B Preferred Stock. The Class B Preferred Stock has been approved for listing on the NASDAQ Global Select Market, subject to official notice of issuance, under the symbol "CHSCO". The Class B Preferred Stock has not been rated by any nationally recognized statistical rating agency.

Investing in the Class B Preferred Stock involves risks. You should carefully consider the risks under "Risk Factors" beginning on page 10 of this prospectus and in the documents we have filed with the Securities and Exchange Commission ("SEC") that are incorporated by reference in this prospectus before making a decision to purchase the Class B Preferred Stock.

	Per Share	Total(3)
Public offering price(1)	\$	\$
Underwriting discount(2)	\$	\$
Proceeds, before expenses, to CHS Inc.	\$	\$

- (1) Plus accumulated dividends from, and including, _____, 2013 if settlement occurs after that date.
- (2) See "Underwriting" for disclosure regarding the underwriting discount and certain expenses payable to the underwriters.
- (3) Assumes no exercise of the underwriters' over-allotment option described below.

We have granted the underwriters the right to purchase up to _____ additional shares of the Class B Preferred Stock at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus solely to cover over-allotments, if any.

Neither the SEC nor any state or other securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

It is expected that delivery of the Class B Preferred Stock will be made on or about _____, 2013 against payment therefor in immediately available funds.

BofA Merrill Lynch

Wells Fargo Securities

D.A. Davidson & Co.

The date of this prospectus is _____, 2013

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IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

You should rely only on the information that is contained or incorporated by reference in this prospectus. We have not and the underwriters have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor does this prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation in such jurisdiction. You should not assume that the information contained in this prospectus is accurate on any date subsequent to the date set forth on the front of the document or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus is delivered or securities sold on a later date.

References in this prospectus, and the documents incorporated by reference in this prospectus, to "CHS," "we," "our" and "us" refer to CHS Inc., a Minnesota cooperative corporation, and its subsidiaries. We maintain a web site at <http://www.chsinc.com>. Information contained in our website does not constitute part of, and is not incorporated by reference into, this prospectus.

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PROSPECTUS SUMMARY

The following summary highlights information we present in greater detail elsewhere in this prospectus and in the information incorporated by reference into this prospectus. This summary may not contain all of the information that is important to you and you should carefully consider all of the information contained or incorporated by reference in this prospectus. This prospectus contains forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. These factors include those listed under "Risk Factors" and elsewhere in this prospectus and the documents incorporated by reference into this prospectus.

CHS Inc.

CHS Inc. (referred to herein as "CHS," "we" or "us") is one of the nation's leading integrated agricultural companies. As a cooperative, we are owned by farmers and ranchers and their member cooperatives (referred to herein as "members") across the United States. We also have preferred stockholders that own shares of our 8% Cumulative Redeemable Preferred Stock, which is listed on the NASDAQ Global Select Market under the symbol CHSCP. On May 31, 2013, we had 12,272,003 shares of 8% Cumulative Redeemable Preferred Stock outstanding. We buy commodities from and provide products and services to patrons (including our members and other non-member customers), both domestic and international. We provide a wide variety of products and services, from initial agricultural inputs such as fuels, farm supplies, crop nutrients and crop protection products, to agricultural outputs that include grains and oilseeds, grain and oilseed processing and food products. A portion of our operations are conducted through equity investments and joint ventures whose operating results are not fully consolidated with our results; rather, a proportionate share of the income or loss from those entities is included as a component in our net income under the equity method of accounting. For the fiscal year ended August 31, 2012, our total revenues were \$40.6 billion and net income attributable to CHS Inc. was \$1.3 billion.

We have aligned our segments based on an assessment of how our businesses operate and the products and services they sell.

Our Energy segment derives its revenues through refining, wholesaling and retailing of petroleum products. Our Ag segment derives its revenues through the origination and marketing of grain, including service activities conducted at export terminals, through the wholesale sales of crop nutrients, from the sales of soybean meal and soybean refined oil and through the retail sales of petroleum and agronomy products, processed sunflowers, feed and farm supplies, and records equity income from investments in our grain export joint venture and other investments. We include other business operations in Corporate and Other because of the nature of their products and services, as well as the relative revenues of those businesses. These businesses primarily include our financing, insurance, hedging and other service activities related to crop production. In addition, our wheat milling and packaged food operations are included in Corporate and Other, as those businesses are conducted through non-consolidated joint ventures.

Membership in CHS is restricted to certain producers of agricultural products and to associations of producers of agricultural products that are organized and operating so as to adhere to the provisions of the Agricultural Marketing Act and the Capper-Volstead Act, as amended. Our Board of Directors may establish other qualifications for membership from time to time as it may deem advisable.

Our earnings from cooperative business are allocated to members (and to a limited extent, to non-members with which we have agreed to do business on a patronage basis) based on the volume of business they do with us. We allocate these earnings to our patrons in the form of patronage refunds (which are also called patronage dividends) in cash and patrons' equities (capital equity certificates), which may be redeemed over time solely at the discretion of our Board of Directors. Earnings derived

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from non-members, which are not allocated patronage, are taxed at federal and state statutory corporate rates and are retained by us as unallocated capital reserve. We also receive patronage refunds from the cooperatives in which we are a member, if those cooperatives have earnings to distribute and if we qualify for patronage refunds from them.

Our origins date back to the early 1930s with the founding of the predecessor companies of Cenex, Inc. and Harvest States Cooperatives. CHS Inc. emerged as the result of the merger of those two entities in 1998, and is headquartered in Inver Grove Heights, Minnesota.

Energy

We are the nation's largest cooperative energy company based on revenues and identifiable assets, with operations that include petroleum refining and pipelines; the supply, marketing (including ethanol and biodiesel) and distribution of refined fuels (gasoline, diesel fuel and other energy products); the blending, sale and distribution of lubricants; and the wholesale supply of propane. Our Energy segment processes crude oil into refined petroleum products at refineries in Laurel, Montana (wholly-owned) and McPherson, Kansas (an entity in which we currently have an approximate 79.2% ownership interest) and sells those products under the Cenex® brand to member cooperatives and others through a network of approximately 1,350 independent retail sites, of which 75% are convenience stores marketing Cenex® branded fuels. For fiscal 2012, our Energy revenues, after elimination of inter-segment revenues, were \$12.3 billion and were primarily from gasoline and diesel fuel.

In fiscal 2012, we began a project to replace a coker at one of our refineries with an expected total cost of \$555.0 million and expected completion in fiscal 2015, of which \$131.7 million has been expended as of May 31, 2013. In fiscal 2013, we began a \$327.0 million expansion at National Cooperative Refinery Association's (NCRA) McPherson, Kansas refinery which is anticipated to be completed in fiscal 2016.

Ag

Our Ag segment includes crop nutrients, country operations, grain marketing and processing and food ingredients. Our revenues in our Ag segment primarily include grain sales, which were \$20.6 billion for fiscal 2012 after elimination of inter-segment revenues.

Crop Nutrients. We believe our North America wholesale crop nutrients business is one of the largest wholesale fertilizer businesses in the U.S. based on tons sold and accounts for approximately 11% of the U.S. market. Tons sold include sales to our country operations business. There is significant seasonality in the sale of agronomy products and services, with peak activity coinciding with the planting seasons. There is also significant volatility in the prices for the crop nutrient products we purchase and sell.

We are currently taking steps toward construction of a more than \$1 billion nitrogen fertilizer manufacturing plant to be located at Spiritwood, North Dakota, which would provide the region's farmers with enhanced supplies of crop nutrients essential to raising corn and other crops. We plan to spend up to \$25 million on an engineering design study to determine the feasibility of the project. We expect the study to be completed in the fall of 2013.

Country Operations. Our country operations business purchases a variety of grains from our producer members and other third parties, and provides cooperative members and customers with access to a full range of products, programs and services for production agriculture. Country operations operates 402 locations through 69 business units, the majority of which have local producer boards dispersed throughout Colorado, Idaho, Illinois, Iowa, Kansas, Minnesota, Montana, Nebraska, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Michigan and Washington. Most of these locations

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purchase grain from farmers and sell agronomy, energy, feed and seed products to those same producers and others, although not all locations provide every product and service.

Grain Marketing. We are the nation's largest cooperative marketer of grain and oilseed based on grain storage capacity and grain sales, handling over 2.0 billion bushels annually. During fiscal 2012, we purchased approximately 54% of our total grain volumes from individual and cooperative association members and our country operations business, with the balance purchased from third parties. We arrange for the transportation of the grains either directly to customers or to our owned or leased grain terminals and elevators awaiting delivery to domestic and foreign purchasers. We primarily conduct our grain marketing operations directly, but do conduct some of our business through TEMCO, LLC (TEMCO), a 50% joint venture with Cargill, Incorporated (Cargill).

Processing and Food Ingredients. Our Processing and Food Ingredients business operates globally and converts soybeans into soybean meal, soyflour, crude soybean oil, refined soybean oil and associated by-products. We then further process soyflour for use in the food/snack industry.

Corporate And Other

Corporate and Other primarily represents the non-consolidated wheat milling and packaged food joint ventures, as well as our business solutions operations, which consist of commodities hedging, insurance and financial services related to crop production.

Horizon Milling, LLC and Horizon Milling G.P. are flour milling joint ventures with Cargill, of which we own 24%. On March 4, 2013, we entered into a definitive agreement with Cargill and ConAgra Foods, Inc. to form Ardent Mills, a joint venture combining the North American flour milling operations of the three parent companies, including the Horizon Milling, LLC and Horizon Milling G.P. assets, with CHS holding a 12% interest. Upon closing, Ardent Mills is expected to be financed with funds from third-party borrowings, which would not require credit support from the owners. The borrowings are anticipated to be no less than \$600 million with proceeds distributed to each owner in proportion to the ownership interests, adjusted for any deviations in specified working capital target amounts. The transaction is expected to close in our fiscal 2014, subject to financing and certain other customary closing conditions. In connection with the closing, the parties will also enter into various ancillary and non-compete agreements, including, among other things, an agreement for CHS to supply Ardent Mills with certain wheat and durum products.

Principal Executive Offices

Our principal executive offices are located at 5500 Cenex Drive, Inver Grove Heights, Minnesota 55077, and our telephone number at that address is (651) 355-6000.

Recent Events

In June 2013, we terminated and replaced both of the existing revolving credit facilities with a new five-year revolving facility with a committed amount of \$2.5 billion, with a syndication of domestic and international banks, including Bank of America, National Association, Wells Fargo Bank, N.A., as syndication agent, and Wells Fargo Securities, LLC, each of whom is an affiliate of one of the representatives of the underwriters. The financial covenants for the new revolving facility are substantially consistent with those applicable to the replaced facilities.

We are currently in the process of negotiating a Pre-Export Credit Agreement with various lenders in a syndicated facility for our wholly-owned Brazilian subsidiary, CHS Agronegocio Industria e Comercio Ltda ("CHS Agronegocio"). We anticipate that the size of the facility will be \$250 million with a three-year term. We currently expect to enter into the new facility in September 2013. If consummated, the purpose of the facility will be to provide financing for the working capital needs of

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CHS Agronegocio arising from its purchases and sales of grains, fertilizers and other agricultural products. We expect to provide an unconditional guarantee of the obligations of CHS Agronegocio under the facility. There can be no assurance that we will enter into this facility on the terms described herein, or at all.

In March 2013, we issued \$100 million of notes with a fixed interest rate of 4.71%, which mature in fiscal 2033, in a private placement to institutional investors.

In July 2013, we issued \$80 million and \$100 million of notes with fixed interest rates of 3.85% and 3.80%, respectively, which mature in fiscal 2025, in two private placements to institutional investors.

On July 10, 2013, we announced that Timothy Skidmore accepted the position of Executive Vice President and Chief Financial Officer effective August 19, 2013. Mr. Skidmore's appointment was approved by our Board of Directors on July 10, 2013. Mr. Skidmore replaced the former Chief Financial Officer, David A. Kastelic, who agreed to remain with us to assist in the transition of responsibilities until September 3, 2013, when he effectively retired from CHS. In this role, Mr. Skidmore now serves as our principal financial officer for SEC reporting purposes.

On July 10, 2013, our Board of Directors adopted resolutions to amend the terms of our 8% Cumulative Redeemable Preferred Stock such that, effective as of July 10, 2013, shares of our 8% Cumulative Redeemable Preferred Stock then outstanding may not be redeemed at our option until July 18, 2023.

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The Offering

Issuer	CHS Inc., a Minnesota cooperative corporation.
Securities Offered	shares (or shares if the underwriters' over-allotment option is exercised in full) of Class B Reset Rate Cumulative Redeemable Preferred Stock, Series 1, which we refer to in this prospectus as the Class B Preferred Stock.
Ranking	With respect to the payment of dividends and amounts payable upon liquidation, the Class B Preferred Stock will rank (i) senior to any patronage refund, patrons' equities, and any other class or series of our capital stock or equity capital designated by our Board of Directors as junior to the Class B Preferred Stock; (ii) junior to all shares of capital stock or equity capital of CHS which, by their terms, rank (with the approval of the holders of a majority of the outstanding shares of Class B Preferred Stock) senior to the Class B Preferred Stock and (iii) on a parity with the 8% Cumulative Redeemable Preferred Stock and all other shares of capital stock or equity capital of CHS other than shares of capital stock or equity capital of CHS which, by their terms, rank junior or (with the approval of the holders of a majority of the outstanding shares of Class B Preferred Stock) senior to the Class B Preferred Stock. See "Description of Class B Preferred Stock Ranking."
Dividends	Dividends on the Class B Preferred Stock will be cumulative from and including , 2013 and, if, when and as declared by our Board of Directors, will be payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, commencing on , 2013, at the rate of % of the liquidation preference of \$25.00 per share per annum (equivalent to \$ per share per annum) to, but excluding, , 2023, and thereafter, for each ten year period while the Class B Preferred Stock is outstanding, at a reset rate calculated on the basis of with a maturity of ten years, as determined prior to the applicable ten year period, plus a spread of % (which is the initial credit spread), but in no event will the sum of the reset rate and such spread be greater than 8% per annum. Dividends on the Class B Preferred Stock will accumulate whether or not we have earnings, whether or not there are funds legally available for the payment of such dividends and whether or not such dividends are authorized or declared. See "Description of Class B Preferred Stock Dividends."

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Liquidation Preference	In the event of our liquidation, holders of shares of Class B Preferred Stock are entitled to receive \$25.00 per share plus all dividends accumulated and unpaid on the shares to and including the date of liquidation, subject, however, to the rights of any of our debt and any capital stock or equity capital that rank senior to or on parity with the Class B Preferred Stock.
Redemption at Our Option	The Class B Preferred Stock will not be redeemable prior to _____, 2023. On and after _____, 2023, the Class B Preferred Stock will be redeemable for cash at our option, in whole or in part, at a per share redemption price equal to the per share liquidation preference of \$25.00 per share, plus all dividends accumulated and unpaid on that share to and including the date of redemption. Redemption of the Class B Preferred Stock will be a taxable event for federal income tax purposes. See "Description of Class B Preferred Stock Redemption At Our Option."
Redemption at the Holder's Option	In the event a change in control (as defined herein) is approved by our Board of Directors, holders of the Class B Preferred Stock will have the right, for a period of 90 days from the date of the change in control, to require us to repurchase their shares of Class B Preferred Stock, for cash, at a price equal to the per share liquidation preference of \$25.00 per share, plus all dividends accumulated and unpaid on that share to and including the date of redemption. "Change in control" is defined in "Description of Class B Preferred Stock Redemption At the Holder's Option."
Voting Rights	Holders of the Class B Preferred Stock do not have voting rights, except as required by applicable law; provided, that the affirmative vote of a majority of the outstanding shares of Class B Preferred Stock will be required to approve (i) any amendment to our articles of incorporation or the resolutions establishing the terms of the Class B Preferred Stock if the amendment adversely affects the powers, rights or preferences of the holders of the Class B Preferred Stock; or (ii) the creation of any class or series of capital stock, equity capital or patrons' equities having rights senior to the Class B Preferred Stock as to the payment of dividends or distribution of assets upon our liquidation, dissolution or winding up.
No Exchange or Conversion Rights; No Sinking Fund	Shares of the Class B Preferred Stock are not exchangeable for or convertible into any other shares of our capital stock or any other securities or property. The Class B Preferred Stock is not subject to the operation of any purchase, retirement or sinking fund.

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Listing	The Class B Preferred Stock is a new issue of securities and, prior to this offering, there has been no established trading market for the Class B Preferred Stock. The Class B Preferred Stock has been approved for listing on the NASDAQ Global Select Market, subject to official notice of issuance, under the symbol "CHSCO".
Form	The Class B Preferred Stock will be issued in the form of a fully registered global certificate that is deposited with a custodian for, and registered in the name of, The Depository Trust Company ("DTC") or its nominee, Cede & Co. Interests in a global certificate may also be held through Clearstream Banking, <i>société anonyme</i> ("Clearstream"), and Euroclear Bank, S.A./N.V. ("Euroclear").
Use of Proceeds	We intend to use the net proceeds from the sale of the Class B Preferred Stock, after deducting the underwriting discount and offering expenses payable by us, estimated to be approximately \$ million (or \$ million if the underwriters' over-allotment option is exercised in full), for general corporate purposes, which may include partially funding the replacement of a coker at one of our refineries with an expected total cost of \$555.0 million and expected completion in fiscal 2015, with \$131.7 million expended as of May 31, 2013, or partially funding a \$327.0 million expansion at NCRA's McPherson, Kansas refinery which is anticipated to be completed in fiscal 2016. See "Use of Proceeds."
Risk Factors	Ownership of our Class B Preferred Stock involves risks. See "Risk Factors" beginning on page 10 of this prospectus and in the documents we file with the SEC that are incorporated herein by reference.

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The summary financial information below has been derived from our consolidated financial statements for the periods indicated below. The selected consolidated financial information for the nine months ended and as of May 31, 2013 and 2012, and the years ended August 31, 2012, 2011 and 2010 and as of August 31, 2012 and 2011, should be read in conjunction with our consolidated financial statements and notes thereto included in our Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2013 and our Annual Report on Form 10-K for the fiscal year ended August 31, 2012, as well as the related management's discussion and analysis thereof, incorporated by reference in this prospectus. The selected consolidated financial information for the years ended August 31, 2009 and 2008 and as of August 31, 2010, 2009 and 2008 should be read in conjunction with our audited consolidated financial statements and notes thereto, as well as the related management's discussion and analysis thereof, not included or incorporated by reference in this prospectus. In the opinion of our management, the interim financial data for the periods ended May 31, 2013 and 2012 was prepared on the same basis as the annual historical financial data and include all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of this information. Results for the nine-month period ended May 31, 2013 are not necessarily indicative of the results that may be expected for the full fiscal year.

	Nine Months Ended May 31,		Years Ended August 31,				
	2013	2012	2012	2011	2010	2009	2008
(Dollars in thousands)							
Income Statement Data:							
Revenues	\$ 33,528,872	\$ 29,600,926	\$ 40,599,286	\$ 36,915,834	\$ 25,267,931	\$ 25,729,916	\$ 32,167,461
Cost of goods sold	32,055,796	28,113,086	38,588,143	35,512,988	24,397,410	24,849,901	30,993,899
Gross profit	1,473,076	1,487,840	2,011,143	1,402,846	870,521	880,015	1,173,562
Marketing, general and administrative	397,931	368,300	498,233	438,498	366,582	355,299	329,965
Operating earnings	1,075,145	1,119,540	1,512,910	964,348	503,939	524,716	843,597
Loss (gain) on investments	(199)	446	5,465	(126,729)	(29,433)	56,305	(29,193)
Interest, net	186,989	126,556	193,263	74,835	58,324	70,487	76,460
Equity income from investments	(72,406)	(68,885)	(102,389)	(131,414)	(108,787)	(105,754)	(150,413)
Income before income taxes	960,761	1,061,423	1,416,571	1,147,656	583,835	503,678	946,743
Income taxes	87,033	86,588	80,852	86,628	48,438	63,304	71,861
Net income	873,728	974,835	1,335,719	1,061,028	535,397	440,374	874,882
Net income attributable to noncontrolling interests	4,139	75,095	75,091	99,673	33,238	58,967	71,837
Net income attributable to CHS Inc.	\$ 869,589	\$ 899,740	\$ 1,260,628	\$ 961,355	\$ 502,159	\$ 381,407	\$ 803,045
Balance Sheet Data (at end of period):							
Working capital	\$ 2,959,840	\$ 2,854,602	\$ 2,848,462	\$ 2,776,492	\$ 1,603,994	\$ 1,626,352	\$ 1,738,600
Net property, plant and equipment	3,044,582	2,706,674	2,786,324	2,420,214	2,253,071	2,099,325	1,948,305
Total assets	12,877,809	11,473,354	13,423,151	12,217,010	8,666,128	7,869,845	8,771,978
Long-term debt, including current maturities	1,484,057	1,481,376	1,440,353	1,501,997	986,241	1,071,953	1,194,855
Total equities	5,006,853	4,377,326	4,473,323	4,265,320	3,604,451	3,333,164	3,161,418
Ratio of earnings to fixed charges and preferred dividends(1)	8.5x		9.6x	8.8x	5.5x	4.6x	7.4x

(1)

For purposes of computing the ratio of earnings to fixed charges and preferred dividends, earnings consist of income from continuing operations before income taxes on consolidated operations, distributed income from equity investees and fixed charges. Fixed charges consist of interest expense and one-third of rental expense, considered representative of that portion of rental expense estimated to be attributable to interest. Interest costs of \$126.3 million, \$67.5 million, and \$113.2 million for the nine months ended May 31, 2013 and 2012, and the year ended August 31, 2012, respectively, associated with our commitment to purchase the NCRA noncontrolling interests, were excluded from interest expense for purposes of computing the ratio of earnings to fixed charges and preferred dividends.

Table of Contents**Change in Accounting Comprehensive Income**

The following table sets forth selected financial information that has been revised to reflect the adoption of a new accounting principle. In June 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") No. 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income" ("ASU No. 2011-05"). ASU No. 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of stockholders' equity. ASU No. 2011-05 requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. We adopted ASU No. 2011-05, as amended by ASU No. 2011-12, "Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05," during the first quarter of fiscal 2013. The following selected financial information revises our annual information for the periods presented to apply the new presentation required by this pronouncement.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	For the Years Ended August 31		
	2012	2011	2010
	(Dollars in thousands)		
Net income	\$ 1,335,719	\$ 1,061,028	\$ 535,397
Other comprehensive (loss) income, net of tax:			
Prior service credit (cost), net of tax expense (benefit) of \$271, \$(548), and \$(154) in 2012, 2011 and 2010, respectively	476	(864)	(238)
Amortization of prior service cost, net of tax expense of \$712, \$914, and \$957 in 2012, 2011 and 2010, respectively	1,253	1,440	1,478
Amortization of net transition obligation, net of tax expense of \$394, \$363, and \$368 in 2012, 2011 and 2010, respectively	694	573	568
Net actuarial (loss) gain, net of tax (benefit) expense of \$(29,080), \$10,208 and \$(36,433) in 2012, 2011 and 2010, respectively	(51,189)	16,079	(56,298)
Amortization of net actuarial gain, net of tax expense of \$5,993, \$6,839, and \$4,415 in 2012, 2011 and 2010, respectively	10,550	10,773	6,823
Unrealized net gain (loss) on available for sale investments, net of tax expense (benefit) of \$199, \$445 and \$(477) in 2012, 2011 and 2010, respectively	355	716	(750)
Cash flow hedges, net of tax expense (benefit) of \$449, \$(2,180) and \$227 in 2012, 2011 and 2010, respectively	586	(3,424)	356
Energy derivative instruments qualified for hedge accounting, net of tax expense (benefit) of \$1,540 and \$(1,540) in 2011 and 2010, respectively		2,419	(2,419)
Foreign currency translation adjustment, net of tax (benefit) expense of \$(3,699), \$2,842 and \$(791) in 2012, 2011 and 2010, respectively	(5,855)	4,464	(1,242)
Other comprehensive (loss) income, net of tax	(43,130)	32,176	(51,722)
Comprehensive income	1,292,589	1,093,204	483,675
Less: comprehensive income attributable to noncontrolling interests	75,091	101,458	30,513
Comprehensive income attributable to CHS Inc.	\$ 1,217,498	\$ 991,746	\$ 453,162

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RISK FACTORS

Any investment in the Class B Preferred Stock involves a high degree of risk. You should carefully consider all of the information contained or incorporated by reference in this prospectus before making an investment decision. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations or otherwise adversely affect us. If any of those risks actually occurs, our business, financial condition, liquidity, results of operations and prospects could be materially and adversely affected and our ability to pay dividends on, or make other payments with respect to, the Class B Preferred Stock could be impaired, which we refer to collectively as a "material adverse effect on us," or comparable language, below. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See "Special Note Regarding Forward-Looking Statements."

Risks Related to our Operations

Our revenues, results of operations and cash flows could be materially and adversely affected by changes in commodity prices, as well as global and domestic economic downturns and risks.

Our revenues, results of operations and cash flows are affected by market prices for commodities such as crude oil, natural gas, fertilizer, grain, oilseed, flour and crude and refined vegetable oils. Commodity prices generally are affected by a wide range of factors beyond our control, including weather, disease, insect damage, drought, the availability and adequacy of supply, government regulation and policies, and general political and economic conditions. We are also exposed to fluctuating commodity prices as the result of our inventories of commodities, typically grain, fertilizer and petroleum products, and purchase and sale contracts at fixed or partially fixed prices. At any time, our inventory levels and unfulfilled fixed or partially fixed price contract obligations may be substantial. We have processes in place to monitor exposures to these risks and engage in strategies to manage these risks. If these controls and strategies are not successful in mitigating our exposure to these fluctuations, we could be materially and adversely affected. In addition, we are exposed to the risk of nonperformance by counterparties to contracts. Risk of nonperformance by counterparties includes the inability to perform because of a counterparty's financial condition and liquidity and also the risk that the counterparty will refuse to perform a contract during a period of price fluctuations where contract prices are significantly different than the current market prices. Increases in market prices for commodities that we purchase without a corresponding increase in the prices of our products or our sales volume or a decrease in our other operating expenses could reduce our revenues and net income. In addition, the level of demand for our products is affected by global and regional demographics and macroeconomic conditions, including population growth rates and changes in standards of living. A significant downturn in global economic growth or recessionary conditions in major geographic regions, may lead to a reduced demand for agricultural commodities, which could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects. Additionally, weak global conditions and adverse conditions in global financial markets may adversely impact the financial condition and liquidity of some of our customers, suppliers and other counterparties, which could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects.

Our revenues originated outside of the U.S. were approximately 7% of consolidated net sales in fiscal 2012 and one of our core strategic initiatives includes global expansion. As a result, we are exposed to risks associated with having increased global operations outside the U.S., including economic or political instability in the international markets in which we do business, including South America, Asia, and Europe.

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In our energy operations, profitability depends largely on the margin between the cost of crude oil that we refine and the selling prices that we obtain for our refined products. Although the prices for crude oil reached historical highs during 2008, the prices for both crude oil and for gasoline, diesel fuel and other refined petroleum products fluctuate widely. Factors influencing these prices, many of which are beyond our control, include:

levels of worldwide and domestic supplies;

capacities of domestic and foreign refineries;

the ability of the members of the Organization of Petroleum Exporting Countries (OPEC) to agree to and maintain oil price and production controls, and the price and level of foreign imports;

disruption in supply;

political instability or armed conflict in oil-producing regions;

the level of consumer demand;

the price and availability of alternative fuels;

the availability of pipeline capacity; and

domestic and foreign governmental regulations and taxes.

The long-term effects of these and other conditions on the prices of crude oil and refined petroleum products are uncertain and ever-changing. Increases in crude oil prices without a corresponding increase in the prices of our refined petroleum products would reduce our net income. Accordingly, we expect our margins on, and the profitability of our energy business to fluctuate, possibly significantly, over time.

Our revenues, results of operations and cash flows could be materially and adversely affected if our members were to do business with others rather than with us.

We do not have an exclusive relationship with our members and our members are not obligated to supply us with their products or purchase products from us. Our members often have a variety of distribution outlets and product sources available to them. If our members were to sell their products to other purchasers or purchase products from other sellers, our revenues would decline and our results of operations and cash flows could be materially and adversely affected.

We participate in highly competitive business markets and we may not be able to continue to compete successfully, which would have a material adverse effect on us.

We operate in several highly competitive business segments and our competitors may succeed in developing new or enhanced products that are better than ours, and may be more successful in marketing and selling their products than we are with ours. Competitive factors include price, service level, proximity to markets, product quality and marketing. In our business segments, we compete with certain companies that are larger, better known and have greater marketing, financial, personnel and other resources. As a result, we may not be able to continue to compete successfully with our competitors, which would have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects.

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Changes in federal income tax laws or in our tax status could increase our tax liability and reduce our net income significantly.

Current federal income tax laws, regulations and interpretations regarding the taxation of cooperatives, which allow us to exclude income generated through business with or for a member (patronage income) from our taxable income, could be changed. If this occurred, or if in the future we were not eligible to be taxed as a cooperative, our tax liability would significantly increase and our net income would significantly decrease.

We incur significant costs in complying with applicable laws and regulations. Any failure to make the capital investments necessary to comply with these laws and regulations could expose us to unanticipated expenditures and liabilities.

We are subject to numerous federal, state and local provisions regulating our business and operations and we incur and expect to incur significant capital and operating expenses to comply with these laws and regulations. We may be unable to pass on those expenses to customers without experiencing volume and margin losses.

We establish reserves for the future cost of known compliance obligations, such as remediation of identified environmental issues. However, these reserves may prove inadequate to meet our actual liability. Moreover, amended, new or more stringent requirements, stricter interpretations of existing requirements or the future discovery of currently unknown compliance issues may require us to make material expenditures or subject us to liabilities that we currently do not anticipate. Furthermore, our failure to comply with applicable laws and regulations could subject us to administrative penalties and injunctive relief, civil remedies, including fines and injunctions, and recalls of our products. For example, we regularly maintain hedges to manage the price risks associated with our commercial operations. These transactions typically take place on the Chicago Mercantile Exchange (CME). Our hedging transactions and activities are subject to the rules and regulations of the CME and the U.S. Commodity Futures Trading Commission (CFTC). Both the CME and the CFTC have broad powers to review required records, investigate and enforce compliance and to punish noncompliance by entities subject to its jurisdiction. The failure to comply with such rules and regulations could lead to restrictions on our trading activities or subject us to enforcement action by the CFTC or a disciplinary action by the CME, which could lead to substantial sanctions.

In July 2013, CHS received a letter from the CFTC requesting CHS to preserve, and to produce to the CFTC on a voluntary basis, documents concerning CHS's trading positions, including futures hedging transactions on the CME, for the period from January 1, 2010 through June 30, 2013. CHS is complying with this request. The CFTC has advised CHS that an order of investigation is in process, although the CFTC has not advised CHS of any specific activities of concern or of any specific rules or regulations that are the subject of the CFTC's inquiry. CHS is cooperating with the CFTC's inquiry. CHS also received a letter from the CME in June 2013 advising that its market surveillance department was reviewing certain of CHS's futures positions in April and May of 2013 and requesting that CHS produce relevant documents for its review, which CHS has produced. Any investigation or proceeding by the CME or the CFTC, whether successful or unsuccessful, could result in substantial costs, the diversion of resources, including management time, and potential harm to our reputation, all of which could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects.

Changing environmental and energy laws and regulation, may result in increased operating costs and capital expenditures and may have a material and adverse effect on us.

New environmental laws and regulations, including new regulations relating to alternative energy sources and the risk of global climate change, new interpretations of existing laws and

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regulations, increased governmental enforcement or other developments could require us to make additional unforeseen expenditures.

It is possible that some form of regulation will be forthcoming at the federal level in the United States with respect to emissions of greenhouse gases (GHGs) (including carbon dioxide, methane and nitrous oxides). Also, new federal or state legislation or regulatory programs that restrict emissions of GHGs in areas where we conduct business could adversely affect our operations and demand for our energy products, which would have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects. New legislation or regulator programs could require substantial expenditures for the installation and operation of systems and equipment that we do not currently possess or substantial modifications to existing equipment. The actual effects of climate change on our businesses are, however, unknown and undeterminable at this time.

Pursuant to the Energy Independence and Security Act of 2007, the EPA has promulgated the Renewable Fuel Standard (RFS), which requires refiners to blend renewable fuels, such as ethanol and biodiesel, with their petroleum fuels or purchase renewable energy credits, known as RINs, in lieu of blending. The EPA generally establishes new annual renewable fuel percentage standards for each compliance year in the preceding year. We generate RINs in our marketing operations under the RFS, however it is not enough to meet the needs of our refining capacity and RINs must be purchased on the open market. Recently the price of RINs has been extremely volatile with prices increasing. As a result, the purchase of RINs could have a negative impact on our future refined fuels margins, the impact of which we are not able to estimate at this time.

Governmental policies and regulation affecting the agricultural sector and related industries could have a material adverse effect on us.

The compliance burden and impact on our operations and profitability as a result of the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulations are currently unknown, as the Dodd-Frank Act delegates to various federal agencies the task of implementing its many provisions through regulation. These efforts to change the regulation of financial markets may subject users of derivatives, such as CHS, to extensive oversight and regulation by the Commodities Futures Trading Commission (CFTC). Such initiatives could impose significant additional costs on us, including operating and compliance costs, and could materially affect the availability, as well as the cost and terms, of certain transactions. New federal regulations, studies and reports addressing all of the major areas of the new law, including the regulation of swaps and derivatives, are in the process of being finalized and adopted and we will continue to monitor these developments. Any of these matters could have material adverse effect on our business, financial condition, liquidity, results of operations and prospects.

Environmental liabilities could have a material adverse effect on us.

Many of our current and former facilities have been in operation for many years and, over that time, we and other operators of those facilities have generated, used, stored and disposed of substances or wastes that are or might be considered hazardous under applicable environmental laws, including liquid fertilizers, chemicals and fuels stored in underground and above-ground tanks. Any past or future actions in violation of applicable environmental laws could subject us to administrative penalties, fines, other costs, such as capital expenditures, and injunctions. In addition, an owner or operator of contaminated property, and a party who sends hazardous materials to such site for treatment, storage, disposal or recycling, can be liable for the cost of investigation and remediation under environmental laws. In some instances, such liability exists regardless of fault. Moreover, future or unknown past releases of hazardous substances could subject us to private lawsuits claiming damages, including for bodily injury or property damage, and to adverse publicity, which would have a material adverse effect

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on us. Liabilities, including legal costs, related to remediation of contaminated properties are not recognized until the related costs are considered probable and can be reasonably estimated.

Actual or perceived quality, safety or health risks associated with our products could subject us to significant liability and damage our business and reputation.

If any of our food or feed products became adulterated or misbranded, we would need to recall those items and could experience product liability claims if consumers were injured as a result. A widespread product recall or a significant product liability judgment could cause our products to be unavailable for a period of time or a loss of consumer confidence in our products. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness or injury could adversely affect our business and reputation with existing and potential customers and our corporate and brand image. Moreover, claims or liabilities of this sort might not be covered by our insurance or by any rights of indemnity or contribution that we may have against others. In addition, general public perceptions regarding the quality, safety or health risks associated with particular food or feed products, such as concerns regarding genetically modified crops, could reduce demand and prices for some of the products associated with our businesses. To the extent that consumer preferences evolve away from products that our members or we produce for health or other reasons, such as the growing demand for organic food products, and we are unable to develop products that satisfy new consumer preferences, there will be a decreased demand for our products, which could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects.

Our financial results are susceptible to seasonality.

Many of our business activities are highly seasonal and operating results vary throughout the year. Our income is generally lowest during the second fiscal quarter and highest during the third fiscal quarter. For example, in our Ag segment, our crop nutrients and country operations businesses generally experience higher volumes and income during the spring planting season and in the fall, which corresponds to harvest. Our grain marketing operations are also subject to fluctuations in volume and income based on producer harvests, world grain prices and demand. Our Energy segment generally experiences higher volumes and income in certain operating areas, such as refined products, in the summer and early fall when gasoline and diesel fuel usage is highest and is subject to global supply and demand forces. Other energy products, such as propane, may experience higher volumes and income during the winter heating and crop drying seasons.

Our operations are subject to business interruptions and casualty losses; we do not insure against all potential losses and could be seriously harmed by unanticipated liabilities.

Our operations are subject to business interruptions due to unanticipated events such as explosions, fires, pipeline interruptions, transportation delays, equipment failures, crude oil or refined product spills, inclement weather and labor disputes. For example:

our oil refineries and other facilities are potential targets for terrorist attacks that could halt or discontinue production;

our inability to negotiate acceptable contracts with unionized workers in our operations could result in strikes or work stoppages;

our corporate headquarters, the facilities we own, or the significant inventories that we carry could be damaged or destroyed by catastrophic events, extreme weather conditions or contamination;

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someone may accidentally or intentionally introduce a computer virus to our information technology systems; and

an occurrence of a pandemic flu or other disease affecting a substantial part of our workforce or our customers could cause an interruption in our business operations.

The effects of any of these events could be significant. We maintain insurance coverages against many, but not all potential losses or liabilities arising from these operating hazards, but uninsured losses or losses above our coverage limits are possible. Uninsured losses and liabilities arising from operating hazards could have a material adverse effect on us.

Our cooperative structure limits our ability to access equity capital.

As a cooperative, we may not sell common stock in our company. In addition, existing laws and our articles of incorporation and bylaws contain limitations on dividends of 8% per annum on any preferred stock that we may issue. These limitations may restrict our ability to raise equity capital and may adversely affect our ability to compete with enterprises that do not face similar restrictions.

Consolidation among the producers of products we purchase and customers for products we sell could materially and adversely affect our revenues, results of operations and cash flows.

Consolidation has occurred among the producers of products we purchase, including crude oil, fertilizer and grain, and it is likely to continue in the future. Consolidation could increase the price of these products and allow suppliers to negotiate pricing, supply availability and other contract terms that are less favorable to us. Consolidation also may increase the competition among consumers of these products to enter into supply relationships with a smaller number of producers, resulting in potentially higher prices for the products we purchase.

Consolidation among purchasers of our products and in wholesale and retail distribution channels has resulted in a smaller customer base for our products and intensified the competition for these customers. For example, ongoing consolidation among distributors and brokers of food products and food retailers has altered the buying patterns of these businesses, as they have increasingly elected to work with product suppliers who can meet their needs nationwide rather than just regionally or locally. If these distributors, brokers and retailers elect not to purchase our products, our revenues, results of operations and cash flows could be materially and adversely affected.

In the fertilizer market, consolidation at both the producer and customer level increases the threat of direct sales from the producer to the consumer.

If our customers choose alternatives to our refined petroleum products, our revenues, results of operations and cash flows could be materially and adversely affected.

Numerous alternative energy sources currently under development could serve as alternatives to our gasoline, diesel fuel and other refined petroleum products. If any of these alternative products become more economically viable or preferable to our products for environmental or other reasons, demand for our energy products would decline. Demand for our gasoline, diesel fuel and other refined petroleum products also could be adversely affected by increased fuel efficiencies. Declining demand for our energy products could materially and adversely affect our revenues, results of operations and cash flows.

Our agronomy business is volatile and dependent upon certain factors outside of our control.

Planted acreage, and consequently the volume of fertilizer and crop protection products applied, is partially dependent upon government programs, grain prices and the perception held by the producer of demand for production. Weather conditions during the spring planting season and early

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summer spraying season also affect agronomy product volumes and profitability. As a result, factors outside of our control could materially and adversely affect our revenues, results of operations and cash flows.

Technological improvements in agriculture could decrease the demand for our agronomy and energy products.

Technological advances in agriculture could decrease the demand for crop nutrients, energy and other crop input products and services that we provide. Genetically engineered seeds that resist disease and insects, or that meet certain nutritional requirements, could affect the demand for our crop nutrients and crop protection products. Demand for fuel that we sell could decline as technology allows for more efficient usage of equipment. Declining demand for our products could materially and adversely affect our revenues, results of operations and cash flows.

We operate some of our business through joint ventures in which our rights to control business decisions are limited.

Several parts of our business, including in particular, portions of our grain marketing, wheat milling and foods operations, are operated through joint ventures with third parties. By operating a business through a joint venture, we have less control over business decisions than we have in our wholly-owned or majority-owned businesses. In particular, we generally cannot act on major business initiatives in our joint ventures without the consent of the other party or parties in those ventures. Investments in joint ventures may, under certain circumstances, involve risks not present when a third party is not involved, including the possibility that co-venturers might become bankrupt or fail to fund their share of required capital contributions, in which case we and any other remaining co-venturers would generally be liable for the joint venture's liabilities. Co-venturers may have economic, tax or other business interests or goals which are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Our co-venturers may take actions that are not within our control. Joint venture investments may also lead to impasses. Disputes between us and co-venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and/or directors from focusing their time and effort on our day-to-day business. In addition, we may in certain circumstances be liable for the actions of our co-venturers. Each of these matters could have a material adverse effect on us.

Risks Related to the Class B Preferred Stock

An active trading market for the Class B Preferred Stock may not develop or be maintained, which may adversely affect the timing and price for any resales.

An active trading market for the Class B Preferred Stock may not develop or be maintained and there can be no assurance that any trading market for the Class B Preferred Stock will be liquid. If you decide to sell your Class B Preferred Stock, there may be either no or only a limited number of potential buyers. This, in turn, may affect the price you receive for your Class B Preferred Stock or your ability to sell your Class B Preferred Stock at all.

If you are able to resell your Class B Preferred Stock, many factors may affect the price you receive, which may be lower than your original purchase price or lower than you believe to be appropriate.

As with other publicly traded securities, many factors could affect the market price of your Class B Preferred Stock. In addition to those factors relating to CHS and the Class B Preferred Stock described elsewhere in this "Risk Factors" section and elsewhere in this prospectus, the market price of our Class B Preferred Stock could be affected by conditions in, and perceptions of, agricultural and energy markets and companies and also by broader, general market, political and economic conditions.

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Furthermore, U.S. stock markets have experienced price and volume volatility that has affected many companies' stock prices, often for reasons unrelated to the operating performance of those companies. Fluctuations such as these also may affect the market price of your Class B Preferred Stock. As a result of these factors, you may only be able to sell your Class B Preferred Stock at a price below your original purchase price or below the price you believe to be appropriate.

Issuances of substantial amounts of Class B Preferred Stock or other preferred stock could adversely affect the market price of your Class B Preferred Stock.

From time to time in the future, we may sell additional shares of Class B Preferred Stock and other preferred stock to public or private investors. Future sales of Class B Preferred Stock or other preferred stock or the availability of Class B Preferred Stock or other preferred stock for sale may adversely affect the market price for your Class B Preferred Stock or our ability to raise additional equity capital.

Changes in market conditions, including market interest rates, may decrease the market price for the Class B Preferred Stock.

The terms of the Class B Preferred Stock, such as the % dividend rate, are fixed and will not change for a period of 10 years following issuance, even if market conditions with respect to these terms fluctuate. In addition, after the 10 year period following issuance, the dividend rate, although subject to reset, will not exceed 8% per annum. This may mean that you could obtain a higher return from an investment in other securities. It also means that an increase in market interest rates is likely to decrease the market price for the Class B Preferred Stock.

You will have limited voting rights.

As a holder of the Class B Preferred Stock, you will be entitled to vote only on actions that would amend, alter or repeal our articles of incorporation or the resolutions establishing the Class B Preferred Stock if the amendment, alteration or repeal would adversely affect the powers, rights or preferences of the holders of Class B Preferred Stock or that would create a class or series of senior equity securities. You will not have the right to vote on actions customarily subject to shareholder vote or approval, including the election of directors, the approval of significant transactions and other amendments to our articles of incorporation that would not adversely affect the powers, rights and preferences of the Class B Preferred Stock and would not create a class or series of senior equity securities.

Our equity is subject to a first lien in favor of CHS.

Under our articles of incorporation, all equity we issue (including the Class B Preferred Stock) is subject to a first lien in favor of us for any indebtedness we extend to the holders of such equity, if any. We have not taken any steps to date to perfect this lien against shares of the Class B Preferred Stock. If we perfect this interest in the future, your shares of the Class B Preferred Stock could be encumbered by our interest therein to the extent of any indebtedness owed to CHS.

Payment of dividends on the Class B Preferred Stock is not guaranteed.

Although dividends on the Class B Preferred Stock are cumulative, our Board of Directors must approve the actual payment of those dividends. Our Board of Directors can elect at any time or from time to time, and for an indefinite duration, not to pay any or all accumulated dividends. Our Board of Directors could do so for any reason, including the following:

poor historical or projected cash flows;

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the need to make payments on our indebtedness;

concluding that the payment of dividends would cause us to breach the terms of any indebtedness or other instrument or agreement, such as financial ratio covenants; or

determining that the payment of dividends would violate applicable law regarding unlawful distributions to shareholders.

The amount of your liquidation preference is fixed and you will have no right to receive any greater payment regardless of the circumstances.

The payment due upon a liquidation is fixed at the redemption preference of \$25.00 per share plus accumulated and unpaid dividends to and including the date of liquidation. If, in the case of our liquidation, there are remaining assets to be distributed after payment of this amount, you will have no right to receive or to participate in these amounts. Furthermore, if the market price for your Class B Preferred Stock is greater than the liquidation preference, you will have no right to receive the market price from us upon our liquidation.

Your liquidation rights will be subordinate to those of holders of our indebtedness and of any senior equity securities we may issue in the future and there is no limitation on our ability to issue additional preferred equity securities that rank equally with the Class B Preferred Stock upon liquidation.

There are no restrictions in the terms of the Class B Preferred Stock on our ability to incur indebtedness. As of May 31, 2013, we had approximately \$1.48 billion of outstanding long-term debt. We can also, with the consent of holders of a majority of the outstanding shares of Class B Preferred Stock, issue preferred equity securities that are senior as to dividend and liquidation payments to the Class B Preferred Stock. If we were to liquidate our business, we would be required to repay all of our outstanding indebtedness and to satisfy the liquidation preferences of any senior equity securities that we may issue in the future before we could make any distributions to holders of our Class B Preferred Stock. We could have insufficient cash available to do so, in which case you would not receive any payment on the amounts due you. Moreover, there are no restrictions on our ability to issue preferred equity securities that rank equally with the Class B Preferred Stock as to dividend and liquidation payments and any amounts remaining after the payments to holders of senior equity securities would be split equally among all holders of those securities, which might result in your receiving less than the full amount to which you would otherwise be entitled.

The Class B Preferred Stock is redeemable at our option.

We may, at our option, redeem some or all of the Class B Preferred Stock on and after _____, 2023, to the extent we have funds legally available for such purpose. If we redeem your Class B Preferred Stock, you will be entitled to receive a redemption price equal to \$25.00 per share plus accumulated and unpaid dividends to and including the date of redemption. It is likely that we would choose to exercise our optional redemption right only when prevailing interest rates have declined, which would adversely affect your ability to reinvest your proceeds from the redemption in a comparable investment with an equal or greater yield to the yield on the Class B Preferred Stock had the shares of the Class B Preferred Stock not been redeemed.

To service and refinance our indebtedness, pay dividends on, or the redemption price of, our preferred equity securities (including the Class B Preferred Stock) and fund our capital and liquidity needs, we will require a significant amount of cash, and we cannot assure you that we will generate sufficient cash, or have access to sufficient funding, for such purposes, and such failure would have a material adverse effect on us.

To service and refinance our indebtedness, pay dividends on, or the redemption price of, our preferred equity securities (including the Class B Preferred Stock) and fund our capital and liquidity

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needs, we will require a significant amount of cash. Our ability to raise capital is, to a certain extent, subject to economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. In addition, we cannot assure you that our business will generate sufficient cash flows from operations, that future borrowings will be available to us or that we can obtain alternative financing proceeds on favorable terms, or at all, in an amount sufficient to enable us to service and refinance, at or before maturity, our indebtedness, pay dividends on, or the redemption price of, our preferred equity securities (including the Class B Preferred Stock) and fund our capital and liquidity needs, which would have a material adverse effect on us.

The Class B Preferred Stock may not be a suitable investment for all investors.

Each potential investor must make its own determination of the suitability of any investment in the Class B Preferred Stock, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment, either alone or with the help of a financial advisor. In particular, each potential investor should:

have sufficient knowledge and experience to make a meaningful evaluation of us, the terms of the Class B Preferred Stock and their offering, the merits and risks of investing in the Class B Preferred Stock and the information contained or incorporated by reference in this prospectus;

have access to, knowledge of, and appropriate analytical tools to evaluate, in the context of its particular situation, an investment in the Class B Preferred Stock and the impact the Class B Preferred Stock will have on its overall investment portfolio;

have sufficient financial resources and liquidity to bear all of the risks of an investment in the Class B Preferred Stock for an indefinite period of time since the Class B Preferred Stock has no stated maturity and holders may not require us to redeem their Class B Preferred Stock absent a change of control, and there can be no assurance that we will exercise our optional right to redeem the Class B Preferred Stock and, even if we do exercise such right, it may not be financially attractive to the holders of the Class B Preferred Stock since the redemption price for the Class B Preferred Stock will be fixed at 100% of the liquidation preference thereof plus accumulated and unpaid dividends, if any, thereon, and it is likely that we would choose to exercise such optional redemption right only when prevailing interest rates have declined, which would adversely affect a holder's ability to reinvest the redemption proceeds in a comparable security at the same or higher yield;

understand thoroughly the terms of the Class B Preferred Stock and be familiar with the behavior of financial markets and of any financial variable which might have an impact on the return on the Class B Preferred Stock; and

be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the information incorporated by reference in it include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words and phrases such as "will likely result," "are expected to," "will continue," "outlook," "will benefit," "is anticipated," "estimate," "project," "management believes" and similar expressions identify forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements. These risks and uncertainties include, but are not limited to those listed below:

Our revenues, results of operations and cash flows could be adversely affected by changes in commodity prices.

Our revenues, results of operations and cash flows could be adversely affected if our members were to do business with others rather than with us.

We participate in highly competitive business markets in which we may not be able to continue to compete successfully.

Changes in federal income tax laws or in our tax status could increase our tax liability and reduce our net income.

We incur significant costs in complying with applicable laws and regulations. Any failure to make the capital investments necessary to comply with these laws and regulations could expose us to unanticipated expenditures and liabilities.

Changing environmental and energy laws and regulation, may result in increased operating costs and capital expenditures and may have a material adverse effect on us.

Government policies and regulation affecting the agricultural sector and related industries could have a material adverse effect on us.

Environmental liabilities could have a material adverse effect on us.

Actual or perceived quality, safety or health risks associated with our products could subject us to liability and damage our business and reputation.

Our financial results are susceptible to seasonality.

Our operations are subject to business interruptions and casualty losses; we do not insure against all potential losses and could be seriously harmed by unanticipated liabilities.

Our cooperative structure limits our ability to access equity capital.

Consolidation among the producers of products we purchase and customers for products we sell could materially and adversely affect our revenues, results of operations and cash flows.

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If our customers choose alternatives to our refined petroleum products, our revenues, results of operations and cash flows could be materially and adversely affected.

Operating results from our agronomy business could be volatile and are dependent upon certain factors outside of our control.

Technological improvements in agriculture could decrease the demand for our agronomy and energy products.

We operate some of our business through joint ventures in which our rights to control business decisions are limited.

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These risks and uncertainties are further described under "Risk Factors" and elsewhere in this prospectus.

We do not guarantee future results, levels of activity, performance or achievements and we wish to caution you not to place undue reliance on any forward-looking statements, which speak only as of the date on which they were made.

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USE OF PROCEEDS

We estimate that the net proceeds from our sale of the Class B Preferred Stock will be approximately \$, or approximately \$ if the underwriters exercise their over-allotment option in full, after deducting the underwriting discount and offering expenses payable by us.

We intend to use the net proceeds of this offering for general corporate purposes. Such purposes may include partially funding the replacement of a coker at one of our refineries with an expected total cost of \$555.0 million and expected completion in fiscal 2015, with \$131.7 million expended as of May 31, 2013, or partially funding a \$327.0 million expansion at NCRA's McPherson, Kansas refinery which is anticipated to be completed in fiscal 2016. We have not yet determined with certainty the manner in which we will allocate these net proceeds. Any additional funds necessary to complete these projects would come from a combination of cash on hand, operating cash flows or future capital raising transactions (which may consist of debt or equity or both). Additionally, the allocation of proceeds among the two projects, if any, will be dependent upon timing needs and other considerations, including future growth from acquisitions, cash generated from future operations and actual expenses to operate our business. Accordingly, our management will have broad discretion in the application of the net proceeds, and investors will be relying on the judgment of our management regarding the application of the proceeds of this offering.

Pending the uses described above, we intend to invest the net proceeds in United States government securities and other short-term, investment-grade, interest-bearing instruments.

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BUSINESS

We are one of the nation's leading integrated agricultural companies. As a cooperative, we are owned by farmers and ranchers and their member cooperatives (referred to herein as "members") across the United States. We also have preferred stockholders that own shares of our 8% Cumulative Redeemable Preferred Stock, which is listed on the NASDAQ Global Select Market under the symbol CHSCP. On May 31, 2013, we had 12,272,003 shares of 8% Cumulative Redeemable Preferred Stock outstanding. We buy commodities from and provide products and services to patrons (including our members and other non-member customers), both domestic and international. We provide a wide variety of products and services, from initial agricultural inputs such as fuels, farm supplies, crop nutrients and crop protection products, to agricultural outputs that include grains and oilseeds, grain and oilseed processing and food products. A portion of our operations are conducted through equity investments and joint ventures whose operating results are not fully consolidated with our results; rather, a proportionate share of the income or loss from those entities is included as a component in our net income under the equity method of accounting. For the fiscal year ended August 31, 2012, our total revenues were \$40.6 billion and net income attributable to CHS Inc. was \$1.3 billion.

We have aligned our segments based on an assessment of how our businesses operate and the products and services they sell.

Our Energy segment derives its revenues through refining, wholesaling and retailing of petroleum products. Our Ag segment derives its revenues through the origination and marketing of grain, including service activities conducted at export terminals, through the wholesale sales of crop nutrients, from the sales of soybean meal and soybean refined oil and through the retail sales of petroleum and agronomy products, processed sunflowers, feed and farm supplies, and records equity income from investments in our grain export joint venture and other investments. We include other business operations in Corporate and Other because of the nature of their products and services, as well as the relative revenues of those businesses. These businesses primarily include our financing, insurance, hedging and other service activities related to crop production. In addition, our wheat milling and packaged food operations are included in Corporate and Other, as those businesses are conducted through non-consolidated joint ventures.

Many of our business activities are highly seasonal and operating results vary throughout the year. Our income is generally lowest during the second fiscal quarter and highest during the third fiscal quarter. For example, in our Ag segment, our crop nutrients and country operations businesses generally experience higher volumes and income during the spring planting season and in the fall, which corresponds to harvest. Our grain marketing operations are also subject to fluctuations in volume and earnings based on producer harvests, world grain prices and demand. Our Energy segment generally experiences higher volumes and profitability in certain operating areas, such as refined products, in the summer and early fall when gasoline and diesel fuel usage is highest and is subject to global supply and demand forces. Other energy products, such as propane, may experience higher volumes and profitability during the winter heating and crop drying seasons.

Membership in CHS is restricted to certain producers of agricultural products and to associations of producers of agricultural products that are organized and operating so as to adhere to the provisions of the Agricultural Marketing Act and the Capper-Volstead Act, as amended. Our Board of Directors may establish other qualifications for membership from time to time as it may deem advisable.

Our earnings from cooperative business are allocated to members (and to a limited extent, to non-members with which we have agreed to do business on a patronage basis) based on the volume of business they do with us. We allocate these earnings to our patrons in the form of patronage refunds (which are also called patronage dividends) in cash and patrons' equities (capital equity certificates), which may be redeemed over time solely at the discretion of our Board of Directors. Earnings derived

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from non-members, which are not allocated patronage, are taxed at federal and state statutory corporate rates and are retained by us as unallocated capital reserve. We also receive patronage refunds from the cooperatives in which we are a member, if those cooperatives have earnings to distribute and if we qualify for patronage refunds from them.

Our origins date back to the early 1930s with the founding of the predecessor companies of Cenex, Inc. and Harvest States Cooperatives. CHS Inc. emerged as the result of the merger of those two entities in 1998, and is headquartered in Inver Grove Heights, Minnesota.

The following table presents a summary of our primary subsidiary holdings and equity investments for each of our business segments at May 31, 2013:

Business Segment	Entity Name	Business Activity	CHS Ownership%	Income Recognition
Energy	National Cooperative Refinery Association	Petroleum refining	79.2%	Consolidated
	Front Range Pipeline, LLC	Crude oil transportation	100%	Consolidated
	Cenex Pipeline, LLC	Finished product transportation	100%	Consolidated
Ag	CHS do Brasil Ltda.	Grain procurement and merchandising in Brazil	100%	Consolidated
	TEMCO, LLC	Grain exporter	50%	Equity Method
	CHS Canada, Inc.	Grain procurement and merchandising in Canada	100%	Consolidated
	CHS Country Operations Canada, Inc.	Agronomy retailer	100%	Consolidated
	CHS Europe S.A.	Grain merchandising in Europe	100%	Consolidated
	CHS Ukraine, LLC	Grain procurement and merchandising in Ukraine	100%	Consolidated
	ACG Trade S.A.	Grain procurement and merchandising in Russia	100%	Consolidated
	CHSINC Iberica S.L.	Grain merchandising in Spain	100%	Consolidated
	CHS de Argentina S.A.	Grain merchandising in Argentina	100%	Consolidated
	CHS Agritrade Bulgaria LTD	Grain procurement and merchandising in Bulgaria	100%	Consolidated
	CHS Agritrade Hungary LTD	Grain procurement and merchandising in Hungary	100%	Consolidated
	CHS Agritrade Romania S.R.L.	Grain procurement and merchandising in Romania	100%	Consolidated
	CHS Serbia D.O.O. Novi Sad	Grain procurement and merchandising in Serbia	100%	Consolidated
	Agromarket, LLC	Grain procurement and merchandising in Russia	100%	Consolidated
	S.C. Silotrans S.R.L.	Romanian grain terminal port facility	96%	Consolidated
	CZL LTD	Grain procurement and merchandising in Japan	51%	Consolidated
	CHS Singapore Trading Company PTE. LTD.	Grain procurement and merchandising in Asia Pacific region	100%	Consolidated
	CHS (Shanghai) Trading Co., Ltd.	Grain merchandising in China	100%	Consolidated
	CHS Israel Protein Foods LTD	Israeli soybean processing and textured soy production facilities	100%	Consolidated
	S.P.E. CHS Plant Extracts LTD	Israeli textured soy production facility	100%	Consolidated
Solbar Ningbo Food, Ltd.	Chinese textured soy production facility	100%	Consolidated	

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Business Segment	Entity Name	Business Activity	CHS Ownership%	Income Recognition
Corporate and Other	Ventura Foods, LLC	Food manufacturing and distributing	50%	Equity Method
	Horizon Milling, LLC	Wheat milling in U.S.	24%	Equity Method
	Horizon Milling General Partnership	Wheat milling in Canada	24%	Equity Method
	CHS Hedging Inc.	Risk management products broker	100%	Consolidated
	Ag States Agency, LLC	Insurance agency	100%	Consolidated
	CHS Capital, LLC	Finance company	100%	Consolidated

Our segment and international sales information in Note 11 of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended August 31, 2012 and in Note 8 of the Notes to Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2013, incorporated by reference in this prospectus, as well as the Selected Consolidated Financial Data section of this prospectus, are incorporated by reference into the following segment descriptions.

The segment financial information presented below may not represent the results that would have been obtained had the relevant segment been operated as an independent business due to efficiencies in scale, corporate cost allocations and intersegment activity.

ENERGY***Overview***

We are the nation's largest cooperative energy company based on revenues and identifiable assets, with operations that include petroleum refining and pipelines; the supply, marketing (including ethanol and biodiesel) and distribution of refined fuels (gasoline, diesel fuel and other energy products); the blending, sale and distribution of lubricants; and the wholesale supply of propane. Our Energy segment processes crude oil into refined petroleum products at refineries in Laurel, Montana (wholly-owned) and McPherson, Kansas (an entity in which we currently have an approximate 79.2% ownership interest) and sells those products under the Cenex® brand to member cooperatives and others through a network of approximately 1,350 independent retail sites, of which 75% are convenience stores marketing Cenex® branded fuels. For fiscal 2012, our Energy revenues, after elimination of inter-segment revenues, were \$12.3 billion and were primarily from gasoline and diesel fuel.

Operations

Laurel Refinery. Our Laurel, Montana refinery processes medium and high sulfur crude oil into refined petroleum products that primarily include gasoline, diesel fuel, petroleum coke and asphalt. Our Laurel refinery sources approximately 85% of its crude oil supply from Canada, with the balance obtained from domestic sources, and we have access to Canadian and northwest Montana crude through our wholly-owned Front Range Pipeline, LLC and other common carrier pipelines. Our Laurel refinery also has access to Wyoming crude via common carrier pipelines from the south.

Our Laurel facility processes approximately 55,000 barrels of crude oil per day to produce refined products that consist of approximately 43% gasoline, 37% diesel fuel and other distillates, 6% petroleum coke, and 12% asphalt and other products. Refined fuels produced at Laurel are available via the Yellowstone Pipeline to western Montana terminals and to Spokane and Moses Lake, Washington, south via common carrier pipelines to Wyoming terminals and Denver, Colorado, and east via our wholly-owned Cenex Pipeline, LLC to Glendive, Montana, and Minot and Fargo, North Dakota.

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McPherson Refinery. The McPherson, Kansas refinery is owned and operated by NCRA, of which we owned approximately 74.5% as of August 31, 2012. In fiscal 2012, we entered into agreements with the noncontrolling equity holders of NCRA to acquire their shares through annual installments. Our ownership increased to approximately 79.2% in September 2012 upon the first closing. Upon the final payment on September 1, 2015, we will own 100% of the equity in NCRA. The McPherson refinery processes approximately 79% low and medium sulfur crude oil and 21% heavy sulfur crude oil into gasoline, diesel fuel and other distillates, propane and other products. NCRA sources its crude oil through its own pipelines as well as common carrier pipelines. The low and medium sulfur crude oil is sourced from Kansas, North Dakota, Oklahoma and Texas, and the heavy sulfur crude oil is sourced from Canada.

The McPherson refinery processes approximately 85,000 barrels of crude oil per day to produce refined products that consist of approximately 50% gasoline, 44% diesel fuel and other distillates, and 6% propane and other products. Approximately 32% of the refined fuels are loaded into trucks at the McPherson refinery or shipped via NCRA's proprietary products pipeline to its terminal in Council Bluffs, Iowa. The remaining refined fuel products are shipped to other markets via common carrier pipelines.

Renewable Fuels Marketing. Our renewable fuels marketing business markets and distributes ethanol and biodiesel products throughout the United States and overseas by contracting with ethanol and biodiesel production plants to market and distribute their finished products.

Other Energy Operations. We own and operate a propane terminal, four asphalt terminals, seven refined product terminals and three lubricants blending and packaging facilities. We also own and lease a fleet of liquid and pressure trailers and tractors, which are used to transport refined fuels, propane, anhydrous ammonia and other products.

Products and Services

Our Energy segment produces and sells (primarily wholesale) gasoline, diesel fuel, propane, asphalt, lubricants and other related products and provides transportation services. We obtain the petroleum products that we sell from our Laurel and McPherson refineries, and from third parties. For fiscal 2012, we obtained approximately 58% of the refined products we sold from our Laurel and McPherson refineries, and approximately 42% from third parties.

Sales and Marketing; Customers

We make approximately 77% of our refined fuel sales to members, with the balance sold to non-members. Sales are made wholesale to member cooperatives and through a network of independent retailers that operate convenience stores under the Cenex tradename. We sold approximately 1.2 billion gallons of gasoline and approximately 1.8 billion gallons of diesel fuel in fiscal 2012, excluding NCRA's sales to minority owners and others totaling approximately 349 million gallons. We also blend, package and wholesale auto and farm machinery lubricants to both members and non-members. We are one of the nation's largest propane wholesalers based on revenues. Most of the propane sold in rural areas is for heating and agricultural usage. Annual sales volumes of propane vary greatly depending on weather patterns and crop conditions.

Industry; Competition

The petroleum business is highly cyclical. Demand for crude oil and energy products is driven by the condition of local and worldwide economies, local and regional weather patterns and taxation relative to other energy sources, which can significantly affect the price of refined fuel products. Most of our energy product market is located in rural areas, so sales activity tends to follow the planting and harvesting cycles. More fuel-efficient equipment, reduced crop tillage, depressed prices for crops,

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weather conditions and government programs which encourage idle acres, may all reduce demand for our energy products.

Regulation. Governmental regulations and policies, particularly in the areas of taxation, energy and the environment, have a significant impact on our Energy segment. Our Energy segment's operations are subject to laws and related regulations and rules designed to protect the environment that are administered by the Environmental Protection Agency (EPA), the Department of Transportation (DOT) and similar government agencies. These laws, regulations and rules govern the discharge of materials to the environment, air and water; reporting storage of hazardous wastes and other hazardous materials; the transportation, handling and disposition of wastes and other materials; the labeling of pesticides and similar substances; and investigation and remediation of releases of hazardous materials. Failure to comply with these laws, regulations and rules could subject us (and, in the case of the McPherson refinery, NCRA) to administrative penalties, fines, other costs, such as capital expenditures, injunctive relief, civil remedies and possible recalls of products. In addition, environmental laws impose liability on owners and operators of contaminated property, and a party who sends hazardous materials to such site for treatment, storage, disposal or recycling, for investigation and remediation. In some instances, such liability exists regardless of fault.

Like many other refineries, our Energy segment's refineries recently focused their capital spending on reducing pollution emissions and, at the same time, increasing production to help pay for those expenditures. In particular, our refineries have completed work to comply with the EPA low sulfur fuel regulations that were required by 2006, which lowered the sulfur content of gasoline and diesel fuel. The EPA also passed a regulation that required the reduction of the benzene level in gasoline to be less than 0.62% volume by January 1, 2011. As a result of this regulation, our refineries have incurred capital expenditures to reduce the current gasoline benzene levels to meet the new regulated levels. Our combined capital expenditures for benzene removal for our Laurel, Montana refinery and the NCRA refinery in McPherson, Kansas were approximately \$95.0 million for the projects. Approximately \$19.0 million and \$43.0 million of expenditures were incurred during our fiscal years ended August 31, 2011 and 2010, respectively. Both refineries were producing gasoline within the regulated benzene levels as of January 2011.

Competition. The petroleum refining and wholesale fuels business is very competitive. Among our competitors are some of the world's largest integrated petroleum companies, which have their own crude oil supplies, distribution and marketing systems. We also compete with smaller domestic refiners and marketers in the midwestern and northwestern United States, with foreign refiners who import products into the United States and with producers and marketers in other industries supplying other forms of energy and fuels to consumers. Given the commodity nature of the end products, profitability in the refining and marketing industry depends largely on margins, as well as operating efficiency, product mix and costs of product distribution and transportation. The retail gasoline market is highly competitive, with much larger competitors that have greater brand recognition and distribution outlets throughout the country and the world. Our owned and non-owned retail outlets are located primarily in the northwestern, midwestern and southern United States.

We market refined fuels, motor gasoline and distillate products in five principal geographic areas. The first area includes the midwest and northern plains. Competition at the wholesale level in this area includes major oil companies, including Phillips, Valero and BP Amoco; independent refiners, including Flint Hills Resources and CVR Energy; and wholesale brokers/suppliers, including Western Petroleum Company. This area has a robust spot market and is influenced by the large refinery center along the gulf coast. The majority of the product moved in this market is shipped on the Magellan and NuStar pipeline systems.

To the east of the midwest and northern plains is another unique marketing area. This area centers near Chicago, Illinois and includes eastern Wisconsin, Illinois and Indiana. CHS principally

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competes with the major oil companies Marathon, BP Amoco, ExxonMobil and Citgo; independent refineries, including Flint Hills Resources; and wholesale brokers/suppliers, including U.S. Oil.

Another market area is located south of Chicago, Illinois. Most of this area includes Arkansas, Missouri and the northern part of Texas. Competition in this area includes the major oil companies Phillips, Valero and ExxonMobil and independent refiners, including Delek US Holdings. This area is principally supplied from the Gulf coast refinery center and is also driven by a strong spot market that reacts quickly to changes in the international and national supply balance.

Another geographic area includes Montana, western North Dakota, Wyoming, Utah, Idaho, Colorado and western South Dakota. Competition at the wholesale level in this area includes the major oil companies ExxonMobil and Phillips and independent refiners, including HollyFrontier Corporation and Sinclair Oil Corporation. This area is also noted for being fairly well balanced in demand and supply, but has in recent times been impacted by the large growth of demand from the Bakken crude activity in this region.

The last area includes much of Washington and Oregon. We compete with the major oil companies Phillips, Tesoro, BP Amoco and Chevron in this area. This area is also known for volatile prices and an active spot market.

Refinery Capital Projects

In fiscal 2012, we began a project to replace a coker at one of our refineries with an expected total cost of \$555.0 million and expected completion in fiscal 2015, of which \$131.7 million has been expended as of May 31, 2013. In fiscal 2013, we began a \$327.0 million expansion at NCRA's McPherson, Kansas refinery, which is anticipated to be completed in fiscal 2016.

Summary Operating Results

Summary operating results and identifiable assets for our Energy segment for the nine months ended May 31, 2013 and 2012 and the fiscal years ended August 31, 2012, 2011 and 2010 are shown below:

	Energy				
	Nine Months Ended May 31,		Years Ended August 31,		
	2013	2012	2012	2011	2010
	(Dollars in thousands)				
Revenues	\$ 9,345,304	\$ 9,433,098	\$ 12,816,542	\$ 11,467,381	\$ 8,799,890
Cost of goods sold	8,392,704	8,516,284	11,514,463	10,694,687	8,437,504
Gross profit	952,600	916,814	1,302,079	772,694	362,386
Marketing, general and administrative	121,364	112,610	155,786	142,708	123,834
Operating earnings	831,236	804,204	1,146,293	629,986	238,552
Loss (gain) on investments			4,008	1,027	(269)
Interest, net	124,229	75,755	122,302	5,829	9,939
Equity income from investments	(580)	(5,658)	(7,537)	(6,802)	(5,554)
Income before income taxes	\$ 707,587	\$ 734,107	\$ 1,027,520	\$ 629,932	\$ 234,436
Intersegment revenues	\$ (352,624)	\$ (340,308)	\$ (467,583)	\$ (383,389)	\$ (295,536)
Total identifiable assets at period end	\$ 4,121,695	\$ 3,944,347	\$ 3,684,571	\$ 3,883,205	\$ 3,004,471

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AG

Our Ag segment includes crop nutrients, country operations, grain marketing and processing and food ingredients. Our revenues in our Ag segment primarily include grain sales, which were \$20.6 billion for fiscal 2012 after elimination of inter-segment revenues.

Crop Nutrients

Overview

We believe our North America wholesale crop nutrients business is one of the largest wholesale fertilizer businesses in the U.S. based on tons sold and accounts for approximately 11% of the U.S. market. Tons sold include sales to our country operations business. There is significant seasonality in the sale of agronomy products and services, with peak activity coinciding with the planting seasons. There is also significant volatility in the prices for the crop nutrient products we purchase and sell.

Operations

Products are delivered directly to the customer from the manufacturer or through our 16 inland or river warehouse terminals and other non-owned storage facilities located throughout the country. In addition, to supplement what is purchased domestically, our Galveston, Texas deep water port and terminal receives fertilizer by vessel from originations such as the Middle East and Caribbean basin where significant volumes of urea are produced. The fertilizer is then shipped by rail to destinations within crop producing regions of the country.

Primary suppliers for our wholesale crop nutrients business include CF Industries, Potash Corporation of Saskatchewan, Mosaic Company, Koch Industries and Petrochemical Industries Company (PIC) in Kuwait.

Products and Services

Our wholesale crop nutrients business purchases and sells nitrogen (ammonia, UAN and Urea), phosphate and potash based products.

Sales and Marketing; Customers

Our wholesale crop nutrients business sells to local retailers from New York to the west coast and from the Canadian border to Texas. Our largest customer is our own country operations business, which is also included in our Ag segment. Many of the customers of our crop nutrients business are also customers of our Energy segment or suppliers to our grain marketing business.

Industry; Competition

Regulation. Our wholesale crop nutrients operations are subject to laws and related regulations and rules designed to protect the environment that are administered by the EPA, the DOT and similar government agencies. These laws, regulations and rules govern the discharge of materials to the environment, air and water; reporting storage of hazardous wastes and other hazardous materials; the transportation, handling and disposition of wastes and other materials; the labeling of pesticides and similar substances; and investigation and remediation of releases of hazardous materials. Failure to comply with these laws, regulations and rules could subject us to administrative penalties, fines, other costs, such as capital expenditures, injunctive relief, civil remedies and possible recalls of products. In addition, environmental laws impose liability on owners and operators of contaminated property, and a party who sends hazardous materials to such site for treatment, storage, disposal or recycling, for investigation and remediation. In some instances, such liability exists regardless of fault.

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Competition. The wholesale distribution of crop nutrients products is highly competitive and dependent upon relationships with local cooperatives and private retailers, proximity to the customer and competitive pricing. We compete with other large agronomy distributors, as well as other regional or local distributors, retailers and manufacturers. Major competitors in crop nutrients distribution include Agrium, CF Industries, Gavilon and Koch Industries, and a variety of traders and brokers.

Fertilizer Plant

We are currently taking steps toward construction of a more than \$1 billion nitrogen fertilizer manufacturing plant to be located at Spiritwood, North Dakota, which would provide the region's farmers with enhanced supplies of crop nutrients essential to raising corn and other crops. We plan to spend up to \$25 million on an engineering design study to determine feasibility of the project. We expect the study to be completed in the fall of 2013.

Country Operations

Overview

Our country operations business purchases a variety of grains from our producer members and other third parties, and provides cooperative members and customers with access to a full range of products, programs and services for production agriculture. Country operations operates 402 locations through 69 business units, the majority of which have local producer boards dispersed throughout Colorado, Idaho, Illinois, Iowa, Kansas, Minnesota, Montana, Nebraska, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Michigan and Washington. Most of these locations purchase grain from farmers and sell agronomy, energy, feed and seed products to those same producers and others, although not all locations provide every product and service.

Products and Services

Grain Purchasing. We are one of the largest country elevator operators in North America based on revenues. Through a majority of our locations, our country operations business units purchase grain from member and non-member producers and other elevators and grain dealers. Most of the grain purchased is sold through our grain marketing operations, used for livestock feed production or sold to other processing companies. For the year ended August 31, 2012, country operations purchased approximately 570 million bushels of grain, primarily wheat, corn and soybeans. Of these bushels, 543 million were purchased from members and 330 million were sold through our grain marketing operations.

Other Products. Our country operations business units manufacture and sell other products, both directly and through ownership interests in other entities. These include seed, crop nutrients, crop protection products, energy products, animal feed, animal health products and processed sunflower products.

Industry; Competition

Regulation. Our country operations business is subject to laws and related regulations and rules designed to protect the environment that are administered by the EPA, the DOT and similar government agencies. These laws, regulations and rules govern the discharge of materials to the environment, air and water; reporting storage of hazardous wastes and other hazardous materials; the transportation, handling and disposition of wastes and other materials; the labeling of pesticides and similar substances; and investigation and remediation of releases of hazardous materials. In addition, environmental laws impose liability on owners and operators of contaminated property, and a party who sends hazardous materials to such site for treatment, storage, disposal or recycling, for investigation and remediation. In some instances, such liability exists regardless of fault. Our country

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operations business is also subject to laws and related regulations and rules administered by the United States Department of Agriculture (USDA), the United States Food and Drug Administration (FDA), and other federal, state, local and foreign governmental agencies that govern the processing, packaging, storage, distribution, advertising, labeling, quality and safety of feed and grain products. Failure to comply with these laws, regulations and rules could subject us to administrative penalties, injunctive relief, civil remedies and possible recalls of products.

Competition. We compete primarily on the basis of price, services and patronage. Competitors for the purchase of grain include Archer Daniels Midland (ADM), Cargill, local cooperatives, private grain companies and processors at the majority of our locations in our trade territory, as previously defined in the "Overview." In addition, Columbia Grain and Gavilon are also our competitors.

Competitors for our farm supply businesses include Cargill, Agrium, Simplot, Helena, Wilbur Ellis, local cooperatives and smaller private companies at the majority of locations throughout our trade territory. In addition, Land O'Lakes Purina Feed, Hubbard Milling, ADM and Cargill are our major competitors for the sale of feed products.

Grain Marketing

Overview

We are the nation's largest cooperative marketer of grain and oilseed based on grain storage capacity and grain sales, handling over 2.0 billion bushels annually. During fiscal 2012, we purchased approximately 54% of our total grain volumes from individual and cooperative association members and our country operations business, with the balance purchased from third parties. We arrange for the transportation of the grains either directly to customers or to our owned or leased grain terminals and elevators awaiting delivery to domestic and foreign purchasers. We primarily conduct our grain marketing operations directly, but do conduct some of our business through TEMCO, LLC (TEMCO), a 50% joint venture with Cargill.

Operations

Our grain marketing operations purchases grain directly and indirectly from agricultural producers primarily in the midwestern and western United States. The purchased grain is typically contracted for sale for future delivery at a specified location, and we are responsible for handling the grain and arranging for its transportation to that location. The sale of grain is recorded after title to the commodity has transferred and final weights, grades and settlement price have been agreed upon. Amounts billed to the customer as part of a sales transaction include the costs for shipping and handling. Our ability to arrange efficient transportation, including loading capabilities onto unit trains, ocean-going vessels and barges, is a significant part of the services we offer to our customers. Rail, vessel, barge and truck transportation is carried out by third parties, often under long-term freight agreements with us. Grain intended for export is usually shipped by rail or barge to an export terminal, where it is loaded onto ocean-going vessels. Grain intended for domestic use is usually shipped by rail or truck to various locations throughout the country.

We own and operate export terminals, river terminals and elevators involved in the handling and transport of grain. Our river terminals are used to load grain onto barges for shipment to both domestic and export customers via the Mississippi River system. These river terminals are located at Savage and Winona, Minnesota and Davenport, Iowa, as well as terminals in which we have put-through agreements located at St. Louis, Missouri and Beardstown and Havana, Illinois. Our export terminal at Superior, Wisconsin provides access to the Great Lakes and St. Lawrence Seaway, and our export terminal at Myrtle Grove, Louisiana serves the Gulf of Mexico market. In the Pacific Northwest, we conduct our grain marketing operations through TEMCO which operates export terminals in Tacoma, Washington; Kalama, Washington; and Portland, Oregon and primarily exports wheat, corn and

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soybeans. These facilities serve the Pacific market, as well as domestic grain customers in the western United States. We also own two 110-car shuttle-receiving elevator facilities in Friona, Texas and Collins, Mississippi that serve large-scale feeder cattle, dairy and poultry producers in those regions.

In 2003, we opened an office in Sao Paulo, Brazil for the procurement of soybeans for our grain marketing operations' international customers. This business has expanded its operations into the procurement and marketing of multiple commodities, including fertilizers. During fiscal 2007, we invested in a Brazil-based joint venture, Multigrain AG (Multigrain). During the year ended August 31, 2011, we sold our 45% ownership interest in Multigrain to one of our joint venture partners, Mitsui & Co., Ltd. (Mitsui), for \$225.0 million and recognized a pre-tax gain of \$119.7 million from the sale. During fiscal 2012, we used \$26.7 million of the proceeds from our sale of Multigrain for investment opportunities in South America and we intend to continue to invest in that region.

We have opened additional international offices between fiscal 2007 and 2012 throughout the world. These include offices and operations in Europe, South America, the Black Sea and Mediterranean Basin regions and the Asia-Pacific region.

For sourcing and marketing grains and oilseeds through the Black Sea and Mediterranean Basin regions to customers worldwide we have offices in Geneva, Switzerland; Barcelona, Spain; Kiev, Ukraine; Novorossiysk, Russia; Budapest, Hungary; Novi Sad, Serbia; Bucharest, Romania; Sofia, Bulgaria; and a marketing office in Amman, Jordan. With the Agri Point acquisition in fiscal 2011, we have a deep water port in Constanta, Romania, a barge loading facility on the Danube River in Giurgiu, Romania, and an inland grain terminal at Oroshaza, Hungary. In addition, we own three grain transshipment points in Russia and we have an investment in a port facility in Odessa, Ukraine. In the Pacific Rim area, we have offices in Singapore; Seoul, South Korea; Hong Kong; and Shanghai, China that serve customers receiving grains and oilseeds from our origination points in North America, South America and the Black Sea Regions. In South America we have grain merchandising offices to source grains in Sao Paulo, Brazil and Buenos Aires, Argentina. Finally, we sell and market crop nutrients from our Geneva, Switzerland; Sao Paulo, Brazil; and Buenos Aires, Argentina offices.

Our grain marketing operations may have significant working capital needs, at any time, depending on commodity prices and other factors. The amount of borrowings for this purpose, and the interest rate charged on those borrowings, directly affects the profitability of our grain marketing operations.

Products and Services

Our grain marketing operations purchased approximately 2.0 billion bushels of grain during the year ended August 31, 2012, which primarily included corn, soybeans, wheat and distillers dried grains with solubles (DDGS). Of the total grains purchased by our grain marketing operations, 729 million bushels were from our individual and cooperative association members, 330 million bushels were from our country operations business and the remainder was from third parties.

Sales and Marketing; Customers

Purchasers of our grain and oilseed include domestic and foreign millers, maltsters, feeders, crushers and other processors. To a much lesser extent, purchasers include intermediaries and distributors. Our grain marketing operations are not dependent on any one customer, and its supply relationships call for delivery of grain at prevailing market prices.

Industry; Competition

Regulation. Our grain marketing operations are subject to laws and related regulations and rules designed to protect the environment that are administered by the EPA, the DOT and similar

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government agencies. These laws, regulations and rules govern the discharge of materials to the environment, air and water; reporting storage of hazardous wastes and other hazardous materials; the transportation, handling and disposition of wastes and other materials; the labeling of pesticides and similar substances; and investigation and remediation of releases of hazardous materials. In addition, environmental laws impose liability on owners and operators of contaminated property, and a party who sends hazardous materials to such site for treatment, storage, disposal or recycling, for investigation and remediation. In some instances, such liability exists regardless of fault. Our grain marketing operations are also subject to laws and related regulations and rules administered by the USDA, the FDA, and other federal, state, local and foreign governmental agencies that govern the processing, packaging, storage, distribution, advertising, labeling, quality and safety of food and grain products. Failure to comply with these laws, regulations and rules could subject us to administrative penalties, fines, other costs, such as capital expenditures, injunctive relief, civil remedies and possible recalls of products.

Competition. Our grain marketing operations compete for both the purchase and the sale of grain. Competition is intense and margins are low. Some competitors are integrated food producers, which may also be customers. A few major competitors have substantially greater financial resources than us.

In the purchase of grain from producers, location of a delivery facility is a prime consideration, but producers are increasingly willing to transport grain longer distances for sale. Price is affected by the capabilities of the facility; for example, if it is cheaper to deliver to a customer by unit train than by truck, a facility with unit train capabilities provides a price advantage. We believe that our relationships with individual members serviced by our local country operations locations and with our cooperative members give us a broad origination capability.

Our grain marketing operations compete for grain sales based on price, services and ability to provide the desired quantity and quality of grains. Location of facilities is a major factor in the ability to compete. Our grain marketing operations compete with numerous grain merchandisers, including major grain merchandising companies such as ADM, Cargill, Bunge, Glencore, Noble, Marubeni and Louis Dreyfus, each of which handles significant grain volumes.

The results of our grain marketing operations may be adversely affected by relative levels of supply and demand, both domestic and international, commodity price levels (including grain prices reported on national markets) and transportation costs and conditions. Supply is affected by weather conditions, disease, insect damage, acreage planted and government regulations and policies. Demand may be affected by foreign governments and their programs, relationships of foreign countries with the United States, the affluence of foreign countries, acts of war, currency exchange fluctuations and substitution of commodities. Demand may also be affected by changes in eating habits, population growth, the level of per capita consumption of some products and the level of renewable fuels production.

Processing and Food Ingredients

Overview

Our Processing and Food Ingredients business operates globally and converts soybeans into soybean meal, soyflour, crude soybean oil, refined soybean oil and associated by-products. We then further process soyflour for use in the food/snack industry.

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Operations

Our processing operations are conducted at facilities in Mankato, Minnesota; Fairmont, Minnesota; Creston, Iowa; and Ashdod, Israel that can crush approximately 107 million bushels of soybeans on an annual basis, producing approximately 2.5 million short tons of soybean meal/soyflour and 1.2 billion pounds of crude soybean oil. We also have operations in Ashdod, Israel; Hutchinson, Kansas; Ningbo, China; and South Sioux City, Nebraska where we further process soyflour for use in the food/snack industry.

Products and Services

Our processing operations produce three primary products: refined oils, soybean meal and soyflour. Refined oils are used in processed foods, such as margarine, shortening, salad dressings and baked goods, as well as methyl ester/biodiesel production, and to a lesser extent, for certain industrial uses such as plastics, inks and paints. Soybean meal has high protein content and is used for feeding livestock. Soyflour is used in the baking industry, as a milk replacement in animal feed and in industrial applications. Soyflour is processed further to produce textured concentrates and isolates used in the food/snack industry. We produce approximately 162 thousand tons of soyflour annually and approximately 45% is further processed at our protein manufacturing facilities.

Our domestic soy processing facilities are located in areas with a strong production base of soybeans and end-user market for the meal and soyflour. We purchase our soybeans from members, global offices and third parties with a tight integrated connection with our Grain Marketing division. Our crushing operations currently produce approximately 95% of the crude soybean oil that we refine, and purchase the balance from outside suppliers.

Soybeans are a commodity and their price can fluctuate significantly depending on production levels, demand for the products and other supply factors.

Sales and Marketing; Customers

Our customers for refined oil are principally large food product companies. Our largest customer for refined oil products is Ventura Foods, LLC (Ventura Foods), in which we hold a 50% ownership interest and with which we have a long-term supply agreement to supply edible soybean oils as long as we maintain a minimum 25.5% ownership interest and our price is competitive with other suppliers of the product. We primarily sell soymeal to feed lots and feed mills and soyflour to customers in the baking industry.

Industry; Competition

The refined soybean products industry is highly competitive. Major industry competitors include ADM, Cargill, Ag Processing Inc. and Bunge. These and other competitors have acquired other processors, expanded existing plants or constructed new plants, both domestically and internationally. Price, transportation costs, services and product quality drive competition. We estimate that we have a market share of approximately 4% to 5% of the domestic refined soybean oil and also the domestic soybean crushing capacity. We are a relatively small participant in the protein food business, competing with ADM, Solae and Cargill.

Regulation. Our processing and food ingredients operations are subject to laws and related regulations and rules designed to protect the environment that are administered by the EPA, the Department of Transportation and similar government agencies. These laws, regulations and rules govern the discharge of materials to the environment, air and water; reporting storage of hazardous wastes and other hazardous materials; the transportation, handling and disposition of wastes and other materials; the labeling of pesticides and similar substances; and investigation and remediation of

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releases of hazardous materials. In addition, environmental laws impose liability on owners and operators of contaminated property, and a party who sends hazardous materials to such site for treatment, storage, disposal or recycling, for investigation and remediation. In some instances, such liability exists regardless of fault. Our processing and food ingredients operations are also subject to laws and related regulations and rules administered by the United States Department of Agriculture, the United States Food and Drug Administration, and other federal, state, local and foreign governmental agencies that govern the processing, packaging, storage, distribution, advertising, labeling, quality and safety of food and grain products. Failure to comply with these laws, regulations and rules could subject us, or our foods partners, to administrative penalties, fines, other costs, such as capital expenditures, injunctive relief, civil remedies and possible recalls of products. See "Legal Proceedings."

Summary Operating Results

Summary operating results and identifiable assets for our Ag segment for the nine months ended May 31, 2013 and 2012 and the years ended August 31, 2012, 2011 and 2010 are shown below:

	Nine Months Ended May 31,		Ag Years Ended August 31,		
	2013	2012	2012	2011	2010
	(Dollars in thousands)				
Revenues	\$ 24,483,835	\$ 20,457,343	\$ 28,181,445	\$ 25,767,033	\$ 16,715,055
Cost of goods sold	24,017,733	19,939,254	27,544,040	25,204,301	16,258,679
Gross profit	466,102	518,089	637,405	562,732	456,376
Marketing, general and administrative	223,041	203,739	273,757	229,369	187,640
Operating earnings	243,061	314,350	363,648	333,363	268,736
Loss (gain) on investments	(45)	446	1,049	(118,344)	(421)
Interest, net	53,472	41,136	57,915	57,438	33,039
Equity income from investments	(13,104)	(16,719)	(22,737)	(40,482)	(31,248)
Income before income taxes	\$ 202,738	\$ 289,487	\$ 327,421	\$ 434,751	\$ 267,366
Total identifiable assets at period end	\$ 6,913,509	\$ 5,865,709	\$ 6,816,809	\$ 5,276,537	\$ 3,847,518

CORPORATE AND OTHER**Business Solutions**

Financial Services. We have provided open account financing to approximately 100 of our members that are cooperatives (cooperative association members) in the past year. These arrangements involve the discretionary extension of credit in the form of a clearing account for settlement of grain purchases and as a cash management tool.

CHS Capital, LLC. CHS Capital, LLC (CHS Capital), a finance company formed in fiscal 2005, makes seasonal and term loans to member cooperatives and individual producers.

CHS Hedging Inc. Our controlled subsidiary, CHS Hedging Inc., is a registered Futures Commission Merchant and a clearing member of both the Minneapolis Grain Exchange and the Kansas City Board of Trade. In October 2012, CHS Hedging's name was changed from Country Hedging, Inc. CHS Hedging provides full-service commodity risk management brokerage and consulting services to its customers, primarily in the areas of agriculture and energy.

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Ag States Group. Our wholly-owned subsidiary, Ag States Agency, LLC, is a full-service independent insurance agency. It sells all lines of insurance, including property and casualty, group benefits and surety bonds. Its approximately 1,800 customers are primarily agribusinesses, including cooperatives and independent elevators, energy, agronomy, feed and seed plants, implement dealers and food processors. Impact Risk Funding, Inc. PCC, (IRF) a wholly-owned subsidiary of Ag States Agency, LLC, was incorporated as a protected cell captive insurer in the District of Columbia in July 2010. IRF was created as an insurance entity to provide alternative risk financing options for customers.

Wheat Milling

In January 2002, we formed a joint venture with Cargill named Horizon Milling, LLC (Horizon Milling), in which we hold an ownership interest of 24%, with Cargill owning the remaining 76%. Horizon Milling is the largest U.S. wheat miller based on output volume. We own five mills that we lease to Horizon Milling. During fiscal 2012, 2011 and 2010, we invested \$3.0 million, \$3.1 million and \$2.1 million, respectively, in Horizon Milling. Sales and purchases of wheat and durum by us to Horizon Milling during fiscal 2012 were \$426.3 million and \$22.5 million, respectively. Horizon Milling's advance payments on grain to us were \$11.4 million on August 31, 2012, and are included in customer advance payments on our Consolidated Balance Sheet. The customer advance payments balance has not changed materially since August 31, 2012. We account for Horizon Milling using the equity method of accounting and on August 31, 2012, our investment was \$78.4 million. On August 31, 2012, our net book value of assets leased to Horizon Milling was \$49.6 million.

During fiscal 2007, we formed Horizon Milling G.P. (24% CHS ownership with Cargill owning the remaining 76%), a joint venture that acquired a Canadian grain-based foodservice and industrial business, which includes two flour milling operations and two dry baking mixing facilities in Canada. During fiscal 2010, we invested \$0.4 million in Horizon Milling G.P. We account for the investment using the equity method of accounting, and on August 31, 2012, our investment was \$16.7 million. On March 4, 2013, we entered into a definitive agreement with Cargill and ConAgra Foods, Inc. to form Ardent Mills, a joint venture combining the North American flour milling operations of the three parent companies, including the Horizon Milling, LLC and Horizon Milling G.P. assets, with CHS holding a 12% interest. Upon closing, Ardent Mills is expected to be financed with funds from third-party borrowings, which would not require credit support from the owners. The borrowings are anticipated to be no less than \$600 million with proceeds distributed to each owner in proportion to the ownership interests, adjusted for any deviations in specified working capital target amounts. The transaction is expected to close in our fiscal 2014, subject to financing and certain other customary closing conditions. In connection with the closing, the parties will also enter into various ancillary and non-compete agreements, including, among other things, an agreement for CHS to supply Ardent Mills with certain wheat and durum products.

Foods

Our primary focus in the foods area is Ventura Foods, which produces and distributes vegetable oil-based products such as margarine, salad dressing and other food products. Ventura Foods was created in 1996, and is owned 50% by us and 50% by Wilsey Foods, Inc., a majority owned subsidiary of Mitsui. We account for our Ventura Foods investment under the equity method of accounting, and on August 31, 2012, our investment was \$292.4 million.

Ventura Foods manufactures, packages, distributes and markets bulk margarine, salad dressings, mayonnaise, salad oils, syrups, soup bases and sauces, many of which utilize soybean oil as a primary ingredient. Approximately 40% of Ventura Foods' volume, based on sales, comes from products for which Ventura Foods owns the brand, and the remainder comes from products that it produces for third parties. A variety of Ventura Foods' product formulations and processes are proprietary to it or

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its customers. Ventura Foods is the largest manufacturer of margarine for the foodservice sector in the U.S. and is a major producer of many other products.

Ventura Foods currently has 11 manufacturing and distribution locations across the United States. Ventura Foods sources its raw materials, which consist primarily of soybean oil, canola oil, palm/coconut oil, peanut oil and other ingredients and supplies, from various national and overseas suppliers, including our oilseed processing operations. It sells the products it manufactures to third parties as a contract manufacturer, as well as directly to retailers, food distribution companies and large institutional food service companies. Ventura Foods sales are approximately 60% in foodservice and the remainder is split between retail and industrial customers who use edible oil products as ingredients in foods they manufacture for resale. During Ventura Foods' 2012 fiscal year, Sysco accounted for 23% of its net sales.

Ventura Foods competes with a variety of large companies in the food manufacturing industry. Major competitors include ADM, Cargill, Bunge, Unilever, ConAgra, Stratas Foods LLC, Smuckers, Kraft and CF Sauer, Ken's, Marzetti and Nestle.

Agriliance, LLC

Agriliance LLC (Agriliance) is owned and governed by CHS (50%) and Land O'Lakes, Inc. (50%). We account for our Agriliance investment, using the equity method of accounting, within Corporate and Other. Prior to September 1, 2007, Agriliance was a wholesale and retail crop nutrients and crop protection products company. In September 2007, Agriliance distributed the assets of the crop nutrients business to us, and the assets of the crop protection business to Land O'Lakes. Agriliance has ceased its business activities and primarily holds long-term liabilities. During the years ended August 31, 2011 and 2010, we received \$28.0 million and \$105.0 million, respectively, of cash distributions from Agriliance as returns of capital for proceeds from the sale of many of the Agriliance retail facilities, and the collection of receivables. We have not received any cash distributions from Agriliance since the year ended August 31, 2011. We recorded pre-tax gains of \$9.0 million and \$28.4 million during fiscal 2011 and 2010, respectively, related to these cash distributions.

PRICE RISK AND HEDGING

When we enter into a commodity purchase or sales commitment, we incur risks related to price change and performance (including delivery, quality, quantity and shipment period). We are exposed to risk of loss in the market value of positions held, consisting of inventory and purchase contracts at a fixed or partially fixed price, in the event market prices decrease. We are also exposed to risk of loss on our fixed or partially fixed price sales contracts in the event market prices increase.

Our hedging activities reduce the effects of price volatility, thereby protecting against adverse short-term price movements, but also limit the benefits of short-term price movements. To reduce the price change risks associated with holding fixed price commitments, we generally take opposite and offsetting positions by entering into commodity futures contracts or options, to the extent practical, in order to arrive at a net commodity position within the formal position limits we have established and deemed prudent for each commodity. These contracts are purchased and sold on regulated commodity futures exchanges for grain, and regulated mercantile exchanges for refined products and crude oil. We also use over-the-counter (OTC) instruments to hedge our exposure on flat price fluctuations. The price risk we encounter for crude oil and most of the grain and oilseed volume we handle can be hedged. Price risk associated with fertilizer and certain grains cannot be hedged because there are no futures for these commodities and, as a result, risk is managed through the use of forward sales contracts and other pricing arrangements and, to some extent, cross-commodity futures hedging. These contracts are economic hedges of price risk, but are not designated or accounted for as hedging instruments for accounting purposes, with the exception of some contracts in our Energy segment

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which were previously accounted for as cash flow hedges. The contracts are recorded on our Consolidated Balance Sheets at fair values based on quotes listed on regulated commodity exchanges or are based on the market prices of the underlying products listed on the exchanges, with the exception of fertilizer and propane contracts, which are accounted for as normal purchase and normal sales transactions. Unrealized gains and losses on these contracts are recognized in cost of goods sold in our Consolidated Statements of Operations using market-based prices.

When a futures contract is entered into, an initial margin deposit must be sent to the applicable exchange or broker. The amount of the deposit is set by the exchange and varies by commodity. If the market price of a short futures contract increases, then an additional maintenance margin deposit would be required. Similarly, if the price of a long futures contract decreases, a maintenance margin deposit would be required and sent to the applicable exchange. Subsequent price changes could require additional maintenance margins or could result in the return of maintenance margins.

Our policy is to primarily maintain hedged positions in grain and oilseed. Our profitability from operations is primarily derived from margins on products sold and grain merchandised, not from hedging transactions. At any one time, inventory and purchase contracts for delivery to us may be substantial. We have risk management policies and procedures that include net position limits. These limits are defined for each commodity and include both trader and management limits. This policy and computerized procedures in our grain marketing operations require a review by operations management when any trader is outside of position limits and also a review by our senior management if operating areas are outside of position limits. A similar process is used in our energy and wholesale crop nutrients operations. The position limits are reviewed, at least annually, with our management and Board of Directors. We monitor current market conditions and may expand or reduce our net position limits or procedures in response to changes in those conditions. In addition, all purchase and sales contracts are subject to credit approvals and appropriate terms and conditions.

Hedging arrangements do not protect against nonperformance by counterparties to contracts. We primarily use exchange traded instruments, which minimize our counterparty exposure. We evaluate that exposure by reviewing contracts and adjusting the values to reflect potential nonperformance. Risk of nonperformance by counterparties includes the inability to perform because of a counterparty's financial condition and liquidity and also the risk that the counterparty will refuse to perform on a contract during periods of price fluctuations where contract prices are significantly different than the current market prices. We manage our risks by entering into fixed price purchase and sales contracts with preapproved producers and by establishing appropriate limits for individual suppliers. Fixed price contracts are entered into with customers of acceptable creditworthiness, as internally evaluated. Historically, we have not experienced significant events of nonperformance on open contracts. Accordingly, we only adjust the estimated fair values of specifically identified contracts for nonperformance. Although we have established policies and procedures, we make no assurances that historical nonperformance experience will carry forward to future periods.

EMPLOYEES

On May 31, 2013, we had 10,728 full, part-time, temporary and seasonal employees, which included 685 employees of NCRA. Of that total, 2,807 were employed in our Energy segment, 5,484 in our country operations business (including approximately 1,203 seasonal and temporary employees), 180 in our crop nutrients operations, 918 in our grain marketing operations, 807 in our processing and food ingredients operations and 532 in Corporate and Other. In addition to those employed directly by us, many employees work for joint ventures in which we have a 50% or less ownership interest, and are not included in these totals. A portion of both of our segments and Corporate and Other are employed in this manner.

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Employees in certain areas are represented by collective bargaining agreements. Refinery and pipeline workers in Laurel, Montana are represented by agreements with two separate unions: the United Steel Worker (USW) Union Local 11-443 represents 195 refinery employees for which agreements are in place through January 31, 2015 and the Oil Basin Pipeliners Union (OBP) represents 20 pipeline employees for which they have an evergreen labor agreement that renews every September 1 unless 60 days' notice is given. The contracts covering the NCRA McPherson, Kansas refinery include 308 employees represented by the United Steel Workers of America (USWA) that are in place through June 2015. There are currently 78 CHS employees in transportation and lubricant plant operations covered by collective bargaining agreements with the Teamsters, including a labor contract with Montana drivers which represents 22 employees, one with Wisconsin drivers representing 27 employees and one with lubricant plant production workers representing 29 employees, that expire, respectively, at June 30, 2014, August 14, 2016 and October 31, 2013.

Certain production workers in our processing and food ingredients operations are subject to collective bargaining agreements with the Bakery, Confectionary, Tobacco Worker and Grain Millers (BTWGM) representing 119 employees, which expires on June 30, 2017 and the Pipefitters' Union representing 2 employees, which expires on April 30, 2014. The BTWGM also represents 39 employees at our Superior, Wisconsin grain export terminal with a contract expiring on June 30, 2016. Various union contracts cover employees in other grain and crop nutrient terminal operations: the USWA represents 77 employees at our Myrtle Grove, Louisiana grain export terminal with a contract expiring on May 31, 2016; and the Teamsters represent 8 employees at our Winona, Minnesota river terminal with a contract expiring on February 28, 2015. Finally, certain employees in our country operations business are represented by collective bargaining agreements with the BTWGM which represents 26 employees in two locations, Hermiston, Oregon and Great Falls, Montana, with contracts expiring on December 31, 2014 and June 30, 2014, respectively.

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LEGAL PROCEEDINGS

We are involved as a defendant in various lawsuits, claims and disputes, which are in the normal course of our business. The resolution of any such matters may affect consolidated results of operations, cash flows or financial condition for any fiscal period; however, our management believes any resulting liabilities, individually or in the aggregate, will not have a material adverse effect on our consolidated results of operations, cash flows or financial condition for, or at the end of, as applicable, any fiscal year.

Malta

On November 21, 2009, a late-night fire destroyed a shop, a warehouse containing some feed, seed, and agronomy products, and part of the office at the Malta, Montana branch of Milk River Cooperative, a CHS-owned facility. Our local staff worked with local emergency officials to respond in a timely manner in keeping with accepted protocols and in what all parties believed was in the best interests of community health and safety and to eliminate any environmental impact. There were no injuries and the fire was extinguished in a short period of time. We promptly notified both the Montana Department of Environmental Quality and the Montana Department of Emergency Services. All remediation work was overseen by West Central Environmental Consultants and completed under the supervision of the Montana Department of Environmental Quality. Follow-up review by the EPA regulators determined that, while we had notified the required state agencies, notification was not made to the National Response Center as mandated for events in which there is a chemical release. This situation resulted from an inadvertent, unintentional human error related to a technical reporting requirement.

In October 2012, we entered into a plea agreement with the EPA and the U.S. Department of Justice related to the November 2009 fire at Malta, Montana. The plea was entered in the U.S. District Court for the District of Montana. Under the terms of the plea agreement, we agreed to enter a guilty plea to one count of failure to report a release of a reportable quantity of a hazardous substance, a violation of the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). In addition, we agreed to pay a \$500,000 fine and, as part of the plea agreement, agreed to contribute an additional \$50,000 to the Malta Fire Department for equipment that would assist the fire department in fighting future fires in its community.

Laurel

On August 30, 2012, we received from the EPA a request for information pursuant to Section 114 of the Clean Air Act. The information requested relates to operational information and design data for flares at our Laurel, Montana refinery for the period from January 1, 2006 to present. The information request could potentially result in an enforcement action by the EPA with respect to flare efficiency or other issues. We provided the requested information in December 2012 and are awaiting the EPA's response. As it is too early to determine the potential liability or extent of potential costs associated with any such action, we have not recorded a liability associated with this request. While the facts and circumstances of enforcement actions under the Clean Air Act relating to flares at refineries differ on a case-by-case basis, some refineries have incurred significant penalties and other costs in connection with such enforcement actions.

Product Recall

In May 2013, we initiated a voluntary recall of certain soy protein products produced at our Ashdod, Israel facility following one customer's report to us of a positive test result for salmonella in product purchased from us. We notified applicable food safety regulators, including the Israel Ministry of Health and the U.S. Food and Drug Administration, of both the positive test result and our

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determination to conduct a voluntary recall. We have received no reports of salmonella-related illness in relation to the recalled products. We estimate our range of loss associated with this recall to be between \$15.5 million and \$65.0 million. In the third quarter of fiscal 2013, we recorded a reserve of \$15.5 million, which is the minimum amount in the range, as no amount within the range is a better estimate than any other. We maintain product liability and general liability insurance (which includes product liability coverage), which we believe is sufficient to offset most related product liability expenses. However, as of May 31, 2013, no insurance recoveries have been recorded related to this incident.

Table of Contents**PROPERTIES**

We own or lease office space and energy, agronomy, grain handling and processing facilities throughout the United States and in Europe, Asia and South America. Below is a summary of these locations.

Energy

Facilities in our Energy segment include the following, all of which are owned except where indicated as leased:

Refinery	Laurel, Montana
Propane terminals	Glenwood, Minnesota; Black Creek, Wisconsin (leased to another entity)
Transportation terminals/repair facilities	13 locations in Iowa, Kansas, Minnesota, Montana, North Dakota, South Dakota, Texas, Washington and Wisconsin, 2 of which are leased
Petroleum and asphalt terminals/storage facilities	11 locations in Montana, North Dakota and Wisconsin
Pump stations	11 locations in Montana and North Dakota
Pipelines:	
Cenex Pipeline, LLC	Laurel, Montana to Fargo, North Dakota
Front Range Pipeline, LLC	Canadian border to Laurel, Montana and on to Billings, Montana
Convenience stores/gas stations	68 locations in Idaho, Minnesota, Montana, North Dakota, South Dakota, Washington and Wyoming, 20 of which are leased. We own an additional 4 locations which we do not operate, but are on capital leases to others
Lubricant plants/warehouses	3 locations in Minnesota, Ohio and Texas, 1 of which is leased
We currently have a 79.2% interest in NCRA, which owns and operates the following facilities:	
Refinery	McPherson, Kansas
Petroleum terminals/storage	2 locations in Iowa and Kansas
Pipeline	McPherson, Kansas to Council Bluffs, Iowa
Jayhawk Pipeline, LLC	Throughout Kansas, with branches in Nebraska, Oklahoma and Texas
Jayhawk stations	26 locations in Kansas, Nebraska and Oklahoma
Osage Pipeline (50% owned by NCRA)	Oklahoma to Kansas
Kaw Pipeline (67% owned by NCRA)	Throughout Kansas

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Ag

Within our Ag segment, we own or lease the following facilities:

Crop Nutrients

We use ports and terminals in our North American crop nutrients operations at the following locations:

Briggs, Indiana (terminal, owned)
Crescent City, Illinois (terminal, owned)
Fostoria, Ohio (terminal, owned)
Galveston, Texas (deep water port, land leased from port authority)
Grand Forks, North Dakota (terminal, owned)
Green Bay, Wisconsin (terminal, owned)
Indianapolis, Indiana (terminal, leased)
Little Rock, Arkansas (river terminal, land leased from port authority)
Memphis, Tennessee (river terminal, owned)
Muscatine, Iowa (river terminal, owned)
Post Falls, Idaho (terminal, owned)
St. Paul, Minnesota (river terminal, owned)
Texarkana, Texas (terminal, owned)
Watertown, South Dakota (terminal, owned)
Winona, Minnesota (2 river terminals, owned)

Country Operations

In our country operations business, we own agri-operations in 390 communities (of which some of the facilities are on leased land), 3 sunflower plants and 9 feed manufacturing facilities of which we operate 8 and lease one to a joint venture of which we are a partner. These operations are located in Colorado, Idaho, Illinois, Iowa, Kansas, Minnesota, Montana, Nebraska, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Michigan and Washington.

Grain Marketing

We use grain terminals in our grain marketing operations at the following locations:

Collins, Mississippi (owned)
Constanta, Romania (owned)
Davenport, Iowa (2 owned)
Friona, Texas (owned)
Myrtle Grove, Louisiana (owned)
Oroshaza, Hungary (owned)
Russia (3 owned)
Savage, Minnesota (owned)
Spokane, Washington (owned)
Superior, Wisconsin (owned)
Winona, Minnesota (owned)

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In addition to office space at our corporate headquarters, we have grain marketing offices at the following leased locations, unless otherwise noted:

Amman, Jordan
Barcelona, Spain
Bucharest, Romania
Budapest, Hungary
Buenos Aires, Argentina (2 locations)
Davenport, Iowa (owned)
Geneva, Switzerland
Hong Kong
Kansas City, Missouri
Kiev and Odessa, Ukraine
Novorossiysk, Russia (also 7 other Russia locations)
Lincoln, Nebraska
Novi Sad, Serbia
Sao Paulo, Brazil (also 8 other Brazil locations)
Seoul, South Korea
Singapore
Sofia, Bulgaria
Shanghai, China
Winona, Minnesota (owned)

Processing

We own soybean processing facilities and/or textured soy protein production facilities at the following locations:

Ashdod, Israel
Ashkelon, Israel
Creston, Iowa
Fairmont, Minnesota
Hutchinson, Kansas
Mankato, Minnesota
Ningbo, China
South Sioux City, Nebraska

Corporate and Other

Business Solutions

In addition to office space at our corporate headquarters, we have offices at the following leased locations:

Houston, Texas (Ag States Group)
Indianapolis, Indiana (Ag States Group and CHS Hedging Inc.)
Kansas City, Missouri (CHS Hedging Inc.)
Kewanee, Illinois (Ag States Group)

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Wheat Milling

We own five milling facilities at the following locations, all of which are leased to Horizon Milling:

Fairmount, North Dakota
Houston, Texas
Kenosha, Wisconsin
Mount Pocono, Pennsylvania
Rush City, Minnesota

Corporate Headquarters

We are headquartered in Inver Grove Heights, Minnesota. We own a 33-acre campus consisting of one main building with approximately 320,000 square feet of office space and two smaller buildings with approximately 13,400 and 9,000 square feet of space. We also have an office in Washington, D.C., which we lease.

Our internet address is www.chsinc.com. Information contained on our website is not part of, or incorporated by reference into, this prospectus.

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MEMBERSHIP IN CHS AND AUTHORIZED CAPITAL

Introduction

We are an agricultural membership cooperative organized under Minnesota cooperative law to do business with member and non-member patrons. Our patrons, not us, are subject to income taxes on income from patronage sources, which is distributed to them. We are subject to income taxes on undistributed patronage income and non-patronage-sourced income. See " Tax Treatment" below.

Distribution of Net Income; Patronage Dividends

We are required by our organizational documents annually to distribute net earnings derived from patronage business with members to members on the basis of patronage, except that our Board of Directors may elect to retain and add to our unallocated capital reserve an amount not to exceed 10% of the distributable net income from patronage business. We may also distribute net income derived from patronage business with a non-member if we have agreed to conduct business with the non-member on a patronage basis. Net income from non-patronage business may be distributed to members or added to the unallocated capital reserve, in whatever proportions our Board of Directors deems appropriate.

These distributions, referred to as "patronage dividends," may be made in cash, patrons' equities, revolving fund certificates, our securities, securities of others or any combination designated by our Board of Directors. Beginning in fiscal 2006 through fiscal 2010, our Board of Directors approved the distributed patronage dividends to be in the form of 35% cash and 65% patrons' equities (see " Patrons' Equities" below). For fiscal 2011 and 2012, our Board of Directors approved the distributed patronage dividends to be in the form of 35% cash and 65% patrons' equity for individuals and 40% cash and 60% patrons' equity for non-individuals. In addition, our Board of Directors authorized, in accordance with our bylaws, that 10% of the earnings from patronage business for fiscal 2011 and 2012, be added to our capital reserves. Our Board of Directors may change the mix in the form of the patronage dividends in the future. In making distributions, our Board of Directors may use any method of allocation that, in its judgment, is reasonable and equitable.

Patronage dividends distributed during the years ended August 31, 2012, 2011 and 2010, were \$676.3 million (\$260.7 million in cash), \$402.4 million (\$141.5 million in cash) and \$438.0 million (\$153.9 million in cash), respectively.

Patronage dividends distributed during the nine months ended May 31, 2013 and 2012 were \$976.0 million (\$381.0 million in cash) and \$676.1 million (\$260.6 million in cash), respectively.

By action of our Board of Directors, patronage losses incurred in fiscal 2009 from our wholesale crop nutrients business, totaling \$60.2 million, were offset against the fiscal 2008 wholesale crop nutrients operating earnings and the gain on the sale of our CF Industries stock through the cancellation of capital equity certificates in fiscal 2010.

8% Cumulative Redeemable Preferred Stock

On May 31, 2013, we had 12,272,003 shares of 8% Cumulative Redeemable Preferred Stock outstanding. The 8% Cumulative Redeemable Preferred Stock is traded on the NASDAQ Global Select Market under the symbol "CHSCP."

Holders of our 8% Cumulative Redeemable Preferred Stock are entitled to receive cash dividends at the rate of \$2.00 per share per year when, as and if declared by our Board of Directors. Dividends are cumulative and are payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, except that if a payment date is a Saturday, Sunday or legal holiday, the dividend is paid without interest on the next day that is not a Saturday, Sunday or legal holiday. In the

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event of our liquidation, holders of our 8% Cumulative Redeemable Preferred Stock are entitled to receive \$25.00 per share plus all dividends accumulated and unpaid on the shares to and including the date of liquidation, subject, however, to the rights of any of our securities that rank senior or on parity with the 8% Cumulative Redeemable Preferred Stock. As to payment of dividends and as to distributions of assets upon the liquidation, dissolution or winding up of CHS, whether voluntary or involuntary, the 8% Cumulative Redeemable Preferred Stock ranks prior to: (i) any patronage refund; (ii) any other class or series of our capital stock designated by our Board of Directors as junior to the preferred stock; and (iii) our common stock, if any. Shares of any class or series of our capital stock that are not junior to the 8% Cumulative Redeemable Preferred Stock, including the Class B Preferred Stock, rank equally with the 8% Cumulative Redeemable Preferred Stock as to the payment of dividends and the distribution of assets.

We may, at our option, at any time on or after July 18, 2023, redeem the 8% Cumulative Redeemable Preferred Stock, in whole or from time to time in part, for cash at a redemption price of \$25.00 per share plus all dividends accumulated and unpaid on that share to and including the date of redemption. We have no current plan or intention to redeem the 8% Cumulative Redeemable Preferred Stock. In the event of a change in control initiated by our Board of Directors, holders of the 8% Cumulative Redeemable Preferred Stock will have the right, for a period of 90 days from the date of the change in control, to require us to repurchase their shares of 8% Cumulative Redeemable Preferred Stock at a price of \$25.00 per share plus all dividends accumulated and unpaid on that share to and including the date of redemption. The 8% Cumulative Redeemable Preferred Stock is not exchangeable for or convertible into any other shares of our capital stock or any other securities or property and is not subject to the operation of any purchase, retirement or sinking fund. Holders of the 8% Cumulative Redeemable Preferred Stock do not have voting rights, except as required by applicable law; provided, that the affirmative vote of two-thirds of the outstanding 8% Cumulative Redeemable Preferred Stock will be required to approve (i) any amendment to our articles of incorporation or the resolutions establishing the terms of the 8% Cumulative Redeemable Preferred Stock if the amendment adversely affects the rights or preferences of the 8% Cumulative Redeemable Preferred Stock; or (ii) the creation of any class or series of equity securities having rights senior to the 8% Cumulative Redeemable Preferred Stock as to the payment of dividends or distribution of assets upon the liquidation, dissolution or winding up of CHS. Holders of the 8% Cumulative Redeemable Preferred Stock have no preemptive right to acquire shares of any class or series of our capital stock.

Patrons' Equities

Patrons' equities are in the form of book entries and represent a right to receive cash or other property when we redeem them. Patrons' equities form part of our capital, do not bear interest, and are not subject to redemption upon request of a member. Patrons' equities are redeemable only at the discretion of our Board of Directors and in accordance with the terms of the redemption policy adopted by our Board of Directors, which may be modified at any time without member consent. Redemptions of capital equity certificates approved by our Board of Directors are divided into two pools, one for non-individuals (primarily member cooperatives) who may participate in an annual program for equities held by them and another for individuals who are eligible for equity redemptions at age 70 or upon death. In accordance with authorization from our Board of Directors, we expect total redemptions related to the year ended August 31, 2012, that will be distributed in fiscal 2013, to be approximately \$196.0 million.

Cash redemptions of patrons and other equities during the years ended August 31, 2012, 2011 and 2010 were \$145.7 million, \$61.2 million and \$23.1 million, respectively. An additional \$36.7 million of equities were redeemed by issuance of shares of our 8% Cumulative Redeemable Preferred Stock during the year ended August 31, 2010. No equities were redeemed by issuance of shares of our 8% Cumulative Redeemable Preferred Stock during the years ended August 31, 2012 and 2011.

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Cash redemptions of patrons and other equities during the nine months ended May 31, 2013 and 2012 were \$185.0 million and \$138.4 million, respectively.

Governance

We are managed by a Board of Directors of not less than 17 persons elected by the members at our annual meeting. Terms of directors are staggered so that no more than seven directors are elected in any year. Our Board of Directors is currently comprised of 16 directors due to the departure of Michael Toelle on April 3, 2013. The remaining directors will appoint a director to fill this vacancy at our next annual meeting to be held in December 2013. Our articles of incorporation and bylaws may be amended only upon approval of a majority of the votes cast at an annual or special meeting of our members, except for the higher vote described under " Certain Antitakeover Measures" below.

Membership

Membership in CHS is restricted to certain producers of agricultural products and to associations of producers of agricultural products that are organized and operating so as to adhere to the provisions of the Agricultural Marketing Act and the Capper-Volstead Act, as amended. Our Board of Directors may establish other qualifications for membership, as it may from time to time deem advisable.

As a membership cooperative, we do not have common stock. We may issue equity or debt instruments, on a patronage basis or otherwise, to our members. We have two types of members. Individual members are individuals actually engaged in the production of agricultural products. Cooperative associations are associations of agricultural producers and may be either cooperatives or other associations organized and operated under the provisions of the Agricultural Marketing Act and the Capper-Volstead Act, as amended.

Voting Rights

Voting rights arise by virtue of membership in CHS, not because of ownership of any equity or debt instruments. Members that are cooperative associations are entitled to vote based upon a formula that takes into account the equity held by the cooperative in CHS and the average amount of business done with us over the previous three years.

Members who are individuals are entitled to one vote each. Individual members may exercise their voting power directly or through patrons' associations affiliated with a grain elevator, feed mill, seed plant or any other of our facilities (with certain historical exceptions) recognized by our Board of Directors. The number of votes of patrons' associations is determined under the same formula as cooperative association members.

Most matters submitted to a vote of the members require the approval of a majority of the votes cast at a meeting of the members, although certain actions require a greater vote. See " Certain Antitakeover Measures" below.

Debt and Equity Instruments

We may issue debt and equity instruments to our current members and patrons, on a patronage basis or otherwise, and to persons who are neither members nor patrons. All equity we issue (including the Class B Preferred Stock) is subject to a first lien in favor of us for all indebtedness of the holder to us. On May 31, 2013, our outstanding capital includes patrons' equities (consisting of Capital Equity Certificates and Non-patronage Equity Certificates), 8% Cumulative Redeemable Preferred Stock and certain capital reserves.

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Dividends, which may be cumulative, may be paid on equity capital of CHS that is established in accordance with our articles of incorporation, provided that dividends on such equity capital may not exceed eight percent (8%) per annum. Unless otherwise expressly authorized by our Board of Directors, preferred stock established and issued pursuant to CHS's articles of incorporation may only be sold or transferred with the approval of our Board of Directors. Our Board of Directors has expressly authorized the listing and trading of the Class B Preferred Stock on the NASDAQ Global Select Market and transfer of shares of Class B Preferred Stock in connection therewith.

Distribution of Assets upon Dissolution; Merger and Consolidation

In the event of our dissolution, liquidation or winding up, whether voluntary or involuntary, all of our debts and liabilities would be paid first according to their respective priorities. After such payment, the holders of each share of our Class B Preferred Stock, 8% Cumulative Redeemable Preferred Stock and any other equity securities would then be entitled to receive payment, out of available assets, in accordance with their respective liquidation preferences. After such distribution to the holders of equity capital, any excess would be paid to patrons on the basis of their past patronage with us. Our bylaws provide for the allocation among our members and nonmember patrons of the consideration received in any merger or consolidation to which we are a party.

Certain Antitakeover Measures

Our governing documents may be amended upon the approval of a majority of the votes cast at an annual or special meeting. However, if our Board of Directors, in its sole discretion, declares that a proposed amendment to our governing documents involves or is related to a "hostile takeover," the amendment must be adopted by 80% of the total voting power of our members.

The approval of not less than two-thirds of the votes cast at a meeting is required to approve a "change of control" transaction which would include a merger, consolidation, liquidation, dissolution or sale of all or substantially all of our assets. If our Board of Directors determines that a proposed change of control transaction involves a hostile takeover, the 80% approval requirement applies. The term "hostile takeover" is not further defined in the Minnesota cooperative law or our governing documents.

Tax Treatment

Subchapter T of the Internal Revenue Code of 1986, as amended (the "Code"), sets forth rules for the tax treatment of cooperatives and applies to both cooperatives exempt from taxation under Section 521 of the Code and to nonexempt corporations operating on a cooperative basis. We are a nonexempt cooperative.

As a cooperative, we are not taxed on qualified patronage (minimum cash requirement of 20%) allocated to our members either in the form of equities or cash. Consequently, those amounts are taxed only at the patron level. However, the amounts of any allocated but undistributed patronage earnings (called non-qualified written notices of allocation) are taxable to us when allocated. Upon redemption of any non-qualified written notices of allocation, the amount is deductible to us and taxable to the member.

Income derived by us from non-patronage sources is not entitled to the "single tax" benefit of Subchapter T and is taxed to us at corporate income tax rates.

Prior to September 2013, NCRA was not consolidated for tax purposes. On September 1, 2013, NCRA began to be consolidated for tax purposes when our ownership increased to greater than 80%.

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The selected financial information below has been derived from our consolidated financial statements for the periods indicated below. The selected consolidated financial information for the nine months ended and as of May 31, 2013 and 2012, the years ended August 31, 2012, 2011 and 2010 and as of August 31, 2012 and 2011, should be read in conjunction with our consolidated financial statements and notes thereto included in our Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2013 and our Annual Report on Form 10-K for the fiscal year ended August 31, 2012, as well as management's discussion and analysis thereof, incorporated by reference in this prospectus. The selected consolidated financial information for the years ended August 31, 2009 and 2008 and as of August 31, 2010, 2009 and 2008 should be read in conjunction with our audited consolidated financial statements and notes thereto, as well as the related management's discussion and analysis thereof, not included or incorporated by reference in this prospectus. In the opinion of our management, the interim financial data for May 31, 2013 and 2012 was prepared on the same basis as the annual historical financial data and include all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of this information. Results for the nine-month period ended May 31, 2013 are not necessarily indicative of the results that may be expected for the full fiscal year.

	Nine Months Ended May 31,		Years Ended August 31,				
	2013	2012	2012	2011	2010	2009	2008
(Dollars in thousands)							
Income Statement Data:							
Revenues	\$ 33,528,872	\$ 29,600,926	\$ 40,599,286	\$ 36,915,834	\$ 25,267,931	\$ 25,729,916	\$ 32,167,461
Cost of goods sold	32,055,796	28,113,086	38,588,143	35,512,988	24,397,410	24,849,901	30,993,899
Gross profit	1,473,076	1,487,840	2,011,143	1,402,846	870,521	880,015	1,173,562
Marketing, general and administrative	397,931	368,300	498,233	438,498	366,582	355,299	329,965
Operating earnings	1,075,145	1,119,540	1,512,910	964,348	503,939	524,716	843,597
Loss (gain) on investments	(199)	446	5,465	(126,729)	(29,433)	56,305	(29,193)
Interest, net	186,989	126,556	193,263	74,835	58,324	70,487	76,460
Equity income from investments	(72,406)	(68,885)	(102,389)	(131,414)	(108,787)	(105,754)	(150,413)
Income before income taxes	960,761	1,061,423	1,416,571	1,147,656	583,835	503,678	946,743
Income taxes	87,033	86,588	80,852	86,628	48,438	63,304	71,861
Net income	873,728	974,835	1,335,719	1,061,028	535,397	440,374	874,882
Net income attributable to noncontrolling interests	4,139	75,095	75,091	99,673	33,238	58,967	71,837
Net income attributable to CHS Inc.	\$ 869,589	\$ 899,740	\$ 1,260,628	\$ 961,355	\$ 502,159	\$ 381,407	\$ 803,045
Balance Sheet Data (at end of period):							
Working capital	\$ 2,959,840	\$ 2,854,602	\$ 2,848,462	\$ 2,776,492	\$ 1,603,994	\$ 1,626,352	\$ 1,738,600
Net property, plant and equipment	3,044,582	2,706,674	2,786,324	2,420,214	2,253,071	2,099,325	1,948,305
Total assets	12,877,809	11,473,354	13,423,151	12,217,010	8,666,128	7,869,845	8,771,978
Long-term debt, including current maturities	1,484,057	1,303,060	1,440,353	1,501,997	986,241	1,071,953	1,194,855
Total equities	5,006,853	4,377,326	4,473,323	4,265,320	3,604,451	3,333,164	3,161,418

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The following table sets forth selected financial information which has been revised to reflect the adoption of a new accounting principle. In June 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income" ("ASU No. 2011-05"). ASU No. 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of stockholders' equity. ASU No. 2011-05 requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. We adopted ASU No. 2011-05, as amended by ASU No. 2011-12, "Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05," during the first quarter of fiscal 2013. The following selected financial information revises our annual information for the periods presented to apply the new presentation required by this pronouncement.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	For the Years Ended August 31		
	2012	2011	2010
	(Dollars in thousands)		
Net income	\$ 1,335,719	\$ 1,061,028	\$ 535,397
Other comprehensive (loss) income, net of tax:			
Prior service credit (cost), net of tax expense (benefit) of \$271, \$(548), and \$(154) in 2012, 2011 and 2010, respectively	476	(864)	(238)
Amortization of prior service cost, net of tax expense of \$712, \$914, and \$957 in 2012, 2011 and 2010, respectively	1,253	1,440	1,478
Amortization of net transition obligation, net of tax expense of \$394, \$363, and \$368 in 2012, 2011 and 2010, respectively	694	573	568
Net actuarial (loss) gain, net of tax (benefit) expense of \$(29,080), \$10,208 and \$(36,433) in 2012, 2011 and 2010, respectively	(51,189)	16,079	(56,298)
Amortization of net actuarial gain, net of tax expense of \$5,993, \$6,839, and \$4,415 in 2012, 2011 and 2010, respectively	10,550	10,773	6,823
Unrealized net gain (loss) on available for sale investments, net of tax expense (benefit) of \$199, \$445 and \$(477) in 2012, 2011 and 2010, respectively	355	716	(750)
Cash flow hedges, net of tax expense (benefit) of \$449, \$(2,180) and \$227 in 2012, 2011 and 2010, respectively	586	(3,424)	356
Energy derivative instruments qualified for hedge accounting, net of tax expense (benefit) of \$1,540 and \$(1,540) in 2011 and 2010, respectively		2,419	(2,419)
Foreign currency translation adjustment, net of tax (benefit) expense of \$(3,699), \$2,842 and \$(791) in 2012, 2011 and 2010, respectively	(5,855)	4,464	(1,242)
Other comprehensive (loss) income, net of tax	(43,130)	32,176	(51,722)
Comprehensive income	1,292,589	1,093,204	483,675
Less: comprehensive income attributable to noncontrolling interests	75,091	101,458	30,513
Comprehensive income attributable to CHS Inc.	\$ 1,217,498	\$ 991,746	\$ 453,162

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The selected financial information below has been derived from our two business segments, and Corporate and Other, for the nine months ended May 31, 2013 and 2012 and the years ended August 31, 2012, 2011 and 2010. The intercompany revenues between our Energy and Ag segments were \$352.6 million and \$340.3 million for the nine months ended May 31, 2013 and 2012, respectively. The intercompany revenues between our Energy and Ag segments were \$467.6 million, \$383.4 million and \$295.5 million for the fiscal years ended August 31, 2012, 2011 and 2010, respectively.

Selected Financial Data By Business Segment

	Nine Months Ended May 31,		Energy		
			Years Ended August 31,		
	2013	2012	2012	2011	2010
	(Dollars in thousands)				
Revenues	\$ 9,345,304	\$ 9,433,098	\$ 12,816,542	\$ 11,467,381	\$ 8,799,890
Cost of goods sold	8,392,704	8,516,284	11,514,463	10,694,687	8,437,504
Gross profit	952,600	916,814	1,302,079	772,694	362,386
Marketing, general and administrative	121,364	112,610	155,786	142,708	123,834
Operating earnings	831,236	804,204	1,146,293	629,986	238,552
Loss (gain) on investments					