

CHS INC  
Form S-1  
January 27, 2017

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As filed with the Securities and Exchange Commission on January 27, 2017

Registration No. 333-

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**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**  
(IRS Employer  
Identification No.)

**5150**  
(Primary Standard Industrial  
Classification Code Number)

**5500 Cenex Drive  
Inver Grove Heights, Minnesota 55077  
(651) 355-6000**

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

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

**5500 Cenex Drive  
Inver Grove Heights, Minnesota 55077  
(651) 355-6831**

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

**Copies to:**

**David P. Swanson  
Steven Khadavi  
Brian R. Rosenau  
Dorsey & Whitney LLP  
50 South Sixth Street  
Minneapolis, Minnesota 55402  
(612) 340-2600**

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

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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:

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)	Amount of Registration Fee
Class B Cumulative Redeemable Preferred Stock, Series 1	\$20,000,000	\$2,318

(1) Estimated solely for purposes of determining the registration fee pursuant to Rule 457(o) promulgated under the Securities Act.

**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 January 27, 2017**

**PROSPECTUS**

**Shares**

**CHS Inc.**

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

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We are issuing shares of our Class B Cumulative Redeemable Preferred Stock, Series 1 (the "Class B Series 1 Preferred Stock") to redeem approximately \$20,000,000 of our "patrons' equities" that are held in the form of qualified capital equity certificates. All of the Class B Series 1 Preferred Stock being issued will be issued to non-individual "active patrons" who hold qualified capital equity certificates in an amount equal to or greater than \$500. "Active patrons" are non-individual patrons who have done business with us in the past five fiscal years. The amount of patrons' equities that will be redeemed with each share of Class B Series 1 Preferred Stock issued will be \$ which is the greater of \$ (equal to the \$25.00 liquidation preference per share of Class B Series 1 Preferred Stock plus \$ of accumulated dividends from and including , 2017 to and including , 2017) and the closing price for one share of the Class B Series 1 Preferred Stock on , 2017. There will not be any cash proceeds from the issuance of the Class B Series 1 Preferred Stock. However, by issuing shares of Class B Series 1 Preferred Stock in redemption of patrons' equities we will make available for business purposes cash that otherwise may have been used to redeem those patrons' equities.

Holders of the Class B Series 1 Preferred Stock are entitled to receive cash dividends at the rate of \$1.96875 per share per year. The Class B Series 1 Preferred Stock is subject to redemption and has the preferences described in this prospectus. The Class B Series 1 Preferred Stock is not convertible into any of our other securities and is non-voting except in certain limited circumstances.

The Class B Series 1 Preferred Stock is traded on the NASDAQ Stock Market under the trading symbol "CHSCO". On January 26, 2017, the closing price of the Class B Series 1 Preferred Stock was \$28.78 per share.

**Ownership of our Class B Series 1 Preferred Stock involves risks. See "Risk Factors" beginning on page 10.**

We expect to issue the Class B Series 1 Preferred Stock on or about , 2017.

**Neither the Securities and Exchange Commission 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.**

The date of this prospectus is , 2017.

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**IMPORTANT INFORMATION ABOUT THIS PROSPECTUS**

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different or additional information. You must not rely upon any information 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 securities to which it relates. We are not making an offer of these securities in any state where the offer is not permitted. 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 cover or that any information we have incorporated by reference in this prospectus is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus is delivered or securities are sold on a later date.

Unless the context otherwise requires, references in this prospectus, and the documents incorporated by reference in this prospectus, to "CHS," the "Company," "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 web site 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. is one of the nation's leading integrated agricultural companies, providing grain, foods and energy resources to businesses and consumers on a global basis. 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, our Class B Series 1 Preferred Stock, our Class B Reset Rate Cumulative Redeemable Preferred Stock, Series 2 (the "Class B Series 2 Preferred Stock"), our Class B Reset Rate Cumulative Redeemable Preferred Stock, Series 3 (the "Class B Series 3 Preferred Stock"), and our Class B Cumulative Redeemable Preferred Stock, Series 4 (the "Class B Series 4 Preferred Stock"), listed on the NASDAQ Stock Market under the symbols "CHSCP", "CHSCO", "CHSCN", "CHSCM" and "CHSCL", respectively. On January 26, 2017, we had 12,272,003 shares of 8% Cumulative Redeemable Preferred Stock outstanding, 20,764,558 shares of Class B Series 1 Preferred Stock outstanding, 16,800,000 shares of Class B Series 2 Preferred Stock outstanding, 19,700,000 shares of Class B Series 3 Preferred Stock outstanding and 20,700,000 shares of Class B Series 4 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, renewable fuels 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 year ended August 31, 2016, our total revenues were \$30.3 billion and net income attributable to CHS Inc. was \$424.2 million. For the three months ended November 30, 2016, our total revenues were \$8.0 billion and net income attributable to CHS Inc. was \$209.2 million.

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 wholesale sales of crop nutrients; from sales of soybean meal, soybean refined oil and soyflour products; through the production and marketing of renewable fuels; and through retail sales of petroleum and agronomy products, processed sunflowers, feed and farm supplies. Our Ag segment also records equity income from investments in our grain export joint venture and other investments. Our Nitrogen Production segment consists solely of, and came into existence upon, our equity method investment in CF Industries Nitrogen, LLC ("CF Nitrogen"), which was completed in February 2016. The addition of our Nitrogen Production segment did not have any impact on historically reported segment results and balances. Our Foods segment consists solely of our equity method investment in Ventura Foods, LLC ("Ventura Foods"). Prior to the year ended August 31, 2016, our equity method investment in Ventura Foods was reported as a component of Corporate and Other and, accordingly, historically reported segment results and

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balances have been revised to reflect the addition of our Foods segment. We continue to 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 operations are included in Corporate and Other, as this business is conducted through a non-consolidated joint venture.

Many of our business activities are highly seasonal and operating results vary throughout the year. Our revenue and income are generally lowest during the second and fourth fiscal quarters and highest during the first and third fiscal quarters. 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 during the fall harvest season. 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 domestic 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 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 from non-members, which are not treated as 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 our predecessor companies, 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 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 and other natural gas liquids. Our Energy segment processes crude oil into refined petroleum products at our refineries in Laurel, Montana and McPherson, Kansas and sells those products under the Cenex® brand to member cooperatives and other independent retailers through a network of nearly 1,500 sites, the majority of which are convenience stores marketing Cenex® branded fuels. For fiscal 2016, our Energy revenues, after elimination of inter-segment revenues, were \$5.4 billion and were primarily from gasoline and diesel fuel. For the three months ended November 30, 2016, our Energy segment revenues, after elimination of inter-segment revenues, were \$1.6 billion.

***Ag***

Our Ag segment includes our grain marketing, country operations, crop nutrients, processing and food ingredients and renewable fuels businesses. These businesses work together to facilitate the production, purchase, sale and eventual use of grain and other agricultural products within the United States, as well as internationally. In fiscal 2016, revenues in our Ag segment were \$24.8 billion after elimination of inter-segment revenues, consisting principally of grain sales. For the three months ended

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November 30, 2016, our Ag segment revenues, after elimination of inter-segment revenues, were \$6.4 billion.

*Grain Marketing.* We are the nation's largest cooperative marketer of grain and oilseed based on grain storage capacity and grain sales. Our grain marketing operations purchase grain directly from agricultural producers and elevator operators primarily in the midwestern and western United States and indirectly through our country operations business. 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. We own and operate export terminals, river terminals and elevators throughout the United States to handle and transport grain and grain products. We also maintain locations in Europe, the Middle East, the Pacific Rim and South America for the marketing, merchandising and sourcing of grains. We primarily conduct our grain marketing operations directly, but do conduct some of our operations through TEMCO, LLC, a 50% joint venture with Cargill, Incorporated ("Cargill").

*Country Operations.* Our country operations business operates 487 agri-operations locations through 61 business units dispersed throughout the midwestern and western United States and Canada. 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. We also manufacture animal feed through eight owned plants and four limited liability companies and process sunflowers for human food and other uses.

*Crop Nutrients.* We believe our North American wholesale crop nutrients business is one of the largest wholesale fertilizer businesses in the United States based on tons sold. Crop nutrient products are delivered directly to our customers and our country operations business from the manufacturer or through our twenty inland and river warehouse terminals and other non-owned storage facilities located throughout the United States. To supplement what is purchased domestically, our Galveston, Texas deep water port and terminal receives fertilizer by vessel from origins such as Asia and the Caribbean basin where significant volumes of urea are produced. The fertilizer is then shipped by rail to destinations within crop producing regions of the United States.

*Processing and Food Ingredients.* Our processing and food ingredients operations are conducted at facilities that can crush approximately 127 million bushels of oilseeds on an annual basis, producing approximately 2.8 million short tons of meal/flour and 1.6 billion pounds of edible oil annually. We also have operations where we further process soyflour for use in the food/snack industry. We purchase our oilseeds from members, other CHS businesses and third parties that have tightly integrated connections with our grain marketing operations and country operations business.

*Renewable Fuels.* Our renewable fuels business produces 260 million gallons of fuel grade ethanol and 680 thousand tons of dried distillers grains with solubles ("DDGS") annually. We also market over 700 million gallons of ethanol and 3.5 million tons of DDGS annually under marketing agreements for other production plants.

***Nitrogen Production***

Our Nitrogen Production segment consists solely of our equity investment in CF Nitrogen. CF Nitrogen was formed in 2016, and is owned 11.4% by us and 88.6% by CF Industries Sales, LLC, a subsidiary of CF Industries Holdings, Inc. In February 2016, in connection with our equity investment, we entered into an 80-year supply agreement with CF Nitrogen that entitles us to purchase up to 1.1 million tons of granular urea and 580,000 tons of urea ammonium nitrate ("UAN") annually for ratable delivery. We account for our CF Nitrogen investment using the hypothetical liquidation at book value method, and on November 30, 2016, our investment was \$2.8 billion. Our investment in CF Nitrogen positions us and our members for long-term dependable fertilizer supply, supply chain



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efficiency and production economics. In addition, the ability to source product from CF Nitrogen production facilities under our supply agreement benefits our members and customers through strategically positioned access to essential fertilizer products.

***Foods***

Our Foods segment consists solely of our equity method investment in Ventura Foods, which produces vegetable oil-based products such as packaged frying oils, margarine, mayonnaise, salad dressings and other food products. Ventura Foods was formed in 1996, and is owned 50% by us and 50% by Wilsey Foods, Inc., a majority-owned subsidiary of MBK USA Holdings, Inc. We account for our Ventura Foods investment under the equity method of accounting, and on November 30, 2016, our investment was \$372.0 million.

***Corporate And Other***

*CHS Capital.* Our wholly-owned finance company subsidiary, CHS Capital, LLC ("CHS Capital"), provides cooperative associations with a variety of loans that meet commercial agriculture needs, including operating, term, revolving and other short and long-term options. It also provides an array of loans to producers, including crop input, crop operating, feed, livestock and margin call. In addition, CHS Capital provides open account financing to our cooperative association members. 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 Hedging.* Our wholly-owned commodity brokerage subsidiary, CHS Hedging, LLC ("CHS Hedging"), is a registered Futures Commission Merchant and a clearing member of both the Chicago Board of Trade and the Minneapolis Grain Exchange. CHS Hedging provides full-service commodity risk management services primarily to agricultural producers and commercial agribusinesses in the areas of agriculture and energy.

*CHS Insurance.* Our wholly-owned subsidiary, CHS Insurance Services, LLC ("CHS Insurance"), is a full-service independent agency that offers property and casualty insurance, surety bonds, safety resources, employment services and group benefits. The customer base consists primarily of participants in the agribusiness, construction, energy and processing industries. Impact Risk Funding, Inc. PCC, a wholly-owned subsidiary of CHS Insurance, is a protected cell captive insurance entity used to provide alternative risk financing options for customers.

*Wheat Milling.* In the third quarter of fiscal 2014, we formed Ardent Mills, LLC ("Ardent Mills"), the largest flour miller in the United States based on tons milled, as a joint venture with Cargill and ConAgra Foods, Inc. Ardent Mills combined the North American flour milling operations of the three owner companies, including assets from our then existing Horizon Milling joint venture with Cargill and CHS-owned mills, with CHS holding a 12% interest in Ardent Mills. Prior to closing, we contributed \$32.8 million to Horizon Milling to pay off existing debt as a pre-condition to close. Upon closing, Ardent Mills was financed with funds from third-party borrowings, which did not require credit support from the owners. We received \$121.2 million of cash proceeds distributed to us in proportion to our ownership interest, adjusted for deviations in specified working capital target amounts, and recognized a gain of \$109.2 million, associated with this transaction. In connection with the closing, the parties also entered into various ancillary and non-compete agreements including, among other things, an agreement for us to supply Ardent Mills with certain wheat and durum products. We account for our investment in Ardent Mills as an equity method investment due to our ability to exercise significant influence through our ability to appoint a member of its Board of Shareholders and Board of Managers. On November 30, 2016 our investment in Ardent Mills was \$201.0 million.

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***Issuance***

We are issuing \_\_\_\_\_ shares of our Class B Series 1 Preferred Stock to redeem approximately \$20,000,000 of our "patrons' equities" that are held in the form of qualified capital equity certificates. All of the Class B Series 1 Preferred Stock being issued will be issued to non-individual "active patrons" who hold qualified capital equity certificates in an amount equal to or greater than \$500. "Active patrons" are non-individual patrons who have done business with us in the past five fiscal years. The amount of patrons' equities that will be redeemed with each share of Class B Series 1 Preferred Stock issued will be \$ \_\_\_\_\_ which is the greater of \$ \_\_\_\_\_ (equal to the \$25.00 liquidation preference per share of Class B Series 1 Preferred Stock plus \$ \_\_\_\_\_ of accumulated dividends from and including \_\_\_\_\_, 2017 to and including \_\_\_\_\_, 2017) and the closing price for one share of the Class B Series 1 Preferred Stock on \_\_\_\_\_, 2017. There will not be any cash proceeds from the issuance of the Class B Series 1 Preferred Stock. However, by issuing shares of Class B Series 1 Preferred Stock in redemption of patrons' equities we will make available for business purposes cash that otherwise may have been used to redeem those patrons' equities.

***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.

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**Terms of the Class B Series 1 Preferred Stock**

**Dividends**

Dividends on the Class B Series 1 Preferred Stock are cumulative and, if, when and as declared by our Board of Directors, are payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year at the rate of \$1.96875 per share per year. Dividends on the Class B Series 1 Preferred Stock 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 Series 1 Preferred Stock Dividends."

**Liquidation Preference**

In the event of our liquidation, holders of shares of Class B Series 1 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 Series 1 Preferred Stock.

**Rank**

With respect to the payment of dividends and amounts payable upon liquidation, the Class B Series 1 Preferred Stock ranks (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 Series 1 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 all series of our Class B Cumulative Redeemable Preferred Stock (our "Class B Preferred Stock"), voting together as a class) senior to the Class B Series 1 Preferred Stock and (iii) on a parity with the 8% Cumulative Redeemable Preferred Stock, the Class B Series 2 Preferred Stock, the Class B Series 3 Preferred Stock, the Class B Series 4 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 all series of our Class B Preferred Stock, voting together as a class) senior to the Class B Series 1 Preferred Stock. See "Description of Class B Series 1 Preferred Stock Ranking."

**Redemption at Our Option**

The Class B Series 1 Preferred Stock is not redeemable prior to September 26, 2023. On and after September 26, 2023, the Class B Series 1 Preferred Stock is redeemable for cash at our option, in whole or in part, at a per share 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 Series 1 Preferred Stock will be a taxable event for federal income tax purposes. See "Description of Class B Series 1 Preferred Stock Redemption Redemption At Our Option."

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<b>Redemption at the Holder's Option</b>	In the event a change in control (as defined herein) is approved by our Board of Directors, holders of the Class B Series 1 Preferred Stock will have the right, for a period of 90 days from the date of the change in control, to require us to redeem their shares of Class B Series 1 Preferred Stock, for cash, at a per share 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 Series 1 Preferred Stock - Redemption At the Holder's Option."
<b>No Exchange or Conversion Rights; No Sinking Fund</b>	Shares of the Class B Series 1 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 Series 1 Preferred Stock is not subject to the operation of any purchase, retirement or sinking fund.
<b>Voting Rights</b>	Holders of the Class B Series 1 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, voting as a class, is 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.
<b>Trading</b>	The Class B Series 1 Preferred Stock is listed on the NASDAQ Stock Market under the symbol "CHSCO".
<b>Comparison of Rights</b>	Holders of the Class B Series 1 Preferred Stock have different rights from those of holders of patrons' equities. See "Comparison of Rights of Holders of Patrons' Equities and Rights of Holders of Class B Series 1 Preferred Stock" below.
<b>Risk Factors</b>	Ownership of our Class B Series 1 Preferred Stock involves risks. See "Risk Factors" beginning on page 10 of this prospectus and in the documents we file with the Securities and Exchange Commission (the "SEC") that are incorporated herein by reference.

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**Selected Consolidated Financial Data**

The selected consolidated financial information below has been derived from our consolidated financial statements for the periods indicated below. The selected consolidated financial information for the three months ended November 30, 2016 and 2015 and as of November 30, 2016, and for the years ended August 31, 2016, 2015 and 2014 and as of August 31, 2016 and 2015, should be read in conjunction with our consolidated financial statements and notes thereto included in our Quarterly Report on Form 10-Q for the quarterly period ended November 30, 2016 and our Annual Report on Form 10-K for the year ended August 31, 2016, respectively, 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, 2013 and 2012 and as of August 31, 2014, 2013 and 2012 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. The selected consolidated financial information for the three months ended November 30, 2016 and 2015 and as of November 30, 2016 have been derived from our unaudited consolidated financial statements. In the opinion of our management, the interim financial information for the three months ended November 30, 2016 and 2015 and as of November 30, 2016 were prepared on the same basis as the annual historical financial information and include all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of this information. Results for the three months ended November 30, 2016 are not necessarily indicative of the results that may be expected for the full fiscal year.

We have revised certain prior period amounts in the selected consolidated financial information below to include activity and amounts related to capital leases that were previously incorrectly accounted for as operating leases. See Note 18, Correction of Immaterial Errors, to our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended August 31, 2016, incorporated by reference in this prospectus, for more information on the nature and amounts of these revisions. We have also revised Total assets and Long-term debt, including current maturities as of August 31, 2016 below to reflect the adoption of Accounting Standards Update ("ASU") No. 2015-03, *Interest-Imputation of Interest* (Subtopic 835-30): *Simplifying the Presentation of Debt Issuance Costs*, which simplifies the presentation of debt issuance costs. ASU No. 2015-03 requires

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the presentation of debt issuance costs on the balance sheet as a deduction from the carrying amount of the related debt liability instead of as a deferred financing cost.

	Three Months Ended November 30,		Years Ended August 31,				
	2016	2015	2016	2015	2014	2013	2012
(Dollars in thousands)							
<b>Income Statement Data:</b>							
Revenues	\$ 8,048,250	\$ 7,728,792	\$ 30,347,203	\$ 34,582,442	\$ 42,664,033	\$ 44,479,857	\$ 40,599,286
Cost of goods sold	7,695,553	7,316,974	29,387,910	33,091,676	41,011,487	42,701,073	38,583,102
Gross profit	352,697	411,818	959,293	1,490,766	1,652,546	1,778,784	2,016,184
Marketing, general and administrative	166,206	152,004	649,097	775,354	602,598	553,623	498,233
Operating earnings	186,491	259,814	310,196	715,412	1,049,948	1,225,161	1,517,951
(Gain) loss on investments	7,401	(5,672)	(9,252)	(5,239)	(114,162)	(182)	5,465
Interest expense	38,265	9,051	113,704	70,659	147,240	242,911	203,433
Other income	(44,401)	(2,058)	(38,357)	(10,326)	(6,987)	(6,212)	(5,129)
Equity (income) loss from investments	(40,328)	(31,362)	(175,777)	(107,850)	(107,446)	(97,350)	(102,389)
Income before income taxes	225,554	289,855	419,878	768,168	1,131,303	1,085,994	1,416,571
Income taxes	16,612	23,681	(4,091)	(12,165)	48,296	89,666	80,852
Net income	208,942	266,174	423,969	780,333	1,083,007	996,328	1,335,719
Net income (loss) attributable to noncontrolling interests	(208)	(301)	(223)	(712)	1,572	3,942	75,091
Net income attributable to CHS Inc.	\$ 209,150	\$ 266,475	\$ 424,192	\$ 781,045			