Risk Factors Comparison 2023-11-08 to 2022-11-02 Form: 10-K

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The following risk factors are in addition to any other cautionary statements, written or oral, which may be made or referred to in connection with any particular forward- looking statement. The following risk factors should not be construed as exhaustive. Additional risks and uncertainties not currently known to us or that we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. Risks Related to Operating Our Business Our revenues, results of operations and cash flows could be materially and adversely affected by changes in commodity prices. Our revenues, results of operations and cash flows are affected by market prices for commodities such as crude oil, natural gas, ethanol, 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, plant disease, insect damage, drought, availability and adequacy of supply, availability of reliable rail and river transportation networks, industry labor availability, outbreaks of disease, inflation, government regulation and policies, global trade disputes, international conflicts, such as the ongoing war between Russia and Ukraine **and escalation of conflict in the Middle East** , 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, such as hedging, 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. For example, fluctuations in commodity prices may result in significant noncash losses being incurred on our commodity- based derivatives, which may in turn materially and adversely affect our operating results. In addition, changes in market prices for commodities that we purchase without a corresponding change in the selling prices of those products can affect revenues and operating earnings. Similarly, increased or decreased sales volumes without a corresponding change in the purchase and **/ or** selling prices of those products can affect revenues and operating earnings. 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. The prices for 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; • ability of members of the Organization of Petroleum Exporting Countries (" OPEC") and other countries that are significant producers of oil to agree to and maintain oil price and production controls, and the price and level of imports; • disruption in supply; • political instability or conflict in oil- producing regions; • level of demand from consumers, agricultural producers and other customers; • price and availability of alternative fuels; • availability of pipeline capacity; and • domestic and foreign governmental regulations and taxes. Many of these factors, including the ongoing war between Russia and Ukraine **and escalation of conflict in the Middle East** , have resulted in significant volatility in crude oil, refined petroleum products and natural gas supplies and prices. We expect that volatility to continue in fiscal ~~2023~~ **2024** . The long- term effects of this volatility and other conditions on the prices of crude oil, refined petroleum products and natural gas are uncertain and ever **-** changing. Increases in crude oil prices without a corresponding increase in the prices of our refined petroleum products, and decreases in crude oil prices with larger corresponding decreases in the prices of our refined petroleum products, would reduce our net income. Accordingly, we expect our margins and the profitability of our energy business to fluctuate, possibly significantly, over time. **Our** ~~In addition, our~~ renewable fuels business produces ethanol, which is closely related to, or may be substituted for, petroleum products, and may be blended into gasoline to increase octane content. Therefore, the selling price of ethanol can be impacted by the selling prices of gasoline, diesel fuel and other octane enhancers. A significant decrease in the price of gasoline, diesel fuel or other octane enhancers could result in a significant decrease in the selling price of ethanol, which could adversely affect our revenues and operating earnings. In addition, we expect the volume of renewable fuels produced by our competitors to increase going forward. As the market for renewable fuels becomes more competitive, or if there are changes in the regulations, policies or standards affecting the demand for renewable fuels, our renewable fuels business may experience increased volatility in product margins, which could adversely affect our operating earnings **. In addition, in recent decades, there have been periods worldwide of both overproduction and underproduction of hydrocarbons and periods of both increased and relaxed energy conservation efforts. Such conditions have resulted in periods of excess supply of, and reduced demand for, crude oil on a worldwide basis and for natural gas on a domestic basis. These periods have been followed by periods of short supply of, and increased demand for, crude oil and natural gas. The cycles of excess or short supply of crude oil or natural gas have placed pressure on prices and resulted in dramatic price fluctuations even during relatively short periods of seasonal market demand. These fluctuations impact the accuracy of assumptions used in our budgeting process** . We are subject to political, economic, legal and other risks of doing business globally. We are a global business and are exposed to risks associated with having global operations. These risks include, but are not limited to, risks relating to terrorism, war or civil unrest; changes in a country' s or region' s social, economic or political conditions; changes in local labor conditions and regulations; changes in safety and environmental regulations; changes in regulatory or legal environments; expropriation or impoundment of assets; restrictions on currency exchange activities and currency exchange fluctuations; price and export controls or bans on commodities; taxes; doing business in countries or regions with inadequate infrastructure; and logistics challenges. In addition, some countries where we operate lack well- developed legal systems or have not adopted clear legal and regulatory frameworks. This lack of legal certainty exposes our operations to increased risks, including increased difficulty in enforcing our agreements in those jurisdictions and increased risk of adverse actions by local government authorities, such as unilateral or forced renegotiation, modification or nullification of existing agreements or expropriations. **Ongoing wars and global conflicts may adversely affect our business, financial condition and results of operations. In February 2022, Russia invaded Ukraine (the" war") and in October 2023, conflict escalated in the Middle East between Israel and Hamas.** The ~~ongoing~~ war between Russia and Ukraine ~~may adversely affect our business, financial condition~~ and ~~results~~ **escalation** of **conflict in the Middle East have** ~~operations. In February 2022, Russia invaded Ukraine. The war has~~ resulted in significant uncertainty and instability in the global commodities markets, including agricultural commodities and crude oil. In response to the war, the United States and other North Atlantic Treaty Organization (" NATO") member states, as well as nonmember states, announced economic sanctions targeting Russia and certain Russian citizens and enterprises, including several large banks. The continuation of the war may trigger a series of additional economic and other sanctions enacted by the United States, other NATO member states and other countries. In response, Russia **has** announced export bans on various products, including agricultural commodities ~~, through the end of calendar year 2022~~ . Although we do not maintain operations in Russia, it is a significant source of fertilizer for global markets. Such sanctions have caused inflationary pressures and impacted our ability to purchase fertilizer in the global market. If our ability to purchase fertilizer in the global market continues to be impacted by those sanctions or by other factors, it could have a material adverse effect on our business and operations. In addition, such sanctions put us at an increased risk of inadvertently trading with a sanctioned partner. We maintain **limited** operations in Ukraine, which is a key international grain **-** originating region. Our operations in Ukraine have been dramatically disrupted because of the war **; however, we continue** ~~. Some of our Ukrainian employees have been forced~~ to **originate grain in** ~~relocate to other countries and within~~ Ukraine ~~, with many unable to perform all or~~ **for** ~~some work duties~~ **safe transit through our Romanian export channels** . The ongoing war could cause harm to our employees and otherwise impair their ability to work for extended periods of time, as well as disrupt telecommunications systems, banks and other critical infrastructure necessary to conduct business in Ukraine ~~. Although we do not have significant fixed assets or infrastructure in Ukraine, we continue to have grain inventory in various facilities in Ukraine. As a result of the war and related export bans on wheat, oats and other staples that were put in place by the Ukrainian government in March 2022, our ability to access or otherwise use these grain inventories in our export business has been limited and is expected to continue to be limited throughout the war. In addition, our grain inventories in Ukraine are at increased risk of damage and expropriation~~ . The risk of cybersecurity incidents has also increased in connection with the ongoing war between Russia and Ukraine. For example, the war has been accompanied by cyberattacks against the Ukrainian government and other countries in the region. It is possible that these attacks could have collateral effects on additional critical infrastructure and financial institutions globally, which could adversely affect our operations. The proliferation of malware from the war into systems unrelated to the war, or cyberattacks against U. S. companies in retaliation for U. S. sanctions against Russia or U. S. support of Ukraine, could also adversely affect our operations. The ~~current~~ war between Russia and Ukraine **and escalation of conflict in the Middle East** could also draw military or other intervention from additional countries, which could lead to ~~a~~ much larger ~~war~~ **wars , conflicts** and / or additional sanctions imposed by the United States government and other governments that restrict business with specific persons, organizations or countries with respect to certain products or services. If such escalation should occur or such sanctions are imposed, supply chain, trade routes and markets currently served by us could be adversely affected, which in turn could materially adversely affect our business operations and financial performance. **Furthermore, the actions undertaken by western nations in response to Russia' s actions have had, and may continue to have, adverse impacts on global financial markets.** We may also experience negative reactions from our members, shareholders, lenders, employees, customers or other stakeholders as a result of our action or inaction related to the war between Russia and Ukraine **or the escalation of conflict in the Middle East** . Even if the war **and global conflicts** ~~moderates~~ - **moderate** or ~~a resolution~~ **resolutions are** ~~between Russia and Ukraine is~~ reached, we expect that we will continue to experience ongoing financial and operational impacts resulting from the war **and global conflicts** for the foreseeable future ~~as Ukraine rebuilds its economy and infrastructure~~ . Additionally, certain of the economic and other sanctions imposed, or that may be imposed, against ~~Russia~~ **participants in the war and global conflicts** and its citizens and enterprises may continue for a period of time after any resolution has been reached. Our business and operations and demand for our products are highly dependent on certain global and regional factors that are outside our control and could adversely impact our business. 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 our products and services, which could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects. Weak global economic conditions and adverse conditions in financial and capital 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 customers' abilities to pay for our products and on our business, financial condition, liquidity, results of operations and prospects. Additionally, planted acreage and consequently the volume of ~~fertilizer~~ **crop nutrient** and crop protection products applied is partially dependent on government programs, grain prices and the perception held by producers of demand for production, all of which are outside our control. Moreover, our business and operations may be affected by **fluctuations in freight and logistics costs, disruptions in supply channels between parties and locations that include our suppliers, production and storage facilities, tolling and packaging partners, distributors and customers, and** weather conditions, including those due to climate change, that are outside our control. ~~For~~ **The following are** ~~example~~ **examples of factors that could impact our businesses** : • Weather conditions during the spring planting season and early summer crop nutrient and crop protection application season affect agronomy product volumes and profitability. • Adverse weather conditions, such as **drought,** heavy ~~snow~~ **snowfall** or rainfall and any flooding that results, may cause transportation delays and increased transportation costs or damage physical assets, especially facilities in low- lying areas near coasts and

riverbanks ~~river banks~~ or situated in hurricane- prone and **/ or** rain- susceptible regions ~~. For example, in August 2021, our Myrtle Grove, Louisiana, grain export terminal was damaged by Hurricane Ida and was not operational for approximately four weeks during storm recovery and cleanup. As a result, we were required to divert scheduled export shipments through other export locations, resulting in transportation delays and increased transportation costs~~ . • Changes in weather patterns may shift periods of demand for products or regions in which our products are produced or distributed, which could require us to revise our procurement and distribution processes. • Significant changes in water levels (up or down, as a result of flooding, drought or otherwise) may cause changes in agricultural activity, which could require changes to our operating and distribution activities, as well as significant capital improvements to our facilities. • Climate change may cause changes in weather patterns and conditions, including changes in rainfall and storm patterns and intensities, water shortages, changes in sea levels and changes in temperature levels, all of which could adversely impact our costs and business operations; the location, cost and competitiveness of commodity agricultural production; related storage and processing facilities; and demand for agricultural commodities, and may result in incidents of stranded physical assets. The frequency and severity of the effects of climate change and changes in weather patterns have been increasing. These effects could significantly reduce demand for the products we sell to or buy from agricultural producers and local cooperatives, and therefore could adversely impact our results of operations, liquidity or capital resources. • We may experience increased insurance premiums and deductibles or decreases in available coverage for our assets in areas subject to adverse weather conditions. Emerging sustainability and other environmental priorities outside our control could also affect agricultural practices and future demand for agronomy products applied to crops and the volume of any such application. These priorities could also impact demand for our grain and **energy products, and** may require us to incur additional costs for increased due diligence and reporting. Accordingly, factors outside our control could materially and adversely affect our revenues, results of operations and cash flows. Inflation may result in increased costs, which could have a material and adverse effect on our results of operations. We have experienced and anticipate continued effects of inflation on costs such as labor, freight, natural gas and materials. In response to global inflationary pressures, the U. S. Federal Reserve and foreign equivalents have ~~started raising~~ **raised and appear poised to continue to raise** interest rates, which has resulted in uncertainty and volatility in global financial markets and increased borrowing costs under certain of our credit facilities, including our five- year revolving credit facility and our 10- year term loan facility. Inflation and its impacts, many of which are beyond our control, could escalate in the future. ~~We~~ **To mitigate commodity cost increases, we have implemented various strategies that include, among other things, entering into contracted pricing with certain vendors, procuring commodities in periods of favorable market conditions and entering into various derivative instruments. These actions may, in part, mitigate these increased costs, but even by increasing our product prices and passing some or all of our increased costs to customers or implementing cost savings efforts, we** may not be able to **fully offset these** ~~pass on all of our~~ increased costs ~~as a~~ **. Additionally, increased prices may not be sustainable over time and may** result ~~of inflation to customers~~ **in reduced sales volumes** . Accordingly, inflationary pressures could have a material and adverse effect on our results of operations. **There can** ~~Our business and operations have been, and may in the future,~~ be **no guarantee that** adversely affected by epidemics, pandemics,......; temporary closures of our facilities or **our efforts to mitigate** ~~facilities of our members, business partners, customers, suppliers, third- party service providers or other vendors; and interruption of domestic and global supply chains, distribution channels and liquidity and capital or financial markets. In particular, restrictions on or disruptions of transportation, port closures or increased border controls or closures, or other impacts on domestic and global supply chains or distribution channels, could increase our costs for raw materials and~~ commodity ~~costs~~ - **cost** ~~, increase~~ **increases** ~~demand~~ **due to inflationary pressures will be effective** ~~for~~ - **or** ~~raw materials and commodities from competing purchasers~~ , **if they are effective, that they will** ~~limit our ability to meet customer demand or otherwise~~ have a material adverse effect on our business, financial...... in response to the outbreak; and impact on **maintaining** ~~the U. S. and the global economy. As a result, at the time of this filing, it is not possible to predict the overall future impact of COVID- 19 on our~~ - **or reducing costs** ~~business, liquidity, capital resources and financial results~~ . We participate in highly competitive business markets and we may not be able to continue to compete successfully, which could 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, may be more successful in marketing and selling their products than we are, or may have more effective supply chain ~~capability~~ **capabilities** than we have. Competitive factors include price, service level, proximity to markets, access to transportation, product quality, marketing and risk management **. In particular, competitive pressures may restrict our ability to increase prices and maintain those price increases, including price increases made in response to commodity and other cost increases. We may experience delays between the time that we take inflation- related pricing actions and the time that we realize the impact of those actions on our margins and results of operations** . In our business segments, we compete with companies that are larger and better known than we are and have greater marketing, financial, personnel and other resources than we do. **For example, in conjunction with the recent increase in demand for renewable diesel feedstocks, we have experienced added competition for soybean oil refining capacity from traditional petroleum companies.** As a result, we may not be able to continue to compete successfully, which could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects. Our revenues, margins, results of operations and cash flows could be materially and adversely affected if our members were to do business with ~~others~~ - **other companies** 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 and margins would decline and our results of operations and cash flows could be materially and adversely affected. 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 energy sources 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 customers for environmental or other reasons, demand for our energy products would decline. In addition, many governments have imposed, and in the future may impose, policies and regulations aimed at decreasing reliance on petroleum- based products, which could reduce demand for our energy products. For example, **California has passed legislation to ban new gasoline powered vehicles by 2035 and** Illinois has enacted comprehensive legislation that aims to phase out fossil fuels by 2045. As another example, in December 2021, the current U. S. administration issued an executive order that directs the U. S. federal government to use its scale and procurement power to achieve a number of aspirational net- zero goals, including 100 % zero- emission **,** light- duty vehicle acquisitions by 2027 and 100 % zero- emission vehicle acquisitions by 2035. If realized, these restrictions would accelerate the decline in demand for gasoline, diesel fuel and other refined petroleum products. In addition, a number of companies have announced their intention to phase out production of gasoline- and diesel- powered light- duty vehicles. While these phaseouts primarily impact light- duty vehicles outside our primary markets, they are expected to ~~further~~ accelerate the decline in demand for gasoline, diesel fuel and other refined petroleum products. Declining demand for our energy products, particularly diesel fuel sold for farming **and other heavy- duty equipment** applications, could materially and adversely affect our revenues, results of operations and cash flows. 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 and manufacturers of products we sell and purchase, including crude oil, ~~fertilizer~~ **crop nutrients** and grain, and it is highly likely ~~that~~ this consolidation will continue in the future. Consolidation could allow producers to negotiate pricing, supply availability and other contract terms that are less favorable to us. In addition, consolidation ~~also~~ may increase the likelihood that consumers or end users of these products enter into supply relationships with a smaller number of producers, resulting in potentially higher prices for the products we purchase. Consolidation has ~~also~~ occurred among ~~local~~ **member** cooperatives that are the primary wholesale customers of our products, which has resulted in a smaller wholesale and retail customer base for our products and has intensified the competition for these customers. It is highly likely ~~that~~ this consolidation will continue in the future. Ongoing consolidation among distributors and brokers of food products and food retailers has altered the buying patterns of ~~these~~ **those** businesses, as they have increasingly elected to work with product suppliers who can meet their needs nationwide **or globally,** rather than just regionally or locally. If these cooperatives, distributors, brokers and retailers elect **to** not ~~to~~ purchase our products, our revenues, results of operations and cash flows could be materially and adversely affected. In the seed, ~~fertilizer~~ **crop nutrient** and crop protection markets, consolidation at both the producer and wholesale customer levels has increased the potential for direct sales from input manufacturers to cooperative customers and / or individual agricultural producers, which would remove us from the supply chain and could have a material and adverse effect on our revenues, results of operations and cash flows. We are exposed to risk of nonperformance and nonpayment by counterparties. We are exposed to risk of nonperformance and nonpayment by counterparties, whether pursuant to contracts or otherwise. Risk of nonperformance and nonpayment by counterparties includes the inability or refusal of a counterparty to pay us ~~,~~ **;** the inability or refusal to perform because of a counterparty' s financial condition and liquidity, operational failures, labor issues, cybersecurity events, outbreaks of disease or for any other reason ~~,~~ **;** and risk that the counterparty will refuse to perform a contract during a period of price fluctuations where contract prices are significantly different than current market prices. In the event we experience significant nonperformance or nonpayment by counterparties, our financial condition, results of operations and cash flows could be materially and adversely affected. For example, we store inventory in third- party warehouses, and the operators of these warehouses may not adequately store or secure our inventory, or they may improperly sell that inventory to someone else, which could expose us to a loss of the value of that inventory. In the event we experience any such nonperformance by a third- party warehouse operator, our financial condition, results of operations and cash flows could be materially and adversely affected. As another example, if any of our counterparties experience a ~~cyber~~ **cybersecurity** breach or system failure, or does not respond or perform effectively in connection with such ~~cyber~~ **cybersecurity** breach or system failure, their businesses could be negatively impacted, and it may result in disruption to our supply chain or distribution channels, which could have a material adverse effect on our business. Our business, profitability and liquidity may be adversely affected by deterioration in the credit quality of, or defaults by, third parties who owe us money. We extend credit to, make loans to and engage in other financing arrangements with individual producers, local cooperatives and other third parties around the world. We incur credit risk and the risk of losses if our borrowers and others to which we extend credit do not repay their loans or perform their obligations to pay us the money they owe. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or for other reasons. If these counterparties do not pay us back **and** ~~, such that~~ we experience significant defaults on their payment obligations to us, our financial condition, results of operations or cash flows could be materially and adversely affected. We are also subject to the risk that our rights against borrowers and other third parties that owe us money may not be enforceable in all circumstances. For example, a borrower or third- party may declare bankruptcy. In addition, the credit quality of borrowers and other third parties whose obligations we hold could deteriorate due to a number of factors, including deterioration in the value of collateral posted by those parties to secure their obligations to us pursuant to purchase contracts, loan agreements or other contracts. If ~~that~~ deterioration occurs, the material adverse effects of third parties not performing their repayment obligations may be exacerbated if the collateral held by us cannot be realized or is liquidated at prices not sufficient to recover the full amount owed to us. For example, certain loans and other financing arrangements we undertake with agricultural producers are typically secured by the counterparty' s crops ~~that are~~ planted in the current year. There is a risk that the value of the crop will not be sufficient to satisfy the counterparty' s repayment obligations under the financing arrangement as a result of weather ~~,~~ **;** crop **-** growing conditions ~~,~~ **;** other factors that influence the price, supply and demand for agricultural commodities **;** or for other reasons. In addition, disputes may arise as to the amount of collateral we are entitled to receive and the value of pledged assets. Termination of contracts and foreclosure on collateral may subject us to claims for improper exercise of our rights. Default rates, downgrades and disputes with counterparties as to the valuation of collateral increase significantly in times of market stress and illiquidity. With respect to our lending activity, we evaluate the collectability of ~~both~~ commercial and producer loans on a specific identification basis based on the amount and quality of the collateral obtained and record specific loan loss reserves when appropriate. Consistent with accounting principles generally accepted in the United States (" U. S. GAAP"), **we maintain** a general reserve ~~is also maintained~~ based on our best estimate of expected credit losses. For other forms of credit, we establish reserves as appropriate and consistent with U. S. GAAP. The reserves represent our best estimate based on current facts and circumstances. Future developments or changes in assumptions may cause us to record adjustments to the reserves that could materially and adversely affect our results of operations. Our risk management strategies may not be effective. Our business is affected by fluctuations in commodity prices, transportation costs, energy prices, foreign currency exchange rates and interest rates. We monitor position limits, accounts receivables and other exposures and engage in other strategies and controls to manage these risks. Our monitoring efforts may not be effective at detecting a significant risk exposure and our controls and strategies may not be effective in adequately managing against the occurrence of a significant loss relating to a risk exposure. If our controls and strategies are not successful in mitigating or preventing our financial exposure to losses due to the fluctuations or failures mentioned above, it could significantly and adversely affect our operating results. 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 animal feed products were to become adulterated or misbranded, we would need to recall those items and could experience product liability claims if either consumers or customers' livestock **or pets** were injured or were claimed to be 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 could cause a loss of consumer or customer confidence in our products. Even if a product liability claim were unsuccessful or were 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 consumers and customers and our corporate and brand image. **The growing use of social and digital media by consumers has greatly increased the speed and extent that information or misinformation and opinions can be shared. Negative posts or comments about us, our brands, or our products on social or digital media could seriously damage our brands and reputation.** Moreover, **product liability** 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 animal 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 products that are sustainably grown and made, including low **-** carbon grain and oilseed, and we are unable to develop or procure products that satisfy new consumer preferences, there will be decreased demand for our products, which could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects. Our operations are subject to business interruptions, casualty losses and supply chain issues ~~; we~~ **. 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, other natural disasters, war, terrorism, **cyberattacks** ~~cyber attacks~~, industrial accidents, pipeline interruptions, transportation delays, equipment failures, crude oil or refined product spills, adverse weather conditions and labor disputes. ~~For~~ **The following statements are** ~~example~~ **examples** ~~:~~ **of potential interruptions or losses.** • 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~~ **and** the ~~significant~~ inventories we carry could be damaged or destroyed by catastrophic events, adverse weather conditions or contamination. • Someone may accidentally or intentionally introduce malware into our information technology systems or breach our computer systems or other ~~cyber~~ **cybersecurity** resources. • An occurrence of a pandemic or epidemic disease, such as the COVID- 19 pandemic, **could** ~~affecting~~ --- **affect** a substantial part of our workforce or our customers ~~could~~ **and** interrupt our business operations. The effects of any of these events could be significant. We maintain insurance coverage 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. In addition, **our insurance premiums could increase or insurance coverage may become unavailable to us, particularly** if we experience insurable events ~~, our insurance premiums could increase or insurance relating thereto may become unavailable to us~~. We may also be impacted by supply chain issues, due to factors largely beyond our control, which could escalate in future periods. Any such issues could result in higher costs or operational disruptions, which could have an adverse impact on our business, financial condition and results of operations. ~~material~~ adverse effect on our business,financial condition and results of operations or cash flows.Precautionary measures **that** we may take in the future intended to limit the impact of any epidemic,pandemic,disease outbreak or other public health development,may result in additional costs.In addition,such epidemics,pandemics,disease outbreaks or other public health developments may adversely affect economies and financial markets throughout the world,such as the effect **that** COVID- 19 has had on world economies and financial markets,which may affect our ability to obtain additional financing for our businesses and demand for our products and services.The impact of such developments may also exacerbate the other risks discussed in this Item 1A,any of which could have a material effect on us.The extent to which COVID- 19 will impact our business and our financial results in the future will depend on future developments,which are highly uncertain and cannot be predicted.Such developments may include ongoing spread of the virus;disease severity;outbreak duration;extent of any reoccurrence of the coronavirus or any evolutions or mutations of the virus;availability,administration and effectiveness of vaccines;development of therapeutic treatments that can restore consumer and business economic confidence;type and duration of actions that may be taken by governmental authorities in response to the outbreak;and ~~impact~~ We are subject to workforce factors that could adversely affect our business and financial condition. Like most companies in the agricultural industry, we are continuously challenged to hire, develop and retain a sufficient number of employees to operate our businesses throughout our operating geographies. We may have difficulty recruiting and retaining employees with adequate qualifications and experience. The challenge of hiring new employees is exacerbated by the rural nature of our business, which provides for a smaller pool of skilled employable candidates. A number of other factors may adversely affect the labor force available to us, including changes in the labor market as a result of the COVID- 19 pandemic and other socioeconomic and demographic changes, high employment levels, federal unemployment subsidies and other government regulations, unemployment programs and volatility in macroeconomic factors impacting the labor market **. Moreover, there continues to be a tight labor market despite the COVID- 19 pandemic having largely subsided. Increases in remote work opportunities have also amplified the competition for employees and contractors** . To hire new employees, we may be forced to pay higher wages or offer other benefits that might impact our cost of labor. Furthermore, when we do hire new employees, lengthy training and orientation periods might be required before they are able to achieve necessary productivity levels, and we may be unable to successfully transfer our other employees' institutional knowledge and skills to them or fail to execute on internal succession plans. In addition, an increasingly competitive labor market may lead to increased turnover rates within our employee base. **Increased employee turnover results in significant time and expense relating to identifying recruiting, hiring, relocating and integrating qualified individuals. High employee turnover of key personnel may further deplete our institutional knowledge base and erode our competitiveness.** These or other employee workforce factors could negatively impact our business, financial condition or results of operations. Technological improvements **and sustainability initiatives** could decrease the demand for our agronomy and energy products. Technological advances in agriculture **, as well as sustainability initiatives and practices,** could decrease the demand for crop nutrients, energy and other crop input products and services 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 or should alternative energy sources become more viable due to technological advances. Declining demand for our products could materially and adversely affect our revenues, results of operations and cash flows. We utilize information technology systems to support our business. The ongoing multiyear implementation of an enterprisewide resource planning system, reliance on multiple legacy business systems, security breaches or other disruptions to our information technology systems or assets could interfere with our operations, compromise the security of our customers' or suppliers' information and expose us to liability that could adversely impact our business and reputation. Our operations rely on certain key information technology (" IT") systems, many of which are legacy in nature or may depend on third- party services to provide critical connections of data, information and services for internal and external users. Over the past several years, we have been implementing a new enterprise resource planning system (" ERP"), and we expect this ERP implementation to continue for the next several years. This ERP implementation has required and will continue to require significant capital and human resources to deploy. Changes we have experienced in the implementation timeline and the scope of the implementation likely have impacted the capital and operating expense amounts required to complete the implementation, and there can be no assurance that the actual costs for completing the ERP implementation will not exceed our current estimates or that the ERP will not take longer to implement than we currently expect. In addition, potential flaws in implementing the ERP or in the failure of any portion / module of the ERP to meet our needs or provide appropriate controls may pose risks to our ability to operate successfully and efficiently and with an effective system of internal controls. There may be other challenges and risks to both our aging and current IT systems over time due to any number of causes, such as catastrophic events, availability of resources, power outages, security breaches or **cyberattacks** ~~cyber attacks~~ . These challenges and risks could result in legal claims or proceedings, liability or penalties, disruption in operations, loss of valuable data, increased costs and damage to our reputation, all of which could adversely affect our business. Our ongoing IT investments include those relating to cybersecurity, including technology, hired expertise and cybersecurity risk mitigation actions. In addition, IT investments in new technology that could result in greater operational efficiency may further expose our IT systems to the risk of ~~cyber attacks~~ **cyberattacks. The increase in hybrid working where employees including third- party employees, access technology infrastructure remotely increases additional information technology and data security risks** . Like many companies, we continue to experience an increase in the number of sophisticated attempts by external parties to access and / or disrupt our networks without authorization, such as denial of service attacks, attempted malware infections, scanning activity and phishing e- mails. For example, in June 2021, we experienced a denial **-** of **-** service attack that impacted our network. In response to the cybersecurity attack, we launched an investigation and undertook immediate action, including employing protocols to mitigate the impact of the threat going forward. Although our systems were not breached, no data was lost or exposed and our operations were not significantly interrupted by this incident, there is no guarantee that a future incident would not have a greater impact on our operations, our data or our reputation. **There is no assurance that the measures we have taken to protect our information systems will prevent or limit the impact of a future cybersecurity incident.** We may incur significant costs protecting against or remediating cyber- based attacks or other ~~cyber~~ **cybersecurity** incidents **. While we maintain a cybersecurity insurance policy that provides coverage for security incidents, we cannot be certain that our coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on financially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim** . In addition, we are subject to laws and regulations in the United States and other jurisdictions regarding privacy, data protection and data security, including those related to collection, storage, handling, use, disclosure, transfer and security of personal data. These laws and regulations pose increasingly complex compliance challenges and will require us to incur costs to achieve and maintain compliance; some of those costs may be significant. Any violation of such laws and regulations, including as a result of a security or privacy breach, could subject us to legal claims, regulatory penalties and damage to our reputation **. For example, the SEC recently adopted rule," Cybersecurity Risk Management, Strategy, Governance and Incident Disclosure," that enhances and standardizes**

disclosures regarding cybersecurity risk management and governance, as well as material cybersecurity incidents. Under this new rule, we will be required to make annual disclosures describing our processes for identifying and managing material cybersecurity risks, management' s role in assessing and managing such risks and the Board of Directors' oversight of cybersecurity risks. We will also be required to disclose, in a Form 8- K, the nature, scope and timing of any material cybersecurity incidents identified and the material impact or reasonably likely material impact on the company. We expect to face increased costs to comply with this new SEC cybersecurity rule, including increased costs for cybersecurity training and management. Furthermore, the requirement to report cybersecurity incidents within such a short time frame could mean that there will not be sufficient time to halt a breach before having to report it, potentially giving hackers an advantage . Increasing scrutiny and changing expectations from stakeholders with respect to our environmental, social and governance practices may expose us to new or additional risks. Companies across all industries are facing increasing scrutiny from stakeholders related to their environmental, social and governance (" ESG") practices and disclosures, including practices and disclosures related to climate change, human capital management, diversity and inclusion, social and community impact, corporate culture and governance standards. Investor advocacy groups, **private litigants, government agencies,** certain institutional investors, lenders, investment funds and other influential investors are also increasingly focused on ESG practices and disclosures and in recent years have placed increasing importance on the implications and social cost of their investments **and whether companies should engage in ESG activities** . **Across** ~~Regardless of the industry~~ **industries** , investors' and other stakeholders' increased focus and activism related to ESG and similar matters may hinder access to capital or financing, as investors or lenders may determine to reallocate capital or not commit capital as a result of their assessment of a company' s ESG practices and disclosures. **In addition, following recent Supreme Court decisions regarding diversity and inclusion activities those opposed to ESG initiatives have begun challenging ESG activities of other companies.** If we do not adapt or comply with investor, lender **, private litigants, government agencies** or stakeholder ESG expectations and standards, which are evolving, or if we are perceived to have not responded appropriately to the growing focus on **ESG issues and the opposition to** ESG issues, regardless of whether there is a legal requirement to do so, we may suffer from reputational damage and our business or financial condition could be materially and adversely affected. Conversely, if we comply with evolving investor, lender and stakeholder ESG expectations and standards, doing so could result in higher costs, disruption and diversion of management attention, ~~an~~ increased strain on our resources and heightened legal and regulatory risk, and could also threaten our credibility with other investors, lenders **, private litigants, government agencies** and stakeholders. Investors, lenders and other stakeholders are also increasingly focusing on issues related to environmental justice. This may result in increased scrutiny, protests and negative publicity with respect to our business and operations, which in turn could adversely affect our reputation, business and financial performance. Failures or delays in achieving our strategies or expectations related to climate change and other environmental matters could adversely affect our business, operations and reputation, and increase risk of litigation. Our ability to achieve any of our strategies or expectations related to climate change and other environmental matters is subject to numerous factors and conditions, many of which are outside our control. Examples of such factors include, but are not limited to, evolving regulatory and other standards, processes and assumptions; the pace of scientific and technological developments; increased costs and the availability of requisite financing; market trends that may alter business opportunities; the conduct of third- party counterparties; constraint or disruptions to our supply chain and changes in carbon markets **or carbon taxes** . **We may be required to expend significant resources to achieve these strategies and expectations, which could significantly increase our operational costs. There can be no assurance of the extent to which any of our strategies or expectations will be achieved or that any future investments we make in furtherance of achieving these strategies or expectations will meet customer or investor expectations. While we continue to take important steps toward mitigation of climate risk and impact on climate change, transitioning our business to adapt to and comply with evolving policy, legal, and regulatory changes may impose substantial operational and compliance burdens. As a result, climate change could negatively affect our business and operations. Collecting, measuring and analyzing information relating to such matters can be costly, time- consuming, dependent on third- party cooperation and unreliable. Furthermore, methodologies for measuring, tracking and reporting on such matters continue to change over time, which requires our processes and controls for such data to evolve as well. Additionally, we may face increased pressure from customers, consumers, investors, activists, lenders and other stakeholders to modify our products or operations away from ingredients or activities that are considered to have a higher impact on climate change. Such changes to methodologies or lack of progress and** ~~Failures~~ **failures** or delays **in our strategies** , whether actual or perceived, in achieving our strategies or expectations related to climate change and other environmental matters could adversely affect our business, operations and reputation, and increase risk of litigation. Acquisitions, strategic alliances, joint ventures, divestitures and other nonordinary course- of- business events resulting from portfolio management actions and other evolving business strategies could affect future results. We monitor our business portfolio and organizational structure and have made and may continue to make acquisitions, strategic alliances, joint ventures, divestitures and changes to our organizational structure. With respect to acquisitions, future results will be affected by our ability to identify suitable acquisition candidates, to adequately finance any acquisitions and to integrate acquired businesses quickly and obtain the anticipated financial returns, including synergies. Our ability to successfully complete a divestiture will depend on, among other things, our ability to identify buyers that are prepared to acquire such assets or businesses on acceptable terms and to adjust and optimize our retained businesses following the divestiture. Additionally, we may fail to consummate proposed acquisitions, divestitures, joint ventures or strategic alliances after incurring expenses and devoting substantial resources, including management time, to such transactions or foregoing other strategic opportunities. Several parts of our business, including our nitrogen production business, our foods business and portions of our global grain marketing and wheat milling operations, are operated through joint ventures with third parties where we do not have majority control of the venture. By operating a business through a joint venture, we have less control over business decisions than we have in our subsidiaries and limited liability companies in which we have a controlling interest. 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 experience business or financial stresses that impact their ability to effectively operate the joint venture, or might become bankrupt or fail to fund their share of the business ~~,~~ **;** in which case **,** the joint venture may be unable to access needed growth capital without funding from us and / or any other remaining co- venturers. Co- venturers may have economic, tax or other business interests or goals that 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, which may expose our investments in joint ventures to the risk of lower values or returns. 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 efforts 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. We **have** made certain assumptions and projections regarding the future of the markets served by our joint venture investments that included projected raw materiality availability and pricing, production costs, market pricing and demand for the joint venture' s products. These assumptions were an integral part of the economics used to evaluate these joint venture investment opportunities prior to consummation. To the extent that actual market performance varies from our models, our ability to achieve projected returns on our joint venture investments may be impacted in a materially adverse manner. For example, assumptions we made in connection with our investment in CF Nitrogen may not align with future demand for nitrogen- based products or the cost or availability of natural gas, the primary feedstock utilized for CF Nitrogen' s nitrogen- based products. **The collapse of certain banks and potentially other financial institutions may adversely impact us. Since March 2023, there have been reports of bank instability across the globe, including several U. S. banks shutting down with the Federal Deposit Insurance Corporation being appointed as a receiver. Despite the steps taken to date by U. S. agencies to protect depositors, this instability and subsequent pressure on banks could lead to failures of financial institutions to which we face direct or significant exposure, and may lead to significant disruptions to our operations, financial position and reputation. The extent of such impacts is uncertain, and there may be additional risks that we have not yet identified. We are taking steps to identify any potential impact and minimize any disruptions to our operations. However, we cannot guarantee that we will be able to avoid negative consequences directly or indirectly from the foregoing events or other impacts on financial institutions.** Risks Related to Laws and Regulations Government policies, mandates, regulations and trade agreements could adversely affect our operations and profitability. Our business is subject to numerous government policies, mandates and regulations that could have an adverse effect on our operations or profitability. For example, government policies, mandates and regulations related to genetically modified organisms, traceability standards, sustainable practices, product safety and labeling, and renewable and low- carbon fuels could have an adverse effect on our operations or profitability by, among other things, influencing the planting of certain crops, the location and ~~size~~ **extent** of crop production, trade of processed and unprocessed commodity products, volumes and types of imports and exports, availability and competitiveness of feedstocks as raw materials, and viability and volume of certain of our products. In our Energy segment, government policies, mandates and regulations designed to stop or impede development or production of petroleum- based products, such as those limiting or banning use of hydraulic fracturing, drilling or oilsands production or restricting the sale of new combustion- engine vehicles, could adversely affect our operations and profitability **. We could be the target of claims of false or deceptive advertising under U. S. federal and state laws as well as foreign laws, including consumer protection statutes of some states. The marketing of food products has come under increased regulatory scrutiny in recent years, and the food industry has been subject to an increasing number of proceedings and claims relating to alleged false or deceptive labeling and marketing under federal, state and foreign laws or regulations. Changes in legal or regulatory requirements (such as new food safety requirements and revised nutrition facts labeling, including front- of- pack labeling, and serving size regulations) or evolving interpretations of existing legal or regulatory requirements may result in increased compliance costs, capital expenditures and other financial obligations that could adversely affect our business or financial results. If we are found to be out of compliance with applicable laws and regulations in these areas, we could be subject to civil remedies, including fines, injunctions, termination of necessary licenses or permits, or recalls, as well as potential criminal sanctions, any of which could have a material adverse effect on our business** . In addition, changes in international trade agreements and trade disputes can adversely affect commodity trade flows by limiting or disrupting trade between countries or regions. In many countries around the world, historical free trade relationships are being challenged **,** and it is unclear what changes, if any, will be made to international trade agreements that are relevant to our business activities. These actions and uncertainties have led to significant volatility in commodity prices, disruptions in historical trade flows and shifts in planting patterns in the United States and South America, all of which have resulted in reduced volumes of grain exports overall and have presented challenges and uncertainties for our business. Changes in trade policy, withdrawals from or material modifications to relevant international trade agreements and continued uncertainty could depress economic activity and restrict our access to suppliers and customers, and we cannot predict the effects of future trade policies, disputes or agreements on our business. Tariffs and trade restrictions that are implemented on products that we buy and / or sell could increase the cost of those products or adversely affect the availability of market access. These cost increases and market changes could adversely affect demand for our products and reduce margins, which could have a material adverse effect on our business and our earnings. In addition, the U. S. government can prevent or restrict us from doing business in or with other countries, such as the economic sanctions that were imposed by the U. S. government on Russia and certain of its citizens and enterprises in connection with Russia' s war with Ukraine. These restrictions and those of other governments could limit our ability to gain access to business opportunities in various countries. 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~~ **, including those specific to** the taxation of cooperatives **, provide us certain income tax benefits such as** ~~allow~~ **allowing** us to exclude income generated through business with or for a member (patronage- sourced income) from our taxable income to the extent it is distributed back to our members. ~~If any~~ **We continue to monitor potential** changes ~~are made~~ to ~~such~~ federal income tax laws, regulations or interpretations, **such as the Inflation Reduction Act of 2022, H. R. 5376, to evaluate their potential impact on** ~~or~~ **our** ~~if~~ **business, tax position and financial results. If** in the future **, for example, we were to be subject to a corporate alternative minimum tax, or** 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 comply with these laws and regulations, or to make capital or other 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. 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. For example, 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 (" Dodd- Frank") and related regulations continue to evolve, as federal agencies have implemented and continue to implement ~~its~~ **the act' s** many provisions through regulation. These efforts to change the regulation of financial markets subject users of derivatives, such as CHS, to extensive oversight and regulation by the CFTC. Such initiatives have imposed and may continue to impose additional costs on us, including operating and compliance costs, and the cost of fines or penalties in the event we do not comply, and could materially affect the availability, as well as the cost and terms, of certain transactions. Certain federal regulations addressing Dodd- Frank are still being implemented and others are being finalized. We will continue to monitor these developments. In addition, new laws and regulations that are applicable to us or our businesses may be adopted, and the change in the U. S. government' s administration and its policies may increase the likelihood of such legal and regulatory developments. If new laws or regulations become applicable to us or our businesses, our compliance costs could increase. Any of the above matters could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects. 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 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, criminal fines and penalties, 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 exchanges such as the CME. Our hedging transactions and activities are subject to the rules and regulations of the exchanges we use and governing bodies, including the CME, ~~the~~ NYMEX, ~~the~~ CBOT, ~~the~~ MGEX and ~~the~~ CFTC. All exchanges have broad powers to review required records, to investigate and enforce compliance and to punish noncompliance by entities subject to their jurisdiction. 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 exchanges, which could lead to substantial fines or penalties or limitations on our related operations. In addition, any investigation or proceeding by an exchange or the CFTC, whether successful or unsuccessful, could result in substantial costs, 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. We are subject to extensive anti- corruption, anti- bribery, anti- kickback and trade laws and regulations, and any noncompliance with those laws and regulations could have a material adverse effect on our business, financial condition and results of operations. We operate on a global basis and are subject to anti- corruption, anti- bribery and anti- kickback laws and regulations, including the Foreign Corrupt Practices Act of 1977, as amended (" FCPA"). The FCPA and other similar anti- corruption, anti- bribery and anti- kickback laws and regulations in other jurisdictions generally prohibit companies and their intermediaries or agents from making improper payments to government officials or any other persons for the purpose of obtaining or retaining business. We operate and sell our products in many parts of the world that have experienced governmental corruption to some degree, and in certain circumstances strict compliance with anti- corruption, anti- bribery and anti- kickback laws and regulations may conflict with local customs and practices. In addition, in certain countries, we engage third- party agents or intermediaries to act on our behalf and / or conduct all or a portion of our operations through joint venture partners, including in those countries with a high risk of corruption. If any of these third parties violate applicable anti- corruption, anti- bribery or anti- kickback laws or regulations, we may be liable for those violations. We have policies in place prohibiting employees from making or authorizing improper payments; we train our employees regarding compliance with anti- corruption, anti- bribery and anti- kickback laws and regulations; and we utilize procedures to identify and mitigate risks of such misconduct by our employees, third- party agents, intermediaries and joint venture partners. However, we cannot provide assurances that our employees, third- party agents, intermediaries or joint venture partners will comply with those policies, laws and regulations. If we are found liable for violations of the FCPA or other similar anti- corruption, anti- bribery or anti- kickback laws or regulations, either due to our own acts or out of inadvertence or due to the acts or inadvertence of others, we could suffer criminal or civil fines or penalties or other repercussions, including reputational harm, which could have a material adverse effect on our business, financial condition and results of operations. Due to the international scope of our operations, we are subject to a complex system of import- and export- related laws and regulations, including U. S. regulations issued by Customs and Border Protection, the Bureau of Industry and Security, the Office of Antiboycott Compliance, the Directorate of Defense Trade Controls and the Office of Foreign Assets Control, as well as the counterparts of these agencies in other countries. Any alleged or actual violation of these laws or regulations by us or our employees may subject us to government scrutiny, investigation, and civil and criminal penalties, and may limit our import and export abilities. Furthermore, embargoes and sanctions imposed by the United States and other governments restricting or prohibiting sales to specific persons or countries or based on product classification may expose us to potential criminal or civil sanctions. We cannot predict the nature, scope or effect of future regulatory requirements to which our operations might be subject or the way existing laws and regulations might be administered or interpreted. Environmental and energy laws and regulations may result in increased operating costs and capital expenditures, and may have a material and adverse effect on us. New and current environmental and energy laws and regulations, including regulations relating to alternative energy sources and the risk of global climate change, new interpretations of existing environmental and energy laws and regulations, increased governmental enforcement of environmental and energy laws and regulations **,** or other developments in these areas could require us to make additional unforeseen expenditures on technologies and / or other assets to continue our operations or unforeseen changes to our operations, either of which could adversely affect us. For example, in December 2015, 195 countries adopted a new international agreement known as the Paris Agreement. The Paris Agreement is intended to provide a framework pursuant to which the parties to the agreement will attempt to hold the increase in global average temperatures below 2 degrees Celsius above preindustrial levels and to pursue efforts to limit the temperature increase to 1. 5 degrees Celsius above preindustrial levels. Participation in the Paris Agreement is subject to the concurrence of the United States Executive Branch Administration then in office. As a result, adherence to the Paris Agreement may vary by administration. The current administration is supportive of the Paris Agreement. Executive orders issued by the current administration, actions by various U. S. federal regulatory agencies, enactment of the Inflation Reduction Act of 2022 and the current administration' s announced goal of halving U. S. greenhouse gas (" GHG") emissions by 2030 and reaching net- zero emissions by 2050 are also evidence of the current United States administration' s intent to undertake numerous initiatives in an effort to reduce GHGs. New federal legislation or regulatory programs that restrict emissions of GHGs, such as cap and trade regimes, carbon taxes, restrictive permitting, increased fuel efficiency standards or mandates for renewable energy, or comparable new state legislation or programs or customer requirements in areas where we or our customers conduct business could adversely affect our operations and the demand for our energy products, which could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects. In addition, new legislation, regulatory programs, or customer or other stakeholder expectations could require substantial expenditures for installation and operation of systems and equipment or for substantial modifications to existing equipment. ~~Also, pursuant~~ **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 Renewable Identification Numbers (" RINs"), in lieu of blending. The EPA generally establishes new annual renewable fuel percentage standards for each compliance year in the preceding year **, which affects the domestic market for ethanol** . We generate RINs through our blending activities, but we cannot generate enough RINs to meet the needs of our refining capacity and RINs must be purchased on the open market. In recent years, the price of RINs has been extremely volatile. For example, in fiscal ~~2022~~ **2023** , prices for D6 ethanol RINs and D4 ethanol RINs rose by ~~15~~ **22** % and ~~21~~ **5** %, respectively, compared to the prior year. Continued RIN volatility could have a negative impact on our future refined fuels ~~'~~ margins, as experienced during fiscal ~~2022~~ **2023 . In addition, certain states have established proposed laws around low- carbon fuel standards that require refiners to sell fuel with carbon intensity values at certain established benchmarks, or else purchase a sufficient number of credits on the open market to meet the benchmark** . Environmental liabilities and litigation could have a material adverse effect on us. Many of our current and former facilities have been in operation for many years **.** ~~, and over~~ **Over** that time, we and other operators of those facilities have generated, used, stored and disposed of substances or wastes **, including liquid fertilizers, chemicals and fuels stored in underground and aboveground tanks,** that are or might be considered hazardous under applicable or future enacted environmental laws ~~, including liquid fertilizers, chemicals and fuels stored in underground and aboveground tanks~~ . Any past or future actions in violation of applicable environmental laws could subject us to administrative penalties, fines, injunctions or other costs, such as capital expenditures. In addition, an owner or operator of contaminated property and a party ~~who~~ **that** 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 could have a material adverse effect on us. Liabilities, including legal costs, related to remediation of contaminated properties are not recognized by us until the related costs are considered probable and can be reasonably estimated. We have noted a trend in public and private lawsuits filed on behalf of states, counties, cities and utilities alleging harm to the general public and the environment, including waterways and watersheds, as a result of the use of agricultural chemicals, such as fertilizers. If we become a party to any such lawsuits, we could be required to pay damages or penalties or have other remedies imposed upon us, which could have a material and adverse effect on our results of operations and financial condition. We face increased climate- change- related litigation risk with respect to our operations. In particular, governmental and other entities in various U. S. states have filed lawsuits against companies in the coal, gas, oil and petroleum industries, alleging damages as a result of climate change, with the plaintiffs in such lawsuits seeking damages and abatement under various tort theories. Additionally, governmental and other entities are increasingly filing lawsuits or initiating regulatory action based on allegations that certain public statements regarding ESG- related matters and practices by companies are false or misleading greenwashing that violate deceptive trade practices and consumer protection statutes. Similar issues can also arise relating to aspirational statements such as net- zero or carbon neutrality targets that are made without an adequate basis to support such statements. Although we are not currently a party to any of these lawsuits, they present a high degree of uncertainty regarding the extent to which we face increased risk of liability stemming from climate change or ESG disclosures and practices. Risks Related to Our Financial Position and Financing Our Business Our financial results are susceptible to seasonality. Many of our business activities are highly seasonal and operating results vary throughout the year. Our revenues generally trend lower during the second and fourth fiscal quarters and are highest during the first and third fiscal quarters. For example, in our Ag segment, our country operations business generally experiences higher volumes and revenues during the fall harvest and spring planting seasons and our agronomy business generally experiences higher volumes and revenues during the spring planting season. Our global grain and processing operations are subject to fluctuations in volume and revenues based on producer harvests, world grain prices and demand, and international trade relationships. Our Energy segment generally experiences higher volumes and revenues in certain operating areas, such as refined products, in the spring, summer and early fall when gasoline and diesel fuel use by agricultural producers is highest and is subject to global supply and demand forces. Other energy products, such as propane, generally experience higher volumes and revenues during the winter-heating and crop- drying seasons. If any of our long- lived assets become impaired, we could be required to record a significant impairment charge, which would negatively impact our results of operations. All our long- lived assets, including property, plant and equipment, goodwill, investments in unconsolidated affiliates and other identifiable intangibles, are evaluated for impairment in accordance with U. S. GAAP at least annually for goodwill and whenever events or changes in circumstances indicate the carrying amount of a long- lived asset or asset group may not be recoverable. The process of evaluating for impairment involves a number of judgments and estimates. If the judgments and estimates used in our analyses are not realized or change due to external factors, then actual results may not be consistent with these judgments and estimates, and our long-lived assets may become impaired in future periods. We have in the past, and may in the future, be required to write down the value of our long- lived assets. Any future impairment of our long- lived assets could require us to record a significant impairment charge, which would negatively impact our results of operations. Our business is capital - intensive and we rely on cash generated from our operations and external financing to fund our strategies and ongoing capital needs. We require significant capital, including access to credit markets from time to time, to operate our businesses and fund our strategies. Our working capital requirements are directly affected by the price of commodities, which may fluctuate significantly and quickly. We also require substantial capital to maintain and upgrade our extensive network of facilities to keep pace with competitive developments, technological advances, regulatory changes and changing safety standards. In addition, the expansion of our business and pursuit of acquisitions or other business opportunities has required, and may in the future require, significant amounts of capital. If we are unable to generate sufficient cash flow or maintain access to adequate external financing, including as a result of significant disruptions in the global credit markets, it could restrict our current operations and our growth opportunities, which could adversely affect our operating results and restrict our ability to repay our existing debts. Our access to capital could be affected by financial institutions' and other capital sources' policies concerning energy- related businesses. Public concern regarding the potential effects of climate change have directed increased attention toward the funding sources of energy- related businesses. As a result, some financial institutions, funds and other sources of capital have reduced or restricted lending to, or investing in, companies that operate in the energy industry. Limiting energy- related businesses' access to capital could make it more difficult for us to secure external financing, which could in turn restrict our current operations and ~~our~~ growth opportunities, adversely affect our operating results and restrict our ability to repay our existing debts. 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 limit dividends on any preferred stock we may issue to 8 % per annum. 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. ~~Uncertainty regarding the transition away from the London Interbank Offered Rate (" LIBOR") and the replacement of LIBOR with an alternative reference rate may adversely affect interest rates under our credit facilities and dividend rates with respect to our Class B Series 2 Preferred Stock and Class B Series 3 Preferred Stock. LIBOR has been the historical base rate of interest widely used as a global reference for setting interest rates on loans. Some of our credit facilities, including our five- year revolving credit facility and our 10- year term loan facility, use LIBOR as the reference rate. In addition, the terms of our Class B Reset Rate Cumulative Redeemable Preferred Stock, Series 2 (" Class B Series 2 Preferred Stock"), and our Class B Reset Rate Cumulative Redeemable Preferred Stock, Series 3 (" Class B Series 3 Preferred Stock"), provide that, beginning on March 24, 2024, in the case of our Class B Series 2 Preferred Stock, or on September 30, 2024, in the case of our Class B Series 3 Preferred Stock (" Initial Reset Date"), dividends on such preferred stock will accumulate at a rate equal to three- month LIBOR plus an applicable spread, not to exceed 8 % per annum. In 2017, the United Kingdom' s Financial Conduct Authority (the" FCA"), which regulates LIBOR, announced that it intended to phase out LIBOR by the end of 2021. On March 5, 2021, the FCA announced that representative LIBOR rates would no longer be available after June 30, 2023, in the case of overnight and one-, three-, six- and 12- month U. S. dollar LIBOR rates, and December 31, 2021, in the case of all other LIBOR rates. The U. S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U. S. financial institutions, has announced the Secured Overnight Financing Rate (" SOFR") as its recommended alternative to U. S. dollar LIBOR. We have identified our contractual arrangements that will be impacted by the cessation of the remaining U. S. dollar LIBOR settings. We are actively working with counterparties to incorporate non- LIBOR reference rate and fallback language, when applicable, in new and existing contracts. The composition and characteristics of SOFR are not the same as LIBOR. As a result, there can be no assurance that SOFR or any other alternative reference rate will perform in the same manner as LIBOR would have at any time including without limitation, as a result of changes in interest and yield rates in the market, market volatility, or global or regional economic, financial, political, regulatory, judicial or other events. The use of SOFR or another alternative reference rate could cause the interest rates on our borrowings under our applicable credit facilities to be materially different than expected, which could have an adverse effect on our financial position, results of operations and liquidity. In addition, we will continue to be subject to risk on outstanding instruments that rely on LIBOR. For example, although the rate at which dividends accumulate on our Class B Series 2 Preferred Stock and Class B Series 3 Preferred Stock may not exceed 8 % per annum, there is currently uncertainty~~

~~regarding the calculation of such rates following the applicable Initial Reset Date in the event that LIBOR ceases to exist. The use of SOFR or another alternative reference rate or other reforms relating to the calculation of dividends on our Class B Series 2 Preferred Stock and Class B Series 3 Preferred Stock could cause the dividends we pay on our Class B Series 2 Preferred Stock and Class B Series 3 Preferred Stock following the applicable Initial Reset Date to be materially different than expected, which could have an adverse effect on our financial position, results of operations and liquidity and cause us to attempt to amend the terms of our Class B Series 2 Preferred Stock and Class B Series 3 Preferred Stock, including by seeking shareholder approval of any such amendment. In addition, the overall financial market may be disrupted as a result of the phaseout and replacement of LIBOR. Disruption in the financial market could have an adverse effect on our financial position, results of operations and liquidity.~~