BP PLC
Form 6-K
April 27, 2011
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

for the period ended April, 2011

BP p.l.c.
(Translation of registrant's name into English)

1 ST JAMES'S SQUARE, LONDON, SW1Y 4PD, ENGLAND
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F |X| Form 40-F
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Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the

Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes --------------- No |X| ----------------

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Group income statement

$ million	First quarter 2011	Fourth quarter 2010	First quarter 2010
Sales and other operating revenues (Note 4)	85,329	79,703	73,071
Earnings from jointly controlled entities - after interest and tax	262	233	403
Earnings from associates - after interest and tax	1,409	1,125	763
Interest and other income	124	174	142
Gains on sale of businesses and fixed assets	1,188	2,753	38
Total revenues and other income	88,312	83,988	74,417
Purchases	61,721	58,339	51,641
Production and manufacturing expenses(a)(b)	6,508	7,522	5,740
Production and similar taxes (Note 5)	1,831	1,524	1,276
Depreciation, depletion and amortization	2,835	2,634	2,996
Impairment and losses on sale of businesses and fixed assets	59	1,201	164
Exploration expense	399	431	120
Distribution and administration expenses(b)	2,907	3,409	3,020
Fair value (gain) loss on embedded derivatives	545	23	(146)
Profit before interest and taxation	11,507	8,905	9,606
Finance costs	308	359	238
Net finance income relating to pensions and other post-retirement benefits	(69)	(13)	(10)
Profit before taxation	11,268	8,559	9,378
Taxation(a)	4,083	2,896	3,190
Profit for the period	7,185	5,663	6,188
Attributable to			
BP shareholders	7,124	5,567	6,079
Minority interest	61	96	109
	7,185	5,663	6,188
Earnings per share - cents (Note 6)			
Profit for the period attributable to BP shareholders			
Basic	37.86	29.62	32.39
Diluted	37.42	29.28	31.99

(a) See Note 2 on pages 21 - 26 for further details of the impact of the Gulf of Mexico oil spill on the income statement line items.

(b) Cash costs for the first quarter of 2011 increased compared to the same period a year ago, consistent with the increase in production and manufacturing expenses plus distribution and administration expenses. Cash costs are a subset of these two line items in the income statement. They represent the substantial majority of the expenses in these line items but exclude associated non-operating items (including amounts relating to the Gulf of Mexico oil spill), and certain costs that are variable, primarily with volumes (such as freight costs). They are the principal operating and overhead costs that management considers to be most directly under their control although they include certain foreign exchange and commodity price effects.

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Group statement of comprehensive income

$ million	First quarter 2011	Fourth quarter 2010	First quarter 2010
Profit for the period	7,185	5,663	6,188
Currency translation differences	657	26	(526)
Exchange (gains) losses on translation of foreign operations transferred to gain or loss on sale of businesses and fixed assets	11	(48)	-
Actuarial gain (loss) relating to pensions and other post-retirement benefits	-	(320)	-
Available-for-sale investments marked to market	266	65	(93)
Available-for-sale investments - recycled to the income statement	(2)	(8)	-
Cash flow hedges marked to market	118	20	(162)
Cash flow hedges - recycled to the income statement	(16)	16	(94)
Cash flow hedges - recycled to the balance sheet	2	8	13
Taxation	(5)	121	(119)
Other comprehensive income (expense)	1,031	(120)	(981)
Total comprehensive income	8,216	5,543	5,207
Attributable to			
BP shareholders	8,139	5,449	5,105
Minority interest	77	94	102
	8,216	5,543	5,207

Group statement of changes in equity

$ million	BP shareholders' equity	Minority interest	Total equity
At 1 January 2011	94,987	904	95,891
Total comprehensive income	8,139	77	8,216
Dividends	(808)	(6)	(814)
Share-based payments (net of tax)	(110)	-	(110)
At 31 March 2011	102,208	975	103,183

BP shareholders'	Minority	Total

$ million	equity	interest	equity
At 1 January 2010	101,613	500	102,113
Total comprehensive income	5,105	102	5,207
Dividends	(2,626)	(3)	(2,629)
Share-based payments (net of tax)	(13)	-	(13)
Transactions involving minority interests	-	300	300
At 31 March 2010	104,079	899	104,978

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Group balance sheet

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$ million	
Non-current assets	
Property, plant and equipment	1
Goodwill	
Intangible assets	
Investments in jointly controlled entities	
Investments in associates	
Other investments	
Fixed assets	1
Loans	
Other receivables	
Derivative financial instruments	
Prepayments	
Deferred tax assets	
Defined benefit pension plan surpluses	
	1
Current assets	
Loans	
Inventories	

Trade and other receivables	
Derivative financial instruments	
Prepayments	
Current tax receivable	
Other investments	
Cash and cash equivalents	
	1
Assets classified as held for sale (Note 3)	
	1
Total assets	2
Current liabilities	
Trade and other payables	
Derivative financial instruments	
Accruals	
Finance debt	
Current tax payable	
Provisions	
Liabilities directly associated with assets classified as held for sale (Note 3)	
Non-current liabilities	
Other payables	
Derivative financial instruments	
Accruals	
Finance debt	
Deferred tax liabilities	
Provisions	

Defined benefit pension plan and other post-retirement benefit plan deficits	
Total liabilities	1
Net assets	1
Equity	
BP shareholders' equity	1
Minority interest	

103,183&f our wholly owned phosphate mines and related mining operations are located in central Flor
operate four mines that were active during the Stub Period: Four Corners, South Fort Meade, Hookers Pra
Wingate. In 2014, we expect to exhaust the reserves at the Hookers Prairie mine. We plan to develop reserves
and at DeSoto to replace reserves that will be depleted at various times during the next

The phosphate deposits of Florida are of sedimentary origin and are part of a phosphate-bearing province that extends from souther
north along the Atlantic coast into southern Virginia. Our active phosphate mines are primarily located in what is known as the Bo
Member of the Peace River Formation in th

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Florida Phosphate District. The southern portions of the Four Corners and Wingate mines are in what is referred to as the Undifferentia River Formation, in which our future Ona and DeSoto reserves are also located. Phosphate mining has been conducted in the Centr Phosphate District since the late 1800 s. The potentially mineable portion of the district encompasses an area approximately 80 miles i a north-south direction and approximately 40 miles

We extract phosphate ore using large surface mining machines that we own called draglines. Prior to extracting the ore, the draglin remove a 10 to 50 foot layer of sandy overburden. At our Wingate mine, we also utilize dredges to remove the overburden and mine th then process the ore at beneficiation plants that we own at each active mine where the ore goes through washing, screening, sizing and processes designed to separate the phosphate rock from sands, clays and other foreign materials. Prior to commencing operations at a planned future mines, we would need to acquire new draglines or move existing draglines to the mines and, unless the beneficiation p existing mine were used, construct a beneficiat

The following table shows, for each of our phosphate mines, annual capacity as of December 31, 2013 and rock production volume for the calendar 2013, the Stub Period and the past two fis

(tonnes in millions)		Calendar 2013			Stub Period			Fiscal 2013			Fiscal 2012	
Facility	**Annual Operational Capacity[a]**	**Production**	**Average BPL[b]**	**% P2O5[c]**	**Production**	**Average BPL[b]**	**% P_2O_5[c]**	**Production**	**Average BPL[b]**	**% P_2O_5[c]**	**Production[d]**	**Average BPL[b]**
Four Corners	7.0	6.0	64.0	29.3	3.6	63.5	29.1	6.4	64.5	29.5	7.4	64.1
South Fort Meade	5.5	5.0	64.4	29.5	2.5	64.0	29.3	5.5	64.2	29.4	1.2	65.6
Hookers Prairie[e]	2.0	1.9	65.2	29.8	1.0	64.1	29.3	2.0	65.6	30.0	2.1	65.9
Wingate	1.5	1.3	62.1	28.4	0.8	62.7	28.7	1.5	61.8	28.3	1.4	62.8
Total	16.0	14.2	64.1	29.3	7.9	63.7	29.1	15.4	64.4	29.5	12.1	64.4

(a) Actual production varies from annual operational capacity shown in the above table due to factors that include among others the l demand for our products, the quality of the reserves, the nature of the geologic formations we are mining at any particular time, maintenance and turnaround time, accidents, mechanical failure, weather conditions, and other operating conditions, as well as the of recent initiatives intended to improve operational excellence.

(b) Bone Phosphate of Lime (***BPL***) is a traditional reference to the amount (by weight percentage) of calcium phosphate contained phosphate rock or a phosphate ore body. A higher BPL corresponds to a higher percentage of calcium phosphate.

(c) The percent of P_2O_5 in the above table represents a measure of the phosphate content in phosphate rock or a phosphate ore body. percentage corresponds to a higher percentage of phosphate content in phosphate rock or a phosphate ore body.

(d) Production at the South Fort Meade mine for fiscal 2012 reflects a reduced production level as a result of preliminary injunctions in connection with court proceedings over the federal wetlands permit for the extension of our South Fort Meade, Florida, phosph mine into Hardee County.

(e) We expect to exhaust the Hookers Prairie mine s reserves in calendar 2014.

We estimate our phosphate rock reserves based upon exploration core drilling as well as technical and economic analyses to deter reserves can be economically mined. Proven (measured) reserves are those resources of sufficient concentration to meet minimum chemical and economic criteria related to our current product standards and mining and production practices. Our estimates of (indicated) reserves are based on information similar to that used for proven reserves, but sites for drilling are farther apart or are other adequately spaced than for proven reserves, although the degree of assurance is high enough to assume c

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between such sites. Proven reserves are determined using a minimum drill hole spacing of two sites per 40 acre block. Probable rese
less than two drill holes per 40 acre block, but geological data provides a high degree of assurance that continuity exists betw

The following table sets forth our proven and probable phosphate reserves as of December

(tonnes in millions)	**Reserve Tonnes [a] [b] [c]**	**Average BPL[d]**	**% P_2**
Active Mines			
Four Corners	46.8	62.8	28
South Fort Meade	46.5	64.4	29
Hookers Prairie	1.7[e]	65.2	29
Wingate	34.8	62.5	28
Total Active Mines	129.8	63.3	29
Planned Mining			
Ona	245.9	64.4	29
DeSoto	149.6[f]	64.6	29
Total Planned Mining	395.5	64.5	29
Total Mining	525.3	64.2	29

(a) Reserves are in areas that are fully accessible for mining; free of surface or subsurface encumbrance, legal setbacks, wetland prese other legal restrictions that preclude permittable access for mining; believed by us to be permittable; and meet specified minimum physical, economic and chemical criteria related to current mining and production practices.

(b) Reserve estimates are generally established by our personnel without a third party review. There has been no third party review of estimates within the last five years, except that in fiscal 2008, we engaged a third party to review the recoverable reserves at our W mine s Tract 2 pursuant to contractual requirements related to our acquisition of these reserves. The reserve estimates have been in accordance with the standards set forth in Industry Guide 7 promulgated by the United States Securities and Exchange Commis (***SEC***).

(c) Of the reserves shown, 493.2 million tonnes are proven reserves, while probable reserves totaled 32.0 million tonnes.

(d) Average product BPL ranges from approximately 63% to 65%.

(e) Of the tonnes shown at Hookers Prairie, our lease of 0.8 million tonnes requires us to pay royalties of $2.00 per short ton of the re that we mine. We estimate that Hookers Prairie mine s reserves will be exhausted during calendar 2014.

(f) In connection with the sale in 1994 of certain of the surface rights related to approximately 40.7 million tonnes of the reported De reserves, we agreed not to mine such reserves until at least 2014, consistent with our plan for mining the DeSoto reserves. In addit connection with the purchase in 1996 of approximately 108.9 million tonnes of the reported DeSoto reserves, we agreed to (i) pay of between $0.50 and $0.90 per ton of rock mined based on future levels of DAP margins, and (ii) pay to the seller lost income fro loss of surface use to the extent we use the property for mining related purposes before January 1, 2020.

We generally own the reserves shown for active mines in the table above, with the only significant exceptions being further describ

We hold the reserves referred to in Note (e) to the above table under a lease that we have rights to extend to 2015.

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We own the above-ground assets of the South Fort Meade mine, including the beneficiation plant, rail track and the initial cla areas. A limited partnership, South Ft. Meade Partnership, L.P. (***SFMP***), owns the majority of the mineable acres shown i for the South Fort Meade mine.

We currently have a 95% economic interest in the profits and losses of SFMP. SFMP is included as a consolidated subs our financial statements.

We have a long-term mineral lease with SFMP. This lease expires on the earlier of December 31, 2025 or on the date th have completed mining and reclamation obligations associated with the leased property. Lease provisions include royal payments and a commitment to give mining priority to the South Fort Meade phosphate reserves. We pay the partnershi royalty on each BPL short ton mined and shipped from the areas that we lease from it. Royalty payments to SFMP norn average approximately $6 million annually.

Through its arrangements with us, SFMP also earns income from mineral lease payments, agricultural lease payments a interest income, and uses those proceeds primarily to pay dividends to its equity owners.

The surface rights to approximately 882 acres for the South Fort Meade Mine are owned by SFMP, while the U.S. governme the mineral rights beneath. We control the rights to mine these reserves under a mining lease agreement and pay royalties on tonnage extracted. Under the lease, we did not make any payments to the U.S. government during the Stub Period.

In light of the long-term nature of our rights to our reserves, we expect to be able to mine all reported reserves that are not currently ow to termination or expiration of our rights. Additional information regarding permitting is included in Part I, Item 1A, Risk Fac Environmental, Health and Safety Matters Operating Requirements and Permitting in our Management s Analysis, and under Permitting in Florida in Note 20 of our Consolidated Financial S

Investments in Joint

We have a 35% economic interest in a joint venture which owns the Miski Mayo phosphate rock mine in the Bayovar region of investment in the Miski Mayo Mine and related commercial offtake supply agreement to purchase a share of the phosphate rock from Mayo Mine reduces our need to purchase phosphate rock from other suppliers. The Miski Mayo Mine s annual production capacity is

On August 5, 2013, we entered into a Shareholders Agreement with Ma aden and SABIC to form the Northern Promise Joint Northern Promise Joint Venture will develop a mine and chemical complexes that is presently expected to produce phosphate fertilize feed, food grade purified phosphoric acid and tripolyphosphate in the Kingdom of Saudi Arabia. We own a 25% interest in the Promise Joint Venture and in connection with our equity share, we will market approximately 25% of the production of the joi Subject to final financing terms, we expect our cash investment will be up to $1 billion, funded over a four-year period that began i 2013. The joint venture s final financing arrangements are expected to include commitments by the shareholders to fund their pr shares of certain construction cost overruns and guarantee their proportionate shares of the joint venture s debt service payments construction phase. The approximate $7 billion greenfield project would be built in the northern region of Saudi Arabia at Wa ad Minerals Industrial City, and include further expansion of processing plants in Ras Al Khair Minerals Industrial City which is located o coast of Saudi Arabia. The facilities are expected to have a production capacity of approximately 3.5 million tonnes of finished product The project is expected to benefit from the availability of key raw nutrients from sources within Saudi Arabia. Operations are ex commence in late calen

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Purchased Phosph

We also purchase phosphate rock. The level of our purchases of phosphate rock in the future will depend upon, among other fa phosphate rock mining plans, the status of our permits, our need for additional phosphate rock to allow us to operate our concentrates or near full capacity, the quality and level of impurities in the phosphate rock that we mine, and our development or acquisition of a phosphate rock deposits and mines. Depending on product mix and tonnage requirements, our need for purchased phosphate rock could in the future in order to meet product speci

We use molten sulfur at our phosphates concentrates plants to produce sulfuric acid primarily for use in our production of phosphoric purchased approximately 2.1 and 3.6 million long tons of sulfur during the Stub Period and calendar 2013, respectively. We purchas this sulfur from North American oil and natural gas refiners who are required to remove or recover sulfur during the refining process. P of one tonne of DAP requires approximately 0.40 long tons of sulfur. We procure our sulfur from multiple sources and receive it by t barge and vessel, either direct to our phosphate plants or have it sent for gathering to terminals that are located on the US g

We own and operate sulfur terminals in Houston, Texas and Riverview, Florida. We also lease terminal space in Tampa, Florida and C and Beaumont, Texas. We own two ocean-going barges and contract for operation of another ocean-going vessel that transport mol from the Texas terminals to Tampa and then onward by truck to our Florida phosphate plants. In addition, we own a 50% equity intere Sulphur Services Ltd., LLLP (***Gulf Sulphur Services***), which is operated by our joint venture partner. Gulf Sulphur Services has a transportation and terminaling business in the Gulf of Mexico, and handles these functions for a substantial portion of our Florida sulfu Gulf Sulphur Services capabilities include melting solid sulfur into the molten form that we use, which permits us to access sources well as molten sulfur. We further round out our sulfur logistic assets with a large fleet of leased railcars that supplement our mar logistic system. Our Louisiana operations are served by rail and barge from nearby r

Although sulfur is readily available from many different suppliers and can be transported to our phosphate facilities by a variety of mea is an important raw material used in our business that has in the past been and may in the future be the subject of volatile pr availability. Alternative transportation and terminaling facilities might not have sufficient capacity to fully serve all of our facilities in of a disruption to current transportation or terminaling facilities. Changes in the price of sulfur or disruptions to sulfur transpo terminaling facilities could have a material impact on our business. We have included a discussion of sulfur prices in our Man

A

We use ammonia together with phosphoric acid to produce DAP, MAP and MES. We used approximately 0.8 and 1.3 million ammonia during the Stub Period and calendar 2013, respectively. Production of one tonne of DAP requires approximately 0.23 a

Our Florida ammonia needs are supplied by offshore producers, under multi-year contracts. Ammonia for our New Wales and Rivervi is terminaled through an ammonia facility at Port Sutton, Florida that we lease for a term expiring in calendar 2014, which we may exte to four additional years. Ammonia for our Bartow plant is terminaled through another ammonia facility owned and operated by a thir Port Sutton, Florida pursuant to an agreement that expires in calendar 2015. Ammonia is transported by pipeline from the termin production facilities. We have service agreements with the operators of the pipelines for Bartow, New Wales, and Riverview, whic service through June 30, 2015; the service agreements may be extended in one year increments unless either part

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We produce ammonia at Faustina, Louisiana primarily for our own consumption. From time to time we sell surplus ammonia to

On October 28, 2013, at the same time we signed the agreement for the CF Phosphate Assets Acquisition, we signed the CF Ammon Agreements. In light of these supply arrangements, we have decided to forego our proposed ammonia manufacturing plant at our Louisiana facility, but we are reviewing debottlenecking our current Faustina ammoni

Although ammonia is readily available from many different suppliers and can be transported to our phosphates facilities by a variety ammonia is an important raw material used in our business that has in the past been and may in the future be the subject of volatile pri alternative transportation and terminaling facilities might not have sufficient capacity to fully serve all of our facilities in the disruption to existing transportation or terminaling facilities. Changes in the price of ammonia or disruptions to ammonia transpo terminaling could have a material impact on our business. We have included a discussion of ammonia prices in our Management

Na

Natural gas is the primary raw material used to manufacture ammonia. At our Faustina facility, ammonia is manufactured on site. The of natural gas is purchased through firm delivery contracts based on published index-based prices and is sourced from Texas and Lou pipelines interconnected to the Henry Hub. We use over-the-counter swap and/or option contracts to forward price portions of purchases. The portions of gas purchases not forward priced are purchased at the index based prices or at domestic spot market pri short-term contracts. On average, we purchase approximately 18 million MMbtu of natural gas per year for use in ammonia proc

Because our ammonia requirements for our Florida operations are purchased rather than manufactured on site, we purchase o approximately two million MMbtu of natural gas per year in Florida only as a thermal fuel for various production p

Florida Land

We are a significant landowner in the State of Florida, which in the future is expected to return to its historical status as one of the fas of population growth in the United States. We own land comprising approximately 255,000 acres held in fee simple title in central Flo have the right to mine additional properties which contain phosphate rock reserves. Some of our land holdings are needed to op Phosphates business, while a portion of our land assets, such as reclaimed properties, are no longer required for our ongoing operati general matter, more of our reclaimed property becomes available for uses other than for phosphate operations each year. Our real assets are generally comprised of concentrates plants, port facilities, phosphate mines and other property which we have acquired th presence in Florida. We are currently taking initial steps as part of a long-term future land use strategy to optimize the value of our la For example, during fiscal 2011 we began development of Streamsong®, a destination resort and conference center, in an area of p mined land as part of our long-term business strategy to maximize the value and utility of our extensive land holdings in Florida. In a the two golf courses and clubhouse that were opened in December 2012, the resort and conference center were opened in Janu

International Pr

Our international operations include production in Brazil and Argentina. Our production facilities include plants that produce up to tonnes per year of single superphosphate (***SSP***) and granulated SSP crop nutrients by mixing sulfuric acid with phosphate rock pur unrelated third parties and the Miski Mayo Mine. We are planning to divest our Argentina SSP plant, which has capacity of 240,000 t

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Potash

We are one of the leading potash producers in the world. We mine and process potash in Canada and the United States and sell potash America and internationally. The term potash applies generally to the common salts of potassium. Muriate of potash (***MOP*** source of potassium for the crop nutrient industry. Red MOP has traces of iron oxide. The granular and standard grade Red MOP pro well suited for direct fertilizer application and bulk blending. White MOP has a higher percent potassium oxide (K_2O). White MO being well suited for the agricultural market, is used in many industrial app

Our potash products are marketed worldwide to crop nutrient manufacturers, distributors and retailers and are also used in the manu mixed crop nutrients and, to a lesser extent, in animal feed ingredients. We also sell potash to customers for industrial use. In add potash products are used for de-icing and as a water softener re

In 2013, we operated three potash mines in Canada, including two shaft mines with a total of three production shafts and one solution well as two potash mines in the United States, including one shaft mine and one solution mine. We also own related refineries at ea

We continue the expansion of capacity in our Potash segment, with the K3 shaft at our Esterhazy mine and the expansion at our Colon These are on track to be completed in 2014 through 2017 and combined will add an estimated 1.4 million tonnes to our potash op

The map below shows the location of each of our pota

Our current potash annualized operational capacity totals 10.7 million tonnes of product per year and accounts for approximately 13% annual capacity and 37% of North American annual capacity. Production during the Stub Period and calendar 2013 totaled 4.2 and 8. tonnes, respectively. We account for approximately 14% of estimated world annual production and 43% of estimated North Americ pr

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The following table shows, for each of our potash mines, annual capacity as of December 31, 2013 and volume of mined ore, average g
finished product output for calendar 2013, the Stub Period and the past two fis

(tonnes in millions)			Calendar 2013			Stub Period			Fiscal 2013			Fiscal 2012	
Facility	**Annualized Proven Peaking Capacity** (a)(c)(d)	**Annual Operational Capacity** (a)(b)(d)(e)	**Ore Mined**	**Grade % K_2O**(f)	**Finished Product**(b)	**Ore Mined**	**Grade % K_2O**(f)	**Finished Product**(b)	**Ore Mined**	**Grade % K_2O**(f)	**Finished Product**	**Ore Mined**	**Grade % K_2O**(f
Canada													
Belle Plaine MOP	2.8	2.4	8.2	18.0	2.2	4.5	18.0	1.2	8.1	18.0	2.1	8.8	18.0
Colonsay MOP	1.8	1.5	2.4	26.1	0.8	1.0	26.4	0.3	3.2	25.8	1.1	3.1	25.4
Esterhazy MOP	6.3	5.3	12.0	23.8	4.0	6.0	24.4	2.1	12.6	23.0	4.0	12.4	23.2
Canadian Total	10.9	9.2	22.6	21.9	7.0	11.5	22.1	3.6	23.9	21.7	7.2	24.3	21.6
United States													
Carlsbad MOP	0.5	0.5	3.3	10.7	0.3	1.9	10.6	0.2	3.2	10.5	0.3	2.5	10.6
Carlsbad K-Mag® (g)	1.1	1.0	3.7	5.9	0.7	2.0	5.9	0.4	3.7	5.7	0.7	3.8	5.1
Carlsbad Total	1.6	1.5	7.0	8.2	1.0	3.9	8.2	0.6	6.9	7.9	1.0	6.3	7.2
Hersey MOP(h)	-	-	0.1	26.7	-	0.1	26.7	-	0.1	26.7	0.1	0.2	26.7
United States Total	1.6	1.5	7.1		1.0	4.0		0.6	7.0		1.1	6.5	
Totals	12.5	10.7	29.7	18.7	8.0	15.5	18.5	4.2	30.9	18.6	8.3	30.8	18.7
Total excluding toll production(i)											7.8	27.5	

(a) Finished product.

(b) Actual production varies from annual operational capacity shown in the above table due to factors that include among others the l
demand for our products, maintenance and turnaround time, the quality of the reserves and the nature of the geologic formations w
mining at any particular time, accidents, mechanical failure, product mix, and other operating conditions.

(c) Represents full capacity assuming no turnaround or maintenance time.

(d) The annualized proven peaking capacity shown above is the capacity currently used to determine our share of Canpotex sales. Ca
members respective shares of Canpotex sales are based upon the members respective proven peaking capacities for producing p
When a Canpotex member expands its production capacity, the new capacity is added to that member s proven peaking capacity
test run at the maximum production level. The annual operational capacity reported in the table above can exceed the annualized p
peaking capacity until the test run has been completed. In December 2013, our Esterhazy mine successfully completed a test run o
expanded capacity, increasing its proven peaking capacity from 5.3 to 6.3 million tonnes, which increased our share of Canpotex s
from approximately 39.9% to 42.5%, effective January 1, 2014.

(e) Annual operational capacity is our estimated long term potash capacity based on the quality of reserves and the nature of the geolo
formations expected to be mined, milled and/or processed over the long term, average amount of scheduled down time and produc
and no significant modifications to operating conditions, equipment or facilities. Operational capacities will continue to be update
extent new production results impact ore grades assumptions.

(f) Grade % K_2O is a traditional reference to the percentage (by weight) of potassium oxide contained in the ore. A higher percentage
corresponds to a higher percentage of potassium oxide in the ore.

(g) K-Mag is a specialty product that we produce at our Carlsbad facility.

(h) During the quarter ended September 30, 2013, we decided to sell the salt operations of the Hersey mine and close the related potas
operations. We are currently decommissioning the potash assets.

(i) We toll produced MOP, for an unrelated third party, at our Esterhazy mine under a tolling agreement that expired December 31, 2
Effective December 31, 2012, we received credit for an additional 1.2 million tonnes of capacity at our Esterhazy mine for purpos
calculating our relative share of annual sales of potash to international customers by Canpotex, in connection with expiration of th

agreement.

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Canadi

We operate three Canadian potash facilities all located in the southern half of the Province of Saskatchewan, including our solutio Belle Plaine, two interconnected mine shafts at our Esterhazy shaft mine and our shaft mine at C

Extensive potash deposits are found in the southern half of the Province of Saskatchewan. The potash ore is contained in a predomina salt formation known as the Prairie Evaporites. The Prairie Evaporites deposits are bounded by limestone formations and contain t beds. Three potash deposits of economic importance occur in Saskatchewan: the Esterhazy, Belle Plaine and Patience Lake mem Patience Lake member is mined at Colonsay, and the Esterhazy member at Esterhazy. At Belle Plaine all three members are mined. Ea major potash members contains several potash beds of different thicknesses and grades. The particular beds mined at Colonsay and I have a mining height of 11 and 8 feet, respectively. At Belle Plaine several beds of different thicknesses a

Our potash mines in Canada produce MOP exclusively. Esterhazy and Colonsay utilize shaft mining while Belle Plaine utilizes solutio technology. Traditional potash shaft mining takes place underground at depths of over 1,000 meters where continuous mining machin the ore face and load it onto conveyor belts. The ore is then crushed, moved to storage bins and hoisted to refineries above ground. In our solution mining process involves heated brine, which is pumped through a cluster to dissolve the potash in the ore beds approximately 1,500 meters. A cluster consists of a series of boreholes drilled into the potash ore. A separate distribution center at eac controls the brine flow. The solution containing dissolved potash and salt is pumped to a refinery where sodium chloride, a co-produ process, is separated from the potash through the use of evaporation and crystallization techniques. Concurrently, the solution is pump cooling pond where additional crystallization occurs and the resulting product is recovered via a floating dredge. Refined potash is de dried and sized. Our Canadian operations produce 13 different MOP products, including industrial grades, many through proprietary p

Our potash mineral rights in the Province of Saskatchewan consist of the f

	Belle Plaine	Colonsay	Esterhazy	Total
Acres under control				
Owned in fee	14,649	10,524	113,061	138,2
Leased from Province	51,568	67,006	191,593	310,1
Leased from others	-	2,726	69,537	72,2
Total under control	**66,217**	**80,256**	**374,191**	**520,6**

We believe that our mineral rights in Saskatchewan are sufficient to support current operations for more than a century. Leases are renewable at our option for successive terms, generally 21 years each, except that certain of the acres shown above as Leased from leased under long-term leases with terms (including renewals at our option) that expire from 2023

We pay Canadian resource taxes consisting of the Potash Production Tax and resource surcharge. The Potash Production Tax is a Sask provincial tax on potash production and consists of a base payment and a profits tax. We also pay a percentage of the value of resou from our Saskatchewan mines. In addition to the Canadian resource taxes, royalties are payable to the mineral owners in respect reserves or production of potash. We have included a further discussion of the Canadian resource taxes and royalties in our Man

Since December 1985, we have effectively managed an inflow of salt saturated brine into our Esterhazy mine. At various times since have experienced changing amounts and patterns of brine inflows at Esterhazy. To date, the brine inflow, including our remediation control it, have not had a material impa

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production processes or volumes. The volume of the net brine inflow (the rate of inflow less the amount we are pumping out of the mi outflow (when we are pumping more brine out of the mine than the rate of inflow) fluctuates and is dependent on a number of variable the location of the source of the inflow; the magnitude of the inflow; available pumping, surface and underground brine storage c underground injection well capacities, and the effectiveness of calcium chloride and cementatious grout used to reduce or prevent th among other factors. As a result of these brine inflows, we incur expenditures, certain of which have been capitalized and others that h charged to expense, in accordance with accounting principles generally accepted in the United States of

It is possible that the costs of remedial efforts at Esterhazy may further increase in the future and that such an increase could be mater the extreme scenario, that the brine inflows, risk to employees or remediation costs may increase to a level which would cause us to cl mining processes or abandon the mine. See Key Factors that can Affect Results of Operations and Financial Condition and Potash Gross Margin in our Management s Analysis and Our Esterhazy mine has had an inflow of salt saturated brine for more than 25 y Item 1A, Risk Factors in this report, which are incorporated herein by reference, for a discussion of costs, risks and other informatio the brine inflows. We have begun construction of a new third shaft at the Esterhazy mine as part of our potash expansion plan whi designed to mitigate risk from current and futur

Due to the ongoing brine inflow at Esterhazy, underground operations at this facility are currently not insurable for water incursion p Like other potash producers shaft mines, our Colonsay, Saskatchewan, and Carlsbad, New Mexico, mines are also subject to the risk of water as a result of their shaft mining operations, but water inflow risks at these mines are included in our insurance coverage deductibles, retentions and limits negotiated with our

United Sta

In the United States, we have two potash facilities, including a shaft mine located in Carlsbad, New Mexico and a solution mine l Hersey, Michigan. We have decided to sell the salt operations of the Hersey mine and close the related potash operations. We are decommissioning the Hersey pota

The Carlsbad ore reserves are of two types: (1) sylvinite, a mixture of potassium chloride and sodium chloride that is the same as the o in Saskatchewan, and (2) langbeinite, a double sulfate of potassium and magnesium. These two types of potash reserves o predominantly rock salt formation known as the Salado Formation. The McNutt Member of this formation consists of eleven units of importance, of which we currently mine two. The McNutt Member s evaporite deposits are interlayered with anhydrite, polyhalite, salts, clay, and minor amounts of sandstone and

Continuous underground mining methods are utilized to extract the ore. Drum type mining machines are used to cut the sylvinite and la ores from the face. Mined ore is then loaded onto conveyors, transported to storage areas, and then hoisted to the surface for further p at our

Two types of potash are produced at the Carlsbad refinery. MOP is the primary source of potassium for the crop nutrient industry sulfate of potash magnesia is the second type of potash, which we market under our brand name K-Mag®, and contains sulfur, potas magnesium, with low levels of

At the Carlsbad facility, we mine and refine potash from 77,103 acres of mineral rights. We control these reserves pursuant to either from the U.S. government that, in general, continue in effect at our option (subject to readjustment by the U.S. government every 20 (ii) leases from the State of New Mexico that continue as long as we continue to produce from them. These reserves contain an estimate 266 million tonnes of potash mineralization (calculated after estimated extraction losses) in two mining beds evaluated at thicknesse from 4.5 feet to in excess of 11 feet. At average refinery rates, these ore res

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estimated to be sufficient to yield 16 million tonnes of concentrates from sylvinite with an average grade of approximately 60%
21 million tonnes of langbeinite concentrates with an average grade of approximately 22% K_2O. At projected rates of production, we
that Carlsbad s reserves of sylvinite and langbeinite are sufficient to support operations for approximately 32 years and 21 years, re

Royalties for the U.S. operations amounted to approximately $12.2 million for the Stub Period. These royalties are established by
Department of the Interior, Bureau of Land Management, in the case of the Carlsbad leases from the U.S. government, and pu
provisions set forth in the leases, in the case of the Carlsbad sta

Our estimates below of our potash reserves and non-reserve potash mineralization are based on exploration drill hole data, seismic
actual mining results over more than 35 years. Proven reserves are estimated by identifying material in place that is delineated on at
sides and material in place within a half-mile radius or distance from an existing sampled mine entry or exploration core hole. Probable
are estimated by identifying material in place within a one mile radius from an existing sampled mine entry or exploration core hole. I
extraction ratios from the many years of mining results are then applied to both types of material to estimate the proven and probable
We believe that all reserves and non-reserve potash mineralization reported below are potentially recoverable using existing produc
and refinery

Our estimated recoverable potash ore reserves and non-reserve potash mineralization as of December 31, 2013 for each of our m

(tonnes of ore in millions)	*Reserves[a][b]*		*Pot Mineraliz*
Facility	Recoverable Tonnes	Average Grade (% K_2O)	Poten Recov Ton
Canada			
Belle Plaine	796	18.0	
Colonsay	223	26.4	
Esterhazy	851	24.5	
sub-totals	1,870	22.0	
United States			
Carlsbad	266	7.7	
Totals	2,136	20.2	

(a) There has been no third party review of reserve estimates within the last five years. The reserve estimates have been prepared in accordance with the standards set forth in Industry Guide 7 promulgated by the SEC.

(b) Includes 1.3 billion tonnes of proven reserves and 0.9 billion tonnes of probable reserves.

(c) The non-reserve potash mineralization reported in the table in some cases extends to the boundaries of the mineral rights we own Such boundaries are up to 16 miles from the closest existing sampled mine entry or exploration core hole. Based on available geo data, the non-reserve potash mineralization represents potash that we expect to mine in the future, but it may not meet all of the te requirements for categorization as proven or probable reserves under Industry Guide 7.

As discussed more fully above, we either own the reserves and mineralization shown above or lease them pursuant to mineral l
generally remain in effect or are renewable at our option, or are long-term leases. Accordingly, we expect to be able to mine all reported
that are leased prior to termination or expiration of the existi

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Na

Natural gas is used at our potash solution mines as a fuel to produce steam and to dry potash products. The steam is used to generate e in evaporation and crystallization processes and to provide thermal heat to the solution mining process. Our two solution mines typicall for approximately 78% of our Potash segment s total natural gas requirements for potash production. At our shaft mines, natural gas i fuel to heat fresh air supplied to the shaft mines and for drying potash products. Combined natural gas usage for both the solution mines approximated 9 million MMbtu and 17 million MMbtu during the seven and twelve months ended December 31, 2013, respect purchase our natural gas requirements on firm delivery index price-based physical contracts and on short term spot-priced physical Our Canadian operations purchase all of their physical gas in Saskatchewan via the TransGas pipeline system using AECO price pricing references. The U.S. potash operations in New Mexico purchase physical gas in their respective regional markets via th Permian Basin market hubs as pricing references. We use financial derivative contracts to manage the price of portions of our future p

SALES AND DISTRIBUTION ACT

United States an

We have a United States and Canada sales and marketing team that serves our business segments. We sell to wholesale distribut chains, cooperatives, independent retailers and national

Customer service and the ability to effectively minimize the overall supply chain costs are key competitive factors in the crop nu animal feed ingredients businesses. In addition to our production facilities, to service the needs of our customers, we own, leas contractual throughput or other arrangements at strategically located distribution warehouses along or near the Mississippi and Ohio well as in other key agricultural regions of the United States and Canada. From these facilities, we market Mosaic produced phos potash products for customers who in turn resell the product into the distribution channel or directly to farmers in the United States an

We own port facilities in Savage, Minnesota as well as warehouse distribution facilities in Pekin, Illinois; Henderson, Kentucky; and Texas, which has a deep water berth providing access to the Gulf o

In addition to the geographically situated facilities that we own, our U.S. distribution operations also include leased distributio contractual throughput agreements in other key geographical areas such as California, Florida, Illinois, Indiana, Iowa, Kentucky, L Maryland, Minnesota, Nebraska, New York, North Dakota, Pennsylvania a

Our Canadian customers include independent dealers and national accounts. We also lease and own warehouse facilities in Sask Ontario, Quebec and Manitoba i

Inte

Outside of the United States and Canada, we market our Phosphates segments products through our own international distribution Until December 31, 2013, we also marketed our Phosphates segment s products outside the United States and Canada through During the Stub Period, PhosChem marketed approximately 47% of our phosphate export sales volume. We administered PhosChem of PhosChem s member companies. We estimate that PhosChem s sales represented approximately 39% of total U.S. expo concentrated phosphates and 9% of global trade volume. The countries that accounted for the largest amount of PhosChem concentrated phosphates include Brazil, India, Japan, Colombia and Australia. We and PhosChem s other member have determined PhosChem, and effective December 31, 2013, we and PhosChem s other member each assumed responsibility for PhosChem s form as they related to our respective products. We do not expect this to adversely impact our future results of o

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Our sales outside of the United States and Canada of Saskatchewan potash products are made through Canpotex. Canpotex sales are among its members based on peaking capacity. Our potash exports from Carlsbad are sold through our own sales force. We also m Potash segment s products through our Phosphates segment international distribution activities, which acquire potash primar Canpotex. The countries that account for the largest amount of international potash sales, by volume, are Brazil, China, Indonesia,

Our Phosphates segment also purchases phosphates, potash and nitrogen products from unrelated third parties, which we either use to blended crop nutrients (*Blends*)

To service the needs of our customers, our international distribution activities include a network of strategically located sales off nutrient blending and bagging facilities, port terminals and warehouse distribution facilities that we own and operate in key geograp throughout several countries. The blending and bagging facilities primarily produce Blends from phosphate, potash and nitrogen. Th product mix in our Blends (by volume) contains approximately 55% phosphate, 25% potash and 20% nitrogen, although this mix diff on seasonal and other factors. Our international operations serve primarily as a sales outlet for our North American Phosphates produc for resale and as an input for Blends. Our Potash segment also has historically furnished a portion of the raw materials needs for the p of Blends, primarily via Canpotex, and is expected to continue to do so in t

The following maps show the locations of our primary distribution operations in South America

Other

With a strong brand position in a multi-billion dollar animal feed ingredients global market, our Phosphates segment supplies an ingredients for poultry and livestock to customers in North America, Latin America and Asia. Our potash sales to non-agricultural primarily to large industrial accounts and the animal feed industry. Additionally, we sell potash for de-icing and as a water softener re as well as fluorosilicic acid for water flu

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COMPE

Because crop nutrients are global commodities available from numerous sources, crop nutrition companies compete primarily on th delivered price. Other competitive factors include product quality, cost and availability of raw materials, customer service, plant effic availability of product. As a result, markets for our products are highly competitive. We compete with a broad range of dom international producers, including farmer cooperatives, subsidiaries of larger companies, and independent crop nutrient companies competitors often have access to cheaper raw materials, are required to comply with less stringent regulatory requirements or are subsidized by governments and, as a result, may have cost advantages over North American companies. We believe that our extens American and international production and distribution system provides us with a competitive advantage by allowing us to achieve eco scale, transportation and storage efficiencies, and obtain market intelligence. Also, we believe our premium products provide us a co advantage with customers in North and South America. Our sales of MES have increased steadily over the past few years, reaching 1 tonnes during the past twelv

Unlike many of our competitors, we have our own distribution system to sell phosphate- and potash-based crop nutrients and an ingredients, whether produced by us or by other third parties, around the globe. In North America, we have one of the largest strategically located distribution systems for crop nutrients, including warehouse facilities in key agricultural regions. We also have an network of distribution facilities internationally, including in the key growth regions of Latin America and Asia, with port t warehouses, and blending plants in the following countries: Brazil, China, and India. Our global presence allows us to efficie customers in approximately 40

Phosphates

Our Phosphates segment operates in a highly competitive global market. Among the competitors in the global phosphate industry are and foreign companies, as well as foreign government-supported producers in Asia and North Africa. Phosphate producers compete based on price and, to a lesser extent, product quality, service and innovation, such as our MicroEssentials® product. Major integrated of feed phosphates are located in the United States, Europe and China. Many smaller producers are located in emerging markets a world. Many of these smaller producers are not miners of phosphate rock or manufacturers of phosphoric acid and are required to pur material on the ope

We believe that we are a low cost integrated producer of phosphate-based crop nutrients, due in part to our scale, vertical integ strategic network of production and distribution facilities. As the world s largest producer of concentrated phosphates, as well as largest miner of phosphate rock in the world and the largest in the United States, we maintain an advantage over some competitors as of operations effectively reduces production costs per unit. We are also vertically integrated to captively supply one of our key inputs, rock, to our phosphate production facilities. We believe that our position as an integrated producer of phosphate rock provides significant cost advantage over competitors that are non-integrated phosphate producers. Our investment in the Miski Mayo Mine a commercial offtake supply agreement to purchase a share of the phosphate rock also allows us to reduce our purchases of phosphate other suppliers. In addition, we expect that the Northern Promise Joint Venture will enable us to not only further diversify our s phosphates but also improve our access to key agricultural countries in Asia and the Mi

We produce ammonia at our Faustina, Louisiana concentrates plant in quantities sufficient to meet approximately one quarter o ammonia needs. With no captive ammonia production in Florida, we are subject to significant volatility in our purchase price of amm world markets. One of the CF Ammonia Supply Agreements is expected to provide us with a long term supply of a substantial ammonia at prices based on the price of natural gas, and is intended to lessen this volatility. With our own sulfur transportation barg 50% ownership interest in Gulf Sulphur Services, we are also well-positioned to source an adequate, flexible and cost-effective supply our third key input. We believe that our investments in sulfur transportation assets continue to afford us a competitive advantage co other North American producers in cost and access

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With facilities in both central Florida and Louisiana, we are logistically well positioned to fulfill our needs at very competitive pric multiple production points also afford us the flexibility to optimally balance supply and

We have a strong brand in several of the countries in which we have international distribution activities. In addition to having access to production, our international distribution activities have the capability to supply a wide variety of crop nutrients to our dealer/farmer base. Our strategic positions in Brazil, China and India allow us to capitalize on the growth in nutrient demand in these large and internationa

We are subject to many environmental laws and regulations in Florida and Louisiana that are often more stringent than those to which in other countries ar

Potash

Potash is a commodity available from several geographical regions around the world and, consequently, the market is highly con Through our participation in Canpotex, we compete outside of North America against various independent and state-owned potash p Canpotex has substantial expertise and logistical resources for the international distribution of potash including strategically locat assets in Portland, Oregon and Vancouver, British Columbia. We also ship product from our Carlsbad, New Mexico, potash facility to American and Asian distribution centers. Our principal methods of competition with respect to the sale of potash include product pri offering consistent, high-quality products and superior service. We believe that our potash cost structure is competitive in the ind should improve as we achieve the expected increases in production from our potash expansion

FACTORS AFFECTING D

Our results of operations historically have reflected the effects of several external factors which are beyond our control and have i produced significant downward and upward swings in operating results. Revenues are highly dependent upon conditions in the a industry and can be affected by, among other factors: crop conditions; changes in agricultural production practices; worldwide conditions, including the increasing world population, household incomes, and demand for more protein rich food, particularly in de regions such as China, India, and Latin America; changing demand for biofuels; variability in commodity pricing; governmental po level of inventories in the crop nutrient distribution channels; customer expectations about farmer economics, future crop nutrient p availability and transportation costs, among other matters; market trends in raw material costs; market prices for crop nutrients; and Furthermore, our crop nutrients business is seasonal to the extent farmers and agricultural enterprises in the markets in which we purchase more crop nutrient products during the spring and fall. The international scope of our business, spanning the northern and hemispheres, reduces to some extent the seasonal impact on our business. The degree of seasonality of our business can change sig from year to year due to conditions in the agricultural industry and other factors. The seasonal nature of our businesses requires s working capital for inventory in advance of the planting

We sell products throughout the world. Unfavorable changes in trade protection laws, policies and measures, government policies regulatory requirements affecting trade; unexpected changes in tax and trade treaties; strengthening or weakening of foreign economi as political relations with the United States may cause sales trends to customers in one or more foreign countries to differ from sales the Unit

Our international operations are subject to risks from changes in foreign currencies, or government policy, which can affect loc ec

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OTHER MA

E

We had approximately 8,200 employees as of December 31, 2013, consisting of approximately 3,800 salaried and 4,400 hourly en

Labor

As of December

We had eleven collective bargaining agreements with unions covering 93% of our hourly employees in the U.S. and Canada. employees, approximately 14% are covered under collective bargaining agreements scheduled to expire in 2014.

Agreements with ten unions covered all employees in Brazil, representing 73% of our international employees. More than one agreement may govern our relations with each of these unions. In general, the agreements are renewable on an annual basis. Failure to renew any of our union agreements could result in a strike or labor stoppage that could have a material adverse effe operations. However, we have not experienced significant work stoppage in many years and historically have had good labor

Financial Information about our Business Segments and Operations by Geograp

We have included financial information about our business segments, our operations by geographic area and our revenues by class products in Note 24 of our Consolidated Financial St

Information Available on ou

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments thereto, filed with pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder are made avai of charge on our website, (www.mosaicco.com), as soon as reasonably practicable after we electronically file such material with, or fur the SEC. The information contained on our website is not being incorporated in th

EXECUTIVE OF

Information regarding our executive officers as of February 18, 2014 is set for

Name	Age	Position
Anthony T. Brausen	54	Senior Vice President Finance and Chief Accounting Officer
Gary Bo N. Davis	61	Senior Vice President Phosphates Operations
Mark E. Kaplan	46	Vice President Public Affairs
Richard L. Mack	46	Executive Vice President, General Counsel and Corporate Secretary
Richard N. McLellan	57	Senior Vice President Commercial
James Joc C. O Rourke	53	Executive Vice President Operations and Chief Operating Officer
James T. Prokopanko	60	Chief Executive Officer, President and Director
Corrine D. Ricard	50	Senior Vice President Human Resources
Lawrence W. Stranghoener	59	Executive Vice President and Chief Financial Officer

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Anthony T. Brausen. Mr. Brausen was elected Senior Vice President Finance and Chief Accounting Officer of Mosaic in Decembe
responsibilities include global Accounting, Financial Planning, Treasury, Tax, Risk Advisory & Assurance and Information Te
Previously, Mr. Brausen served as Vice President Finance and Chief Accounting Officer since April 2006. Prior to joining M
employee in February 2006, Mr. Brausen had been Vice President and Chief Financial Officer of Tennant Company, a designer, ma
and marketer of floor maintenance and outdoor cleaning equipment, chemical-free cleaning technologies, specialty surface coatings a
products, since March 2000. From 1989-2000, Mr. Brausen held several financial management positions, including Vice Pre
Treasurer, Assistant Controller and Director of Investor Relations, with International Multifoods Corporation, a diversified publicly-tr
processor and distributor. From 1981-1989, Mr. Brausen held various positions with KP

Gary Bo N. Davis. Mr. Davis was elected Senior Vice President Phosphate Operations of Mosaic in July 2011. Previously, Mr. D
as Vice President Phosphate Operations of Mosaic since June 2010, as Vice-President Phosphate Operations for all of Mosaic
Louisiana operations since 2007 and Vice President of Mining since Mosaic s formation in 2004. Prior to the Combination, Mr.
several positions at Cargill, including Vice President, Operations for the fertilizer division from 1999 to 2004. Mr. Davis has worked i
nutrient industry for over

Mark E. Kaplan. Mr. Kaplan was elected Vice President Public Affairs in August 2011. Mr. Kaplan joined Mosaic in January 2
President Planning and Government Affairs of our subsidiary Mosaic Fertilizer, LLC to lead its government affairs function in Flor
2010, Mr. Kaplan became Vice President Public Affairs and Policy for Mosaic s Phosphates business segment, leading its overall
function. Prior to joining Mosaic, Mr. Kaplan served as chief of staff for former Florida Governor Jeb Bush. He also held roles as pres
general counsel of Carlisle Development Group LLC, executive director of the Florida Housing Finance Corporation and a shareho
law firm Katz, Kutter, Haigler, Alderman, Bryant &

Richard L. Mack. Mr. Mack was elected Executive Vice President, General Counsel and Corporate Secretary effective Januar
Mr. Mack served as Senior Vice President, General Counsel and Corporate Secretary of Mosaic since its formation in 2004. Mr.
provides executive oversight for Mosaic s land development and permitting organizations. Prior to the formation of Mosaic in 2004
was a Senior Attorney in Cargill s worldwide law department and a co-founder of Cargill s venture capital b

Richard N. McLellan. Mr. McLellan was elected as Senior Vice President Commercial in April 2007. Previously, Mr. McLellan had s
our Vice President North American Sales since December 2005 and as Country Manager for our (and, prior to the Combinatio
Brazilian crop nutrient business since November, 2002. Mr. McLellan joined Cargill in 1989 and held various roles in its Canadian
operations, including grain, retail and wholesale crop nutrient di

James Joc C. O Rourke. Mr. O Rourke was promoted to Executive Vice President Operations and Chief Operating Officer in
Previously, Mr. O Rourke served as Executive Vice President Operations since January 2009. Prior to joining Mosaic, Mr.
President, Australia Pacific for Barrick Gold Corporation, the largest gold producer in Australia, since May 2006, where he was resp
the Australia Pacific Business Unit consisting of ten gold and copper mines in Australia and Papua New Guinea. Before that, Mr. O
Executive General Manager Australia and Managing Director of Placer Dome Asia Pacific Ltd., the second largest gold producer in
from December 2004, where he was responsible for the Australia Business Unit consisting of five gold and copper mines; and General
Western Australia Operations for Iluka Resources Ltd., the world s largest zircon and second largest titanium producer, from Septe
where he was responsible for six mining and concentrating operations and two mineral separation/synthetic rutile refineries. Mr. O
previously held various management, engineering and other roles in the mining industry in Canada and Australia si

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James T. Prokopanko. Mr. Prokopanko became our President and Chief Executive Officer on January 1, 2007. Until joining us as Vice President and Chief Operating Officer on July 31, 2006, Mr. Prokopanko was a Corporate Vice President of Cargill since 200 Cargill s Corporate Vice President with executive responsibility for procurement from 2002 to 2006 and a platform leader resp Cargill s Ag Producer Services Platform from 1999 to July 2006. After joining Cargill in 1978, Mr. Prokopanko served in a wi leadership positions, including being named Vice President of North American crop inputs business in 1995. During his Carg Mr. Prokopanko was engaged in retail agriculture businesses in the United States, Canada, Brazil, Argentina and the United Mr. Prokopanko resigned from all of his current positions with Cargill and its subsidiaries (other than Mosaic) in connection with his e Executive Vice President and Chief Operating Officer of Mosaic. Mr. Prokopanko has served as a director of Mosaic since October served as a member of the Corporate Governance and Nominating Committee and the Environmental, Health and Safety Commit Company s Board of Directors since his election to the Board through Jul

Corrine D. Ricard. Ms. Ricard was named Senior Vice President Human Resources in April 2012. Ms. Ricard has held various positions at Mosaic since its formation, including Vice President International Distribution, Vice President Business Developm President Supply Chain. Prior to Mosaic s formation, Ms. Ricard worked for Cargill in various roles including risk management, supp commodit

Lawrence W. Stranghoener. Mr. Stranghoener joined us as Executive Vice President and Chief Financial Officer in October 2004. He p served as Executive Vice President and Chief Financial Officer of Thrivent Financial for Lutherans and its predecessor organiza January 1, 2001 until October 2004, where he had responsibility over the organization s investments, finance and related functions. P from 1983 through December 1999, Mr. Stranghoener worked in various senior management positions with Honeywell, Inc. in the Uni and Europe, including Vice President and Chief Financial Officer, Vice President of Business Development, Vice President of Finance of Corporate Financial Planning and Analysis and Director of Investor Relations. In December 1999, following the Honeywell-All merger, Mr. Stranghoener joined Techies.com of Edina, Minnesota, as Executive Vice President and Chief Financia

Our executive officers are generally elected to serve until their respective successors are elected and qualified or until their earl resignation or removal. No family relationships, as that term is defined in Item 401(d) of Regulation S-K, exist among any of the li

Item 1A. Risk

Our business, financial condition or results of operations could be materially adversely affected by any of the risks and uncertainties

Our operating results are highly dependent upon and fluctuate based upon business and economic conditions and governmenta affecting the agricultural industry where we or our customers operate. These factors are outside of our control and may sig affect our pro

Our operating results are highly dependent upon business and economic conditions and governmental policies affecting the agricultural which we cannot control. The agricultural products business can be affected by a number of factors. The most important of these fa U.S. ma

weather patterns and field conditions (particularly during periods of traditionally high crop nutrients consumption);

quantities of crop nutrients imported to and exported from North America;

current and projected grain inventories and prices, which are heavily influenced by U.S. exports and world-wide grain marke

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U.S. governmental policies, including farm and biofuel policies, which may directly or indirectly influence the number of acr planted, the level of grain inventories, the mix of crops planted or crop prices.

International market conditions, which are also outside of our control, may also significantly influence our operating results. The int market for crop nutrients is influenced by such factors as the relative value of the U.S. dollar and its impact upon the cost of impo nutrients, foreign agricultural policies, including subsidy policies, the existence of, or changes in, import or foreign currency exchang in certain foreign markets, changes in the hard currency demands of certain countries and other regulatory policies of foreign govern well as the laws and policies of the United States affecting foreign trade and in

Our most important products are global commodities, and we face intense global competition from other crop nutrient produ can affect our prices and

Our most important products are concentrated phosphate crop nutrients, including diammonium phosphate, or DAP, monoa phosphate, or MAP, MES and muriate of potash, or MOP. We sell most of our DAP, MAP and MOP in the form of global commod sales of these products face intense global competition from other crop nutrient p

Changes in competitors production or shifts in their marketing focus have in the past significantly affected both the prices at which products and the volumes that we sell, and are likely to continue to do so in t

Competitors are more likely to increase their production at times when world agricultural and crop nutrient markets are strong, and to sales into regions where their returns are highest. Increases in the global supply of DAP, MAP and MOP or competitors increase regions in which we have significant sales could adversely affect our prices and

Competitors and potential new entrants in the markets for both concentrated phosphate crop nutrients and potash have in recent years capacity, or begun, or announced plans, to expand capacity or build new facilities. The extent to which current global or local econ financial conditions, changes in global or local economic and financial conditions, or other factors may cause delays or cancellation o these ongoing or planned projects, or result in the acceleration of existing or new projects, is unclear. In addition, the level of e producers of concentrated phosphate crop nutrients in China depends to a significant extent on Chinese government actions to cu through, among other measures, prohibitive export taxes at times when the government believes it desirable to assure ample domesti of concentrated phosphate crop nutrients to stimulate grain and oilseed pr

In addition, some of our competitors who are expanding their potash production capacity include other members of Canpotex. members respective shares of Canpotex sales is based upon the members respective proven peaking capacity for producing pot Canpotex member expands its production capacity, the new capacity is added to that member s proven peaking capacity based on a tes maximum production level. Antitrust and competition laws prohibit the members of Canpotex from coordinating their production including the timing of their respective test runs. Worldwide potash production levels during these test runs could exceed then-curre demand, resulting in an oversupply of potash and lower pota

We cannot accurately predict when or whether competitors or new entrants ongoing or planned capacity expansions or new faci completed, the timing of competitors tests to prove peaking capacity for Canpotex purposes, the cumulative effect of these a completed expansions, the impact of future decisions by the Chinese government on the level of Chinese exports of concentrated phosp nutrients, or the effects of these or other actions by our competitors on the prices for our products or the volumes that we are ab

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Our crop nutrients and other products are subject to price and demand volatility resulting from periodic imbalances of su demand, which may cause our results of operations to f

Historically, the market for crop nutrients has been cyclical, and prices and demand for our products have fluctuated to a significa particularly for phosphates and, to a lesser extent, potash. Periods of high demand, increasing profits and high capacity utilization tend new plant investment and increased production. This growth increases supply until the market is over-saturated, leading to declining p declining capacity utilization until the cycl

As a result, crop nutrient prices and volumes have been volatile. This price and volume volatility may cause our results of operations to and potentially deteriorate. The price at which we sell our crop nutrient products and our sales volumes could fall in the event of oversupply conditions, which could have a material adverse effect on our business, financial condition and results of operations. In high prices may lead our customers and farmers to delay purchasing decisions in anticipation of future lower prices, thus impacting

Due to reduced market demand, depressed agricultural economic conditions and other factors, we and our predecessors have at vari suspended or reduced production at some of our facilities. The extent to which we utilize available capacity at our facilities w fluctuations in our results of operations, as we will incur costs for any temporary or indefinite shutdowns of our facilities and lower sal lead to higher fixed costs as a percentage

Variations in crop nutrient application rates may exacerbate the cyclicality of the crop nutrient

Farmers are able to maximize their economic return by applying optimum amounts of crop nutrients. Farmers decisions about the rate for each crop nutrient, or to forego application of a crop nutrient, particularly phosphate and potash, vary from year to year depen number of factors, including among others, crop prices, crop nutrient and other crop input costs or the level of the crop nutrient remain soil following the previous harvest. Farmers are more likely to increase application rates when crop prices are relatively high, crop nu other crop input costs are relatively low and the level of the crop nutrient remaining in the soil is relatively low. Conversely, farmers are reduce or forego application when farm economics are weak or declining or the level of the crop nutrients remaining in the soil is high. This variability in application rates can materially accentuate the cyclicality in prices for our products and our sales

Our crop nutrient business is seasonal, which may result in carrying significant amounts of inventory and seasonal vari working capital, and our inability to predict future seasonal crop nutrient demand accurately may result in excess inventory or sh

The crop nutrient business is seasonal. Farmers tend to apply crop nutrients during two short application periods, the strongest one in t before planting and the other in the Fall after harvest. As a result, the strongest demand for our products typically occurs during t planting season, with a second period of strong demand following the Fall harvest. In contrast, we and other crop nutrient producers produce our products throughout the year. As a result, we and/or our customers generally build inventories during the low demand peri year in order to ensure timely product availability during the peak sales seasons. The seasonality of crop nutrient demand results in volumes and net sales typically being the highest during the North American Spring season and our working capital requirements typica the highest just prior to the start of the Spring season. Our quarterly financial results can vary significantly from one year to the ne weather-related shifts in planting schedules and purchasing

If seasonal demand exceeds our projections, we will not have enough product and our customers may acquire products from our com which would negatively impact our profitability. If seasonal demand is less than we expect, we will be left with excess inventory a working capital and liquidity requ

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The degree of seasonality of our business can change significantly from year to year due to conditions in the agricultural industry

The distribution channels for crop nutrients have capacity to build significant levels of inventories. Significant levels of inver the distribution channels for crop nutrients can adversely affect our sales volumes and sellin

In order to balance the production needs of crop nutrient producers with farmers seasonal use of crop nutrients, crop nutrient d channels need to have the capacity to build significant inventories. The build-up of inventories in the distribution channels ca excessive, particularly during the cyclical periods of low demand that have been typical in the crop nutrient industry. When there are inventories in the distribution channel, our sales volumes and selling prices can be adversely impacted, even during periods in which fa of crop nutrients may rema

Changes in transportation costs can affect our sales volumes and sellin

The cost of delivery is a significant factor in the total cost to customers and farmers of crop nutrients. As a result, changes in transporta or in customer expectations about them can affect our sales volumes a

Customer expectations about future events can have a significant effect on the demand for our products. These expecta significantly affect our sales volumes and sellin

Customer expectations about future events has had and is expected to continue to have an effect on the demand and prices for crop Future events that may be affected by customer expectations include, amo

Customer expectations about future crop nutrient prices and availability.
Customer expectations about selling prices and availability of crop nutrients has had and is expected to continue to have an effect on th for crop nutrients. When customers anticipate increasing crop nutrient selling prices, customers tend to accumulate inventories b anticipated price increases. This can result in a lag in our realization of rising market prices for our products. Conversely, custome delay their purchases when they anticipate future selling prices for crop nutrients will stabilize or decrease, adversely affecting volumes and selling prices. Customer expectations about availability of crop nutrients can have similar effects on sales volumes a

Customer expectations about future farmer economics.
Similarly, customer expectations about future farmer economics has had and is expected to continue to have an effect on the deman nutrients. When customers anticipate improving farmer economics, customers tend to accumulate crop nutrient inventories in antic increasing sales volumes and selling prices. This can result in a lag in our realization of rising market prices for our products. Convers customers anticipate declining farmer economics, customers tend to reduce the level of their purchases of crop nutrients, adversely affe sales volumes and selli

Changes in customer expectations about transportation costs.
As discussed above, increasing transportation costs effectively increase customers and farmers costs for crop nutrients and ca amount we realize for our sales. Expectations of decreasing transportation costs can result in customers and farmers anticipating that be able to decrease their costs by delaying purchases. As a result, changes in customer expectations about transportation costs can sales volumes a

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We conduct our operations primarily through a limited number of key production and distribution facilities. Any disruption these facilities could have a material adverse impact on our business. The risk of material disruption increases when deman products results in high operating rates at our

We conduct our operations through a limited number of key production and distribution facilities. These facilities include our phosph and concentrates plants; our potash mines; and the ports and other distribution facilities through which we, and the export associations ventures in which we participate, conduct our respective businesses, as well as other commercial arrangements with unrelated third par disruption of operations at one of these facilities has the possibility of significantly affecting our production or our ability to distr products. Operating these facilities at high rates during periods of high demand for our products increases the risk of mechanical or failures, decreases the time available for routine maintenance and increases the impact on our operating results from any disruption. A d of operations at one of our key facilities could have a material adverse effect on our results of operations or financial c

Examples of the types of events that could result in a disruption at one of these facilities include: adverse weather; strikes or ot stoppages; deliberate, malicious acts; political and economic instability and other risks associated with our international operations; c permitting, financial assurance or other environmental, health and safety laws or other changes in the regulatory environment in operate; legal and regulatory proceedings; our relationships with other members of export associations and joint ventures in which we p and their or our exit from participation in such export associations or joint ventures; other changes in our commercial arrangem unrelated third parties; brine inflows at our Esterhazy, Saskatchewan, mine or our other shaft mines; other accidents occurring in the operating activities; and othe

Insurance market conditions, our loss experience and other factors affect the insurance coverage that we carry, and we are insured against all potential hazards and risks incident to our business. As a result, our insurance coverage may not adequat o

We maintain property, business interruption and casualty insurance policies, but we are not fully insured against all potential hazards incident to our business. We are subject to various self-retentions and deductibles under these insurance policies. As a result c conditions, our loss experience and other factors, our premiums, self-retentions and deductibles for insurance policies can increase sub and, in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. In addition, sig increased costs could lead us to decide to reduce, or possibly eliminate, coverage. As a result, a disruption of operations at one c facilities or a significant casualty could have a material adverse effect on our results of operation or financial c

Important raw materials and energy used in our businesses in the past have been and may in the future be the subject o pricing. Changes in the price of our raw materials could have a material impact on our bu

Natural gas, ammonia and sulfur are key raw materials used in the manufacture of phosphate crop nutrient products. Natural gas is use a chemical feedstock and a fuel to produce anhydrous ammonia, which is a raw material used in the production of concentrated p products. Natural gas is also a significant energy source used in the potash solution mining process. From time to time, our profitability and may in the future be impacted by the price and availability of these raw materials and other energy costs. Because most of our pro commodities, there can be no assurance that we will be able to pass through increased costs to our customers. A significant increase in of natural gas, ammonia, sulfur or energy costs that is not recovered through an increase in the price of our related crop nutrients produ have a material impact on our

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During periods when the price for concentrated phosphates is falling because of falling raw material prices, we may experienc realizing the benefits of the falling raw materials prices. This lag can adversely affect our gross margins and prof

During some periods, changes in market prices for raw materials can lead to changes in the global market prices for concentrated phosp nutrients. In particular, the global market prices for concentrated phosphate crop nutrients can be affected by changes in the market sulfur, ammonia, phosphate rock and/or phosphoric acid raw materials. Increasing market prices for these raw materials tend to pu pressure on the selling prices for concentrated phosphate crop nutrients, and decreasing market prices for these raw materials te downward pressure on selling prices for concentrated phosphate crop nutrients. When the market prices for these raw materials plung the selling prices for our concentrated phosphate crop nutrients can fall more rapidly than we are able to consume our raw material that we purchased or committed to purchase in the past at higher prices. As a result, our costs may not fall as rapidly as the selling pric products. Until we are able to consume the higher priced raw materials, our gross margins and profitability can be adversely

During periods when the prices for our products are falling because of falling raw material prices, we could be required to wr the value of our inventories. Any such write-down would adversely affect our results of operations and the level of ou

We carry our inventories at the lower of cost or market. In periods when the market prices for our products are falling rapidly in re falling market prices for raw materials, it is possible that we could be required to write-down the value of our inventories if market p below our costs. Any such write-down would adversely affect our results of operations and the level of our assets. Any such effect

Our estimates of future selling prices reflect in part the purchase commitments we have from our customers. As a result, defaults existing purchase commitments because of the global or local economic and financial conditions or for other reasons could adversely estimates of future selling prices and require additional inventory writ

In the event of a disruption to existing terminaling facilities or transportation for our products or raw materials, alternative ter facilities or transportation might not be available on a timely basis or have sufficient capacity to fully serve all of our cust

In the event of a disruption of existing terminaling facilities or transportation for our products or raw materials, alternative terminaling or transportation might not be available on a timely basis or have sufficient capacity to fully serve all of our customers or

Terminaling facilities and transportation include the ports and other distribution facilities through which we, and the export associa joint ventures in which we participate, conduct our respective businesses; transportation and related equipment arrangements; commercial arrangements with unrelated thi

Examples of the types of events that could result in a disruption of terminaling facilities or transportation include: adverse weather; other work stoppages; deliberate, malicious acts; political and economic instability and other risks associated with our international op changes in permitting, financial assurance or other environmental, health and safety laws or other changes in the regulatory enviro which we operate; legal and regulatory proceedings; our relationships with other members of export associations and joint ventures in participate and their or our exit from participation in such export associations and joint ventures; other changes in our commercial arra with unrelated third parties; accidents occurring in the course of operating activities; lack of truck, rail, barge or ship transportation; factors. We discuss a number of these examples in more detail throughout this Risk Factor

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We are subject to risks associated with our international sales and operations, which could negatively affect our sales to cust foreign countries as well as our operations and assets in foreign countries. Some of these factors may also make it less attr distribute cash generated by our operations outside the United States to our stockholders, or to utilize cash generated by our op in one country to fund our operations or repayments of indebtedness in another country or to support other corporate p

For the Stub Period, we derived approximately 61% of our net sales from customers located outside of the United States. As a resu subject to numerous risks and uncertainties relating to international sales and operations, i

- difficulties and costs associated with complying with a wide variety of complex laws, treaties and regulations;
- unexpected changes in regulatory environments;
- increased government ownership and regulation of the economy in the countries we serve;
- political and economic instability, including the possibility for civil unrest, inflation and adverse economic conditions resultin governmental attempts to reduce inflation, such as imposition of higher interest rates and wage and price controls;
- nationalization of properties by foreign governments;
- the imposition of tariffs, exchange controls, trade barriers or other restrictions; and
- currency exchange rate fluctuations between the U.S. dollar and foreign currencies, particularly the Brazilian real and the Car dollar.

The occurrence of any of the above in the countries in which we operate or elsewhere could jeopardize or limit our ability to transact there and could adversely affect our revenues and operating results and the value of our assets located outside of the Unit

In addition, tax regulations, currency exchange controls and other restrictions may also make it economically unattr

- distribute cash generated by our operations outside the United States to our stockholders; or
- utilize cash generated by our operations in one country to fund our operations or repayments of indebtedness in another count support other corporate purposes.

Our international assets are located in countries with volatile conditions, which could subject us and our assets to significa

We are a global business with substantial assets located outside of the United States and Canada. Our operations in Brazil, China and I fundamental part of our business. We also have a joint venture investment in the Miski Mayo mine in Peru that supplies phosphate r and recently entered into the Northern Promise Joint Venture to develop a mine and chemical complexes that we presently expe produce phosphate fertilizers, animal feed, feed grade purified phosphoric acid and sodium tripolyphosphate in the Kingdom of Sauc Volatile economic, political and market conditions in these and other emerging market countries may have a negative impact on our op operating results and financial c

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Natural resource extraction is an important part of the economy in Peru, and, in the past, there have been protests against other natural operations in Peru. As of the date of this report, there remain numerous social conflicts that exist within the natural resource sector in as a result there is potential for active protests against natural resource companies. If the Government of Peru s proactive efforts to social and environmental issues surrounding natural resource activities were not successful, protests could extend to or impact the Mi mine and adversely affect our investment in the Miski Mayo joint venture or the supply of phosphate rock to us from

Adverse weather conditions, including the impact of potential hurricanes, excess rainfall or drought, have in the past, and m future, adversely affect our operations, particularly our Phosphates business, and result in increased costs, decreased produc potential l

Adverse weather conditions, including the impact of potential hurricanes and excess rainfall, have in the past and may in the future affect our operations, particularly our Phosphates business. In the past, hurricanes have resulted in minor physical damage to our fa Florida and Louisiana. In addition, a release of phosphoric acid process wastewater at our Riverview, Florida facility during a hurricane in a small civil fine, settlement for an immaterial amount of claims for natural resource damages by governmental agencies and a private class actio

More significantly, water treatment costs, particularly at our Florida operations, due to high water balances tend to increase sig following excess rainfall from hurricanes and other adverse weather. Some of our Florida facilities have high water levels that may, fro time, require treatment. The high water balances at phosphate facilities in Florida also led the Florida Department of Environmental P to adopt new rules requiring phosphate production facilities to meet more stringent process water management objectives for phosph management

If additional excess rainfall or hurricanes continue to occur in coming years, our facilities may be required to take additional m manage process water to comply with existing or future requirements and these measures could potentially have a material effe business and financial c

Adverse weather may also cause a loss of production due to disruptions in our supply chain. For example, oil refineries that supply su can be closed as a result of a hurricane and incoming shipments of ammonia can be delayed, disrupting production at our Florida or L

Conversely, drought can also adversely affect us. For example, drought can reduce farmers crop yields and the uptake of phosphates a reducing the need for application of additional phosphates and potash for the next planting season. Drought can also lower river levels, affecting delivery of our products to our c

Our operations are dependent on having the required permits and approvals from governmental authorities. Denial or d government agency in issuing any of our permits and approvals or imposition of restrictive conditions on us with respec permits and approvals may impair our business and op

We hold numerous governmental environmental, mining and other permits and approvals authorizing operations at each of our fa decision by a government agency to revoke or substantially modify an existing permit or approval could have a material adverse effe ability to continue operations at the affecte

Expansion of our operations also is predicated upon securing the necessary environmental or other permits or approvals. Over the ne years, we and our subsidiaries will be continuing our efforts to obtain permits in support of our anticipated Florida mining operations of our p

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A denial of, or delay in issuing, these permits, the issuance of permits with cost-prohibitive conditions, legal actions that prevent us fro
on permits or revocation of permits, could prevent us from mining at these properties and thereby have a material adverse effect on our
financial condition or results of o

For

In Florida, local community participation has become an important factor in the permitting process for mining companies, an
local counties and other parties in Florida have in the past and continue to file lawsuits challenging the issuance of some of th
we require. In fiscal 2009, in connection with our efforts to permit an extension of our Four Corners, Florida, phosphate rock
non-governmental organizations for the first time filed a lawsuit in federal court against the U.S. Army Corps of Engineers (t
Corps) with respect to its actions in issuing a federal wetlands permit. The federal wetlands permit issued by the Corps re
effect. Mining on the extension commenced and approximately 600 acres were mined and/or disturbed. In September 2013, t
lawsuit was dismissed by the United States District Court for the Middle District of Florida, Jacksonville Division.

Delays in receiving a federal wetlands permit impacted the scheduled progression of mining activities for the extension of ou
Fort Meade, Florida, phosphate rock mine into Hardee County. As a result, we began to idle a portion of our mining equipme
mine in the latter part of fiscal 2010. In June 2010, the Corps issued the federal wetlands permit. Subsequently, certain
non-governmental organizations filed another lawsuit in the United States District Court for the Middle District of Florida,
Jacksonville Division, contesting the issuance of this federal wetlands permit, alleging that the Corps actions in issuing the
violated several federal laws relating to the protection of the environment. Preliminary injunctions entered into in connection
lawsuit resulted in shutdowns or reduced production at our South Fort Meade mine until April 2012. Following a settlement o
lawsuit in February 2012 and court approval, we were able to resume normal production at our South Fort Meade mine.
The periods of shutdown and reduced phosphate rock production at our South Fort Meade mine resulted in costs to suspend operation
plant costs. Lower phosphate rock mining production levels also adversely affected gros

In fiscal 2011, we were notified by the Corps that it planned to conduct an area-wide environmental impact statement (***AEI***
central Florida phosphate district. On June 1, 2012 the Corps published notice of availability of the draft AEIS in the Federal
and announced that it would accept public comment on the draft AEIS through July 31, 2012. We, along with other members
public, submitted comments for the Corps to consider as it completed the final AEIS. The Corps issued the final AEIS on Ap
2013. The final AEIS includes information on environmental impacts upon which the Corps will rely in its consideration of o
pending federal wetlands permits for our future mining of our Wingate, Ona and DeSoto phosphate rock reserves.
We have included additional discussion about permitting for our phosphate mines in Florida under Environmental, Health
Matters Permitting in our Management s Analysis and in Note 20 of our Consolidated Financi

**We are subject to financial assurance requirements as part of our routine business operations. These financial assurance requ
affect our costs and increase our liquidity requirements. If we were unable to satisfy applicable financial assurance requiren
might not be able to obtain or maintain permits we need to operate our business as we have in the past. Our need to comply w
requirements could materially affect our business, results of operations or financial c**

In many cases, as a condition to procuring or maintaining permits and approvals or otherwise, we are required to comply with
assurance regulatory requirements. The purpose of these requirements is t

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comfort to the government that sufficient funds will be available for the ultimate closure, post-closure care and/or reclamation of our In most cases, these financial assurance requirements have historically been satisfied without the need for any expenditure of corporat the extent our financial statements meet certain balance sheet and income statement financial strength tests. In the event that we are satisfy these financial strength tests, we must utilize alternative methods of complying with the financial assurance requirements o subject to enforcement proceedings brought by relevant government agencies. Potential alternative methods of compliance include neg consent decree that imposes alternative financial assurance or other conditions or, alternatively, providing credit support in the for escrows or trusts, surety bonds from insurance companies, letters of credit from banks, or other forms of financial instruments or co satisfy the financial assurance requirements. Use of these alternative means of financial assurance imposes additional expense on us them, such as letters of credit, also use a portion of our available liquidity. Other alternative means of financial assurance, such as sure may in some cases require collateral and generally require us to obtain a discharge of the bonds or to post additional collateral (typic form of cash or letters of credit) at the request of the issuer of the bonds. Collateral that is required may be in many forms including credit or other financial instruments that utilize a portion of our available liquidity, or in the form of assets such as real estate, which re flexibility to manage or sell assets. In the past, we have also not always been able to satisfy applicable financial strength tests, and in t it is possible that we will not be able to pass the applicable financial strength tests, negotiate consent decrees, establish escrow or trust or obtain letters of credit, surety bonds or other financial instruments on acceptable terms and conditions or at a reasonable cost, or tha and/or cost of compliance could increase, which could materially adversely affect our business, results of operations or financial c

As more fully discussed in Note 20 of our Consolidated Financial Statements, the U.S. Environmental Protection Agency is enga ongoing review of mineral processing industries, including us and other phosphoric acid producers, under the U.S. Resource Conserv Recovery Act. We are negotiating with the government the terms of a possible settlement of certain matters related to this review. terms of this possible settlement are not yet agreed or approved; however, if a settlement can be achieved, in all likelihood our mul commitments would include as one of its key elements our deposit into a trust fund of an amount currently estimated at $625 million to a material portion of our existing asset retirement obligations for closure and post-closure care of our phosphogypsum managemen

We have included additional discussion about financial assurance requirements under Off Balance Sheet Arrangements and Oblig Commercial Commitments in our Management s Discussion and Analysis of Financial Condition and Results o

The other environmental regulations to which we are subject may also have a material adverse effect on our business, condition and results of op

In addition to permitting and financial assurance requirements, we are subject to numerous other environmental, health and safety regulations in the U.S., Canada, China, Brazil and other countries where we operate. These laws and regulations govern a wide range o including environmental controls, land reclamation, discharges to air and water and remediation of hazardous substance relea significantly affect our operating activities as well as the level of our operating costs and capital expenditures. In some inte jurisdictions, environmental laws change frequently and it may be difficult for us to determine if we are in compliance with al environmental laws at any gi

We are, and may in the future be, involved in legal and regulatory proceedings that could be material to us. These proceeding legacy matters arising from activities of our predecessor companies and from facilities and businesses that we have never c

We have in the past been, are currently and may in the future be subject to legal and regulatory proceedings that could be mate business, results of operations, liquidity or financial condition. Joint ventures

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we participate could also become subject to these sorts of proceedings. These proceedings may be brought by the government or priva
and may arise out of a variety of matters, i

Allegations by the government or private parties that we have violated the permitting, financial assurance or other environme
health and safety laws and regulations discussed above. For example, in connection with possible settlement of matters relatir
U.S. Environmental Protection Agency s ongoing review of mineral processing industries under the U.S. Resource Conserva
Recovery Act, we anticipate that any settlement would include, in general and among other elements, in addition to the trust f
discussed above, our commitment to capital expenditures likely to exceed $150 million in the aggregate over a period of seve
and civil penalties. We are also involved in other proceedings alleging that, or to review whether, we have violated environm
laws in the United States and Brazil.

Other environmental, health and safety matters, including alleged personal injury, wrongful death, complaints that our operati
adversely impacting nearby farms and other business operations, other property damage, subsidence from mining operations,
resource damages and other damage to the environment, arising out of operations, including accidents. For example, several a
were initiated by the government and private parties related to releases of phosphoric acid process wastewater at our Rivervie
Florida facility during the hurricanes in 2004.

Antitrust, commercial, tax (including tax audits) and other disputes. For example, we were one of a number of defendants in r
class-action lawsuits, in which the plaintiffs sought unspecified amounts of damages including treble damages, alleging that v
other defendants conspired to, among other matters, fix the price at which potash was sold in the United States, allocated mar
shares and customers and fraudulently concealed their anticompetitive conduct. In January 2013, we settled these class action
lawsuits for an aggregate of $43.8 million.

The legal and regulatory proceedings to which we are currently or may in the future be subject can, depending on the circumstances
monetary damage awards, fines, penalties, other liabilities, injunctions or other court or administrative rulings that interrupt, i
otherwise materially affect our business operations, and/or criminal s

Among other environmental laws, the U.S. Comprehensive Environmental Response, Compensation, and Liability Act (***CERCL***
liability, including for cleanup costs, without regard to fault or to the legality of a party s conduct, on certain categories of persons
current and former owners and operators of a site and parties who are considered to have contributed to the release of hazardous subs
the environment. Under CERCLA, or various U.S. state analogs, one party may, under certain circumstances, be required to bear mor
proportional share of cleanup costs at a site where it has liability if payments cannot be obtained from other responsible parties.
nutrient company working with chemicals and other hazardous substances, we will periodically incur liabilities and cleanup co
CERCLA and other environmental laws, with regard to our current or former facilities, adjacent or nearby third-party facilities
disposal l

Pending and potential legal and regulatory proceedings may arise out of our present activities, including operations at current facilit
may also arise out of past activities by us, our predecessor companies and subsidiaries that our predecessors have sold. These past activ
in some cases at facilities that we and our subsidiaries no longer own or operate and may have never owned or

Settlements of legal and regulatory matters frequently require court approval. In the event a court were not to approve of a settle
possible that we and the other party or parties to the matter might not be able to settle it on terms that were acceptable to all parties c
could be required to accept more stringent terms of settlement than required by the opposin

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We have included additional information with respect to pending legal and regulatory proceedings in Note 20 of our Consolidated
Statements and in this report in Part I, Item 3, Legal Pr

These legal and regulatory proceedings involve inherent uncertainties and could negatively impact our business, results of operations,
or financial c

The permitting, financial assurance and other environmental, health and safety laws and regulations to which we are sub become more stringent over time. This could increase the effects on us of these laws and regulations, and the increased effects

Continued government and public emphasis on environmental, health and safety issues in the U.S., Canada, China, Brazil and other where we operate can be expected to result in requirements that apply to us and our operations that are more stringent than thos described above and elsewhere in this report. These more stringent requirements may include among other matters increased levels investments and expenditures for environmental controls at ongoing operations which will be charged against income from future o increased levels of the financial assurance requirements to which we are subject, increased efforts or costs to obtain permits or denial o other new or interpretations of existing statutes or regulations that impose new or more stringent restrictions or liabilities, including under CERCLA or similar statutes, including restrictions or liabilities related to elevated levels of naturally-occurring radiation that a disturbing the ground in the course of mining activities, and other matters that could increase our expenses, capital requirements or lia adversely affect our business, liquidity or financial condition. In addition, to the extent restrictions imposed in countries where our co operate, such as China, India, Former Soviet Union countries or Morocco, are less stringent than in the countries where we op competitors could gain cost or other competitive advantages over us. These effects could be

Among other matters, there are several ongoing initiatives relating to nutrient discharges. New regulatory restrictions from these i could have a material effect on either us or our customers. For

On December 6, 2010, the EPA adopted numeric water quality standards for the discharge of nitrogen and/or phosphorus into Florida lakes and streams (the NNC Rule). The NNC Rule set criteria for such discharges that would require drastic reductions in the levels of nutrients allowed in Florida lakes and streams, and would have required us and others to significantly limit discharges of these nutrients in Florida by March, 2012. Subsequently, in a lawsuit that we and others brought, a federal court invalidated the NNC Rule in part, upheld it in part, remanded the invalid parts of the rule to the EPA for reconsideration and reproposal and postponed the effective date of the parts of the rule that the court upheld. The part of the EPA s NNC Rule that applies to lakes and springs is now in effect, and we are reviewing its potential effect on us. Other portions of the proposed NNC Rule remain pending. The Florida Department of Environmental Protection (FDEP) has adopted, and EPA has approved, state nutrient criteria rules that would supplant the federal NNC Rule. A recent court ruling paves the way for the EPA to withdraw the federal NNC Rule for lakes and springs, and to withdraw the proposed federal NNC Rule for streams and flowing waters, allowing the FDEP criteria to become effective. Subject to further rulemaking and litigation developments, we expect that compliance with the requirements of nutrient criteria rules could adversely affect our Florida Phosphate operations, require significant capital expenditures and substantially increase our annual operating expenses.

The Gulf Coast Ecosystem Restoration Task Force, established by executive order of the President and comprised of five Gul and eleven federal agencies, has delivered a final strategy for long-term ecosystem restoration for the Gulf Coast. The strateg for, among other matters, reduction of the flow of excess nutrients into the Gulf through state nutrient reduction frameworks, nutrient reduction approaches and reduction of agricultural and urban sources of excess nutrients. Implementation of the strat require legislative or regulatory action at the state level. We cannot predict what the requirements of any such legislative or re action could be or whether or how it would affect us or our customers.

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In March 2012, several nongovernmental organizations brought a lawsuit in federal court against the EPA, seeking to require establish numeric nutrient criteria for nitrogen and phosphorous in the Mississippi River basin and the Gulf of Mexico. The E previously denied a 2008 petition seeking such standards. On May 30, 2012, the court granted our motion to intervene in this On September 20, 2013 the Court ruled that the EPA had to respond directly to the environmental organizations petition as t numeric nutrient criteria for the Mississippi River basin and Gulf of Mexico are necessary under the Clean Water Act, but EPA had the discretion to rely on administrative, policy and other non-technical factors in responding to the petition. The EPA considering appealing the district court decision. In the event that the EPA were to adopt numeric nutrient criteria for the Mis River basin and the Gulf of Mexico, we cannot predict what these requirements would be or the effects they would have on us customers.

Regulatory restrictions on greenhouse gas emissions in the United States, Canada or elsewhere could adversely affect us, a effects could be

Various governmental initiatives to limit greenhouse gas emissions are under way or under consideration around the world. These i could restrict our operating activities, require us to make changes in our operating activities that would increase our operating costs, re efficiency or limit our output, require us to make capital improvements to our facilities, increase our energy, raw material and trans costs or limit their availability, or otherwise adversely affect our results of operations, liquidity or capital resources, and these effects mate

Governmental greenhouse gas emission initiatives include amo

Initiatives in the United States: Various legislative or regulatory initiatives relating to greenhouse gases have been adopted or considered by the U.S. Congress, the EPA or various states. It is possible that future legislation or regulation addressing clima change could adversely affect our operating activities, energy, raw material and transportation costs, results of operations, liqu capital resources, and these effects could be material.

Initiatives in Canada: Canada remains committed to addressing climate change. Under the United Nations Framework Conve Climate Change (UNFCCC), Canada signed the Copenhagen Accord in December 2009 and committed to reduce its greenho (GHG) emissions to 17% below 2005 levels by 2020. The government is pursuing a sector-by-sector regulatory approach alig the United States, where appropriate. Our Saskatchewan Potash facilities continue to work with the Canadian Fertilizer Institu Environment Canada on a sector based approach.

In May 2009, the Province of Saskatchewan, in which our Canadian potash mines are located, began to consider legislation intended the development and administration of climate change regulation in Saskatchewan by the Province rather than the federal governm elements under consideration by the Province include a primary focus on achieving a 20% reduction by 2020. Under the proposed fra compliance mechanisms such as the Technology Fund, Recognition for Early Action, Pre-Certified Investments, Emission Intens Exposed credits and carbon offsets would be established to provide flexibility for regulated emitters to meet their greenhouse gas ob

International Initiatives. Although international negotiations concerning greenhouse gas emission reductions and other respon climate change are underway, final obligations in the post-Kyoto Protocol period after 2012 remain undefined. Any new inter agreements addressing climate change could adversely affect our operating activities, energy, raw material and transportation results of operations, liquidity or capital resources, and these effects could be material. In addition, to the extent climate chang restrictions imposed in countries where our competitors operate, such as China, India, Former Soviet Union countries or Moro less stringent than in the United States or Canada, our competitors could gain cost or other competitive advantages over us.

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Future climate change could adversely

The prospective impact of potential climate change on our operations and those of our customers and farmers remains uncertain. Some have hypothesized that the impacts of climate change could include changes in rainfall patterns, water shortages, changing sea levels, storm patterns and intensities, and changing temperature levels and that these changes could be severe. These impacts could vary by g location. At the present time, we cannot predict the prospective impact of potential climate change on our results of operations, li capital resources, or whether any such effects could be mate

Some of our competitors and potential competitors have greater resources than we do which may place us at a competitive disa and adversely affect our sales and profitability. These competitors include state-owned and government-subsidized entitie c

We compete with a number of producers in North America and throughout the world, including state-owned and government-s entities. Some of these entities may have greater total resources than we do, and may be less dependent on earnings from crop nutri than we are. In addition, some of these entities may have access to lower cost or government-subsidized natural gas supplies, placi competitive disadvantage. Furthermore, governments as owners of some of our competitors may be willing to accept lower p profitability on their products in order to support domestic employment or other political or social goals. To the extent other produce nutrients enjoy competitive advantages or are willing to accept lower profit levels, the price of our products, our sales volumes and o may be adversely

We have substantial cash balances that we invest in what we believe to be relatively short-term, highly liquid and high credi investments. We intend the investment risks, including counterparty default and lack of liquidity, on these types of investme relatively low, but market rates of return on these types of investments are also generally relatively low. In addition, our manage the investment risks could be unsuccessful. This could result in a material adverse effect on our results of operations, or financial c

Our significant cash flows from operations have resulted in cash and cash-equivalents of approximately $5.3 billion as of December Our cash and cash-equivalents should continue to increase when we generate cash from operations, except to the extent we reinv business or make distributions to our stockholders. We generally invest these cash and cash-equivalents in what we believe to be short-term, highly liquid and high credit quality instruments. Because of these characteristics of our cash and cash-equivalents, the ma of return on them are lower than our expectations for the return on capital invested in our business operations. Moreover, our efforts t investment risk by focusing our investing on short-term, highly liquid and high credit quality investments could prove unsucce likelihood that our efforts to manage investment risk might prove unsuccessful is heightened during times when there is significant t the financial markets. As a result, counterparties could default on their obligations to us, or the liquidity of financial instruments tha could become impaired. Any such event could have a material adverse effect on our results of operations, liquidity or financial c

Until November 26, 2013, the agreements relating to the Cargill Transaction restricted our ability to repurchase shares of o Since December 31, 2013, we have repurchased approximately 27.2 million Class A Shares, and we have agreed to repur additional aggregate 24.3 million Class A Shares. We have also recently announced a share repurchase program of up to $1 b line with our capital management policy. These share repurchases have, and are expected to continue to, reduce our cash bala

The agreements relating to the Cargill Transaction prevented us from repurchasing our shares in a negotiated transaction or through op repurchases until November 26, 2013. On December 6, 2013, we entered into the MAC Trusts Share Repurchase Agreement to purch our Class A Shares held by

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Trusts through a series of eight purchases during the period January 8, 2014 through July 30, 2014. As of the date of this report
repurchased 24,739,436 of such shares for an aggregate of $1.1 billion, and an additional 18,554,579 Class A Shares remain to be rep

In addition to the Class A Shares repurchased or to be repurchased by Mosaic under the MAC Trusts Share Repurchase Agreement, Trusts own an aggregate of 21,647,007 shares of Common Stock that were converted from outstanding Class A shares Serie November 26, 2013. Under the MAC Trusts Share Repurchase Agreement, through January 1, 2015, the MAC Trusts have grante certain rights of first offer with respect to proposed sales in a market transaction or block trade, through or with a broker or dealer, of r 5,000,000 of these shares of Common Stock, and certain rights of first refusal with respect to other proposed sales by the MAC Trust than 5,000,000 of these shares of Common Stock. On February 11, 2014, we also announced that our Board of Directors has authorize repurchase program of up to $1 billion, allowing us to repurchase Class A Shares or shares of Common Stock, through direct buyba open market transactions, in line with our capital management policy. On February 14, 2014, we announced that we had entered into th Trusts Share Repurchase Agreements pursuant to which we had purchased 2.4 million Class A Shares for approximately $112 millio agreed to repurchase an additional 5.8 million Class A Shares as of March 17, 2014 as part of the Repurchase

Under our capital management policy, we have also indicated our willingness to use our available debt capacity, as well as our surplu fund share repurchases, financial assurance requirements arising in our business and strategic investments. Our use of our surplus ca available debt capacity for these purposes has reduced our available cash and liquidity since December 31, 2013. To the extent w surplus cash and/or available debt capacity for these purposes in the future, our available cash and liquidity could be further

Our purchase price per Class A share for our future purchases under the Share Repurchase Agreements is determined by ref the market price of our Common Stock for the twenty trading days preceding each repurchase. To the extent the market pri Common Stock increases during this period, the price per Class A share under the Share Repurchase Agreements will

Our purchase price per Class A share for future purchases under the Share Repurchase Agreements is determined by the Common Mar as defined in Mosaic s Restated Certificate of Incorporation, which, in turn, is determined by reference to the market price of our Com for the twenty trading days prior to each repurchase. To the extent the market price of our Common Stock increases during the twen day period prior to any repurchase, the price per Class A share under the Share Repurchase Agreements will increase. If the market pr Common Stock increases beyond our expectations, our purchase price could increase beyond our expectations and adversely affect th we anticipate from our repurchases of Class A shares under the Share Repurchase Agreements and our

We do not own a controlling equity interest in our non-consolidated companies, some of which are foreign companies, and there operating results and cash flow may be materially affected by how the governing boards and majority owners operate such bu There may also be limitations on monetary distributions from these companies that are outside of our control. Together, thes may lower our equity earnings or cash flow from such businesses and negatively impact our results of op

We recently entered into the Northern Promise Joint Venture to develop a mine and chemical complexes for an estimated $7 billion th produce phosphate fertilizers, animal feed, feed grade purified phosphoric acid and sodium tripolyphosphate in the Kingdom of Sauc We have a 25% interest in the joint venture and expect our cash investment will be up to $1 billion, funded over a four-year period. Th of this joint venture will depend on, among other matters, the ability of the Northern Promise Joint Venture to obtain project fin acceptable amounts and upon acceptable terms, the future success of current plans for the Northern Promise Joint Venture and a changes in the

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We also hold minority ownership interests in a joint venture that owns and operates a phosphate rock mine and in other companies th
controlled by us. We expect that the operations and results of the Northern Promise Joint Venture will be, and the operations or result
of the other joint ventures or companies are, significant to us, and their operations can affect our earnings. Because we do not con
companies either at the board or stockholder levels and because local laws in foreign jurisdictions and contractual obligations m
restrictions on monetary distributions by these companies, we cannot ensure that these companies will operate efficiently, pay divi
generally follow the desires of our management by virtue of our board or stockholder representation. As a result, these compa
contribute less than anticipated to our earnings and cash flow, negatively impacting our results of operations and

Strikes or other forms of work stoppage or slowdown could disrupt our business and lead to increas

Our financial performance is dependent on a reliable and productive work force. A significant portion of our workforce, and that o
ventures in which we participate, is covered by collective bargaining agreements with unions. Unsuccessful contract negotiations o
labor relations could result in strikes or slowdowns. Any disruptions may decrease our production and sales or impose additional costs t
disputes. The risk of adverse labor relations may increase as our profitability increases because labor unions expectations and demand
rise at th

Our Esterhazy mine has had an inflow of salt saturated brine for more than

Since December 1985, we have had inflows of salt saturated brine into our Esterhazy, Saskatchewan mine. Over the past century, seve
mines experiencing water inflow problems have flooded. In order to control brine inflows at Esterhazy, we have incurred, and will co
incur, expenditures, certain of which, due to their nature, have been capitalized, while others have been charged to

At various times, we experience changing amounts and patterns of brine inflows at the Esterhazy mine. Periodically, some of these infl
exceeded available pumping capacity. If that were to continue for several months without abatement, it could exceed our availab
capacity and ability to effectively manage the brine inflow. This could adversely affect production at the Esterhazy mine. See Key F
can Affect Results of Operations and Financial Condition and Potash Net Sales and Gross Margin in our Management s Analysis
of costs and other information relating to the brine inflows. The brine inflow is variable, resulting in both net inflows (the rate of inflo
than the amount we are pumping out of the mine) and net outflows (when we are pumping more brine out of the mine than the rate o
There can be no assur

our pumping, surface storage, underground storage or injection well capacities for brine will continue to be sufficient, or that
pumping, grouting and other measures that we use to manage the inflows at the Esterhazy mine will continue to be effective;

there will not be a disruption in the supply of calcium chloride, which is a primary material used to reduce or prevent the flow
incoming brine;

our estimates of the volumes of net inflows or net outflows of brine, or storage capacity for brine at the Esterhazy mine, are a

the volumes of the brine inflows will not fluctuate from time to time, the rate of the brine inflows will not be greater than our
experience or current assumptions, changes in inflow patterns will not adversely affect our ability to locate and manage the in
that any such fluctuations, increases or changes would not be material; and

the expenditures to control the inflows will be consistent with our prior experience or future estimates.

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From time to time, new or improved technology becomes available to facilitate our remediation of the inflows, such as horizont
techniques. Taking advantage of these new or improved technologies may require significant capital expenditures and/or may increase
of ren

It is possible that the costs of remedial efforts at Esterhazy may further increase beyond our current estimates in the future and th
increase could be material, or, in the extreme scenario, that the water inflows, risk to employees or remediation costs may increase
which would cause us to change our mining processes or abandon the mine, which in turn could significantly negatively impact our
operations, liquidity or capital r

Due to the ongoing brine inflow at Esterhazy, underground operations at this facility are currently not insurable for water incursion
Our mines at Colonsay, Saskatchewan, and Carlsbad, New Mexico, are also subject to the risks of inflow of water as a result of our sh
o

**Other accidents occurring in the course of our operating activities could result in significant liabilities, interruptions or shut
facilities or the need for significant safety or other expe**

We engage in mining and industrial activities that can result in serious accidents. Mining, in particular, can be a dangerous activity. If
procedures are not effective, or if an accident occurs, we could be subject to liabilities arising out of personal injuries or death, our
could be interrupted and we might have to shut down or abandon affected facilities. Accidents could cause us to expend significant a
remediate safety issues or to repair damaged facilities. For

Some of our mines are subject to potential damage from earthquakes.
The excavation of mines can result in potential seismic events or can increase the likelihood or potential severity of a seismic event. Th
fall of water levels, such as those arising from the brine inflows and our remediation activities at our Esterhazy mine, can also r
increase the likelihood or potential severity of a seismic event. Our Esterhazy mine has experienced minor seismic events from time t
significant seismic event at one of our mines could result in damage to or flooding of the mine or, in the extreme scenario, cause us
our mining process or abandon

**Our underground potash shaft mines are subject to risk from fire. In the event of a fire, if our emergency procedures
successful, we could have significant injuries or deaths. In addition, fire at one of our underground shaft mines could
operations at the affected mine while we investigate the origin of the fire or for longer periods for remedial work or ot**
Our underground potash shaft mines at Esterhazy and Colonsay, Saskatchewan and Carlsbad, New Mexico are subject to risk from
failure of our safety procedures in the future could result in serious injuries or death, or shutdowns, which could result in significant
and/or impact on the financial performance of our Potash business, including a possible material adverse effect on our results of o
liquidity or financial

**We handle significant quantities of ammonia at several of our facilities. If our safety procedures are not effective, an a
involving our ammonia operations could result in serious injuries or death, or result in the shutdown of our facilities.**
We produce ammonia at our Faustina, Louisiana phosphate concentrates plant, use ammonia in significant quantities at all of our F
Louisiana phosphates concentrates plants and store ammonia at some of our distribution facilities. For our Florida phosphates co
plants, ammonia is received at terminals in Tampa and transported by pipelines to our facilities. Our ammonia is generally s
transported at high pressures. An accident could occur that could result in serious injuries or death, or the evacuation of areas near an
An accident could also result in

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damage or the shutdown of our Florida or Louisiana phosphates concentrates plants, the ammonia terminals or pipelines serving those our other ammonia storage and handling facilities. As a result, an accident involving ammonia could have a material adverse eff results of operations, liquidity or financial c

We also use or produce other hazardous or volatile chemicals at some of our facilities. If our safety procedures are not effective, an accident involving these other hazardous or volatile chemicals could result in serious injuries or death, or the shutdown of our facilities.

We use sulfuric acid in the production of concentrated phosphates in our Florida and Louisiana operations. Some of our Florida and facilities produce fluorosilicic acid, which is a hazardous chemical, for resale to third parties. We also use or produce other hazardous c chemicals at some of our facilities. An accident involving any of these chemicals could result in serious injuries or death, or evacuatio near an accident. An accident could also result in property damage or shutdown of our facilities, or cause us to expend significant a remediate safety issues or to repair damaged facilities. As a result, an accident involving any of these chemicals could have a materi effect on our results of operations, liquidity or financial c

Deliberate, malicious acts, including terrorism, could damage our facilities, disrupt our operations or injure employees, con customers or the public and result in liabil

Intentional acts of destruction could hinder our sales or production and disrupt our supply chain. Our facilities could be damaged or d reducing our operational production capacity and requiring us to repair or replace our facilities at substantial cost. Employees, contra the public could suffer substantial physical injury for which we could be liable. Governmental authorities may impose securit requirements that could make our operations more difficult or costly. The consequences of any such actions could adversely affect our results and financial c

We may be adversely affected by changing antitrust laws to which we are subject. Increases in crop nutrient prices can inc scrutiny to which we are subject under th

We are subject to antitrust and competition laws in various countries throughout the world. We cannot predict how these law interpretation, administration and enforcement will change over time. Changes in antitrust laws globally, or in their interpretation, admi or enforcement, may limit our existing or future operations and growth, or the operations of Canpotex and PhosChem, which serve associations for our Potash and Phosphates businesses, respectively. Increases in crop nutrient prices have in the past resulted in scrutiny of the crop nutrient industry under antitrust and competition laws and can increase the risk that these laws could be in administered or enforced in a manner that could affect our operating practices or impose liability on us in a manner that could r adversely affect our operating results and financial c

We may be adversely affected by other changes in laws resulting from increases in food and crop nutrie

Increases in prices for, among other things, food, fuel and crop inputs (including crop nutrients) have in the past been the subject of s discussion by various governmental bodies and officials throughout the world. In response to increases, it is possible that governments more of the locations in which we operate or where we or our competitors sell our products could take actions that could affect us. Suc could include, among other matters, changes in governmental policies relating to agriculture and biofuels (including changes in subsid price controls, tariffs, windfall profits taxes or export or import taxes. Any such actions could materially adversely affect our operati and financial c

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Our competitive position could be adversely affected if we are unable to participate in continuing industry cons

Most of our products are readily available from a number of competitors, and price and other competition in the crop nutrient industry i In addition, crop nutrient production facilities and distribution activities frequently benefit from economies of scale. As a result, pa during pronounced cyclical troughs, the crop nutrient industry has a long history of consolidation. Mosaic itself is the result of a n industry consolidations. We expect consolidation among crop nutrient producers could continue. Our competitive position could su extent we are not able to expand our own resources either through consolidations, acquisitions, joint ventures or partnerships. In the f may not be able to find suitable companies to combine with, assets to purchase or joint venture or partnership opportunities to pursu we are able to locate desirable opportunities, we may not be able to enter into transactions on economically acceptable terms. If successfully participate in continuing industry consolidation, our ability to compete successfully could be adversely affected and re loss of customers or an uncompetitive cost structure, which could adversely affect our sales and pro

Our strategy for managing market risk may not be

Our businesses are affected by fluctuations in market prices for our products, the purchase price of natural gas, ammonia and sulfur co operations, freight and shipping costs and foreign currency exchange rates. We periodically enter into derivatives and forward contracts to mitigate some of these risks. However, our strategy may not be successful in minimizing our exposure to these fluctua Market Risk in our Management s Analysis and Note 14 of our Consolidated Financial Statements that is incorporated by referenc in Part I

A shortage of railcars, barges and ships for carrying our products and the raw materials we use in our business could result in dissatisfaction, loss of production or sales, and higher transportation or equipm

We rely heavily upon truck, rail, barge and ocean freight transportation to obtain the raw materials we need and to deliver our produ customers. In addition, the cost of transportation is an important part of the final sale price of our products. Finding affordable and de transportation is important in obtaining our raw materials and to supply our customers. Higher costs for these transportation serv interruption or slowdown due to factors including high demand, high fuel prices, labor disputes, layoffs or other factors affecting the a of qualified transportation workers, adverse weather or other environmental events, or changes to rail, barge or ocean freight syste negatively affect our ability to produce our products or deliver them to our customers, which could affect our performance and o

Strong demand for grain and other products and a strong world economy increase the demand for and reduce the availability of tran both domestically and internationally. Shortages of railcars, barges and ocean transport for carrying product and increased transit result in customer dissatisfaction, loss of sales and higher equipment and transportation costs. In addition, during periods when the industry has a shortage of ships the substantial time needed to build new ships prevents rapid market response. Delays and missed ship to transportation shortages, including vessels, barges, railcars and trucks, could result in customer dissatisfaction or loss of sales potent could negatively affect our performance and results of o

A lack of customers access to credit can adversely affect their ability to purchase our

Some of our customers require access to credit to purchase our products. A lack of available credit to customers in one or more countr global or local economic conditions or for other reasons, could adversely affect demand for crop

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We extend trade credit to our customers and guarantee the financing that some of our customers use to purchase our produ results of operations may be adversely affected if these customers are unable to repay the trade credit from us or financing fr banks. Increases in prices for crop nutrient, other agricultural inputs and grain may increase

We extend trade credit to our customers in the United States and throughout the world, in some cases for extended periods of time. where there are fewer third-party financing sources available to farmers, we also have several programs under which we guarantee c financing from financial institutions that they use to purchase our products. As our exposure to longer trade credit extended throu world and use of guarantees in Brazil increases, we are increasingly exposed to the risk that some of our customers will not pay amounts we have guaranteed. Additionally, we become increasingly exposed to risk due to weather and crop growing conditions, fluctu commodity prices or foreign currencies, and other factors that influence the price, supply and demand for agricultural commodities. S defaults by our customers could adversely affect our financial condition and results of o

Increases in prices for crop nutrients increase the dollar amount of our sales to customers. The larger dollar value of our customers may also lead them to request longer trade credit from us and/or increase their need for us to guarantee their financing of our produc factor could increase the amount of our exposure to the risk that our customers may be unable to repay the trade credit from us or financ their banks that we guarantee. In addition, increases in prices for other agricultural inputs and grain may increase the workin requirements, indebtedness and other liabilities of our customers, increase the risk that they will default on the trade credit from u financing that we guarantee, and decrease the likelihood that we will be able to collect from our customers in the event of the

Tax rules governing the Cargill Transaction limited our ability to execute certain actions for a period of time following th Transaction and, if our procedures for compliance with those restrictions were ineffective, notwithstanding the IRS ruling opinion issued to Cargill in connection with the Cargill Transaction, we could owe significant tax-related indemnification lia

The IRS issued a ruling to the effect that the Split-off that was part of the Cargill Transaction would be tax-free to Cargill and its stoc and in connection with the completion of the Cargill Transaction, Cargill received a tax opinion relating to certain tax consequen Cargill Transaction. Notwithstanding the IRS ruling and tax opinion, however, the Split-off and Debt Exchanges could be taxable to C its stockholders under certain circumstances. Therefore, we and Cargill agreed to tax-related restrictions and indemnities set fort agreement related to the Cargill Transaction, under which we were restricted or deterred from taking certain actions until May including (i) redeeming or purchasing our stock in excess of agreed-upon amounts; (ii) issuing any equity securities in excess of ag amounts; (iii) approving or recommending a third party s acquisition of us; (iv) permitting any merger or other combination of Mosa Holdings; and (v) entering into an agreement for the purchase of any interest in Mosaic or MOS Holdings, subject to certain excep agreed to indemnify Cargill for taxes and tax-related losses imposed on Cargill as a result of the Split-off and/or Debt Exchange qualify as tax-free, if the taxes and related losses are attributable to, arise out of or result from certain prohibited acts or to any bre inaccuracy in, any representation, warranty or covenant made by us in the tax agreement referred to above. The taxes and tax-related Cargill would be material if these transactions fail to qualify as tax-free, and, if our procedures for avoiding any of these prohibit breaches were ineffective, this indemnity would result in material liabilities from us to Cargill that could have a material adverse eff For a further discussion of the restrictions and indemnities set forth in the agreements related to the Cargill Transaction, please see Not Consolidated Financial St

Provisions in our restated certificate of incorporation and bylaws and of Delaware law may prevent or delay an acquisiti company, which could decrease the trading price of our comm

Our restated certificate of incorporation and our amended and restated bylaws contain provisions that could have the effect of render difficult or discouraging an acquisition deemed undesirable by ou

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directors. These provisions include the ability of our board of directors to issue preferred stock without stockholder approval, the clas of our board of directors into three classes, a prohibition on stockholder action by written consent and the inability of our stockholders that our board of directors or chairman of our board call a special meeting of stoc

We are also subject to Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held corporation from engaging in a business combination with an interested stockholder for a period of three years from the date of th which the person became an interested stockholder, unless the interested stockholder attained this status with the approval of the directors or unless the business combination was approved in a prescribed manner. A business combination includes mergers, as other transactions resulting in a financial benefit to the interested stockholder. Subject to exceptions, an interested stockholder is a together with affiliates and associates, owns, or within three years owned, 15% or more of the corporation s voting stock. This st prohibit or delay the accomplishment of mergers or other takeover or change in control attempts with respect to us and, accordi discourage attempts to a

These provisions apply not only when they may protect our stockholders from coercive or otherwise unfair takeover tactics but even i may be considered beneficial by some stockholders and could delay or prevent an acquisition that our board of directors determines is best interests or those of our stoc

Our success will increasingly depend on our ability to attract and retain highly qualified and motivated en

We believe our continued success depends on the collective abilities and efforts of our employees. Like many businesses, a significa of our employees, including some of our most highly skilled employees with specialized expertise in potash and phosphates operatio approaching retirement age throughout the next decade and beyond. In addition, we compete for a talented workforce with other b particularly within the mining and chemicals industries in general and the crop nutrients industry in particular. Our expansion plans dependent on our ability to attract, retain and train highly qualified and motivated employees who are essential to the success of ou operations as well as to our expansion plans. If we were to be unsuccessful in attracting, retaining and training the employees we re ongoing operations and expansion plans could be materially and adversely

Future technological innovation could affect our

Future technological innovation such as the development of seeds that require less crop nutrients, or developments in the applicatio nutrients, if they occur, could have the potential to adversely affect the demand for our products and our results of operations, liq capital

The success of our strategic initiatives depends on our ability to effectively manage these in

We have initiated several significant strategic initiatives, principally our plans to expand the annual production capacity of our Potash the Northern Promise Joint Venture and the CF Phosphate Assets Acquisition. These strategic initiatives involve capital and other exp of several billions of dollars over a number of years and require effective project management. To the extent the processes we (Northern Promise Joint Venture, we together with Ma aden and SABIC) put in place to manage these initiatives are not effective, expenditure and other costs may exceed our expectations or the benefits we expect from these initiatives might not be fully

We may fail to realize the anticipated benefits and cost savings of the CF Phosphate Assets Acquisition and the CF Ammoni Agreements within the anticipated time frame

The success of the proposed CF Phosphate Assets Acquisition and the CF Ammonia Supply Agreements will depend, in part, on our realize the anticipated benefits and cost savings from combining CF s

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mining and production operations with our operations in Central Florida, our ability to avoid or delay future capital spending as a res transactions and our ability to realize cost savings from natural gas based pricing under one of the long term CF Ammonia Supply Ag Our ability to realize these anticipated benefits and cost savings is subject to certain risks i

Our ability to successfully consolidate both companies phosphate mining, manufacturing, purchasing, transportation and logistics activities in Central Florida and to eliminate duplicative overhead and other costs;

Our ability to avoid certain planned capital expenditures necessary for future mines through utilization of some of the mining infrastructure assets we would acquire from CF and to avoid the capital expenditures for our own new ammonia plant as a res CF Ammonia Supply Agreements;

Whether the combined operations will perform as expected;

Whether CF successfully performs its obligations under the CF Ammonia Supply Agreements over the life of its commitmen

Whether the integration of operations in Central Florida takes longer than anticipated or involves higher than projected integr costs;

Whether the integration process disrupts our on-going operations in Central Florida or diverts the attention of our manageme our current operations; and

The cooperation of federal, state and local governmental agencies on matters relating to the acquisition, including permitting, replacement of CF s $200 million of escrowed financial assurance earmarked for closure and long-term care of CF s phosph stacks in Florida, and other regulatory enforcement matters.

If we are not able to successfully combine CF s operations with our operations within the anticipated time frame, or at all, the antic savings and other benefits of the proposed acquisition may not be realized fully or at all or may take longer to realize than expecte combined operations may not perform as

In addition, we use ammonia as a raw material in the production of our concentrated phosphate products. Under one of the CF Ammon Agreements, we have agreed to purchase 545,000 to 725,000 tonnes of ammonia per year for up to 15 years at a price to be determ formula based on the prevailing price of U.S. natural gas. This agreement is expected to commence prior to January 1, 2017, whether acquisition closes. If the price of natural gas rises or the market price for ammonia falls outside of the range we currently anticipate, w fully realize the cost benefit we anticipate from the natural gas based pricing under this agreement, or the cost of our ammonia u agreement could be a competitive disa

The CF Phosphate Assets Acquisition is subject to review under antitrust laws and requires governmental approvals wh jeopardize completion of the acquisition or impose conditions on the acquisition that could have a material adverse effect on o to realize the anticipated benefits of the ac

Completion of the acquisition is conditioned upon obtaining certain required governmental authorizations. Although we and CF have use our commercially reasonable efforts, subject to certain limitations, to make certain governmental filings or obtain the required gov authorizations, as the case may be, there can be no assurance that the authorizations will be obtained, and we and CF are not obligated any and all conditions imposed by governmental authorities in order to obtain such authorizations. In addition, the governmental autho or from which these authorizations are required have broad discretion in administering the governing regulations. As a condition to aut of the acquisition, these governmental authorities may impose requirements, limitations or costs or require divestitures or place restr

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conduct of the business after completion of the acquisition. Our acceptance of any such divestiture requests or other restrictions on c could diminish the benefits of the acquisition and result in additional transaction costs, loss of revenue or other effects associ restrictions on business o

In addition, at any time before or after completion of the acquisition, the Antitrust Division of the U.S. Department of Justice or the U.S Trade Commission, any state or certain foreign governments could take various actions under antitrust, competition or similar laws, seeking to enjoin the completion of the acquisition or to rescind the acquisition. Private parties also may seek to take legal action under competition or similar laws under certain circumstances. A challenge to the acquisition on antitrust, competition or similar ground made by any of these governmental or private parties and, if such a challenge is made, it is possible that we and CF will no

Our benefits from the proposed CF Phosphate Assets Acquisition depend on the accuracy of our estimates of the liabi obligations we are assuming in the tra

We are assuming various liabilities and obligations of CF as part of the CF Phosphate Assets Acquisition. The benefits we expect acquisition depend on our estimates of these liabilities and obligations. To the extent we have underestimated these liabilities and ob we might not fully realize the benefits we are expecting from the ac

Item 1B. Unresolved Staff Co

Item 2. Pr

Information regarding our plant and properties is included in Part I, Item 1, Business, o

Item 3. Legal Pro

We have included information about legal and environmental proceedings in Note 20 of our Notes to Consolidated Financial Statem information is incorporated herein by r

We are also subject to the following legal and environmental proceedings in addition to those described in Note 20 of our Notes to Co Financial St

Water Quality Regulations for Nutrient Discharges in Florida. On December 7, 2010, we filed a lawsuit in the U.S. District Co the Northern District of Florida, Pensacola Division, against the EPA challenging a rule adopted by the EPA that set numeric w quality standards (the ***NNC Rule***) for nitrogen and/or phosphorus in Florida lakes and streams. Our lawsuit was subsequentl transferred to the U.S. District Court for the Northern District of Florida, Tallahassee Division (the ***Tallahassee District Cour*** consolidation with a number of lawsuits brought by other parties challenging the NNC Rule. The NNC Rule set criteria that wo require drastic reductions in the levels of nutrients discharged into Florida lakes and streams, and would have required us and o significantly limit discharges of these nutrients in Florida beginning in March 2012. Our lawsuit asserted, among other matters criteria set by the EPA did not comport with the requirements of the Federal Water Pollution Control Act or the Administrative Procedure Act, and sought a declaration that the NNC Rule is arbitrary, capricious, an abuse of discretion and not in accordanc law, and vacating the NNC Rule and remanding it for further rulemaking proceedings consistent with the Federal Water Polluti Control Act and its implementing regulations.

In February 2012, the Tallahassee District Court invalidated the NNC Rule in part and upheld it in part, and remanded the invalid pa rule to the EPA for reconsideration and reproposal. The Ta

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District Court subsequently ordered that the effective date of the parts of the NNC Rule that the court had upheld and any parts re-pr
comply with the court s order be postponed until Jan

The Florida Department of Environmental Protection (the ***FDEP***) has adopted state rules that will, if they ultimately become effect
the requirements of the NNC Rule and mitigate some of the potential adverse effects of the NNC Rule. In June 2012, the FDEP rule w
by a state administrative law judge in an administrative proceeding challenging the rule brought by certain nongovernmental organiz
the FDEP rule was submitted to the EPA for approval. In July 2012, the nongovernmental organizations appealed the state administr
judge s decision upholding the FDEP rule to the Florida First District Court of Appeal. In February 2013, the Florida First Distr
Appeal upheld the administrative law judge

In November 2012, the EPA approved the FDEP rule, and also proposed two rules that would establish new federal nutrient c
(i) streams and unimpaired lakes, and (ii) coastal waters, certain estuaries not covered in the FDEP rule and flowing waters in South Fl
EPA has stated that the criteria in the two new proposed rules will not go into effect if the EPA and FDEP take actions necessary to m
terms of a 2009 consent decree to enable EPA approval of the FDEP rule to meet the consent decree ob

On March 15, 2013, the EPA and the FDEP announced that the agencies had reached an agreement in principle under which the FDE
EPA, would implement numeric nutrient criteria for Florid

On April 12, 2013, the Tallahassee District Court granted the EPA s motion to delay the effective date of the EPA s rules
downstream protection values but denied the EPA s motion to delay the effective date of the EPA s NNC Rule for lakes and sprin
now in effect. We are reviewing the potential effect on us of the NNC Rule for lakes an

On January 7, 2014, the court granted the EPA s motion to modify the consent decree and denied the environmental plaintiffs motio
the consent decree according to its original terms, which would have had the effect of requiring the EPA to finalize and apply the fed
Rule and prevent the state numeric nutrient criteria from becoming effective. This ruling paves the way for the EPA to withdraw t
NNC Rule for lakes and springs, and to withdraw the proposed federal NNC Rule for streams and flowing waters, allowing the FDEP
become

Subject to further litigation or rulemaking developments, we expect that compliance with the requirements of nutrient criteria r
adversely affect our Florida Phosphate operations, require significant capital expenditures and substantially increase our annual

Nutrient Discharges into the Gulf of Mexico and Mississippi River Basin. On March 13, 2012, the Gulf Restoration Network, t
Missouri Coalition for the Environment, the Iowa Environmental Council, the Tennessee Clean Water Network, the Minnesota
for Environmental Advocacy, Sierra Club, the Waterkeeper Alliance, Inc., the Prairie Rivers Network, the Kentucky Waterway
Alliance, the Environmental Law & Policy Center and the Natural Resources Defense Council, Inc. brought a lawsuit in the U.
District Court for the Eastern District of Louisiana (the ***Louisiana District Court***) against the EPA, seeking to require it to e
numeric nutrient criteria for nitrogen and phosphorous in the Mississippi River basin. In July 2011, the EPA had denied the pla
July 2008 petition seeking such standards. On May 30, 2012, the Louisiana District Court granted our motion to intervene in th
lawsuit.

On September 20, 2013, the Louisiana District Court issued a decision in this matter, holding that while the EPA was required t
directly to the petition and find that numeric nutrient crite

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were or were not necessary for the Mississippi River watershed, the EPA had the discretion to decide this issue based on non-technica including cost, policy considerations, administrative complexity and other issues. We understand that the EPA is considering an app

We intend to defend vigorously the EPA s decision not to establish numeric nutrient criteria for nitrogen and phosphorous in the River basin and the Gulf of Mexico. In the event that the EPA were to adopt such a rule, we cannot predict what its requirements wo the effects it would have on us or our c

Item 4. Mine Safety Dis

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Stre and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to th

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Item 5. Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity S

We have included information about the market price of, dividends on and the number of holders of our common stock under Quarte (Unaudited) in the financial information that is incorporated by reference in this report in Part II, Item 8, Financial Sta Supplement

The principal stock exchange on which our common stock is traded is The New York Stock E

The following provides information related to equity compensati

Plan category	Number of shares to be issued upon exercise of outstanding options, warrants and rights [a]	Weighted-average exercise price of outstanding options, warrants and rights [b]	Number of shares r available for future issu under equity compen (excluding shares in first colun
Equity compensation plans approved by stockholders	3,784,936	$ 44.82	16,
Equitycompensation plans not approved by stockholders	-	-	
Total	**3,784,936**	**$ 44.82**	**16,**

(a) Includes grants of stock options, time-based restricted stock units, performance units and retention awards. For purposes of the t above, the number of shares to be issued under a performance unit reflects the maximum number of shares of our common stock may be issued pursuant to such performance unit; the actual number of shares to be issued will depend on the change in the mark of our common stock over a three-year vesting period, with no shares issued if the market price of a share of our common stock vesting date (plus, for grants made on and after July 18, 2012 dividends thereon), is less than 50% of its market price on the date and the maximum number issued only if the market price of a share of our common stock at the vesting date (plus, for grants ma and after July 18, 2012 dividends thereon) is at least twice its market price on the date of grant. For purposes of the table above, number of shares to be issued under a retention award reflects the fixed dollar value of the award divided by the market price of of our common stock at the close of business on December 31, 2013. A retention award will be paid if the participant is employe on July 21, 2014.

(b) Includes weighted average exercise price of stock options only.

Pursuant to our equity compensation plans, we have granted and may in the future grant employee stock options to purchase shares of stock of Mosaic for which the purchase price may be paid by means of delivery to us by the optionee of shares of common stock of M are already owned by the optionee (at a value equal to market value on the date of the option exercise). During the period covered by th no options to purchase shares of common stock of Mosaic were exercised for which the purchase price wa

Item 6. Selected Financ

We have included selected financial data for the Stub Period and our fiscal years 2009 through 2013 under Five Year Compar financial information that is included in this report in Part II, Item 8, Financial Statements and Supplementary Data. This in incorporated herein by r

Item 7. Management s Discussion and Analysis of Financial Condition and Results of O

The Management s Discussion and Analysis of Financial Condition and Results of Operations listed in the Financial Table of Conten in this report is incorporated herein by r

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Item 7A. Quantitative and Qualitative Disclosures about Mar

We have included a discussion about market risks under Market Risk in the Management s Analysis that is included in this re Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operation . This information is incorpor r

Item 8. Financial Statements and Supplementa

Our Consolidated Financial Statements, the Notes to Consolidated Financial Statements, the report of our Independent Register Accounting Firm, and the information under Quarterly Results listed in the Financial Table of Contents included in this report are herein by reference. All other schedules for which provision is made in the applicable accounting regulation of the SEC are not requi the related instructions or are inapplicable, and therefore, have bee

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Di

Item 9A. Controls and Pro

(a) Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in our filings under the Exchange Act of 1934 (the ***Exchange Act***) is (i) recorded, processed, summarized and reported within the time periods specified rules and forms, and (ii) accumulated and communicated to management, including our principal executive officer and our principal officer, to allow timely decisions regarding required disclosures. Our management, with the participation of our principal executive o our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period c this Transition Report on Form 10-K. Our principal executive officer and our principal financial officer have concluded, base evaluations, that our disclosure controls and procedures were effective for the purpose for which they were designed as of the en

(b) Management s Report on Internal Control Over Financial Reporting

We have included management s report on internal control over financial reporting under Management s Report on Internal Financial Reporting listed in the Financial Table of Contents included in

We have included our registered public accounting firm s attestation report on our internal controls over financial reporting unde Independent Registered Public Accounting Firm listed in the Financial Table of Contents included in

This information is incorporated herein by r

(c) Changes in Internal Control Over Financial Reporting

Our management, with the participation of our principal executive officer and our principal financial officer, have evaluated any internal control over financial reporting that occurred during the calendar quarter ended December 31, 2013 in accordance with the req of Rule 13a-15(d) promulgated by the SEC under the Exchange Act. There were no changes in internal control over financial identified in connection with management s evaluation that occurred during the calendar quarter ended December 31, 2013 that have affected, or are reasonably likely to materially affect, our internal control over financial r

Item 9B. Other Info

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Item 10. Directors, Executive Officers and Corporate Gov

The information contained under the headings Proposal No. 1 Election of Directors, Corporate Governance Committee Directors, and Section 16(a) Beneficial Ownership Reporting Compliance included in our definitive proxy statement for ou meeting of stockholders and the information contained under Executive Officers of the Registrant in Part I, Item 1, Business, incorporated herein by r

We have a Code of Business Conduct and Ethics within the meaning of Item 406 of Regulation S-K adopted by the SEC under the Act that applies to our principal executive officer, principal financial officer and principal accounting officer. Our Code of Business and Ethics is available on Mosaic s website (www.mosaicco.com), and we intend to satisfy the disclosure requirement under Item 5. 8-K regarding any amendment to, or waiver from, a provision of our code of ethics by posting such information on our website. The inf contained on Mosaic s website is not being incorpora

Item 11. Executive Comp

The information under the headings Director Compensation , Executive Compensation , and Compensation Committee Inter Participation included in our definitive proxy statement for our 2014 annual meeting of stockholders is incorporated herein by

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder

The information under the headings Beneficial Ownership of Securities and Certain Relationships and Related Transactions definitive proxy statement for our 2014 annual meeting of stockholders is incorporated herein by reference. The table set forth in Part I Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities, of this incorporated herein by r

Item 13. Certain Relationships and Related Transactions, and Director Indep

The information under the headings Corporate Governance Board Independence, Corporate Governance Committees of the Bo Corporate Governance Other Policies Relating to the Board of Directors Policy and Procedures Regarding Transactions with Related Certain Relationships and Related Transactions included in our definitive proxy statement for our 2014 annual meeting of sto incorporated herein by r

Item 14. Principal Accounting Fees and

The information included under Audit Committee Report and Payment of Fees to Independent Registered Public Accounting Firm Independent Registered Public Accounting Firm and Audit Committee Report and Payment of Fees to Independent Regis Accounting Firm Pre-approval of Independent Registered Public Accounting Firm Services included in our definitive proxy state 2014 annual meeting of stockholders is incorporated herein by r

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Item 15. Exhibits and Financial Statement S

(a) (1) Consolidated Financial Statements filed as part of this report are listed in the Financial Table of Contents included in this r incorporated by reference in this report in Part II, Item 8, Financial Statements and Supplementary Data.

(2) All schedules for which provision is made in the applicable accounting regulations of the SEC are listed in this report in Pa Item 8, Financial Statements and Supplementary Data.

(3) Reference is made to the Exhibit Index beginning on page E-1 hereof.

(b) Exhibits

Reference is made to the Exhibit Index beginning on page E

(c) Summarized financial information of 50% or less owned persons is included in Note 9 of Notes to Consolidated Financial Statem Financial statements and schedules are omitted as none of such persons are significant under the tests specified in Regulation S-X Article 3.09 of general instructions to the financial statements.

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****

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this re
signed on its behalf by the undersigned, thereunto duly au

THE MOSAIC COMPANY
(Registrant)

/s/ James T. Prokopanko
James T. Prokopanko
Chief Executive Officer and President
Date: February

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on beh
registrant and in the capacities and on the dates i

Name	Title	Date
/s/ James T. Prokopanko	Chief Executive Officer and President and Director (principal executive officer)	February 18, 2
James T. Prokopanko		
/s/ Lawrence W. Stranghoener	Executive Vice President and Chief Financial Officer (principal financial officer)	February 18, 2
Lawrence W. Stranghoener		
/s/ Anthony T. Brausen	Senior Vice President Finance and Chief Accounting Officer (principal accounting officer)	February 18, 2
Anthony T. Brausen		
*	Chairman of the Board of Directors	February 18, 2
Robert L. Lumpkins		
*	Director	February 18, 2
Nancy E. Cooper		
*	Director	February 18, 2
Gregory L. Ebel		
*	Director	February 18, 2
Timothy S. Gitzel		
*	Director	February 18, 2
William R. Graber		
*	Director	February 18, 2
Emery N. Koenig		
*	Director	February 18, 2
William T. Monahan		
*	Director	February 18, 2
James L. Popowich		
*	Director	February 18, 2
David T. Seaton		
*	Director	February 18, 2
Steven M. Seibert		

***By:**

/s/ Lawrence W. Stranghoener
Lawrence W. Stranghoener

Attorney-in-Fact

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Exhibit Index

Exhibit No.	Description	Incorporated Herein by Reference to	Fi El Su
2.i.	Agreement and Plan of Merger and Contribution, dated as of January 26, 2004, by and among IMC Global Inc. (now known as Mosaic Global Holdings Inc.), Global Nutrition Solutions, Inc. (now known as MOS Holdings Inc. (MOS Holdings)), GNS Acquisition Corp., Cargill, Incorporated (Cargill) and Cargill Fertilizer, Inc., as amended by Amendment No. 1 to Agreement and Plan of Merger and Contribution, dated as of June 15, 2004, and as further amended by Amendment No. 2 to Agreement and Plan of Merger and Contribution, dated as of October 18, 2004*	Exhibit 2.1 to the Current Report on Form 8-K of Mosaic dated October 22, 2004, and filed on October 28, 2004**	
2.ii.	Letter Agreement dated April 11, 2005, to Agreement and Plan of Merger and Contribution, dated as of January 26, 2004, by and among IMC Global Inc., Global Nutrition Solutions, Inc., Cargill and Cargill Fertilizer, Inc., as amended by Amendment No. 1 to Agreement and Plan of Merger and Contribution, dated as of June 15, 2004, and as further amended by Amendment No. 2 to Agreement and Plan of Merger and Contribution, dated as of October 18, 2004	Exhibit 2 to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period ended February 28, 2005**	
2.iii	Form of Merger and Distribution Agreement, dated January 18, 2011, by and among MOS Holdings Inc., Cargill, The Mosaic Company (Mosaic, formerly known as GNS II (U.S.) Corp. (GNS), GNS Merger Sub LLC, and, for the limited purposes set forth therein, the Margaret A. Cargill Foundation, the Acorn Trust, the Lilac Trust and the Anne Ray Charitable Trust*	Annex A to the proxy statement/prospectus forming a part of the Registration Statement on Form S-4 filed by GNS pursuant to Rule 424(b)(3) of the Securities Act on April 11, 2011***	
2.iv.	Form of Registration Agreement, dated January 18, 2011, by and among MOS Holdings, Cargill, Mosaic, the Margaret A. Cargill Foundation, the Acorn Trust, the Lilac Trust and the Anne Ray Charitable Trust	Annex D to the proxy statement/prospectus forming a part of the Registration Statement on Form S-4 filed by GNS on February 4, 2011***	
2.v.	Form of Tax Agreement, dated January 18, 2011, by and among MOS Holdings, Mosaic and Cargill (the Tax Agreement)	Annex F to the proxy statement/prospectus forming a part of the Registration Statement on Form S-4 filed by GNS on February 4, 2011***	

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Exhibit No.	Description	Incorporated Herein by Reference to	Fi El Su
2.vi.	Amendment, dated May 24, 2011, to Tax Agreement	Exhibit 2.1 to the Current Report on Form 8-K12B of Mosaic dated May 24, 2011 and filed on May 25, 2011**	
2.vii.	Amended and Restated Governance Agreement, dated as of May 25, 2011, by and among MOS Holdings, Mosaic and each of the other parties thereto	Exhibit 2.2 to the Current Report on Form 8-K12B of Mosaic dated May 24, 2011 and filed on May 25, 2011**	
2.viii.	Form of Registration Rights Agreement, dated as of January 18, 2011, among MOS Holdings, Mosaic and Cargill	Annex G to the proxy statement/prospectus forming a part of the Registration Statement on Form S-4 filed by GNS on February 4, 2011***	
2.ix.	Form of Asset Purchase Agreement dated as of October 28, 2013, among CF Industries Holdings, Inc., CF Industries, Inc. and The Mosaic Company*	Exhibit 2.i. to the Current Report on Form 8-K of Mosaic dated October 28, 2013 and filed on October 29, 2013**	
3.i.	Restated Certificate of Incorporation of Mosaic	Exhibit 3.1 to Mosaic s Form 8-K12B dated May 24, 2011, and filed on May 25, 2011**	
3.ii.	Amended and Restated Bylaws of Mosaic, effective July 19, 2012	Exhibit 3.1 to Mosaic s Current Report on Form 8-K dated July 19, 2012, and filed on July 25, 2012**	
4.ii.	Indenture dated as of October 24, 2011, between Mosaic and U.S. Bank National Association, as trustee	Exhibit 4.i. to Mosaic s Current Report on Form 8-K dated October 24, 2011 and filed on October 24, 2011**	
4.iii.	Registrant hereby agrees to furnish to the Commission, upon request, with all other instruments defining the rights of holders of each issue of long-term debt of the Registrant and its consolidated subsidiaries		
10.i.(a).	MAC Trusts Share Repurchase Agreement dated December 6, 2013	Exhibit 10.i. to Mosaic s Current Report on Form 8-K dated December 5, 2013 and filed on December 10, 2013**	
10.i.(b).	Form of Family Trusts Share Repurchase Agreements dated February 14, 2014		X
10.iii.a.****	The Mosaic Company 2004 Omnibus Stock and Incentive Plan (the Omnibus Incentive Plan), as amended October 8, 2009	Appendix A to the Proxy Statement of The Mosaic Company dated August 25, 2009**	
10.iii.b.****	Form of Employee Non-Qualified Stock Option under the Omnibus Incentive Plan	Exhibit 10.iii.b. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period Ended November 30, 2004**	

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Exhibit No.	Description	Incorporated Herein by Reference to	Fi El Su
10.iii.c.****	Description of Executive Physical Program	Fourth Paragraph of Item 1.01 of the Current Report on Form 8-K of Mosaic dated May 26, 2005, and filed on June 1, 2005**	
10.iii.d.****	Description of Mosaic Management Incentive Program		X
10.iii.e.****	Form of Employee Non-Qualified Stock Option under the Omnibus Incentive Plan, effective August 1, 2005	Exhibit 99.1 to the Current Report on Form 8-K of Mosaic dated August 2, 2006, and filed on August 2, 2006**	
10.iii.f.****	Summary of Board of Director Compensation of Mosaic	Exhibit 10.iii.f. to the Quarterly Report on Form 10-Q for the Fiscal Quarter Ended August 31, 2011**	
10.iii.g.****	Form of Employee Non-Qualified Stock Option under the Omnibus Incentive Plan, approved July 6, 2006	Exhibit 99.3. to the Current Report on Form 8-K of Mosaic dated August 2, 2006, and filed on August 2, 2006**	
10.iii.h.****	Form of Employee Non-Qualified Stock Option under the Omnibus Incentive Plan, approved July 30, 2008	Exhibit 10.iii.a. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period Ended August 31, 2008**	
10.iii.i.****	Form of Indemnification Agreement between Mosaic and its directors and executive officers	Exhibit 10.iii. to the Current Report on Form 8-K of Mosaic dated October 8, 2008, and filed on October 14, 2008**	
10.iii.j.****	Form of Mosaic Nonqualified Deferred Compensation Plan, as amended and restated effective October 9, 2008	Exhibit 10.iii.b. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period Ended November 30, 2008**	
10.iii.k.****	Form of Director Restricted Stock Unit Award Agreement under the Omnibus Incentive Plan, approved October 9, 2008	Exhibit 10.iii.c. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period Ended November 30, 2008**	
10.iii.l.****	Description of Executive Financial Planning Program, as amended effective January 1, 2009	Exhibit 10.iii.a. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period Ended February 28, 2009**	
10.iii.m.****	Form of Senior Management Severance and Change in Control Agreement	Exhibit 10.78 to Amendment No. 2 to Registration Statement on Form S-1 filed by GNS II (U.S.) Corp. pursuant to Rule 424(b)(3) of the Securities Act on May 12, 2011*****	

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Exhibit No.	Description	Incorporated Herein by Reference to	Fi El Su
10.iii.n.****	Form of Amendment dated April 13, 2011, to the Mosaic Nonqualified Deferred Compensation Plan, as amended and restated effective October 9, 2008	Exhibit 10.iii.r. to the Annual Report on Form 10-K of Mosaic for the Fiscal Year Ended May 31, 2011**	
10.iii.o.****	Form of Amendment dated May 11, 2011, to the Omnibus Incentive Plan	Exhibit 10.iii.u. to the Annual Report on Form 10-K of Mosaic for the Fiscal Year Ended May 31, 2011**	
10.iii.p.****	Form of Employee Nonqualified Stock Option under the Omnibus Incentive Plan, approved July 20, 2011	Exhibit 10.iii.b. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period ended August 31, 2011**	
10.iii.q.****	Form of Employee Restricted Stock Unit Award Agreement under the Omnibus Incentive Plan, approved July 20, 2011	Exhibit 10.iii.c. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period ended August 31, 2011**	
10.iii.r.****	Form of Performance Unit Award Agreement under the Omnibus Incentive Plan, approved August 29, 2011	Exhibit 10.iii.d. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period ended August 31, 2011**	
10.iii.s.****	Summary of executive life and disability plans	The material under Compensation Discussion and Analysis Compensation Components and Process Elements of Compensation Executive Life and Disability Plans in the Proxy Statement of Mosaic dated August 23, 2012**	
10.iii.t.****	Form of Retention Award Agreement under the Omnibus Incentive Plan, approved July 20, 2011	Exhibit 10.iii.g. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period ended August 31, 2011**	
10.iii.u.****	Form of Performance Unit Award Agreement under the Omnibus Incentive Plan, approved July 18, 2012	Exhibit 10.iii.a. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period ended August 31, 2012**	
10.iii.v.****	Form of Agreement between Cargill and Mosaic relating to certain former Cargill employees participation in the Cargill International Pension Plan	Exhibit 10.iii.b. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period ended August 31, 2012**	
10.iii.w.****	Form of Supplemental Agreement between Mosaic and certain former participants in the Cargill International Pension Plan.	Exhibit 10.iii.x. to the Annual Report on Form 10-K of Mosaic for the Fiscal Year Ended May 31, 2013**	

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Exhibit No.	Description	Incorporated Herein by Reference to	Fi El Su
10.iii.x.****	Form of Employee Restricted Stock Unit Award Agreement under The Mosaic Company 2004 Omnibus Stock and Incentive Plan, approved July 17, 2013	Exhibit 10.iii.a. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period ended September 30, 2013**	
10.iii.y.****	Form of Performance Unit Award Agreement under The Mosaic Company 2004 Omnibus Stock and Incentive Plan, approved July 17, 2013	Exhibit 10.iii.b. to the Quarterly Report on Form 10-Q of Mosaic for the Quarterly Period ended September 30, 2013**	
18	Letter dated February 18, 2014, from KPMG LLP, registered independent accounting for Mosaic regarding change in accounting principle		X
21	Subsidiaries of the Registrant		X
23.1	Consent of KPMG LLP, independent registered public accounting firm for Mosaic		X
24	Power of Attorney		X
31.1	Certification of Chief Executive Officer Required by Rule 13a-14(a)		X
31.2	Certification of Chief Financial Officer Required by Rule 13a-14(a)		X
32.1	Certification of Chief Executive Officer Required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code		X
32.2	Certification of Chief Financial Officer Required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code		X
95	Mine Safety Disclosures		X
101	Interactive Data Files		X

*	Mosaic agrees to furnish supplementally to the Commission a copy of any omitted schedules and exhibits to the extent requi rules of the Commission upon request.
**	SEC File No. 001-32327
***	Registration Statement No. 333-172076
****	Denotes management contract or compensatory plan.
*****	Registration Statement No. 333-172253

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Management s Discussion and Analysis of Financial Condition and Results of Operations

Intr

The Mosaic Company (before or after the Cargill Transaction, as defined below, ***Mosaic*** , and with its consolidated subsidiaries, the ***Company***) is the parent company of the business that was formed through the business combination (***Combination***) of IMC the Cargill Crop Nutrition fertilizer businesses of Cargill, Incorporated and its subsidiaries (collectively, ***Cargill***) on October 22, 2 2011, Cargill divested its approximately 64% equity interest in us in the first of a series of transactions (collectively, the ***Transaction***). Further information regarding this transaction is included in the Overview section of this Management s Discussion an of Financial Condition and Results of Operations and in Note 2 of our Notes to Consolidated Financial St

We produce and market concentrated phosphate and potash crop nutrients. We conduct our business through wholly and majori subsidiaries as well as businesses in which we own less than a majority or a non-controlling interest, including consolidated variab entities and investments accounted for by the equity method. We are organized into the following business s

Our **Phosphates** business segment includes mines and production facilities in Florida which produce concentrated phosphate crop nut phosphate-based animal feed ingredients, and processing plants in Louisiana which produce concentrated phosphate crop Additionally, the Phosphates segment has a 35% economic interest in a joint venture that owns a phosphate rock mine (the ***Miski May*** Peru. On August 5, 2013, we entered into a Shareholders Agreement with Saudi Arabian Mining Company (***Ma aden***) and S Industries Corporation (***SABIC***) under which the parties have formed a joint venture to develop, own and operate integrated p production facilities in the Kingdom of Saudi Arabia. We own 25% of the joint venture and will market approximately 25% of the proc the join

Our Phosphates segment s results also include our North American phosphate distribution activities and all of our international activities as well as the consolidated results of Phosphate Chemicals Export Association, Inc. (***PhosChem***), a U.S. Webb-P association of phosphate producers that exported concentrated phosphate crop nutrient products around the world for us and PhosCh member. Our share of PhosChem s sales volume was approximately 86% for the seven months ended December 31, 2013. We and P other member have determined to dissolve PhosChem, and effective December 31, 2013, we and PhosChem s other member ea responsibility for PhosChem s former activities as they related to our respective products. We do not expect this to adversely impac results of o

Our **Potash** business segment owns and operates potash mines and production facilities in Canada and the U.S. which produce pot crop nutrients, animal feed ingredients and industrial products. Potash sales include domestic and international sales. We are a m Canpotex, Limited (***Canpotex***), an export association of Canadian potash producers through which we sell our Canadian potash o U.S. an

As previously reported, we have changed our fiscal year end to December 31 from May 31. This transition report is for the seven-mo of June 1, 2013 through December 31, 2013 (the ***Stub***

Key Factors that can Affect Results of Operations and Financial C

Our primary products, phosphate and potash crop nutrients, are, to a large extent, global commodities that are also available from a n domestic and international competitors, and are sold by negotiated contracts or by reference to published market prices. The most competitive factor for our products is delivered price and the markets for our products are highly competitive. Business and economic c and governmental policies affecting the agricultural industry and customer sentiment are the most significant factors affecting w demand for crop nutrients. The profitability of our businesses is heavily influenced by worldwide supply and demand for our produc affects our sales prices and volumes. Our costs per tonne to produce our products are also heavily influenced by fixed costs associ owning and operating our major facilities and by significant raw material costs in our Phosphates

World prices for the key raw material inputs for concentrated phosphate products, including ammonia, sulfur and phosphate rock, have on industry-wide phosphate prices and costs. The primary feedstock for p

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ammonia is natural gas, and costs for ammonia are generally highly dependent on the supply and demand balance for ammonia. We b
natural gas based pricing under one of the ammonia supply agreements we entered into with CF Industries, Inc. (***CF***) will pro
competitive advantage in the future. Sulfur is a global commodity that is primarily produced as a co-product of oil refining, where t
price is based primarily on the supply and demand balance for sulfur. We believe our investments in sulfur transportation assets co
afford us a competitive advantage. We produce most of our phosphate rock requirements through either wholly or partly own

Our products are generally sold based on the market prices prevailing at the time the sales contract is signed or through contracts
priced at the time of shipment based on a formula. Additionally, in certain circumstances the final price of our products is determ
shipment based on the current market at the time the price is agreed to with the customer. Forward sales programs at fixed prices increa
between prevailing market prices and our average realized selling prices. The mix and parameters of these sales programs vary over t
on our marketing strategy, which considers factors that include among others optimizing our production and operating effici
warehouse limitations, as well as customer requirements. The use of forward sales programs and level of customer prepayments may
period to period due to changing supply and demand environments and market se

Our per tonne selling prices for potash are affected by shifts in the product mix, geography and customer mix. Our Potash b
significantly affected by Canadian resource taxes and royalties that we pay the Province of Saskatchewan to mine and sell our potash
In addition, cost of goods sold is affected by the level of periodic inflationary pressures on resources, such as labor, processing mat
construction costs, due to the rate of economic growth in western Canada where we produce most of our potash; natural gas costs for
our potash solution mine at Belle Plaine, Saskatchewan; and the operating costs we incur to manage salt saturated brine inflows at o
mine at Esterhazy, Saskatchewan which are affected by changes in the amount and pattern of the inflows, among other factors. We
capital costs to manage the brine inflows at E

We manage brine inflows at Esterhazy through a number of methods, primarily by reducing or preventing particular sources of brine
locating the point of entry through the use of various technologies, including 3D seismic surveys, injecting calcium chloride into th
areas from surface, and grouting targeted areas from underground. We also pump brine out of the mine, which we impound in surfa
areas and dispose of by injecting it below the surface through the use of injection wells. Excess brine is also stored in mined-out a
mine, and the level of this stored brine fluctuates, from time to time, depending on the net inflow or net outflow rate. To date, our br
and remediation efforts have not had a material impact on our production processes or volumes. In recent years, we have been in
additional capacity and technology to manage the brine inflows. For example, in order to more effectively manage the brine inflow
significantly expanded our pumping capacity at Esterhazy in the last several years. In addition, we have also introduced horizont
capabilities to locate points of inflow and inject calcium chloride, and have added additional brine injection capacity at a site that is re
our current mine workings and allows us to be more disciplined and efficient in our approach to managing the bri

Our results of operations are also affected by changes in currency exchange rates due to our international footprint. The most s
currency impacts are generally from the Canadian dollar and the Bra

A discussion of these and other factors that affected our results of operations and financial condition for the periods cover
Management s Discussion and Analysis of Financial Condition and Results of Operations is set forth in further detail below. This M
Discussion and Analysis of Financial Condition and Results of Operations should also be read in conjunction with the narrative desc
our business in Item 1, and the risk factors described in Item 1A, of Part I of this transition period report on Form 10-K, and our Co
Financial Statements, accompanying notes and other information listed in the accompanying Financial Table of

Throughout the discussion below, we measure units of production, sales and raw materials in metric tonnes which are the equivalen
pounds, unless we specifically state that we mean short or long ton(s) which are the equivalent of 2,000 pounds and 2,240 pounds, res
References to a particular fiscal year are to the twelve months ended May 31 of that year. In the following table, there are certain pe
that are not considered to be meaningful and are represente

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Results of Op

The following table shows the results of operations for the seven months ended December 31, 2013 and 2012 and the fiscal years endec
2013, 2012 a

(in millions, except per share data)	**Seven Months Ended December 31,**		**2013-2012**		**Years Ended May 31,**		
	2013	**2012 (unaudited)**	**Change**	**Percent**	**2013**	**2012**	**2**
Net sales	$ 4,765.9	$ 5,700.0	$ (934.1)	(16%)	$ 9,974.1	$ 11,107.8	$ 9
Cost of goods sold	3,937.6	4,126.9	(189.3)	(5%)	7,213.9	8,022.8	6
Gross margin	828.3	1,573.1	(744.8)	(47%)	2,760.2	3,085.0	3
Gross margin percentage	17.4%	27.6%			27.7%	27.8%	
Selling, general and administrative expenses	211.8	245.6	(33.8)	(14%)	427.3	410.1	
Loss on write-down of assets	122.8	-	122.8	NM	-	-	
Other operating expenses	76.8	40.8	36.0	88%	123.3	63.8	
Operating earnings	416.9	1,286.7	(869.8)	(68%)	2,209.6	2,611.1	2
Change in value of share repurchase agreement	73.2	-	73.2	NM	-	-	
Interest (expense) income, net	(13.3)	11.5	(24.8)	NM	18.8	18.7	
Foreign currency transaction gain (loss)	16.5	(34.2)	50.7	NM	(15.9)	16.9	
Gain on sale of equity investment	-	-	-	NM	-	-	
Other income (expense)	(9.1)	(0.4)	(8.7)	NM	2.0	(17.8)	
Earnings from consolidated companies before income taxes	484.2	1,263.6	(779.4)	(62%)	2,214.5	2,628.9	3
Provision for income taxes	152.6	109.0	43.6	40%	341.0	711.4	
Earnings from consolidated companies	331.6	1,154.6	(823.0)	(71%)	1,873.5	1,917.5	2
Equity in net earnings (loss) of nonconsolidated companies	10.9	14.3	(3.4)	(24%)	18.3	13.3	
Net earnings including non- controlling interests	342.5	1,168.9	(826.4)	(71%)	1,891.8	1,930.8	2
Less: Net earnings (loss) attributable to noncontrolling interests	2.5	3.2	(0.7)	(22%)	3.1	0.6	
Net earnings attributable to Mosaic	$ 340.0	$ 1,165.7	$ (825.7)	(71%)	$ 1,888.7	$ 1,930.2	$ 2
Diluted net earnings per share attributable to Mosaic	$ 0.80	$ 2.73	$ (1.93)	(71%)	$ 4.42	$ 4.42	$
Diluted weighted average number of shares outstanding	422.0	426.8			426.9	436.5	

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Overview of the Seven Months ended December 31, 2013 and Fiscal 2013, 2012

Net earnings attributable to Mosaic for the seven months ended December 31, 2013 and 2012 were $340.0 million, or $0.80 per dilu and $1.2 billion, or $2.73 per diluted share, respectively. Included in net earnings for the seven months ended December 31, 2013, million, or $0.19 per diluted share, related to the write-down of assets in our Argentina and Chile distribution businesses and ou Michigan potash business and the write-off of engineering costs of our ammonia plant. Net earnings for this seven-month period also i gain of $73.2 million, or $0.17 per diluted share, related to change in value of our share repurchase agreement and a discrete income tax of approximately $104 million, or $0.24 per diluted share. Net earnings attributable to Mosaic for fiscal 2013 and 2012 were $1.9 $4.42 per diluted share, and $2.5 billion, or $5.62 per diluted share, for fiscal 2011. Included in fiscal 2013 net earnings is a discrete in benefit of approximately $180 million, or $0.42 per diluted share, related to the resolution of certain tax matters and resulting in a low effective tax rate. Fiscal 2011 included a $685.6 million pre-tax gain on the sale of our interest in Vale Fertilizantes S.A. (formerly Fos or ***Fosfertil***), or an after tax earnings per share impact of $1.27. The more significant factors that affected our results of operations condition in the seven months ended December 31, 2013 and 2012, and fiscal 2013, 2012 and 2011 are listed below. These factors are in more detail in the following sections of this Management s Discussion and Analysis of Financial Condition and Results of

Seven months ended December

Operating earnings for the seven months ended December 31, 2013, were impacted by lower phosphate and potash selling prices co the same period in the p

Potash selling prices have declined from prior year levels due to supply and demand fundamentals. Uncertainty in the potash m exacerbated by the announcement in July 2013 by one of our competitors that it would significantly increase its production volume customers to expect lower potash prices. At the beginning of the Stub Period, Potash sales volumes were constrained by negative senti cautious purchasing behavior by customers in the market; however, the demand improved in the fourth quarter of calendar 2013 wit fall ap

Our average selling price for phosphates have declined from prior year levels, due in part to softer demand caused by higher inventories, a decline in India s import demand and Chinese export policies. However, we believe prices hit a floor during the la calendar 2013 and we saw prices begin to rise in December. The decrease in the average selling price was partially offset by lower raw costs, including sulfur, ammonia and phosphate rock, for our phosphates products. Phosphates sales volumes for the seven mon December 31, 2013 were higher than the same period in the prior year, due to higher domestic sales volumes driven by a strong fall a season in North America, strong demand in Brazil and customers taking position when prices started rising in December after a steady prices over the

Other highlights in the seven months ended December

We generated $889.4 million in cash flows from operations for the seven months ended December 31, 2013. We maintained cash equivalents of $5.3 billion as of December 31, 2013 compared to $3.7 billion as of May 31, 2013.
We continue to execute on our strategic plans and other priorities. During the seven months ended December 31, 2013, we took the steps toward achieving our strategic

Growth: Grow our production of essential crop nutrients and operate with increasin

On August 5, 2013, we entered into a Shareholders Agreement with Ma aden and SABIC under which the parties have for venture to develop, own and operate integrated phosphate production

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facilities in the Kingdom of Saudi Arabia (the ***Northern Promise Joint Venture***). We own 25% of the joint venture and wi approximately 25% of production of the joint venture. When completed, the project is expected to diversify our sources for pl production and allow us to meet the increasing needs of our global customers. For further information see Liquidity and Cap Resources below and Note 9 to our Notes to Consolidated Financial Statements.

On October 28, 2013, we entered into an agreement to acquire the Florida phosphate assets and assume certain related liabilit for $1.2 billion plus an additional $200 million to fund CF s asset retirement obligation escrow (the ***CF Phosphate Assets Acquisition***). Under the terms of the agreement, we would acquire CF s phosphate mining and production operations in Ce and terminal and warehouse facilities in Tampa, Florida. These facilities currently produce approximately 1.8 million tonnes phosphate fertilizer per year. This transaction is expected to close in the first half of 2014.

We also signed strategic supply agreements with CF under which CF will provide us with ammonia (the ***CF Ammonia Sup Agreements***). Under one of the agreements, we will purchase approximately 545,000 to 725,000 tonnes annually for up to fi years at a price tied to the prevailing price of U.S. natural gas. This agreement is expected to commence prior to January 1, 20 is not dependent upon the close of the CF Phosphates Acquisition. Under a second agreement, we would purchase approxima 270,000 tonnes annually for three years from CF s Trinidad operations at CFR Tampa market-based pricing, which is contin close of the CF Phosphates Acquisition. In light of these supply agreements, we have decided to forego construction of our pr ammonia manufacturing plant at our Faustina, Louisiana facility. Therefore, as of September 30, 2013 we wrote off our initia investment in the project of approximately $25 million and recorded a corresponding tax benefit of approximately $9 million.

In addition to the $1.4 billion total consideration in connection with the CF Phosphate Assets Acquisition, we expect to spend estimated $500 million to develop reserves and improve existing mines and an estimated $200 million on marine assets to tra ammonia from Louisiana to our Florida facilities. These estimated $2.1 billion of investments and capital expenditures are ex be offset by an estimated $2.1 billion in capital savings related to the cancellations of (i) our Faustina ammonia project, savin approximately $1.1 billion in future capital expenditures, and (ii) a planned $1.0 billion beneficiation facility for our future O phosphate rock mine, because the proximity of the existing infrastructure at CF s South Pasture mine to Ona would allow us advantages of synergies associated with the combined mining assets. We also expect to capture significant additional operati efficiencies.

In December 2013, we successfully completed a test run of the expanded capacity at our Esterhazy, Saskatchewan, potash mi which increased our share of Canpotex sales from approximately 39.9% to 42.5% effective January 1, 2014.

Also, in the quarter ended September 30, 2013, we decided to close the Hersey, Michigan potash business and sell the related operations. In connection with the planned sale, we wrote down the related assets by approximately $48 million, to their estin value, and recorded a corresponding tax benefit of approximately $17 million.

Market Access: Expand our reach and impact by continuously strengthening our distribution network

We are increasing our investment in Brazil a key growth region and strategically important county. We have completed the of our blending facility in Candeias, in the state of Bahia, Brazil with the construction of an additional 50,000 tonne capacity warehouse including increased blending capacity and improved logistics capabilities at the plant. We have also started constr an additional 50,000 tonne capacity warehouse in Sorriso, in the state of Mato Grosso, Brazil. We expect these and other pote investments in Brazil will enable us to grow our share of sales in this key country.

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In the quarter ended September 30, 2013, we made the decision to exit our Argentina and Chile distribution businesses. In co with this decision, we wrote down the related assets by approximately $50 million. There was no tax benefit recorded related write-down.

Innovation: Build on our industry-leading products, process and sustainability innovations

Sales volume for our premium MicroEssentials® product increased approximately 13% in the seven months ended December from the prior year period contributing to a new Mosaic record for sales of MicroEssentials®.

Total Shareholder Return: Deliver strong financial performance and provide meaningful returns to our shareholders

On December 6, 2013, we entered into a share repurchase agreement (the ***MAC Trusts Share Repurchase Agreement***) wi former Cargill stockholders (the ***MAC Trusts***) to purchase all of the remaining Class A Shares held by the MAC Trusts th series of eight purchases occurring from January 8, 2014 through July 30, 2014. As of the date of this report, all 21,647,007 C Shares, Series A-3, held by the MAC Trusts, and 3,092,429 Class A Shares, Series A-2, had been repurchased for an aggrega billion and 18,554,579 Class A Shares, Series A-2, remain to be purchased.

On November 7, 2013, we completed a $2.0 billion public debt offering consisting of $900 million aggregate principal amou 4.250% Senior Notes due 2023, $500 million aggregate principal amount of 5.450% Senior Notes due 2033 and $600 million aggregate principal amount of 5.625% Senior Notes due 2043.

On December 5, 2013, we upsized and extended our prior $750 million unsecured revolving credit facility with a new unsecu five-year revolving credit facility in the amount of $1.5 billion.

Subsequent to year-end our Board of Directors authorized a $1 billion share repurchase program (the ***Repurchase Program*** the Company to repurchase Class A Shares or Common Stock, through negotiated direct transactions or in the open market.

On February 14, 2014, we entered into share repurchase agreements with certain Cargill family member trusts (the ***Family T Share Repurchase Agreements*** and collectively with the MAC Trusts Share Repurchase Agreement, the ***Share Repurcha Agreements***) to purchase an aggregate approximately 8.2 million shares of Class A under the Repurchase Program. The tra are structured in two tranches with the first purchase of approximately 2.4 million shares completed February 14, 2014 at a p $46.43 per share. The second purchase of approximately 5.8 million shares is scheduled for March 17, 2014.

Fi

In fiscal 2013, average Potash selling prices were lower than the prior year primarily due to cautious customer purchasing behavior lea the signing of significant supply contracts with customers in both China and India in the third quarter of fiscal 2013. The impact of low prices was more than offset by higher Potash sales volumes compared to the prior year. North American sales volumes increased in t half of fiscal 2013 compared to fiscal 2012 due primarily due to robust spring demand and continuing strong farmer econo international potash sales through Canpotex also increased in the second half of fiscal 2013 due to an increase in our allocation of an by Canpotex combined with the signing of supply contracts with India and China mentioned above. Additionally, Potash sales volume 2012 were constrained by high pipeline inventories and the related impact on buyer s

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Average Phosphates selling prices were lower than fiscal 2012. Phosphate fertilizer prices remained below those in fiscal 2012 due to recalibration that occurred in the third quarter of that year. Phosphate sales volumes decreased from fiscal 2012 due primarily to lack o availability as a result of entering fiscal 2013 with lower inventory levels and lower shipments

Lower raw material costs, including sulfur, ammonia and phosphate rock, partially offset the decrease in selling prices for our p products. The lower costs for ammonia were the result of internal production of ammonia at our Faustina ammonia facility which was at near full capacity in fiscal 2013, but was temporarily shut down during the first half of fiscal 2012 due to an unplanned outage. T phosphate rock costs were due to increased production from our South Fort Meade mine in fiscal 2013 compared to fiscal 2012 when it on a limited basis because of preliminary injunctions relating to the extension of our South Fort Meade, Florida, phosphate rock Harde

Beginning with the dividend paid in in August 2012, we increased our annual dividend 100% to $1.00 per share, from the level of share announced in February 2012. Dividend payments were $426.6 million in fis

We ended our obligation to supply potash from our Esterhazy mine under a tolling agreement (the ***Tolling Agreement***) at the end 2012. Under the Tolling Agreement, we had been delivering up to 1.1 million tonnes of potash

On January 30, 2013, we entered into agreements to settle certain lawsuits against us under federal and state antitrust laws (the ***Antitrust Cases***) for an aggregate of $43.8 million. The settlement and related costs resulted in a pre-tax charge of $42 million, or diluted share, in the third quarter of fiscal 2013, and total pre-tax charges for fiscal 2013 of $51 million, or $0.09 per diluted share, in other operating

We generated $1.9 billion in cash flows from operations in fiscal 2013 and maintained cash and cash equivalents of $3.7 billion as of

Fi

In fiscal 2012, the average Phosphates and Potash selling prices were higher than fiscal 2011 as a result of stronger farmer econo increased grain prices, particularly corn. Beginning in fiscal 2011, Phosphate selling prices increased steadily throughout the yea increases continued through the first half of fiscal 2012. In the second half of fiscal 2012, we saw lower average selling prices due to recalibration that occurred in the third quarter. However, in the latter part of fiscal 2012 and early in fiscal 2013 Phosphate selli increased but remained below levels of the first half of fiscal 2012. The average Potash selling price increased early in fiscal 2012 and within a fairly narrow range for the remainder of

Phosphate sales volumes remained relatively flat from the prior year. Fiscal 2012 started with high phosphate producer inventory le high phosphate producer inventory levels were reduced by the end of fiscal 2012 to low levels as a result of an extended North Americ application period, elevated global demand and modest production curtailments from January thru March 2012. Potash sales volumes compared to the prior year due to cautious customer purchasing behavior in North America. Potash producer inventory levels were low fiscal 2012. These potash producer inventory levels increased throughout fiscal 2012 and ended at relatively hi

Higher raw material costs more than offset the benefit from the increase in selling prices for our phosphate products. The higher pric key raw materials for concentrated phosphates, primarily sulfur and ammonia, resulted from higher global demand and tighter supply raw materials in fiscal 2012 compared to the prior year. In addition, because our South Fort Meade mine was operating on a limited increased our use of phosphate rock purchased from third parties in our production of crop nutrients, contributing to increased raw

On February 21, 2012, we announced that we had entered into a settlement (the ***Hardee County Extension Permit Litigation Settle*** resolved in their entirety the pending court proceedings over t

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wetlands permit for the extension of our South Fort Meade, Florida, phosphate rock mine into Hardee County and allowed mining at Fort Meade mine to proceed. The settlement resulted in a pre-tax charge of approximately $13 million included in other operating expe received final court approval of the settlement on March

On October 24, 2011, we completed a $750 million public debt offering consisting of $450 million aggregate principal amount o Senior Notes due 2021 and $300 million aggregate principal amount of 4.875% Senior Notes due 2041 (collectively, the ***Seni 2011***). On December 1, 2011, we redeemed the remaining $469.3 million aggregate principal amount of the 7-5/8% Senior N December 2016 (the ***7-5/8% Senior Notes***) of our subsidiary, MOS Holdings Inc. We recorded a pre-tax charge of approximately $2 other expense, primarily related to the call

On November 17, 2011, we purchased an aggregate 21.3 million shares of our Class A Common Stock, Series A-4 from the MAC Tr purchase price was $54.58 per share, the closing price for our common Stock on November 16, 2011, resulting in a total purchase pri

On September 23, 2011, Standard and Poor s included us in the S&P 500 index and on September 29, 2011, we completed an ur secondary public offering by the MAC Trusts of 20.7 million shares of our Common Stock that the MAC Trusts acquired in th Tra

We generated a fiscal record of $2.7 billion in cash flows from operations in fiscal 2012 and maintained cash and cash equivalen billion as of May

Fi

Our results for fiscal 2011 reflected continued strengthening of phosphate sales prices compared to fiscal 2010 when the recovery in ph selling prices was in its early stages. Potash sales volumes increased compared to the prior year due to increasing demand. The cro market showed significant improvement compared to fiscal 2010 due to the strengthening global outlook for agriculture fund supported by increased demand for grains and oilseeds in fiscal 2011. Other factors contributing to the strong market dynamics producer and pipeline inventories and the impact of improving application rates as farmers made up for lower rates in rec

The selling prices for our phosphate products in fiscal 2011 were significantly higher than in fiscal 2010 due to the factors discussed a the effect on selling prices of high raw mate

Higher raw material costs partially offset the benefit from the increase in market prices for our phosphates products. The higher pric key raw materials for concentrated phosphates, primarily sulfur and ammonia, resulted from higher global demand for these raw ma fiscal 2011 compared to fis

In the first quarter of fiscal 2011, we acquired a 35% economic interest in a joint venture that owns the Miski Mayo Mine in the Bayov of Peru for approximately $385 million. We also entered into a commercial supply agreement to purchase phosphate rock from the Mi Mine for volumes proportionate to our economic interest. Phosphate rock production started at the Miski Mayo Mine during the first fiscal 2011 and shipments began that sam

In the second quarter of fiscal 2011, we completed the sale of our interest in Fosfertil, which resulted in a pre-tax gain of $685.6 millio million after tax). The tax impact of this transaction was $116.2 million and is included in our provision for income taxes for the ye May

In the fourth quarter of fiscal 2011, we, Cargill and certain Cargill shareholders consummated the first in a series of transactions as p Cargill Transaction as discussed further in Note 2 to our Consolidated Financial Statements and in the Overview section of this Man Discussion and Analysis of Financial Condition and Results of Op

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We generated cash flow from operations of $2.4 billion in fiscal 2011 and maintained cash and cash equivalents of $3.9 billion as o

Phosphates Net Sales and Gros

The following table summarizes Phosphates net sales, gross margin, sales volumes and certain other inf

	Seven Months Ended December 31,		2013-2012		Years Ended May 31,		
(in millions, except price per tonne or unit)	**2013**	**2012 (unaudited)**	**Change**	**Percent**	**2013**	**2012**	**2**
Net sales:							
North America	$ 1,275.4	$ 1,440.2	$ (164.8)	(11%)	$ 2,467.9	$ 2,553.0	$ 2
International	2,162.8	2,371.1	(208.3)	(9%)	4,026.7	5,286.2	4
Total	3,438.2	3,811.3	(373.1)	(10%)	6,494.6	7,839.2	6
Cost of goods sold	2,993.2	3,118.0	(124.8)	(4%)	5,332.4	6,372.3	5
Gross margin	$ 445.0	$ 693.3	$ (248.3)	(36%)	$ 1,162.2	$ 1,466.9	$ 1
Gross margin as a percent of net sales	12.9%	18.2%			17.9%	18.7%	
Sales volume (in thousands of metric tonnes)							
Crop Nutrients[(a)(b)]:							
North America	1,795	1,695	100	6%	3,803	3,746	
International	1,484	1,357	127	9%	3,126	3,810	
MicroEssentials®	758	670	88	13%			
Crop Nutrient Blends[(c)]	1,768	1,731	37	2%	2,651	2,620	
Feed Phosphates	347	308	39	13%	534	621	
Other[(d)]	805	691	114	16%	1,092	1,039	
Total	6,957	6,452	505	8%	11,206	11,836	
Average selling price per tonne:							
DAP (FOB plant)	$ 409	$ 532	$ (123)	(23%)	$ 512	$ 555	$
Crop Nutrient Blends (FOB destination)	489	546	(57)	(10%)	555	579	
Average price per unit:							
Ammonia (metric tonne)(Central Florida)	$ 457	$ 513	$ (56)	(11%)	$ 524	$ 528	$
Sulfur (long ton)	145	192	(47)	(24%)	184	223	

(a) Excludes tonnes sold by PhosChem for its other member.

(b) Excludes Crop Nutrient Blends and beginning with the seven months ended December 31, 2013, excludes MicroEssentials.

(c) The average product mix in crop nutrient blends (***Blends***) (by volume) contains approximately 55% phosphate, 25% potash an nitrogen.

(d) Other volumes are primarily single superphosphate (***SSP***), potash and urea sold outside of North America.

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Seven months ended December 31, 2013 and 2012 (U

The Phosphates segment s net sales decreased to $3.4 billion in the current period, compared to $3.8 billion in the seven mo December 31, 2012. The decrease was due to lower sales prices that resulted in a reduction to net sales of approximately $660 million offset by higher sales volumes that impacted net sales by approximately $28

Our average DAP selling price was $409 per tonne for the seven months ended December 31, 2013, a decrease of $123 per tonn compared with the same period a year ago due to the factors discussed in the Overview. The selling price per tonne of Blends decrease the current period compared with the seven months ended December 31, 2012. We have moved to selling more high value phosphat including MicroEssentials and MAP, in Blends, which has helped soften the decrease in these selli

The Phosphates segment s sales volumes increased to 7.0 million tonnes for the seven months ended December 31, 2013, c 6.5 million tonnes in the same period a year ago. The increase in phosphate sales volumes from the same period in the prior year was factors discussed in the O

We consolidate the results of PhosChem. Included in our results for the current period are PhosChem net sales and costs for its other m $70 million compared with $64 million for the seven months ended December 31, 2012. Effective December 31, 2013, we and PhosCh member each assumed responsibility for PhosChem s former activities as they related to our respective products. We do not ex adversely impact our future results of o

Gross margin for the Phosphates segment decreased to $445.0 million in the current period compared with $693.3 million for the seve ended December 31, 2012. Lower sales prices had an unfavorable impact on gross margin of approximately $660 million which wa offset by higher sales volumes and lower product costs of approximately $20 million and $380 million, respectively. Approxima million of the lower product costs was due to lower input cost of products sold by our international distribution locations, including B this business is a distribution business, these costs are typically passed on to the customers. This is reflected in revenue; therefor minimal impact on gross margin dollars. The margin percentage for Blends was lower in the Stub Period compared to the same per prior year due to pricing decreasing faster than raw material costs. Approximately $110 million of the decrease in product costs w lower sulfur and ammonia costs, and approximately $40 million was due to the lower cost of phosphate rock used in our North operations. Other factors affecting gross margin and costs are discussed below. As a result of these factors, gross margin as a percent sales decreased to 13% for the seven months ended December 31, 2013 compared to 18% for the same period a

The average consumed price for ammonia for our North American operations decreased to $457 per tonne in the current period from $ same period a year ago. The average consumed price for sulfur for our North American operations decreased to $145 per long ton for months ended December 31, 2013 from $192 in the same period a year ago. The purchase price of these raw materials is driven by glob and demand. The average consumed cost of purchased and produced rock decreased to $61 per tonne in the current period, compared t tonne in the same period a year ago. The percentage of phosphate rock purchased from our Miski Mayo Mine used in finishe production in our North American operations increased to 9% for the current period from 6% in the same period a year ago. This incre the percentage of purchased rock from unrelated parties used in phosphate finished product production in our North American operatio decreased to 3% in the current period, from 6% in the same period a year ago. We expect to continue to increase our use of phosphate our Miski Mayo investment as their production i

Costs were also impacted by net unrealized mark-to-market derivative losses of $1.6 million for the seven months ended December primarily on natural gas and foreign currency derivatives, compared to losses of $1.0 million in the same period a year ago, primarily de

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The Phosphates segment s North American production of crop nutrient dry concentrates and animal feed ingredients was 4.8 million
the seven months ended December 31, 2013 and 2012. Our operating rate for processed phosphate production was 84% in the curre
compared to 85% in the same period a

Our phosphate rock production was 7.9 million tonnes for the current period compared with 9.0 million tonnes in the same period a ye
addition to variations in rock reserve grade, production volumes declined as inventory levels had been rebuilt following the Harde
Extension Permit Litigation Settlement and mining has been reduced in line with our inventory management

Fiscal 2013 compared to Fi

The Phosphates segment s net sales decreased to $6.5 billion in fiscal 2013, compared to $7.8 billion in fiscal 2012. The decrease wa
due to lower sales volumes in the first half of fiscal 2012 that resulted in a reduction to net sales of approximately $390 million combin
decrease in sales prices that impacted net sales by approximately $390 million. We consolidate the results of PhosChem. Included in o
for fiscal 2013 are PhosChem net sales and costs for its other member of $92 million compared with $645 million in fis

Our average DAP selling price was $512 per tonne in fiscal 2013, a decrease of $43 per tonne or 8% compared with fiscal 2012 d
factors discussed in the Overview. The selling price per tonne of Blends decreased 4% in fiscal 2013 compared with fiscal 2012,
decreases in the price of materials used to produce Blends, primarily phosphates and potash while nitrogen rema

The Phosphates segment s sales volumes decreased to 11.2 million tonnes in fiscal 2013, compared to 11.8 million tonnes in fiscal
decline in phosphate sales volumes was due to the factors discussed in the C

Gross margin for the Phosphates segment decreased to $1.2 billion in fiscal 2013 compared with $1.5 billion in fiscal 2012, primar
lower average selling prices and sales volume. These factors unfavorably impacted gross margin by approximately $580 million partia
by lower product costs of approximately $280 million. The lower costs were driven primarily by lower raw materials costs in o
American operations, which include sulfur, ammonia and phosphate rock, of approximately $210 million and lower produc
approximately $130 million sold by our international distribution locations, including Blends. These lower costs were partially
approximately $40 million of increased plant spending. Other factors affecting gross margin and costs are discussed below. As a resul
factors, gross margin as a percentage of net sales decreased to 18% in fiscal 2013 compared to 19% for in fis

The average consumed price for ammonia for our North American operations decreased to $524 per tonne in fiscal 2013 from $52
2012. The average consumed price for sulfur for our North American operations decreased to $184 per long ton for fiscal 2013 fror
fiscal 2012. The purchase price of these raw materials is driven by global supply and demand. Despite higher market prices for ammon
fiscal 2013 compared to the prior year, we benefitted from the internal production of ammonia at our Faustina facility which was op
near full capacity in fiscal 2013, but was temporarily shut down during the first half of fiscal 2012 due to an unplanned outage. Th
consumed cost of purchased and produced rock decreased to $65 per tonne in fiscal 2013, compared to $73 per tonne in fiscal 2012,
due to increased production from our South Fort Meade mine, following the Hardee County Extension Permit Litigation Settler
percentage of phosphate rock purchased from our Miski Mayo Mine used in finished product production in our North American o
increased to 8% for fiscal 2013 from 7% in fiscal 2012. The percentage of purchased rock from unrelated parties used in phosphate
product production in our North American operations decreased to 5% in fiscal 2013, from 8% in fis

Costs were also impacted by net unrealized mark-to-market derivative gains of $1.8 million in fiscal 2013, primarily on natural gas de
compared to losses of $3.6 million in fiscal 2012, primarily on freight and natural gas de

The Phosphates segment s North American production of crop nutrient dry concentrates and animal feed ingredients was 8.2 million
fiscal 2013 compared with 8.3 million tonnes in fiscal 2012. Our operating rate for processed phosphate production was consistent
fiscal 2013 and fis

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Our phosphate rock production was 15.4 million tonnes for fiscal 2013 compared with 12.1 million tonnes in fiscal 2012. The i
phosphate rock production in fiscal 2013 was primarily due to the settlement of the Hardee County Extension Permit Litigation Settlem
fourth quarter of fiscal 2012 that allowed us to resume normal mining operations at South Fo

Fiscal 2012 compared to Fi

The Phosphates segment s net sales increased to $7.8 billion in fiscal 2012, compared to $6.9 billion in fiscal 2011. The increase wa
due to an increase in sales prices that resulted in incremental net sales of approximately $77

Our average DAP selling price was $555 per tonne in fiscal 2012, an increase of $64 per tonne or 13% compared with fiscal 2011
factors discussed in the Overview. The selling price per tonne of Blends increased 22% in fiscal 2012 compared with fiscal 2011. Th
in Blends pricing was driven by the price increase in all nutrients used to produce Blends, mainly nitrogen and potash. During fiscal
price of these nutrients increased at a higher rate than phosph

The Phosphates segment s sales volumes remained relatively flat at 11.8 million tonnes in fiscal 2012, compared to 11.9 million to
same period a year ago. Domestic sales volumes increased due to a strong spring season and good farmer economics. The decrease
sales volumes was due to our focus on growing volumes in North

We consolidate the results of PhosChem. Included in our results for fiscal 2012 is PhosChem net sales and costs for its other memb
million compared with $507 million in fi

Gross margin for the Phosphates segment decreased to $1.5 billion in fiscal 2012 compared with $1.7 billion in fiscal 2011, prima
higher product costs of approximately $990 million partially offset by higher average selling prices which favorably impacted gross
approximately $770 million. The higher costs were driven by higher raw materials costs in our North American operations, which inclu
ammonia and purchased rock, of approximately $490 million and higher raw materials costs used in the production of our international
including the nitrogen and potash components of Blends, of approximately $420 million. Other factors affecting gross margin and
discussed below. As a result of these factors, gross margin as a percentage of net sales decreased to 19% in fiscal 2012 compared to 24
same period a

The average consumed price for sulfur increased to $223 per long ton in fiscal 2012 from $162 in the same period a year ago. Th
consumed price for ammonia increased to $528 per tonne for fiscal 2012 from $407 in the same period a year ago. The increase in t
prices of these raw materials was due to the factors discussed in the Overview. The increase in ammonia costs was also im
approximately $60 million due to the temporary shutdown of our Faustina ammonia plant as a result of an outage, partially offset by
proceeds related to the outage of approximately $49 million of which $8 million is included in cost of goods sold and $41 million is i
other operating expense. The average consumed price for rock increased to $73 per tonne for fiscal 2012 from $59 in the same period
as a result of the higher use of purchased rock. The percentage of phosphate rock from our Miski Mayo Mine used in finishe
production in our North American operation increased from 4% in fiscal 2011 to 7% in fiscal 2012. The percentage of purchased
unrelated third parties used in phosphate finished product production in our North American operations increased from 4% in fiscal 2
in fiscal 2012 primarily related to the limited production at our South Fort Meade mine in fi

Costs were also impacted by net unrealized mark-to-market derivative losses of $3.6 million in fiscal 2012, primarily on freight and n
derivatives, compared to gains of $0.5 million in fiscal 2011, primarily on natural gas de

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The Phosphates segment s North American production of crop nutrient dry concentrates and animal feed ingredients was 8.3 million fiscal 2012 compared with 8.4 million tonnes in the same period a year ago. Our operating rate for processed phosphate production wa fiscal 2012 compared to 87% in fiscal 2011. During the second half of fiscal 2012, we reduced finished phosphate production to hel our invento

Our phosphate rock production was 12.1 million tonnes for fiscal 2012 compared with 11.5 million tonnes in fiscal 2011. The in phosphate rock production rates was primarily due to increased production at our Four Corners, Wingate and Hookers Prairie mines. T Fort Meade mine, which was producing on a limited basis in fiscal 2012, was temporarily shutdown for most of the first half of fiscal subsequently operated at a reduced production level for the remainder of fiscal 2011 due to the Hardee County Extension Permit l Sc

Potash Net Sales and Gros

The following table summarizes Potash net sales, gross margin, sales volumes and certain other info

	Seven Months Ended December 31,		2013-2012		Years Ended May 31,		
(in millions, except price per tonne or unit)	2013	2012 (unaudited)	Change	Percent	2013	2012	2
Net sales:							
North America	$ 833.1	$ 1,270.9	$ (437.8)	(34%)	$ 2,108.0	$ 1,851.9	$ 1
International	554.1	653.7	(99.6)	(15%)	1,421.3	1,449.4	1
Total	1,387.2	1,924.6	(537.4)	(28%)	3,529.3	3,301.3	3
Cost of goods sold	1,012.9	1,043.1	(30.2)	(3%)	1,918.0	1,679.3	1
Gross margin	$ 374.3	$ 881.5	$ (507.2)	(58%)	$ 1,611.3	$ 1,622.0	$ 1
Gross margin as a percent of net sales	27.0%	45.8%			45.7%	49.1%	
Sales volume (in thousands of metric tonnes)							
Crop Nutrients[a]:							
North America	1,439	1,732	(293)	(17%)	3,139	2,350	
International	1,918	1,665	253	15%	3,966	3,666	
Total	3,357	3,397	(40)	(1%)	7,105	6,016	
Non-agricultural	441	384	57	15%	666	704	
Total	3,798	3,781	17	0%	7,771	6,720	
Average selling price per tonne (FOB plant):							
MOP - North America crop nutrients	$ 346	$ 474	$ (128)	(27%)	$ 450	$ 515	$
MOP - International	274	390	(116)	(30%)	349	401	
MOP - Average[b]	325	444	(119)	(27%)	405	448	

(a) Excludes tonnes related to a third-party tolling arrangement for which the contract expired December 31, 2012.
(b) MOP Average selling price includes feed and industrial selling prices.

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Seven months ended December 31, 2013

The Potash segment s net sales decreased to $1.4 billion for the seven months ended December 31, 2013 compared with $1.9 billion i period a year ago primarily due to a decrease in sales prices which resulted in lower net sales of approximately $400 million. Also, in period we received approximately $120 million for reimbursement of certain costs under a tolling agreement which were not recei current year as the agreement ha

Our average MOP selling price was $325 per tonne in the current year, which is a decrease of 27% compared to the prior year averag $444 per tonne. MOP selling prices, both domestic and international, decreased due to factors discussed in the C

Gross margin for the Potash segment decreased to $374.3 million in the current period from $881.5 million to the same period a year gross margin was unfavorably impacted by the items discussed above and the impact of higher costs of approximately $60 million factors further discussed below. Gross margin as a percentage of net sales decreased to 27% in the current period from 46% in the sam year ago, reflecting the 27% decline in average MOP sell

We incurred $197.2 million in depreciation expense during in the current period compared to $161.7 million for the seven mon December 31, 2012. The higher depreciation relates to more fixed assets being depreciated as they have been brought into servi expansion and sustaining

We incurred $98.4 million in Canadian resource taxes in the seven months ended December 31, 2013 compared with $161.3 million in period a year ago. The lower taxes were due primarily to lower sales and profits in the current period. The potash expansions res reduction to our Canadian resource taxes of approximately $37 million and $109 million for the seven months ended December 31, 2012, respectively. We incurred $22.3 million in royalties in the current period compared to $32.1 million in the same period a year decrease in royalties was due primarily to lower selling prices in the curre

Costs were impacted by net unrealized mark-to-market derivative gains, primarily on foreign currency derivatives, of $13.0 mill current period compared with gains, primarily on foreign currency derivatives, of $27.2 million in the same period a

We incurred $112.3 million in expenses, including depreciation on brine assets, and $10.1 million in capital expenditures related to the brine inflows at our Esterhazy mine during the seven months ended December 31, 2013, compared to $146.2 million and $100. respectively, in the same period a year ago. We have been effectively managing the brine inflows at Esterhazy since 1985, and from tin we experience changes to the amounts and patterns of brine inflows. Inflows continue to be higher than average but are still estim within the range of our historical experience. Brine inflow expenses decreased compared to the prior year as a project came o enhances our flexibility for disposing of brine that has been pumped out of the mine by injecting it at the remote injection site. In ad timing of activities and other temporary operating factors favorably impacted the expense for the seven months ended December 31, 20 inflow costs continue to reflect the cost of addressing changing inflow patterns and inflows from below our mine workings, which ca complex and costly to manage, as well as costs associated with horizontal drilling. Capital expenditures decreased from the prior ye primarily due to expenditures for our new remote injection site in the prior year period. In general, the higher the level of brine sto mine, the less time available to mitigate new or increased inflows that exceed our capacity for pumping or disposal of brine outside and therefore the less time to avoid flooding and/or loss of the mine. During the seven months ended December 31, 2013, our inves remote injection and increased pumping capacities allowed us to continue to reduce the amount of brine stored in

For the current period, potash production was 4.1 million tonnes compared to 3.9 million tonnes in the same period a year ago as we c a test run of the expanded capacity at our Esterhazy Saskatchewan potash mine partially offset by planned curtailments at our Colo Esterhazy potash mines in the later p period. Our operating rate for potash production was 66% in the current Stub Period compared to 71% in the same period a year a higher capacity in the current year as a result of the expiration at the end of calendar 2012 of our obligation to supply 1.1 million potash per year under a tolling a

Fiscal 2013 compared to Fi

The Potash segment s net sales increased to $3.5 billion in fiscal 2013 compared with $3.3 billion in fiscal 2012 due to an increa volumes that resulted in higher net sales of approximately $520 million, partially offset by a decrease in sales prices which resulted in sales of approximately $30

The Potash segment s sales volumes increased to 7.8 million tonnes for fiscal 2013 compared to 6.7 million tonnes in fiscal 2012 driven by the factors described in the C

Our average MOP selling price was $405 per tonne in fiscal 2013, which is a decrease of 10% compared to the fiscal 2012 average pric per tonne. MOP selling prices, both domestic and international, decreased due to factors discussed in the C

Gross margin for the Potash segment in fiscal 2013 was comparable to fiscal 2012 at $1.6 billion. The gross margin was favorably im approximately $360 million due to the increase in sales volumes, partially offset by a decrease in selling prices which unfavorably gross margin by approximately $300 million. In addition, gross margin was unfavorably impacted by higher costs of approximately $6 which are further described in the following paragraphs. The factors affecting gross margin and costs are further discussed below. Gro as a percentage of net sales decreased to 46% in fiscal 2013 from 49% in fis

We incurred $301.9 million in depreciation expense during fiscal 2013 compared to $233.1 million in fiscal 2012. The higher de relates to more fixed assets being depreciated as they have been brought into service for our expansion and sustaining

We incurred $450.9 million in labor and contract labor costs during fiscal 2013 compared to $393.7 million in fiscal 2012. The increas and contract labor costs primarily related to the effects of the settlement of collective bargaining agreements and additional headcount t our expansion

We incurred $249.9 million in Canadian resource taxes in fiscal 2013 compared with $257.9 million in fiscal 2012. The lower taxes primarily to lower selling prices in fiscal 2013. The potash expansions resulted in a reduction to our Canadian resource taxes of appro $162 million and $185 million for fiscal 2013 and 2012, respectively. We incurred $58.0 million in royalties in fiscal 2013 compared million in fiscal 2012. The decrease in royalties was due primarily to lower selling prices in fis

Costs were impacted by net unrealized mark-to-market derivative gains, primarily on natural gas derivatives, of $13.3 million in fi compared with losses, primarily on foreign currency and natural gas derivatives, of $38.3 million in fis

We incurred $235.5 million in expenses, including depreciation on brine assets, and $131.5 million in capital expenditures related to the brine inflows at our Esterhazy mine during fiscal 2013, compared to $205.0 million and $44.4 million, respectively, in fiscal 201 fiscal 2013, inflows continued to be higher than average but were still estimated to be within the range of our historical experience. Bri costs, beginning in the third quarter of fiscal 2013, included the costs for pumping brine from the mine to the remote brine injection remote injection site, which commenced operations in December 2012, and increased pumping capacity, helped us alleviate the constraints on our pumping that began in the latter half of fiscal 2012. These constraints affected available storage capacity in surface a result of our investments in the remote injection and increased pumping capacities, however, we were able to reduce the amoun stored in the mine. Brine inflow costs also continued to reflect the cost of addressing changing inflow pa

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inflows from below our mine workings, as well as higher costs associated with the introduction of horizontal drilling beginning in th quarter of fiscal 2012. Under a tolling agreement that expired during the third quarter of fiscal 2013, we were entitled to reimburse pro-rata share of operating and capital costs of our Esterhazy mine, including a portion of our costs for managing the brin

For fiscal 2013, potash production was 7.8 million tonnes compared to 7.4 million tonnes in fiscal 2012. We curtailed production in th half of fiscal 2012 due to lower market demand as a result of cautious customer purchasing behavior. Our operating rate for potash p was 79% in fiscal 2013 compared to 81% in fiscal 2012 due to higher capacity in fis

Fiscal 2012 compared to Fi

The Potash segment s net sales increased to $3.3 billion in fiscal 2012 compared with $3.1 billion in fiscal 2011 primarily due to an sales prices that resulted in an increase in net sales of approximately $620 million, partially offset by lower sales volumes which r lower sales of approximately $38

The Potash segment s sales volumes decreased to 6.7 million tonnes for fiscal 2012 compared to 7.5 million tonnes in the prior cautious customer purchasing behavior in North

Our average MOP selling price was $448 per tonne in fiscal 2012, which is an increase of 25% compared to the prior year average pric per tonne. MOP selling prices, both domestic and international, increased as a result of stronger farmer economics and increased gra particularly corn, in fis

Gross margin for the Potash segment increased to $1.6 billion in fiscal 2012 compared to $1.5 billion in fiscal 2011. The gross m favorably impacted by approximately $620 million due primarily to the increase in sales prices, partially offset by a decrease in sale which unfavorably impacted gross margin by approximately $250 million. In addition, gross margin was unfavorably impacted by hig of approximately $220 million, which are further described in the following paragraphs. The factors affecting gross margin and costs a discussed below. Gross margin as a percentage of net sales increased to 49% in fiscal 2012 from 48% in fis

We incurred $233.1 million in depreciation expense during fiscal 2012 compared to $188.9 million in fiscal 2011. The higher dep relates to more fixed assets being depreciated as they have been brought into service primarily for our expansion and sustaining

We incurred $393.7 million in labor and contract labor costs during fiscal 2012 compared to $345.6 million in fiscal 2011. The increas and contract labor costs primarily related to additional headcount and payroll related costs to support our ex

We incurred $257.9 million in Canadian resource taxes in fiscal 2012 compared with $243.7 million in fiscal 2011. The higher taxes primarily to increasing selling prices in fiscal 2012. The potash expansions resulted in a reduction to our Canadian resource taxes and of approximately $185 million and $233 million for fiscal 2012 and 2011, respectively. We incurred $69.2 million in royalties in fi compared to $50.5 million in fiscal 2011. The increase in royalties was due primarily to higher sales in fis

Costs were impacted by net unrealized mark-to-market derivative losses, primarily on foreign currency and natural gas derivatives million in fiscal 2012 compared with gains, primarily on foreign currency derivatives, of $12.5 million in fis

We incurred $205.0 million in expenses, including depreciation, and $44.4 million in capital expenditures related to managing the brin at our Esterhazy mine during fiscal 2012, compared to $151.9 million and $37.4 million, respectively, in fiscal 2011. During the la fiscal 2012, net inflows were higher than average but still estimated to be within our historical experience. Our pumping of brine from was co beginning in the latter half of fiscal 2012 because of less available storage capacity than normal in surface ponds primarily due to rainfall in Saskatchewan and the downtime of certain brine injection wells. The results for fiscal 2012 include the higher costs of a brine inflow costs, which continued to reflect the cost of addressing changing inflow patterns and inflows from below our mine wo well as higher costs associated with the introduction of horizontal drilling beginning in the second quarter of fis

For fiscal 2012, potash production was 7.4 million tonnes compared to 7.3 million tonnes in fiscal 2011. We increased our produc beginning in fiscal 2011 continuing through the first half of fiscal 2012 to meet increasing demand; however, we curtailed product second half of the year due to lower market demand as a result of cautious customer purchasing behavior. Our operating rate f production was 81% in fiscal 2012 compared to 80% in fis

Other Income Statem

	Seven Months Ended December 31,		2013-2012		Years Ended May 3	
(in millions)	**2013**	**2012 (unaudited)**	**Change**	**Percent**	**2013**	**2012**
Selling, general and administrative expenses	$ 211.8	$ 245.6	$ (33.8)	(14%)	$ 427.3	$ 410.1
Loss on write-down of assets	122.8	-	122.8	NM	-	-
Other operating expenses	76.8	40.8	36.0	88%	123.3	63.8
Change in value of share repurchase agreement	73.2	-	73.2	NM	-	-
Interest (expense)	(22.8)	-	(22.8)	NM	-	(1.4)
Interest income	9.5	11.5	(2.0)	(17%)	18.8	20.1
Interest income (expense), net	(13.3)	11.5	(24.8)	NM	18.8	18.7
Foreign currency transaction gain (loss)	16.5	(34.2)	50.7	NM	(15.9)	16.9
Gain on sale of equity investment	-	-	-	NM	-	-
Other income (expense)	(9.1)	(0.4)	(8.7)	NM	2.0	(17.8)
Provision for income taxes	152.6	109.0	43.6	40%	341.0	711.4

Selling, General and Administrative

Selling, general and administrative expenses decreased to $211.8 million for the seven months ended December 31, 2013 compared million for the seven months ended December 31, 2012 due to a decrease in salaries, incentives, and other employee benefits comb project expenses incurred in the prior year period that were not repeated in the curre

Selling, general and administrative expenses increased to $427.3 million in fiscal 2013 compared to $410.1 million in fiscal 2012 increase in salaries, incentives, and other employee benefits combined with an increase in project costs related to strategic and op improvement i

Selling, general and administrative expenses increased to $410.1 million in fiscal 2012 compared to $372.5 million in fiscal 2011 prim result of an increase in salaries and benefits combined with an increase in costs associated with operational improvement initiatives, related to information technology enha

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Loss on Write-Down

The loss on write-down of assets of $122.8 million for the seven months ended December 31, 2013 is related to the planned exit Argentina and Chile distribution businesses, write-off of initial engineering costs of our ammonia plant, closure of the Hersey potas and the planned sale of our Hersey salt operations mentioned in the C

Other Operating

Other operating expenses were $76.8 million for the seven months ended December 31, 2013 compared to $40.8 million for the seve ended December 31, 2012. Other operating expenses typically consist of three major categories: 1) Asset Retirement Ob (***AROs***)/environmental and legal reserves, 2) insurance reimbursements and 3) gain/loss on fixed assets. The increase in the current primarily due to approximately $15 million of ARO adjustments, approximately $9 million related to the settlement of certain mine and approximately $12 million related to the write-off of fixed assets partially offset by a $19 million decrease in legal reserves compa pri

Other operating expenses were $123.3 million in fiscal 2013 compared to $63.8 million in fiscal 2012. The increase in fiscal 2013 is due to the settlement of the Potash Antitrust Cases. The settlement and related costs resulted in a pre-tax charge of approximately $5

Other operating expenses were $63.8 million in fiscal 2012 compared to $85.1 million in fiscal 2011. The decrease in fiscal 2012 relates to a $17.0 million write-off of assets in fiscal 2011 at our Louisiana ammonia facility in our Phosphates

Change in Value of Share Repurchase A

The change in the value of share repurchase agreement of $73.2 million relates to the remeasurement of our share repurchase obligat present value at December 31, 2013, of the amount to be paid at se

Foreign Currency Transaction Ga

For the seven months ended December 31, 2013, we recorded a foreign currency transaction gain of $16.5 million, compared to a loss million in the seven months ended December 31, 2012. The foreign currency transaction gain in the current period was primarily the the strengthening of the U.S. dollar relative to the Canadian dollar on significant U.S. dollar denominated intercompany receivables held by certain of our Canadian subsidiaries, partially offset by the effect of the strengthening of the U.S. dollar relative to the Brazilia significant U.S. dollar denominated payables held by our Brazilian sub

In fiscal 2013, we recorded a foreign currency transaction loss of $15.9 million, compared to a gain of $16.9 million in fiscal 2012. Th currency transaction loss in fiscal 2013 was primarily the result of the strengthening of the U.S. dollar relative to the Brazilia significant U.S. dollar denominated payables held by our Brazilian sub

In fiscal 2012, we recorded a foreign currency transaction gain of $16.9 million, compared to a loss of $56.3 million in fiscal 2011. Th currency transaction gain in fiscal 2012 was primarily the result of the strengthening of the U.S. dollar relative to the Canadian significant U.S. dollar denominated intercompany receivables and cash held by certain of our Canadian subsidiaries, partially offset by of the strengthening of the U.S. dollar relative to the Brazilian Real on significant U.S. dollar denominated payables held by our sub

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Gain on Sale of Equity In

In fiscal 2011, we recorded a $685.6 million pre-tax gain on the sale of our equity method investment in Fosfertil. The tax impa transaction was $116.2 million which is included in our provision for income taxes for fiscal 2011. For further discussion see Note Notes to Consolidated Financial St

Other Income (

For the seven months ended December 31, 2013, we recorded a charge of approximately $10 million for costs related to envir remediation from a lega

For fiscal 2012, we recorded a charge of approximately $20 million for the call premium related to the redemption of the remainin million aggregate principal amount of our 7-5/8% Senior Notes due Decem

For fiscal 2011, we recorded a charge of approximately $19 million for the call premium and write-off of unamortized fees rela redemption of the remaining $455.4 million aggregate principal amount of our 7-3/8% senior notes due Decem

Provision for Incor

	Effective Tax Rate	Provision for Income Taxes
Seven months ended December 31, 2013	31.5%	$ 152.6
Year ended May 31, 2013	15.4%	341.0
Year ended May 31, 2012	27.1%	711.4
Year ended May 31, 2011	23.0%	752.8

Income tax expense for the seven months ended December 31, 2013 was $152.6 million, an effective tax rate of 31.5% on pre-tax i $484.2 million. Our income tax rate is impacted by the mix of earnings across the jurisdictions in which we operate and by a benefit a with depletion. The tax rate was negatively impacted by a tax expense of $100.8 million as a result of the determination that we are permanently reinvested at certain non-U.S. subsidiaries. For further information, please see Note 12 to our Notes to Consolidated Statements. The tax rate was favorably impacted by the $73.2 million change in value of the share repurchase agreement, w nor

Income tax expense for fiscal 2013 was $341.0 million, an effective tax rate of 15.4% on pre-tax income of $2.2 billion. The tax impacted by a discrete income tax benefit of approximately $180 million related to the resolution of certain tax

Income tax expense for fiscal 2012 was $711.4 million, an effective tax rate of 27.1% on pre-tax income of $2

Income tax expense for fiscal 2011 was $752.8 million, an effective tax rate of 23.0% on pre-tax income of $3.3 billion. The tax impacted by a $116.2 million expense related to the $685.6 million gain on the sale of our interest in

Critical Accounting E

We prepare our Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States of which requires us to make various judgments, estimates and assump

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could have a significant impact on our reported results and disclosures. We base these estimates on historical experience and other ass believed to be reasonable at the time we prepare our financial statements. Changes in these estimates could have a material eff Consolidated Financial St

Our significant accounting policies can be found in Note 3 of our Notes to Consolidated Financial Statements. We believe the accounting policies include a higher degree of judgment and complexity in their application and are most critical to aid in fully unde and evaluating our reported financial condition and results of o

Recoverability of Long-Lived Assets including

Assessing the potential impairment of long-lived assets is an integral part of our normal ongoing review of operations. These as involve estimates that require significant management judgment, and include inherent uncertainties that are often interdependent a change in isolation. Factors that management must estimate include, among others, industry and market conditions, the economic asset, sales volume and prices, inflation, raw materials costs, cost of capital, tax rates and capital spending. These factors are even mor to predict when global financial markets are highly volatile. Further, our Company faces many uncertainties and risks related economic, political and regulatory environments in the countries in which we operate. Refer to Item 1A. Risk Factors in Part I of t period report on Fo

As mentioned above, these factors do not change in isolation; therefore, it is not practicable to present the impact of changing a single management uses different assumptions or if different conditions occur in future periods, future impairment charges could result and material. Impairments generally would be non-cash charges. During the seven months ended December 31, 2013, no material impai indicated for Mosaic s asset groups except for the write-down of the Hersey assets in connection with the planned sale of that m write-down of our distribution business in Argentina and Chile as Assets Held

The carrying value of goodwill in our business segments, which are also our reporting units, is tested annually as of October 31st fo impairment. We typically use an income approach valuation model, representing present value of future cash flows, to determine the of a reporting unit. Growth rates for sales and profits are determined using inputs from our annual strategic planning process. The rat discount projected future cash flows reflect a weighted average cost of capital based on the Company s industry, capital structu premiums including those reflected in the current market capitalization. When preparing these estimates, management considers each unit s historical results, current operating trends, and specific plans in place. These estimates are impacted by various factors includin the general health of the economy and market competition. In addition, events and circumstances that might be indicators o impairment are assessed during other interim periods. No goodwill impairment was indicated during the seven months ended Dec 2013. See Note 10 of our Notes to Consolidated Financial Statements for additional information regarding goodwill. As of December we had $1.8 billion of

Useful Lives of Depreciable Assets and Rates of

We estimate initial useful lives of property, plant and equipment based on operational experience, current technology, improvement the assets, and anticipated business plans. Factors affecting the fair value of our assets, as noted above, may also affect the estimated us of our assets and these factors can change. Therefore, we periodically review the estimated remaining useful lives of our facilities significant assets and adjust our depreciation rates prospectively where ap

Depletion expenses for mining operations, including mineral reserves, are generally determined using the units-of-production method estimates of recoverable reserves. These estimates may change based on new information regarding the extent or quality of mineral permitting or changes in mining s

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In

We review our inventory carrying amounts quarterly to determine if they exceed their estimated net realizable value. Forecasted selli are a significant component in determining estimated net realizable value. As described in our significant accounting policies, t number of demand and supply variables that can impact forecasted selling prices. Additionally, judgment is involved in this ana estimating whether inventories will be sold as blends or other products and the expected effects on costs. These factors do not isolation, and therefore, it is not practicable to present the impact of changing a sing

Although we believe our judgments and estimates are reasonable, results could differ materially if actual selling prices differ significa forecasted selling prices or if expected costs change significantly through the ultimate sale of inventory. Charges for lower of cost adjustments, if any, are recognized in our Consolidated Statements of Earnings in the period when there is evidence of a decline of ma below cost. During the seven months ended December 31, 2013, and during fiscal 2013, 2012 or 2011, no lower of cost or market write-downs were i

We allocate fixed expense to the costs of production based on normal capacity, which refers to a range of production levels and is consi production expected to be achieved over a number of periods or seasons under normal circumstances, taking into account the loss o resulting from planned maintenance. Fixed overhead costs allocated to each unit of production should not increase due to abnor production. Those excess costs are recognized as a current period expense. When a production facility is completely shut down tempor considered idle , and all related expenses are charged to cost o

Environmental Liabilities and Asset Retirement Ob

We record accrued liabilities for various environmental and reclamation matters including the demolition of former operating faci

Contingent environmental liabilities are described in Note 20 of our Notes to Consolidated Financial Statements. Accruals for envir matters are based primarily on third-party estimates for the cost of remediation at previously operated sites and estimates of legal ongoing environmental litigation. We regularly assess the likelihood of material adverse judgments or outcomes as well as potential probability of losses. We determine the amount of accruals required, if any, for contingencies after carefully analyzing each individu Actual costs incurred in future periods may vary from the estimates, given the inherent uncertainties in evaluating environmental expo of December 31, 2013, May 31, 2013 and 2012, we had accrued $31.3 million, $24.7 million and $27.3 million, respectively, for envir

As indicated in Note 13 of our Notes to Consolidated Financial Statements, we recognize AROs in the period in which we have an exis obligation, and the amount of the liability can be reasonably estimated. We utilize internal engineering experts as well as third-party co to assist management in determining the costs of retiring certain of our long-term operating assets. Assumptions and estimates r historical experience and our best judgments regarding future expenditures. The assumed costs are inflated based on an estimated inflat and discounted based on a credit-adjusted risk-free rate. For active facilities, fluctuations in the estimated costs (including those resulti change in environmental regulations), inflation rates and discount rates can have a significant impact on the corresponding assets and recorded in the Consolidated Balance Sheets. However, changes in the assumptions for our active facilities would not have a significa on the Consolidated Statements of Earnings in the year they are identified. For closed facilities, fluctuations in the estimated costs, infl discount rates have an impact on the Consolidated Statements of Earnings in the year they are identified as there is no asset relate items. Phosphate land reclamation activities generally occur concurrently with mining operations; as such, we accrue and expense re costs as we mine. As of December 31, 2013, May 31, 2013 and 2012, $723.9 million, $658.5 million and $600.3 million, respecti accrued f

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Pension Plans and Other Postretirement

The accounting for benefit plans is highly dependent on valuation of pension assets and actuarial estimates and assu

The assumptions and actuarial estimates required to estimate the employee benefit obligations for pension plans and other postr benefits include discount rate, expected salary increases, certain employee-related factors, such as turnover, retirement age and mort expectancy), expected return on assets and healthcare cost trend rates. We evaluate these critical assumptions at least annually. Our ass reflect our historical experiences and our best judgments regarding future expectations that have been deemed reasonable by man

The judgments made in determining the costs of our benefit plans can impact our Consolidated Statements of Earnings. As a resu actuarial consultants to assist management in developing reasonable assumptions and cost estimates. Actual results in any given year differ from actuarial assumptions because of economic and other factors. The effects of actual results differing from our assump included as a component of other comprehensive income/(expense) as unamortized net gains and losses, which are amortized into earn future periods. As of December 31, 2013, May 31, 2013 and 2012, we had $75.2 million, $147.1 million and $149.0 million, resp accrued for pension and other postretirement benefit obligations. Our pension and other postretirement benefits are further described in of our Notes to Consolidated Financial St

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Due to Mosaic s global operations, we assess uncertainties and judgments in the application of complex tax regulations in a m jurisdictions. Future changes in judgment related to the expected ultimate resolution of uncertain tax positions will affect earnings in th of such change. While it is often difficult to predict the final outcome or the timing of resolution of any particular uncertain tax pos liabilities for income taxes reflect what we believe to be the more likely than not outcome. We adjust these liabilities, as well as th interest, in light of changing facts and circumstances including negotiations with taxing authorities in various jurisdictions, outcom litigation, and resolution of disputes arising from tax audits in the normal course of business. Settlement of any particular position ma the use of cash. Based upon an analysis of tax positions taken on prior year returns and expected positions to be taken on the current ye management has identified gross uncertain income tax positions of $99.2 million as of December 31, 2013. It is reasonably possible tha to the Company s unrecognized tax benefits could be significant; however, due to the uncertainty of possible outcomes, a current esti range of changes that may occur cannot

A valuation allowance is provided for deferred tax assets for which it is more likely than not that the related tax benefits will not be Significant judgment is required in evaluating the need for and magnitude of appropriate valuation allowances. The realization of the C deferred tax assets is dependent on generating certain types of future taxable income, using both historical and projected future operatin the source of future income, the reversal of existing taxable temporary differences, taxable income in prior carry-back years (if perm the availability of tax planning strategies. As of December 31, 2013, May 31, 2013 and 2012, we had a valuation allowance of $129. $93.6 million and $180.2 million, respectively. Changes in tax laws, assumptions with respect to future taxable income, tax planning s resolution of matters under tax audit and foreign currency exchange rates could result in adjustment to these all

We have not recorded U.S. deferred income taxes on certain of our non-U.S. subsidiaries undistributed earnings as such amounts are be reinvested outside the United States indefinitely. Generally, such amounts become subject to U.S. taxation upon the remittance of and under certain other circumstances. It is not practicable to estimate the amount of additional U.S. tax liabilities we wo

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We have included a further discussion of income taxes in Note 12 of our Notes to Consolidated Financial St

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Our operating results are affected by claims and judicial or administrative proceedings involving the Company, many of which are inc the ordinary operation of the business, as described in Note 20 of our Notes to Consolidated Financial Statements. We record accruals claims and proceedings when information available to us indicates it is probable that a liability has been incurred and the amount of lo reasonably estimated. These accruals are established as part of an ongoing assessment that takes into consideration such items as advic counsel, developments in individual claims and proceedings, changes in the law, changes in business focus, changes in the environment, changes in opponent strategy and tactics, ongoing discovery, and past experience in defending and settling simila Adjustments to accruals, recorded as needed in our Consolidated Statement of Earnings each quarter, are made to reflect changes in an status of these factors. While we have established what we currently believe are adequate accruals for pending legal matters, these frequently involve estimates based upon the current judgment of management and others and the final outcome or potential sett litigation or other claims could differ materially from the recorded

Liquidity and Capital R

We define liquidity as the ability to generate or access adequate amounts of cash to meet current cash needs. We assess our liquidity in our ability to fund working capital requirements, fund sustaining and expansion projects, pursue strategic opportunities and capital ma decisions which include making payments on and issuing indebtedness and distributions to our shareholders, either in the form repurchases or dividends. Our liquidity, to a certain extent, is subject to general economic, financial, competitive and other factor beyond ou

Our capital management philosophy includes a commitment to investment grade ratings, and financial flexibility to take advantage of opportunities. We target a liquidity buffer of $2.25 billion, with approximately one third in cash on our balance sheet and two thirds c credit lines. We also target debt leverage ratios that are consistent with investment grade ratings. Our capital allocation prioritie investing in our business, paying our dividend, taking advantage of strategic opportunities and returning excess to shareholders i maintain an efficient balan

At May 31, 2013, we had cash and cash equivalents of approximately $3.7 billion, stockholders equity of approximately $13.4 billion debt of approximately $1.0 billion and short-term debt of approximately $68.7 million. During the Stub Period, we took significan reach our liquidity buffer and debt leverage targets by issuing $2.0 billion of long-term debt, increasing the size of our revolv agreement from $750 million to $1.5 billion and entering into the Share Repurchase Agreements. At December 31, 2013, we had cash equivalents of approximately $5.3 billion, stockholders equity of approximately $11.3 billion, long-term debt of approximately $3.0 short-term debt of approximately $22.6 million. After the end of the year and through the date of this report we have utilized cash equivalents of approximately $1.2 billion to repurchase approximately 27.2 million shares under the Share Repurchase Ag

In addition to our working capital and other normal liquidity requirements, we expect to utilize our available liquidity, including cash equivalents and issue debt, to fund the remainder of our commitment under the Share Repurchase Agreement, our Share Repurchase the CF Phosphate Assets Acquisition, our commitments in connection with the Northern Promise Joint Venture and certain financial a requirements related to our Phosphates business as discussed under EPA RCRA Initiative in Note 20 of our Notes to Consolidat Statements. We plan to take advantage of borrowing opportunities principally to fund the CF Phosphate Assets Ac

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All of our cash and cash equivalents are diversified in highly rated investment vehicles. Approximately $1.7 billion of cash and cash eq are held by non-U.S. subsidiaries and are not subject to significant foreign currency exposures as the majority are held in inv denominated in U.S. dollars, as of December 31, 2013. These funds may create foreign currency transaction gains or losses, however, d on the functional currency of the entity holding the cash. In addition, there are no significant restrictions that would preclude us from these funds back to the U.S.; however, there would be an income tax expense impact on repatriating approximately $0.4 billio associated with certain undistributed earnings, which are part of the permanently reinvested earnings discussed in Note 12 of our Consolidated Financial Statements. However, we currently intend to use a portion of this cash for non-U.S. expansions. Information investment of our cash and cash equivalents is included in Note 3 of our Notes to Consolidated Financial St

Cash Requ

We have certain contractual cash obligations that require us to make payments on a scheduled basis which include, among oth long-term debt payments, interest payments, operating leases, unconditional purchase obligations, the obligation for our Share Re Agreement and funding requirements of pension and postretirement obligations. Unconditional purchase obligations are our largest co cash obligations. These include obligations for capital expenditures related to our expansion projects, contracts to purchase raw materia sulfur, ammonia, rock and natural gas, obligations to purchase raw materials for our international distribution activities and equity con for nonconsolidated investments. Other large cash obligations are our contractual share repurchase obligation, AROs and other envir obligations primarily related to our Phosphates segment and our long-term debt. Our long-term debt has maturities ranging from one y years. We expect to fund our AROs, purchase obligations, contractual share repurchase obligation and capital expenditures with a con of operating cash flows, cash and cash equivalents, and borrowings. See Off-Balance Sheet Arrangements and Obligations for the amou by Mosaic under Contractual Cash Obligations below and the discussion under EPA RCRA Initiative in Note 20 of our Notes to C Financial Statements for more information on th

Sources and Use

The following table represents a comparison of the net cash provided by operating activities, net cash used in investing activities, and used in financing activities for the seven months ended December 31, 2013 and 2012 and for fiscal 2013, 2012 a

(in millions)	Seven Months Ended December 31,		2013-2012		Years Ended May 31,		
Cash Flow	**2013**	**2012**	**Change**	**Percent**	**2013**	**2012**	
Net cash provided by operating activities	$ 889.4	$ 742.9	$ 146.5	20%	$ 1,887.5	$ 2,705.8	$
Net cash used in investing activities	(957.2)	(967.0)	9.8	(1%)	(1,589.8)	(1,627.4)	
Net cash provided by (used in) financing activities	1,705.3	(207.1)	1,912.4	NM	(397.8)	(1,061.1)	

As of December 31, 2013, we had cash and cash equivalents of $5.3 billion. Funds generated by operating activities, available cash equivalents and our credit facilities continue to be our most significant sources of liquidity. We believe funds generated from the results of operations, available cash and cash equivalents and borrowings will be sufficient to meet our operating needs and finance an share repurchases, expansion plans and strategic initiatives in calendar 2014. In addition, as of December

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approximately $1.5 billion was available under our credit facility for additional working capital needs and investment opportunities.
be no assurance, however, that we will continue to generate cash flows at or above curre

Operating

Net cash flow from operating activities has provided us with a significant source of liquidity. For the seven months ended December net cash provided by operating activities was $889.4 million, compared to $742.9 million in the same period of the prior year. During Period, operating cash flow was primarily generated by net earnings, a decrease in accounts receivable and inventories, partially decreases in accounts payable and accrued l

The decrease in accounts receivable is primarily due to high accounts receivable as of May 31, 2013 due to sales in May 2013 occurrin the month as a result of a late spring sale and application season in North America due to a wet spring which resulted in a correspondin collections to the Stub Period. The decrease in inventories in the Stub Period is primarily due to strong sales volumes of our phosphates in December 2013 and the lower cost of raw materials used in our phosphates products, as discussed further in the Phosphates Net Gross Margi

The decrease in accounts payable was primarily due to a decline in the cost of raw material purchases in our Phosphates segment during Period, as discussed further in the Phosphates Net Sales and Gross Margin section. The change in accrued liabilities also contribu change in working capital as we shipped product against our customer prepayments in Brazil, which were high as of May

For fiscal 2013, net cash provided by operations was $1.9 billion, compared to $2.7 billion in fiscal 2012. During fiscal 2013, opera flow was primarily generated by net earnings, partially offset by the effect of changes in working capital, including an increase in receivable and higher inventory levels. The increase in accounts receivable was the result of higher sales in May 2013 compared with M sales. Higher inventories were due to building phosphate rock inventory in fiscal 2013 and entering the year with low finished goods in fiscal 2013 compared to the p

Operating activities provided $2.7 billion and $2.4 billion of cash for fiscal 2012 and 2011, respectively, primarily driven by net

Investing

Net cash used in investing activities for the seven months ended December 31, 2013 of $1.0 billion was comparable to the same per prior year. Capital expenditures decreased slightly in the Stub Period primarily related to our expansion projects in our Potash segment invested $158.9 million in the Northern Promise Joint Venture in the Stu

Net cash used in investing activities for fiscal 2013 was comparable to fiscal 2012 at $1.6 billion. Capital expenditures decreased s fiscal 2013 primarily related to our expansion projects in our Potash segment. We also invested $15.0 million in the Northern Pron

Investing activities used $1.6 billion of cash for fiscal 2012, an increase of $1.1 billion compared to fiscal 2011. The increase in cas investing activities was primarily due to $1.0 billion in proceeds from the sale of our investment in Fosfertil in fiscal 2011, partially our investment in our equity interest in the Miski Mayo Mine of approximately $385 million in fiscal 2011 and an increase expenditures primarily related to our expansion projects in our Potash

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Financing

Net cash provided by financing activities for the seven months ended December 31, 2013 was $1.7 billion, compared to net cas financing activities of $207.1 million for the same period in the prior year. In the Stub Period we received proceeds of $2.0 billion fron debt offering consisting of $900 million aggregate principal amount of 4.250% Senior Notes due 2023, $500 million aggregate principa of 5.45% Senior Notes due 2033 and $600 million aggregate principal amount of 5.625% Senior Notes due 2043 which was the prima for the increase in net cash provided by financing activities. The proceeds were partially offset by dividends of $213.5 million paid ir

Net cash used in financing activities for fiscal 2013 was $397.8 million, compared to $1.1 billion in fiscal 2012. The primary reas decrease in net cash used in financing activities was the repurchase of Class A common stock combined with the redemption of ou Senior Notes that both occurred in fiscal 2012 partially offset by an increase in dividends paid in fis

Net cash used in financing activities for fiscal 2012 was $1.1 billion, compared to $585.0 million for the same period in fiscal 2011. Th reason for the increase in net cash used in financing activities was the repurchase of Class A common stock in the second quarter of fi for $1.2 billion. Additionally, on October 24, 2011, we completed a $750.0 million public offering of our New Senior Notes. We us million of the net proceeds from this offering to redeem the remaining $469.3 million aggregate principal amount of our 7-5/8% Senior our subsidiary, MOS Holdings Inc., on Decembe

Debt Instruments, Guarantees and Related C

See Note 11 of our Notes to Consolidated Financial Statements for additional information relating to our financing arrar

Financial Assurance Requ

In addition to various operational and environmental regulations primarily related to our Phosphates segment, we incur liabilities for re activities under which we are subject to financial assurance requirements. In various jurisdictions in which we operate, particularly Fl Louisiana, we are required to pass a financial strength test or provide credit support, typically in the form of surety bonds or letters of c Other Commercial Commitments under Off-Balance Sheet Arrangements and Obligations and Note 20 of our Notes to Consolidated Statements for additional information about these requ

Off-Balance Sheet Arrangements and Ob

Off-Balance Sheet Arrar

In accordance with the definition under rules of the Securities and Exchange Commission (***SEC***), the following qualify as off-b arrar

certain obligations under guarantee contracts that have any of the characteristics identified in Financial Accounting Standard (***FASB***) Accounting Standards Codification (***ASC***) paragraph ASC 460-10-15-4 (Guarantees Topic) ;

a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, l or market risk support to that entity for such assets;

any obligation, including a contingent obligation, under a contract that would be accounted for as derivative instruments exce is both indexed to the registrant s own stock and classified as equity; and

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any obligation, arising out of a variable interest in an unconsolidated entity that is held by, and material to, the registrant, whe
entity provides financing, liquidity, market risk or credit risk support to the registrant, or engages in leasing, hedging or resea
development services with the registrant.

Information regarding guarantees that meet the above requirements is included in Note 16 of our Notes to Consolidated Financial S
and is hereby incorporated by reference. We do not have any contingent interest in assets transferred, derivative instruments, or variab
entities that qualify as off-balance sheet arrangements under S

Contractual Cash Ob

The following is a summary of our contractual cash obligations as of December

(in millions)	Total	Less than 1 year	1 - 3 years	3 - 5 years	
			Payments by Calendar Year		
Long-term debt	$ 3,009.3	$ 0.4	$ 4.3	$ 93.7	$
Estimated interest payments on long-term debt[a]	2,660.4	149.4	298.4	294.8	
Operating leases	188.6	45.7	58.6	38.2	
Purchase commitments[b]	6,859.2	1,919.9	1,028.9	698.4	
Contractual share repurchase liability	1,985.9	1,985.9	-	-	
Pension and postretirement liabilities[c]	522.7	62.9	96.1	100.6	
Total contractual cash obligations	$ 15,226.1	$ 4,164.2	$ 1,486.3	$ 1,225.7	$

(a) Based on interest rates and debt balances as of December 31, 2013.

(b) Based on prevailing market prices as of December 31, 2013. The majority of items more than 5 years is our estimated purchase commitment from our equity investee, the Miski Mayo Mine.

(c) Calendar 2014 pension plan payments are based on minimum funding requirements. For years thereafter, pension plan payments a on expected benefits paid. The postretirement plan payments are based on projected benefit payments.

In addition to the above, we have an obligation to fund our investment in the Northern Promise Joint Venture of up to $1 billion ove
four years. We also have an obligation to fund the Family Trusts Share Repurchase Agreements for an aggregate of approximately 5

Other Commercial Comm

The following is a summary of our other commercial commitments as of December

(in millions)	Total	Less than 1 year	1 - 3 years	3 - 5 years	Mo
			Commitment Expiration by Calendar Ye		
Letters of credit	$ 28.5	$ 28.5	$ -	$ -	$
Surety bonds	181.6	181.2	0.1	-	
Total	$ 210.1	$ 209.7	$ 0.1	$ -	$

The surety bonds and letters of credit generally expire within one year or less but a substantial portion of these instruments provide
assurance for continuing obligations and, therefore, in most cases, must be renewed on an annual basis. We issue Letters of Credit th
Credit Facility and bi-lateral agreeme

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December 31, 2013 we had $19.0 million of outstanding Letters of Credit through our Credit Facility and $9.5 million outstandin
bi-lateral agreements. We primarily incur liabilities for reclamation activities in our Florida operations and for phosphogypsum ma
system (***Gypstack***) closure in our Florida and Louisiana operations where, in order to obtain necessary permits, we must either
financial strength or provide credit support, typically in the form of surety bonds or letters of credit. As of December 31, 2013, we h
million in surety bonds outstanding for reclamation obligations, primarily related to mining in Florida. We have letters of cred
supporting mining reclamation activity of $1.9 million. The surety bonds generally require us to obtain a discharge of the bonds
additional collateral (typically in the form of cash or letters of credit) at the request of the issuer of t

We are subject to financial responsibility obligations for our Gypstacks in Florida and Louisiana. We are currently in compliance
financial assurance requirements because our financial strength permits us to meet applicable financial strength tests. However, at vari
we have not met the applicable financial strength tests and there can be no assurance that we will be able to meet applicable financia
tests in Florida and Louisiana in the future. In the event we do not meet either the Florida or Louisiana financial strength test, we
required to seek an alternate financial strength test acceptable to state regulatory authorities or provide credit support, which may inclu
bonds, letters of credit and cash escrows or trust funds. Cash escrows or trust funds would be classified as restricted cash on our Co
Balance Sheets. Assuming we maintain our current levels of liquidity and capital resources, we do not expect that the Florida and
requirements will have a material effect on our results of operations, liquidity or capital

Currently, financial assurance requirements in Florida and Louisiana for the closure of Gypstacks are, in general terms, based upon
assumptions and associated estimated values, as the AROs recognized for financial reporting purposes. For financial reporting pur
recognize the AROs based on the estimated future closure and post-closure costs, the undiscounted value of which is approximately $1
The value of the AROs for closure of Mosaic s Gypstacks, discounted to the present value based on a credit-adjusted risk-free rate, is
our Consolidated Balance Sheets in the amount of approximately $465 million as of December 31, 2013. Compliance with the
assurance requirements in Florida and Louisiana is based on the undiscounted Gypstack closure

In connection with the Company s efforts to achieve resolution of certain environmental matters, the U.S. Department of Justice a
Environmental Protection Agency (the ***EPA***), together with the States of Louisiana and Florida, seek to require Mosaic to prov
assurances for the closure of Gypstacks that are significantly more burdensome than the current requirements and would require
pre-fund a meaningful portion of the estimated costs to close all the Gypstacks currently, rather than the costs estimated at the end of th
lives. See the discussions under Environmental, Health and Safety Matters Operating Requirements and Impacts Financial As
and EPA RCRA Initiative in Note 20 of our Notes to Consolidated Financial Statements for more information o

Other Long-Term Ob

The following is a summary of our other long-term obligations as of December

(in millions)	**Total**	***Payments by Calendar Year*** **Less than 1 year**	**1 - 3 years**	**3 - 5 years**	
ARO[(a)]	$ 1,863.0	$ 86.8	$ 160.8	$ 141.2	$

(a) Represents the undiscounted, inflation adjusted estimated cash outflows required to settle the AROs. The corresponding present v
these future expenditures is $723.9 million as of December 31, 2013, and is reflected in our accrued liabilities and other noncurre
liabilities in our Consolidated Balance Sheets.

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As of December 31, 2013, we had contractual commitments with non-affiliated customers for the sale of approximately 1.4 million concentrated phosphates and 0.4 million tonnes of potash for fis

Most of our export sales of potash crop nutrients are marketed through a North American export association, Canpotex, which operations in part through third-party financing facilities. As a member, Mosaic or our subsidiaries are, subject to certain condi exceptions, contractually obligated to reimburse Canpotex for their pro rata share of any operating expenses or other liabilities incu reimbursements are made through reductions to members cash receipts from

Commitments are set forth in Note 19 of our Notes to Consolidated Financial Statements and are incorporated herein by r

Income Tax Ob

Gross uncertain tax positions as of December 31, 2013 of $99.2 million are not included in the other long-term obligations table presen because the timing of the settlement of unrecognized tax benefits cannot be reasonably determined. For further discussion, refer to N our Notes to Consolidated Financial St

Mar

We are exposed to the impact of fluctuations in the relative value of currencies, fluctuations in the purchase price of natural gas, amn sulfur consumed in operations, and changes in freight costs, as well as changes in the market value of our financial instruments. We pe enter into derivatives in order to mitigate our foreign currency risks and the effects of changing commodity prices and freight prices, b speculative

Foreign Currency Exchar

We use financial instruments, including forward contracts, zero-cost collars and futures, which typically expire within one year, to r impact of foreign currency exchange risk in our cash flows, not the foreign currency volatility in our

One of the primary currency exposures relates to several of our Canadian entities, whose sales are denominated in U.S. dollars, but wh are paid principally in Canadian dollars, which is their functional currency. We generally enter into derivative instruments for a port currency risk exposure on anticipated cash inflows and outflows, including contractual outflows for our Potash expansion and oth expenditures denominated in Canadian dollars. A stronger Canadian dollar generally reduces these entities operating earnings Canadian dollar has the opposite effect. Depending on the underlying exposure, such derivatives can create additional earnings because we do not use hedge accounting. Gains or losses on these derivative contracts, both for open contracts at quarter end (unreal settled contracts (realized), are recorded in either cost of goods sold or foreign currency transaction lo

The functional currency for our Brazilian subsidiaries is the Brazilian real. We finance our Brazilian inventory purchases with U denominated liabilities. A stronger Brazilian real relative to the U.S. dollar has the impact of reducing these liabilities on a functional basis. When this occurs, an associated foreign currency transaction gain is recorded as non-operating income (expense). A weaker Braz has the opposite effect. We also enter into derivative instruments for a portion of our currency risk exposure on anticipated cash f record an associated gain or loss in the foreign currency transaction gain and loss line in the Consolidated Statements of

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Our foreign currency exchange contracts do not qualify for hedge accounting; therefore, all gains and losses are recorded in the Cor Statements of Earnings. Gains and losses on foreign currency exchange contracts are recorded in either cost of goods sold or foreign transaction loss (gain) in the Consolidated Statement of Earnings depending on the underlying tra

As discussed above, we have Canadian dollar, Brazilian real, and other foreign currency exchange contracts. As of December 31, 2013 2013 and 2012, the fair value of our major foreign currency exchange contracts were ($17.4) million, ($28.3) million and ($13.5 respectively. We recorded an unrealized gain of $7.8 million in cost of goods sold and recorded an unrealized gain of $2.2 million i currency transaction gain (losses) in the Consolidated Statements of Earnings for this Stu

The table below provides information about Mosaic s significant foreign exchange c

(in millions)	As of December 31, 2013 Expected Maturity Date Year ending December 31, 2014	Fair Value	As of May 31, 2013 Expected Maturity Date Year ending May 31, 2014	Fair Value	As of May 31, Expected Maturity Date Year ending May 31, 2013	Fa
Foreign Currency Exchange Forwards						
Canadian Dollar						
Notional (million US$) - long	$ -	$ (13.3)	$ 58.4	$ (29.5)	$ -	$
Weighted Average Rate - Canadian dollar to U.S. dollar	-		1.0276		-	
Notional (million US$) - short	$ 687.9		$ 895.0		$ 1,157.9	
Weighted Average Rate - Canadian dollar to U.S. dollar	1.0467		1.0056		0.9896	
Foreign Currency Exchange Non-Deliverable Forwards						
Brazilian Real						
Notional (million US$) - long	$ 87.2	$ (3.0)	$ 173.1	$ 3.2	$ 394.5	$
Weighted Average Rate - Brazilian real to U.S. dollar	2.3849		2.0391		1.9634	
Notional (million US$) - short	$ 45.7		$ 149.8		$ 110.3	
Weighted Average Rate - Brazilian real to U.S. dollar	2.2559		2.0848		1.9179	
Indian Rupee						
Notional (million US$) - long	$ 104.5	$ (1.1)	$ 131.9	$ (2.3)	$ 141.7	$
Weighted Average Rate - Indian rupee to U.S. dollar	63.9091		57.3234		52.6348	
Foreign Currency Exchange Futures						
Brazilian Real						
Notional (million US$) - long	$ -	$ -	$ 16.0	$ 0.3	$ 31.5	$
Weighted Average Rate - Brazilian real to U.S. dollar	-		2.0849		1.9537	
Notional (million US$) - short	$ -	$ -	$ -	$ -	$ 15.8	$
Weighted Average Rate - Brazilian real to U.S. dollar	-		-		1.9984	
Total Fair Value		$ (17.4)		$ (28.3)		$

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Con

We use forward purchase contracts, swaps and occasionally three-way collars to reduce the risk related to significant price changes in c and produ

Our commodities contracts do not qualify for hedge accounting; therefore, all gains and losses are recorded in the Consolidated Stat Earnings. Gains and losses on commodities contracts are recorded in cost of goods sold in the Consolidated Statements of

As of December 31, 2013, May 31, 2013 and 2012, the fair value of our major natural gas commodities contracts were ($0.6) milli million and ($21.4) million, respectively. We recorded an unrealized gain of $4.2 million in cost of goods sold on the Consolidated S of Earnings in this Stub Per

Our primary commodities exposure relates to price changes in na

The table below provides information about Mosaic s natural gas derivatives which are used to manage the risk related to signi changes in na

	As of December 31, 2013 Expected Maturity Date Years ending December 31,			As of May 31, 2013 Expected Maturity Date Years ending May 31,			As of May 31, 2 Expected Maturity Date Years ending May 31,	
(in millions)	**2014**	**2015**	**Fair Value**	**2014**	**2015**	**Fair Value**	**2013**	**2014**
Natural Gas Swaps								
Notional (million MMBtu) - long	7.2	1.0	$ (0.6)	11.7	3.5	$ (5.0)	17.7	6.6
Weighted Average Rate (US$/MMBtu)	$ 3.71	$ 3.82		$ 4.26	$ 3.79		$ 3.26	$ 4.37
Total Fair Value			$ (0.6)			$ (5.0)		

S

Overall, there have been no material changes in our primary market risk exposures since the prior year. We do not expect any materia in our primary risk exposures. For additional information related to derivatives, see Notes 14 and 15 of our Notes to Consolidated St

Environmental, Health, Safety and Security

We are subject to an evolving complex of international, federal, state, provincial and local environmental, health, safety and security (that govern the production, distribution and use of crop nutrients and animal feed ingredients. These EHS laws regulate or propose to (i) conduct of mining, production and supply chain operations, including employee safety and facility security procedures; (ii) ma and/or remediation of potential impacts to air, soil and water quality from our operations; (iii) disposal of waste materials; (iv) recla lands after mining; (v) management and handling of raw materials; (vi) product content; and (vii) use of products by both us and our c

We have a comprehensive EHS management program that seeks to achieve sustainable, predictable and verifiable EHS performa elements of our EHS program include: (i) identifying and managing EHS risk; (ii) complying with legal requirements; (iii) improving procedures and protocols; (iv) educating employees regarding EHS obligations; (v) retaining and developing professional qualified E

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(vi) evaluating facility conditions; (vii) evaluating and enhancing safe workplace behaviors; (viii) performing audits; (ix) formula action plans; and (x) assuring accountability of all managers and other employees for EHS performance. Our business units are respo implementing day-to-day elements of our EHS program, assisted by an integrated staff of EHS professionals. We conduct audits to v each facility has identified risks, achieved regulatory compliance, implemented continuous EHS improvement, and incorpor management systems into day-to-day business f

New or proposed regulatory programs can present significant challenges in ascertaining future compliance obligations, impl compliance plans, and estimating future costs until implementing regulations have been finalized and definitive regulatory interpretat been adopted. New or proposed regulatory requirements may require modifications to our facilities or to operating procedures modifications may involve significant capital costs or increases in operat

We have expended, and anticipate that we will continue to expend, substantial financial and managerial resources to comply with EHS and to continue to improve our environmental stewardship. In 2014, excluding capital expenditures arising out of the possible s referred to under EPA RCRA Initiative in Note 20 of our Notes to Consolidated Financial Statements, we expect environm expenditures to total approximately $70 million, primarily related to: (i) modification or construction of waste management infrastru water treatment systems; (ii) construction and modification projects associated with Gypstacks and clay settling ponds at our Pl facilities and tailings management areas for our Potash mining and processing facilities; (iii) upgrading or new construction of air control equipment at some of the concentrates plants; and (iv) capital projects associated with remediation of contamination at current operations. Additional expenditures for land reclamation, Gypstack closure and water treatment activities are expected to total appro $130 million in 2014. In 2015, we estimate environmental capital expenditures will be approximately $80 million and expenditure reclamation activities, Gypstack closure and water treatment activities are expected to be approximately $120 million. In the seve ended December 31, 2013 and in fiscal 2013, we spent approximately $130 and $230 million, respectively, for environment expenditures, land reclamation activities, Gypstack closure and water treatment activities. No assurance can be g greater-than-anticipated EHS capital expenditures or land reclamation, Gypstack closure or water treatment expenditures will not be re 2014 or in t

Operating Requirements and

Permitting. We hold numerous environmental, mining and other permits or approvals authorizing operation at each of our facilities. C to continue operations at a facility could be materially affected by a government agency decision to deny or delay issuing a new or permit or approval, to revoke or substantially modify an existing permit or approval, to substantially change conditions applicable to modification, or by legal actions that successfully challenge ou

Expanding our operations or extending operations into new areas is also predicated upon securing the necessary environmental or othe or approvals. We have been engaged in, and over the next several years will be continuing, efforts to obtain permits in support of our an Florida mining operations at certain of our properties. For years, we have successfully permitted mining properties and anticipate that w able to permit these propertie

A denial of our permits, the issuance of permits with cost-prohibitive conditions, substantial delays in issuing key permits, legal ac prevent us from relying on permits or revocation of permits can prevent or delay our mining at the affected properties and thereby m affect our business, results of operations, liquidity or financial c

The Altman Extension of the Four Corners Mine. In fiscal 2009, in connection with our efforts to permit the Altman Extension (th ***Extension***) of our Four Corners, Florida, phos

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mine, non-governmental organizations for the first time filed a lawsuit in federal court contesting the actions by the U.S. Army
Engineers (the *Corps*) in issuing a federal wetlands permit. This lawsuit was dismissed by the court in Sept

The Hardee County Extension of the South Fort Meade Mine. Delays in receiving a federal wetlands permit impacted the scheduled pr of mining activities for the extension of our South Fort Meade, Florida, phosphate rock mine into Hardee County. As a result, we begar portion of our mining equipment at the mine in the latter part of fiscal 2010. In June 2010, the Corps issued the federal wetland Subsequently, certain non-governmental organizations filed a lawsuit against the Corps contesting its issuance of this federal wetland alleging that the actions by the Corps in issuing the permit violated certain federal laws relating to the protection of the env Preliminary injunctions entered into in this lawsuit subsequently resulted in shutdowns or reduced production at our South Fort Mea Following the settlement of the lawsuit in February 2012 and court approval, we were able to resume normal production at our S Mea

The periods of shutdown or reduced production at our South Fort Meade mine resulted in costs to suspend operations and idle plant c lower phosphate rock mining production levels also adversely affected gross margin. Because of our successful execution of m measures, our sales volumes were not significantly impacted. Our mitigation activities included a partial settlement that allowed us limited portion of our reserves in Hardee County; drawing down existing phosphate rock and finished product inventories; sourcing r our investment in the Miski Mayo Mine; purchasing phosphate rock from third parties where reasonable; and maximizing product other phospha

Central Florida Phosphate District Area-Wide Environmental Impact Statement. In fiscal 2011, the Corps notified us that it planned to an area-wide environmental impact statement (***AEIS***) for the central Florida phosphate district. On June 1, 2012 the Corps publish availability of the draft AEIS in the Federal Register and announced that it would accept public comment on the draft AEIS throug 2012. We, along with other members of the public, submitted comments for the Corps to consider as it completed the final AEIS. T issued the final AEIS on April 25, 2013. The final AEIS includes information on environmental impacts upon which the Corps will consideration of our pending federal wetlands permits for future mining of our Wingate, Ona and DeSoto phosphate rock

Local Community Involvement. In addition, in Florida, local community involvement has become an increasingly important fac permitting process for mining companies, and various counties and other parties in Florida have in the past filed and continue to file challenging the issuance of some of the permits we require. These actions can significantly delay permit

Water Quality Regulations for Nutrient Discharges. There are several ongoing initiatives relating to nutrient discharges. New r restrictions from these initiatives could have a material effect on either us or our customers. For

Water Quality Regulations for Nutrient Discharges in Florida. On December 7, 2010, we filed a lawsuit in federal court against challenging a rule adopted by the EPA that set numeric water quality standards (the ***NNC Rule***) for nitrogen and/or phosphorus in F and streams. The NNC Rule set criteria that would require drastic reductions in the levels of nutrients discharged into Florida lakes and and would have required us and others to significantly limit discharges of these nutrients in Florida beginning in Ma

In February 2012, the court invalidated the NNC Rule in part and upheld it in part, and remanded the invalid parts of the rule to the reconsideration and reproposal. The court subsequently ordered that the effective date of the parts of the NNC Rule that the court ha and any parts re-proposed to comply with the court s order be postponed until Jan

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The Florida Department of Environmental Protection (the FDEP) has adopted state rules that could supplant many, or potential requirements of the NNC Rule and mitigate some of the potential adverse effects of the NNC Rule. In June 2012, the FDEP rule was a state administrative law judge in an administrative proceeding challenging the rule brought by certain non-governmental organizatio FDEP rule was submitted to the EPA for approval. In July 2012, the non-governmental organizations appealed the state administ judge s decision upholding the FDEP rule to the Florida First District Court of Appeal. In February 2013, the Florida First Distri Appeal upheld the administrative law judge

In November 2012, the EPA approved the FDEP rule. The EPA also proposed two rules that would establish new federal nutrient c (i) streams and unimpaired lakes, and (ii) coastal waters, certain estuaries not covered in the FDEP rule and flowing waters in Sout

The EPA has stated that the criteria in the two new proposed rules will not go into effect if the EPA and FDEP take actions necessary the terms of a 2009 consent decree to enable EPA approval of the FDEP rule to meet the consent decree ob

On March 15, 2013, the EPA and the FDEP announced that the agencies had reached an agreement in principle under which the FDE EPA, would implement numeric nutrient criteria for Florid

On April 12, 2013, the court granted the EPA s motion to delay the effective date of the EPA s rules establishing downstream prot but denied the EPA s motion to delay the effective date of the EPA s NNC Rule for lakes and springs, which are now in effect. We a the potential effect on us of the NNC Rule for lakes an

On January 7, 2014, the court granted the EPA s motion to modify the consent decree and denied the environmental plaintiffs moti the consent decree according to its original terms, which would have had the effect of requiring the EPA to finalize and apply the fed Rule and prevent the State numeric nutrient criteria from becoming effective. This ruling paves the way for the EPA to withdraw t NNC Rule for lakes and springs, and to withdraw the proposed federal NNC Rule for streams and flowing waters, allowing the FDEP become

Subject to further litigation or rulemaking developments, we expect that compliance with the requirements of nutrient criteria r adversely affect our Florida Phosphate operations, require significant capital expenditures and substantially increase our annual

Separately, in November 2012, the EPA proposed total maximum daily load standards, including standards for total nitrogen phosphorus, for a number of waterways flowing into Tampa Bay in Florida. The waterways include sections of the Alafia River, receiving water body for permitted discharges from several of our o

Nutrient Discharges into the Gulf of Mexico and Mississippi River Basin. The Gulf Coast Ecosystem Restoration Task Force, esta executive order of the President and comprised of five Gulf states and eleven federal agencies, has delivered a final strategy for ecosystem restoration for the Gulf Coast. The strategy calls for, among other matters, reduction of the flow of excess nutrients into t Mexico through state nutrient reduction frameworks, new nutrient reduction approaches and reduction of agricultural and urban s excess nutrients. Implementation of the strategy will require legislative or regulatory action at the state level. We cannot predic requirements of any such legislative or regulatory action could be or whether or how it would affect us or our c

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In March 2012, several non-governmental organizations brought a lawsuit in federal court against the EPA, seeking to require it to numeric nutrient criteria for nitrogen and phosphorous in the Mississippi River basin and the Gulf of Mexico. The EPA had previously 2008 petition seeking such standards. On May 30, 2012, the court granted our motion to intervene in this lawsuit. On September 20, court held that, while the EPA was required to respond directly to the petition and find that numeric nutrient criteria either were or necessary for the Mississippi River watershed, the EPA had the discretion to decide this issue based on non-technical factors, inclu policy considerations, administrative complexity and other issues. We understand that the EPA is considering an appeal of this dec intend to defend vigorously the EPA s decision not to establish numeric nutrient criteria for nitrogen and phosphorous in the Missis basin and the Gulf of Mexico. In the event that the EPA were to adopt such a rule, we cannot predict what its requirements would effects it would have on us or our c

Reclamation Obligations. During our phosphate mining operations, we remove overburden in order to retrieve phosphate rock reser we have finished mining in an area, we return overburden and sand tailings and reclaim the area in accordance with approved reclama and applicable laws. We have incurred and will continue to incur significant costs to fulfill our reclamation ob

Management of Residual Materials and Closure of Management Areas. Mining and processing of potash and phosphate generat materials that must be managed both during the operation of the facility and upon facility closure. Potash tailings, consisting primar and clay, are stored in surface disposal sites. Phosphate clay residuals from mining are deposited in clay settling ponds. Processing of p rock with sulfuric acid generates phosphogypsum that is stored in G

During the life of the tailings management areas, clay settling ponds and Gypstacks, we have incurred and will continue to incur s costs to manage our potash and phosphate residual materials in accordance with environmental laws and regulations and wi requirements. Additional legal and permit requirements will take effect when these facilities are closed. Our asset retirement oblig further discussed in Note 13 of our Notes to Consolidated Financial St

Financial Assurance. Separate from our accounting treatment for reclamation and closure liabilities, some jurisdictions in which w have required us either to pass a test of financial strength or provide credit support, typically surety bonds, financial guarantees or credit, to address phosphate mining reclamation liabilities and closure liabilities for clay settling areas and Gypstacks. See Other Co Commitments under Off-Balance Sheet Arrangements and Obligations above for additional information about these requirements. Am matters, the EPA is engaged in an ongoing review of mineral processing industries, including us and other phosphoric acid producers, U.S. Resource Conservation and Recovery Act. We are negotiating with the government the terms of a possible settlement of certai related to this review. The final terms of this possible settlement are not yet agreed or approved; however, if a settlement can be achie likelihood our multi-faceted commitments would include as one of its key elements our deposit into a trust fund of cash in an amount estimated at approximately $625 million to pre-fund a material portion of our existing asset retirement obligations for closure and po care of our Gypstacks. The fund would be classified as restricted cash on our balance sheet. See the discussion under EPA RCRA I Note 20 of our Notes to Consolidated Financial Statements for additional information about th

We have accepted a proposal by the Province of Saskatchewan under which we would establish a trust valued at $25 million in satis financial assurance requirements for closure of our Saskatchewan potash facilities. The trust is to be fully funded by us by 2021in equ installments beginning in J

Climat

We are committed to finding ways to meet the challenges of crop nutrient and animal feed ingredient production and distribution in th of the need to reduce greenhouse gas emissions. While focused on helping the world grow the food it needs, we have proven our comm using our resources more efficiently

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implemented innovative energy recovery technologies that result in our generation of much of the energy we need, particularly ir
Phosphates operations, from high efficiency heat recovery systems that result in lower greenhouse gas e

Climate Change Regulation. Various governmental initiatives to limit greenhouse gas emissions are under way or under consideratio
the world. These initiatives could restrict our operating activities, require us to make changes in our operating activities that would inc
operating costs, reduce our efficiency or limit our output, require us to make capital improvements to our facilities, increase our en
material and transportation costs or limit their availability, or otherwise adversely affect our results of operations, liquidity or capital r
and these effects could be mate

The direct greenhouse gas emissions from our operations result prima

Combustion of natural gas to produce steam and dry potash products at our Belle Plaine, Saskatchewan, potash solution mine
lesser extent, at our potash shaft mines, natural gas is used as a fuel to heat fresh air supplied to the shaft mines and for drying
products.

The use of natural gas as a feedstock in the production of ammonia at our Faustina, Louisiana phosphates plant.

Process reactions from naturally occurring carbonates in phosphate rock.

In addition, the production of energy and raw materials that we purchase from unrelated parties for use in our business and energy u
transportation of our products and raw materials are a source of greenhouse gas e

Governmental greenhouse gas emission initiatives include amon

Initiatives in the United States: Various legislative or regulatory initiatives relating to greenhouse gases have been adopted or considered by the U.S. Congress, the EPA or various states. We do not believe that any such legislation or regulation that has been adopted has had, or that any such legislation or regulation that is currently under active consideration is reasonably likely to have, a material adverse effect on our results of operations, liquidity or capital resources. It is possible, however, that future legislation or regulation addressing climate change could adversely affect our operating activities, energy, raw material and transportation costs, results of operations, liquidity or capital resources, and these effects could be material.

Our continuing focus on operational excellence in our Phosphates business segment is helping us reduce our indirect greenhouse gas e
For example, normal chemical processes in our U.S. Phosphates operations generate heat that can be captured and converted into el
replace some of the electricity we currently purchase. We already have waste heat recovery systems that generate a portion of
Phosphates electricity needs and are continuing waste heat recovery initiatives that will deliver significant additional energy savi
initiatives**,** along with energy efficiency and conservation measures, are intended to offset most or all of our U.S. Phosphates
purchases and are expected to significantly reduce the indirect greenhouse gas emissions associated with our Phosphates busines
voluntarily quantifies and publically reports greenhouse gas emissions beyond current regulatory requirements, including emiss
transportation of raw materials and finished

Initiatives in Canada. Canada remains committed to addressing climate change. Under the United Nations Framework Conve
Climate Change (UNFCCC), Canada signed the Copenhagen Accord in December 2009 and committed to reduce its greenho
(GHG) emissions to 17% below

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2005 levels by 2020. The government is pursuing a sector-by-sector regulatory approach aligned with the United States, wher appropriate. Our Saskatchewan Potash facilities continue to work with the Canadian Fertilizer Institute and Environment Can sector based approach

In May 2009, the Province of Saskatchewan, in which our Canadian potash mines are located, began to consider legislation intended the development and administration of climate change regulation in Saskatchewan by the Province rather than the federal governm elements under consideration by the Province include a primary focus on achieving the 20% reduction by 2020. Under the proposed fra compliance mechanisms such as the Technology Fund, Recognition for Early Action, Pre-Certified Investments, Emission Intens Exposed credits and carbon offsets would be established to provide flexibility for regulated emitters to meet their greenhouse gas ob

We continue to work with the Canadian Fertilizer Institute, Saskatchewan Mining Association and Saskatchewan Potash Producers As in negotiating with the Canadian federal and provincial governments, focusing on, among other matters, energy reduction initiatives a for reducing greenhouse gas emissions and addressing the implications of implementation of greenhouse gas emissions regulations in C the competitiveness of Canadian industry in the global mar

We continue to focus on energy efficiency initiatives within our operations. As part of our recently completed and ongoing capit activities, the Potash business unit is installing higher efficiency motors and electrical systems that reduce energy requirements co older ec

International Initiatives. Although international negotiations concerning greenhouse gas emission reductions and other respon climate change are underway, final obligations in the post-Kyoto Protocol period after 2012 remain undefined. Any new inter agreements addressing climate change could adversely affect our operating activities, energy, raw material and transportation results of operations, liquidity or capital resources, and these effects could be material. In addition, to the extent climate chang restrictions imposed in countries where our competitors operate, such as China, India, Former Soviet Union countries or Mor less stringent than in the United States or Canada, our competitors could gain cost or other competitive advantages over us.

Operating Impacts Due to Climate Change. The prospective impact of potential climate change on our operations and those of our c and farmers remains uncertain. Some scientists have hypothesized that the impacts of climate change could include changes in rainfall water shortages, changing sea levels, changing storm patterns and intensities, and changing temperature levels and that these changes severe. These impacts could vary by geographic location. Severe climate change could impact our costs and operating activities, the loc cost of global grain and oilseed production, and the supply and demand for grains and oilseeds. At the present time, we cannot p prospective impact of potential climate change on our results of operations, liquidity or capital resources, or whether any such effects mate

Remedial

The U.S. Comprehensive Environmental Response, Compensation, and Liability Act, commonly known as CERCLA or the Superfund state analogues, impose liability, without regard to fault or to the legality of a party s conduct, on certain categories of persons, inclu who have disposed of hazardous substances at a third-party location. Under Superfund, or its various state analogues, one p responsible for the entire site, regardless of fault or the locality of its disposal activity. We have contingent environmental remedial that arise principally from three sources which are further discussed below: (i) facilities currently or formerly owned by our subsidiarie predecessors; (ii) facilities adjacent to currently or formerly owned facilities; and (iii) third-party Superfund or state equivalent sites are alleged to have di

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hazardous materials. Taking into consideration established accruals for environmental remedial matters of approximately $31.3 mil December 31, 2013, expenditures for these known conditions currently are not expected, individually or in the aggregate, to have a effect on our business or financial condition. However, material expenditures could be required in the future to remediate the contam known sites or at other current or for

Remediation at Our Facilities. Many of our formerly owned or current facilities have been in operation for a number of years. The hist and handling of regulated chemical substances, crop and animal nutrients and additives as well as by-product or process tailing facilities by us and predecessor operators have resulted in soil, surface water and groundwate

At many of these facilities, spills or other releases of regulated substances have occurred previously and potentially could occur in t possibly requiring us to undertake or fund cleanup efforts under Superfund or otherwise. In some instances, we have agreed, pursuant t orders or agreements with the appropriate governmental agencies, to undertake certain investigations, which currently are in pr determine whether remedial action may be required to address site impacts. At other locations, we have entered into consent agreements with appropriate governmental agencies to perform required remedial activities that will address identified site condition into account established accruals, future expenditures for these known conditions currently are not expected, individually or in the agg have a material adverse effect on our business or financial condition. However, material expenditures by us could be required in the remediate the environmental impacts at these or at other current or for

Remediation at Third-Party Facilities. Various third parties have alleged that our historical operations have impacted neighboring off- or nearby third-party facilities. In some instances, we have agreed, pursuant to orders from or agreements with appropriate gove agencies or agreements with private parties, to undertake or fund investigations, some of which currently are in progress, to determin remedial action, under Superfund or otherwise, may be required to address off-site impacts. Our remedial liability at these sites, eithe in the aggregate, taking into account established accruals, currently is not expected to have a material adverse effect on our business or condition. As more information is obtained regarding these sites, this expectation coul

Liability for Off-Site Disposal Locations. Currently, we are involved or concluding involvement for off-site disposal at several Sup equivalent state sites. Moreover, we previously have entered into settlements to resolve liability with regard to Superfund or equiva sites. In some cases, such settlements have included reopeners, which could result in additional liability at such sites in the ev discovered contamination or other circumstances. Our remedial liability at such disposal sites, either alone or in the aggregate, curre expected to have a material adverse effect on our business or financial condition. As more information is obtained regarding these sit potentially responsible parties involved, this expectation coul

Product Requirements and

International, federal, state and provincial standards require us to register many of our products before these products can be sold. The also impose labeling requirements on these products and require us to manufacture the products to formulations set forth on the l believe that, when handled and used as intended, based on the available data, crop nutrient materials do not pose harm to human hea environment and that any additional standards or regulatory requirements relating to product requirements and impacts will not have a adverse effect on our business or financial c

Additional Inf

For additional information about phosphate mine permitting in Florida, our environmental liabilities, the environmental proceedings in are involved, our asset retirement obligations related to environmental matters, and our related accounting policies, see Envi Liabilities and AROs under Critical Accounting Estimates above and Notes 3, 13, and 20 of our Notes to Consolidated Financial St

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Susta

We are committed to making informed choices that improve our corporate governance, financial strength, operational efficiency, envir stewardship, community engagement and resource management. Through these efforts, we intend to sustain our business and experien

We have included, or incorporate by reference, throughout this transition period report on Form 10-K discussions of various matters r our sustainability, in its broadest sense, that we believe may be material to our investors. These matters include but are not limited to di about: corporate governance including the leadership and respective roles of our Board of Directors, its committees and management a succession planning; recent and prospective developments in our business; product development; risk, enterprise risk managemen oversight; the regulatory and permitting environment for our business and ongoing regulatory and permitting initiatives; executive com practices; employee and contractor safety; and other EHS matters including climate change, water management, energy and other op efficiency initiatives, reclamation and asset retirement obligations. Other matters relating to sustainability are included in our sust reports that are available on our website at www.mosaicco.com/sustainability. Our sustainability reports are not incorporated by referen transition period report on Fo

Conti

Information regarding contingencies in Note 20 of our Notes to Consolidated Financial Statements is incorporated herein by r

Relate

Information regarding related party transactions is set forth in Note 21 of our Notes to Consolidated Financial Statements and is inc herein by r

Recently Issued Accounting G

Recently issued accounting guidance is set forth in Note 4 of our Notes to Consolidated Financial Statements and is incorporated r

Forward-Looking St

Cautionary Statement Regarding Forward Looking Info

All statements, other than statements of historical fact, appearing in this report constitute forward-looking statements within the me Private Securities Litigation Reform Act of 1995. These statements include, among other things, statements about our expectation intentions or strategies for the future, including statements about the Cargill Transaction or about the CF Phosphate Assets Acquisition Ammonia Supply Agreements and their nature, impact and benefits, statements concerning our future operations, financial cond prospects, statements regarding our expectations for capital expenditures, statements concerning our level of indebtedness and other info and any statements of assumptions regarding any of the foregoing. In particular, forward-looking statements may include word anticipate, believe, could, estimate, expect, intend, may, potential, predict, project or should. uncertainties that may cause actual results to differ materially from expectations as of the date of t

Factors that could cause reported results to differ materially from those expressed or implied by the forward-looking statements includ not limited to, the f

business and economic conditions and governmental policies affecting the agricultural industry where we or our customers op including price and demand volatility resulting from periodic imbalances of supply and demand;

changes in farmers application rates for crop nutrients;

changes in the operation of world phosphate or potash markets, including continuing consolidation in the crop nutrient indust
particularly if we do not participate in the consolidation;

pressure on prices realized by us for our products;

the expansion or contraction of production capacity or selling efforts by competitors or new entrants in the industries in whicl
operate, including the effects of test runs by members of Canpotex to prove the production capacity of potash expansion proje

the ability of the Northern Promise Joint Venture to obtain project financing in acceptable amounts and upon acceptable term
future success of current plans for the joint venture and any future changes in those plans;

build-up of inventories in the distribution channels for our products that can adversely affect our sales volumes and selling pr

seasonality in our business that results in the need to carry significant amounts of inventory and seasonal peaks in working ca
requirements, and may result in excess inventory or product shortages;

changes in the costs, or constraints on supplies, of raw materials or energy used in manufacturing our products, or in the costs
availability of transportation for our products;

rapid drops in the prices for our products that can require us to write-down our inventories to the lower of cost or market;

the effects on our customers of holding high cost inventories of crop nutrients in periods of rapidly declining market prices fo
nutrients;

the lag in realizing the benefit of falling market prices for the raw materials we use to produce our products that can occur wh
consume raw materials that we purchased or committed to purchase in the past at higher prices;

customer expectations about future trends in the selling prices and availability of our products and in farmer economics;

disruptions to existing transportation or terminaling facilities, including those of export associations or joint ventures in whicl
participate;

shortages of railcars, barges and ships for carrying our products and raw materials;

the effects of and change in trade, monetary, environmental, tax and fiscal policies, laws and regulations;

foreign exchange rates and fluctuations in those rates;

tax regulations, currency exchange controls and other restrictions that may affect our ability to optimize the use of our liquidi

other risks associated with our international operations, including any potential adverse effects related to our joint venture int the Miski Mayo mine in the event that protests against natural resource companies in Peru were to extend to or impact the Mi mine;

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adverse weather conditions affecting our operations, including the impact of potential hurricanes, excess rainfall or drought;

difficulties or delays in receiving, challenges to, increased costs of obtaining or satisfying conditions of, or revocation or with of required governmental and regulatory approvals including permitting activities;

changes in the environmental and other governmental regulation that applies to our operations, including the possibility of fu federal or state legislation or regulatory action affecting greenhouse gas emissions or of restrictions or liabilities related to ele levels of naturally-occurring radiation that arise from disturbing the ground in the course of mining activities or possible effo reduce the flow of nutrients into the Gulf of Mexico or the Mississippi River basin;

the potential costs and effects of implementation of federal or state water quality standards for the discharge of nitrogen and/ phosphorus into Florida waterways;

the financial resources of our competitors, including state-owned and government-subsidized entities in other countries;

the possibility of defaults by our customers on trade credit that we extend to them or on indebtedness that they incur to purch products and that we guarantee, particularly when we are exiting our business operations or locations that produced or sold th products to that customer;

any significant reduction in customers liquidity or access to credit that they need to purchase our products;

rates of return on, and the investment risks associated with, our cash balances;

our use of cash and/or available debt capacity to fund shares repurchases, including past and future repurchases under the Sha Repurchase Agreement with the MAC Trusts, financial assurance requirements arising in our business and strategic investme has reduced and is expected to continue to reduce our available cash and liquidity and increase our leverage;

the possibility that the market price of our Common Stock during the twenty trading day period prior to any repurchase under Share Repurchase Agreement rises above our expectations and adversely affects the benefits we anticipate from our repurcha Class A Shares and our liquidity;

the effectiveness of our risk management strategy;

the effectiveness of the processes we put in place to manage our significant strategic priorities, including the expansion of ou business and our investment in the Northern Promise Joint Venture;

actual costs of various items differing from management s current estimates, including, among others, asset retirement, envi remediation, reclamation or other environmental obligations, Canadian resource taxes and royalties, or the liabilities we are a in the CF Phosphate Assets Acquisition;

the costs and effects of legal and administrative proceedings and regulatory matters affecting us, including environmental, tax
administrative proceedings, complaints that our operations are adversely impacting nearby farms, businesses, other property u
properties, settlements thereof and actions taken by courts with respect to approvals of settlements, resolution of global tax au
activity, and other further developments in legal proceedings and regulatory matters;

the success of our efforts to attract and retain highly qualified and motivated employees;

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strikes, labor stoppages or slowdowns by our work force or increased costs resulting from unsuccessful labor contract negotia

brine inflows at our Esterhazy, Saskatchewan potash mine as well as potential inflows at our other shaft mines;

accidents involving our operations, including potential fires, explosions, seismic events or releases of hazardous or volatile ch

terrorism or other malicious intentional acts, including cybersecurity risks such as attempts to gain unauthorized access to, or our information technology systems, or our costs of addressing malicious intentional acts;

other disruptions of operations at any of our key production and distribution facilities, particularly when they are operating at operating rates;

changes in antitrust and competition laws or their enforcement;

actions by the holders of controlling equity interests in businesses in which we hold a noncontrolling interest;

changes in our relationships with other members of export associations and joint ventures in which we participate or their or from participation in such export associations and joint ventures, and other changes in our commercial arrangements with unr third parties;

the adequacy of our property, business interruption and casualty insurance policies to cover potential hazards and risks incide business, and our willingness and ability to maintain current levels of insurance coverage as a result of market conditions, our experience and other factors;

restrictions on our ability to execute certain actions and potential liabilities imposed on us by the agreements relating to the C Transaction;

risks and uncertainties arising from the possibility that the closing of the CF Phosphate Assets Acquisition may be delayed or occur, including delays arising from any inability to obtain governmental approvals of the transaction on the proposed terms a schedule and the ability to satisfy other closing conditions;

difficulties with realization of the benefits of the CF Phosphate Assets Acquisition or the CF Ammonia Supply Agreements, including the risks that: the acquired assets may not be integrated successfully; the anticipated cost or capital expenditure savings from the transactions may not be fully realized or may take longer to realize than expected; regulatory agencies might not take, or might delay, actions with respect to permitting or regulatory enforcement matters that are necessary for us to fully realize the benefits of the transactions including replacement of CF s escrowed financial assurance funds; or the price of natural gas will rise or the market price for ammonia will fall to a level at which the natural gas based pricing under one of the long term CF Ammonia Supply Agreements becomes disadvantageous to us; and

other risk factors reported from time to time in our Securities and Exchange Commission reports.

Material uncertainties and other factors known to us are discussed in Item 1A, Risk Factors, of our transition period report on Form
seven months ended December 31, 2013 and incorporated by reference herein as if fully stat

We base our forward-looking statements on information currently available to us, and we undertake no obligation to update or rev
these statements, whether as a result of changes in underlying factors, new information, future events or other devel

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Sto

The Mosaic C

We have audited the accompanying consolidated balance sheets of The Mosaic Company and subsidiaries as of December 31, 2013 2013, and 2012, and the related consolidated statements of earnings, comprehensive income, cash flows, and equity for the seven-mor ended December 31, 2013, and for each of the years in the three-year period ended May 31, 2013. In connection with our auc consolidated financial statements, we also have audited financial statement Schedule II Valuation and Qualifying Accounts. W audited The Mosaic Company s internal control over financial reporting as of December 31, 2013, based on criteria established *Control Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (C Mosaic Company s management is responsible for these consolidated financial statements, the financial statement schedule, for n effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, in the accompanying Management s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an these consolidated financial statements based on o

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free o misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our auc consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal co financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effecti internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necess circumstances. We believe that our audits provide a reasonable basis for our

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability c reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting prir company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of reco reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted ac principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of manage directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitio disposition of the company s assets that could have a material effect on the financial

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projectio evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditior the degree of compliance with the policies or procedures may de

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial positi Mosaic Company and subsidiaries as of December 31, 2013, May 31, 2013, and 2012, and the results of their operations and their cash the seven-month period ended December 31, 2013, and for each of the years in the three-year period ended May 31, 2013, in confor U.S. generally accepted accounting principles. In our opinion, the related financial statement schedule, when considered in relat

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basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein. A
opinion, The Mosaic Company maintained, in all material respects, effective internal control over financial reporting as of December
based on criteria established in *Internal Control Integrated Framework (1992)* issued by the Committee of Sponsoring Organizat
Treadway Cor

/s/ KP

Minneapolis, M

February

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Consolidated Statements of Earnings

In millions, except per share amounts

	Seven Months Ended December 31, 2013	Years Ended May 31, 2013	2012	
Net sales	$ 4,765.9	$ 9,974.1	$ 11,107.8	$
Cost of goods sold	3,937.6	7,213.9	8,022.8	
Gross margin	828.3	2,760.2	3,085.0	
Selling, general and administrative expenses	211.8	427.3	410.1	
Loss on write-down of assets	122.8	-	-	
Other operating expenses	76.8	123.3	63.8	
Operating earnings	416.9	2,209.6	2,611.1	
Change in value of share repurchase agreement	73.2	-	-	
Interest (expense) income, net	(13.3)	18.8	18.7	
Foreign currency transaction gain (loss)	16.5	(15.9)	16.9	
Gain on sale of equity investment	-	-	-	
Other income (expense)	(9.1)	2.0	(17.8)	
Earnings from consolidated companies before income taxes	484.2	2,214.5	2,628.9	
Provision for income taxes	152.6	341.0	711.4	
Earnings from consolidated companies	331.6	1,873.5	1,917.5	
Equity in net earnings (loss) of nonconsolidated companies	10.9	18.3	13.3	
Net earnings including noncontrolling interests	342.5	1,891.8	1,930.8	
Less: Net earnings (loss) attributable to noncontrolling interests	2.5	3.1	0.6	
Net earnings attributable to Mosaic	$ 340.0	$ 1,888.7	$ 1,930.2	$
Basic net earnings per share attributable to Mosaic	$ 0.80	$ 4.44	$ 4.44	$
Basic weighted average number of shares outstanding	420.8	425.7	435.2	
Diluted net earnings per share attributable to Mosaic	$ 0.80	$ 4.42	$ 4.42	$
Diluted weighted average number of shares outstanding	422.0	426.9	436.5	

See Accompanying Notes to Consolidated Financial Statements

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Consolidated Statements of Comprehensive Income

In millions

	Seven Months Ended December 31, 2013	2013	Years Ended May 31, 2012	
Net earnings including noncontrolling interest	$ 342.5	$ 1,891.8	$ 1,930.8	$
Other comprehensive income (loss), net of tax				
Foreign currency translation, net of tax of ($34.1), $16.0, $28.0 and $2.9, respectively	(226.8)	(46.6)	(307.4)	
Net actuarial gain and prior service cost, net of tax of $20.9, $5.7, $14.6 and $21.7, respectively	34.5	(5.7)	(28.7)	
Realized loss on interest rate swap	(21.1)	-	-	
Other comprehensive income (loss)	(213.4)	(52.3)	(336.1)	
Comprehensive income	129.1	1,839.5	1,594.7	
Less: Comprehensive income (loss) attributable to noncontrolling interest	1.2	2.4	(3.3)	
Comprehensive income attributable to Mosaic	$ 127.9	$ 1,837.1	$ 1,598.0	$

See Accompanying Notes to Consolidated Financial Statements

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Consolidated Balance Sheets

In millions, except per share amounts

	December 31, 2013	May 31, 2013	
Assets			
Current assets:			
Cash and cash equivalents	$ 5,293.1	$ 3,697.1	$
Receivables, net	543.1	1,015.7	
Inventories	1,432.9	1,557.3	
Deferred income taxes	129.9	75.7	
Other current assets	706.8	534.7	
Total current assets	8,105.8	6,880.5	
Property, plant and equipment, net	8,576.6	8,486.8	
Investments in nonconsolidated companies	576.4	431.5	
Goodwill	1,794.4	1,844.6	
Deferred income taxes	152.2	212.7	
Other assets	348.6	229.9	
Total assets	$ 19,554.0	$ 18,086.0	$ 1
Liabilities and Equity			
Current liabilities:			
Short-term debt	$ 22.6	$ 68.7	$
Current maturities of long-term debt	0.4	0.9	
Accounts payable	570.2	763.1	
Accrued liabilities	666.3	845.1	
Contractual share repurchase liability	1,985.9	-	
Deferred income taxes	20.5	87.1	
Total current liabilities	3,265.9	1,764.9	
Long-term debt, less current maturities	3,008.9	1,009.6	
Deferred income taxes	1,031.5	961.4	
Other noncurrent liabilities	927.1	907.2	
Equity:			
Preferred stock, $0.01 par value, 15,000,000 shares authorized, none issued and outstanding as of December 31, 2013, May 31, 2013 and 2012	-	-	
Class A common stock, $0.01 par value, 254,300,000 shares authorized as of December 31, 2013, 150,059,772 shares issued and 85,839,827 shares outstanding as of December 31, 2013 150,059,772 shares issued and 128,759,772 shares outstanding as of May 31, 2013 and 2012	1.3	1.3	
Class B common stock, $0.01 par value, 87,008,602 shares authorized, none issued and outstanding as of December 31, 2013, May 31, 2013 and 2012	-	-	
Common stock, $0.01 par value, 1,000,000,000 shares authorized, 352,204,571 shares issued and 340,166,109 shares outstanding as of December 31, 2013, 309,095,779 shares issued and 297,057,317 shares outstanding as of May 31, 2013 and 308,749,067 shares issued and 296,710,605 shares outstanding as of May 31, 2012	3.0	3.0	
Capital in excess of par value	1.6	1,491.3	
Retained earnings	11,182.1	11,603.4	1
Accumulated other comprehensive income	114.3	326.4	
Total Mosaic stockholders equity	11,302.3	13,425.4	1
Non-controlling interests	18.3	17.5	

Total equity	11,320.6	13,442.9	1
Total liabilities and equity	$ 19,554.0	$ 18,086.0	$ 1

See Accompanying Notes to Consolidated Financial Statements

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Consolidated Statements of Cash Flows

In millions, except per share amounts

	Seven Months Ended December 31, 2013	Years Ended May 31, 2013	2012	2
Cash Flows from Operating Activities				
Net earnings including noncontrolling interests	$ 342.5	$ 1,891.8	$ 1,930.8	$
Adjustments to reconcile net earnings including noncontrolling interests to net cash provided by operating activities:				
Depreciation, depletion and amortization	386.2	604.8	508.1	
Deferred income taxes	69.1	200.0	245.8	
Equity in net loss (earnings) of nonconsolidated companies, net of dividends	3.9	32.2	(3.7)	
Accretion expense for asset retirement obligations	21.6	33.3	32.4	
Share-based compensation expense	23.3	28.2	23.4	
Change in value of share repurchase agreement	(73.2)	-	-	
Loss on write-down of assets	122.8	-	-	
Unrealized loss (gain) on derivatives	(15.4)	(1.4)	45.9	
Gain on sale of equity investment	-	-	-	
Other	43.7	30.5	31.5	
Changes in assets and liabilities:				
Receivables, net	404.1	(296.7)	118.5	
Inventories, net	30.8	(315.5)	6.5	
Other current assets and noncurrent assets	(101.0)	(2.7)	(238.8)	
Accounts payable	(100.6)	(100.5)	(58.4)	
Accrued liabilities	(223.5)	(55.7)	(2.2)	
Other noncurrent liabilities	(44.9)	(160.8)	66.0	
Net cash provided by operating activities	889.4	1,887.5	2,705.8	
Cash Flows from Investing Activities				
Capital expenditures	(800.0)	(1,588.3)	(1,639.3)	
Proceeds from sale of equity investment	-	-	-	
Proceeds from sale of businesses	-	-	-	
Investments in nonconsolidated companies	(158.9)	(15.0)	-	
Other	1.7	13.5	11.9	
Net cash (used in) investing activities	(957.2)	(1,589.8)	(1,627.4)	
Cash Flows from Financing Activities				
Payments of short-term debt	(154.3)	(263.1)	(148.8)	
Proceeds from issuance of short-term debt	119.1	289.1	167.9	
Payments of long-term debt	(1.4)	(1.5)	(542.8)	
Proceeds from issuance of long-term debt	2,000.3	1.9	748.0	
Payment of tender premium on debt	-	-	(17.2)	
Payment of financing costs	(21.7)	-	-	
Realized loss on interest rate swap	(21.1)	-	-	
Proceeds from stock options exercised	1.1	6.0	3.0	
Contributions by Cargill	-	-	18.5	
Repurchase of Class A common stock	-	-	(1,162.5)	
Cash dividends paid	(213.5)	(426.6)	(119.5)	
Other	(3.2)	(3.6)	(7.7)	
Net cash provided by (used in) financing activities	1,705.3	(397.8)	(1,061.1)	
Effect of exchange rate changes on cash	(41.5)	(13.8)	(112.7)	
Net change in cash and cash equivalents	1,596.0	(113.9)	(95.4)	
Cash and cash equivalents beginning of period	3,697.1	3,811.0	3,906.4	

Cash and cash equivalents end of period	$	5,293.1	$	3,697.1	$	3,811.0	$

See Accompanying Notes to Consolidated Financial Statements

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Consolidated Statements of Equity

In millions, except per share data

	Mosaic Shareholders						
	Shares	Dollars					
	Common Stock[(a)]	Common Stock[(a)]	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests	
Balance as of May 31, 2010	445.4	$ 4.5	$ 2,523.0	$ 5,905.3	$ 289.4	$ 26.2	$
Total comprehensive income	-	-	-	2,514.6	420.8	1.5	
Stock option exercises	1.2	-	20.3	-	-	-	
Amortization of share based compensation	-	-	21.1	-	-	-	
Contributions from Cargill, Inc.	-	-	18.5	-	-	-	
Dividends ($0.20 per share)	-	-	-	(89.3)	-	-	
Dividends for noncontrolling interests	-	-	-	-	-	(4.8)	
Acquisition of noncontrolling interest	-	-	-	-	-	(2.6)	
Tax benefits related to share based compensation	-	-	13.4	-	-	-	
Balance as of May 31, 2011	446.6	4.5	2,596.3	8,330.6	710.2	20.3	
Total comprehensive income (loss)	-	-	-	1,930.2	(332.2)	(3.3)	
Stock option exercises / Restricted stocks units vested	0.2	-	3.0	-	-	-	
Amortization of share based compensation	-	-	23.4	-	-	-	
Repurchase of Class A common stock	(21.3)	(0.2)	(1,162.3)	-	-	-	
Dividends ($0.275 per share)	-	-	-	(119.5)	-	-	
Dividends for noncontrolling interests	-	-	-	-	-	(0.7)	
Tax shortfall related to share based compensation	-	-	(0.9)	-	-	-	
Balance as of May 31, 2012	425.5	4.3	1,459.5	10,141.3	378.0	16.3	
Total comprehensive income (loss)	-	-	-	1,888.7	(51.6)	2.4	
Stock option exercises	0.3	-	6.0	-	-	-	
Amortization of stock based compensation	-	-	28.2	-	-	-	
Dividends ($1.00 per share)	-	-	-	(426.6)	-	-	
Dividends for noncontrolling interests	-	-	-	-	-	(1.2)	
Tax shortfall related to stock option exercises	-	-	(2.4)	-	-	-	
Balance as of May 31, 2013	425.8	4.3	1,491.3	11,603.4	326.4	17.5	
Total comprehensive income (loss)	-	-	-	340.0	(212.1)	1.2	
Stock option exercises	0.1	-	1.1	-	-	-	
Amortization of stock based compensation	-	-	23.3	-	-	-	
Forward contract to repurchase Class A common stock	-	-	(1,511.3)	(547.8)	-	-	
Dividends ($0.50 per share)	-	-	-	(213.5)	-	-	
Dividends for noncontrolling interests	-	-	-	-	-	(0.4)	
Tax shortfall related to stock option exercises	-	-	(2.8)	-	-	-	
Balance as of December 31, 2013	425.9	$ 4.3	$ 1.6	$ 11,182.1	$ 114.3	$ 18.3	$

[(a)] On May 25, 2011, we recapitalized our outstanding common stock into three classes: Common Stock, Class A Common Stock an B Common Stock in connection with the Cargill Transaction discussed in Note 2 of our Notes to Consolidated Financial Statemer was no change in the number or value of shares outstanding.

See Accompanying Notes to Consolidated Financial Statements

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Notes to Consolidated Financial Statements

Tables in millions, except per share amounts

1. ORGANIZATION AND NATURE OF BU

The Mosaic Company (before or after the Cargill Transaction described in Note 2, ***Mosaic*** , and with its consolidated subsidiaries, ***w*** the ***Company***) is the parent company of the business that was formed through the business combination (***Combination***) of IMC the Cargill Crop Nutrition fertilizer businesses of Cargill, Incorporated and its subsidiaries (collectively, ***Cargill***) on Octob

We produce and market concentrated phosphate and potash crop nutrients. We conduct our business through wholly and majori subsidiaries as well as businesses in which we own less than a majority or a non-controlling interest, including consolidated variabl entities and investments accounted for by the equity method. We are organized into the following business s

Our **Phosphates** business segment owns and operates mines and production facilities in Florida which produce concentrated phosp nutrients and phosphate-based animal feed ingredients, and processing plants in Louisiana which produce concentrated phosphate crop In fiscal 2011, the Phosphates segment acquired a 35% economic interest in a joint venture that owns the Miski Mayo Mine in August 5, 2013, we entered into a Shareholders Agreement with Saudi Arabian Mining Company (***Ma aden***) and Saudi Ba Corporation (***SABIC***) under which the parties have formed a joint venture to develop, own and operate integrated phosphate product in the Kingdom of Saudi Arabia (the ***Northern Promise Joint Venture***). We own 25% of the joint venture and will market approx of the production of the join

Our Phosphates segment s results also include our international distribution activities in addition to the consolidated results of Chemicals Export Association, Inc. (***PhosChem***), a U.S. Webb-Pomerene Act association of phosphate producers that exports phosphate crop nutrient products around the world for us and PhosChem s other member. Our share of PhosChem s sales vo phosphate crop nutrient products was approximately 86% for the seven months ended December 31, 2013. Effective December 31, and PhosChem s other member each assumed responsibility for PhosChem s former activities as they relate to our respecti

Our **Potash** business segment owns and operates potash mines and production facilities in Canada and the U.S. which produce pota crop nutrients, animal feed ingredients and industrial products. Potash sales include domestic and international sales. We are a m Canpotex, Limited (***Canpotex***), an export association of Canadian potash producers through which we sell our Canadian potash outs and

Intersegment sales are eliminated within Corporate, Eliminations and Other. See Note 24 of our Notes to Consolidated Financial State segmen

As previously reported, we have changed our fiscal year end to December 31 from May 31. This transition period report is for the sev period of June 1, 2013 through December 31, 2013 (the ***Stub***

2. CARGILL TRANS

On May 25, 2011, we consummated the first in a series of transactions intended to result in the split-off and orderly distribution o approximately 64% equity interest in us through a series of transactions (the ***Cargill Transaction***). These transactions included th

A Merger (the ***Merger***) between a subsidiary of GNS II (U.S.) Corp. (***GNS***) and MOS Holdings Inc. (***MOS Holdings*** effect of recapitalizing our prior Common Stock into three classes: Common Stock, Class A Common Stock (***Class A Share*** Class B Common Stock (***Class B Shares***). The Common Stock is substantially identical to our prior Common Stock, and a

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classes had the same economic rights as our prior Common Stock. Holders of the Common Stock and the Class A Shares hav vote per share on all matters on which they are entitled to vote, whereas holders of the Class B Shares had ten votes per share for the election of directors and one vote per share on all other matters on which they were entitled to vote. The Class A Shar and the Class B Shares were subject to transfer restrictions, have or had conversion rights and class voting rights, and are or v publicly traded. Following the Merger, our Common Stock continues to trade under the ticker symbol MOS.

Prior to the Merger, GNS was a wholly-owned subsidiary of the company then known as The Mosaic Company. The Merger GNS the parent company of MOS Holdings. In connection with the Merger, the company formerly known as The Mosaic Co was renamed MOS Holdings Inc. and GNS was renamed The Mosaic Company.

In the Merger, a portion of our Common Stock held by Cargill was converted, on a one-for-one basis, into the right to receive Shares and Class B Shares. Each other outstanding share of our prior Common Stock (including a portion of the shares of our Common Stock held by Cargill) was converted into the right to receive a share of our Common Stock.

Cargill conducted a split-off (the ***Split-off***) in which it exchanged 178.3 million of our shares that it received in the Merger of Cargill stock held by certain Cargill stockholders (the ***Exchanging Cargill Stockholders***). Immediately after the Split-o Exchanging Cargill Stockholders held approximately 40% of our total outstanding shares that represented approximately 82% total voting power with respect to the election of our directors.

Cargill also exchanged the remaining 107.5 million of our shares that it received in the Merger with certain holders of Cargill ***Exchanging Cargill Debt Holders***) for such Cargill debt (the ***Debt Exchange***).

Certain of the Exchanging Cargill Stockholders (the ***MAC Trusts***) and the Exchanging Cargill Debt Holders (collectively, ***Stockholders***) then sold an aggregate of 115.0 million shares of our Common Stock that they received in the Split-off and th Exchange in an underwritten secondary public offering (the ***Formation Offering***).

All other shares of our stock (approximately 128.8 million Class A Shares in the aggregate) received by the Exchanging Carg Stockholders and not sold in the Formation Offering were generally subject to transfer restrictions and were to be released in equal annual installments beginning on November 26, 2013, unless sold prior to the release date.

Under a registration agreement (the ***Registration Agreement***), we agreed that, in each of the calendar years 2013 through 2 would, at the request of the MAC Trusts or at our own election, register these shares for sale in an underwritten public second offering that could occur during the period May 26 through October 26. Under a separate agreement, we also agreed that, foll May 23, 2016, the MAC Trusts would have two rights to request that we file a registration statement under the Securities Act pursuant to which the MAC Trusts could sell any remaining shares they received in the Split-off. Our agreements with Cargil Exchanging Cargill Stockholders also included additional provisions relating to private and market sales under specified cond In fiscal 2011, Cargill reimbursed us for $18.5 million in the aggregate of fees and expenses we incurred in connection with th described above and negotiation of the Cargill Transaction; such reimbursement was recorded as a capital contribution in stockholde

Pursuant to a ruling from the U.S. Internal Revenue Service, the Merger, Split-off and Debt Exchange were tax-free to Cargill, Mosaic respective stoc

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Subsequently, we have completed several additional transactions in furtherance of the Cargill Tra

On September 29, 2011, we converted 20.7 million Class A Shares, Series A-4, to Common Stock in connection with their sa underwritten public secondary offering by the MAC Trusts. In accordance with our Restated Certificate of Incorporation, eac converted Class A Share was subsequently retired and cancelled and may not be reissued, and the number of authorized Class was reduced by a corresponding amount.

On October 6, 2011, our stockholders approved the conversion of each of our approximately 113.0 million outstanding Class on a one-for-one basis into shares of the corresponding series of Class A Shares. In accordance with our Restated Certificate Incorporation, each such converted Class B Share was subsequently retired and cancelled and may not be reissued, and the nu authorized Class B Shares was reduced by a corresponding amount.

On November 17, 2011, we purchased an aggregate 21.3 million Class A Shares, Series A-4, from the MAC Trusts. The purc price was $54.58 per share, the closing price for our Common Stock on November 16, 2011, resulting in a total purchase pric approximately $1.2 billion. This repurchase completed the disposition of the 157.0 million shares designated to be sold durin 15-month period following the Split-off by the Selling Stockholders.

On November 26, 2013, pursuant to the terms of our Restated Certificate of Incorporation, all 42.9 million outstanding Class Shares, Series A-1, were converted into regular Mosaic Common Stock, par value $.01 per share.

In addition, on November 26, 2013, the last of the restrictions imposed by the agreements relating to the Cargill Transaction ability to engage in share buybacks expired. On December 6, 2013, Mosaic entered into a share repurchase agreement (the ***M Trusts Share Repurchase Agreement***) with the MAC Trusts to purchase all of the remaining Class A Shares held by the M through a series of eight purchases occurring from January 8, 2014 through July 30, 2014. As of the date of this report, pursua MAC Trusts Share Repurchase Agreement, all 21,647,007 Class A Shares, Series A-3, held by the MAC Trusts, and 3,092,42 Class A Shares, Series A-2, had been repurchased for an aggregate of $1.1 billion, and 18,554,579 Class A Shares, Series A- to be purchased as set forth in the table below:

	Class A Common Stock, Series A-2
March 7, 2014	3,092,429
April 4, 2014	3,092,429
May 5, 2014	3,092,429
June 3, 2014	3,092,429
July 1, 2014	3,092,429
July 30, 2014	3,092,434
Total	18,554,579

The MAC Trusts Share Repurchase Agreement provides for a per share price for each purchase equal to the Common Market Price, a in Mosaic s Restated Certificate of Incorporation, as of the date of the purchase. In general and subject to the terms and provis Restated Certificate of Incorporation, the Common Market Price as of any date is equal to the volume weighted average tradin Common Stock, for each trading day during the preceding 20-day tradin

In addition to the Class A Shares to be purchased by Mosaic under the MAC Trusts Share Repurchase Agreement, the MAC Trus aggregate of 21,647,007 shares of Common Stock that were converted from outstanding Class A Shares, Series A-1, on November Under the MAC Trusts Share Repurchase Agreement, through January 1, 2015, the MAC Trusts have granted Mosaic certain rights of with respect to proposed sales in a market transaction or block trade, through or with a broker or dealer, of more than 5,000,000 of the of Common Stock, and certain rights of first refusal with respect to other proposed sales by the MAC Trusts of more than 5,000,00 shares of Comm

Also under the MAC Trusts Share Repurchase Agreement, among other things, the MAC Trusts agreed to release Mosaic from its co obligation to register any remaining shares of stock in a secondary offering under the Registration A

The MAC Trusts Share Repurchase Agreement is accounted for as a forward contract with an initial liability established at fair value the weighted average trading price for each of the preceding 20-day trading days as noted above and a corresponding reduction of eq contract is subsequently remeasured at the present value of the amount to be paid at settlement with the difference being recogni consolidated statement of earnings. We are required to exclude the common shares that are to be repurchased in calculating basic ar earnings per share (***EPS***). Any amounts, including contractual (accumulated) dividends and participation rights in undistributed attributable to shares that are to be repurchased that have not been recognized in the consolidated statement of earnings shall be de computing income available to common shareholders, consistent with the two-class method. See the calculation of EPS in Note 7 of to Consolidated Financial St

On February 14, 2014, we entered into share repurchase agreements with certain Cargill family member trusts (the ***Family Tr Repurchase Agreements*** and, collectively with the MAC Trusts Share Repurchase Agreement, the ***Share Repurchase Agreements*** an aggregate of approximately 8.2 million Class A Shares under the Repurchase Program. The transactions are structured in two tran the first purchase of approximately 2.4 million shares completed February 14, 2014 at a price of $46.43 per share. The second pu approximately 5.8 million shares is scheduled for March 17, 2014 with a per share price based on a Common Market Price similar to Trusts Share Repurchase Agreement discuss

Conversion of the remaining 17,176,068 Class A Shares, Series A-2, and 17,176,046 Class A Shares, Series A-3, which are held by Ex Cargill Stockholders, other than Class A Shares we have agreed to repurchase, into regular Common Stock is scheduled to occur in tw annual installments on November 26, 2014 and November 26, 2015, res

As part of the Cargill Transaction, we agreed that, among other things, and subject to certain ex

We would not engage in certain prohibited acts (***Prohibited Acts***) until May 26, 2013.

We are contractually obligated to indemnify Cargill for certain taxes and tax-related losses imposed on Cargill if we engaged Prohibited Act or in the event we are in breach of representations or warranties made in support of the tax-free nature of the M Split-off and Debt Exchange, if our Prohibited Act or breach causes the Merger, Split-off and/or Debt Exchange to fail to qua tax-free transactions.

Generally speaking, Prohibited Acts

Entering into any agreements, understandings, arrangements or substantial negotiations pursuant to which any person would a increase or have the right to acquire or increase such person s ownership interest in us, provided that equity issuances, redem repurchases from the MAC Trusts and approvals of transfers within an agreed-upon basket were not Prohibited Acts.

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Approving or recommending a third-party tender offer or exchange offer for our stock or causing or permitting any merger, reorganization, combination or consolidation of Mosaic or MOS Holdings.

Causing our separate affiliated group (as defined in the Internal Revenue Code) to fail to be engaged in the fertilizer busine

Reclassifying, exchanging or converting any shares of our stock into another class or series, or changing the voting rights of a shares of our stock (other than the conversion of Class B Common Stock to Class A Common Stock) or declaring or paying a dividend in respect of our common stock.

Facilitating the acquisition of Mosaic s stock by any person or coordinating group (as defined in IRS regulations) (other than and its subsidiaries), if such acquisition would result in any person or coordinating group beneficially owning 10% or more of outstanding Common Stock.

Facilitating participation in management or operation of the Company (including by becoming a director) by a person or coor group (as defined in IRS regulations) (other than Cargill and its subsidiaries) who beneficially owns 5% or more of our outsta Common Stock.

Although we are no longer restricted from engaging in Prohibited Acts, our indemnity to Cargill for any breach of the representa warranties we made in support of the tax-free nature of the Merger, Split-off and Debt Exchange and any Prohibited Acts that occurre May 26, 2013 remains

3. SUMMARY OF SIGNIFICANT ACCOUNTING PO

Statement Presentation and Basis of Cons

The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accep United States of America (***U.S. GAAP***). Throughout the Notes to Consolidated Financial Statements, amounts in tables are in dollars except for per share data and as otherwise designated. References in this report to a particular fiscal year are to the twelve mon May 31 of

The accompanying Consolidated Financial Statements include the accounts of Mosaic and its majority owned subsidiaries, as w accounts of certain variable interest entities, including PhosChem, for which we are the primary beneficiary. PhosChem had net sales million for the seven months ended December 31, 2013 and $1.3 billion, $2.4 billion and $2.3 billion for the years ended May 31, 20 and 2011, respectively, which are included in our consolidated net sales. Effective December 31, 2013, we and PhosChem s other me assumed responsibility for PhosChem s former activities as they relate to our respective products. Certain investments in companies w not have control but have the ability to exercise significant influence are accounted for by the equity

Accounting I

Preparation of the Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and ass that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial s and the reported amounts of revenues and expenses during the reporting periods. The more significant estimates made by managemen the recoverability of non-current assets including goodwill, the useful lives and net realizable values of long-lived assets, environm reclamation liabilities including asset retirement obligations (***AROs***), the costs of our employee benefit obligations for pensi postretirement benefits, income tax related accounts including the valuation allowance against deferred income tax assets, inventory and accruals for pending legal and environmental matters. Actual results could differ from these e

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Revenue Re

Revenue on North American sales is recognized when the product is delivered to the customer and/or when the risks and rewards of c are otherwise transferred to the customer and when the price is fixed or determinable. Revenue on North American export sales is re upon the transfer of title to the customer and when the other revenue recognition criteria have been met, which generally occurs whe enters international waters. Revenue from sales originating outside of North America is recognized upon transfer of title to the custom on contractual terms of each arrangement and when the other revenue recognition criteria have been met. Our products are generally s on the market prices prevailing at the time the sales contract is signed or through contracts which are priced at the time of shipment b formula. In certain circumstances, the final price of our products is determined after shipment based on the current market at the time th agreed to with the customer. In such circumstances, revenue is recognized when the final price is fixed and the other revenue recognitio have been met. Shipping and handling costs are included as a component of cost of go

Non-Inco

We pay Canadian resource taxes consisting of the Potash Production Tax and resource surcharge. The Potash Production Tax is a Sask provincial tax on potash production and consists of a base payment and a profits tax. In addition to the Canadian resource taxes, roy payable to the mineral owners with respect to potash reserves or production of potash. These resource taxes and royalties are record cost of goods sold. Our Canadian resource tax and royalty expenses were $120.7 million for the seven months ended December 31, 2 $307.9 million, $327.1 million and $294.2 million for fiscal 2013, 2012 and 2011, resp

We pay Brazilian non-income taxes and have approximately $77 million of assets recorded as of December 31, 2013 related to PIS and value added tax, tax credits and income tax credits mostly earned in 2009 through 2013 that we believe will be realized through payin taxes, paying other federal taxes, or receiving cash refunds. Should the Brazilian government determine these claims to not be warran review, this could impact our results in such period. We presently believe that our positions are s

Foreign Currency Tr

The Company s reporting currency is the U.S. dollar; however, for operations located in Canada and Brazil, the functional currency currency. Assets and liabilities of these foreign operations are translated to U.S. dollars at exchange rates in effect at the balance s while income statement accounts and cash flows are translated to U.S. dollars at the average exchange rates for the period. For these op translation gains and losses are recorded as a component of accumulated other comprehensive income in equity until the foreign entity liquidated. Transaction gains and losses result from transactions that are denominated in a currency other than the functional curren operation, primarily accounts receivable in our Canadian entities denominated in U.S. dollars, and accounts payable in Brazil denom U.S. dollars. These foreign currency transaction gains and losses are presented separately in the Consolidated Statement of

Cash and Cash Eq

Cash and cash equivalents include short-term, highly liquid investments with original maturities of 90 days or less, and other hig investments that are payable on demand such as money market accounts, certain certificates of deposit and repurchase agreements. The amount of such cash equivalents approximates their fair value due to the short-term and highly liquid nature of these ins

Concentration of Cr

In the U.S., we sell our products to manufacturers, distributors and retailers primarily in the Midwest and Southeast. Internatio phosphate and potash products are sold primarily through two North

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export associations. A concentration of credit risk arises from our sales and accounts receivable associated with the international sales product through Canpotex. We consider our concentration risk related to the Canpotex receivable to be mitigated by their credit poli requires the underlying receivables to be substantially insured or secured by letters of credit. As of December 31, 2013, May 31, 2013 $73.8 million, $191.8 million and $200.7 million, respectively, of accounts receivable were due from Canpotex. During the seven mon December 31, 2013, sales to Canpotex were $439.7 million and in fiscal 2013, 2012 and 2011, sales to Canpotex were $1.2 billion, $1 and $992.9 million, res

In

Inventories of raw materials, work-in-process products, finished goods and operating materials and supplies are stated at the lower market. Costs for substantially all inventories are determined using the weighted average cost basis. To determine the cost of inve allocate fixed expense to the costs of production based on the normal capacity, which refers to a range of production levels and is consi production expected to be achieved over a number of periods or seasons under normal circumstances, taking into account the loss o resulting from planned mai

Market value of our inventory is defined as forecasted selling prices less reasonably predictable selling costs (net realizable value). S management judgment is involved in estimating forecasted selling prices including various demand and supply variables. Examples o variables include grain and oilseed prices, stock-to-use ratios and changes in inventories in the crop nutrients distribution channels. Ex supply variables include forecasted prices of raw materials, such as phosphate rock, sulfur, ammonia, and natural gas, estimated opera and industry crop nutrient inventory levels. Results could differ materially if actual selling prices differ materially from forecasted selli Charges for lower of cost or market are recognized in our Consolidated Statements of Earnings in the period when there is evidence of of market value be

Property, Plant and Equipment and Recoverability of Long-Liv

Property, plant and equipment are stated at cost. Costs of significant assets include capitalized interest incurred during the constru development period. Repairs and maintenance, including planned major maintenance and plan turnaround costs, are expensed when

Depletion expenses for mining operations, including mineral reserves, are generally determined using the units-of-production method estimates of recoverable reserves. Depreciation is computed principally using the straight-line method over the following us machinery and equipment three to 25 years, and buildings and leasehold improvements three to

We estimate initial useful lives based on experience and current technology. These estimates may be extended through sustaini programs. Factors affecting the fair value of our assets may also affect the estimated useful lives of our assets and these factors ca Therefore, we periodically review the estimated remaining lives of our facilities and other significant assets and adjust our deprecia prospectively where ap

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount m recoverable. The carrying amount of a long-lived asset group is not recoverable if it exceeds the sum of the undiscounted cash flows ex result from the use and eventual disposition of the asset group. If it is determined that an impairment loss has occurred, the loss is me the amount by which the carrying amount of the long-lived asset group exceeds its f

Leases in which the risk of ownership is retained by the lessor are classified as operating leases. Leases which substantially transfer benefits and risks inherent in ownership to the lessee are classified as capital leases. Assets acquired under capital leases are deprecia same basis as property, plant and equipment. Rental payments are expensed on a straight-line basis. Leasehold improvements are de over the depreciable lives of the corresponding fixed assets or the related lease term, whichever i

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Conti

Accruals for environmental remediation efforts are recorded when costs are probable and can be reasonably estimated. In determin accruals, we use the most current information available, including similar past experiences, available technology, consultant ev regulations in effect, the timing of remediation and cost-sharing arran

We are involved from time to time in claims and legal actions incidental to our operations, both as plaintiff and defendant. We have es what we currently believe to be adequate accruals for pending legal matters. These accruals are established as part of an ongoing w assessment of claims and legal actions that takes into consideration such items as advice of legal counsel, individual development proceedings, changes in the law, changes in business focus, changes in the litigation environment, changes in opponent strategy and tac developments as a result of ongoing discovery, and past experience in defending and settling similar claims. The litigation accruals at reflect updated assessments of the then-existing claims and legal actions. The final outcome or potential settlement of litigation matt differ materially from the accruals which we have established. For significant individual cases, we accrue legal costs expected to be

Pension and Other Postretirement

Mosaic offers a number of benefit plans that provide pension and other benefits to qualified employees. These plans include define pension plans, supplemental pension plans, defined contribution plans and other postretirement ben

We accrue the funded status of our plans, which is representative of our obligations under employee benefit plans and the related co plan assets measured at fair value. The cost of pensions and other retirement benefits earned by employees is generally determined assistance of an actuary using the projected benefit method prorated on service and management s best estimate of expected plan performance, salary escalation, retirement ages of employees and expected health

Additional Accounting

To facilitate a better understanding of our consolidated financial statements we have disclosed the following significant accountin (with the exception of those identified above) throughout the following notes, with the related financial disclosures by majo

Note	Topic	Page
9	Investments in Non-Consolidated Companies	F-62
10	Goodwill	F-63
12	Income Taxes	F-66
13	Accounting for Asset Retirement Obligations	F-70
14	Accounting for Derivative and Hedging Activities	F-71
15	Fair Value Measurements	F-72
18	Share Based Payments	F-79

4. RECENTLY ISSUED ACCOUNTING GU

Recently Adopted Accounting Pronou

In December 2011, the Financial Accounting Standards Board (***FASB***) issued Accounting Standards Update (***ASU***) No. 201 *Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities* which enhances current disclosures about financial instru derivative instruments that are either offset on the statement of financial position or subject to an enforceable master netting arrang similar agreement, irrespective of whether they are offset on the statement of financial position. Entities are required to provide bot gross information for these assets and liabilities in order to facilitate comparability between financial statements prepared on the bas GAAP and those prepared on the basis of International

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Reporting Standards. In January 2013, the FASB issued ASU No. 2013-01, *Balance Sheet (Topic 210): Clarifying the Scope of Di about Offsetting Assets and Liabilities* to limit the scope of the new balance sheet offsetting disclosures to derivatives, repurchase ag and securities lending transactions to the extent that they are offset in the financial statements or subject to an enforceable mast arrangement or similar agreement. These standards were effective for us beginning June 1, 2013 with retrospective application requ determined that these requirements were not material to the results of operations or financial position, and, therefore, have not added di required by these s

In February 2013, the FASB issued ASU No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassifi Accumulated Other Comprehensive Income* which requires entities to disclose additional information about changes in and signific reclassified out of accumulated other comprehensive income. This guidance was effective for us beginning June 1, 2013. We detern these requirements were not material to the results of operations or financial position and, therefore, have not added disclosures require

Pronouncements Issued But Not Yet

In July 2013, the FASB issued ASU No. 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit W Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* which requires that an unrecognized ta should be presented in the financial statements as a reduction of a deferred tax asset for a net operating loss carryforward, a similar tax tax credit carryforward when settlement in this manner is available under the law. This guidance is effective for us beginning Januar and will be applied on a prospective basis to all unrecognized tax benefits that exist at the effective date. We do not expect this guid have a material impact on our results of operations or financial

5. OTHER FINANCIAL STATEMEN

The following provides additional information concerning selected balance sheet

(in millions)	December 31, 2013	May 31, 2013	2012
Receivables			
Trade	$ 460.1	$ 933.9	$ 706.9
Non-trade	84.9	86.5	49.6
	545.0	1,020.4	756.5
Less allowance for doubtful accounts	1.9	4.7	4.9
	$ 543.1	$ 1,015.7	$ 751.6
Inventories			
Raw materials	$ 34.0	$ 43.0	$ 61.8
Work in process	433.6	445.8	340.1
Finished goods	891.6	991.3	764.8
Operating materials and supplies	73.7	77.2	70.9
	$ 1,432.9	$ 1,557.3	$ 1,237.6
Other current assets			
Final price deferred[(a)]	$ 154.3	$ 137.1	$ 152.8
Income and other taxes receivable	272.6	267.6	214.0
Prepaid expenses	115.8	98.2	132.1
Assets held for sale[(b)]	111.9	-	-
Other	52.2	31.8	44.2
	$ 706.8	$ 534.7	$ 543.1

(in millions)	December 31, 2013	May 31, 2013	2012
Accrued liabilities			
Non-income taxes	$ 23.6	$ 81.1	$ 78.5
Payroll and employee benefits	111.8	146.6	119.6
Asset retirement obligations	86.3	83.5	87.0
Customer prepayments	131.9	243.3	323.0
Other	312.7	290.6	291.8
	$ 666.3	$ 845.1	$ 899.9
Other noncurrent liabilities			
Asset retirement obligations	$ 637.6	$ 575.0	$ 513.3
Accrued pension and postretirement benefits	69.0	140.7	142.2
Unrecognized tax benefits	96.3	45.2	159.7
Other	124.2	146.3	160.2
	$ 927.1	$ 907.2	$ 975.4

(a) Final price deferred is product that has shipped to customers, but the price has not yet been agreed upon. This has not been includ inventory as it is not held for sale.

(b) See further description of assets held for sale in Footnote 22.

Interest expense, net was comprised of the following in the seven months ended December 31, 2013 and in fiscal 2013, 2012 a

(in millions)	Seven Months Ended December 31, 2013	Years Ended May 31, 2013	2012	201
Interest income	$ 9.5	$ 18.8	$ 20.1	$ 22
Less interest expense	22.8	-	1.4	27
Interest income (expense), net	$ (13.3)	$ 18.8	$ 18.7	$ (5

6. PROPERTY, PLANT AND EQUI

Property, plant and equipment consist of the f

(in millions)	December 31, 2013	May 31, 2013	2012
Land	$ 188.6	$ 188.7	$ 187.7
Mineral properties and rights	2,932.6	2,886.7	2,791.0
Buildings and leasehold improvements	1,969.5	1,959.3	1,456.0
Machinery and equipment	5,994.1	5,793.7	4,872.6
Construction in-progress	1,516.8	1,419.2	1,522.8
	12,601.6	12,247.6	10,830.1
Less: accumulated depreciation and depletion	4,025.0	3,760.8	3,284.2

	$ 8,576.6	$ 8,486.8	$ 7,545.9

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Depreciation and depletion expense was $386.2 million for the seven months ended December 31, 2013 and $604.8 million, $508.1 m $447.4 million for fiscal 2013, 2012 and 2011, respectively. Capitalized interest on major construction projects was $25.0 million for months ended December 31, 2013 and $52.0 million, $55.7 million and $57.1 million in fiscal 2013, 2012 and 2011, resp

7. EARNINGS PER

The Company uses the two-class method to compute basic and diluted EPS. Earnings for the period are allocated pro-rata between the shareholders and the participating securities. Our only participating securities are related to the Share Repurchase Agreement. The num basic and diluted EPS is net earnings for common stockholders. The denominator for basic EPS is the weighted-average number outstanding during the period. The denominator for diluted EPS also includes the weighted average number of additional common s would have been outstanding if the dilutive potential common shares had been issued, unless the shares are anti-dilutive, and excluc subject to forward

The following is a reconciliation of the numerator and denominator for the basic and diluted EPS comp

(in millions)	**Seven Months Ended December 31, 2013**	**2013**	**Years Ended May 31, 2012**	**2011**
Net earnings attributable to Mosaic	$ 340.0	$ 1,888.7	$ 1,930.2	$ 2,514
Undistributed earnings attributable to participating securities	(4.0)	-	-	-
Numerator for basic and diluted earnings available to common stockholders	$ 336.0	$ 1,888.7	$ 1,930.2	$ 2,514
Basic weighted average common shares outstanding	425.9	425.7	435.2	446
Shares subject to forward contract	(5.1)	-	-	-
Basic weighted average common shares outstanding attributable to common stockholders	420.8	425.7	435.2	446
Dilutive impact of share-based awards	1.2	1.2	1.3	1
Diluted weighted average common shares outstanding attributable to common stockholders	422.0	426.9	436.5	447
Basic net earnings per share	$ 0.80	$ 4.44	$ 4.44	$ 5.
Diluted net earnings per share	$ 0.80	$ 4.42	$ 4.42	$ 5.

A total of 1.1 million shares for the seven months ended December 31, 2013 and 0.6 million shares, 0.5 million shares and 0.4 million common stock subject to issuance upon exercise of stock options for fiscal 2013, 2012 and 2011, respectively, have been excluded calculation of diluted EPS because the effect would be anti

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8. CASH FLOW INFORM

Supplemental disclosures of cash paid for interest and income taxes and non-cash investing and financing information is as

(in millions)	Seven Months Ended December 31, 2013	Years Ended May 31, 2013	2012	201
Cash paid during the period for:				
Interest	$ 28.7	$ 52.0	$ 76.7	$ 100
Less amount capitalized	25.0	52.0	55.7	57
Cash interest, net	$ 3.7	$ -	$ 21.0	$ 43
Income taxes	$ 155.7	$ 299.9	$ 516.4	$ 535

Acquiring or constructing property, plant and equipment by incurring a liability does not result in a cash outflow for us until the liabilit In the period the liability is incurred, the change in operating accounts payable on the Consolidated Statements of Cash Flows is ad such amount. In the period the liability is paid, the amount is reflected as a cash outflow from investing activities. The applicable net operating accounts payable that was classified to investing activities on the Consolidated Statements of Cash Flows was $87.7 milli seven months ended December 31, 2013 and $54.6 million, $56.7 million, and $100.1 million for fiscal 2013, 2012 and 2011 resp

The initial obligation of $2.1 billion related to the Share Repurchase Agreement is accounted for as a liability established at fair va corresponding reduction of equity within financing activities on the Consolidated Statements of Ca

9. INVESTMENTS IN NON-CONSOLIDATED COM

We have investments in various international and domestic entities and ventures. The equity method of accounting is applie investments when the ownership structure prevents us from exercising a controlling influence over operating and financial polic businesses but still allow us to have significant influence. Under this method, our equity in the net earnings or losses of the inves reflected as equity in net earnings of non-consolidated companies on our Consolidated Statements of Earnings. The effects o intercompany transactions with these equity method investments are eliminated, including the gross profit on sales to and purchases equity-method investments which is deferred until the time of sale to the final third party customer. The cash flow presentation of received from equity method investees is determined by evaluation of the facts, circumstances and nature of the dis

A summary of our equity-method investments, which were in operation as of December 31, 2013, is as

Entity	Economic Interest
Gulf Sulphur Services LTD., LLLP	50.0%
River Bend Ag, LLC	50.0%
IFC S.A.	45.0%
Yunnan Three Circles Sinochem Cargill Fertilizers Co. Ltd.	35.0%
Miski Mayo Mine	35.0%
Canpotex	39.9%

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The summarized financial information shown below includes all non-consolidated companies carried on the equity

(in millions)	Seven Months Ended December 31, 2013	Years Ended May 31, 2013	2012	2011
Net sales	$ 1,846.5	$ 4,475.2	$ 4,938.4	$ 4,061
Net earnings	12.1	67.5	97.9	0
Mosaic s share of equity in net earnings (loss)	10.9	18.3	13.3	(5
Total assets	1,658.5	1,841.4	1,776.0	1,690
Total liabilities	985.3	1,149.8	1,005.0	1,022
Mosaic s share of equity in net assets	250.9	256.4	282.8	247

The difference between our share of equity in net assets as shown in the above table and the investment in non-consolidated companies on the Consolidated Balance Sheets is due to an excess amount paid over the book value of the Miski Mayo Mine. The excess phosphate rock reserves adjusted to fair value in relation to the Miski Mayo Mine. The excess amount is amortized over the estimated phosphate rock reserve and is net of related deferred inco

During fiscal 2011, we sold our 20.1% minority stake in Fosfertil, a phosphate crop nutrient producer in Brazil. Gross proceeds of $1 were received which resulted in a pre-tax gain of $685.6 million. The tax impact of this transaction was $116.2 million and was incluc provision for income taxes as of May

On August 5, 2013, we entered into a Shareholders Agreement with Ma aden and SABIC under which the parties have formed a joi develop, own and operate integrated phosphate production facilities in the Kingdom of Saudi Arabia subsequent to December 31, 2 approximately $7 billion greenfield project will be financed by the joint venture with debt and the investments of the parties, a production capacity of approximately 3.5 million tonnes of finished product. Operations are expected to commence in late calendar own a 25% interest in the joint venture and will market approximately 25% of the production of the joint venture. Our cash inve expected to be approximately $1 billion, funded over a four-year period. As of December 31, 2013, our investment was $174 million. expected to guarantee a portion of the project s debt during the construction phase and have obligations to fund certain constr overruns. As of December 31, 2013, construction financing has not been finalized, and no such guarantees exist by Mosaic. Addition December 31, 2013, there are no construction cost overruns which Mosaic would be obligate

10. GOC

Goodwill is carried at cost, not amortized, and represents the excess of the purchase price and related costs over the fair value assigned identifiable assets of a business acquired. We test goodwill for impairment on a quantitative basis at the reporting unit level on an ann or upon the occurrence of events that may indicate possible impairment. The test resulted in no impairment in the periods p

During the seven months ended December 31, 2013, and in connection with its change in fiscal year-end, the Company changed the annual impairment testing for goodwill from November 30 to October 31. This represents a change in the method of applying an ac principle. Management believes this change in the method of applying an accounting principle is preferable, as the earlier date better with our annual budgeting and five-year planning processes. Management also believes that the change in our annual goodwill im testing date did not delay, accelerate or avoid a goodwill impairment charge. A letter

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independent registered public accounting firm, to the effect that this change is to an alternative method which in such firm s j
preferable under the circumstances, has been filed as an exhibit to our transition period report on form 10-K for the seven-month peri
December

The changes in the carrying amount of goodwill, by reporting unit, for the seven months ended December 31, 2013 and the years ended
2013 and 2012, are as

(in millions)	Phosphates	Potash	Total
Balance as of May 31, 2011	$ 534.7	$ 1,295.1	$ 1,829.8
Foreign currency translation and other	11.9	2.7	14.6
Balance as of May 31, 2012	546.6	1,297.8	1,844.4
Foreign currency translation	-	0.2	0.2
Balance as of May 31, 2013	546.6	1,298.0	1,844.6
Foreign currency translation	-	(39.4)	(39.4)
Reallocation of goodwill to assets held for sale	(10.8)	-	(10.8)
Balance as of December 31, 2013	$ 535.8	$ 1,258.6	$ 1,794.4

As of December 31, 2013, $137.7 million of goodwill was tax de

11. FINANCING ARRANGE

Mosaic Credi

On December 5, 2013, we entered into a new unsecured five-year revolving credit facility of up to $1.5 billion (the ***Mosaic Cred***
which is intended to serve as our primary senior unsecured bank credit facility to meet the combined liquidity needs of all of our
segments. The Mosaic Credit Facility upsized and extended our prior unsecured credit facility entered into on April 26, 2011, consi
revolving facility of up to $750 million (the ***Prior Credit Facility***) which was terminated contemporaneously with our entry into
Credit Facility. Letters of credit outstanding under the Prior Credit Facility in the amount of approximately $19.0 million became letters
under the Mosaic Credit Facility. The maturity date of the Mosaic Credit Facility is Decembe

The Mosaic Credit Facility has cross-default provisions that, in general, provide that a failure to pay principal or interest under any on
other indebtedness in excess of $50 million or $75 million for multiple items of other indebtedness, or breach or default under such ind
that permits the holders thereof to accelerate the maturity thereof, will result in a cros

The Mosaic Credit Facility requires Mosaic to maintain certain financial ratios, including a maximum ratio of Total Debt to EB
defined) of 3.5 to 1.0 as well as a minimum Interest Coverage Ratio (as defined) of not less than 3

The Mosaic Credit Facility also contains other events of default and covenants that limit various matters. These events of defau
limitations on indebtedness, liens, investments and acquisitions (other than capital expenditures), certain mergers, certain asset sa
borrower and certain of our principal operating subsidiaries, and other matters customary for credit facilities of th

Short-T

Short-term debt consists of the revolving credit facility under the Mosaic Credit Facility and Prior Credit Facility, under which there
borrowings as of December 31, 2013 and May 31, 2013 and 2012, and vari

short-term borrowings related to our international distribution activities. These short-term borrowings outstanding were $22.6 mil
December 31, 2013, are denominated in various currencies and bear interest at rates between 0.57% and 10.6% and mature at vari

We had outstanding letters of credit that utilized a portion of the amount available for revolving loans under the Mosaic Credit Facility
million, $12.7 million and $20.1 million as of December 31, 2013 and May 31, 2013 and 2012, respectively. The net available borro
revolving loans under the Mosaic Credit Facility as of December 31, 2013 and May 31, 2013 and 2012 were approximately $1,481.
$737.3 million and $729.9 million, respectively. Unused commitment fees under the Mosaic Credit Facility accrued at an average annu
0.19% in the Stub Period, 0.20% in fiscal 2013 and 0.21% in fiscal 2012, generating expenses of $0.9 million, $1.5 million and $1.
res

We had additional outstanding letters of credit of $9.5 million as of December

Long-Term Debt, including Current M

On November 7, 2013, we completed a $2 billion public offering consisting of $900 million aggregate principal amount of 4.25% Sen
due 2023, $500 million aggregate principal amount of 5.45% Senior Notes due 2033, and $600 million aggregate principal amount o
Senior Notes due 2043 (collectively, the ***New Sen***

We received net proceeds from this offering of approximately $1.98 billion, which we will use for general corporate purposes, i
without limitation, working capital, capital expenditures, strategic opportunities and distributions to our stockholders, either in the forn
repurchases or d

The New Senior Notes are Mosaic s senior unsecured obligations and rank equally in right of payment with Mosaic s existing and
unsecured indebtedness. The indenture governing the New Senior Notes contains restrictive covenants limiting debt secured by liens
leaseback transactions and mergers, consolidations and sales of substantially all assets as well as other events o

We have additional senior notes outstanding, consisting of $450 million aggregate principal amount of 3.750% senior notes due 2021
million aggregate principal amount of 4.875% Senior Notes due 2041 (collectively, the ***Sen***

Two debentures, issued by Mosaic Global Holdings, Inc., one of our consolidated subsidiaries, the first due in 2018 (the ***2018 Deben***
the second due in 2028 (the ***2028 Debentures***) remain outstanding with amounts of $89.0 million and $147.1 million, respe
December 31, 2013. The indentures governing the 2018 Debentures and the 2028 Debentures also contain restrictive covenants lim
secured by liens, sale and leaseback transactions and mergers, consolidations and sales of substantially all assets as well as events of de
obligations under the 2018 Debentures and the 2028 Debentures are guaranteed by several of the Company s su

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Long-term debt primarily consists of term loans, industrial revenue bonds, secured notes, unsecured notes, and unsecured debentures. L
debt as of December 31, 2013, May 31, 2013 and 2012, respectively, consisted of the f

	Industrial revenue and recovery zone bonds	Unsecured notes	Unsecured Debentures	Other	Total long-term debt	Less current portion	lo les m
December 31, 2013 Stated Interest Rate	1.51%	3.75% 5.63%	7.30% 7.38%	2.50% 9.00%			
December 31, 2013 Effective Interest Rate	1.51%	4.73%	7.08%	8.37%			
Maturity Date	2040	2021 2043	2018 2028	2014 2023			
December 31, 2013 Stated Value	$ 16.8	$ 2,750.0	$ 236.1	$ 14.5	$ 3,017.4	$ 1.1	$
Combination Fair Market Value Adjustment	-	-	3.1	-	3.1	0.4	
Discount on Notes Issuance	-	(11.2)	-	-	(11.2)	(1.1)	
December 31, 2013 Carrying Value	$ 16.8	$ 2,738.8	$ 239.2	$ 14.5	$ 3,009.3	$ 0.4	$
May 31, 2013 Stated Value	$ 17.4	$ 750.0	$ 236.1	$ 11.1	$ 1,014.6	$ 1.3	$
Combination Fair Market Value Adjustment	-	-	3.3	-	3.3	0.3	
Discount on Notes Issuance	-	(7.4)	-	-	(7.4)	(0.7)	
May 31, 2013 Carrying Value	$ 17.4	$ 742.6	$ 239.4	$ 11.1	$ 1,010.5	$ 0.9	$
May 31, 2012 Stated Value	$ 17.6	$ 750.0	$ 236.1	$ 11.2	$ 1,014.9	$ 0.9	$
Combination Fair Market Value Adjustment	-	-	3.7	-	3.7	0.3	
Discount on Notes Issuance	-	(8.1)	-	-	(8.1)	(0.7)	
May 31, 2012 Carrying Value	$ 17.6	$ 741.9	$ 239.8	$ 11.2	$ 1,010.5	$ 0.5	$

Scheduled maturities of long-term debt are as follows for the periods ending Dece

(in millions)	
2014	$ 0.4
2015	2.6
2016	1.7
2017	0.3
2018	93.4
Thereafter	2,910.9
Total	$ 3,009.3

12. INCOME

In preparing our Consolidated Financial Statements, we utilize the asset and liability approach in accounting for income taxes. We
income taxes in each of the jurisdictions in which we have a presence. For each jurisdiction, we estimate the actual amount of inco
currently payable or receivable, as well as deferred income tax assets and liabilities attributable to temporary differences between the
statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liab
measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expe
recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period tha
the enactr

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The provision for income taxes for the seven months ended December 31 and the years ended May 31 consisted of the f

(in millions)	Seven Months Ended December 31, 2013	2013	Years Ended May 31, 2012	201
Current:				
Federal	$ (25.0)	$ 138.8	$ 314.5	$ 134
State	(15.1)	42.5	61.0	52
Non-U.S.	141.9	81.5	77.0	380
Total current	101.8	262.8	452.5	567
Deferred:				
Federal	32.8	(32.9)	7.4	99
State	(0.3)	(14.1)	9.0	7
Non-U.S.	18.3	125.2	242.5	79
Total deferred	50.8	78.2	258.9	185
Provision for income taxes	$ 152.6	$ 341.0	$ 711.4	$ 752

The components of earnings from consolidated companies before income taxes, and the effects of significant adjustments to tax compu federal statutory rate, were as

(in millions)	Seven Months Ended December 31, 2013	2013	Years Ended May 31, 2012	2011
United States earnings	$ 208.2	$ 1,158.1	$ 1,412.7	$ 1,477.5
Non-U.S. earnings	276.0	1,056.4	1,216.2	1,793.8
Earnings from consolidated companies before income taxes	$ 484.2	$ 2,214.5	$ 2,628.9	$ 3,271.3
Computed tax at the U.S. federal statutory rate of 35%	35.0%	35.0%	35.0%	35.0
State and local income taxes, net of federal income tax benefit	1.2%	1.6%	1.6%	1.3
Percentage depletion in excess of basis	(15.7%)	(7.1%)	(6.6%)	(4.5
Impact of non-U.S. earnings	3.8%	(10.2%)	(2.9%)	(7.5
Non-taxable change in value of share repurchase agreement	(5.3%)	0.0%	0.0%	0.0
Change in valuation allowance	10.0%	(3.6%)	0.4%	0.5
Other items (none in excess of 5% of computed tax)	2.5%	(0.3%)	(0.4%)	(1.8
Effective tax rate	31.5%	15.4%	27.1%	23.0

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The seven months ended December 31, 2013 reflect increased expenses related to the resolution of certain multi-jurisdictional tax m fiscal 2010, the Company entered into an Advanced Pricing Agreement (***APA***) process, which is a tax treaty-based process. Duri months ended December 2013, the Canada Revenue Agency, Dutch Tax Authorities, and U.S. Internal Revenue Service reached agre principle with respect to the APA (***APA Agreements***). The APA Agreements increased income tax expense by $4.0 million, which is the impact of non-U.S. earnings above. The APA Agreements also resulted in an increase in deferred tax assets related to foreign ta Additionally, as part of the APA Agreements, the Company will be required to transfer cash to certain non-U.S. subsidiaries. As a r Company has determined that it is no longer permanently re-invested in certain non-U.S. subsidiaries and recognized a deferred ta during the fourth quarter of calendar 2013, resulting in an expense specific to the period of $100.8 million. This expense is also inclu impact of non-U.S. earnin

The fiscal 2013 effective tax rate reflects a decrease of $179.3 million due to the resolution of certain tax matters, which is inclu impact of non-U.S. earnin

The fiscal 2011 effective tax rate reflects a $116.2 million expense related to the sale of our investment in Fosfertil, and our Cubatã facility to Vale S.A. and its sub

Significant components of our deferred tax liabilities and assets as of December 31 and May 31 were as

(in millions)	December 31, 2013	May 31, 2013	May 31, 2012
Deferred tax liabilities:			
Depreciation and amortization	$ 1,029.8	$ 956.2	$ 761.6
Depletion	388.6	427.2	465.4
Partnership tax basis differences	106.2	104.0	105.4
Undistributed earnings of non-U.S. subsidiaries	319.6	215.8	215.8
Other liabilities	150.9	227.8	91.9
Total deferred tax liabilities	$ 1,995.1	$ 1,931.0	$ 1,640.1
Deferred tax assets:			
Alternative minimum tax credit carryforwards	$ 113.8	$ 63.1	$ 88.1
Capital loss carryforwards	54.6	6.9	7.1
Foreign tax credit carryforwards	580.9	528.0	529.7
Net operating loss carryforwards	145.3	158.6	168.8
Pension plans and other benefits	17.1	52.1	54.2
Asset retirement obligations	260.0	237.6	220.2
Other assets	182.7	218.2	190.3
Subtotal	1,354.4	1,264.5	1,258.4
Valuation allowance	129.2	93.6	180.2
Net deferred tax assets	1,225.2	1,170.9	1,078.2
Net deferred tax liabilities	$ (769.9)	$ (760.1)	$ (561.9)

We have certain entities that are taxed in both their local currency jurisdiction and the U.S. As a result, we have deferred tax balance jurisdictions. As of December 31, 2013 and May 31, 2013 and 2012, these deferred taxes are offset by approximately $384.9 millio million and $377.8 million, respectively, of anticipated foreign tax credits included within our depreciation and depletion comp deferred tax liabiliti

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As of December 31, 2013, we had estimated carryforwards for tax purposes as follows: alternative minimum tax credits of $113.8 m operating losses of $423.9 million, capital losses of $148.9 million, and foreign tax credits of $580.9 million. These carryforward ben be subject to limitations imposed by the Internal Revenue Code, and in certain cases, provisions of foreign law. The alternative min credit carryforwards can be carried forward indefinitely. The majority of our net operating loss carryforwards relate to Brazil and can l forward indefinitely but are limited to 30 percent of taxable income each year. Of the $580.9 million of foreign tax credits, approxima million have an expiration date of calendar 2018 or earlier. The majority of the remaining balance expires in calendar 2023. The real our foreign tax credit carryforwards is dependent on market conditions, repatriation of the undistributed earnings of certain subsidiaries, and other business outcomes. We will need certain types of taxable income totaling approximately $1.7 billion in the U.S calendar 2014 and calendar 2023 to fully utilize our foreign tax credit carryforwards, the majority of which must be earned before

The Company has determined that it is no longer permanently re-invested at certain non-U.S. subsidiaries and recognized a deferred ta during the fourth quarter of calendar 2013, resulting in an expense specific to the period of $100.8 million. We have no intention of certain undistributed earnings of other non-U.S. subsidiaries aggregating $1.9 billion as of December 31, 2013, and accordingly, no de liability has been established relative to these earnings. Generally, such amounts become subject to U.S. taxation upon the rem dividends and under certain other circumstances. The calculation of the unrecognized deferred tax liability related to these earnings is and is not pr

Valuation A

In assessing the need for a valuation allowance, we consider whether it is more likely than not that some portion or all of the deferred will not be realized. We evaluate our ability to realize the tax benefits associated with deferred tax assets by analyzing the relative imp the available positive and negative evidence regarding our forecasted taxable income using both historical and projected future operatin the reversal of existing taxable temporary differences, taxable income in prior carry-back years (if permitted) and the availability of tax strategies. The ultimate realization of deferred tax assets is dependent upon the generation of certain types of future taxable income c periods in which those temporary differences become deductible. In making this assessment, we consider the scheduled reversal of de liabilities, our ability to carry back the deferred tax asset, projected future taxable income, and tax planning strategies. A valuation a will be recorded in each jurisdiction in which a deferred income tax asset is recorded when it is more likely than not that the deferred in asset will not be realized. Changes in deferred tax asset valuation allowances typically impact income tax

For the seven months ended December 31, 2013, the valuation allowance increased $35.4 million primarily due to our determinatio not more likely than not that we will be able to utilize the anticipated capital loss resulting from the write down of our distribution bu Argentina a

For fiscal 2013, 2012 and 2011, the valuation allowance decreased $86.6 million, $29.0 million and increased $52.1 million, resp

Uncertain Tax

Accounting for uncertain income tax positions is determined by prescribing a minimum probability threshold that a tax position n before a financial statement benefit is recognized. This minimum threshold is that a tax position is more likely than not to be sustai examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technic of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than a fifty percent like being realized upon ultimate se

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As of December 31, 2013, we had $99.2 million of gross uncertain tax positions. If recognized, the benefit to our effective tax rate periods would be approximately $107.5 million of that amount. During the seven months ended December 31, 2013, we recor increases in our uncertain tax positions related to the APA of $128.5 million, which partially offset the decrease of $323.7 million as a the APA Agreements. The impact to the effective rate was an increase to the expense of $3.7 million, net of offsetting items not in gross uncertain tax positions. In anticipation of the APA Agreements, the Company had previously paid deposits on the gross unc positions in certain non-U.S. subsidiaries. As such, the additional cash tax outlay resulting from the APA Agreements is expe approximately $48 million. Refunds are expected in the U.S. and in other non-U.S. sub

We also recorded gross decreases of $24.0 million relating to other matters impacting prior fiscal years, of which $10.6 million was a to our effe

Based upon the information available as of December 31, 2013, we anticipate that the amount of uncertain tax positions will change in twelve months; however, the change cannot reasonably be e

(in millions)	December 31, 2013	May 31, 2013	May 31, 2012
Gross unrecognized tax benefits, beginning of year	$ 316.8	$ 476.9	$ 263.5
Gross increases:			
Prior year tax positions	128.5	7.7	103.1
Current year tax positions	0.4	36.6	146.9
Gross decreases:			
Prior year tax positions	(24.0)	(204.3)	(34.8)
Settlements	(323.7)	-	-
Currency translation	1.2	(0.1)	(1.8)
Gross unrecognized tax benefits, end of year	$ 99.2	$ 316.8	$ 476.9

We recognize interest and penalties related to unrecognized tax benefits as a component of our income tax expense. Interest and accrued in our Consolidated Balance Sheets as of December 31, 2013, May 31, 2013 and May 31, 2012 are $28.8 million, $53.8 m $52.0 million, respectively, and are included in other noncurrent liabilities in the Consolidated Balanc

We operate in multiple tax jurisdictions, both within the United States and outside the United States, and face audits from various tax a regarding transfer pricing, deductibility of certain expenses, and intercompany transactions, as well as other matters. With few excep are no longer subject to examination for tax years prio

We are currently under audit by the U.S. Internal Revenue Service for fiscal 2011 and 2012 and by the Canada Revenue Agency for fi to 2011. Based on the information available, we do not anticipate significant changes to our unrecognized tax benefits as a resul exam

13. ACCOUNTING FOR ASSET RETIREMENT OBLIG

We recognize AROs in the period in which we have an existing legal obligation associated with the retirement of a tangible long-lived a the amount of the liability can be reasonably estimated. The ARO is recognized at fair value when the liability is incurred with a corre increase in the carrying amount of the related long lived asset. We depreciate the tangible asset over its estimated useful life. The l adjusted in subsequent periods through accretion expense which represents the increase in the present value of the liability due to the p time. Such depreciation and accretion expenses are included in cost of goods sold for operating facilities and other operating ex indefinitely closed

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Our legal obligations related to asset retirement require us to: (i) reclaim lands disturbed by mining as a condition to receive permit phosphate ore reserves; (ii) treat low pH process water in phosphogypsum management systems (the ***Gypstacks***) to neutralize acidit and monitor Gypstacks at our Florida and Louisiana facilities at the end of their useful lives; (iv) remediate certain other conditional ob (v) remove all surface structures and equipment, plug and abandon mine shafts, contour and revegetate, as necessary, and monitor for after closing our Carlsbad, New Mexico facility and (vi) decommission facilities, manage tailings and execute site reclamat Saskatchewan potash mines at the end of their useful lives. The estimated liability for these legal obligations is based on the estimat satisfy the above obligations which is discounted using a credit-adjusted risk-

A reconciliation of our AROs is as

(in millions)	**December 31, 2013**	**May 31, 2013**	**2012**
AROs, beginning of year	$ 658.5	$ 600.3	$ 573.1
Liabilities incurred	13.6	38.7	27.8
Liabilities settled	(37.0)	(73.2)	(98.4)
Accretion expense	21.6	33.3	32.4
Revisions in estimated cash flows	67.2	59.4	65.4
AROs, end of year	723.9	658.5	600.3
Less current portion	86.3	83.5	87.0
	$ 637.6	$ 575.0	$ 513.3

14. ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACT

We periodically enter into derivatives to mitigate our exposure to foreign currency risks and the effects of changing commodity ar prices. We record all derivatives on the Consolidated Balance Sheets at fair value. The fair value of these instruments is determined quoted market prices, third party comparables, or internal estimates. We net our derivative asset and liability positions when we have netting arrangement in place. Changes in the fair value of the foreign currency, commodity, and freight derivatives are immediately re in earnings because we do not apply hedge accounting treatment to these instruments. As of December 31, 2013, May 31, 2013 and gross asset position of our derivative instruments was $7.9 million, $17.4 million and $30.7 million, respectively, and the gross liability of our liability instruments was $20.4 million, $45.1 million and $60.7 million, resp

We do not apply hedge accounting treatments to our foreign currency exchange contracts, commodities contracts, or freight Unrealized gains and (losses) on foreign currency exchange contracts used to hedge cash flows related to the production of our pr included in cost of goods sold in the Consolidated Statements of Earnings. Unrealized gains and (losses) on commodities contracts ar forward freight agreements are also recorded in cost of goods sold in the Consolidated Statements of Earnings. Unrealized gains or (l foreign currency exchange contracts used to hedge cash flows that are not related to the production of our products are included in th currency transaction gain (loss) line in the Consolidated Statements of

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As of December 31, 2013, the following is the total absolute notional volume associated with our outstanding derivative ins

(in millions of Units)

Instrument	Derivative Category	Unit of Measure	December 31, 2013	May 31, 2013
Foreign currency derivatives	Foreign Currency	US Dollars	940.2	1,459.7
Natural gas derivatives	Commodity	MMbtu	8.2	15.2
Ocean freight contracts	Freight	Tonnes	0.3	1.5

Credit-Risk-Related Contingent

Certain of our derivative instruments contain provisions that require us to post collateral. These provisions also state that if our debt v rated below investment grade, certain counterparties to the derivative instruments could request full collateralization on derivative instru net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in position as of December 31, 2013, May 31, 2013 and 2012 was $12.3 million, $40.4 million and $59.7 million, respectively. We have n cash collateral in the normal course of business associated with these contracts. If the credit-risk-related contingent features underly agreements were triggered on December 31, 2013, we would be required to post an additional $11.5 million of collateral assets, which cash or U.S. Treasury instruments, to the count

Counterparty Cr

We enter into foreign exchange and certain commodity derivatives, primarily with a diversified group of highly rated counterpa continually monitor our positions and the credit ratings of the counterparties involved and limit the amount of credit exposure to any c While we may be exposed to potential losses due to the credit risk of non-performance by these counterparties, losses are not anticip closely monitor the credit risk associated with our counterparties and customers and to date have not experienced mater

15. FAIR VALUE MEASURE

Following is a summary of the valuation techniques for assets and liabilities recorded in our Consolidated Balance Sheets at fair v recurr

Foreign Currency Derivatives The foreign currency derivative instruments that we currently use are forward contracts, zero-cost c futures, which typically expire within one year. Valuations are based on exchange-quoted prices, which are classified as Level 1. So valuations are adjusted by a forward yield curve or interest rates. In such cases, these derivative contracts are classified within Level 2. in the fair market values of these contracts are recognized in the Consolidated Financial Statements as a component of cost of good foreign currency transaction (gain) loss. As of December 31, 2013, May 31, 2013 and 2012, the gross asset position of our foreign derivative instruments was $0.6 million, $10.7 million and $23.8 million, respectively, and the gross liability position of our foreign derivative instruments was $18.1 million, $38.6 million and $36.7 million, resp

Commodity Derivatives The commodity contracts primarily relate to natural gas. The commodity derivative instruments that we curren forward purchase contracts, swaps, and three-way collars. The natural gas contracts settle using NYMEX futures or AECO price index represent fair value at any given time. The contracts maturities are for future months and settlements are scheduled to coincide with gas purchases during those future periods. Quoted market prices from NYMEX and AECO are used to determine the fair valu instruments. These market prices are adjusted by a forward yield curve and are classified within Level 2. Changes in the fair market these contracts are recognized in the Consolidated Financial Statements as a component of cost of goods sold. As of Dece 2013, May 31, 2013 and 2012,

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asset position of our commodity derivative instruments was $6.0 million, $5.0 million and $5.8 million, respectively, and the gros position of our commodity derivative instruments was $2.0 million, $6.1 million and $23.5 million, res

Freight Derivatives The freight derivatives that we currently use are forward freight agreements. We estimate fair market value exchange-quoted prices, adjusted for differences in local markets. These differences are generally valued using inputs from broker q Therefore, these contracts are classified in Level 2. Certain ocean freight derivatives are traded in less active markets with less avai pricing information and require internally-developed inputs that might not be observable in or corroborated by the market. These co classified within Level 3. Changes in the fair market values of these contracts are recognized in the Consolidated Financial State component of cost of goods sold. As of December 31, 2013, May 31, 2013 and 2012, the gross asset position of our freight instruments was $1.3 million, $1.7 million and $1.1 million, respectively, and the gross liability position of our freight derivative in was $0.3 million, $0.4 million and $0.5 million, res

Financial Ins

The carrying amounts and estimated fair values of our financial instruments are a

	December 31,		May 31,		
	2013		2013		2012
(in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Cash and cash equivalents	$5,293.1	$5,293.1	$ 3,697.1	$ 3,697.1	$ 3,811.0
Accounts receivable	543.1	543.1	1,015.7	1,015.7	751.6
Accounts payable trade	570.2	570.2	763.1	763.1	912.4
Short-term debt	22.6	22.6	68.7	68.7	42.5
Long-term debt, including current portion	3,009.3	3,059.6	1,010.5	1,093.3	1,010.5

For cash and cash equivalents, accounts receivable, accounts payable and short-term debt, the carrying amount approximates fair valu of the short-term maturity of those instruments. The fair value of long-term debt is estimated using quoted market prices for th registered notes and debentures, classified as Level 1 and Level 2, respectively, within the fair value hierarchy, depending on t liquidity o

16. GUARANTEES AND INDEM

We enter into various contracts that include indemnification and guarantee provisions as a routine part of our business activities. Ex these contracts include asset purchase and sale agreements, surety bonds, financial assurances to regulatory agencies in conne reclamation and closure obligations, commodity sale and purchase agreements, and other types of contractual agreements with ve other third parties. These agreements indemnify counterparties for matters such as reclamation and closure obligations, tax environmental liabilities, litigation and other matters, as well as breaches by Mosaic of representations, warranties and covenants s these agreements. In many cases, we are essentially guaranteeing our own performance, in which case the guarantees do not fall within of the accounting and disclosures requirements under U.

Our more significant guarantees and indemnities are a

Guarantees to Brazilian Financial Parties. From time to time, we issue guarantees to financial parties in Brazil for certain amounts institutions by certain customers of Mosaic. The guarantees are for all or part of the customers obligations. In the event that th default on their payments to the institutions and

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be required to perform under the guarantees, we have in most instances obtained collateral from the customers. We monitor the nonper risk of the counterparties and have noted no material concerns regarding their ability to perform on their obligations. The guarantees have a one-year term, but may extend up to two years or longer depending on the crop cycle, and we expect to renew many of these g on a rolling twelve-month basis. As of December 31, 2013, we have estimated the maximum potential future payment under the guaran $40.3 million. The fair value of our guarantees is immaterial to the Consolidated Financial Statements as of December 31, 2013, May a

Other Indemnities. Our maximum potential exposure under other indemnification arrangements can range from a specified dollar amo unlimited amount, depending on the nature of the transaction. Total maximum potential exposure under these indemnification arrang not estimable due to uncertainty as to whether claims will be made or how they will be resolved. We do not believe that we will be re make any material payments under these indemnity pr

Because many of the guarantees and indemnities we issue to third parties do not limit the amount or duration of our obligations to perfo them, there exists a risk that we may have obligations in excess of the amounts described above. For those guarantees and indemniti not limit our liability exposure, we may not be able to estimate what our liability would be until a claim is made for payment or perform to the contingent nature of these arrangements. See Note 2 of our Notes to Consolidated Financial Statements for additional inforn indemnification provisions related to the Cargill Tra

17. PENSION PLANS AND OTHER BE

We sponsor pension and postretirement benefits through a variety of plans including defined benefit plans, defined contribution p postretirement benefit plans in North America and certain of our international locations. In addition, we are a participating employer in defined benefit pension plan. We reserve the right to amend, modify, or terminate the Mosaic sponsored plans at any time, subject to p of the Employee Retirement Income Security Act of 1974 (***ERISA***), prior agreements and our collective bargaining

Defined Benefit and Postretirement Medical Ben

We sponsor two defined benefit pension plans in the U.S. and four plans in Canada. We assumed these plans from IMC on the d Combination. Benefits are based on different combinations of years of service and compensation levels, depending on

Generally, contributions to the U.S. plans are made to meet minimum funding requirements of ERISA, while contributions to Canad are made in accordance with Pension Benefits Acts instituted by the provinces of Saskatchewan and Ontario. Certain employees in the Canada, whose pension benefits exceed Internal Revenue Code and Canada Revenue Agency limitations, respectively, are co supplementary non-qualified, unfunded pens

We provide certain health care benefit plans for certain retired employees (***Retiree Health Plans***) which may be either co non-contributory and contain certain other cost-sharing features such as deductibles and coinsurance. The Retiree Health Plans are unfu the projected benefit obligation was $52.8 million, $57.9 million and $59.9 million as of December 31, 2013, May 31, 2013 a respectively. The related income statement effects of the Retiree Health Plans are not material to the C

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Accounting for Pensi

The year-end status of the North American pension plans was as

(in millions)	December 31, 2013	Pension Plans May 31, 2013
Change in projected benefit obligation:		
Benefit obligation at beginning of year	$ 788.6	$ 743.3
Service cost	4.6	6.5
Interest cost	19.0	32.6
Plan amendments	-	15.3
Actuarial (gain) loss	(49.3)	26.9
Currency fluctuations	(11.8)	(0.4)
Benefits paid	(23.1)	(35.6)
Projected benefit obligation at end of year	$ 728.0	$ 788.6
Change in plan assets:		
Fair value at beginning of year	$ 707.6	$ 654.4
Currency fluctuations	(9.1)	(0.3)
Actual return	18.8	53.9
Company contribution	42.7	35.2
Benefits paid	(23.1)	(35.6)
Fair value at end of year	$ 736.9	$ 707.6
Funded/(unfunded) status of the plans as of the end of the year	$ 8.9	$ (81.0)
Amounts recognized in the consolidated balance sheets:		
Noncurrent assets	$ 30.2	$ 6.4
Current liabilities	(0.6)	(0.6)
Noncurrent liabilities	(20.7)	(86.8)
Amounts recognized in accumulated other comprehensive (income) loss		
Prior service costs (credits)	$ 24.9	$ 27.1
Actuarial (gain)/loss	73.1	125.4

The accumulated benefit obligation for the defined benefit pension plans was $724.0 million, $782.5 million and $736.2 mil December 31, 2013, May 31, 2013 and 2012, resp

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The components of net annual periodic benefit costs and other amounts recognized in other comprehensive income include the
con

(in millions)	Pension Plans December 31,		May 31,
Net Periodic Benefit Cost	**2013**	**2013**	**2012**
Service cost	$ 4.6	$ 6.5	$ 5.6
Interest cost	19.0	32.6	34.5
Expected return on plan assets	(25.1)	(37.3)	(35.8)
Amortization of:			
Prior service cost/(credit)	1.4	1.3	1.3
Actuarial (gain)/loss	5.4	16.1	13.4
Net periodic benefit cost	$ 5.3	$ 19.2	$ 19.0
Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income			
Prior service cost (credit) recognized in other comprehensive income	$ (1.3)	$ 14.1	$ (1.3)
Net actuarial loss (gain) recognized in other comprehensive income	(48.5)	(5.9)	36.3
Total recognized in other comprehensive income	$ (49.8)	$ 8.2	$ 35.0
Total recognized in net periodic benefit (income) cost and other comprehensive income	$ (44.5)	$ 27.4	$ 54.0

The estimated net actuarial gain (loss) and prior service cost for the pension plans and postretirement plans that will be amort
accumulated other comprehensive income into net periodic benefit cost in calendar 2014 is $7.

The following estimated benefit payments, which reflect estimated future service are expected to be paid by the related plans in the
years ending Dece

(in millions)	Pension Plans Benefit Payments	Other Postretirement Plans Benefit Payments	Medicare Part D Adjustments
2014	$ 40.1	$ 5.8	$ 0.5
2015	41.8	5.7	0.5
2016	43.1	5.5	0.5
2017	44.5	5.1	0.5
2018	46.4	4.6	0.4
2019-2023	246.7	16.4	1.5

In calendar 2014, we need to contribute cash of at least $57.1 million to the pension plans to meet minimum funding requirement
calendar 2014, we anticipate contributing cash of $5.8 million to the postretirement medical benefit plans to fund anticipated benefit p

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Plan Assets and Investment S

The Company s overall investment strategy is to obtain sufficient return and provide adequate liquidity to meet the benefit obligat pension plans. Investments are made in public securities to ensure adequate liquidity to support benefit payments. Domestic and inte stocks and bonds provide diversification to the

For the U.S. plans, we utilize an asset allocation policy that seeks to maintain a fully-funded plan status under the Pension Protecti 2006. As such, the primary investment objective beyond accumulating sufficient assets to meet future benefit obligation is to mo manage the liabilities of the plan to better insulate the portfolio from changes in interest rates that are impacting the liabilities. This re interest rate management strategy to reduce the sensitivity in the plan s funded status and having a portion of the Plan s asset return-seeking strategies. Currently, our policy includes a 75% allocation to fixed income and 25% to return-seeking s

For the Canadian pension plan the investment objectives for the pension plans assets are as follows: (i) achieve a nominal annuali return equal to or greater than the actuarially assumed investment return over ten to twenty-year periods; (ii) achieve an annualized rate of the Consumer Price Index plus 5% over ten to twenty-year periods; (iii) realize annual, three and five-year annualized rates consistent with or in excess of specific respective market benchmarks at the individual asset class level; and (iv) achieve an overall retu pension plans assets consistent with or in excess of the total fund benchmark, which is a hybrid benchmark customized to reflect the allocation and performance objectives. Currently, our policy includes a 40% allocation to fixed income and 60% to return-seeking s

A significant amount of the assets are invested in funds that are managed by a group of professional investment managers. These mainly commingled funds. Performance is reviewed by Mosaic management monthly by comparing each fund s return to benchmark depth quarterly review presented by the professional investment managers to the Global Pension Investment Committee. We do not significant concentrations of credit risk or industry sectors within the plan assets. Assets may be indirectly invested in Mosaic stock, bu related to this investment would be immaterial due to the insignificant percentage of the total pension assets that would be invested i

Fair Value Measurements of Pl

The following tables provide fair value measurement, by asset class of the Company s defined benefit plan assets for both the U.S. an

(in millions)		December 31, 2013	
Pension Plan Assets	**Total**	**Level 1**	**Level 2**
Asset Category			
Cash	$ 9.8	$ 9.8	$ -
Equity securities[(a)]	281.1	-	262.8
Fixed income[(b)]	433.9	-	433.9
Private equity funds	12.1	-	-
Total assets at fair value	$ 736.9	$ 9.8	$ 696.7

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Pension Plan Assets *(in millions)*	May 31, 2013 Total	Level 1	Level 2
Asset Category			
Cash	$ 15.6	$ 15.6	$ -
Equity securities[a]	256.3	-	239.3
Fixed income[b]	423.4	-	423.4
Private equity funds	12.3	-	-
Total assets at fair value	$ 707.6	$ 15.6	$ 662.7

Pension Plan Assets *(in millions)*	May 31, 2012 Total	Level 1	Level 2
Asset Category			
Cash	$ 5.9	$ 5.9	$ -
Equity securities[a]	220.4	-	204.8
Fixed income[b]	413.3	-	413.3
Private equity funds	14.8	-	-
Total assets at fair value	$ 654.4	$ 5.9	$ 618.1

(a) This class includes several funds that are invested approximately 43% in U.S. equity securities, 27% in international equity securities, 23% in Canadian equity securities, and 7% in other real estate securities.

(b) This class includes several funds that are invested approximately 55% in corporate debt securities, 24% in other governmental sec the U.S. and Canada, 13% in U.S. government debt securities, 4% in foreign entity debt securities and 4% in Canadian governmer securities.

Rates and Ass

The approach used to develop the discount rate for the pension and postretirement plans is commonly referred to as the yield curve Under this approach, we use a hypothetical curve formed by the average yields of available corporate bonds rated AA and above anc against the projected benefit payment stream. Each category of cash flow of the projected benefit payment stream is discounted back respective interest rate on the yield curve. Using the present value of projected benefit payments, a weighted-average discount rate i

The approach used to develop the expected long-term rate of return on plan assets combines an analysis of historical performance, the investment performance by asset class, and current economic fundamentals. For returns, we utilized a building block approach star inflation expectations and added an expected real return to arrive at a long-term nominal expected return for each asset class. L expected real returns are derived in the context of future expectations of the U.S. Treasury real yi

Weighted average assumptions used to determine benefit obligations were as

	Pension Plans December 31, 2013	2013	May 31, 2012
Discount rate	4.75%	4.25%	4.44%
Expected return on plan assets	6.15%	6.13%	6.29%
Rate of compensation increase	3.50%	4.00%	4.00%

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Weighted-average assumptions used to determine net benefit cost were as

	Pension Plans		
	December 31, 2013	May 31, 2013	2012
Discount rate	4.25%	4.44%	5.13%
Expected return on plan assets	6.13%	6.29%	6.87%
Rate of compensation increase	4.00%	4.00%	4.00%

Defined Contributi

The Mosaic Investment Plan (***Investment Plan***) permits eligible salaried and nonunion hourly employees to defer a po compensation through payroll deductions and provides matching contributions. We match 100% of the first 3% of the participant s c pay plus 50% of the next 3% of the participant s contributed pay to the Investment Plan, subject to Internal Revenue Service limits. contributions, matching contributions, and the related earnings immediately vest. The Investment Plan also provides an annual no employer contribution feature for eligible salaried and non-union hourly employees based on the employee s age and eligible pay. P are generally vested in the non-elective employer contributions after three years of service. In addition, a discretionary feature of the pl the Company to make additional contributions to em

The Mosaic Union Savings Plan (***Savings Plan***) was established pursuant to collective bargaining agreements with certain uni makes contributions to the defined contribution retirement plan based on the collective bargaining agreements. The Savings Plan is th retirement vehicle for newly hired employees covered by certain collective bargaining ag

The expense attributable to the Investment Plan and Savings Plan was $20.8 million for the seven months ended December 31, 2013 a million, $30.0 million and $28.5 million in fiscal 2013, 2012 and 2011, resp

Canadian salaried and non-union hourly employees participate in an employer funded plan with employer contributions similar to the U The plan provides a profit sharing component which is paid each year. We also sponsor one mandatory union plan in Canada. Benefit plans vest after two years of consecutiv

18. SHARE-BASED PAY

We sponsor one share-based compensation plan. The Mosaic Company 2004 Omnibus Stock and Incentive Plan (the ***Omnibus Pl*** was approved by shareholders and became effective October 20, 2004 and amended most recently on May 11, 2011, permits the grant and share options to employees for up to 25 million shares of common stock. The Omnibus Plan provides for grants of stock options, stock, restricted stock units, performance units and a variety of other share-based and non-share-based awards. Our employees directors, consultants, agents, advisors, and independent contractors, as well as other designated individuals, are eligible to particip Omnibus Plan. Mosaic settles stock option exercises, restricted stock units and performance units with newly issued common sh Compensation Committee of the Board of Directors administers the Omnibus Plan subject to its provisions and applic

Stock

Stock options are granted with an exercise price equal to the market price of our stock at the date of grant and have a ten-year contrac The fair value of each option award is estimated on the date of the grant using the Black-Scholes option valuation model. Stock optio equal annual installments in the first three years following the date of grant (graded vesting). Stock options are expensed on a straight- over the required service period, based on the estimated fair value of the award on the date of grant, net of estimated fo

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Valuation Ass

Assumptions used to calculate the fair value of stock options in each period are noted in the following table. Starting in fiscal 2012, volatility is based on the simple average of implied and historical volatility using the daily closing prices of the Company s stock f equal to the expected term of the option. Prior to fiscal 2012, expected volatility was based on the combination of our and IMC six-year volatility of common stock. The expected term of the options is calculated using historical employee grant and exercise data 2011, the expected term of the options was calculated using the simplified method described in SEC Staff Accounting Bulletin 110 *Simplified Method in Developing an Estimate of Expected Term of Plain Vanilla Share Options*, under which the Company ca midpoint of the vesting date and the full contractual term. The risk-free interest rate is based on the U.S. Treasury rate at the time of the instruments of compa

	Seven Months Ended December 31, 2013	Years Ended May 31, 2013	2012	2011
Weighted average assumptions used in option valuations:				
Expected volatility	43.87%	47.70%	51.80%	60.46
Expected dividend yield	1.85%	1.74%	0.28%	0.44
Expected term (in years)	7.0	7.0	5.0	6.0
Risk-free interest rate	1.99%	0.92%	1.46%	2.13

A summary of the status of our stock options as of December 31, 2013, and activity during the seven months ended December 31, fiscal 2013, is as

	Shares (in millions)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggreg Intrin Valu
Outstanding as of June 1, 2012	2.5	$ 41.93	5.8	$ 3
Granted	0.3	57.32		
Exercised	(0.3)	26.94		
Outstanding as of May 31, 2013	2.5	43.93	5.2	$ 5
Granted	0.2	54.11		
Exercised	(0.1)	22.49		
Outstanding as of December 31, 2013	2.6	$ 44.82	5.0	$ 2
Exercisable as of December 31, 2013	2.2	$ 42.20	4.3	$ 2

The weighted-average grant date fair value of options granted during the seven months ended December 31, 2013 was $20.87 and dur 2013, 2012 and 2011 was $22.71, $30.96 and $26.38, respectively. The total intrinsic value of options exercised during the seven mon December 31, 2013 was $1.3 million and during fiscal 2013, 2012 and 2011 was $6.8 million, $5.5 million and $54.1 million, resp

Restricted St

Restricted stock units are issued to various employees, officers and directors at a price equal to the market price of our stock at the date The fair value of restricted stock units is equal to the market price of ou

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the date of grant. Restricted stock units generally cliff vest after three years of continuous service and are expensed on a straight-line b the required service period, based on the estimated grant date fair value, net of estimated fo

A summary of the status of our restricted stock units as of December 31, 2013, and activity during the seven months ended December and fiscal 2013, is as

	Shares (in millions)	Weighted Average Grant Date Fair Value Per Share
Restricted stock units as of June 1, 2012	0.6	$ 54.47
Granted	0.3	57.36
Issued and canceled	(0.2)	53.20
Restricted stock units as of May 31, 2013	0.7	$ 56.40
Granted	0.3	53.45
Issued and canceled	(0.2)	48.24
Restricted stock units as of December 31, 2013	0.8	$ 57.50

Performa

During the seven months ended December 31, 2013, approximately 200,000 performance units were granted with a weighted average g fair value of $61.75. Final performance units are awarded based on the increase or decrease, subject to certain limitations, in Mosaic s from the grant date to the third anniversary of the award, plus dividends. The beginning and ending stock prices are based on a 30 tra average stock price. Holders of the awards must be employed at the end of the performance period in order for any share

The fair value of each performance unit is determined using a Monte Carlo simulation. This valuation methodology utilizes ass consistent with those of our other share-based awards and a range of ending stock prices; however, the expected term of the award years, which impacts the assumptions used to calculate the fair value of performance units as shown in the table below. Performance considered equity-classified fixed awards measured at grant-date fair value and not subsequently re-measured. Performance units cliff three years of continuous service. Performance units are expensed on a straight-line basis over the required service period, bas estimated grant date fair value of the award net of estimate fo

A summary of the assumptions used to estimate the fair value of performance units is as

	Seven Months Ended December 31, 2013	Years Ended May 31, 2013	2012
Weighted average assumptions used in performance unit valuations:			
Expected volatility	32.78%	38.05%	54.72%
Expected dividend yield	1.85%	1.74%	0.28%
Expected term (in years)	3.0	3.0	3.0
Risk-free interest rate	0.61%	0.31%	0.69%

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A summary of our performance unit activity during the seven months ended December 31, 2013 and fiscal 2013 is as

	Shares (in millions)	Weighted Average Grant Date Fair Value Per Share
Outstanding as of June 1, 2012	0.1	$ 81.10
Granted	0.1	71.19
Outstanding as of May 31, 2013	0.2	75.15
Granted	0.2	61.75
Outstanding as of December 31, 2013	0.4	$ 69.64

We recorded share-based compensation expense of $25.1 million for the seven months ended December 31, 2013, $32.2 million for fis $25.2 million for fiscal 2012 and $21.9 million for fiscal 2011. The tax benefit related to share-based compensation expense was $8. for the seven months ended December 31, 2013, $11.4 million for fiscal 2013, $8.7 million for fiscal 2012 and $7.8 million for fis

As of December 31, 2013, there was $25.0 million of total unrecognized compensation cost related to options, restricted stock performance units granted under the Omnibus Plan. The unrecognized compensation cost is expected to be recognized over a weighted period of 2.0 years. The total fair value of options vested in the seven months ended December 31, 2013, fiscal 2013 and 2012 was $7. $9.5 million and $10.2 million, resp

Cash received from exercises of all share-based payment arrangements for the seven months ended December 31, 2013, fiscal 2013, 2011 was $1.1 million, $6.0 million, $3.0 million and $20.3 million, respectively. In the seven months ended December 31, 2013, fis 2012 and 2011 we received a tax benefit for tax deductions from options of $4.4 million, $6.4 million, $3.7 million and $20. resp

19. COMMIT

We lease certain plants, warehouses, terminals, office facilities, railcars and various types of equipment under operating leases, some include rent payment escalation clauses, with lease terms ranging from one to ten years. In addition to minimum lease payments, so office facility leases require payment of our proportionate share of real estate taxes and building operating

We have long-term agreements for the purchase of sulfur which is used in the production of phosphoric acid. In addition, we have l agreements for the purchase of raw materials, including a commercial offtake agreement with the Miski Mayo Mine for phosphate ro agreement with CF for the purchase of ammonia, used to produce phosphate products. We have long-term agreements for the pu natural gas, which is a significant raw material, used primarily in the solution mining process in our Potash segment and used in our p concentrates plants. Also, we have agreements for capital expenditures primarily in our Potash segments related to our expansion

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A schedule of future minimum long-term purchase commitments, based on December 31, 2013 market prices, and minimum lease under non-cancelable operating leases as of December 31, 201

(in millions)	Purchase Commitments	Operating Leases
2014	$ 1,919.9	$ 45.7
2015	766.3	32.4
2016	262.6	26.2
2017	347.5	22.9
2018	350.9	15.3
Subsequent years	3,212.0	46.1
	$ 6,859.2	$ 188.6

Rental expense for the seven months ended December 31, 2013, fiscal 2013, 2012 and 2011 amounted to $56.5 million, $88.8 milli million and $79.5 million, respectively. Purchases made under long-term commitments were $1.2 billion for the seven mon December 31, 2013 and $2.7 billion, $3.1 billion and $2.2 billion for fiscal 2013, 2012, and 2011, res

Most of our export sales of potash crop nutrients are marketed through a North American export association, Canpotex, which ma operations in part through third-party financing facilities. As a member, Mosaic or our subsidiaries are contractually obligated to Canpotex for their pro rata share of any operating expenses or other liabilities incurred. The reimbursements are made through redu members cash receipts from

We incur liabilities for reclamation activities and Gypstack closures in our Florida and Louisiana operations where, in order to obtain permits, we must either pass a test of financial strength or provide credit support, typically in the form of surety bonds or letters of c surety bonds generally expire within one year or less but a substantial portion of these instruments provide financial assurance for c obligations and, therefore, in most cases, must be renewed on an annual basis. As of December 31, 2013, we had $181.6 million in sur outstanding, of which $169.5 million is for reclamation obligations, primarily related to mining in Florida, and $12.1 million is for othe

20. CONTING

We have described below judicial and administrative proceedings to which we ar

We have contingent environmental liabilities that arise principally from three sources: (i) facilities currently or formerly own subsidiaries or their predecessors; (ii) facilities adjacent to currently or formerly owned facilities; and (iii) third-party Superfur equivalent sites. At facilities currently or formerly owned by our subsidiaries or their predecessors, the historical use and handling of chemical substances, crop and animal nutrients and additives and by-product or process tailings have resulted in soil, surface wa groundwater contamination. Spills or other releases of regulated substances, subsidence from mining operations and other incidents a of operations, including accidents, have occurred previously at these facilities, and potentially could occur in the future, possibly requi undertake or fund cleanup or result in monetary damage awards, fines, penalties, other liabilities, injunctions or other court or admi rulings. In some instances, pursuant to consent orders or agreements with governmental agencies, we are undertaking certain remedial investigations to determine whether remedial action may be required to address contamination. At other locations, we have entered int orders or agreements with appropriate governmental agencies to perform required remedial activities that will address identified site c

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into consideration established accruals of approximately $31.3 million, $24.7 million and $27.3 million as of December 31, 2013, and 2013 and 2012, respectively, expenditures for these known conditions currently are not expected, individually or in the aggregate, material effect on our business or financial condition. However, material expenditures could be required in the future to rem contamination at known sites or at other current or former sites or as a result of other environmental, health and safety matters. discussion of the more significant environmenta

EPA RCRA Initiative. In 2003, the U.S. Environmental Protection Agency (***EPA***) Office of Enforcement and Compliance Assuranc that it would be targeting facilities in mineral processing industries, including phosphoric acid producers, for a thorough review unde Resource Conservation and Recovery Act (***RCRA***) and related state laws. Mining and processing of phosphates generate residual must be managed both during the operation of a facility and upon a facility s closure. Certain solid wastes generated by our phosphate may be subject to regulation under RCRA and related state laws. The EPA rules exempt extraction and beneficiation waste specified mineral processing wastes, from the hazardous waste management requirements of RCRA. Accordingly, certain o materials which our phosphate operations generate, as well as process wastewater from phosphoric acid production, are exempt fro regulation. However, the generation and management of other solid wastes from phosphate operations may be subject to hazard regulation if the waste is deemed to exhibit a hazardous waste characteristic. As part of its initiative, we understand that EPA has ins nearly all facilities in the U.S. phosphoric acid production sector to ensure compliance with applicable RCRA regulations and to ad imminent and substantial endangerment found by the EPA under RCRA. We have provided the EPA with substantial amounts of regarding the process water recycling practices and the hazardous waste handling practices at our phosphate production facilities in F Louisiana, and the EPA has inspected all of our currently operating processing facilities in the U.S. In addition to the EPA s inspe phosphates concentrates facilities have entered into consent orders to perform analyses of existing environmental data, to perfor environmental sampling as may be necessary, and to assess whether the facilities pose a risk of harm to human health or the su env

We have received Notices of Violation (***NOVs***) from the EPA related to the handling of hazardous waste at our Riverview (Septe New Wales (October 2005), Mulberry (June 2006), Green Bay (August 2006) and Bartow (September 2006) facilities in Florida. The issued similar NOVs to our competitors and referred the NOVs to the U.S. Department of Justice (***DOJ***) for further enforcement. are engaged in discussions with the DOJ and EPA. We believe we have substantial defenses to allegations in the NOVs, includi limited to previous EPA regulatory interpretations and inspection reports finding that the process water handling practices in questio with the requirements of the exemption for extraction and beneficiation wastes. We intend to evaluate various alternatives and discussions to determine if a negotiated resolution can be reached. If it cannot, we intend to vigorously defend these matters in any en actions that may be

We are negotiating the terms of a possible settlement with the EPA, the DOJ, the Florida Department of Environmental Protecti Louisiana Department of Environmental Quality (collectively, the ***Government***) and the final terms are not yet agreed upon or a settlement can be achieved, in all likelihood our commitments would be multi-faceted with key elements including, in general and am elements, the f

Incurring capital expenditures likely to exceed $150 million in the aggregate over a period of several years.

Providing meaningful additional financial assurance for the estimated costs of closure and post-closure care of our Gypstacks (***Gypstack Closure Costs***). For financial reporting purposes, we recognize our estimated AROs, including Gypstack Closu their present value. This present value determined for financial reporting purposes is reflected on our Consolidated Balance S accrued

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liabilities and other noncurrent liabilities. As of December 31, 2013, the undiscounted amount of our AROs, determined using assumptions used for financial reporting purposes, was approximately $1.5 billion and the present value of our Gypstack Clos Costs reflected in our Consolidated Balance Sheet was approximately $465 million. Currently, financial assurance requiremen Florida and Louisiana for Gypstack Closure Costs can be satisfied through a variety of methods, including satisfaction of fina tests. In the context of a potential settlement of the Government s enforcement action, we expect that we would agree to pre- material portion of our Gypstack Closure Costs, primarily by depositing cash, currently estimated to be in the amount of approximately $625 million, into a trust fund which would increase over time with reinvestment of earnings. Amounts held in such trust fund (including reinvested earnings) would be classified as restricted cash on our Consolidated Balance Sheets. We that any final settlement of this matter would resolve all of our financial assurance obligations to the Government for Gypstac Closure Costs. Our actual Gypstack Closure Costs are generally expected to be paid by us in the normal course of our Phosph business over a period that may not end until three decades or more after a Gypstack has been closed.

We have also established accruals to address the estimated cost of civil penalties in connection with this matter, which we do believe, in light of the relevant regulatory history, would be material to our results of operations, liquidity or capital resources In light of our strong operating cash flows, liquidity and capital resources, we believe that we have sufficient liquidity and capital resou able to fund such capital expenditures, financial assurance requirements and civil penalties as part of a settlement. If a settlement agreed upon, we cannot predict the outcome of any litigation or estimate the potential amount or range of loss; however, we would face exposure to material costs should we fail in the defense of an enforceme

EPA EPCRA Initiative. In July 2008, the DOJ sent a letter to major U.S. phosphoric acid manufacturers, including us, stating that ongoing investigation indicates apparent violations of Section 313 of the Emergency Planning and Community Right-to-Know Act (*I* their phosphoric acid manufacturing facilities. Section 313 of EPCRA requires annual reports to be submitted with respect to the use or of certain toxic chemicals. DOJ and EPA also stated that they believe that a number of these facilities have violated Section 304 of EP Section 103 of the Comprehensive Environmental Response, Compensation and Liability Act by failing to provide required not relating to the release of hydrogen fluoride from the facilities. The letter did not identify any specific violations by us or assert a de penalties against us. We cannot predict at this time whether the EPA and DOJ will initiate an enforcement action over this matter, what would be, or what the range of outcomes of such a potential enforcement action

Florida Sulfuric Acid Plants. On April 8, 2010, the EPA Region 4 submitted an administrative subpoena to us under Section 114 of th Clean Air Act (the ***CAA***) regarding compliance of our Florida sulfuric acid plants with the New Source Review requirements o request received by Mosaic appears to be part of a broader EPA national enforcement initiative focusing on sulfuric acid plants. W predict at this time whether the EPA and DOJ will initiate an enforcement action over this matter, what its scope would be, or what the outcomes of such a potential enforcement action

Other Environmental Matters. Superfund and equivalent state statutes impose liability without regard to fault or to the legality o conduct on certain categories of persons who are considered to have contributed to the release of hazardous substances into the e Under Superfund, or its various state analogues, one party may, under certain circumstances, be required to bear more than its prop share of cleanup costs at a site where it has liability if payments cannot be obtained from other responsible parties. Currently, cert subsidiaries are involved or concluding involvement at several Superfund or equivalent state sites. Our remedial liability from these si or in the aggregate, currently is not expected to have a material effect on our business or financial condition. As more information is regarding these sites and the potentially responsible parties involved, this expectation coul

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We believe that, pursuant to several indemnification agreements, our subsidiaries are entitled to at least partial, and in many instances indemnification for the costs that may be expended by us or our subsidiaries to remedy environmental issues at certain faciliti agreements address issues that resulted from activities occurring prior to our acquisition of facilities or businesses from parties includin limited to, ARCO (BP); Beatrice Fund for Environmental Liabilities; Conoco; Conserv; Estech, Inc.; Kaiser Aluminum & Corporation; Kerr-McGee Inc.; PPG Industries, Inc.; The Williams Companies and certain other private parties. Our subsidiaries hav received and anticipate receiving amounts pursuant to the indemnification agreements for certain of their expenses incurred to date future anticipated expenditures. Potential indemnification is not considered in our established

Phosphate Mine Permitting i

Denial of the permits sought at any of our mines, issuance of the permits with cost-prohibitive conditions, or substantial delays in is permits, legal actions that prevent us from relying on permits or revocation of permits may create challenges for us to mine the phosp required to operate our Florida and Louisiana phosphate plants at desired levels or increase our costs in t

The Altman Extension of the Four Corners Mine. The Army Corps of Engineers (the ***Corps***) issued a federal wetlands permit und Water Act (the ***CWA***) for mining the Altman Extension (the ***Altman Extension***) of our Four Corners phosphate rock mine in ce in May 2008. The Sierra Club, Inc., Manasota-88, Inc., Gulf Restoration Network, Inc., People for Protecting Peace River, In Environmental Confederation of Southwest Florida, Inc. sued the Corps in the United States District Court for the Middle District o Jacksonville Division (the ***Jacksonville District Court***), seeking to vacate our permit to mine the Altman Extension. On September 3 Jacksonville District Court granted our motion for summary judgment and denied the plaintiffs motion for summary judgment, dismissal of the plaintiff

MicroEssentials® Paten

On January 9, 2009, John Sanders and Specialty Fertilizer Products, LLC filed a complaint against Mosaic, Mosaic Fertilizer, LLC Incorporated and Cargill Fertilizer, Inc. in the United States District Court for the Western District of Missouri (the ***Missouri Distr*** The complaint alleges that our production of MicroEssentials® SZ, one of several types of the MicroEssentials® value-added am phosphate crop nutrient products that we produce, infringes on a patent held by the plaintiffs since 2001. Plaintiffs have since asserted MicroEssentials® products also infringe the patent. Plaintiffs seek to enjoin the alleged infringement and to recover an unspecified a damages and attorneys fees for past infringement. Our answer to the complaint responds that the plaintiffs patent is not infringed, is is unenforceable because the plaintiffs engaged in inequitable conduct during the prosecution of t

The Missouri District Court stayed the lawsuit pending an ex parte reexamination of plaintiffs patent claims by the U.S. Patent and Office (the ***PTO***). That ex parte reexamination has now ended. On September 12, 2012, however, Shell Oil Company (***Shell*** additional reexamination request which in part asserted that the claims as amended and added in connection with the ex parte reexamin unpatentable. On October 4, 2012, the PTO issued an Ex Parte Reexamination Certificate in which certain claims of the plaintiffs p cancelled, disclaimed and amended, and new claims were added. Following the PTO s grant of Shell s request for an *inter parties* re on December 11, 2012, the PTO issued an initial rejection of all of plaintiffs remaining patent claims. On September 12, 2013, the PT its initial rejection of the plaintiffs remaining patent claims and allowed them to stand. Shell has appealed the PTO s decision. appeal by Shell could limit or eliminate the claims the plaintiffs can assert a

We believe that the plaintiffs allegations are without merit and intend to defend vigorously against them. At this stage of the proce cannot predict the outcome of this litigation, estimate the potential amount or range of loss or determine whether it will have a material our results of operations, liquidity or capital r

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Brazil Tax Conti

Our Brazilian subsidiary is engaged in a number of judicial and administrative proceedings relating to various non-income tax ma estimate that our maximum potential liability with respect to these matters is approximately $94 million. Approximately $51 mill maximum potential liability relates to PIS and Cofins tax credit cases while the majority of the remaining amount relates to vari non-income tax cases such as value added taxes. In the event that the Brazilian government was to prevail in connection with all ju administrative matters involving us and considering the amount of judicial deposits made, our maximum cash tax liability with respec matters would be approximately $93 million. Based on the current status of similar tax cases involving unrelated taxpayers, we believe recorded adequate accruals, which are immaterial, for the probable liability with respect to these Brazilian judicial and admi pro

Othe

We also have certain other contingent liabilities with respect to judicial, administrative and arbitration proceedings and claims of thi including tax matters, arising in the ordinary course of business. We do not believe that any of these contingent liabilities will have a adverse impact on our business or financial condition, results of operations, and ca

21. RELATED PARTY TRANSA

On May 25, 2011, Cargill, our former majority stockholder, exchanged its 64% stake in our company with certain Cargill stockholders holders. For further discussion of these exchanges as part of the Cargill Transaction, see Note 2 of the Notes to Consolidated Statements. Until these exchanges, Cargill was considered a related party due to its ownership inte

We engage in various transactions, arrangements and agreements with Cargill. While Cargill was considered a related party, transactions subcommittee of the corporate governance and nominating committee of our board of directors, comprised solely of ind directors, was responsible for reviewing and approving these transactions, arrangements and agreements. Our related person tra approval policy provided for the delegation of approval authority for certain transactions with Cargill, other than those of the type des such related person transactions approval policy, to an internal committee comprised of senior managers. The internal management c was required to report its activities to the Cargill transactions subcommittee on a perio

Cargill made equity contributions of $18.5 million to us in fis

In summary, the Consolidated Statements of Earnings included the following transactions with Cargill, while Cargill was considered

(in millions)	Year Ended May 31, 2011
Transactions with Cargill included in net sales	$ 238.1
Transactions with Cargill included in cost of goods sold	146.8
Transactions with Cargill included in selling, general and administrative expenses	6.1
Interest income received from Cargill	0.2

We have also entered into transactions and agreements with certain of our non-consolidated companies. As of December 31, 2013 2013 and May 31, 2012, the net amount due from our non-consolidated companies totaled $52.6 million, $145.8 million, and $134. res

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The Consolidated Statements of Earnings included the following transactions with our non-consolidated co

(in millions)	Seven Months Ended December 31, 2013	Years Ended May 31, 2013	2012	2011
Transactions with non-consolidated companies included in net sales	$ 448.8	$ 1,263.9	$ 1,321.2	$ 1,015.7
Transactions with non-consolidated companies included in cost of goods sold	257.5	632.0	557.3	511.3

22. ASSETS HELD FO

During the seven months ended December 31, 2013, we decided to exit our distribution businesses in Argentina and Chile. In connec this decision, we wrote-down the related assets by approximately $50 million pre-tax to their estimated fair value, which is included write-down of assets in the Consolidated Statement of Earnings. There was no tax benefit recorded related to this write dov December 31, 2013, we included $111.9 million in other current assets and $18.8 million in accrued liabilities in our consolidated bala as these qualify for asset held for sale accounting. We expect to continue to sell our products in these countries by using other di

Also, during the seven months ended December 31, 2013, we decided to sell the salt operations of our Hersey, Michigan mine and related potash operations. We are currently decommissioning the potash assets which precluded the Hersey facility from qualifying a held for sale as of December 31, 2013. In connection with the planned sale of this mine we wrote down the related assets by approxim million pre-tax to their estimated fair value and recorded a corresponding tax benefit of approximately $1

23. CF ACQU

On October 28, 2013, we entered into an agreement to acquire the Florida phosphate assets and assume certain related liabilit Industries, Inc. (***CF***) for $1.2 billion plus an additional $200 million to fund CF s asset retirement obligation escrow (the ***CF Ph Acquisition***). Under the terms of the agreement, we would acquire CF s phosphate mining and production operations in Central terminal and warehouse facilities in Tampa, Florida. These facilities currently produce approximately 1.8 million tonnes of phosphate per year. This transaction is expected to close in the first half of 2014. The United States Department of Justice has closed its revi transaction under the Hart-Scott-Rodino Antitrust Improvements Act but the transaction remains subject to other regulatory a

We also signed strategic supply agreements with CF under which CF will provide us with ammonia (the ***CF Ammonia Supply Ag*** Under one of the agreements, we will purchase approximately 545,000 to 725,000 tonnes annually for up to fifteen years at a price t prevailing price of U.S. natural gas regardless of the closing of the acquisition. This agreement is expected to commence prior to J 2017. Under a second agreement, we would purchase approximately 270,000 tonnes annually for three years from CF s Trinidad op CFR Tampa market-based pricing if the transaction closes. In light of these supply arrangements, we have decided to forego our ammonia manufacturing plant at our Faustina, Louisiana facility. Therefore, during the seven months ended December 31, 2013, we our initial investment in the Faustina project of approximately $25 million and recorded a corresponding tax benefit of $9

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24. BUSINESS SEG

The reportable segments are determined by management based upon factors such as products and services, production processes, tech market dynamics, and for which segment financial information is available for our chief operating decisio

For a description of our business segments see Note 1 of our Notes to Consolidated Financial Statements. We evaluate performance bas operating earnings of the respective business segments, which includes certain allocations of corporate selling, general and admi expenses. The segment results may not represent the actual results that would be expected if they were independent, stand-alone bu Corporate, Eliminations and Other primarily represents unallocated corporate office activities and eliminations. All intersegment transa eliminated within Corporate, Eliminations a

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Segment information for seven months ended December 31, 2013 and fiscal 2013, 2012 and 2011 is as

(in millions)	Phosphates	Potash	Corporate, Eliminations and Other	
Seven Months Ended December 31, 2013				
Net sales to external customers	$ 3,438.2	$ 1,323.9	$ 3.8	$
Intersegment net sales	-	63.3	(63.3)	
Net sales	3,438.2	1,387.2	(59.5)	
Gross margin	445.0	374.3	9.0	
Operating earnings (loss)	199.7	224.6	(7.4)	
Capital expenditures	298.7	471.0	30.3	
Depreciation, depletion and amortization expense	177.2	197.2	11.8	
Equity in net earnings of nonconsolidated companies	10.1	-	0.8	
Year Ended May 31, 2013				
Net sales to external customers	$ 6,494.6	$ 3,469.1	$ 10.4	$
Intersegment net sales	-	60.2	(60.2)	
Net sales	6,494.6	3,529.3	(49.8)	
Gross margin	1,162.2	1,611.3	(13.3)	
Operating earnings (loss)	848.1	1,393.0	(31.5)	
Capital expenditures	427.5	1,017.7	143.1	
Depreciation, depletion and amortization expense	287.3	301.9	15.6	
Equity in net earnings of nonconsolidated companies	16.4	-	1.9	
Year Ended May 31, 2012				
Net sales to external customers	$ 7,839.2	$ 3,263.1	$ 5.5	$ 1
Intersegment net sales	-	38.2	(38.2)	
Net sales	7,839.2	3,301.3	(32.7)	1
Gross margin	1,466.9	1,622.0	(3.9)	
Operating earnings (loss)	1,179.1	1,457.3	(25.3)	
Capital expenditures	407.9	1,171.4	60.0	
Depreciation, depletion and amortization expense	263.9	233.1	11.1	
Equity in net earnings of nonconsolidated companies	11.9	-	1.4	
Year Ended May 31, 2011				
Net sales to external customers	$ 6,895.2	$ 3,028.3	$ 14.3	$
Intersegment net sales	-	32.7	(32.7)	
Net sales	6,895.2	3,061.0	(18.4)	
Gross margin	1,654.0	1,469.0	(1.2)	
Operating earnings (loss)	1,322.0	1,352.5	(10.3)	
Capital expenditures	306.7	906.9	49.6	
Depreciation, depletion and amortization expense	248.1	188.9	10.4	
Equity in net earnings (loss) of nonconsolidated companies	(8.8)	-	3.8	
Total assets as of December 31, 2013	$ 9,945.1	$ 9,597.4	$ 11.5	$ 1
Total assets as of May 31, 2013	9,930.9	9,759.8	(1,604.7)	1
Total assets as of May 31, 2012	9,123.7	11,324.8	(3,758.1)	1
Total assets as of May 31, 2011	8,149.7	9,663.3	(2,026.1)	1

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Financial information relating to our operations by geographic area is as

(in millions)	Seven Months Ended December 31, 2013	2013	Years Ended May 31, 2012	
Net sales[(a)]:				
Brazil	$ 1,249.8	$ 2,069.3	$ 2,161.6	$
Canpotex[(b)]	439.7	1,239.8	1,298.9	
India	315.8	475.2	1,579.7	
Canada	259.7	686.3	786.3	
Argentina	163.1	258.3	266.7	
China	86.9	173.3	160.4	
Chile	76.9	116.5	121.1	
Japan	75.9	188.2	177.5	
Colombia	55.2	143.5	155.9	
Peru	35.6	56.9	95.1	
Australia	31.2	177.5	290.1	
Thailand	28.7	88.9	94.0	
Mexico	22.4	128.9	90.5	
Other	72.4	271.7	209.3	
Total international countries	2,913.3	6,074.3	7,487.1	
United States	1,852.6	3,899.8	3,620.7	
Consolidated	$ 4,765.9	$ 9,974.1	$ 11,107.8	$

(a) Revenues are attributed to countries based on location of customer.
(b) The export association of the Saskatchewan potash producers.

(in millions)	December 31, 2013	May 31, 2013	May 31, 2012
Long-lived assets:			
Canada	$ 5,372.3	$ 5,264.8	$ 4,593.2
Brazil	122.2	178.1	158.6
Other	51.0	52.1	60.5
Total international countries	5,545.5	5,495.0	4,812.3
United States	3,956.1	3,653.2	3,402.0
Consolidated	$ 9,501.6	$ 9,148.2	$ 8,214.3

Excluded from the table above as of December 31, 2013, May 31, 2013 and 2012, are goodwill of $1,794.4 million, $1,844.6 m
$1,844.4 million and deferred income taxes of $152.2 million, $212.7 million and $50.6 million, resp

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Net sales by product type for seven months ended December 31, 2013, fiscal 2013, 2012 and 2011 are as

(in millions)	Seven Months Ended December 31, 2013	2013	Years Ended May 31, 2012
Sales by product type:			
Phosphate Crop Nutrients	$ 2,059.3	$ 4,106.1	$ 5,418.4
Potash Crop Nutrients	1,312.3	3,434.5	3,174.4
Crop Nutrient Blends	863.7	1,472.3	1,517.1
Other[a]	530.6	961.2	997.9
	$ 4,765.9	$ 9,974.1	$ 11,107.8

[a] Includes sales for animal feed ingredients and industrial potash.

25. STUB PERIOD COMPARATIVE DATA (Un

The condensed consolidated statement of earnings for the seven months ended December 31, 2012 is as

In millions (Unaudited)	Seven mont Decembe 2012
Net sales	$
Cost of goods sold	
Gross margin	
Selling, general and administrative expenses	
Other operating expense	
Operating earnings	
Interest income, net	
Foreign currency transaction (loss)	
Other income (expense)	
Earnings from consolidated companies before income taxes	
Provision for income taxes	
Earnings from consolidated companies	
Equity in net earnings of nonconsolidated companies	
Net earnings including noncontrolling interests	
Less: Net earnings attributable to noncontrolling interests	
Net earnings attributable to Mosaic	$
Basic net earnings per share attributable to Mosaic	$
Basic weighted average number of shares outstanding	

Diluted net earnings per share attributable to Mosaic	$
Diluted weighted average number of shares outstanding	

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Quarterly Results (Unaudited)

In millions, except per share amounts and common stock prices

	First	Second(a)	Quarter Third	Fourth	
Seven Months Ended December 31, 2013					
Net sales		$ 675.7	$ 1,908.7	$ 2,181.5	$
Gross margin		119.9	386.9	321.5	
Operating earnings		93.8	144.1	179.0	
Net earnings attributable to Mosaic		86.7	124.4	128.9	
Basic net earnings per share attributable to Mosaic		$ 0.21	$ 0.29	$ 0.30	$
Diluted net earnings per share attributable to Mosaic		0.21	0.29	0.30	
Common stock prices:					
High		$ 62.09	$ 56.97	$ 49.81	
Low		53.30	39.75	42.76	
Year Ended May 31, 2013					
Net sales	$ 2,505.1	$ 2,536.2	$ 2,240.6	$ 2,692.2	$
Gross margin	747.3	675.9	568.4	768.6	
Operating earnings	610.2	559.6	419.1	620.7	
Net earnings attributable to Mosaic	429.4	628.8	344.6	485.9	
Basic net earnings per share attributable to Mosaic	$ 1.01	$ 1.48	$ 0.81	$ 1.14	$
Diluted net earnings per share attributable to Mosaic	1.01	1.47	0.81	1.14	
Common stock prices:					
High	$ 59.95	$ 61.98	$ 63.46	$ 64.65	
Low	44.43	48.29	52.65	56.90	
Year Ended May 31, 2012					
Net sales	$ 3,083.3	$ 3,014.5	$ 2,189.5	$ 2,820.5	$
Gross margin	848.2	881.2	521.8	833.8	
Operating earnings	729.6	797.0	413.7	670.8	
Net earnings attributable to Mosaic	526.0	623.6	273.3	507.3	
Basic net earnings per share attributable to Mosaic	$ 1.18	$ 1.41	$ 0.64	$ 1.19	$
Diluted net earnings per share attributable to Mosaic	1.17	1.40	0.64	1.19	
Common stock prices:					
High	$ 74.31	$ 72.35	$ 59.75	$ 59.80	
Low	55.70	44.86	46.50	45.58	

(a) Due to our change in fiscal year-end, the second quarter of the Stub Period contains results for only the month of June.

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The number of holders of record of our Common Stock and Class A Common Stock as of February 14, 2014 w

Dividends have been declared on a quarterly basis during all periods presented. In fiscal 2013, we increased our annual dividend to share. In the fourth quarter of fiscal 2012, we paid a quarterly dividend of $0.125, which represents a 150 percent increase over the C previous dividend rate. In fiscal 2010, we paid a special dividend of $578.5 million, or $1.30 per share, in addition to quarterly div $0.05

The following table presents our selected financial data. This information has been derived from our audited consolidated financial st This historical data should be read in conjunction with the Consolidated Financial Statements and the related notes and Ma Discussion and Analysis of Financial Condition and Results of O

Five Year Comparison

In millions, except per share amounts

	Seven Months Ended December 31,	Years Ended May 31,				
	2013	2013	2012	2011	2010	
Statements of Operations Data:						
Net sales	$ 4,765.9	$ 9,974.1	$ 11,107.8	$ 9,937.8	$ 6,759.1	$
Cost of goods sold	3,937.6	7,213.9	8,022.8	6,816.0	5,065.8	
Lower of cost or market write-down	-	-	-	-	-	
Gross margin	828.3	2,760.2	3,085.0	3,121.8	1,693.3	
Selling, general and administrative expenses	211.8	427.3	410.1	372.5	360.3	
Loss on write-down of assets[(a)]	122.8	-	-	-	-	
Other operating expenses	76.8	123.3	63.8	85.1	62.2	
Operating earnings	416.9	2,209.6	2,611.1	2,664.2	1,270.8	
Change in value of share repurchase agreement	73.2	-	-	-	-	
Interest (expense) income, net	(13.3)	18.8	18.7	(5.1)	(49.6)	
Foreign currency transaction gain (loss)	16.5	(15.9)	16.9	(56.3)	(32.4)	
Gain on sale of equity investment[(b)]	-	-	-	685.6	-	
Other income (expense)	(9.1)	2.0	(17.8)	(17.1)	0.9	
Earnings from consolidated companies before income taxes	484.2	2,214.5	2,628.9	3,271.3	1,189.7	
Provision for income taxes[(c)]	152.6	341.0	711.4	752.8	347.3	
Earnings from consolidated companies	331.6	1,873.5	1,917.5	2,518.5	842.4	
Equity in net earnings (loss) of nonconsolidated companies	10.9	18.3	13.3	(5.0)	(10.9)	
Net earnings including non-controlling interests	342.5	1,891.8	1,930.8	2,513.5	831.5	
Less: Net earnings (loss) attributable to non-controlling interests	2.5	3.1	0.6	(1.1)	4.4	
Net earnings attributable to Mosaic	$ 340.0	$ 1,888.7	$ 1,930.2	$ 2,514.6	$ 827.1	$

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	Seven Months Ended December 31, 2013		Years Ended May 31, 2013	2012	2011	2010	
Earnings per common share attributable to Mosaic:							
Basic net earnings per share	$	0.80	$ 4.44	$ 4.44	$ 5.64	$ 1.86	$
Diluted net earnings per share	$	0.80	$ 4.42	$ 4.42	$ 5.62	$ 1.85	$
Average shares outstanding:							
Basic weighted average number of shares outstanding		420.8	425.7	435.2	446.0	445.1	
Diluted weighted average number of shares outstanding		422.0	426.9	436.5	447.5	446.6	
Balance Sheet Data (at period end):							
Cash and cash equivalents	$	5,293.1	$ 3,697.1	$ 3,811.0	$ 3,906.4	$ 2,523.0	$
Total assets		19,554.0	18,086.0	16,690.4	15,786.9	12,707.7	
Total long-term debt (including current maturities)		3,009.3	1,010.5	1,010.5	809.3	1,260.8	
Total liabilities		8,233.4	4,643.1	4,691.0	4,125.0	3,959.3	
Total equity		11,320.6	13,442.9	11,999.4	11,661.9	8,748.4	
Other Financial Data:							
Depreciation, depletion and amortization	$	386.2	$ 604.8	$ 508.1	$ 447.4	$ 445.0	$
Net cash provided by operating activities		889.4	1,887.5	2,705.8	2,426.7	1,356.0	
Capital expenditures		800.0	1,588.3	1,639.3	1,263.2	910.6	
Dividends per share[d]		0.50	1.00	0.275	0.20	1.50	

(a) In the seven months ended December 31, 2013, we decided to exit our distribution businesses in Argentina and Chile and wrote-d related assets by approximately $50 million. We decided to sell the salt operations at our Hersey, Michigan mine and close the rel potash operations which resulted in a write-down of approximately $48 million. We also wrote-off engineering costs of approxim million related to a proposed ammonia plant. See further discussion in Notes 22 and 23 to the Consolidated Financial Statements.

(b) In fiscal 2011, we recorded a $685.6 million pre-tax gain on the sale of our equity method investment in Fosfertil. We recorded a million pre-tax gain on the sale of our equity method investment in Saskferco in fiscal 2009. See further discussion in Note 9 to th Consolidated Financial Statements.

(c) Fiscal 2013 includes a discrete income tax benefit of $179.3 million associated with our non-U.S. subsidiaries due to the resolutio certain tax matters.

(d) Dividends have been declared quarterly during all periods presented. In fiscal 2013 we increased our annual dividend to $1.00 per the fourth quarter of fiscal 2012, we paid a quarterly dividend of $0.125, which represents a 150 percent increase over the Compar previous dividend rate. In fiscal 2010, we paid a special dividend of $1.30 per share in addition to quarterly dividends of $0.05 pe

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SCHEDULE II. VALUATION AND QUALIFYING ACCOUNTS

For the seven months ended December 31, 2013 and the years ended May 31, 2013, 2012, and 2011

In millions

Column A	Column B	Column C Additions		Column D
Description	Balance Beginning of Period	Charges or (Reductions) to Costs and Expenses (c)	Charges or (Reductions) to Other Accounts (a)	Deductions
Allowance for doubtful accounts, deducted from accounts receivable in the balance sheet:				
Year ended May 31, 2011	28.7	(3.0)	(0.1)	(2.0)
Year ended May 31, 2012	23.6	-	(5.1)	(0.1)
Year ended May 31, 2013	18.4	(1.0)	(1.3)	(0.1)
Seven months ended December 31, 2013	16.0	(0.9)	(3.0)	(1.7)
Income tax valuation allowance, related to deferred income taxes				
Year ended May 31, 2011	157.1	23.8	36.5	(8.2)
Year ended May 31, 2012	209.2	6.2	(35.2)	-
Year ended May 31, 2013	180.2	(77.7)	(8.9)	-
Seven months ended December 31, 2013	93.6	48.1	(12.5)	-

(a) For the seven months ended December 31, 2013 and the fiscal years ended May 31, 2013, 2012 and 2011, the income tax valuatio allowance adjustment was recorded to accumulated other comprehensive income and deferred taxes.

(b) Allowance for doubtful accounts balance includes $8.5 million, $11.3 million, $13.5 million and $20.4 million of allowance on lo receivables recorded in other long term assets for the seven months ended December 31, 2013 and the fiscal years ended May 31, 2012 and 2011, respectively.

(c) For the seven months ended December 31, 2013, the valuation allowance increased $48.1 million primarily due to our determinati is more likely than not that we will not be able to utilize the anticipated capital loss resulting from the write down of our distributi business in Argentina and Chile.

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Management s Report on Internal Control Over Financial R

The Company s management is responsible for establishing and maintaining effective internal control over financial reporting, as defi 13a-15(f) under the Securities Exchange Act of 1934. The Company s internal control system is a process designed to provide assurance to our management, Board of Directors and stockholders regarding the reliability of financial reporting and the preparatio presentation of our consolidated financial statements for external reporting purposes in accordance with U.S. generally accepted ac principles (U.S. GAAP), and includes those policies and proced

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions assets;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in con with U.S. GAAP, and that receipts and expenditures are being made only in accordance with authorizations from our manag and Board of Directors; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projectio evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditio the degree of compliance with the policies or procedures may de

Management assessed the effectiveness of the Company s internal control over financial reporting as of December 31, 2013. In m assessment, management used the control criteria framework of the Committee of Sponsoring Organizations (COSO) of the T Commission published in its report entitled *Internal Control Integrated Framework (1992)*. Based on its evaluation, management con the Company s internal control over financial reporting was effective as of December 31, 2013. KPMG LLP, the independent regist accounting firm that audited the financial statements included in this annual report, has issued an auditors report on the Compan control over financial reporting as of December

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