MOSAIC CO
Form 10-K
February 17, 2015
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the year ended December 31, 2014
¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission file number 001-32327

The Mosaic Company
(Exact name of registrant as specified in its charter)

Delaware	20-1026454
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3033 Campus Drive
Suite E490
Plymouth, Minnesota 55441
(800) 918-8270
(Address and zip code of principal executive offices and registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ¨
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x
Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form

10-K. x

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

As of June 30, 2014, the aggregate market value of the registrant’s voting common stock held by stockholders, other than directors, executive officers, subsidiaries of the Registrant and any other person known by the Registrant as of the date hereof to beneficially own ten percent or more of any class of Registrant’s outstanding voting common stock, and consisting of shares of Common Stock and Class A Common Stock, was approximately $18.0 billion based upon the closing price of a share of Common Stock on the New York Stock Exchange on that date.

Indicate the number of shares outstanding of each of the registrant’s classes of common stock: 348,667,983 shares of Common Stock, 17,176,046 shares of Class A Common Stock and 0 shares of Class B Common Stock, each par value $0.01 per share, as of February 11, 2015.

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of the registrant’s definitive proxy statement to be delivered in conjunction with the 2015 Annual Meeting of Stockholders (Part III)

Table of Contents

2014 FORM 10-K CONTENTS

Table of Contents

PART I.

Item 1. Business.

OVERVIEW

The Mosaic Company is the world's leading producer and marketer of concentrated phosphate and potash crop nutrients. We are the largest integrated phosphate producer in the world and one of the largest producers and marketers of phosphate-based animal feed ingredients in the United States. We are one of the four largest potash producers in the world. Through our broad product offering, we are a single source supplier of phosphate- and potash-based crop nutrients and animal feed ingredients. We serve customers in approximately 40 countries. We mine phosphate rock in Florida and process rock into finished phosphate products at facilities in Florida and Louisiana. We mine potash in Saskatchewan and New Mexico. We have other production, blending or distribution operations in Brazil, China, India and Paraguay, as well as strategic equity investments in a phosphate rock mine in the Bayovar region in Peru and a joint venture formed to develop a phosphate rock mine and chemical complexes in the Kingdom of Saudi Arabia. Our distribution operations serve the top four nutrient-consuming countries in the world.

The Mosaic Company is a Delaware corporation that was incorporated in March 2004 and serves as the parent company of the business that was formed through the October 2004 combination of IMC Global Inc. and the fertilizer businesses of Cargill, Incorporated. We are publicly traded on the New York Stock Exchange under the ticker symbol "MOS" and are headquartered in Plymouth, Minnesota.

We conduct our business through wholly and majority-owned subsidiaries as well as businesses in which we own less than a majority or a non-controlling interest. We are organized into two reportable business segments: Phosphates and Potash. The following charts show the respective contributions to 2014 sales volumes, net sales and operating earnings for each of these business segments:

Phosphates Segment — We are the largest integrated phosphate producer in the world and one of the largest producers and marketers of phosphate-based animal feed ingredients in the United States. We sell phosphate-based crop nutrients and animal feed ingredients throughout North America and internationally. Our Phosphates segment also includes our international distribution activities. Our distribution activities include sales offices, port terminals and warehouses in the United States, Canada, and several other key international countries. In addition, the international distribution activities include blending, bagging or production facilities in Brazil, China, India and Paraguay. We account for approximately 14% of estimated global annual production and 71% of estimated North American annual production of concentrated phosphate crop nutrients.

Potash Segment — We are one of the four largest potash producers in the world. We sell potash throughout North America and internationally, principally as fertilizer, but also for use in industrial applications and, to a lesser degree, as animal feed ingredients. We account for approximately 14% of estimated global annual potash production and 44% of estimated North American annual potash production.

Table of Contents

As used in this report:

- "Mosaic" means The Mosaic Company, both before and after the Merger;
- "GNS" means the company known as GNS II (U.S.) Corp. until it was renamed The Mosaic Company in connection with the Merger;
- "MOS Holdings" means the company known as The Mosaic Company until it was renamed MOS Holdings Inc. in connection with the Merger;
- "we", "us", and "our" refer to Mosaic and its direct and indirect subsidiaries, individually or in any combination;
- "IMC" means IMC Global Inc.;
- "Cargill" means Cargill, Incorporated and its direct and indirect subsidiaries, individually or in any combination;
- "Cargill Crop Nutrition" means the crop nutrient business we acquired from Cargill in the Combination;
- "Combination" means the October 22, 2004 combination of IMC and Cargill Crop Nutrition;
- "Cargill Transaction" means the transactions described below under "Cargill Transaction and Share Repurchases" other than repurchases of shares of our Common Stock under the Repurchase Program;
- "MAC Trusts" means the Margaret A. Cargill foundation established under the Acorn Trust dated January 30, 1995, as amended, and the Anne Ray Charitable Trust dated August 20, 1996, as amended;
- "Merger" means a Merger that occurred on May 25, 2011 as part of the transaction described below under "Cargill Transaction." The Merger was between a subsidiary of GNS and MOS Holdings and had the effect of recapitalizing our Common Stock and making GNS the parent company of MOS Holdings. Prior to the Merger, GNS was a wholly-owned subsidiary of the company then known as The Mosaic Company. In the Merger, all of the outstanding stock of MOS Holdings was converted, on a one-for-one basis, into GNS stock. In connection with the Merger, the company formerly known as The Mosaic Company was renamed MOS Holdings Inc. and GNS was renamed The Mosaic Company. Following the Merger, our common stock continues to trade under the ticker symbol MOS;
- "Stub Period" refers to the seven-month transition period ended December 31, 2013;
- "tonne" or "tonnes" means a metric tonne or tonnes of 2,205 pounds each unless we specifically state that we mean short or long tons;
- references in this report to a particular fiscal year are to the twelve months ended May 31 of that year; and
- statements as to our industry position reflect information from the most recent period available.

Cargill Transaction and Share Repurchases

Cargill Transaction

In May 2011, Cargill divested its interest in us in a split-off (the "Split-off") to its stockholders (the "Exchanging Cargill Stockholders"), including the MAC Trusts, and a debt exchange (the "Debt Exchange") with certain Cargill debt holders (the "Exchanging Cargill Debt Holders"). The agreements relating to the Cargill Transaction contemplated an orderly distribution of the approximately 64% (285.8 million) of our shares that Cargill formerly held. Following the Split-off and Debt Exchange, the MAC Trusts and Exchanging Cargill Debt Holders sold an aggregate of 157.0 million of these shares in underwritten public secondary offerings or to us. These transactions completed the disposition of shares designated to be sold during the 15-month period following the Split-off.

All other shares (approximately 128.8 million shares in the aggregate) of our Class A Common Stock ("Class A Shares") received by the Exchanging Cargill Stockholders in the Split-off have generally been subject to transfer restrictions unless we consent. These transfer restrictions are removed as the Class A Shares convert to regular Common Stock. The first such conversion, under which all 42.9 million outstanding Class A Shares, Series A-1 (including 21,647,007 shares held by the MAC Trusts), were converted into regular Mosaic Common Stock, par value $.01 per share ("Common Stock"), occurred on November 26, 2013. On November 26, 2014, the remaining 17,176,068 Class A Shares, Series A-2, held by Exchanging Cargill Stockholders, were converted into Common Stock. Conversion of the remaining 17,176,046 Class A Shares, Series A-3, held by Exchanging Cargill Stockholders, is scheduled to occur on November 26, 2015.

The agreements relating to the Cargill Transaction continued to restrict our ability to engage in share buybacks until November 26, 2013, when the last of such restrictions expired.

On December 6, 2013, Mosaic entered into a share repurchase agreement with the MAC Trusts (the "MAC Trusts Share Repurchase Agreement") to purchase all of the remaining Class A Shares held by the MAC Trusts through a

series of eight purchases occurring from January 8, 2014 through July 30, 2014. During 2014, pursuant to the MAC Trusts Share Repurchase Agreement, all 21,647,007 Class A Shares, Series A-3, held by the MAC Trusts, and 21,647,008 Class A Shares, Series A-2, were repurchased for an aggregate of approximately $2.0 billion. Under the MAC Trusts Share Repurchase Agreement, the purchase price per share was equal to the Common Market Price, as defined in Mosaic's Restated Certificate of Incorporation, as of the date of the purchase. In general and subject to the terms and

Table of Contents

provisions of the Restated Certificate of Incorporation, the Common Market Price as of any date is equal to the average of the volume weighted average trading price of Common Stock, for each trading day during the preceding 20-day trading period.

Other Share Repurchases

In February of 2014, our Board of Directors authorized a $1 billion share repurchase program (the “Repurchase Program”), allowing the Company to repurchase Class A Shares or shares of our Common Stock , through direct buybacks or in open market transactions. This authorization is in addition to the MAC Trusts Share Repurchase Agreement described above. During 2014, under the Repurchase Program, 8,193,698 Class A Shares were repurchased under agreements we entered into with certain Cargill family member trusts (the “Family Trusts Share Repurchase Agreements”, and together with the MAC Trusts Share Repurchase Agreement, the "Share Repurchase Agreements") and 7,585,085 shares of Common Stock were repurchased on the open market for an aggregate of $727.3 million.

The Share Repurchase Agreements were accounted for as forward contracts with an initial liability established at fair value based on the average of the weighted average trading price for each of the preceding 20-day trading days and a corresponding reduction of equity. The contracts were subsequently remeasured at the present value of the amount to be paid at settlement with the difference being recognized in the consolidated statement of earnings. In calculating basic and diluted earnings per share ("EPS"), we were required to exclude the Class A shares that remained to be repurchased. Any amounts, including contractual (accumulated) dividends and participation rights in undistributed earnings, attributable to shares that remained to be repurchased that had not yet been recognized in the consolidated statement of earnings were deducted in computing income available to common shareholders, consistent with the two-class method. See the calculation of EPS in Note 7 of our Consolidated Financial Statements.

We have included additional information about the Cargill Transaction and other share repurchases in Note 2 of our Consolidated Financial Statements and in response to Item 13 of Part III of this report, which information is incorporated herein by reference, and the principal transaction documents related to the Cargill Transaction are incorporated by reference as exhibits to this report.

Other Business Developments during 2014

During calendar year 2014, we took the following steps toward achieving our strategic priorities:

- Growth: Grow our production of essential crop nutrients and operate with increasing efficiency

- On March 17, 2014, we completed the acquisition of the Florida phosphate assets and assumption of certain related liabilities (the “CF Phosphate Assets Acquisition”) of CF industries, Inc. ("CF") for $1,172.1 million plus an additional $203.7 million (all in cash) to fund CF's asset retirement obligation trust and escrow. This acquisition provides opportunities for enhanced operating efficiencies, lower production costs and reduced capital investment. We also signed two strategic supply agreements with CF under which CF will provide us with ammonia for our production purposes. This transaction is further described in Note 23 of our Notes to Consolidated Financial Statements.

- On June 30, 2014, the Wa'ad Al Shamal Phosphate Company (the “Wa’ad Al Shamal Joint Venture”), our joint venture with Saudi Arabian Mining Company (“Ma’aden”) and Saudi Basic Industries Corporation (“SABIC”) to develop, own and operate integrated phosphate production facilities in the Kingdom of Saudi Arabia, entered into funding facilities with a consortium of 20 financial institutions for approximately $5.0 billion. We estimate the cost to develop and construct the integrated phosphate production facilities will approximate $7.5 billion, which we expect to be funded through external funding facilities, including the ones mentioned above, and investment by the joint venture members.

- The expansion in our Colonsay mine was completed and added an additional 0.6 million tonnes of operational capacity.

- We continued the expansion of capacity in our Potash segment, with the K3 shafts at our Esterhazy mine, which are on track to start producing ore in 2017 and are expected to add an estimated 0.9 million tonnes to our potash operational capacity. In December 2014, our Board approved approximately $1.5 billion in capital expenditures over the next ten years to increase the mining capacity of the K3 shafts and provide for an infrastructure to move rock from K3 to the K1 and K2 mills. This would provide us the flexibility to optimize production at K1, K2 and K3 in order to mitigate risk from current and future brine inflows.

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

- On December 17, 2014, we completed the acquisition of Archer Daniels Midland Company's ("ADM") fertilizer distribution business and working capital in Brazil and Paraguay for approximately $350 million. This acquisition is expected to significantly accelerate our previously announced growth plans in Brazil as well as

Table of Contents

replace a substantial amount of planned internal investments in that country. We acquired four blending and warehousing facilities in Brazil, one in Paraguay and additional warehousing and logistics service capabilities. We expect this acquisition to increase our annual distribution in the region from approximately four million metric tonnes to about six million metric tonnes of crop nutrients.

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

We announced plans to further expand MicroEssentials® capacity, adding an incremental 1.2 million tonnes, and bringing total capacity to 3.5 million tonnes by 2017. Sales volumes of MicroEssentials® products in North America increased approximately 14% in the year ended December 31, 2014 from 2013, contributing to a new Mosaic record for sales of MicroEssentials®.

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

Our Board of Directors authorized a $1 billion Repurchase Program, allowing the Company to repurchase Class A Shares or Common Stock, through negotiated direct transactions or in the open market. During 2014, under the Repurchase Program, Mosaic has repurchased 8.2 million Class A Shares under agreements we entered with certain Cargill family member trusts and 7.6 million shares of Common Stock were repurchased for an aggregate of $727.3 million.

- On July 23, 2014, we announced our decision to permanently discontinue production of muriate of potash ("MOP") at our Carlsbad, New Mexico facility and transition the facility to exclusive production of our highly valued K-Mag® product line. The decision was based on the quality of the ore in the Carlsbad basin and the age of the facility's infrastructure. The final date for production of MOP was December 28, 2014.
- On July 29, 2014, we completed the sale of our salt operations at our Hersey, Michigan mine for approximately $55 million, resulting in a pre-tax gain of $13.5 million. We also closed our low producing potash operations at Hersey allowing us to focus on our higher producing potash mines.
- On November 18, 2014, we completed the sale of our Argentina assets, which resulted in a gain of approximately $8.5 million during 2014, allowing us to focus on our more profitable distribution operations.

We have included additional information about these and other developments in our business during 2014 in our Management’s Discussion and Analysis of Financial Condition and Results of Operations (“Management’s Analysis”) and in the Notes to our Consolidated Financial Statements.

BUSINESS SEGMENT INFORMATION

The discussion below of our business segment operations should be read in conjunction with the following information that we have included in this report:

- The risk factors discussed in this report in Part I, Item 1A, “Risk Factors.”
- Our Management’s Analysis.
- The financial statements and supplementary financial information in our Consolidated Financial Statements (“Consolidated Financial Statements”). This information is incorporated by reference in this report in Part II, Item 8, “Financial Statements and Supplementary Data.”

Phosphates Segment

Our Phosphates business segment owns and operates mines and production facilities in Florida which produce concentrated phosphate crop nutrients and phosphate-based animal feed ingredients, and processing plants in Louisiana which produce concentrated phosphate crop nutrients. Our Phosphates segment’s results also include our international distribution activities.

On March 17, 2014, Mosaic completed the CF Phosphate Assets Acquisition, which included the 25,000-acre South Pasture phosphate mine and beneficiation plant in Hardee County, Florida, a phosphate manufacturing facility in Plant City, Florida, and ammonia terminal and finished product warehouse facilities in Tampa.

On December 17, 2014, we completed the acquisition of ADM's fertilizer distribution business and working capital in Brazil and Paraguay, as discussed above.

U.S. Phosphate Crop Nutrients and Animal Feed Ingredients

Our U.S. phosphates operations have capacity to produce approximately 5.2 million tonnes of phosphoric acid (“P2O5”) per year, or about 9% of world annual capacity and about 56% of North American annual capacity. Phosphoric acid is produced by reacting finely ground phosphate rock with sulfuric acid. Phosphoric acid is the key building block for

the production of high

Table of Contents

analysis or concentrated phosphate crop nutrients and animal feed products, and is the most comprehensive measure of phosphate capacity and production and a commonly used benchmark in our industry. Our U.S. phosphoric acid production totaled approximately 4.4 million tonnes during 2014. We account for approximately 11% of estimated global annual production and 54% of estimated North American annual output.

Our phosphate crop nutrient products are marketed worldwide to crop nutrient manufacturers, distributors, retailers and farmers. Our principal phosphate crop nutrient products are:

- Diammonium Phosphate (18-46-0) Diammonium Phosphate ("DAP") is the most widely used high-analysis phosphate crop nutrient worldwide. DAP is produced by first combining phosphoric acid with anhydrous ammonia in a reaction vessel. This initial reaction creates a slurry that is then pumped into a granulation plant where it is reacted with additional ammonia to produce DAP. DAP is a solid granular product that is applied directly or blended with other solid plant nutrient products such as urea and potash.
- Monoammonium Phosphate (11-52-0) Monoammonium Phosphate ("MAP") is the second most widely used high-analysis phosphate crop nutrient and the fastest growing phosphate product worldwide. MAP is also produced by first combining phosphoric acid with anhydrous ammonia in a reaction vessel. The resulting slurry is then pumped into the granulation plant where it is reacted with additional phosphoric acid to produce MAP. MAP is a solid granular product that is applied directly or blended with other solid plant nutrient products.
- MicroEssentials® is a value-added ammoniated phosphate product that is enhanced through a patented process that creates very thin platelets of sulfur and other micronutrients, such as zinc, on the granulated product. The patented process incorporates both the sulfate and elemental forms of sulfur, providing season long availability to crops.

Production of our animal feed ingredients products is located at our New Wales, Florida facility. We market our feed phosphate primarily under the leading brand names of Biofos® and Nexfos®.

Our primary phosphate crop nutrient production facilities are located in central Florida and Louisiana. The following map shows the locations of each of our phosphate concentrates plants in the United States and the locations of each of our active and planned phosphate mines in Florida:

Table of Contents

Annual capacity by plant as of December 31, 2014 and production volumes by plant for 2014 are listed below:

(tonnes in millions)	Phosphoric Acid		Processed Phosphate[a]/DAP/MAP/MicroEssentials®/ Phosphate	
Facility	Operational Capacity[b]	Production	Operational Capacity[b]	Production
Florida:				
Bartow	0.9	1.0	2.2	2.1
New Wales	1.7	1.5	4.1	3.2
Riverview	0.9	0.7	1.8	1.4
Plant City [c]	0.9	0.6	2.0	1.3
	4.4	3.8	10.1	8.0
Louisiana:				
Faustina	—	—	1.6	1.3
Uncle Sam	0.8	0.6	—	—
	0.8	0.6	1.6	1.3
Total	5.2	4.4	11.7	9.3

(a) Our ability to produce processed phosphates has been less than our annual operational capacity stated in the table above, except to the extent we purchase phosphoric acid.

(b) Actual production varies from annual operational capacity shown in the above table due to factors that include among others the level of demand for our products, maintenance and turnaround time, accidents, mechanical failure, product mix, and other operating conditions.

(c) Production at the Plant City facility reflects operations from March of 2014, when the facility was acquired. Operational capacity represents full-year capacity.

The phosphoric acid produced at Uncle Sam is shipped to Faustina, where it is used to produce DAP, MAP and MicroEssentials®. Our Faustina plant also manufactures ammonia that is mostly consumed in our concentrate plants. We produced approximately 8.7 million tonnes of concentrated phosphate crop nutrients during 2014 and accounted for approximately 14% of estimated world annual output and 71% of estimated North American annual production.

Phosphate Rock

Phosphate rock is the key mineral used to produce phosphate crop nutrients and feed phosphate. Our phosphate rock production totaled approximately 14.0 million tonnes in 2014 and accounted for approximately 7% of estimated world annual production and 53% of estimated North American annual production. We are the world’s second largest miner of phosphate rock and currently operate four mines with a combined annual capacity of approximately 17.2 million tonnes. Production of one tonne of DAP requires between 1.6 and 1.7 tonnes of phosphate rock.

All of our wholly owned phosphate mines and related mining operations are located in central Florida. During 2014, we operated five active mines: Four Corners, South Fort Meade, Hookers Prairie, Wingate and South Pasture, which was acquired in March of 2014. The Hookers Prairie mine's reserves were exhausted in June of 2014. We plan to develop reserves at Ona and at DeSoto to replace reserves that will be depleted at various times during the next decade.

The phosphate deposits of Florida are of sedimentary origin and are part of a phosphate-bearing province that extends from southern Florida north along the Atlantic coast into southern Virginia. Our active phosphate mines are primarily located in what is known as the Bone Valley Member of the Peace River Formation in the Central Florida Phosphate District. The southern portions of the Four Corners and Wingate mines are in what is referred to as the Undifferentiated Peace River Formation, in which our future Ona and DeSoto reserves are also located. Phosphate mining has been conducted in the Central Florida Phosphate District since the late 1800’s. The potentially mineable portion of the district encompasses an area approximately 80 miles in length in a north-south direction and approximately 40 miles in width.

We extract phosphate ore using large surface mining machines that we own called “draglines.” Prior to extracting the ore, the draglines must first remove a 10 to 50 foot layer of sandy overburden. At our Wingate mine, we also utilize dredges to remove the overburden and mine the ore. We then process the ore at beneficiation plants that we own at each active mine where the ore

Table of Contents

goes through washing, screening, sizing and flotation processes designed to separate the phosphate rock from sands, clays and other foreign materials. Prior to commencing operations at any of our planned future mines, we would need to acquire new draglines or move existing draglines to the mines and, unless the beneficiation plant at an existing mine were used, construct a beneficiation plant.

The following table shows, for each of our phosphate mines, annual capacity as of December 31, 2014 and rock production volume and grade for calendar years 2014 and 2013, the Stub Period and fiscal 2013:

(tonnes in millions)		Calendar 2014			Calendar 2013			Stub Period			Fiscal 2013		
Facility	Annual Operational Capacity[a]	Production	Average% BPL[b]	P2O5[c]	Production	Average% BPL[b]	P2O5[c]	Production	Average% BPL[b]	P2O5[c]	Production	Average% BPL[b]	P2O5[c]
Four Corners	7.0	5.4	63.8	29.2	6.0	64.0	29.3	3.6	63.5	29.1	6.4	64.5	29.5
South Fort Meade	5.5	4.1	61.6	28.2	5.0	64.4	29.5	2.5	64.0	29.3	5.5	64.2	29.4
Hookers Prairie[d]	—	0.8	64.8	29.8	1.9	65.2	29.8	1.0	64.1	29.3	2.0	65.6	30.0
South Pasture[e]	3.2	2.6	60.9	27.9	—	—	—	—	—	—	—	—	—
Wingate	1.5	1.1	63.8	29.2	1.3	62.1	28.4	0.8	62.7	28.7	1.5	61.8	28.3
Total	17.2	14.0	62.7	28.7	14.2	64.1	29.3	7.9	63.7	29.1	15.4	64.4	29.5

(a) Actual production varies from annual operational capacity shown in the above table due to factors that include among others the level of 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 effect 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 in phosphate rock or a phosphate ore body. A higher BPL corresponds to a higher percentage of calcium phosphate.

(c) The percent of P2O5 in the above table represents a measure of the phosphate content in phosphate rock or a phosphate ore body. A higher percentage corresponds to a higher percentage of phosphate content in phosphate rock or a phosphate ore body.

(d) The Hookers Prairie mine's reserves were exhausted during 2014.

(e) Production at the South Pasture mine reflects rock mined from March of 2014, when the mine was acquired. Annual operational capacity represents full-year capacity.

Reserves

We estimate our phosphate rock reserves based upon exploration core drilling as well as technical and economic analyses to determine that reserves can be economically mined. Proven (measured) reserves are those resources of sufficient concentration to meet minimum physical, chemical and economic criteria related to our current product standards and mining and production practices. Our estimates of probable (indicated) reserves are based on information similar to that used for proven reserves, but sites for drilling are farther apart or are otherwise less adequately spaced than for proven reserves, although the degree of assurance is high enough to assume continuity between such sites. Proven reserves are determined using a minimum drill hole spacing of two sites per 40 acre block. Probable reserves have less than two drill holes per 40 acre block, but geological data provides a high degree of assurance that continuity exists between sites.

7

Table of Contents

The following table sets forth our proven and probable phosphate reserves as of December 31, 2014:

(tonnes in millions)	Reserve Tonnes [a][b][c]	Average BPL[d]	% P_2O_5
Active Mines			
Four Corners	40.9	63.0	28.8
South Fort Meade	29.9	64.0	29.3
South Pasture	77.8	65.0	29.8
Wingate	31.2	62.5	28.6
Total Active Mines	179.8	63.9	29.3
Planned Mining			
Ona	258.8	64.4	29.5
DeSoto	149.6 [e]	64.6	29.5
Total Planned Mining	408.4	64.5	29.5
Total Mining	588.2	64.3	29.4

(a) Reserves are in areas that are fully accessible for mining; free of surface or subsurface encumbrance, legal setbacks, wetland preserves and 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 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 United States Securities and Exchange Commission ("SEC").

(c) Of the reserves shown, 556.0 million tonnes are proven reserves, while probable reserves totaled 32.2 million tonnes.

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

(e) In connection with the purchase in 1996 of approximately 108.9 million tonnes of the reported DeSoto reserves, we agreed to (i) pay royalties 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 from the 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 described below:

- We own the above-ground assets of the South Fort Meade mine, including the beneficiation plant, rail track and the initial clay settling areas. A limited partnership, South Ft. Meade Partnership, L.P. ("SFMP"), owns the majority of the mineable acres shown in the table 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 subsidiary in 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 that we have completed mining and reclamation obligations associated with the leased property. Lease provisions include royalty payments and a commitment to give mining priority to the South Fort Meade phosphate reserves. We pay the partnership a royalty on each BPL short ton mined and shipped from the areas that we lease from it. Royalty payments to SFMP normally average approximately $9 million annually.
- Through its arrangements with us, SFMP also earns income from mineral lease payments, agricultural lease payments and 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. government owns the mineral rights beneath. We control the rights to mine these reserves under a mining lease agreement and pay royalties on the tonnage extracted. Under the lease, we did not mine any lands subject to federal leases during 2014.

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 owned prior to termination or expiration of our rights. Additional information regarding permitting is included in Part I, Item 1A, “Risk Factors”, and under “Environmental, Health, Safety and Security Matters—Operating Requirements and Impacts—Permitting” in our Management’s Analysis.

Table of Contents

Investments in Joint Ventures

We have a 35% economic interest in a joint venture which owns the Miski Mayo phosphate rock mine in the Bayovar region of Peru. Our investment in the Miski Mayo Mine and related commercial offtake supply agreement to purchase a share of the phosphate rock from the Miski Mayo Mine reduces our need to purchase phosphate rock from other suppliers. The Miski Mayo Mine's annual production capacity is 3.8 million tonnes.

We own a 25% interest in the Wa'ad Al Shamal Joint Venture and in connection with our equity share, we will market approximately 25% of the production of the joint venture. The Wa'ad Al Shamal Joint Venture is developing a mine and two chemical complexes that are presently expected to produce phosphate fertilizers, animal feed, food grade purified phosphoric acid and other downstream phosphates products in the Kingdom of Saudi Arabia. We currently estimate that the cost to develop and construct the integrated phosphate production facilities (the "Project") will approximate $7.5 billion, which we expect to be funded primarily through investments by us, Ma'aden and SABIC, and through borrowing arrangements and other external project financing facilities ("Funding Facilities"). We currently estimate that our cash investment in the Project, including the amount we have invested to date will approximate $850 million. Our cash investment in the Project through December 31, 2014 was $328.5 million. The greenfield project is being built in the northern region of Saudi Arabia at Wa'ad Al Shamal Minerals Industrial City, and include further expansion of processing plants in Ras Al Khair Minerals Industrial City which is located on the east coast of Saudi Arabia. The facilities are expected to have a production capacity of approximately 3.5 million tonnes of finished product per year. The project is expected to benefit from the availability of key raw nutrients from sources within Saudi Arabia. Operations are expected to commence in late 2016.

On June 30, 2014, the Wa'ad Al Shamal Joint Venture entered into Funding Facilities with a consortium of 20 financial institutions for a total amount of approximately $5.0 billion. The terms of the Funding Facilities are further discussed in Note 9 of our Consolidated Financial Statements.

Purchased Phosphate Rock

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

Sulfur

We use molten sulfur at our phosphates concentrates plants to produce sulfuric acid primarily for use in our production of phosphoric acid. We purchased approximately 4.0 million long tons of sulfur during 2014, which includes 9 months of purchases related to production at the Plant City facility acquired from CF. We purchase most of this sulfur from North American oil and natural gas refiners who are required to remove or recover sulfur during the refining process. Production of one tonne of DAP requires approximately 0.40 long tons of sulfur. We procure our sulfur from multiple sources and receive it by truck, rail, barge and vessel, either direct to our phosphate plants or have it sent for gathering to terminals that are located on the US gulf coast.

We own and operate sulfur terminals in Houston, Texas and Riverview, Florida. We also lease terminal space in Tampa, Florida and Galveston and Beaumont, Texas. We own two ocean-going barges and contract for operation of another ocean-going vessel that transport molten sulfur from the Texas terminals to Tampa and then onward by truck to our Florida phosphate plants. In addition, we own a 50% equity interest in Gulf Sulphur Services Ltd., LLLP ("Gulf Sulphur Services"), which is operated by our joint venture partner. Gulf Sulphur Services has a large sulfur transportation and terminaling business in the Gulf of Mexico, and handles these functions for a substantial portion of our Florida sulfur volume. Gulf Sulphur Services' capabilities include melting solid sulfur into the molten form that we use, which permits us to access sources of solid as well as molten sulfur. We further round out our sulfur logistic assets with a large fleet of leased railcars that supplement our marine sulfur logistic system. Our Louisiana operations are served by truck and barge from nearby refineries. Additionally, to further enhance our access to sulfur, a project to construct a sulfur melter at our New Wales facility is scheduled to be completed in late 2015. It is planned to have the capability to melt approximately one million long tons of sulfur annually, allowing us to leverage economic benefits

within the global sulfur marketplace.

Although sulfur is readily available from many different suppliers and can be transported to our phosphate facilities by a variety of means, sulfur 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 pricing and availability. Alternative transportation and terminaling facilities might not have sufficient capacity to fully serve all of our facilities in the event of a disruption to current transportation or terminaling facilities. Changes

Table of Contents

in the price of sulfur or disruptions to sulfur transportation or terminaling facilities could have a material impact on our business. We have included a discussion of sulfur prices in our Management's Analysis.

Ammonia

We use ammonia together with phosphoric acid to produce DAP, MAP and MicroEssentials®. We consumed approximately 1.5 million tonnes of ammonia during 2014. This includes approximately 9 months of ammonia consumption at the Plant City facility we acquired as part of the CF Phosphate Assets Acquisition. Production of one tonne of DAP requires approximately 0.23 tonnes of ammonia.

Our Florida ammonia needs are supplied by offshore producers, under multi-year contracts. Ammonia for our New Wales and Riverview plants is terminaled through an owned ammonia facility at Port Sutton, Florida. Ammonia for our Bartow plant is terminaled through another ammonia facility owned and operated by a third party at Port Sutton, Florida pursuant to an agreement that expires in 2015. Ammonia is transported by pipeline from the terminals to our production facilities. We have service agreements with the operators of the pipelines for Bartow, New Wales, and Riverview, which provide service through June 30, 2017; the service agreements may be extended in one year increments unless either party objects. Ammonia for our Plant City facility is terminaled through a facility that was acquired as part of the CF Phosphate Assets Acquisition. This ammonia is transported by rail via leased railcars. The leases for rail cars expire in 2017, 2018 and 2019. Our rail service contract expired on December 31, 2014 and is currently being renegotiated. We are operating under the terms of that agreement.

We produce ammonia at Faustina, Louisiana primarily for our own consumption. Our annual capacity is approximately 500,000 tonnes. From time to time we sell surplus ammonia to unrelated parties.

On October 28, 2013, at the same time we signed the agreement relating to the CF Phosphate Assets Acquisition, we entered into a strategic supply agreement with CF for approximately 545,000 to 725,000 tonnes of ammonia annually (the "CF Ammonia Supply Agreement") for a term of up to fifteen years. We expect that this agreement will commence prior to January 1, 2017. Under a second agreement, we will purchase from CF approximately 270,000 tonnes annually for three years at CFR Tampa market based pricing. In light of these supply arrangements, we decided to forego our proposed ammonia manufacturing plant at our Faustina, Louisiana facility, but we are reviewing debottlenecking our current Faustina ammonia facility.

Although ammonia is readily available from many different suppliers and can be transported to our phosphates facilities by a variety of means, 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 pricing, and alternative transportation and terminaling facilities might not have sufficient capacity to fully serve all of our facilities in the event of a disruption to existing transportation or terminaling facilities. Changes in the price of ammonia or disruptions to ammonia transportation or terminaling could have a material impact on our business. We have included a discussion of ammonia prices in our Management's Analysis.

Natural Gas

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

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

Florida Land Holdings

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 fastest areas of population growth in the United States. We own land comprising approximately 287,000 acres held in fee simple title in central Florida, and have the right to mine additional properties which contain phosphate rock reserves. Some of our land holdings are needed to operate our Phosphates business, while a portion of

our land assets, such as reclaimed properties, are no longer required for our ongoing operations. As a general matter, more of our reclaimed property becomes available for uses other than for phosphate operations each year. Our real property assets are generally comprised of concentrates plants, port facilities, phosphate mines and other property which we have acquired through our 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 land

Table of Contents

assets. For example, we developed Streamsong®, a destination resort and conference center, in an area of previously mined land as part of our long-term business strategy to maximize the value and utility of our extensive land holdings in Florida. In addition to the two golf courses and clubhouse that were opened in December 2012, the resort and conference center opened in January 2014.

International Production

We have an approximate 62% interest in a joint venture in Paranagua, Brazil, which includes a plant that produces up to 500,000 tonnes per year of single superphosphate ("SSP") and granulated SSP crop nutrients by mixing sulfuric acid with purchased phosphate rock.

Potash Segment

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 in North America and internationally. The term "potash" applies generally to the common salts of potassium. Muriate of potash ("MOP") is the primary source of potassium for the crop nutrient industry. Red MOP has traces of iron oxide. The granular and standard grade Red MOP products are well suited for direct fertilizer application and bulk blending. White MOP has a higher percent potassium oxide ("K2O"). White MOP, besides being well suited for the agricultural market, is used in many industrial applications.

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

In 2014, we operated three potash mines in Canada, including two shaft mines with a total of three production shafts and one solution mine, as well as two potash mines in the United States, including one shaft mine and one solution mine. We sold the salt operations at our former Hersey, Michigan mine and closed the related potash operations. The sale of the salt operations was completed on July 29, 2014.

We also own related refineries at each of the mines.

The expansion in our Colonsay mine was completed and added an additional 0.6 million tonnes of operational capacity. We continue the expansion of capacity in our Potash segment, with the K3 shafts at our Esterhazy mine which are on track to start producing ore in 2017 and will add an estimated 0.9 million tonnes to our potash operational capacity. In December 2014, our Board approved approximately $1.5 billion in capital expenditures over the next ten years to increase the mining capacity of the K3 shafts and provide for an infrastructure to move rock from K3 to the K1 and K2 mills. This would provide us the flexibility to optimize production at K1, K2 and K3 in order to mitigate risk from current and future brine inflows.

It is possible that the costs of remedial efforts at Esterhazy may further increase in the future and that such an increase could be material, or, in the extreme scenario, that the brine inflows, risk to employees or remediation costs may increase to a level which would cause us to change our mining processes or abandon the mines. See "Key Factors that can Affect Results of Operations and Financial Condition" and "Potash Net Sales and Gross Margin" in our Management's Analysis and "Our Esterhazy mine has had an inflow of salt saturated brine for more than 25 years" in Part I, Item 1A, "Risk Factors" in this report, which are incorporated herein by reference, for a discussion of costs, risks and other information relating to the brine inflows.

Table of Contents

The map below shows the location of each of our potash mines.

Our current potash annualized operational capacity totals 10.5 million tonnes of product per year and accounts for approximately 13% of world annual capacity and 47% of North American annual capacity. Production during 2014 totaled 8.2 million tonnes. We account for approximately 14% of estimated world annual production and 44% of estimated North American annual production.

Table of Contents

The following table shows, for each of our potash mines, annual capacity as of December 31, 2014 and volume of mined ore, average grade and finished product output for calendar years 2014 and 2013, the Stub Period and fiscal 2013:

(tonnes in millions)			Calendar 2014			Calendar 2013			Stub Period			Fiscal 2013		
Facility	Annualized Proven Peaking Capacity (a)(c)(d)	Annual Operational Capacity (a)(b)(d)(e)	Ore Mined	Grade % K2O(f)	Finished Product	Ore Mined	Grade % K2O(f)	Finished Product	Ore Mined	Grade % K2O(f)	Finished Product	Ore Mined	Grade % K2O(f)	Finished Product
Canada														
Belle Plaine—MOP	2.8	2.4	8.4	18.0	2.2	8.2	18.0	2.2	4.5	18.0	1.2	8.1	18.0	2.1
Colonsay—MOP	2.5	2.1	3.8	26.9	1.4	2.4	26.1	0.8	1.0	26.4	0.3	3.2	25.8	1.1
Esterhazy—MOP	6.3	5.3	12.4	23.8	4.0	12.0	23.8	4.0	6.0	24.4	2.1	12.6	23.0	4.0
Canadian Total	11.6	9.8	24.6	22.3	7.6	22.6	21.9	7.0	11.5	22.1	3.6	23.9	21.7	7.2
United States														
Carlsbad—MOP	—	—	2.5	9.5	0.2	3.3	10.7	0.3	1.9	10.6	0.2	3.2	10.5	0.3
Carlsbad—K-Mag®	0.9	0.7	1.7	5.5	0.4	3.7	5.9	0.7	2.0	5.9	0.4	3.7	5.7	0.7
Carlsbad Total	0.9	0.7	4.2	7.8	0.6	7.0	8.2	1.0	3.9	8.2	0.6	6.9	7.9	1.0
Hersey—MOP(g)	—	—	—	—	—	0.1	26.7	—	0.1	26.7	—	0.1	26.7	0.1
United States Total	0.9	0.7	4.2	7.8	0.6	7.1		1.0	4.0		0.6			