

ConAgra, CHS, Cargill To Form Flour Milling Co.

The Associated Press

OMAHA, Neb. (AP) — ConAgra Foods is combining its North American flour milling business with that of a joint venture of Cargill and CHS Inc. to create a new business that will be called Ardent Mills.

The three companies say the deal announced Tuesday will create a business that will have a broader view of the marketplace and be able to serve their customers better.

Ardent Mills will draw on support from 44 flour mills, three bakery mix facilities and a specialty bakery, all located in the U.S., Canada and Puerto Rico.

ConAgra Mills had about \$1.8 billion in sales for fiscal 2012, while the Cargill-CHS joint venture named Horizon Milling had sales of approximately \$2.5 billion.

ConAgra Foods Inc. and the privately-held Cargill will each get a 44 percent stake in Ardent Mills while CHS will get the remaining 12 percent.

"Ardent Mills will set the new industry standard by addressing the most important issues facing customers, such as commodity price volatility, increasingly sophisticated food safety requirements, the need for more cost-effective supply chains and growing market demand for more innovation in products and processes," ConAgra Foods Inc. CEO Gary Rodkin said in a statement on Tuesday.

ConAgra Foods's brands include Banquet and Chef Boyardee. Cargill, based in Minneapolis, is a producer and marketer of food, agricultural, financial and industrial products and services. St. Paul, Minn.-based CHS is an agribusiness owned by farmers, ranchers and cooperatives across the U.S.

The companies expect to receive cash distributions from Ardent Mills at closing. Total proceeds are estimated to be between \$800 million and \$1 billion.

All three companies will have representation on the Ardent Mills board.

Ardent Mills will be run as a joint venture, with Dan Dye serving as its CEO once the new company is formed. Dye is currently president of Horizon Milling. ConAgra Mills President Bill Stoufer will become Ardent's chief operating officer and chief integration officer.

Ardent Mills' headquarters will be determined at a later date. Its formation is expected to be finished later this year.

ConAgra Foods shares rose 16 cents to \$34.84 in morning trading Wednesday after rising as high as \$34.91 earlier in the session, its highest level since August 1997.

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