

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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2021

OR

☐ **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

(State or other jurisdiction of
incorporation or organization)

20-1026454

(I.R.S. Employer
Identification No.)

**101 East Kennedy Blvd
Suite 2500
Tampa, Florida 33602
(800) 918-8270**

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

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	MOS	New York Stock Exchange

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date: 378,942,540 shares of Common Stock as of October 29, 2021.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

THE MOSAIC COMPANY CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(In millions, except per share amounts)
(Unaudited)

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net sales	\$ 3,418.6	\$ 2,381.5	\$ 8,516.4	\$ 6,224.3
Cost of goods sold	2,554.1	2,026.4	6,464.7	5,570.8
Gross margin	864.5	355.1	2,051.7	653.5
Selling, general and administrative expenses	97.7	97.6	307.0	260.6
Mine closure costs	—	—	158.1	—
Other operating expense	65.2	159.0	87.8	274.8
Operating earnings	701.6	98.5	1,498.8	118.1
Interest expense, net	(47.8)	(43.0)	(130.1)	(133.4)
Foreign currency transaction gain (loss)	(100.1)	5.8	(34.8)	(174.3)
Other income	0.6	4.7	5.0	11.6
Earnings (loss) from consolidated companies before income taxes	554.3	66.0	1,338.9	(178.0)
Provision for (benefit from) income taxes	176.6	38.1	352.2	(97.6)
Earnings (loss) from consolidated companies	377.7	27.9	986.7	(80.4)
Equity in net (loss) of nonconsolidated companies	(1.2)	(32.5)	(13.2)	(82.3)
Net earnings (loss) including noncontrolling interests	376.5	(4.6)	973.5	(162.7)
Less: Net earnings (loss) attributable to noncontrolling interests	4.6	1.6	7.7	(0.9)
Net earnings (loss) attributable to Mosaic	\$ 371.9	\$ (6.2)	\$ 965.8	\$ (161.8)
Basic net earnings (loss) per share attributable to Mosaic	\$ 0.98	\$ (0.02)	\$ 2.54	\$ (0.43)
Basic weighted average number of shares outstanding	379.8	379.1	379.6	379.0
Diluted net earnings (loss) per share attributable to Mosaic	\$ 0.97	\$ (0.02)	\$ 2.52	\$ (0.43)
Diluted weighted average number of shares outstanding	383.2	379.1	383.0	379.0

See Notes to Condensed Consolidated Financial Statements

THE MOSAIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)
(Unaudited)

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net earnings (loss) including noncontrolling interest	\$ 376.5	\$ (4.6)	\$ 973.5	\$ (162.7)
Other comprehensive income (loss), net of tax				
Foreign currency translation gain (loss)	(244.0)	59.7	(52.9)	(488.4)
Net actuarial gain (loss) and prior service cost	(0.1)	0.9	4.9	8.7
Realized gain on interest rate swap	0.5	0.4	1.5	1.2
Net gain (loss) on marketable securities held in trust fund	(2.8)	(2.3)	(17.0)	13.6
Other comprehensive income (loss)	(246.4)	58.7	(63.5)	(464.9)
Comprehensive income (loss)	130.1	54.1	910.0	(627.6)
Less: Comprehensive income (loss) attributable to noncontrolling interest	2.4	0.9	6.5	(10.2)
Comprehensive income (loss) attributable to Mosaic	\$ 127.7	\$ 53.2	\$ 903.5	\$ (617.4)

See Notes to Condensed Consolidated Financial Statements

THE MOSAIC COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except per share amounts)
(Unaudited)

	September 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 842.8	\$ 574.0
Receivables, net, including affiliate receivables of \$247.8 and \$144.8, respectively	1,081.5	881.1
Inventories	2,273.6	1,739.2
Other current assets	401.2	326.9
Total current assets	4,599.1	3,521.2
Property, plant and equipment, net of accumulated depreciation of \$8,040.9 and \$8,106.8, respectively	12,269.2	11,854.3
Investments in nonconsolidated companies	671.1	673.1
Goodwill	1,171.7	1,173.0
Deferred income taxes	1,003.1	1,179.4
Other assets	1,367.3	1,388.8
Total assets	\$ 21,081.5	\$ 19,789.8
Liabilities and Equity		
Current liabilities:		
Short-term debt	\$ 0.1	\$ 0.1
Current maturities of long-term debt	47.0	504.2
Structured accounts payable arrangements	734.3	640.0
Accounts payable	1,041.5	769.1
Accrued liabilities	1,671.6	1,233.1
Total current liabilities	3,494.5	3,146.5
Long-term debt, less current maturities	3,947.7	4,073.8
Deferred income taxes	1,048.4	1,060.8
Other noncurrent liabilities	2,009.7	1,753.5
Equity:		
Preferred Stock, \$0.01 par value, 15,000,000 shares authorized, none issued and outstanding as of September 30, 2021 and December 31, 2020	—	—
Common Stock, \$0.01 par value, 1,000,000,000 shares authorized, 390,779,441 shares issued and 379,267,122 shares outstanding as of September 30, 2021, 389,974,041 shares issued and 379,091,544 shares outstanding as of December 31, 2020	3.8	3.8
Capital in excess of par value	866.0	872.8
Retained earnings	11,419.1	10,511.0
Accumulated other comprehensive loss	(1,868.5)	(1,806.2)
Total Mosaic stockholders' equity	10,420.4	9,581.4
Noncontrolling interests	160.8	173.8
Total equity	10,581.2	9,755.2
Total liabilities and equity	\$ 21,081.5	\$ 19,789.8

See Notes to Condensed Consolidated Financial Statements

THE MOSAIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine months ended	
	September 30, 2021	September 30, 2020
Cash Flows from Operating Activities:		
Net earnings (loss) including noncontrolling interests	\$ 973.5	\$ (162.7)
Adjustments to reconcile net earnings (loss) including noncontrolling interests to net cash provided by operating activities:		
Depreciation, depletion and amortization	598.7	639.1
Deferred and other income taxes	147.9	(150.6)
Equity in net loss of nonconsolidated companies, net of dividends	16.4	82.2
Accretion expense for asset retirement obligations	52.8	50.7
Accretion expense for leases	10.3	19.0
Share-based compensation expense	24.3	5.2
Unrealized (gain) loss on derivatives	(24.4)	7.0
Foreign currency adjustments	(19.1)	145.9
Net proceeds from settlement of interest rate swaps	—	34.7
Mine closure costs	158.1	—
Other	(8.0)	0.4
Changes in assets and liabilities:		
Receivables, net	(221.7)	(62.3)
Inventories	(574.7)	192.4
Other current and noncurrent assets	(86.3)	40.3
Accounts payable and accrued liabilities	669.8	410.4
Other noncurrent liabilities	39.0	92.5
Net cash provided by operating activities	1,756.6	1,344.2
Cash Flows from Investing Activities:		
Capital expenditures	(925.8)	(785.8)
Purchases of available-for-sale securities - restricted	(323.3)	(499.2)
Proceeds from sale of available-for-sale securities - restricted	303.2	489.5
Purchases of held-to-maturity securities	(3.2)	(0.7)
Proceeds from sale of held-to-maturity securities	0.8	1.7
Other	17.7	(0.2)
Net cash used in investing activities	(930.6)	(794.7)
Cash Flows from Financing Activities:		
Payments of short-term debt	(25.0)	(1,332.7)
Proceeds from issuance of short-term debt	25.0	1,517.3
Payments of structured accounts payable arrangements	(675.7)	(848.0)
Proceeds from structured accounts payable arrangements	762.7	721.0
Proceeds from long-term debt	—	4.7
Collections of transferred receivables	310.3	—
Payments of transferred receivables	(262.8)	—
Payments of long-term debt	(594.7)	(50.9)
Repurchases of stock	(20.0)	—
Cash dividends paid	(75.9)	(56.8)
Dividends paid to non-controlling interest	(19.5)	(0.5)
Other	(3.1)	(5.0)
Net cash used in financing activities	(578.7)	(50.9)
Effect of exchange rate changes on cash	17.0	(85.8)
Net change in cash, cash equivalents and restricted cash	264.3	412.8
Cash, cash equivalents and restricted cash - December 31	594.4	532.3
Cash, cash equivalents and restricted cash - September 30	\$ 858.7	\$ 945.1

See Notes to Condensed Consolidated Financial Statements

THE MOSAIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In millions)
(Unaudited)

	Nine months ended	
	September 30, 2021	September 30, 2020
Reconciliation of cash, cash equivalents and restricted cash reported within the unaudited condensed consolidated balance sheets to the unaudited condensed consolidated statements of cash flows:		
Cash and cash equivalents	\$ 842.8	\$ 923.0
Restricted cash in other current assets	8.6	8.2
Restricted cash in other assets	7.3	13.9
Total cash, cash equivalents and restricted cash shown in the unaudited condensed consolidated statement of cash flows	<u>\$ 858.7</u>	<u>\$ 945.1</u>

Supplemental Disclosure of Cash Flow Information:

Cash paid during the period for:		
Interest (net of amount capitalized of \$22.4 and \$23.3 for the nine months ended September 30, 2021 and 2020, respectively)	\$ 107.3	\$ 110.0
Income taxes (net of refunds)	172.5	(14.7)

See Notes to Condensed Consolidated Financial Statements

THE MOSAIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(In millions, except per share amounts)
(Unaudited)

	Mosaic Shareholders						
	Shares	Dollars					
	Common Stock	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive (Loss)	Noncontrolling Interests	Total Equity
Balance as of June 30, 2020	379.1	\$ 3.8	\$ 855.4	\$ 9,747.0	\$ (2,113.2)	\$ 170.7	\$ 8,663.7
Total comprehensive income (loss)	—	—	—	(6.2)	59.4	0.9	54.1
Stock based compensation	—	—	5.8	—	—	—	5.8
Dividends (\$0.05 per share)	—	—	—	(19.2)	—	—	(19.2)
Dividends for noncontrolling interests	—	—	—	—	—	(0.2)	(0.2)
Balance as of September 30, 2020	379.1	\$ 3.8	\$ 861.2	\$ 9,721.6	\$ (2,053.8)	\$ 171.4	\$ 8,704.2
Balance as of December 31, 2019	378.8	\$ 3.8	\$ 858.4	\$ 9,921.5	\$ (1,598.2)	\$ 182.1	\$ 9,367.6
Total comprehensive income (loss)	—	—	—	(161.8)	(455.6)	(10.2)	(627.6)
Vesting of restricted stock units	0.3	—	(2.7)	—	—	—	(2.7)
Stock based compensation	—	—	5.5	—	—	—	5.5
Dividends (\$0.10 per share)	—	—	—	(38.1)	—	—	(38.1)
Dividends for noncontrolling interests	—	—	—	—	—	(0.5)	(0.5)
Balance as of September 30, 2020	379.1	\$ 3.8	\$ 861.2	\$ 9,721.6	\$ (2,053.8)	\$ 171.4	\$ 8,704.2
Balance as of June 30, 2021	379.9	\$ 3.8	\$ 882.6	\$ 11,075.9	\$ (1,624.3)	\$ 177.6	\$ 10,515.6
Total comprehensive income (loss)	—	—	—	371.9	(244.2)	2.4	130.1
Vesting of restricted stock units	—	—	0.1	—	—	—	0.1
Stock based compensation	—	—	4.3	—	—	—	4.3
Share repurchases	(0.6)	—	(21.0)	—	—	—	(21.0)
Dividends (\$0.075 per share)	—	—	—	(28.7)	—	—	(28.7)
Dividends for noncontrolling interests	—	—	—	—	—	(19.2)	(19.2)
Balance as of September 30, 2021	379.3	\$ 3.8	\$ 866.0	\$ 11,419.1	\$ (1,868.5)	\$ 160.8	\$ 10,581.2
Balance as of December 31, 2020	379.1	\$ 3.8	\$ 872.8	\$ 10,511.0	\$ (1,806.2)	\$ 173.8	\$ 9,755.2
Total comprehensive income (loss)	—	—	—	965.8	(62.3)	6.5	910.0
Stock option exercises	—	—	3.2	—	—	—	3.2
Vesting of restricted stock units	0.8	—	(10.8)	—	—	—	(10.8)
Stock based compensation	—	—	21.8	—	—	—	21.8
Share repurchases	(0.6)	—	(21.0)	—	—	—	(21.0)
Dividends (\$0.15 per share)	—	—	—	(57.7)	—	—	(57.7)
Dividends for noncontrolling interests	—	—	—	—	—	(19.5)	(19.5)
Balance as of September 30, 2021	379.3	\$ 3.8	\$ 866.0	\$ 11,419.1	\$ (1,868.5)	\$ 160.8	\$ 10,581.2

See Notes to Condensed Consolidated Financial Statements

THE MOSAIC COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tables in millions, except per share amounts and as otherwise designated)
(Unaudited)

1. Organization and Nature of Business

The Mosaic Company (“**Mosaic**,” and, with its consolidated subsidiaries, “**we**,” “**us**,” “**our**,” or the “**Company**”) produces and markets concentrated phosphate and potash crop nutrients. We conduct our business through wholly and majority owned subsidiaries and businesses in which we own less than a majority or a non-controlling interest, including consolidated variable interest entities and investments accounted for by the equity method.

We are organized into the following business segments:

- 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. The Phosphates segment includes our 75% interest in the Miski Mayo Phosphate Mine in Peru. These results are consolidated in the Phosphates segment. The Phosphates segment also includes our 25% interest in the Ma’aden Wa’ad Al Shamal Phosphate Company (the “**MWSPC**”), a joint venture to develop, own and operate integrated phosphate production facilities in the Kingdom of Saudi Arabia. We market approximately 25% of the MWSPC phosphate production. We recognize our equity in the net earnings or losses relating to MWSPC on a one-quarter lag in our Condensed Consolidated Statements of Earnings (Loss).
- Our **Potash** business segment owns and operates potash mines and production facilities in Canada and the U.S. which produce potash-based crop nutrients, animal feed ingredients and industrial products. Potash sales include domestic and international sales. We are a member of Canpotex, Limited (“**Canpotex**”), an export association of Canadian potash producers through which we sell our Canadian potash outside the U.S. and Canada.
- Our **Mosaic Fertilizantes** business segment includes the assets in Brazil that we acquired in the 2018 acquisition (the “**Acquisition**”) of Vale Fertilizantes S.A. (now known as Mosaic Fertilizantes P&K S.A. or the “**Acquired Business**”), which consist of five phosphate rock mines, four phosphate chemical plants and a potash mine. The segment also includes our legacy distribution business in South America, which consists of sales offices, crop nutrient blending and bagging facilities, port terminals and warehouses in Brazil and Paraguay. We also have a majority interest in Fospar S.A., which owns and operates a single superphosphate granulation plant and a deep-water crop nutrition port and throughput warehouse terminal facility in Brazil.

Intersegment eliminations, unrealized mark-to-market gains/losses on derivatives, debt expenses, Streamsong Resort® results of operations, and the results of the China and India distribution businesses are included within Corporate, Eliminations and Other.

2. Summary of Significant Accounting Policies

Statement Presentation and Basis of Consolidation

The accompanying unaudited Condensed Consolidated Financial Statements of Mosaic have been prepared on the accrual basis of accounting and in accordance with the requirements of the Securities and Exchange Commission (“**SEC**”) for interim financial reporting. As permitted under these rules, certain footnotes and other financial information that are normally required by accounting principles generally accepted in the United States (“**GAAP**”) can be condensed or omitted. The Condensed Consolidated Financial Statements included in this document reflect, in the opinion of our management, all adjustments (consisting of only normal recurring adjustments) necessary for a fair presentation of the results for the interim periods presented. The following notes should be read in conjunction with the accounting policies and other disclosures in the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2020 (the “**10-K Report**”). Sales, expenses, cash flows, assets and liabilities can and do vary during the year as a result of seasonality and other factors. Therefore, interim results are not necessarily indicative of the results to be expected for the full fiscal year.

THE MOSAIC COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The accompanying Condensed Consolidated Financial Statements include the accounts of Mosaic, its majority-owned subsidiaries, and certain variable interest entities in which Mosaic is the primary beneficiary. Certain investments in companies where we do not have control but have the ability to exercise significant influence are accounted for by the equity method.

Accounting Estimates

Preparation of the Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting periods. The most significant estimates made by management relate to the estimates of fair value of acquired assets and liabilities, the recoverability of non-current assets including goodwill, the useful lives and net realizable values of long-lived assets, environmental and reclamation liabilities, including asset retirement obligations (“***ARO***”), and income tax-related accounts, including the valuation allowance against deferred income tax assets. Actual results could differ from these estimates.

THE MOSAIC COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

3. Other Financial Statement Data

The following provides additional information concerning selected balance sheet accounts:

	September 30, 2021	December 31, 2020
Other current assets		
Income and other taxes receivable	\$ 233.0	\$ 181.4
Prepaid expenses	92.9	80.4
Other	75.3	65.1
	<u>\$ 401.2</u>	<u>\$ 326.9</u>
Other assets		
Restricted cash	\$ 7.3	\$ 12.3
MRO inventory	137.6	137.7
Marketable securities held in trust	736.2	734.3
Operating lease right-of-use assets	133.4	173.1
Indemnification asset	19.7	23.0
Long-term receivable	44.8	52.6
Other	288.3	255.8
	<u>\$ 1,367.3</u>	<u>\$ 1,388.8</u>
Accrued liabilities		
Payroll and employee benefits	\$ 205.4	\$ 195.5
Asset retirement obligations	212.0	190.2
Receivable factoring liability	47.5	—
Customer prepayments ^(a)	493.3	287.6
Accrued income and other taxes	99.9	83.1
Operating lease obligation	58.1	64.0
Other	555.4	412.7
	<u>\$ 1,671.6</u>	<u>\$ 1,233.1</u>
Other noncurrent liabilities		
Asset retirement obligations	\$ 1,483.2	\$ 1,203.7
Accrued pension and postretirement benefits	154.7	158.5
Operating lease obligation	78.8	109.6
Unrecognized tax benefits	42.1	46.4
Other	250.9	235.3
	<u>\$ 2,009.7</u>	<u>\$ 1,753.5</u>

^(a) The timing of recognition of revenue related to our performance obligations may be different than the timing of collection of cash related to those performance obligations. Specifically, we collect prepayments from certain customers in Brazil. In addition, cash collection from Canpotex may occur prior to delivery of product to the end customer. We generally satisfy our contractual liabilities within one quarter of incurring the liability.

THE MOSAIC COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

4. Earnings Per Share

The numerator for basic and diluted earnings per share (“*EPS*”) is net earnings attributable to Mosaic. The denominator for basic EPS is the weighted average number of shares outstanding during the period. The denominator for diluted EPS also includes the weighted average number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued, unless the shares are anti-dilutive.

The following is a reconciliation of the numerator and denominator for the basic and diluted EPS computations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income (loss) attributable to Mosaic	\$ 371.9	\$ (6.2)	\$ 965.8	\$ (161.8)
Basic weighted average number of shares outstanding	379.8	379.1	379.6	379.0
Dilutive impact of share-based awards	3.4	—	3.4	—
Diluted weighted average number of shares outstanding	383.2	379.1	383.0	379.0
Basic net income (loss) per share attributable to Mosaic	\$ 0.98	\$ (0.02)	\$ 2.54	\$ (0.43)
Diluted net income (loss) per share attributable to Mosaic	\$ 0.97	\$ (0.02)	\$ 2.52	\$ (0.43)

A total of 0.5 million shares of common stock subject to issuance related to share-based awards for the three and nine months ended September 30, 2021 and 1.9 million and 2.4 million for the three and nine months ended September 30, 2020, respectively, have been excluded from the calculation of diluted EPS because the effect would have been anti-dilutive.

5. Inventories

Inventories consist of the following:

	September 30, 2021	December 31, 2020
Raw materials	\$ 223.7	\$ 92.1
Work in process	717.3	634.5
Finished goods	1,186.7	868.2
Final price deferred ^(a)	3.8	23.0
Operating materials and supplies	142.1	121.4
	<u>\$ 2,273.6</u>	<u>\$ 1,739.2</u>

^(a) Final price deferred is product that has shipped to customers, but the price has not yet been agreed upon.

THE MOSAIC COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

6. Goodwill

Mosaic had goodwill of \$1.2 billion as of September 30, 2021 and December 31, 2020, respectively. We review goodwill for impairment annually in October and at any time events or circumstances indicate that the carrying value may not be fully recoverable, which is based on our accounting policy and GAAP. The changes in the carrying amount of goodwill, by reporting unit, are as follows:

	Potash	Mosaic Fertilizantes	Corporate, Eliminations and Other	Total
Balance as of December 31, 2020	\$ 1,063.2	\$ 97.7	\$ 12.1	\$ 1,173.0
Foreign currency translation	(0.1)	(1.2)	—	(1.3)
Balance as of September 30, 2021	\$ 1,063.1	\$ 96.5	\$ 12.1	\$ 1,171.7

We are required to perform our next annual goodwill impairment analysis as of October 31, 2021. It is possible that future business conditions could deteriorate from the current state, raw material or product price projections could decline significantly from current estimates, or our common stock price could decline significantly. If our net sales and cash flow projections are not achieved or our common stock price significantly declines from current levels, book values of certain operations could exceed their fair values, which may result in goodwill impairment charges in future periods. It is not possible at this time to determine if any such future impairment charge would result or, if it does, whether such charge would be material.

7. Marketable Securities Held in Trusts

In August 2016, Mosaic deposited \$630 million into two trust funds (together, the “**RCRA Trusts**”) created to provide additional financial assurance in the form of cash for the estimated costs (“**Gypstack Closure Costs**”) of closure and long term care of our Florida and Louisiana phosphogypsum management systems (“**Gypstacks**”), as described further in Note 10 of our Notes to Condensed Consolidated Financial Statements. Our actual Gypstack Closure Costs are generally expected to be paid by us in the normal course of our Phosphate business; however, funds held in each of the RCRA Trusts can be drawn by the applicable governmental authority in the event we cannot perform our closure and long term care obligations. When our estimated Gypstack Closure Costs with respect to the facilities associated with a RCRA Trust are sufficiently lower than the amount on deposit in that RCRA Trust, we have the right to request that the excess funds be released to us. The same is true for the RCRA Trust balance remaining after the completion of our obligations, which will be performed over a period that may not end until three decades or more after a Gypstack has been closed. The investments held by the RCRA Trusts are managed by independent investment managers with discretion to buy, sell, and invest pursuant to the objectives and standards set forth in the related trust agreements. Amounts reserved to be held or held in the RCRA Trusts (including losses or reinvested earnings) are included in other assets on our Condensed Consolidated Balance Sheets.

The RCRA Trusts hold investments, which are restricted from our general use, in marketable debt securities classified as available-for-sale and are carried at fair value. As a result, unrealized gains and losses are included in other comprehensive income until realized, unless it is determined that the carrying value of an investment is impaired on an other-than-temporary basis.

We review the fair value hierarchy classification on a quarterly basis. Changes in the ability to observe valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. We determine the fair market values of our available-for-sale securities and certain other assets based on the fair value hierarchy described below:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques for which all significant assumptions are observable in the market.

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Level 3: Values generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

There were no other-than-temporary impairment write-downs on available-for-sale securities during the nine months ended September 30, 2021.

The estimated fair value of the investments in the RCRA Trusts as of September 30, 2021 and December 31, 2020 are as follows:

September 30, 2021				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Level 1				
Cash and cash equivalents	\$ 6.9	\$ —	\$ —	\$ 6.9
Level 2				
Corporate debt securities	198.7	8.0	(0.4)	206.3
Municipal bonds	196.2	7.0	(0.6)	202.6
U.S. government bonds	307.0	—	(4.6)	302.4
Total	<u>\$ 708.8</u>	<u>\$ 15.0</u>	<u>\$ (5.6)</u>	<u>\$ 718.2</u>
December 31, 2020				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Level 1				
Cash and cash equivalents	\$ 11.8	\$ —	\$ —	\$ 11.8
Level 2				
Corporate debt securities	193.3	14.0	—	207.3
Municipal bonds	190.5	8.8	(0.3)	199.0
U.S. government bonds	300.7	4.7	(0.1)	305.3
Total	<u>\$ 696.3</u>	<u>\$ 27.5</u>	<u>\$ (0.4)</u>	<u>\$ 723.4</u>

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The following tables show gross unrealized losses and fair values of the RCRA Trusts' available-for-sale securities that have been in a continuous unrealized loss position deemed to be temporary as of September 30, 2021 and December 31, 2020:

(in millions)	September 30, 2021		December 31, 2020	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Securities that have been in a continuous loss position for less than 12 months:				
Corporate debt securities	\$ 39.3	\$ (0.4)	\$ 1.5	\$ —
Municipal bonds	41.2	(0.5)	16.0	(0.2)
U.S. government bonds	253.3	(3.4)	120.3	(0.1)
	\$ 333.8	\$ (4.3)	\$ 137.8	\$ (0.3)
Securities that have been in a continuous loss position for more than 12 months:				
Corporate debt securities	\$ —	\$ —	\$ —	\$ —
Municipal bonds	5.3	(0.1)	4.6	(0.1)
U.S. government bonds	48.3	(1.2)	—	—
	\$ 53.6	\$ (1.3)	\$ 4.6	\$ (0.1)

The following table summarizes the balance by contractual maturity of the available-for-sale debt securities invested by the RCRA Trusts as of September 30, 2021. Actual maturities may differ from contractual maturities because the issuers of the securities may have the right to prepay obligations before the underlying contracts mature.

	September 30, 2021
Due in one year or less	\$ 22.9
Due after one year through five years	414.8
Due after five years through ten years	230.3
Due after ten years	43.3
Total debt securities	\$ 711.3

For the three and nine months ended September 30, 2021, realized gains were \$0.9 million and \$5.3 million, respectively, and realized losses were \$1.0 million and \$1.4 million, respectively. For the three and nine months ended September 30, 2020, realized gains were \$5.7 million and \$14.8 million, respectively, and realized losses were \$0.4 million and \$1.1 million, respectively.

8. Financing Arrangements

Mosaic Credit Facility

On August 19, 2021, we entered into a new committed unsecured five-year credit facility of up to \$2.5 billion (the “*Mosaic Credit Facility*”), comprised of a \$2.5 billion revolving facility, with a maturity date of August 19, 2026, which is intended to serve as our primary senior unsecured bank credit facility. The Mosaic Credit Facility increased and extended our prior unsecured revolving credit facility of up to \$2.2 billion (the “*Prior Credit Facility*”), maturing on November 18, 2022.

The Mosaic Credit Facility has cross-default provisions that, in general, provide that a failure to pay principal or interest under, or any other amount payable under, any indebtedness with outstanding principal amount of \$100 million or more, or breach or default under such indebtedness that permits the holders thereof to accelerate the maturity thereof, will result in a cross-default.

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The Mosaic Credit Facility requires Mosaic to maintain certain financial ratios, including a ratio of Consolidated Indebtedness, which has been redefined to exclude unrestricted cash and cash equivalents, to Consolidated Capitalization Ratio (as defined) of no greater than 0.65 to 1.0 as well as a minimum Interest Coverage Ratio (as defined) of not less than 3.0 to 1.0. We were in compliance with these ratios as of September 30, 2021.

The Mosaic Credit Facility also contains other events of default and covenants that limit various matters. These provisions include limitations on indebtedness, liens, investments and acquisitions (other than capital expenditures), certain mergers, certain sales of assets and other matters customary for credit facilities of this nature.

As of September 30, 2021, we had outstanding letters of credit that utilized a portion of the amount available for revolving loans under the Mosaic Credit Facility of \$10.9 million.

Long-Term Debt, including Current Maturities

On August 16, 2021, we prepaid the outstanding balance of \$450 million on our 3.75% senior notes, due November 15, 2021, without premium or penalty.

Structured Accounts Payable Arrangements

In Brazil, we finance some of our potash-based fertilizer, sulfur, ammonia and other raw material product purchases through third-party financing arrangements. These arrangements provide that the third-party intermediary advance the amount of the scheduled payment to the vendor, less an appropriate discount, at a scheduled payment date. Mosaic then makes payment to the third-party intermediary at a later date, stipulated in accordance with the commercial terms negotiated. As of September 30, 2021 and December 31, 2020, the total structured accounts payable arrangements were \$734.3 million and \$640.0 million, respectively.

Receivable Purchasing Arrangement

On March 4, 2020, we entered into a Receivable Purchasing Agreement (“*RPA*”), with a bank whereby, from time-to-time, we sell certain receivables. The net face value of the purchased receivables may not exceed \$150 million at any point in time. The purchase price of the receivable sold under the RPA is the face value of the receivable less an agreed upon discount. As of December 31, 2020, there was no outstanding balance under this facility. In January 2021, we entered into a First Amendment to the RPA. This amendment made certain adjustments so that the receivables sold under the RPA will be accounted for as a true sale. Upon sale, these receivables are removed from the Condensed Consolidated Balance Sheets. Cash received is presented as cash provided by operating activities in the Condensed Consolidated Statements of Cash Flows. Prior to the amendment, we recorded the purchase price as short-term debt, and recognized interest expense by accreting the liability through the due date of the underlying receivables.

During the three and nine months ended September 30, 2021 and September 30, 2020, the Company sold approximately \$101.1 million and \$363.9 million, and \$100.6 million and \$302.0 million, respectively, of accounts receivable under this arrangement. Discounts on sold receivables were not material for any period presented. Following the sale to the bank, we continue to service the collection of the receivable on behalf of the bank without further consideration. As of September 30, 2021, \$47.5 million had been collected but not yet remitted to the bank. This amount is classified in accrued liabilities on the Condensed Consolidated Balance Sheets. Cash collected and remitted are presented as financing activities in the Condensed Consolidated Statements of Cash Flows.

9. Asset Retirement Obligations

We recognize our estimated AROs in the period in which we have an existing legal obligation associated with the retirement of a tangible long-lived asset, and the amount of the liability can be reasonably estimated. The ARO is recognized at fair value when the liability is incurred with a corresponding increase in the carrying amount of the related long-lived asset. We depreciate the tangible asset over its estimated useful life. The liability is adjusted in subsequent periods through accretion expense, which represents the increase in the present value of the liability due to the passage of time. Such depreciation and accretion expenses are included in cost of goods sold for operating facilities and other operating expense for indefinitely closed facilities.

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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 permits to mine phosphate ore reserves; (ii) treat low pH process water in Gypstacks to neutralize acidity; (iii) close and monitor Gypstacks at our Florida and Louisiana facilities at the end of their useful lives; (iv) remediate certain other conditional obligations; (v) remove all surface structures and equipment, plug and abandon mine shafts, contour and revegetate, as necessary, and monitor for five years after closing our Carlsbad, New Mexico facility; (vi) decommission facilities, manage tailings and execute site reclamation at our Saskatchewan potash mines at the end of their useful lives; (vii) de-commission mines in Brazil and Peru acquired as part of the Acquisition and (viii) decommission plant sites and close Gypstacks in Brazil, also as part of the Acquisition. The estimated liability for these legal obligations is based on the estimated cost to satisfy the above obligations, which is discounted using a credit-adjusted risk-free rate.

A reconciliation of our AROs is as follows:

<i>(in millions)</i>	September 30, 2021	December 31, 2020
AROs, beginning of period	\$ 1,393.9	\$ 1,315.2
Liabilities incurred	13.0	10.8
Liabilities settled	(117.6)	(125.1)
Accretion expense	52.8	68.0
Revisions in estimated cash flows	364.4	167.3
Foreign currency translation	(11.3)	(42.3)
AROs, end of period	1,695.2	1,393.9
Less current portion	212.0	190.2
Non-current portion of AROs	<u>\$ 1,483.2</u>	<u>\$ 1,203.7</u>

North America Gypstack Closure Costs

A majority of our ARO relates to Gypstack Closure Costs in Florida and Louisiana. For financial reporting purposes, we recognize our estimated Gypstack Closure Costs at their present value. This present value determined for financial reporting purposes is reflected on our Consolidated Balance Sheets in accrued liabilities and other non-current liabilities.

As discussed below, we have arrangements to provide financial assurance for the estimated Gypstack Closure Costs associated with our facilities in Florida and Louisiana.

EPA RCRA Initiative. On September 30, 2015, we and our subsidiary, Mosaic Fertilizer, LLC (“**Mosaic Fertilizer**”), reached agreements with the U.S. Environmental Protection Agency (“**EPA**”), the U.S. Department of Justice (“**DOJ**”), the Florida Department of Environmental Protection (“**FDEP**”) and the Louisiana Department of Environmental Quality on the terms of two consent decrees (collectively, the “**2015 Consent Decrees**”) to resolve claims relating to our management of certain waste materials onsite at our Riverview, New Wales, Mulberry, Green Bay, South Pierce and Bartow fertilizer manufacturing facilities in Florida and our Faustina and Uncle Sam facilities in Louisiana. This followed a 2003 announcement by the EPA Office of Enforcement and Compliance Assurance that it would be targeting facilities in mineral processing industries, including phosphoric acid producers, for a thorough review under the U.S. Resource Conservation and Recovery Act (“**RCRA**”) and related state laws. As discussed below, a separate consent decree was previously entered into with EPA and the FDEP with respect to RCRA compliance at the Plant City, Florida phosphate concentrates facility (the “**Plant City Facility**”) that we acquired as part of our acquisition (the “**CF Phosphate Assets Acquisition**”) of the Florida phosphate assets and assumption of certain related liabilities of CF Industries, Inc. (“**CF**”).

The remaining monetary obligations under the 2015 Consent Decrees include:

- Modification of certain operating practices and undertaking certain capital improvement projects over a period of several years that are expected to result in remaining capital expenditures likely to exceed \$20 million in the aggregate.
- Provision of additional financial assurance for the estimated Gypstack Closure Costs for Gypstacks at the covered facilities. The RCRA Trusts are discussed in Note 7 to our Condensed Consolidated Financial Statements. In

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addition, we have agreed to guarantee the difference between the amounts held in each RCRA Trust (including any earnings) and the estimated closure and long-term care costs.

As of December 31, 2020, the undiscounted amount of our Gypstack Closure Costs ARO associated with the facilities covered by the 2015 Consent Decrees, determined using the assumptions used for financial reporting purposes, was approximately \$1.6 billion, and the present value of our Gypstack Closure Costs ARO reflected in our Consolidated Balance Sheet for those facilities was approximately \$439.1 million.

Plant City and Bonnie Facilities. As part of the CF Phosphate Assets Acquisition, we assumed certain AROs related to Gypstack Closure Costs at both the Plant City Facility and a closed Florida phosphate concentrates facility in Bartow, Florida (the “**Bonnie Facility**”) that we acquired. Associated with these assets are two related financial assurance arrangements for which we became responsible and that provided sources of funds for the estimated Gypstack Closure Costs for these facilities. Pursuant to federal or state laws, the applicable government entities are permitted to draw against such amounts in the event we cannot perform such closure activities. One of the financial assurance arrangements was initially a trust (the “**Plant City Trust**”) established to meet the requirements under a consent decree with the EPA and the FDEP with respect to RCRA compliance at Plant City. The Plant City Trust also satisfied Florida financial assurance requirements at that site. Beginning in September 2016, as a substitute for the financial assurance provided through the Plant City Trust, we have provided financial assurance for the Plant City Facility in the form of a surety bond (the “**Plant City Bond**”). The amount of the Plant City Bond is \$243.2 million, which reflects our closure cost estimates as of December 31, 2020. The other financial assurance arrangement was also a trust fund (the “**Bonnie Facility Trust**”) established to meet the requirements under Florida financial assurance regulations that apply to the Bonnie Facility. In July 2018, we received \$21.0 million from the Bonnie Facility Trust by substituting for the trust fund a financial test mechanism (“**Bonnie Financial Test**”) supported by a corporate guarantee as allowed by state regulations. Both financial assurance funding obligations require estimates of future expenditures that could be impacted by refinements in scope, technological developments, new information, cost inflation, changes in regulations, discount rates and the timing of activities. Under our current approach to satisfying applicable requirements, additional financial assurance would be required in the future if increases in cost estimates exceed the face amount of the Plant City Bond or the amount supported by the Bonnie Financial Test.

As of September 30, 2021 and December 31, 2020, the aggregate amounts of AROs associated with the combined Plant City Facility and Bonnie Facility Gypstack closure costs included in our Condensed Consolidated Balance Sheets were \$267.3 million and \$251.8 million, respectively. The aggregate amount represented by the Plant City Bond exceeds the present value of the aggregate amount of ARO associated with that facility. This is because the amount of financial assurance we are required to provide represents the aggregate undiscounted estimated amount to be paid by us in the normal course of our Phosphates business over a period that may not end until three decades or more after the Gypstack has been closed, whereas the ARO included in our Condensed Consolidated Balance Sheet reflects the discounted present value of those estimated amounts.

10. Income Taxes

During the nine months ended September 30, 2021, gross unrecognized tax benefits decreased by \$4.8 million to \$32.1 million. The decrease is primarily related to recording non-U.S. reserves and foreign exchange. If recognized, approximately \$27.4 million of the \$32.1 million in unrecognized tax benefits would affect our effective tax rate and net earnings in future periods.

We recognize interest and penalties related to unrecognized tax benefits as a component of our income tax provision. We had accrued interest and penalties totaling \$9.2 million and \$9.0 million as of September 30, 2021 and December 31, 2020, respectively, that were included in other noncurrent liabilities in the Condensed Consolidated Balance Sheets.

Accounting for uncertain tax positions is determined by prescribing the minimum probability threshold that a tax position is more likely than not to be sustained based on the technical merits of the position. Mosaic is continually under audit by various tax authorities in the normal course of business. Such tax authorities may raise issues contrary to positions taken by the Company. If such positions are ultimately not sustained by the Company, this could result in material assessments to the Company. The costs related to defending, if needed, such positions on appeal or in court may be material. The Company is currently in negotiations with non-U.S. tax authorities where settlements could result in different tax outcomes than what is currently accounted for. The Company believes that any issues raised have been properly accounted for in its current financial statements.

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For the three months ended September 30, 2021, tax expense specific to the period was a cost of approximately \$20.0 million. This consisted primarily of net tax cost related to the true up of estimates related to our U.S. tax return provision, a benefit for withholding taxes related to undistributed earnings, and other miscellaneous benefits. In addition to items specific to the period, our income tax rate is impacted by the mix of earnings across the jurisdictions in which we operate, by a benefit associated with depletion, a benefit associated with non-U.S. incentives, changes in valuation allowances and by the impact of certain entities being taxed in both their foreign jurisdiction and the U.S., including foreign tax credits for various taxes incurred.

Generally, for interim periods, income tax is equal to the total of (1) year-to-date pretax income multiplied by our forecasted effective tax rate plus (2) tax expense items specific to the period. In situations where we expect to report losses for which we do not expect to receive tax benefits, we are required to apply separate forecasted effective tax rates to those jurisdictions rather than including them in the consolidated effective tax rate. For the three months ended September 30, 2021, income tax expense was not impacted by this set of rules.

For the nine months ended September 30, 2021, tax expense specific to the period was a benefit of approximately \$25.2 million. This relates to various items, including benefits for the following items: \$42.7 million related to the pretax Esterhazy mine closure costs and \$2.8 million recorded related to prior year non-U.S. reserves. These tax benefits are partially offset by net tax costs of \$20.3 million primarily related to true up of estimates related to our U.S. tax return provision, a benefit for withholding taxes related to undistributed earnings, and other miscellaneous benefits. In addition to items specific to the period, our income tax rate is impacted by the mix of earnings across the jurisdictions in which we operate, by a benefit associated with depletion, and by the impact of certain entities being taxed in both foreign jurisdictions and the U.S., including foreign tax credits for various taxes incurred.

11. Derivative Instruments and Hedging Activities

We periodically enter into derivatives to mitigate our exposure to foreign currency risks, interest rate movements and the effects of changing commodity prices. We record all derivatives on the Condensed Consolidated Balance Sheets at fair value. The fair value of these instruments is determined by using quoted market prices, third-party comparables, or internal estimates. We net our derivative asset and liability positions when we have a master netting arrangement in place. Changes in the fair value of the foreign currency, commodity and freight derivatives are immediately recognized in earnings.

We do not apply hedge accounting treatments to our foreign currency exchange contracts, commodities contracts, or freight contracts. Unrealized gains and (losses) on foreign currency exchange contracts used to hedge cash flows related to the production of our products are included in cost of goods sold in the Condensed Consolidated Statements of Earnings. Unrealized gains and (losses) on commodities contracts and certain forward freight agreements are also recorded in cost of goods sold in the Condensed Consolidated Statements of Earnings. Unrealized gains or (losses) on foreign currency exchange contracts used to hedge cash flows that are not related to the production of our products are included in the foreign currency transaction gain/(loss) caption in the Condensed Consolidated Statements of Earnings.

From time to time, we enter into fixed-to-floating interest rate contracts. We apply fair value hedge accounting treatment to these contracts. Under these arrangements, we agree to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount. The mark-to-market of these fair value hedges is recorded as gains or losses in interest expense. We had no fixed-to-floating interest rate swap agreements in effect as of September 30, 2021 and December 31, 2020.

As of September 30, 2021 and December 31, 2020, the gross asset position of our derivative instruments was \$73.5 million and \$65.3 million, respectively, and the gross liability position of our liability instruments was \$40.2 million and \$49.9 million, respectively.

As of September 30, 2021 and December 31, 2020, the following is the total absolute notional volume associated with our outstanding derivative instruments:

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(in millions of Units)

Derivative Instrument	Derivative Category	Unit of Measure	September 30, 2021	December 31, 2020
Foreign currency derivatives	Foreign currency	US Dollars	2,974.6	2,912.3
Natural gas derivatives	Commodity	MMbtu	26.9	27.3

Credit-Risk-Related Contingent Features

Certain of our derivative instruments contain provisions that are governed by International Swap and Derivatives Association agreements with the counterparties. These agreements contain provisions that allow us to settle for the net amount between payments and receipts, and also state that if our debt were to be rated below investment grade, certain counterparties could request full collateralization on derivative instruments in net liability positions. The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a liability position as of September 30, 2021 and December 31, 2020, was \$11.2 million and \$11.3 million, respectively. We have no cash collateral posted in association with these contracts. If the credit-risk-related contingent features underlying these agreements were triggered on September 30, 2021, we would have been required to post an additional \$6.2 million of collateral assets, which are either cash or U.S. Treasury instruments, to the counterparties.

Counterparty Credit Risk

We enter into foreign exchange, certain commodity and interest rate derivatives, primarily with a diversified group of highly rated counterparties. We continually monitor our positions and the credit ratings of the counterparties involved and limit the amount of credit exposure to any one party. While we may be exposed to potential losses due to the credit risk of non-performance by these counterparties, material losses are not anticipated. We closely monitor the credit risk associated with our counterparties and customers and to date have not experienced material losses.

12. Fair Value Measurements

Following is a summary of the valuation techniques for assets and liabilities recorded in our Condensed Consolidated Balance Sheets at fair value on a recurring basis:

Foreign Currency Derivatives - The foreign currency derivative instruments that we currently use are forward contracts and zero-cost collars, which typically expire within eighteen months. Most of the valuations are adjusted by a forward yield curve or interest rates. In such cases, these derivative contracts are classified within Level 2. Some valuations are based on exchange-quoted prices, which are classified as Level 1. Changes in the fair market values of these contracts are recognized in the Condensed Consolidated Financial Statements as a component of cost of goods sold in our Corporate, Eliminations and Other segment, or foreign currency transaction (gain) loss. As of September 30, 2021 and December 31, 2020, the gross asset position of our foreign currency derivative instruments was \$39.7 million and \$58.6 million, respectively, and the gross liability position of our foreign currency derivative instruments was \$40.2 million and \$48.7 million, respectively.

Commodity Derivatives - The commodity contracts primarily relate to natural gas. The commodity derivative instruments that we currently use are forward purchase contracts, swaps, and three-way collars. The natural gas contracts settle using NYMEX futures or AECO price indexes, which represent fair value at any given time. The contracts' maturities and settlements are scheduled for future months and settlements are scheduled to coincide with anticipated gas purchases during those future periods. Quoted market prices from NYMEX and AECO are used to determine the fair value of these instruments. These market prices are adjusted by a forward yield curve and are classified within Level 2. Changes in the fair market values of these contracts are recognized in the Condensed Consolidated Financial Statements as a component of cost of goods sold in our Corporate, Eliminations and Other segment. As of September 30, 2021 and December 31, 2020, the gross asset position of our commodity derivative instruments was \$33.8 million and \$6.7 million, respectively, and the gross liability position of our commodity instruments was zero and \$1.2 million, respectively.

Interest Rate Derivatives - We manage interest expense through interest rate contracts to convert a portion of our fixed-rate debt into floating-rate debt. From time to time, we also enter into interest rate swap agreements to hedge our exposure to changes in future interest rates related to anticipated debt issuances. Valuations are based on external pricing sources and are classified as Level 2. Changes in the fair market values of these contracts are recognized in the Condensed

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Consolidated Financial Statements as a component of interest expense. In April 2020, we terminated our outstanding interest rate swap contracts which resulted in an immaterial impact to our Condensed Consolidated Statement of Earnings (Loss).

Financial Instruments

The carrying amounts and estimated fair values of our financial instruments are as follows:

	September 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 842.8	\$ 842.8	\$ 574.0	\$ 574.0
Accounts receivable	1,081.5	1,081.5	881.1	881.1
Accounts payable	1,041.5	1,041.5	769.1	769.1
Structured accounts payable arrangements	734.3	734.3	640.0	640.0
Short-term debt	0.1	0.1	0.1	0.1
Long-term debt, including current portion	3,994.7	4,573.9	4,578.0	5,172.1

For cash and cash equivalents, accounts receivables, accounts payable, structured accounts payable arrangements, and short-term debt, the carrying amount approximates fair value because of the short-term maturity of those instruments. The fair value of long-term debt, including the current portion, is estimated using quoted market prices for the publicly registered notes and debentures, classified as Level 1 and Level 2, respectively, within the fair value hierarchy, depending on the market liquidity of the debt.

13. Share Repurchases

On August 23, 2021, our Board of Directors authorized a new \$1.0 billion share repurchase program (the “**2021 Repurchase Program**”), replacing our 2015 Repurchase Program. The 2021 Repurchase Program allows the Company to repurchase shares of our Common Stock, through open market purchases, accelerated share repurchase arrangements, privately negotiated transactions or otherwise and has no set expiration date. In connection with this authorization, the remaining amount of \$700 million authorized under 2015 Repurchase Program was terminated. During the quarter ended September 30, 2021, we repurchased 629,822 shares of Common Stock in the open market under the 2021 Repurchase Program for approximately \$21.0 million.

The extent to which we repurchase our shares and the timing of any such repurchases depend on a number of factors, including market and business conditions, the price of our shares, and corporate, regulatory and other considerations.

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14. Accumulated Other Comprehensive Income (Loss)

The following table sets forth the changes in AOCI, net of tax, by component during the three and nine months ended September 30, 2021 and September 30, 2020:

	Foreign Currency Translation Gain (Loss)	Net Actuarial Gain and Prior Service Cost	Amortization of Gain on Interest Rate Swap	Net Gain (Loss) on Marketable Securities Held in Trust	Total
Three Months Ended September 30, 2021					
Balance at June 30, 2021	\$ (1,529.0)	\$ (104.7)	\$ 4.7	\$ 4.7	\$ (1,624.3)
Other comprehensive income (loss)	(236.2)	1.3	0.5	(3.2)	(237.6)
Tax (expense) benefit	(7.8)	(1.4)	—	0.4	(8.8)
Other comprehensive income (loss), net of tax	(244.0)	(0.1)	0.5	(2.8)	(246.4)
Other comprehensive income (loss) attributable to noncontrolling interest	2.2	—	—	—	2.2
Balance as of September 30, 2021	<u>\$ (1,770.8)</u>	<u>\$ (104.8)</u>	<u>\$ 5.2</u>	<u>\$ 1.9</u>	<u>\$ (1,868.5)</u>
Three Months Ended September 30, 2020					
Balance at June 30, 2020	\$ (2,016.3)	\$ (121.8)	\$ 2.9	\$ 22.0	\$ (2,113.2)
Other comprehensive income (loss)	50.5	2.7	0.5	(3.1)	50.6
Tax (expense) benefit	9.2	(1.8)	(0.1)	0.8	8.1
Other comprehensive income (loss), net of tax	59.7	0.9	0.4	(2.3)	58.7
Other comprehensive income (loss) attributable to noncontrolling interest	0.7	—	—	—	0.7
Balance as of September 30, 2020	<u>\$ (1,955.9)</u>	<u>\$ (120.9)</u>	<u>\$ 3.3</u>	<u>\$ 19.7</u>	<u>\$ (2,053.8)</u>
Nine Months Ended September 30, 2021					
Balance at December 31, 2020	\$ (1,719.1)	\$ (109.7)	\$ 3.7	\$ 18.9	\$ (1,806.2)
Other comprehensive income (loss)	(62.7)	3.9	1.5	(17.4)	(74.7)
Tax (expense) benefit	9.8	1.0	—	0.4	11.2
Other comprehensive income (loss), net of tax	(52.9)	4.9	1.5	(17.0)	(63.5)
Other comprehensive income (loss) attributable to noncontrolling interest	1.2	—	—	—	1.2
Balance as of September 30, 2021	<u>\$ (1,770.8)</u>	<u>\$ (104.8)</u>	<u>\$ 5.2</u>	<u>\$ 1.9</u>	<u>\$ (1,868.5)</u>
Nine Months Ended September 30, 2020					
Balance at December 31, 2019	\$ (1,476.8)	\$ (129.6)	\$ 2.1	\$ 6.1	\$ (1,598.2)
Other comprehensive income (loss)	(488.9)	15	1.5	17.4	(455)
Tax (expense) benefit	0.5	(6.3)	(0.3)	(3.8)	(9.9)
Other comprehensive income (loss), net of tax	(488.4)	8.7	1.2	13.6	(464.9)
Other comprehensive income (loss) attributable to noncontrolling interest	9.3	—	—	—	9.3
Balance as of September 30, 2020	<u>\$ (1,955.9)</u>	<u>\$ (120.9)</u>	<u>\$ 3.3</u>	<u>\$ 19.7</u>	<u>\$ (2,053.8)</u>

THE MOSAIC COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

15. Related Party Transactions

We enter into transactions and agreements with certain of our non-consolidated companies and other related parties from time to time. As of September 30, 2021 and December 31, 2020, the net amount due from our non-consolidated companies totaled \$13.5 million and \$55.9 million, respectively. These amounts include a long-term indemnification asset from Vale S.A. for reimbursement of pension plan obligations. This asset had a balance of \$19.7 million and \$23.0 million as of September 30, 2021 and December 31, 2020, respectively.

The Condensed Consolidated Statements of Earnings included the following transactions with our non-consolidated companies:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Transactions with related parties included in net sales	\$ 273.9	\$ 200.4	\$ 627.7	\$ 571.5
Transactions with related parties included in cost of goods sold	535.1	224.2	989.8	619.7

As part of the MWSPC joint venture, we market approximately 25% of the MWSPC production. Marketing fees of approximately \$2.5 million and \$7.1 million, and \$1.5 million and \$2.4 million are included in revenue for the three and nine months ended September 30, 2021 and September 30, 2020, respectively.

In 2015, we agreed to provide funds to finance the purchase and construction of two articulated tug and barge units, intended to transport anhydrous ammonia for our operations, through a bridge loan agreement with Gulf Marine Solutions, LLC (“*GMS*”). *GMS* is a wholly owned subsidiary of Gulf Sulphur Services Ltd., LLLP (“*Gulf Sulphur Services*”), an entity in which we and a joint venture partner, Savage Companies (“*Savage*”), each indirectly own a 50% equity interest and for which a subsidiary of Savage provides operating and management services. *GMS* provided these funds through draws on the Mosaic bridge loan and through additional loans from Gulf Sulphur Services. We are the primary beneficiary of *GMS*, a variable interest entity, and consolidate *GMS*’s operations in our Phosphates segment.

On October 24, 2017, a lease financing transaction was completed with respect to the completed tug and barge unit, and, following the application of proceeds from the transaction, all outstanding loans made by Gulf Sulphur Services to *GMS*, together with accrued interest, were repaid, and the bridge loans related to the first unit’s construction were repaid. As of September 30, 2021 and December 31, 2020, there were outstanding bridge loans of \$74.7 million relating to the cancelled second barge and the remaining tug, which bridge loans are eliminated in consolidation. Reserves against the bridge loans of approximately \$54.2 million were established in 2018 and remain unchanged. Several subsidiaries of Savage operate vessels utilized by Mosaic under time charter arrangements, including the ammonia tug and barge unit.

16. Contingencies

We have described below material judicial and administrative proceedings to which we are subject.

Environmental Matters

We have contingent environmental liabilities that arise principally from three sources: (i) facilities currently or formerly owned by our subsidiaries or their predecessors; (ii) facilities adjacent to currently or formerly owned facilities; and (iii) third-party Superfund or state equivalent sites. At facilities currently or formerly owned by our subsidiaries or their predecessors, the historical use and handling of regulated chemical substances, crop and animal nutrients and additives and by-product or process tailings have resulted in soil, surface water and/or groundwater contamination. Spills or other releases of regulated substances, subsidence from mining operations and other incidents arising out of operations, including accidents, have occurred previously at these facilities, and potentially could occur in the future, possibly requiring us to undertake or fund cleanup or result in monetary damage awards, fines, penalties, other liabilities, injunctions or other court or administrative rulings. In some instances, pursuant to consent orders or agreements with governmental agencies, we are undertaking certain remedial actions or investigations to determine whether remedial action may be required to address contamination. At other locations, we have entered into consent orders or agreements with appropriate governmental agencies to perform required remedial activities that will address identified site conditions. Taking into consideration established accruals of approximately \$56.1 million and \$61.4

THE MOSAIC COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

million as of September 30, 2021 and December 31, 2020, respectively, expenditures for these known conditions currently are not expected, individually or in the aggregate, to have a material effect on our business or financial condition. However, material expenditures could be required in the future to remediate the contamination at known sites or at other current or former sites or as a result of other environmental, health and safety matters. Below is a discussion of the more significant environmental matters.

New Wales Water Loss Incident. In August 2016, a sinkhole developed under one of the two cells of the active Gypstack at our New Wales facility in Polk County, Florida, resulting in process water from the stack draining into the sinkhole. The incident was reported to the FDEP and EPA. In October 2016, our subsidiary, Mosaic Fertilizer, entered into a consent order (the “**Order**”) with the FDEP relating to the incident. Under the Order, Mosaic Fertilizer agreed to, among other things: implement a remediation plan to close the sinkhole; perform additional monitoring of the groundwater quality and act to assess and remediate in the event monitored off-site water does not comply with applicable standards as a result of the incident; evaluate the risk of potential future sinkhole formation at the New Wales facility and at Mosaic Fertilizer’s active Gypstack operations at the Bartow, Riverview and Plant City facilities and provide recommendations to address any identified issues; and provide financial assurance of no less than \$40.0 million, which we have done without the need for any expenditure of corporate funds through satisfaction of a financial strength test and Mosaic parent guarantee. The Order did not require payment of civil penalties relating to the incident.

As of September 30, 2021, the sinkhole repairs were substantially complete. Additional expenditures could be required in the future for additional remediation or other measures in connection with the sinkhole including if, for example, FDEP or EPA were to request additional measures to address risks presented by the Gypstack. These expenditures could be material. In addition, we are unable to predict at this time what, if any, impact the New Wales water loss incident will have on future Florida permitting efforts.

EPA RCRA Initiative. We have certain financial assurance and other obligations under consent decrees and a separate financial assurance arrangement relating to our facilities in Florida and Louisiana. These obligations are discussed in Note 10 of our Notes to Condensed Consolidated Financial Statements.

Florida Sulfuric Acid Plants. On April 8, 2010, EPA Region 4 submitted an administrative subpoena to us under Section 114 of the Federal Clean Air Act (the “**CAA**”) regarding compliance of our Florida sulfuric acid plants with the “New Source Review” requirements of the CAA. The request received by Mosaic appears to be part of a broader EPA national enforcement initiative focusing on sulfuric acid plants. On June 6, 2010, EPA issued a notice of violation to CF (the “**CF NOV**”) with respect to “New Source Review” compliance at the Plant City Facility’s sulfuric acid plants and the allegations in the CF NOV were not resolved before our 2014 acquisition of the Plant City Facility. CF has agreed to indemnify us with respect to any penalty EPA may assess as a result of the allegations in the CF NOV.

We have been engaged in settlement discussions with U.S. EPA and the Department of Justice, originating with the allegations of violations of Clean Air Act Prevention of Significant Deterioration (“**PSD**”) permitting requirements at the Plant City sulfuric acid plants and encompassing injunctive relief regarding sulfur dioxide emissions across Mosaic’s Florida sulfuric acid plant fleet. With the closure of Plant City fertilizer operations, there is no longer a need to reach resolution with the government on injunctive relief (i.e., reduction of sulfur dioxide emissions) at that facility. Furthermore, the Department of Justice has determined that there is no basis for proceeding with a settlement, as EPA and the Department have not currently alleged any violations of the Clean Air Act PSD permitting requirements at any other of Mosaic’s Florida sulfuric acid plants.

We cannot predict at this time whether EPA and DOJ will initiate an enforcement action in the future with respect to “New Source Review” compliance at our Florida sulfuric acid plants or what its scope would be, or what the range of outcomes might be with respect to such a potential enforcement action.

Uncle Sam Gypstack. In January 2019, we observed lateral movement of the north slope of our active phosphogypsum stack at the Uncle Sam facility in Louisiana. The observation was reported to the Louisiana Department of Environmental Quality and the U.S. EPA. We continue to provide updates to the agencies on the movement, which has slowed following actions we have taken, which include reducing process water volume stored atop the stack to reduce the active load causing the movement; constructing a stability berm at the base of the slope to increase resistance; and removing gypsum from the north side to the south side. These steps have improved slope stability, reduced slope movement and reduced our capacity to store process water. There has been no loss of containment resulting from the movement observed, and none is expected. Although continued lateral

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

movement on the north slope could have a material effect on our future operations at that facility, we cannot predict the prospective impact on our results of operations at this time.

Other Environmental Matters. Superfund and equivalent state statutes impose liability without regard to fault or to the legality of a party's conduct on certain categories of persons who are considered to have contributed to the release of "hazardous substances" into the environment. Under Superfund, or its various state analogues, one party may, under certain circumstances, be required to bear more than its proportionate share of cleanup costs at a site where it has liability if payments cannot be obtained from other responsible parties. Currently, certain of our subsidiaries are involved or concluding involvement at several Superfund or equivalent state sites. Our remedial liability from these sites, alone or in the aggregate, currently is not expected to have a material effect on our business or financial condition. As more information is obtained regarding these sites and the potentially responsible parties involved, this expectation could change.

We believe that, pursuant to several indemnification agreements, our subsidiaries are entitled to at least partial, and in many instances complete, indemnification for the costs that may be expended by us or our subsidiaries to remedy environmental issues at certain facilities. These agreements address issues that resulted from activities occurring prior to our acquisition of facilities or businesses from parties including, but not limited to, ARCO (BP); Beatrice Fund for Environmental Liabilities; Conoco; Conserv; Estech, Inc.; Kaiser Aluminum & Chemical Corporation; Kerr-McGee Inc.; PPG Industries, Inc.; The Williams Companies; CF; and certain other private parties. Our subsidiaries have already received and anticipate receiving amounts pursuant to the indemnification agreements for certain of their expenses incurred to date as well as future anticipated expenditures. We record potential indemnifications as an offset to the established accruals when they are realizable or realized. The failure of an indemnitor to fulfill its obligations could result in future costs that could be material.

Louisiana Parishes Coastal Zone Cases

Several Louisiana parishes and the City of New Orleans have filed lawsuits against hundreds of oil and gas companies seeking regulatory, restoration and compensatory damages in connection with historical oil, gas and sulfur mining and transportation operations in the coastal zone of Louisiana. Mosaic is the corporate successor to certain companies which performed these types of operations in the coastal zone of Louisiana. Mosaic has been named in two of the lawsuits filed to date. In addition, in several other cases, historical oil, gas and sulfur operations which may have been related to Mosaic's corporate predecessors have been identified in the complaints. Based upon information known to date, Mosaic has contractual indemnification rights against third parties for any loss or liability arising out of these claims pursuant to indemnification agreements entered into by Mosaic's corporate predecessor(s) with third parties. There may also be insurance contracts which may respond to some or all of the claims. However, the financial ability of the third-party indemnitors, the extent of potential insurance coverage and the extent of potential liability from these claims is currently unknown.

In September 2019, counsel for several of the parishes announced that an agreement had been reached to settle the claims against Mosaic and its corporate predecessors, subject to approval by the participating parishes and the State of Louisiana. In connection with that settlement agreement, the proposed settlement payment obligations would be paid by third-party indemnitors.

North America Phosphate Operations

Denial of the permits sought at any of our mines or fertilizer manufacturing facilities, issuance of the permits with cost-prohibitive conditions, substantial delays in issuing the permits, legal actions that prevent us from relying on permits or revocation of permits may create challenges for us to mine the phosphate rock or required to operate our Florida and Louisiana phosphate plants at desired levels or increase our costs in the future.

Brazil Legal Contingencies

Our Brazilian subsidiaries are engaged in a number of judicial and administrative proceedings regarding labor, environmental, mining and civil claims that allege aggregate damages and/or fines of approximately \$798 million. We estimate that our probable aggregate loss with respect to these claims is approximately \$66.8 million, which is included in our accrued liabilities in our Condensed Consolidated Balance Sheet as of September 30, 2021.

Approximately \$626.5 million of the maximum potential loss relates to labor claims, such as in-house and third-party employees' judicial proceedings alleging the right to receive overtime pay, additional payment due to work in hazardous conditions, risk premium, profit sharing, additional payment due to night work, salary parity and wage differences. We estimate

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

that our probable aggregate loss regarding these claims is approximately \$60.0 million, which has been accrued as of September 30, 2021.

Based on Brazilian legislation and the current status of similar labor cases involving unrelated companies, we believe we have recorded adequate loss contingency reserves sufficient to cover our estimate of probable losses. If the status of similar cases involving unrelated companies were to adversely change in the future, our maximum exposure could increase and additional accruals could be required.

The environmental judicial and administrative proceedings claims allege aggregate damages and/or fines in excess of \$19.1 million; however, we estimate that our probable aggregate loss regarding these claims is approximately \$4.9 million, which has been accrued as of September 30, 2021.

The mining judicial and administrative proceedings claims allege aggregate damages and/or fines of approximately \$4.2 million. We estimate that our probable aggregate loss regarding these claims will be immaterial as of September 30, 2021.

Our Brazilian subsidiaries also have certain other civil contingent liabilities with respect to judicial, administrative and arbitration proceedings and claims related to contract disputes, pension plan matters, real state disputes, regulatory issues and other civil matters arising in the ordinary course of business. These claims allege aggregate damages in excess of \$148.1 million. We estimate that the probable aggregate loss with respect to these matters is approximately \$1.9 million.

Uberaba Judicial Settlement

In 2013, the Federal Public Prosecutor filed a public civil action requesting that the Company adopt several measures to mitigate soil and water contamination related to the Gypstack at our Uberaba facility, located in the State of Minas Gerais, including compensation for the alleged social and environmental damages. In 2014, our predecessor subsidiary in Brazil entered into a judicial settlement with the Federal Public Prosecutor, the State of Minas Gerais public prosecutor and the federal environmental agency. Under this agreement, we agreed to implement remediation measures such as: constructing a liner under the Gypstack water ponds and lagoons, and monitoring the groundwater and soil quality. We also agreed to create a private reserve of natural heritage and to pay compensation in the amount of approximately \$0.3 million, which was paid in July 2018. We are currently acting in compliance with our obligations under the judicial settlement and expect them to be completed by June 30, 2025.

Uberaba EHS Class Action

In 2013, the State of Minas Gerais public prosecutor filed a class action claiming that our predecessor company in Brazil did not comply with labor safety rules and working hour laws. This claim was based on an inspection conducted by the Labor and Employment Ministry in 2010, following which we were fined for not complying with several labor regulations. We filed our defense, claiming that we complied with these labor regulations and that the assessment carried out by the inspectors in 2010 was abusive. Following the initial hearing, the court ordered an examination to determine whether there has been any non-compliance with labor regulations. The amount claimed in the proceeding is \$29.9 million. The parties settled the action in September of 2021 and a schedule was jointly established to implement labor regulations.

Brazil Tax Contingencies

Our Brazilian subsidiaries are engaged in a number of judicial and administrative proceedings relating to various non-income tax matters. We estimate that our maximum potential liability with respect to these matters is approximately \$371.9 million, of which \$177.3 million is subject to an indemnification agreement entered into with Vale S.A in connection with the Acquisition.

Approximately \$235.0 million of the maximum potential liability relates to a Brazilian federal value added tax, PIS and COFINS, and tax credit cases, while the majority of the remaining amount relates to various other non-income tax cases. The maximum potential liability can increase with new audits. Based on Brazil legislation and the current status of similar tax cases involving unrelated taxpayers, we believe we have recorded adequate loss contingency reserves sufficient to cover our estimate of probable losses, which are immaterial. If the status of similar tax cases involving unrelated taxpayer changes in the future, additional accruals could be required.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Other Claims

We also have certain other contingent liabilities with respect to judicial, administrative and arbitration proceedings and claims of third parties, including tax matters, arising in the ordinary course of business. We do not believe that any of these contingent liabilities will have a material adverse impact on our business or financial condition, results of operations, and cash flows.

17. Business Segments

The reportable segments are determined by management based upon factors such as products and services, production processes, technologies, market dynamics, and for which segment financial information is available for our chief operating decision maker.

We evaluate performance based on the operating earnings of the respective business segments, which includes certain allocations of corporate selling, general and administrative expenses. The segment results may not represent the actual results that would be expected if they were independent, stand-alone businesses. Intersegment eliminations, including profit on intersegment sales, mark-to-market gains/losses on derivatives, debt expenses, Streamsong Resort® results of operations and the results of the China and India distribution businesses are included within Corporate, Eliminations and Other. For a description of our business segments, see Note 1 to the Condensed Consolidated Financial Statements.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Segment information for the three and nine months ended September 30, 2021 and 2020 was as follows:

	Phosphates	Potash	Mosaic Fertilizantes	Corporate, Eliminations and Other (a)	Total
Three months ended September 30, 2021					
Net sales to external customers	\$ 943.1	\$ 573.3	\$ 1,754.7	\$ 147.5	\$ 3,418.6
Intersegment net sales	338.2	16.0	—	(354.2)	—
Net sales	1,281.3	589.3	1,754.7	(206.7)	3,418.6
Gross margin	364.2	236.0	332.2	(67.9)	864.5
Canadian resource taxes	—	57.3	—	—	57.3
Gross margin (excluding Canadian resource taxes)	364.2	293.3	332.2	(67.9)	921.8
Operating earnings (loss)	325.5	219.7	290.5	(134.1)	701.6
Capital expenditures	160.5	122.5	52.1	4.9	340.0
Depreciation, depletion and amortization expense	106.1	50.3	26.0	3.7	186.1
Three months ended September 30, 2020					
Net sales to external customers	\$ 586.2	\$ 452.2	\$ 1,140.5	\$ 202.6	\$ 2,381.5
Intersegment net sales	158.3	11.6	—	(169.9)	—
Net sales	744.5	463.8	1,140.5	32.7	2,381.5
Gross margin	21.8	107.6	176.9	48.8	355.1
Canadian resource taxes	—	26.1	—	—	26.1
Gross margin (excluding Canadian resource taxes)	21.8	133.7	176.9	48.8	381.2
Operating earnings (loss)	(114.9)	87.0	143.9	(17.5)	98.5
Capital expenditures	115.0	119.4	28.0	2.7	265.1
Depreciation, depletion and amortization expense	107.7	68.7	25.4	4.1	205.9
Nine months ended September 30, 2021					
Net sales to external customers	\$ 2,737.9	\$ 1,705.5	\$ 3,553.8	\$ 519.2	\$ 8,516.4
Intersegment net sales	719.2	24.2	—	(743.4)	—
Net sales	3,457.1	1,729.7	3,553.8	(224.2)	8,516.4
Gross margin	845.3	593.4	620.4	(7.4)	2,051.7
Canadian resource taxes	—	146.5	—	—	146.5
Gross margin (excluding Canadian resource taxes)	845.3	739.9	620.4	(7.4)	2,198.2
Mine closure costs	—	158.1	—	—	158.1
Operating earnings (loss)	761.5	393.5	551.5	(207.7)	1,498.8
Capital expenditures	463.0	317.2	135.2	10.4	925.8
Depreciation, depletion and amortization expense	314.1	200.1	73.0	11.5	598.7
Nine months ended September 30, 2020					
Net sales to external customers	\$ 1,673.6	\$ 1,435.6	\$ 2,658.6	\$ 456.5	\$ 6,224.3
Intersegment net sales	452.7	25.2	—	(477.9)	—
Net sales	2,126.3	1,460.8	2,658.6	(21.4)	6,224.3
Gross margin	(43.4)	348.3	344.1	4.5	653.5
Canadian resource taxes	—	109.9	—	—	109.9
Gross margin (excluding Canadian resource taxes)	(43.4)	458.2	344.1	4.5	763.4
Operating earnings (loss)	(281.1)	306.7	249.3	(156.8)	118.1
Capital expenditures	375.1	329.1	73.0	8.6	785.8
Depreciation, depletion and amortization expense	336.0	210.6	80.6	11.9	639.1
Total Assets					
As of September 30, 2021	\$ 8,122.4	\$ 7,903.2	\$ 4,770.0	\$ 285.9	\$ 21,081.5
As of December 31, 2020	7,022.1	7,614.8	4,127.7	1,025.2	19,789.8

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

- (a) The “Corporate, Eliminations and Other” category includes the results of our ancillary distribution operations in India and China. For the three and nine months ended September 30, 2021, distribution operations in India and China had revenue of \$136.2 million and \$475.8 million, respectively, and gross margin of \$22.9 million and \$95.9 million, respectively. For the three and nine months ended September 30, 2020, distribution operations in India and China had revenue of \$200.9 million and \$439.2 million, respectively, and gross margin of \$18.4 million and \$40.4 million, respectively.

Financial information relating to our operations by geographic area is as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2021	2020	2021	2020
<i>(in millions)</i>				
<i>Net sales^(a):</i>				
Brazil	\$ 1,714.2	\$ 1,109.7	\$ 3,496.4	\$ 2,579.4
Canpotex ^(b)	268.4	192.8	605.9	555.0
Canada	107.0	122.2	525.8	376.9
China	70.9	96.8	313.1	210.7
India	65.0	104.0	168.3	242.0
Colombia	40.9	21.1	107.3	61.1
Argentina	37.6	36.9	82.6	120.0
Paraguay	36.4	28.3	88.0	71.0
Japan	20.7	15.9	72.6	60.4
Peru	11.1	26.1	25.3	32.1
Dominican Republic	10.1	4.8	19.9	12.8
Honduras	6.0	4.3	17.1	21.8
Thailand	5.1	4.8	15.9	13.9
Mexico	3.9	23.5	86.0	71.2
Australia	—	10.6	22.9	51.9
Other	24.0	12.4	52.2	54.2
Total international countries	2,421.3	1,814.2	5,699.3	4,534.4
United States	997.3	567.3	2,817.1	1,689.9
Consolidated	<u>\$ 3,418.6</u>	<u>\$ 2,381.5</u>	<u>\$ 8,516.4</u>	<u>\$ 6,224.3</u>

- (a) Revenues are attributed to countries based on location of customer.

- (b) Canpotex is the export association of two Saskatchewan potash producers. The net sales of potash from Mosaic to Canpotex included in our consolidated financial statements in the Net Sales line represent Mosaic’s sales of potash to Canpotex, and are recognized upon delivery to the unrelated third-party customer. Canpotex annual sales to the ultimate third-party customers are approximately: 25% to customers based in Brazil, 22% to customers based in China, 10% to customers based in India, 8% to customers based in Indonesia and 35% to customers based in the rest of the world.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Net sales by product type are as follows:

(in millions)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2021	2020	2021	2020
<i>Sales by product type:</i>				
Phosphate Crop Nutrients	\$ 950.7	\$ 677.0	\$ 2,453.1	\$ 1,783.8
Potash Crop Nutrients	942.2	727.3	2,304.5	1,856.3
Crop Nutrient Blends	572.1	376.5	1,220.7	915.8
Performance Products ^(a)	523.3	361.3	1,378.1	914.2
Phosphate Rock	21.1	14.5	56.4	28.5
Other ^(b)	409.2	224.9	1,103.6	725.7
	\$ 3,418.6	\$ 2,381.5	\$ 8,516.4	\$ 6,224.3

^(a) Includes sales of MicroEssentials®, K-Mag, Aspire and Sus-Terra.

^(b) Includes sales of industrial potash, feed products, nitrogen and other products.

18. Esterhazy Closure Costs

Due to increased brine inflows, on June 4, 2021, the Company made the decision to accelerate the timing of the shutdown of our K1 and K2 mine shafts at our Esterhazy, Saskatchewan potash mine. Closing the K1 and K2 shafts are key pieces of the transition to the K3 shaft, but the timeline for the closure was accelerated by approximately nine months. In the second quarter of 2021, we had pre-tax costs of \$158.1 million related to the permanent closure of these facilities. These costs consisted of \$109.9 million related to the write-off of fixed assets, \$37.1 million related to AROs, and \$11.1 million related to inventory and other reserves. No additional costs were recorded during the three months ended September 30, 2021.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the material under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Annual Report on Form 10-K of The Mosaic Company filed with the Securities and Exchange Commission for the year ended December 31, 2020 (the "**10-K Report**") and the material under Item 1 of Part I of this report.

Throughout the discussion below, we measure units of production, sales and raw materials in metric tonnes, which are the equivalent of 2,205 pounds, unless we specifically state we mean long ton(s), which are the equivalent of 2,240 pounds. In the following tables, there are certain percentages that are not considered to be meaningful and are represented by "NM."

On October 31, 2018, the U.S. Securities and Exchange Commission adopted Subpart 1300 of Regulation S-K ("**Regulation SK-1300**") to modernize the property disclosure requirements for mining registrants. Beginning with our annual report on Form 10-K for the year ended December 31, 2021, we will be reporting in compliance with Regulation SK-1300 instead of Industry Guide 7. Regulation SK-1300 uses the Committee for Mineral Reserves International Reporting Standards ("**CRIRSCO**") based classification scheme for mineral resources and mineral reserves, that includes definitions for inferred, indicated, and measured mineral resources.

Results of Operations

The following table shows the results of operations for the three and nine months ended September 30, 2021 and September 30, 2020:

(in millions, except per share data)	Three months ended September 30,		2021-2020		Nine months ended September 30,		2021-2020	
	2021	2020	Change	Percent	2021	2020	Change	Percent
Net sales	\$ 3,418.6	\$ 2,381.5	\$ 1,037.1	44 %	\$ 8,516.4	\$ 6,224.3	\$ 2,292.1	37 %
Cost of goods sold	2,554.1	2,026.4	527.7	26 %	6,464.7	5,570.8	893.9	16 %
Gross margin	864.5	355.1	509.4	143 %	2,051.7	653.5	1,398.2	NM
Gross margin percentage	25 %	15 %			24 %	10 %		
Selling, general and administrative expenses	97.7	97.6	0.1	— %	307.0	260.6	46.4	18 %
Mine closure costs	—	—	—	NM	158.1	—	158.1	NM
Other operating expense	65.2	159.0	(93.8)	(59) %	87.8	274.8	(187.0)	(68) %
Operating earnings	701.6	98.5	603.1	NM	1,498.8	118.1	1,380.7	NM
Interest expense, net	(47.8)	(43.0)	(4.8)	11 %	(130.1)	(133.4)	3.3	(2) %
Foreign currency transaction gain (loss)	(100.1)	5.8	(105.9)	NM	(34.8)	(174.3)	139.5	(80) %
Other income	0.6	4.7	(4.1)	(87) %	5.0	11.6	(6.6)	(57) %
Earnings (loss) from consolidated companies before income taxes	554.3	66.0	488.3	NM	1,338.9	(178.0)	1,516.9	NM
Provision for (benefit from) income taxes	176.6	38.1	138.5	NM	352.2	(97.6)	449.8	NM
Earnings (loss) from consolidated companies	377.7	27.9	349.8	NM	986.7	(80.4)	1,067.1	NM
Equity in net (loss) of nonconsolidated companies	(1.2)	(32.5)	31.3	(96) %	(13.2)	(82.3)	69.1	(84) %
Net earnings (loss) including noncontrolling interests	376.5	(4.6)	381.1	NM	973.5	(162.7)	1,136.2	NM
Less: Net earnings (loss) attributable to noncontrolling interests	4.6	1.6	3.0	188 %	7.7	(0.9)	8.6	NM
Net earnings (loss) attributable to Mosaic	\$ 371.9	\$ (6.2)	\$ 378.1	NM	\$ 965.8	\$ (161.8)	\$ 1,127.6	NM
Diluted net earnings (loss) per share attributable to Mosaic	\$ 0.97	\$ (0.02)	\$ 0.99	NM	\$ 2.52	\$ (0.43)	\$ 2.95	NM
Diluted weighted average number of shares outstanding	383.2	379.1			383.0	379.0		

Overview of Consolidated Results for the three months ended September 30, 2021 and 2020

For the three months ended September 30, 2021, Mosaic had net income of \$371.9 million, or \$0.97 per diluted share, compared to a net loss of \$(6.2) million, or \$(0.02) per diluted share, for the prior year period.

Significant factors affecting our results of operations and financial condition are listed below. Certain of these factors are discussed in more detail in the following sections of this Management's Discussion and Analysis of Financial Condition and Results of Operations.

Our operating results for the three months ended September 30, 2021 were favorably impacted our Phosphates segment by significantly higher average selling prices than the prior year period. Sales prices have continued to rise, after reaching a low in the first quarter of 2020, driven by tightness in global supply and demand, strong farmer economics and improved grain prices. The benefit from higher sales prices was partially offset by higher raw material costs, primarily sulfur and ammonia, in the current year period compared to the prior year period. The purchase prices of these raw materials are driven by global supply and demand. Operating results in the current year period were unfavorably impacted by: (i) a lack of inventory, (ii) production

challenges experienced as a result of Hurricane Ida, which damaged our facilities in Louisiana, and (iii) an equipment failure at our New Wales, Florida site, which resulted in lower sales volumes compared to the prior year period.

Our operating results during the three months ended September 30, 2021, were favorably impacted in our Potash segment by higher average sales prices compared to the prior year period. Prices began to strengthen in North America and Brazil in the fourth quarter of 2020, due to increased demand, tight supply and improved farmer economics. Prices have continued to increase in 2021. Current period operating results were unfavorably impacted by lower sales volumes caused by low MOP inventory. MOP inventory was lower due to decreased production volumes associated with the closure of our K1 and K2 mine shafts at our Esterhazy, Saskatchewan potash mine in the second quarter of 2021. We have reopened our previously idled Colonsay potash mine and ramped up production at our K3 mine shaft which has partially replaced this lost production.

For the three months ended September 30, 2021, our operating results were favorably impacted in our Mosaic Fertilizantes segment. Sales prices increased compared to the same period in the prior year due to tight global supply and demand. The favorable results were partially offset by lower sales volumes due to lower product availability used by our distribution business, low inventory and increased raw materials costs, as global prices of sulfur and ammonia were higher in the current year period.

In addition to the items noted above, our current period results were negatively impacted by a total of \$168 million pre-tax, or \$0.38 per diluted share, related to the following notable items:

- Foreign currency transaction loss of \$100 million, or \$(0.19) per diluted share
- Unrealized loss on derivatives of \$26 million, or \$(0.05) per diluted share
- Expense related to the impacts of Hurricane Ida on our Louisiana operations of \$18 million, or \$(0.03) per diluted share
- Asset retirement obligation costs of \$13 million, or \$(0.03) per diluted share, related to upwards revisions in the estimated costs of our asset retirement obligations
- Other operating expenses of \$11 million, or \$(0.03) per diluted share, related to maintaining closed and indefinitely idled facilities and asset retirement obligations
- Other operating expense of \$3 million, or \$(0.01) per diluted share, for an increase in a reserve related to the acquisition of Vale Fertilizantes S.A. (now known as Mosaic Fertilizantes P&K S.A. or the “*Acquired Business*”)
- Discrete income tax expense of \$19 million, or \$(0.05) per diluted share
- Functional currency benefit in cost of goods sold of \$3 million, or \$0.01 per diluted share

Other Highlights

During the quarter we completed a number of actions to strengthen and optimize our capital base which included:

- Completing the previously announced early redemption of our \$450 million, 3.75 percent senior notes that were due November 2021, without premium or penalty.
- Entering into a new unsecured five-year credit facility of up to \$2.5 billion, with a maturity date of August 19, 2026, which replaces our prior \$2.2 billion line of credit. This increase in size provides additional security and flexibility and reflects the growth in our business.
- Approving a new \$1 billion share repurchase authorization, which replaces the previous \$1.5 billion authorization that had \$700 million remaining. This new expanded authorization reflects our unchanged commitment to a balanced deployment of excess capital that includes returning capital to shareholders. During the quarter ended September 30, we repurchased 629,822 shares at an average price of \$33.34, for a total of approximately \$21 million.

Subsequent to quarter end, our Board of Directors approved a 50% increase to our annual dividend to \$0.45 per share beginning in 2022.

Overview of Consolidated Results for the nine months ended September 30, 2021 and 2020

Net earnings attributable to Mosaic for the nine months ended September 30, 2021 was \$965.8 million, or \$2.52 per diluted share, compared to a net loss of \$(161.8) million, or \$(0.43) per diluted share, for the same period a year ago.

Results for the nine months ended September 30, 2021 and 2020 reflected the factors discussed above in the discussion for the three months ended September 30, 2021 and 2020, in addition to those noted below. Certain of these factors are discussed in more detail in the following sections of this Management's Discussion and Analysis of Financial Condition and Results of Operations.

Operating results in our Phosphates segment for the nine months ended September 30, 2021 were favorably impacted by higher phosphate average selling prices compared to the prior year period. These results were driven by the factors mentioned above in the three-month discussion. Operating results in the current year period were unfavorably impacted by lower finished product sales volumes, and higher raw material costs in the current year period, as discussed above in the three-month discussion. In addition, during the first half of 2021, availability of molten sulfur was impacted by refinery closures in 2020 and 2021, due to lower fuel demand and extreme cold weather in the first quarter of 2021 in the southern United States, where several refineries are located. The low sulfur availability constrained our production in the first half of 2021. Current year operating results were also unfavorably impacted by higher idle plant and maintenance turnaround costs compared to the prior year.

Operating results in our Potash segment for the nine months ended September 30, 2021 were favorably impacted by an increase in the average selling price of potash compared to the prior year period, partially offset by lower sales volumes. These results were driven by the factors mentioned above in the three-month discussion.

For the nine months ended September 30, 2021, operating results in our Mosaic Fertilizantes segment were favorably impacted by an increase in average sales prices in the current year compared to the prior year period, driven by strong market demand and tight supply. These results were partially offset by the unfavorable impact of lower sales volumes and increased raw materials costs, as discussed above in the three-month discussion.

In addition to the items noted above, the results for the nine months ended September 30, 2021 were negatively impacted by \$272 million pre-tax, or \$0.57 per share due to the following notable items:

- Expense related to the closure of our K1 and K2 mine shafts at our Esterhazy, Saskatchewan potash mine of \$158 million, or \$(0.30) per diluted share, as further explained below in Other Highlights
- Other operating expenses of \$41 million, or \$(0.08) per diluted share, related to maintaining closed and indefinitely idled facilities and asset retirement obligations
- Depreciation expense of \$37 million, or \$(0.08) per diluted share, related to the acceleration of the closure of our K1 and K2 mine shafts at our Esterhazy, Saskatchewan mine as we ramp up K3
- Foreign currency transaction loss of \$35 million, or \$(0.07) per diluted share
- Expense related to the impacts of Hurricane Ida on our Louisiana operations of \$18 million, or \$(0.03) per diluted share
- Discrete income tax expense of \$17 million, or \$(0.05) per diluted share
- Asset retirement obligation costs of \$16 million, or \$(0.03) per diluted share, related to upward revisions in the estimated costs of our asset retirement obligations
- Functional currency impact in cost of goods sold of \$3 million
- Other operating income of \$20 million, or \$0.04 per diluted share, related to the sale of our warehouse in Houston, Texas
- Other operating income of \$8 million, or \$0.01 per diluted share, for recovery of a reserve related to the Acquired Business
- Unrealized gain on derivatives of \$4 million, or \$0.01 per diluted share
- Other non-operating income of \$4 million, or \$0.01 per diluted share, related to a realized gain on RCRA trust securities

Other Highlights

- Due to increased brine inflows, on June 4, 2021, the Company made the decision to accelerate the timing of the shutdown of our K1 and K2 mine shafts at our Esterhazy, Saskatchewan potash mine, which was an acceleration of approximately nine months. In the second quarter of 2021, we recognized pre-tax costs of \$158.1 million related to the

permanent closure of these facilities. In the third quarter, we resumed production at our previously idled Colonsay potash mine to offset a portion of the production lost by the early closure of the K1 and K2 shafts at Esterhazy. We expect the K1 and K2 closures, as partially offset by the reopening of the Colonsay mine and ramp up of the K3 shaft, will result in lower net sales volumes of approximately 600,000 tonnes of potash in 2021.

- In 2020, we filed petitions with the U.S. Department of Commerce (“**DOC**”) and the U.S. International Trade Commission (“**ITC**”) that requested the initiation of countervailing duty investigations into imports of phosphate fertilizers from Morocco and Russia. The purpose of the petitions was to remedy the distortions that we believe foreign subsidies have caused or are causing in the U.S. market for phosphate fertilizers, and thereby restore fair competition. On February 16, 2021, the DOC made final affirmative determinations that countervailable subsidies were being provided by those governments. On March 11, 2021, the ITC made final affirmative determinations that the U.S. phosphate fertilizer industry is materially injured by reason of subsidized phosphate fertilizer imports from Morocco and Russia. As a result of these determinations, the DOC issued countervailing duty orders on phosphate fertilizer imports from Russia and Morocco, which are scheduled to remain in place for at least five years. Currently, the cash deposit rates for such imports are approximately 20 percent for Moroccan producer OCP, 9 percent and 47 percent for Russian producers PhosAgro and Eurochem, respectively, and 17 percent for all other Russian producers. The final determinations in the DOC and ITC investigations are subject to challenge before U.S. federal courts and the World Trade Organization. Mosaic has initiated actions at the U.S. Court of International Trade contesting certain aspects of the DOC's final determinations that, we believe, failed to capture the full extent of Moroccan and Russian phosphate fertilizer subsidies. Moroccan and Russian producers have also initiated U.S. Court of International Trade actions, seeking lower cash deposit rates and revocation of the countervailing duty orders. Further, the cash deposit rates and the amount of countervailing duties owed by importers on such imports could change based on the results of the litigation as well as DOC's annual administrative review proceedings.
- In March 2021, we announced an increase in our annual dividend target to \$0.30 from \$0.20 per share.

Phosphates Net Sales and Gross Margin

The following table summarizes the Phosphates segment's net sales, gross margin, sales volume, selling prices and raw material prices:

(in millions, except price per tonne or unit)	Three months ended September 30,		2021-2020		Nine months ended September 30,		2021-2020	
	2021	2020	Change	Percent	2021	2020	Change	Percent
Net sales:								
North America	\$ 800.2	\$ 439.9	\$ 360.3	82 %	\$ 2,272.4	\$ 1,204.6	\$ 1,067.8	89 %
International	481.1	304.6	176.5	58 %	1,184.7	921.7	263.0	29 %
Total	1,281.3	744.5	536.8	72 %	3,457.1	2,126.3	1,330.8	63 %
Cost of goods sold	917.1	722.7	194.4	27 %	2,611.8	2,169.7	442.1	20 %
Gross margin	\$ 364.2	\$ 21.8	\$ 342.4	NM	\$ 845.3	\$ (43.4)	\$ 888.7	NM
Gross margin as a percentage of net sales	28 %	3 %			24 %	(2)%		
Sales volumes ^(a) (in thousands of metric tonnes)								
DAP/MAP	907	1,134	(227)	(20) %	2,997	3,632	(635)	(17) %
Performance and Other ^(b)	929	930	(1)	0 %	2,883	2,586	297	11 %
Total finished product tonnes	1,836	2,064	(228)	(11) %	5,880	6,218	(338)	(5) %
Rock	450	238	212	89 %	1,256	526	730	139 %
Total Phosphates Segment Tonnes ^(a)	2,286	2,302	(16)	(1) %	7,136	6,744	392	6 %
Realized prices (\$/tonne)								
Average finished product selling price (destination) ^(a)	\$ 681	\$ 354	\$ 327	92 %	\$ 575	\$ 337	\$ 238	71 %
DAP selling price (fob plant)	\$ 605	\$ 307	\$ 298	97 %	\$ 524	\$ 289	\$ 235	81 %
Average cost per unit consumed in cost of goods sold:								
Ammonia (metric tonne)	\$ 424	\$ 273	\$ 151	55 %	\$ 371	\$ 290	\$ 81	28 %
Sulfur (long ton)	\$ 214	\$ 86	\$ 128	149 %	\$ 167	\$ 80	\$ 87	109 %
Blended rock (metric tonne)	\$ 59	\$ 60	\$ (1)	(2) %	\$ 60	\$ 61	\$ (1)	(2) %
Production volume (in thousands of metric tonnes) - North America	1,738	2,038	(300)	(15) %	5,476	6,015	(539)	(9) %

^(a) Includes intersegment sales volumes.

^(b) Includes sales volumes of MicroEssentials® and animal feed ingredients.

Three months ended September 30, 2021 and September 30, 2020

The Phosphates segment's net sales were \$1.3 billion for the three months ended September 30, 2021, compared to \$0.7 billion for the three months ended September 30, 2020. The increase in net sales in the current year period was primarily due to favorable sales prices, which had an impact of approximately \$550 million compared to the prior year period. Increased sales of ammonia and sulfur favorably impacted net sales by approximately \$30 million. This was partially offset by lower phosphate sales volumes, which had an unfavorable impact on net sales of approximately \$50 million compared to the prior year period.

Our average finished product selling price increased 92% to \$681 per tonne for the three months ended September 30, 2021, compared to \$354 per tonne in the prior year period, due to the factors discussed in the Overview.

The Phosphates segment's sales volumes of finished products decreased by 11% for the three months ended September 30, 2021, compared to the same period in the prior year, due to the factors discussed in the Overview.

Gross margin for the Phosphates segment increased to \$364.2 million for the three months ended September 30, 2021, from \$21.8 million for the three months ended September 30, 2020. The increase in gross margin in the current year period was primarily due to significantly higher sales prices, which favorably impacted gross margin by approximately \$550 million compared to the prior year period. This was partially offset by an unfavorable impact of approximately \$140 million from increased raw material prices, largely driven by sulfur. Lower sales volumes unfavorably impacted gross margin by approximately \$40 million due to factors discussed in the Overview. The increase in gross margin was also partially offset by the unfavorable impact of approximately \$30 million due to idle and turnaround costs caused by the impacts of equipment damage at our New Wales, Florida site and Hurricane Ida on our Louisiana operations.

The average consumed price for ammonia for our North American operations increased to \$424 per tonne for the three months ended September 30, 2021, from \$273 in the same period a year ago. We typically purchase approximately one-third of our ammonia from various suppliers in the spot market, with the remaining two-thirds either purchased through an ammonia supply agreement or produced internally at our Faustina, Louisiana location. However, in the current period, our internal production was impacted by downtime from Hurricane Ida. The average consumed sulfur price for our North American operations increased by more than 100% to \$214 per long ton for the three months ended September 30, 2021, from \$86 in the same period a year ago. The purchase prices of these raw materials are driven by global supply and demand. The consumed ammonia and sulfur prices also include transportation, transformation, and storage costs.

The average consumed cost of purchased and produced phosphate rock decreased slightly to \$59 per tonne for the three months ended September 30, 2021, compared to \$60 per tonne for the three months ended September 30, 2020. For the three months ended September 30, 2021, our North American phosphate rock production decreased to 2.8 million tonnes from 3.0 million tonnes for the same period of the prior year, due to geology of rock and operational challenges as we transition into new mining areas.

The Phosphates segment's production of crop nutrient dry concentrates and animal feed ingredients decreased to 1.7 million tonnes for the three months ended September 30, 2021, compared to 2.0 million for the three months ended September 30, 2020. The lower production volume in the current year period reflects impacts from downtime at our New Wales, Florida site due to equipment damage and at our Louisiana location related to Hurricane Ida. Our operating rate for processed phosphate production decreased to 70% for the three months ended September 30, 2021, from 82% for the same period in 2020.

Nine months ended September 30, 2021 and September 30, 2020

The Phosphates segment's net sales were \$3.5 billion for the nine months ended September 30, 2021, compared to \$2.1 billion for the nine months ended September 30, 2020. The increase in net sales was primarily due to higher finished product selling prices in the current year period, which favorably impacted net sales by approximately \$1.3 billion compared to the prior year period. Net sales were also favorably impacted by approximately \$100 million due to sales of rock in our Miski Mayo operation and sales of excess ammonia and sulfur in the current year period. These increases were partially offset by lower sales volumes of finished goods, which unfavorably impacted net sales by approximately \$40 million.

Our average finished product selling price was \$575 per tonne for the nine months ended September 30, 2021, an increase of 71% per tonne from the same period a year ago, due to the factors discussed in the Overview.

The Phosphates segment's sales volumes of finished products decreased by 5% for the nine months ended September 30, 2021, compared to the same period in the prior year ago, due to the factors discussed in the Overview.

Gross margin for the Phosphates segment increased to \$845.3 million for the nine months ended September 30, 2021, from \$(43.4) million for the nine months ended September 30, 2020. The increase in gross margin in the current year period was primarily due to the impact of higher finished product prices of approximately \$1.3 billion compared to the prior year, and an increase in rock and excess ammonia and sulfur sales of approximately \$40 million. These increases were partially offset by higher raw material costs as discussed below, which impacted gross margin by approximately \$280 million, and higher costs of approximately \$70 million related to the timing of idle plant and turnaround costs in the current year period. Gross margin was also unfavorably impacted by approximately \$50 million, due to lower sales volumes, and higher conversion costs of approximately \$20 million.

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The average consumed price for ammonia for our North American operations was \$371 per tonne for the nine months ended September 30, 2021, compared to \$290 in the same period a year ago. The average consumed price for sulfur for our North American operations increased to \$167 per long ton for the nine months ended September 30, 2021, from \$80 in the same period a year ago. The purchase prices of these raw materials are driven by global supply and demand.

The average consumed cost of purchased and produced phosphate rock decreased slightly to \$60 per tonne for the nine months ended September 30, 2021, compared to \$61 per tonne for the prior year period. Our North American phosphate rock production decreased to 8.6 million tonnes for the nine months ended September 30, 2021, compared to 9.8 million for the nine months ended September 30, 2020. The decrease from the prior year is due to the challenges noted above in the three-month discussion.

The Phosphate segment's production of crop nutrient dry concentrates and animal feed ingredients decreased to 5.5 million tonnes for the nine months ended September 30, 2021, compared to 6.0 million tonnes in the prior year period, due to sulfur availability issues in the current year, as well as the items mentioned above in the three-month discussion. For the nine months ended September 30, 2021, our operating rate for processed phosphate production decreased to 73%, compared to 81% in the same period of the prior year.

Potash Net Sales and Gross Margin

The following table summarizes the Potash segment's net sales, gross margin, sales volume and selling price:

(in millions, except price per tonne or unit)	Three months ended September 30,		2021-2020		Nine months ended September 30,		2021-2020	
	2021	2020	Change	Percent	2021	2020	Change	Percent
Net sales:								
North America	\$ 297.5	\$ 251.8	\$ 45.7	18 %	\$ 1,067.9	\$ 849.5	\$ 218.4	26 %
International	291.8	212.0	79.8	38 %	661.8	611.3	50.5	8 %
Total	589.3	463.8	125.5	27 %	1,729.7	1,460.8	268.9	18 %
Cost of goods sold	353.3	356.2	(2.9)	(1) %	1,136.3	1,112.5	23.8	2 %
Gross margin	\$ 236.0	\$ 107.6	\$ 128.4	119 %	\$ 593.4	\$ 348.3	\$ 245.1	70 %
Gross margin as a percentage of net sales	40 %	23 %			34 %	24 %		
Sales volume ^(a) (in thousands of metric tonnes)								
MOP	1,547	2,030	(483)	(24) %	5,358	6,021	(663)	(11) %
Performance and Other ^(b)	261	234	27	12 %	756	701	55	8 %
Total Potash Segment Tonnes	1,808	2,264	(456)	(20) %	6,114	6,722	(608)	(9) %
Realized prices (\$/tonne)								
Average finished product selling price (destination)	\$ 326	\$ 205	\$ 121	59 %	\$ 283	\$ 217	\$ 66	30 %
MOP selling price (fob mine)	\$ 290	\$ 170	\$ 120	71 %	\$ 242	\$ 181	\$ 61	34 %
Production volume (in thousands of metric tonnes)	1,580	2,111	(531)	(25) %	5,996	6,377	(381)	(6) %

^(a) Includes intersegment sales volumes.

^(b) Includes sales volumes of K-mag, Aspire and animal feed ingredients.

Three months ended September 30, 2021 and September 30, 2020

The Potash segment's net sales increased to \$589.3 million for the three months ended September 30, 2021, compared to \$463.8 million in the same period a year ago. The increase was due to higher selling prices, which had a favorable impact on net sales of approximately \$220 million, compared to the same period in the prior year. This was partially offset by lower sales volumes compared to the prior year, which unfavorably impacted net sales by approximately \$95 million.

Our average finished product selling price was \$326 per tonne for the three months ended September 30, 2021, compared to \$205 per tonne for the same period a year ago, as a result of the factors described in the Overview.

The Potash segment's sales volumes of finished products decreased to 1.8 million tonnes for the three months ended September 30, 2021, compared to 2.3 million tonnes in the same period a year ago, due to the factors discussed in the Overview.

Gross margin for the Potash segment increased to \$236.0 million for the three months ended September 30, 2021, from \$107.6 million in the same period of the prior year. The increase in gross margin in the current year period is primarily due to an increase in selling prices, which contributed approximately \$220 million to gross margin, compared to the prior year period. This was partially offset by an unfavorable impact of approximately \$30 million due to lower sales volumes in the current year period. In addition, the current year period was unfavorably impacted by approximately \$30 million from higher Canadian resource taxes, as discussed below. Gross margin was also unfavorably impacted by higher idle costs of approximately \$20 million compared to the prior year period.

We had expense of \$57.3 million from Canadian resource taxes for the three months ended September 30, 2021, compared to \$26.1 million in the same period a year ago. Canadian royalty expense increased to \$8.2 million for the three months ended September 30, 2021, compared to \$6.9 million for the three months ended September 30, 2020. The fluctuations in Canadian resource taxes and royalties are a result of an increase in sales revenue and margins.

On June 4, 2021, due to increased brine inflows, we made the decision to immediately close the K1 and K2 shafts at our Esterhazy mine, which eliminated future brine inflow management expenses. Therefore, we did not incur any brine inflow management expenses for the three months ended September 30, 2021, compared to \$28 million in brine inflow management expenses, including depreciation on brine assets, during the three months ended September 30, 2020. We remain on track in our development of the K3 shaft at our Esterhazy mine, which is expected to reach full operational capacity by the end of the first quarter of 2022.

Our operating rate for potash production was 65% for the current year period, compared to 87% in the prior year period. The decreased operating rate in the current year period reflects the shutdown of our K1 and K2 shafts at our Esterhazy mine.

Nine months ended September 30, 2021 and September 30, 2020

The Potash segment's net sales increased to \$1.7 billion for the nine months ended September 30, 2021, compared to \$1.5 billion in the same period a year ago. The increase was due to higher selling prices, which had a favorable impact on net sales of approximately \$375 million, and favorable foreign currency impacts of approximately \$10 million. This was partially offset by lower sales volumes, which had an unfavorable impact on net sales of approximately \$120 million.

Our average selling price was \$283 per tonne for the nine months ended September 30, 2021, compared to \$217 per tonne for the same period a year ago, due to the factors discussed above in the Overview.

The Potash segment's sales volumes decreased to 6.1 million tonnes for the nine months ended September 30, 2021, compared to 6.7 million tonnes in the same period a year ago, due to the factors discussed in the Overview.

Gross margin for the Potash segment increased to \$593.4 million for the nine months ended September 30, 2021, from \$348.3 million for the same period in the prior year. Gross margin was favorably impacted by approximately \$375 million, due to the increase in average selling prices, partially offset by approximately \$50 million, due to the impact of lower sales volumes. Gross margin was unfavorably impacted by higher maintenance turnaround costs of approximately \$30 million, due to restarting operations at our Colonsay mine, higher Canadian resource taxes of approximately \$35 million in the current year period, and approximately \$20 million of additional foreign currency impacts in the current year period, compared to the prior year period.

We incurred \$146.5 million in Canadian resource taxes for the nine months ended September 30, 2021, compared to \$109.9 million in the same period a year ago. Canadian royalty expense increased to \$26.7 million for the nine months ended September 30, 2021, compared to \$22.9 million for the nine months ended September 30, 2020. The fluctuations in Canadian resource taxes and royalties are due to higher average selling prices and margins in the current year period compared to the prior year.

We incurred expense of \$28 million, including depreciation on brine assets, related to managing the brine inflows at our Esterhazy mine during the nine months ended September 30, 2021, compared to \$54 million in the prior year period.

Our operating rate was 82% for the current year period, compared to 88% in the prior year period, due to the closure of our K1 and K2 shafts.

Mosaic Fertilizantes Net Sales and Gross Margin

The following table summarizes the Mosaic Fertilizantes segment's net sales, gross margin, sales volume and selling price.

(in millions, except price per tonne or unit)	Three months ended September 30,		2021-2020		Nine months ended September 30,		2021-2020	
	2021	2020	Change	Percent	2021	2020	Change	Percent
Net Sales	\$ 1,754.7	\$ 1,140.5	\$ 614.2	54 %	\$ 3,553.8	\$ 2,658.6	\$ 895.2	34 %
Cost of goods sold	1,422.5	963.6	458.9	48 %	2,933.4	2,314.5	618.9	27 %
Gross margin	\$ 332.2	\$ 176.9	\$ 155.3	88 %	\$ 620.4	\$ 344.1	\$ 276.3	80 %
Gross margin as a percent of net sales	19 %	16 %			17 %	13 %		
Sales volume (in thousands of metric tonnes)								
Phosphate produced in Brazil ^(a)	722	1,343	(621)	(46) %	1,944	3,203	(1,259)	(39) %
Potash produced in Brazil	56	85	(29)	(34) %	185	231	(46)	(20) %
Purchased nutrients for distribution	2,572	2,160	412	19 %	5,626	4,789	837	17 %
Total Mosaic Fertilizantes Segment Tonnes	3,350	3,588	(238)	(7) %	7,755	8,223	(468)	(6) %
Realized prices (\$/tonne)								
Average finished product selling price (destination)	\$ 524	\$ 318	\$ 206	65 %	\$ 458	\$ 323	\$ 135	42 %
Brazil MAP price (delivered price to third party)	\$ 622	\$ 366	\$ 256	70 %	\$ 543	\$ 337	\$ 206	61 %
Purchases ('000 tonnes)								
DAP/MAP from Mosaic	62	82	(20)	(24) %	222	429	(207)	(48) %
MicroEssentials® from Mosaic	343	373	(30)	(8) %	964	897	67	7 %
Potash from Mosaic/Canpotex	1,024	622	402	65 %	1,986	1,623	363	22 %
Average cost per unit consumed in cost of goods sold:								
Ammonia (metric tonne)	\$ 640	\$ 329	\$ 311	95 %	\$ 524	\$ 368	\$ 156	42 %
Sulfur (long ton)	\$ 222	\$ 107	\$ 115	107 %	\$ 179	\$ 119	\$ 60	50 %
Blended rock (metric tonne)	\$ 81	\$ 65	\$ 16	25 %	\$ 79	\$ 69	\$ 10	14 %
Production volume (in thousands of metric tonnes)	982	1,025	(43)	(4) %	2,760	3,057	(297)	(10) %

^(a) excludes internally produced volumes used in purchased nutrients for distribution

Three months ended September 30, 2021 and September 30, 2020

The Mosaic Fertilizantes segment's net sales increased to \$1.8 billion for the three months ended September 30, 2021, from \$1.1 billion in the same period a year ago. The increase in net sales was due to higher finished product sales prices, which favorably impacted net sales by approximately \$570 million. This was partially offset by lower finished goods sales volumes, which had an unfavorable impact of approximately \$60 million. Net sales were also favorably impacted by increased sales prices and volumes of other products, primarily gypsum and sulfuric acid, of approximately \$100 million.

Our average finished product selling price was \$524 per tonne for the three months ended September 30, 2021, compared to \$318 per tonne for the same period a year ago, due to the increase in global sales prices, favorable market conditions and the mix of products sold.

The Mosaic Fertilizantes segment's sales volumes of finished products decreased 7% for the three months ended September 30, 2021, compared to the same period a year ago. Sales volumes were impacted by limited available inventories combined with lower operating rates.

Gross margin for the Mosaic Fertilizantes segment increased to \$332.2 million for the three months ended September 30, 2021, from \$176.9 million in the same period of the prior year. The increase in gross margin was primarily due to a favorable impact of approximately \$570 million related to the increase in selling prices during the current year period compared to the prior year period. Increased sales prices and volumes of other products, primarily gypsum and sulfuric acid, also favorably impacted gross margin by approximately \$40 million. Lower finished goods sales volumes unfavorably impacted gross margin by approximately \$20 million compared to the prior year period. An increase in raw material costs, primarily material purchases by our distribution business, rock, ammonia and sulfur, had an unfavorable impact on gross margin of approximately \$430 million, compared to the prior year period. The purchase prices of ammonia and sulfur are driven by global supply and demand.

The Mosaic Fertilizantes segment's production of crop nutrient dry concentrates and animal feed ingredients decreased 4% for the three months ended September 30, 2021, compared to the prior year period. For the three months ended September 30, 2021, our phosphate operating rate decreased to 91%, compared to 94% in the same period of the prior year. Current year production was impacted by unplanned maintenance downtime in the current year period.

For the three months ended September 30, 2021, our Brazilian phosphate rock production decreased slightly to 1.0 million tonnes, from 1.1 million tonnes for the prior year period.

Nine months ended September 30, 2021 and 2020

The Mosaic Fertilizantes segment's net sales were \$3.6 billion for the nine months ended September 30, 2021, compared to \$2.7 billion in the prior year period. In the current period, net sales were favorably impacted by approximately \$860 million due to higher finished goods sales prices, partially offset by the impact of lower finished goods sales volumes of approximately \$115 million, and foreign currency impacts of approximately \$35 million. Net sales were also favorably impacted by higher sales prices and volumes of other product, primarily gypsum and sulfur acid, of approximately \$185 million, compared to the prior year period.

The average finished product selling price increased \$135 per tonne to \$458 per tonne for the nine months ended September 30, 2021, compared to \$323 per tonne in the prior year period, primarily due to the increase in global prices mentioned in the Overview.

The Mosaic Fertilizantes segment's sales volume decreased to 7.8 million tonnes for the nine months ended September 30, 2021, from 8.2 million tonnes in the same period a year ago, due to factors discussed above in the three-month discussion.

Total gross margin for the nine months ended September 30, 2021, increased to \$620.4 million from \$344.1 million in the same period in the prior year. In the current year period, gross margin was favorably impacted by favorable sales prices in the aggregate amount of approximately \$860 million. Gross margin was negatively impacted by lower sales volumes of approximately \$35 million and higher raw materials costs of approximately \$610 million in the current year period compared to the prior year. Higher production costs at our facilities, due to lower production volumes and higher maintenance costs, resulted in an unfavorable gross margin impact of approximately \$50 million. Idle costs unfavorably impacted gross margin by approximately \$20 million compared to the prior year period. Gross margin was also positively impacted by favorable foreign currency impacts of approximately \$30 million, sales of other product, primarily gypsum and sulfur acid, of approximately \$85 million compared to the prior year period, and favorable product mix of approximately \$10 million.

The Mosaic Fertilizantes segment's production of crop nutrient dry concentrates and animal feed ingredients decreased 10% to 2.8 million tonnes for the nine months ended September 30, 2021, from 3.1 million tonnes in the prior year period. The lower production in the current year was due to the unplanned maintenance down time and lower quality ore compared to the prior year period. For the nine months ended September 30, 2021, our phosphate operating rate was 85%, compared to 93% in the same period of the prior year.

For the nine month period ended September 30, 2021, our Brazilian phosphate rock production decreased slightly to 2.9 million tonnes, from 3.2 million tonnes in the prior year period.

Corporate, Eliminations and Other

In addition to our three operating segments, we assign certain costs to Corporate, Eliminations and Other, which is presented separately in Note 17 to our Notes to Condensed Consolidated Financial Statements. Corporate, Eliminations and Other includes the results of the China and India distribution businesses, intersegment eliminations, including profit on intersegment sales, unrealized mark-to-market gains and losses on derivatives, debt expenses and Streamsong Resort® results of operations.

For the three months ended September 30, 2021, gross margin for Corporate, Eliminations and Other was \$(67.9) million, compared to \$48.8 million for the same period in the prior year. Results were negatively impacted by a higher elimination of profit on intersegment sales in the current year period, which changed from the prior year by approximately \$73.7 million. Gross margin was also negatively impacted by a net unrealized loss of \$26.3 million in the current year period, primarily on foreign currency derivatives, compared to a net unrealized gain of \$24.6 million in the prior year period. Gross margin was positively impacted by distribution operations in India and China, which had revenue of \$136.2 million and gross margin of \$22.9 million in the current year period, compared to revenue of \$200.9 million and gross margin of \$18.4 million in the prior year period.

For the nine months ended September 30, 2021, gross margin for Corporate, Eliminations and Other was \$(7.4) million, compared to \$4.5 million for the same period in the prior year. Results were negatively impacted by a higher elimination of profit on intersegment sales in the current year period of \$101.3 million which is a change of \$104.7 from the same period in the prior year. This was partially offset by distribution operations in India and China, which had revenue of \$475.8 million and gross margin of \$95.9 million in the current year period, compared to revenue of \$439.2 million and gross margin of \$40.4 million in the prior year period. The increases in revenue and gross margin were due higher agriculture commodity prices and tight supply of phosphate and potash in the current year period. Gross margin was also positively impacted by a net unrealized gain of \$3.6 million in the current year period compared to a net unrealized loss of \$17.0 million in the prior year period, primarily on foreign currency derivatives.

Other Income Statement Items

(in millions)	Three months ended September 30,		2021-2020		Nine months ended September 30,		2021-2020	
	2021	2020	Change	Percent	2021	2020	Change	Percent
Selling, general and administrative expenses	\$ 97.7	\$ 97.6	\$ 0.1	— %	\$ 307.0	\$ 260.6	\$ 46.4	18 %
Mine closure costs	—	—	—	NM	158.1	—	158.1	NM
Other operating expense	65.2	159.0	(93.8)	(59) %	87.8	274.8	(187.0)	(68) %
Interest expense	(54.6)	(50.8)	(3.8)	7 %	(147.8)	(158.6)	10.8	(7) %
Interest income	6.8	7.8	(1.0)	(13) %	17.7	25.2	(7.5)	(30) %
Interest expense, net	(47.8)	(43.0)	(4.8)	11 %	(130.1)	(133.4)	3.3	(2) %
Foreign currency transaction gain (loss)	(100.1)	5.8	(105.9)	NM	(34.8)	(174.3)	139.5	(80) %
Other income	0.6	4.7	(4.1)	(87) %	5.0	11.6	(6.6)	(57) %
Provision for (benefit from) income taxes	176.6	38.1	138.5	NM	352.2	(97.6)	449.8	NM
Equity in net (loss) of nonconsolidated companies	(1.2)	(32.5)	31.3	(96) %	(13.2)	(82.3)	69.1	(84) %

Selling, General and Administrative Expenses

Selling, general and administrative expenses of \$97.7 million for the three months ended September 30, 2021, were essentially flat, compared to \$97.6 million in the same period of the prior year.

Selling, general and administrative expenses were \$307.0 million for the nine months ended September 30, 2021 compared to \$260.6 million in the same period of the prior year. The increase was due primarily to approximately \$37 million of

compensation expense related to long-term incentive awards and approximately \$5 million of higher consulting and professional fees, related to executing on our strategic priorities, compared to the prior year period.

Mine Closure Costs

On June 4, 2021, due to increased brine inflow, we made the decision to accelerate the timing of the shutdown of our K1 and K2 mine shafts at our Esterhazy, Saskatchewan potash mine. For the nine months ended September 30, 2021, we recognized pre-tax costs of \$158.1 million related to the permanent closure of these facilities. These costs consisted of \$110.0 million related to the write-off of fixed assets, \$37.1 million related to asset retirement obligations, and \$11.0 million related to inventory and other reserves.

Other Operating Expense

For the three months ended September 30, 2021, we had other operating expenses of \$65.2 million, compared to \$159.0 million for the same period in the prior year. The three months ended September 30, 2021 include approximately \$13 million related to revisions in estimated closure costs for our asset retirement obligations at our closed facilities compared to approximately \$76 million in the prior year period. Environmental reserves in the current year period were approximately \$20 million compared to \$35 million in the prior year period. Costs for closed and indefinitely idled facilities were approximately \$6 million lower in the current year period compared to the same period in the prior year. The prior year also included approximately \$8 million for reserves for legal matters and approximately \$7 million related to integration costs of our North American business operations.

For the nine months ended September 30, 2021, we had other operating expenses of \$87.8 million, compared to \$274.8 million for the same period in the prior year. The nine months ended September 30, 2021 include approximately \$16 million related to revisions in estimated closure costs for our asset retirement obligations at our closed facilities compared to approximately \$126 million in the prior year period. In addition to the items mentioned above in the three-month discussion, the current year period includes income of approximately \$20 million related to a gain on selling a warehouse and approximately \$8 million related to the recovery of a reserve for the Acquired Business.

Foreign Currency Transaction Gain (Loss)

We recorded foreign currency transaction losses of \$(100.1) million and \$(34.8) million for the three and nine months ended September 30, 2021, respectively, compared to a gain of \$5.8 million and a loss of \$(174.3) million for the three and nine months ended September 30, 2020. For the three months ended September 30, 2021, the loss was the result of the effect of the strengthening of the U.S. dollar relative to the Brazilian real on significant U.S. dollar-denominated payables held by our Brazilian subsidiaries and the strengthening of the U.S. dollar relative to the Canadian dollar on significant U.S. dollar-denominated intercompany loans.

For the nine months ended September 30, 2021, the loss was the result of the effect of the strengthening of the U.S. dollar relative to the Brazilian real on significant U.S. dollar-denominated payables held by our Brazilian subsidiaries. This was partially offset by the weakening of the U.S. dollar relative to the Canadian dollar on significant U.S. dollar-denominated intercompany loans and the weakening of the Peruvian sol relative to the U.S. dollar on deferred tax liabilities in the Miski Mayo operations in Peru.

Equity in Net (Loss) Earnings of Nonconsolidated Companies

For the three and nine months ended September 30, 2021, we had equity in net loss of nonconsolidated companies of \$1.2 million and \$13.2 million, respectively, compared to equity in net loss of nonconsolidated companies of \$32.5 million and \$82.3 million for the same periods in the prior year. All of these losses are primarily related to operations at MWSPC.

Provision for (Benefit from) Income Taxes

Three months ended	Effective Tax Rate	Provision for (Benefit from) Income Taxes
September 30, 2021	31.9 %	\$ 176.6
September 30, 2020	57.7 %	\$ 38.1
Nine months ended	Effective Tax Rate	Provision for (Benefit from) Income Taxes
September 30, 2021	26.3 %	\$ 352.2
September 30, 2020	54.8 %	\$ (97.6)

Income tax expense was \$176.6 million and \$352.2 million, and the effective tax rate was 31.9% and 26.3% for the three and nine months ended September 30, 2021.

For the three months ended September 30, 2021, tax expense specific to the period was a cost of approximately \$20.0 million. This consisted primarily of net tax cost related to true up of estimates related to our U.S. tax return provision, a benefit for withholding taxes related to undistributed earnings, and other miscellaneous benefits. In addition to items specific to the period, our income tax rate is impacted by the mix of earnings across the jurisdictions in which we operate, by a benefit associated with depletion, by a benefit associated with non-U.S. incentives, by changes in valuation allowances and by the impact of certain entities being taxed in both their foreign jurisdiction and the U.S., including foreign tax credits for various taxes incurred.

For the nine months ended September 30, 2021, tax expense specific to the period was a benefit of approximately \$25.2 million. This relates to various items including benefits for the following items: \$42.7 million benefit related to the pretax Esterhazy mine closure costs, and \$2.8 million benefit recorded related to prior year non-U.S. reserves. These tax benefits are partially offset by net tax costs of \$20.3 million primarily related to true up of estimates related to our U.S. tax return provision, a benefit for withholding taxes related to undistributed earnings, and other miscellaneous benefits. In addition to items specific to the period, our income tax rate is impacted by the mix of earnings across the jurisdictions in which we operate, by a benefit associated with depletion, and by the impact of certain entities being taxed in both foreign jurisdictions and the U.S., including foreign tax credits for various taxes incurred.

Critical Accounting Estimates

The Condensed Consolidated Financial Statements are prepared in conformity with GAAP. In preparing the Condensed Consolidated Financial Statements, we are required to make various judgments, estimates and assumptions that could have a significant impact on the results reported in the Condensed Consolidated Financial Statements. We base these estimates on historical experience and other assumptions believed to be reasonable by management under the circumstances. Changes in these estimates could have a material effect on our Condensed Consolidated Financial Statements.

The basis for our financial statement presentation, including our significant accounting estimates, is summarized in Note 2 to the Condensed Consolidated Financial Statements in this report. A summary description of our significant accounting policies is included in Note 2 to the Consolidated Financial Statements in our 10-K Report. Further detailed information regarding our critical accounting estimates is included in Management's Discussion and Analysis of Results of Operations and Financial Condition in our 10-K Report.

Liquidity and Capital Resources

As of September 30, 2021, we had cash and cash equivalents of \$0.8 billion, short-term debt of \$0.1 million, long-term debt, including current maturities, of approximately \$4.0 billion, and stockholders' equity of approximately \$10.6 billion. We have a target liquidity buffer of up to \$3.0 billion, including cash and available committed and uncommitted credit lines. We expect our liquidity to fluctuate from time to time, especially in the first quarter of each year, to manage through the seasonality of our business. We also target debt leverage ratios that are consistent with investment grade credit metrics. Our capital allocation priorities include maintaining our target investment grade metrics and financial strength, sustaining our assets, including ensuring the safety and reliability of our assets, investing to grow our business, either through organic growth or taking

advantage of strategic opportunities, and returning excess cash to shareholders, including paying our dividend. During the nine months ended September 30, 2021, we invested \$925.8 million in capital expenditures.

Funds generated by operating activities, available cash and cash equivalents, and our credit facilities continue to be our most significant sources of liquidity. We believe funds generated from the expected results of operations and available cash, cash equivalents and borrowings under our committed and uncommitted credit facilities, as needed, will be sufficient to finance our operations, including our capital expenditures, existing strategic initiatives and expected dividend payments, for the next 12 months. There can be no assurance, however, that we will continue to generate cash flows at or above current levels. As of September 30, 2021, we had \$2.49 billion available under our \$2.50 billion committed revolving credit facility and approximately \$500 million available under uncommitted facilities. Our credit facilities, including the revolving credit facility and our term loans, require us to maintain certain financial ratios, as discussed in Note 10 of our Notes to Consolidated Financial Statements in our 10-K Report. We were in compliance with these ratios as of September 30, 2021.

All of our cash and cash equivalents are diversified in highly rated investment vehicles. Our cash and cash equivalents are held either in the U.S. or held by non-U.S. subsidiaries and are not subject to significant foreign currency exposures, as the majority are held in investments denominated in U.S. dollars as of September 30, 2021. These funds may create foreign currency transaction gains or losses, however, depending on the functional currency of the entity holding the cash. In addition, there are no significant restrictions that would preclude us from bringing these funds back to the U.S., aside from withholding taxes.

The following table represents a comparison of the net cash provided by operating activities, net cash used in investing activities, and net cash used in financing activities for the nine months ended September 30, 2021 and September 30, 2020:

(in millions)	Nine months ended			
	September 30, 2021		2021-2020	
	2021	2020	Change	Percent
Cash Flow				
Net cash provided by operating activities	\$ 1,756.6	\$ 1,344.2	\$ 412.4	31 %
Net cash used in investing activities	(930.6)	(794.7)	(135.9)	17 %
Net cash used in financing activities	(578.7)	(50.9)	(527.8)	NM

Operating Activities

During the nine months ended September 30, 2021, net cash provided by operating activities was \$1.8 billion, compared to \$1.3 billion for the nine months ended September 30, 2020. Our results of operations, after non-cash adjustments to net earnings, contributed \$1.9 billion to cash flows from operating activities during the nine months ended September 30, 2021, compared to \$670.9 million as computed on the same basis for the prior year period. During the nine months ended September 30, 2021, we had an unfavorable working capital change of \$173.9 million, compared to a favorable change of \$673.3 million during the nine months ended September 30, 2020.

The change in working capital for the nine months ended September 30, 2021, was primarily driven by, an increase in accounts receivable of \$221.7 million, an increase in inventories of \$574.7 million and an increase in accounts payable and accrued expenses of \$669.8 million. The increase in accounts receivables is primarily due to the increase in sales prices during 2021. The increase in inventories was primarily due to higher raw material costs and building inventory volumes, primarily in Brazil, as they prepare for their high season. The increase in accounts payable and accrued liabilities was primarily related to an increase in customer prepayments in Brazil and higher raw material costs.

Investing Activities

Net cash used in investing activities was \$930.6 million for the nine months ended September 30, 2021, compared to \$794.7 million for the same period a year ago. Capital expenditures increased to \$925.8 million for the nine months ended September 30, 2021, compared to \$785.8 million in the prior year period, primarily due to the timing of payments and an increase in expansion projects in the current year. In addition, in the prior year, we deferred certain projects until later in the year due to the Covid-19 outbreak.

Financing Activities

Net cash used in financing activities for the nine months ended September 30, 2021, was \$578.7 million, compared to \$50.9 million for the same period in the prior year. During the nine months ended September 30, 2021, we made payments on long-term debt of \$594.7 million, which included the early redemption of our \$450 million 3.75 percent senior notes that were due November 2021. We also paid dividends of \$75.9 million and made repurchases of our common stock of \$20.0 million. For the nine months ended September 30, 2021, we had net proceeds from structured accounts payable of \$87 million, compared to net payments of \$127 million in the prior year period. We also had net collections on behalf of the bank under our Receivable Purchasing Agreement of \$47.5 million, which had not yet been remitted to them as of September 30, 2021.

Debt Instruments, Guarantees and Related Covenants

See Notes 12 and 18 to the Consolidated Financial Statements in our 10-K Report.

Financial Assurance Requirements

In addition to various operational and environmental regulations related to our Phosphates segment, we are subject to financial assurance requirements. In various jurisdictions in which we operate, particularly Florida and Louisiana, we are required to pass a financial strength test or provide credit support, typically in the form of surety bonds, letters of credit, certificates of deposit or trust funds. Further information regarding financial assurance requirements is included in Management's Discussion and Analysis of Results of Operations and Financial Condition in our 10-K Report, under "EPA RCRA Initiative," and in Note 7 to our Condensed Consolidated Financial Statements in this report.

Environmental, Health, Safety and Security Matters

Waters of the United States. On March 2, 2021, the 10th Circuit Court of Appeals determined that the district court abused its discretion when it granted the State of Colorado's request to stay the effective date of the Navigable Waters Protection Rule (the "**NWPR**") in Colorado. In reversing and vacating the district court's decision, the court ruled that Colorado was not entitled to a preliminary injunction because it did not show it would suffer irreparable injury if the rule went into effect. As a result, the NWPR remains in effect in all states.

On June 10, 2021, EPA and the Corps of Engineers (the "**Corps**") filed a "Motion to Remand to Agency" and supporting legal memorandum with the U.S. District Court for the District of Massachusetts in Conservation Law Foundation (CLF) v. EPA, et al. asking the court to remand the NWPR, so they can "commence a new rulemaking to revise or replace the rule." The Agencies state they intend to initiate a new rulemaking process that restores the protections in place prior to the 2015 Waters of the United States (WOTUS) implementation. They propose developing a new rule that defines WOTUS, informed by a "robust" engagement process as well as the experience of implementing the pre-2015 rule and prior administrations' NWPR.

On August 30, 2021, a federal judge in the U.S. District Court for Arizona issued an order vacating the prior administration's NWPR, and remanded the rule back to EPA and the Corps. EPA is currently in the process of initiating a rulemaking to replace the NWPR, and it is unclear how this recent decision will affect that formal rulemaking effort. The U.S District Court ordered a reversion back to the pre-2015 standard.

On the same day, the EPA announced that, in light of the District Court's vacating of the prior administration's NWPR, the EPA and Corps have halted implementation of the NWPR and are interpreting WOTUS consistent with the pre-2015 standard.

Off-Balance Sheet Arrangements and Obligations

Information regarding off-balance sheet arrangements and obligations is included in Management's Discussion and Analysis of Results of Operations and Financial Condition in our 10-K Report and Note 15 to our Condensed Consolidated Financial Statements in this report.

Contingencies

Information regarding contingencies is hereby incorporated by reference to Note 16 to our Condensed Consolidated Financial Statements in this report.

Forward-Looking Statements

Cautionary Statement Regarding Forward Looking Information

All statements, other than statements of historical fact, appearing in this report constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements include, among other things, statements about our expectations, beliefs, intentions or strategies for the future, including statements about proposed or pending future transactions or strategic plans, statements concerning our future operations, financial condition and prospects, statements regarding our expectations for capital expenditures, statements concerning our level of indebtedness and other information, and any statements of assumptions regarding any of the foregoing. In particular, forward-looking statements may include words such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “potential”, “predict”, “project” or “should”. These statements involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this filing.

Factors that could cause reported results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, the following:

- business and economic conditions and governmental policies affecting the agricultural industry where we or our customers operate, including price and demand volatility resulting from periodic imbalances of supply and demand;
- the impact of the novel coronavirus Covid-19 pandemic on the global economy and our business, suppliers, customers, employees and the communities in which we operate, as further described in Part II, Item 1A of our 10-K Report;
- the potential drop in oil demand/production and its impact on the availability and price of sulfur;
- because of political and economic instability or changes in government policies in Brazil, Saudi Arabia, Peru or other countries in which we do business, our operations could be disrupted as higher costs of doing business could result, including those associated with implementation of new freight tables and new mining legislation;
- changes in farmers’ application rates for crop nutrients;
- changes in the operation of world phosphate or potash markets, including consolidation in the crop nutrient industry, particularly if we do not participate in the consolidation;
- the expansion or contraction of production capacity or selling efforts by competitors or new entrants in the industries in which we operate, including the effects of actions by the other member of Canpotex to prove its production capacity of potash expansion projects, through proving runs or otherwise;
- the effect of future product innovations or development of new technologies on demand for our products;
- seasonality in our business that results in the need to carry significant amounts of inventory and seasonal peaks in working capital requirements, which 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 or availability of transportation for our products;
- declines in our selling prices or significant increases in costs that can require us to write down our inventories to the lower of cost or market, or require us to impair goodwill or other long-lived assets, or establish a valuation allowance against deferred tax assets;
- the lag in realizing the benefit of falling market prices for the raw materials we use to produce our products that can occur while we consume raw materials that we purchased or committed to purchase in the past at higher prices;
- disruptions of our operations at any of our key production, distribution, transportation or terminaling facilities, including those of Canpotex or any joint venture in which we participate;
- shortages or other unavailability of railcars, tugs, 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 liquidity;
- risks associated with our international operations, including any potential and actual adverse effects related to the Miski Mayo mine;
- adverse weather conditions affecting our operations, including the impact of potential hurricanes, excessive heat, cold, snow, rainfall or drought;
- difficulties or delays in receiving, challenges to, increased costs of obtaining or satisfying conditions of, or revocation or withdrawal of required governmental and regulatory approvals, including permitting activities;
- changes in the environmental and other governmental regulation that applies to our operations, including federal legislation or regulatory action expanding the types and extent of water resources regulated under federal law and the possibility of further federal or state legislation or regulatory action affecting or related to greenhouse gas emissions, including carbon taxes or other measures that may be implemented in Canada or other jurisdictions in which we operate, or of restrictions or liabilities related to elevated levels of naturally-occurring radiation that arise from disturbing the ground in the course of mining activities or possible efforts to reduce the flow of nutrients into the Gulf of Mexico, the Mississippi River basin or elsewhere;
- the potential costs and effects of implementation of federal or state water quality standards for the discharge of nitrogen and/or 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 purchase our products and that we guarantee;
- the effectiveness of the processes we put in place to manage our significant strategic priorities, including the expansion of our Potash business and our investment in MWSPC, and to successfully integrate and grow acquired businesses;
- actual costs of various items differing from management's current estimates, including, among others, asset retirement, environmental remediation, reclamation or other environmental obligations and Canadian resource taxes and royalties, or the costs of MWSPC or its existing or future funding;
- the costs and effects of legal and administrative proceedings and regulatory matters affecting us, including environmental, tax or administrative proceedings, complaints that our operations are adversely impacting nearby farms, businesses, other property uses or properties, settlements thereof and actions taken by courts with respect to approvals of settlements, costs related to defending and resolving global audit, appeal or court activity, and other, and other further developments in legal proceedings and regulatory matters;
- the success of our efforts to attract and retain highly qualified and motivated employees;
- strikes, labor stoppages or slowdowns by our work force or increased costs resulting from unsuccessful labor contract negotiations, and the potential costs and effects of compliance with new regulations affecting our workforce, which increasingly focus on wages and hours, healthcare, retirement and other employee benefits;
- brine inflows at our potash mines;
- accidents or other incidents involving our properties or operations, including potential fires, explosions, seismic events, sinkholes, unsuccessful tailings management, ineffective mine safety procedures, or releases of hazardous or volatile chemicals;
- terrorism or other malicious intentional acts, including cybersecurity risks such as attempts to gain unauthorized access to, or disable, our information technology systems, or our costs of addressing malicious intentional acts;
- actions by the holders of controlling equity interests in businesses in which we hold a noncontrolling interest;

- changes in our relationships with the other member of Canpotex or any joint venture in which we participate or their or our exit from participation in Canpotex or any such export association or joint venture, and other changes in our commercial arrangements with unrelated third parties;
- difficulties in realizing benefits under our long-term natural gas based pricing ammonia supply agreement with CF Industries, Inc., including the risks that the cost savings initially anticipated from the agreement may not be fully realized over the term of the agreement or that the price of natural gas or the market price for ammonia during the agreement's term are at levels at which the agreement's natural gas based pricing is disadvantageous to us, compared with purchases in the spot market; 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 10-K Report and incorporated by reference herein as if fully stated herein.

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to the impact of fluctuations in the relative value of currencies, the impact of interest rates, fluctuations in the purchase price of natural gas, ammonia and sulfur consumed in operations, and changes in freight costs, as well as changes in the market value of our financial instruments. We periodically enter into derivatives in order to mitigate our foreign currency risks, interest rate risks and the effects of changing commodity prices, but not for speculative purposes. See Note 16 to the Consolidated Financial Statements in our 10-K Report and Note 11 to the Condensed Consolidated Financial Statements in this report.

Foreign Currency Exchange Contracts

Due to the global nature of our operations, we are exposed to currency exchange rate changes which may cause fluctuations in our earnings and cash flows. Our primary foreign currency exposures are the Canadian dollar and Brazilian real. To reduce economic risk and volatility on expected cash flows that are denominated in the Canadian dollar and Brazilian real, we use financial instruments that may include forward contracts, zero-cost collars and/or futures. Mosaic hedges cash flows on a declining basis, up to 18 months for the Canadian dollar and up to 12 months for the Brazilian real. We may enter into hedges of up to 36 months for expected Canadian dollar capital expenditures related to our Esterhazy K3 expansion program.

As of September 30, 2021, and December 31, 2020, the fair value of our major foreign currency exchange contracts was (\$0.5) million and \$10.0 million, respectively. The table below provides information about Mosaic's significant foreign exchange derivatives.

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(in millions US\$)	As of September 30, 2021					As of December 31, 2020					
	Expected Maturity Date				Fair Value	Expected Maturity Date				Fair Value	
	Years ending December 31,					Years ending December 31,					
	2021	2022	2023	2024		2021	2022	2023			
Foreign Currency Exchange Forwards											
Canadian Dollar						\$ 3.1					\$ 31.9
Notional (million US\$) - short Canadian dollars	\$ 168.3	\$ 230.6	\$ 57.2	\$ 6.3		\$ 170.0	\$ 48.4	\$ 6.0			
Weighted Average Rate - Canadian dollar to U.S. dollar	1.2714	1.2703	1.2598	1.2794		1.3089	1.3285	1.3304			
Notional (million US\$) - long Canadian dollars	\$ 307.9	\$ 732.7	\$ 121.7	\$ 35.2		\$ 670.5	\$ 196.5	\$ 59.4			
Weighted Average Rate - Canadian dollar to U.S. dollar	1.2798	1.2685	1.2946	1.2346		1.3291	1.3153	1.3299			
Foreign Currency Exchange Collars											
Canadian Dollar						\$ 0.4					\$ 0.4
Notional (million US\$) - long Canadian dollars	\$ —	\$ 15.5	\$ —	\$ —		\$ —	\$ 30.3	\$ —			
Weighted Average Participation Rate - Canadian dollar to U.S. dollar	—	1.2875	—	—		—	1.3432	—			
Weighted Average Protection Rate - Canadian dollar to U.S. dollar	—	1.3433	—	—		—	1.2874	—			
Foreign Currency Exchange Non-Deliverable Forwards											
Brazilian Real						\$ (2.7)					\$ (19.4)
Notional (million US\$) - short Brazilian real	\$ 455.1	\$ 22.0	\$ —	\$ —		\$ 582.4	\$ —	\$ —			
Weighted Average Rate - Brazilian real to U.S. dollar	5.3113	5.5367	—	—		5.2160	—	—			
Notional (million US\$) - long Brazilian real	\$ 276.9	\$ 325.2	\$ —	\$ —		\$ 924.6	\$ —	\$ —			
Weighted Average Rate - Brazilian real to U.S. dollar	5.3473	5.4909	—	—		5.3068	—	—			
Indian Rupee						\$ (0.4)					\$ (2.1)
Notional (million US\$) - short Indian rupee	\$ 111.0	\$ 25.0	\$ —	\$ —		\$ 146.0	\$ —	\$ —			
Weighted Average Rate - Indian rupee to U.S. dollar	75.0494	74.7212	—	—		74.5083	—	—			
China Renminbi						\$ (0.9)					\$ (0.8)
Notional (million US\$) - short China renminbi	\$ 81.0	\$ 3.0	\$ —	\$ —		\$ 78.0	\$ —	\$ —			
Weighted Average Rate - China renminbi to U.S. dollar	6.5895	6.6025	—	—		6.6211	—	—			
Total Fair Value						\$ (0.5)					\$ 10.0

Further information regarding foreign currency exchange rates and derivatives is included in Management's Discussion and Analysis of Financial Condition and Results of Operations in our 10-K Report and Note 11 to the Condensed Consolidated

Financial Statements in this report.

Commodities

As of September 30, 2021, and December 31, 2020, the fair value of our natural gas commodities contracts was \$36.6 million and \$5.3 million, respectively.

The table below provides information about our natural gas derivatives which are used to manage the risk related to significant price changes in natural gas.

	As of September 30, 2021						As of December 31, 2020				
	Expected Maturity Date					Expected Maturity Date					
	Years ending December 31,					Years ending December 31,					
(in millions)	2021	2022	2023	2024	Fair Value	2021	2022	2023	2024	Fair Value	
Natural Gas Swaps					\$ 36.6					\$ 5.3	
Notional (million MMBtu) - long	2.8	9.9	9.4	4.8		17.7	8.5	1.2	—		
Weighted Average Rate (US\$/MMBtu)	\$ 1.88	\$ 2.23	\$ 2.34	\$ 2.72		\$ 1.93	\$ 2.16	\$ 2.88	\$ —		
Total Fair Value					\$ 36.6					\$ 5.3	

Further information regarding commodities and derivatives is included in Management's Discussion and Analysis of Financial Condition and Results of Operations in our 10-K Report and Note 11 to the Condensed Consolidated Financial Statements in this report.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

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

(b) 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 changes in our internal control over financial reporting that occurred during the three months ended September 30, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Our management, with the participation of our principal executive officer and principal financial officer, did not identify any such changes during the three months ended September 30, 2021.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We have included information about legal and environmental proceedings in Note 16 to our Condensed Consolidated Financial Statements in this report. This information is incorporated herein by reference.

We are also subject to the following legal and environmental proceedings in addition to those described in Note 16 of our Condensed Consolidated Financial Statements in this report:

Waters of the United States. In June 2015, EPA and the U.S. Army Corps of Engineers (the “*Corps*”) jointly issued a final rule that proposed to clarify the scope of waters regulated under the federal Clean Water Act (the “*CWA*”). The final rule (the “*2015 Clean Water Rule*”) became effective in August 2015, but has been challenged through numerous lawsuits.

In January 2018, the U.S. Supreme Court unanimously held all challenges to the 2015 Clean Water Rule must be heard in federal district courts rather than in the federal courts of appeal, overruling a decision by the Sixth Circuit’s Court of Appeals. Since then, a number of U.S. District Courts revived dormant litigation that challenged the 2015 Clean Water Rule.

On December 11, 2018, EPA and the Corps issued a proposed rule to replace the 2015 Clean Water Rule, referred to as the “Navigable Waters Protection Rule” (the “*NWPR*”). The agencies’ stated interpretation for the proposed rule is to provide clarity, predictability and consistency so that the regulated community can better understand where the Clean Water Act applies and where it does not.

On September 12, 2019, EPA and the Corps jointly issued a final regulation that repealed the 2015 Clean Water Rule and restored the previous regulatory regime. This regulation re-established national consistency by returning all jurisdictions to the longstanding regulatory framework that existed prior to the 2015 Clean Water Rule.

The repeal of the 2015 Clean Water Rule was the first step in a two-step rulemaking process to define the scope of “waters of the United States” that are regulated under the CWA. The second step was completed in April 2020, when EPA and the Corps jointly issued the final NWPR which became effective on June 22, 2020. By defining what constitutes WOTUS under the federal CWA, the new rule distinguishes between federal waters and waters under the sole control of the States. The new NWPR revised the definition of WOTUS under the CWA to include: (i) territorial seas and traditional navigable waters; (ii) perennial and intermittent tributaries to those waters; (iii) certain lakes, ponds, and impoundments; (iv) and wetlands adjacent to jurisdictional waters.

The new NWPR is in effect in every state except for Colorado. To date, there have been 13 complaints filed in 11 different U.S. District Courts seeking to challenge final rule.

In August 2020, the Justice Department, an industry coalition, and individual landowners filed a Notice of Appeal with the U.S. Court of Appeals for the 10th Circuit to challenge the injunction entered by the District Court for Colorado.

On March 2, 2021, the 10th Circuit Court of Appeals determined that the District Court abused its discretion when it granted the State of Colorado’s request to stay the effective date of the NWPR in Colorado. In reversing and vacating the District Court’s decision, the 10th Circuit ruled that Colorado was not entitled to a preliminary injunction because it did not show it would suffer irreparable injury if the rule went into effect. As a result, the NWPR remains in effect in all states.

On June 10, 2021, EPA and the Corps filed a “Motion to Remand to Agency” and supporting legal memorandum with the U.S. District Court for the District of Massachusetts in Conservation Law Foundation (“*CLF*”) v. EPA, et al. asking the court to remand the NWPR, so they can “commence a new rulemaking to revise or replace the rule.” The agencies state they intend to initiate a new rulemaking process that restores the protections in place prior to the 2015 Clean Water Rule implementation. They propose developing a new rule that defines WOTUS, informed by a “robust” engagement process as well as the experience of implementing the pre-2015 rule and prior administrations’ NWPR.

On August 30, 2021, a federal judge in the U.S. District Court for the District of Arizona issued an order vacating the prior administration’s NWPR, and remanded the rule back to EPA and the Corps. EPA is currently in the process of initiating a rulemaking to replace the NWPR. It is unclear how this recent decision will affect that formal rulemaking effort, or the Company’s future operations.

The U.S. District Court for the District of Arizona reverted back to the pre-2015 standard.

On Friday August 30, 2021, the EPA announced that in light of the Arizona Court’s vacating of the NWPR, the EPA and Corps have halted implementation of the NWPR and are interpreting WOTUS consistent with the pre-2015 standard.

Countervailing Duty Petitions. In 2020, we filed petitions with the U.S. Department of Commerce (“**DOC**”) and the U.S. International Trade Commission (“**ITC**”) that requested the initiation of countervailing duty investigations into imports of phosphate fertilizers from Morocco and Russia. The purpose of the petitions was to remedy the distortions that we believe foreign subsidies have caused or are causing in the U.S. market for phosphate fertilizers, and thereby restore fair competition. On February 16, 2021, the DOC made final affirmative determinations that countervailable subsidies were being provided by those governments. On March 11, 2021 the ITC made final affirmative determinations that the U.S. phosphate fertilizer industry is materially injured by reason of subsidized phosphate fertilizer imports from Morocco and Russia. As a result of these determinations, the DOC issued countervailing duty orders on phosphate fertilizer imports from Russia and Morocco, which are scheduled to remain in place for at least five years. Currently, the cash deposit rates for such imports are approximately 20 percent for Moroccan producer OCP, 9 percent and 47 percent for Russian producers PhosAgro and Eurochem, respectively, and 17 percent for all other/Russian producers. The final determinations in the DOC and ITC investigations are subject to challenge before U.S. federal courts and the World Trade Organization. Mosaic has initiated actions at the U.S. Court of International Trade contesting certain aspects of the DOC's final determinations that, we believe, failed to capture the full extent of Moroccan and Russian phosphate fertilizer subsidies. Moroccan and Russian producers have also initiated U.S. Court of International Trade actions, seeking lower cash deposit rates and revocation of the countervailing duty orders. Further, the cash deposit rates and the amount of countervailing duties owed by importers on such imports could change based on the results of the litigation as well as DOC's annual administrative review proceedings.

The South Pasture Extension Mine Litigation. On January 8, 2020, the Hardee County Mining Coordinator issued a Notice of Violation (“**NOV**”) for the failure by Mosaic to proceed with reclamation of two designated reclamation units within the South Pasture Mine footprint. These two reclamation units comprise 166 acres of mined lands. The NOV cites noncompliance with the County Land Development Regulations and with the conditions of Development of Regional Impact (“**DRIF**”) Development Order 12-21 that was issued in 2012 to authorize continued mining at the South Pasture Mine, continued operation of the South Pasture beneficiation plant, and mining at the South Pasture Mine Extension. Through the NOV, the County requested that Mosaic submit a revised reclamation plan and schedule to demonstrate when initial reclamation activities would be completed for the two Reclamation Units identified in the NOV.

The delay in meeting the required reclamation schedule at the two reclamation units is tied to the idling and eventual shutdown of the Plant City fertilizer plant and the idling of the South Pasture Mine beneficiation plant. The Plant City facility was first idled in late 2017 and in June 2019, Mosaic announced that the Plant City facility would be closed permanently.

Given the relationship between the Plant City fertilizer plant and the South Pasture beneficiation plant, and facing adverse market conditions, Mosaic idled the South Pasture beneficiation plant in September 2018. Idling of the South Pasture Mine beneficiation plant in September 2018 resulted in no tailings sand being produced by the processing of phosphate matrix. As a result, there was no tailings sand available for use in sand backfilling reclamation at the South Pasture Mine, and specifically, the two Reclamation Units identified in the County’s January 8th NOV.

On March 10, 2020, Mosaic filed an “Application for Waiver and Reclamation Schedule Extension” to secure Board of County Commissioners (“**BOCC**”) approval of extended reclamation deadlines for the South Pasture Mine. To obtain waiver relief from the BOCC, a quasi-judicial hearing would be required.

Extensive negotiations between Mosaic and County legal and technical staff resulted in an agreement that involved two separate but related actions: (1) secure a waiver and reclamation schedule extension through formal action by the BOCC at a quasi-judicial public hearing; and (2) enter into a settlement agreement that would require payment of a civil penalty by Mosaic for the non-compliance in meeting the required reclamation deadlines of the South Pasture Mine Development Order and the County Mining Ordinance. The settlement agreement would also be presented and acted upon at a formal public hearing before the BOCC.

On May 7, 2020, a quasi-public judicial hearing was held before the Hardee County BOCC. At that hearing, the BOCC voted unanimously to issue a waiver of the applicable reclamation deadlines of the South Pasture Development Order and the County Ordinance for three specific reclamation areas of the South Pasture Mine. The waiver also included a negotiated alternative

reclamation schedule that extends the deadline for completion of reclamation until the end of 2023. At that same hearing, the BOCC approved a Settlement Agreement that resolved all outstanding non-compliance associated with reclamation obligations at the South Pasture Mine and requires Mosaic to pay an agreed settlement amount of \$249,000.

Mosaic has satisfied the payment obligation of the settlement agreement and continues to implement the alternative reclamation schedule, as required. Monitoring programs have been put in place to ensure continued compliance with the waiver and settlement agreement.

Cruz Litigation. On August 27, 2020, a putative class action complaint was filed in the Circuit Court of the Thirteenth Judicial Circuit in Hillsborough County, FL against our wholly owned subsidiary, Mosaic Global Operations Inc., and two unrelated co-defendants. The complaint alleges claims related to elevated levels of radiation at two manufactured housing communities located on reclaimed mining land in Mulberry, Polk County, Florida, allegedly due to phosphate mining and reclamation activities occurring decades ago. Plaintiffs seek monetary damages, including punitive damages, injunctive relief requiring remediation of their properties, and a medical monitoring program funded by the defendants. On October 14, 2021, the court substantially granted a motion to dismiss we filed late in 2020, with leave for the plaintiffs to amend their complaint. We intend to vigorously defend this matter.

ITEM 1A. RISK FACTORS

Important risk factors that apply to us are outlined in Item 1A in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (the “**10-K Report**”). In addition to these risk factors, we include the following updates:

Operational Risks

Our Esterhazy mine has had an inflow of salt saturated brine for more than 30 years.

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

At various times, we experience changing amounts and patterns of brine inflows at the Esterhazy mine. Periodically, some of these inflows have exceeded available pumping capacity. If that were to continue for several months without abatement, it could exceed our available storage capacity and ability to effectively manage the brine inflow. This could adversely affect production at the Esterhazy mine. The brine inflow is variable, resulting in both net inflows (the rate of inflow is more 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 of inflow). Our mines at Colonsay, Saskatchewan, and Carlsbad, New Mexico, are also subject to the risks of inflow of water as a result of our shaft mining operations.

Due to increased brine inflows, on June 4 2021, the Company made the decision to accelerate the timing of the shutdown of our K1 and K2 mine shafts at our Esterhazy, Saskatchewan potash mine.

It is possible that the brine inflows risk to employees or management costs may increase to a level which would cause us to change our mining processes or abandon our other operating mines. See the “Key Factors that can Affect Results of Operations and Financial Condition” and “Potash Net Sales and Gross Margin” sections of our Management’s Analysis on our Form 10-K report for the year ended December 31, 2020, and the Esterhazy Closure Costs in Note 17 of this report, which sections are incorporated herein by reference, for a discussion of costs, risks and other information relating to the brine inflows.

Our assets outside of North America are located in countries with volatile conditions, which could subject us and our assets to significant risks.

We are a global business with substantial assets located outside of the United States and Canada. Our operations in Brazil, China, India and Paraguay are a fundamental part of our business. We have a majority interest in the joint venture entity operating the Miski Mayo mine in Peru that supplies phosphate rock to us. We also have a minority joint venture investment in MWSPC, which operates a mine and chemical complexes that produce phosphate fertilizers and other downstream products in the Kingdom of Saudi Arabia. Volatile economic, market and political conditions, including the recent election of Peru's president, may have a negative impact on our operations, operating results and financial condition. In addition, unfavorable changes in trade protection laws, policies and measures, or governmental actions and policies and other regulatory requirements affecting trade and the pricing and sourcing of our raw materials, may also have a negative impact on our operations, operating results and financial condition.

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

We use tailings, sediments and water dams, clay settling areas and phosphogypsum stacks to manage residual materials generated in our mining and fertilizer production operations. If our safety procedures are not effective, an accident involving these impoundments could result in serious injuries or death, damage to property or the environment, or result in the shutdown of our facilities, any of which could materially adversely affect our results of operations.

Mining and processing of potash and phosphate generate residual materials that must be managed both during the operation of the facility and upon facility closure. Potash tailings, consisting primarily of salt and clay, are stored in surface disposal sites. Phosphate clay residuals from mining are deposited in large tailing dams in Brazil and in clay settling areas and phosphogypsum stacks in the United States. They are regularly monitored to evaluate structural stability and for leaks. The failure of or a breach at any of our tailings dams and other impoundments at any of our operations could cause severe property and environmental damage and loss of life, could result in the shut down or idling of our facilities and could have a material adverse effect on our results of operations.

Legislation at both Brazilian federal and state levels has introduced new rules regarding tailings dam safety, construction, licensing and operations. We cannot predict the full impact of these legislative or potentially related judicial actions, or future actions, or whether or how it would affect our Brazilian operations or customers.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Pursuant to our employee stock plans relating to the grant of employee stock options, stock appreciation rights, restricted stock unit awards, and other equity-based awards, we have granted and may in the future grant employee stock options to purchase shares of our Common Stock for which the purchase price may be paid by means of delivery to us by the optionee of shares of our Common Stock that are already owned by the optionee (at a value equal to market value on the date of the option exercise). During the periods covered by this report, no options to purchase shares of our Common Stock were exercised for which the purchase price was so paid.

On August 23, 2021, our Board of Directors authorized the 2021 Repurchase Program, which replaces the previous authorization that had \$700 million of the original \$1.5 billion remaining. The 2021 Repurchase Program allows us to repurchase up to \$1.0 billion of our Common Stock through open market purchases, accelerated share repurchase arrangements, privately negotiated transactions or otherwise. During the three months ended September 30, 2021, we repurchased 629,822 shares of Common Stock in the open market under the 2021 Repurchase Program for approximately \$21.0 million.

Issuer Repurchases of Equity Securities^(a)

The following table sets forth information with respect to shares of our Common Stock that we purchased under the Repurchase Program during the quarter ended September 30, 2021:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of a publicly announced program	Maximum approximate dollar value of shares that may yet be purchased under the program ^(b)
Common Stock				
July 1, 2021- July 31, 2021	—	—	—	—
August 1, 2021- August 31, 2021	—	—	—	—
September 1, 2021- September 30, 2021	629,822	\$ 33.34	629,822	\$ 979,000,227
Total	629,822	\$ 33.34	629,822	\$ 979,000,227

- (a) On August 23, 2021, we announced our 2021 Repurchase program, replacing our 2015 Repurchase Program, which allows us to repurchase up to \$1.0 billion of our Common Stock through open market purchases, accelerated share repurchase arrangements, privately negotiated transactions or otherwise. The 2021 Repurchase Program has no set expiration date.
- (b) At the end of the month shown.

ITEM 4. MINE SAFETY DISCLOSURES

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

ITEM 6. EXHIBITS

The following Exhibits are being filed herewith.

Exhibit Index

Exhibit No	Description	Incorporated Herein by Reference to	Filed with Electronic Submission
4.i	Credit Agreement, dated as of August 19, 2021, among The Mosaic Company, Bank of America, N.A., as administrative agent, Swing Line Lender and an L/C Issuer, and the lenders and other L/C Issuers party thereto	Exhibit 4.i to Mosaic's Current Report on Form 8-K dated August 23, 2021, and filed on August 23, 2021	
31.1	Certification Required by Rule 13a-14(a).		X
31.2	Certification Required by Rule 13a-14(a).		X
32.1	Certification Required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code.		X
32.2	Certification 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.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)		X
101.SCH	Inline XBRL Taxonomy Extension Schema Document		X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document		X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document		X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document		X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document		X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)		X

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE MOSAIC COMPANY

by:

/S/ CLINT C. FREELAND

Clint C. Freeland

Senior Vice President and Chief Financial Officer

(on behalf of the registrant and as principal accounting officer)

November 2, 2021

Certification Required by Rule 13a-14(a)

I, James "Joc" C. O'Rourke, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Mosaic Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 2, 2021

/s/ James "Joc" C. O'Rourke

James "Joc" C. O'Rourke
Chief Executive Officer and President
 The Mosaic Company

Certification Required by Rule 13a-14(a)

I, Clint C. Freeland, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Mosaic Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 2, 2021

/s/ Clint C. Freeland

Clint C. Freeland

Senior Vice President and Chief Financial Officer

The Mosaic Company

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

I, James "Joc" C. O'Rourke, the Chief Executive Officer and President of The Mosaic Company, certify that (i) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021 of The Mosaic Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of The Mosaic Company.

November 2, 2021

/s/ James "Joc" C. O'Rourke

James "Joc" C. O'Rourke
Chief Executive Officer and President
The Mosaic Company

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

I, Clint C. Freeland, the Senior Vice President and Chief Financial Officer of The Mosaic Company, certify that (i) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021 of The Mosaic Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of The Mosaic Company.

November 2, 2021

/s/ **Clint C. Freeland**

Clint C. Freeland

Senior Vice President and Chief Financial Officer

The Mosaic Company

MINE SAFETY DISCLOSURES

The following table shows, for each of our U.S. mines that is subject to the Federal Mine Safety and Health Act of 1977 (“*MSHA*”), the information required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K. Section references are to sections of MSHA.

	Potash Mine	Florida Phosphate Rock Mines			
	Carlsbad, New Mexico	Four Corners	South Fort Meade	Wingate	South Pasture
Three Months Ended September 30, 2021					
Section 104 citations for violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard (#)	3	—	1	—	—
Section 104(b) orders (#)	—	—	—	—	—
Section 104(d) citations and orders (#)	—	—	—	—	—
Section 110(b)(2) violations (#)	—	—	—	—	—
Section 107(a) orders (#)	—	—	—	—	—
Proposed assessments under MSHA (whole dollars)	\$ 9,965	\$ —	\$ 3,535	\$ 312	\$ 261
Mining-related fatalities (#)	—	—	—	—	—
Section 104(e) notice	No	No	No	No	No
Notice of the potential for a pattern of violations under Section 104(e)	No	No	No	No	No
Legal actions before the Federal Mine Safety and Health Review Commission (“FMSHRC”) initiated (#)	—	—	—	—	—
Legal actions before the FMSHRC resolved (#)	—	—	—	—	—
Legal actions pending before the FMSHRC, end of period:					
Contests of citations and orders referenced in Subpart B of 29 CFR Part 2700 (#)	1	—	—	—	—
Contests of proposed penalties referenced in Subpart C of 29 CFR Part 2700 (#)	—	—	—	—	—
Complaints for compensation referenced in Subpart D of 29 CFR Part 2700 (#)	—	—	—	—	—
Complaints of discharge, discrimination or interference referenced in Subpart E of 29 CFR Part 2700 (#)	—	—	—	—	—
Applications for temporary relief referenced in Subpart F of 29 CFR Part 2700 (#)	—	—	—	—	—
Appeals of judges’ decisions or orders referenced in Subpart H of 29 CFR Part 2700 (#)	—	—	—	—	—
Total pending legal actions (#)	1	—	—	—	—