Bunge LTD
Form 10-K
March 01, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

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

For the fiscal year ended December 31, 2009
or

o **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 001-16625

BUNGE LIMITED

(Exact name of registrant as specified in its charter)

Bermuda	**98-0231912**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
50 Main Street **White Plains, New York USA**	**10606**
(Address of principal executive offices)	(Zip Code)

(914) 684-2800
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, par value $.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Act. Yes o No ý

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 ý No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act: Large Accelerated filer ý Accelerated filer o Non-accelerated filer (do not check if a smaller reporting company) o Smaller reporting company o

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

The aggregate market value of registrant's common shares held by non-affiliates, based upon the closing price of our common shares on the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2009, as reported by the New York Stock Exchange, was approximately $7,270 million. Common shares held by executive officers and directors and persons who own 10% or more of the issued and outstanding common shares have been excluded since such persons may be deemed affiliates. This determination of affiliate status is not a determination for any other purpose.

As of February 19, 2010, 143,853,936 Common Shares, par value $.01 per share were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the 2010 Annual General Meeting of Shareholders to be held on May 21, 2010 are incorporated by reference into Part III.

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Cautionary Statement Regarding Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements to encourage companies to provide prospective information to investors. This Annual Report on Form 10-K includes forward-looking statements that reflect our current expectations and projections about our future results, performance, prospects and opportunities. Forward-looking statements include all statements that are not historical in nature. We have tried to identify these forward-looking statements by using words including "may," "will," "should," "could," "expect," "anticipate," "believe," "plan," "intend," "estimate," "continue" and similar expressions. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause our actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These factors include the risks, uncertainties, trends and other factors discussed under the headings "Item 1A. Risk Factors," as well as "Item 1. Business," "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this Annual Report on Form 10-K, including:

- changes in governmental policies and laws affecting our business, including agricultural and trade policies, as well as tax regulations and biofuels legislation;
- our funding needs and financing sources;
- changes in foreign exchange policy or rates;
- the outcome of pending regulatory and legal proceedings;
- our ability to complete, integrate and benefit from acquisitions, divestitures, joint ventures and strategic alliances;
- industry conditions, including fluctuations in supply, demand and prices for agricultural commodities and other raw materials and products that we sell and use in our business, fluctuations in energy and freight costs and competitive developments in our industries;
- weather conditions and the impact of crop and animal disease on our business;
- global and regional agricultural, economic, financial and commodities market, political, social, and health conditions; and
- other factors affecting our business generally.

In light of these risks, uncertainties and assumptions, you should not place undue reliance on any forward-looking statements contained in this Annual Report. Additional risks that we may currently deem immaterial or that are not presently known to us could also cause the forward-looking events discussed in this Annual Report not to occur. Except as otherwise required by applicable securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Annual Report.

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PART I

Item 1. *Business*

References in this Annual Report on Form 10-K to "Bunge Limited," "Bunge," "we," "us" and "our" refer to Bunge Limited and its consolidated subsidiaries, unless the context otherwise indicates.

Business Overview

We are a leading global agribusiness and food company operating in the farm-to-consumer food chain. We believe we are:

- a world leading oilseed processing company, based on processing capacity;
- the largest producer and supplier of fertilizer to farmers in South America, based on volume; and
- a leading seller of packaged vegetable oils worldwide, based on sales.

We conduct our operations in three divisions: agribusiness, fertilizer and food and ingredients. These divisions include four reportable business segments: agribusiness, fertilizer, edible oil products and milling products. Our agribusiness division is an integrated business principally involved in the purchase, storage, transport, processing and sale of agricultural commodities and commodity products. Our agribusiness operations and assets are primarily located in North and South America, Europe and Asia, and we have marketing and distribution offices throughout the world.

Our fertilizer division is involved in every stage of the fertilizer business, from mining of phosphate-based raw materials to the sale of retail fertilizer products. The operations and assets of our fertilizer division are primarily located in South America. In January 2010, we entered into an agreement to sell our fertilizer nutrients assets in Brazil to Vale S.A. See " Fertilizer."

Our food and ingredients division consists of two reportable business segments: edible oil products and milling products. These segments include businesses that produce and sell edible oils, shortenings, margarines, mayonnaise and milled products such as wheat flours and corn-based products. The operations and assets of our milling products segment are located in Brazil and the United States, and the operations and assets of our edible oil products segment are primarily located in North America, Europe, Brazil, China and India.

We also have a growing presence in the sugar and sugarcane based ethanol industry. In February 2010, we acquired five sugarcane mills in Brazil, making us the third largest sugar and ethanol producer in Brazil. See " Agribusiness."

History and Development of the Company

We are a limited liability company formed under the laws of Bermuda. We are registered with the Registrar of Companies in Bermuda under registration number EC20791. We trace our history back to 1818 when we were founded as a grain trading company in Amsterdam, The Netherlands. During the second half of the 1800s, we expanded our grain operations in Europe and also entered the South American agricultural commodity market. In 1888, we entered the South American food products industry, and in 1938 we entered the fertilizer industry in Brazil. We started our U.S. operations in 1923.

Our principal executive offices and corporate headquarters are located at 50 Main Street, White Plains, New York, 10606, United States of America and our telephone number is (914) 684-2800. Our registered office is located at 2 Church Street, Hamilton, HM 11, Bermuda.

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Agribusiness

Overview. Our agribusiness division is an integrated business involved in the purchase, storage, transport, processing and sale of agricultural commodities and commodity products. The principal agricultural commodities that we handle are oilseeds and grains, primarily soybeans, rapeseed or canola, sunflower seed, wheat and corn. We process oilseeds into vegetable oils and protein meals, principally for the food and animal feed industries, as further described below.

Sugar and sugarcane-based ethanol. In addition to our principal agribusiness operations in oilseeds and grains, we also participate in the sugar and sugarcane-based ethanol industries through our sugar origination, trading and marketing business, as well as our sugar and sugarcane-based ethanol production operations in Brazil. We wholly own or have majority interests in seven sugarcane mills in Brazil, five of which we acquired in the Moema transaction described below. With respect to the mills we owned prior to the Moema transaction, our Monteverde mill, in which we own a 60% stake and a Brazilian family group owns the remaining 40%, is located in the state of Mato Grosso do Sul. This mill commenced operations in 2009 and has current annual sugarcane milling capacity of 1.4 million metric tons. Our Santa Juliana mill, in which we own an 80% stake and a subsidiary of Itochu Corp. (Itochu) owns the remaining 20%, is located in the state of Minas Gerais and has current annual milling capacity of 3.5 million metric tons. Additionally, we have an 80% stake in a greenfield mill that we are developing with Itochu in the state of Tocantins, which we expect to become initially operational in 2010 with planned initial annual milling capacity of 1.4 million metric tons. Our mills allow us to adjust our production (within certain capacity limits) between ethanol and sugar, as well as, for the Moema mills, between different types of ethanol (hydrous and anhydrous) and sugar (raw and crystal), allowing us to respond promptly to changes in customer demand and market prices. We intend to make additional investments to expand the crushing capacity of our sugarcane mills, including the Moema mills we recently acquired. We also have cogeneration facilities at all our mills which produce energy through the burning of sugarcane bagasse in boilers, which enables these mills to be self-sufficient in terms of their energy needs and, in some cases, sell surplus energy to third parties such as local utilities.

Beginning in the first quarter of 2010, we intend to report the results of our sugar and bioenergy businesses as a reportable segment, which will include the results of our sugar origination, trading, marketing and milling operations and our corn-based ethanol activities.

Biofuels investments. We also participate in the biodiesel and corn-based ethanol industries, generally as a minority investor in biofuels producers. Our Diester Industries International S.A.S. (DII) joint venture is a leading biodiesel producer in Europe with operations in Germany, Austria and Italy. We also have investments in biofuels companies in the United States, Argentina, Spain and Portugal. See " Investments in Affiliates" for more information. In connection with our biofuels investments, we typically seek to negotiate arrangements to supply the raw materials used in the biofuel production processes and to market certain of the products and by-products generated by the biofuel production processes, such as DDGS (dried distillers grains with solubles), which are by-products of the corn-based ethanol production process and are used as an animal feed ingredient.

Customers. We sell agricultural commodities and processed commodity products to customers throughout the world. The principal purchasers of our oilseeds and grains are animal feed manufacturers, wheat and corn millers and other oilseed processors. The principal purchasers of our oilseed meal products are animal feed manufacturers and livestock, poultry and aquaculture producers that use these products as animal feed ingredients. As a result, our agribusiness operations benefit from global demand for meat products, primarily poultry and pork products. The principal purchasers of the unrefined vegetable oils produced in this segment are our own food and ingredients division and third party edible oil processing companies which use these oils as a raw material. These oils are used by our customers to produce a variety of edible oil products for the foodservice, food processor and retail markets. In addition, we sell oil products for various non-food uses, including the production of biodiesel. Our sugar origination, trading and marketing operations purchase and sell sugar globally to meet international demand for sugar. The sugar products we produce in Brazil are sold either to the Brazilian or export markets. The sugarcane-based ethanol produced by us in Brazil is marketed and sold to customers to be used as transport fuel or as a fuel additive primarily in the Brazilian market.

Distribution and Logistics. We have developed an extensive logistics network to transport our products. We use a variety of transportation modes including trucks, railcars, river barges, and ocean freight vessels which we lease, as well as transportation services provided by third party truck lines, railroads and barge and ocean freight carriers. To better serve our customer base and improve our global distribution and logistics capabilities, we have made and will continue to make selective investments in port logistics and storage facilities. For example, in 2009, we entered into a joint venture with Itochu and STX Pan Ocean Co. to build and operate an export grain terminal in the Port of Longview, Washington state, in the Pacific Northwest region of the United States. This facility will provide us with additional capacity to serve our operations and customers in Asia. We also have a 50% equity interest in the owner/operator of the Phu My Port in Vietnam, the only dry bulk port in that country capable of receiving large, Panamax class ships. We are building an integrated soybean processing and oil refining plant within the Phu My port complex, which we expect to become initially operational in 2011. We also operate other port facilities, including in Brazil, Argentina, Russia, Canada and the United States.

Other Services and Activities. In Brazil, where there are limited third-party financing sources available to farmers, we provide financing services to farmers from whom we purchase soybeans and other agricultural commodities through prepaid commodity purchase contracts and advances. These financing arrangements are typically secured by the farmer's crop and a mortgage on the farmer's land and other assets and typically carry local market interest rates. Our farmer financing activities are an integral part of our grain origination and oilseed processing activities as they help assure the supply of raw materials for our Brazilian agribusiness operations. Having integrated agribusiness operations also enables us to participate in related financial activities such as engaging in trade structured finance to leverage international trade flows, providing risk management services to customers by assisting them with managing price exposure to agricultural commodities and developing private investment vehicles to invest in businesses complementary to our agribusiness operations.

Raw Materials. We purchase the oilseeds and grains used in our agribusiness operations either directly from farmers or indirectly through intermediaries. We purchase sugarcane from third party producers and also engage in sugarcane production to supply our operations in Brazil on land either leased or owned by us. Although the availability and price of agricultural commodities may, in any given year, be affected by unpredictable factors such as weather, government programs and policies, and farmer planting decisions, supply historically has been adequate for our operational needs.

Competition. Due to their commodity nature, markets for our agribusiness products are highly competitive and are also subject to product substitution. Competition is principally based on price, quality, product and service offerings and geographic location. Major competitors in our agribusiness operations are The Archer Daniels Midland Co. (ADM), Cargill Incorporated (Cargill), Louis Dreyfus Group, large regional companies, such as Wilmar International Limited and Noble Group Limited in Asia, and smaller agricultural cooperatives and trading companies in various countries. Major competitors in our sugar operations are British Sugar PLC, Südzucker AG, Cargill, Tereos Group, Sucden Group, ED&F Man, Noble Group Limited, Cosan Limited and LDC-SEV Bioenergia.

Moema Transaction. In February 2010, we completed the acquisition of five sugarcane mills in Brazil in the Moema transaction. This transaction consisted in part of the acquisition of Usina Moema Participações S.A., which we refer to as Moema Par, pursuant to an agreement entered into among Bunge, Moema Par and Moema Par's shareholders in December 2009. Moema Par wholly owned one sugarcane mill in Brazil and had ownership interests in five others (collectively, the Moema Group) located on the border of Sao Paulo and Minas Gerais states. In January 2010, we entered into agreements with other shareholders (which we refer to as the minority shareholders) in the Moema Group, which, in the case of four of the five mills not wholly owned by Moema Par, provided for the purchase by Bunge of the ownership interests of such shareholders in such mills (we refer to these transactions as the minority transactions and together with the Moema Par transaction described above, collectively, the exchange transactions). Pursuant to the terms of the agreements related to the minority transactions, two of the minority shareholders were entitled to receive cash for their interests, while the remaining minority shareholders were entitled to receive Bunge Limited common shares.

The closings of the exchange transactions occurred on February 5, February 9 and February 11, 2010. Additionally, in connection with the closings of the exchange transactions, the other shareholder in the fifth mill not wholly owned by Moema Par exercised its right pursuant to an agreement between it and Moema Par to acquire Moema Par's interests in such mill in exchange for the interests of such shareholder in another of the five mills and a cash payment from such shareholder to Moema Par. As a result of these transactions, Bunge now owns 100% of five of the six sugarcane mills that comprised the Moema Group, with an aggregate annual milling capacity of 13.7 million metric tons.

In connection with the closings of the exchange transactions, Bunge Limited issued to the Moema Par shareholders and the minority shareholders 9,718,632 Bunge Limited common shares in private placement transactions in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act of 1933. These shares, together with the cash payments made at closing to the minority shareholders not receiving Bunge Limited common shares for their interests, represented approximately 90% of the base purchase price for the assets acquired in the exchange transactions, with the balance (which could be greater or less than the 10% of the base price common shares that have been retained by Bunge) to be paid following determination of a post-closing adjustment based on the working capital and net indebtedness of the acquired assets at closing, which has not yet been determined. Bunge expects to issue approximately 10.8 million shares in the aggregate in connection with the Moema transaction, subject to the post-closing adjustments referred to above.

Fertilizer

Overview. We are the largest producer and supplier of fertilizer to farmers in South America and a major integrated fertilizer producer in Brazil, participating in all stages of the business, from mining of phosphate-based raw materials to selling of retail blended fertilizers. In the Brazilian retail fertilizer market, we have approximately 25% of the market share of "NPK" fertilizers. NPK refers to nitrogen (N), phosphate (P) and potash (K), the main components of chemical fertilizers. In Brazil, we conduct our fertilizer operations through our wholly owned subsidiaries, including Bunge Fertilizantes S.A., as well as through our controlling interest in Fertilizantes Fosfatados S.A. (Fosfertil), which we refer to as Fosfertil. Fosfertil is a publicly traded phosphate and nitrogen producer in Brazil. Through direct and indirect investments, we own approximately 54% of the voting common shares and 36% of the nonvoting preferred shares of Fosfertil (which represents our right to approximately 42% of the earnings of Fosfertil). We have a single superphosphate (SSP) production plant in Argentina and in January 2010 completed the acquisition of the Argentine fertilizer business of Petrobras Energia S.A., which produces liquid and solid nitrogen fertilizers.

Products and Services. Our fertilizer production activities are comprised of nutrients and retail operations. Our nutrients operations include the mining and processing of phosphate ore and the production of intermediate phosphate-based products for sale to fertilizer blenders and cooperatives, as well as to supply our own retail fertilizer operations. We also produce phosphate-based animal feed ingredients in this business. The primary products we produce in our nutrients operations are concentrated phosphate rock, sulfuric acid, phosphoric acid, SSP and dicalcium phosphate. In addition, Fosfertil produces various nitrogen and phosphate-based raw materials and fertilizers, including

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ammonia, urea, nitric acid, ammonium nitrate, monoammonium phosphate (MAP) and triple superphosphate (TSP).

Our retail fertilizer operations consist of producing, distributing and selling blended NPK formulas and other fertilizer products directly to retailers, processing and trading companies and farmers, primarily in Brazil, as well as in Argentina and neighboring countries. These NPK fertilizers are used for the cultivation of a variety of crops, including soybeans, corn, sugarcane, cotton, wheat and coffee. In Brazil, we market our retail fertilizers under the *IAP*, *Manah*, *Ouro Verde* and *Serrana* brands. We also market NPK fertilizer products that we source from third party producers for sale to wholesale distributors and cooperatives in North America.

Raw Materials. The principal raw materials used in our fertilizer division are concentrated phosphate rock, which is produced from phosphate ore, as well as sulfur and ammonia in the phosphate chain; natural gas, other petroleum-based products and ammonia in the nitrogen chain; and various potash-based products in the potash chain. Through our ownership and operation of phosphate mines in Brazil, we are able to supply most of our phosphate rock requirements. We purchase the balance from third-party suppliers. We purchase all of the sulfur used in our fertilizer division from third-party suppliers. We use sulfur to produce sulfuric acid. In 2009, our internal production of sulfuric acid was sufficient to supply all of our needs. In 2009, we purchased approximately 68% of our nitrogen raw materials and all of our potash-based raw materials from third-party suppliers. In anticipation of continued growth in the Brazilian agricultural sector and the related expected increase in demand for fertilizer, we have in recent years expanded the production capabilities at our phosphate mines. We also have a joint venture with Office Chérifien des Phosphates, or OCP, to produce fertilizer products in Morocco. The joint venture manufactures sulfuric acid, phosphoric acid, TSP, MAP and diammonium phosphate (DAP) for shipment to Brazil, Argentina and certain other markets in Latin America.

The prices of fertilizer raw materials are determined by reference to international prices that reflect global supply and demand factors and global transportation and other logistics costs. Each of these fertilizer raw materials is readily available in the international marketplace from multiple sources.

Distribution and Logistics. Our phosphate mining operations in Brazil allow us to lower our logistics costs by reducing our use of imported raw materials. In addition, we seek to reduce our logistics costs by back-hauling agricultural commodities and processed products from our inland commodity storage and processing locations to export points after delivery of imported fertilizer raw materials to our inland fertilizer processing plants. We also seek opportunities to enhance the efficiency of our logistics network by exporting agricultural commodities on the ocean freight vessels that we use to deliver imported fertilizer raw materials to us.

Competition. Because fertilizers are global commodities available from multiple sources, the industry is highly competitive. Fertilizer companies compete principally based on delivered price. Additionally, competition is based on product offering and quality, access to raw materials, production efficiency and customer service, including in some cases, customer financing terms. Our main competitors in our fertilizer operations in Brazil are Copebrás, Fertipar, The Mosaic Company, Adubos Trevo (Yara International), Tortuga and Heringer. In Argentina, our main competitors are Repsol YPF, The Mosaic Company and Profertil S.A.

Pending Sale of Brazilian Nutrients Assets to Vale S.A. In January 2010, we and two of our indirect, wholly owned subsidiaries entered into an agreement with Vale S.A., a Brazil-based global mining company which we refer to as Vale, and an affiliate of Vale to sell our fertilizer nutrients assets in Brazil to Vale. The agreement provides, among other things, that Vale will purchase from us all of the outstanding shares of BPI Bunge Participações e Investimentos S.A. (which we refer to as BPI). BPI owns Bunge's phosphate mining and other nutrients assets in Brazil and, directly or indirectly, holds Bunge's interests in Fosfertil. We will retain our retail fertilizer operations in Brazil and our fertilizer

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operations in Argentina and the United States, and our 50% stake in our joint venture with OCP in Morocco. The purchase price for the transaction is $3.8 billion in cash, subject to a post-closing adjustment for differences in BPI's net debt and working capital at closing from December 31, 2009.

The closing of the transaction is expected to occur in the second quarter of 2010 and is subject to several customary conditions precedent. In addition, Vale's obligation to consummate the transaction is subject to, among other things (i) the filing of certain requirements with certain governmental authorities and third parties to obtain certain permits necessary in connection with the operation of the assets being sold, (ii) approval from certain third parties, including certain Brazilian governmental agencies, for the assignment of certain contracts relating to BPI's existing mineral rights and (iii) the extension by Companhia Brasileira de Metalúrgia e Mineração CBMM of a license to exploit mineral phosphate by BPI. The purchase agreement may be terminated in the event all of the conditions precedent have not been satisfied within 180 days following the date of the execution of the purchase agreement or in the event of a final, non-appealable order preventing the closing. We have agreed to customary indemnification provisions in the purchase agreement. In connection with our indemnification obligations, we are generally not required to indemnify Vale until the aggregate amount of its losses exceed $1 million and are not required to indemnify Vale for losses incurred by Fosfertil and its subsidiaries in excess of a specified cap. Subject to certain limitations, Vale has agreed to indemnify us with respect to (i) inaccuracies of Vale's representations and warranties, (ii) non-compliance by it with any of its obligations under the purchase agreement and (iii) post-closing liabilities of the BPI and its subsidiaries. The parties' obligations to indemnify each other under the purchase agreement survive until the expiration of the applicable statute of limitations.

The purchase agreement provides that, at the Closing, the parties or their respective affiliates will enter into several ancillary agreements, including a supply agreement pursuant to which Vale will supply our retail operations with certain phosphate fertilizer products, including SSP, through 2012, which may be extended by us to December 31, 2013. We will also enter into a transition services agreement pursuant to which we will provide administrative services to Vale through December 31, 2010, extendable to December 31, 2011 by mutual agreement of the parties. Under the purchase agreement, we have agreed, subject to certain exceptions, to certain non-competition provisions with respect to the production of certain fertilizer products, and Vale has agreed not to produce, distribute or commercialize certain fertilizer products, in each case, in Brazil until December 31, 2012, which may be extended to December 31, 2013.

Food and Ingredients

Overview. Our food and ingredients division consists of two reportable business segments: edible oil products and milling products. We primarily sell our products to three customer types or market channels: food processors, foodservice companies and retail outlets. The principal raw materials we use in our food and ingredients division are various crude and further-processed vegetable oils in our edible oil products segment, and corn and wheat in our milling products segment. These raw materials are agricultural commodities that we either produce or purchase from third parties. We seek to realize synergies between our food and ingredients division and our agribusiness operations through our raw material procurement activities, enabling us to benefit from being an integrated, global enterprise.

Edible Oil Products

Products. Our edible oil products include packaged and bulk oils, shortenings, margarines, mayonnaise and other products derived from the vegetable oil refining process. We primarily use soybean, sunflower and rapeseed or canola oil that we produce in our oilseed processing operations as raw materials in this business. We are a leading seller of packaged vegetable oils worldwide, based on sales. We have edible oil refining and packaging facilities in North America, South America, Europe and Asia.

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We sell our retail edible oil products in Brazil under a number of brands, including *Soya*, the leading packaged vegetable oil brand. We are also the market leader in the Brazilian margarine market with our brands *Delicia* and *Primor*. Our brand *Bunge Pro* is the top foodservice shortening brand in Brazil. In the United States, our *Elite* brand is a leading foodservice brand of edible oil products. In addition, we have developed proprietary processes that allow us to offer our customers a number of products with no or low levels of trans-fatty acids and we also work with other companies to expand the trans-fat solutions we offer to customers, including *Treus* low linolenic soybean oil, which was developed through an alliance between us and DuPont. In Europe, we are the market leader in consumer packaged vegetable oils, which are sold in various geographies under brand names including *Venusz, Floriol, Kujawski, Olek, Unisol, Ideal*, *Oleina, Deli Reform, Pyszny Duet and Masmix*. In Asia, our primary edible oil product brands include *Dalda* and *Chambal* in India and *Douweijia* brand soybean oil in China. In several regions, we also sell packaged edible oil products to grocery store chains for sale under their own private labels. In 2009, we purchased the assets of Mid-Atlantic Vegetable Shortening, Inc., an edible oil packaging business that services bakery, food processor and foodservice customers in the Northeastern United States. In 2009, we also acquired Raisio plc's margarine businesses, which include margarine production facilities in Finland and Poland and a portfolio of consumer margarine brands.

Distribution and Customers. Our customers include baked goods companies, snack food producers, restaurant chains, foodservice distributors and other food manufacturers who use vegetable oils and shortenings as inputs in their operations, as well as retail consumers.

Competition. The edible oil industry is intensely competitive. Competition is based on a number of factors, including price, raw material procurement, brand recognition, product quality, new product introductions, composition and nutritional value, as well as advertising and promotion. Our products may compete with widely advertised, well-known, branded products, as well as private label and customized products. In addition, consolidation in the supermarket industry has resulted in those customers demanding lower prices and reducing the number of suppliers with which they do business, and therefore it is increasingly important to obtain adequate access to retail outlets and shelf space for our retail products. In the United States, Brazil and Canada, our principal competitors in the edible oil products business include ADM, Cargill, Associated British Foods plc, Stratas Foods (a joint venture between ADM and Associated British Foods plc), Unilever, Ventura Foods, LLC and Brasil Foods S.A. In Europe, our principal competitors include ADM, Cargill, Unilever and various local companies in each country.

Milling Products

Products. Our milling products include a variety of wheat flours and bakery mixes sold in Brazil and corn-based products derived from the corn dry milling process sold in North America. Our corn milling products consist primarily of dry milled corn meal, flours and grits, as well as soy-fortified corn meal, corn-soy blend and other similar products. We also produce corn oil and corn animal feed products.

Distribution and Customers. In Brazil, the primary customers for our wheat milling products are industrial, bakery and foodservice companies. In North America, the primary customers for our corn milling products are companies in the food processing sector, such as cereal, snack, bakery and brewing companies, as well as the U.S. government for humanitarian relief programs. Corn oil and animal feed products are sold to edible oil processors and animal feed manufacturers and users, respectively.

Competition. The wheat and corn milling industries are highly competitive. In Brazil, our major competitors are Pena Branca Alimentos, M. Dias Branco, Moinho Pacifico and Moinho Anaconda, as well as many small regional producers. Our major competitors in our North American corn milling

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products business include Cargill, Didion Milling Company, SEMO Milling, LLC and Life Line Foods, LLC.

Risk Management

Risk management is a fundamental aspect of our business. Engaging in the hedging of risk exposures and anticipating market developments are critical to protect and enhance our return on assets. We engage in commodity price hedging to reduce the impact of volatility in the prices of the principal agricultural commodities and processed products we purchase, produce and sell. Our operations use substantial amounts of energy, including natural gas, steam and fuel oil, including bunker fuel for ocean freight vessels. We engage in energy cost hedging to reduce our exposure to volatility in energy costs. We also engage in foreign currency and interest rate hedging. In addition, we enter into freight forward agreements in order to reduce our exposure to volatility in ocean freight costs. Our risk management decisions take place in various locations but exposure limits are centrally set and monitored. Commodity exposure limits are designed to consider notional exposure to price and relative price (or "basis") volatility, as well as value-at-risk limits. For foreign exchange, interest rate, energy and transportation risk, our positions are hedged in accordance with applicable company policies. Credit and counterparty risk is managed locally within our business units and monitored centrally. We have a corporate risk management group, headed by our chief risk officer, which oversees management of our risk exposures globally. The finance and risk policy committee of our board of directors supervises and reviews our overall risk management policies and risk limits. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk."

Operating Segments and Geographic Areas

The following tables set forth our net sales to external customers by operating segment, net sales to external customers by geographic area and our long-lived assets by geographic area. Net sales to external customers by geographic area are determined based on the location of the subsidiary making the sale.

	Year Ended December 31,		
	2009	**2008**	**2007**
	(US$ in millions)		
Net Sales to External Customers by Operating Segment:			
Agribusiness	**$ 30,511**	$ 36,688	$ 26,990
Fertilizer	**3,704**	5,860	3,918
Edible oil products	**6,184**	8,216	5,597
Milling products	**1,527**	1,810	1,337
Total	**$ 41,926**	$ 52,574	$ 37,842

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	Year Ended December 31, 2009	2008	2007
	(US$ in millions)		
Net Sales to External Customers by Geographic Area:			
Europe	**$ 13,815**	$ 18,189	$ 12,814
United States	**10,267**	12,153	8,982
Brazil	**9,203**	11,998	8,020
Asia	**5,385**	5,524	4,924
Argentina	**1,836**	2,730	1,943
Canada	**1,388**	1,954	1,131
Rest of world	**32**	26	28
Total	**$ 41,926**	$ 52,574	$ 37,842

	Year Ended December 31, 2009	2008	2007
	(US$ in millions)		
Long-Lived Assets by Geographic Area (1):			
Europe	**$ 1,021**	$ 1,080	$ 1,018
United States	**977**	904	918
Brazil	**3,971**	2,620	2,987
Asia	**178**	161	95
Argentina	**228**	226	193
Canada	**174**	157	195
Rest of world	**17**	14	9
Total	**$ 6,566**	$ 5,162	$ 5,415

(1) Long-lived assets include property, plant and equipment, net, goodwill and other intangible assets, net and investments in affiliates.

For information regarding gross profit by segment, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

Investments in Affiliates

We participate in several unconsolidated joint ventures and other investments accounted for on the equity method, the most significant of which are described below. We allocate equity in earnings of affiliates to our reporting segments.

Agribusiness

Terminal 6 S.A. and Terminal 6 Industrial S.A. We have a joint venture in Argentina with Aceitera General Deheza S.A. (AGD), for the operation of the Terminal 6 port facility located in the Santa Fe province of Argentina. We are also a party to a second joint venture with AGD that operates a crushing facility located adjacent to the Terminal 6 port facility. We own 40% and 50%, respectively, of these joint ventures.

The Solae Company. Solae is a joint venture with E.I. du Pont de Nemours and Company. Solae is engaged in the global production and distribution of soy-based ingredients, including soy proteins and lecithins. We have a 28.06% interest in Solae.

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AGRI-Bunge, LLC. We have a joint venture in the United States with AGRI Industries. The joint venture originates grain and operates Mississippi river terminals. We have 50% voting power and a 34% interest in the equity and earnings of AGRI-Bunge, LLC.

Diester Industries International S.A.S. (DII). We are a party to a joint venture with Diester Industries, a subsidiary of Sofiproteol, specializing in the production and marketing of biodiesel in Europe. We have a 40% interest in DII.

Bunge-Ergon Vicksburg, LLC (BEV). We are a 50% owner of BEV along with Ergon Ethanol, Inc. BEV operates an ethanol plant at the Port of Vicksburg, Mississippi, where we operate grain elevator facilities.

Southwest Iowa Renewable Energy, LLC (SIRE). We are a 26% owner of SIRE. The other owners are primarily agricultural producers located in Southwest Iowa. SIRE operates an ethanol plant near our oilseed processing facility at Council Bluffs, Iowa.

Ecofuel S.A. We are a 50% owner of this company along with AGD in Argentina. The company manufactures biodiesel products in the Santa Fe province of Argentina.

Biodiesel Bilbao S.A. We have a 20% minority interest in this company in Spain along with Acciona Biocombustibles S.A. This company produces and markets biofuels in Europe.

Huelva Belts SL. We are a 50% owner of this company along with Terminal Maritima de Huelva S.L. in Spain. The company constructs, operates and maintains a mechanical transport system in the port of Huelva, Spain.

Biocolza-Oleos E Farinhas de Colza S.A. We have a 40% minority interest in this company along with Tagol. This company is engaged in rapeseed oil crushing and biodiesel production in Portugal.

Fertilizer

Fosbrasil S.A. We are a party to this joint venture in Brazil, of which we own 44.25%, with Astaris Brasil Ltda. and Société Chimique Prayon-Rupel S.A. Fosbrasil S.A. operates an industrial plant in Cajati, São Paulo, Brazil that converts phosphoric acid used in animal nutrition into phosphoric acid for human consumption. The sale of our fertilizer nutrients assets in Brazil to Vale will include our interest in Fosbrasil S.A.

Bunge Maroc Phosphore S.A. We have a 50% interest in this joint venture with Office Cherifien Des Phosphates (OCP). The joint venture was formed to produce fertilizer products in Morocco for shipment to Brazil, Argentina and certain other markets in Latin America.

Food and Ingredients

Saipol S.A.S. Saipol is a joint venture with Sofiproteol, the financial arm of the French oilseed farmers' association. Saipol is engaged in oilseed processing and the sale of branded packaged vegetable oils in France. In December 2009, we sold our 33.34% interest in Saipol to Soprol, Sofiproteol's oilseeds division.

Harinera La Espiga, S.A. de C.V. We are a party to this joint venture in Mexico with Grupo Neva, S.A. de C.V. and Cerrollera, S.A. de C.V. The joint venture has wheat milling and bakery dry mix operations in Mexico. We have a 31.5% interest in the joint venture.

Research and Development, Patents and Licenses

Our research and development activities are focused on developing products and improving processes that will drive growth or otherwise add value to our core business operations. In our food and ingredients division, we have research and development centers located in the United States, Brazil and Hungary to develop and enhance technology and processes associated with food and ingredients development.

Our total research and development expenses were $26 million in 2009, $35 million in 2008 and $34 million in 2007. As of December 31, 2009, our research and development organization consisted of approximately 158 employees worldwide.

We own trademarks on the majority of the brands we produce in our food and ingredients and fertilizer divisions. We typically obtain long-term licenses for the remainder. We have patents covering some of our products and manufacturing processes. However, we do not consider any of these patents to be material to our business. We believe we have taken appropriate steps to be the owner of or to be entitled to use all intellectual property rights necessary to carry out our business.

Seasonality and Working Capital Needs

In our agribusiness division, while there is a degree of seasonality in the growing season and procurement of our principal raw materials, such as oilseeds and grains, we typically do not experience material fluctuations in volume between the first and second half of the year since we are geographically diversified between the northern and southern hemispheres, and we sell and distribute products throughout the year. However, the first fiscal quarter of a year is typically our weakest quarter in terms of financial results due to the timing of the North and South American oilseed harvests, since the North American harvest is completed in the fourth fiscal quarter and the South American harvest is completed in the second fiscal quarter. As a result, our oilseed processing activities are generally at their lowest levels during the first fiscal quarter. Additionally, price variations and availability of agricultural commodities may cause fluctuations in our inventories, accounts receivable and short-term borrowings over the course of a given year. For example, increased availability of agricultural commodities at harvest times often causes fluctuations in our inventories and borrowings. Additionally, increases in agricultural commodity prices will generally cause our cash flow requirements to increase as our agribusiness operations require increased use of cash to acquire inventories and fund daily settlement requirements on exchange traded futures that we use to hedge our inventories.

In our fertilizer division, we are subject to seasonal trends based on the agricultural growing cycle in Brazil. As a result, we generally build fertilizer inventories in the first half of the year in anticipation of sales to farmers who typically purchase the bulk of their fertilizer needs in the second half of the year. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations 2009 Overview."

In our food and ingredients division, there are no significant seasonal effects on our business.

Government Regulation

We are subject to a variety of laws in each of the countries in which we operate which govern various aspects of our business, including the processing, handling, storage and sale of products, mining and port operations and environmental, health and safety matters. To operate our facilities, we must obtain and maintain numerous permits, licenses and approvals from governmental agencies and our facilities are subject to periodic inspection by governmental agencies. In addition, we are subject to other government laws and policies affecting the food and agriculture industries, including food and feed safety and security policies. In the past, grain production shortfalls in certain regions and growing demand for agricultural commodities for feed, food and fuel use caused prices for soybeans, vegetable oils, corn and wheat to rise to historical high levels. High commodity prices have and in the future may lead governments to impose price controls, tariffs, export restrictions and other measures designed to mitigate these price increases in their domestic markets as well as increase the scrutiny of competitive conditions in their markets. While agricultural commodity prices have recently declined from their highest levels, such regulations could have a significant adverse effect on our business in the future.

Additionally, certain recent regulations that had or are expected to have an impact on our industry are described below.

Trans-Fatty Acids Labeling Requirements and Restrictions. As a result of being partially hydrogenated for use in processed and packaged foods to extend shelf-life and stabilize flavor, certain of our soybean oil products contain trans-fatty acids. In 2006, U.S. Food and Drug Administration labeling rules took effect requiring food processors to disclose levels of trans-fatty acids contained in their products. In addition, various local governments in the United States are considering, and some have enacted, restrictions on the use of trans-fats in restaurants. Several of our food processor, foodservice and other customers have either switched or indicated an intention to switch to edible oil products with no or lower levels of trans-fatty acids. As a result, we have broadened and are continuing to develop our portfolio of low, reduced and trans-fat free edible oil product offerings for our customers.

Biofuels Legislation. In recent years, there has been increased interest globally in the production of biofuels as alternatives to traditional fossil fuels and as a means of promoting energy independence in certain countries. Biofuels convert crops, such as sugarcane, corn, soybeans, palm, rapeseed or canola, and other oilseeds, into ethanol or biodiesel to extend, enhance or substitute for fossil fuels. Production of biofuels has increased significantly in recent years in response to recent high fossil fuel prices coupled with government incentives for the production of biofuels that are being offered in many countries, including the United States, Brazil, Argentina and many European countries. Furthermore, in certain countries, governmental authorities are mandating biofuels use in transport fuel at specified levels. As such, the markets for agricultural commodities used in the production of biofuels have become increasingly affected by the growth of the biofuel industry and related legislation.

Competitive Position

Markets for most of our products are highly price competitive and many are sensitive to product substitution. Please see the "Competition" section contained in the discussion of each of our operating segments above for a discussion of competitive conditions, including our primary competitors in each segment.

Environmental Matters

We are subject to various environmental protection and occupational health and safety laws and regulations in the countries in which we operate. Our operations may emit or release certain substances, which may be regulated or limited by applicable laws and regulations. In addition, we handle and dispose of materials and wastes classified as hazardous or toxic by one or more regulatory agencies and we incur costs to comply with health, safety and environmental regulations applicable to those activities. We have made and expect to make substantial capital expenditures on an ongoing basis to continue to ensure our compliance with environmental laws and regulations. However, due to our extensive industrial operations across multiple industries and jurisdictions globally, we are exposed to the risk of claims and liabilities under environmental regulations. Violation of these laws and regulations can result in substantial fines, administrative sanctions, criminal penalties, revocations of operating permits and/or shutdowns of our facilities. Additionally, our business could be affected in the future by regulation or taxation of greenhouse gas emissions. Climate change-related legislation is currently pending in the U.S. Congress, and a number of countries who are parties to the Kyoto Protocol are considering additional regulatory measures to combat climate change. It is difficult at this time to estimate the likelihood of passage of any such legislation, or alternatively, the potential impact of any resulting regulation of greenhouse gas emissions. Potential consequences could include increased energy, transportation and raw material costs and may require us to make additional investments in our facilities and equipment. As a result, the effects of climate change could have a long-term adverse impact on our business and results of operations. Compliance with environmental laws and regulations did not materially affect our earnings or competitive position in 2009.

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Employees

As of December 31, 2009, we had 25,945 employees. Many of our employees are represented by labor unions, and their employment is governed by collective bargaining agreements. In general, we consider our employee relations to be good.

Risks of Foreign Operations

We are a global business with substantial assets located outside of the United States from which we derive a significant portion of our revenue. Our operations in South America and Europe are a fundamental part of our business. In addition, a key part of our strategy involves expanding our business in several emerging markets, including Eastern Europe and Asia. Volatile economic, political and market conditions in these and other emerging market countries may have a negative impact on our operating results and our ability to achieve our business strategies. For additional information, see the discussion under "Item 1A. Risk Factors."

Insurance

In each country where we conduct business, our operations and assets are subject to varying degrees of risk and uncertainty. Bunge insures its businesses and assets in each country in a manner that it deems appropriate, based on an analysis of the relative risks and costs. In addition, we believe that our geographic dispersion of assets helps mitigate risk to our business from an adverse event affecting a specific facility.

Available Information

Our website address is www.bunge.com. Through the "Investor Information SEC Filings" section of our website, it is possible to access our periodic report filings with the Securities and Exchange Commission (SEC) pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), including our Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to those reports. These reports are made available free of charge. Also, filings made pursuant to Section 16 of the Exchange Act with the SEC by our executive officers, directors and other reporting persons with respect to our common shares are made available, free of charge, through our website. Our periodic reports and amendments and the Section 16 filings are available through our website as soon as reasonably practicable after such report, amendment or filing is electronically filed with or furnished to the SEC.

Through the "Investor Information Corporate Governance" section of our website, it is possible to access copies of the charters for our audit committee, compensation committee, finance and risk policy committee and corporate governance and nominations committee. Our corporate governance guidelines and our code of ethics are also available in this section of our website. Each of these documents is made available, free of charge, through our website.

The foregoing information regarding our website and its content is for your convenience only. The information contained on or connected to our website is not deemed to be incorporated by reference in this report or filed with the SEC.

In addition, you may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically. The SEC website address is www.sec.gov.

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Executive Officers and Key Employees of the Company

Set forth below is certain information concerning the executive officers and key employees of the Company.

Name	Positions
Alberto Weisser	Chairman of the Board of Directors and Chief Executive Officer
Andrew J. Burke	Co-CEO, Bunge Global Agribusiness; Co-CEO, Bunge Product Lines
Jacqualyn A. Fouse	Chief Financial Officer
Archibald Gwathmey	Co-CEO, Bunge Global Agribusiness; Co-CEO, Bunge Product Lines
D. Benedict Pearcy	Chief Development Officer and Managing Director, Sugar and Bioenergy, Bunge Limited
Carl L. Hausmann	Managing Director, Global Government and Corporate Affairs (1)
Vicente C. Teixeira	Chief Personnel Officer
Jean-Louis Gourbin	Chief Executive Officer, Bunge Europe
Soren Schroder	Chief Executive Officer, Bunge North America (1)
Raul Padilla	Chief Executive Officer, Bunge Argentina S.A.
Pedro Parente	President and CEO, Bunge Brazil
Christopher White	Chief Executive Officer, Bunge Asia

(1) Effective March 31, 2010.

Alberto Weisser, 54. Mr. Weisser is the Chairman of our board of directors and our Chief Executive Officer. Mr. Weisser has been with Bunge since July 1993. He has been a member of our board of directors since 1995, was appointed our Chief Executive Officer in January 1999 and became Chairman of the Board of Directors in July 1999. Prior to that, Mr. Weisser held the position of Chief Financial Officer. Prior to joining Bunge, Mr. Weisser worked for the BASF Group in various finance-related positions for 15 years. Mr. Weisser is also a member of the board of directors of International Paper Company, a member of the North American Agribusiness Advisory Board of Rabobank and a board member of the Council of the Americas. He is a former director of Ferro Corporation. Mr. Weisser has a bachelor's degree in Business Administration from the University of São Paulo, Brazil.

Andrew J. Burke, 54. Mr. Burke has been Co-CEO, Bunge Global Agribusiness since November 2006 and is also Co-CEO, Bunge Product Lines. Mr. Burke joined Bunge in January 2002 as Managing Director, Soy Ingredients and New Business Development and later served as Managing Director, New Business. Mr. Burke also served as our interim Chief Financial Officer from April to July 2007. Prior to joining Bunge, Mr. Burke served as Chief Executive Officer of the U.S. subsidiary of Degussa AG. He joined Degussa in 1983, where he held a variety of finance and marketing positions, including Chief Financial Officer and Executive Vice President of the U.S. chemical group. Prior to joining Degussa, Mr. Burke worked for Beecham Pharmaceuticals and was an auditor with Price Waterhouse & Company. Mr. Burke is a graduate of Villanova University and earned an M.B.A. from Manhattan College.

Jacqualyn A. Fouse, 48. Ms. Fouse has been our Chief Financial Officer since July 2007. Prior to joining Bunge, Ms. Fouse served as Senior Vice President, Chief Financial Officer and Corporate Strategy at Alcon Laboratories, Inc. since 2006, and as its Senior Vice President and Chief Financial Officer since 2002. Ms. Fouse served as Chief Financial Officer from 2001 to 2002 at SAirGroup. Previously, Ms. Fouse held a variety of senior finance positions at Alcon and its then majority owner Nestlé S.A. Ms. Fouse worked at Nestlé from 1993 to 2001, including serving as Group Treasurer of Nestlé from 1999 to 2001. Ms. Fouse worked at Alcon from 1986 to 1993 and held several positions, including Manager Corporate Investments and Domestic Finance. Earlier in her career, she worked at Celanese Chemical and LTV Aerospace and Defense. Ms. Fouse earned a B.A. and an M.A. in Economics from the University of Texas at Arlington.

Archibald Gwathmey, 58. Mr. Gwathmey has been Co-CEO, Bunge Global Agribusiness since November 2006 and is also Co-CEO, Bunge Product Lines. He served as Managing Director, Agribusiness from December 2002 to November 2006 and Chief Executive Officer of Bunge Global Markets, Inc., our former international marketing division, from 1999 to 2006. Mr. Gwathmey joined Bunge in 1975 as a trainee and has over 30 years of experience in commodities trading and oilseed processing. Earlier in his career with Bunge, he served as head of the U.S. grain division and head of the U.S. oilseed processing division. Mr. Gwathmey graduated from Harvard College with a B.A. in Classics and English. He has also served as a Director of the National Oilseed Processors Association.

D. Benedict Pearcy, 41. Mr. Pearcy has been our Chief Development Officer and Managing Director, Sugar and Bioenergy since February 2009. Mr. Pearcy joined Bunge in 1995. Prior to his current position, he was most recently based in Europe, where he served as Vice President, South East Europe since 2007 and Vice President, Eastern Europe from 2003 to 2007. Prior to that, he served as Director of Strategic Planning for Bunge Limited from 2001 to 2003. Prior to joining Bunge, Mr. Pearcy worked at McKinsey & Co. in the United Kingdom. He holds a B.A. in Modern History and Economics from Oxford University and an MBA from Harvard Business School.

Carl L. Hausmann, 63. Effective March 31, 2010, Mr. Hausmann will assume the role of Managing Director, Global Government and Corporate Affairs. Mr. Hausmann currently serves as Chief Executive Officer of Bunge North America, a position he has held since January 2004. Prior to that, he served as Chief Executive Officer of Bunge Europe from October 2002. Prior to that, he was the Chief Executive Officer of Cereol S.A., which was acquired by Bunge in October 2002. Mr. Hausmann was Chief Executive Officer of Cereol since its inception in July 2001. Prior to that, Cereol was a 100% owned subsidiary of Eridania Beghin-Say. Mr. Hausmann worked in various capacities for Eridania Beghin-Say beginning in 1992. From 1978 to 1992, he worked for Continental Grain Company. Mr. Hausmann is the Vice Chair of the Consultative Group on International Ag Research (CGIAR), and also serves as a member of the board of Rabo AgriFinance, a U.S. based wholly owned subsidiary of Rabobank. He has served as Director of the National Oilseed Processors Association and as the President and Director of Fediol, the European Oilseed Processors Association. Mr. Hausmann has a B.S. degree from Boston College and an M.B.A. from INSEAD.

Vicente C. Teixeira, 57. Mr. Teixeira has been our Chief Personnel Officer since February 2008. Prior to joining Bunge, Mr. Teixeira served as director of human resources for Latin America at Dow Chemical and Dow Agrosciences in Brazil since 2001. He joined Dow from Union Carbide, where he served as director of human resources and administration for Latin America and South Africa, starting in 1995. Previously, he had worked at Citibank in Brazil for 21 years, where he ultimately served as human resources vice president for Brazil. Mr. Teixeira has an undergraduate degree in Business Communication and Publicity from Faculdade Integrada Alcantara Machado (FMU/FIAM), a Master of Business Administration from Faculdade Tancredo Neves and an Executive MBA from PDG/EXEC in Brazil.

Jean-Louis Gourbin, 62. Mr. Gourbin has been the Chief Executive Officer of Bunge Europe since January 2004. Prior to that, Mr. Gourbin was with the Danone Group, where he served as Executive Vice President of Danone and President of its Biscuits and Cereal Products division since 1999. Before joining the Danone Group, Mr. Gourbin worked for more than 15 years with the Kellogg Company, where he last occupied the positions of President of Kellogg Europe and Executive Vice President of Kellogg. He has also held positions at Ralston Purina and Corn Products Company. Mr. Gourbin holds both a Bachelor's and a Master's degree in Economics from the Sorbonne.

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Soren Schroder, 48. Effective March 31, 2010, Mr. Schroder will assume the role of Chief Executive Officer of Bunge North America. Mr. Schroder joined Bunge in 2000 and currently serves as Vice President, Agribusiness for Bunge Europe, a position he has held since June 2006. Prior to that, he served in agribusiness leadership roles in the U.S. and Europe. Prior to joining Bunge, he worked for over 15 years at Continental Grain and Cargill.

Raul Padilla, 54. Mr. Padilla is the Chief Executive Officer of Bunge Argentina S.A., our oilseed processing and grain origination subsidiary in Argentina. He joined the company in 1991, becoming Chief Executive Officer and Commercial Director in 1999. Mr. Padilla has approximately 30 years of experience in the oilseed processing and grain handling industries in Argentina, beginning his career with La Plata Cereal in 1977. He serves as President of the Argentine National Oilseed Crushers Association, Vice President of the International Association of Seed Crushers and is a Director of the Buenos Aires Cereal Exchange and the Rosario Futures Exchange. Mr. Padilla is a graduate of the University of Buenos Aires.

Pedro Parente, 57. Mr. Parente has been President and CEO, Bunge Brazil, since joining Bunge in January 2010. From 2003 until December 2009, Mr. Parente served as Chief Operating Officer, Grupo RBS (RBS), a leading Brazilian multimedia company that owns several TV stations, newspapers and radio stations. Prior to joining RBS, Mr. Parente held a variety of high-level posts in the public sector in Brazil. He served as Chief of Staff to the Brazilian President from 1999 to 2002, and as Minister of Planning and Deputy Minister of Finance between 1995 and 1999. Mr. Parente has also served as a consultant to the International Monetary Fund and has worked at the Brazilian Central Bank, Banco do Brasil and in a number of other positions in the Ministry of Finance and Ministry of Planning. He is a former Chairman of the Board of Petrobras and Banco do Brasil. He holds a degree in electrical engineering from the University of Brasília, and is a fellow at the George Washington University Center of Latin American Studies.

Christopher White, 57. Mr. White has served as Chief Executive Officer of Bunge Asia since 2006. He joined Bunge as Regional General Manager Asia in March 2003. Over a previous 20-year career with Bristol Myers Squibb, Mr. White served in various capacities, including President of Mead Johnson Nutritionals Worldwide, President of Mead Johnson Nutritionals and Bristol Myers Consumer Products Asia, and Vice President of Finance and Strategy of Mead Johnson. Mr. White is a graduate of Yale University.

Item 1A. *Risk Factors*

Risk Factors

Our business, financial condition or results of operations could be materially adversely affected by any of the risks and uncertainties described below. Additional risks not presently known to us, or that we currently deem immaterial, may also impair our financial condition and business operations. See "Cautionary Statement Regarding Forward-Looking Statements."

Risks Relating to Our Business and Industries

Adverse weather conditions, including as a result of future climate change, may adversely affect the availability and price of agricultural commodities and agricultural commodity products, as well as our operations and operating results.

Adverse weather conditions have historically caused volatility in the agricultural commodity industry and consequently in our operating results by causing crop failures or significantly reduced harvests, which may affect the supply and pricing of the agricultural commodities that we sell and use in our business, reduce demand for our fertilizer products and negatively affect the creditworthiness of agricultural producers who do business with us. Our assets and operations may also be affected by adverse weather conditions, such as hurricanes or severe storms, which may result in extensive property

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damage, extended business interruption, personal injuries and other loss and damage to us. Additionally, the potential physical impacts of climate change are uncertain and may vary by region. These potential effects could include changes in rainfall patterns, water shortages, changing sea levels, changing storm patterns and intensities, and changing temperature levels that could adversely impact our costs and business operations, the location and costs of global agricultural commodity production, and the supply and demand for agricultural commodities. These effects could be material to our results of operations, liquidity or capital resources. Our operations also rely on dependable and efficient transportation services. A disruption in transportation services, as a result of weather conditions or otherwise, may also significantly adversely impact our operations.

We are subject to fluctuations in agricultural commodity and other raw material prices caused by other factors outside of our control that could adversely affect our operating results.

The availability and price of agricultural commodities are also subject to other unpredictable factors outside of our control, including farmer planting decisions, government agriculture programs and policies, demand from the biofuels industry and the occurrence of plant disease that adversely affects crop conditions. These factors may also cause volatility in our agribusiness operating results.

Our food and ingredients and fertilizer divisions may also be adversely affected by fluctuations in the prices of agricultural commodities and fertilizer raw materials, respectively, that are caused by market factors beyond our control. Increases in fertilizer prices due to higher raw material costs have in the past and could in the future adversely affect demand for our fertilizer products. Additionally, as a result of competitive conditions in our food and ingredients and fertilizer businesses, we may not be able to recoup higher raw material costs through increases in sales prices for our products, which may adversely affect our profitability. Moreover, we carry our fertilizer inventories at the lower of cost or market. In periods when the market price for fertilizer is falling rapidly in response to falling market prices for raw materials, we could be required to write down the value of our fertilizer inventories if market prices fall below our costs. Any such write-down would adversely affect our results of operations and the value of our assets, and any such effect could be material.

We are subject to global and regional economic downturns and risks relating to turmoil in global financial markets.

The level of demand for our products is affected by global and regional demographic and macroeconomic conditions, including population growth rates and changes in standards of living. A significant downturn in global economic growth, or recessionary conditions in major geographic regions, may lead to reduced demand for agricultural commodities which could adversely affect our business and results of operations.

Additionally, weak global economic conditions and turmoil in global financial markets, including constraints on the availability of credit, have in the past adversely affected, and may in the future continue to adversely affect, the financial condition and creditworthiness of some of our customers, suppliers and other counterparties, including counterparties to derivative financial instruments, which in turn may negatively impact our financial condition and results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk" for more information.

We are vulnerable to the effects of supply and demand imbalances in our industries.

In our agribusiness operations, the lead time required to build an oilseed processing plant can make it difficult to time capacity additions with market demand for processed oilseed products such as meal and oil. When additional processing capacity becomes operational, a temporary imbalance between the supply and demand for oilseed meal and oil might exist, which, until the supply/demand balance is restored, negatively impacts oilseed processing operating results. This is also the case in the fertilizer industry, as availability of raw materials and production capacity for fertilizer products may

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not always be aligned with market demand. During times of reduced market demand, we may suspend or reduce production at some of our facilities. The extent to which we efficiently manage available capacity at our facilities will affect our profitability.

We are subject to economic and political instability and other risks of doing business globally and in emerging markets.

We are a global business with substantial assets located outside of the United States. Our operations in South America and Europe are a fundamental part of our business. In addition, a key part of our strategy involves expanding our business in several emerging market regions, including Eastern Europe and Asia. Volatile international economic, political and market conditions may have a negative impact on our operating results and our ability to achieve our business strategies.

Due to the international nature of our business, we are exposed to currency exchange rate fluctuations as a significant portion of our net sales and expenses are denominated in currencies other than the U.S. dollar. Changes in exchange rates between the U.S. dollar and other currencies, particularly the Brazilian *real*, the Argentine *peso* and the *euro* and certain Eastern European currencies, affect our revenues and expenses that are denominated in local currencies, affect farm economics in those regions and may have a negative impact on the value of our assets located outside of the United States.

We are also exposed to other risks of international operations, including:

- adverse trade policies or trade barriers on agricultural commodities and commodity products;
- inflation and adverse economic conditions resulting from governmental attempts to reduce inflation, such as imposition of wage and price controls and higher interest rates;
- changes in laws and regulations or the interpretation of laws and regulations, including tax laws and regulations in the countries where we operate, such as the risk of future adverse tax regulation in the United States relating to our status as a Bermuda company;
- difficulties in enforcing agreements or judgments and collecting receivables in foreign jurisdictions;
- exchange controls or other currency restrictions and limitations on the movement of funds, such as on the remittance of dividends by subsidiaries;
- inadequate infrastructure;
- increased governmental intervention, including through expropriation, or regulation of the economy, including restrictions on foreign ownership;
- the requirement to comply with a wide variety of foreign and U.S. laws and regulations that apply to international operations, including, without limitation, economic sanctions regulations, labor laws, import and export regulations and anti-bribery laws, including the U.S. Foreign Corrupt Practices Act, as well as other laws or regulations discussed in this "Risk Factors" section; and
- labor disruptions, civil unrest or significant political instability.

These risks could adversely affect our operations, business strategies and operating results.

Government policies and regulations, particularly those affecting the agricultural sector and related industries, could adversely affect our operations and profitability.

Agricultural commodity production and trade flows are significantly affected by government policies and regulations. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies, import and export restrictions on agricultural commodities and commodity products and energy policies, can influence industry profitability, the planting of certain crops versus other uses of agricultural resources, the location and size of crop production, whether unprocessed or processed commodity products are traded and the volume and types of imports and exports. In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions.

Increase in prices for, among other things, food, fuel and crop inputs, such as fertilizers, have in the past been the subject of significant discussion by governmental bodies and the public throughout the world. In some countries, this has led to the imposition of policies such as price controls, tariffs and export restrictions on agricultural commodities. Future governmental policies, regulations or actions affecting our industries may adversely affect the supply of, demand for and prices of our products, restrict our ability to do business in existing and target markets and cause our financial results to suffer.

Increases in commodity and fertilizer prices can increase the scrutiny to which we are subject under antitrust laws.

We are subject to antitrust and competition laws in various countries throughout the world. We cannot predict how these laws or their interpretation, administration and enforcement will change over time, particularly in periods of significant price fluctuations in our industries. Changes or developments in antitrust laws globally, or in their interpretation, administration or enforcement, may limit our existing or future operations and growth. Increases in food and crop nutrient prices that occurred in 2007 and 2008 have resulted in increased scrutiny of our industries under antitrust and competition laws in Europe and countries such as Brazil, and increase the risk that these laws could be interpreted, administered or enforced in a manner that could affect our operations or impose liability on us in a manner that could materially adversely affect our operating results and financial condition.

We may not realize the anticipated benefits of acquisitions, joint ventures and strategic alliances or divestitures.

We have been an active acquirer of other companies, and we have strategic alliances and joint ventures with several partners. Part of our strategy involves acquisitions, alliances and joint ventures designed to expand and enhance our business. Our ability to benefit from acquisitions, joint ventures and alliances depends on many factors, including our ability to identify suitable prospects, access funding sources on acceptable terms, negotiate favorable transaction terms and successfully consummate and integrate any businesses we acquire. In addition, we may decide, from time to time, to divest certain of our assets or businesses. Our ability to successfully complete a divestiture will depend on, among other things, our ability to identify buyers that are prepared to acquire such assets or businesses on acceptable terms.

Our acquisition or divestiture activities may involve unanticipated delays, costs and other problems. If we encounter unexpected problems with one of our acquisitions, alliances or divestitures, our senior management may be required to divert attention away from other aspects of our businesses to address these problems. Additionally, we may fail to consummate proposed acquisitions or divestitures, after incurring expenses and devoting substantial resources, including management time, to such transactions. Acquisitions also pose the risk that we may be exposed to successor liability relating to actions by an acquired company and its management before the acquisition. The due diligence we conduct in connection with an acquisition, and any contractual guarantees or indemnities that we receive from the sellers of acquired companies, may not be sufficient to protect us from, or compensate us for, actual liabilities. A material liability associated with an acquisition could adversely affect our reputation and results of operations and reduce the benefits of the acquisition. Divestitures may also expose us to potential liabilities or claims for indemnification as we may be required to retain certain liabilities or indemnify buyers for certain matters, including environmental or litigation matters, associated with the assets or businesses that we sell. The magnitude of any such retained liability or indemnification obligation may be difficult to quantify at the time of the transaction, and its cost to us could ultimately exceed the proceeds we receive for the divested assets or businesses.

We are subject to food and feed industry risks.

We are subject to food and feed industry risks which include, but are not limited to, spoilage, contamination, tampering or other adulteration of products, product recalls, government regulation, including regulations regarding food and feed safety, trans-fatty acids and genetically modified organisms (GMOs), shifting customer and consumer preferences and concerns, and potential product liability claims. These matters could adversely affect our business and operating results.

In addition, certain of our products are used as, or as ingredients in, livestock and poultry feed, and as such, we are subject to demand risks relating to the outbreak of disease associated with livestock and poultry, including avian or swine influenza. A severe or prolonged decline in demand for our products as a result of the outbreak of disease could have a material adverse effect on our business and operating results.

We face intense competition in each of our businesses.

We face significant competition in each of our businesses and we have numerous competitors, some of which are larger and have greater financial resources than we have. As many of the products we sell are global commodities, the markets for our products are highly price competitive and in many cases sensitive to product substitution. In addition, to compete effectively, we must continuously focus on improving efficiency in our production and distribution operations, as well as developing and maintaining appropriate market share, and customer relationships. Competition could cause us to lose market share, exit certain lines of business, increase marketing or other expenditures or reduce pricing, each of which could have an adverse effect on our business and profitability.

We are subject to environmental, health and safety regulation in numerous jurisdictions. We may be subject to substantial costs, liabilities and other adverse effects on our business relating to these matters.

Our operations are regulated by environmental, health and safety laws and regulations in the countries where we operate, including those governing the labeling, use, storage, discharge and disposal of hazardous materials. These laws and regulations require us to implement procedures for the handling of hazardous materials and for operating in potentially hazardous conditions, and they impose liability on us for the cleanup of environmental contamination. In addition to liabilities arising out of our current and future operations for which we have ongoing processes to manage compliance with environmental obligations, we may be subject to liabilities for past operations at current facilities and in some cases to liabilities for past operations at facilities that we no longer own or operate. We may also be subject to liabilities for operations of acquired companies. We may incur material costs or liabilities to comply with environmental, health and safety requirements. In addition, our industrial activities can result in serious accidents that could result in personal injuries, facility shutdowns, reputational harm to our business and/or cause us to expend significant amounts to remediate safety issues or repair damaged facilities.

In addition, continued government and public emphasis in countries where we operate on environmental issues, including climate change, conservation and natural resource management, could result in new or more stringent forms of regulatory oversight of our industries, which may lead to increased levels of expenditures for environmental controls, land use restrictions affecting us or our suppliers and other conditions that could materially adversely affect our business, financial condition and results of operations. For example, certain aspects of Bunge's business and the larger food production chain generate carbon emissions. The imposition of regulatory restrictions on greenhouse gas emissions, which may include limitations on greenhouse gas emissions, other restrictions on industrial operations, taxes or emission allowance fees on greenhouse gas emissions and other measures could affect land-use decisions, the cost of agricultural production and the cost and means of processing and transport of our products, which could adversely affect our business, cash flows and results of operations.

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We are exposed to credit and counterparty risk relating to our customers in the ordinary course of business. In particular, we advance significant capital and provide other financing arrangements to farmers in Brazil and, as a result, our business and financial results may be adversely affected if these farmers are unable to repay the capital advanced to them.

We have various credit terms with customers, and our customers have varying degrees of creditworthiness, which exposes us to the risk of nonpayment or other default under our contracts and other arrangements with them. In the event that we experience significant defaults on their payment obligations to us, our financial condition, results of operations or cash flows, could be materially and adversely affected.

In Brazil, where there are limited third-party financing sources available to farmers, we provide financing services to farmers from whom we purchase soybeans and other agricultural commodities through prepaid commodity purchase contracts and advances, which are typically secured by the farmer's crop and a mortgage on the farmer's land and other assets. At December 31, 2009 and 2008, respectively, we had approximately $682 million and $783 million in outstanding prepaid commodity purchase contracts and advances to farmers. We are exposed to the risk that the underlying crop will be insufficient to satisfy a farmer's obligation under the financing arrangements as a result of weather and crop growing conditions, and other factors that influence the price, supply and demand for agricultural commodities. In addition, any collateral held by us as part of these financing transactions may not be sufficient to fully protect us from loss.

We also sell fertilizer on credit to farmers in Brazil. At December 31, 2009 and 2008, our total fertilizer segment accounts receivable were $618 million and $586 million, respectively. During 2009, approximately 21% of our fertilizer sales were made on credit. Furthermore, in connection with our fertilizer sales, we issue guarantees to a financial institution in Brazil related to amounts owed the institution by certain of our farmer customers. For additional information on these guarantees, see Note 20 to our consolidated financial statements included as part of this Annual Report on Form 10-K. In the event that the customers default on their obligations to either us or the financial institution under these financing arrangements, we would be required to recognize the associated bad debt expense or perform under the guarantees, as the case may be. Significant defaults by farmers under these financial arrangements could adversely affect our financial condition, cash flows and results of operations.

We are a capital intensive business and depend on cash provided by our operations as well as access to external financing to operate and expand our business.

We require significant amounts of capital to operate our business and fund capital expenditures. In addition, our working capital needs are directly affected by the prices of agricultural commodities, with increases in commodity prices generally causing increases in our borrowing levels. We are also required to make substantial capital expenditures to maintain, upgrade and expand our extensive network of storage facilities, processing plants, refineries, mills, mines, ports, transportation assets and other facilities to keep pace with competitive developments, technological advances and changing safety and environmental standards in our industry. Furthermore, the expansion of our business and pursuit of acquisitions or other business opportunities may require us to have access to significant amounts of capital. If we are unable to generate sufficient cash flows or raise sufficient external financing on attractive terms to fund these activities, including as a result of the current severe tightening in the global credit markets, we may be forced to limit our operations and growth plans, which may adversely impact our competitiveness and, therefore, our results of operations.

As of December 31, 2009, we had approximately $3,452 million unused and available borrowing capacity under various committed short- and long-term credit facilities and $3,815 million in total indebtedness. Our indebtedness could limit our ability to obtain additional financing, limit our flexibility in planning for, or reacting to, changes in the markets in which we compete, place us at a competitive

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disadvantage compared to our competitors that are less leveraged than we are and require us to dedicate more cash on a relative basis to servicing our debt and less to developing our business. This may limit our ability to run our business and use our resources in the manner in which we would like. Furthermore, difficult conditions in global credit or financial markets generally could adversely impact our ability to refinance maturing debt or the cost or other terms of such refinancing, as well as adversely affect the financial position of the lenders with whom we do business, which may reduce our ability to obtain financing for our operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources."

In October 2009, S&P placed its BBB- (stable outlook) credit ratings on Bunge on 'CreditWatch' with negative implications. This indicates that S&P intends to conduct a review of our credit ratings and could either lower or affirm its ratings following the completion of such review. Additionally, in December 2009, Moody's revised the outlook on our long-term credit ratings to negative from stable. Our debt agreements do not have any credit rating downgrade triggers that would accelerate the maturity of our debt. However, credit rating downgrades would increase our borrowing costs under our credit facilities and potentially certain senior notes, and depending on their severity, could impede our ability to renew existing or to obtain new credit facilities or access the capital markets in the future on favorable terms. We may also be required to post collateral or provide third-party credit support under certain agreements as a result of such downgrades. A significant increase in our borrowing costs could impair our ability to compete effectively in our business relative to competitors with higher credit ratings.

Our risk management strategies may not be effective.

Our business is affected by fluctuations in agricultural commodity prices, transportation costs, energy prices, interest rates and foreign currency exchange rates. We engage in hedging transactions to manage these risks. However, our hedging strategies may not be successful in minimizing our exposure to these fluctuations. In addition, our control procedures and risk management policies may not successfully prevent our traders from entering into transactions that have the potential to impair our financial position. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk."

Risks Relating to Our Common Shares

We are a Bermuda company, and it may be difficult for you to enforce judgments against us and our directors and executive officers.

We are a Bermuda exempted company. As a result, the rights of holders of our common shares will be governed by Bermuda law and our memorandum of association and bye-laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies or corporations incorporated in other jurisdictions. Most of our directors and some of our officers are not residents of the United States, and a substantial portion of our assets and the assets of those directors and officers are located outside the United States. As a result, it may be difficult for you to effect service of process on those persons in the United States or to enforce in the U.S. judgments obtained in U.S. courts against us or those persons based on civil liability provisions of the U.S. securities laws. It is doubtful whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against us or our directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against us or our directors or officers under the securities laws of other jurisdictions.

Our bye-laws restrict shareholders from bringing legal action against our officers and directors.

Our bye-laws contain a broad waiver by our shareholders of any claim or right of action, both individually and on our behalf, against any of our officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of shareholders to assert claims against our officers and directors unless the act, or failure to act, involves fraud or dishonesty.

We have anti-takeover provisions in our bye-laws that may discourage a change of control.

Our bye-laws contain provisions that could make it more difficult for a third-party to acquire us without the consent of our board of directors. These provisions provide for:

- a classified board of directors with staggered three-year terms;
- directors to be removed without cause only upon the affirmative vote of at least 66% of all votes attaching to all shares then in issue entitling the holder to attend and vote on the resolution;
- restrictions on the time period in which directors may be nominated;
- our board of directors to determine the powers, preferences and rights of our preference shares and to issue the preference shares without shareholder approval; and
- an affirmative vote of at least 66% of all votes attaching to all shares then in issue entitling the holder to attend and vote on the resolution for some business combination transactions, which have not been approved by our board of directors.

These provisions, as well as any additional anti-takeover measures our board could adopt in the future, could make it more difficult for a third-party to acquire us, even if the third-party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.

We may become a passive foreign investment company, which could result in adverse U.S. tax consequences to U.S. investors.

Adverse U.S. federal income tax rules apply to U.S. investors owning shares of a "passive foreign investment company," or PFIC, directly or indirectly. We will be classified as a PFIC for U.S. federal income tax purposes if 50% or more of our assets, including goodwill (based on an annual quarterly average), are passive assets, or 75% or more of our annual gross income is derived from passive assets. The calculation of goodwill will be based, in part, on the then market value of our common shares, which is subject to change. Based on certain estimates of our gross income and gross assets and relying on certain exceptions in the applicable U.S. Treasury regulations, we do not believe that we are currently a PFIC. Such a characterization could result in adverse U.S. tax consequences to U.S. investors in our common shares. In particular, absent an election described below, a U.S. investor would be subject to U.S. federal income tax at ordinary income tax rates, plus a possible interest charge, in respect of gain derived from a disposition of our common shares, as well as certain distributions by us. In addition, a step-up in the tax basis of our common shares would not be available upon the death of an individual shareholder, and the preferential U.S. federal income tax rates generally applicable to dividends on our common shares held by certain U.S. investors would not apply. Since PFIC status is determined on an annual basis and will depend on the composition of our income and assets and the nature of our activities from time to time, we cannot assure you that we will not be considered a PFIC for the current or any future taxable year. If we are treated as a PFIC for any taxable year, U.S. investors may desire to make an election to treat us as a "qualified electing fund" with respect to shares owned (a QEF election), in which case U.S. investors will be required to take into account a pro rata share of our earnings and net capital gain for each year, regardless of whether we make any distributions. As an alternative to the QEF election, a U.S. investor may be able to make an election to "mark to market" our common shares each taxable year and recognize ordinary income pursuant to such election based upon increases in the value of our common shares.

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Item 1B. ***Unresolved Staff Comments***

Not applicable.

Item 2. ***Properties***

The following tables provide information on our principal operating facilities as of December 31, 2009.

Facilities by Division

	Aggregate Daily Production Capacity	Aggregate Storage Capacity
	(metric tons)	
Division		
Agribusiness	155,177	16,816,448
Fertilizer	161,674	3,255,093
Food and Ingredients	47,232	921,422

Facilities by Geographic Region

	Aggregate Daily Production Capacity	Aggregate Storage Capacity
	(metric tons)	
Region		
North America	64,090	6,546,524
South America	244,841	12,068,848
Europe	43,822	2,063,029
Asia	11,330	314,562

In addition, we operate various port facilities either directly or through alliances and joint ventures. Our corporate headquarters in White Plains, New York, occupy approximately 51,000 square feet of space under a lease that expires in February 2013. We also lease other office space for our operations worldwide.

We believe that our facilities are adequate to address our operational requirements.

Agribusiness

In our agribusiness operations, we have 174 commodity storage facilities globally that are located close to agricultural production areas or export locations. We also have 56 oilseed processing plants globally. We wholly own or have majority interests in seven sugarcane mills and one greenfield mill currently under construction in Brazil. We have 61 marketing and distribution offices throughout the world.

Fertilizer

In our fertilizer division, we currently operate four phosphate mines in Brazil, two of which are wholly owned by us and the remaining two of which are owned by Fosfertil. In addition to our phosphate mines, we also operate 41 fertilizer processing and blending plants that are strategically located in the key fertilizer consumption regions of Brazil, thereby reducing transportation costs to

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deliver our products to our customers. Our mines are operated under concessions from the Brazilian government. The following table sets forth information about the phosphate production of our mines:

Name	Annual Phosphate Production for the Year Ended December 31, 2009 (metric tons)	Estimated Years of Reserves Remaining
Araxá	1,009,000	21 (1)
Cajati	552,000	28 (1)
Catalão (2)	701,000	29 (2)
Tapira (2)	2,088,000	51 (2)

(1) We operate our mines under concessions granted by the Brazilian Ministry of Mines and Energy. The Araxá and Cajati mines operate under concession contracts that expire in 2027 and 2023, respectively, but may be renewed at our option for consecutive ten-year periods thereafter through the useful life of the mines. The number of years until reserve depletion represents the number of years until the initial expiration of those concession contracts. The concessions for the other mines have no specified termination dates and are granted for the useful life of the mines.

(2) Bunge has a controlling interest in and consolidates the results of Fosfertil. Fosfertil owns the Catalão and Tapira mines, as well as the Salitre mine described below.

In addition to the mines listed above, we also have interests in three additional phosphate mines, Salitre, Anitápolis and Araxá CBMM, with proven reserves where production has not yet commenced. Our interest in Anitápolis is through an interest in an unconsolidated joint venture. The production capacity of each of the Salitre, Anitápolis and Araxá CBMM mines is estimated to be approximately 2 million, 300,000 and 650,000 metric tons of phosphate rock per year, respectively. At this production level, the number of years until depletion of the phosphate reserves is expected to be 97 years for Salitre, 15 years for Anitápolis and 20 years for Araxá CBMM. All of these mining assets will be included in the sale of our fertilizer nutrients assets to Vale.

Food and Ingredients

In our food and ingredients operations, we have 68 refining, packaging and milling facilities dedicated to our food and ingredients operations throughout the world.

Item 3. *Legal Proceedings*

We are party to various legal proceedings in the ordinary course of our business. Although we cannot accurately predict the amount of any liability that may ultimately arise with respect to any of these matters, we make provision for potential liabilities when we deem them probable and reasonably estimable. These provisions are based on current information and legal advice and are adjusted from time to time according to developments. We do not expect the outcome of these proceedings, net of established reserves, to have a material adverse effect on our financial condition or results of operations. Due to their inherent uncertainty, however, there can be no assurance as to the ultimate outcome of current or future litigation, proceedings, investigations, or claims.

We are subject to income and other taxes in both the United States and foreign jurisdictions and we are regularly under audit by tax authorities. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation or other proceedings could be materially different than that which is reflected in our tax provisions and accruals. Should additional taxes be assessed as a result of an audit or litigation, a material effect on our income tax provision and net

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income in the period or periods for which that determination is made could result. For example, our Brazilian subsidiaries are subject to numerous pending tax claims by Brazilian federal, state and local tax authorities. We have reserved an aggregate $132 million as of December 31, 2009 in respect of these claims. The Brazilian tax claims relate to income tax claims, value added tax claims and sales tax claims. The determination of the manner in which various Brazilian federal, state and municipal taxes apply to our operations is subject to varying interpretations arising from the complex nature of Brazilian tax laws and changes in those laws. In addition, we have numerous claims pending against Brazilian federal, state and local tax authorities to recover taxes previously paid by us. For more information, see Note 20 to our consolidated financial statements included as part of this Annual Report on Form 10-K.

We are also a party to a large number of labor claims relating to our Brazilian operations. We have reserved an aggregate of $92 million as of December 31, 2009 in respect of these claims. The labor claims primarily relate to dismissals, severance, health and safety, salary adjustments and supplementary retirement benefits.

In July 2008, the European Commission commenced an investigation into whether certain traders and distributors of cereals and other agricultural products in the E.U., including Bunge, have infringed European competition laws. In December 2009, we were notified that the European Commission has closed this investigation.

In December 2006, Fosfertil announced a corporate reorganization intended to allow it to capture synergies and better compete in the domestic and international fertilizer market. As part of the proposed reorganization, our wholly owned subsidiary Bunge Fertilizantes would become a subsidiary of Fosfertil, and our combined direct and indirect ownership of Fosfertil would increase. The reorganization is subject to approval by Fosfertil's shareholders. Certain shareholders of Fosfertil who are affiliated with the Mosaic Company and Yara International ASA filed legal challenges to the proposed reorganization in the Brazilian courts, including a suit that was pending before the highest appellate court in Brazil (Superior Tribunal de Justiça, or the Superior Court of Justice) since September 2008. In August 2009, the Superior Court of Justice ruled in our favor on the merits of the case. Subsequently, these minority shareholders filed motions seeking clarification of this court decision, but such motions were rejected by the Superior Court of Justice in December 2009. The proposed reorganization is also the subject of other lawsuits filed by these shareholders and is also subject to governmental approvals in Brazil. In light of the pending sale of our direct and indirect interest in Fosfertil to Vale, we do not anticipate that the proposed reorganization will be effected. These shareholders have also recently agreed to sell their direct and indirect interests in Fosfertil to Vale. Accordingly, we are unsure as to whether following such sale, they will continue to pursue these lawsuits. If they do, we intend to vigorously defend the decision of the Superior Court of Justice in our favor.

In April 2000, we acquired Manah S.A., a Brazilian fertilizer company that had an indirect participation in Fosfertil. This acquisition was approved by the Brazilian antitrust commission in February 2004. The approval was conditioned on the formalization of an operational agreement between us and the antitrust commission relating to the maintenance of existing competitive conditions in the fertilizer market. Although the terms of the operational agreement have not yet been approved, we do not expect them to have a material adverse effect on our business or financial results or to impede the sale of our Brazilian fertilizer nutrients assets, including our interest in Fosfertil, to Vale.

Item 4. *[Reserved]*

There is no disclosure required under this Item.

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PART II

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

The following table sets forth, for the periods indicated, the high and low closing prices of our common shares, as reported on the New York Stock Exchange.

	High	Low
	(US$)	
2010		
First quarter (to February 19, 2010)	$ 71.29	$ 56.90
2009		
Fourth quarter	$ 68.51	$ 57.06
Third quarter	72.41	54.44
Second quarter	67.89	46.58
First quarter	59.33	41.61
2008		
Fourth quarter	$ 63.00	$ 29.99
Third quarter	105.04	60.10
Second quarter	124.48	87.92
First quarter	133.00	86.88
2007		
Fourth quarter	$ 124.23	$ 91.74
Third quarter	107.45	81.00
Second quarter	84.50	71.81
First quarter	85.26	70.13

To our knowledge, based on information provided by Mellon Investor Services LLC, our transfer agent, as of December 31, 2009, we had 134,096,906 common shares outstanding which were held by approximately 178 registered holders.

Dividend Policy

We intend to pay cash dividends to holders of our common shares on a quarterly basis. In addition, holders of our 4.875% cumulative convertible perpetual preference shares are entitled to annual dividends in the amount of $4.875 per year and holders of our 5.125% cumulative mandatory convertible preference shares are entitled to annual dividends in the amount of $51.25, in each case payable quarterly when, as and if declared by the board of directors in accordance with the terms of such preference shares. Any future determination to pay dividends will, subject to the provisions of Bermuda law, be at the discretion of our board of directors and will depend upon then existing conditions, including our financial condition, results of operations, contractual and other relevant legal or regulatory restrictions, capital requirements, business prospects and other factors our board of directors deems relevant.

Under Bermuda law, a company's board of directors may not declare or pay dividends from time to time if there are reasonable grounds for believing that the company is, or would after the payment be, unable to pay its liabilities as they become due or that the realizable value of its assets would thereby be less than the aggregate of its liabilities and issued share capital and share premium accounts. Under our bye-laws, each common share is entitled to dividends if, as and when dividends are declared by our board of directors, subject to any preferred dividend right of the holders of any preference shares. There are no restrictions on our ability to transfer funds (other than funds

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denominated in Bermuda dollars) in or out of Bermuda or to pay dividends to U.S. residents who are holders of our common shares.

We paid quarterly dividends on our common shares of $.19 per share in the first two quarters of 2009 and $.21 per share in the last two quarters of 2009. We paid quarterly dividends on our common shares of $.17 per share in the first two quarters of 2008 and $.19 per share in the last two quarters of 2008. We will pay a regular quarterly cash dividend of $.21 per share on March 2, 2010 to shareholders of record on February 16, 2010. In addition, we paid a quarterly dividend of $1.21875 per share on our cumulative convertible perpetual preference shares and a quarterly dividend of $12.8125 per share on our cumulative mandatory convertible preference shares, in each case on March 1, 2010 to shareholders of record on February 15, 2010.

Performance Graph

The performance graph shown below compares the quarterly change in cumulative total shareholder return on our common shares with the Standard & Poor's (S&P) 500 Stock Index and the S&P Food Products Index from December 31, 2004 through the quarter ended December 31, 2009. The graph sets the beginning value of our common shares and the Indices at $100, and assumes that all dividends are reinvested. All Index values are weighted by the capitalization of the companies included in the Index.

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN
AMONG BUNGE LIMITED,
S&P 500 INDEX AND S&P FOOD PRODUCTS INDEX

Sales of Unregistered Securities

The information required by this item has been previously reported on Current Reports on Form 8-K filed with the SEC on December 29, 2009 and on January 12, 2010.

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Equity Compensation Plan Information

The following table sets forth certain information, as of December 31, 2009, with respect to our equity compensation plans.