Bunge LTD
Form 10-Q
August 09, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2011

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)	(I.R.S. Employer Identification No.)
50 Main Street, White Plains, New York (Address of principal executive offices)	**10606** (Zip Code)

(914) 684-2800
(Registrant s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No 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 x No 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. (Check one):

Large accelerated filer x	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes o No x

As of August 2, 2011 the number of shares outstanding of the registrant was:

Common Stock, par value $.01 per share: 147,437,072

BUNGE LIMITED

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BUNGE LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(U.S. dollars in millions, except per share data)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Net sales	$ 14,488	$ 10,974	$ 26,682	$ 21,319
Cost of goods sold	(13,841)	(10,549)	(25,396)	(20,349)
Gross profit	**647**	**425**	**1,286**	**970**
Selling, general and administrative expenses	(383)	(415)	(727)	(762)
Gain on sale of fertilizer nutrients assets		2,440		2,440
Interest income	23	23	44	42
Interest expense	(70)	(101)	(142)	(179)
Foreign exchange gains (losses)	77	(49)	119	(99)
Other income (expense) net	(3)	(3)	(11)	(3)
Income from operations before income tax	**291**	**2,320**	**569**	**2,409**
Income tax expense	(20)	(542)	(63)	(551)
Equity in earnings of affiliates	41	9	41	9
Net income	**312**	**1,787**	**547**	**1,867**
Net loss (income) attributable to noncontrolling interest	4	(9)	1	(26)
Net income attributable to Bunge	**316**	**1,778**	**548**	**1,841**
Convertible preference share dividends	(9)	(20)	(17)	(39)
Net income available to Bunge common shareholders	**$ 307**	**$ 1,758**	**$ 531**	**$ 1,802**
Earnings per common share basic (Note 20)				
Earnings to Bunge common shareholders	$ 2.08	$ 12.21	$ 3.61	$ 12.68
Earnings per common share diluted (Note 20)				
Earnings to Bunge common shareholders	$ 2.02	$ 11.15	$ 3.51	$ 11.67

Dividends per common share	$	0.25	$	0.23	$	0.48	$	0.44

The accompanying notes are an integral part of these condensed consolidated financial statements.

BUNGE LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(U.S. dollars in millions, except share data)

	June 30, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 470	$ 578
Trade accounts receivable (less allowance of $184 and $177) (Note 12)	3,037	2,901
Inventories (Note 5)	6,974	6,635
Deferred income taxes	169	233
Other current assets (Note 6)	4,986	5,468
Total current assets	15,636	15,815
Property, plant and equipment, net	5,840	5,312
Goodwill (Note 7)	1,021	934
Other intangible assets, net	217	186
Investments in affiliates (Note 8)	602	609
Deferred income taxes	1,297	1,200
Other non-current assets (Note 9)	1,895	1,945
Total assets	**$ 26,508**	**$ 26,001**
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	$ 906	$ 1,718
Current portion of long-term debt (Note 13)	614	612
Trade accounts payable	3,404	3,637
Deferred income taxes	150	262
Other current liabilities (Note 10)	3,275	3,775
Total current liabilities	8,349	10,004
Long-term debt (Note 13)	3,504	2,551
Deferred income taxes	79	84
Other non-current liabilities	825	808
Commitments and contingencies (Note 16)		
Equity: (Note 17)		
Convertible perpetual preference shares, par value $.01; authorized, issued and outstanding:		
2011 and 2010 6,900,000 shares (liquidation preference $100 per share)	690	690
Common shares, par value $.01; authorized 400,000,000 shares; issued:		
2011 147,344,609 shares, 2010 146,635,083 shares	1	1
Additional paid-in capital	4,831	4,793
Retained earnings	6,613	6,153
Accumulated other comprehensive income (Note 18)	1,224	583
Total Bunge shareholders equity	13,359	12,220

Noncontrolling interest (Note 19)		392		334
Total equity		13,751		12,554
Total liabilities and equity	**$**	**26,508**	**$**	**26,001**

The accompanying notes are an integral part of these condensed consolidated financial statements.

BUNGE LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(U.S. dollars in millions)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
OPERATING ACTIVITIES		
Net income	$ 547	$ 1,867
Adjustments to reconcile net income to cash provided by (used for) operating activities:		
Foreign exchange loss (gain) on debt	(78)	225
Gain on sale of fertilizer nutrients assets		(2,440)
Impairment of assets		12
Bad debt expense	9	16
Depreciation, depletion and amortization	247	215
Stock-based compensation expense	26	34
Gain on sale of property, plant and equipment	(3)	
Deferred income taxes	(136)	202
Equity in earnings of affiliates	(41)	(9)
Changes in operating assets and liabilities, excluding the effects of acquisitions:		
Trade accounts receivable	(64)	(645)
Inventories	(86)	(80)
Prepaid commodity purchase contracts	(285)	(126)
Secured advances to suppliers	46	67
Trade accounts payable	(353)	522
Advances on sales	144	20
Unrealized net gain/loss on derivative contracts	129	15
Margin deposits	390	153
Accrued liabilities	(78)	179
Other net	(150)	(386)
Cash provided by (used for) operating activities	264	(159)
INVESTING ACTIVITIES		
Payments made for capital expenditures	(454)	(547)
Acquisitions of businesses (net of cash acquired)	(83)	(133)
Proceeds from sales of fertilizer nutrients assets		3,886
Cash disposed in sale of fertilizer nutrients assets		(106)
Related party loans	7	(7)
Proceeds from investments	75	28
Payments for investments	(22)	
Proceeds from disposal of property, plant and equipment	47	3
Investments in affiliates	(10)	(2)
Cash provided by (used for) investing activities	(440)	3,122
FINANCING ACTIVITIES		
Net change in short-term debt with maturities of 90 days or less	(294)	219
Proceeds from short-term debt with maturities greater than 90 days	439	267
Repayments of short-term debt with maturities greater than 90 days	(983)	(852)
Proceeds from long-term debt	1,377	132

Repayments of long-term debt		(440)		(306)
Proceeds from sale of common shares		16		2
Repurchase of common shares				(86)
Dividends paid to preference shareholders		(17)		(39)
Dividends paid to common shareholders		(68)		(60)
Dividends paid to noncontrolling interest		(9)		1
Capital contributions from noncontrolling interest		53		27
Financing related fees		(20)		
Other		4		(6)
Cash provided by (used for) financing activities		58		(701)
Effect of exchange rate changes on cash and cash equivalents		10		(44)
Net increase in cash and cash equivalents		(108)		2,218
Cash and cash equivalents, beginning of period		578		553
Cash and cash equivalents, end of period	**$**	**470**	**$**	**2,771**

The accompanying notes are an integral part of these condensed consolidated financial statements.

BUNGE LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

(U.S. dollars in millions, except share data)

	Convertible Preference Shares Shares	Convertible Preference Shares Amount	Common Shares Shares	Common Shares Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Non - Controlling Interest	Total Equity	Comprehensive Income (Loss)
Balance, January 1, 2010	7,762,455	$ 1,553	134,096,906	$ 1	$ 3,625	$ 3,996	$ 319	$	$ 871	$ 10,365	
Comprehensive income (loss) 2010:											
Net income						1,841			26	1,867	$ 1,867
Other comprehensive income (loss):											
Foreign exchange translation adjustment, net of tax expense of $0							(346)		(45)	(391)	(391)
Unrealized gains on commodity futures and foreign exchange contracts, net of tax expense of $0							1			1	1
Unrealized investment gains, net of tax expense of $0							(1)			(1)	(1)
Other postretirement healthcare subsidy tax deduction adjustment							2			2	2
Total comprehensive income (loss)						1,841	(344)		(19)		**$ 1,478**
Dividends on common shares						(64)				(64)	
Dividends on preference shares						(39)				(39)	
Dividends to noncontrolling interest on subsidiary common stock									(9)	(9)	
Return of capital to noncontrolling interest									(6)	(6)	
Capital contribution from noncontrolling interest									27	27	
Initial consolidation of subsidiary									3	3	
Sale of non-wholly-owned subsidiary (Note 19)									(588)	(588)	
Stock-based compensation expense					34					34	
Repurchase of common shares			(2,050,000)					(107)		(107)	

Issuance of common shares:										
Business acquisition (Note 3)			10,252,895		597					597
Stock options and award plans, net of shares withheld for taxes			363,757		(4)					(4)
Balance, June 30, 2010	**7,762,455**	**$ 1,553**	**142,663,558**	**$ 1**	**$ 4,252**	**$ 5,734**	**$ (25)**	**$ (107)**	**$ 279**	**$ 11,687**

(Continued on following page)

BUNGE LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

(U.S. dollars in millions, except share data)

	Convertible Preference Shares		**Common Shares**				**Accumulated**			
	Shares	**Amount**	**Shares**	**Amount**	**Additional Paid-in Capital**	**Retained Earnings**	**Other Comprehensive Income (Loss)**	**Non - Controlling Interest**	**Total Equity**	**Comprehensive Income (Loss)**
Balance, January 1, 2011	6,900,000	$ 690	146,635,083	$ 1	$ 4,793	$ 6,153	$ 583	$ 334	$ 12,554	
Comprehensive income 2011:										
Net income						548		(1)	547	$ 547
Other comprehensive income (loss):										
Foreign exchange translation adjustment, net of tax expense of $0							640	18	658	658
Unrealized gains on commodity futures and foreign exchange contracts, net of tax expense of $2							3		3	3
Pension adjustment, net of tax expense of $0							(2)		(2)	(2)
Total comprehensive income						548	641	17		**$ 1,206**
Dividends on common shares						(71)			(71)	
Dividends on preference shares						(17)			(17)	
Dividends to noncontrolling interest on subsidiary common stock								(12)	(12)	
Capital contribution from noncontrolling interest								53	53	
Stock-based compensation expense					26				26	
Issuance of common shares:										
stock options and award plans, net of shares withheld for taxes			709,526		12				12	
Balance, June 30, 2011	**6,900,000**	**$ 690**	**147,344,609**	**$ 1**	**$ 4,831**	**$ 6,613**	**$ 1,224**	**$ 392**	**$ 13,751**	

The accompanying notes are an integral part of these condensed consolidated financial statements.

BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of Bunge Limited and its subsidiaries (Bunge) have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X under the Securities Exchange Act of 1934, as amended (Exchange Act). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to Securities and Exchange Commission (SEC) rules. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation have been included. The condensed consolidated balance sheet at December 31, 2010 has been derived from Bunge s audited consolidated financial statements at that date. Operating results for the three and six months ended June 30, 2011 are not necessarily indicative of the results to be expected for the year ending December 31, 2011. The financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2010, forming part of Bunge s 2010 Annual Report on Form 10-K filed with the SEC on March 1, 2011.

2. NEW ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Pronouncements *Receivables, Disclosures about the Credit of Financing Receivables and the Allowance for Credit Losses* - In July 2010, the Financial Accounting Standards Board (FASB) issued a standard that amended a previously issued standard requiring an entity to include additional disaggregated disclosures in their financial statements about their financing receivables, including credit risk disclosures and the allowance for credit losses. Entities with financing receivables are required to disclose a rollforward of the allowance for credit losses, certain credit quality information, impaired loan information, modification information and past due information. Trade receivables with maturities of less than one year are excluded from the scope of the new disclosures. Bunge adopted this disclosure as of December 31, 2010. As a result of the adoption of this standard, we have expanded our disclosures (see Note 9). The adoption of the standard did not have a material impact on our financial position, results from operations or cash flows.

Recent Accounting Pronouncements In May 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and the International Financial Reporting Standards (IFRS)*. The amendments in this Update are intended to result in convergence between U.S. GAAP and IFRS requirements for measurement of, and disclosures about, fair value. ASU 2011-04 clarifies or changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. The amendments in this update are to be applied prospectively. The amendments are effective during interim and annual periods beginning after December 15, 2011. Bunge is evaluating the impact this standard may have on its consolidated financial statements.

In June 2011, the FASB issued ASU No. 2011-05, *Presentation of Comprehensive Income*. This guidance eliminates the current option to report other comprehensive income and its components in the statement of changes in equity. The guidance allows two presentation alternatives: (1) present items of net income and other comprehensive income in one continuous statement, referred to as the statement of comprehensive income; or (2) in two separate, but consecutive, statements of net income and other comprehensive income. This standard is effective during interim and annual periods beginning after December 15, 2011. Early adoption is permitted, but full retrospective application is required under both sets of accounting standards. Bunge is evaluating the impact this standard may have on its consolidated financial statements.

3. BUSINESS ACQUISITIONS

In the first quarter of 2011, Bunge completed the acquisition of a port facility in Ukraine for a total purchase price of approximately $100 million net of $2 million cash acquired, consisting of approximately $83 million in cash and approximately $17 million of short-term debt related to assets under construction. The preliminary purchase price allocation for the transaction included approximately $5 million to current assets, $48 million to property, plant and equipment, $32 million to other intangible assets, $34 million to goodwill, $10 million to capital lease obligations, $6 million to deferred tax liabilities and $3 million to other liabilities.

In February 2010, Bunge acquired a 100% interest in five Brazilian sugarcane mills in São Paulo and Minas Gerais states that were formerly part of the Moema Group through the acquisition of Usina Moema Participacões S.A. (Moema Par) and remaining interests in four mills that were not wholly-owned by Moema Par. Bunge collectively refers to the acquired entities as Moema. Bunge issued an aggregate of 10,315,400 common shares and paid $52 million in cash as purchase consideration in the acquisition.

4. BUSINESS DIVESTITURE

On May 27, 2010, Bunge sold its fertilizer nutrients assets in Brazil, including its interest in Fertilizantes Fosfatados S.A. (Fosfertil) to Vale S.A., a Brazil-based global mining company. Final settlement of a post-closing adjustment occurred on August 13, 2010. Bunge received total cash proceeds of $3,914 million and recognized a gain of $2,440 million ($1,901 million net of tax) in its fertilizer segment related to this transaction. Assets and liabilities, results of operations and cash flows related to Bunge s fertilizer nutrients assets, including its interest in Fosfertil were included in the condensed consolidated financial statements until the transaction closing date of May 27, 2010.

Approximately $142 million of transaction costs and $275 million of withholding taxes are included as a component of cash used for operating activities in Bunge s condensed consolidated statement of cash flows for the six months ended June 30, 2010. Gross proceeds of $3,886 million and cash disposed of $106 million related to the sale of the Brazilian fertilizer nutrients assets are included as a component of cash provided by investing activities in Bunge s condensed consolidated statement of cash flows for the six months ended June 30, 2010.

5. INVENTORIES

Inventories by segment are presented below. Readily marketable inventories refers to inventories that are readily convertible to cash because of their commodity characteristics, widely available markets and international pricing mechanisms.

(US$ in millions)	**June 30, 2011**	**December 31, 2010**
Agribusiness (1)	$ 4,983	$ 5,137
Sugar and Bioenergy (2)	454	359
Edible oil products (3)	534	460
Milling products (3)	164	163
Fertilizer (4)	839	516
Total	**$ 6,974**	**$ 6,635**

(1) Includes readily marketable agricultural commodity inventories at fair value of $4,566 million and $4,540 million at June 30, 2011 and December 31, 2010, respectively. All other agribusiness segment inventories are carried at lower of cost or market.

(2) Includes readily marketable sugar inventories of $100 million and $86 million at June 30, 2011 and December 31, 2010, respectively. Of these sugar inventories, $62 million and $66 million are carried at fair value at June 30, 2011 and December 31, 2010, respectively, in Bunge s trading and merchandising business. Sugar and ethanol inventories in Bunge s industrial production business are carried at lower of cost or market.

(3) Edible oil products and milling products inventories are generally carried at lower of cost or market, with the exception of readily marketable inventories of bulk soybean oil and corn, which are carried at fair value in the aggregate amount of $234 million and $225 million at June 30, 2011 and December 31, 2010, respectively.

(4) Fertilizer inventories are carried at lower of cost or market.

6. OTHER CURRENT ASSETS

Other current assets consist of the following:

(US$ in millions)		June 30, 2011		December 31, 2010
Prepaid commodity purchase contracts (1)	$	581	$	267
Secured advances to suppliers, net (2)		225		245
Unrealized gains on derivative contracts at fair value		1,724		2,619
Recoverable taxes - current		637		500
Margin deposits (3)		538		926
Marketable securities		65		39
Deferred purchase price receivable(4)		119		
Prepaid expenses		394		308
Other		703		564
Total	**$**	**4,986**	**$**	**5,468**

(1) Prepaid commodity purchase contracts represent advance payments against fixed priced contracts for future delivery of specified quantities of agricultural commodities. These contracts are recorded at fair value based on prices of the underlying agricultural commodities.

(2) Bunge provides cash advances to suppliers, primarily Brazilian farmers of soybeans and other agricultural commodities, to finance a portion of the suppliers production costs. Bunge does not bear any of the costs or risks associated with the related growing crops. The advances are largely collateralized by future crops and physical assets of the suppliers, carry a local market interest rate and settle when the farmer s crop is harvested and sold. The secured advances to farmers are reported net of allowances of $4 million at June 30, 2011 and $3 million at December 31, 2010. Changes in the allowance for the six months ended June 30, 2011 included an increase of $1 million for additional bad debt provisions. Changes in the allowance for the year ended 2010 included an increase of $1 million for additional bad debt provisions and a reduction in the allowance for recoveries of $1 million.

Interest earned on secured advances to suppliers of $5 million and $6 million for the three months ended June 30, 2011 and 2010, respectively, and $12 million and $15 million for the six months ended June 30, 2011 and 2010, respectively, is included in net sales in the condensed consolidated statements of income.

(3) Margin deposits include U.S. treasury securities at fair value and cash.

(4) Deferred purchase price receivable represents additional credit support for the investment conduits in Bunge s accounts receivables sales programs (see Note 12) and is recognized at its estimated fair value.

7. GOODWILL

Changes in the carrying value of goodwill by segment for the six months ended June 30, 2011, are as follows:

(US$ in millions)	Agribusiness	Sugar and Bioenergy	Edible Oil Products	Milling Products	Fertilizer	Total
Balance, December 31, 2010	$ 215	$ 631	$ 80	$ 7	$ 1	$ 934
Acquired goodwill (1)	34					34
Reallocation of acquired goodwill	(5)					(5)
Tax benefit on goodwill amortization (2)	(3)					(3)
Foreign exchange translation	13	42	6			61
Balance, June 30, 2011	**$ 254**	**$ 673**	**$ 86**	**$ 7**	**$ 1**	**$ 1,021**

(1) See Note 3.

(2) Bunge s Brazilian subsidiary s tax deductible goodwill is in excess of its book goodwill. For financial reporting purposes, for goodwill acquired prior to 2009, the tax benefits attributable to the excess tax goodwill are first used to reduce associated goodwill and then other intangible assets to zero, prior to recognizing any income tax benefit in the condensed consolidated statements of income.

8. INVESTMENT IN AFFILIATES

In June 2011, Bunge sold its entire investment in an oilseed processing facility joint venture for $57 million. Bunge recognized a gain of $37 million in equity in earnings of affiliates on this sale during the second quarter of 2011.

9. OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

(US$ in millions)		June 30, 2011		December 31, 2010
Recoverable taxes, net	$	917	$	964
Long-term receivables from farmers in Brazil, net		429		377
Judicial deposits		195		172
Other long-term receivables		11		129
Pension plan assets in excess of benefit obligations		9		12
Other		334		291
Total	**$**	**1,895**	**$**	**1,945**

Recoverable taxes Recoverable taxes are reported net of valuation allowances of $39 million and $38 million at June 30, 2011 and December 31, 2010, respectively.

Long-term receivables from farmers in Brazil Bunge provides financing to farmers in Brazil, primarily through secured advances against farmer commitments to deliver agricultural commodities (primarily soybeans) upon harvest of the then-current year s crop and through credit sales of fertilizer to farmers. These are commercial transactions that are intended to be short-term in nature with amounts expected to be repaid either in cash or through delivery to Bunge of agricultural commodities when the related crops are harvested. These arrangements are typically secured by the farmer s expected current year crop and liens on land, buildings and equipment to ensure recoverability in the event of crop failure. The terms of fertilizer credit sales do not include interest. The secured advances against commitments to deliver soybeans provide for interest between the advance date and the scheduled soybean delivery date. The credit factors considered by Bunge in evaluating farmers before initial advance or extension of credit include, among other things, the credit history of the farmer, financial strength, available agricultural land and available collateral in addition to the expected crop.

Upon farmer default, Bunge generally initiates legal proceedings to recover the defaulted amounts. However, the legal recovery process through the judicial system is a long-term process, generally spanning a number of years. As a result, once accounts have been submitted to the judicial process for recovery, Bunge may also seek to renegotiate certain terms with the defaulting farmer in order to accelerate recovery.

Bunge adopted the accounting guidance on disclosure about the credit quality of financing receivables and the allowance for credit losses as of December 31, 2010. This guidance requires information to be disclosed at disaggregated levels, defined as portfolio segments and classes. Based upon its analysis of credit losses and risk factors to be considered in determining the allowance for credit losses, Bunge has determined that the long-term receivables from farmers in Brazil is a single portfolio segment.

Bunge evaluates this single portfolio segment by class of receivables, which is defined as a level of information (below a portfolio segment) in which the receivables have the same initial measurement attribute and a similar method for assessing and monitoring risk. Bunge has identified accounts in legal collection processes and renegotiated amounts as classes of long-term receivables from farmers. Valuation allowances for accounts in legal collection processes are determined by Bunge on individual accounts based on the fair value of the collateral provided as security for the secured advance or credit sale. The fair value is determined using a combination of internal and external resources, including published information concerning Brazilian land values by region. For determination of the valuation allowances for renegotiated amounts, Bunge considers historical experience with the individual farmers, current weather and crop conditions, as well as the fair value of non-crop collateral.

For both classes, a long-term receivable from farmers in Brazil is considered impaired, based on current information and events, if Bunge determines it to be probable that all amounts due under the original terms of the receivable will not be collected. Recognition of interest income on secured advances to farmers is suspended once the farmer defaults on the originally scheduled delivery of agricultural commodities as the collection of future income is determined to not be probable. No additional interest income is accrued from the point of default until ultimate recovery, where amounts collected are credited first against the receivable and then to any unrecognized interest income.

The table below summarizes Bunge s recorded investment in long-term receivables from farmers in Brazil for amounts in the legal collection process and renegotiated amounts.

(US$ in millions)	June 30, 2011	December 31, 2010
Legal collection process (1)	$ 470	$ 441
Renegotiated amounts:		
Current on repayment terms	174	137
Ending balance	**$ 644**	**$ 578**

(1) All amounts in legal process are considered past due upon initiation of legal action.

The average recorded investment in long-term receivables from farmers in Brazil for the six months ended June 30, 2011 and the year ended December 31, 2010 was $644 million and $582 million, respectively. The table below summarizes Bunge s recorded investment in long-term receivables from farmers in Brazil and the related allowance amounts.

	June 30, 2011		December 31, 2010	
(US$ in millions)	Recorded Investment	Allowance	Recorded Investment	Allowance
For which an allowance has been provided:				
Legal collection process	$ 196	$ 177	$ 180	$ 162
Renegotiated amounts	69	38	66	39
For which no allowance has been provided:				
Legal collection process	274		261	
Renegotiated amounts	105		71	
Total	**$ 644**	**$ 215**	**$ 578**	**$ 201**

The table below summarizes the activity in the allowance for doubtful accounts related to long-term receivables from farmers in Brazil.

(US$ in millions)	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Beginning Balance	$ 205	$ 227	$ 201	$ 232
Bad debt provision	3	7	4	11
Recoveries	(4)	(8)	(5)	(12)
Write-offs		(23)		(27)
Transfers (1)	2		2	
Foreign exchange translation	9	(7)	13	(8)
Ending balance	**$ 215**	**$ 196**	**$ 215**	**$ 196**

(1) Represents reclassifications from allowance for doubtful accounts current for secured advances to suppliers.

Judicial deposits Judicial deposits are funds that Bunge has placed on deposit with the courts in Brazil. These funds are held in judicial escrow relating to certain legal proceedings pending legal resolution and bear interest at the SELIC rate (benchmark rate of the Brazilian central bank).

Other long-term receivables Other long-term receivables at December 31, 2010 primarily include installment payments to be received from Bunge s sale of its 33.34% interest in Saipol S.A.S. in December 2009 for 145 million Euros, or its equivalent at that date of approximately $209 million. The sale agreement provided for payment in four equal annual installments, two of which had been received as of January 2011. In the second quarter 2011, Bunge sold this receivable and recognized an approximate $2 million loss in selling, general and administrative expenses in the condensed consolidated statements of income for the three and six months ended June 30, 2011.

10. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

(US$ in millions)	June 30, 2011	December 31, 2010
Accrued liabilities	$ 1,416	$ 1,268
Unrealized losses on derivative contracts at fair value	1,340	2,105
Advances on sales	480	323
Other	39	79
Total	**$ 3,275**	**$ 3,775**

11. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Bunge s various financial instruments include certain components of working capital such as cash and cash equivalents, trade accounts receivable and trade accounts payable. Additionally, Bunge uses short- and long-term debt to fund operating requirements. Cash and cash equivalents, trade accounts receivable and accounts payable and short-term debt are stated at their carrying value, which is a reasonable estimate of fair value. See Note 12 for deferred purchase price receivable (DPP) related to sales of trade receivables. See Note 9 for long-term receivables from farmers in Brazil, net and see Note 13 for long-term debt. Bunge s financial instruments also include derivative instruments and marketable securities, which are stated at fair value.

Fair value is the expected price that would be received for an asset or paid to transfer a liability (an exit price) in Bunge s principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Bunge determines the fair values of its readily marketable inventories, derivatives and certain other assets based on the fair value hierarchy established in a FASB issued standard, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are inputs based on market data obtained from sources independent of Bunge that reflect the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are inputs that are developed based on the best information available in circumstances that reflect Bunge s own assumptions based on market data and on assumptions that market participants would use in pricing the asset or liability. The standard describes three levels within its hierarchy that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 assets and liabilities include exchange traded derivative contracts.

Level 2: Observable inputs, including Level 1 prices (adjusted); quoted prices for similar assets or liabilities; quoted prices in markets that are less active than traded exchanges; and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include readily marketable inventories and over-the-counter (OTC) commodity purchase and sale contracts and other OTC derivatives whose value is determined using pricing models with inputs that are generally based on exchange traded prices, adjusted for location specific inputs that are primarily observable in the market or can be derived principally from or corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are a significant component of the fair value of the assets or liabilities. In evaluating the significance of fair value inputs, Bunge gives consideration to items that individually, or when aggregated with other inputs, generally represent more than 10% of the fair value of the assets or liabilities. For such identified inputs, judgments are required when evaluating both quantitative and qualitative factors in the determination of significance for purposes of fair value level classification and disclosure. Level 3 assets and liabilities include assets and liabilities whose value is determined using proprietary pricing models, discounted cash flow methodologies, or similar techniques, as well as assets and liabilities for which the determination of fair value requires significant management judgment or estimation.

The majority of Bunge s exchange traded agricultural commodity futures are settled daily generally through its clearing subsidiary and therefore, such futures are not included in the table below. Assets and liabilities are classified in their entirety based on the lowest level of input that is a significant component of the fair value measurement. The lowest level of input is considered Level 3. Bunge s assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the classification of fair value assets and liabilities within the fair value hierarchy levels. The following table sets forth, by level, Bunge s assets and liabilities that were accounted for at fair value on a recurring basis.

	Fair Value Measurements at Reporting Date							
	June 30, 2011				December 31, 2010			
(US$ in millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Readily marketable inventories (Note 5)	$	$ 4,140	$ 722	$ 4,862	$	$ 4,567	$ 264	$ 4,831
Unrealized gain on designated derivative contracts (1)								
Interest Rate		18		18				
Foreign Exchange		26		26		22		22
Unrealized gain on undesignated derivative contracts (1)								
Interest Rate						4		4
Foreign Exchange		344	1	345	2	209	1	212
Commodities	112	958	191	1,261	114	1,754	454	2,322
Freight	23	13	2	38	1	22	3	26
Energy	3	16	36	55	9	11	16	36
Other (2)	112	91		203	252	88		340
Deferred Purchase Price Receivable (Note 12)		119		119				
Total assets	**$ 250**	**$ 5,725**	**$ 952**	**$ 6,927**	**$ 378**	**$ 6,677**	**$ 738**	**$ 7,793**
Liabilities:								
Unrealized loss on designated derivative contracts (3)								
Foreign Exchange (4)	$	$ 26	$	$ 26	$	$ 22	$	$ 22
Unrealized loss on undesignated derivative contracts (3)								
Interest Rate						1		1
Foreign Exchange		112		112		69		69
Commodities	400	715	85	1,200	692	1,167	162	2,021
Energy	11	4	11	26	8	1	5	14
Total liabilities	**$ 411**	**$ 857**	**$ 96**	**$ 1,364**	**$ 700**	**$ 1,260**	**$ 167**	**$ 2,127**

(1) Unrealized gains on designated and undesignated derivative contracts are generally included in other current assets. Included in other non-current assets are unrealized gains of $14 million and zero at June 30, 2011 and December 31, 2010, respectively.

(2) Other assets include primarily the fair values of U.S. Treasury securities held as margin deposits.

(3) Unrealized losses on designated and undesignated derivative contracts are generally included in other current liabilities. There are no such amounts included in other non-current liabilities at June 30, 2011 and December 31, 2010.

(4) Included in current portion of long-term debt are unrealized losses of $23 million and $22 million at June 30, 2011 and December 31, 2010, respectively.

Derivatives Exchange traded futures and options contracts are valued based on unadjusted quoted prices in active markets and are classified within Level 1. Bunge s forward commodity purchase and sale contracts are classified as derivatives along with other OTC derivative instruments relating primarily to freight, energy, foreign exchange and interest rates, and are classified within Level 2 or Level 3 as described below. Bunge estimates fair values based on exchange quoted prices, adjusted as appropriate for differences in local markets. These differences are generally valued using inputs from broker or dealer quotations, or market transactions in either the listed or OTC markets. In such cases, these derivative contracts are classified within Level 2. Changes in the fair values of these contracts are recognized in the condensed consolidated financial statements as a component of cost of goods sold, foreign exchange gains (losses), other income (expense), net or other comprehensive income (loss).

OTC derivative contracts include swaps, options and structured transactions that are valued at fair value generally determined using quantitative models that require the use of multiple market inputs including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets which are not highly active, other observable inputs relevant to the asset or liability, and market inputs corroborated by correlation or other means. These valuation models include inputs such as interest rates, prices and indices to generate continuous yield or pricing curves and volatility factors. Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. Certain OTC derivatives trade in less active markets with less availability of pricing information and certain structured transactions can require internally developed model inputs that might not be observable in or corroborated by the market. When unobservable inputs have a significant impact on the measurement of fair value, the instrument is categorized in Level 3.

Bunge designates certain derivative instruments as fair value hedges or cash flow hedges and assesses, both at inception of the hedge and on an ongoing basis, whether derivatives that are designated as hedges are highly effective in offsetting changes in the hedged items or anticipated cash flows.

Readily marketable inventories The majority of Bunge s readily marketable commodity inventories are valued at fair value. These agricultural commodity inventories are readily marketable, have quoted market prices and may be sold without significant additional processing. Changes in the fair values of these inventories are recognized in the condensed consolidated statements of income as a component of cost of goods sold.

Readily marketable inventories reported at fair value are valued based on commodity futures exchange quotations, broker or dealer quotations, or market transactions in either listed or OTC markets with appropriate adjustments for differences in local markets where Bunge s inventories are located. In such cases, the inventory is classified within Level 2. Certain inventories may utilize significant unobservable data related to local market adjustments to determine fair value. In such cases, the inventory is classified as Level 3.

If Bunge used different methods or factors to determine fair values, amounts reported as unrealized gains and losses on derivative contracts and readily marketable inventories at fair value in the condensed consolidated balance sheets and condensed consolidated statements of income could differ. Additionally, if market conditions change subsequent to the reporting date, amounts reported in future periods as unrealized gains and losses on derivative contracts and readily marketable inventories in the condensed consolidated balance sheets and condensed consolidated statements of income could differ.

Level 3 Valuation Bunge s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of assets and liabilities within the fair value hierarchy. In evaluating the significance of fair value inputs, Bunge gives consideration to items that individually, or when aggregated with other inputs, represent more than 10% of the fair value of the asset or liability. For such identified inputs, judgments are required when evaluating both quantitative and qualitative factors in the determination of significance for purposes of fair value level classification and disclosure. Because of differences in the availability of market pricing data over their terms, inputs for some assets and liabilities may fall into any one of the three levels in the fair value hierarchy or some combination thereof. While FASB guidance requires Bunge to classify these assets and liabilities in the lowest level in the hierarchy for which inputs are significant to the fair value measurement, a portion of that measurement may be determined using inputs from a higher level in the hierarchy.

Transfers in and/or out of Level 3 represent existing assets or liabilities that were either previously categorized as a higher level for which the inputs to the model became unobservable or assets and liabilities that were previously classified as Level 3 for which the lowest significant input became observable during the period.

Level 3 Derivatives Level 3 derivative instruments utilize both market observable and unobservable inputs within the fair value measurements. These inputs include commodity prices, price volatility factors, interest rates, volumes and locations. In addition, with the exception of the exchange-cleared instruments where Bunge clears trades through an exchange, Bunge is exposed to loss in the event of the non-performance by counterparties on over-the-counter derivative instruments and forward purchase and sale contracts. Adjustments are made to fair values on occasions when non-performance risk is determined to represent a significant input in Bunge s fair value determination. These adjustments are based on Bunge s estimate of the potential loss in the event of counterparty non-performance.

Level 3 Readily marketable inventories Readily marketable inventories are considered Level 3 when at least one significant assumption or input is unobservable. These assumptions or unobservable inputs include certain management estimations regarding costs of transportation and other local market or location-related adjustments.

The tables below present reconciliations for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the three months ended June 30, 2011 and 2010. Level 3 instruments presented in the tables include readily marketable inventories and derivatives.

	Level 3 Instruments Fair Value Measurements Three Months Ended June 30, 2011		
(US$ in millions)	**Derivatives, Net (1)**	**Readily Marketable Inventories**	**Total**
Balance, April 1, 2011	$ 237	$ 796	$ 1,033
Total gains and (losses) (realized/unrealized) included in cost of goods sold	(76)	130	54
Total gains and (losses) (realized/unrealized) included in foreign exchange gains (losses)	(1)		(1)
Purchases	34	614	648
Sales		(962)	(962)
Issuances	(33)		(33)
Settlements	(6)		(6)
Transfers into Level 3	10	157	167
Transfers out of Level 3	(31)	(13)	(44)
Balance, June 30, 2011	**$ 134**	**$ 722**	**$ 856**

(1) Derivatives, net include Level 3 derivative assets and liabilities.

	Level 3 Instruments Fair Value Measurements Three Months Ended June 30, 2010		
(US$ in millions)	**Derivatives, Net (1)**	**Readily Marketable Inventories**	**Total**
Balance, April 1, 2010	$ 49	$ 354	$ 403
Total gains and (losses) (realized/unrealized) included in cost of goods sold	(10)	104	94
Total gains and (losses) (realized/unrealized) included in foreign exchange gains (losses)	(1)		(1)
Purchases, issuances and settlements	(2)	(104)	(106)
Transfers into Level 3	19		19
Transfers out of Level 3	(8)		(8)
Balance, June 30, 2010	**$ 47**	**$ 354**	**$ 401**

(1) Derivatives, net include Level 3 derivative assets and liabilities.

The tables below present reconciliations for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the six months ended June 30, 2011 and 2010. Level 3 instruments presented in the tables include readily marketable inventories and derivatives.

	Level 3 Instruments Fair Value Measurements Six Months Ended June 30, 2011		
(US$ in millions)	**Derivatives, Net (1)**	**Readily Marketable Inventories**	**Total**
Balance, January 1, 2011	$ 307	$ 264	$ 571
Total gains and (losses) (realized/unrealized) included in cost of goods sold	(119)	92	(27)
Purchases	71	1,486	1,557
Sales		(1,362)	(1,362)
Issuances	(58)		(58)
Settlements	(57)		(57)
Transfers into Level 3	14	274	288
Transfers out of Level 3	(24)	(32)	(56)
Balance, June 30, 2011	**$ 134**	**$ 722**	**$ 856**

(1) Derivatives, net include Level 3 derivative assets and liabilities.

	Level 3 Instruments Fair Value Measurements Six Months Ended June 30, 2010		
(US$ in millions)	**Derivatives, Net (1)**	**Readily Marketable Inventories**	**Total**
Balance, January 1, 2010	$ 31	$ 109	$ 140
Total gains and (losses) (realized/unrealized) included in cost of goods sold	(15)	154	139
Purchases, issuances and settlements	16	91	107
Transfers into Level 3	30		30
Transfers out of Level 3	(15)		(15)
Balance, June 30, 2010	**$ 47**	**$ 354**	**$ 401**

(1) Derivatives, net include Level 3 derivative assets and liabilities.

The table below summarizes changes in unrealized gains or (losses) recorded in earnings during the three months ended June 30, 2011 and 2010 for Level 3 assets and liabilities that were held at June 30, 2011 and 2010.

	Level 3 Instruments Fair Value Measurements Three Months Ended		
(US$ in millions)	**Derivatives, Net (1)**	**Readily Marketable Inventories**	**Total**
Changes in unrealized gains and (losses) relating to assets and liabilities held at June 30, 2011			
Cost of goods sold	$ 21	$ 459	$ 480
Foreign exchange gains (losses)	$ (1)	$	$ (1)
Changes in unrealized gains and (losses) relating to assets and liabilities held at June 30, 2010			
Cost of goods sold	$ 8	$ 82	$ 90
Foreign exchange gains (losses)	$ (1)	$	$ (1)

(1) Derivatives, net include Level 3 derivative assets and liabilities.

The table below summarizes changes in unrealized gains or (losses) recorded in earnings during the six months ended June 30, 2011 and 2010 for Level 3 assets and liabilities that were held at June 30, 2011 and 2010.

	Level 3 Instruments Fair Value Measurements Six Months Ended		
(US$ in millions)	**Derivatives, Net (1)**	**Readily Marketable Inventories**	**Total**
Changes in unrealized gains and (losses) relating to assets and liabilities held at June 30, 2011			
Cost of goods sold	$ 24	$ 578	$ 602
Foreign exchange gains (losses)	$	$	$
Changes in unrealized gains and (losses) relating to assets and liabilities held at June 30, 2010			
Cost of goods sold	$ 80	$ 91	$ 171
Foreign exchange gains (losses)	$	$	$

(1) Derivatives, net include Level 3 derivative assets and liabilities.

Derivative Instruments

Interest rate derivatives Interest rate swaps used by Bunge as hedging instruments have been recorded at fair value in the condensed consolidated balance sheets with changes in fair value recorded contemporaneously in earnings. Certain of these swap agreements have been designated as fair value hedges. The carrying amount of the associated hedged debt is also adjusted through earnings for changes in the fair value arising from changes in benchmark interest rates. Ineffectiveness is recognized to the extent that these two adjustments do not offset. Bunge enters into interest rate swap agreements for the purpose of managing certain of its interest rate exposures.

Bunge also enters into certain interest rate basis swap agreements that do not qualify as hedges for accounting purposes. As a result, changes in fair value of such interest rate basis swap agreements are recorded in earnings.

The following table summarizes Bunge s outstanding interest rate swap and interest rate basis swap agreements.

	June 30, 2011	
(US$ in millions)	**Notional Amount of Hedged Obligation**	**Notional Amount Derivative (5)**
Interest rate swap agreements	$ 975	$ 975
Weighted average rate payable 1.90%(1)		
Weighted average rate receivable 3.26%(2)		
Interest rate basis swap agreements	$ 375	$ 375
Weighted average rate payable 0.61%(3)		
Weighted average rate receivable 0.19%(4)		

(1) Interest is payable in arrears semi-annually based on six month U.S. dollar LIBOR and payable in arrears quarterly based on three month U.S. dollar LIBOR.

(2) Interest is receivable in arrears based on a fixed interest rate.

(3) Interest is payable in arrears based on the average daily effective Federal Funds rate prevailing during the respective period plus a spread.

(4) Interest is receivable in arrears based on one month U.S. dollar LIBOR.

(5) The interest rate swap agreements mature in 2011, 2013, and 2016.

Foreign exchange derivatives Bunge uses a combination of foreign exchange forward and option contracts in certain of its operations to mitigate the risk from exchange rate fluctuations in connection with certain commercial and balance sheet exposures. The foreign exchange forward and option contracts may be designated as cash flow hedges. Bunge may also use net investment hedges to partially offset the translation adjustments arising from the remeasurement of its investment in certain of its foreign subsidiaries.

Bunge assesses, both at the inception of the hedge and on an ongoing basis, whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in the hedged items.

The table below summarizes the notional amounts of open foreign exchange positions.

	June 30, 2011			
(US$ in millions)	**Exchange Traded Net (Short) & Long (1)**	**Non-exchange Traded (Short) (2)**	**Non-exchange Traded Long (2)**	**Unit of Measure**
Foreign Exchange:				
Options	$	$ (192)	$ 45	Delta
Forwards		(9,601)	8,427	Notional
Swaps		(138)	87	Notional

(1) Exchange traded futures and options are presented on a net (short) and long position basis.

(2) Non-exchange traded swaps, options and forwards are presented on a gross (short) and long position basis.

In addition, Bunge has cross-currency interest rate swap agreements with an aggregate notional principal amount of 10 billion Japanese Yen maturing in 2011 for the purpose of managing its currency exposure associated with its 10 billion Japanese Yen term loan due 2011. Bunge has accounted for these cross-currency interest rate swap agreements as fair value hedges.

The following table summarizes Bunge s outstanding cross-currency interest rate swap agreements.

(US$ in millions)	June 30, 2011 Notional Amount of Hedged Obligation		Notional Amount of Derivative (1)	
U.S. dollar/Yen cross-currency interest rate swaps	$	125	$	125

(1) Under the terms of the cross-currency interest rate swap agreements, interest is payable in arrears based on three month U.S. dollar LIBOR and is receivable in arrears based on three month Yen LIBOR.

Commodity derivatives Bunge uses derivative instruments to manage its exposure to movements associated with agricultural commodity prices. Bunge generally uses exchange traded futures and options contracts to minimize the effects of changes in the prices of agricultural commodities on its agricultural commodity inventories and forward purchase and sale contracts, but may also from time-to-time enter into OTC commodity transactions, including swaps, which are settled in cash at maturity or termination based on exchange-quoted futures prices. Changes in fair values of exchange traded futures contracts representing the unrealized gains and/or losses on these instruments are settled daily generally through Bunge s wholly-owned futures clearing subsidiary. Forward purchase and sale contracts are primarily settled through delivery of agricultural commodities. While Bunge considers these exchange traded futures and forward purchase and sale contracts to be effective economic hedges, Bunge does not designate or account for the majority of its commodity contracts as hedges. Changes in fair values of these contracts and related readily marketable agricultural commodity inventories are included in cost of goods sold in the condensed consolidated statements of income. The forward contracts require performance of both Bunge and the contract counterparty in future periods. Contracts to purchase agricultural commodities generally relate to current or future crop years for delivery periods quoted by regulated commodity exchanges. Contracts for the sale of agricultural commodities generally do not extend beyond one future crop cycle.

In addition, Bunge may hedge portions of its forecasted oilseed processing production requirements, including forecasted purchases of soybeans and sales of soy commodity products. The instruments used are generally exchange traded futures contracts. Such contracts hedging U.S. oilseed processing activities qualify and may be designated as cash flow hedges. Contracts that are used as economic hedges of other global oilseed processing activities generally do not qualify for hedge accounting as a result of location differences and are therefore, not designated as cash flow hedges for accounting purposes.

The table below summarizes the volumes of open agricultural commodities derivative positions.

	June 30, 2011 Exchange Traded Net (Short) & Long (1)	Non-exchange Traded (Short) (2)	Non-exchange Traded Long (2)	Unit of Measure
Agricultural Commodities:				
Futures	(2,665,771)			Metric Tons
Options	27,364			Metric Tons
Forwards		(28,462,260)	27,486,691	Metric Tons
Swaps		(7,534,172)	2,722	Metric Tons

(1) Exchange traded futures and options are presented on a net (short) and long position basis.

(2) Non-exchange traded swaps, options and forwards are presented on a gross (short) and long position basis.

Ocean freight derivatives Bunge uses derivative instruments referred to as freight forward agreements, or FFAs, and FFA options to hedge portions of its current and anticipated ocean freight costs. A portion of the ocean freight derivatives may be designated as fair value hedges of Bunge s firm commitments to purchase time on ocean freight vessels. Changes in the fair value of the ocean freight derivatives that are qualified, designated and highly effective as a fair value hedge, along with the gain or loss on the hedged firm commitments to purchase time on ocean freight vessels that is attributable to the hedged risk, are recorded in earnings. Changes in the fair values of ocean freight derivatives that are not designated as hedges are also recorded in earnings.

The table below summarizes the open ocean freight positions.

		June 30, 2011
	Exchange Cleared Net (Short) &	