



FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014



FINANCIAL
Statements



Castrolanda

(Convenience translation into English from the original previously issued in Portuguese)

CASTROLANDA COOPERATIVA AGROINDUSTRIAL LTDA.

Independent Auditors' Report

**Financial statements for the year ended
December 31, 2014**

CASTROLANDA COOPERATIVA AGROINDUSTRIAL LTDA.

Financial statements for the year ended December 31, 2014
(Amounts in Thousands of Brazilian Reais)

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(Convenience translation into English from the original previously issued in Portuguese)

INDEPENDENT AUDITORS 'REPORT ON THE FINANCIAL STATEMENTS

To the
Administrators and Coop members
Castrolanda Cooperativa Agroindustrial Ltda.
Castro-PR

We have audited the financial statements of Castrolanda Cooperativa Agroindustrial Ltda. on December 31, 2014, and the related statements of surplus and losses, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Cooperative's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil and for such internal control as management determines is necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

Independent Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit conducted in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements by auditors and that the audit is planned and performed in order to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement in the financial statements, whether due to fraud or error. In this risk assessment, the auditor considers internal control relevant to the preparation and fair presentation of the entity's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls entity. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements as a whole.

We believe that the audit evidence obtained is sufficient and appropriate for expressing our opinion.



Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial and equity position of Castrolanda Cooperativa Agroindustrial Ltda. on December 31, 2014, the performance of its operations, the changes in its shareholders' equity and cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Other issues

We have also audited the Added Value Statement (AVS) for the year ended December 31, 2014, the disclosure of which is required by Brazilian corporate law for large companies. These statements were submitted to the same audit procedures described above and, in our opinion, is fairly stated, in all material respects in relation to the financial statements as a whole.

Curitiba, February 04, 2015.



BDO RCS Auditores Independentes S.S.
CRC 2SP 013846/O-1 "S" PR



Paulo Sérgio Tufani
Accountant CRC 1SP 124504/O-9 "S" PR



Gilberto de Souza Schlichta
Accountant CRC 1PR 35.508/O-5

EXHIBIT 1
CASTROLANDA - COOPERATIVA AGROINDUSTRIAL LTDA
BALANCE SHEET AS AT 31 DECEMBER 2014 AND 2013 OF
(Amounts in thousands of Brazilian reais)

ASSETS	2014	2013
CURRENT		
Cash (note 4)	246.373	300.247
Receivables from members (Note 5)	180.399	162.622
Receivables intercooperation (Note 5)	48.621	
Amounts receivable (note 6)	105.900	65.944
Inventories (note 7)	156.293	143.547
Recoverable taxes (Note 8)	31.205	25.172
Other accounts receivable (note 9)	14.972	7.523
Prepaid expenses	400	242
Total Assets	784.163	705.297
NON-CURRENT		
Receivables from members (Note 5)	38.841	30.570
Receivables intercooperation (Note 5)	86.216	
Other receivables (note 10)	17.112	21.872
Investments (note 11)	65.342	47.415
Assets (note 12)	660.295	424.983
Biological assets (note 13)	14.676	12.163
Intangible assets (note 14)	1.146	1.118
Total Non-Current Assets	883.628	538.121
TOTAL ASSETS	1.667.791	1.243.418

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

EXHIBIT 1

**CASTROLANDA - COOPERATIVA AGROINDUSTRIAL LTDA
BALANCE SHEET AS AT 31 DECEMBER 2014 AND 2013 OF
(Amounts in thousands of Brazilian reais)**

LIABILITIES AND SHAREHOLDERS 'EQUITY	2014	2013
CURRENT		
Obligations with members (Note 5)	120.864	121.570
Intercooperation obligations (Note 5)	7.885	
Suppliers (note 15)	56.557	62.643
Loans and financing (Note 16)	324.117	212.052
Social and tax liabilities	4.267	3.798
Customer advances	1.554	2.532
Other payables	3.110	3.287
Accrued liabilities (note 17)	13.499	9.480
Total Current Liabilities	531.853	415.362
NON-CURRENT		
Obligations with members (Note 5)	9.337	8.065
Intercooperation obligations (Note 5)	11.122	
Suppliers (note 15)	13.303	20.988
Loans and financing (Note 16)	266.494	174.914
Accrued liabilities (note 17)	61.561	52.506
Total non-current liabilities	361.817	256.473
SHAREHOLDER'S EQUITY		
Realized capital stock (note 18)	291.104	130.092
Surplus reserves (note 18)	432.744	377.361
Remains available to the A.G.O.	50.273	64.130
	774.121	571.583
TOTAL DO PASSIVO E PATRIMÔNIO LÍQUIDO	1.667.791	1.243.418

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



Castrolanda

Castrolanda, cooperativa dedicada
ao desenvolvimento do agronegócio.

EXHIBIT 2

CASTROLANDA - COOPERATIVA AGROINDUSTRIAL LTDA
STATEMENT OF SURPLUS OR LOSS OF EXERCISES
ENDED DECEMBER 31, 2014 AND 2013
(Amounts in thousands of Brazilian reais)

	2014	2013
ENTRY AND GROSS OPERATING REVENUE		
Sales of products and services	1.945.891	1.714.915
DEDUCTIONS		
Taxes on sales	(36.724)	(30.791)
Returns and discounts	(25.637)	(28.805)
ENTRY AND NET OPERATING REVENUE (note 19)	1.883.530	1.655.319
EXPENDITURE AND COST OF SALES AND SERVICES	(1.682.254)	(1.461.645)
SURPLUS AND GROSS PROFIT	201.276	193.674
EXPENDITURE AND EXPENSES		
Selling expenses	(22.979)	(23.437)
Staff costs	(49.348)	(39.478)
Other general and administrative expenses	(57.335)	(49.165)
(-) Financial expenses (Note 20)	(50.823)	(38.440)
(+) Financial income (note 20)	49.559	42.065
	(130.926)	(108.455)
NET OPERATING INCOME	70.350	85.219
OTHER OPERATING RESULTS	849	983
SURPLUS AND PROFIT BEFORE TAXES	71.199	86.202
Income tax	(6.510)	(5.309)
Social contribution on tax	(2.465)	(2.011)
	(8.975)	(7.320)
SURPLUS AND NET INCOME	62.224	78.882
ASSIGNMENTS LEGAL AND STATUTORY		
Statutory reserve fund	(7.260)	(8.515)
FATES	(6.582)	(8.351)
	(13.842)	(16.866)
USE OF FATES FOR THE YEAR	1.891	2.114
SURPLUS AVAILABLE AT A.G.O.	50.273	64.130

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

EXHIBIT 3
CASTROLANDA - COOPERATIVA AGROINDUSTRIAL LTDA
STATEMENT OF SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Amounts in thousands of Brazilian reais)

	Realized capital stock		Surplus reserves		Funds for	Remains available to the	Total
			Legal reserve	FATES			
EM 31 DE DEZEMBRO DE 2012	84.507	62.283	33.795	224.377	60.913	465.875	
Incorporation into surplus reserves as AGO	-	2.088	-	34.491	(36.579)	-	
Payments the / capital deductions	4.277	-	-	-	-	4.277	
Payments the intercooperation	35.030	-	-	-	-	35.030	
Deductions for capitalization fund	2.046	-	-	-	-	2.046	
Payments the in participation quotas	4.761	-	-	-	-	4.761	
Use of resources FATES	(7.827)	-	-	-	-	(7.827)	
Low capital for fired members / 65 years	-	-	-	-	-	-	
Low capital - quota system	-	-	-	5.560	-	5.560	
Development fund Constitution	7.298	-	-	-	(7.298)	-	
Capitalization as AGO	-	-	(2.114)	-	2.114	-	
Using FATES the year	-	-	-	-	534	534	
Quotas update UBC / Capitalization Fund	-	-	-	15	(17.570)	(17.555)	
Distribution leftovers for members as AGO	-	-	-	-	78.882	78.882	
Net remain exercise	-	8.515	-	-	(8.515)	-	
Cons titution of legal reserve	-	-	8.351	-	(8.351)	-	
FATES	-	-	-	-	-	-	
EM 31 DE DEZEMBRO DE 2013	130.092	72.886	40.032	264.443	64.130	571.583	
Incorporation into surplus reserves as AGO	-	2.563	-	35.091	(37.654)	-	
Payments the / capital deductions	6.152	-	-	-	-	6.152	
Payments the intercooperation	140.242	-	-	-	-	140.242	
Deductions for capitalization fund	2.642	-	-	-	-	2.642	
Payments the in participation quotas	10.319	-	-	-	-	10.319	
Use of resources FATES	(3.463)	-	-	-	-	(3.463)	
Low capital for fired members / 65 years	-	-	-	-	-	-	
Low capital - quota system	-	-	-	5.778	-	5.778	
Development fund Constitution	5.120	-	-	-	(5.120)	-	
Capitalization as AGO	-	-	(1.891)	-	1.891	-	
Using FATES the year	-	-	-	-	(21.356)	(21.356)	
Distribution leftovers for members as AGO	-	-	-	-	62.224	62.224	
Net remain exercise	-	7.260	-	-	(7.260)	-	
Cons titution of legal reserve	-	-	6.582	-	(6.582)	-	
FATES	-	-	-	-	-	-	
EM 31 DE DEZEMBRO DE 2014	291.104	82.709	44.723	305.312	50.273	774.121	

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



Castrolanda

EXHIBIT 4

CASTROLANDA - COOPERATIVA AGROINDUSTRIAL LTDA

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(Amounts in thousands of Brazilian reais)

Castrolanda, cooperativa dedicada
ao desenvolvimento do agronegócio.

	2014	2013
1 - CASH FLOW FROM OPERATING ACTIVITIES		
Surplus and net income	62.224	78.882
Adjustments to reconcile net income for the year to cash provided by operating activities		
Depreciation, amortization and depletion	25.818	23.778
Monetary variation on long-term loans	14.971	11.139
Monetary variation on receivables long-term	(4.758)	(5.991)
Provision for contingencies	10.854	9.745
Low fixed assets	1.518	831
	110.627	118.384
Changes in assets:		
Accounts receivable	(61.246)	43.988
Receivables intercooperation	(134.837)	-
Inventories	(12.746)	(16.435)
Other	(8.880)	(23.564)
	(217.709)	3.989
Changes in liabilities:		
Accounts payable	(13.771)	48.954
Obligations with cooperative	566	2.338
Intercooperação obligations	19.007	-
Advances from customers	(978)	366
Social and tax liabilities	(8.506)	(6.093)
Income tax payments and social contribution	1.928	4.406
Compensation of income tax and social contribution	7.047	2.915
Other payables	(177)	436
Accrued liabilities	2.220	(740)
	7.336	52.582
NET CASH GENERATED BY OPERATING ACTIVITIES	(99.746)	174.955
2 - CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets	(261.751)	(185.322)
Additions to investments	(17.927)	(40.002)
Additions to biological assets	(3.410)	(2.307)
Additions to intangible assets	(28)	(528)
NET CASH (ABSORBED) BY INVESTING ACTIVITIES	(283.116)	(228.159)
3 - CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in loans and financing	188.674	68.673
Constitution reserves development	5.778	5.560
Statutory allocations:		
Distribution surplus for cooperative	(21.356)	(17.555)
Capital return to the cooperative	(3.463)	(7.827)
Payments / capital withholdings	6.152	4.277
payments intercooperation	140.242	35.030
Deductions for agriculture capitalization fund	2.642	2.046
Payments in participation quotas	10.319	4.761
Update participation quotas UBC / Fund capitalization	-	534
NET CASH GENERATED (APPLIED) BY FINANCING ACTIVITIES	328.988	95.499
4 - INCREASE / DECREASE IN CASH	(53.874)	42.295
At beginning of year	300.247	257.952
At end of year	246.373	300.247

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

EXHIBIT 5

CASTROLANDA - COOPERATIVA AGROINDUSTRIAL LTDA

STATEMENT OF VALUE ADDED FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(Amounts in thousands of Brazilian reais)

	2014	2013
1. TICKETS AND REVENUE		
1.1. Sales of goods, products and services	1.935.778	1.709.897
1.2. Other income and revenues	10.113	5.018
1.3. Other operating income	849	983
1.4. Provision for loan losses / reversal	243	(512)
1.5. Returns and rebates	(25.637)	(28.805)
	1.921.346	1.686.581
2. SUPPLIES PURCHASED FROM THIRD PARTIES		
2.1. Cost of products, goods and services sold	1.653.570	1.450.176
2.2. Materials, energy, outsourced services and other	67.492	56.069
2.3. Loss / recovery of assets	568	549
	1.721.630	1.506.794
3. GROSS ADDED VALUE (1-2)	199.716	179.787
4. DEPRECIATION, AMORTIZATION AND DEPLETION	25.818	23.778
5. NET VALUE ADDED PRODUCED BY THE COMPANY (3-4)	173.898	156.009
6. ADDED VALUE RECEIVED FROM TRANSFER		
6.1. Financial income	49.559	42.065
	49.559	42.065
7. TOTAL VALUE ADDED TO DISTRIBUTE (5 + 6)	223.457	198.074
8. DISTRIBUTION OF VALUE ADDED		
8.1. Staff		
8.1.1. Direct compensation	52.715	37.950
8.1.2. Benefits	13.179	8.718
8.1.3. FGTS	3.141	2.573
8.2. Taxes and contributions		
8.2.1. Federal	20.041	15.009
8.2.2. State	21.629	16.388
8.2.3. Municipal	126	114
8.3. Third-party capital remuneration		
8.3.1. Interest	33.474	26.037
8.3.2. Other financial expenses	16.928	12.403
8.4. Remuneration of own capital		
8.4.1. Remains to distribute and establishment of funds	62.224	78.882
	223.457	198.074

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

NOTES TO CONSOLIDATED FINANCIAL RAISED AT 31 DECEMBER 2014 AND 2013

NOTE 01 - OPERATIONS

The Cooperative has 839 cooperative members (785 in 2013) and its activities primarily consist of:

- a)** Marketing of agricultural and livestock of members, keeping in the case of agricultural products, silos and warehouses for the storage of products, equipment for drying, processing and standardization;
- b)** Processing and sale of seeds, beans, animal feed, dairy, potatoes and ovine and pork;
- c)** Purchase and storage of agricultural inputs to supply to the cooperative;
- d)** Provision of agricultural technical assistance services to the cooperative.

NOTE 02 - PRESENTATION OF FINANCIAL STATEMENTS

The financial statements were prepared and are presented in accordance with accounting practices adopted in Brazil, including the Brazilian Accounting Standards, the Pronouncements, Guidelines and Interpretations issued by the Accounting Pronouncements Committee (CPC) and the Law on Cooperatives No. 5.764/71. Are still observed, the Laws 11.638/07 and Law No. 11.941/09 which amended Law 6.404/76, in respect to the preparation and dissemination of financial statements. According to the Accounting Standard NBC TE - Cooperative Entities, they were standardized in classifications and presentation.

The financial statements have been prepared under the historical cost, which is based on the fair value of the consideration given in exchange for assets or settlement of liabilities.

Functional currency and presentation currency

These financial statements are presented in Reais, which is the functional currency of the Cooperative. All financial information has been rounded to the nearest number, unless otherwise stated.

Use of estimates and accounting judgments

The accounting estimates and judgments were based on objective and subjective factors, based on management's judgment to determine the appropriate amount to be recorded in the financial statements as required by CPC. Significant items subject to such estimates and assumptions include the residual value and useful life of fixed and intangible assets, provision for doubtful accounts, provision for inventory, provision for contingencies, and assets and liabilities related to employee benefits. The settlement of transactions involving these estimates may eventually results in significantly different amounts due to inaccuracies inherent to the process for determining. The Cooperative reviews the estimates and assumptions annually.

New IFRS Standards, emissions, amendments and interpretations issued by the IASB applicable to the financial statements

The following new standards, amendments and interpretations to existing standards were issued by the IASB and have initial adoption on January 1, 2014:

- IAS 32 - Offsetting financial assets and financial liabilities: in December 2011, the IASB issued a revised IAS 32. This change addresses issues related to the compensation of financial assets and liabilities. This standard is effective from January 1, 2014. The Cooperative examined the review of the pronouncement already converted and updated in CPC and did not identify impacts to disclosures of these financial statements.
- IFRS 10, IFRS 12 and IAS 27 - "Investment Entities", in October 2012, the IASB revised IFRS standards 10, IFRS 12 and IAS 27, which define investment entity and introduce an exception to consolidation of subsidiaries by authority of investments, establishing the accounting treatment in these cases. The adoption of these regulations are effective for annual periods beginning from January 1, 2014. The Cooperative examined the review of the pronouncement already converted and updated in CPC and did not identify impacts to disclosures of these financial statements.
- IFRIC 21 - "Taxes" in May 2013, the IASB issued IFRIC 21. This interpretation addresses issues related to the recognition of a tax liability when this originates from application of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. This interpretation is effective for annual periods from January 1, 2014. The Cooperative examined the review of the pronouncement already converted and updated in CPC and did not identify impacts to disclosures of these financial statements.

- IAS 36 - "Impairment of Assets", in May 2013, the IASB issued a revised IAS 36. The change in this rule requires disclosure of discount rates that were used in the current and previous evaluation of the recoverable value of assets, the recoverable amount of the asset is impaired based on a valuation technique to present value based on fair value less the cost of low. This standard is effective for annual periods beginning from January 1, 2014. The Cooperative examined the review of the pronouncement already converted and updated in CPC and did not identify impacts to disclosures of these financial statements.

- IAS 39 - "Changes in Derivatives and Hedge Accounting Continuity", in June 2013, the IASB issued a revised IAS 39. The change in this rule is intended to clarify when an entity is required to discontinue a hedging instrument, in situations where this instrument expires, is sold, terminated or exercised. This standard is effective for annual periods from January 1, 2014. The Cooperative examined the review of the pronouncement already converted and updated in CPC and did not identify impacts to disclosures of these financial statements.

- IAS 19 - "Employee Benefits", in November 2013, the IASB issued a revised IAS 19. This change aims to establish aspects related to the recognition of contributions from employees or third parties and their impact on cost of service and periods of service. This standard is effective for annual periods from 1 July 2014. The Cooperative examined the review of the pronouncement already converted and updated in CPC and did not identify impacts to disclosures of these financial statements.

- IAS 27 - "Separate Financial Statements", on August 12, 2014, the IASB issued revised IAS 27 will allow the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. This standard is effective for annual periods beginning on / after January 1, 2016 in IFRS and accounting practices adopted in Brazil is already accepted from December 31, 2014, as approved by the Federal Accounting Council and early adoption of IFRS. The Cooperative does not expect impacts of this standard on its financial statements.

Standards, amendments and interpretations of standards that are not yet in force

The following new standards, amendments and interpretations to existing standards were issued by the IASB but were not issued by the CPC:

- IAS 1 - "Presentation of Financial Statements" - on December 18, 2014, the IASB published "Disclosure Initiative" (Amendments to IAS 1). The amendments aim to clarify the IAS 1 and direct the perceived impediments on the trial for the preparation and presentation of financial statements. This standard is effective for annual periods beginning on / or after January 1, 2016, with early application permitted. The Cooperative is evaluating the impact of adopting this standard on its financial statements.
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- IFRS 9 - Financial instruments - in July 2014, the IASB issued the final version of IFRS 9, which aims to replace IAS 39 - Financial Instruments: Recognition and measurement. These changes address some questions about the application of the standard and introduce the concept of "fair value through the comprehensive income" for the measurement of some types of debt instruments. In addition, the IASB included in IFRS 9 loss recognition requirements for non-recoverability of assets related to the registration of expected losses from claims on financial assets and renegotiation of commitments of these credits. This standard is effective for annual periods beginning on/or after 01/01/2018. The Cooperative is evaluating the impact of adopting this standard on its financial statements.
- IFRS 14 - regulatory deferral accounts, in January 2014, the IASB issued IFRS 14, which has the specific purpose of regulating the recognition of regulatory assets and liabilities upon first adoption of IFRS. This standard is effective for annual periods beginning on / after January 1, 2016. The Cooperative does not expect impacts of this standard on its financial statements.
- IFRS 11 - "Sharing Agreements", in May 2014, the IASB issued a revised IFRS 11. Amendment of IFRS 11 standard addresses criteria related to the accounting treatment for acquisitions of interests in sharing agreements that constitute a business deal with the concepts contained in IFRS 3. This change in standard is effective for annual periods beginning on / or after January 1, 2016. The Cooperative is evaluating the impact of adopting this standard on its financial statements.
- IAS 16 and IAS 38 - "Clarifications on Methods Acceptable Depreciation and Amortization" in May 2014, the IASB issued revision of IAS 16 and IAS 38. This review aims to clarify depreciation and amortization methods, observing alignment to the concept of future economic benefits expected from the use of the asset during its useful life. This change in standard is effective for annual periods beginning on / after January 1, 2016.

The Cooperative is evaluating the impact of adopting this standard on its financial statements.

- IFRS 15 - "Revenue from contracts with customers" in May 2014, the IASB issued IFRS 15. The standard replaces IAS 18 - "Revenue" and IAS 11 - "Construction Contracts" and a series of related interpretations the revenue. This standard is effective for annual periods beginning on / or after January 1, 2017. The Cooperative does not expect the adoption of this standard impacts on its financial statements.

- IAS 16 and IAS 41 - in July 2014, the IASB issued the revised IAS 16 - Fixed Assets and IAS 41 - Biological assets, to include biological assets that meet the definition of "Bearer plants" (defined as "live plants" that are used in the production of agricultural products), this change requires that the "Bearer plants" are recorded as fixed assets in accordance with IAS 16, recording the historical cost rather than being measured at fair value as is required by IAS 41. This standard is effective for annual periods beginning on / or after July 1, 2016. The Cooperative does not expect impacts of this standard on its financial statements.
- IFRS 10 and IAS 28 - on September 11, 2014, the IASB issued revision of IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates, Subsidiaries and in a Jointly Controlled Entity, these changes have resulted in the recognized inconsistency between the requirements of IFRS 10 and those in IAS 28, to deal with the sale or entry of an investor assets, associate or joint venture. The main consequence of the changes is that the gain or loss is recognized when a transaction involves a business (if it is installed in a subsidiary or not). A gain or loss is recognized in part when a transaction involves assets that do not constitute a business, even if those assets are allocated in a subsidiary. This standard is effective for annual periods beginning on / or after July 1, 2016. The Cooperative is evaluating the impact of adopting these amendments on its financial statements.
- Annual Improvements to IFRS September 2014 - IASB issued a revision of standards IFRS 5, IFRS 7, IAS 19 and IAS 34. These standards are effective for annual periods beginning on / after January 1, 2016. The Co-operative evaluating the impact of adopting these amendments on its financial statements.

NOTE 03 - THE MAIN ACCOUNTING PRACTICES

ASSETS AND LIABILITIES CURRENT AND NONCURRENT

Current and non-current assets, if any, are reduced by an allowance, their probable realization values and investments recognize the pro rata temporis income. The current and non-current liabilities, where applicable, include charges incurred.

DETERMINATION OF SURPLUS AND EXERCISE OF LOSS

The result of operations is determined in accordance with the accounting basis of competence exercises, which considers that the revenues, costs and expenses should be recognized when earned or incurred, regardless of its actual receipt or payment.

FOREIGN CURRENCY

All foreign currency transactions are translated into the functional currency as determined by CPC 02 - Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements, according to the official exchange rate published by the Central Bank of Brazil. Changes arising from translation are recognized in income as income or financial expenses.

AVAILABILITY

Understand the balance in cash, bank deposits and financial investments with immediate liquidity, recorded at cost plus incurred net income until the balance sheet date, not exceeding their market value.

ACCOUNTS RECEIVABLE AND CUSTOMERS COOPERATIVE

Are recorded in the balance sheet at their nominal value representing such credits, plus monetary and exchange variations, when contracted, adjusted to present value, when applicable, less an allowance for doubtful accounts.

ALLOWANCE FOR DOUBTFUL ACCOUNTS - ACCOUNTS RECEIVABLE

Recorded in an amount considered sufficient to cover possible losses on accounts receivable, after detailed analysis of overdue loans and opinions of the legal advisors of the Cooperative.

ALLOWANCE FOR DOUBTFUL ACCOUNTS - ACCOUNTS RECEIVABLE COOPERATIVE

Established in amounts considered sufficient to cover possible losses, according to the payment capacity of each member. The receivables of the dismissed, removed or deleted cooperated fully accrued at the end of each year.

INVENTORIES

- Agricultural and livestock: stated at cost or net realizable value, whichever is lower;
- Finished goods and work in process: measured using the weighted average cost of production;

- Goods for resale and supplies, raw materials, secondary materials and other inventories: measured using the weighted average cost of acquisition.

Inventories do not exceed their net realizable values, adjusted where applicable. Were also recorded net of recoverable taxes.

INVESTMENTS

Investments are valued using the historical acquisition cost because it is mainly of investments in other cooperatives, in accordance with NBC T 10.8. Investments in non-cooperative societies are also stated at cost of acquisition in accordance with the provisions of Law 6.404/76 and with the pronouncements issued by the Accounting Standards Board, for not treat investments in affiliates or subsidiaries. No provisions for losses were realized as there are no evidence for impairment of amounts invested.

IMMOBILIZED

Recorded at cost of acquisition or construction, less accumulated depreciation and loss for impairment, if applicable. Depreciation is calculated using the straight-line method at rates described in note 12 and takes into account the residual value and the estimated useful lives of the assets, in accordance with CPC 27 - Fixed Assets. Fees and useful life estimates are reviewed annually.

The cooperative chose not to adopt the cost attributed to its fixed assets, as permitted by CPC 27 and ICPC 10.

The costs are capitalized only when there is increase in the economic benefits of the asset. All other expenditure is recognized as an expense.

BIOLOGICAL ASSETS

According to CPC 29, a biological asset is a living animal or plant. The Castrolanda recognizes its biological assets (forests, matrices and breeding pigs) at fair value, which corresponds to the value of the applied inputs, less accumulated depreciation and depletion.

INTANGIBLE

Includes the amounts paid for the right to use software and registration marks of their property, recorded at cost, less of depreciable values, calculated according to their useful lives.

REDUCTION TO ASSET VALUE RECOVERABLE

According to CPC 01 - Impairment of assets, the asset is impaired when its carrying amount exceeds its recoverable amount, either by sale or use in the ordinary course of operations. Every year should be analyzed if there are indicators that point to such and, if so, the loss should be recognized in profit.

The Castrolanda annually performs impairment indicators analysis of its financial and nonfinancial assets, and recognized a loss when applicable.

OBLIGATIONS AND THIRD COOPERATIVE

These are obligations arising from the purchase of goods and services in the ordinary course of business of Castrolanda, are stated at fair values, updated by financial charges under the existing contracts, to reflect the amounts incurred through the balance sheet date.

LOANS AND FINANCING

Are recorded upon receipt of funds, initially net of transaction costs, and are presented at amortized cost, adjusted for the costs incurred by the end of the exercises (pro rata temporis), pursuant to existing contracts, which are accounted for as financial expenses.

PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognized in the balance sheet when the Castrolanda has a legal or constructive obligation as a result of a past event and it is probable that economic benefits will be required to settle the obligation. Provisions are recorded based on the best estimates of risk involved.

OTHER ASSETS AND LIABILITIES CURRENT AND NON-CURRENT

Other current and non-current assets are stated at cost or realizable values, including, when applicable, income earned. Due to operating characteristics do not apply adjustments to net present value and / or fair market value.

Other current and non-current liabilities are stated at known or estimated amounts, plus related charges and monetary and exchange variations, using the adjustment to present value where applicable.

REVENUE RECOGNITION

The Product Sales revenue is recognized when all the risks and benefits of the product are transferred to the buyer. Revenue from services rendered is recognized in income in its realization until the balance sheet date. Revenue is not recognized if there is significant uncertainty in its realization.

INCOME TAX AND SOCIAL CONTRIBUTION

Such taxes are calculated based on the effective rates of 15% plus an additional 10% on the excess of R\$ 240 thousand in the year on taxable income for income tax and 9% for social contribution on the basis of calculating the same levied on non-cooperative actions. Taxable income for both cases is obtained starting from the accounting profit with uncooperative acts, to which the non-deductible expenses are added to and excluding the non-taxable income as relevant legislation. We also consider the offsetting of tax losses and negative basis of social contribution, limited to 30% of taxable income.

ACT COOPERATIVE and NO COOPERATIVE

According to NBCT 10.8 - Cooperative Societies, they shall show separately the certain result of the compounding period, considering the ticket less the expenses of the cooperative act, and revenues, costs and expenses of non-cooperative act, as shown in Note No. 25.

NOTE 04 - CASH

Availabilities are represented as follows:

Description	rate	2014	2013
Cash		3.767	3.119
CDB (Bank certificates of deposit) CDI (Interbank deposit rate) de 100% a 103% do CDI		242.606	297.128
Total		246.373	300.247

NOTE 05 - RECEIVABLES / OBLIGATIONS COOPERATIVE

Accounts receivable / payable to the cooperative members are represented as follows:

	Asset		Liabilities	
	2014	2013	2014	2013
Current				
Funding for costing	87.614	83.791	-	-
Financing for working capital	37.179	33.819	41.857	44.640
Accounts receivable	36.780	30.092	-	-
Account production	8.443	7.578	40.229	50.528
Funding for participation quotas	5.161	4.289	-	-
Financing for investment	3.571	2.074	-	-
Current accounts	1.651	979	14.503	12.237
ICMS payable	-	-	387	584
Other	-	-	56	132
Provision for acquisition of agricultural products	-	-	23.832	13.449
	180.399	162.622	120.864	121.570
Receivables / liabilities intercooperation	48.621	-	7.885	
Total Current	229.020	162.622	128.749	121.570
Noncurrent				
Funding for participation quotas	26.179	19.014	-	-
Financing for investment	8.620	7.014	-	-
Financing for working capital	4.042	4.542	-	-
Agricultural mutual fund	-	-	9.337	8.065
	38.841	30.570	9.337	8.065
Receivables / liabilities intercooperation	86.216	-	11.122	-
Total Non-Current	125.057	30.570	20.459	8.065
Total	354.077	193.192	149.208	129.635

The "funding for costing" refers to resources provided to the cooperative for use in farming.

The "financing for working capital" refer to the resources provided to the cooperative for improvement of their agricultural activity cash flow.

In the "production accounts" are moving acquisition of agricultural inputs and sale of agricultural production of the cooperative.

The "receivables / liabilities intercooperation" refer to the investment shares jointly with the Castrolanda Cooperatives, Bata and Capal in dairy segments, meat and wheat.

NOTE 06 - SECURITIES RECEIVABLE

Accounts receivable are represented as follows:

Description	2014	2013
Notes receivable	110.901	70.123
Checks	491	460
Renegotiated debt	258	195
Other	73	38
(-) Provision for doubtful accounts	(5.823)	(4.872)
Total	105.900	65.944

NOTE 07 - INVENTORIES

Inventories are represented as follows:

Description	2014	2013
Agricultural inputs	74.387	74.440
Dairy products - UBL	24.289	14.503
Feed / raw material	8.833	12.562
Agricultural stores	8.325	5.943
Farm products	6.796	6.368
Wheat Seed	6.073	6.123
Benefited beans	5.043	967
Advances to suppliers	4.576	8.158
Bean seeds	3.209	3.223
Firewood	2.523	1.137
Seed potatoes	2.045	791
Piglets production unit	1.604	1.500
Merchandise in third deposits	1.293	1.675
Pasture seeds / forage	902	840
Corn seeds	838	821
Livestock production farms	789	1.054
Potato Chip Unit	568	471
Other	4.200	2.971
Total	156.293	143.547

Agricultural Inputs

Consisting mainly of pesticides, fertilizers and purchased for resale to members and third parties.

Dairy products – UBL

Represented by warehouse stocks, raw materials and finished products of Processing Plants milk in Castro-PR and Itapetininga-SP.

Feed / raw material

Represented by raw materials to be used in feed production, and the finished product of this nature.

Agricultural stores

Represented by various goods and veterinary medicines purchased from third parties for resale.

Farm products

Represented by grains, especially soybeans, corn and wheat, purchased from members, linked to sales commitments with milling industries and not yet billed to them.

The values of inventories do not exceed their net realizable values.

NOTE 08 - TAXES RECOVERABLE

Are represented as follows:

Description	2014	2013
ICMS recoverable	20.733	14.712
ICMS awaiting approval SISCREDA	6.000	6.000
IRRF without financial investments	4.472	4.456
Other	-	4
Total	31.205	25.172

The balance of recoverable ICMS refers substantially to purchases of raw materials, fertilizers and pesticides from other states, and its outputs benefit from the deferral within the state of Paraná.

The balance of ICMS awaiting approval SISCREDA also refers to the credits arising from purchases of raw materials from other states, which were enabling application targeted by the Paraná tax, which will be used for purchase of goods and payment of suppliers.

NOTE 09 - OTHER ACCOUNTS RECEIVABLE - SHORT TERM

Are represented as follows:

Description	2014	2013
Receivables from related parties	12.182	4.206
Provision complement price piglet UPL	-	690
ICMS on property acquisition	463	524
Advances to employees	339	89
Amount receivable related sale properties	-	462
Other	1.988	1.552
Total	14.972	7.523

NOTE 10 - OTHER ACCOUNTS RECEIVABLE - LONG TERM

Are represented as follows:

Description	2014	2013
Assets for sale	12.051	16.173
ICMS on purchases of fixed assets	7.455	6.939
Judicial deposit	1.560	194
Notes receivable	1.352	1.390
Other	688	510
(-) Provision for doubtful accounts	(5.994)	(3.334)
Total	17.112	21.872

The amount of R \$ 12.051 million refers to fully movable and immovable properties received from third parties and cooperative members as payment of existing debts with the Cooperative, which by their nature cannot be used in normal operation of Castrolanda. These amounts are recorded net of valuation allowance, and their fair values do not exceed the market value.

The amount of R \$ 7.455 million ICMS balance on asset acquisition refers mostly to machinery and equipment for the new plant Milk Processing in Itapetininga, which will be appropriate monthly at the rate of 01/48 cents from the commencement of operations.

NOTE 11 - INVESTMENTS

Investments are represented as follows:

Description	2014	2013
Cooperativa Batavo	55.436	38.621
Eletrogeração	4.495	4.137
Sicredi Campos Gerais	2.320	1.901
Other investments	3.091	2.756
Total	65.342	47.415

Investment in Batavo Cooperativa Agroindustrial refers to the inter-cooperation process in the dairy industry and plant wheat.

The Eletrogeração S / A is engaged in the operation of power generation and other energy sources, in which the Castrolanda has a 14.62% stake.

The Sicredi Campos Gerais is a credit union that operates in the region of Campos Gerais, in which Castrolanda Cooperative holds a 5.60%, due to its financial transactions with that institution.

NOTE 12 – FIXED ASSETS

Property and equipment are represented as follows:

TYPE	DEPREC. RATE	BALANCE AT 12/31/2013	INCREASES	DECREASES	TRANSFERS	DEPRECIATION / AMORTIZATIO	BALANCE AT 12/31/2014
LAND		21.048	6.042	(304)	-	-	26.786
BUILDINGS	3% e 4%	76.506	475	(176)	13.661	(3.539)	86.927
METALLIC WAREHOUSE	4% e 5%	15.580	24	-	809	(929)	15.484
MACHINERY AND EQUIPMENT	7% e 10%	73.706	14.623	(269)	5.961	(11.088)	82.933
VEHICLES	15%	2.899	2.226	(454)	-	(627)	4.044
PACKAGING	20%	89	-	-	-	(42)	47
FURNITURE AND EQUIPMENT	10%	2.092	839	(46)	278	(362)	2.801
TOOLS	10%	1.069	285	(4)	-	(188)	1.162
INSTALLATIONS	8% e 10%	32.581	6.819	(10)	10.232	(4.765)	44.857
PAVEMENT	10%	8.918	2.466	-	3.126	(1.495)	13.015
COMPUTER AND PERIPHERALS	20% e 33%	3.938	2.974	(99)	16	(1.741)	5.088
CONSTRUCTION IN PROGRESS		137.442	92.000	-	99.466	-	328.908
ADVANCES BILLING		10.992	47.271	-	(51.694)	-	6.569
ADVANCES FOR PROPERTY		32.737	85.330	-	(81.384)	-	36.683
LAND-NOT OPERATIONAL / OPERATIONAL.		4769	142	(156)	(471)	-	4.284
BUILDINGS-ASSETS NOT OPERATIONAL.		183	-	-	-	-	183
BUILDING THIRD PARTY BUILDING-PRC	20%	434	235	-	-	(145)	524
TOTAL		424.983	261.751	(1.518)	-	(24.921)	660.295

Aligned growth strategy Castrolanda were made several investments in 2014, the main:

- Continuity of the works of Industrial Unit Meat in Castro-PR, with investments of R \$ 119.775 million in the year;
- Completion of construction of the first phase of Milk Processing Plant in the city of Itapetininga-SP, with investments of R \$ 65.082 million in 2014;
- Start of construction of the new unit of Seed Processing in Itaberá-SP, which invested R \$ 12.489 million;
- Investment in Plant Processing milk in Castro-PR in the amount of R \$ 9.223 million;
- In order to make it more attractive Agroleite the event, we invested R \$ 6.558 million in infrastructure in "Milk City" in Castro - PR where it is held;
- R \$ 5.896 million was invested at the beginning of work on a Potato Washer Unit in Castro - PR, seeking to improve the performance in the chain of potatoes, in which Castrolanda already has a Processing Unit seeds and Industrial Unit.

NOTE 13 - BIOLOGICAL ASSETS

Biological assets are represented as follows:

	Cost corrected	Deprec. / Exhaustion accumulated	Total Net	
			2014	2013
Forests	18.978	(8.825)	10.153	7.467
Livestock	4.760	(237)	4.523	4.696
Total	23.738	(9.062)	14.676	12.163

In compliance with AASB 29 - Biological Assets and Agricultural Products, the forests of Castrolanda were assessed at fair value at the balance sheet date, based on external company hired to report such. Matrices and breeding (pigs) were measured at fair value based on reports prepared by internal technicians.

In both cases, due to the accounting policy adopted by Castrolanda, there were no significant distortions between the practiced values and the fair value and unnecessary adjustment.

NOTE 14 - INTANGIBLE ASSETS

The amounts recorded as intangible assets are represented as follows:

	Value corrected	Amortization accumulated	Residual value	
			2014	2013
Use rights - software	1.564	(512)	1.052	1.118
Brands	94	-	94	-
Total	1.658	(512)	1.146	1.118

NOTE 15 - SUPPLIERS

The liabilities to suppliers are represented as follows:

Description	Short Term		Long Term	
	2014	2013	2014	2013
Providers internal market	54.255	58.858	13.303	20.988
Services transport	1.420	1.098	-	-
Suppliers foreign market	770	2.286	-	-
Other liabilities	112	401	-	-
Total	56.557	62.643	13.303	20.988

The values under "Providers foreign market," by treating up of monetary items in the form of IAS No. 02, were converted at the reporting date using the exchange rate of closure.

NOTE 16 - LOANS AND FINANCING

Are represented as follows:

	Quotation	Rate	Short Term		Long Term	
			2014	2013	2014	2013
Commercialization	Local currency	5,50% a 6,50 a.a.	154.144	39.835	-	-
Agricultural inputs	Local currency	5,50% a 6,50 a.a.	67.169	105.811	-	-
Working capital	Local currency	6,50% a 7,50 a.a.	65.479	49.914	19.349	55.983
Acquisition of fixed	Local currency	2,5% a 6,75 a.a.	34.107	15.170	231.810	102.140
Other modalities	Local currency	3% a 9,50 a.a.	2.414	917	710	2.278
Transfers to cooperative	Local currency	3% a 6,75 a.a.	222	218	2.216	2.404
PESA	Local currency	IGP-M + 3,1% a.a.	582	187	12.409	12.109
			324.117	212.052	266.494	174.914

Due to the greater availability of credit in milk advance arrangements for processing and industrialization, it was decided to raise the volume of funds raised in anticipation of a possible future shortage of rural credit.

The "marketing" refers to funds raised to advance to the cooperative for agricultural production account delivered to the cooperative.

The "agricultural inputs" is conceptualized as credit for service to the cooperative through the supply of pesticides, fertilizers, liming and implements usable in agricultural exploitation.

The "financing for working capital" refer to lines Prodecoop TURN AND TURN PROCAP, applying to cooperatives to improve its cash flow, equalized with charges of 6.50% to 7.50% a. a., with a maximum term of six years.

The financing for fixed asset acquisition are related to Prodecoop and FINAME lines, and were used for investments mainly in Industrial Unit of Meat and Milk Processing Plant in Itapetininga / SP.

Loans and financing have guarantees offered in the form of: mortgage, commercial pledge, surety and bail of directors and rural promissory notes issued by members, with final maturity on October 31, 2025.

The long-term maturities, corresponding to the balance at December 31, 2014, are as follows:

YEAR	Saldo
2016	58.970
2017	58.970
2018	29.510
2019	26.230
After 2019	92.814
Total	266.494

NOTE 17 - ACCRUED LIABILITIES

Are represented as follows:

Description	Short Term		Long Term	
	2014	2013	2014	2013
Provision for labor obligations	11.544	8.579		
Provision for tax contingencies			54.995	49.054
Taxes on compensation process			6.566	3.452
Provision for updates from UBC shares	1.227	593		
Other provisions	728	308		
Total	13.499	9.480	61.561	52.506

PROVISION FOR CONTIGENCIES LABOR AND TAX

The Cooperative has been discussing certain tax matters, civil and labor, both administratively and in court, which, when applicable, are supported by judicial deposits. Management, based on the opinion of its legal counsel, believes that the provision for probable tax and labor contingencies are sufficient to cover any future financial disbursements stemming from these issues.

NOTE 18 - STOCKHOLDERS 'EQUITY

SHARE CAPITAL

The share capital, fully paid on December 31, 2014, is \$ 291,104,000 (R\$ 130.092 million in 2013), belonging entirely to cooperative domiciled in the country. According to the bylaws, each member has one vote, regardless of the number of its shares.

The deductions and capital settlement in the year 2014 totaled R \$ 159,355,000 (R\$ 46,114,000 in 2013), and incorporation of surplus capital in the amount of R \$ 5.120 million (R\$ 7.298 million in 2013). The significant increase in the amounts as settlement refers to the amount of R \$ 140.242 million corresponding to the inter-cooperation process among the Castrolanda Cooperatives, Batavo and Capal in dairy and meat segments

The value of the capital stock already reflects the low of cooperative members dismissed in year 2014, which totaled R \$ 3.463 million (R\$ 7.827 million in 2013).

After legal and statutory allocations net surplus for the year will be allocated as approved at the meeting of the cooperative.

REMAINS OF RESERVES AND LEGAL FUNDS AND STATUTORY

Are represented as follows:

Description	2014	2013
Development funds	305.312	264.443
Legal reserve fund	82.709	72.886
Technical assistance fund, educational and social - FATES	44.723	40.032
Total	432.744	377.361

a) *DEVELOPMENT FUND*

Development fund for the strengthening and development of the sectors to carry out improvements and investments, consisting of:

- Allocation of 1% on sales of raw materials and goods, as approved at the OGA;
- Other equity investments and loans by decision of the Board of Directors or General Assembly.

b) *RESERVE FUND LEGAL*

Calculated at the minimum rate of 10% of the surplus determined in the income statement, which is intended to make good any losses and meet the development of cooperative activities.

c) *TECHNICAL ASSISTANCE FUND EDUCATIONAL AND SOCIAL - FATES*

Calculated at the rate of 5% of net surplus for the year plus the results of operations with uncooperative acts, less the result of financial investments. For the provision of assistance to members, their families and employees of the Cooperative.

NOTE 19 - ENTRY AND NET OPERATING REVENUE

	2014	2013
ENTRY AND GROSS OPERATING REVENUE		
Sales of goods and services	1.945.891	1.714.915
	<u>1.945.891</u>	<u>1.714.915</u>
DEDUCTIONS		
Sales taxes	(36.724)	(30.791)
Returns and rebates	(25.637)	(28.805)
	<u>(62.361)</u>	<u>(59.596)</u>
ENTRY AND NET OPERATING REVENUE		
	1.883.530	1.655.319

NOTE 20 - REVENUE AND FINANCIAL COSTS

	2014	2013
Income from financial investments	27.507	21.235
Interest	12.357	11.154
Discounts and financial negotiations	4.784	6.004
Other	4.911	3.672
Total Financial Revenue	49.559	42.065
Cost financial investment	(11.871)	(12.384)
Interest on loans and financing	(18.662)	(10.077)
Provisions for doubtful accounts / Contingencies	(15.119)	(10.682)
Discounts granted	(3.167)	(3.137)
Other	(2.004)	(2.160)
Total Financial Expenses	(50.823)	(38.440)
Net financial income	(1.264)	3.625

NOTE 21 - RELATED PARTY TRANSACTIONS

Transactions with partner cooperatives for the most part are made according to commercial agreements of purchase and sale of agricultural products, and are in accordance with the usual market practices. The balances as on December 31 are:

RELATED PARTIES	R\$ thousand					
	Accounts receivable		Other Accounts receivable		Suppliers and other Accounts payable	
	2014	2013	2014	2013	2014	2013
Batavo Cooperativa Agroindustrial	4.958	6.309	-	172	6.792	9.118
Capal Cooperativa Agroindustrial	3	-	-	113	3.069	18
Cooperativa de Laticínios de Sorocaba	9.768	-	-	-	3.260	-
Cooperativa Agropecuária Caetê	4.200	30	4.182	4.206	641	545
Coonagro	-	-	-	394	-	-
Cooperativa de Eletrificação Rural Castrolanda	-	-	-	306	317	428
Total	18.929	6.339	4.182	5.191	14.079	10.109

NOTE 22 - INSURANCE

The Cooperative has insurance policies in an amount considered sufficient to cover possible losses from fire, windstorms, electrical damage, theft, flood, collapse and loss of profits, and the exposure value of R\$ 876.2 thousand, with a maximum limit of indemnity of R\$ 561.2 thousand, maturing on 03.16.2015.

Cars have full coverage in the amount of R \$ 4.611 thousand.

NOTE 23 - FINANCIAL INSTRUMENTS

The Cooperative has financial instruments. The management of these instruments is done through operating strategies and internal controls aimed at ensuring liquidity, profitability and security. The use of financial instruments for the purpose of protection is performed by means of a periodic analysis of the risk exposure that Management intends to cover (foreign exchange, interest rate etc.). The control policy consists of permanent monitoring of the contracted conditions versus the existing conditions on the market. The Cooperative does not make speculative investments in derivatives or any other risk assets. The results from these operations are consistent with the policies and strategies defined by the Management of Cooperative.

All transactions with financial instruments are recognized in the financial statements Cooperative.

a) Identification and valuation of financial instruments

The Cooperative operates with several financial instruments, including cash, including cash investments, accounts receivable, accounts payable and loans and financing.

b) Cash and cash equivalents, marketable securities, accounts receivable, other current assets and accounts payable.

The carrying amounts approximate their realizable.

c) Loans and financing

The carrying value of loans and financing in reais have rates that approximate market value. For other loans and financing, including those denominated in foreign currency are common lines available in the market and therefore do not show differences between the book value and the market value.

d) Investments

These consist mainly of investments in privately held companies, recorded under the cost method, in which the Cooperative has a strategic interest.

e) *Composition of balances*

In compliance with the Brazilian Accounting Standards, the carrying amounts and fair values of financial instruments included in the balance sheet at December 31, 2014 are identified as follows:

Description	Book Value	Market Value
Loans and financing	590.611	590.611
Financial investments	242.606	242.606
Accounts receivable	459.977	459.977
Liabilities	219.068	219.068
Other receivables	32.084	32.084
Other payables	3.110	3.110
Cash	3.767	3.767
Total	1.551.223	1.551.223

f) *Liquidity risk*

This is the risk related to difficulties in meeting the obligations associated with its financial liabilities that are settled with cash payments or other financial assets. The cooperative approach to managing liquidity is to ensure, as much as possible, which always has sufficient liquidity to meet its obligations as they fall due under normal stress conditions, without causing unacceptable losses or risk damaging the operations of the Cooperative.

g) *Risk Management*

Market risks are hedged when it is considered necessary to support the corporate strategy or when it is necessary to maintain the level of financial flexibility, by examination and review of information related to risk management, including procedures and practices applied to it.

The main market risk factors that affect the business of the cooperative can be considered as:

- *Commodity price risk sold or produced or purchased inputs*

This arises from the possibility of fluctuations of the commercial product market prices or produced by the Cooperative and other inputs used in the production process. These fluctuations in prices can cause substantiais changes in income / revenues and expenditures / costs of Cooperative. To mitigate these risks, the Cooperative constantly monitors local markets, seeking to anticipate price movements.

- *Interest rate risk*

The cooperated risk arises from the possibility of the Cooperative incur gains / losses arising from the interest rates fluctuations on its financial assets and liabilities and increase financial expenses related to loans and financing obtained in the market. In order to mitigate this type of risk, the Cooperative continuously monitors market interest rates in order to evaluate the need to contract new instruments to hedge against the risk of volatility of these rates, seeking to diversify funding in terms of fixed rates or floating rate.

- *Credit risk*

These risks are managed by specific policies for accepting customers and members, credit analysis and establishment of customer exposure limits, taking its customer base sprayed.

- *Currency risk*

The administration of the Cooperative chose not to conduct operations involving derivative financial instruments (swap) to protect their liabilities or net exposure to foreign currency exchange rate changes of any effects. The Castrolanda not had loans in foreign currencies at the balance sheet date.

NOTE 24 - AGRICULTURAL PRODUCTS IN DEPOSIT OF COOPERATIVE

On the date of the end of the year, the Cooperative held on deposit in its warehouses, agricultural products of cooperative property. These stocks do not belong to the Cooperative, why not integrate their inventory balances for accounting purposes. For information, show the composition of these stocks, based on the minimum price established by the Federal Government, as follows:

Product	2014		2013	
	qty (t)	total R\$/thousand	qty (t)	total R\$/thousa
Wheat	69.521	24.243	43.150	19.967
Soybean	8.301	3.474	3.584	1.500
Seeds	3.012	1.301	132	106
Bean	1.503	2.816	2.295	3.148
Corn	4.267	1.242	3.571	1.039
Seed potatoes	613	168	459	385
Oatmeal	-	-	51	13
Total	87.217	33.246	53.242	26.158

NOTE 25 - STATEMENT OF SURPLUS OR LOSSES OF ACT COOPERATIVE AND NOT COOPERATIVE

In view of the provisions of Article 65, sole paragraph of the Bylaws and NBC T 10.8 (Cooperative Entities), we present below the results for the years ended December 31, 2014 and 2013 of cooperative act and not cooperative act:

	MEMBER'S ACTIVITES	NON- MEMBER'S ACTIVITES	2014	2013
GENERAL				
Inflows / receipts from sales of goods and services	1.804.018	141.873	1.945.891	1.714.915
Taxes and returns of inflows / revenue	(57.241)	(5.120)	(62.361)	(59.596)
Expenditures and sales costs	(1.570.868)	(111.386)	(1.682.254)	(1.461.645)
Expenditures and operating expenses	(115.287)	(14.375)	(129.662)	(112.080)
Income before financial effects	60.622	10.992	71.614	81.594
Efeitos financeiros	(7.990)	6.726	(1.264)	3.625
Income tax and social contribution	-	(8.975)	(8.975)	(7.320)
Other operating income	514	335	849	983
Remains and profit for the year	53.146	9.078	62.224	78.882

NOTE 26 - INCOME TAX AND SOCIAL CONTRIBUTION CURRENT

	2014	2013
	R\$/thousand	R\$/thousand
Remains before taxes	71.199	86.202
Income tax and social contribution at nominal rates of 25% and 9%	24.208	29.309
Permanent additions and other	16.843	15.475
Permanent exclusions and other	(7.504)	(6.986)
Not taxable income of the cooperative act	(53.146)	(72.341)
Taxable Income Real	27.392	22.349
Income Tax and Social Contribution in the current result:		
Income Tax	6.510	5.309
Social contribution	2.465	2.011
	8.975	7.320
Effective rate	13%	8%

In accordance with Article 111 of Law No. 5.764/71, the transactions are taxed the uncooperative act provided for in Articles 85, 86 and 88.



Castrolanda

Castrolanda, cooperativa dedicada
ao desenvolvimento do agronegócio.

**NOTE 27 - STATEMENT OF EARNINGS BEFORE INTEREST, TAXES,
DEPRECIATION AND AMORTIZATION - EBITDA**

	2014	2013
	R\$/thousand	R\$/thousand
ENTRY AND GROSS OPERATING REVENUE		
Sales of goods and services	1.945.891	1.714.915
(-) Taxes on sales	(36.724)	(30.791)
(-) Returns and rebates	(25.637)	(28.805)
ENTRY AND NET OPERATING REVENUE	1.883.530	1.655.319
(-) Expenditures and costs of sales and services	(1.682.254)	(1.461.645)
(-) Expenditures and operating expenses	(139.052)	(114.792)
NET INCOME FOR THE YEAR	62.224	78.882
COSTS AND EXPENSES SETTINGS NOT PROMOTE CASH OUTFLOW		
(+) Depreciation and amortization	25.818	23.778
(+) Financial income	1.264	(3.625)
(+) Taxes on income and social contribution	8.975	7.320
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION	98.281	106.355

NOTE 28 - SUBSEQUENT EVENTS

Between the date of the end of the year and the date of approval of the financial statements there were no events that could alter substantially the equity and financial situation of the Cooperative.

Frans Borg
CEO

Willem Berend Bouwman
Vice President

Carlos Alberto Fontoura Kugler
Accountant
CRC-PR 039863/O-1

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