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 September 30, 2013

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 (State or other jurisdiction of incorporation or organization)	**98-0231912** (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 October 30, 2013 the number of shares issued of the registrant was:

Common shares, par value $.01 per share: 147,607,510

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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 September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Net sales	$ 14,701	$ 16,543	$ 44,972	$ 43,951
Cost of goods sold	(14,013)	(15,700)	(43,022)	(41,928)
Gross profit	**688**	**843**	**1,950**	**2,023**
Selling, general and administrative expenses	(382)	(396)	(1,116)	(1,163)
Interest income	27	5	47	43
Interest expense	(103)	(77)	(264)	(214)
Foreign exchange gain (loss)	49	15	7	86
Other income (expense) net	16	(9)	61	(10)
Gain on sale of investment in affiliate				85
Gain on acquisition of controlling interest				36
Income from continuing operations before income tax	**295**	**381**	**685**	**886**
Income tax expense	(591)	(82)	(702)	(197)
Income (loss) from continuing operations	(296)	299	(17)	689
Income (loss) from discontinued operations, net of tax (including pre-tax gain on disposal of $148 million in 2013) **(Note 4)**	103	2	94	(33)
Net income (loss)	**(193)**	**301**	**77**	**656**
Net (income) loss attributable to noncontrolling interests	45	(4)	91	7
Net income (loss) attributable to Bunge	**(148)**	**297**	**168**	**663**
Convertible preference share dividends and other obligations	(17)	(8)	(53)	(25)
	$ (165)	**$ 289**	**$ 115**	**$ 638**

Net income (loss) available to Bunge common shareholders								
Earnings per common share basic (Note 17)								
Net income (loss) from continuing operations	$	(1.82)	$	1.96	$	0.14	$	4.59
Net income (loss) from discontinued operations		0.69		0.01		0.64		(0.22)
Net income (loss) attributable to Bunge common shareholders	$	(1.13)	$	1.97	$	0.78	$	4.37
Earnings per common share diluted (Note 17)								
Net income (loss) from continuing operations	$	(1.82)	$	1.91	$	0.14	$	4.50
Net income (loss) from discontinued operations		0.69		0.01		0.64	$	(0.21)
Net income (loss) attributable to Bunge common shareholders	$	(1.13)	$	1.92	$	0.78	$	4.29
Dividends per common share	$	0.30	$	0.27	$	0.87	$	0.79

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

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BUNGE LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

(U.S. dollars in millions)

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Net income (loss)	$ (193)	$ 301	$ 77	$ 656
Other comprehensive income (loss):				
Foreign exchange translation adjustment	(77)	67	(835)	(731)
Unrealized gains (losses) on foreign exchange contracts designated as cash flow or net investment hedges, net of tax (expense) benefit of nil and $6 in 2013, $(10) and $(2) in 2012	(28)	19	(2)	3
Unrealized gains (losses) on investments, net of tax (expense) benefit of nil and $(2) in 2013, $1 and $(5) in 2012		(2)	4	9
Reclassification of realized net losses (gains) to net income, net of tax expense (benefit) of $(6) and $(5) in 2013, $(11) and $(11) in 2012	(37)	1	(40)	22
Pension adjustment, net of tax (expense) benefit of nil and $(1) in 2013, nil in 2012	(1)		1	1
Total other comprehensive income (loss)	(143)	85	(872)	(696)
Total comprehensive income (loss)	(336)	386	(795)	(40)
Less: comprehensive (income) loss attributable to noncontrolling interests	37	(32)	83	5
Total comprehensive income (loss) attributable to Bunge	**$ (299)**	**$ 354**	**$ (712)**	**$ (35)**

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

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BUNGE LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

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

		September 30, 2013		December 31, 2012
ASSETS				
Current assets:				
Cash and cash equivalents	$	1,482	$	569
Time deposits under trade structured finance program (Note 5)		4,596		3,048
Trade accounts receivable (less allowances of $114 and $125) (Note 13)		2,337		2,471
Inventories (Note 6)		5,886		6,590
Deferred income taxes		118		108
Current assets held for sale (Note 4)				660
Other current assets (Note 7)		5,024		3,818
Total current assets		19,443		17,264
Property, plant and equipment, net		5,859		5,888
Goodwill		331		351
Other intangible assets, net		296		295
Investments in affiliates		276		273
Deferred income taxes		689		1,213
Non-current assets held for sale (Note 4)		38		250
Other non-current assets (Note 8)		1,568		1,746
Total assets	**$**	**28,500**	**$**	**27,280**
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term debt	$	2,040	$	1,598
Current portion of long-term debt (Note 12)		876		719
Letter of credit obligations under trade structured finance program (Note 5)		4,596		3,048
Trade accounts payable		3,415		3,319
Deferred income taxes		169		86
Current liabilities held for sale (Note 4)				297
Other current liabilities (Note 10)		3,020		2,494
Total current liabilities		14,116		11,561
Long-term debt (Note 12)		3,169		3,532
Deferred income taxes		71		84
Non-current liabilities held for sale (Note 4)				13
Other non-current liabilities		813		797
Commitments and contingencies (Note 15)				
Redeemable noncontrolling interests		33		38

Equity (Note 16):				
Convertible perpetual preference shares, par value $.01; authorized, issued and outstanding: 2013 and 2012 6,900,000 shares (liquidation preference $100 per share)		690		690
Common shares, par value $.01; authorized 400,000,000 shares; issued and outstanding: 2013 147,493,014 shares, 2012 146,348,499 shares		1		1
Additional paid-in capital		4,945		4,909
Retained earnings		6,807		6,792
Accumulated other comprehensive income (loss) (Note 16)		(2,290)		(1,410)
Treasury shares, at cost - 1,933,286 shares		(120)		(120)
Total Bunge shareholders equity		10,033		10,862
Noncontrolling interests		265		393
Total equity		10,298		11,255
Total liabilities and equity	**$**	**28,500**	**$**	**27,280**

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

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BUNGE LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(U.S. dollars in millions)

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
OPERATING ACTIVITIES		
Net income	$ 77	$ 656
Adjustments to reconcile net income to cash provided by (used for) operating activities:		
Gain on sale of Brazilian fertilizer distribution business	(148)	
Gain on sale of investment in affiliate		(85)
Gain on acquisition of controlling interest		(36)
Foreign exchange loss (gain) on debt	43	(75)
Bad debt expense	19	40
Depreciation, depletion and amortization	423	414
Stock-based compensation expense	34	44
Deferred income taxes	533	(54)
Other, net	22	46
Changes in operating assets and liabilities, excluding the effects of acquisitions:		
Trade accounts receivable	35	(1,233)
Inventories	182	(2,665)
Prepayments and advances to suppliers	(442)	(395)
Trade accounts payable and accrued liabilities	286	947
Net unrealized gain/loss on derivative contracts	(119)	(79)
Margin deposits	(100)	(53)
Other, net	53	(344)
Cash provided by (used for) operating activities	898	(2,872)
INVESTING ACTIVITIES		
Payments made for capital expenditures	(720)	(667)
Acquisitions of businesses (net of cash acquired)	(11)	(287)
Proceeds from investments	72	53
Payments for investments	(43)	(40)
Proceeds from the sale of Brazilian fertilizer distribution business	750	
Proceeds from sale of investment in affiliate		483
Payments for investments in affiliates	(26)	(111)
Other, net	120	43
Cash provided by (used for) investing activities	142	(526)
FINANCING ACTIVITIES		
Net change in short-term debt with maturities of 90 days or less	106	1,751
Proceeds from short-term debt with maturities greater than 90 days	755	1,421
Repayments of short-term debt with maturities greater than 90 days	(630)	(491)
Proceeds from long-term debt	4,784	4,505
Repayments of long-term debt	(4,933)	(3,761)
Proceeds from sale of common shares	26	13

Dividends paid		(149)		(138)
Return of capital to noncontrolling interests		(50)		
Other, net		(4)		(2)
Cash provided by (used for) financing activities		(95)		3,298
Effect of exchange rate changes on cash and cash equivalents		(32)		(45)
Net increase (decrease) in cash and cash equivalents		913		(145)
Cash and cash equivalents, beginning of period		569		835
Cash and cash equivalents, end of period	**$**	**1,482**	**$**	**690**

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

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BUNGE LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS

(Unaudited)

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

	Redeemable Noncontrolling Interests	Convertible Preference Shares		Common Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Noncontrolling Interests	Total Equity
		Shares	Amount	Shares	Amount						
Balance, January 1, 2012	$	6,900,000	$ 690	145,610,029	$ 1	$ 4,829	$ 6,917	$ (610)	$ (120)	$ 368	$ 12,075
Net income (loss)	(2)						663			(7)	656
Other comprehensive income (loss)								(696)		2	(694)
Dividends on common shares							(115)				(115)
Dividends on preference shares							(25)				(25)
Dividends to noncontrolling interests on subsidiary common stock										(6)	(6)
Capital contributions from noncontrolling interests	1									11	11
Noncontrolling interest at acquisition	48									40	40
Stock-based compensation expense						44					44
Issuance of common shares				498,573		23					23
Balance, September 30, 2012	**$ 47**	**6,900,000**	**$ 690**	**146,108,602**	**$ 1**	**$ 4,896**	**$ 7,440**	**$ (1,306)**	**$ (120)**	**$ 408**	**$ 12,009**

	Redeemable Noncontrolling Interests	Convertible Preference Shares		Common Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Noncontrolling Interests	Total Equity
		Shares	Amount	Shares	Amount						
Balance, January 1, 2013	$ 38	6,900,000	$ 690	146,348,499	$ 1	$ 4,909	$ 6,792	$ (1,410)	$ (120)	$ 393	$ 11,255
Net income (loss)	(33)						168			(91)	77
Accretion of noncontrolling interests	28					(28)					(28)
Other comprehensive income (loss)								(880)		8	(872)
Dividends on common shares							(128)				(128)
							(25)				(25)

Dividends on preference shares											
Dividends to noncontrolling interests on subsidiary common stock										(3)	(3)
Return of capital to noncontrolling interests						(8)				(42)	(50)
Reversal of uncertain tax positions						12					12
Stock-based compensation expense						34					34
Issuance of common shares				1,144,515		26					26
Balance, September 30, 2013	**$ 33**	**6,900,000**	**$ 690**	**147,493,014**	**$ 1**	**$ 4,945**	**$ 6,807**	**$ (2,290)**	**$ (120)**	**$ 265**	**$ 10,298**

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

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BUNGE LIMITED AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The accompanying unaudited condensed consolidated financial statements include the accounts of Bunge Limited (Bunge), its subsidiaries and variable interest entities (VIEs) in which it is considered the primary beneficiary, and as a result, include the assets, liabilities, revenues and expenses of all entities over which Bunge exercises control. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (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 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, 2012 has been derived from Bunge s audited consolidated financial statements at that date. Operating results for the nine months ended September 30, 2013 are not necessarily indicative of the results to be expected for the year ending December 31, 2013. The financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2012, forming part of Bunge s 2012 Annual Report on Form 10-K filed with the SEC on March 1, 2013.

Equity investments in which Bunge has the ability to exercise significant influence but does not control are accounted for by the equity method of accounting. Investments in which Bunge does not exercise significant influence are accounted for by the cost method of accounting. Intercompany accounts and transactions are eliminated. Bunge consolidates VIEs in which it is considered the primary beneficiary and reconsiders such conclusion at each reporting period. An enterprise is determined to be the primary beneficiary if it has a controlling financial interest under GAAP, defined as (a) the power to direct the activities of a VIE that most significantly impact the VIE s business and (b) the obligation to absorb losses of or the right to receive benefits from the VIE that could potentially be significant to the VIE s operations. Performance of that analysis requires the exercise of judgment. Where Bunge has an interest in an entity that has qualified for the deferral of the consolidation rules, it follows consolidation rules prior to January 1, 2010. Bunge s consolidated financial statements include certain private equity and other investment funds (the consolidated funds) related to an asset management business acquired in 2012. The consolidated funds are, for GAAP purposes, investment companies and therefore are not required to consolidate their majority owned and controlled investments. Rather, Bunge reflects these investments at fair value. In addition, certain of these consolidated funds have limited partner investors with investments in the form of equity, which are accounted for as noncontrolling interests and investments in the form of debt for which Bunge has elected the fair value option.

Noncontrolling interests related to Bunge s ownership of less than 100% are reported as noncontrolling interests in subsidiaries in the condensed consolidated balance sheets. The noncontrolling interests in Bunge s earnings, net of tax, are reported as net (income) loss attributable to noncontrolling interests in the condensed consolidated statements of income.

Discontinued Operations In determining whether a group of assets disposed (or to be disposed) of should be presented as discontinued operations, Bunge makes a determination of whether the group of assets being disposed of comprises a component of the entity; that is, whether it has historical operations and cash flows that can be clearly distinguished (both operationally and for financial reporting purposes). Bunge also determines whether the cash flows associated with the group of assets have been significantly (or will be significantly) eliminated from the ongoing operations of Bunge as a result of the disposal transaction and whether Bunge has no significant continuing involvement in the operations of the group of assets after the disposal transaction. If these determinations can be made affirmatively, the results of operations of the group of assets being disposed of (as well as any gain or loss on the disposal transaction) are aggregated for separate presentation apart from the continuing operations of the Company for all periods presented in the condensed consolidated financial statements (see Note 4).

2. NEW ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Pronouncements In December 2011 and January 2013, Financial Accounting Standards Board (FASB) amended the guidance in ASC Topic 210, *Balance Sheet*. This amendment requires an entity to disclose both gross and net information about financial instruments that are eligible for offset in the statement of financial position and/or subject to a master netting arrangement or similar agreement. Bunge s derivative assets and liabilities are presented on a gross basis in its condensed consolidated balance sheets. The adoption of this amendment on January 1, 2013 did not have a significant impact on Bunge s condensed consolidated financial statements.

In February 2013, FASB amended the guidance in ASC Topic 220, *Comprehensive Income*. This amendment requires an entity to disclose on a prospective basis the impact on income statement line items for significant items reclassified from other comprehensive income to net income during the period. The adoption of this amendment expanded Bunge s disclosures in its condensed consolidated financial statements.

New Accounting Pronouncements In March 2013, FASB amended existing guidance of ASC Topic 830, *Foreign Currency Matters* (Topic 830). This amended guidance is related to the transfer of currency translation adjustments from other comprehensive income into net income in certain circumstances. The amended guidance aims to resolve diversity in practice as to whether ASC Topic 810, *Consolidation* or Topic 830 applies to the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity, or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business. Bunge will be required to apply the amended guidance prospectively. The adoption of this standard is not expected to have a material impact on Bunge s consolidated financial statements.

In July 2013, the FASB issued guidance in ASC Topic 740, *Income Taxes* (Topic 740). Topic 740 provided guidance regarding the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exist at the reporting date. The adoption of this standard is not expected to have a material impact on Bunge s condensed consolidated financial statements.

3. BUSINESS ACQUISITIONS

In January 2013, Bunge acquired two biodiesel facilities adjacent to existing Bunge facilities from its European biodiesel joint venture for $11 million in cash, net of cash acquired. The preliminary purchase price allocation resulted in $4 million of inventory, $17 million of other current assets, $10 million of property, plant and equipment, $19 million of other current liabilities and $1 million of long-term deferred taxes. There were no changes to the joint venture ownership or governance structure as a result of this transaction.

4. BUSINESS DIVESTITURES

On December 6, 2012, Bunge entered into a definitive agreement with Yara International ASA (Yara), under which Yara would acquire Bunge s Brazilian fertilizer distribution business, including blending facilities, brands and warehouses, for $750 million in cash. As a result of the transaction, which closed on August 8, 2013, Bunge will no longer have significant ongoing cash flows related to the Brazilian fertilizer business or any significant ongoing participation in the operations of this business. Bunge received cash proceeds of the Brazilian *real* equivalent of $750 million upon closing the transaction, resulting in recognition of a gain of $148 million ($112 million net of tax) which is included in discontinued operations in our condensed consolidated statements of income for the three and nine months ended September 30, 2013. Included in the gain are approximately $7 million of transaction costs incurred in connection with the divestiture and $41 million release of the cumulative translation adjustment associated with the disposed business.

The results of the Brazilian fertilizer distribution business and the tax impact are reported in discontinued operations for the three and nine months ended September 30, 2013 and 2012 and are summarized as follows:

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(US$ in millions)	Three Months Ended September 30, 2013	2012
Net sales	**$ 149**	$ 750
Cost of goods sold	**(139)**	(734)
Gross profit	**10**	16
Selling, general and administrative expenses	**(14)**	(19)
Interest income	**8**	8
Interest expense		(9)
Foreign exchange gain (loss)	**(13)**	5
Other income (expenses) net	**1**	
Gain on sale of Brazilian fertilizer business	**148**	
Income (loss) from discontinued operations before income tax	**140**	1
Income tax (expense) benefit	**(37)**	1
Income (loss) from discontinued operations, net of tax	**$ 103**	$ 2

(US$ in millions)	Nine Months Ended September 30, 2013	2012
Net sales	**$ 1,217**	$ 1,878
Cost of goods sold	**(1,141)**	(1,861)
Gross profit	**76**	17
Selling, general and administrative expenses	**(58)**	(68)
Interest income	**14**	17
Interest expense	**(9)**	(16)
Foreign exchange gain (loss)	**(14)**	18
Other income (expenses) net	**(12)**	(36)
Gain on sale of Brazilian fertilizer business	**148**	
Income (loss) from discontinued operations before income tax	**145**	(68)
Income tax (expense) benefit	**(51)**	35
Income (loss) from discontinued operations, net of tax	**$ 94**	$ (33)

Approximately $7 million of transaction costs are included as a component of cash used for operating activities in Bunge s condensed consolidated statements of cash flows for the nine months ended September 30, 2013. Gross proceeds of $750 million and cash disposed of $4 million related to the sale of the Brazilian fertilizer distribution business are included as a component of cash provided by investing activities in Bunge s condensed consolidated statements of cash flows for the nine months ended September 30, 2013.

The assets and liabilities classified as held for sale related to the fertilizer divestiture in the condensed consolidated balance sheet at December 31, 2012 consisted of the following:

(US$ in millions)	December 31, 2012
Assets:	
Cash and cash equivalents	$ 2
Trade accounts receivable (less allowance of $2)	189
Inventories	402
Other current assets	67
Current assets held for sale	$ 660
Property, plant and equipment, net	$ 218
Deferred income taxes	40
Other non-current assets	(8)

Non-current assets held for sale	$	250
Liabilities:		
Trade accounts payable	$	157
Other current liabilities		140
Current liabilities held for sale	$	297
Other non-current liabilities		13
Non-current liabilities held for sale	$	13

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5. TRADE STRUCTURED FINANCE PROGRAM

Bunge engages in various trade structured finance activities to leverage the value of its trade flows across its operating regions. These activities include a program under which a Bunge entity generally obtains U.S. dollar-denominated letters of credit (LCs) based on an underlying commodity trade flow from financial institutions, as well as foreign exchange forward contracts and time deposits denominated in the local currency of the financial institution counterparties, all of which are subject to legally enforceable set-off agreements. The LCs and foreign exchange contracts are presented within the line item Letter of credit obligations under trade structured finance program on the condensed consolidated balance sheets. The net return from activities under this Program, including fair value changes, is included as a reduction of cost of goods sold in the accompanying condensed consolidated statements of income.

At September 30, 2013 and December 31, 2012, time deposits (with weighted-average interest rates of 8.45% and 8.95%, respectively) and LCs (including foreign exchange contracts) totaled $4,596 million and $3,048 million, respectively. In addition, at September 30, 2013 and December 31, 2012, the fair values of the time deposits (Level 2 measurements) totaled approximately $4,596 million and $3,048 million, respectively, and the fair values of the LCs (Level 2 measurements) totaled approximately $4,885 million and $3,024 million, respectively. The fair values approximate the carrying amounts of the related financial instruments due to their short-term nature. The fair values of the foreign exchange forward contracts (Level 2 measurements) are a gain of $289 million and a loss of $24 million at September 30, 2013 and December 31, 2012, respectively.

During the nine months ended September 30, 2013 and 2012, total proceeds from issuances of LCs were $7,702 million and $3,230 million, respectively. These cash inflows are offset by the related cash outflows resulting from placement of the time deposits and repayment of the LCs.

6. 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)	September 30, 2013	December 31, 2012
Agribusiness (1)	**$ 4,550**	$ 5,240
Sugar and Bioenergy (2)	**511**	488
Edible Oil Products (3)	**508**	617
Milling Products (4)	**224**	184
Fertilizer (4) (5)	**92**	61
Total	**$ 5,886**	$ 6,590

(1) Includes readily marketable agricultural commodity inventories at fair value of $4,305 million and $4,892 million at September 30, 2013 and December 31, 2012, respectively. Of these amounts $3,330 million and $3,442 million can be attributable to merchandising activities at September 30, 2013 and December 31, 2012, respectively. All other agribusiness segment inventories are carried at lower of cost or market.

(2) Includes readily marketable sugar inventories of $170 million and $199 million at September 30, 2013 and December 31, 2012, respectively. Of these, $114 million and $144 million, respectively, are carried at fair value, 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 inventories are generally carried at lower of cost or market, with the exception of readily marketable inventories of bulk soybean oil which are carried at fair value in the aggregate amount of $74 million and $176 million at September 30, 2013 and December 31, 2012, respectively.

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(4) Milling products and fertilizer inventories are carried at lower of cost or market.

(5) Fertilizer inventories exclude amounts classified as held for sale (see Note 4).

7. OTHER CURRENT ASSETS

Other current assets consist of the following:

(US$ in millions)	September 30, 2013	December 31, 2012
Prepaid commodity purchase contracts (1)	**$ 549**	$ 299
Secured advances to suppliers, net (2)	**493**	390
Unrealized gains on derivative contracts at fair value	**1,733**	1,230
Recoverable taxes, net	**483**	465
Margin deposits (3)	**462**	363
Marketable securities	**148**	105
Deferred purchase price receivable (4)	**104**	134
Prepaid expenses	**289**	314
Other	**763**	518
Total	**$ 5,024**	$ 3,818

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(1) Prepaid commodity purchase contracts represent advance payments against fixed price contracts for future delivery of specified quantities of agricultural commodities.

(2) Bunge provides cash advances to suppliers, primarily Brazilian farmers of soybeans and sugarcane, 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 $19 million and $12 million at September 30, 2013 and December 31, 2012, respectively.

Interest earned on secured advances to suppliers of $7 million and $5 million for the three months ended September 30, 2013 and 2012, respectively, and $22 million and $18 million for the nine months ended September 30, 2013 and 2012, 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 program (see Note 13) and is recognized at its estimated fair value.

8. OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

(US$ in millions)	September 30, 2013	December 31, 2012
Recoverable taxes, net	**$ 279**	$ 309
Long-term receivables from farmers in Brazil, net	**134**	164
Judicial deposits	**166**	169
Other long-term receivables	**43**	60
Income taxes receivable	**315**	431
Long-term investments	**389**	414
Affiliate loans receivable, net	**41**	59
Other	**201**	140
Total	**$ 1,568**	$ 1,746

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Recoverable taxes, net Recoverable taxes are reported net of valuation allowances of $53 million and $47 million at September 30, 2013 and December 31, 2012, respectively.

Long-term receivables from farmers in Brazil, net 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.

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)	September 30, 2013	December 31, 2012
Legal collection process (1)	**$ 247**	$ 269
Renegotiated amounts (2)	**97**	119
Total	**$ 344**	$ 388

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

(2) All renegotiated amounts are current on repayment terms.

The average recorded investment in long-term receivables from farmers in Brazil for the nine months ended September 30, 2013 and the year ended December 31, 2012 was $373 million and $444 million, respectively. The table below summarizes Bunge s recorded investment in long-term receivables from farmers in Brazil and the related allowance amounts.

(US$ in millions)	September 30, 2013 Recorded Investment	September 30, 2013 Allowance	December 31, 2012 Recorded Investment	December 31, 2012 Allowance
For which an allowance has been provided:				
Legal collection process	**$ 160**	**$ 151**	$ 178	$ 165
Renegotiated amounts	**61**	**59**	67	59
For which no allowance has been provided:				
Legal collection process	**87**		91	
Renegotiated amounts	**36**		52	
Total	**$ 344**	**$ 210**	$ 388	$ 224

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 September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Beginning balance	**$ 209**	$ 198	**$ 224**	$ 199
Bad debt provisions	**3**	8	**16**	34
Recoveries	**(3)**	(7		