UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended April 30, 2017
or

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

For the transition period from _________ to _________
Commission file number 001-5111

THE J. M. SMUCKER COMPANY
(Exact name of registrant as specified in its charter)

Ohio	**34-0538550**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
One Strawberry Lane	
Orrville, Ohio	**44667-0280**
(Address of principal executive offices)	**(Zip code)**

Registrant's telephone number, including area code (330) 682-3000

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

Title of each class	Name of each exchange on which registered
Common shares, no par value	**New York Stock Exchange**
Rights to purchase preferred shares	**New York Stock Exchange**

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, 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 ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer	☒		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☐			

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

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

The aggregate market value of the common shares held by nonaffiliates of the registrant at October 31, 2016, was $14,314,803,639. As of June 12, 2017, 113,436,545 common shares of The J. M. Smucker Company were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain sections of the registrant’s definitive Proxy Statement to be filed in connection with its Annual Meeting of Shareholders to be held on August 16, 2017, are incorporated by reference into Part III of this Report, and certain sections of the registrant’s 2017 Annual Report to Shareholders are incorporated by reference into Parts I and II of this Report.

PART I

Item 1. Business.

The Company. The J. M. Smucker Company ("Company," "registrant," "we," "us," or "our"), often referred to as Smucker's (a registered trademark), was established in 1897 and incorporated in Ohio in 1921. We operate principally in one industry, the manufacturing and marketing of branded food and beverage products on a worldwide basis, although the majority of our sales are in the U.S. Our operations outside the U.S. are principally in Canada, although products are exported to other countries as well. Net sales outside the U.S., subject to foreign currency translation, represented 6 percent of consolidated net sales for 2017. Our branded food and beverage products include a strong portfolio of trusted, iconic, market-leading brands that are sold to consumers through retail outlets in North America.

On March 23, 2015, we completed the acquisition of Big Heart Pet Brands ("Big Heart"), a leading producer, distributor, and marketer of premium-quality, branded pet food and pet snacks in the U.S. The cash and stock transaction was valued at $5.9 billion, which included the issuance of 17.9 million shares of our common stock to the shareholders of Blue Acquisition Group, Inc., Big Heart's parent company. We assumed $2.6 billion in debt that we repaid at closing and paid an additional $1.2 billion in cash, net of a working capital adjustment. As part of the transaction, new debt of $5.5 billion was borrowed. For additional information on the Big Heart acquisition, see "Note 2: Acquisition" in our 2017 Annual Report to Shareholders.

We have three reportable segments: U.S. Retail Coffee, U.S. Retail Consumer Foods, and U.S. Retail Pet Foods. The U.S. retail market segments in total comprised over 85 percent of 2017 consolidated net sales and represent a major portion of our strategic focus – the sale of branded food and beverage products with leadership positions to consumers through retail outlets in North America. Within our segment results, International and Foodservice represents a combination of the strategic business areas not included in the U.S. retail market segments.

Principal Products. Our principal products are coffee, pet food, pet snacks, peanut butter, fruit spreads, shortening and oils, baking mixes and ready-to-spread frostings, frozen sandwiches, flour and baking ingredients, juices and beverages, and portion control products.

Product sales information for the years 2017, 2016, and 2015 is incorporated herein by reference to information set forth in our 2017 Annual Report to Shareholders under "Note 5: Reportable Segments."

In the U.S. retail market segments, our products are primarily sold through a combination of direct sales and brokers to food retailers, food wholesalers, drug stores, club stores, mass merchandisers, discount and dollar stores, military commissaries, natural foods stores and distributors, pet specialty stores, and online retailers. In International and Foodservice, our products are distributed domestically and in foreign countries through retail channels and foodservice distributors and operators (e.g., restaurants, lodging, schools and universities, health care operators).

Sources and Availability of Raw Materials. The raw materials used in each of our segments are primarily commodities and agricultural-based products. Green coffee, grains, peanuts, edible oils, protein meals, sweeteners, fruit, and other ingredients are obtained from various suppliers. The availability, quality, and costs of many of these commodities have fluctuated, and may continue to fluctuate, over time. Basis, futures, options, and fixed price contracts are used to manage price volatility for a significant portion of our commodity costs. Green coffee, along with certain other raw materials, is sourced solely from foreign countries and its supply and price is subject to high volatility due to factors such as weather, global supply and demand, plant disease, investor speculation, and political and economic conditions in the source countries. We source grains, peanuts, and edible oils mainly from North America. The principal packaging materials we use are plastic, glass, metal cans, caps, carton board, and corrugate. For additional information on the commodities we purchase, see "Commodities Overview" in our 2017 Annual Report to Shareholders.

Raw materials are generally available from numerous sources, although we have elected to source certain plastic packaging materials from single sources of supply pursuant to long-term contracts. While availability may vary year-to-year, we believe that we will continue to be able to obtain adequate supplies and that alternatives to single-sourced materials are available. We have not historically encountered significant shortages of key raw materials. We consider our relationships with key raw material suppliers to be in good standing.

Trademarks and Patents. Our products are produced under certain patents and marketed under numerous trademarks owned or licensed by us or one of our subsidiaries. Our major trademarks are listed below.

Primary Reportable Segment/Business Area	**Major Trademark**
U.S. Retail Coffee	*Folgers*®, *Dunkin' Donuts*®, and *Café Bustelo*®
U.S. Retail Consumer Foods	*Jif*®, *Smucker's*®, *Crisco*®, *Pillsbury*™, and *Uncrustables*®
U.S. Retail Pet Foods	*Meow Mix*®, *Milk-Bone*®, *Natural Balance*®, *Kibbles 'n Bits*®, *9Lives*®, *Pup-Peroni*®, and *Nature's Recipe*®
International and Foodservice	*Folgers and Smucker's*

Dunkin' Donuts is a registered trademark of DD IP Holder LLC used under two licenses (the "Dunkin' Licenses") for packaged coffee products, including K-Cup® pods, sold in retail channels such as grocery stores, mass merchandisers, club stores, and drug stores. The Dunkin' Licenses do not pertain to *Dunkin' Donuts* coffee or other products for sale in *Dunkin' Donuts* restaurants. The terms of the Dunkin' Licenses include the payment of royalties to an affiliate of DD IP Holder LLC and other financial commitments by the Company. The Dunkin' Licenses are in effect until January 1, 2039.

Pillsbury, the Barrelhead logo, and the Doughboy character are trademarks of The Pillsbury Company, LLC and are used under a 20-year, perpetually renewable, royalty-free license. *Borden*® and the Elsie design are trademarks used by our Canadian subsidiary on certain products under a perpetual, exclusive, and royalty-free license. *Carnation*® is a trademark of Société des Produits Nestlé S.A. used by our Canadian subsidiary for certain canned milk products in certain territories under an exclusive and royalty-free license with an initial term of 10 years which expires in October 2017, which is renewable for two successive 5-year terms, and which becomes perpetual at the end of the renewal terms under certain circumstances. *Douwe Egberts*® and *Pickwick*® are registered trademarks of Jacobs Douwe Egberts and are used under a license which expires in January 2019. In accordance with a multi-year licensing and distribution agreement entered into with Cumberland Packing Corp. ("Cumberland"), we market and distribute Cumberland's branded tabletop sweeteners sold under the *Sweet 'N Low*®, *NatraTaste*®, *Sugar In The Raw*®, and other "In The Raw" brands to foodservice customers in the U.S. and to retail and foodservice customers in Canada. Keurig® and K-Cup® are trademarks of Keurig Green Mountain, Inc. ("Keurig"), used with permission. In addition, we and our subsidiaries license the use of several other trademarks, none of which are individually material to our business.

Slogans or designs considered to be important trademarks include, without limitation, "*With A Name Like Smucker's, It Has To Be Good®,*" "*The Best Part of Wakin' Up Is Folgers In Your Cup®,*" "*Choosy Moms Choose Jif®,*" "*Purely The Finest®,*" "*Goodness Gracious, It's Good®,*" "*The Only One Cats Ask For By Name®,*" "*Say It With Milk-Bone®*," the *Smucker's* banner, the Crock Jar shape, the Gingham design, the Mountain Grown design, and the *Smucker's* Strawberry, *Milk-Bone*, and *9Lives* logos.

We own several hundred patents worldwide in addition to proprietary trade secrets, technology, know-how processes, and other intellectual property rights that are not registered.

We consider all of our owned and licensed intellectual property, taken as a whole, to be essential to our business.

Seasonality. The U.S. Retail Coffee and U.S. Retail Consumer Foods segments are particularly seasonal around the Fall Bake and Holiday period, which generally results in higher sales and profits in our second and third quarters. Our success in promoting and merchandising our coffee and baking brands during the Fall Bake and Holiday period has a significant impact on our results for a fiscal year. The Back to School period and the Spring Holiday season are two other important promotional periods, although their impact is not as significant as the Fall Bake and Holiday period.

Working Capital. Working capital requirements are greatest during the first half of our fiscal year mainly due to the timing of the buildup of coffee, oil, and baking inventories necessary to support the Fall Bake and Holiday period and the additional buildup of coffee inventory in advance of the Atlantic hurricane season. Although we still expect an inventory buildup during the first half of the fiscal year within the U.S. Retail Coffee and U.S. Retail Consumer Foods segments, our working capital requirements became less seasonal overall subsequent to the Big Heart acquisition, since the U.S. Retail Pet Foods segment does not experience significant seasonality.

Customers. Sales to Wal-Mart Stores, Inc. and subsidiaries amounted to 30 percent of net sales in both 2017 and 2016, and 28 percent of net sales in 2015. These sales are primarily included in the U.S. retail market segments. No other customer exceeded 10 percent of net sales during 2017, 2016, or 2015.

During 2017, our top 10 customers, collectively, accounted for approximately 70 percent of consolidated net sales. Supermarkets, warehouse clubs, and food distributors continue to consolidate, and we expect that a significant portion of our revenues will continue to be derived from a limited number of customers. Although the loss of any large customer for an extended length of time could negatively impact our sales and profits, we do not anticipate that this will occur to a significant extent due to strong consumer demand for our brands.

Orders. Generally, orders are filled within a few days of receipt, and the backlog of unfilled orders at any particular time has not been material on a historical basis.

Government Business. No material portion of our business is subject to renegotiation of profits or termination of contracts at the election of the government.

Competition. We are the branded market leader in the coffee, dog snacks, peanut butter, fruit spreads, shortening, natural beverage, and ice cream toppings categories in the U.S. In Canada, we are the branded market leader in the flour, pickles, canned milk, fruit spreads, shortening, and ice cream toppings categories. Our business is highly competitive as all of our brands compete for retail shelf space with other branded products as well as private label products.

In order to remain competitive, companies in the food industry need to consider emerging consumer preferences, technological advances, product and packaging innovations, and the continued growth of alternative store formats, including warehouse clubs, convenience stores, and e-commerce. The primary ways in which products and brands are distinguished are brand recognition, product quality, price, packaging, new product introductions, nutritional value, convenience, advertising, promotion, and the ability to identify and satisfy consumer preferences. Positive factors pertaining to our competitive position include well-recognized brands, high-quality products, consumer trust, experienced brand and category management, a single national grocery broker in the U.S., varied product offerings, product innovation, good customer service, and an integrated distribution network.

The packaged foods industry has been challenged recently by a general decline in sales volume in the center of the store. Certain evolving consumer trends have contributed to the decline, such as a heightened focus on health and wellness, an increased desire for fresh foods, and the growing impact of social media and e-commerce on consumer behavior. To address these dynamics, we continue to focus on innovation with an increased emphasis on products that satisfy evolving consumer trends.

In addition, private label continues to be a competitor in many of the categories in which we compete, partially due to improvements in private label quality and the increased emphasis of store brands by retailers in an effort to cultivate customer loyalty. We believe that both private label and leading brands play an important role in the categories in which we compete, appealing to different consumer segments. We closely monitor the price gap or price premium between our brands and private label brands, with the view that value is about more than price and the expectation that number one brands will continue to be an integral part of consumers' shopping baskets.

Our primary brands and major competitors as of April 30, 2017, are listed below.

Our Primary Products	Our Primary Brands	Competing Brands	Competitors
U.S. Retail Coffee			
Mainstream roast and ground coffee	*Folgers*(A) and *Café Bustelo*	*Maxwell House*, *Yuban*, and *McCafe*	The Kraft Heinz Company
		Chock full o'Nuts	Massimo Zanetti Beverage Group
		Cafe La Llave	F. Gaviña & Sons, Inc.
		Private Label Brands	Various
Single serve coffee - K-Cup®	*Dunkin' Donuts, Folgers,* and *Café Bustelo*	*Green Mountain Coffee*(A)	JAB Holding Company
		Starbucks	Starbucks Corporation
		Eight O'Clock	Tata Global Beverages Limited
		McCafe, Maxwell House, and *Gevalia*	The Kraft Heinz Company
		Private Label Brands	Various
Premium coffee	*Dunkin' Donuts* and *Folgers Gourmet Selections®*	*Starbucks*(A) and *Seattle's Best Coffee*	Starbucks Corporation
		Peet's Coffee & Tea	JAB Holding Company
		Eight O'Clock	Tata Global Beverages Limited
		Gevalia and *McCafe*	The Kraft Heinz Company
		Private Label Brands	Various
U.S. Retail Consumer Foods			
Peanut butter and specialty spreads	*Jif* (A)	Private Label Brands	Various
		Skippy	Hormel Foods Corporation
		Nutella	Ferrero SpA
		Peter Pan	Conagra Brands, Inc.
Fruit spreads	*Smucker's*(A)	*Welch's*	Welch Foods Inc.
		Private Label Brands	Various
Shortening and oils	*Crisco*(B)	Private Label Brands(B)	Various
		Wesson	Conagra Brands, Inc.
Dessert baking mixes and frosting	*Pillsbury*	*Betty Crocker*(A)	General Mills, Inc.
		Duncan Hines	Pinnacle Foods Inc.
		Private Label Brands	Various
U.S. Retail Pet Foods			
Pet foods	*Meow Mix, Kibbles 'n Bits, 9Lives,* and *Nature's Recipe*	*Dog Chow*(A)*, One, Beneful, Cat Chow*(A)*, Friskies, Kit & Kaboodle,* and *Fancy Feast*	Nestlé Purina PetCare Company
		Pedigree, Iams, and *Sheba*	Mars, Incorporated
		Rachael Ray Nutrish	Ainsworth Pet Nutrition
Pet snacks	*Milk-Bone*(A) and *Pup-Peroni*	*Beggin' Strips* and *Waggin' Train*	Nestlé Purina PetCare Company
		Dentastix and *Greenies*	Mars, Incorporated
Pet premium	*Natural Balance*	*Blue*(A)	Blue Buffalo Pet Products, Inc.
		Nutro	Mars, Incorporated
		Hill's	Hill's Pet Nutrition, Inc.
		Pro Plan and *Merrick*	Nestlé Purina PetCare Company
International and Foodservice			
Foodservice hot beverage	*Folgers* and *Douwe Egberts*	*Nescafé*	Société des Produits Nestlé S.A.
		Maxwell House	The Kraft Heinz Company
		Private Label Brands	Various
Foodservice portion control	*Smucker's*	*Heinz, Welch's,* and Private Label Brands	The Kraft Heinz Company
		Private Label Brands	Various
Canada coffee	*Folgers*	*Maxwell House*(A)	The Kraft Heinz Company
		Tim Hortons	Restaurant Brands International Inc.
		Private Label Brands	Various
Canada flour	*Robin Hood®*(A) and *Five Roses®*	Private Label Brands	Various

(A) Identifies the current market leader within the product category. In certain categories, the market leader is not identified as two or more brands compete for the largest share.
(B) *Crisco* is the market leader within the shortening category. In the oils category, private label brands, collectively, maintain the largest share.

Research and Development. We predominantly utilize in-house resources to both develop new products and improve existing products in each of our business areas. Amounts expensed for research and development were $58.1 million, $58.8 million, and $32.5 million in 2017, 2016, and 2015, respectively.

Environmental Matters. We consider compliance with environmental regulations and environmental sustainability to be our responsibility as a good corporate citizen and a key strategic focus area. We have implemented and manage a variety of programs, including the utilization of renewable energy technology, water conservation, the sourcing and usage of sustainable raw materials including green coffee, and the reuse of resources, in support of our commitment to environmental sustainability. We continue to evaluate and modify our processes on an ongoing basis to further reduce waste and limit our impact on the environment.

Compliance with the provisions of enacted or pending federal, state, and local environmental regulations regarding either the discharge of materials into the environment or the protection of the environment is not expected to have a material effect upon our capital expenditures, earnings, or competitive position in 2018.

Employees. At April 30, 2017, we had 7,140 full-time employees worldwide, of which 27 percent, located at 11 manufacturing facilities, are covered by union contracts. These contracts vary in term depending on the location, with five contracts expiring in 2018, representing 8 percent of our total employees. We believe our relations with our employees are good.

Financial Information about Industry Segments and Geographical Areas. The financial information required to be included in this item concerning reportable industry segments and international operations for the years 2017, 2016, and 2015 is incorporated herein by reference to information set forth in our 2017 Annual Report to Shareholders under “Note 5: Reportable Segments.” Our international operations are primarily in Canada with risks similar to those associated with the U.S. retail markets. Approximately 40 percent of our 2017 Canada sales represented the sale of Canadian produced products to Canadian customers. The majority of the remaining Canada sales represented the sale of products produced in the U.S. to Canadian customers, primarily *Folgers* coffee, *Bick’s®* pickles, *Smucker’s* fruit spreads, and *Crisco* shortening and oils.

Forward-Looking Statements. This Report includes forward-looking statements that are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from expected or projected results. The descriptions of risks and uncertainties relating to forward-looking statements are incorporated herein by reference to information set forth in our 2017 Annual Report to Shareholders under the caption “Forward-Looking Statements.”

Available Information. Access to all of our Securities and Exchange Commission (“SEC”) filings, including our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is provided, free of charge, on our website (jmsmucker.com/investor-relations/smuckers-sec-filings) as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC.

Item 1A. Risk Factors.

Our business, operations, and financial condition are subject to various risks and uncertainties. The risk factors described below should be carefully considered, together with the other information contained or incorporated by reference in this Report and our other filings with the SEC, in connection with evaluating the Company, our business, and the forward-looking statements contained in this Report. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may affect us. The occurrence of any of these known or unknown risks could have a material adverse impact on our business, financial condition, and results of operations.

- We may be unable to grow market share of our products.

  We operate in the competitive food industry whose growth potential is positively correlated to population growth. Our success depends in part on our ability to grow our brands faster than the population in general. We consider our ability to build and sustain the equity of our brands critical to our market share growth. If we do not succeed in these efforts, our market share growth may slow, which could have a material impact on our results of operations.

- **Our proprietary brands, packaging designs, and manufacturing methods are essential to the value of our business, and the inability to protect these could harm the value of our brands and adversely affect our sales and profitability.**

  The success of our business depends significantly on our brands, know-how, and other intellectual property. We rely on a combination of trademarks, service marks, trade secrets, patents, copyrights, and similar rights to protect our intellectual property. The success of our growth strategy depends on our continued ability to use our existing trademarks and service marks in order to maintain and increase brand awareness and further develop our brands. If our efforts to protect our intellectual property are not adequate, or if any third party misappropriates or infringes on our intellectual property, the value of our brands may be harmed, which could have a material adverse effect on our business. From time to time, we are engaged in litigation to protect our intellectual property, which could result in substantial costs as well as diversion of management attention.

  In particular, we consider our proprietary coffee roasting methods essential to the consistent flavor and richness of our coffee products and, therefore, essential to our coffee brands. Because many of the roasting methods we use are not protected by patents, it may be difficult for us to prevent competitors from copying our roasting methods if such methods become known. We also believe that our packaging innovations, such as our *AromaSeal*™ canisters, are important to the coffee business' marketing and operational efforts. If our competitors copy our roasting or packaging methods or develop more advanced roasting or packaging methods, the value of our coffee brands may be diminished, and we could lose customers to our competitors.

- **We use a single national broker to represent a portion of our branded products to the retail grocery trade and any failure by the broker to effectively represent us could adversely affect our business.**

  We use a single national broker in the U.S. to represent a portion of our branded products to the retail grocery trade. Our business would suffer disruption if this broker were to default in the performance of its obligations to perform brokerage services or if this broker fails to effectively represent us to the retail grocery trade, which could adversely affect our business.

- **Loss or interruption of supply from single-source suppliers of raw materials and finished goods could have a disruptive effect on our business and adversely affect our results of operations.**

  We have elected to source certain raw materials, such as packaging for our *Folgers* coffee products, as well as our *Jif* peanut butter and *Crisco* oil products, and finished goods, such as K-Cup® pods and our *Pup-Peroni* dog snacks, from single sources of supply. While we believe that, except as set forth below, alternative sources of these raw materials and finished goods could be obtained on commercially reasonable terms, loss or an extended interruption in supplies from a single-source supplier would result in additional costs, could have a disruptive short-term effect on our business, and could adversely affect our results of operations.

  Keurig is our single-source supplier for K-Cup® pods which are used in its proprietary *Keurig*® K-Cup® brewing system. There are a limited number of manufacturers other than Keurig that are making cups that will work in such proprietary brewing system. If Keurig is unable to supply K-Cup® pods to us for any reason, it could be difficult to find an alternative supplier for such goods on commercially reasonable terms, which could have a material adverse effect on our results of operations.

- **Our results may be adversely impacted as a result of increased cost, limited availability, and/or insufficient quality of raw materials, including commodities and agricultural products.**

  We and our business partners purchase and use large quantities of many different commodities and agricultural products in the manufacturing of our products, including green coffee, grains, peanuts, edible oils, protein meals, sweeteners, and fruit. In addition, we and our business partners utilize significant quantities of plastic, glass, and cardboard to package our products and natural gas and fuel oil to manufacture, package, and distribute our products. The prices of these commodities, agricultural products, and other materials are subject to volatility and can fluctuate due to conditions that are difficult to predict, including global supply and demand, commodity market fluctuations, crop sizes and yield fluctuations, weather, natural disasters, foreign currency fluctuations, investor speculation, trade agreements, political unrest, consumer demand, and changes in governmental agricultural programs. In addition, we compete for certain raw materials, notably corn and soy-based agricultural products, with the biofuels industry, which has resulted in increased prices for these raw materials. Additionally, farm acreage currently devoted to other agricultural products we purchase may be utilized for biofuels crops resulting in higher cost for the other agricultural products we utilize. Although we use basis, futures, and options contracts to manage commodity price volatility in some instances, commodity price increases ultimately result in corresponding increases in our raw material and energy costs.

Due to the significance of green coffee to our coffee business, combined with our ability to only partially mitigate future price risk through purchasing practices and hedging activities, significant increases or decreases in the cost of green coffee could have an adverse impact on our profitability, as compared to that of our competitors. In addition, if we are not able to purchase sufficient quantities of green coffee due to any of the above factors or to a worldwide or regional shortage, we may not be able to fulfill the demand for our coffee, which could have a material adverse effect on our business, financial condition, and results of operations.

- Our efforts to manage commodity, foreign currency exchange, and other price volatility through derivative instruments could adversely affect our results of operations and financial condition.

We use derivative instruments, including commodity futures and options, to reduce the price volatility associated with anticipated commodity purchases. The extent of our derivative position at any given time depends on our assessment of the markets for these commodities. If we fail to take a derivative position and costs subsequently increase, or if we institute a position and costs subsequently decrease, our costs may be greater than anticipated or higher than our competitors' costs and our financial results could be adversely affected. In addition, our liquidity may be adversely impacted by the cash margin requirements of the commodities exchanges or the failure of a counterparty to perform in accordance with a contract.

We currently do not qualify any of our commodity or foreign currency exchange derivatives for hedge accounting. We instead mark-to-market our derivatives through the Statement of Consolidated Income, which results in changes in the fair value of all of our derivatives being immediately recognized in consolidated earnings, resulting in potential volatility in both gross profit and net income. These gains and losses are reported in cost of products sold in our Statement of Consolidated Income but are excluded from our segment operating results and non-GAAP earnings until the related inventory is sold, at which time the gains and losses are reclassified to segment profit and non-GAAP earnings. Although this accounting treatment aligns the derivative gains and losses with the underlying exposure being hedged within segment results, it may result in volatility in our consolidated earnings.

- We may be limited in our ability to pass cost increases on to our customers in the form of price increases or may realize a decrease in sales volume to the extent price increases are implemented.

We may not be able to pass some or all of any increases in the price of raw materials, energy, and other input costs to our customers by raising prices. To the extent competitors do not also increase their prices, customers and consumers may choose to purchase competing products or may shift purchases to private label or other lower-priced offerings, which may adversely affect our results of operations.

Consumers may be less willing or able to pay a price differential for our branded products, and may increasingly purchase lower-priced offerings and may forego some purchases altogether, especially during economic downturns. Retailers may also increase levels of promotional activity for lower-priced offerings as they seek to maintain sales volumes during times of economic uncertainty. Accordingly, sales volumes of our branded products could be reduced or lead to a shift in sales mix toward our lower-margin offerings. As a result, decreased demand for our products may adversely affect our results of operations.

- Certain of our products are produced at single manufacturing sites.

We have consolidated our production capacity for certain products, including substantially all of our coffee, *Milk-Bone* dog snacks, fruit spreads, toppings, syrups, and *Uncrustables* frozen sandwiches, into single manufacturing sites. We could experience a production disruption at these or any of our manufacturing sites resulting in a reduction or elimination of the availability of some of our products. If we are not able to obtain alternate production capability in a timely manner, our business, financial condition, and results of operations could be adversely affected.

- A significant interruption in the operation of any of our supply chain or distribution capabilities could have an adverse effect on our business, financial condition, and results of operations.

  Our ability and the ability of our third-party suppliers and service providers, distributors, and contract manufacturers to manufacture, distribute, and sell products is critical to our success. A significant interruption in the operation of any of our manufacturing or distribution capabilities, or the manufacturing or distribution capabilities of our suppliers, distributors, or contract manufacturers, or a service failure by a third-party service provider, whether as a result of adverse weather conditions or a natural disaster, work stoppage, terrorism, pandemic illness, or other causes, could significantly impair our ability to operate our business. Notably, substantially all of our coffee production takes place in New Orleans, Louisiana, which is subject to risks associated with hurricane and other weather-related events. Additionally, some of our production facilities are located in places where tornadoes can frequently occur, such as Alabama and Kansas. Failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, could adversely affect our business, financial condition, and results of operations.

- Our business could be harmed by strikes or work stoppages.

  As of April 30, 2017, 27 percent of our employees, located at 11 manufacturing facilities, are covered by collective bargaining agreements. These contracts vary in term depending on location, with five contracts expiring in 2018, representing 8 percent of our total employees. We cannot assure that we will be able to renew these collective bargaining agreements on the same or more favorable terms as the current agreements, or at all, without production interruptions caused by labor stoppages. If a strike or work stoppage were to occur in connection with negotiations of new collective bargaining agreements or as a result of disputes under collective bargaining agreements with labor unions, our business, financial condition, and results of operations could be materially adversely affected.

- Our ability to competitively serve customers depends on the availability of reliable transportation. Increases in logistics and other transportation-related costs could adversely impact our results of operations.

  Logistics and other transportation-related costs have a significant impact on our earnings and results of operations. We use multiple forms of transportation, including ships, trucks, and railcars, to bring our products to market. Disruption to the timely supply of these services or increases in the cost of these services for any reason, including availability or cost of fuel, regulations affecting the industry, labor shortages in the transportation industry, service failures by third-party service providers, accidents, or natural disasters, which may impact the transportation infrastructure or demand for transportation services, could have an adverse effect on our ability to serve our customers, and could have a material adverse effect on our business, financial condition, and results of operations.

- Our operations are subject to the general risks of the food industry.

  The food industry is subject to risks posed by food spoilage and contamination, product tampering, product recall, and consumer product liability claims. Our operations could be impacted by both genuine and fictitious claims regarding our products as well as our competitors' products. In the event of product contamination or tampering, we may need to recall some of our products. A widespread product recall could result in significant loss due to the cost of conducting a product recall, including destruction of inventory and the loss of sales resulting from the unavailability of product for a period of time. We could also suffer losses from a significant product liability judgment against us. A significant product recall or a product liability judgment, involving either us or our competitors, could also result in a loss of consumer confidence in our food products or the food category, and an actual or perceived loss of value of our brands, materially impacting consumer demand.

- Changes in our relationships with significant customers, including the loss of our largest customer, could adversely affect our results of operations.

  Sales to Wal-Mart Stores, Inc. and subsidiaries amounted to 30 percent of net sales in 2017. These sales are primarily included in the U.S. retail market segments. Trade receivables at April 30, 2017, included amounts due from Wal-Mart Stores, Inc. and subsidiaries of $138.2 million, or 32 percent of the total trade receivables balance. During 2017, our top 10 customers, collectively, accounted for approximately 70 percent of consolidated net sales. We expect that a significant portion of our revenues will continue to be derived from a limited number of customers. Our customers are generally not contractually obligated to purchase from us. These customers make purchase decisions based on a combination of price, promotional support, product quality, consumer demand, customer service performance, their desired inventory levels, and other factors. Changes in customers' strategies, including a reduction in the number of brands they carry or a shift of shelf space to private label products, may adversely affect sales. Customers also may respond to price increases by reducing distribution, resulting in reduced sales of our products. Additionally, our customers may face financial or other difficulties that may impact their operations and their purchases from us, which could adversely affect our results of operations. A reduction in sales to one or more major customers could have a material adverse effect on our business, financial condition, and results of operations.

- We operate in the competitive food industry and continued demand for our products may be affected by changes in consumer preferences.

We face competition across our product lines from other food companies with the primary methods and factors in competition being product quality, price, packaging, product innovation, nutritional value, convenience, customer service, advertising, and promotion. Continued success is dependent on product innovation, the ability to secure and maintain adequate retail shelf space and to compete in new and growing channels, such as e-commerce, and effective and sufficient trade merchandising, advertising, and marketing programs. Some of our competitors have substantial financial, marketing, and other resources, and competition with them in our various markets, channels, and product lines could cause us to reduce prices, increase marketing or other expenditures, or lose category share. Category share and growth could be adversely impacted if we are not successful in introducing new products. In order to generate future revenues and profits, we must continue to sell products that appeal to our customers and consumers. Specifically, there are a number of trends in consumer preferences that may impact us and the food industry as a whole, including convenience, flavor variety, an emphasis on protein and snacking, and the desire for transparent product labeling and simple and natural ingredients.

Prolonged negative perceptions concerning the health implications of certain food products could influence consumer preferences and acceptance of some of our products and marketing programs. Although we strive to respond to consumer preferences and social expectations, we may not be successful in these efforts. Increasing public concern regarding health issues and failure to satisfy consumer preferences could decrease demand for certain of our products and adversely affect our profitability.

- The success of our business depends substantially on consumer perceptions of our brands.

We are the branded market leader in several categories both in the U.S. and Canada. We believe that maintaining and continually enhancing the value of our brands is critical to the success of our business. Brand value is based in large part on consumer perceptions. Success in promoting and enhancing brand value depends in large part on our ability to provide high-quality products. Brand value could diminish significantly as a result of a number of factors, such as if we fail to preserve the quality of our products, if we are perceived to act in an irresponsible manner, if the Company or our brands otherwise receive negative publicity, if our brands fail to deliver a consistently positive consumer experience, or if our products become unavailable to consumers. The growing use of social and digital media by consumers increases the speed and extent that information and opinions can be shared. Negative posts or comments about us or our brands or products on social or digital media could damage our brands and reputation. If our brand values are diminished, our revenues and operating results could be materially adversely affected. In addition, anything that harms the *Pillsbury*, *Dunkin' Donuts*, *Carnation*, *Sweet'N Low*, or *Sugar In The Raw* brands could adversely affect the success of our exclusive licensing agreements with the owners of these brands.

- We could be subject to adverse publicity or claims from consumers.

Certain of our products contain ingredients, the health effects of which are the subject of public scrutiny, including the suggestion that consumption may have adverse health effects. An unfavorable report on the health effects of ingredients present in our products, product recalls, or negative publicity or litigation arising from other health risks could significantly reduce the demand for our products.

We may also be subject to complaints from or litigation by consumers who allege food and beverage-related illness, or other quality, health, or operational concerns. Adverse publicity resulting from such allegations could materially adversely affect us, regardless of whether such allegations are true or whether we are ultimately held liable. A lawsuit or claim could result in an adverse decision against us, which could have a material adverse effect on our business, financial condition, and results of operations.

- Our operations are subject to the general risks associated with acquisitions and divestitures. Specifically, we may not realize all of the anticipated benefits of the acquisition of Big Heart or those benefits may take longer to realize than expected.

  Our stated strategic vision is to own and market a portfolio of food and beverage brands that combines number one and leading brands with emerging, on-trend brands to drive balanced, long-term growth, primarily in North America. We have historically made strategic acquisitions of brands and businesses and intend to do so in the future in support of this strategy. If we are unable to complete acquisitions or to successfully integrate and develop acquired businesses, including the effective management of integration and related restructuring costs, we could fail to achieve the anticipated synergies and cost savings, or the expected increases in revenues and operating results, either of which could have a material adverse effect on our financial results. In addition, we have made strategic divestitures of brands and businesses and we may do so in the future. If we are unable to complete divestitures or to successfully transition divested businesses, our business and financial results could be negatively impacted.

- We may not realize the benefits we expect from our cost reduction initiatives.

  As part of our organization optimization and cost management programs, we are pursuing a number of initiatives to reduce costs and increase effectiveness. We may not realize all or part of the anticipated cost savings or other benefits from such initiatives. Other events and circumstances, such as financial or strategic difficulties, delays, or unexpected costs, may also adversely impact our ability to realize all or part of the anticipated cost savings or other benefits, or cause us not to realize such cost savings or other benefits on the expected timetable. If we are unable to realize the anticipated cost savings, our ability to fund other initiatives may be adversely affected. Finally, the complexity of the implementation will require a substantial amount of management and operational resources. Our management team must successfully execute the administrative and operational changes necessary to achieve the anticipated benefits of the initiatives. These and related demands on our resources may divert the organization's attention from other business issues, have adverse effects on existing business relationships with suppliers and customers, and impact employee morale. Any failure to implement our cost reduction initiatives in accordance with our plans could adversely affect our business and financial results.

- Weak financial performance, downgrades in our credit ratings, or disruptions in the financial markets may adversely affect our ability to access capital in the future.

  We may need new or additional financing in the future to conduct our operations, expand our business, or refinance existing indebtedness, which would be dependent upon our financial performance. Any downgrade in our credit ratings, particularly our short-term rating, would likely impact the amount of commercial paper we could issue and increase our commercial paper borrowing costs. The liquidity of the overall capital markets and the state of the economy, including the food and beverage industry, may make credit and capital markets more difficult for us to access, even though we have an established revolving credit facility. From time to time, we have relied, and also may rely in the future, on access to financial markets as a source of liquidity for working capital requirements, acquisitions, and general corporate purposes. In particular, our access to funds under our revolving credit facility is dependent on the ability of the financial institutions that are parties to that facility to meet their funding commitments. The obligations of the financial institutions under our revolving credit facility are several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others. In addition, long-term volatility and disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation of financial institutions, reduced alternatives, or the failure of significant financial institutions could adversely affect our access to the liquidity needed for our businesses in the longer term. Such disruptions could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business needs can be arranged. Disruptions in the capital and credit markets could also result in higher interest rates on publicly issued debt securities and increased costs under credit facilities. Continuation of these disruptions would increase our interest expense and capital costs and could adversely affect our results of operations and financial position.

- Our substantial debt obligations could restrict our operations and financial condition. Additionally, our ability to generate cash to make payments on our indebtedness depends on many factors beyond our control.

  As of April 30, 2017, we had approximately $5.4 billion of short-term borrowings and long-term debt. We may also incur additional indebtedness in the future. Our debt service obligations will require us to use a portion of our operating cash flow to pay interest and principal on indebtedness rather than for other corporate purposes, including funding future expansion of our business and ongoing capital expenditures, which could impede our growth. Our substantial indebtedness could have other adverse consequences, including:

  - making it more difficult for us to satisfy our financial obligations;
  - increasing our vulnerability to adverse economic, regulatory, and industry conditions, and placing us at a disadvantage compared to our competitors that are less leveraged;
  - limiting our ability to compete and our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
  - limiting our ability to borrow additional funds for working capital, capital expenditures, acquisitions, and general corporate or other purposes; and
  - exposing us to greater interest rate risk, including the risk to variable borrowings of a rate increase and the risk to fixed borrowings of a rate decrease.

  Our ability to make payments on our indebtedness will depend on our ability to generate cash in the future. Our ability to generate future cash is subject to general economic, financial, competitive, legislative, regulatory, and other factors, many of which are beyond our control. Our business may not generate sufficient cash flow from operations and future borrowings may not be available to us in an amount sufficient to enable us to pay our indebtedness when scheduled payments are due or to fund other liquidity needs. In these circumstances, we may need to refinance all or a portion of our indebtedness on or before maturity. Any refinancing of our debt could be at higher interest rates and may require make-whole payments and compliance with more onerous covenants, which could further restrict our business operations. Our ability to refinance our indebtedness or obtain additional financing would depend on, among other things, our financial condition at the time, restriction in the agreements governing our indebtedness, and the condition of the financial markets and the industry in which we operate. As a result, we may not be able to refinance any of our indebtedness on commercially reasonable terms or at all. Without this financing, we may have to seek additional equity or debt financing or restructure our debt, which could harm our long-term business prospects. Our failure to comply with the terms of any existing or future indebtedness could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debt.

- A material impairment in the carrying value of acquired goodwill or other intangible assets could negatively affect our consolidated operating results and net worth.

  A significant portion of our assets is goodwill and other intangible assets, the majority of which are not amortized but are reviewed for impairment at least annually and more often if indicators of impairment exist. At April 30, 2017, the carrying value of goodwill and other intangible assets totaled $12.2 billion, compared to total assets of $15.6 billion and total shareholders' equity of $6.9 billion. If the carrying value of these assets exceeds the current estimated fair value, the asset is considered impaired and this would result in a noncash charge to earnings, which could be material. Any such impairment charge would reduce earnings and could be material. Events and conditions that could result in impairment include a sustained drop in the market price of our common shares, increased competition or loss of market share, obsolescence, product claims that result in a significant loss of sales or profitability over the product life, deterioration in macroeconomic conditions, or declining financial performance in comparison to projected results.

  As a result of the Big Heart acquisition in 2015, we recognized $3.0 billion of goodwill and$1.5 billion of indefinite-lived intangible assets based on their estimated fair values on the acquisition date. Being recently acquired, these assets have been more susceptible to impairment. During 2017, we performed several impairment analyses on the goodwill of the Pet Foods reporting unit and the indefinite-lived trademarks included within the U.S. Retail Pet Foods segment due to reduced financial projections for the business and changes to other assumptions, most notably an increase in the weighted-average cost of capital used to discount estimates of future cash flows. As a result, impairment charges of $128.5 were recognized in 2017 related to certain indefinite-lived trademarks within the U.S. Retail Pet Foods segment. No impairment charges were recognized on the goodwill of the Pet Foods reporting unit as a result of the analyses. Further changes to the assumptions regarding the future performance of the U.S. Retail Pet Foods segment or its brands, a change to other assumptions, or the failure of any of our reporting units to achieve its anticipated synergies related to the Big Heart acquisition could result in additional impairment losses in the future, which could be more significant.

- Changes in tax, environmental, or other regulations and laws, or their application, or failure to comply with existing licensing, trade, and other regulations and laws could have a material adverse effect on our financial condition.

  Our operations are subject to various regulations and laws administered by federal, state, and local government agencies in the U.S. as well as to regulations and laws administered by government agencies in Canada and other countries in which we have operations and our products are sold. In particular, the manufacturing, marketing, packaging, labeling, and distribution of food products are each subject to governmental regulation that is increasingly extensive, encompassing such matters as ingredients (including whether a product contains genetically modified ingredients), packaging, advertising, relations with distributors and retailers, health, safety, and the environment. Additionally, we are routinely subject to new or modified tax and securities regulations, other laws and regulations, and accounting and reporting standards.

  In the U.S., we are required to comply with federal laws, such as the Food, Drug and Cosmetic Act, the Food Safety Modernization Act, the Occupational Safety and Health Act, the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act, the Tariff Act, laws governing equal employment opportunity, and various other federal statutes and regulations. We are also subject to various state and local statutes and regulations. For instance, the California Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly referred to as “Proposition 65”) requires that a specific warning appear on any product sold in the State of California that contains a substance listed by that state as having been found to cause cancer or birth defects. This law exposes all food and beverage producers to the possibility of having to provide warnings on their products. The detection of even a trace amount of a listed substance can subject an affected product to the requirement of a warning label. Products containing listed substances that occur naturally or that are contributed to such products solely by a municipal water supply are generally exempt from the warning requirement. If we are required to add warning labels to any of our products or place warnings in certain locations where our products are sold as a result of Proposition 65, sales of those products could suffer not only in those locations but elsewhere.

  Complying with new regulations and laws, or changes to existing regulations and laws, or their application could increase our production costs or adversely affect our sales of certain products. In addition, our failure or inability to comply with applicable regulations and laws could subject us to civil remedies, including fines, injunctions, recalls or seizures, and potential criminal sanctions, which could have a material adverse effect on our business and financial condition.

- Our operations in certain developing markets expose us to regulatory risks.

  In many countries outside of the U.S., particularly in those with developing economies, it may be common for others to engage in business practices prohibited by laws and regulations applicable to us, such as the U.S. Foreign Corrupt Practices Act or similar local anti-bribery or anti-corruption laws. These laws generally prohibit companies and their employees, contractors, or agents from making improper payments to government officials for the purpose of obtaining or retaining business. Failure to comply with these laws could subject us to civil and criminal penalties that could have a material adverse effect on our financial condition and results of operations.

- Changes in climate or legal, regulatory, or market measures to address climate change may negatively affect our business and operations.

  There is significant political and scientific concern that emissions of carbon dioxide and other greenhouse gases may alter the composition of the global atmosphere in ways that are affecting and are expected to continue affecting the global climate. The emission of such greenhouse gases may have an adverse impact on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disasters. In the event that climate change has a negative effect on agricultural productivity, we may be subject to decreased availability or less favorable pricing for certain commodities that are necessary for our products, such as green coffee, grains, peanuts, edible oils, protein meals, sweeteners, and fruit. We may also be subjected to decreased availability or less favorable pricing for water as a result of such change, which could impact our manufacturing and distribution operations. In addition, natural disasters and extreme weather conditions may disrupt the productivity of our facilities or the operation of our supply chain.

Increasing concern over climate change also may result in more regulatory requirements to reduce or mitigate the effects of greenhouse gases. In the event that such regulations are enacted and are more rigorous than existing regulations, we may experience significant increases in costs of operation and delivery. In particular, increased regulation of utility providers, fuel emissions, or suppliers could substantially increase our operating, distribution, or supply chain costs. We could also face increased costs related to defending and resolving legal claims and other litigation related to climate change. As a result, climate change could negatively affect our results of operations, cash flows, or financial position.

- If our information technology systems fail to perform adequately or we are unable to protect such information technology systems against data corruption, cyber-based attacks, or network security breaches, our operations could be disrupted, and we may suffer financial damage or loss because of lost or misappropriated information.

We rely on information technology networks and systems, including the Internet, to process, transmit, and store electronic information. In particular, we depend on our information technology infrastructure to effectively manage our business data, supply chain, logistics, finance, and other business processes and for digital marketing activities and electronic communications between Company personnel and our customers and suppliers. If we do not allocate and effectively manage the resources necessary to build, sustain, and protect an appropriate technology infrastructure, or we do not effectively implement system upgrades, our business or financial results could be negatively impacted. Security breaches or system failures of our infrastructure, whether due to attacks by hackers, employee error, or other causes, can create system disruptions, shutdowns, or unauthorized disclosure of confidential information. If we are unable to prevent such breaches or failures, our operations could be disrupted, or we may suffer financial damage or loss because of lost or misappropriated information.

In addition, we have outsourced several information technology support services and administrative functions, including benefit plan administration and other functions, to third-party service providers, and may outsource other functions in the future to achieve cost savings and efficiencies. If the service providers to which we outsource these functions do not perform effectively, we may not be able to achieve the expected cost savings and may have to incur additional costs to correct errors made by such service providers. Depending on the function involved, such errors may also lead to business disruption, processing inefficiencies, the loss of or damage to intellectual property through security breach, the loss of sensitive data through security breach, or otherwise.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

The table below lists all of our manufacturing and processing facilities at April 30, 2017. All of our properties are maintained and updated on a regular basis, and we continue to make investments for expansion and safety and technological improvements. For instance, in addition to the facilities listed below, we purchased land in Longmont, Colorado, and plans are in place to construct a second *Smucker's Uncrustables* frozen sandwich facility there. We believe that the capacity at our existing facilities, combined with the additional capacity at the Longmont facility, will be sufficient to sustain current operations and the anticipated near-term growth of our businesses.

We own all of the properties listed below, except as noted. Additionally, our principal distribution centers in the U.S. include three that we own and six that we lease. We also lease our principal distribution center in Canada. Our distribution facilities are in good condition, and we believe that they have sufficient capacity to meet our distribution needs in the near future. We lease eight sales and administrative offices in the U.S., and one each in China, Canada, and Mexico. Our corporate headquarters is located in Orrville, Ohio, and our Canadian headquarters is located in Markham, Ontario. We lease the principal headquarters of our pet food business located in San Francisco, California, as well as additional administrative facilities dedicated to that business in Burbank, California.

Locations	Products Produced/Processed/Stored	Primary Reportable Segment/Business Area
Bloomsburg, Pennsylvania	Wet dog and cat food and dry dog and cat food	U.S. Retail Pet Foods
Buffalo, New York	Dog snacks	U.S. Retail Pet Foods
Chico, California	Fruit and vegetable juices and beverages and grain products	U.S. Retail Consumer Foods
Cincinnati, Ohio	Shortening and oils	U.S. Retail Consumer Foods
Decatur, Alabama	Dry dog and cat food	U.S. Retail Pet Foods
Grandview, Washington	Fruit	U.S. Retail Consumer Foods
Harahan, Louisiana (A)	Coffee	International and Foodservice
Havre de Grace, Maryland	Fruit and vegetable juices and beverages	U.S. Retail Consumer Foods
Lawrence, Kansas	Dry dog food	U.S. Retail Pet Foods
Lexington, Kentucky	Peanut butter	U.S. Retail Consumer Foods
Memphis, Tennessee	Peanut butter and fruit spreads	U.S. Retail Consumer Foods
New Bethlehem, Pennsylvania	Peanut butter and combination peanut butter and jelly products	U.S. Retail Consumer Foods
New Orleans, Louisiana (four facilities) (B)	Coffee	U.S. Retail Coffee
Orrville, Ohio	Fruit spreads, toppings, and syrups	U.S. Retail Consumer Foods
Oxnard, California	Fruit	U.S. Retail Consumer Foods
Ripon, Wisconsin	Fruit spreads, toppings, syrups, and condiments	U.S. Retail Consumer Foods
Scottsville, Kentucky	Frozen sandwiches	U.S. Retail Consumer Foods
Seattle, Washington (B)	Nut mix products	U.S. Retail Consumer Foods
Sherbrooke, Quebec	Canned milk	International and Foodservice
Suffolk, Virginia	Coffee	International and Foodservice
Toledo, Ohio	Baking mixes, frostings, and flour	U.S. Retail Consumer Foods
Topeka, Kansas	Dry dog and cat food and dog and cat snacks	U.S. Retail Pet Foods

(A) Our Harahan location is expected to close during 2018 as a result of our plan to consolidate production into one of our existing facilities in New Orleans, as described in our 2017 Annual Report to Shareholders under “Note 3: Integration and Restructuring Costs.”

(B) We lease our coffee silo facility in New Orleans and our facilities in Seattle.

Item 3. Legal Proceedings.

We are a defendant in a variety of legal proceedings. While we cannot predict with certainty the ultimate results of these proceedings, we do not believe that the final outcome of these proceedings will have a material adverse effect on our financial position, results of operations, or cash flows.

Item 4. Mine Safety Disclosures.

Not applicable.

Executive Officers of the Registrant.

The names, ages as of June 15, 2017, and current positions of the executive officers are listed below. All executive officers serve at the pleasure of the Board of Directors, with no fixed term of office.

Name	Age	Years with Company	Position	Served as an Officer Since
Richard K. Smucker	69	44	Executive Chairman (A)	1974
Mark T. Smucker	47	19	President and Chief Executive Officer (B)	2001
Mark R. Belgya	56	32	Vice Chair and Chief Financial Officer (C)	1997
Barry C. Dunaway	54	30	President, Pet Food and Pet Snacks (D)	2001
Jeannette L. Knudsen	47	14	Senior Vice President, General Counsel and Secretary (E)	2009
David J. Lemmon	49	23	President, Canada and International (F)	2012
Steven Oakland	56	34	Vice Chair and President, U.S. Food and Beverage (G)	1999
Jill R. Penrose	44	13	Senior Vice President, Human Resources and Corporate Communications (H)	2014

(A) Mr. Richard Smucker was elected to his present position in May 2016, having served as Chief Executive Officer since August 2011.

(B) Mr. Mark Smucker was elected to his present position in May 2016, having served as President and President, Consumer and Natural Foods since April 2015. Prior to that time, he served as President, U.S. Retail Coffee since May 2011.

(C) Mr. Belgya was elected to his present position in May 2016, having served as Senior Vice President and Chief Financial Officer since October 2009.

(D) Mr. Dunaway was elected to his present position in March 2016, having served as President, International and Chief Administrative Officer since April 2015. Prior to that time, he served as Senior Vice President and Chief Administrative Officer since May 2011.

(E) Ms. Knudsen was elected to her present position in May 2016, having served as Vice President, General Counsel and Corporate Secretary since August 2010.

(F) Mr. Lemmon was elected to his present position in May 2016, having served as Vice President and Managing Director, Canada and International since April 2015. Prior to that time, he served as Vice President and Managing Director, Canada since May 2012.

(G) Mr. Oakland was elected to his present position in May 2016, having served as President, Coffee and Foodservice since April 2015. Prior to that time, he served as President, International, Foodservice, and Natural Foods since May 2011.

(H) Ms. Penrose was elected to her present position in May 2016, having served as Vice President, Human Resources since June 2014. Prior to that time, she served as Vice President, Strategy and Organization Development since April 2010.

PART II

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

(a) The information pertaining to the market for our common shares and other related shareholder information is incorporated herein by reference to the information set forth in our 2017 Annual Report to Shareholders under the captions "Stock Price Data" and "Comparison of Five-Year Cumulative Total Shareholder Return."

(b) Not applicable.

(c) Issuer Purchases of Equity Securities

Period	(a)	(b)	(c)	(d)
	Total number of shares purchased	**Average price paid per share**	**Total number of shares purchased as part of publicly announced plans or programs**	**Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs**
February 1, 2017 - February 28, 2017	354,703	$ 141.71	354,539	6,232,059
March 1, 2017 - March 31, 2017	2,647,413	139.06	2,645,461	3,586,598
April 1, 2017 - April 30, 2017	3,438	126.83	—	3,586,598
Total	3,005,554	$ 139.36	3,000,000	3,586,598

Information set forth in the table above represents the activity in our fourth fiscal quarter.

(a) This column includes shares repurchased as part of publicly announced plans as well as shares repurchased from stock plan recipients in lieu of cash payments.

(c) During the fourth quarter, we repurchased 3,000,000 common shares under the 10b5-1 trading plan entered into on February 22, 2017.

(d) As of April 30, 2017, there were 3,586,598 common shares remaining available for future repurchase pursuant to our Board of Directors' authorizations.

Item 6. Selected Financial Data.

Five-year summaries of our selected financial data and discussions of items which materially affect the comparability of the selected financial data are incorporated herein by reference to the information set forth in our 2017 Annual Report to Shareholders under the following captions: "Five-Year Summary of Selected Financial Data," "Management's Discussion and Analysis," "Note 1: Accounting Policies," "Note 2: Acquisition," and "Note 3: Integration and Restructuring Costs."

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Management's discussion and analysis of financial condition and results of operations, including a discussion of liquidity and capital resources and critical accounting estimates and policies, is incorporated herein by reference to the information set forth in our 2017 Annual Report to Shareholders under the caption "Management's Discussion and Analysis."

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Quantitative and qualitative disclosures about market risk are incorporated herein by reference to the information set forth in our 2017 Annual Report to Shareholders under the caption "Derivative Financial Instruments and Market Risk."

Item 8. Financial Statements and Supplementary Data.

Consolidated financial statements at April 30, 2017 and 2016, and for each of the years in the three-year period ended April 30, 2017, with the report of independent registered public accounting firm and selected unaudited quarterly financial data, are incorporated herein by reference to the information set forth in our 2017 Annual Report to Shareholders under the caption "Summary of Quarterly Results of Operations" and beginning with "Report of Management on Internal Control Over Financial Reporting" through "Note 18: Subsequent Event."

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. Management, including the principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) under the Exchange Act), as of April 30, 2017 (the "Evaluation Date"). Based on that evaluation, the principal executive officer and principal financial officer have concluded that, as of the Evaluation Date, our disclosure controls and procedures were effective in ensuring that information required to be disclosed in reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and (2) accumulated and communicated to management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls. There were no changes in internal control over financial reporting that occurred during the fourth quarter ended April 30, 2017, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's report on internal control over financial reporting and the attestation report of our independent registered public accounting firm are set forth in our 2017 Annual Report to Shareholders under the headings "Report of Management on Internal Control Over Financial Reporting" and "Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting," which reports are incorporated herein by reference.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item as to the directors of the Company, the Audit Committee, the Audit Committee financial expert, and compliance with Section 16(a) of the Exchange Act is incorporated herein by reference to the information set forth under the captions “Election of Directors,” “Corporate Governance,” “Board and Committee Meetings,” and “Ownership of Common Shares” in our definitive Proxy Statement for the Annual Meeting of Shareholders to be held on August 16, 2017. Information required by Item 10 as to the executive officers of the Company is included in Part I of this Annual Report on Form 10-K as permitted by Instruction 3 to Item 401(b) of Regulation S-K.

The Board of Directors has adopted a Code of Business Conduct and Ethics, last revised February 2015, which applies to our directors, principal executive officer, and principal financial and accounting officer. The Board of Directors has adopted charters for each of the Audit, Executive Compensation, and Nominating and Corporate Governance committees and has also adopted Corporate Governance Guidelines. Copies of these documents are available on our website (jmsmucker.com/investor-relations/smuckers-corporate-governance).

Item 11. Executive Compensation.

The information required by this Item is incorporated by reference to the information set forth under the captions “Executive Compensation,” “Board and Committee Meetings,” and “Compensation Committee Interlocks and Insider Participation” in our definitive Proxy Statement for the Annual Meeting of Shareholders to be held on August 16, 2017.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item is incorporated by reference to the information set forth under the captions “Ownership of Common Shares” and “Equity Compensation Plan Information” in our definitive Proxy Statement for the Annual Meeting of Shareholders to be held on August 16, 2017.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item is incorporated by reference to the information set forth under the captions “Corporate Governance” and “Related Party Transactions” in our definitive Proxy Statement for the Annual Meeting of Shareholders to be held on August 16, 2017.

Item 14. Principal Accountant Fees and Services.

The information required by this Item is incorporated by reference to the information set forth under the captions “Service Fees Paid to the Independent Registered Public Accounting Firm” and “Audit Committee Pre-Approval Policies and Procedures” in our definitive Proxy Statement for the Annual Meeting of Shareholders to be held on August 16, 2017.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a)(1)	Financial Statements
	See the Index to Financial Statements, which is included on page F-1 of this Report.
(a)(2)	Financial Statement Schedules
	Financial statement schedules are omitted because they are not applicable or because the information required is set forth in the Consolidated Financial Statements or notes thereto.
(a)(3)	Exhibits
	See the Index of Exhibits beginning on page 22 of this Report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 19, 2017

The J. M. Smucker Company

/s/ Mark R. Belgya

By: Mark R. Belgya
Vice Chair and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

* Mark T. Smucker	President and Chief Executive Officer and Director (Principal Executive Officer)	June 19, 2017
/s/ Mark R. Belgya Mark R. Belgya	Vice Chair and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	June 19, 2017
* Timothy P. Smucker	Chairman Emeritus	June 19, 2017
* Richard K. Smucker	Executive Chairman	June 19, 2017
* Kathryn W. Dindo	Director	June 19, 2017
* Paul J. Dolan	Director	June 19, 2017
* Jay L. Henderson	Director	June 19, 2017
* Nancy Lopez Knight	Director	June 19, 2017
* Elizabeth Valk Long	Director	June 19, 2017
* Gary A. Oatey	Director	June 19, 2017
* Sandra Pianalto	Director	June 19, 2017
* Alex Shumate	Director	June 19, 2017

* The undersigned, by signing her name hereto, does sign and execute this report pursuant to the powers of attorney executed by the above-named officers and directors of the registrant, which are being filed herewith with the Securities and Exchange Commission on behalf of such officers and directors.

Date: June 19, 2017

/s/ Jeannette L. Knudsen

By: Jeannette L. Knudsen Attorney-in-Fact

INDEX OF EXHIBITS

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference from Form	Exhibit	Filing Date
2.1	Agreement and Plan of Merger, dated as of February 3, 2015, by and among Blue Acquisition Group, Inc., the Company, SPF Holdings I, Inc., SPF Holdings II, LLC, and, for the limited purposes set forth therein, Blue Holdings I, L.P.		8-K	2.1	2/4/2015
2.2	Purchase Agreement dated as of October 9, 2013, among Del Monte Corporation, Del Monte Foods Consumer Products, Inc., and, for the limited purposes set forth therein, Del Monte Pacific Limited		10-Q (A)	10.3	12/9/2013
3.1	Amended Articles of Incorporation of The J. M. Smucker Company		10-Q	3.1	8/28/2013
3.2	Amended Regulations of The J. M. Smucker Company		8-K	3.1	6/15/2017
3.3	Articles of Organization of J.M. Smucker LLC		S-4	3.3	6/30/2015
3.4	Third Amended and Restated Operating Agreement of J.M. Smucker LLC		S-4	3.4	6/30/2015
3.5	Certificate of Incorporation of The Folgers Coffee Company		S-4	3.5	6/30/2015
3.6	Bylaws of The Folgers Coffee Company		S-4	3.6	6/30/2015
4.1	Rights Agreement, dated as of May 20, 2009, by and between the Company and Computershare Trust Company, N.A., as rights agent		8-A	4.1	5/21/2009
4.2	Amendment No. 1, dated as of February 3, 2015, to the Rights Agreement, dated as of May 20, 2009, between the Company and Computershare Trust Company, N.A., as rights agent		8-K	4.1	2/4/2015
4.3	Amendment No. 2, dated as of October 24, 2016, to the Rights Agreement, dated as of May 20, 2009, by and between the Company and Computershare Trust Company, N.A., as rights agent		8-K	4.1	10/24/2016
4.4	Indenture, dated as of October 18, 2011, between the Company and U.S. Bank National Association		8-K	4.1	10/18/2011
4.5	First Supplemental Indenture, dated as of October 18, 2011, among the Company, the guarantors party thereto, and U.S. Bank National Association		8-K	4.2	10/18/2011
4.6	Third Amended and Restated Intercreditor Agreement, dated June 11, 2010, among the administrative agents and other parties identified therein		S-3	4.7	10/13/2011
4.7	Indenture, dated as of March 20, 2015, between the Company and U.S. Bank National Association, as trustee		8-K	4.1	3/23/2015
4.8	First Supplemental Indenture, dated as of March 20, 2015, by and among the Company, the guarantors party thereto and U.S. Bank National Association, as trustee		8-K	4.2	3/23/2015
10.1	Nonemployee Director Stock Plan dated January 1, 1997*		10-K	10(e)	7/23/1997
10.2	The J. M. Smucker Company Top Management Supplemental Retirement Benefit Plan, restated as of January 1, 2018*		10-Q	10.3	2/24/2017
10.3	Amended and Restated Consulting and Noncompete Agreement of Timothy P. Smucker, dated as of December 31, 2010*		10-Q	10.2	3/11/2011
10.4	Amended and Restated Consulting and Noncompete Agreement of Richard K. Smucker, dated as of December 31, 2010*		10-Q	10.3	3/11/2011
10.5	Termination Amendment to Amended and Restated Consulting and Noncompete Agreement of Timothy P. Smucker, dated as of April 25, 2011*		8-K	10.1	4/25/2011

INDEX OF EXHIBITS

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference from Form	Exhibit	Filing Date
10.6	Termination Amendment to Amended and Restated Consulting and Noncompete Agreement of Richard K. Smucker, dated as of April 25, 2011*		8-K	10.2	4/25/2011
10.7	The J. M. Smucker Company Voluntary Deferred Compensation Plan, amended and restated as of December 1, 2012*		10-Q	10.3	3/1/2013
10.8	The J. M. Smucker Company 2006 Equity Compensation Plan, effective August 17, 2006*		8-K	10.1	8/21/2006
10.9	The J. M. Smucker Company 2010 Equity and Incentive Compensation Plan*		8-K	10.1	8/20/2010
10.10	Amendment No. 1 to The J. M. Smucker Company 2010 Equity and Incentive Compensation Plan*	X			
10.11	Omnibus Amendment to Restricted Stock Agreements for Folgers Employees, dated as of November 4, 2010*		10-Q	10.1	3/11/2011
10.12	Form of Restricted Stock Agreement*		8-K	10.1	4/20/2012
10.13	Form of Deferred Stock Units Agreement*		8-K	10.2	4/20/2012
10.14	Form of Restricted Stock Agreement*		10-K	10.26	6/21/2013
10.15	Form of Deferred Stock Units Agreement*		10-K	10.27	6/21/2013
10.16	Form of Special One-Time Grant of Restricted Stock Agreement*		10-K	10.28	6/21/2013
10.17	Form of Restricted Stock Agreement*		10-Q	10.1	9/2/2015
10.18	Form of Special One-Time Grant of Restricted Stock Agreement*		10-Q	10.1	11/22/2016
10.19	Form of Special One-Time Grant of Deferred Stock Units Agreement*		10-Q	10.2	11/22/2016
10.20	Form of Restricted Stock Agreement*	X			
10.21	Form of Deferred Stock Units Agreement*	X			
10.22	The J. M. Smucker Company Nonemployee Director Deferred Compensation Plan (Amended and Restated Effective January 1, 2007)*		10-Q	10.5	3/10/2009
10.23	The J. M. Smucker Company Nonemployee Director Deferred Compensation Plan (Amended and Restated Effective January 1, 2014)*		10-Q	10.2	11/27/2013
10.24	The J. M. Smucker Company Defined Contribution Supplemental Executive Retirement Plan, restated effective as of May 1, 2015*		10-K	10.23	6/25/2015
10.25	Amendment No. 1 to The J. M. Smucker Company Defined Contribution Supplemental Executive Retirement Plan, dated as of December 31, 2016*		10-Q	10.2	2/24/2017
10.26	The J. M. Smucker Company Restoration Plan, amended and restated effective as of January 1, 2013*		10-K	10.24	6/25/2015
10.27	Amendment No. 1 to The J. M. Smucker Company Restoration Plan, dated as of May 1, 2015*		10-K	10.25	6/25/2015
10.28	Amendment No. 2 to The J. M. Smucker Company Restoration Plan, dated as of December 31, 2016*		10-Q	10.1	2/24/2017
10.29	Form of Nonstatutory Stock Option Agreement between the Company and the Optionee (one-year vesting)*		8-K	10.2	3/23/2015
10.30	Form of Nonstatutory Stock Option Agreement between the Company and the Optionee (three-year vesting)*		8-K	10.3	3/23/2015
10.31	Form of Change in Control Severance Agreement between the Company and the Officer party thereto*		8-K	10.5	3/23/2015
10.32	Form of Indemnity Agreement between the Company and the Officer party thereto*		8-K	10.1	8/16/2016

INDEX OF EXHIBITS

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference from Form	Exhibit	Filing Date
10.33	The J. M. Smucker Company 1998 Equity and Performance Incentive Plan (as amended and restated effective as of June 6, 2005)*		8-K	10.1	6/9/2005
10.34	Amended and Restated Asset Purchase and Sale Agreement, dated as of October 24, 2001, by and among General Mills, Inc., The Pillsbury Company, and International Multifoods Corporation		8-K (B)	2.1	11/28/2001
10.35	Retail Trademark License Agreement, dated November 13, 2001, between The Pillsbury Company and International Multifoods Corporation		10-Q (B)	10.2	1/14/2002
10.36	Amendment to Retail Trademark License Agreement, dated December 23, 2002, between The Pillsbury Company and International Multifoods Corporation		10-K (B)	10.29	5/12/2003
10.37	Closing Agreement, dated as of November 13, 2001, by and among General Mills, Inc., The Pillsbury Company, and International Multifoods Corporation		8-K (B)	2.2	11/28/2001
10.38	Omnibus Amendment Agreement, dated as of January 16, 2003, by and among General Mills, Inc., The Pillsbury Company, International Multifoods Corporation, and Sebesta Blomberg & Associates, Inc.		8-K (B)	10.1	1/28/2003
10.39	Tax Matters Agreement between The Procter & Gamble Company, The Folgers Coffee Company, and the Company, dated November 6, 2008		10-Q	10.20	12/9/2008
10.40	Intellectual Property Matters Agreement between The Procter & Gamble Company and The Folgers Coffee Company, dated November 6, 2008		10-Q	10.21	12/9/2008
10.41	Third Amended and Restated Credit Agreement, dated as of September 6, 2013, among the Company and Smucker Foods of Canada Corp., as borrowers, the lenders and guarantors party thereto, and Bank of Montreal, as administrative agent		8-K	10.1	9/10/2013
10.42	Amendment No. 1, dated as of February 23, 2015, to the Third Amended and Restated Credit Agreement dated as of September 6, 2013, among the Company and Smucker Foods of Canada Corp., as borrowers, the lenders and guarantors party thereto, and Bank of Montreal, as administrative agent		8-K	10.1	2/24/2015
10.43	Form of Commercial Paper Dealer Agreement between the Company, as Issuer, and the Dealer party thereto		10-Q	10.1	8/27/2014
10.44	Term Loan Credit Agreement, dated as of March 2, 2015, among the Company, as borrower, the lenders and guarantors party thereto, and Bank of America, N.A., as administrative agent		8-K	10.1	3/3/2015
12.1	Computation of Ratio of Earnings to Fixed Charges	X			
13	Excerpts from our 2017 Annual Report to Shareholders. Such Annual Report, except those portions thereof that are expressly incorporated herein by reference, is furnished for the information of the Commission only and is not deemed to be filed as part of this Annual Report on Form 10-K	X			
21	Subsidiaries of the Registrant	X			
23	Consent of Independent Registered Public Accounting Firm	X			
24	Powers of Attorney	X			
31.1	Certifications of Mark T. Smucker pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended	X			

INDEX OF EXHIBITS

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference from Form	Exhibit	Filing Date
31.2	Certifications of Mark R. Belgya pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended	X			
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002	X			
101.INS	XBRL Instance Document	X			
101.SCH	XBRL Taxonomy Extension Schema Document	X			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X			
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	X			
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X			

* Identifies exhibits that consist of a management contract or compensatory plan or arrangement.
(A) Identifies an exhibit filed under Del Monte Corp. (Commission File No. 333-107830-05).
(B) Identifies exhibits filed under International Multifoods Corp. (Commission File No. 001-6699).

THE J. M. SMUCKER COMPANY

ANNUAL REPORT ON FORM 10-K

INDEX TO FINANCIAL STATEMENTS

Financial statement schedules are omitted because they are not applicable or because the information required is set forth in the Consolidated Financial Statements or the notes thereto.

Exhibit 10.10

**AMENDMENT NO. 1 TO
THE J. M. SMUCKER COMPANY
2010 EQUITY AND INCENTIVE COMPENSATION PLAN**

THIS AMENDMENT NO. 1 TO THE J. M. SMUCKER COMPANY 2010 EQUITY AND INCENTIVE COMPENSATION PLAN (this " Amendment") is made by THE J.M. SMUCKER COMPANY, an Ohio corporation (the "Company").

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company to amend The J. M. Smucker Company 2010 Equity and Incentive Compensation Plan (the "Plan") to amend the section of the Plan pertaining to tax withholding in order to reflect a recent change to applicable accounting rules; and

WHEREAS, the Board approved this Amendment on June 15, 2017.

NOW, THEREFORE, the Plan is hereby amended as follows:

Section 17 of the Plan is replaced in its entirety with the following:

Withholding Taxes. To the extent that the Company is required to withhold federal, state, local, or foreign taxes in connection with any payment made or benefit realized by a Participant or other person under this Plan, and the amounts available to the Company for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld, which arrangements (in the discretion of the Board) may include relinquishment of a portion of such benefit. If a Participant's benefit is to be received in the form of Common Shares, and such Participant fails to make arrangements for the payment of tax, the Company will withhold such Common Shares having a value equal to the amount required to be withheld. Notwithstanding the foregoing, when a Participant is required to pay the Company an amount required to be withheld under applicable income and employment tax laws, the Participant may elect to satisfy the obligation, in whole or in part, by electing to have withheld, from the shares required to be delivered to the Participant, Common Shares having a value equal to the amount required to be withheld (except in the case of Restricted Stock where an election under Section 83(b) of the Code has been made), or by delivering to the Company other Common Shares held by such Participant. The shares used for tax withholding will be valued at an amount equal to the Market Value per Share of such Common Shares on the date the benefit is to be included in Participant's income. In no event will the number of Common Shares to be withheld and delivered pursuant to this Section to satisfy applicable withholding taxes in connection with the benefit exceed such number of Common Shares which have an aggregate Market Value per Share which exceeds the maximum statutory individual tax rate in the jurisdiction(s) applicable to the Participant. Participants will also make such arrangements as the Company may require for the payment of any withholding tax obligation that may arise in connection with the disposition of Common Shares acquired upon the exercise of Option Rights.

Except as specifically amended by this Amendment, the Plan shall remain in full force and effect in accordance with its terms.

Exhibit 10.20

THE J. M. SMUCKER COMPANY

RESTRICTED STOCK AGREEMENT

WHEREAS, __________ (the “Grantee”) is an employee of The J. M. Smucker Company, an Ohio corporation (the “Company”), or one of its Subsidiaries; and

WHEREAS, the execution of an agreement in the form hereof (this “Agreement”) has been authorized by a resolution of the Executive Compensation Committee (the “Committee”) of the Board, pursuant to The J. M. Smucker Company 2010 Equity and Incentive Compensation Plan (the “Plan”), as of __________ (the “Date of Grant”);

NOW, THEREFORE, the Company hereby grants to the Grantee __________ shares of Restricted Stock (the “Restricted Stock”), effective as of the Date of Grant, subject to the terms and conditions of the Plan and the following additional terms, conditions, limitations and restrictions.

ARTICLE I

DEFINITIONS

All terms used herein with initial capital letters and not otherwise defined herein that are defined in the Plan shall have the meanings assigned to them in the Plan.

ARTICLE II

CERTAIN TERMS OF THE RESTRICTED STOCK

1. Issuance of Restricted Stock. The Restricted Stock covered by this Agreement shall be issued to the Grantee effective upon the Date of Grant. The Restricted Stock shall be registered in the Grantee’s name and shall be fully paid and nonassessable. Any certificates or evidence of award shall bear an appropriate legend referring to the restrictions hereinafter set forth.

2. Restrictions on Transfer of Shares. The Restricted Stock may not be sold, exchanged, assigned, transferred, pledged, encumbered or otherwise disposed of by the Grantee, except to the Company, unless the Restricted Stock has become nonforfeitable as provided in Article II, Section 3 hereof; provided, however, that the Grantee’s rights with respect to such Restricted Stock may be transferred by will or pursuant to the laws of descent and distribution. Any purported transfer or encumbrance in violation of the provisions of this Article II, Section 2 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Restricted Stock. The Committee in its sole discretion, when and as permitted by the Plan, may waive the restrictions on transferability with respect to all or a portion of the Restricted Stock.

3. Vesting of Restricted Stock.

(a) All of the Restricted Stock covered by this Agreement shall become nonforfeitable on the fourth anniversary of the Date of Grant, if the Grantee shall have remained in the continuous employ of the Company or a Subsidiary during that four-year period.

(b) [Notwithstanding the provisions of Article II, Section 3(a), (i) all of the Restricted Stock covered by this Agreement shall immediately become nonforfeitable if (A) the Grantee is age 60 or greater with at least ten years of service with the Company or its Subsidiaries on the Date of Grant or (B) while the Grantee is employed by the Company or a Subsidiary, the Grantee turns age 60 with at least ten years of service with the Company or its Subsidiaries at any time during the four-year period from the Date of Grant (the applicable date in

(A) or (B), the "Age 60 Vesting Date") and (ii) as of the Age 60 Vesting Date, the restrictions set forth in Article II, Section 2 shall lapse with respect to 50% of such Restricted Stock and the restrictions set forth in Article II, Section 2 shall lapse with respect to the remaining 50% of such Restricted Stock as of the earlier of the date set forth in Article II, Section 3(a) or the occurrence of the applicable vesting event set forth in Article II, Section 3(c) or (d).] [1]

(c) Notwithstanding the provisions of Article II, Section 3(a) or (b), all of the Restricted Stock covered by this Agreement shall immediately become nonforfeitable or transferable, as applicable, if (i) the Grantee dies or becomes permanently disabled during the four-year period from the Date of Grant or (ii) a Change in Control occurs during the four-year period from the Date of Grant while the Grantee is employed by the Company or a Subsidiary.

(d) Notwithstanding the provisions of Article II, Section 3(a) or (b), if the Grantee leaves the employ of the Company or a Subsidiary within four years from the Date of Grant under circumstances determined by the Committee to be for the convenience of the Company, the Committee may, when and as permitted by the Plan, determine that all of the Restricted Stock covered by this Agreement shall become nonforfeitable or transferable, as applicable.

4. Forfeiture of Shares. The Restricted Stock shall be forfeited, except as otherwise provided in Article II, Section 3 above, if the Grantee ceases to be employed by the Company or a Subsidiary prior to the fourth anniversary of the Date of Grant or in the event the Committee determines the Grantee has engaged in Detrimental Activity as such term is defined in the Plan. In the event of a forfeiture, any certificate(s) representing the Restricted Stock or any evidence of direct registration of the Restricted Stock covered by this Agreement shall be canceled.

5. Dividend, Voting and Other Rights.

(a) Except as otherwise provided herein, from and after the Date of Grant, the Grantee shall have all of the rights of a shareholder with respect to the Restricted Stock covered by this Agreement, including the right to vote such Restricted Stock and receive any dividends that may be paid thereon; provided, however, that any additional Common Shares or other securities that the Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation, or reorganization or any other change in the capital structure of the Company shall be subject to the same restrictions as the Restricted Stock covered by this Agreement.

(b) Cash dividends on the Restricted Stock covered by this Agreement shall be paid to the Grantee pursuant to the Company's then-current articles of incorporation and reported on the Grantee's annual wage and tax statement (Form W-2) as compensation.

6. Retention of Restricted Stock in Book Entry Form. The Restricted Stock will be held at the Company's transfer agent in book entry form with appropriate restrictions relating to the transfer of such Restricted Stock until all restrictions thereon will have lapsed.

[1] For employees of the Folgers business, use the following for Section 3(b): [Notwithstanding the provisions of Article II, Section 3(a), (i) all of the Restricted Stock covered by this Agreement shall immediately become nonforfeitable if at any time during the four-year period from the Date of Grant, the Grantee has either (A) reached the age of 60 with at least ten years of combined service with the Folgers business and the Company or its Subsidiaries or (B) reached the age of 57½ years of age and has at least twenty years of combined service with the Folgers business and the Company or its Subsidiaries (the applicable date in (A) or (B), the "Age and Service Vesting Date"), or (C) the grantee has satisfied the Age and Service Vesting Date as of the Date of Grant; provided, further, that the Grantee was at least 48 years of age as of November 19, 2008; and (ii) as of the Age and Service Vesting Date, the restrictions set forth in Article II, Section 2 shall lapse with respect to 50% of such Restricted Stock and the restrictions set forth in Article II, Section 2 shall lapse with respect to the remaining 50% of such Restricted Stock as of the earlier of the date set forth in Article II, Section 3(a) or the occurrence of the applicable vesting event set forth in Article II, Section 3(c) or (d).]

ARTICLE III

GENERAL PROVISIONS

7. Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of this Agreement, the Company shall not be obligated to issue any Common Shares pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

8. Withholding Taxes. To the extent that the Company or any Subsidiary is required to withhold federal, state, local or foreign taxes in connection with the Restricted Stock or any delivery of Common Shares pursuant to this Agreement, and the amounts available to the Company or such Subsidiary for such withholding are insufficient, it will be a condition to the receipt of Restricted Stock or such delivery that the Grantee make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. The Grantee hereby elects to satisfy this withholding obligation by having withheld, from the Common Shares otherwise deliverable to the Grantee, Common Shares having a value equal to the amount required to be withheld (except where the Grantee has made an election under Section 83(b) of the Code with respect to the Common Shares subject to delivery). The Common Shares so retained shall be credited against such withholding requirement at the Market Value per Share on the date of such retention. The Company may, at the request of the Grantee, withhold Common Shares for payment of taxes in excess of the minimum amount of taxes required to be withheld; provided, however, that in no event shall the Company withhold Common Shares for payment of taxes in excess of the maximum statutory individual tax rate in the jurisdiction(s) applicable to the Grantee.

9. Continuous Employment. For purposes of this Agreement, the continuous employment of the Grantee with the Company or a Subsidiary shall not be deemed to have been interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company or Subsidiary, by reason of the (a) transfer of his employment among the Company and its Subsidiaries or (b) a leave of absence approved by a duly constituted officer of the Company or a Subsidiary.

10. Right to Terminate Employment. No provision of this Agreement shall limit in any way whatsoever any right that the Company or a Subsidiary may otherwise have to terminate the employment of the Grantee at any time. Nothing herein shall be deemed to create a contract or a right to employment with respect to the Grantee.

11. Relation to Other Benefits. Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement, or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

12. Amendments. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall impair the rights of the Grantee under this Agreement without the Grantee’s consent; further provided, however, that the Grantee’s consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with (or exemption from) Section 409A of the Code or the Dodd-Frank Wall Street Reform and Consumer Protection Act or any regulations promulgated thereunder.

13. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

14. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine any questions which arise in connection with the grant of the Restricted Stock.

15. Nature of Grant. The Grantee agrees that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time; (b) the grant of Restricted Stock is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock, or benefits in substitution of Restricted Stock, even if Restricted Stock have been granted repeatedly in the past; (c) all decisions with respect to future Restricted Stock grants will be at the sole discretion of the Company; (d) participation in the Plan is voluntary; (e) the Restricted Stock are not a part of normal or expected pay package for any purposes; (f) if he or she is a Covered Employee, within the meaning of the Company's Clawback of Incentive Compensation Policy (the "Policy"), he or she acknowledges and accepts the terms and conditions of the Policy as in effect on the Date of Grant; and (g) in consideration of the grant of Restricted Stock, no claim or entitlement to compensation or damages will be created by any forfeiture or other termination of the Restricted Stock or diminution in value of the Restricted Stock, and the Grantee releases the Company and its Subsidiaries from any such claim that may arise. If any such claim is found by a court of competent jurisdiction to have been created, then, by signing this Agreement, the Grantee will be deemed irrevocably to have waived the Grantee's entitlement to pursue such claim.

16. Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to the Restricted Stock and the Grantee's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. Governing Law. This Agreement is made under, and shall be governed by and construed in accordance with the internal substantive laws of the State of Ohio.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

This Agreement is executed by the Company as of the _____ day of __________.

THE J. M. SMUCKER COMPANY

By:____
Name:
Title:

The undersigned hereby acknowledges receipt of an executed original of this Agreement, together with a copy of the prospectus for the Plan, dated __________, summarizing key provisions of the Plan, and accepts the award of Restricted Stock granted hereunder on the terms and conditions set forth herein and in the Plan.

Date: ______________ ______________________________________
Grantee:

Exhibit 10.21

THE J. M. SMUCKER COMPANY

DEFERRED STOCK UNITS AGREEMENT
(For Non-U.S. Taxpayers)
[(With Dividend Equivalents)]

WHEREAS, __________ (the “Grantee”) is an employee of The J. M. Smucker Company, an Ohio corporation (the “Company”), or one of its Subsidiaries; and

WHEREAS, the execution of an agreement in the form hereof (this “Agreement”) has been authorized by a resolution of the Executive Compensation Committee (the “Committee”) of the Board, pursuant to The J. M. Smucker Company 2010 Equity and Incentive Compensation Plan (the “Plan”), as of __________ (the “Date of Grant”);

NOW, THEREFORE, the Company hereby grants to the Grantee __________ Deferred Stock Units (the “Deferred Stock Units”), effective as of the Date of Grant, subject to the terms and conditions of the Plan and the following additional terms, conditions, limitations and restrictions.

ARTICLE I

DEFINITIONS

All terms used herein with initial capital letters and not otherwise defined herein that are defined in the Plan shall have the meanings assigned to them in the Plan.

ARTICLE II

CERTAIN TERMS OF THE DEFERRED STOCK UNITS

1. Grant of Deferred Stock Units. The Deferred Stock Units covered by this Agreement are granted to the Grantee effective on the Date of Grant and are subject to and granted upon the terms, conditions and restrictions set forth in this Agreement and in the Plan. The Deferred Stock Units shall become vested in accordance with Article II, Section 3 hereof. Each Deferred Stock Unit shall represent the right to receive one Common Share when the Deferred Stock Unit vests and shall at all times be equal in value to one hypothetical Common Share. The Deferred Stock Units will be credited to the Grantee in an account established for the Grantee until payment in accordance with Article II, Section 4 hereof.

2. Restrictions on Transfer of Deferred Stock Units. Neither the Deferred Stock Units granted hereby **[(and any applicable dividend equivalents)],** nor any interest therein or in the Common Shares related thereto, shall be transferable prior to payment other than by will or pursuant to the laws of descent and distribution (or to a designated beneficiary in the event of the Grantee’s death).

3. Vesting of Deferred Stock Units.

(a) The Deferred Stock Units shall become vested on the fourth anniversary of the Date of Grant (the "Vesting Date"), if the Grantee shall have remained in the continuous employ of the Company or a Subsidiary during that four-year period. Any Deferred Stock Units not vested will be forfeited, except as provided in Article II, Section 3(b) below. Deferred Stock Units may also be forfeited in the event the Committee determines the Grantee has engaged in Detrimental Activity as such term is defined in the Plan.

(b) Notwithstanding the provisions of Article II, Section 3(a), all of the Deferred Stock Units shall immediately become nonforfeitable if (i) the Grantee dies or becomes permanently disabled while in the employ of the Company or a Subsidiary during the four-year period from the Date of Grant, (ii) at any time during the four-year period from the Date of Grant, the Grantee is age 60 with at least ten years of service with the Company or its Subsidiaries, or (iii) a Change in Control occurs during the four-year period from the Date of Grant while the Grantee is employed by the Company or a Subsidiary.

4. Issuance of the Common Shares.

(a) The Company will issue to the Grantee the Common Shares underlying the vested Deferred Stock Units as soon as practicable, but not later than 10 days, after the earliest to occur of (i) the Vesting Date, (ii) the Grantee's death or permanent disability as set forth in Article II, Section 3(b)(i) or (iii) the occurrence of a Change in Control as set forth in Article II, Section 3(b)(iii); provided that to the extent that the Grantee is subject to payment of U.S. tax at the time of such issuance, then to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, such issuance will only be made if, to the extent applicable, (A) the permanent disability qualifies as a "disability" within the meaning of Section 409A of the Code or (B) the Change in Control qualifies as a "change in the ownership of the corporation," a "change in effective control of the corporation" or a "change in the ownership of a substantial portion of the assets of the corporation," in each case within the meaning of Section 409A of the Code.

(b) Except to the extent permitted by the Company and the Plan, no Common Shares may be issued to the Grantee at a time earlier than otherwise expressly provided in this Agreement.

(c) The Company's obligations to the Grantee with respect to the Deferred Stock Units will be satisfied in full upon the issuance of the Common Shares corresponding to such Deferred Stock Units.

5. Dividend, Voting and Other Rights.

(a) The Grantee shall have no rights of ownership in the Deferred Stock Units **[except for a right to dividend equivalents payable in cash on a current basis on the Common Shares underlying the Deferred Stock Units as provided in Article II, Section 5(b) below ("dividend equivalents"),]**and shall have **[no right to dividends and]**no right to vote Deferred Stock Units until the date on which the Common Shares underlying the Deferred Stock Units are transferred to the Grantee pursuant to Article II, Section 4 above.

[(b) Subject to the forfeiture of Deferred Stock Units as provided for in this Agreement, the Company shall pay the Grantee dividend equivalents on the Common Shares underlying the Deferred Stock Units on a current basis in cash as if such Common Shares were actually issued to the Grantee.]

([c]) The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver Common Shares in the future, and the rights of the Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

ARTICLE III

GENERAL PROVISIONS

6. Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal, state and foreign securities laws; provided, however, notwithstanding any other provision of this Agreement, the Company shall not be obligated to issue any Common Shares pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

7. Compliance with Section 409A of the Code. The parties intend for this Agreement to either comply with, or be exempt from, Section 409A of the Code, to the extent applicable, and all provisions of this Agreement will be interpreted and applied accordingly. Reference to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

8. Withholding Taxes. To the extent that the Company or any Subsidiary is required to withhold federal, state, local or foreign taxes in connection with the Deferred Stock Units**[, any applicable dividend equivalents]** or the issuance of Common Shares pursuant to this Agreement, and the amounts available to the Company or such Subsidiary for such withholding are insufficient, it will be a condition to the issuance of such Common Shares that the Grantee make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. The Grantee hereby elects to satisfy this withholding obligation by having withheld, from the Common Shares otherwise deliverable to the Grantee, Common Shares having a value equal to the amount required to be withheld. The Common Shares so retained shall be credited against such withholding requirement at the Market Value per Share on the date of such retention. The Company may, at the request of the Grantee, withhold Common Shares for payment of taxes in excess of the minimum amount of taxes required to be withheld; provided, however, that in no event shall the Company withhold Common Shares for payment of taxes in excess of the maximum statutory individual tax rate in the jurisdiction(s) applicable to the Grantee.

9. Continuous Employment. For purposes of this Agreement, the continuous employment of the Grantee with the Company or a Subsidiary shall not be deemed to have been interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company or Subsidiary, by reason of the (a) transfer of his or her employment among the Company and its Subsidiaries or (b) a leave of absence approved by a duly constituted officer of the Company or a Subsidiary.

10. Right to Terminate Employment. No provision of this Agreement shall limit in any way whatsoever any right that the Company or a Subsidiary may otherwise have to terminate the employment of the Grantee at any time. Nothing herein shall be deemed to create a contract or a right to employment with respect to the Grantee.

11. Relation to Other Benefits. Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement, or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

12. <u>Amendments</u>. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; <u>provided</u>, <u>however</u>, that no amendment shall impair the rights of the Grantee under this Agreement without the Grantee's consent; <u>further provided</u>, <u>however</u>, that the Grantee's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code or the Dodd-Frank Wall Street Reform and Consumer Protection Act or any regulations promulgated thereunder.

13. <u>Severability</u>. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

14. <u>Relation to Plan</u>. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine any questions which arise in connection with the grant of the Deferred Stock Units.

15. <u>Nature of Grant</u>. The Grantee agrees that: (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time; (b) the grant of Deferred Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Deferred Stock Units, or benefits in substitution of Deferred Stock Units, even if Deferred Stock Units have been granted repeatedly in the past; (c) all decisions with respect to future Deferred Stock Unit grants will be at the sole discretion of the Company; (d) participation in the Plan is voluntary; (e) the Deferred Stock Units are not a part of normal or expected pay package for any purposes; (f) if he or she is a Covered Employee, within the meaning of the Company's Clawback of Incentive Compensation Policy (the "Policy"), he or she acknowledges and accepts the terms and conditions of the Policy as in effect on the Date of Grant; and (g) in consideration of the grant of Deferred Stock Units, no claim or entitlement to compensation or damages will be created by any termination of the Deferred Stock Units or diminution in value of the Deferred Stock Units, and the Grantee releases the Company and its Subsidiaries from any such claim that may arise. If any such claim is found by a court of competent jurisdiction to have been created, then, by signing this Agreement, the Grantee will be deemed irrevocably to have waived the Grantee's entitlement to pursue such claim.

16. <u>Data Privacy</u>. The Grantee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement by and among the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company and its Subsidiaries hold (but only process or transfer to the extent required or permitted by local law) the following personal information about the Grantee: the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Common Shares or directorships held in the Company, details of all options or any other entitlement to Common Shares awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan ("Data"). The Grantee understands that Data may be transferred to third parties assisting in the implementation, administration and management of the Plan, including **[List administrator(s)]**, that these recipients may be located in the Grantee's country or elsewhere (including countries outside of the European Union or the European Economic Area, such as the United States of America), and that the recipient's country may have different data privacy laws and protections than those that apply in the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes these recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Grantee may elect to deposit any

shares acquired upon the vesting of the Deferred Stock Units. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan and in accordance with local law. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee hereby understands that the Grantee may contact the Grantee's local human resources representative.

17. Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to the Deferred Stock Units and the Grantee's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or to request the Grantee's consent to participate in the Plan by electronic means. The Grantee consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

18. Governing Law. This Agreement is made under, and shall be governed by and construed in accordance with the internal substantive laws of the State of Ohio.

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This Agreement is executed by the Company as of the _____ day of __________.

THE J. M. SMUCKER COMPANY

By:____
Name:
Title:

The undersigned hereby acknowledges receipt of an executed original of this Agreement, together with a copy of the prospectus for the Plan, dated __________, summarizing key provisions of the Plan, and accepts the award of Deferred Stock Units granted hereunder on the terms and conditions set forth herein and in the Plan.

Date: ______________ ______________________________________
Grantee:

Exhibit 12.1

The J. M. Smucker Company
Computation of Ratio of Earnings to Fixed Charges
(in millions of dollars)

	April 30, 2017 Year Ended
Earnings before fixed charges:	
Income before income taxes	$ 878.4
Total fixed charges	199.5
Less: capitalized interest	(0.8)
Earnings available for fixed charges	$ 1,077.1
Fixed charges:	
Interest and other debt expense, net of capitalized interest	$ 165.0
Capitalized interest	0.8
Estimated interest portion of rent expense (A)	33.7
Total fixed charges	$ 199.5
Ratio of earnings to fixed charges	5.4

(A) For purposes of this calculation, management estimates approximately one-third of rent expense is representative of interest expense.

SMUCKER'S

THE J. M. SMUCKER COMPANY

ANNUAL REPORT

WHY WE ARE WHO WE ARE

A culture of doing the *right* things and
doing *things* right…
Of dotting the i's and crossing the t's…
A culture of growth—individual and as a company.
A result of living our *Basic Beliefs*…
Our Commitment to Each Other, to our consumers,
and to our customers.
As we look to the future of unlimited possibilities,
we recognize the principles that are instrumental
to our success:
A culture deeply rooted in our *Basic Beliefs*,
guideposts for decisions at every level;
A culture that encourages commitment to each other,
clear communication and collaboration;
A culture of appreciation;
A *family*-sense of sharing in a job well done;
Where every person makes a difference.

OUR PURPOSE

Helping to bring families together to share memorable meals and moments.

We have always defined success by more than financial performance. We believe how we do things is as important as what we do. *Our Purpose* aims to articulate why we are in business and the impact we aspire to have on society.

Being together with the ones we love isn't just a pleasant way to spend time—it's vital to a healthy, happy, fulfilling life. In fact, the more family and friends spend time with each other, the richer their lives become.

We believe we can help strengthen families through the memorable meals and moments they share, and we can help make every day a little more special by nurturing the bonds that bring people together, as well as people and their pets closer together.

And the stronger families are today, the stronger our society will be tomorrow.

Quite simply, life tastes better together.

OUR PORTFOLIO OF

LEADING AND EMERGING BRANDS

#1

JIF
Market Share
Peanut Butter

#1

FOLGERS
Market Share
At-Home
Coffee Brand

#1

SMUCKER'S
Market Share
Fruit Spreads

#1

MILK-BONE
Market Share
Dog Snacks

OUR VISION

Engage, delight, and inspire consumers through trusted food and beverage brands that bring joy throughout their lives.

A portfolio that combines #1 and leading brands with emerging, on-trend brands to drive balanced growth.

#1
ROBIN HOOD
Market Share
Flour in Canada

#2
DUNKIN' DONUTS
Market Share
Premium Bagged Coffee

12%
CAFÉ BUSTELO
5-Year Compound Annual Growth Rate

17%
SMUCKER'S UNCRUSTABLES
15-Year Compound Annual Growth Rate

DEAR SHAREHOLDERS AND FRIENDS,

For the past 120 years, The J.M. Smucker Company has grown and flourished thanks to an unwavering commitment to making quality products that meet the evolving needs of our consumers. We recognize consumers' eating habits have fundamentally changed since our founding—and even over the past few years. We are developing an increasingly sophisticated view of the link between food and our consumers' sense of purpose in their lives. These insights are helping us develop brands and products that align with the values of today's consumers, giving us a clear roadmap for the future.

As consumer preferences are more influential than ever, fiscal 2017 was a pivotal year of gearing up for future growth as we continued to transform our business to reflect this changing landscape while remaining true to our heritage and *Our Purpose* of *helping to bring families together to share memorable meals and moments*. We're investing significantly in product innovation and strengthening capabilities in areas such as data analytics, e-commerce, and digital marketing to drive top-line growth while managing costs to fuel that growth. While top-line softness persisted throughout the fiscal year, both for our industry and for our business, we achieved adjusted earnings per share in line with our projections for the year by accelerating realized synergies related to the Big Heart Pet Brands acquisition and managing budgets and costs efficiently. Specific highlights for fiscal 2017 include:

- Achieved a 7 percent increase in adjusted earnings per share, excluding a prior year gain and noncash tax benefit;
- Grew key on-trend brands such as *Smucker's® Uncrustables®* sandwiches and *Café Bustelo®* coffee with both brands experiencing double-digit sales growth;
- Returned more than $775 million to our shareholders in the form of dividends and share repurchases; and
- Attained $122 million in incremental synergies for the year, exceeding our original target, and embarked on the next phase of our cost-reduction initiatives.

CAPITALIZING ON BRAND STRENGTHS AND CONSUMER TRENDS

We have strong brands that participate in growing categories including coffee, pet food, peanut butter, and snacking. Today, our brands and products can be found in 93 percent of U.S. households, and our priority is to ensure that Smucker products remain the brands of choice for consumers.

We're fortifying that position by developing products that reflect the reality of today's consumers, who expect more from food than ever before. In addition to providing nourishment, food must deliver an enjoyable experience, connect individuals, satisfy cravings, promote health, and convey personal values. Brands once seen as status symbols now represent one's values.

Against this backdrop, we see consumers in the future making choices that fit their nontraditional, fast-paced schedules; meet highly specific wellness and functional needs; deliver convenience and quality in equal measure; and center on authentic brands with recognizable ingredients. These food trends diverge sharply from the past, which is why we have developed a three-year strategic roadmap to capitalize on new marketplace opportunities and generate sustainable, profitable growth.

In fiscal 2017, we made great strides in bolstering a new product pipeline that reflects shifts in consumer preferences toward convenience, simple ingredients, and snacking. While more meaningful contributions are expected in the years ahead, the effectiveness of these initiatives already can be seen in the near term.

- In U.S. Retail Coffee, *Folgers®* coffee responded to consumers' fondness for simple ingredients with *Folgers Simply Gourmet™*, a premium line of coffees made with all-natural flavors. Meanwhile, *Dunkin' Donuts®* K-Cup® pods are satisfying demand for convenient one-cup servings.

FINANCIAL HIGHLIGHTS

The J.M. Smucker Company

(DOLLARS AND SHARES IN MILLIONS, EXCEPT PER SHARE DATA)	YEAR ENDED APRIL 30, 2017	2016
Net sales	$7,392.3	$7,811.2
NET INCOME AND NET INCOME PER COMMON SHARE		
Net income	$ 592.3	$ 688.7
Net income per common share – assuming dilution	$ 5.10	$ 5.76
ADJUSTED INCOME AND EARNINGS PER SHARE [A]		
Adjusted income	$ 895.9	$ 931.3
Adjusted earnings per share – assuming dilution	$ 7.72	$ 7.79
COMMON SHARES OUTSTANDING AT YEAR END	113.4	116.3
NUMBER OF EMPLOYEES	7,140	6,910

[A] We use non-GAAP financial measures to evaluate our performance. Refer to "Non-GAAP Measures" in the "Management's Discussion and Analysis" section for a reconciliation to the comparable GAAP financial measure.

- In U.S. Retail Consumer Foods, we are leveraging our *Jif®* peanut butter brand to build a snacking platform that caters to consumers' desire for on-the-go options and protein-packed foods.
- In U.S. Retail Pet Foods, consumers' preferences for simple ingredients extend to the foods they buy for their pets. New *Milk-Bone® Farmer's Medley™* treats are made with USA-sourced meat and contain no fillers, corn, or artificial flavors or preservatives.

A ROADMAP FOR FUTURE GROWTH

At the highest level, our three-year plan is about balancing a focus on top-line growth with a diligent approach to cost savings, allowing us to deliver our growth objectives regarding earnings per share. It includes disproportionate investment in key growth segments across our portfolio, including our *Jif, Smucker's Uncrustables*, *Sahale Snacks®*, and *Milk-Bone* brands, and all of our coffee brands.

In e-commerce, we are redefining every aspect of our approach, including organization, capabilities, and investment. With pet food and pet snacks and coffee leading the way, our target is to generate 5 percent of net sales in fiscal 2020 through e-commerce. Already, subscription order models are proving highly successful in this distribution channel; online sales of *Natural Balance®* premium pet food grew roughly 60 percent in fiscal 2017.

Other facets of the strategic plan include increasing capital expenditures to add new manufacturing capacity, improving flexibility and productivity at several existing manufacturing facilities, and enhancing our information technology. Recently, we broke ground on a new *Smucker's Uncrustables* sandwiches manufacturing facility in Longmont, Colorado. When complete in 2020, this plant will provide the capacity to double sales of what is today a $220 million business. We also plan key capital improvements at our coffee facilities in New Orleans, Louisiana, and peanut butter plant in Lexington, Kentucky, that will improve efficiencies, lower costs, and enhance quality.

Finally, we expect acquisitions to play an ongoing role in our future growth. As demonstrated by our recently announced agreement to acquire the *Wesson®* cooking oil brand, these transactions provide opportunities to add top- and bottom-line growth where we benefit from our existing customers and channels, broaden participation in existing categories, and realize synergies in our supply chain.

BALANCING INVESTMENTS WITH COST MANAGEMENT

To succeed, this growth journey needs fuel, which is being created in the form of ongoing cost management. We delivered over $120 million in incremental synergies associated with the Big Heart Pet Brands acquisition in fiscal 2017, exceeding our $100 million goal. This brings cumulative synergies achieved to date to approximately $160 million out of the total $200 million we expect to achieve by fiscal 2018. We have targeted another $250 million in cost reductions by fiscal 2020 from our companywide cost management program. This will result in $450 million in total annual synergy and cost reductions by that year.

Savings under this $250 million cost management program are expected to come from previously announced plant consolidations, accelerated operational efficiencies across the entire manufacturing network, organization optimization, revenue growth management, SKU rationalization, and a zero-based budgeting program. We believe that this strategy will capture the growth opportunities at hand and continue our historical track record of strong value creation, which has enabled us to return more than $3.1 billion to shareholders over the past five fiscal years through dividends and share repurchases.

A LONG-TERM VIEW

As important as our new roadmap is for charting our course for the next three years, we will continue to pay attention to the factors that have guided us for the past century: a focus on the consumer, strong relationships with all our constituents, and adherence to our culture and long-standing *Basic Beliefs* as we "Execute for Today, Build for Tomorrow." This message encapsulates our plans for the near future as we expect to deliver on three key financial objectives:

- Achieve earnings per share growth in line with our stated long-term objective;
- Grow the top line, both organically and through acquisitions; and
- Achieve significant cost savings that will provide fuel for investments in growth and support the bottom line.

Although our industry looks very different than it did a generation ago, we believe companies that embrace and address today's accelerating pace of change can and will thrive. In this environment, our strong portfolio of leading and emerging brands continues to serve us well, providing the flexibility required to continuously adapt to changes in the marketplace. We are thankful for our employees, who bring these beliefs to life every day, and to you, our shareholders, for your continued support and confidence in our Company.

Tim Richard Mark

Tim Smucker Richard Smucker Mark Smucker

June 19, 2017


Folgers
CLASSIC ROAST
CAFE BUSTELO
DUNKIN' DONUTS
PILON
Folgers
CLASSIC ROAST
CAFE BUSTELO
KEURIG HOT
DUNKIN' DONUTS
ORIGINAL BLEND

U.S. RETAIL
COFFEE

Led by three strong brands, *Folgers*, *Dunkin' Donuts*, and *Café Bustelo*, Smucker is the leader in the U.S. at-home retail coffee category, offering products across a variety of price points while participating in all key segments of at-home coffee, including mainstream roast and ground, one-cup, premium, instant, and ready-to-drink. We continue to deliver classic favorites while bringing new coffee blends and platforms to market.


CAFE
BUSTELO
ORIGINAL BLEND
DUNKIN' DONUTS
DUNKIN' DARK
RICH, PURE TASTE
240
Folgers
CLASSIC ROAST


29%
SEGMENT AS A
PERCENTAGE OF
COMPANY NET SALES

CATEGORY LEADERSHIP THROUGH TRADITION AND INNOVATION

INNOVATIVE NEW PRODUCTS FROM ICONIC BRANDS KEEP AMERICA'S COFFEE CONSUMERS COMING BACK FOR MORE.

As the at-home coffee category approaches $10 billion, Smucker remains the category leader with a 26 percent market share, led by a trio of brands–*Folgers, Dunkin' Donuts,* and *Café Bustelo*. In fiscal 2017, our U.S. Retail Coffee segment net sales totaled $2.1 billion, while we achieved segment profit of $682 million.

Folgers coffee remains consumers' favorite at-home coffee brand in mainstream roast and ground, the largest coffee segment by retail sales volume. In the past year, our market position in the mainstream coffee segment was 55 percent, more than twice that of the next-largest competitor.

Innovation will play a key role in the future of the *Folgers* brand, and we are utilizing data-driven insights to help shape future brand investments. Our research shows adult consumers of all ages are inspired by the heritage and authenticity of *Folgers* coffee, and we are using these insights to power further product innovations and to connect with new and core *Folgers* coffee consumers. For example, this past year we introduced in roast and ground and in K-Cup® pods *Folgers* Coffeehouse Blend, a bolder brew that launched to positive reviews. This summer we are launching *Folgers Simply Gourmet*, a premium coffee line featuring all-natural flavors.

We are utilizing data-driven insights to help shape future brand investments.

Dunkin' Donuts coffee generated approximately $500 million in net sales in fiscal 2017, including *Dunkin' Donuts* K-Cup® pods. The most successful product launch in our Company's history, *Dunkin' Donuts* K-Cup® pods exceeded its strong inaugural year performance and achieved the #2 ranking by IRI in its 2016 Food and Beverage New Product Pacesetters™ report. *Dunkin' Donuts* Original Blend is now the top-selling item among all K-Cup® pods along with retaining its position as the #1 bagged coffee item in the premium category. The overall premium segment of at-home coffee represents $2.3 billion in annual retail sales, and *Dunkin' Donuts* coffee is well-positioned in the category as the #2 premium coffee brand. This past year, we expanded the brand's roast and ground offerings, including popular seasonal flavors, to satisfy variety-seeking consumers and are investing in new platforms to extend the *Dunkin' Donuts* coffee brand. To meet accelerating demand for cold brew coffee, we are introducing *Dunkin' Donuts* Cold Brew coffee packs, a do-it-yourself kit that matches the cold brew experience offered at coffee shops with the comfort and convenience of being at home. Additional seasonal offerings of *Dunkin' Donuts* Cold Brew coffee packs are expected to hit the market following the initial launch.

The *Café Bustelo* brand continues to resonate strongly with its core Hispanic consumer base, while also attracting millennial coffee drinkers, who appreciate the brand's authentic heritage. *Café Bustelo* coffee net sales have grown at a 12 percent compound annual growth rate over the past five fiscal years, resulting in approximately $135 million in companywide net sales during fiscal 2017. We expect sales to double within the next three years as we focus on expanding distribution for the brand's roast and ground and K-Cup® pod offerings, as well as for *Bustelo Cool*®, a ready-to-drink coffee product.

With a portfolio of iconic brands that families love, it's no surprise more than 90 percent of American household pantries include a Smucker product. Our fruit spreads, nut butters, baking mixes and frostings, shortening and oils, natural and organic beverages, organic grains, and fruit and nut mixes enjoy the trust of consumers across generations.

U.S. RETAIL
CONSUMER FOODS

SATISFYING CHANGING CONSUMER PREFERENCES

OFFERING A VARIETY OF QUALITY PRODUCTS FROM TRUSTED LEADING AND EMERGING BRANDS, WE'RE MEETING THE SNACKING AND MEALTIME NEEDS OF TODAY'S CONSUMERS.

Snacking and natural and organic foods—two distinct but related trends—are key areas of focus in U.S. Retail Consumer Foods. We expect to achieve growth through innovation in current and new categories with brands consumers know and love. In fiscal 2017, we expanded the reach of our *Smucker's* and *Jif* brands and saw strong sales for on-trend offerings such as *Smucker's Uncrustables* sandwiches and *Sahale Snacks* fruit and nut mixes. Net sales for U.S. Retail Consumer Foods totaled $2.1 billion, with segment profit at $458 million.

Snacking products accounted for approximately $310 million in 2017 net sales companywide, having grown at an annualized rate of 15 percent since 2012 and reflecting a purposeful shift toward products that meet consumers' needs for convenient foods. In line with this trend, *Smucker's Uncrustables* sandwiches experienced double-digit sales increases in recent years and is well-positioned for growth. We recently removed high fructose corn syrup from all our *Smucker's Uncrustables* sandwiches and certified the entire line NSF Non-GMO True North™ by NSF International in response to consumer preferences.

Snacking is also a driving trend for our *Jif* peanut butter brand, which enjoys a 39 percent share in the U.S. peanut butter market. Increasingly viewed as a delicious and convenient source of protein, *Jif* peanut butter has proven to be a strong snacking platform, including both *Jif To Go®* peanut butter single-serve cups and *Jif* snack bars. *Jif* snack bars gained retail sales in fiscal 2017 through ongoing marketing investments and the introduction of new bar varieties.

In the baking aisle, our frosting innovation leadership continued with the launch of *Pillsbury™* Filled Pastry Bags, ready-to-use bags that make frosting fun and approachable, and our *Crisco®* brand expanded its offerings with *Crisco* Organic Coconut Oil Unrefined, which retains the distinct coconut aroma and flavor.

Since acquiring the *Sahale Snacks* brand, we have increased distribution, introduced smaller pack sizes, and rolled out new snack items in unique flavors such as Korean BBQ Almonds glazed mix and a new line of snack bars with sweet and savory flavor combinations. As a result, brand sales are up, with further growth anticipated through increased investments in marketing, innovation, and distribution.

Our natural and organic brands also provide a strong platform for growth. We enjoy #1 positions in natural peanut butter, organic peanut butter, natural fruit spreads, and natural shelf-stable juice.

Building on our natural juice category leadership, we are expanding distribution of the *Santa Cruz Organic™* Agua Fresca line of lightly sweetened organic fruit juices into traditional grocery outlets. In addition, through our licensing agreement with Numi Inc., we launched a line of ready-to-drink organic teas in five flavors.


SMUCKER'S
Uncrustables
Jif


28% SEGMENT AS A PERCENTAGE OF COMPANY NET SALES


MILK-BONE
Pup-Peroni
MILK-BONE
MILK-BONE
Natural Balance
NATURE'S RECIPE
GRAIN FREE

U.S. RETAIL

PET FOODS

A $30 billion category, pet food and pet snacks is the largest and one of the fastest-growing categories in which we participate. Trends in pet foods mirror those in consumer foods, with current growth driven by demand for snacks and premium products made with simple ingredients. With a portfolio that includes *Meow Mix®*, *Milk-Bone*, *Natural Balance*, *Nature's Recipe®*, and *Kibbles 'n Bits®*, we hold the #1 market share position in dog snacks, the #2 position in dry cat food, and a strong presence in premium pet food.

29% SEGMENT AS A PERCENTAGE OF COMPANY NET SALES

PROVIDING QUALITY PRODUCTS FOR PETS IN THE FAMILY

OUR PET FOOD AND PET SNACKS BRANDS ARE POISED FOR STEADY GROWTH.

We're putting into place a series of refreshed strategic initiatives to improve our sales and maintain a leadership position in pet food and pet snacks. We're focused on long-term brand building and reprioritizing marketing to support both core and emerging brands, optimizing our supply chain, and investing in innovation, including a new $25 million research and development facility on our corporate campus, which will open in June 2017.

For fiscal 2017, net sales for pet food and pet snacks totaled $2.1 billion, while segment profit was $481 million. Innovation is a key focus area, particularly within the dog snacks category, which generates some of the highest margins in our Company portfolio. Driven by the iconic *Milk-Bone* brand, we are a clear leader in this $2.3 billion category with a 38 percent market share. Following the successful introduction of *Milk-Bone Brushing Chews*® dental treats, we recently launched *Farmer's Medley* dog treats under the *Milk-Bone* brand. Meeting pet owners' needs for premium ingredients, these biscuits are made with USA-sourced meat and contain no fillers, corn, or artificial flavors or preservatives. We also have a strong snacking portfolio beyond the *Milk-Bone* brand, as we reinforce our position in the soft and chewy dog snacks space with our *Pup-Peroni*® brand through innovation and brand building.

We're focused on long-term brand building and reprioritizing marketing to support both core and emerging brands.

In fiscal 2017, we expanded distribution for our premium pet food portfolio by introducing *Nature's Recipe* into grocery and mass merchandisers. *Nature's Recipe*, which was previously sold exclusively within the pet specialty channel, is uniquely positioned to meet pet parents' increasing desire for natural and wellness offerings at accessible price points. Offering a premium brand in traditional retail is a key component of a broader strategy to grow our overall dog food portfolio by providing a strong presence in the value, mainstream, and premium segments of the grocery and mass channels.

Similarly, we continue to see strong long-term growth potential for *Natural Balance*, our super premium offering exclusive to the pet specialty and e-commerce channels. We have planned a packaging refresh to enhance on-shelf positioning for this brand and are introducing a high-protein line of *L.I.D. Limited Ingredient Diets*® items. We are also focused on customer-specific strategies to drive in-store traffic and further accelerate e-commerce sales.

Finally, we plan to build upon our #2 position in the cat food and cat snacks segments, led by the *Meow Mix* brand. With a view toward innovating across the category, we recently launched *Meow Mix Bistro*™ dry cat food inspired by culinary recipes and *Meow Mix* Paté wet varieties made with real meat ingredients. Within cat treats, we successfully launched *Meow Mix Irresistibles*®, made with real meat and no artificial flavors, and introduced *Meow Mix Brushing Bites*® dental cat treats designed to help control plaque and tartar.

Our International and Foodservice business includes domestic sales outside U.S. retail channels, and foreign sales primarily in Canada, Mexico, and the Caribbean. We are a preferred supplier of food and beverages to North American foodservice operators, including casual and fine dining establishments, schools and universities, hospitals, and business and industry customers.

INTERNATIONAL AND FOODSERVICE

CONVENIENCE AND QUALITY AROUND THE WORLD AND AWAY FROM HOME

INTERNATIONAL AND FOODSERVICE BUSINESS PROVIDES CONSUMERS WITH ICONIC BRANDS THEY KNOW AND TRUST.

Our International and Foodservice business reported in fiscal 2017 net sales totaling $1.1 billion and segment profit of $185 million. Results were driven by growth across our foodservice categories, the launch of new products in Canada, and ongoing growth of our export business.

Net sales in Canada remained steady in fiscal 2017. With the #1 branded position in six center-of-the-store categories, our efforts in fiscal 2017 focused on growing our brands in new and existing categories. We introduced one of our most iconic brands, *Jif* peanut butter, to Canadian retail outlets. Canadians are among the highest per capita consumers of peanut butter in the world and are already familiar with the *Jif* brand through travel to the United States and our Canadian foodservice business. Backed by a robust marketing campaign, the launch has been well-received by consumers and retail customers.

Our strong baking business in Canada maintains leadership positions in flour, shortening, and canned milk. In coffee, net sales increased for our *Folgers* roast and ground portfolio, and we launched *Folgers* K-Cup® pods in larger count sizes. Lastly we grew our pet foods business in Canada with product innovation, advertising, and seasonal merchandising.

Through our international export business, Smucker brands are distributed in 90 countries outside North America. In fiscal 2017, both sales and segment profit increased for this business driven by fruit spreads, peanut butter, and coffee primarily in Europe, the Middle East, and Latin America.

Our foodservice business, which operates across the majority of commercial and noncommercial segments, is growing at approximately twice the rate of the industry by offering a strong portfolio of products that consumers trust and use in their own homes. Accomplishments in fiscal 2017 included the introduction of *Smucker's* Natural fruit spreads in new packaging in the quick-service restaurant channel and continued growth in our existing portion-control business. Additionally, distribution gains were achieved in strategic categories with our *Sahale Snacks* fruit and nut mixes and *Jif* peanut butter.

Our K–12 school portfolio includes *Smucker's Uncrustables* sandwiches and *Jif* peanut butter, two brands students know and trust. Sales of *Smucker's Uncrustables* sandwiches grew 18 percent in foodservice channels in fiscal 2017, representing a full year since the brand's reentry into the United States Department of Agriculture school foodservice program.

In foodservice coffee, we are launching *Café Bustelo* "Sabor Latino Served Here," a specialty coffee program targeting colleges and universities. In addition, the introduction of innovative new coffee equipment will further enable our specialty coffee proposition in offices and other channels.


MILK-BONE
MILK-BONE
Moyens
Moyens
BICK'S
Dill Pickles
Garlic
Pickles
Garlic
ORIGINAL
Robin Hood
Robin Hood
QUICK BREAD
PAIN ÉCLAIR
Robin Hood


SMUCKER'S
14% SEGMENT AS A PERCENTAGE OF COMPANY NET SALES

SUSTAINABILITY AT SMUCKER

CREATING A BETTER TOMORROW BY FOCUSING ON:

- Preserving our culture;
- Ensuring our long-term **Economic** viability;
- Driving positive **Environmental** impact; and
- Being **Socially** responsible.

At Smucker, we are proud to advance our business goals without sacrificing our respect for the environment and support for the communities we serve. Over the past year, we have made substantial progress in areas such as responsible sourcing, sustainable agriculture, environmental responsibility, and community impact. Here are some of our achievements:

32 MILLION
Gallons of water saved

10%
of total retail coffee purchased from certified sources

14,000+
Coffee farmers have benefited from our work with the Better Coffee Harvest Project and the Hanns R. Neumann Foundation

91.6%
of total waste diverted from landfill

YEAR 2
of Pollinator Partnership "Monarch Wings Across Ohio" Program

7
LEED®-certified facilities

40%
Reduction in trucks delivering *Smucker's® Magic Shell®* due to reduction in package weight

100%
of direct palm oil purchases were from responsible and certified sustainable sources

1,300 HECTARES
of quinoa-growing land certified as USDA Organic through our partner, Fundación Valles

10,000,000+
Meals provided to people and pets through products donated

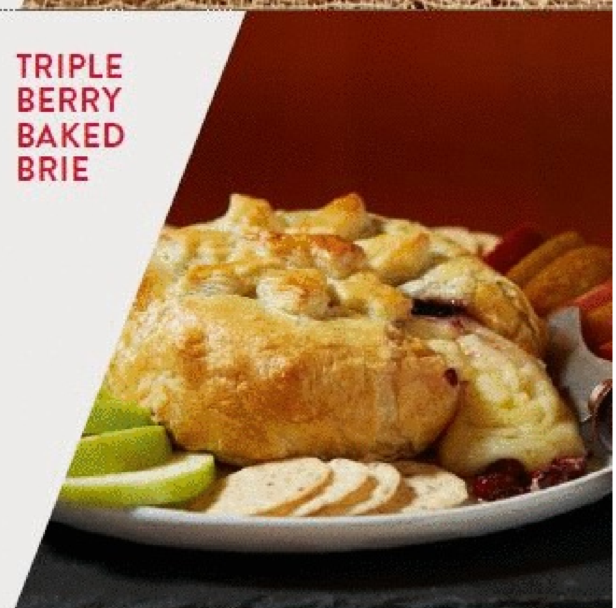
Please view our 2017 Corporate Responsibility Report at corporateresponsibility.jmsmucker.com.

GREEK GRAIN AND QUINOA SALAD

CASHEW CHICKEN WITH BROWN RICE

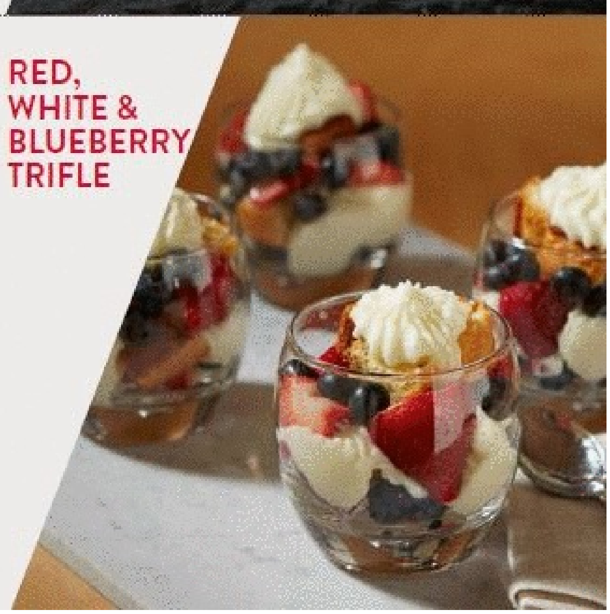
CHEESY TACO PIZZA

TRIPLE BERRY BAKED BRIE



BACON PANCAKE STICKS

RED, WHITE & BLUEBERRY TRIFLE



CASHEW CHICKEN WITH BROWN RICE

INGREDIENTS

- 1 cup chicken broth
- ⅓ cup sliced green onion
- ¼ cup Jif® Creamy Cashew Butter
- ¼ cup soy sauce
- 3 tablespoons honey
- 2 teaspoons grated ginger root
- 2 tablespoons Crisco® Pure Canola Oil
- 1¼ to 1½ pounds boneless skinless chicken breasts, cut into 1-inch cubes
- ½ cup chopped red pepper
- 2 cups hot cooked brown rice
- ¼ cup chopped cashews

PREP TIME: 10 min. **YIELD**: 4 servings
COOK TIME: 10 min.

DIRECTIONS

1. COMBINE broth, green onion, cashew butter, soy sauce, honey and ginger root in medium bowl.
2. HEAT oil in large skillet over medium high heat. Add chicken and red pepper. Cook 3 to 5 minutes until chicken is browned. Add cashew butter mixture to skillet. Bring to a boil, stirring constantly. Remove from heat.
3. PLACE rice on serving platter. Spoon chicken mixture over rice. Top with cashews.

GREEK GRAIN AND QUINOA SALAD

INGREDIENTS

- 1 cup water
- ½ cup truRoots® Sprouted Quinoa & Ancient Grain Medley
- ½ cup Greek vinaigrette dressing
- 2 cups diced cucumber
- 1 cup grape or cherry tomatoes, halved
- ½ cup crumbled feta cheese

PREP TIME: 10 min. **YIELD**: 4 (3/4 cup) servings
COOK TIME: 25 min.

DIRECTIONS

1. BRING water to a boil in small saucepan. Stir in quinoa & grain medley. Cover with tight-fitting lid and cook over low heat 20 to 25 minutes or until water is absorbed and medley is tender.
2. COMBINE medley and salad dressing in medium bowl. Stir until blended.
3. STIR in cucumber and tomatoes. Sprinkle with feta cheese. Cover and chill until ready to serve.

TRIPLE BERRY BAKED BRIE

INGREDIENTS

- 1 sheet frozen puff pastry, thawed
- ⅓ cup Smucker's® Orchard's Finest® Northwest Triple Berry Preserves
- 8 ounces round baby wheel brie cheese
- ¼ cup chopped hazelnuts or pecans
- 1 large egg
- 1 tablespoon water
- Assorted crackers, pear slices and/or apple slices

PREP TIME: 20 min. **YIELD**: 12 servings
COOK TIME: 25 min.

DIRECTIONS

1. HEAT oven to 400°F. Unfold puff pastry on a lightly floured surface. Roll gently to seal any cracks in pastry. Spoon preserves onto center of pastry. Place cheese on top of preserves. Sprinkle evenly with nuts. Fold pastry up over the cheese to cover. Trim excess pastry and press to seal seams. Reserve pastry scraps.
2. WHISK egg and water in small bowl. Brush seams with egg mixture. Place seam-side down on baking sheet. Cut pastry scraps into decorative shapes and arrange on top, if desired. Brush with egg mixture.
3. BAKE 25 minutes or until golden brown. Let stand 20 minutes before cutting. Serve with crackers and sliced fruit.

CHEESY TACO PIZZA

INGREDIENTS

- 1 package Martha White® Deep Pan Pizza Crust Mix
- Additional ingredients to prepare crust mix per package instructions
- ½ pound ground beef
- ½ cup water
- 2 tablespoons taco seasoning mix
- ½ cup tomato salsa
- ¾ cup refried beans
- 1 (8 oz.) package shredded Mexican cheese blend
- Various toppings for garnish

PREP TIME: 20 min. **YIELD**: 8 servings
COOK TIME: 20 min.

DIRECTIONS

1. PREPARE crust mix according to package instructions through step 4, except use a 12-inch round pizza pan instead of a cake or deep-dish pan.
2. BROWN ground beef in large skillet. Add water and taco seasoning mix. Simmer 3 minutes or until almost dry, stirring occasionally.
3. STIR salsa into beans until blended. Spread over partially baked crust. Top with beef mixture and cheese. Bake 9 to 12 minutes or until golden brown. Garnish as desired.

RED, WHITE & BLUEBERRY TRIFLE

INGREDIENTS

- 1 package Pillsbury™ Purely Simple® White Cake and Cupcake Mix
- Additional ingredients to prepare cake mix per package instructions
- 2 cups cold heavy cream
- 1 package Pillsbury™ Purely Simple® Buttercream Frosting Mix
- 2 cups sliced fresh strawberries, divided
- 2 cups fresh blueberries, divided

PREP TIME: 25 min. **YIELD**: 15 servings
COOK TIME: 35 min.

DIRECTIONS

1. PREPARE cake mix according to package instructions using butter, milk and eggs. Bake in 2 (8- or 9-inch) round baking pans according to package instructions. Cool completely. Cut 1 cake into 1-inch cubes. Wrap remaining cake and reserve for another use.
2. BEAT cream in large bowl with mixer on high speed until soft peaks form. Add frosting mix to bowl. Beat on low speed until moistened. Beat on high speed until stiff peaks form.
3. PLACE half of cake cubes in 3-quart trifle dish or glass serving bowl. Top with 1 cup strawberries and 1 cup blueberries. Spread half of whipped cream mixture over berry layer. Repeat all layers using remaining cake cubes, berries and whipped cream mixture. Garnish as desired.

BACON PANCAKE STICKS

INGREDIENTS

- Crisco® Original No-Stick Cooking Spray
- 2 cups Hungry Jack® Complete Buttermilk Pancake & Waffle Mix (Just Add Water)
- 1⅓ cups water
- 12 strips cooked bacon cut in half
- Hungry Jack® Original Syrup

PREP TIME: 10 min. **YIELD**: 24 sticks
COOK TIME: 25 min.

DIRECTIONS

1. COAT griddle or large skillet with no-stick cooking spray. Heat over medium heat (375°F). Whisk pancake mix and water in large bowl until smooth. Let stand 3 minutes.
2. PLACE batter in liquid measuring cup. Pour batter into a 4-inch oval shape a little longer and wider than bacon slice. Press slice of bacon in the center.
3. COOK until edges are dry, about 1 to 1½ minutes. Turn; cook an additional 1 minute or until golden brown. Repeat to make remaining sticks. Serve with syrup.

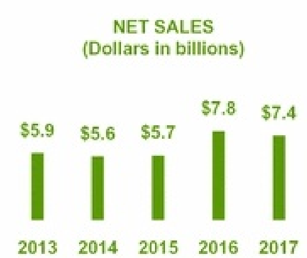
2017 FINANCIAL REVIEW

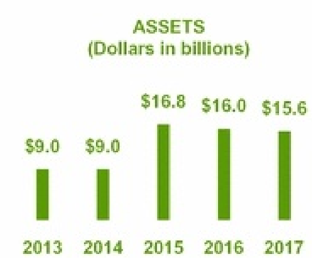
The J. M. Smucker Company

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

The following table presents selected financial data for each of the five years in the period ended April 30, 2017. The selected financial data should be read in conjunction with the "Results of Operations" and "Liquidity and Capital Resources" sections of "Management's Discussion and Analysis" and the consolidated financial statements and notes thereto.

	Year Ended April 30,				
(Dollars and shares in millions, except per share data)	2017	2016	2015	2014	2013
Statements of Income:					
Net sales	$ 7,392.3	$ 7,811.2	$ 5,692.7	$ 5,610.6	$ 5,897.7
Gross profit	$ 2,835.3	$ 2,967.8	$ 1,968.7	$ 2,031.0	$ 2,027.6
% of net sales	38.4%	38.0%	34.6%	36.2%	34.4%
Operating income	$ 1,031.5	$ 1,145.3	$ 772.0	$ 919.0	$ 910.4
% of net sales	14.0%	14.7%	13.6%	16.4%	15.4%
Net income	$ 592.3	$ 688.7	$ 344.9	$ 565.2	$ 544.2
Financial Position:					
Cash and cash equivalents	$ 166.8	$ 109.8	$ 125.6	$ 153.5	$ 256.4
Total assets	15,639.7	15,984.1	16,806.3	9,041.4	9,010.7
Total debt	5,398.5	5,430.0	6,170.9	2,216.3	2,010.1
Shareholders' equity	6,850.2	7,008.5	7,086.9	5,029.6	5,148.8
Liquidity:					
Net cash provided by operating activities	$ 1,059.0	$ 1,461.0	$ 739.1	$ 863.3	$ 858.7
Capital expenditures	192.4	201.4	247.7	279.5	206.5
Free cash flow (A)	866.6	1,259.6	491.4	583.8	652.2
Quarterly dividends paid	339.3	316.6	254.0	238.0	222.8
Purchase of treasury shares	437.6	441.1	24.3	508.5	364.2
EBITDA (as adjusted) (A)	1,593.7	1,579.1	871.3	1,185.5	1,161.6
Share Data:					
Weighted-average shares outstanding	116.0	119.4	103.7	104.3	108.8
Weighted-average shares outstanding – assuming dilution	116.1	119.5	103.7	104.3	108.9
Dividends declared per common share	$ 3.00	$ 2.68	$ 2.56	$ 2.32	$ 2.08
Earnings per Common Share:					
Net income	$ 5.11	$ 5.77	$ 3.33	$ 5.42	$ 5.00
Net income – assuming dilution	5.10	5.76	3.33	5.42	5.00
Other Non-GAAP Measures: (A)					
Adjusted gross profit	$ 2,868.2	$ 2,968.0	$ 1,999.4	$ 2,035.1	$ 2,032.5
% of net sales	38.8%	38.0%	35.1%	36.3%	34.5%
Adjusted operating income	$ 1,481.8	$ 1,489.8	$ 970.2	$ 1,047.6	$ 1,061.6
% of net sales	20.0%	19.1%	17.0%	18.7%	18.0%
Adjusted income and earnings per share:					
Adjusted income	$ 895.9	$ 931.3	$ 475.6	$ 650.8	$ 644.9
Adjusted earnings per share – assuming dilution	$ 7.72	$ 7.79	$ 4.59	$ 6.24	$ 5.92





(A) We use non-GAAP financial measures to evaluate our performance. Refer to "Non-GAAP Measures" in the "Management's Discussion and Analysis" section for a reconciliation to the comparable GAAP financial measure.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

The J. M. Smucker Company

The following is a summary of unaudited quarterly results of operations for the years ended April 30, 2017 and 2016.

(Dollars in millions, except per share data)	Quarter Ended	Net Sales	Gross Profit	Net Income	Net Income per Common Share	Net Income per Common Share – Assuming Dilution
2017	**July 31, 2016**	**$ 1,815.8**	**$ 722.7**	**$ 170.0**	**$ 1.46**	**$ 1.46**
	October 31, 2016	**1,913.9**	**742.9**	**177.3**	**1.52**	**1.52**
	January 31, 2017	**1,878.8**	**722.9**	**134.6**	**1.16**	**1.16**
	April 30, 2017	**1,783.8**	**646.8**	**110.4**	**0.96**	**0.96**
2016	July 31, 2015	$ 1,952.0	$ 728.7	$ 136.4	$ 1.14	$ 1.14
	October 31, 2015	2,077.7	787.3	176.0	1.47	1.47
	January 31, 2016	1,973.9	763.8	185.3	1.55	1.55
	April 30, 2016	1,807.6	688.0	191.0	1.61	1.61

Annual net income per common share may not equal the sum of the individual quarters due to differences in the average number of shares outstanding during the respective periods, primarily due to share repurchases.

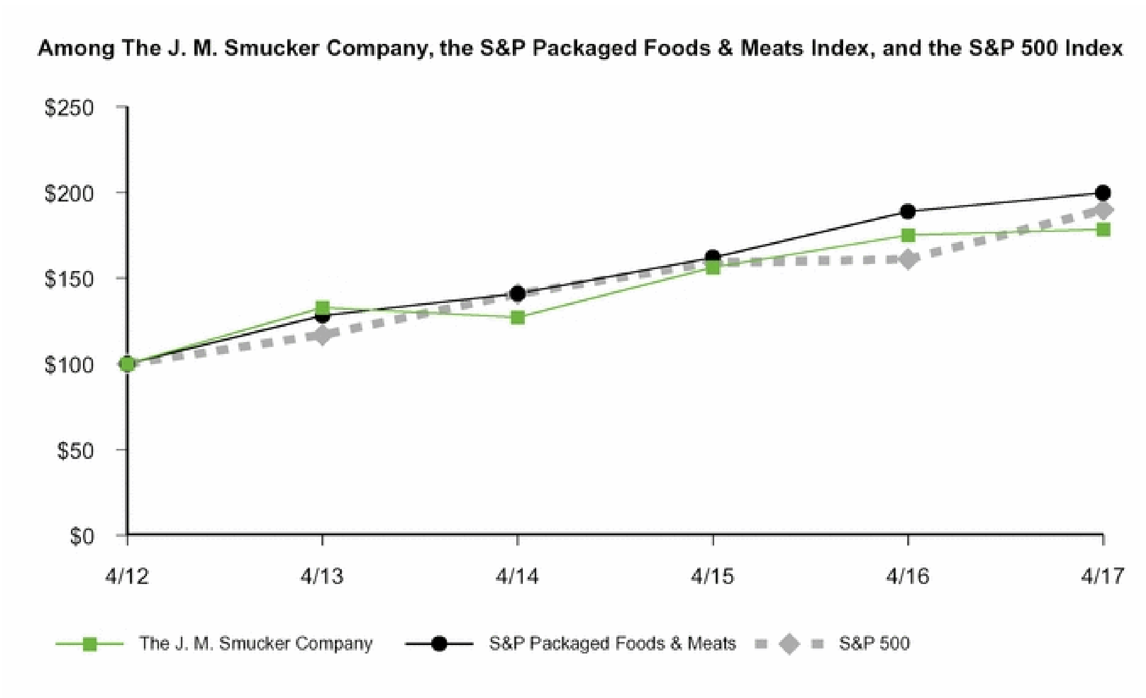
STOCK PRICE DATA

Our common shares are listed on the New York Stock Exchange – ticker symbol SJM. The table below presents the high and low market prices for the shares and the quarterly dividends declared. There were approximately 311,400 shareholders of record as of June 12, 2017,
of which approximately 41,400 were registered holders of common shares.

	Quarter Ended	High	Low	Dividends
2017	**July 31, 2016**	**$ 154.97**	**$ 125.67**	**$ 0.75**
	October 31, 2016	**157.31**	**128.75**	**0.75**
	January 31, 2017	**136.13**	**122.05**	**0.75**
	April 30, 2017	**143.68**	**125.77**	**0.75**
2016	July 31, 2015	$ 120.65	$ 104.81	$ 0.67
	October 31, 2015	120.44	104.30	0.67
	January 31, 2016	128.43	111.01	0.67
	April 30, 2016	132.64	121.79	0.67

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL SHAREHOLDER RETURN

The J. M. Smucker Company



	April 30,					
	2012	2013	2014	2015	2016	**2017**
The J. M. Smucker Company	$ 100.00	$ 132.90	$ 127.19	$ 156.23	$ 175.06	**$ 178.42**
S&P Packaged Foods & Meats	100.00	128.03	140.89	162.00	188.77	**199.67**
S&P 500	100.00	116.89	140.78	159.05	160.97	**189.81**

The above graph compares the cumulative total shareholder return for the five years ended April 30, 2017, for our common shares, the S&P Packaged Foods & Meats Index, and the S&P 500 Index. These figures assume all dividends are reinvested when received and are based on $100 invested in our common shares and the referenced index funds on April 30, 2012.

(Dollars in millions, unless otherwise noted, except per share data)

COMPANY BACKGROUND

For 120 years, The J. M. Smucker Company ("Company," "we," "us," or "our") headquartered in Orrville, Ohio, has been committed to offering consumers quality products that bring families together to share memorable meals and moments. Today, we are a leading marketer and manufacturer of consumer food and beverage products and pet food and pet snacks in North America. In consumer foods and beverages, our brands include *Smucker's®, Folgers®, Jif®, Dunkin' Donuts®, Crisco®, Pillsbury®, R.W. Knudsen Family®, Hungry Jack®, Café Bustelo®, Martha White®, truRoots®, Sahale Snacks®, Robin Hood®,* and *Bick's®*. In pet food and pet snacks, our brands include *Meow Mix®, Milk-Bone®, Kibbles 'n Bits®, Natural Balance®*, and *9Lives®*.

We have three reportable segments: U.S. Retail Coffee, U.S. Retail Consumer Foods, and U.S. Retail Pet Foods. The U.S. retail market segments in total comprised over 85 percent of net sales in 2017 and represent a major portion of our strategic focus – the sale of branded food and beverage products with leadership positions to consumers through retail outlets in North America. In the U.S. retail market segments, our products are sold primarily to food retailers, food wholesalers, drug stores, club stores, mass merchandisers, discount and dollar stores, military commissaries, natural foods stores and distributors, pet specialty stores, and online retailers. Within our segment results, International and Foodservice represents a combination of the strategic business areas not included in the U.S. retail market segments. The products included in International and Foodservice are distributed domestically and in foreign countries through retail channels and foodservice distributors and operators (e.g., restaurants, lodging, schools and universities, health care operators).

STRATEGIC OVERVIEW

We remain rooted in our *Basic Beliefs* of *Quality, People, Ethics, Growth,* and *Independence* established by our founder and namesake, Jerome Smucker, more than a century ago. Today, these *Basic Beliefs* are the core of our unique corporate culture and serve as a foundation for decision-making and actions. We have been led by five generations of family leadership, having had only six chief executive officers in 120 years. This continuity of management and thought extends to the broader leadership team that embodies the values and embraces the business practices that have contributed to our consistent growth.

Our strategic vision is to own and market a portfolio of food and beverage brands that combines number one and leading brands with emerging, on-trend brands to drive balanced, long-term growth, primarily in North America.

Our strategic long-term growth objectives are to increase net sales by 3 percent and earnings per share, measured on a non-GAAP basis, by 8 percent annually on average. We expect organic growth, including new products, to drive much of our top-line growth, while the contribution from acquisitions will vary from year to year.

Net sales has increased at a compound annual growth rate of 6 percent over the past five years, driven by the acquisition of Big Heart Pet Brands ("Big Heart"), while income per diluted share excluding non-GAAP adjustments ("adjusted earnings per share") has increased at a rate of 8 percent over the same period. Our non-GAAP adjustments include amortization expense and impairment charges related to intangible assets, merger and integration and restructuring costs, and unallocated gains and losses on commodity and foreign currency exchange derivatives, which reflect the changes in fair value of these derivative contracts.

During 2015, we acquired Big Heart, a leading producer, distributor, and marketer of premium-quality, branded pet food and pet snacks in the U.S. This transformational acquisition provided an immediate and significant presence in the large and growing pet food and pet snacks categories, increased our center-of-the-store presence with consumers and retailers, and added new customers in the pet specialty channel.

Net cash provided by operating activities has increased at a compound annual growth rate of 8 percent over the past five years. Our cash deployment strategy is to balance reinvesting in our business through acquisitions and capital expenditures with returning cash to our shareholders through the payment of dividends and share repurchases, while also maintaining our focus on debt repayment.

RESULTS OF OPERATIONS

All comparisons presented in this discussion and analysis are to the corresponding period of the prior year, unless otherwise noted. On March 23, 2015, we completed the acquisition of Big Heart, and on September 2, 2014, we completed the acquisition of Sahale Snacks, Inc. ("Sahale"). These transactions were accounted for as business combinations, and the operations of each business are included in our consolidated financial statements from the date of acquisition. Due to the timing of the closing of the Big Heart transaction during the fourth quarter of 2015, approximately 11 months of incremental Big Heart operations are included in 2016 results.

The acquisition of Big Heart was a cash and stock transaction valued at $5.9 billion, which included the issuance of 17.9 million shares of our common stock to the shareholders of Blue Acquisition Group, Inc., Big Heart's parent company. After the closing of the transaction, we had approximately 120.0 million common shares outstanding. We assumed $2.6 billion in debt that we repaid at closing and paid an additional $1.2 billion in cash, net of a working capital adjustment. As part of the transaction, new debt of $5.5 billion was borrowed, as discussed in Note 8: Debt and Financing Arrangements.

Total one-time costs related to the Big Heart acquisition are anticipated to be approximately $290.0 and are expected to be incurred through 2018. These costs primarily consist of employee-related costs, outside service and consulting costs, and other costs related to the acquisition. We have incurred cumulative costs of $245.3 related to the integration of Big Heart, including $64.1 in 2017.

We anticipate net realized synergies related to the Big Heart acquisition of approximately $200.0 annually by the end of 2018. To date, we have realized $159.0 of that goal, reflecting $122.0 of synergies in 2017 that were incremental to those achieved in 2016.

On December 31, 2015, we sold our U.S. canned milk brands and operations to Eagle Family Foods Group LLC, a subsidiary of funds affiliated with Kelso & Company. The transaction included canned milk products that were primarily sold in U.S. retail and foodservice channels under the *Eagle Brand*® and *Magnolia*® brands, along with other branded and private label trade names, with annual net sales of approximately $200.0. Our manufacturing facilities in El Paso, Texas, and Seneca, Missouri, were included in the transaction, but our canned milk business in Canada was excluded. The operating results for this business were primarily included in the U.S. Retail Consumer Foods segment prior to the sale. We received proceeds from the divestiture of $193.7, which were net of transaction costs and a working capital adjustment, and recognized a pre-tax gain of $25.3.

	Year Ended April 30,			2017 % Increase (Decrease)	2016 % Increase (Decrease)
	2017	2016	2015		
Net sales	$ 7,392.3	$ 7,811.2	$ 5,692.7	(5)%	37%
Gross profit	$ 2,835.3	$ 2,967.8	$ 1,968.7	(4)	51
% of net sales	38.4%	38.0%	34.6%		
Operating income	$ 1,031.5	$ 1,145.3	$ 772.0	(10)	48
% of net sales	14.0%	14.7%	13.6%		
Net income:					
Net income	$ 592.3	$ 688.7	$ 344.9	(14)	100
Net income per common share – assuming dilution	$ 5.10	$ 5.76	$ 3.33	(11)	73
Adjusted gross profit (A)	$ 2,868.2	$ 2,968.0	$ 1,999.4	(3)	48
% of net sales	38.8%	38.0%	35.1%		
Adjusted operating income (A)	$ 1,481.8	$ 1,489.8	$ 970.2	(1)	54
% of net sales	20.0%	19.1%	17.0%		
Adjusted income: (A)					
Income	$ 895.9	$ 931.3	$ 475.6	(4)	96
Earnings per share – assuming dilution	$ 7.72	$ 7.79	$ 4.59	(1)	70

(A) We use non-GAAP financial measures to evaluate our performance. Refer to “Non-GAAP Financial Measures” in this discussion and analysis for a reconciliation to the comparable GAAP financial measure.

Summary of 2017

Net sales decreased 5 percent in 2017, driven by the non-comparable impact from the U.S. canned milk business, which was divested during the third quarter of 2016, as well as lower net price realization and unfavorable volume/mix in the current year. Operating income decreased 10 percent, primarily due to the impact of noncash impairment charges of $133.2 recognized during 2017 and the net sales decline. For additional information on the impairment charges, see Note 7: Goodwill and Other Intangible Assets. Additionally, prior year results benefited from the recognition of a $25.3 pre-tax gain on the divestiture of the U.S. canned milk business and the related profits prior to the divestiture. Selling, distribution, and administrative (“SD&A”) expenses and merger and integration costs were lower in 2017 as compared to 2016. Operating income excluding non-GAAP adjustments (“adjusted operating income”) decreased 1 percent in 2017 and excluded the impact of the impairment charges and the reduction in merger and integration costs. Net income per diluted share decreased 11 percent in 2017, while adjusted earnings per share decreased 1 percent. Both 2017 per share measures reflect the benefit of a decrease in weighted-average common shares outstanding as a result of our share repurchase activities during the fourth quarters of 2017 and 2016. However, this benefit was more than offset by the impact of an increase in the effective tax rate in 2017 as compared to the prior year.

Summary of 2016

Net sales in 2016 increased 37 percent, driven by the Big Heart acquisition. Approximately 11 months of incremental Big Heart net sales, totaling $2.1 billion, was realized in 2016. Operating income increased 48 percent, driven by the incremental Big Heart business, partially offset by an increase in merger and integration costs. Adjusted operating income increased 54 percent. Net income per diluted share increased 73 percent in 2016, while adjusted earnings per share increased 70 percent. In comparison to the prior year, both 2016 per share measures reflect a benefit from the one-time recognition in 2015 of $173.3 of other debt costs incurred in connection with the Big Heart acquisition and the related refinancing activities, a decrease in our effective tax rate in 2016, and the gain on the divestiture of the U.S. canned milk business. These items were mostly offset by the impact of the issuance of 17.9 million shares of our common stock and an increase in interest expense due to new borrowings in the fourth quarter of 2015 to finance the Big Heart acquisition.

Net Sales

2017 Compared to 2016

	Year Ended April 30,			
	2017	2016	Increase (Decrease)	%
Net sales	**$ 7,392.3**	$ 7,811.2	$ (418.9)	(5)%
Divestiture	**—**	(153.5)	153.5	2
Foreign currency exchange	**3.8**	—	3.8	—
Net sales excluding divestiture and foreign currency exchange (A)	**$ 7,396.1**	$ 7,657.7	$ (261.6)	(3)%

Amounts may not add due to rounding.

(A) Net sales excluding divestiture and foreign currency exchange is a non-GAAP measure used to evaluate performance internally. This measure provides useful information to investors because it enables comparison of results on a year-over-year basis. Net sales excluding divestiture and foreign currency exchange in the table above excludes the impact of the U.S. canned milk business, which was divested on December 31, 2015, and foreign currency exchange.

The net sales decrease in 2017 was partially due to the impact of the divested U.S. canned milk business. Excluding the non-comparable divested business and foreign currency exchange, net sales decreased 3 percent, driven by the U.S. Retail Coffee segment, specifically the *Folgers* brand, and the U.S. Retail Pet Foods segment. The decline reflected lower net price realization and unfavorable volume/mix, which contributed somewhat equally to lower net sales.

2016 Compared to 2015

	Year Ended April 30,			
	2016	2015	Increase (Decrease)	%
Net sales	$ 7,811.2	$ 5,692.7	$ 2,118.5	37%
Acquisitions	(2,067.2)	—	(2,067.2)	(36)
Divestiture	—	(47.6)	47.6	1
Foreign currency exchange	59.8	—	59.8	1
Net sales excluding acquisitions, divestiture, and foreign currency exchange (A)	$ 5,803.8	$ 5,645.1	$ 158.7	3%

Amounts may not add due to rounding.

(A) Net sales excluding acquisitions, divestiture, and foreign currency exchange is a non-GAAP measure used to evaluate performance internally. This measure provides useful information to investors because it enables comparison of results on a year-over-year basis.
Net sales excluding acquisitions, divestiture, and foreign currency exchange in the table above excludes the incremental impact of the
Big Heart and Sahale acquisitions, the noncomparable impact of the U.S. canned milk divestiture, and foreign currency exchange.

The net sales increase in 2016 was driven by incremental Big Heart net sales of $2.1 billion that year. Net sales excluding acquisitions, divestiture, and foreign currency exchange increased 3 percent, primarily due to favorable volume/mix, which contributed 4 percentage points to the net sales increase. The favorable volume/mix was driven by *Dunkin' Donuts* K-Cup® pods, which were introduced at the beginning of 2016. Net price realization was lower, contributing a 1 percentage point decline to the net sales change.

Operating Income

The following table presents the components of operating income as a percentage of net sales.

	Year Ended April 30,		
	2017	2016	2015
Gross profit	**38.4 %**	38.0%	34.6%
Selling, distribution, and administrative expenses:			
Marketing	**3.4 %**	3.5%	3.1%
Advertising	**2.3**	2.2	1.9
Selling	**3.4**	4.0	3.7
Distribution	**3.3**	2.9	2.9
General and administrative	**6.5**	6.7	6.6
Total selling, distribution, and administrative expenses	**18.8 %**	19.3%	18.1%
Amortization	**2.8**	2.7	1.9
Impairment charges	**1.8**	—	—
Other special project costs	**1.0**	1.7	1.0
Other operating income – net	**(0.1)**	(0.4)	—
Operating income	**14.0 %**	14.7%	13.6%

Amounts may not add due to rounding.

2017 Compared to 2016

Gross profit decreased $132.5, or 4 percent, in 2017, primarily reflecting unfavorable volume/mix and the loss of U.S. canned milk profits. The impact of lower net price realization was offset by a reduction in commodity and manufacturing overhead costs and incremental synergy realization related to the Big Heart acquisition. Gross profit excluding non-GAAP adjustments ("adjusted gross profit") decreased $99.8, or 3 percent, over the same period and excluded a $39.2 unfavorable change in the impact of unallocated derivative gains and losses as compared to the prior year.

SD&A expenses decreased $119.6, or 8 percent, in 2017, primarily driven by incremental synergy realization. Additionally, Big Heart integration costs decreased by $81.1, or 56 percent.

Operating income decreased $113.8, or 10 percent, in 2017, reflecting noncash impairment charges of $133.2 related to certain indefinite-lived trademarks, primarily within the U.S. Retail Pet Foods segment. Additionally, prior year results benefited from the recognition of the $25.3 gain related to the divestiture of the U.S. canned milk business. Adjusted operating income decreased

1 percent, with the primary differences from GAAP results being the exclusion of the impairment charges, merger and integration costs, and the $39.2 unfavorable change in the impact of unallocated derivative gains and losses as compared to the prior year.

2016 Compared to 2015

Gross profit increased $999.1, or 51 percent, in 2016, primarily due to the incremental Big Heart business. Excluding the incremental Big Heart business, gross profit was still higher, driven by *Dunkin' Donuts* K-Cup® pods and the net benefit of a reduction in commodity costs, primarily attributed to green coffee, which was partially offset by lower net pricing. Adjusted gross profit increased $968.6, or 48 percent, over the same period and excluded a $36.5 favorable change in the impact of unallocated derivative gains and losses as compared to the prior year.

SD&A expenses increased $479.0, or 46 percent, in 2016, primarily driven by the incremental Big Heart business and higher selling expense due to royalties related to *Dunkin' Donuts* K-Cup® pods.

Amortization expense increased $98.7 in 2016, primarily due to the addition of Big Heart finite-lived intangible assets.

Operating income increased $373.3, or 48 percent, in 2016, reflecting the incremental Big Heart business and the $25.3 gain on the divestiture of the U.S. canned milk business, partially offset by an increase in Big Heart integration costs of $109.2. Adjusted operating income increased $519.6, or 54 percent, over the same period and excluded the impact of merger and integration costs and the $36.5 favorable change in the impact of unallocated derivative gains and losses as compared to the prior year.

Interest Expense and Other Debt Costs

Net interest expense decreased $8.0 in 2017, primarily due to a lower outstanding balance on our senior unsecured delayed-draw Term Loan Credit Agreement ("Term Loan") in 2017 as compared to 2016.

Net interest expense increased $91.2 in 2016, primarily due to the impact of the incremental interest related to the debt issued to partially finance the Big Heart acquisition. In 2015, in addition to interest expense, we incurred $173.3 of other debt costs related to the Big Heart acquisition. The majority of these costs were make-whole payments incurred when we prepaid our outstanding privately placed Senior Notes of $1.1 billion.

Income Taxes

Income taxes decreased 1 percent in 2017, due to a decrease in income before income taxes, mostly offset by the impact of a higher effective tax rate in 2017 of 32.6 percent. The 2016 effective tax rate of 29.6 percent was impacted by the recognition of a $50.5 noncash deferred tax benefit related to the integration of Big Heart into the Company, partially offset by the impact of higher deferred state income tax expense, which was a result of state tax law changes.

Income taxes increased 62 percent in 2016, due to an increase in income before income taxes, partially offset by the impact of a lower effective tax rate in 2016. The effective tax rate of 29.6 percent in 2016 was significantly lower than the rate of 34.1 percent in 2015, mainly due to the recognition of the $50.5 noncash deferred tax benefit related to the integration of Big Heart into the Company.

Restructuring Activities

An organization optimization program was approved by the Board of Directors during the fourth quarter of 2016 as part of our ongoing efforts to reduce costs and optimize the organization. As part of this program, we exited two leased facilities in Livermore, California, and consolidated all ancient grains and pasta production into our facility in Chico, California, during 2017. Additionally, we will discontinue the production of coffee at our Harahan, Louisiana, facility and consolidate all related coffee production into one of our facilities in New Orleans, Louisiana, which we expect to complete by December 31, 2017. We have also identified additional opportunities to further optimize the overall organization. Upon completion of these initiatives, the organization optimization program will result in total headcount reductions of approximately 275 full-time positions.

Total restructuring costs related to the program are expected to be approximately $40.0, of which the majority represents employee-related costs, and the remainder primarily consists of site preparation, equipment relocation, and production start-up costs at the impacted facilities. We have incurred cumulative restructuring costs of $19.9, virtually all of which were incurred during 2017. The remaining costs are anticipated to be incurred during 2018.

We expect to achieve approximately $50.0 of annual cost reductions related to our organization optimization program, mainly during 2018. We plan to invest these savings in our businesses.

Cost Management Program

In addition to our organization optimization program, we announced a separate cost management program during the fourth quarter of 2017, which is comprised of several cost reduction initiatives, including zero-based budgeting, SKU rationalization, and revenue growth management. We expect to realize approximately $200.0 of cost reductions annually by the end of 2020 as a result of these initiatives.

Commodities Overview

The raw materials we use are primarily commodities, agricultural-based products, and packaging materials. The most significant of these materials, based on annual spend, are green coffee, plastic, grains, peanuts, and edible oils. Green coffee, certain grains, and certain edible oils are traded on active regulated exchanges, and the price of these commodities fluctuates based on market conditions. Derivative instruments, including futures and options, are used to minimize the impact of price volatility for these commodities.

We source green coffee from more than 20 coffee-producing countries. Its price is subject to high volatility due to factors such as weather, global supply and demand, plant disease, investor speculation, and political and economic conditions in the source countries.

We frequently enter into long-term contracts to purchase plastic packaging, which is sourced mainly from within the U.S. Plastic resin is made from petrochemical feedstock and natural gas feedstock, and the price can be influenced by feedstock, energy, and crude oil prices as well as global economic conditions.

We source grains, peanuts, and edible oils mainly from North America. The grains we purchase are mainly wheat and corn. We are one of the largest procurers of peanuts in the U.S. and frequently enter into long-term purchase contracts for various periods of time to mitigate the risk of a shortage of this commodity. The edible oils we purchase are mainly soybean and canola. The price of grains, peanuts, and edible oils are driven primarily by weather, which impacts crop sizes and yield, as well as global demand, especially from large importing countries such as China and India. In addition, the prices of edible oils and certain grains, such as corn, have been impacted by the biofuels industry's demand for these commodities.

In 2017, our overall commodity costs were slightly lower than in 2016, primarily due to lower costs for green coffee and protein meals.

Segment Results

We have three reportable segments: U.S. Retail Coffee, U.S. Retail Consumer Foods, and U.S. Retail Pet Foods. Within our segment results, International and Foodservice represents a combination of the strategic business areas not included in the U.S. retail market segments. The U.S. Retail Coffee segment primarily includes the domestic sales of *Folgers*, *Dunkin' Donuts*, and *Café Bustelo* branded coffee; the U.S. Retail Consumer Foods segment primarily includes domestic sales of *Jif*, *Smucker's*, *Crisco*, and *Pillsbury* branded products; and the U.S. Retail Pet Foods segment primarily includes domestic sales of *Meow Mix*, *Milk-Bone*, *Natural Balance*, *Kibbles 'n Bits*, *9Lives*, *Pup-Peroni*®, and *Nature's Recipe*® branded products. International and Foodservice is comprised of products distributed domestically and in foreign countries through retail channels and foodservice distributors and operators (e.g., restaurants, lodging, schools and universities, health care operators).

Effective May 1, 2016, amortization expense and impairment charges related to intangible assets is reported outside of segment operating results. Prior year segment results have been modified to conform to the new presentation. For additional information on the change, see Note 5: Reportable Segments.

	Year Ended April 30,				
	2017	2016	2015	**2017 % Increase (Decrease)**	2016 % Increase (Decrease)
Net sales:					
U.S. Retail Coffee	**$ 2,108.6**	$ 2,239.2	$ 2,076.1	**(6)%**	8%
U.S. Retail Consumer Foods	**2,085.4**	2,269.7	2,330.8	**(8)**	(3)
U.S. Retail Pet Foods	**2,135.9**	2,250.4	239.1	**(5)**	n/m
International and Foodservice	**1,062.4**	1,051.9	1,046.7	**1**	—
Segment profit (loss):					
U.S. Retail Coffee	**$ 682.4**	$ 722.6	$ 623.2	**(6)%**	16%
U.S. Retail Consumer Foods	**458.2**	467.5	466.0	**(2)**	—
U.S. Retail Pet Foods	**481.0**	493.9	(6.4)	**(3)**	n/m
International and Foodservice	**185.1**	179.0	161.6	**3**	11
Segment profit (loss) margin:					
U.S. Retail Coffee	**32.4%**	32.3%	30.0 %		
U.S. Retail Consumer Foods	**22.0**	20.6	20.0		
U.S. Retail Pet Foods	**22.5**	21.9	(2.7)		
International and Foodservice	**17.4**	17.0	15.4		

U.S. Retail Coffee

The U.S. Retail Coffee segment net sales decreased $130.6 in 2017, primarily due to lower net price realization, which was mainly attributed to the net impact of pricing actions taken since the beginning of 2016, and unfavorable volume/mix, which reduced net sales by 3 percentage points. The unfavorable volume/mix was driven by the *Folgers* brand and was partially offset by favorable volume/mix for the *Café Bustelo* and *Dunkin' Donuts* brands. Segment profit decreased $40.2, primarily due to the unfavorable volume/mix as well as the impact of lower net price realization, which was partially offset by lower commodity and manufacturing overhead costs and incremental synergy realization.

The U.S. Retail Coffee segment net sales increased $163.1 in 2016, reflecting favorable volume/mix, which contributed 9 percentage points of growth, driven by *Dunkin' Donuts* K-Cup® pods. Within the *Folgers* brand, growth in mainstream roast and ground offerings was offset by a decline in *Folgers* K-Cup® pods. Segment profit increased $99.4, reflecting the benefit of lower green coffee costs, which was partially offset by lower net price realization, and the contribution from *Dunkin' Donuts* K-Cup® pods.

U.S. Retail Consumer Foods

The U.S. Retail Consumer Foods segment net sales decreased $184.3 in 2017, primarily reflecting noncomparable net sales of $138.9 in the prior year related to the divested U.S. canned milk business. Excluding the impact of the divestiture, net sales decreased 2 percent, which was entirely driven by unfavorable volume/mix, primarily related to *Smucker's* fruit spreads and the *Jif* and *truRoots* brands, partially offset by growth in *Smucker's Uncrustables*® frozen sandwiches. Segment profit decreased $9.3; however, excluding the $25.3 gain related to the U.S. canned milk divestiture and canned milk profits from the prior year, segment profit increased 10 percent, as lower manufacturing overhead costs and incremental synergy realization more than offset an increase in marketing expense.

The U.S. Retail Consumer Foods segment net sales decreased $61.1 in 2016, primarily due to lower net price realization and the impact of $41.0 of noncomparable net sales in the prior year related to the divested U.S. canned milk business, slightly offset by favorable volume/mix. The lower net price realization was primarily related to the *Jif*, *Crisco*, and *Pillsbury* brands. The favorable volume/mix, which contributed 1 percentage point of growth to segment net sales, was led by *Smucker's Uncrustables* frozen sandwiches and *Jif* peanut butter, slightly offset by *Pillsbury* baking mixes and frosting. Volume for *Smucker's Uncrustables* increased 26 percent. Segment profit was flat in 2016, compared to 2015, as overall lower commodity costs, primarily for milk, oils, and peanuts, and the $25.3 gain related to the divestiture were offset by lower net price realization and higher manufacturing overhead costs.

U.S. Retail Pet Foods

The U.S. Retail Pet Foods segment net sales decreased $114.5 in 2017, primarily due to unfavorable volume/mix, which reduced net sales by 3 percentage points. This was driven by the *Kibbles'n Bits*, *Meow Mix*, *Natural Balance*, and *9Lives* brands. Net price realization was also lower, driven by the *Natural Balance* and *Milk-Bone* brands. Segment profit decreased $12.9, as the impact of unfavorable volume/mix, lower net price realization, and higher distribution costs more than offset the impact of lower commodity costs, incremental synergy realization, and a decrease in marketing expense. Although not reflected in segment profit, impairment charges of $128.5 were recognized in 2017 related to certain indefinite-lived trademarks within the U.S. Retail Pet Foods segment.

The U.S. Retail Pet Foods segment contributed net sales of $2.3 billion in 2016, representing low single-digit percent growth compared to the results of the business for the prior year, the majority of which were reported under previous ownership. The net sales increase was driven by distribution gains for the *Natural Balance* brand and growth in *Milk-Bone*, which more than offset declines in *Kibbles'n Bits* and *Meow Mix*. The segment contributed segment profit of $493.9 in 2016, impacted by lower commodity costs and favorable volume/mix as compared to the prior year, partially offset by lower net price realization, reflecting incremental promotional activities.

International and Foodservice

International and Foodservice net sales increased $10.5 in 2017, as favorable volume/mix, which contributed 4 percentage points of growth to net sales, more than offset the impacts of lower net price realization and $14.6 of noncomparable net sales in the prior year related to the divested U.S. canned milk business. Segment profit increased $6.1, primarily due to favorable volume/mix, incremental synergy realization, and a $3.8 pre-tax gain on the sale of our equity interest in Guilin Seamild Biologic Technology Development Co., Ltd. ("Seamild"), which more than offset the unfavorable net impact of lower prices and lower costs and the loss of profits from the divested canned milk business.

International and Foodservice net sales increased $5.2 in 2016, as incremental Big Heart net sales of $36.9 and favorable volume/mix, which contributed 3 percentage points of growth to net sales, were mostly offset by the $59.8 unfavorable impact of foreign currency exchange. Segment profit increased $17.4, reflecting favorable volume/mix in Foodservice, which was partially offset by the unfavorable net impact of lower prices and lower costs. In Canada, the benefit of higher net price realization, decreased marketing expense, and favorable volume/mix offset the impact of a weaker Canadian dollar compared to the prior year.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of funds is cash generated from operations, supplemented by borrowings against our commercial paper program and revolving credit facility. Total cash and cash equivalents increased to $166.8 at April 30, 2017, compared to $109.8 at April 30, 2016.

Within the U.S. Retail Coffee and U.S. Retail Consumer Foods segments, we generally expect a significant use of cash to fund working capital requirements during the first half of each fiscal year, primarily due to the buildup of inventories to support the Fall Bake and Holiday period, the additional increase of coffee inventory in advance of the Atlantic hurricane season, and seasonal fruit procurement. In these businesses, we expect cash provided by operations in the second half of the fiscal year to significantly exceed the amount in the first half of the year, upon completion of the Fall Bake and Holiday period. In contrast, the U.S. Retail Pet Foods segment does not experience significant seasonality, and thus our working capital requirements became less seasonal overall subsequent to the Big Heart acquisition. Cash provided by operating activities in the second half of 2017 was $683.7, compared to $375.3 provided through the first half of 2017.

The following table presents selected cash flow information.

	Year Ended April 30,		
	2017	2016	2015
Net cash provided by operating activities	$ 1,059.0	$ 1,461.0	$ 739.1
Net cash (used for) provided by investing activities	(189.7)	21.7	(1,595.7)
Net cash (used for) provided by financing activities	(806.1)	(1,498.9)	857.3
Net cash provided by operating activities	$ 1,059.0	$ 1,461.0	$ 739.1
Additions to property, plant, and equipment	(192.4)	(201.4)	(247.7)
Free cash flow (A)	$ 866.6	$ 1,259.6	$ 491.4

(A) Free cash flow is a non-GAAP measure used by management to evaluate the amount of cash available for debt repayment, dividend distribution, acquisition opportunities, share repurchases, and other corporate purposes.

Cash provided by operating activities decreased $402.0 in 2017 as a result of a significant decrease in working capital in the prior year, while working capital at the end of the current year was comparable to beginning of the year levels. The decrease in working capital in 2016 was driven by a reduction in inventory levels, which resulted from a working capital reduction initiative, and the timing of tax payments, including the realization of a $49.6 one-time tax refund in the first quarter of the prior year.

Cash provided by operating activities increased $721.9 in 2016, mainly due to an increase in net income adjusted for noncash items, notably depreciation and amortization, and a decrease in working capital, driven by a decrease in inventory and the timing of certain accrued liabilities. During 2016, we established a working capital reduction target of $200.0, the majority of which was achieved in 2016. This initiative, as well as the impact of lower green coffee costs, as compared to 2015, drove the reduction in inventory.

Cash used for investing activities in 2017 consisted primarily of $192.4 in capital expenditures and a $38.4 increase in our derivative cash margin account balances, partially offset by $40.6 in proceeds from the sale of our investment in Seamild. In 2016, cash provided by investing activities consisted primarily of $193.7 in proceeds from the divestiture of the U.S. canned milk business and a $34.8 reduction in our derivative cash margin account balances, mostly offset by $201.4 in capital expenditures. In 2015, cash used for investing activities consisted primarily of $1.3 billion related to the acquisitions of Big Heart and Sahale and $247.7 in capital expenditures.

Cash used for financing activities in 2017 consisted primarily of the purchase of treasury shares for $437.6, mainly representing the repurchase of 3.0 million common shares available under Board of Directors' ("Board") authorizations as further described below, dividend payments of $339.3, and prepayments on the Term Loan of $200.0, partially offset by a $170.0 increase in short-term borrowings during the year. In 2016, cash used for financing activities consisted primarily of $800.0 in prepayments on the Term Loan, the purchase of treasury shares for $441.1, mainly representing the repurchase of 3.4 million common shares available under Board authorizations, and dividend payments of $316.6. In 2015, cash provided by financing activities consisted primarily of $5.4 billion in long-term debt proceeds, which were partially offset by $4.2 billion in long-term debt repayments and dividend payments of $254.0.

The following table presents our capital structure.

	April 30,	
	2017	2016
Current portion of long-term debt	$ 499.0	$ —
Short-term borrowings	454.0	284.0
Long-term debt, less current portion	4,445.5	5,146.0
Total debt	$ 5,398.5	$ 5,430.0
Shareholders' equity	6,850.2	7,008.5
Total capital	$ 12,248.7	$ 12,438.5

We have available a $1.5 billion revolving credit facility with a group of 11 banks that matures in September 2018. Additionally, under our commercial paper program, we can issue short-term, unsecured commercial paper not to exceed $1.0 billion at any time. The commercial paper program is backed by our revolving credit facility and reduces what we can borrow under the revolving credit facility by the amount of commercial paper outstanding. Along with the revolving credit facility, commercial paper is used as a continuing source of short-term financing for general corporate purposes. As of April 30, 2017, we had $454.0 of short-term borrowings outstanding, all of which were issued under our commercial paper program, at a weighted-average interest rate of 1.15 percent.

As of April 30, 2017, total debt was comparable to the balance as of April 30, 2016. Although we prepaid $200.0 on the Term Loan during 2017, the reduction was offset by a $170.0 increase in short-term borrowings outstanding.

We are in compliance with all of our debt covenants. For additional information on our long-term debt, sources of liquidity, and debt covenants, see Note 8: Debt and Financing Arrangements.

On February 22, 2017, we entered into a 10b5-1 trading plan (the "Plan") to facilitate the repurchase of up to 3.0 million common shares under the Board's authorizations. Purchases under the Plan commenced on February 27, 2017, and concluded on March 27, 2017, and were transacted by a broker based upon the guidelines and parameters of the Plan. During 2017, we repurchased 3.0 million common shares under the Plan for $418.1. At April 30, 2017, approximately 3.6 million common shares were remaining available for repurchase pursuant to the Board's authorizations. There is no guarantee as to the exact number of shares that may be repurchased or when such purchases may occur.

During the third quarter of 2017, we announced plans to build a *Smucker's Uncrustables* frozen sandwich manufacturing facility in Longmont, Colorado. Construction of the facility is scheduled to begin in June 2017, and production is expected to begin in calendar year 2019. The new facility will help meet growing demand for *Smucker's Uncrustables* frozen sandwiches and will complement our existing facility in Scottsville, Kentucky. The Longmont facility will be constructed in two phases, with a total potential investment of $340.0. Phase 1 will include up to an initial $200.0 investment to construct and equip the new facility, with an opportunity to invest an additional $140.0 for phase 2 expansion, dependent on product demand.

The following table presents certain cash requirements related to 2018 investing and financing activities based on our current expectations.

	Projection Year Ending April 30, 2018
Debt obligation principal payment	$ 500.0
Dividend payments – based on current rates and common shares outstanding	350.0
Capital expenditures	310.0
Interest payments	170.0

On May 30, 2017, we announced a definitive agreement to acquire the *Wesson*® oil brand from Conagra Brands, Inc. ("Conagra"). The all-cash transaction, which is expected to be funded primarily with debt, is valued at approximately $285.0. We anticipate the addition of the *Wesson* brand will add annual net sales of approximately $230.0.

Following the close of the transaction, Conagra will continue to manufacture products sold under the *Wesson* brand and provide certain other transition services for up to one year. After the transition period, we expect to consolidate *Wesson* production into our existing oils manufacturing facility in Cincinnati, Ohio.

The closing of the transaction is subject to the fulfillment of customary closing conditions, including receipt of regulatory approvals. We expect to realize synergies of approximately
$20.0 annually within two years after the closing.

Absent any additional material acquisitions or other significant investments, we believe that cash on hand, combined with cash provided by operations, borrowings available under our commercial paper program and revolving credit facility, and access to capital markets, will be sufficient to meet our cash requirements for the next 12 months.

As of April 30, 2017, total cash and cash equivalents of $158.5 was held by our international subsidiaries. We do not intend to repatriate these funds to meet our cash requirements. Should we repatriate these funds, we will be required to provide taxes based on the applicable U.S. tax rates, net of any foreign tax credit consideration.

NON-GAAP MEASURES

We use non-GAAP financial measures including: net sales excluding acquisitions, divestiture, and foreign currency exchange; adjusted gross profit, operating income, income, and earnings per share; earnings before interest, taxes, depreciation, amortization, and impairment charges related to intangible assets ("EBITDA (as adjusted)"); and free cash flow, as key measures for purposes of evaluating performance internally. We believe that investors' understanding of our performance is enhanced by disclosing these performance measures. Furthermore, these non-GAAP financial measures are used by management in preparation of the annual budget and for the monthly analyses of our operating results. The Board of Directors also utilizes the adjusted earnings per share and free cash flow measures as components for measuring performance for incentive compensation purposes.

Non-GAAP measures exclude certain items affecting comparability, that can significantly affect the year-over-year assessment of operating results, which include merger and integration and restructuring costs ("special project costs") and unallocated gains and losses on commodity and foreign currency exchange derivatives ("unallocated derivative gains and losses"). The special project costs in the following table relate to specific merger and integration and restructuring projects, and the unallocated derivative gains and losses reflect the changes in fair value of our commodity and foreign currency exchange contracts.

Beginning May 1, 2016, we redefined our non-GAAP measures to also exclude amortization expense and impairment charges related to intangible assets, and have modified prior year results to conform to the new definition. We believe that excluding amortization expense and impairment charges related to intangible assets in our non-GAAP measures is more reflective of our operating performance and the way in which we manage our business, as these items are noncash expenses and can be significantly affected by the timing and size of our acquisitions.

These non-GAAP financial measures are not intended to replace the presentation of financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). Rather, the presentation of these non-GAAP financial measures supplements other metrics we use to internally evaluate our businesses and facilitate the comparison of past and present operations and liquidity. These non-GAAP financial measures may not be comparable to similar measures used by other companies and may exclude certain nondiscretionary expenses and cash payments.

The following table reconciles certain non-GAAP financial measures to the comparable GAAP financial measure. See page 26 for a reconciliation of net sales adjusted for certain noncomparable items to the comparable GAAP financial measure.

	Year Ended April 30,				
	2017	2016	2015	2014	2013
Gross profit reconciliation:					
Gross profit	$ 2,835.3	$ 2,967.8	$ 1,968.7	$ 2,031.0	$ 2,027.6
Unallocated derivative losses (gains)	27.2	(12.0)	24.5	(5.3)	(6.6)
Cost of products sold – special project costs	5.7	12.2	6.2	9.4	11.5
Adjusted gross profit	$ 2,868.2	$ 2,968.0	$ 1,999.4	$ 2,035.1	$ 2,032.5
Operating income reconciliation:					
Operating income	$ 1,031.5	$ 1,145.3	$ 772.0	$ 919.0	$ 910.4
Amortization	207.3	208.4	109.7	98.9	96.8
Impairment charges	133.2	—	1.2	—	—
Unallocated derivative losses (gains)	27.2	(12.0)	24.5	(5.3)	(6.6)
Cost of products sold – special project costs	5.7	12.2	6.2	9.4	11.5
Other special project costs	76.9	135.9	56.6	25.6	49.5
Adjusted operating income	$ 1,481.8	$ 1,489.8	$ 970.2	$ 1,047.6	$ 1,061.6
Net income reconciliation:					
Net income	$ 592.3	$ 688.7	$ 344.9	$ 565.2	$ 544.2
Income taxes	286.1	289.2	178.1	284.5	273.1
Amortization	207.3	208.4	109.7	98.9	96.8
Impairment charges	133.2	—	1.2	—	—
Unallocated derivative losses (gains)	27.2	(12.0)	24.5	(5.3)	(6.6)
Cost of products sold – special project costs	5.7	12.2	6.2	9.4	11.5
Other special project costs	76.9	135.9	56.6	25.6	49.5
Adjusted income before income taxes	$ 1,328.7	$ 1,322.4	$ 721.2	$ 978.3	$ 968.5
Income taxes, as adjusted (A)	432.8	391.1	245.6	327.5	323.6
Adjusted income	$ 895.9	$ 931.3	$ 475.6	$ 650.8	$ 644.9
Weighted-average shares – assuming dilution	116,120,780	119,477,312	103,697,261	104,346,587	108,851,153
Adjusted earnings per share – assuming dilution	$ 7.72	$ 7.79	$ 4.59	$ 6.24	$ 5.92
EBITDA (as adjusted) reconciliation:					
Net income	$ 592.3	$ 688.7	$ 344.9	$ 565.2	$ 544.2
Income taxes	286.1	289.2	178.1	284.5	273.1
Interest expense – net	163.1	171.1	79.9	79.4	93.4
Depreciation	211.7	221.7	157.5	157.5	154.1
Amortization	207.3	208.4	109.7	98.9	96.8
Impairment charges	133.2	—	1.2	—	—
EBITDA (as adjusted)	$ 1,593.7	$ 1,579.1	$ 871.3	$ 1,185.5	$ 1,161.6
Free cash flow reconciliation:					
Net cash provided by operating activities	$ 1,059.0	$ 1,461.0	$ 739.1	$ 863.3	$ 858.7
Additions to property, plant, and equipment	(192.4)	(201.4)	(247.7)	(279.5)	(206.5)
Free cash flow	$ 866.6	$ 1,259.6	$ 491.4	$ 583.8	$ 652.2

(A) Income taxes, as adjusted is based upon our GAAP effective tax rate and reflects the impact of items excluded from GAAP net income to derive adjusted income.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have material off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as variable interest entities. Transactions with related parties are in the ordinary course of business, and are not material to our results of operations, financial condition, or cash flows.

CONTRACTUAL OBLIGATIONS

The following table summarizes our contractual obligations by fiscal year at April 30, 2017.

	Total	2018	2019–2020	2021–2022	2023 and beyond
Long-term debt obligations, including current portion (A)	$ 4,950.0	$ 500.0	$ 1,050.0	$ 1,150.0	$ 2,250.0
Interest payments (B)	1,784.3	163.1	312.2	241.1	1,067.9
Operating lease obligations (C)	156.6	33.9	49.6	32.0	41.1
Purchase obligations (D)	1,147.6	1,050.8	96.6	0.2	—
Other liabilities (E)	290.0	16.3	37.1	15.3	221.3
Total	$ 8,328.5	$ 1,764.1	$ 1,545.5	$ 1,438.6	$ 3,580.3

(A) Excludes the impact of offering discounts, make-whole payments, and debt issuance costs.

(B) Includes interest payments on our long-term debt, which reflects estimated payments for our variable-rate debt based on the current interest rate outlook.

(C) Includes the minimum rental commitments under non-cancelable operating leases.

(D) Includes agreements that are enforceable and legally bind us to purchase goods or services, including certain obligations related to normal, ongoing purchase obligations in which we have guaranteed payment to ensure availability of raw materials, packaging supplies, and co-pack arrangements. We expect to receive consideration for these purchase obligations in the form of materials and services. These purchase obligations do not represent the entire anticipated purchases in the future, but represent only those items for which we are contractually obligated.

(E) Mainly consists of projected commitments associated with our defined benefit pension and other postretirement benefit plans. The liability for unrecognized tax benefits and tax-related net interest of $44.5 under Financial Accounting Standards Board Accounting Standards Codification 740, *Income Taxes*, is excluded, since we are unable to reasonably estimate the timing of cash settlements with the respective taxing authorities.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

The preparation of financial statements in conformity with U.S. GAAP requires that we make estimates and assumptions that in certain circumstances affect amounts reported in the accompanying consolidated financial statements. In preparing these financial statements, we have made our best estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. We do not believe there is a great likelihood that materially different amounts would be reported under different conditions or using different assumptions related to the accounting policies described below. However, application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates.

Revenue Recognition: We recognize revenue when all of the following criteria have been met: a valid customer order with a determinable price has been received; title and risk of loss have transferred to the customer; there is no further significant obligation to assist in the resale of the product; and collectibility is reasonably assured. Our products are shipped with FOB destination terms, with the exception of certain export customers and those customers that elect to pick up.

Trade marketing and merchandising programs are classified as a reduction of sales. A provision for estimated returns and allowances is recognized as a reduction of sales at the time revenue is recognized.

Trade Marketing and Merchandising Programs: In order to support our products, various promotional activities are conducted through retail trade, distributors, or directly with consumers, including in-store display and product placement programs, feature price discounts, coupons, and other similar activities. We regularly review and revise, when we deem necessary, estimates of costs for these promotional programs based on estimates of what will be redeemed by retail trade, distributors, or consumers. These estimates are made using various techniques, including historical data on performance of similar promotional programs. Differences between estimated expenditures and actual performance are recognized as a change in estimate in a subsequent period. During 2017, 2016, and 2015, subsequent period adjustments approximated less than 2 percent of both consolidated pre-tax income and cash provided by operating activities. However, as total promotional expenditures, including amounts classified as a reduction of sales, represented 33 percent of net sales in 2017, the possibility exists that reported results could be different if factors such as the level and success of the promotional programs or other conditions differ from expectations.

Income Taxes: We account for income taxes using the liability method. In the ordinary course of business, we are exposed to uncertainties related to tax filing positions and periodically assess the technical merits of these tax positions for all tax years that remain subject to examination, based upon the latest information available. For uncertain tax positions, we have recognized a liability for unrecognized tax benefits, including any applicable interest and penalty charges.

In assessing the need for a valuation allowance, we estimate future taxable income, considering the viability of ongoing tax planning strategies and the probable recognition of future tax deductions and loss carryforwards. Valuation allowances related to deferred tax assets can be affected by changes in tax laws, statutory tax rates, and projected future taxable income levels. Changes in estimated realization of deferred tax assets would result in an adjustment to income in the period in which that determination is made, unless such changes are determined to be an adjustment to goodwill within the allowable measurement period under the acquisition method of accounting.

The future tax benefit arising from the net deductible temporary differences and tax carryforwards is $227.3 and $252.9 at April 30, 2017 and 2016, respectively. We believe that the earnings during the periods when the temporary differences become deductible will be sufficient to realize the related future income tax benefits. For those jurisdictions where the expiration date of tax carryforwards or the projected operating results indicate that realization is not likely, a valuation allowance would have been provided.

Long-Lived Assets: Long-lived assets, other than goodwill and other indefinite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to future net undiscounted cash flows estimated to be generated by such assets. If such assets are considered to be impaired, the impairment to be recognized is the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. However, determining fair value is subject to estimates of both cash flows and discount rates, and different estimates could yield different results. There are no events or changes in circumstances of which we are aware that indicate the carrying value of our long-lived assets may not be recoverable at April 30, 2017.

Goodwill and Other Indefinite-Lived Intangible Assets:
A significant portion of our assets is goodwill and other intangible assets, the majority of which are not amortized but are reviewed at least annually for impairment and more often if indicators of impairment exist. At April 30, 2017, the carrying value of goodwill and other intangible assets totaled $12.2 billion, compared to total assets of $15.6 billion and total shareholders' equity of $6.9 billion. If the carrying value of these assets exceeds the current estimated fair value, the asset is considered impaired and this would result in a noncash charge to earnings. Any such impairment charge would reduce earnings and could be material. Events and conditions that could result in impairment include a sustained drop in the market price of our common shares, increased competition or loss of market share, obsolescence, product claims that result in a significant loss of sales or profitability over the product life, deterioration in macroeconomic conditions, or declining financial performance in comparison to projected results.

To test for goodwill impairment, we estimate the fair value of each of our reporting units using both a discounted cash flow valuation technique and a market-based approach. The impairment test incorporates estimates of future cash flows; allocations of certain assets, liabilities, and cash flows among reporting units; future growth rates; terminal value amounts; and the applicable weighted-average cost of capital used to discount those estimated cash flows. The estimates and projections used in the calculation of fair value are consistent with our current and long-range plans, including anticipated changes in market conditions, industry trends, growth rates, and planned capital expenditures. Changes in forecasted operations and other estimates and assumptions could impact the assessment of impairment in the future.

At April 30, 2017, goodwill totaled $6.1 billion. Goodwill is substantially concentrated within the U.S. Retail Coffee, U.S. Retail Pet Foods, and U.S. Retail Consumer Foods segments. During 2017, no goodwill impairment was recognized as a result of the evaluations performed throughout the year. As of April 30, 2017, the estimated fair value of each of our seven reporting units was substantially in excess of its carrying value, with the exception of the Pet Foods reporting unit, for which its fair value exceeded its carrying value by approximately 6 percent. A sensitivity analysis was performed for the Pet Foods reporting unit, assuming a hypothetical 50-basis-point decrease in the expected long-term growth rate or a hypothetical 50-basis-point increase in the weighted-average cost of capital, and both scenarios independently yielded an estimated fair value for the Pet Foods reporting unit at or slightly below carrying value. The goodwill related to the U.S. Retail Pet Foods segment is a result of the Big Heart acquisition and remains susceptible to future impairment as the current estimated fair value is close to the carrying value at the date of the acquisition. A change to the assumptions regarding the future performance of the U.S. Retail Pet Foods segment, or a portion of it, or a change to other assumptions, could result in impairment losses in the future.

Other indefinite-lived intangible assets, consisting entirely of trademarks, are also tested for impairment at least annually and more often if events or changes in circumstances indicate their carrying value may not be recoverable. To test these assets for impairment, we estimate the fair value of each asset based on a discounted cash flow model using various inputs, including projected revenues, an assumed royalty rate, and a discount rate. Changes in these estimates and assumptions could impact the assessment of impairment in the future.

At April 30, 2017, other indefinite-lived intangible assets totaled $2.9 billion. Trademarks that represent our leading brands comprise more than 90 percent of the total carrying value of other indefinite-lived intangible assets. As of April 30, 2017, each of these leading brand trademarks had an estimated fair value substantially in excess of its carrying value, with the exception of the trademarks acquired as part of the Big Heart acquisition. During 2017, we recognized impairment charges of $133.2 related to certain indefinite-lived trademarks, primarily within the U.S. Retail Pet Foods segment, to the extent that the carrying value exceeded the estimated fair value. These indefinite-lived trademarks remain susceptible to future impairment charges as the carrying value approximates estimated fair value at April 30, 2017.

Pension and Other Postretirement Benefit Plans: To determine the ultimate obligation under our defined benefit pension and other postretirement benefit plans, we must estimate the future cost of benefits and attribute that cost to the time period during which each covered employee works. Various actuarial assumptions must be made in order to predict and measure costs and obligations many years prior to the settlement date, the most significant being the interest rates used to discount the obligations of the plans, the long-term rates of return on the plans' assets, mortality assumptions, assumed pay increases, and the health care cost trend rates. We, along with third-party actuaries and investment managers, review all of these assumptions on an ongoing basis to ensure that the most reasonable information available is being considered.

As of April 30, 2017, we changed the approach utilized to estimate the service and interest cost components of net periodic benefit cost for our defined benefit pension and other postretirement benefit plans. Historically, we estimated the service and interest cost components using a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. As of April 30, 2017, we utilized a spot rate approach for the estimation of service and interest cost for our plans by applying specific spot rates along the yield curve to the relevant projected cash flows, to provide a better estimate of service and interest costs. This approach does not affect the measurement of the total benefit obligations, and will be accounted for as a change in estimate that is effected by a change in accounting principle. As such, this change in methodology will be accounted for on a prospective basis beginning May 1, 2017.

For 2018 expense recognition, we will use a spot rate methodology, determined using the method described above, resulting in a weighted-average discount rate of 3.95 percent and 3.22 percent for the U.S. and Canadian defined benefit pension plans, respectively, and a rate of compensation increase of 4.15 percent for the U.S. plans. We anticipate using an expected rate of return on plan assets of 6.27 percent and 5.00 percent for the U.S. and Canadian defined benefit pension plans, respectively.

DERIVATIVE FINANCIAL INSTRUMENTS AND MARKET RISK

The following discussions about our market risk disclosures involve forward-looking statements. Actual results could differ from those projected in the forward-looking statements. We are exposed to market risk related to changes in interest rates, foreign currency exchange rates, and commodity prices.

Interest Rate Risk: The fair value of our cash and cash equivalents at April 30, 2017, approximates carrying value. We are exposed to interest rate risk with regard to existing debt consisting of fixed- and variable-rate maturities. Our interest rate exposure primarily includes U.S. Treasury rates, London Interbank Offered Rate, and commercial paper rates in the U.S.

We utilize derivative instruments to manage changes in the fair value and cash flows of our debt. Interest rate swaps mitigate the risk associated with the underlying hedged item. At the inception of the contract, the instrument is evaluated and documented for hedge accounting treatment. If the contract is designated as a cash flow hedge, the mark-to-market gains or losses on the swap are deferred and included as a component of accumulated other comprehensive loss to the extent effective, and reclassified to interest expense in the period during which the hedged transaction affects earnings. If the contract is designated as a fair value hedge, the swap is recognized at fair value on the balance sheet, and changes in the fair value are recognized in interest expense. Generally, changes in the fair value of the derivative are equal to changes in the fair value of the underlying debt and have no net impact on earnings. In 2015, we terminated the interest rate swap on the 3.50 percent Senior Notes due October 15, 2021, which was designated as a fair value hedge, and used to hedge against the changes in fair value of the debt. As a result of the early termination, we received $58.1 in cash, which included $4.6 of accrued and prepaid interest and a $53.5 benefit that is deferred as a component of the carrying value of the long-term debt and is being recognized ratably as a reduction to interest expense over the remaining life of the related debt. At April 30, 2017, the remaining benefit of $36.3 was recorded as an increase in the long-term debt balance.

Based on our overall interest rate exposure as of and during the year ended April 30, 2017, including derivatives and other financial instruments sensitive to interest rates, a hypothetical 10 percent movement in interest rates would not materially affect our results of operations. In measuring interest rate risk by the amount of net change in the fair value of our financial liabilities, a hypothetical 100-basis-point decrease in interest rates at April 30, 2017, would increase the fair value of our long-term debt by $340.1.

Foreign Currency Exchange Risk: We have operations outside the U.S. with foreign currency denominated assets and liabilities, primarily denominated in Canadian currency. Because we have foreign currency denominated assets and liabilities, financial exposure may result, primarily from the timing of transactions and the movement of exchange rates. The foreign currency balance sheet exposures as of April 30, 2017, are not expected to result in a significant impact on future earnings or cash flows.

We utilize foreign currency exchange forwards and options contracts to manage the price volatility of foreign currency exchange fluctuations on future cash payments in Canada, primarily related to purchases of certain raw materials and finished goods. The contracts generally have maturities of less than one year. We do not qualify instruments used to manage foreign currency exchange exposures for hedge accounting treatment. Therefore, the change in value of these instruments is immediately recognized in the cost of products sold. Based on our hedged foreign currency positions as of April 30, 2017, a hypothetical 10 percent change in exchange rates would result in a $13.0 loss of fair value.

Revenues from customers outside the U.S., subject to foreign currency exchange, represented 6 percent of net sales during 2017. Thus, certain revenues and expenses have been, and are expected to be, subject to the effect of foreign currency fluctuations, and these fluctuations may have an impact on operating results.

Commodity Price Risk: We use certain raw materials and other commodities that are subject to price volatility caused by supply and demand conditions, political and economic variables, weather, investor speculation, and other unpredictable factors. To manage the volatility related to anticipated commodity purchases, we use futures and options with maturities of generally less than one year. We do not qualify commodity derivatives for hedge accounting treatment. As a result, the gains and losses on all commodity derivatives are immediately recognized in cost of products sold.

The following sensitivity analysis presents our potential loss of fair value resulting from a hypothetical 10 percent change in market prices related to commodities.

	Year Ended April 30,	
	2017	2016
High	**$ 40.8**	$ 40.0
Low	**13.2**	16.5
Average	**26.5**	32.9

The estimated fair value was determined using quoted market prices and was based on our net derivative position by commodity at each quarter end during the fiscal year. The calculations are not intended to represent actual losses in fair value that we expect to incur. In practice, as markets move, we actively manage our risk and adjust hedging strategies as appropriate. The commodities hedged have a high inverse correlation to price changes of the derivative commodity instrument; thus, we would expect that any gain or loss in the estimated fair value of its derivatives would generally be offset by an increase or decrease in the estimated fair value of the underlying exposures.

FORWARD-LOOKING STATEMENTS

Certain statements included in this Annual Report contain forward-looking statements within the meaning of federal securities laws. The forward-looking statements may include statements concerning our current expectations, estimates, assumptions, and beliefs concerning future events, conditions, plans, and strategies that are not historical fact. Any statement that is not historical in nature is a forward-looking statement and may be identified by the use of words and phrases such as "expect," "anticipate," "believe," "intend," "will," "plan," and similar phrases.

Federal securities laws provide a safe harbor for forward-looking statements to encourage companies to provide prospective information. We are providing this cautionary statement in connection with the safe harbor provisions. Readers are cautioned not to place undue reliance on any forward-looking statements, as such statements are by nature subject to risks, uncertainties, and other factors, many of which are outside of our control and could cause actual results to differ materially from such statements and from our historical results and experience. These risks and uncertainties include, but are not limited to, those set forth under the caption "Risk Factors" in our Annual Report on Form 10-K, as well as the following:

- our ability to achieve synergies and cost savings related to the Big Heart acquisition and other programs in the amounts and within the time frames currently anticipated and to effectively manage the related integration and restructuring costs;
- our ability to satisfy the closing conditions for the *Wesson* transaction, including receipt of required regulatory approvals, without unexpected delays or conditions;
- our ability to generate sufficient cash flow to meet our deleveraging objectives;
- volatility of commodity, energy, and other input costs;
- risks associated with derivative and purchasing strategies we employ to manage commodity pricing risks;
- the availability of reliable transportation on acceptable terms;
- our ability to implement and realize the full benefit of price changes, and the impact of the timing of the price changes to profits and cash flow in a particular period;
- the success and cost of marketing and sales programs and strategies intended to promote growth in our businesses, including the introduction of new products;
- general competitive activity in the market, including competitors' pricing practices and promotional spending levels;
- the impact of food security concerns involving either our products or our competitors' products;
- the impact of accidents, extreme weather, and natural disasters;
- the concentration of certain of our businesses with key customers and suppliers, including single-source suppliers of certain key raw materials and finished goods, and our ability to manage and maintain key relationships;
- the timing and amount of capital expenditures and share repurchases;
- impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets or changes in useful lives of other intangible assets;
- the impact of new or changes to existing governmental laws and regulations and their application;
- the outcome of tax examinations, changes in tax laws, and other tax matters;
- foreign currency and interest rate fluctuations; and
- risks related to other factors described under "Risk Factors" in other reports and statements we have filed with the Securities and Exchange Commission.

Readers are cautioned not to unduly rely on such forward-looking statements, which speak only as of the date made, when evaluating the information presented in this Annual Report. We do not undertake any obligation to update or revise these forward-looking statements to reflect new events or circumstances subsequent to the filing of this Annual Report.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The J. M. Smucker Company

Shareholders
The J. M. Smucker Company

Management is responsible for establishing and maintaining adequate accounting and internal control systems over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities and Exchange Act of 1934, as amended. Our internal control system is designed to provide reasonable assurance that we have the ability to record, process, summarize, and report reliable financial information on a timely basis.

Our management, with the participation of the principal financial officer and principal executive officer, assessed the effectiveness of the internal control over financial reporting as of April 30, 2017. In making this assessment, we used the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) ("the COSO criteria").

Based on our assessment of internal control over financial reporting under the COSO criteria, we concluded the internal control over financial reporting was effective as of April 30, 2017.

Ernst & Young LLP, an independent registered public accounting firm, audited the effectiveness of our internal control over financial reporting as of April 30, 2017, and their report thereon is included on page 38 of this report.

Mark T. Smucker
President and
Chief Executive Officer

Mark R. Belgya
Vice Chair and
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The J. M. Smucker Company

Board of Directors and Shareholders
The J. M. Smucker Company

We have audited The J. M. Smucker Company's internal control over financial reporting as of April 30, 2017, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) ("the COSO criteria"). The J. M. Smucker Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, The J. M. Smucker Company maintained, in all material respects, effective internal control over financial reporting as of April 30, 2017, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of The J. M. Smucker Company as of April 30, 2017 and 2016, and the related statements of consolidated income, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended April 30, 2017 of The J. M. Smucker Company, and our report dated June 19, 2017, expressed an unqualified opinion thereon.

Ernst & Young LLP

Akron, Ohio
June 19, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON THE CONSOLIDATED FINANCIAL STATEMENTS

The J. M. Smucker Company

Board of Directors and Shareholders
The J. M. Smucker Company

We have audited the accompanying consolidated balance sheets of The J. M. Smucker Company as of April 30, 2017 and 2016, and the related statements of consolidated income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended April 30, 2017. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The J. M. Smucker Company at April 30, 2017 and 2016, and the consolidated results of its operations and its cash flows for each of the three years in the period ended April 30, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), The J. M. Smucker Company's internal control over financial reporting as of April 30, 2017, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated June 19, 2017, expressed an unqualified opinion thereon.

Ernst & Young LLP

Akron, Ohio
June 19, 2017

REPORT OF MANAGEMENT ON RESPONSIBILITY FOR FINANCIAL REPORTING

The J. M. Smucker Company

Shareholders
The J. M. Smucker Company

Management of The J. M. Smucker Company is responsible for the preparation, integrity, accuracy, and consistency of the consolidated financial statements and the related financial information in this report. Such information has been prepared in accordance with U.S. generally accepted accounting principles and is based on our best estimates and judgments.

We maintain systems of internal accounting controls supported by formal policies and procedures that are communicated throughout the Company. There is a program of audits performed by our internal audit staff designed to evaluate the adequacy of and adherence to these controls, policies, and procedures.

Ernst & Young LLP, an independent registered public accounting firm, has audited our financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Management has made all financial records and related data available to Ernst & Young LLP during its audit.

Our audit committee, comprised of four non-employee members of the Board of Directors, meets regularly with the independent registered public accounting firm and management to review the work of the internal audit staff and the work, audit scope, timing arrangements, and fees of the independent registered public accounting firm. The audit committee also regularly satisfies itself as to the adequacy of controls, systems, and financial records. The director of the internal audit department is required to report directly to the chair of the audit committee as to internal audit matters.

It is our best judgment that our policies and procedures, our program of internal and independent audits, and the oversight activity of the audit committee work together to provide reasonable assurance that our operations are conducted according to law and in compliance with the high standards of business ethics and conduct to which we subscribe.

Mark T. Smucker
President and
Chief Executive Officer

Mark R. Belgya
Vice Chair and
Chief Financial Officer

STATEMENTS OF CONSOLIDATED INCOME

The J. M. Smucker Company

	Year Ended April 30,		
(Dollars in millions, except per share data)	2017	2016	2015
Net sales	$ 7,392.3	$ 7,811.2	$ 5,692.7
Cost of products sold	4,557.0	4,843.4	3,724.0
Gross Profit	2,835.3	2,967.8	1,968.7
Selling, distribution, and administrative expenses	1,390.7	1,510.3	1,031.3
Amortization	207.3	208.4	109.7
Impairment charges	133.2	—	1.2
Other special project costs (A)	76.9	135.9	56.6
Other operating income – net	(4.3)	(32.1)	(2.1)
Operating Income	1,031.5	1,145.3	772.0
Interest expense – net	(163.1)	(171.1)	(79.9)
Other debt costs	—	—	(173.3)
Other income – net	10.0	3.7	4.2
Income Before Income Taxes	878.4	977.9	523.0
Income taxes	286.1	289.2	178.1
Net Income	$ 592.3	$ 688.7	$ 344.9
Earnings per common share:			
Net Income	$ 5.11	$ 5.77	$ 3.33
Net Income – Assuming Dilution	$ 5.10	$ 5.76	$ 3.33
Dividends Declared per Common Share	$ 3.00	$ 2.68	$ 2.56

(A) Other special project costs includes merger and integration and restructuring costs. For more information, see Note 3: Integration and Restructuring Costs.

See notes to consolidated financial statements.

STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME

The J. M. Smucker Company

	Year Ended April 30,		
(Dollars in millions)	2017	2016	2015
Net income	$ 592.3	$ 688.7	$ 344.9
Other comprehensive income (loss):			
Foreign currency translation adjustments	(29.9)	(10.8)	(34.0)
Cash flow hedging derivative activity, net of tax	0.4	0.4	(20.5)
Pension and other postretirement benefit plans activity, net of tax	34.1	(28.5)	(3.6)
Available-for-sale securities activity, net of tax	0.4	0.3	(0.1)
Total Other Comprehensive Income (Loss)	5.0	(38.6)	(58.2)
Comprehensive Income	$ 597.3	$ 650.1	$ 286.7

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

The J. M. Smucker Company

ASSETS

	April 30,	
(Dollars in millions)	**2017**	2016
Current Assets		
Cash and cash equivalents	**$ 166.8**	$ 109.8
Trade receivables, less allowance for doubtful accounts	**438.7**	450.1
Inventories:		
Finished products	**562.4**	560.0
Raw materials	**343.3**	339.4
Total Inventory	**905.7**	899.4
Other current assets	**130.6**	114.1
Total Current Assets	**1,641.8**	1,573.4
Property, Plant, and Equipment		
Land and land improvements	**115.6**	114.6
Buildings and fixtures	**766.2**	727.7
Machinery and equipment	**1,983.0**	1,870.7
Construction in progress	**116.9**	91.3
Gross Property, Plant, and Equipment	**2,981.7**	2,804.3
Accumulated depreciation	**(1,364.2)**	(1,176.6)
Total Property, Plant, and Equipment	**1,617.5**	1,627.7
Other Noncurrent Assets		
Goodwill	**6,077.1**	6,091.1
Other intangible assets – net	**6,149.9**	6,494.4
Other noncurrent assets	**153.4**	197.5
Total Other Noncurrent Assets	**12,380.4**	12,783.0
Total Assets	**$ 15,639.7**	$ 15,984.1

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

The J. M. Smucker Company

LIABILITIES AND SHAREHOLDERS' EQUITY

	April 30,	
(Dollars in millions)	**2017**	2016
Current Liabilities		
Accounts payable	**$ 477.2**	$ 459.4
Accrued compensation	**88.2**	139.6
Accrued trade marketing and merchandising	**106.0**	112.3
Dividends payable	**85.1**	77.9
Current portion of long-term debt	**499.0**	—
Short-term borrowings	**454.0**	284.0
Other current liabilities	**123.1**	139.8
Total Current Liabilities	**1,832.6**	1,213.0
Noncurrent Liabilities		
Long-term debt, less current portion	**4,445.5**	5,146.0
Defined benefit pensions	**189.8**	222.3
Other postretirement benefits	**66.6**	75.9
Deferred income taxes	**2,167.0**	2,230.3
Other noncurrent liabilities	**88.0**	88.1
Total Noncurrent Liabilities	**6,956.9**	7,762.6
Total Liabilities	**8,789.5**	8,975.6
Shareholders' Equity		
Serial preferred shares – no par value: Authorized – 6,000,000 shares; outstanding – none	**—**	—
Common shares – no par value: Authorized – 300,000,000 shares; outstanding – 113,439,553 at April 30, 2017, and 116,306,894 at April 30, 2016 (net of 33,058,177 and 30,190,836 treasury shares, respectively), at stated value	**28.4**	29.1
Additional capital	**5,724.7**	5,860.1
Retained income	**1,240.5**	1,267.7
Accumulated other comprehensive loss	**(143.4)**	(148.4)
Total Shareholders' Equity	**6,850.2**	7,008.5
Total Liabilities and Shareholders' Equity	**$ 15,639.7**	$ 15,984.1

See notes to consolidated financial statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS

The J. M. Smucker Company

	Year Ended April 30,		
(Dollars in millions)	2017	2016	2015
Operating Activities			
Net income	$ 592.3	$ 688.7	$ 344.9
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation	211.7	221.7	157.5
Amortization	207.3	208.4	109.7
Impairment charges	133.2	—	1.2
Share-based compensation expense	22.0	34.6	23.5
Gain on divestiture	—	(25.3)	—
Deferred income tax (benefit) expense	(79.4)	(95.2)	7.7
Other noncash adjustments	4.8	3.4	(6.0)
Make-whole payments included in financing activities	—	—	163.3
Defined benefit pension contributions	(28.7)	(8.6)	(15.7)
Changes in assets and liabilities, net of effect from businesses acquired:			
Trade receivables	8.9	(21.9)	21.8
Inventories	(10.4)	240.1	25.3
Other current assets	8.9	14.6	74.1
Accounts payable	2.1	46.1	(25.4)
Accrued liabilities	(39.8)	2.4	(140.3)
Proceeds from settlement of interest rate swaps – net	—	—	53.5
Income and other taxes	7.9	146.9	(35.7)
Other – net	18.2	5.1	(20.3)
Net Cash Provided by Operating Activities	1,059.0	1,461.0	739.1
Investing Activities			
Businesses acquired, net of cash acquired	—	7.9	(1,320.5)
Equity investment in affiliate	—	(16.0)	—
Additions to property, plant, and equipment	(192.4)	(201.4)	(247.7)
Proceeds from divestiture	—	193.7	—
Proceeds from sale of investment	40.6	—	—
Proceeds from disposal of property, plant, and equipment	0.5	4.0	2.6
Other – net	(38.4)	33.5	(30.1)
Net Cash (Used for) Provided by Investing Activities	(189.7)	21.7	(1,595.7)
Financing Activities			
Short-term borrowings (repayments) – net	170.0	58.0	(22.4)
Proceeds from long-term debt	—	—	5,382.5
Repayments of long-term debt, including make-whole payments	(200.0)	(800.0)	(4,193.9)
Quarterly dividends paid	(339.3)	(316.6)	(254.0)
Purchase of treasury shares	(437.6)	(441.1)	(24.3)
Other – net	0.8	0.8	(30.6)
Net Cash (Used for) Provided by Financing Activities	(806.1)	(1,498.9)	857.3
Effect of exchange rate changes on cash	(6.2)	0.4	(28.6)
Net increase (decrease) in cash and cash equivalents	57.0	(15.8)	(27.9)
Cash and cash equivalents at beginning of year	109.8	125.6	153.5
Cash and Cash Equivalents at End of Year	$ 166.8	$ 109.8	$ 125.6

( ) Denotes use of cash

See notes to consolidated financial statements.

STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY

The J. M. Smucker Company

(Dollars in millions)	Common Shares Outstanding	Common Shares	Additional Capital	Retained Income	Amount Due from ESOP Trust	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at May 1, 2014	101,697,400	$ 25.4	$ 3,965.8	$ 1,091.0	$ (1.0)	$ (51.6)	$ 5,029.6
Net income				344.9			344.9
Other comprehensive loss						(58.2)	(58.2)
Comprehensive Income							286.7
Purchase of treasury shares	(225,262)	(0.1)	(19.2)	(5.0)			(24.3)
Issuance of shares for acquisition	17,892,565	4.5	2,031.0				2,035.5
Stock plans (includes tax benefit of $5.9)	212,630	0.1	30.1				30.2
Cash dividends declared				(271.5)			(271.5)
Other				(0.2)	0.9		0.7
Balance at April 30, 2015	119,577,333	29.9	6,007.7	1,159.2	(0.1)	(109.8)	7,086.9
Net income				688.7			688.7
Other comprehensive loss						(38.6)	(38.6)
Comprehensive Income							650.1
Purchase of treasury shares	(3,451,591)	(0.9)	(177.9)	(262.3)			(441.1)
Stock plans (includes tax benefit of $2.7)	181,152	0.1	30.7				30.8
Cash dividends declared				(317.9)			(317.9)
Other			(0.4)		0.1		(0.3)
Balance at April 30, 2016	116,306,894	29.1	5,860.1	1,267.7	—	(148.4)	7,008.5
Net income				592.3			592.3
Other comprehensive income						5.0	5.0
Comprehensive Income							597.3
Purchase of treasury shares	(3,147,659)	(0.8)	(163.6)	(273.2)			(437.6)
Stock plans	280,318	0.1	28.1				28.2
Cash dividends declared				(346.5)			(346.5)
Other			0.1	0.2			0.3
Balance at April 30, 2017	**113,439,553**	**$ 28.4**	**$ 5,724.7**	**$ 1,240.5**	**$ —**	**$ (143.4)**	**$ 6,850.2**

See notes to consolidated financial statements.

(Dollars in millions, unless otherwise noted, except per share data)

NOTE 1 ACCOUNTING POLICIES

Principles of Consolidation: The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, and its majority-owned investments, if any. Intercompany transactions and accounts are eliminated in consolidation.

Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires that we make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Significant estimates in these consolidated financial statements include: estimates of future cash flows associated with assets, potential asset impairments, useful lives and residual values of long-lived assets used in determining depreciation and amortization, net realizable value of inventories, accruals for trade marketing and merchandising programs, income taxes, and the determination of discount and other assumptions for defined benefit pension and other postretirement benefit expenses. Actual results could differ from these estimates.

Cash and Cash Equivalents: We consider all short-term, highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Revenue Recognition: We recognize revenue when all of the following criteria have been met: a valid customer order with a determinable price has been received; title and risk of loss have transferred to the customer; there is no further significant obligation to assist in the resale of the product; and collectibility is reasonably assured. Our products are shipped with FOB destination terms, with the exception of certain export customers and those customers that elect to pick up.

Trade marketing and merchandising programs are classified as a reduction of sales. A provision for estimated returns and allowances is recognized as a reduction of sales at the time revenue is recognized.

Trade Marketing and Merchandising Programs: In order to support our products, various promotional activities are conducted through retail trade, distributors, or directly with consumers, including in-store display and product placement programs, feature price discounts, coupons, and other similar activities. We regularly review and revise, when we deem necessary, estimates of costs for these promotional programs based on estimates of what will be redeemed by retail trade, distributors, or consumers. These estimates are made using various techniques, including historical data on performance of similar promotional programs. Differences between estimated expenditures and actual performance are recognized as a change in estimate in a subsequent period. During 2017, 2016, and 2015, subsequent period adjustments approximated less than 2 percent of both consolidated pre-tax income and cash provided by operating activities. However, as total promotional expenditures, including amounts classified as a reduction of sales, represented 33 percent, 31 percent, and 29 percent of net sales in 2017, 2016, and 2015, respectively, the possibility exists that reported results could be different if factors such as the level and success of the promotional programs or other conditions differ from expectations.

Shipping and Handling Costs: Transportation costs included in cost of products sold relate to the costs incurred to ship our products. Distribution costs are included in selling, distribution, and administrative ("SD&A") expenses and relate to the warehousing costs incurred to store our products. Total distribution costs recorded within SD&A were $252.9, $236.1, and $168.5 in 2017, 2016, and 2015, respectively.

Advertising Expense: Advertising costs are expensed as incurred. Advertising expense was $169.8, $170.3, and $107.0 in 2017, 2016, and 2015, respectively.

Research and Development Costs: Research and development ("R&D") costs are expensed as incurred and are included in SD&A in the Statements of Consolidated Income. R&D costs include expenditures for new product and manufacturing process innovation, which are comprised primarily of internal salaries and wages, consulting, and other supplies attributable to time spent on R&D activities. Other costs include the depreciation and maintenance of research facilities. Total R&D expense was $58.1, $58.8, and $32.5 in 2017, 2016, and 2015, respectively.

Share-Based Payments: Share-based compensation expense, excluding stock options, is recognized on a straight-line basis over the requisite service period, which includes a one-year performance period plus the defined forfeiture period, which is typically 4 years of service or the attainment of a defined age and years of service. Compensation expense related to stock options is recognized ratably over the service period for each vesting tranche from the grant date through the end of the requisite service period if it is probable that the performance criteria will be met. The stock options vest over a period of 1 to 3 years, dependent on continued service of the option holder, as well as the achievement of the performance objectives established on the grant date.

The following table summarizes amounts related to share-based payments.

	Year Ended April 30,		
	2017	2016	2015
Share-based compensation expense included in SD&A	$ 22.3	$ 26.3	$ 22.3
Share-based compensation (benefit) expense included in other special project costs	(0.3) (A)	8.3	1.2
Total share-based compensation expense	$ 22.0	$ 34.6	$ 23.5
Related income tax benefit	$ 7.2	$ 10.2	$ 8.0

(A) During 2017, we concluded that a portion of the performance objectives were unachievable, and therefore reversed the life-to-date compensation cost recognized. For additional information, see Note 12: Share-Based Payments.

As of April 30, 2017, total unrecognized share-based compensation cost related to nonvested share-based awards was $46.4. The weighted-average period over which this amount is expected to be recognized is 3.5 years.

Prior to adoption of Accounting Standards Update ("ASU") 2016-09, realized excess tax benefits were presented in the Statements of Consolidated Cash Flows as a financing activity and were credited to additional capital in the Consolidated Balance Sheets. Realized shortfall tax benefits, amounts which are less than those previously recognized in earnings, were first offset against the cumulative balance of excess tax benefits, if any, and then charged directly to income tax expense. Upon adoption of ASU 2016-09, realized excess tax benefits are presented in the Statements of Consolidated Cash Flows as an operating activity and are recognized within income taxes in the Statements of Consolidated Income. For 2017, 2016, and 2015, the excess tax benefits realized upon exercise or vesting of share-based compensation were $3.3, $2.7, and $5.9, respectively. For further discussion on share-based compensation expense, see Note 12: Share-Based Payments.

Defined Contribution Plans: We offer employee savings plans for domestic and Canadian employees. Our contributions under these plans are based on a specified percentage of employee contributions. Charges to operations for these plans in 2017, 2016, and 2015 were $31.9, $25.9, and $21.1, respectively. For information on our defined benefit plans, see Note 9: Pensions and Other Postretirement Benefits.

Income Taxes: We account for income taxes using the liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the applicable tax rate is recognized in income or expense in the period that the change is enacted. A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. A tax benefit is recognized when it is more likely than not to be sustained.

We account for the financial statement recognition and measurement criteria of a tax position taken or expected to be taken in a tax return under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure. In accordance with the requirements of ASC 740, uncertain tax positions have been classified in the Consolidated Balance Sheets as noncurrent, except to the extent payment is expected within one year. We recognize net interest and penalties related to unrecognized tax benefits in income tax expense.

Trade Receivables: In the normal course of business, we extend credit to customers. Trade receivables, less allowances, reflects the net realizable value of receivables and approximates fair value. We evaluate our trade receivables and establish an allowance for doubtful accounts based on a combination of factors. When aware that a specific customer has been impacted by circumstances such as bankruptcy filings or deterioration in the customer's operating results or financial position, potentially making it unable to meet its financial obligations, we record a specific reserve for bad debt to reduce the related receivable to the amount we reasonably believe is collectible. We also record reserves for bad debt for all other customers based on a variety of factors, including the length of time the receivables are past due, historical collection experience, and an evaluation of current and projected economic conditions at the balance sheet date. Trade receivables are charged off against the allowance after we determine that the potential for recovery is remote. At April 30, 2017 and 2016, the allowance for doubtful accounts was $1.6 and $1.1, respectively. We believe there is no concentration of risk with any single customer whose failure or nonperformance would materially affect results other than as discussed in Note 5: Reportable Segments.

Inventories: Inventories are stated at the lower of cost or market, with market being defined as net realizable value, less costs to sell. Cost for all inventories is determined using the first-in, first-out method applied on a consistent basis.

The cost of finished products and work-in-process inventory includes materials, direct labor, and overhead. Work-in-process is included in finished products in the Consolidated Balance Sheets and was $72.2 and $67.6 at April 30, 2017 and 2016, respectively.

Derivative Financial Instruments: We account for derivative instruments in accordance with FASB ASC 815, *Derivatives and Hedging*, which requires all derivative instruments to be recognized in the financial statements and measured at fair value, regardless of the purpose or intent for holding them.

We do not qualify commodity derivatives or instruments used to manage foreign currency exchange exposures for hedge accounting treatment and, as a result, the derivative gains and losses are immediately recognized in earnings. Although we do not perform the assessments required to achieve hedge accounting for derivative positions, we believe all of our derivatives are economic hedges of our risk exposure. The exposures hedged have a high inverse correlation to price changes of the derivative instrument; thus, we would expect that over time any gain or loss in the estimated fair value of our derivatives would generally be offset by an increase or decrease in the estimated fair value of the underlying exposures.

We utilize derivative instruments to manage changes in the fair value and cash flows of our debt. Interest rate swaps mitigate the risk associated with the underlying hedged item. At the inception of the contract, the instrument is evaluated and documented for hedge accounting treatment. If the contract is designated as a cash flow hedge, the mark-to-market gains or losses on the swap are deferred and included as a component of accumulated other comprehensive loss to the extent effective, and reclassified to interest expense in the period during which the hedged transaction affects earnings. If the contract is designated as a fair value hedge, the swap is recognized at fair value on the balance sheet, and changes in the fair value are recognized in interest expense. Generally, changes in the fair value of the derivative are equal to changes in the fair value of the underlying debt and have no net impact on earnings.

Property, Plant, and Equipment: Property, plant, and equipment is recognized at cost and is depreciated on a straight-line basis over the estimated useful life of the asset (3 to 20 years for machinery and equipment, 1 to 7 years for capitalized software costs, and 5 to 40 years for buildings, fixtures, and improvements).

We lease certain land, buildings, and equipment for varying periods of time, with renewal options. Rent expense in 2017, 2016, and 2015 totaled $101.0, $92.5, and $67.1, respectively. As of April 30, 2017, our minimum operating lease obligations were as follows: $33.9 in 2018, $28.1 in 2019, $21.5 in 2020, $19.0 in 2021, and $13.0 in 2022.

In accordance with FASB ASC 360, *Property, Plant, and Equipment*, long-lived assets, other than goodwill and other indefinite-lived intangible assets, are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to future net undiscounted cash flows we estimate to be generated by such assets. If such assets are considered to be impaired, the impairment to be recognized is the amount by which the carrying amount of the assets exceeds their estimated fair value. Assets to be disposed of by sale are recognized as held for sale at the lower of carrying value or fair value less costs to sell.

Goodwill and Other Intangible Assets: Goodwill is the excess of the purchase price paid over the estimated fair value of the net assets of a business acquired. In accordance with FASB ASC 350, *Intangibles – Goodwill and Other,* goodwill and other indefinite-lived intangible assets are not amortized but are reviewed at least annually for impairment. We conduct our annual test for impairment of goodwill and other indefinite-lived intangible assets as of February 1 of each year. As of the annual impairment test, we had seven reporting units. A discounted cash flow valuation technique was utilized to estimate the fair value of our reporting units and indefinite-lived intangible assets. We also used a market-based approach to estimate the fair value of our reporting units. The discount rates utilized in the cash flow analyses were developed using a weighted-average cost of capital methodology. In addition to the annual test, we test for impairment if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit or an indefinite-lived intangible asset below its carrying amount. Finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives, which are evaluated on an annual basis. For additional information, see Note 7: Goodwill and Other Intangible Assets.

Marketable Securities and Other Investments: We maintain funds for the payment of benefits associated with nonqualified retirement plans. These funds include investments considered to be available-for-sale marketable securities. At April 30, 2017 and 2016, the fair value of these investments was $47.3 and $48.8, respectively, and was included in other noncurrent assets in the Consolidated Balance Sheets. Included in accumulated other comprehensive loss at April 30, 2017 and 2016, were unrealized pre-tax gains of $6.3 and $5.7, respectively.

Equity Method Investments: Investments in common stock of entities other than our subsidiaries are accounted for under the equity method in accordance with FASB ASC 323, *Investments – Equity Method and Joint Ventures*. Under the equity method, the initial investment is recorded at cost and the investment is subsequently adjusted for its proportionate share of earnings or losses, including consideration of basis differences resulting from the difference between the initial carrying amount of the investment and the underlying equity in net assets. The difference between the carrying amount of the investment and the underlying equity in net assets is primarily attributable to goodwill and other intangible assets.

During 2017, we sold our 25 percent equity interest in Guilin Seamild Biologic Technology Development Co., Ltd. ("Seamild"), a privately-owned manufacturer and marketer of oats products in China. We received proceeds from the sale of $40.6, net of transaction costs, and recognized a pre-tax gain of $3.8 during 2017. The initial investment in Seamild was in 2012 for $35.9 and was included in other noncurrent assets in the Consolidated Balance Sheets. The investment in Seamild did not have a material impact on International and Foodservice or the consolidated financial statements for the years ended April 30, 2017 and 2016.

Additionally, we have a 20 percent equity interest in Mountain Country Foods, LLC, and a 44 percent equity interest in Numi, Inc. The carrying amount of these investments is included in other noncurrent assets in the Consolidated Balance Sheets. The investments did not have a material impact on the consolidated financial statements or the respective reportable segment to which they relate for the years ended April 30, 2017 and 2016.

Foreign Currency Translation: Assets and liabilities of foreign subsidiaries are translated using the exchange rates in effect at the balance sheet dates, while income and expenses are translated using average rates throughout the periods. Translation adjustments are reported as a component of shareholders' equity in accumulated other comprehensive loss. Included in accumulated other comprehensive loss at April 30, 2017 and 2016, were foreign currency losses of $43.0 and $13.1, respectively.

Recently Issued Accounting Standards: In March 2017, the FASB issued ASU 2017-07, *Compensation – Retirement Benefits (Topic 715) Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, which requires the service cost component of the net periodic pension cost to be presented separately from the other components of the net periodic pension cost in the income statement. Additionally, only the service cost component of the net periodic pension cost is eligible for capitalization.
ASU 2017-07 will be effective for us on May 1, 2019, with the option to early adopt at any time prior to the effective date, and will require adoption on a retrospective basis. We do not anticipate that the adoption of this ASU will have a material impact on our financial statements and disclosures.

In January 2017, the FASB issued ASU 2017-04, *Intangibles – Goodwill and Other (Topic 350) Simplifying the Test for Goodwill Impairment*, which eliminates Step 2 from the goodwill impairment test and requires an impairment charge to be recorded based on the excess of a reporting unit's carrying value over its fair value. ASU 2017-04 will be effective for us on May 1, 2020, with the option to early adopt for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017, and will require adoption on a prospective basis.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740) Intra-Entity Transfers of Assets Other Than Inventory*, which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs rather than deferring such recognition until the asset is sold to an outside party. ASU 2016-16 is effective for us on May 1, 2018. It will require adoption on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We do not anticipate that the adoption of this ASU will have a material impact on our financial statements and disclosures.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments*, which will make changes to how certain cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 will be effective for us on May 1, 2018, and it will require adoption on a retrospective basis unless it is impracticable to apply, in which case we would be required to apply the amendments prospectively as of the earliest date practicable. We do not anticipate that the adoption of this ASU will have a material impact on our financial statements and disclosures.

In March 2016, the FASB issued ASU 2016-09, *Stock Compensation (Topic 718) Improvements to Employee Share-Based Payment Accounting*. ASU 2016-09 includes provisions intended to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for us on May 1, 2017, but we have elected to early adopt, as permitted. Effective May 1, 2016, we reclassified the excess tax benefits in historical periods on the Statements of Consolidated Cash Flows from financing to operating activities. In addition, we have recorded the excess tax benefits or deficiencies within income taxes in the Statements of Consolidated Income on a prospective basis, therefore the excess tax benefits or deficiencies are not presented in additional capital on the Statements of Consolidated Shareholders' Equity. The impact of adopting ASU 2016-09 on May 1, 2016, had an immaterial impact on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. ASU 2016-02 will be effective for us on May 1, 2019, with the option to early adopt at any time prior to the effective date, and will require a modified retrospective application for leases existing at, or entered into after, the beginning of the earliest comparative period presented and exclude any leases that expired before the date of initial application. We are currently evaluating the impact the application of ASU 2016-02 will have on our financial statements and disclosures.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 requires either retrospective application to each prior reporting period presented or retrospective application with the cumulative effect of initially applying the standard recognized at the date of adoption. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606) Deferral of the Effective Date*, which extends the standard effective date by one year. As a result of this issuance, the standard will be effective for us on May 1, 2018. We have performed a detailed review of the new guidance as compared to our current accounting policies, and a review of customer contracts is in process. To date, we have not identified any accounting changes that would materially impact our results of operations or financial position. During the first half of 2018, we plan to finalize our review and determine our method of adoption.

Risks and Uncertainties: The raw materials we use are primarily commodities, agricultural-based products, and packaging materials. The principal packaging materials we use are plastic, glass, metal cans, caps, carton board, and corrugate. Green coffee, grains, peanuts, edible oils, sweeteners, fruit, and other ingredients are obtained from various suppliers. The availability, quality, and cost of many of these commodities have fluctuated, and may continue to fluctuate over time. Green coffee is sourced solely from foreign countries and its supply and price are subject to high volatility due to factors such as weather, global supply and demand, plant disease, speculative influences, and political and economic conditions in the source countries. Raw materials are generally available from numerous sources, although we have elected to source certain plastic packaging materials and finished goods, such as our *Pup-Peroni®* dog snacks, from single sources of supply pursuant to long-term contracts. While availability may vary from year to year, we believe that we will continue to be able to obtain adequate supplies and that alternatives to single-sourced materials are available. We have not historically encountered significant shortages of key raw materials. We consider our relationships with key material suppliers to be in good standing.

We have consolidated our production capacity for certain products, including substantially all of our coffee, *Milk-Bone®* dog snacks, fruit spreads, syrups, toppings, and *Uncrustables* frozen sandwiches, into single manufacturing sites. Although steps are taken at all of our manufacturing sites to reduce the likelihood of a production disruption, an interruption at a single manufacturing site would result in a reduction or elimination of the availability of some of our products for a period of time.

Of our total employees, 27 percent are covered by union contracts at 11 manufacturing locations. The contracts vary in term, with five contracts expiring in 2018, representing 8 percent of our total employees.

We insure our business and assets in each country against insurable risks, to the extent that we deem appropriate, based upon an analysis of the relative risks and costs.

NOTE 2 ACQUISITION

On March 23, 2015, we completed the acquisition of Big Heart Pet Brands ("Big Heart"), a leading producer, distributor, and marketer of premium-quality, branded pet food and pet snacks in the U.S., through the acquisition of Blue Acquisition Group, Inc. ("BAG"), Big Heart's parent company. As a result of the acquisition, the assets and liabilities of BAG are now held by the Company.

The total consideration paid in connection with the acquisition was $5.9 billion, which included the issuance of 17.9 million of our common shares to BAG's shareholders, valued at $2.0 billion based on the average stock price of our common shares on March 23, 2015. After the closing of the transaction, we had approximately 120.0 million common shares outstanding. We assumed $2.6 billion in debt and paid an additional $1.2 billion in cash, net of a working capital adjustment. As part of the transaction, new debt of $5.5 billion was borrowed, as discussed in Note 8: Debt and Financing Arrangements.

The final Big Heart purchase price was allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. We determined the estimated fair values based on independent appraisals, discounted cash flow analyses, quoted market prices, and estimates made by management. The purchase price allocation included total intangible assets of $3.8 billion. The purchase price exceeded the estimated fair value of the net identifiable tangible and intangible assets acquired and, as a result, the excess was allocated to goodwill. We recognized a total of $3.0 billion of goodwill, representing the value we expect to achieve through the implementation of operational synergies and growth opportunities across our segments. Goodwill was allocated across all reportable segments based on the synergies anticipated to be achieved by each individual reporting unit as a result of the acquisition. Of the total goodwill, $59.7 remains deductible for tax purposes at April 30, 2017.

NOTE 3 INTEGRATION AND RESTRUCTURING COSTS

Integration and restructuring costs primarily consist of employee-related costs, outside service and consulting costs, and other costs related to acquisition or restructuring activities. Employee-related costs include severance, retention bonuses, and relocation costs. Severance costs and retention bonuses are recognized over the estimated future service period of the affected employees, and the remainder are expensed as incurred. Other costs include professional fees, information systems costs, and other miscellaneous expenditures associated with the integration or restructuring activities, which are expensed as incurred. These one-time costs are not allocated to segment profit, and the majority of these costs are reported in other special project costs in the Statements of Consolidated Income. The obligation related to employee separation costs is included in other current liabilities in the Consolidated Balance Sheets.

Integration Costs: Total one-time costs related to the Big Heart acquisition are anticipated to be approximately $290.0, of which approximately $45.0 are expected to be noncash charges. Of the total anticipated one-time costs, we expect to incur $105.0, $115.0, and $70.0 in employee-related costs, outside service and consulting costs, and other costs, respectively. These costs are anticipated to be incurred through 2018.

The following table summarizes our one-time costs incurred in relation to the Big Heart acquisition.

	2017	2016	2015	Total Costs Incurred to Date at April 30, 2017
Employee-related costs	$ 16.3	$ 52.4	$ 13.4	$ 82.1
Outside service and consulting costs	33.9	56.0	16.1	106.0
Other costs	13.9	36.8	6.5	57.2
Total one-time costs	$ 64.1	$ 145.2	$ 36.0	$ 245.3

Noncash charges of $3.2, $18.9, and $5.7 were included in the total one-time costs incurred in 2017, 2016, and 2015, respectively, and primarily consisted of share-based compensation and accelerated depreciation. Noncash charges included in total one-time costs incurred to date were $27.8.

The obligation related to severance costs and retention bonuses was $5.3 and $13.4 at April 30, 2017 and 2016, respectively.

Restructuring Costs: An organization optimization program was approved by the Board of Directors during the fourth quarter of 2016 as part of our ongoing efforts to reduce costs and optimize the organization. Total restructuring costs are expected to be approximately $40.0, of which the majority represents employee-related costs, while the remainder primarily consists of site preparation, equipment relocation, and production start-up costs at the impacted facilities. Included in the total restructuring costs are approximately $4.0 of noncash charges related to accelerated depreciation.

As part of this program, we exited two leased facilities in Livermore, California, and consolidated all ancient grains and pasta production into our facility in Chico, California, during 2017. Additionally, we will discontinue the production of coffee at our Harahan, Louisiana, facility and consolidate all related coffee production into one of our facilities in New Orleans, Louisiana, which we expect to complete by December 31, 2017. We have also identified additional opportunities to further optimize the overall organization, which we expect to achieve in 2018. Upon completion of these initiatives, the organization optimization program will result in total headcount reductions of approximately 275 full-time positions. We anticipate the remaining costs associated with the program to be incurred through 2018.

The following table summarizes our one-time costs incurred in relation to the organization optimization program.

	2017	2016	Total Costs Incurred to Date at April 30, 2017
Employee-related costs	$ 12.4	$ 1.3	$ 13.7
Outside service and consulting costs	1.8	—	1.8
Other costs	4.4	—	4.4
Total one-time costs	$ 18.6	$ 1.3	$ 19.9

Total cumulative noncash charges incurred to date were $2.1, all of which were incurred in 2017. The obligation related to severance costs and retention bonuses was $3.3 and $1.3 at April 30, 2017 and 2016, respectively.

During 2015, we completed a multi-year restructuring initiative that was focused on the coffee, fruit spreads, and Canadian pickle and condiment operations in an effort to achieve enhanced long-term strength and profitability of our leading brands. We incurred total restructuring costs of $263.6 through April 30, 2015, of which $15.4 was incurred during the year ended April 30, 2015.

NOTE 4 DIVESTITURE

On December 31, 2015, we sold our U.S. canned milk brands and operations to Eagle Family Foods Group LLC, a subsidiary of funds affiliated with Kelso & Company. The transaction included canned milk products that were primarily sold in U.S. retail and foodservice channels under the *Eagle Brand*® and *Magnolia*® brands, along with other branded and private label trade names, with annual net sales of approximately $200.0. Our manufacturing facilities in El Paso, Texas, and Seneca, Missouri, were included in the transaction, but our canned milk business in Canada was excluded from the divestiture.

The operating results for this business were primarily included in the U.S. Retail Consumer Foods segment prior to the sale on December 31, 2015. We received proceeds from the divestiture of $193.7, which were net of transaction costs and a working capital adjustment. Upon completion of the transaction, we recognized a pre-tax gain of $25.3 in 2016.

NOTE 5 REPORTABLE SEGMENTS

We operate in one industry: the manufacturing and marketing of food and beverage products. We have three reportable segments: U.S. Retail Coffee, U.S. Retail Consumer Foods, and U.S. Retail Pet Foods. Within our segment results, International and Foodservice represents a combination of the strategic business areas not included in the U.S. retail market segments. The U.S. Retail Coffee segment primarily includes the domestic sales of *Folgers*®, *Dunkin' Donuts*®, and *Café Bustelo*® branded coffee; the U.S. Retail Consumer Foods segment primarily includes domestic sales of *Jif* ®, *Smucker's*®, *Crisco*®, and *Pillsbury*® branded products; and the U.S. Retail Pet Foods segment primarily includes domestic sales of *Meow Mix*®, *Milk-Bone*, *Natural Balance*®, *Kibbles 'n Bits*®, *9Lives*®, *Pup-Peroni*, and *Nature's Recipe*® branded products. International and Foodservice is comprised of products distributed domestically and in foreign countries through retail channels and foodservice distributors and operators (e.g., restaurants, lodging, schools and universities, health care operators).

Segment profit represents net sales, less direct and allocable operating expenses, and is consistent with the way in which we manage our segments. However, we do not represent that the segments, if operated independently, would report operating profit equal to the segment profit set forth below as segment profit excludes certain expenses such as corporate administrative expenses, unallocated gains and losses on commodity and foreign currency exchange derivative activities, as well as amortization expense and impairment charges related to intangible assets. Effective May 1, 2016, the segment profit calculation was revised to exclude both amortization expense and impairment charges related to intangible assets as we believe that excluding these items from segment operating results is more reflective of our operating performance and the way in which we manage our business. Prior year segment results have been modified to conform to the revised segment profit presentation excluding amortization expense and impairment charges related to intangible assets.

Consistent with prior periods, commodity and foreign currency exchange derivative gains and losses are reported in unallocated derivative gains and losses outside of segment operating results until the related inventory is sold. At that time, we reclassify the hedge gains and losses from unallocated derivative gains and losses to segment profit, allowing our segments to realize the economic effect of the hedge without experiencing any mark-to-market volatility. We would expect that any gain or loss in the estimated fair value of the derivatives would generally be offset by a change in the estimated fair value of the underlying exposures.

	Year Ended April 30,		
	2017	2016	2015
Net sales:			
U.S. Retail Coffee	$ 2,108.6	$ 2,239.2	$ 2,076.1
U.S. Retail Consumer Foods	2,085.4	2,269.7	2,330.8
U.S. Retail Pet Foods	2,135.9	2,250.4	239.1
International and Foodservice	1,062.4	1,051.9	1,046.7
Total net sales	$ 7,392.3	$ 7,811.2	$ 5,692.7
Segment profit:			
U.S. Retail Coffee	$ 682.4	$ 722.6	$ 623.2
U.S. Retail Consumer Foods	458.2	467.5	466.0
U.S. Retail Pet Foods	481.0	493.9	(6.4)
International and Foodservice	185.1	179.0	161.6
Total segment profit	$ 1,806.7	$ 1,863.0	$ 1,244.4
Amortization	(207.3)	(208.4)	(109.7)
Impairment charges	(133.2)	—	(1.2)
Interest expense – net	(163.1)	(171.1)	(79.9)
Other debt costs	—	—	(173.3)
Unallocated derivative (losses) gains	(27.2)	12.0	(24.5)
Cost of products sold – special project costs (A)	(5.7)	(12.2)	(6.2)
Other special project costs (A)	(76.9)	(135.9)	(56.6)
Corporate administrative expenses	(324.9)	(373.2)	(274.2)
Other income – net	10.0	3.7	4.2
Income before income taxes	$ 878.4	$ 977.9	$ 523.0
Assets:			
U.S. Retail Coffee	$ 4,909.9	$ 5,002.0	$ 4,852.4
U.S. Retail Consumer Foods	3,157.2	3,288.5	3,063.1
U.S. Retail Pet Foods	6,232.9	6,321.6	7,556.4
International and Foodservice	1,053.4	1,168.6	1,105.1
Unallocated (B)	286.3	203.4	229.3
Total assets	$ 15,639.7	$ 15,984.1	$ 16,806.3
Depreciation, amortization, and impairment charges:			
U.S. Retail Coffee	$ 95.7	$ 104.0	$ 102.7
U.S. Retail Consumer Foods	73.2	60.7	59.4
U.S. Retail Pet Foods	280.8	164.9	14.3
International and Foodservice	61.9	66.2	60.7
Unallocated (C)	40.6	34.3	31.3
Total depreciation, amortization, and impairment charges	$ 552.2	$ 430.1	$ 268.4
Additions to property, plant, and equipment:			
U.S. Retail Coffee	$ 40.9	$ 51.4	$ 56.7
U.S. Retail Consumer Foods	49.7	90.3	117.7
U.S. Retail Pet Foods	70.5	11.9	19.4
International and Foodservice	31.3	47.8	53.9
Total additions to property, plant, and equipment	$ 192.4	$ 201.4	$ 247.7

(A) Special project costs include merger and integration and restructuring costs. For more information, see Note 3: Integration and Restructuring Costs.

(B) Primarily represents unallocated cash and cash equivalents and corporate-held investments.

(C) Primarily represents unallocated corporate administrative expense, mainly depreciation and software amortization.

The following table presents certain geographical information.

	Year Ended April 30,		
	2017	2016	2015
Net sales:			
United States	$ 6,865.1	$ 7,300.8	$ 5,188.5
International:			
Canada	$ 414.3	$ 416.0	$ 413.8
All other international	112.9	94.4	90.4
Total international	$ 527.2	$ 510.4	$ 504.2
Total net sales	$ 7,392.3	$ 7,811.2	$ 5,692.7
Assets:			
United States	$ 15,214.3	$ 15,501.1	$ 16,332.0
International:			
Canada	$ 380.9	$ 396.2	$ 360.8
All other international	44.5	86.8	113.5
Total international	$ 425.4	$ 483.0	$ 474.3
Total assets	$ 15,639.7	$ 15,984.1	$ 16,806.3
Long-lived assets (excluding goodwill and other intangible assets):			
United States	$ 1,757.1	$ 1,773.9	$ 1,805.3
International:			
Canada	$ 13.4	$ 10.7	$ 14.3
All other international	0.4	40.6	40.9
Total international	$ 13.8	$ 51.3	$ 55.2
Total long-lived assets (excluding goodwill and other intangible assets)	$ 1,770.9	$ 1,825.2	$ 1,860.5

The following table presents product category sales as a percentage of consolidated net sales.

	Year Ended April 30,		
	2017	2016	2015
Coffee	34%	34%	44%
Pet food	19	19	3
Pet snacks	10	10	1
Peanut butter	10	9	13
Fruit spreads	5	4	6
Shortening and oils	4	4	6
Baking mixes and frostings	3	3	5
Frozen handheld	3	3	3
Flour and baking ingredients	2	2	4
Juices and beverages	2	2	3
Portion control	2	2	2
Canned milk	1	3	4
Other	5	5	6
Total product sales	100%	100%	100%

Sales to Wal-Mart Stores, Inc. and subsidiaries amounted to 30 percent of net sales in both 2017 and 2016, and 28 percent of net sales in 2015. These sales are primarily included in our U.S. retail market segments. No other customer exceeded 10 percent of net sales for any year. Trade receivables at April 30, 2017 and 2016, included amounts due from Wal-Mart Stores, Inc. and subsidiaries of $138.2 and $118.1, respectively.

NOTE 6 EARNINGS PER SHARE

The following table sets forth the computation of net income per common share and net income per common share – assuming dilution under the two-class method.

	Year Ended April 30, 2017	2016	2015
Net income	$ 592.3	$ 688.7	$ 344.9
Less: Net income allocated to participating securities	2.8	3.0	2.2
Net income allocated to common stockholders	$ 589.5	$ 685.7	$ 342.7
Weighted-average common shares outstanding	115,471,395	118,918,701	103,038,271
Add: Dilutive effect of stock options	107,029	41,113	5,283
Weighted-average common shares outstanding – assuming dilution	115,578,424	118,959,814	103,043,554
Net income per common share	$ 5.11	$ 5.77	$ 3.33
Net income per common share – assuming dilution	$ 5.10	$ 5.76	$ 3.33

NOTE 7 GOODWILL AND OTHER INTANGIBLE ASSETS

A summary of changes in goodwill during the years ended April 30, 2017 and 2016, by reportable segment is as follows:

	U.S. Retail Coffee	U.S. Retail Consumer Foods	U.S. Retail Pet Foods	International and Foodservice	Total
Balance at May 1, 2015	$ 1,742.9	$ 1,140.8	$ 2,812.1	$ 315.8	$ 6,011.6
Acquisitions [(A)]	348.0	494.7	(842.6)	130.7	130.8
Divestiture	—	(33.6)	—	(14.2)	(47.8)
Other [(B)]	—	(1.0)	—	(2.5)	(3.5)
Balance at April 30, 2016	$ 2,090.9	$ 1,600.9	$ 1,969.5	$ 429.8	$ 6,091.1
Other [(B)]	—	(1.9)	—	(12.1)	(14.0)
Balance at April 30, 2017	**$ 2,090.9**	**$ 1,599.0**	**$ 1,969.5**	**$ 417.7**	**$ 6,077.1**

(A) As a result of the Big Heart acquisition in 2015, we recognized a total of $3.0 billion of goodwill, representing the value we expect to achieve through the implementation of operational synergies and growth opportunities across our segments. The purchase price allocation was finalized in 2016 and included the allocation of goodwill across all reportable segments based on the synergies anticipated to be achieved by each individual reporting unit. For further discussion on the Big Heart acquisition, see Note 2: Acquisition. Additionally, the purchase price allocation was finalized for the Sahale Snacks, Inc. acquisition in 2016, resulting in an immaterial adjustment to goodwill.

(B) The amounts classified as other represent foreign currency exchange adjustments for the years ended April 30, 2017 and 2016.

The following table summarizes our other intangible assets and related accumulated amortization and impairment charges, including foreign currency exchange adjustments.

	April 30, 2017			April 30, 2016		
	Acquisition Cost	Accumulated Amortization/ Impairment Charges/ Foreign Currency Exchange	Net	Acquisition Cost	Accumulated Amortization/ Impairment Charges/ Foreign Currency Exchange	Net
Finite-lived intangible assets subject to amortization:						
Customer and contractual relationships	**$ 3,520.1**	**$ 802.1**	**$ 2,718.0**	$ 3,520.1	$ 639.9	$ 2,880.2
Patents and technology	**168.5**	**101.4**	**67.1**	168.5	88.4	80.1
Trademarks	**556.4**	**112.7**	**443.7**	525.4	78.7	446.7
Total intangible assets subject to amortization	**$ 4,245.0**	**$ 1,016.2**	**$ 3,228.8**	$ 4,214.0	$ 807.0	$ 3,407.0
Indefinite-lived intangible assets not subject to amortization:						
Trademarks	**$ 3,078.1**	**$ 157.0**	**$ 2,921.1**	$ 3,109.1	$ 21.7	$ 3,087.4
Total other intangible assets	**$ 7,323.1**	**$ 1,173.2**	**$ 6,149.9**	$ 7,323.1	$ 828.7	$ 6,494.4

Amortization expense for finite-lived intangible assets was $205.9, $204.7, and $110.3 in 2017, 2016, and 2015, respectively. The weighted-average useful lives of the customer and contractual relationships, patents and technology, and trademarks are 23, 14, and 16 years, respectively. The weighted-average useful life of total finite-lived intangible assets is 22 years. Based on the carrying amount of intangible assets subject to amortization at April 30, 2017, the estimated amortization expense is $206.2 for 2018, $205.0 for 2019, $200.4 for 2020, $198.7 for 2021, and $193.3 for 2022. During 2016, we began amortizing the *Crisco* trademark that was previously an indefinite-lived intangible. The trademark was included in the annual impairment review performed as of February 1, 2016, and was not impaired. The annual amortization expense related to the *Crisco* trademark is approximately $8.0.

We review goodwill and other indefinite-lived intangible assets at least annually for impairment and more often if indicators of impairment exist. Prior to the annual impairment review performed as of February 1, 2017, we completed interim impairment analyses on the goodwill of the Pet Foods reporting unit and the indefinite-lived trademarks included within the U.S. Retail Pet Foods segment as a result of a decline in current year actual and forecasted net sales for the U.S. Retail Pet Foods segment, as well as an increase in our weighted-average cost of capital, which reflected the rising market-based interest rates throughout the year. As a result, we did not recognize a goodwill impairment charge related to the Pet Foods reporting unit; however, we did recognize an impairment charge of $75.7 related to certain indefinite-lived trademarks within the U.S. Retail Pet Foods segment, to the extent that carrying value exceeded the estimated fair value.

As of February 1, 2017, we completed the annual impairment review, in which goodwill impairment was tested at the reporting unit level for our seven reporting units. As part of our annual evaluation, we did not recognize any impairment charges related to our goodwill. The estimated fair value of each reporting unit and material indefinite-lived intangible asset was substantially in excess of its carrying value as of the annual test date, with the exception of the Pet Foods reporting unit and all indefinite-lived trademarks within the U.S. Retail Pet Foods segment. As a result of the annual impairment review, an immaterial impairment charge was recognized related to an indefinite-lived trademark, to the extent that the carrying value exceeded the estimated fair value.

Subsequent to the February 1, 2017 annual review, we updated our financial plan for 2018, which resulted in decreased projections in the U.S. Retail Pet Foods segment as compared to the projections used in the annual evaluation. As a result of the decline in projections, in conjunction with the narrow difference between estimated fair value and carrying value as of our February 1, 2017 annual test, we performed an additional impairment analysis on the goodwill of the Pet Foods reporting unit and the indefinite-lived trademarks included within the U.S. Retail Pet Foods segment. Goodwill impairment was not recognized related to the Pet Foods reporting unit at April 30, 2017; however, additional sensitivity analyses were performed for the Pet Foods reporting unit, assuming a hypothetical 50-basis-point decrease in the expected long-term growth rate or a hypothetical 50-basis-point increase in the weighted-average cost of capital. Both scenarios independently yielded an estimated fair value for the Pet Foods reporting unit at or slightly below carrying value. The additional impairment analysis did result in total incremental impairment charges of $52.8 related to certain indefinite-lived trademarks within the U.S. Retail Pet Foods segment, to the extent that the carrying value exceeded the estimated fair value at April 30, 2017. These indefinite-lived trademarks remain susceptible to future impairment charges as the carrying value approximates estimated fair value at April 30, 2017.

During 2017, we recognized total impairment charges of $133.2 related to certain indefinite-lived trademarks with a total estimated fair value of $1.0 billion at April 30, 2017. These charges were included as a noncash charge in our Statement of Consolidated Income.

NOTE 8 DEBT AND FINANCING ARRANGEMENTS

Long-term debt consists of the following:

	April 30, 2017		April 30, 2016	
	Principal Outstanding	Carrying Amount (A)	Principal Outstanding	Carrying Amount (A)
1.75% Senior Notes due March 15, 2018	$ 500.0	$ 499.0	$ 500.0	$ 498.0
2.50% Senior Notes due March 15, 2020	500.0	496.6	500.0	495.5
3.50% Senior Notes due October 15, 2021	750.0	782.6	750.0	789.4
3.00% Senior Notes due March 15, 2022	400.0	396.6	400.0	395.9
3.50% Senior Notes due March 15, 2025	1,000.0	993.6	1,000.0	992.7
4.25% Senior Notes due March 15, 2035	650.0	642.6	650.0	642.2
4.38% Senior Notes due March 15, 2045	600.0	584.9	600.0	584.4
Term Loan Credit Agreement due March 23, 2020	550.0	548.6	750.0	747.9
Total long-term debt	$ 4,950.0	$ 4,944.5	$ 5,150.0	$ 5,146.0
Current portion of long-term debt	500.0	499.0	—	—
Total long-term debt, less current portion	$ 4,450.0	$ 4,445.5	$ 5,150.0	$ 5,146.0

(A) Represents the carrying amount included in the Consolidated Balance Sheets, which includes the impact of terminated interest rate swaps, offering discounts, and capitalized debt issuance costs.

In March 2015, we entered into a senior unsecured delayed-draw Term Loan Credit Agreement ("Term Loan") with a syndicate of banks and an available commitment amount of $1.8 billion. Borrowings under the Term Loan bear interest on the prevailing U.S. Prime Rate or London Interbank Offered Rate ("LIBOR"), based on our election, and is payable either on a quarterly basis or at the end of the borrowing term. The weighted-average interest rate on the Term Loan at April 30, 2017, was 2.24 percent. The Term Loan requires quarterly amortization payments of 2.50 percent of the original principal amount. Voluntary prepayments are permitted without premium or penalty and are applied to the schedule of required quarterly minimum payment obligations in direct order of maturity. As of April 30, 2017, we have prepaid $1.2 billion on the Term Loan to date, including $200.0 in 2017. No additional payments are required until final maturity of the loan agreement on March 23, 2020.

Also in March 2015, we completed an offering of $3.7 billion in Senior Notes due beginning March 15, 2018 through March 15, 2045. The proceeds from the offering, along with the Term Loan, were used to partially finance the Big Heart acquisition, pay off the debt assumed as part of the acquisition, and prepay our privately placed Senior Notes.

All of our Senior Notes outstanding at April 30, 2017, are unsecured and fully and unconditionally guaranteed, as further described in Note 16: Guarantor and Non-Guarantor Financial Information. Interest is paid semiannually and there are no required scheduled principal payments on our Senior Notes. We may prepay at any time all or part of the Senior Notes at 100 percent of the principal amount thereof, together with the accrued and unpaid interest, and any applicable make-whole amount.

During 2014, we entered into an interest rate swap designated as a fair value hedge of the 3.50 percent Senior Notes due October 15, 2021, which was subsequently terminated in 2015. At April 30, 2017, the remaining benefit of $36.3 was recorded as an increase in the long-term debt balance and will be recognized ratably as a reduction to future interest expense over the remaining life of the related debt. For additional information, see Note 10: Derivative Financial Instruments.

We have available a $1.5 billion revolving credit facility with a group of 11 banks that matures in September 2018. Borrowings under the revolving credit facility bear interest based on the prevailing U.S. Prime Rate, Canadian Base Rate, LIBOR, or Canadian Dealer Offered Rate, based on our election. Interest is payable either on a quarterly basis or at the end of the borrowing term. At April 30, 2017 and 2016, we did not have a balance outstanding under the revolving credit facility.

We participate in a commercial paper program under which we can issue short-term, unsecured commercial paper not to exceed $1.0 billion at any time. The commercial paper program is backed by our revolving credit facility and reduces what we can borrow under the revolving credit facility by the amount of commercial paper outstanding. Commercial paper will be used as a continuing source of short-term financing for general corporate purposes. As of April 30, 2017 and 2016, we had $454.0 and $284.0 of short-term borrowings outstanding, respectively, all of which were issued under our commercial paper program at a weighted-average interest rate of 1.15 percent and 0.65 percent, respectively.

Interest paid totaled $162.2, $167.3, and $92.3 in 2017, 2016, and 2015, respectively. This differs from interest expense due to the timing of payments, effect of interest rate swaps, amortization of debt issuance costs, and capitalized interest.

Our debt instruments contain certain financial covenant restrictions, including a leverage ratio and an interest coverage ratio. We are in compliance with all covenants.

NOTE 9 PENSIONS AND OTHER POSTRETIREMENT BENEFITS

We have defined benefit pension plans covering certain U.S. and Canadian employees, including the acquired pension and other postretirement plans of Big Heart. Pension benefits are based on the employee's years of service and compensation levels. Our plans are funded in conformity with the funding requirements of applicable government regulations.

In addition to providing pension benefits, we sponsor several unfunded postretirement plans that provide health care and life insurance benefits to certain retired U.S. and Canadian employees. These plans are contributory, with retiree contributions adjusted periodically, and contain other cost-sharing features, such as deductibles and coinsurance. Covered employees generally are eligible for these benefits when they reach age 55 and have attained 10 years of credited service.

The following table summarizes the components of net periodic benefit cost and the change in accumulated other comprehensive loss related to the defined benefit pension and other postretirement plans.

	Defined Benefit Pension Plans			Other Postretirement Benefits		
Year Ended April 30,	2017	2016	2015	2017	2016	2015
Service cost	$ 12.7	$ 17.8	$ 9.0	$ 2.3	$ 2.3	$ 2.3
Interest cost	25.3	27.7	23.2	2.6	2.8	2.4
Expected return on plan assets	(29.3)	(32.9)	(25.6)	—	—	—
Amortization of prior service cost (credit)	1.1	0.7	1.0	(1.5)	(1.1)	(1.1)
Amortization of net actuarial loss (gain)	13.8	10.9	10.0	(0.2)	(0.3)	(0.1)
Curtailment gain	—	(6.5)	—	—	(0.3)	—
Settlement (gain) loss	(0.7)	—	3.5	—	—	—
Net periodic benefit cost	$ 22.9	$ 17.7	$ 21.1	$ 3.2	$ 3.4	$ 3.5
Other changes in plan assets and benefit liabilities recognized in accumulated other comprehensive loss before income taxes:						
Prior service credit (cost) arising during the year	$ 2.1	$ (5.3)	$ (0.3)	$ 3.0	$ —	$ —
Net actuarial gain (loss) arising during the year	1.5	(43.3)	(23.7)	2.3	—	1.6
Amortization of prior service cost (credit)	1.1	0.7	1.0	(1.5)	(1.1)	(1.1)
Amortization of net actuarial loss (gain)	13.8	10.9	10.0	(0.2)	(0.3)	(0.1)
Curtailment loss (gain)	28.8	(6.5)	—	0.1	(0.3)	—
Settlement (gain) loss	(0.7)	—	3.5	—	—	—
Foreign currency translation	2.5	0.8	2.7	—	—	—
Net change for year	$ 49.1	$ (42.7)	$ (6.8)	$ 3.7	$ (1.7)	$ 0.4
Weighted-average assumptions used in determining net periodic benefit costs:						
U.S. plans:						
Discount rate	3.85%	4.06%	4.42%	3.80%	4.04%	4.27%
Expected return on plan assets	6.27	6.58	6.72	—	—	—
Rate of compensation increase	3.96	4.06	4.13	—	—	—
Canadian plans:						
Discount rate	3.60%	3.51%	4.11%	3.50%	3.50%	4.10%
Expected return on plan assets	5.25	5.65	5.64	—	—	—
Rate of compensation increase	3.00	3.00	3.00	—	—	—

We amortize gains and losses for our postretirement plans over the average expected future period of vested service. For plans that consist of less than 5 percent of participants that are active, average life expectancy is used instead of the average expected useful service period.

We use a measurement date of April 30 to determine defined benefit pension and other postretirement benefit plans' assets and benefit obligations. The following table sets forth the combined status of the plans as recognized in the Consolidated Balance Sheets.

	Defined Benefit Pension Plans		Other Postretirement Benefits	
April 30,	2017	2016	2017	2016
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 745.9	$ 740.4	$ 75.9	$ 75.8
Service cost	12.7	17.8	2.3	2.3
Interest cost	25.3	27.7	2.6	2.8
Amendments	—	5.3	(3.0)	—
Actuarial loss (gain)	6.7	20.3	(2.3)	0.3
Participant contributions	—	0.1	—	0.6
Benefits paid	(43.8)	(45.7)	(3.9)	(5.2)
Foreign currency translation adjustments	(7.8)	(4.1)	(0.8)	(0.4)
Curtailment	(30.9)	(10.1)	(0.1)	(0.3)
Settlement	(30.8)	(3.0)	—	—
Acquisition	—	(2.8)	—	—
Benefit obligation at end of year	$ 677.3	$ 745.9	$ 70.7	$ 75.9
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 505.6	$ 550.0	$ —	$ —
Actual return on plan assets	37.4	(0.2)	—	—
Company contributions	28.7	8.6	3.9	4.6
Participant contributions	—	0.1	—	0.6
Benefits paid	(43.8)	(45.7)	(3.9)	(5.2)
Settlement	(30.8)	(3.0)	—	—
Foreign currency translation adjustments	(7.9)	(4.2)	—	—
Fair value of plan assets at end of year	$ 489.2	$ 505.6	$ —	$ —
Funded status of the plans	$ (188.1)	$ (240.3)	$ (70.7)	$ (75.9)
Defined benefit pensions	$ (189.8)	$ (222.3)	$ —	$ —
Other noncurrent assets	5.7	—	—	—
Accrued compensation	(4.0)	(18.0)	(4.1)	—
Other postretirement benefits	—	—	(66.6)	(75.9)
Net benefit liability	$ (188.1)	$ (240.3)	$ (70.7)	$ (75.9)

The following table summarizes amounts recognized in accumulated other comprehensive loss in the Consolidated Balance Sheets, before income taxes.

	Defined Benefit Pension Plans		Other Postretirement Benefits	
April 30,	2017	2016	2017	2016
Net actuarial (loss) gain	$ (166.4)	$ (212.3)	$ 8.5	$ 6.3
Prior service (cost) credit	(5.6)	(8.8)	10.7	9.2
Total recognized in accumulated other comprehensive loss	$ (172.0)	$ (221.1)	$ 19.2	$ 15.5

During 2018, we expect to recognize amortization of net actuarial losses and prior service credit of $11.4 and $0.4, respectively, in net periodic benefit cost.

During 2017, we announced our plans to harmonize our retirement benefits and, as a result, will freeze our non-union U.S. defined benefit pension plans. The amendments resulted in an immaterial net settlement loss and a decrease in accumulated other comprehensive loss of $25.2 during 2017. We anticipate future savings to be realized as a result of the plan changes, which will be complete by
December 31, 2017.

As of April 30, 2017, we changed the approach utilized to estimate the service and interest cost components of net periodic benefit cost for our defined benefit pension and other postretirement benefit plans. Historically, we estimated the service and interest cost components using a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. As of April 30, 2017, we utilized a spot rate approach for the estimation of service and interest cost for our plans by applying specific spot rates along the yield curve to the relevant projected cash flows, to provide a better estimate of service and interest costs. This approach does not affect the measurement of the total benefit obligations, and will be accounted for as a change in estimate that is effected by a change in accounting principle. As such, this change in methodology will be accounted for on a prospective basis beginning
May 1, 2017. Service and interest costs on the obligation are expected to be $4.3 lower in 2018, primarily related to the defined benefit pension plans, as a result of using the spot rate approach compared to the historical approach.

The following table sets forth the weighted-average assumptions used in determining the benefit obligations.

	Defined Benefit Pension Plans		Other Postretirement Benefits	
April 30,	2017	2016	2017	2016
U.S. plans:				
Discount rate	3.95%	3.76%	3.86%	3.80%
Rate of compensation increase	4.15	3.96	—	—
Canadian plans:				
Discount rate	3.22%	3.60%	3.16%	3.50%
Rate of compensation increase	3.00	3.00	—	—

For 2018, the assumed health care trend rates are 7.0 percent and 4.5 percent for the U.S. and Canadian plans, respectively. The rate for participants under age 65 is assumed to decrease to 5.0 percent in calendar 2026 for the U.S. plan and stay consistent at 4.5 percent through calendar 2017 for the Canadian plan. The health care cost trend rate assumption impacts the amount of the other postretirement benefits obligation and periodic other postretirement benefits cost reported. A one percentage point annual change in the assumed health care cost trend rate would have the following effect as of April 30, 2017:

	One Percentage Point	
	Increase	Decrease
Effect on total service and interest cost components	$ 0.1	$ 0.1
Effect on benefit obligation	1.4	1.4

The following table sets forth selective information pertaining to our Canadian pension and other postretirement benefit plans, which is included in the consolidated information presented on pages 58 and 59.

	Defined Benefit Pension Plans		Other Postretirement Benefits	
Year Ended April 30,	2017	2016	2017	2016
Benefit obligation at end of year	$ 89.8	$ 97.3	$ 9.4	$ 10.2
Fair value of plan assets at end of year	94.8	96.0	—	—
Funded status of the plans	$ 5.0	$ (1.3)	$ (9.4)	$ (10.2)
Components of net periodic benefit cost:				
Service cost	$ 0.3	$ 0.3	$ —	$ —
Interest cost	3.2	3.3	0.3	0.3
Expected return on plan assets	(4.7)	(5.4)	—	—
Amortization of net actuarial loss	1.1	0.8	—	—
Net periodic benefit (credit) cost	$ (0.1)	$ (1.0)	$ 0.3	$ 0.3
Changes in plan assets:				
Company contributions	$ 3.1	$ 3.3	$ 0.5	$ 0.6
Participant contributions	—	0.1	—	—
Benefits paid	(6.6)	(6.7)	(0.5)	(0.6)
Actual return on plan assets	10.2	(0.6)	—	—
Foreign currency translation	(7.9)	(4.2)	—	—

The following table sets forth additional information related to our defined benefit pension plans.

	April 30, 2017	April 30, 2016
Accumulated benefit obligation for all pension plans	$ 659.6	$ 697.5
Plans with an accumulated benefit obligation in excess of plan assets:		
Accumulated benefit obligation	$ 570.6	$ 697.5
Fair value of plan assets	394.4	505.6
Plans with a projected benefit obligation in excess of plan assets:		
Projected benefit obligation	$ 588.2	$ 745.9
Fair value of plan assets	394.4	505.6

We employ a total return on investment approach for the defined benefit pension plans' assets. A mix of equity, fixed-income, and alternative investments is used to maximize the long-term rate of return on assets for the level of risk. In determining the expected long-term rate of return on the defined benefit pension plans' assets, we consider the historical rates of return, the nature of investments, the asset allocation, and expectations of future investment strategies. The actual rate of return was 8.3 percent and 1.7 percent for the years ended April 30, 2017 and 2016, respectively, which excludes administrative and investment expenses.

The following tables summarize the major asset classes for the U.S. and Canadian defined benefit pension plans and the levels within the fair value hierarchy for those assets measured at fair value.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Plan Assets at April 30, 2017
Cash and cash equivalents (A)	$ 2.7	$ —	$ —	$ 2.7
Equity securities:				
U.S. (B)	128.9	1.9	—	130.8
International (C)	81.4	10.5	—	91.9
Fixed-income securities:				
Bonds (D)	168.5	—	—	168.5
Fixed income (E)	71.9	—	—	71.9
Other types of investments (F)	6.7	4.5	2.4	13.6
Total financial assets measured at fair value	$ 460.1	$ 16.9	$ 2.4	$ 479.4
Total financial assets measured at net asset value (G)				9.8
Total plan assets				$ 489.2

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Plan Assets at April 30, 2016
Cash and cash equivalents (A)	$ 2.5	$ —	$ —	$ 2.5
Equity securities:				
U.S. (B)	122.0	13.5	—	135.5
International (C)	83.7	11.0	—	94.7
Fixed-income securities:				
Bonds (D)	188.1	—	—	188.1
Fixed income (E)	62.4	—	—	62.4
Other types of investments (F)	6.2	—	3.2	9.4
Total financial assets measured at fair value	$ 464.9	$ 24.5	$ 3.2	$ 492.6
Total financial assets measured at net asset value (G)				13.0
Total plan assets				$ 505.6

(A) This category includes money market holdings with maturities of three months or less and are classified as Level 1 assets. Based on the short-term nature of these assets, carrying value approximates fair value.

(B) This category is invested primarily in a diversified portfolio of common stocks and index funds that invest in U.S. stocks with market capitalization ranges similar to those found in the S&P 500 Index and/or the various Russell Indices and are traded on active exchanges. The Level 1 assets are valued using quoted market prices for identical securities in active markets. The Level 2 assets are comprised of pooled funds that consist of equity securities traded on active exchanges.

(C) This category is invested primarily in common stocks and other equity securities traded on active exchanges whose issuers are located outside the U.S. The fund invests primarily in developed countries, but may also invest in emerging markets. The Level 1 assets are valued using quoted market prices for identical securities in active markets. The Level 2 asset is comprised of a pooled fund that consists of equity securities traded on active exchanges.

(D) This category is comprised of bond funds, which seek to duplicate the return characteristics of high-quality corporate bonds with a duration range of 10 to 13 years. The Level 1 assets are valued using quoted market prices for identical securities in active markets.

(E) This category is comprised of fixed-income funds that invest primarily in government-related bonds of non-U.S. issuers and include investments in the Canadian market as well as emerging markets. The Level 1 assets are valued using quoted market prices for identical securities in active markets.

(F) This category is comprised of a dynamic asset allocation mutual fund and a private limited investment partnership in 2016, and in 2017, the category also includes a real estate fund whereby the underlying investments are contained within the Canadian market. The dynamic asset allocation mutual fund is comprised of U.S. and global equities and fixed-income securities inclusive of derivatives within the asset mix. The dynamic asset allocation mutual fund is classified as a Level 1 asset, whereby the assets are valued using quoted market prices for identical securities in active markets. However, the real estate fund is classified as a Level 2 asset, whereby the underlying securities are valued utilizing quoted market prices for identical securities in active markets. The private investment limited partnership is classified as a Level 3 asset. The investments in the partnership are valued at estimated fair value based on audited financial statements received from the general partner. The private investment limited partnership cannot be redeemed, and the return of principal is based on the liquidation of the underlying assets.

(G) This category is comprised of a private equity fund that consists primarily of limited partnership interests in corporate finance and venture capital funds. The fair value estimate of the private equity fund is based on the underlying funds' net asset values further as a practical expedient equivalent to the Company's defined benefit plan's ownership interest in partners' capital, whereby a proportionate share of the net assets is attributed and further corroborated by our review. The private equity fund is non-redeemable and the return of principal is based on the liquidation of the underlying assets. In accordance with ASU 2015-07, the private equity fund is removed from the total financial assets measured at fair value and disclosed separately.

The following table presents a rollforward of activity for Level 3 assets.

	2017	2016
Balance at May 1,	$ 3.2	$ 2.8
Actual return on plan assets still held at reporting date	(0.8)	0.4
Balance at April 30,	$ 2.4	$ 3.2

Our current investment policy is to invest 50 percent of assets in both equity securities and fixed-income securities. Included in equity securities were 317,552 of our common shares at April 30, 2017. The total market value of these shares was $40.2 at April 30, 2017. We paid dividends of $1.0 on these shares during 2017.

We expect to contribute approximately $16.2 to the defined benefit pension plans in 2018. We expect the following payments to be made from the defined benefit pension and other postretirement benefit plans: $49.4 in 2018, $46.9 in 2019, $49.0 in 2020, $49.0 in 2021, $48.8 in 2022, and $254.5 in 2023 through 2027.

Multi-Employer Pension Plan: As a result of the Big Heart acquisition, we now participate in one multi-employer pension plan, the Bakery and Confectionery Union and Industry International Pension Fund ("Bakery and Confectionery Union Fund") (52-6118572), which provides defined benefits to certain union employees. During 2017 and 2016, a total of $1.9 and $1.8 was contributed to the plan, respectively, and we anticipate contributions of $2.2 in 2018.

The risks of participating in multi-employer pension plans are different from the risks of participating in single-employer pension plans. For instance, the assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, and if a participating employer stops contributing to the plan, the unfunded obligations of the plan allocable to the withdrawing employer may be the responsibility of the remaining participating employers. Additionally, if we stop participating in the multi-employer pension plan, we may be required to pay the plan an amount based on our allocable share of the underfunded status of the plan, referred to as a withdrawal liability.

The Pension Protection Act of 2006 ranks the funded status of multi-employer pension plans depending upon a plan's current and projected funding. A plan is in the Red Zone (Critical) if it has a current funded percentage less than 65 percent. A plan is in the Yellow Zone (Endangered) if it has a current funded percentage of less than 80 percent or projects a credit balance deficit within seven years. A plan is in the Green Zone (Healthy) if it has a current funded percentage greater than 80 percent and does not have a projected credit balance deficit within seven years. The zone status is based on the plan's year end, not our fiscal year end. The zone status is based on information that we received from the plan and is certified by the plan's actuary. During calendar year 2016, the Bakery and Confectionery Union Fund was in Red Zone status, as the current funding status was 57.0 percent. A funding improvement plan, or rehabilitation plan, has been implemented.

NOTE 10 DERIVATIVE FINANCIAL INSTRUMENTS

We are exposed to market risks, such as changes in commodity prices, foreign currency exchange rates, and interest rates. To manage the volatility related to these exposures, we enter into various derivative transactions. We have policies in place that define acceptable instrument types we may enter into and establish controls to limit our market risk exposure.

Commodity Price Management: We enter into commodity derivatives to manage the price volatility and reduce the variability of future cash flows related to anticipated inventory purchases of key raw materials, notably green coffee, edible oils, corn, wheat, and soybean meal. We also enter into commodity derivatives to manage price risk for energy input costs, including diesel fuel and natural gas. Our derivative instruments generally have maturities of less than one year.

We do not qualify commodity derivatives for hedge accounting treatment and, as a result, the derivative gains and losses are immediately recognized in earnings. Although we do not perform the assessments required to achieve hedge accounting for derivative positions, we believe all of our commodity derivatives are economic hedges of our risk exposure.

The commodities hedged have a high inverse correlation to price changes of the derivative commodity instrument. Thus, we would expect that over time any gain or loss in the estimated fair value of the derivatives would generally be offset by an increase or decrease in the estimated fair value of the underlying exposures.

Foreign Currency Exchange Rate Hedging: We utilize foreign currency derivatives to manage the effect of foreign currency exchange fluctuations on future cash payments primarily related to purchases of certain raw materials and finished goods. The contracts generally have maturities of less than one year. We do not qualify instruments used to manage foreign currency exchange exposures for hedge accounting treatment.

Interest Rate Hedging: We utilize derivative instruments to manage changes in the fair value of our debt. Interest rate swaps mitigate the risk associated with the underlying hedged item. At the inception of the contract, the instrument is evaluated and documented for hedge accounting treatment. If the contract is designated as a cash flow hedge, the mark-to-market gains or losses on the swap are deferred and included as a component of accumulated other comprehensive loss to the extent effective, and reclassified to interest expense in the period during which the hedged transaction affects earnings. If the contract is designated as a fair value hedge, the swap is recognized at fair value on the balance sheet and changes in the fair value are recognized in interest expense. Generally, changes in the fair value of the derivative are equal to changes in the fair value of the underlying debt and have no impact on earnings.

In 2015, we terminated the interest rate swap on the 3.50 percent Senior Notes due October 15, 2021, which was designated as a fair value hedge and used to hedge against the changes in the fair value of the debt. As a result of the early termination, we received $58.1 in cash, which included $4.6 of accrued and prepaid interest. The gain on termination was deferred and is being recognized over the remaining life of the underlying debt as a reduction of interest expense. To date, we recognized $17.2, of which $7.6, $7.4, and $2.2 was recognized in 2017, 2016, and 2015, respectively. The remaining gain will be recognized as follows: $7.8 in 2018, $8.0 in 2019, $8.1 in 2020, $8.4 in 2021, and $4.0 in 2022. For additional information, see Note 8: Debt and Financing Arrangements.

The following tables set forth the gross fair value amounts of derivative instruments recognized in the Consolidated Balance Sheets.

	April 30, 2017			
	Other Current Assets	Other Current Liabilities	Other Noncurrent Assets	Other Noncurrent Liabilities
Derivatives not designated as hedging instruments:				
Commodity contracts	$ 5.2	$ 21.2	$ —	$ —
Foreign currency exchange contracts	3.2	0.1	—	—
Total derivative instruments	$ 8.4	$ 21.3	$ —	$ —

	April 30, 2016			
	Other Current Assets	Other Current Liabilities	Other Noncurrent Assets	Other Noncurrent Liabilities
Derivatives not designated as hedging instruments:				
Commodity contracts	$ 20.3	$ 14.1	$ 2.0	$ 1.2
Foreign currency exchange contracts	0.2	8.9	0.3	0.4
Total derivative instruments	$ 20.5	$ 23.0	$ 2.3	$ 1.6

We have elected to not offset fair value amounts recognized for our exchange-traded commodity derivative instruments and our cash margin accounts executed with the same counterparty that are generally subject to enforceable netting agreements. We are required to maintain cash margin accounts in connection with funding the settlement of our open positions. At April 30, 2017 and 2016, we maintained cash margin account balances of $41.8 and $3.4, respectively, included in other current assets in the Consolidated Balance Sheets. The change in the cash margin account balances is included in other – net, investing activities in the Statements of Consolidated Cash Flows. In the event of default and immediate net settlement of all of our open positions with individual counterparties, all of our derivative liabilities would be fully offset by either our derivative asset positions or margin accounts based on the net asset or liability position with our individual counterparties.

During both 2017 and 2016, we recognized $0.6 in pre-tax losses related to the termination of prior interest rate swaps. Included as a component of accumulated other comprehensive loss at April 30, 2017 and 2016, were deferred pre-tax losses of $7.0 and $7.6, respectively, related to the termination of these interest rate swaps. The related tax benefit recognized in accumulated other comprehensive loss was $2.6 and $2.7 at April 30, 2017 and 2016, respectively. Approximately $0.6 of the pre-tax loss will be recognized over the next 12 months.

The following table presents the net gains and losses recognized in cost of products sold on derivatives not designated as hedging instruments.

	Year Ended April 30,	
	2017	2016
Losses on commodity contracts	$ (45.2)	$ (31.6)
Gains on foreign currency exchange contracts	9.8	2.0
Total losses recognized in costs of products sold	$ (35.4)	$ (29.6)

Commodity and foreign currency exchange derivative gains and losses are reported in unallocated derivative gains and losses outside of segment operating results until the related inventory is sold. At that time, we reclassify the hedge gains and losses from unallocated derivative gains and losses to segment profit, allowing our segments to realize the economic effect of the hedge without experiencing any mark-to-market volatility. The following table presents the activity in unallocated derivative gains and losses.

	Year Ended April 30,		
	2017	2016	2015
Net losses on mark-to-market valuation of unallocated derivative positions	$ (35.4)	$ (29.6)	$ (39.7)
Net losses on derivative positions reclassified to segment operating profit	8.2	41.6	15.2
Unallocated derivative (losses) gains	$ (27.2)	$ 12.0	$ (24.5)

The net cumulative unallocated derivative losses at April 30, 2017 and 2016, were $35.6 and $8.4, respectively.

The following table presents the gross contract notional value of outstanding derivative contracts.

	Year Ended April 30,	
	2017	2016
Commodity contracts	$ 704.9	$ 545.7
Foreign currency exchange contracts	195.4	212.5

NOTE 11 OTHER FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Financial instruments, other than derivatives, that potentially subject us to significant concentrations of credit risk consist principally of cash investments, short-term borrowings, and trade receivables. The carrying value of these financial instruments approximates fair value. Our other financial instruments, with the exception of long-term debt, are recognized at estimated fair value in the Consolidated Balance Sheets.

The following table provides information on the carrying amounts and fair values of our financial instruments.

	April 30, 2017		April 30, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Marketable securities and other investments	$ 47.3	$ 47.3	$ 48.8	$ 48.8
Derivative financial instruments – net	(12.9)	(12.9)	(1.8)	(1.8)
Long-term debt	(4,944.5)	(5,023.8)	(5,146.0)	(5,319.9)

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect our market assumptions.

The following tables summarize the fair values and the levels within the fair value hierarchy in which the fair value measurements fall for our financial instruments.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at April 30, 2017
Marketable securities and other investments: (A)				
Equity mutual funds	$ 1.1	$ —	$ —	$ 1.1
Municipal obligations	—	34.7	—	34.7
Money market funds	11.5	—	—	11.5
Derivative financial instruments: (B)				
Commodity contracts – net	(15.8)	(0.2)	—	(16.0)
Foreign currency exchange contracts – net	0.3	2.8	—	3.1
Long-term debt (C)	(4,473.2)	(550.6)	—	(5,023.8)
Total financial instruments measured at fair value	$ (4,476.1)	$ (513.3)	$ —	$ (4,989.4)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at April 30, 2016
Marketable securities and other investments: (A)				
Equity mutual funds	$ 9.8	$ —	$ —	$ 9.8
Municipal obligations	—	37.6	—	37.6
Money market funds	1.4	—	—	1.4
Derivative financial instruments: (B)				
Commodity contracts – net	15.0	(8.0)	—	7.0
Foreign currency exchange contracts – net	(1.7)	(7.1)	—	(8.8)
Long-term debt (C)	(4,569.0)	(750.9)	—	(5,319.9)
Total financial instruments measured at fair value	$ (4,544.5)	$ (728.4)	$ —	$ (5,272.9)

(A) Marketable securities and other investments consist of funds maintained for the payment of benefits associated with nonqualified retirement plans. The funds include equity securities listed in active markets, municipal obligations valued by a third party using valuation techniques that utilize inputs that are derived principally from or corroborated by observable market data, and money market funds with maturities of three months or less. Based on the short-term nature of these money market funds, carrying value approximates fair value. As of April 30, 2017, our municipal obligations are scheduled to mature as follows: $1.4 in 2018, $2.3 in 2019, $2.2 in 2020, $5.1 in 2021, and the remaining $23.7 in 2022 and beyond. For additional information, see Marketable Securities and Other Investments in Note 1: Accounting Policies.

(B) Level 1 commodity and foreign currency exchange derivatives are valued using quoted market prices for identical instruments in active markets. Level 2 commodity and foreign currency exchange derivatives are valued using quoted prices for similar assets or liabilities in active markets.

(C) Long-term debt is comprised of public Senior Notes classified as Level 1 and the Term Loan classified as Level 2. The public Senior Notes are traded in an active secondary market and valued using quoted prices. The value of the Term Loan is based on the net present value of each interest and principal payment calculated, utilizing an interest rate derived from an estimated yield curve obtained from independent pricing sources for similar types of term loan borrowing arrangements. For additional information, see Note 8: Debt and Financing Arrangements.

Furthermore, we recognized nonrecurring fair value adjustments of $133.2 during 2017, which were primarily related to the impairment of certain indefinite-lived trademarks in the U.S. Retail Pet Foods segment, and were included as a noncash charge in our Statement of Consolidated Income. We utilized Level 3 inputs based on management's best estimates and assumptions to estimate the fair value of these indefinite-lived trademarks, which include estimates of future cash flows; allocations of certain assets, liabilities, and cash flows among reporting units; future growth rates; terminal value amounts; and the applicable weighted-average cost of capital used to discount those estimated cash flows. For additional information, see Goodwill and Other Intangible Assets in Note 1: Accounting Policies, and Note 7: Goodwill and Other Intangible Assets.

NOTE 12 SHARE-BASED PAYMENTS

We provide for equity-based incentives to be awarded to key employees and non-employee directors. Currently, these incentives consist of restricted shares, restricted stock units (which may also be referred to as deferred stock units), performance units, and stock options. These awards are administered primarily through the 2010 Equity and Incentive Compensation Plan initially approved by our shareholders in August 2010 and re-approved in August 2015. Awards under this plan may be in the form of stock options, stock appreciation rights, restricted shares, restricted stock units, performance shares, performance units, incentive awards, and other share-based awards. Awards under this plan may be granted to our non-employee directors, consultants, officers, and other employees. Deferred stock units granted to non-employee directors vest immediately and, along with dividends credited on those deferred stock units, are paid out in the form of common shares upon termination of service as a non-employee director. At April 30, 2017, there were 5,264,155 shares available for future issuance under this plan.

Under the 2010 Equity and Incentive Compensation Plan, we have the option to settle share-based awards by issuing common shares from treasury, issuing new Company common shares, or issuing a combination of common shares from treasury and new Company common shares.

Stock Options: Under the 2010 Equity and Incentive Compensation Plan, we granted no stock options during 2017, and 370,000 and 955,000 stock options during 2016 and 2015, respectively. The options vest over a period of 1 to 3 years dependent on the continued service of the option holder, as well as the achievement of performance objectives established on the grant date. The exercise price of all stock options granted is equal to the market value of the shares on the date of grant. All stock options granted during 2016 and 2015 have a contractual term of 10 years.

The fair value of each stock option is estimated on the date of grant using a Black-Scholes option-pricing model with the following weighted-average assumptions for stock options granted in 2016 and 2015:

	2016	2015
Expected volatility (%)	20.7%	25.0%
Dividend Yield (%)	2.3%	2.2%
Risk-free interest rate (%)	1.9%	1.5%
Expected life of stock option (years)	5.9	5.6

Expected volatility was calculated in accordance with the provisions of FASB ASC 718, *Compensation – Stock Compensation*, based on consideration of both historical and implied volatilities. The expected life of a stock option represents the period from the grant date through the expected exercise date of the option. This was calculated using a simplified method whereby the midpoint between the vesting date and the end of the contractual term is utilized to compute the expected term.

The following table is a summary of our stock option activity.

	Number of Stock Options	Weighted-Average Exercise Price
Outstanding at May 1, 2016	1,245,000	$ 113.29
Cancelled	330,000	113.90
Outstanding at April 30, 2017	**915,000**	**$ 113.07**
Exercisable at April 30, 2017	**—**	**$ —**

Stock options outstanding at April 30, 2017 have an aggregate intrinsic value of $12.5 with an average remaining contractual term of 8.0 years. The stock options granted during 2016 and 2015 have a weighted-average grant date fair value of $18.67 and $21.68 per option, respectively. During 2017, there were no stock options exercised. The total intrinsic value of stock options exercised during 2016 and 2015 was $0.1 and $1.9, respectively. The closing market price of our common stock on the last trading day of 2017 was $126.72 per share.

For stock options granted, compensation cost will be recognized ratably over the service period for each vesting tranche from the grant date through the end of the requisite service period to the extent the performance objectives are likely to be achieved. During 2017, we concluded that a portion of the performance objectives were unachievable, and therefore reversed the life-to-date compensation cost recognized. For the year ended April 30, 2017, the compensation net benefit for stock option awards totaled $1.0, and compensation cost totaled $8.1 and $1.2 for the years ended April 30, 2016, and 2015, respectively, which was included in other special project costs in the Statements of Consolidated Income. The tax expense related to the stock option net benefit was $0.4 for 2017, and the tax benefit related to the stock option expense was $3.0 and $0.4 for 2016 and 2015, respectively. At April 30, 2017, we had $1.0 of total unrecognized compensation cost, net of estimated forfeitures, related to stock options that will be recognized over a weighted-average period of 1.0 year.

Cash received from stock option exercises for the years ended April 30, 2016 and 2015, was $0.1 and $0.8, respectively. We received no cash from stock option exercises for the year ended April 30, 2017.

Other Equity Awards: The following table is a summary of our restricted shares, deferred stock units, and performance units.

	Restricted Shares and Deferred Stock Units	Weighted-Average Grant Date Fair Value	Performance Units	Weighted-Average Conversion Date Fair Value
Outstanding at May 1, 2016	545,742	$ 99.65	121,936	$ 132.46
Granted	180,997	133.92	73,701	126.80
Converted	121,936	132.46	(121,936)	132.46
Vested	(243,561)	100.81	—	—
Forfeited	(31,709)	118.97	—	—
Outstanding at April 30, 2017	**573,405**	**$ 115.88**	**73,701**	**$ 126.80**

The weighted-average grant date fair value of equity awards other than stock options that vested in 2017, 2016, and 2015 was $24.6, $18.7, and $28.6, respectively. The vesting date fair value of equity awards other than stock options that vested in 2017, 2016, and 2015 was $32.7, $24.4, and $43.4, respectively. The weighted-average grant date fair value of restricted shares and deferred stock units is the average of the high and the low share price on the date of grant. The weighted-average conversion date fair value of performance units is the average of the high and the low share price on the date of conversion to restricted shares. The following table summarizes the weighted-average fair values of the equity awards granted.

Year Ended April 30,	Restricted Shares and Deferred Stock Units	Weighted-Average Grant Date Fair Value	Performance Units	Weighted-Average Conversion Date Fair Value
2017	**180,997**	**$ 133.92**	**73,701**	**$ 126.80**
2016	97,922	113.57	121,936	132.46
2015	109,091	104.82	75,848	111.41

The performance units column represents the number of restricted shares received by certain executive officers, subsequent to year end, upon conversion of the performance units earned during the year. Restricted shares and deferred stock units generally vest 4 years from the date of grant or upon the attainment of a defined age and years of service, subject to certain retention requirements.

NOTE 13 INCOME TAXES

Income before income taxes is as follows:

	Year Ended April 30,		
	2017	2016	2015
Domestic	**$ 836.8**	$ 959.3	$ 500.7
Foreign	**41.6**	18.6	22.3
Income before income taxes	**$ 878.4**	$ 977.9	$ 523.0

The components of the provision for income taxes are as follows:

	Year Ended April 30,		
	2017	2016	2015
Current:			
Federal	**$ 325.1**	$ 342.5	$ 147.8
Foreign	**11.0**	4.8	4.7
State and local	**29.4**	37.1	17.9
Deferred:			
Federal	**(78.3)**	(32.1)	2.3
Foreign	**1.6**	1.3	0.5
State and local	**(2.7)**	(64.4)	4.9
Total income tax expense	**$ 286.1**	$ 289.2	$ 178.1

A reconciliation of the statutory federal income tax rate and the effective income tax rate is as follows:

	Year Ended April 30,		
(Percent of Pre-tax Income)	**2017**	2016	2015
Statutory federal income tax rate	**35.0 %**	35.0 %	35.0 %
State and local income taxes	**2.1**	2.5	2.4
Domestic manufacturing deduction	**(3.7)**	(3.5)	(2.9)
Deferred tax benefit from integration	**—**	(5.2)	—
Other items – net	**(0.8)**	0.8	(0.4)
Effective income tax rate	**32.6 %**	29.6 %	34.1 %
Income taxes paid	**$ 367.2**	$ 290.5	$ 199.3

The effective tax rate of 29.6 percent in 2016 includes the recognition in the fourth quarter of a $50.5 noncash deferred tax benefit related to the integration of Big Heart into the Company.

We are a voluntary participant in the Compliance Assurance Process ("CAP") program offered by the Internal Revenue Service ("IRS") and are currently under a CAP examination for the tax year ended April 30, 2017. Through the contemporaneous exchange of information with the IRS, this program is designed to identify and resolve tax positions with the IRS prior to the filing of a tax return, which allows us to remain current with our IRS examinations. The IRS has completed the CAP examinations for the tax years ended April 30, 2014, 2015, and 2016. The tax years prior to 2014 are no longer subject to U.S. federal tax examination. With limited exceptions, we are no longer subject to examination for state and local jurisdictions for the tax years prior to 2013 and for the tax years prior to 2010 for foreign jurisdictions.

Deferred income taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting. Significant components of our deferred tax assets and liabilities are as follows:

	April 30,	
	2017	2016
Deferred tax liabilities:		
Intangible assets	**$ 2,248.0**	$ 2,330.8
Property, plant, and equipment	**129.8**	140.5
Other	**16.5**	11.9
Total deferred tax liabilities	**$ 2,394.3**	$ 2,483.2
Deferred tax assets:		
Post-employment and other employee benefits	**$ 146.3**	$ 171.8
Tax credit and loss carryforwards	**1.8**	3.7
Intangible assets	**25.4**	23.2
Inventory	**10.5**	8.0
Property, plant, and equipment	**3.1**	5.1
Other	**43.8**	47.3
Total deferred tax assets	**$ 230.9**	$ 259.1
Valuation allowance	**(3.6)**	(6.2)
Total deferred tax assets, less allowance	**$ 227.3**	$ 252.9
Net deferred tax liability	**$ 2,167.0**	$ 2,230.3

The following table summarizes domestic and foreign loss and credit carryforwards at April 30, 2017.

	Related Tax Deduction	Deferred Tax Asset	Valuation Allowance	Expiration Date
Tax carryforwards:				
Federal loss carryforwards	$ —	$ 0.8	$ 0.1	2022
Foreign loss carryforwards	—	0.6	0.6	2019 to 2026
State loss carryforwards	3.9	0.3	—	2034
State tax credit carryforwards	—	0.1	—	2027
Total tax carryforwards	**$ 3.9**	**$ 1.8**	**$ 0.7**	

We evaluate the realizability of deferred tax assets for each of the jurisdictions in which we operate. The total valuation allowance decreased by a net amount of $2.6 during the year.

Deferred income taxes have not been provided on approximately $245.0 of undistributed earnings of foreign subsidiaries since these amounts are considered to be permanently reinvested and we do not intend to repatriate any of the amounts. Any additional taxes payable on the earnings of foreign subsidiaries, if remitted, would be partially offset by domestic tax deductions or tax credits for foreign taxes paid. It is not practical to estimate the amount of additional taxes that might be payable on such undistributed earnings.

Our unrecognized tax benefits were $40.4, $46.3, and $45.0, of which $23.1, $32.6, and $32.2 would affect the effective tax rate, if recognized, as of April 30, 2017, 2016, and 2015, respectively. Our accrual for tax-related net interest and penalties totaled $4.1, $3.8, and $3.4 as of April 30, 2017, 2016, and 2015, respectively. Interest charged to earnings totaled $0.3, $0.6, and $0.7 during 2017, 2016, and 2015, respectively.

Within the next 12 months, it is reasonably possible that we could decrease our unrecognized tax benefits by an estimated $6.7, primarily as a result of the expiration of statute of limitation periods.

A reconciliation of our unrecognized tax benefits is as follows:

	2017	2016	2015
Balance at May 1,	**$ 46.3**	$ 45.0	$ 29.1
Increases:			
Current year tax positions	**0.7**	3.3	2.4
Prior year tax positions	**1.2**	0.2	1.2
Acquired businesses	**—**	3.3	13.4
Decreases:			
Prior year tax positions	**0.9**	0.9	0.4
Settlement with tax authorities	**1.1**	2.5	—
Expiration of statute of limitations periods	**5.8**	2.1	0.7
Balance at April 30,	**$ 40.4**	$ 46.3	$ 45.0

NOTE 14 ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of accumulated other comprehensive loss, including the reclassification adjustments for items that are reclassified from accumulated other comprehensive loss to net income, are shown below.

	Foreign Currency Translation Adjustment	Unrealized (Loss) Gain on Cash Flow Hedging Derivatives (A)	Pension and Other Postretirement Liabilities (B)	Unrealized Gain on Available-for-Sale Securities	Accumulated Other Comprehensive Loss
Balance at May 1, 2014	$ 31.7	$ 15.3	$ (102.0)	$ 3.4	$ (51.6)
Reclassification adjustments	—	(28.5)	9.8	—	(18.7)
Current period charge	(34.0)	(4.0)	(16.2)	(0.1)	(54.3)
Income tax benefit	—	12.0	2.8	—	14.8
Balance at April 30, 2015	$ (2.3)	$ (5.2)	$ (105.6)	$ 3.3	$ (109.8)
Reclassification adjustments	—	0.6	10.2	—	10.8
Current period (charge) credit	(10.8)	—	(54.6)	0.4	(65.0)
Income tax (expense) benefit	—	(0.2)	15.9	(0.1)	15.6
Balance at April 30, 2016	$ (13.1)	$ (4.8)	$ (134.1)	$ 3.6	$ (148.4)
Reclassification adjustments	—	0.6	13.2	—	13.8
Current period (charge) credit	(29.9)	—	39.6	0.6	10.3
Income tax expense	—	(0.2)	(18.7)	(0.2)	(19.1)
Balance at April 30, 2017	**$ (43.0)**	**$ (4.4)**	**$ (100.0)**	**$ 4.0**	**$ (143.4)**

(A) Of the total losses reclassified from accumulated other comprehensive loss, $0.6 was reclassified to interest expense related to the interest rate swaps during 2017, 2016, and 2015. During 2015, $29.1 of income was reclassified to cost of products sold related to commodity derivatives. At April 30, 2017, the remaining balance in accumulated other comprehensive loss related entirely to the interest rate swaps. For additional information, see Note 10: Derivative Financial Instruments.

(B) Amortization of net losses was reclassified from accumulated other comprehensive loss to SD&A.

NOTE 15 CONTINGENCIES

We, like other food manufacturers, are from time to time subject to various administrative, regulatory, and other legal proceedings arising in the ordinary course of business. We are currently a defendant in a variety of such legal proceedings. We cannot predict with certainty the ultimate results of these proceedings or reasonably determine a range of potential loss. Our policy is to accrue losses for contingent liabilities when such liabilities are probable and amounts can be reasonably estimated. Based on the information known to date, we do not believe the final outcome of these proceedings will have a material adverse effect on our financial position, results of operations, or cash flows.

NOTE 16 GUARANTOR AND NON-GUARANTOR FINANCIAL INFORMATION

Our Senior Notes are fully and unconditionally guaranteed, on a joint and several basis, by J.M. Smucker LLC and The Folgers Coffee Company (the "subsidiary guarantors"), which are 100 percent wholly-owned subsidiaries of the Company. A subsidiary guarantor will be released from its obligations under the indentures governing the notes (a) with respect to each series of notes, if we exercise our legal or covenant defeasance option with respect to such series of notes or if our obligations under an indenture are discharged in accordance with the terms of such indenture in respect of such series of notes; (b) with respect to all series of notes issued in March 2015, upon the issuance, sale, exchange, transfer, or other disposition (including through merger, consolidation, amalgamation, or otherwise) of the capital stock of the applicable subsidiary guarantor (including any issuance, sale, exchange, transfer, or other disposition following which the applicable subsidiary guarantor is no longer a subsidiary) if such issuance, sale, exchange, transfer, or other disposition is made in a manner not in violation of the indenture in respect of such series of notes; or (c) with respect to all series of notes, upon the substantially simultaneous release or discharge of the guarantee by such subsidiary guarantor of all of our primary senior indebtedness other than through discharges as a result of payment by such guarantor on such guarantees.

Condensed consolidating financial statements for the Company, the subsidiary guarantors, and the other subsidiaries of the Company that are not guaranteeing the indebtedness under the Senior Notes (the "non-guarantor subsidiaries") are provided below. The principal elimination entries relate to investments in subsidiaries and intercompany balances and transactions, including transactions with our

100 percent wholly-owned subsidiary guarantors and non-guarantor subsidiaries. We have accounted for investments in subsidiaries using the equity method.

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended April 30, 2017				
	The J. M. Smucker Company (Parent)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ 2,968.6	$ 1,177.6	$ 9,379.9	$ (6,133.8)	$ 7,392.3
Cost of products sold	2,393.1	1,070.0	7,223.7	(6,129.8)	4,557.0
Gross Profit	575.5	107.6	2,156.2	(4.0)	2,835.3
Selling, distribution, and administrative expenses and other special project costs	318.8	40.0	1,108.8	—	1,467.6
Amortization	10.5	—	196.8	—	207.3
Impairment charges	—	—	133.2	—	133.2
Other operating expense (income) – net	1.2	1.0	(6.5)	—	(4.3)
Operating Income	245.0	66.6	723.9	(4.0)	1,031.5
Interest (expense) income – net	(164.1)	1.2	(0.2)	—	(163.1)
Other income (expense) – net	11.6	2.8	(4.4)	—	10.0
Equity in net earnings of subsidiaries	492.2	147.0	69.4	(708.6)	—
Income Before Income Taxes	584.7	217.6	788.7	(712.6)	878.4
Income taxes	(7.6)	0.4	293.3	—	286.1
Net Income	$ 592.3	$ 217.2	$ 495.4	$ (712.6)	$ 592.3
Other comprehensive income (loss), net of tax	5.0	2.1	(31.1)	29.0	5.0
Comprehensive Income	$ 597.3	$ 219.3	$ 464.3	$ (683.6)	$ 597.3

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended April 30, 2016				
	The J. M. Smucker Company (Parent)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ 3,155.3	$ 1,184.5	$ 8,724.9	$ (5,253.5)	$ 7,811.2
Cost of products sold	2,468.0	1,083.3	6,549.6	(5,257.5)	4,843.4
Gross Profit	687.3	101.2	2,175.3	4.0	2,967.8
Selling, distribution, and administrative expenses and other special project costs	290.9	40.5	1,314.8	—	1,646.2
Amortization	4.2	—	204.2	—	208.4
Other operating (income) expense – net	(25.2)	1.1	(8.0)	—	(32.1)
Operating Income	417.4	59.6	664.3	4.0	1,145.3
Interest (expense) income – net	(172.0)	1.2	(0.3)	—	(171.1)
Other income (expense) – net	9.6	1.2	(70.5)	63.4	3.7
Equity in net earnings of subsidiaries	513.1	138.3	60.8	(712.2)	—
Income Before Income Taxes	768.1	200.3	654.3	(644.8)	977.9
Income taxes	79.4	0.4	209.4	—	289.2
Net Income	$ 688.7	$ 199.9	$ 444.9	$ (644.8)	$ 688.7
Other comprehensive loss, net of tax	(38.6)	(1.7)	(20.7)	22.4	(38.6)
Comprehensive Income	$ 650.1	$ 198.2	$ 424.2	$ (622.4)	$ 650.1

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended April 30, 2015				
	The J. M. Smucker Company (Parent)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ 2,998.0	$ 1,184.0	$ 6,622.4	$ (5,111.7)	$ 5,692.7
Cost of products sold	2,457.8	1,080.0	5,301.6	(5,115.4)	3,724.0
Gross Profit	540.2	104.0	1,320.8	3.7	1,968.7
Selling, distribution, and administrative expenses and other special project costs	234.9	53.8	799.2	—	1,087.9
Amortization	4.2	—	105.5	—	109.7
Impairment charges	—	—	1.2	—	1.2
Other operating expense (income) – net	0.3	(2.4)	—	—	(2.1)
Operating Income	300.8	52.6	414.9	3.7	772.0
Interest (expense) income – net	(80.7)	1.2	(0.4)	—	(79.9)
Other debt costs	(173.3)	—	—	—	(173.3)
Other income – net	0.6	0.1	3.5	—	4.2
Equity in net earnings of subsidiaries	312.6	131.4	52.7	(496.7)	—
Income Before Income Taxes	360.0	185.3	470.7	(493.0)	523.0
Income taxes	15.1	0.4	162.6	—	178.1
Net Income	$ 344.9	$ 184.9	$ 308.1	$ (493.0)	$ 344.9
Other comprehensive loss, net of tax	(58.2)	(18.5)	(43.3)	61.8	(58.2)
Comprehensive Income	$ 286.7	$ 166.4	$ 264.8	$ (431.2)	$ 286.7

CONDENSED CONSOLIDATING BALANCE SHEETS

	April 30, 2017				
	The J. M. Smucker Company (Parent)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	**Consolidated**
ASSETS					
Current Assets					
Cash and cash equivalents	$ 8.5	$ —	$ 158.3	$ —	**$ 166.8**
Inventories	—	136.6	773.1	(4.0)	**905.7**
Other current assets	490.5	8.1	71.6	(0.9)	**569.3**
Total Current Assets	499.0	144.7	1,003.0	(4.9)	**1,641.8**
Property, Plant, and Equipment – Net	294.1	574.8	748.6	—	**1,617.5**
Investments in Subsidiaries	15,573.2	4,464.9	403.1	(20,441.2)	**—**
Intercompany Receivable	—	510.4	2,083.2	(2,593.6)	**—**
Other Noncurrent Assets					
Goodwill	1,494.8	—	4,582.3	—	**6,077.1**
Other intangible assets – net	417.7	—	5,732.2	—	**6,149.9**
Other noncurrent assets	59.2	10.6	83.6	—	**153.4**
Total Other Noncurrent Assets	1,971.7	10.6	10,398.1	—	**12,380.4**
Total Assets	$ 18,338.0	$ 5,705.4	$ 14,636.0	$ (23,039.7)	**$ 15,639.7**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities	$ 1,381.7	$ 98.8	$ 353.0	$ (0.9)	**$ 1,832.6**
Noncurrent Liabilities					
Long-term debt, less current portion	4,445.5	—	—	—	**4,445.5**
Deferred income taxes	44.7	—	2,122.3	—	**2,167.0**
Intercompany payable	5,311.9	—	—	(5,311.9)	**—**
Other noncurrent liabilities	304.0	15.1	25.3	—	**344.4**
Total Noncurrent Liabilities	10,106.1	15.1	2,147.6	(5,311.9)	**6,956.9**
Total Liabilities	11,487.8	113.9	2,500.6	(5,312.8)	**8,789.5**
Total Shareholders' Equity	6,850.2	5,591.5	12,135.4	(17,726.9)	**6,850.2**

Total Liabilities and Shareholders' Equity	$ 18,338.0	$ 5,705.4	$ 14,636.0	$ (23,039.7)	**$ 15,639.7**

CONDENSED CONSOLIDATING BALANCE SHEETS	April 30, 2016				
	The J. M. Smucker Company (Parent)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Current Assets					
Cash and cash equivalents	$ 7.0	$ —	$ 102.8	$ —	$ 109.8
Inventories	—	143.2	752.0	4.2	899.4
Other current assets	497.3	5.9	71.9	(10.9)	564.2
Total Current Assets	504.3	149.1	926.7	(6.7)	1,573.4
Property, Plant, and Equipment – Net	296.3	587.0	744.4	—	1,627.7
Investments in Subsidiaries	15,092.2	4,317.9	331.6	(19,741.7)	—
Intercompany Receivable	—	404.7	1,543.9	(1,948.6)	—
Other Noncurrent Assets					
Goodwill	1,494.8	—	4,596.3	—	6,091.1
Other intangible assets – net	428.3	—	6,066.1	—	6,494.4
Other noncurrent assets	57.4	10.4	129.7	—	197.5
Total Other Noncurrent Assets	1,980.5	10.4	10,792.1	—	12,783.0
Total Assets	$ 17,873.3	$ 5,469.1	$ 14,338.7	$ (21,697.0)	$ 15,984.1
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities	$ 723.3	$ 78.9	$ 421.6	$ (10.8)	$ 1,213.0
Noncurrent Liabilities					
Long-term debt	5,146.0	—	—	—	5,146.0
Deferred income taxes	60.7	—	2,169.6	—	2,230.3
Intercompany payable	4,644.7	—	—	(4,644.7)	—
Other noncurrent liabilities	290.1	17.9	78.3	—	386.3
Total Noncurrent Liabilities	10,141.5	17.9	2,247.9	(4,644.7)	7,762.6
Total Liabilities	10,864.8	96.8	2,669.5	(4,655.5)	8,975.6
Total Shareholders' Equity	7,008.5	5,372.3	11,669.2	(17,041.5)	7,008.5
Total Liabilities and Shareholders' Equity	$ 17,873.3	$ 5,469.1	$ 14,338.7	$ (21,697.0)	$ 15,984.1

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Year Ended April 30, 2017				
	The J. M. Smucker Company (Parent)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Cash Provided by Operating Activities	$ 172.7	$ 154.8	$ 731.5	$ —	**$ 1,059.0**
Investing Activities					
Additions to property, plant, and equipment	(32.1)	(47.2)	(113.1)	—	**(192.4)**
Proceeds from sale of investment	—	—	40.6	—	**40.6**
Proceeds from disposal of property, plant, and equipment	0.1	—	0.4	—	**0.5**
(Disbursements of) repayments from intercompany loans	—	(105.8)	(561.3)	667.1	**—**
Other – net	(0.2)	(1.8)	(36.4)	—	**(38.4)**
Net Cash (Used for) Provided by Investing Activities	(32.2)	(154.8)	(669.8)	667.1	**(189.7)**
Financing Activities					
Short-term borrowings – net	170.0	—	—	—	**170.0**
Repayments of long-term debt	(200.0)	—	—	—	**(200.0)**
Quarterly dividends paid	(339.3)	—	—	—	**(339.3)**
Purchase of treasury shares	(437.6)	—	—	—	**(437.6)**
Intercompany payable	667.1	—	—	(667.1)	**—**
Other – net	0.8	—	—	—	**0.8**
Net Cash Used for Financing Activities	(139.0)	—	—	(667.1)	**(806.1)**
Effect of exchange rate changes on cash	—	—	(6.2)	—	**(6.2)**
Net increase in cash and cash equivalents	1.5	—	55.5	—	**57.0**
Cash and cash equivalents at beginning of year	7.0	—	102.8	—	**109.8**
Cash and Cash Equivalents at End of Year	$ 8.5	$ —	$ 158.3	$ —	**$ 166.8**

( ) Denotes use of cash

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Year Ended April 30, 2016				
	The J. M. Smucker Company (Parent)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Cash (Used for) Provided by Operating Activities	$ (190.1)	$ 151.4	$ 1,499.7	$ —	$ 1,461.0
Investing Activities					
Businesses acquired, net of cash acquired	—	—	7.9	—	7.9
Equity investment in affiliate	—	—	(16.0)	—	(16.0)
Additions to property, plant, and equipment	(71.8)	(53.7)	(75.9)	—	(201.4)
Proceeds from divestiture	193.7	—	—	—	193.7
Proceeds from disposal of property, plant, and equipment	3.7	0.1	0.2	—	4.0
(Disbursements of) repayments from intercompany loans	—	(99.4)	(1,465.1)	1,564.5	—
Other – net	(1.2)	1.6	33.1	—	33.5
Net Cash Provided by (Used for) Investing Activities	124.4	(151.4)	(1,515.8)	1,564.5	21.7
Financing Activities					
Short-term borrowings – net	58.0	—	—	—	58.0
Repayments of long-term debt	(800.0)	—	—	—	(800.0)
Quarterly dividends paid	(316.6)	—	—	—	(316.6)
Purchase of treasury shares	(441.1)	—	—	—	(441.1)
Intercompany payable	1,564.5	—	—	(1,564.5)	—
Other – net	0.8	—	—	—	0.8
Net Cash Provided by (Used for) Financing Activities	65.6	—	—	(1,564.5)	(1,498.9)
Effect of exchange rate changes on cash	—	—	0.4	—	0.4
Net decrease in cash and cash equivalents	(0.1)	—	(15.7)	—	(15.8)
Cash and cash equivalents at beginning of year	7.1	—	118.5	—	125.6
Cash and Cash Equivalents at End of Year	$ 7.0	$ —	$ 102.8	$ —	$ 109.8

( ) Denotes use of cash

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS	Year Ended April 30, 2015				
	The J. M. Smucker Company (Parent)	Subsidiary Guarantors	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Cash Provided by Operating Activities	$ 245.1	$ 87.8	$ 406.2	$ —	$ 739.1
Investing Activities					
Businesses acquired, net of cash acquired	(1,240.0)	—	(80.5)	—	(1,320.5)
Additions to property, plant, and equipment	(56.3)	(93.3)	(98.1)	—	(247.7)
Proceeds from disposal of property, plant, and equipment	—	1.1	1.5	—	2.6
Equity investments in subsidiaries	(2,715.3)	—	—	2,715.3	—
Repayments from (disbursements of) intercompany loans	—	10.2	(297.5)	287.3	—
Other – net	—	(5.8)	(24.3)	—	(30.1)
Net Cash (Used for) Provided by Investing Activities	(4,011.6)	(87.8)	(498.9)	3,002.6	(1,595.7)
Financing Activities					
Short-term repayments – net	(5.3)	—	(17.1)	—	(22.4)
Proceeds from long-term debt	5,382.5	—	—	—	5,382.5
Repayments of long-term debt, including make-whole payments	(1,580.8)	—	(2,613.1)	—	(4,193.9)
Quarterly dividends paid	(254.0)	—	—	—	(254.0)
Purchase of treasury shares	(24.3)	—	—	—	(24.3)
Investments in subsidiaries	—	—	2,715.3	(2,715.3)	—
Intercompany payable	287.3	—	—	(287.3)	—
Other – net	(38.6)	—	8.0	—	(30.6)
Net Cash Provided by (Used for) Financing Activities	3,766.8	—	93.1	(3,002.6)	857.3
Effect of exchange rate changes on cash	—	—	(28.6)	—	(28.6)
Net increase (decrease) in cash and cash equivalents	0.3	—	(28.2)	—	(27.9)
Cash and cash equivalents at beginning of year	6.8	—	146.7	—	153.5
Cash and Cash Equivalents at End of Year	$ 7.1	$ —	$ 118.5	$ —	$ 125.6

( ) Denotes use of cash

NOTE 17 COMMON SHARES

Voting: The Amended Articles of Incorporation ("Articles") provide that each holder of a common share outstanding is entitled to one vote on each matter submitted to a vote of the shareholders, except for the following specific matters:

- any matter that relates to or would result in the dissolution or liquidation of the Company;
- the adoption of any amendment to the Articles or Amended Regulations, or the adoption of amended Articles, other than the adoption of any amendment or amended Articles that increases the number of votes to which holders of our common shares are entitled or expands the matters to which time-phased voting applies;
- any proposal or other action to be taken by our shareholders relating to the Rights Agreement, dated as of May 20, 2009, between the Company and Computershare Trust Company, N.A., or any successor plan;
- any matter relating to any stock option plan, stock purchase plan, executive compensation plan, executive benefit plan, or other similar plan, arrangement, or agreement;
- the adoption of any agreement or plan of or for the merger, consolidation, or majority share acquisition of us or any of our subsidiaries with or into any other person, whether domestic or foreign, corporate or noncorporate, or the authorization of the lease, sale, exchange, transfer, or other disposition of all, or substantially all, of our assets;
- any matter submitted to our shareholders pursuant to Article Fifth (which relates to procedures applicable to certain business combinations) or Article Seventh (which relates to procedures applicable to certain proposed acquisitions of specified percentages of our outstanding common shares) of the Articles, as they may be further amended, or any issuance of our common shares for which shareholder approval is required by applicable stock exchange rules; and
- any matter relating to the issuance of our common shares or the repurchase of our common shares that the Board of Directors ("Board") determines is required or appropriate to be submitted to our shareholders under the Ohio Revised Code or applicable stock exchange rules.

On the matters listed above, common shares are entitled to 10 votes per share if they meet the requirements set forth in the Articles. Common shares which would be entitled to 10 votes per share must meet one of the following criteria:

- common shares for which there has not been a change in beneficial ownership in the past four years; or
- common shares received through our various equity plans that have not been sold or otherwise transferred.

In the event of a change in beneficial ownership, the new owner of that common share will be entitled to only one vote with respect to that share on all matters until four years pass without a further change in beneficial ownership of the share.

Shareholders' Rights Plan: Pursuant to a Shareholders' Rights Plan adopted by the Board on May 20, 2009, one share purchase right is associated with each of our outstanding common shares.

Under the plan, the rights will initially trade together with our common shares and will not be exercisable. In the absence of further action by the directors, the rights generally will become exercisable and allow the holder to acquire our common shares at a discounted price if a person or group acquires 10 percent or more of our outstanding common shares. Rights held by persons who exceed the applicable threshold will be void. Shares held by members of the Smucker family are not subject to the threshold. If exercisable, each right entitles the shareholder to buy one common share at a discounted price. Under certain circumstances, the rights will entitle the holder to buy shares in an acquiring entity at a discounted price.

The plan also includes an exchange option. In general, if the rights become exercisable, the directors may, at their option, effect an exchange of part or all of the rights, other than rights that have become void, for common shares. Under this option, we would issue one common share for each right, in each case subject to adjustment in certain circumstances.

The directors may, at their option, redeem all rights for $0.001 per right, generally at any time prior to the rights becoming exercisable. The rights will expire June 3, 2019, unless earlier redeemed, exchanged, or amended by the directors.

In connection with the Big Heart acquisition, we and the rights agent entered into an amendment to the plan providing that neither the approval, execution, delivery, or performance of the merger agreement or the shareholders' agreement entered into in connection with the transaction will in any way give rise to any provision of the plan becoming effective, and that none of Blue Holdings I, L.P., the controlling stockholder of BAG, or any of its affiliates will be deemed to be an acquiring person for purposes of the plan.

During 2017, we and the rights agent entered into another amendment to the plan to amend the definition of beneficial ownership to provide that, among other things and subject to certain exceptions, a person will not be deemed the beneficial owner of, or to beneficially own, the first 10 percent of then-outstanding common shares of the Company that would otherwise be deemed to be beneficially owned by such person, together with all its affiliates and associates, if such person is entitled to file, and files, a statement on Schedule 13G pursuant to Rule 13d-1(b) or Rule 14d-1(c) under the Securities and Exchange Act of 1934, as amended.

Repurchase Programs: On February 22, 2017, we entered into a 10b5-1 trading plan (the "Plan") to facilitate the repurchase of up to 3.0 million common shares under the Board's authorizations. Purchases under the Plan commenced on February 27, 2017, and concluded on March 27, 2017, and were transacted by a broker based upon the guidelines and parameters of the Plan. During 2017, we repurchased 3.0 million common shares under the Plan for $418.1, and a total of 3.4 million common shares were repurchased under previous plans during 2016 for $437.8.

At April 30, 2017, approximately 3.6 million common shares were remaining available for repurchase pursuant to the Board's authorizations.

NOTE 18 SUBSEQUENT EVENT

On May 30, 2017, we announced a definitive agreement to acquire the *Wesson®* oil brand from Conagra Brands, Inc. ("Conagra"). The all-cash transaction, which is expected to be funded primarily with debt, is valued at approximately $285.0. We anticipate the addition of the *Wesson* brand will add annual net sales of approximately $230.0.

Following the close of the transaction, Conagra will continue to manufacture products sold under the *Wesson* brand and provide certain other transition services for up to one year. After the transition period, we expect to consolidate *Wesson* production into our existing oils manufacturing facility in Cincinnati, Ohio. The closing of the transaction is subject to the fulfillment of customary closing conditions, including receipt of regulatory approvals.

DIRECTORS AND EXECUTIVE OFFICERS

The J. M. Smucker Company

DIRECTORS

Kathryn W. Dindo[A, E]
Retired Vice President and
Chief Risk Officer
FirstEnergy Corp.
Akron, Ohio

Elizabeth Valk Long[A, E]
Retired Executive Vice President
Time Inc.
New York, New York

Mark T. Smucker
President and Chief Executive Officer
The J. M. Smucker Company

Paul J. Dolan[E]
Chairman and Chief Executive Officer
Cleveland Indians
Cleveland, Ohio

Gary A. Oatey[G]
Executive Chairman
Oatey Co.
Cleveland, Ohio

Richard K. Smucker
Executive Chairman
The J. M. Smucker Company

Jay L. Henderson[A]
Retired Vice Chairman, Client Service
PricewaterhouseCoopers LLP
Chicago, Illinois

Sandra Pianalto[A]
Retired President and
Chief Executive Officer
Federal Reserve Bank of Cleveland
Cleveland, Ohio

Timothy P. Smucker
Chairman Emeritus
The J. M. Smucker Company

Nancy Lopez Knight[G]
Founder
Nancy Lopez Golf Company
Palm City, Florida

Alex Shumate[G]
Managing Partner, North America
Squire Patton Boggs (US) LLP
Columbus, Ohio

[A] Audit Committee Member; [E] Executive Compensation Committee Member; [G] Nominating and Corporate Governance Committee Member

EXECUTIVE OFFICERS

Richard K. Smucker
Executive Chairman

Barry C. Dunaway
President, Pet Food and Pet Snacks

Steven Oakland
Vice Chair and President, U.S. Food and Beverage

Mark T. Smucker
President and Chief Executive Officer

Jeannette L. Knudsen
Senior Vice President, General Counsel and Secretary

Jill R. Penrose
Senior Vice President, Human Resources and Corporate Communications

Mark R. Belgya
Vice Chair and Chief Financial Officer

David J. Lemmon
President, Canada and International

OUR LOCATIONS

The J. M. Smucker Company

CORPORATE OFFICE

Orrville, Ohio

DOMESTIC MANUFACTURING LOCATIONS

Bloomsburg, Pennsylvania	Havre de Grace, Maryland	Oxnard, California
Buffalo, New York	Lawrence, Kansas	Ripon, Wisconsin
Chico, California	Lexington, Kentucky	Scottsville, Kentucky
Cincinnati, Ohio	Memphis, Tennessee	Seattle, Washington
Decatur, Alabama	New Bethlehem, Pennsylvania	Suffolk, Virginia
Grandview, Washington	New Orleans, Louisiana (3)	Toledo, Ohio
Harahan, Louisiana	Orrville, Ohio	Topeka, Kansas

INTERNATIONAL MANUFACTURING LOCATION

Sherbrooke, Quebec, Canada

SHAREHOLDER INFORMATION

The J. M. Smucker Company

CORPORATE OFFICE

The J. M. Smucker Company
One Strawberry Lane
Orrville, Ohio 44667
Telephone: (330) 682-3000

STOCK LISTING

Our common shares are listed on the New York Stock Exchange — ticker symbol SJM.

CORPORATE WEBSITE

To learn more about The J. M. Smucker Company,
visit jmsmucker.com.

ANNUAL MEETING

The annual meeting will be held at 11:00 a.m. Eastern Time, August 16, 2017, at the Ritz-Carlton, 1515 West Third Street, Cleveland, Ohio 44113.

CORPORATE NEWS AND REPORTS

Corporate news releases, annual reports, and Securities and Exchange Commission filings, including Forms 10-K, 10-Q, and 8-K, are available free of charge on our website,
jmsmucker.com/investor-relations. They are also available
without cost to shareholders who submit a written request to:
The J. M. Smucker Company
Attention: Corporate Secretary
One Strawberry Lane
Orrville, Ohio 44667

CERTIFICATIONS

Our Chief Executive Officer has certified to the New York Stock Exchange that he is not aware of any violation by the Company of the New York Stock Exchange's corporate governance listing standards. We have also filed with the Securities and Exchange Commission certain certifications relating to the quality of our public disclosures. These certifications are filed as exhibits to our Annual Report on Form 10-K.

FORWARD-LOOKING STATEMENTS

This Annual Report includes certain forward-looking statements that are based on current expectations and are subject to a number of risks and uncertainties. Please reference "*Forward-Looking Statements*" in the "*Management's Discussion and Analysis*" section.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
Akron, Ohio

DIVIDENDS

Our Board of Directors typically declares a cash dividend each quarter. Dividends are generally payable on the first business day of March, June, September, and December. The record date is approximately two weeks before the payment date. Our dividend disbursement agent is Computershare Investor Services, LLC.

SHAREHOLDER SERVICES

Our transfer agent and registrar, Computershare Investor Services, LLC, is responsible for assisting registered shareholders with a variety of matters, including:

- Shareholder investment program (CIP℠)
  - Direct purchase of our common shares
  - Dividend reinvestment
  - Automatic monthly cash investments
- Book-entry share ownership
- Share transfer matters (including name changes, gifting, and inheritances)
- Direct deposit of dividend payments
- Nonreceipt of dividend checks
- Lost share certificates
- Changes of address
- Online shareholder account access
- Form 1099 income inquiries (including requests for duplicate copies)

Shareholders may contact Shareholder Services at the corporate offices regarding other shareholder inquiries.

TRANSFER AGENT AND REGISTRAR

Computershare
P.O. Box 505000
Louisville, KY 40233
Telephone: (800) 456-1169
Telephone outside U.S., Canada, and Puerto Rico:
(312) 360-5254
Website: computershare.com/investor

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THE J. M. SMUCKER COMPANY

One Strawberry Lane • Orrville, Ohio 44667 • 330.682.3000
jmsmucker.com

SUBSIDIARIES OF THE COMPANY
(As of April 30, 2017)[1]

Subsidiaries	State or Jurisdiction of Incorporation or Organization
BHPB Service, LLC	Delaware
BHPI Service, LLC	Delaware
Big Heart Distribution, LLC	Delaware
Big Heart Manufacturing, LLC	Delaware
Big Heart Pet Brands, Inc.	Delaware
Big Heart Pet Foods, LLC	Delaware
Big Heart Pet, Inc.	Delaware
Big Heart Retail Sales, LLC	Delaware
Big Heart Services, LLC	Delaware
Big Heart, LLC	Delaware
CAFÉ Holding, LLC	Ohio
DECS International Mexico, S. de R.L. C.V.	Mexico
Fantasia Confections, Inc.	California
Folgers Café Servicos de Pesquisas, Ltda.	Brazil
J.M. Smucker de Mexico, S.A. de C.V.	Mexico (domesticated in Delaware)
J.M. Smucker Holdings, LLC	Ohio
J.M. Smucker LLC	Ohio
JMS Foodservice, LLC	Delaware
Juice Creations Co.	Ohio
King Kelly, LLC	Ohio
Knudsen & Sons, Inc.	Ohio
Martha White Foods, Inc.	Delaware
Mary Ellen's, Incorporated	Ohio
Meow Mix Decatur Production I LLC	Delaware
Milo's Kitchen, LLC	Delaware
Natural Balance Organic Formulas, LLC	California
Natural Balance Pet Foods, Inc.	California
Nature's Recipe, LLC	Delaware
Rowland Coffee Roasters, Inc.	Ohio
Sahale Snacks, Inc.	Delaware
Santa Cruz Natural Incorporated	California
Simply Smucker's, Inc.	Ohio
Smucker Coffee Silo Operations, LLC	Louisiana
Smucker Direct, Inc.	Ohio
Smucker Foods Holding Company	Ohio
Smucker Foods of Canada Corp.	Canada
Smucker Foods, Inc.	Delaware
Smucker Foodservice, Inc.	Delaware
Smucker Foodservice Operations, Inc.	Delaware
Smucker Fruit Processing Co.	Ohio
Smucker Holdings, B.V.	Netherlands
Smucker Holdings, Inc.	Ohio
Smucker Hong Kong Limited	Hong Kong
Smucker International Holding Company	Ohio
Smucker International, Inc.	Ohio
Smucker International (Shanghai) Co., Ltd.	China
Smucker Manufacturing, Inc.	Ohio
Smucker Mexico, LLC	Ohio
Smucker Natural Foods, Inc.	California
Smucker Netherlands, C.V.	Netherlands
Smucker Retail Foods, Inc.	Ohio
Smucker Sales and Distribution Company	Ohio
Smucker Services Company	Ohio
The Dickinson Family, Inc.	Ohio
The Folger Coffee Company	Ohio

The Folgers Coffee Company	Delaware
truRoots, Inc.	California

1 Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of certain subsidiaries of the Company have been omitted because such unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of April 30, 2017.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Annual Report (Form 10-K) of The J. M. Smucker Company of our reports dated June 19, 2017, with respect to the consolidated financial statements of The J. M. Smucker Company and the effectiveness of internal control over financial reporting of The J. M. Smucker Company, included in the 2017 Annual Report to Shareholders of The J. M. Smucker Company.

We also consent to the incorporation by reference in the following Registration Statements of our reports dated June 19, 2017, with respect to the consolidated financial statements of The J. M. Smucker Company and the effectiveness of internal control over financial reporting of The J. M. Smucker Company incorporated by reference in this Annual Report (Form 10-K) of The J. M. Smucker Company for the year ended April 30, 2017:

Registration Statement	Registration Number	Description
Form S-8	333-98335	The J. M. Smucker Company Amended and Restated 1998 Equity and Performance Incentive Plan
Form S-8	333-116622	Amended and Restated 1986 Stock Option Incentive Plan of The J. M. Smucker Company
		Amended and Restated 1989 Stock-Based Incentive Plan of The J. M. Smucker Company
		Amended and Restated 1997 Stock-Based Incentive Plan of The J. M. Smucker Company
Form S-8	333-137629	The J. M. Smucker Company 2006 Equity Compensation Plan
Form S-8	333-139167	The J. M. Smucker Company Nonemployee Director Deferred Compensation Plan
Form S-8	333-170653	The J. M. Smucker Company 2010 Equity and Incentive Compensation Plan
Form S-3	333-177279	Automatic Shelf Registration Statement
Form S-3	333-197428	Automatic Shelf Registration Statement

/s/ Ernst & Young LLP

Akron, Ohio
June 19, 2017

Exhibit 24

THE J. M. SMUCKER COMPANY

REGISTRATION ON FORM 10-K

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that KATHRYN W. DINDO, director of The J. M. Smucker Company, hereby appoints Mark T. Smucker, Mark R. Belgya, and Jeannette L. Knudsen, and each of them, with full power of substitution, as attorney or attorneys of the undersigned, to execute an Annual Report on Form 10-K for the fiscal year ended April 30, 2017, in a form that The J. M. Smucker Company deems appropriate and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, all pursuant to applicable legal provisions, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned director might or could do in person, in furtherance of the foregoing.

June 19, 2017	/s/ Kathryn W. Dindo
Date	Director

THE J. M. SMUCKER COMPANY

REGISTRATION ON FORM 10-K

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that PAUL J. DOLAN, director of The J. M. Smucker Company, hereby appoints Mark T. Smucker, Mark R. Belgya, and Jeannette L. Knudsen, and each of them, with full power of substitution, as attorney or attorneys of the undersigned, to execute an Annual Report on Form 10-K for the fiscal year ended April 30, 2017, in a form that The J. M. Smucker Company deems appropriate and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, all pursuant to applicable legal provisions, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned director might or could do in person, in furtherance of the foregoing.

June 19, 2017	/s/ Paul J. Dolan
Date	Director

THE J. M. SMUCKER COMPANY

REGISTRATION ON FORM 10-K

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that JAY L. HENDERSON, director of The J. M. Smucker Company, hereby appoints Mark T. Smucker, Mark R. Belgya, and Jeannette L. Knudsen, and each of them, with full power of substitution, as attorney or attorneys of the undersigned, to execute an Annual Report on Form 10-K for the fiscal year ended April 30, 2017, in a form that The J. M. Smucker Company deems appropriate and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, all pursuant to applicable legal provisions, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned director might or could do in person, in furtherance of the foregoing.

June 19, 2017	/s/ Jay L. Henderson
Date	Director

THE J. M. SMUCKER COMPANY

REGISTRATION ON FORM 10-K

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that NANCY LOPEZ KNIGHT, director of The J. M. Smucker Company, hereby appoints Mark T. Smucker, Mark R. Belgya, and Jeannette L. Knudsen, and each of them, with full power of substitution, as attorney or attorneys of the undersigned, to execute an Annual Report on Form 10-K for the fiscal year ended April 30, 2017, in a form that The J. M. Smucker Company deems appropriate and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, all pursuant to applicable legal provisions, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned director might or could do in person, in furtherance of the foregoing.

June 19, 2017	/s/ Nancy Lopez Knight
Date	Director

THE J. M. SMUCKER COMPANY

REGISTRATION ON FORM 10-K

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that ELIZABETH VALK LONG, director of The J. M. Smucker Company, hereby appoints Mark T. Smucker, Mark R. Belgya, and Jeannette L. Knudsen, and each of them, with full power of substitution, as attorney or attorneys of the undersigned, to execute an Annual Report on Form 10-K for the fiscal year ended April 30, 2017, in a form that The J. M. Smucker Company deems appropriate and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, all pursuant to applicable legal provisions, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned director might or could do in person, in furtherance of the foregoing.

June 19, 2017	/s/ Elizabeth Valk Long
Date	Director

THE J. M. SMUCKER COMPANY

REGISTRATION ON FORM 10-K

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that GARY A. OATEY, director of The J. M. Smucker Company, hereby appoints Mark T. Smucker, Mark R. Belgya, and Jeannette L. Knudsen, and each of them, with full power of substitution, as attorney or attorneys of the undersigned, to execute an Annual Report on Form 10-K for the fiscal year ended April 30, 2017, in a form that The J. M. Smucker Company deems appropriate and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, all pursuant to applicable legal provisions, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned director might or could do in person, in furtherance of the foregoing.

June 19, 2017	/s/ Gary A. Oatey
Date	Director

THE J. M. SMUCKER COMPANY

REGISTRATION ON FORM 10-K

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that SANDRA PIANALTO, director of The J. M. Smucker Company, hereby appoints Mark T. Smucker, Mark R. Belgya, and Jeannette L. Knudsen, and each of them, with full power of substitution, as attorney or attorneys of the undersigned, to execute an Annual Report on Form 10-K for the fiscal year ended April 30, 2017, in a form that The J. M. Smucker Company deems appropriate and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, all pursuant to applicable legal provisions, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned director might or could do in person, in furtherance of the foregoing.

June 19, 2017	/s/ Sandra Pianalto
Date	Director

THE J. M. SMUCKER COMPANY

REGISTRATION ON FORM 10-K

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that ALEX SHUMATE, director of The J. M. Smucker Company, hereby appoints Mark T. Smucker, Mark R. Belgya, and Jeannette L. Knudsen, and each of them, with full power of substitution, as attorney or attorneys of the undersigned, to execute an Annual Report on Form 10-K for the fiscal year ended April 30, 2017, in a form that The J. M. Smucker Company deems appropriate and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, all pursuant to applicable legal provisions, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned director might or could do in person, in furtherance of the foregoing.

June 19, 2017	/s/ Alex Shumate
Date	Director

THE J. M. SMUCKER COMPANY

REGISTRATION ON FORM 10-K

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that MARK T. SMUCKER, President and Chief Executive Officer and director of The J. M. Smucker Company, hereby appoints Mark R. Belgya and Jeannette L. Knudsen, and each of them, with full power of substitution, as attorney or attorneys of the undersigned, to execute an Annual Report on Form 10-K for the fiscal year ended April 30, 2017, in a form that The J. M. Smucker Company deems appropriate and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, all pursuant to applicable legal provisions, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned director might or could do in person, in furtherance of the foregoing.

June 19, 2017	/s/ Mark T. Smucker
Date	President and Chief Executive Officer and Director

THE J. M. SMUCKER COMPANY

REGISTRATION ON FORM 10-K

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RICHARD K. SMUCKER, director of The J. M. Smucker Company, hereby appoints Mark T. Smucker, Mark R. Belgya, and Jeannette L. Knudsen, and each of them, with full power of substitution, as attorney or attorneys of the undersigned, to execute an Annual Report on Form 10-K for the fiscal year ended April 30, 2017, in a form that The J. M. Smucker Company deems appropriate and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, all pursuant to applicable legal provisions, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned director might or could do in person, in furtherance of the foregoing.

June 19, 2017	/s/ Richard K. Smucker
Date	Director

THE J. M. SMUCKER COMPANY

REGISTRATION ON FORM 10-K

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that TIMOTHY P. SMUCKER, director of The J. M. Smucker Company, hereby appoints Mark T. Smucker, Mark R. Belgya, and Jeannette L. Knudsen, and each of them, with full power of substitution, as attorney or attorneys of the undersigned, to execute an Annual Report on Form 10-K for the fiscal year ended April 30, 2017, in a form that The J. M. Smucker Company deems appropriate and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, all pursuant to applicable legal provisions, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as the undersigned director might or could do in person, in furtherance of the foregoing.

June 19, 2017	/s/ Timothy P. Smucker
Date	Director

Exhibit 31.1

RULE 13a-14(a)/15d-14(a) CERTIFICATIONS

I, Mark T. Smucker, President and Chief Executive Officer of The J. M. Smucker Company, certify that:

(1) I have reviewed this annual report on Form 10-K of The J. M. Smucker Company;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 19, 2017

/s/ Mark T. Smucker

Name: Mark T. Smucker

Title: President and Chief Executive Officer

Exhibit 31.2

RULE 13a-14(a)/15d-14(a) CERTIFICATIONS

I, Mark R. Belgya, Vice Chair and Chief Financial Officer of The J. M. Smucker Company, certify that:

(1) I have reviewed this annual report on Form 10-K of The J. M. Smucker Company;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 19, 2017

/s/ Mark R. Belgya

Name: Mark R. Belgya
Title: Vice Chair and Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of The J. M. Smucker Company (the “Company”) for the year ended April 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer’s knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Mark T. Smucker

Name: Mark T. Smucker
Title: President and Chief Executive Officer

/s/ Mark R. Belgya

Name: Mark R. Belgya
Title: Vice Chair and Chief Financial Officer

Date: June 19, 2017

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.