

MOSAIC CO
Form 11-K
June 25, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

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

For the fiscal year ended December 31, 2007

OR

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

For the transition period from _____ to _____

Commission file number 001-32327

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

MOSAIC INVESTMENT PLAN

**B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
The Mosaic Company**

Atria Corporate Center - Suite E490

3033 Campus Drive

Plymouth, MN 55441

763-577-2700

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MOSAIC INVESTMENT PLAN

EIN No. 20-0891589

Plan No. 004

Financial Statements and Supplemental Schedule

December 31, 2007 and 2006

(With Report of Independent Registered Public Accounting Firm Thereon)

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MOSAIC INVESTMENT PLAN

EIN No. 20-0891589

Plan No. 004

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Report of Independent Registered Public Accounting Firm

The Plan Administrator

Mosaic Investment Plan:

We have audited the accompanying statements of net assets available for benefits of the Mosaic Investment Plan (the Plan) as of December 31, 2007 and 2006, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's administrator. 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 financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2007 and 2006, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2007 is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's administrator. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Minneapolis, Minnesota

June 25, 2008

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MOSAIC INVESTMENT PLAN

EIN No. 20-0891589

Plan No. 004

Statements of Net Assets Available for Benefits

December 31, 2007 and 2006

| | 2007 | 2006 |
|--|-----------------------|--------------------|
| Assets: | | |
| Investments, at fair value | \$ 423,862,941 | 324,745,355 |
| Receivables: | | |
| Participant contributions | 200 | 201 |
| Employer contributions | 9,106,725 | 8,879,414 |
| Total receivables | 9,106,925 | 8,879,615 |
| Net assets available for benefits, at fair value | 432,969,866 | 333,624,970 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (494,424) | 682,424 |
| Net assets available for benefits | \$ 432,475,442 | 334,307,394 |

See accompanying notes to financial statements.

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MOSAIC INVESTMENT PLAN

EIN No. 20-0891589

Plan No. 004

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2007 and 2006

| | 2007 | 2006 |
|--|-----------------------|--------------------|
| Additions: | | |
| Investment income: | | |
| Interest and dividends | \$ 16,144,547 | 13,050,503 |
| Net realized and unrealized appreciation in fair value of investments: | | |
| Mutual funds | 4,331,590 | 19,725,609 |
| Mosaic Stock Fund | 83,818,036 | 7,660,553 |
| Total investment income | 104,294,173 | 40,436,665 |
| Contributions: | | |
| Participants | 12,741,257 | 11,962,392 |
| Employer | 16,430,058 | 14,104,878 |
| Total contributions | 29,171,315 | 26,067,270 |
| Asset transfers from Mosaic Union Savings Plan | | 1,686,463 |
| Other | 2,639 | 10,727 |
| Total additions | 133,468,127 | 68,201,125 |
| Deductions: | | |
| Benefits paid | 35,092,471 | 38,231,274 |
| Asset transfers to Mosaic Union Savings Plan | 3,691 | 483,178 |
| Administrative fees | 203,917 | 117,660 |
| Total deductions | 35,300,079 | 38,832,112 |
| Net increase | 98,168,048 | 29,369,013 |
| Net assets available for benefits: | | |
| Beginning of year | 334,307,394 | 304,938,381 |
| End of year | \$ 432,475,442 | 334,307,394 |

See accompanying notes to financial statements.

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MOSAIC INVESTMENT PLAN

EIN No. 20-0891589

Plan No. 004

Notes to Financial Statements

December 31, 2007 and 2006

(1) Description of the Plan

The following description of the Mosaic Investment Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General

The Plan was established on March 1, 1988. The Plan is a defined-contribution plan maintained by The Mosaic Company (the Company) for eligible U.S. salaried and nonunion hourly employees. Employees are eligible to participate in the Plan immediately upon their date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

(b) Contributions

The Plan is funded by contributions from participants in the form of payroll deductions/salary reductions from 1% to 75% of participants' eligible pay (subject to Internal Revenue Service (IRS) limits) in before-tax dollars, after-tax dollars, or a combination of both. Additional before-tax catch-up contributions are allowed above the IRS annual dollar limit for employees at least age 50 or who will reach age 50 during a given calendar year. The Plan is also funded by Company matching contributions, which are subject to certain limitations imposed by Section 415 of the Internal Revenue Code (IRC). For the years ended December 31, 2007 and 2006, the Company matched up to 6% of a participant's eligible pay as follows: \$1 for every \$1 a participant contributes to the Plan up to the first 3% of a participant's eligible pay, and \$0.50 for every \$1 that a participant contributes to the Plan on the next 3% of a participant's eligible pay. The Company also makes an annual Non-Elective Employer Contribution that is based on a percentage of the employee's eligible pay, subject to certain limitations and requirements. At the sole discretion of Mosaic's Board of Directors or its designee, the Company may make an annual Discretionary Non-Elective Employer Contribution. All or any portion of the profit-sharing or Company matching contributions initially deposited to the Mosaic Stock Fund may be in the form of cash or shares of Company common stock. Generally, a participant must be employed on the last day of the Plan year to be eligible for non-elective employer contributions.

Participants may roll over their vested benefits from other qualified benefit plans to the Plan.

(c) Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Company contributions and (b) Plan earnings and is charged with an allocation of certain administrative expenses. Allocations are based on earnings or account balances as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

(d) Administrative Expenses

Administrative expenses are to be paid by the Plan but may be paid by the Company.

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Notes to Financial Statements

December 31, 2007 and 2006

(e) Investment Programs

The Plan's investments are administered by Vanguard Fiduciary Trust Company. Participants can choose from among eleven investment funds.

Participants may elect to change the investment direction of their existing account balances and their future contributions daily.

(f) Vesting

Participants are immediately vested in the portion of their Plan account related to participant contributions, Company matching contributions, and earnings thereon. Participants are vested in the non-elective employer contribution portion of their account after either three years of service, attaining age 65, or death while an employee. Forfeitures of nonvested participant accounts are used first to restore non-elective employer contributions for re-employed employees who are entitled to have forfeitures restored and are then used to offset non-elective employer contributions. In 2007 and 2006, employer contributions were reduced by \$119,838 and \$229,678, respectively, from forfeited nonvested accounts.

In the event a former IMC employee who directly transferred to the Company was involuntarily terminated from employment other than for cause within 24 months of the October 22, 2004 business combination between IMC Global Inc. and Cargill's Crop Nutrition Business unit, the employee became 100% vested in his/her profit sharing account. In the event an employee voluntarily terminates employment or is terminated for cause and he/she has not met the Plan's vesting requirement, the employee's non-elective employer contributions will be forfeited.

(g) Withdrawals

Participants may withdraw their vested account balance upon termination of employment. Under certain conditions of financial hardship, participants working for the Company may withdraw certain funds, but their participation in the Plan will be suspended for six months. Certain withdrawals are available after age 59 1/2 or in the event of disability. Additionally, while still employed, in-service withdrawals are available subject to certain requirements and limitations.

Subject to potential IRS penalties, participants who terminate their employment and have a vested account balance in excess of \$5,000 may receive their distribution in a lump sum or installments that commence immediately after termination or a later date, but no later than age 70 1/2. Participants may be entitled to additional forms of payment or may need to obtain spousal consent to a distribution or withdrawal if the participant had an account balance from another qualified plan, that plan was maintained by a company that was acquired by the Company, and the participant's account balance was transferred to this Plan.

(h) Loans to Participants

Participants in the Plan may be granted loans subject to certain terms and maximum dollar or Plan account balance limits, as defined by the Plan. Principal repayments, which are over one to five years for general purpose loans and over one to ten years for residential loans, and related interest income

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MOSAIC INVESTMENT PLAN

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Plan No. 004

Notes to Financial Statements

December 31, 2007 and 2006

are credited to the borrowing participant's account. Generally, loan payments are made by payroll deductions. The loan interest that will be charged for both general purpose and residential loans is calculated on a monthly basis using the prime rate, as quoted in *The Wall Street Journal*, plus 1%.

(i) Plan Termination

Although it has not expressed any interest to do so, the Company reserves the right under the Plan to make changes at any time or even suspend or terminate the Plan subject to the provisions of ERISA.

(2) Summary of Significant Accounting Policies

(a) Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the last reported sales price on the last business day of the month for securities traded on a national securities exchange and in the over-the-counter market. Fair value for shares of mutual and common collective trust funds is the net asset value of those shares or units, as determined by the respective funds. Loans to participants are valued at their outstanding balances, which approximate fair value.

Purchases and sales of securities are accounted for on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest from investments is recorded on the accrual basis.

(b) Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

(c) Fully Benefit-Responsive Investment Contracts

In December 2005, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) No. AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans*. This FSP requires that investment contracts held by defined-contribution plans be reported at fair value. However, the FSP states that contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As required by the FSP, the Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

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The Plan invests in a common collective trust fund, Vanguard Retirement Savings Trust, which owns fully benefit-responsive investment contracts. As a result of the implementation of this FSP, the Plan reflected the Vanguard Retirement Savings Trust fund at fair value and recognized an adjustment from fair value to contract value for the fully benefit-responsive investment contract of (\$494,424) and \$682,424 as of December 31, 2007 and 2006, respectively, in the accompanying Statements of Net Assets Available for Benefits.

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EIN No. 20-0891589

Plan No. 004

Notes to Financial Statements

December 31, 2007 and 2006

(d) Payment of Benefits

Benefit payments are recorded when paid.

(e) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(3) Impact of New Accounting Standards and Interpretations

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, (SFAS 157). SFAS 157 provides enhanced guidance for using fair value to measure assets and liabilities. SFAS 157 provides a common definition of fair value and establishes a framework to make the measurement of fair value in U.S. generally accepted accounting principles more consistent and comparable. SFAS 157 also requires expanded disclosures to provide information about the extent to which fair value is used to measure assets and liabilities, the methods and assumptions used to measure fair value, and the effect of fair value measures on earnings. SFAS 157 is effective for the Plan beginning January 1, 2008. The Plan does not expect the adoption of SFAS 157 will have a material impact on the statement of net assets available for benefits or statement of changes in net assets available for benefits.

(4) Significant Investments

Individual investments that represent 5% or more of net assets available for benefits were as follows:

| | December 31 | |
|---------------------------------------|--------------------|-------------|
| | 2007 | 2006 |
| Mutual funds: | | |
| Vanguard Total Int 1 Stock Index | \$ 38,076,296 | 30,257,384 |
| Vanguard 500 Index Inv. | 39,171,562 | 40,869,559 |
| Vanguard PRIMECAP Fund | 45,403,093 | 46,222,448 |
| Vanguard Windsor II Fund | 39,642,160 | 44,708,887 |
| Common collective trust funds: | | |
| Vanguard Retirement Savings Trust | 65,344,100 | 70,918,447 |
| Mosaic Stock Fund | 115,810,073 | 18,713,344 |

(5) Federal Income Tax Status

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The Plan has received a determination letter from the IRS dated September 18, 2002 stating that the Plan is qualified under Section 401(a) of the IRC and, therefore, is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, the Plan, as amended, is qualified and is tax-exempt.

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Notes to Financial Statements

December 31, 2007 and 2006

(6) Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits, benefits paid to participants, and investment income per the financial statements to the Form 5500:

| | 2007 | 2006 |
|---|----------------|----------------|
| Net assets available for benefits per the financial statements | \$ 432,475,442 | \$ 334,307,394 |
| Deemed distributions of participant loans | (52,575) | (47,760) |
| Adjustment from contract value to fair value for fully benefit-responsive investment contracts | 494,424 | (682,424) |
| Net assets available for benefits per the Form 5500 | \$ 432,917,291 | \$ 333,577,210 |
| | 2007 | 2006 |
| Benefits paid to participants per the financial statements | \$ 35,092,471 | \$ 38,231,274 |
| Add: Deemed distribution of participant loans - current year | 52,575 | 47,760 |
| Less: Deemed distribution of participant loans - prior year | (47,760) | |
| Benefits paid to participants per the Form 5500 | \$ 35,097,286 | \$ 38,279,034 |
| | 2007 | 2006 |
| Total additions per the financial statements | \$ 133,468,127 | \$ 68,201,125 |
| Add (Less): Adjustment from contract value to fair value for fully benefit-responsive investment contracts - current year | 494,424 | (682,424) |
| Add: Adjustment from contract value to fair value for fully benefit-responsive investment contracts - prior year | 682,424 | |
| Total income per the Form 5500 | \$ 134,644,975 | \$ 67,518,701 |

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MOSAIC INVESTMENT PLAN

EIN No. 20-0891589

Plan No. 004

Notes to Financial Statements

December 31, 2007 and 2006

(7) Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

A portion of the Plan's net assets is invested in the common stock of the Company. At December 31, 2007 and 2006, approximately 27% and 6% of the Plan's total assets were invested in the Company's common stock. The underlying value of the Company common stock is entirely dependent upon the performance of the Company and the market's evaluation of such performance.

(8) Party-in-Interest Transactions

Transactions resulting in Plan assets being transferred to or used by a related party are prohibited under ERISA unless a specific exemption applied. Vanguard Fiduciary Trust Company is a party-in-interest as defined by ERISA as a result of being trustee of the Plan. The Plan invests in funds managed by Vanguard Fiduciary Trust Company. The Plan also engages in transactions involving the acquisition or disposition of common stock of the Company, a party-in-interest with respect to the Plan. The Plan also engages in loans to participants. These transactions are covered by an exemption from the prohibited transactions provisions of ERISA and the Internal Revenue Code.

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SUPPLEMENTAL SCHEDULE

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EIN No. 20-0891589

Plan No. 004

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2007

| Identity of issuer | Description | Number of shares | Current value |
|-----------------------------------|---|-------------------------|-----------------------|
| PIMCO | PIMCO Total Return Bond | 2,017,098 | \$ 21,562,776 |
| T. Rowe Price Trust Co | T. Rowe Price Small Cap Stock | 512,526 | 15,575,655 |
| Vanguard Fiduciary Trust Company* | Vanguard Total Int 1 Stock Inx | 1,914,344 | 38,076,296 |
| | Vanguard LifeSt Growth Fund | 443,690 | 11,123,316 |
| | Vanguard 500 Index Inv | 289,838 | 39,171,562 |
| | Vanguard PRIMECAP Fund | 630,161 | 45,403,093 |
| | Vanguard LifeSt Conserv Growth | 458,965 | 7,866,665 |
| | Vanguard Windsor II Fund | 1,268,143 | 39,642,160 |
| | Vanguard Retirement Savings Trust | 64,849,676 | 65,344,100 |
| | Vanguard LifeSt Mod Growth | 943,495 | 20,011,533 |
| The Mosaic Company* | Mosaic Stock Fund | 1,227,582 | 115,810,073 |
| Loans to participants* | Varying maturities with interest rates ranging from 5% to 9.25% | | 4,275,712 |
| | | | \$ 423,862,941 |

* Indicates party in interest to the Plan.

See accompanying report of independent registered public accounting firm.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed below by the following persons in their capacities as members of the People Working Group of The Mosaic Company and on the dates indicated.

| <i>Signature</i> | <i>Title</i> | <i>Date</i> |
|--|----------------------|---------------|
| /s/ Norman B. Beug Norman B. Beug | People Working Group | June 25, 2008 |
| /s/ Anthony T. Brausen Anthony T. Brausen | People Working Group | June 25, 2008 |
| /s/ Sean Butler Sean Butler | People Working Group | June 25, 2008 |
| /s/ Gary N. Davis Gary N. Davis | People Working Group | June 25, 2008 |
| /s/ Richard N. McLellan Richard N. McLellan | People Working Group | June 25, 2008 |
| /s/ Dennis Orke Dennis Orke | People Working Group | June 25, 2008 |
| /s/ Cindy C. Redding Cindy C. Redding | People Working Group | June 25, 2008 |
| /s/ David Spokowski David Spokowski | People Working Group | June 25, 2008 |
| /s/ Brian Warren Brian Warren | People Working Group | June 25, 2008 |

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Exhibit Index

| <i>Exhibit No.</i> | <i>Description</i> | <i>Incorporated Herein by Reference to</i> | <i>Filed with Electronic Submission</i> |
|--------------------|--|--|---|
| 23 | Consent of KPMG LLP, independent registered public accounting firm | | X |

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