- The interest rate applicable to any borrowings under the term loan B facility will equal the base rate plus 1.00% or LIBOR plus 2.00%.

5.25% Senior Notes due 2027. On April 3, 2019, Darling issued and sold $500.0 million aggregate principal amount of 5.25% Senior Notes due 2027 (the "5.25% Notes"). The 5.25% Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of April 3, 2019 (the "5.25% Indenture"), among Darling, the subsidiary guarantors party thereto from time to time, and Regions Bank, as trustee. The gross proceeds from the sale of the Notes, together with cash on hand, were used to refinance all of the Company's formerly outstanding 5.375% Senior Notes due 2022 (the "5.375% Notes"), by cash tender offer for and redemption of all of the Company's then-outstanding 5.375% Notes, to pay the discount of the initial purchasers and to pay other fees and expenses related to the offering of the 5.25% Notes. The refinancing of the 5.375% Notes was completed in the second quarter of 2019. For a description of the terms of the 5.25% Notes see Note 10 of Notes to Consolidated Financial Statements.

3.625 % Senior Notes due 2026. On May 2, 2018, Darling Global Finance B.V. issued and sold €515 million aggregate principal amount of 3.625% Senior Notes due 2026 (the "3.625% Notes"). The 3.625% Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of May 2, 2018, among Darling Global Finance B.V., Darling, the subsidiary guarantors party thereto from time to time, Citibank, N.A., London Branch, as trustee and principal paying agent, and Citigroup Global Markets Deutschland AG, as principal registrar. The gross proceeds of the offering, together with borrowings under the Company's revolving credit facility, were used to refinance all of the then Company's formerly outstanding 4.75% Senior Notes due 2022 (the "4.75% Notes") by cash tender offer and redemption of those notes and to pay any applicable premiums for the refinancing, to pay the commission of the initial purchasers of the 3.625% Notes and to pay the other fees and expenses related to the offering. The refinancing of the 4.75% Notes was completed in the second quarter of 2018. For a description of the terms of the 3.625% Notes see Note 10 of Notes to Consolidated Financial Statements.

Other debt consists of U.S., Canadian and European ancillary and overdraft facilities and capital lease obligations and note arrangements in Brazil, China and Europe that are not part of the Company's Amended Credit Agreement, 5.25% Notes or 3.625% Notes.

The classification of long-term debt in the Company's December 28, 2019 consolidated balance sheet is based on the contractual repayment terms of the 5.25% Notes, the 3.625% Notes and debt issued under the Amended Credit Agreement.

As a result of the Company's borrowings under its Amended Credit Agreement, the 5.25% Indenture and the 3.625% Indenture, the Company is highly leveraged. Investors should note that, in order to make scheduled payments on the indebtedness outstanding under the Amended Credit Agreement, the 5.25% Notes and the 3.625% Notes, and otherwise, the Company will rely in part on a combination of dividends, distributions and intercompany loan repayments from the Company's direct and indirect U.S. and foreign subsidiaries. The Company is prohibited under the Amended Credit Agreement, the 5.25% Indenture and the 3.625% Indenture from entering (or allowing such subsidiaries to enter) into contractual limitations on the Company's subsidiaries' ability to declare dividends or make other payments or distributions to the Company. The Company has also attempted to structure the Company's consolidated indebtedness in such a way as to maximize the Company's ability to move cash from the Company's subsidiaries to Darling or another subsidiary that will have fewer limitations on the ability to make upstream payments, whether to Darling or directly to the Company's lenders as a Guarantor. Nevertheless, applicable laws under which the Company's direct and indirect subsidiaries are formed may provide limitations on such dividends, distributions and other payments. In addition, regulatory authorities in various countries where the Company operates or where the Company imports or exports products may from time to time impose import/export limitations, foreign exchange controls or currency devaluations that may limit the Company's access to profits from the Company's subsidiaries or otherwise negatively impact the Company's financial condition and therefore reduce the Company's ability to make required payments under Amended Credit Agreement, the 5.25% Notes and the 3.625% Notes, or otherwise. In addition, fluctuations in foreign exchange values may have a negative impact on the Company's ability to repay indebtedness denominated in U.S. or Canadian dollars or euros. See "Risk Factors - Our business may be adversely impacted by fluctuations in exchange rates, which could affect our ability to comply with our financial covenants" and "- Our ability to repay our indebtedness depends in part on the performance of our subsidiaries, including our non-guarantor subsidiaries, and their ability to make payments" in Item 1A of this Annual Report on Form 10-K for the fiscal year ended December 28, 2019.

As of December 28, 2019, the Company believes it is in compliance with all financial covenants under the Amended Credit Agreement, as well as all of the other covenants contained in the Amended Credit Agreement, the 5.25% Indenture and the 3.625% Indenture.

Working Capital and Capital Expenditures

On December 28, 2019, the Company had working capital of $228.9 million and its working capital ratio was 1.33 to 1 compared to working capital of $357.4 million and a working capital ratio of 1.66 to 1 on December 29, 2018. At December 28, 2019, the Company had unrestricted cash of $72.9 million and funds available under the revolving credit facility of $911.9 million, compared to unrestricted cash of $107.3 million and funds available under the revolving credit facility of $929.8 million at December 29, 2018. The Company diversifies its cash investments by limiting the amounts deposited with any one financial institution and invests primarily in government-backed securities.

Net cash provided by operating activities was $362.6 million and $398.6 million for the fiscal years ended December 28, 2019 and December 29, 2018, respectively, a decrease of $36.0 million due primarily to an increase in net income that was mostly offset by equity in net income of the DGD Joint Venture and to changes in operating assets and liabilities that include a decrease in cash provided by accounts receivable of approximately $19.8 million, a decrease in prepaid expenses and inventory of $41.5 million, a decrease in other of approximately $8.8 million, an increase in income taxes refundable/payable of approximately $19.3 million and an increase in accounts payable and accrued expense of approximately $17.9 million. Cash used by investing activities was $338.1 million during fiscal year 2019, compared to $342.4 million in fiscal year 2018, a decrease in cash used of $4.3 million, primarily due to a decrease in proceeds from the sale of assets that was more than offset by an increase in cash received from insurance. Net cash used by financing activities was $54.9 million during fiscal year 2019, compared to $47.6 million in fiscal year 2018, an increase in cash used of $7.3 million, primarily due to purchases of common stock that more than offset a decrease in debt payments as compared to fiscal year 2018.

Capital expenditures of $359.5 million were made during fiscal year 2019 as compared to $321.9 million in fiscal year 2018, an increase of $37.6 million, or 11.7%. The increase was primarily due to capital expenditures for expansion in fiscal 2019. In fiscal year 2020, the Company expects to incur approximately $236.0 million in maintenance and compliance type capital expenditures and approximately $70.0 million for new construction (including expansions) for a total of approximately $306.0 million. These costs are expected to be financed using cash flows from operations. Capital expenditures related to compliance with environmental regulations were $37.4 million in fiscal year 2019, $32.1 million in fiscal year 2018 and $27.5 million in fiscal year 2017.

Accrued Insurance and Pension Plan Obligations

Based upon the annual actuarial estimate, current accruals and claims paid during fiscal year 2019, the Company has accrued approximately $9.7 million as of December 28, 2019 that it expects will become due during the next twelve months in order to meet obligations related to the Company's self insurance reserves and accrued insurance obligations, which are included in current accrued expenses at December 28, 2019. The self insurance reserve is composed of estimated liability for claims arising for workers' compensation and for auto liability and general liability claims. The self insurance reserve liability is determined annually, based upon a third party actuarial estimate. The actuarial estimate may vary from year to year, due to changes in costs of health care, the pending number of claims and other factors beyond the control of management of the Company.

Based upon current actuarial estimates, the Company expects to make payments of approximately $0.9 million in order to meet minimum pension funding requirements to its domestic plans in fiscal year 2020. In addition, the Company expects to make payments of approximately $3.4 million under its foreign pension plans in fiscal year 2020. The minimum pension funding requirements are determined annually, based upon a third party actuarial estimate. The actuarial estimate may vary from year to year, due to fluctuations in return on investments or other factors beyond the control of management of the Company or the administrator of the Company's pension funds. No assurance can be given that the minimum pension funding requirements will not increase in the future. The Company has made required and tax deductible discretionary contributions to its domestic pension plans in fiscal year 2019 and fiscal year 2018 of approximately $0.9 million and $1.0 million, respectively. Additionally, the Company has made required and tax deductible discretionary contributions to its foreign pension plans in fiscal year 2019 of approximately $3.4 million, as compared to $3.5 million in contributions in fiscal year 2018.

The U.S. Pension Protection Act of 2006 ("PPA") went into effect in January 2008. The stated goal of the PPA is to improve the funding of U.S. pension plans. U.S. plans in an under-funded status are required to increase employer contributions to improve the funding level within PPA timelines. Volatility in the world equity and other financial markets could have a material negative impact on U.S. pension plan assets and the status of required funding under the PPA. The Company participates in various U.S. multiemployer pension plans which provide defined benefits to certain employees covered by labor contracts. These plans are not administered by the Company and contributions are determined in accordance with provisions of negotiated labor contracts to meet their pension benefit obligations to their participants. The Company's contributions to each individual U.S. multiemployer plan represent less than 5% of the total contributions to each such plan. Based on the most currently available information, the Company has determined that, if a withdrawal were to occur, withdrawal liabilities on two of the U.S. plans in which the Company currently participates could be material to the Company, with one of these material plans certified as critical or red zone. With respect to the other U.S. multiemployer pension plans in which the Company participates and which are not individually significant, five plans have certified as critical or red zone and two have certified as endangered or yellow zone, as defined by the PPA. The Company has received notices of withdrawal liability from five U.S. multiemployer pension plans in which it participated. As a result, the Company has an accrued aggregate current liability of approximately $6.0 million representing the present value of scheduled withdrawal liability payments under these multiemployer plans. While the Company has no ability to calculate a possible current liability for under-funded multiemployer plans that could terminate or could require additional funding under the PPA, the amounts could be material.

DGD Joint Venture

The Company announced on January 21, 2011 that a wholly-owned subsidiary of Darling entered into a limited liability company agreement with Valero to form the DGD Joint Venture. The DGD Joint Venture is owned 50% / 50% with Valero and was formed to design, engineer, construct and operate the DGD Facility, which as a result of its recently expanded capacity is now capable of processing approximately 20,000 barrels per day of input feedstock to produce renewable diesel fuel and certain other co-products, and is located adjacent to Valero's refinery in Norco, Louisiana. The DGD Joint Venture reached mechanical completion and began the production of renewable diesel in late June 2013. Effective May 1, 2019, the DGD LLC Agreement was amended and restated for the purpose of updating the agreement in certain respects, including to remove certain provisions that were no longer relevant and to add new provisions relating to the DGD Joint Venture's recently approved expansion project to construct a new, parallel facility located next to the current facility, as further described below.

On May 1, 2019, Darling, through its wholly owned subsidiary Darling Green Energy LLC, ("Darling Green"), and Diamond Alternative Energy, LLC, a wholly owned subsidiary of Valero ("Diamond Alternative" and together with Darling Green, the "DGD Lenders") entered into a revolving loan agreement (the "DGD Loan Agreement") with the DGD Joint Venture. The DGD Lenders have committed to make loans available to the DGD Joint Venture in the total amount of $50.0 million with each lender committed to $25.0 million of the total commitment. Any borrowings by the DGD Joint Venture under the DGD Loan Agreement are at the applicable annum rate equal to the sum of (a) the LIBO Rate (meaning Reuters BBA Libor Rates Page 3750) on such day plus (b) 2.50%. The DGD Loan Agreement matures on April 29, 2020, unless extended by agreement of the parties. The DGD Loan Agreement replaces a similar agreement with lower commitment levels that expired on December 31, 2018. As of December 28, 2019, no amounts are owed to the DGD Lenders under the DGD Loan Agreement.

Based on the sponsor support agreements executed in connection with the initial construction of the DGD Facility, the Company contributed a total of approximately $111.7 million for completion of the DGD Facility including the Company's portion of cost overruns and working capital funding. As of December 28, 2019, under the equity method of accounting the Company has an investment in the DGD Joint Venture of approximately $661.5 million included on the consolidated balance sheet.

In August 2018, the DGD Joint Venture completed an expansion project that increased the DGD Facility's annual production capacity from 160 million gallons of renewable diesel to 275 million gallons and expanded outbound logistics for servicing the many developing low carbon fuel markets around North America and worldwide. In November 2018, the joint venture partners approved the DGD Joint Venture moving forward with another expansion project to construct a new, parallel facility (the "New Facility") located next to the current facility. The New Facility is expected to grow the DGD Joint Venture's annual production capacity by an additional 400 million gallons from the current capacity of 275 million gallons of renewable diesel to 675 million gallons of renewable diesel and provide the capability to separate naphtha for sale into low carbon fuel markets. In addition, the expansion project includes further expanded inbound and outbound logistics for servicing the many developing low carbon fuel markets around North America and worldwide. The DGD Joint Venture estimates completion and startup of the New Facility in the fourth quarter of 2021, and the total cost of the expansion project, including the naphtha production and improved logistics capability, is estimated to be approximately $1.1 billion. Based on forecasted margins as of the date of this report, the expansion project is expected to be substantially funded by DGD Joint Venture cash flow; however, the DGD LLC Agreement provides that until such time as the New Facility is complete and operational, the joint venture partners shall be required to make capital contributions or, if they agree, loans, to the DGD Joint Venture should the excess available cash in the DGD Joint Venture, as determined on specified dates and in accordance with the provisions contained in the DGD LLC Agreement, fall below $50 million.

In April 2019, the joint venture partners adopted a distribution policy that, unless earlier terminated by the partners, will remain in place through the construction and completion of the New Facility. Pursuant to the distribution policy, the DGD Joint Venture will make quarterly distributions to the partners to the extent that distributable cash (as determined in accordance with the policy) exceeds $50 million and as allowed by the DGD Joint Venture's forward looking cash forecast. During the year ended December 28, 2019, the DGD Joint Venture made approximately $67.5 million distributions to each of the partners.

The Company's original investment in DGD has expanded since 2011 to the point that it is now integral to how Darling operates its business. Darling traditionally collected and converted used cooking oil and animal fats into feed ingredients which were sold on a caloric value to feed animals as well as for industrial technical uses. Over the past decade, the world's increasing focus on climate change and greenhouse gas has provided a new finished market for the Company's finished fats ingredients. With Darling's significant fats ownership, this has and continues to transform how Darling operates. In 2018, a large portion of Darling's total U.S. finished fats products were sold to the DGD Facility as feedstock for renewable diesel. This percentage is expected to noticeably increase both in 2019 and beyond due to the recent DGD capacity expansion completed in August 2018 and the even larger expansion to be finished in late 2021. In 2019 and 2018, DGD was Darling's largest finished product customer in terms of sales, with Darling recording sales of $208.7 million and $131.8 million to DGD, respectively.

From a procurement, production and distribution standpoint, DGD has become integral to Darling's base business. DGD is integral to the Company's operations via the combined vertical operating structure from collecting raw fats, to processing collected fats at Darling facilities nationwide to transporting the refined fats to the DGD facility as feedstock. The Darling supply chain has become more efficient and sustainable with transparency for verification to obtain full value to low carbon intensity markets. The development of the low carbon markets in North America and Europe has influenced how Darling operates its core business and has also been a driver for the recent DGD expansions, which are making DGD much more relevant to Darling's earnings. Since 2011 when construction began on DGD, Darling has invested substantially to increase its U.S. railcar fleet to efficiently manage nationwide transportation of Darling fats to DGD. Additionally, Darling acquired an Iowa location on the Mississippi River that further enhances the ability of the Company's Midwest network of facilities to collect and deliver feedstocks to DGD via water, rail or truck from a centralized location. Darling has also stepped up collection efforts by providing indoor used cooking oil collection units in exchange for extended collection contracts at eating establishments and has moved to more of a centralized digital marketing effort with restaurant chains and franchise groups and invested in internet search engine key words to improve visibility with restaurants. The Company also includes DGD in marketing efforts to emphasize environmental sustainability that restaurants participate in when their used cooking oil is collected by Darling. From a production standpoint, Darling now isolates used cooking oil from other fats to preserve identification to qualify for a higher carbon intensity value. As a result, the Company has reclassified its equity in net income of the DGD Joint Venture to operating income for all periods presented.

In September 2019, the Company announced that the DGD Joint Venture was initiating an advanced engineering and development cost review for construction of a new renewable diesel plant to be located in Port Arthur, Texas. The proposed facility under review would be designed to produce 400 million gallons of renewable diesel annually as well as 40 million gallons of renewable naphtha. The final investment decision on the project is expected in 2021, subject to further engineering, obtaining necessary permits, and approval by the boards of the Company and Valero. If the decision is made to move forward, new plant construction could begin in 2021, with expected operations commencing in 2024.

Financial Impact of Significant Debt Outstanding

The Company has a substantial amount of indebtedness, which could make it more difficult for us to satisfy our obligations to our financial lenders and our contractual and commercial commitments, limit our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements on commercially reasonable terms or at all, require us to use a substantial portion of our cash flows from operations to pay principal and interest on our indebtedness instead of other purposes, thereby reducing the amount of our cash flows from operations available for working capital, capital expenditures, acquisitions and other general corporate purposes, increase our vulnerability to adverse economic, industry and business conditions, expose us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest, limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, place us at a competitive disadvantage compared to other, less leveraged competitors, and/or increase our cost of borrowing.

Cash Flows and Liquidity Risks

Management believes that the Company's cash flows from operating activities consistent with the level generated in fiscal year 2019, unrestricted cash and funds available under the Amended Credit Agreement, will be sufficient to meet the Company's working capital needs and maintenance and compliance-related capital expenditures, scheduled debt and interest payments, income tax obligations, and other contemplated needs through the next twelve months. Numerous factors could have adverse consequences to the Company that cannot be estimated at this time, such as those factors discussed below under the heading "Forward Looking Statements". These factors, coupled with volatile prices for natural gas and diesel fuel, currency exchange fluctuations, general performance of the U.S. and global economies, disturbances in world financial, credit, commodities and stock markets, and any decline in consumer confidence, including the inability of consumers and companies to obtain credit due to lack of liquidity in the financial markets, among others, could negatively impact the Company's results of operations in fiscal year 2020 and thereafter. The Company reviews the appropriate use of unrestricted cash periodically. As of the date of this report, no decision has been made as to non-ordinary course material cash usages at this time; however, potential usages could include: opportunistic capital expenditures and/or acquisitions and joint ventures; investments relating to the Company's renewable energy strategy, including, without limitation, potential required funding obligations with respect to the DGD Joint Venture expansion project or potential investments in additional renewable diesel and/or biodiesel projects; investments in response to governmental regulations relating to human and animal food safety or other regulations; unexpected funding required by the legislation, regulation or mass termination of multiemployer plans; and paying dividends or repurchasing stock, subject to limitations under the Amended Credit Agreement, the 5.25% Notes and the 3.625% Notes, as well as suitable cash conservation to withstand adverse commodity cycles. In August 2015, the Company's Board of Directors approved a share repurchase program of up to an aggregate of $100.0 million of the Company's Common Stock depending on market conditions. On August 7, 2017, the Company's Board of Directors approved the extension for an additional two years of its previously announced share repurchase program and refreshed the amount of the program back up to its original amount of an aggregate of $100.0 million of the Company's Common Stock depending on market conditions. To that point, the Company had previously repurchased $10.9 million shares of its Common stock under the program. The repurchases may be made from time to time on the open market at prevailing market prices or in negotiated transactions off the market. On November 6, 2018, the Board approved an increase in the share repurchase program from $100.0 million to $200.0 million and extended the term of the program for an additional year to August 13, 2020. Repurchases may occur through August 13, 2020, unless extended or shortened by the Board of Directors. Since the inception of the share repurchase program, the Company has repurchased approximately $30.1 million of its common stock in open market purchases and, as of the date of this report, has $180.8 million remaining in its share repurchase program.

Each of the factors described above has the potential to adversely impact the Company's liquidity in a variety of ways, including through reduced raw materials availability, reduced finished product prices, reduced sales, potential inventory buildup, increased bad debt reserves, potential impairment charges and/or higher operating costs.

Sales prices for the principal products that the Company sells are typically influenced by sales prices for agricultural-based ingredients, the prices of which are based on established commodity markets and are subject to volatile changes. Any decline in these prices has the potential to adversely impact the Company's liquidity. Any of a decline in raw material availability, a decline in agricultural-based alternative ingredients prices, increases in energy prices or the impact of U.S. and foreign regulation (including, without limitation, China), changes in foreign exchange rates, imposition of currency controls and currency devaluations has the potential to adversely impact the Company's liquidity. A decline in commodities prices, a rise in energy prices, a slowdown in the U.S. or international economy or other factors, could cause the Company to fail to meet management's expectations or could cause liquidity concerns.

CONTRACTUAL OBLIGATIONS AND OTHER COMMERCIAL COMMITMENTS

The following table summarizes the Company's expected material contractual payment obligations, including both on- and off-balance sheet arrangements at December 28, 2019 (in thousands):

	Total	Less than 1 Year	1 – 3 Years	3 – 5 Years	More than 5 Years
Contractual obligations(a):					
Long-term debt obligations (b)	$ 1,608,096	$ 29,000	$ 10,000	$ 495,000	$ 1,074,096
Operating lease obligations (c)	162,626	46,062	57,959	32,517	26,088
Capital lease obligations (c)	151	119	23	9	—
Estimated interest payable (d)	418,030	69,721	137,304	121,613	89,392
Purchase commitments (e)	99,053	84,520	14,533	—	—
Pension funding obligation (f)	4,822	4,822	—	—	—
Other obligations (b)	62,356	61,881	239	58	178
Total	$ 2,355,134	$ 296,125	$ 220,058	$ 649,197	$ 1,189,754

(a) The above table does not reflect uncertain tax positions at December 28, 2019. The Company's uncertain tax position is approximately $7.8 million.

(b) Represents debt obligations outstanding as of December 28, 2019. See Note 10 to Notes to Consolidated Financial Statements.

(c) See Note 9 to Notes to Consolidated Financial Statements.

(d) Interest payable was calculated using the current rate for the debt that was outstanding as of December 28, 2019.

(e) Purchase commitments were determined based on specified contracts for natural gas, diesel fuel and finished product purchases.

(f) Pension funding requirements are determined annually based upon a third party actuarial estimate. The Company expects to make approximately $4.8 million in required contributions to domestic and foreign pension plans in fiscal year 2020. The Company is not able to estimate pension funding requirements beyond the next twelve months. The accrued pension benefit liability was approximately $56.6 million at the end of fiscal year 2019. The Company knows certain of the multiemployer pension plans that have not terminated to which it contributes and which are not administered by the Company were under-funded as of the latest available information, and while the Company has no ability to calculate a possible current liability for the under-funded multiemployer plan to which the Company contributes, the amounts could be material.

The Company's off-balance sheet contractual obligations and commercial commitments as of December 28, 2019 relate to letters of credit, foreign bank guarantees, forward purchase agreements and employment agreements. The Company has excluded these items from the balance sheet in accordance with U.S. GAAP.

The following table summarizes the Company’s other commercial commitments, including both on- and off-balance sheet arrangements that are part of the Company's Amended Credit Agreement and other foreign bank guarantees that are not a part of the Company's Amended Credit Agreement at December 28, 2019 (in thousands):

Other commercial commitments:		
Standby letters of credit	$	3,636
Standby letters of credit (ancillary facility)		20,490
Foreign bank guarantees		11,430
Total other commercial commitments:	$	35,556

OFF BALANCE SHEET OBLIGATIONS

Based upon the underlying purchase agreements, the Company has commitments to purchase $95.7 million of commodity products, consisting of approximately $52.2 million of finished and raw material products and approximately $43.5 million of natural gas and diesel fuel commitments during the next two years, which are not included in liabilities on the Company’s balance sheet at December 28, 2019. These purchase agreements are entered into in the normal course of the Company’s business and are not subject to derivative accounting. The commitments will be recorded on the balance sheet of the Company when delivery of these commodities occurs and ownership passes to the Company during the next two years, in accordance with U.S. GAAP.

CRITICAL ACCOUNTING POLICIES

The Company follows certain significant accounting policies when preparing its consolidated financial statements. A complete summary of these policies is included in Note 1 of Notes to Consolidated Financial Statements.

Certain of the policies require management to make significant and subjective estimates or assumptions that may deviate from actual results. In particular, management makes estimates regarding fair value of the Company’s reporting units and future cash flows with respect to assessing potential impairment of both long-lived assets and goodwill and pension liability. Each of these estimates is discussed in greater detail in the following discussion.

Long-Lived Assets

The Company reviews the carrying value of long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset, or related asset group, may not be recoverable from estimated future undiscounted cash flows. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or asset group to estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. In fiscal year 2018, the Company shut down the operations at its Hurlingham, Argentina plant and recorded impairment charges related to its long-lived assets of approximately $2.4 million. In fiscal year 2019, no triggering event occurred requiring that the Company perform testing of its long-lived assets for impairment.

Goodwill Valuation

The Company performed the annual goodwill and indefinite-lived intangible assets impairment assessments at October 26, 2019 and concluded that the Company's goodwill for all reporting units and all recorded indefinite-lived intangible assets were not impaired as of that date. Goodwill and indefinite lived assets are tested annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company follows a two-step process for testing impairment. First, the fair value of each reporting unit is compared to its carrying value to determine whether an indication of impairment exists. If impairment is indicated, then the fair value of the reporting unit's goodwill is determined by allocating the unit's fair value of its assets and liabilities (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The amount of impairment for goodwill is measured as the excess of its carrying value over its implied fair value.

Based on the Company's annual impairment testing at October 26, 2019, October 27, 2018 and October 28, 2017, the fair values of the Company's reporting units containing goodwill exceeded the related carrying value. However, based on the Company's annual impairment testing at October 26, 2019, the fair value of four of the Company's eight reporting units was less than 30% in excess of its carrying value and one reporting unit (Canada Feed) was less than 10% in excess of the estimated fair value with goodwill of approximately $178.6 million, which was substantially less than the percentage by which the other reporting units with goodwill exceeded their carrying values. The Company determined the fair value of reporting units with the assistance of a valuation expert who assisted the Company primarily using the Income Approach to determine the fair value of the Company's reporting units. Key assumptions that impacted the discounted cash flow model were raw material volumes, gross margins, terminal growth rates and discount rates. It is possible, depending upon a number of factors that are not determinable at this time or within the control of the Company, that the fair value of these four reporting units could decrease in the future and result in an impairment to goodwill. The amount of goodwill allocated to these four reporting units was approximately $504.0 million. The Company's management believes the biggest risk to these reporting units is decreasing finished product prices impacting gross margins and an economic slowdown that would impact raw material suppliers. Goodwill was approximately $1,223.3 million and $1,229.2 million at December 28, 2019 and December 29, 2018, respectively.

Pension Liability

The Company has retirement and pension plans covering a substantial number of its domestic and foreign employees. Major assumptions used in the accounting for these employee benefit plans include the discount rate, expected return on plan assets, rate of increase in employee compensation levels, mortality rates and trends in health care costs. The actuarial assumptions used may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants. These differences may result in a significant impact to the amount of net periodic benefit cost recorded in future periods.

The discount rate applied to the Company's pension liability is the interest rate used to calculate the present value of the pension benefit obligation. The weighted average discount rate was 2.77% at December 28, 2019 and 3.68% at December 29, 2018, respectively. The net periodic benefit cost for fiscal year 2020 would increase by approximately $1.2 million if the discount rate was 0.5% lower at a weighted average of 2.27%. The net periodic benefit cost for fiscal year 2020 would decrease by approximately $1.1 million if the discount rate was 0.5% higher at a weighted average of 3.27%.

NEW ACCOUNTING PRONOUNCEMENTS

In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2019-12, Simplifying the Accounting for Income Taxes. This ASU amends Topic 740 Income Taxes, which will eliminate certain exceptions in accounting for income taxes, improves consistency in application and clarifies existing guidance. The standard is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company is currently evaluating the impact of this standard.

In August 2018, the FASB issued ASU No. 2018-15, Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract. This ASU amends Subtopic 350-40, *Intangibles - Goodwill and Other Internal - Use Software*, which will align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The standard is effective for fiscal years beginning after December 15, 2019 and for interim periods therein, with early adoption permitted. Implementation should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The Company adopted the new accounting standard effective December 30, 2018 and the adoption did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-14, Changes to the Disclosure Requirements for Defined Benefit Plans. This ASU amends Subtopic 715-20, *Compensation - Retirement Benefits - Defined Benefit Plans - General*, which modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans by removing and adding certain disclosures for these plans. The standard is effective for fiscal years ending after December 15, 2020, with early adoption permitted. The Company is currently evaluating the impact of this standard.

In August 2018, the FASB issued ASU No. 2018-13, Changes to the Disclosure Requirements for Fair Value Measurements. This ASU amends Topic 820, *Fair Value Measurement*, which changes the disclosure requirements for fair value measurements by removing, adding and modifying certain disclosures. The standard is effective for fiscal years beginning after December 15, 2019 and for interim periods therein, with early adoption permitted. The initial adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

In August 2017, the FASB issued ASU No. 2017-12, Targeted Improvement to Accounting for Hedging Activities. This ASU amends Topic 815, *Derivatives and Hedging*, which is intended to more closely align hedge accounting with companies' risk management strategies and simplify the application of hedge accounting. The guidance includes certain targeted improvements to ease the operational burden of applying hedge accounting. The ASU is effective for fiscal years beginning after December 15, 2018 and for interim periods therein with early adoption permitted. The Company will be required to apply the guidance on a cumulative-effect basis with adjustment to retained earnings as of the beginning of the fiscal year of adoption with disclosure on a prospective basis. The Company adopted this ASU on December 30, 2018 and the initial adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04 Simplifying the Test for Goodwill Impairment. This ASU amends Topic 350, *Intangibles-Goodwill and Other*, which will simplify the goodwill impairment calculation by eliminating Step 2 from the current goodwill impairment test. Under the new guidance, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The ASU eliminates existing guidance that requires an entity to determine goodwill impairment by calculating the implied fair value of goodwill by hypothetically assigning the fair value of a reporting unit to all of the assets and liabilities as if that reporting unit had been acquired in a business combination. This ASU is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. The initial adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. Under ASU 2016-13, existing guidance on reporting credit losses for trade and other receivables and available for sale debt securities will be replaced with a new forward-looking “expected loss” model that generally will result in the earlier recognition of allowances for losses. This ASU is effective for fiscal years beginning after December 15, 2019 and interim periods therein. The initial adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The Company adopted the new standard on December 30, 2018 using the modified retrospective approach and is using the effective date as the Company's date of initial application and consequently, financial information will not be updated and the disclosures required under the this ASU will not be provided for dates and periods before December 30, 2018. The Company has elected the package of expedients, which permits the Company not to reassess under the new standard the Company's prior conclusions about lease identification, lease classification and initial direct costs. The Company did not elect the use-of-hindsight or the practical expedient pertaining to land easements; the latter not being applicable to the Company.

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K includes “forward-looking” statements that involve risks and uncertainties. The words such as “estimate,” “project,” “planned,” “contemplate,” “potential,” “possible,” “proposed,” “intend,” “believe,” “anticipate,” “expect,” “may,” “will,” “would,” “should,” “could,” and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical facts included in this report are forward looking statements, including, without limitation, the statements under the sections entitled “Business,” “Management's Discussion and Analysis of Financial Condition and Results of Operations” and “Legal Proceedings” and located elsewhere herein regarding industry prospects, the Company's financial position and the Company's use of cash. Forward-looking statements are based on the Company's current expectations and assumptions regarding its business, the economy and other future conditions. The Company cautions readers that any such forward-looking statements it makes are not guarantees of future performance and that actual results may differ materially from anticipated results or expectations expressed in its forward-looking statements as a result of a variety of factors, including many that are beyond the Company's control.

In addition to those factors discussed under the heading “Risk Factors” in Item 1A of this report and elsewhere in this report, and in the Company's other public filings with the SEC, important factors that could cause actual results to differ materially from the Company's expectations include: existing and unknown future limitations on the ability of the Company's direct and indirect subsidiaries to make their cash flow available to the Company for payments on the Company's indebtedness or other purposes; global demands for bio-fuels and grain and oilseed commodities, which have exhibited volatility, and can impact the cost of feed for cattle, hogs and poultry, thus affecting available rendering feedstock and selling prices for the Company's products; reductions in raw material volumes available to the Company due to weak margins in the meat production industry as a result of higher feed costs, reduced consumer demand or other factors, reduced volume from food service establishments, or otherwise; reduced demand for animal feed; reduced finished product prices, including a decline in fat and used cooking oil finished product prices; changes to worldwide government policies relating to renewable fuels and GHG emissions that adversely affect programs like the U.S. government's renewable fuel standard, low carbon fuel standards ("LCFS") and tax credits for biofuels both in the United States and abroad; possible product recall resulting from developments relating to the discovery of unauthorized adulterations to food or food additives; the occurrence of 2009 H1N1 flu (initially known as Swine Flu), highly pathogenic strains of avian influenza (collectively known as Bird Flu), SARS, BSE, PED or other diseases associated with animal origin in the United States or elsewhere, such as the outbreak of ASF in China and elsewhere; escalation in the outbreak of the coronavirus; unanticipated costs and/or reductions in raw material volumes related to the Company's compliance with the existing or unforeseen new U.S. or foreign (including, without limitation, China) regulations (including new or modified animal feed, Bird Flu, SARS, PED, BSE or ASF or similar or unanticipated regulations) affecting the industries in which the Company operates or its value added products; risks associated with the DGD Joint Venture, including possible unanticipated operating disruptions and issues relating to the announced expansion project; risks and uncertainties relating to international sales and operations, including imposition of tariffs, quotas, trade barriers and other trade protections imposed by foreign countries; difficulties or a significant disruption in the Company's information systems or failure to implement new systems and software successfully, including the Company's ongoing enterprise resource planning project; risks relating to possible third party claims of intellectual property infringement; increased contributions to the Company's pension and benefit plans, including multiemployer and employer-sponsored defined benefit pension plans as required by legislation, regulation or other applicable U.S. or foreign law or resulting from a U.S. mass withdrawal event; bad debt writeoffs; loss of or failure to obtain necessary permits and registrations; continued or escalated conflict in the Middle East, North Korea, Ukraine or elsewhere; uncertainty regarding the exit of the U.K. from the European Union; and/or unfavorable export or import markets. These factors, coupled with volatile prices for natural gas and diesel fuel, climate conditions, currency exchange fluctuations, general performance of the U.S. and global economies, disturbances in world financial, credit, commodities and stock markets, and any decline in consumer confidence and discretionary spending, including the inability of consumers and companies to obtain credit due to lack of liquidity in the financial markets, among others, could cause actual results to vary materially from the forward-looking statements included in this report or negatively impact the Company's results of operations. Among other things, future profitability may be affected by the Company's ability to grow its business, which faces competition from companies that may have substantially greater resources than the Company. The Company's announced share repurchase program may be suspended or discontinued at any time and purchases of shares under the program are subject to market conditions and other factors, which are likely to change from time to time. The Company cautions readers that all forward-looking statements speak only as of the date made, and the Company undertakes no obligation to update any forward looking statements, whether as a result of changes in circumstances, new events or otherwise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks affecting the Company include exposures to changes in prices of the finished products the Company sells, interest rates on debt, availability of raw material supplies and the price of natural gas and diesel fuel used in the Company's plants. Raw materials available to the Company are impacted by seasonal factors, including holidays, when raw material volume declines; warm weather, which can adversely affect the quality of raw material processed and finished products produced; and cold weather, which can impact the collection of raw material. Predominantly all of the Company's finished products are commodities that are generally sold at prices prevailing at the time of sale. Additionally, with acquisition of foreign entities we are exposed to foreign currency exchange risks, imposition of currency controls and the possibility of currency devaluation.

The Company makes limited use of derivative instruments to manage cash flow risks related to natural gas usage, diesel fuel usage, inventory, forecasted sales and foreign currency exchange rates. The Company does not use derivative instruments for trading purposes. Natural gas swaps and options are entered into with the intent of managing the overall cost of natural gas usage by reducing the potential impact of seasonal weather demands on natural gas that increases natural gas prices. Heating oil swaps and options are entered into with the intent of managing the overall cost of diesel fuel usage by reducing the potential impact of seasonal weather demands on diesel fuel that increases diesel fuel prices. Corn options and future contracts are entered into with the intent of managing U.S. forecasted sales of BBP by reducing the impact of changing prices. Foreign currency forward contracts are entered into to mitigate the foreign exchange rate risk for transactions designated in a currency other than the local functional currency. The interest rate swaps and the natural gas swaps are subject to the requirements of FASB authoritative guidance. Some of the Company's natural gas and diesel fuel instruments are not subject to the requirements of FASB authoritative guidance because some of the natural gas and diesel fuel instruments qualify as normal purchases as defined in FASB authoritative guidance. At December 28, 2019, the Company had foreign currency option and forward contracts and corn option contracts outstanding that qualified and were designated for hedge accounting as well as corn forward contracts and foreign currency forward contracts that did not qualify and were not designated for hedge accounting.

In fiscal 2018 and fiscal 2019, the Company entered into foreign exchange options and forward contracts that are considered cash flow hedges. Under the terms of the foreign exchange contracts, the Company hedged a portion of its forecasted collagen sales in currencies other than the functional currency through the fourth quarter of fiscal 2022. At December 28, 2019, the aggregate fair value of these foreign exchange contracts was approximately $1.3 million. The December 28, 2019 amounts are included in other current assets, accrued expenses and other noncurrent liabilities on the balance sheet, with an offset recorded in accumulated other comprehensive income for the effective portion.

In fiscal 2019, the Company entered into corn option contracts that are considered cash flow hedges. Under the terms of the corn option contracts the Company hedged a portion of its forecasted sales of BBP into the second quarter of fiscal 2020. At December 28, 2019, the aggregate fair value of the corn contracts was $0.4 million. The amounts are included in other current assets on the balance sheet.

As of December 28, 2019, the Company had the following outstanding forward contracts that were entered into to hedge the future payments of intercompany notes, foreign currency transactions in currencies other than the functional currency and forecasted transactions in currencies other than the functional currency (in thousands):

Functional Currency		Contract Currency		Range of	U.S.
Type	Amount	Type	Amount	Hedge rates	Equivalent
Brazilian real	45,908	Euro	9,983	4.30 - 4.73	$ 11,333
Brazilian real	1,106,077	U.S. dollar	308,320	3.35 - 4.30	308,320
Euro	71,203	U.S. dollar	79,664	1.10 - 1.17	79,664
Euro	26,943	Polish zloty	115,500	4.27 - 4.34	30,035
Euro	5,159	Japanese yen	624,510	119.53 - 122.68	5,751
Euro	21,074	Chinese renminbi	166,146	7.82 - 8.00	23,492
Euro	13,441	Australian dollar	21,850	1.63	14,983
Euro	6,905	British pound	5,930	0.84 - 0.90	7,698
Polish zloty	26,647	Euro	6,233	4.27 - 4.28	6,969
British pound	94	Euro	113	0.84	124
Japanese yen	204,824	U.S. dollar	1,909	104.63 - 107.92	1,909
U.S. dollar	705	Japanese yen	77,000	109.15	705
U.S. dollar	49,833	Euro	45,000	1.11	49,833
Australian dollar	432	Euro	267	1.60 - 1.64	301
					$ 541,117

The above foreign currency contracts had an aggregate fair value of approximately $1.5 million and are included in other current assets, noncurrent assets and accrued expenses at December 28, 2019.

Additionally, the Company had corn forward contracts that are marked to market because they did not qualify for hedge accounting at December 28, 2019. These contracts have an aggregate fair value of approximately $0.6 million and are included in current other assets and accrued expenses at December 28, 2019.

As of December 28, 2019, the Company had forward purchase agreements in place for purchases of approximately $43.5 million of natural gas and diesel fuel commitments. As of December 28, 2019, the Company had forward purchase agreements in place for purchases of approximately $52.2 million of finished product in fiscal 2020 and years beyond.

Interest Rate Sensitivity

At December 28, 2019, the Company's fixed rate debt obligations consist of the 5.25% Notes, the 3.625% Notes and other immaterial debt that accrue interest at an annual weighted average fixed rate of approximately 4.37%. As of December 28, 2019, the Company has long-term debt of approximately $0.5 billion subject to variable interest rates under the Company's Senior Secured Credit Facilities. This portion of the Company's debt is sensitive to fluctuations in interest rates. The Company estimates that a 1% increase in interest rates will increase the Company's annual interest expense by approximately $5.1 million.

Foreign Exchange

The Company has significant international operations and is subject to certain opportunities and risks, including currency fluctuations. As a result, the Company is affected by changes in foreign currency exchange rates, particularly with respect to the euro, British pound, Canadian dollar, Australian dollar, Chinese renminbi, Brazilian real, Japanese yen.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Darling Ingredients Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Darling Ingredients Inc. and subsidiaries (the Company) as of December 28, 2019 and December 29, 2018, the related consolidated statements of operations, comprehensive income/(loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 28, 2019, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 28, 2019 and December 29, 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 28, 2019, 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) (PCAOB), the Company's internal control over financial reporting as of December 28, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 25, 2020 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 9 to the consolidated financial statements, the Company has changed its method of accounting for leases as of December 30, 2018, due to the adoption of Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). As discussed in Note 22 to the consolidated financial statements, the Company has changed its method of accounting for revenue recognition as of December 31, 2017, due to the adoption of ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606).

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgment. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of the carrying value of goodwill

As discussed in Notes 1(b) and 7 to the consolidated financial statements, the goodwill balance as of December 28, 2019 was $1,223,3 million. The Company performs the goodwill impairment testing on an annual basis at the end of fiscal month of October or more frequently if events or changes in circumstances indicate that the carrying value of goodwill might exceed the fair value of a reporting unit.

We identified the assessment of the carrying value of goodwill for Company's reporting units as a critical audit matter because of the high degree of subjectivity in evaluating the estimated fair values of the reporting units. The majority of the Company's reporting units fair values approximated their carrying value, indicating a higher risk that the goodwill may be impaired and, therefore, resulted in the application of greater auditor judgment. Specifically, the raw material volume and gross margin forecasts used to determine the fair value of the reporting unit were challenging to audit as minor changes to those assumptions had a significant effect on the Company's assessment of the carrying value of the goodwill.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's goodwill impairment assessment process, including controls related to the determination of the fair value of the reporting units and the related raw material volume and gross margin assumptions. We performed sensitivity analyses over the raw material volume and gross margin assumptions to assess their impact on the Company's determination that the fair value of the reporting units exceeded its carrying value. We evaluated the primary assumptions utilized by the Company, which included the Company's forecasted raw material volume and gross margin assumptions for each reporting unit. We compared these forecasts to actual historical raw material volumes and gross margins and to available external pricing market data and Board approved capital projects. Lastly, we compared the Company's historical raw material volume and gross margin forecasts to actual results to assess the Company's ability to accurately forecast.

/s/ KPMG LLP

We have served as the Company's auditor since 1989.

Dallas, Texas
February 25, 2020

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Darling Ingredients Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Darling Ingredients Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 28, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 28, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 28, 2019 and December 29, 2018, the related consolidated statements of operations, comprehensive income/(loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 28, 2019, and the related notes (collectively, the consolidated financial statements), and our report dated February 25, 2020*,* expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The 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 Management's Annual Report 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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. 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 of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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.

/s/ KPMG LLP

Dallas, Texas
February 25, 2020

DARLING INGREDIENTS INC. AND SUBSIDIARIES

Consolidated Balance Sheets
December 28, 2019 and December 29, 2018
(in thousands, except share and per share data)

ASSETS	December 28, 2019	December 29, 2018
Current assets:		
Cash and cash equivalents	$ 72,935	$ 107,262
Restricted cash	110	107
Accounts receivable, less allowance for bad debts of $8,802 at December 28, 2019 and $7,830 at December 29, 2018	406,338	385,737
Inventories	362,957	341,028
Prepaid expenses	46,599	35,247
Income taxes refundable	3,317	6,462
Other current assets	25,032	22,099
Total current assets	917,288	897,942
Property, plant and equipment, net	1,802,411	1,687,858
Intangible assets, net	526,394	595,862
Goodwill	1,223,291	1,229,159
Investment in unconsolidated subsidiaries	689,354	410,177
Operating lease right-of-use assets	124,726	—
Other assets	47,400	53,375
Deferred income taxes	14,394	14,981
	$ 5,345,258	$ 4,889,354
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 90,996	$ 7,492
Accounts payable, principally trade	239,252	219,479
Income taxes payable	8,895	4,043
Current operating lease liabilities	37,805	—
Accrued expenses	311,391	309,484
Total current liabilities	688,339	540,498
Long-term debt, net of current portion	1,558,429	1,666,940
Long-term operating lease liabilities	91,424	—
Other noncurrent liabilities	115,785	115,032
Deferred income taxes	247,931	231,063
Total liabilities	2,701,908	2,553,533
Commitments and contingencies		
Stockholders' equity:		
Common stock, $.01 par value; 250,000,000 shares authorized, 168,620,314 and 168,098,177 shares issued at December 28, 2019 and December 29, 2018, respectively	1,686	1,681
Additional paid-in capital	1,560,897	1,536,157
Treasury stock, at cost; 4,845,203 and 3,437,579 shares at December 28, 2019 and December 29, 2018, respectively	(75,022)	(47,756)
Accumulated other comprehensive loss	(321,847)	(304,539)
Retained earnings	1,400,105	1,087,505
Total Darling's stockholders' equity	2,565,819	2,273,048
Noncontrolling interests	77,531	62,773
Total stockholders' equity	2,643,350	2,335,821
	$ 5,345,258	$ 4,889,354

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

DARLING INGREDIENTS INC. AND SUBSIDIARIES

Consolidated Statements of Operations
Three years ended December 28, 2019
(in thousands, except per share data)

	December 28, 2019	December 29, 2018	December 30, 2017
Net sales	$ 3,363,905	$ 3,387,726	$ 3,662,251
Costs and expenses:			
Cost of sales and operating expenses	2,589,085	2,646,374	2,875,680
Loss (gain) on sale of assets	(20,582)	709	(237)
Selling, general and administrative expenses	358,523	309,264	343,502
Restructuring and impairment charges	—	14,965	—
Depreciation and amortization	325,510	321,192	302,100
Total costs and expenses	3,252,536	3,292,504	3,521,045
Equity in net income of Diamond Green Diesel	364,452	159,779	28,239
Operating income	475,821	255,001	169,445
Other expense:			
Interest expense	(78,674)	(86,429)	(88,926)
Debt extinguishment costs	(12,126)	(23,509)	—
Foreign currency losses	(1,311)	(6,431)	(6,898)
Gain (loss) on disposal of subsidiaries	2,967	(12,545)	(885)
Other expense, net	(6,671)	(7,562)	(8,801)
Total other expense	(95,815)	(136,476)	(105,510)
Equity in net income/(loss) of other unconsolidated subsidiaries	428	(550)	265
Income from operations before income taxes	380,434	117,975	64,200
Income tax expense/(benefit)	59,467	12,031	(69,154)
Net income	320,967	105,944	133,354
Net income attributable to noncontrolling interests	(8,367)	(4,448)	(4,886)
Net income attributable to Darling	$ 312,600	$ 101,496	$ 128,468
Net income per share:			
Basic	$ 1.90	$ 0.62	$ 0.78
Diluted	$ 1.86	$ 0.60	$ 0.77

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
Three years ended December 28, 2019
(in thousands)

	December 28, 2019	December 29, 2018	December 30, 2017
Net income	$ 320,967	$ 105,944	$ 133,354
Other comprehensive income/(loss), net of tax:			
Foreign currency translation	(11,934)	(87,474)	121,810
Pension adjustments	1,535	(2,730)	5,829
Natural gas swap derivative adjustments	—	23	(18)
Corn option derivative adjustments	278	(1,687)	(1,078)
Heating oil derivative adjustments	(3,141)	—	—
Foreign exchange derivative adjustments	(3,723)	1,081	—
Total other comprehensive income/(loss), net of tax	(16,985)	(90,787)	126,543
Total comprehensive income	303,982	15,157	259,897
Comprehensive income attributable to noncontrolling interests	8,690	3,894	947
Comprehensive income attributable to Darling	$ 295,292	$ 11,263	$ 258,950

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

Consolidated Statements of Stockholders' Equity
Three years ended December 28, 2019
(in thousands, except share data)

	Common Stock: Number of Outstanding Shares	Common Stock: $.01 par Value	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Stockholders' equity attributable to Darling	Non-controlling Interest	Total Stockholders' Equity
Balances at December 31, 2016	164,612,558	$ 1,676	$ 1,499,431	$ (40,909)	$ (340,006)	$ 852,802	$ 1,972,994	$ 103,228	$ 2,076,222
Adjustment to initially apply FASB ASC No. 2016-09 Improvements to Employee Share-Based Payment Accounting	—	—	—	—	—	(43)	(43)	—	(43)
Net income	—	—	—	—	—	128,468	128,468	4,886	133,354
Distribution of noncontrolling interest earnings	—	—	—	—	—	—	—	(4,020)	(4,020)
Deductions to noncontrolling interests	—	—	(1,721)	—	—	—	(1,721)	(17,391)	(19,112)
Pension liability adjustments, net of tax	—	—	—	—	5,829	—	5,829	—	5,829
Natural gas swap derivative adjustment, net of tax	—	—	—	—	(18)	—	(18)	—	(18)
Corn option derivative adjustment, net of tax	—	—	—	—	(1,078)	—	(1,078)	—	(1,078)
Foreign currency translation adjustments	—	—	—	—	125,749	—	125,749	(3,939)	121,810
Stock-based compensation	—	—	14,831	—	—	—	14,831	—	14,831
Treasury stock	(210,206)	—	—	(3,154)	—	—	(3,154)	—	(3,154)
Issuance of common stock	251,085	3	3,073	—	—	—	3,076	—	3,076
Balances at December 30, 2017	164,653,437	$ 1,679	$ 1,515,614	$ (44,063)	$ (209,524)	$ 981,227	$ 2,244,933	$ 82,764	$ 2,327,697
Adjustment to initially apply FASB ASC No. 2018-02 Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income	—	—	—	—	(4,782)	4,782	—	—	—
Net income	—	—	—	—	—	101,496	101,496	4,448	105,944
Distribution of noncontrolling interest earnings	—	—	—	—	—	—	—	(9,710)	(9,710)
Deductions to noncontrolling interests	—	—	—	—	—	—	—	(14,175)	(14,175)
Pension liability adjustments, net of tax	—	—	—	—	(2,730)	—	(2,730)	—	(2,730)
Natural gas swap derivative adjustment, net of tax	—	—	—	—	23	—	23	—	23
Corn option derivative adjustment, net of tax	—	—	—	—	(1,687)	—	(1,687)	—	(1,687)
Foreign exchange derivative adjustment, net of tax	—	—	—	—	1,081	—	1,081	—	1,081
Foreign currency translation adjustments	—	—	—	—	(86,920)	—	(86,920)	(554)	(87,474)
Stock-based compensation	—	—	18,260	—	—	—	18,260	—	18,260
Treasury stock	(198,516)	—	—	(3,693)	—	—	(3,693)	—	(3,693)
Issuance of common stock	205,677	2	2,283	—	—	—	2,285	—	2,285
Balances at December 29, 2018	164,660,598	$ 1,681	$ 1,536,157	$ (47,756)	$ (304,539)	$ 1,087,505	$ 2,273,048	$ 62,773	$ 2,335,821
Net income	—	—	—	—	—	312,600	312,600	8,367	320,967
Distribution of noncontrolling interest earnings	—	—	—	—	—	—	—	(5,964)	(5,964)
Additions to noncontrolling interests	—	—	—	—	—	—	—	12,032	12,032
Pension liability adjustments, net of tax	—	—	—	—	1,535	—	1,535	—	1,535
Heating oil derivative adjustment, net of tax	—	—	—	—	(3,141)	—	(3,141)	—	(3,141)
Corn option derivative adjustment, net of tax	—	—	—	—	278	—	278	—	278
Foreign exchange derivative adjustment, net of tax	—	—	—	—	(3,723)	—	(3,723)	—	(3,723)
Foreign currency translation adjustments	—	—	—	—	(12,257)	—	(12,257)	323	(11,934)
Stock-based compensation	—	—	21,007	—	—	—	21,007	—	21,007
Treasury stock	(1,407,624)	—	—	(27,266)	—	—	(27,266)	—	(27,266)
Issuance of common stock	522,137	5	3,733	—	—	—	3,738	—	3,738
Balances at December 28, 2019	163,775,111	$ 1,686	$ 1,560,897	$ (75,022)	$ (321,847)	$ 1,400,105	$ 2,565,819	$ 77,531	$ 2,643,350

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

Consolidated Statements of Cash Flows
Three years ended December 28, 2019
(in thousands)

	December 28, 2019	December 29, 2018	December 30, 2017
Cash flows from operating activities:			
Net income	$ 320,967	$ 105,944	$ 133,354
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	325,510	321,192	302,100
Deferred income taxes	20,530	(16,974)	(98,805)
Loss/(gain) on sale of assets	(20,582)	709	(237)
Loss/(gain) on disposal of subsidiaries	(2,967)	12,545	885
Asset impairment	—	2,907	—
Gain on insurance proceeds from insurance settlement	(6,600)	(1,253)	(1,427)
Increase in long-term pension liability	1,831	1,463	2,383
Stock-based compensation expense	21,007	18,779	17,598
Debt extinguishment costs	12,126	23,509	—
Write-off deferred loan costs	270	320	766
Deferred loan cost amortization	5,846	7,870	8,736
Equity in net income of Diamond Green Diesel and other unconsolidated subsidiaries	(364,880)	(159,229)	(28,504)
Distributions of earnings from Diamond Green Diesel and other unconsolidated subsidiaries	69,213	67,638	26,761
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable	(26,086)	(6,347)	3,482
Income taxes refundable/payable	9,542	(9,809)	9,360
Inventories and prepaid expenses	(39,111)	2,391	(15,022)
Accounts payable and accrued expenses	32,436	14,534	73,386
Other	3,569	12,426	(24,380)
Net cash provided by operating activities	362,621	398,615	410,436
Cash flows from investing activities:			
Capital expenditures	(359,498)	(321,896)	(274,168)
Acquisitions, net of cash acquired	(1,431)	(107,727)	(12,144)
Investment in unconsolidated subsidiaries	(2,000)	(12,250)	(4,750)
Proceeds from sale of investment in subsidiaries	3,671	82,760	—
Gross proceeds from sale of property, plant and equipment and other assets	18,235	19,328	8,090
Proceeds from insurance settlement	6,600	1,253	6,054
Payments related to routes and other intangibles	(3,651)	(3,883)	(7,135)
Net cash used in investing activities	(338,074)	(342,415)	(284,053)
Cash flows from financing activities:			
Proceeds from long-term debt	517,606	624,620	33,401
Payments on long-term debt	(581,163)	(686,628)	(149,623)
Borrowings from revolving credit facility	469,227	543,898	199,495
Payments on revolving credit facility	(461,669)	(510,974)	(204,935)
Net cash overdraft financing	38,367	3,460	(714)
Deferred loan costs	(7,027)	(9,668)	(6,717)
Issuance of common stock	39	182	22
Repurchase of common stock	(19,260)	—	—
Minimum withholding taxes paid on stock awards	(4,472)	(2,215)	(3,049)
Deductions of noncontrolling interest	—	—	(17,451)
Distributions to noncontrolling interests	(6,533)	(10,257)	(5,281)
Net cash used in financing activities	(54,885)	(47,582)	(154,852)
Effect of exchange rate changes on cash flows	(3,986)	(8,165)	20,528
Net increase/(decrease) in cash, cash equivalents and restricted cash	(34,324)	453	(7,941)
Cash, cash equivalents and restricted cash at beginning of year	107,369	106,916	114,857
Cash, cash equivalents and restricted cash at end of year	$ 73,045	$ 107,369	$ 106,916
Supplemental disclosure of cash flow information:			
Accrued capital expenditures	$ 6,714	$ 5,951	$ 1,521
Cash paid during the year for:			
Interest, net of capitalized interest	$ 79,132	$ 75,006	$ 78,233
Income taxes, net of refunds	$ 29,778	$ 33,162	$ 26,304
Non-cash operating activities			
Operating lease right of use asset obtained in exchange for new lease liabilities	$ 40,596	$ —	$ —
Non-cash financing activities			
Debt issued for service contract assets	$ 25	$ 22	$ 9,459

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

Notes to Consolidated Financial Statements

NOTE 1. GENERAL

(a) NATURE OF OPERATIONS

Darling Ingredients Inc., a Delaware corporation ("Darling", and together with its subsidiaries, the "Company"), is a global developer and producer of sustainable natural ingredients from edible and inedible bio-nutrients, creating a wide range of ingredients and customized specialty solutions for customers in the pharmaceutical, food, pet food, feed, industrial, fuel, bioenergy and fertilizer industries. The Company's business operations is conducted through a global network of over 200 locations across five continents within three business segments, Feed Ingredients, Food Ingredients and Fuel Ingredients. Comparative segment revenues and related financial information are presented in Note 21 to the consolidated financial statements.

(b) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of Presentation

The consolidated financial statements include the accounts of Darling and its consolidated subsidiaries. Noncontrolling interests represents the outstanding ownership interest in the Company's consolidated subsidiaries that are not owned by the Company. In the accompanying Consolidated Statements of Operations, the noncontrolling interest in net income of the consolidated subsidiaries is shown as an allocation of the Company's net income and is presented separately as "Net income attributable to noncontrolling interests". In the Company's Consolidated Balance Sheets, noncontrolling interests represents the ownership interests in the Company consolidated subsidiaries' net assets held by parties other than the Company. These ownership interests are presented separately as "Noncontrolling interests" within "Stockholders' Equity." All intercompany balances and transactions have been eliminated in consolidation.

(2) Fiscal Year

The Company has a 52/53 week fiscal year ending on the Saturday nearest December 31. Fiscal years for the consolidated financial statements included herein are for the 52 weeks ended December 28, 2019, the 52 weeks ended December 29, 2018, and the 52 weeks ended December 30, 2017.

(3) Cash and Cash Equivalents

The Company considers all short-term highly liquid instruments, with an original maturity of three months or less, to be cash equivalents. Cash balances are recorded net of book overdrafts when a bank right-of-offset exists. All other book overdrafts are recorded in accounts payable and the change in the related balance is reflected in operating activities on the Consolidated Statement of Cash Flows. In addition, the Company has bank overdrafts, which are considered a form of short-term financing with changes in the related balance reflected in financing activities in the Consolidated Statement of Cash Flows.

Restricted cash represents amounts required to be set aside to cover self-insurance claims and collateral for environmental claims. The following table provides a reconciliation of cash, cash equivalents and restricted cash on the consolidated balance sheet that sum to the total of the same amounts shown in the Consolidated Statements of Cash Flows (in thousands):

	December 28, 2019	December 29, 2018
Cash and cash equivalents	$ 72,935	$ 107,262
Restricted cash	110	107
Total cash, cash equivalents and restricted cash shown in the Consolidated Statements of Cash Flows	$ 73,045	$ 107,369

(4) Accounts Receivable and Allowance for Doubtful Accounts

The Company maintains allowances for doubtful accounts for estimated losses resulting from customers' non-payment of trade accounts receivable owed to the Company. These trade receivables arise in the ordinary course of business from sales of raw material, finished product or services to the Company's customers. The estimate of allowance for doubtful accounts is based upon the Company's bad debt experience, prevailing market conditions, and aging of trade accounts receivable, among other factors. If the financial condition of the Company's customers deteriorates, resulting in the customers' inability to pay the Company's receivables as they come due, additional allowances for doubtful accounts may be required. The Company has entered into agreements with third party banks to factor certain of the Company's trade receivables in order to enhance working capital by turning trade receivables into cash faster. Under these agreements, the Company will sell certain selected customers trade receivables to the third party banks without recourse for cash less a nominal fee. For the year ended December 28, 2019 and December 29, 2018, the Company sold approximately $204.1 million and $113.5 million of its trade receivables and incurred approximately $1.2 million and $0.6 million in fees, which are recorded as interest expense, respectively. For the year ended December 30, 2017, no receivables were factored.

(5) Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is primarily determined using the first-in, first-out (FIFO) method for the Feed Ingredients and Fuel Ingredients segments. In the Food Ingredients segment cost is primarily determined based on the weighted average cost.

(6) Long Lived Assets

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is computed by the straight-line method over the estimated useful lives of assets: 1) Buildings and improvements, 15 to 30 years; 2) Machinery and equipment, 3 to 10 years; 3) Vehicles, 3 to 8 years; and 4) Aircraft, 7 to 10 years.

Maintenance and repairs are charged to expense as incurred and expenditures for major renewals and improvements are capitalized.

Intangible Assets

Intangible assets with indefinite lives, and therefore, not subject to amortization, consist of trade names acquired in the acquisition of Griffin Industries Inc. on December 17, 2010 (which was subsequently converted to a limited liability company) and its subsidiaries ("Griffin") and trade names acquired in the acquisition of its Darling Ingredients International business. Intangible assets subject to amortization consist of: 1) collection routes which are made up of groups of suppliers of raw materials in similar geographic areas from which the Company derives collection fees and a dependable source of raw materials for processing into finished products; 2) permits that represent licensing of operating plants that have been acquired, giving those plants the ability to operate; 3) non-compete agreements that represent contractual arrangements with former competitors whose businesses were acquired; 4) trade names; and 5) royalty, product development, consulting, land use rights and leasehold agreements. Amortization expense is calculated using the straight-line method over the estimated useful lives of the assets ranging from: 5 to 21 years for collection routes; 10 to 20 years for permits; 3 to 7 years for non-compete covenants; and 4 to 15 years for trade names. Royalty, product development, consulting, land use rights and leasehold agreements are generally amortized over the term of the agreement.

(7) Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed of

The Company reviews the carrying value of long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of an asset, or related asset group, may not be recoverable from estimated future undiscounted cash flows. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or asset group to estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount for which the carrying amount of the asset exceeds the fair value of the asset.

(8) Goodwill

The Company performed the annual goodwill and indefinite-lived intangible assets impairment assessments at October 26, 2019 and concluded that the Company's goodwill for all reporting units and all recorded indefinite-lived intangible assets were not impaired as of that date. Goodwill and indefinite lived assets are tested annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company follows a two-step process for testing impairment. First, the fair value of each reporting unit is compared to its carrying value to determine whether an indication of impairment exists. If impairment is indicated, then the fair value of the reporting unit's goodwill is determined by allocating the unit's fair value of its assets and liabilities (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The amount of impairment for goodwill is measured as the excess of its carrying value over its implied fair value.

In fiscal 2019, 2018 and 2017, the fair values of the Company's reporting units containing goodwill exceeded the related carrying values. Goodwill was approximately $1,223.3 million and $1,229.2 million at December 28, 2019 and December 29, 2018, respectively. See Note 7 for further information on the Company's goodwill.

(9) Leases

The Company accounts for leases in accordance with Accounting Standard Codification ("ASC") Topic 842, leases. The Company determines if an arrangement is a lease at inception for which the Company recognizes the right-of-use ("ROU") asset and a lease liability at the lease commencement date. For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. In determining the lease liability, the Company applies a discount rate to the minimum lease payments within each lease. ASC 842 requires the Company to use the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. To estimate the Company's incremental borrowing rate over various terms, a comparable market yield curve consistent with the Company's credit quality is determined. The lease term for all of the Company's leases include the noncancellable period of the lease plus any additional periods covered by either a Company option to extend the lease that the Company is reasonably certain to exercise or when a triggering event occurs. The Company has elected to not recognize a ROU asset and lease liability with an initial term of 12 months or less at lease commencement. Current operating leases are included on the Company's balance sheet as a ROU asset, current operating lease liabilities and long-term operating lease liabilities. For finance leases, the lease liability is initially measured in the same manner and date as for the operating leases, and is subsequently measured at amortized cost using the effective interest method. Finance leases are included in property, plant and equipment, current portion of long-term debt and long-term debt, net of current portion, but are not significant to the Company.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any direct costs incurred less any lease incentives received. For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of the lease incentives received. Some leases payments contain rent escalation clauses (including index-based escalations), initially measured using the index at the lease commencement date. The Company recognizes minimum rental expense on a straight-line basis based on the fixed components of the lease arrangement.

The Company uses the long-lived assets impairment guidance in ASC subtopic 360-10, Property, Plant and Equipment - Overall, to determine whether the ROU asset is impaired, and if so, the amount of the impairment loss to recognize. The Company monitors for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in the Consolidated Statement of Operations.

As a result of adopting the new lease standard, the Company recognized additional operating liabilities of approximately $134.4 million with a corresponding ROU asset of approximately $135.7 million as of December 30, 2018.

(10) Environmental Expenditures

Environmental expenditures incurred to mitigate or prevent environmental impacts that have yet to occur and that otherwise may result from future operations are capitalized. Expenditures that relate to an existing condition caused by past operations and that do not contribute to current or future revenues are expensed or charged against established environmental reserves. Reserves are established when environmental impacts have been identified which are probable to require mitigation and/or remediation and the costs are reasonably estimable.

(11) Income Taxes

The Company accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the 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 tax rates is recognized in income in the period that includes the enactment date.

The Company periodically assesses whether it is more likely than not that it will generate sufficient taxable income to realize its deferred income tax assets. In making this determination, the Company considers all available positive and negative evidence and makes certain assumptions. The Company considers, among other things, its deferred tax liabilities, the overall business environment, its historical earnings and losses, current industry trends and its outlook for taxable income in future years.

The Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained upon examination by the relevant taxing authority. Adjustments are made to the reserves for uncertain tax positions when facts and circumstances change or additional information is available. Judgment is required to assess the impact of ongoing audits conducted by tax authorities in determining the Company's consolidated income tax provision. The Company recognizes accrued interest and penalties on tax related matters as a component of income tax expense.

(12) Earnings per Share

Basic income per common share is computed by dividing net income attributable to Darling by the weighted average number of common shares including non-vested and restricted shares with participation rights outstanding during the period. Diluted income per common share is computed by dividing net income attributable to Darling by the weighted average number of common shares outstanding during the period increased by dilutive common equivalent shares determined using the treasury stock method.

Net Income per Common Share (in thousands, except per share data)

	December 28, 2019			December 29, 2018			December 30, 2017		
	Income	Shares	Per-Share	Income	Shares	Per-Share	Income	Shares	Per-Share
Basic:									
Net income attributable to Darling	$ 312,600	164,633	$ 1.90	$101,496	164,789	$ 0.62	$128,468	164,752	$ 0.78
Diluted:									
Effect of dilutive securities									
Add: Option shares in the money and dilutive effect of nonvested stock	—	5,983	—	—	5,234	—	—	3,865	—
Less: Pro-forma treasury shares	—	(2,238)	—	—	(2,113)	—	—	(1,887)	—
Diluted:									
Net income attributable to Darling	$ 312,600	168,378	$ 1.86	$101,496	167,910	$ 0.60	$128,468	166,730	$ 0.77

For fiscal 2019, 2018 and 2017, respectively, 638,146, 693,172 and 340,504 outstanding stock options were excluded from diluted income per common share as the effect was antidilutive. For fiscal 2019, 2018 and 2017, respectively, 611,187, 502,292 and 288,616 non-vested stock were excluded from diluted income per common share as the effect was antidilutive.

(13) Stock Based Compensation

The Company recognizes compensation expense ratably over the vesting period in an amount equal to the fair value of the share-based payments (e.g., stock options and non-vested and restricted stock) granted to employees and non-employee directors or by incurring liabilities to an employee or other supplier (a) in amounts based, at least in part, on the price of the entity's shares or other equity instruments, or (b) that require or may require settlement by issuing the entity's equity shares or other equity instruments. The Company's policy is to account for forfeitures in the period they occur, rather than estimating a forfeiture rate. The Company does not reclassify excess tax benefits from operating activities to financing activities in the Consolidated Statements of Cash Flows. Additionally, the Company excludes the excess tax benefits from the assumed proceeds available to repurchase shares of common stock in the computation of the Company's diluted earnings per share. The Company records tax benefit or expense within income tax expense for the year ended December 28, 2019 and December 29, 2018 related to the excess tax expense on stock options, nonvested stock, director restricted stock units and performance units. Prior to fiscal 2017, the Company recorded excess tax benefit or expense as reduction of additional paid-in capital.

Total stock-based compensation recognized in the Consolidated Statements of Operations for the years ended December 28, 2019, December 29, 2018 and December 30, 2017 was approximately $21.0 million, $18.8 million and $17.6 million, respectively, which is included in selling, general and administrative expenses, and the related income tax benefit recognized was approximately $4.3 million, $3.9 million and $3.7 million, respectively. See Note 13 for further information on the Company's stock-based compensation plans.

(14) Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

If it is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that exist at the date of the financial statements will change in the near term due to one or more future confirming events, and the effect of the change would be material to the financial statements, the Company will disclose the nature of the uncertainty and include an indication that it is at least reasonably possible that a change in the estimate will occur in the near term. If the estimate involves certain loss contingencies, the disclosure will also include an estimate of the probable loss or range of loss or state that an estimate cannot be made.

(15) Financial Instruments

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates fair value due to the short maturity of these instruments. The Company's 5.25% Senior Notes due 2027, 3.625% Senior Notes due 2026, term loans and revolver borrowings outstanding at December 28, 2019, as described in Note 10 have a fair value based on market valuation from a third-party banks. The carrying amount for the Company's other debt is not deemed to be significantly different than the carrying value. See Note 17 for financial instruments' fair values.

(16) Derivative Instruments

The Company makes limited use of derivative instruments to manage cash flow risks related to natural gas usage, inventory, forecasted sales and foreign currency exchange rates. The Company does not use derivative instruments for trading purposes. Natural gas swaps and options are entered into with the intent of managing the overall cost of natural gas usage by reducing the potential impact of seasonal weather demands on natural gas that increases natural gas prices. Heating oil swaps and options are entered into with the intent of managing the overall cost of diesel fuel usage by reducing the potential impact of seasonal weather demands on diesel fuel that increases diesel fuel prices. Soybean meal options are entered into with the intent of managing the impact of changing prices for poultry meal sales. Corn options and future contracts are entered into with the intent of managing U.S. forecasted sales of BBP by reducing the impact of changing prices. Foreign currency forward contracts are entered into to mitigate the foreign exchange rate risk for transactions designated in a currency other than the local functional currency.

Entities are required to report all derivative instruments in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, on the reason for holding the instrument. If certain conditions are met, entities may elect to designate a derivative instrument as a hedge of exposures to changes in fair value, cash flows or foreign currencies. If the hedged exposure is a cash flow exposure, the gain or loss on the derivative instrument is reported initially as a component of other comprehensive income (outside of earnings) and is subsequently reclassified into earnings when the forecasted transaction affects earnings. Any amounts excluded from the assessment of hedge effectiveness is reported in earnings immediately. If the derivative instrument is not designated as a hedge, the gain or loss is recognized in earnings in the period of change. Hedge accounting treatment ceases if or when the hedge transaction is no longer probable of occurring or the hedge relationship correlation no longer qualifies for hedge accounting.

At December 28, 2019, the Company had foreign currency option and forward contracts and corn option contracts outstanding that qualified and were designated for hedge accounting as well as corn forward contracts and foreign currency forward contracts that did not qualify and were not designated for hedge accounting.

(17) Revenue Recognition

The Company recognizes revenue on sales when control of the promised finished product is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for the finished product. Service revenues are recognized when the service occurs. Certain customers may be required to prepay prior to shipment in order to maintain payment protection against certain foreign and domestic sales. These amounts are recorded as unearned revenue and recognized when control of the promised finished product is transferred to the Company's customer. See Note 22 to the consolidated financial statements.

(18) Related Party Transactions

The Company announced in January 2011 that a wholly-owned subsidiary of Darling entered into a limited liability company agreement with a wholly-owned subsidiary of Valero Energy Corporation (“Valero”) to form Diamond Green Diesel Holdings LLC (the “DGD Joint Venture”). The Company has related party sale transactions and loan transactions with the DGD Joint Venture. See Note 24 for further information on the Company's related party transactions.

(19) Foreign Currency Translation and Remeasurement

Foreign currency translation is included as a component of accumulated other comprehensive income and reflects the adjustments resulting from translating the foreign currency denominated financial statements of foreign subsidiaries into U.S. dollars. The functional currency of the Company's foreign subsidiaries is the currency of the primary economic environment in which the entity operates, which is generally the local currency of the country. Accordingly, assets and liabilities of the foreign subsidiaries are translated into U.S. dollars at fiscal year end exchange rates, including intercompany foreign currency transactions that are of long-term investment nature. Income and expense items are translated at average exchange rates occurring during the period. Changes in exchange rates that affect cash flows and the related receivables or payables are recognized as transaction gains and losses in determining net income. The Company incurred net foreign currency translation losses of approximately $12.3 million and $86.9 million in fiscal 2019 and fiscal 2018, respectively. The Company incurred net foreign currency translation gain of approximately $125.7 million in fiscal 2017.

(20) Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation including reclassification of the Company's equity in net income of Diamond Green Diesel to operating income. See Note 2 for further discussion.

(21) Subsequent Events

The Company evaluates subsequent events from the end of the most recent fiscal year through the date the consolidated financial statements are issued.

NOTE 2. INVESTMENT IN UNCONSOLIDATED SUBSIDIARIES

The Company announced on January 21, 2011 that a wholly-owned subsidiary of Darling entered into a limited liability company agreement with Valero to form the DGD Joint Venture. The DGD Joint Venture is owned 50% / 50% with Valero and was formed to design, engineer, construct and operate a renewable diesel plant (the “DGD Facility”), which as result of its recently expanded capacity is now capable of processing approximately 20,000 barrels per day of input feedstock to produce renewable diesel fuel and certain other co-products, and is located adjacent to Valero's refinery in Norco, Louisiana. The DGD Joint Venture reached mechanical completion and began the production of renewable diesel in late June 2013.

In 2019, the Company continued to evaluate operational developments and the impact of anticipated significant expansion of the DGD Joint Venture. This evaluation was impactful to the consideration of how the Company most appropriately reflects its share of equity income from the DGD Joint Venture. Based on the Company's analysis, it was determined that the DGD Joint Venture has evolved into an integral and integrated part of the Company's ongoing operations. The Company determined this justifies a more meaningful and transparent presentation of equity in net income of the DGD Joint Venture as a component of the Company's operating income. As a result, the Company has reclassified its equity in net income of the DGD Joint Venture to operating income for all periods presented.

Selected financial information for the Company's DGD Joint Venture is as follows:

(in thousands)	December 31, 2019	December 31, 2018
Assets:		
Total current assets	$ 668,026	$ 186,258
Property, plant and equipment, net	713,489	576,384
Other assets	30,710	24,601
Total assets	$ 1,412,225	$ 787,243
Liabilities and members' equity:		
Total current portion of long term debt	$ 341	$ 189
Total other current liabilities	75,802	40,619
Total long term debt	8,742	8,485
Total other long term liabilities	4,422	539
Total members' equity	1,322,918	737,411
Total liabilities and member's equity	$ 1,412,225	$ 787,243

(in thousands)	Year Ended December 31, 2019	2018	2017
Revenues:			
Operating revenues	$ 1,217,504	$ 677,663	$ 633,908
Expenses:			
Total costs and expenses less depreciation, amortization and accretion expense	438,672	329,636	547,512
Depreciation, amortization and accretion expense	50,767	29,434	28,955
Operating income	728,065	318,593	57,441
Other income	2,121	1,919	1,343
Interest and debt expense, net	(1,282)	(955)	(2,306)
Net income	$ 728,904	$ 319,557	$ 56,478

As of December 28, 2019, under the equity method of accounting, the Company has an investment in the DGD Joint Venture of approximately $661.5 million on the consolidated balance sheet and has recorded approximately $364.5

million, $159.8 million and $28.2 million in equity net income of Diamond Green Diesel for the years ended December 28, 2019, December 29, 2018 and December 30, 2017, respectively. Biodiesel blenders registered with the Internal Revenue Service were eligible for a tax incentive in the amount of $1.00 per gallon of renewable diesel blended with petroleum diesel to produce a mixture containing at least 0.1% diesel fuel. The blenders tax credit for calendar year 2019 and 2018 was approved by the U.S. Congress in December 2019. In February 2018, the blenders tax credits for calendar year 2017 were retroactively reinstated by the U.S. Congress. Fiscal 2017 results do not include any blenders tax credits, while in fiscal 2019, the DGD Joint Venture recorded approximately $274.7 million for 2019 blenders tax credits and approximately $155.9 million for 2018 blenders tax credits. In fiscal 2018, the DGD Joint Venture recorded approximately $160.4 million for the 2017 reinstated blenders tax credits. In addition, the Company received $67.5 million, $65.0 million and $25.0 million for each of the years ended December 28, 2019, December 29, 2018 and December 30, 2017, in dividend distributions from the DGD Joint Venture.

In addition to the DGD Joint Venture, the Company has investments in other unconsolidated subsidiaries that are insignificant to the Company.

NOTE 3. ACQUISITIONS AND DISPOSITIONS

In December 2019, the Company began to consolidate EnviroFlight, LLC due to a loan issued by the Company, which resulted in more control by the Company based on variable interest entity literature. In January 2020, the Company acquired the other 50% minority interest in EnviroFlight, LLC from the other joint venture partner for approximately $12.2 million, thereby increasing the Company's ownership interest in EnviroFlight, LLC to 100%.

In October 2018, the Company acquired substantially all of the assets of Triple - T Foods - Arkansas, Inc. including a wet pet food ingredient operation in Springdale, Arkansas and a cold storage operation in Rogers, Arkansas. The Company paid approximately $50.4 million in cash for assets and assumed liabilities consisting of property, plant and equipment of approximately $11.2 million, intangible assets of approximately $21.8 million, consisting of routes, permits and non-compete agreements, goodwill of approximately $8.4 million, and other including working capital of approximately $9.0 million. The Company finalized the working capital amount and paid holdback amounts in fiscal year 2019, which resulted in insignificant adjustments to previously disclosed amounts. The identifiable intangible assets have a weighted average life of 15 years.

In September 2018, the Company liquidated a consolidated joint venture that was part of the Company's international operations. The transaction resulted in the Company recording a gain of approximately $3.0 million.

In May 2018, the Company acquired substantially all of the assets of Kruger Commodities, Inc. (the “Kruger Acquisition”) including protein conversion facilities in Hamilton, MI and Tama, IA, along with a protein blending operation and used cooking oil collection business in Omaha, NE. The Company paid approximately $51.3 million in cash for assets and assumed liabilities consisting of property, plant and equipment of approximately $15.2 million, intangible assets of approximately $15.9 million, consisting of routes, permits and non-compete agreements, goodwill of approximately $19.6 million, and other of approximately $0.6 million. The identifiable intangible assets have a weighted average life of 15 years.

In May 2018, the Company sold its Terra Renewal Services (“TRS”) industrial residuals business to American Residuals Group, LLC. TRS is a provider of environmental services focused on the collection, hauling, and disposal of non-hazardous, liquid and semi-solid waste streams from the food processing industry. All of the used cooking oil business originally acquired as part of TRS was retained by the Company. The transaction price for the industrial residuals business sold for approximately $80.0 million in cash and resulted in the Company recording a loss on the TRS sale of approximately $15.6 million, due to a substantial portion of the original purchase price of TRS being allocated to the industrial residuals business.

In January 2018, the Company through a wholly-owned international subsidiary, sold a portion of its interest in a majority owned consolidated subsidiary for approximately $2.8 million. This transaction resulted in the foreign subsidiary being deconsolidated and accounted for using the equity method of accounting, effective January 2018. In fiscal 2017, as part of this transaction, the Company recorded $37.8 million of assets held for sale and $19.2 million of liabilities held for sale, which are included in other current assets and accrued liabilities, respectively. In addition, the Company recorded a loss of approximately $0.9 million in fiscal 2017 from this transaction.

In fiscal 2017, the Company, through a wholly-owned international subsidiary, acquired the minority interest in one of its international subsidiaries for approximately $19.1 million, including transaction costs.

Additionally, the Company made other immaterial acquisitions and disposition in fiscal 2019, fiscal 2018 and fiscal 2017.

NOTE 4. INVENTORIES

A summary of inventories follows (in thousands):

	December 28, 2019	December 29, 2018
Finished product	$ 199,799	$ 176,184
Work in process	81,841	78,501
Raw material	41,964	32,502
Supplies and other	39,353	53,841
	$ 362,957	$ 341,028

The Company's work in process inventory represents inventory in the Food Ingredients segment that is in various stages of processing.

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment follows (in thousands):

	December 28, 2019	December 29, 2018
Land	$ 157,721	$ 159,981
Buildings and improvements	619,212	548,394
Machinery and equipment	2,002,237	1,757,314
Vehicles	269,529	236,465
Aircraft	9,708	18,146
Construction in process	182,392	213,653
	3,240,799	2,933,953
Accumulated depreciation	(1,438,388)	(1,246,095)
	$ 1,802,411	$ 1,687,858

NOTE 6. INTANGIBLE ASSETS

The gross carrying amount of intangible assets not subject to amortization and intangible assets subject to amortization is as follows (in thousands):

	December 28, 2019	December 29, 2018
Indefinite Lived Intangible Assets		
Trade names	$ 52,733	$ 53,472
	52,733	53,472
Finite Lived Intangible Assets:		
Routes	382,263	386,724
Permits	483,593	486,359
Non-compete agreements	3,840	3,784
Trade names	65,670	72,570
Royalty, consulting, land use rights and leasehold	20,737	16,528
	956,103	965,965
Accumulated Amortization:		
Routes	(169,050)	(145,702)
Permits	(272,213)	(238,123)
Non-compete agreements	(3,111)	(2,501)
Trade names	(32,890)	(33,242)
Royalty, consulting, land use rights and leasehold	(5,178)	(4,007)
	(482,442)	(423,575)
Total Intangible assets, less accumulated amortization	$ 526,394	$ 595,862

Gross intangible routes, permits, trade names, non-compete agreements and other intangibles partially decreased in fiscal 2019 and fiscal 2018 by approximately $13.4 million and $5.5 million, respectively as a result of asset retirements and decreased in fiscal 2019 and fiscal 2018 by approximately $0.5 million and $44.6 million from the sale of certain subsidiaries. In addition, gross intangible routes, permits, trade names, non-compete agreements and other intangibles partially increased in fiscal 2019 and fiscal 2018 due to acquired intangibles of approximately $5.7 million and $44.1 million, respectively. Amortization expense for the three years ended December 28, 2019, December 29, 2018 and December 30, 2017, was approximately $73.6 million, $75.2 million and $78.0 million, respectively. Amortization expense for the next five fiscal years is estimated to be $73.5 million, $66.3 million, $64.5 million, $63.0 million and $43.4 million.

NOTE 7. GOODWILL

Changes in the carrying amount of goodwill (in thousands):

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total
Balance at December 30, 2017				
Goodwill	$ 848,167	$ 344,471	$ 124,369	$ 1,317,007
Accumulated impairment losses	(15,914)	—	—	(15,914)
	832,253	344,471	124,369	1,301,093
Goodwill acquired during year	27,645	1,608	—	29,253
Goodwill impairment during year	—	(461)	—	(461)
Goodwill disposed of during year	(61,088)	(371)	—	(61,459)
Foreign currency translation	(22,758)	(10,007)	(6,502)	(39,267)
Balance at December 29, 2018				
Goodwill	791,966	335,701	117,867	1,245,534
Accumulated impairment losses	(15,914)	(461)	—	(16,375)
	776,052	335,240	117,867	1,229,159
Goodwill acquired during year	396	91	—	487
Goodwill disposed of during year	(636)	—	—	(636)
Foreign currency translation	1,731	(6,138)	(1,312)	(5,719)
Balance at December 28, 2019				
Goodwill	793,457	329,654	116,555	1,239,666
Accumulated impairment losses	(15,914)	(461)	—	(16,375)
	$ 777,543	$ 329,193	$ 116,555	$ 1,223,291

The process of evaluating goodwill for impairment involves the determination of the fair value of the Company's reporting units. In fiscal 2019, fiscal 2018 and fiscal 2017, the fair values of the Company's reporting units containing goodwill exceeded the related carrying value pursuant to a quantitative assessment completed as of October 26, 2019, October 27, 2018 and October 28, 2017, respectively.

NOTE 8. ACCRUED EXPENSES

Accrued expenses consist of the following (in thousands):

	December 28, 2019	December 29, 2018
Compensation and benefits	$ 107,324	$ 91,851
Utilities and sewage	18,085	20,447
Accrued ad valorem, and franchise taxes	30,231	31,366
Reserve for self insurance, litigation, environmental and tax matters (Note 20)	19,373	14,030
Medical claims liability	8,285	9,981
Accrued operating expenses	67,194	62,247
Accrued interest payable	9,879	17,536
Customer deposits	18,318	30,741
Other accrued expense	32,702	31,285
	$ 311,391	$ 309,484

NOTE 9. LEASES

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, Leases (Topic 842). The Company adopted the new standard on December 30, 2018 using the modified retrospective approach and is using the effective date as the Company's date of initial application and consequently, financial information will not be updated and the disclosures required under the this ASU will not be provided for dates and periods before December 30, 2018. The Company has elected the package of expedients, which permits the Company not to reassess under the new standard the Company's prior conclusions about lease identification, lease classification and initial direct costs. The Company did not elect the use-of-hindsight or the practical expedient pertaining to land easements; the latter not being applicable to the Company.

The Company leases certain real and personal property under non-cancelable operating leases. In addition, the Company leases a large portion of the Company's fleet of tractors, all of its rail cars, some IT equipment and other transportation equipment. The Company's office leases include certain lease and non-lease components, where the Company has elected to exclude the non-lease components from the calculation of the lease liability and ROU asset. The Company has finance leases, which are not significant to the Company and not separately disclosed in detail. In addition, the Company's other variable lease payments are not significant.

The components of operating lease expense included in cost of sales and operating expenses and selling, general and administrative expenses were as follows (in thousands):

	Twelve Months Ended December 28, 2019
Operating lease expense	$ 48,858
Short-term lease costs	18,163
Total lease cost	$ 67,021

Other information (in thousands, except lease terms and discount rates):

	Twelve Months Ended December 28, 2019
Cash paid for amounts included in the measurement lease liabilities	
Operating cash flows from operating leases	$ 47,691
Operating right-of-use assets, net	$ 124,726
Operating lease liabilities, current	$ 37,805
Operating lease liabilities, non-current	91,424
Total operating lease liabilities	$ 129,229
Weighted average remaining lease term - operating leases	6.46 years
Weighted average discount rate - operating leases	4.55%

Future annual minimum lease payments and capital lease commitments as of December 28, 2019 were as follows (in thousands):

Period Ending Fiscal	Operating Leases	Capital Leases
2020	$ 46,062	$ 119
2021	34,039	12
2022	23,920	11
2023	19,287	5
2024	13,230	4
Thereafter	26,088	—
	162,626	151
Less amounts representing interest	(33,397)	(6)
Lease obligations included in current and long-term liabilities	129,229	145

The Company adopted ASU 2016-02 on December 30, 2018 as noted above. The following disclosure is provided for periods prior to adoption. Future annual minimum lease payments and capital lease commitments as of December 29, 2018 were as follows (in thousands):

Period Ending Fiscal	Operating Leases	Capital Leases
2020	$ 46,316	$ 271
2021	34,403	152
2022	22,252	6
2023	13,091	6
2024	8,478	—
Thereafter	28,219	—
	$ 152,759	$ 435
Less amounts representing interest		(20)
Capital lease obligations included in current and long-term debt		$ 415

Rent expense was approximately $51.8 million and $48.7 million, for the fiscal years ended December 29, 2018 and December 30, 2017, respectively.

The Company's capital lease assets are included in property, plant and equipment and the capital lease obligations are included in the Company's current and long-term debt obligations on the consolidated balance sheet.

NOTE 10. DEBT

Debt consists of the following (in thousands):

	December 28, 2019	December 29, 2018
Amended Credit Agreement:		
Revolving Credit Facility ($32.1 million denominated in euro at December 29, 2018)	$ 39,000	$ 32,105
Term Loan A ($29.8 million denominated in CAD at December 29, 2018)	—	68,080
Less unamortized deferred loan costs	—	(381)
Carrying value Term Loan A	—	67,699
Term Loan B	495,000	495,000
Less unamortized deferred loan costs	(7,696)	(9,024)
Carrying value Term Loan B	487,304	485,976
5.25% Senior Notes due 2027 with effective interest of 5.47%	500,000	—
Less unamortized deferred loan costs	(6,494)	—
Carrying value 5.25% Senior Notes due 2027	493,506	—
5.375% Senior Notes due 2022 with effective interest of 5.72%	—	500,000
Less unamortized deferred loan costs	—	(4,876)
Carrying value 5.375% Senior Notes due 2022	—	495,124
3.625% Senior Notes due 2026 - Denominated in euro with effective interest of 3.83%	574,096	590,499
Less unamortized deferred loan costs - Denominated in euro	(6,982)	(8,160)
Carrying value 3.625% Senior Notes due 2026	567,114	582,339
Other Notes and Obligations	62,501	11,189
	1,649,425	1,674,432
Less Current Maturities	90,996	7,492
	$ 1,558,429	$ 1,666,940

As of December 28, 2019, the Company had capital lease obligations denominated in Canadian dollars included in debt. The total Canadian dollar capital lease obligation was approximately CAD$0.1 million.

As of December 28, 2019, the Company had outstanding debt under the Company's 3.625% Senior Notes due 2026 denominated in euros of €515.0 million. See below for discussion relating to the Company's debt agreements. In addition, at December 28, 2019, the Company had capital lease obligations denominated in euros included in debt. The total euro capital lease obligation was less than €0.1 million.

As of December 28, 2019, the Company had other notes and obligations that consist of various overdraft facilities of approximately $42.2 million, a China working capital line of credit of approximately $17.5 million and other debt of approximately $2.8 million.

Senior Secured Credit Facilities. On January 6, 2014, Darling, Darling International Canada Inc. (“Darling Canada”) and Darling International NL Holdings B.V. (“Darling NL”) entered into a Second Amended and Restated Credit Agreement (as subsequently amended, the “Amended Credit Agreement”), restating its then existing Amended and Restated Credit Agreement dated September 27, 2013, with the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents from time to time party thereto.

Effective December 18, 2017, the Company, and certain of its subsidiaries entered into an amendment (the “Fifth Amendment”) with its lenders to the Amended Credit Agreement. Among other things, the Fifth Amendment (i) refinanced the term B loans under the Amended Credit Agreement with new term B loans in an aggregate principal amount of $525.0 million with a maturity date of December 18, 2024; (ii) adjusted the applicable margin pricing on borrowings under the term B loan; (iii) modified certain of the negative covenants to increase the allowances for certain actions, including debt and investments; and (iv) made other updates and changes.

Effective December 16, 2016, the Company, and certain of its subsidiaries entered into an amendment (the “Fourth Amendment”) with its lenders to the Amended Credit Agreement. Among other things, the Fourth Amendment (i) extended the maturity date of the term A loans and revolving credit facility loans under the Amended Credit Agreement from September 27, 2018 to December 16, 2021, subject to a 91-day “springing” adjustment if the term B loans are outstanding 91 days prior to the maturity date of the term B loans; (ii) reset the amortization schedule of the term A loans to their original schedule; (iii) adjusted the applicable margin pricing grid on borrowings under the term A Loan and revolving credit facility which adjusts based on the Company’s total leverage ratio as set forth in the Amended Credit Agreement; (iv) eliminated the secured leverage ratio financial maintenance covenant so that from and after the effective date of the Fourth Amendment the Company’s financial covenants consist of maintaining of total leverage ratio not to exceed 5.50 to 1.00 and maintaining an interest coverage ratio of not less than 3.00 to 1.00; (v) modified certain of the negative covenants to include a senior leverage ratio incurrence-based test and to increase the allowances for certain actions, including debt, investments and restricted payments; and (vi) made other updates and changes.

The Amended Credit Agreement provides for senior secured credit facilities in the aggregate principal amount of $1.88 billion comprised of (i) the Company's $350.0 million term loan A facility (ii) the Company's $525.0 million term loan B facility and (iii) the Company's $1.0 billion five-year revolving loan facility (approximately $150.0 million of which will be available for a letter of credit sub-facility and $50.0 million of which will be available for a swingline sub-facility) (collectively, the “Senior Secured Credit Facilities”). The Amended Credit Agreement also permits Darling and the other borrowers thereunder to incur ancillary facilities provided by any revolving lender party to the Senior Secured Credit Facilities (with certain restrictions). Up to $948.3 million of the revolving loan facility is available to be borrowed by (x) Darling in U.S. dollars, Canadian dollars, euros and other currencies to be agreed and available to each applicable lender, (y) Darling Canada in Canadian dollars and (z) Darling NL, Darling Ingredients International Holding B.V. (“Darling BV”) and Darling Ingredients Germany Holding GmbH in U.S. dollars, Canadian dollars, euros and other currencies to be agreed and available to each applicable lender. The revolving loan facility and term loan A facility will mature on December 16, 2021. The revolving loan facility will be used for working capital needs, general corporate purposes and other purposes not prohibited by the Amended Credit Agreement.

The interest rate applicable to any borrowings under the term loan A facility and the revolving loan facility will equal either LIBOR/euro interbank offered rate/CDOR plus 2.00% per annum or base rate/Canadian prime rate plus 1.00% per annum, subject to certain step-ups or step-downs based on the Company's total leverage ratio. The interest rate applicable to any borrowings under the term loan B facility will equal the base rate plus 1.00% or LIBOR plus 2.00%.

As of December 28, 2019, the Company had $39.0 million outstanding under the revolver at base rate plus a margin of 1.00% per annum for a total of 5.75% per annum. The Company had $495.0 million outstanding under the term loan B facility at LIBOR plus a margin of 2.00% per annum for a total of 3.71% per annum. As of December 28, 2019, the Company had availability of $911.9 million under the Amended Credit Agreement taking into account amounts borrowed, ancillary facilities and letters of credit issued of $3.6 million. The Company also has foreign bank guarantees that are not part of the Company's Amended Credit Agreement in the amount of approximately $11.4 million at December 28, 2019.

The Amended Credit Agreement contains various customary representations and warranties by the Company, which include customary use of materiality, material adverse effect and knowledge qualifiers. The Amended Credit Agreement also contains (a) certain affirmative covenants that impose certain reporting and/or performance obligations on Darling and its restricted subsidiaries, (b) certain negative covenants that generally prohibit, subject to various exceptions, Darling and its restricted subsidiaries from taking certain actions, including, without limitation, incurring indebtedness, making investments, incurring liens, paying dividends and engaging in mergers and consolidations, sale and leasebacks and asset dispositions, (c) financial covenants, which include a maximum total leverage ratio and a minimum interest coverage ratio and (d) customary events of default (including a change of control) for financings of this type. Obligations under the Senior Secured Credit Facilities may be declared due and payable upon the occurrence and during the continuance of customary events of default.

3.625% Senior Notes due 2026. On May 2, 2018, Darling Global Finance B.V. (the "3.625% Issuer"), a wholly-owned subsidiary of Darling, issued and sold €515.0 million aggregate principal amount of 3.625% Senior Notes due 2026 (the "3.625% Notes"). The 3.625% Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of May 2, 2018 (the "3.625% Indenture"), among Darling Global Finance B.V., Darling, the subsidiary guarantors party thereto from time to time, Citibank, N.A., London Branch, as trustee and principal paying agent, and Citigroup Global Markets Deutschland AG, as principal registrar. The gross proceeds of the offering, together with borrowings under the Company's revolving credit facility, were used to refinance all of the 4.75% Notes (as defined below) by cash tender offer and redemption of those notes and to pay any applicable premiums for the refinancing, to pay the commission of the initial purchasers of the 3.625% Notes and to pay the other fees and expenses related to the offering. The refinancing of the 4.75% Notes was completed during the second quarter of 2018.

The 3.625% Notes will mature on May 15, 2026. The 3.625% Issuer will pay interest on the 3.625% Notes on May 15 and November 15 of each year, commencing on November 15, 2018. Interest on the 3.625% Notes accrues from May 2, 2018 at a rate of 3.625% per annum and is payable in cash. The 3.625% Notes are guaranteed on a senior unsecured basis by Darling and all of Darling's restricted subsidiaries (other than any foreign subsidiary or any receivable entity) that guarantee the Senior Secured Credit Facilities (collectively, the "3.625% Guarantors"). The 3.625% Notes and the guarantees thereof are senior unsecured obligations of the 3.625% Issuer and the 3.625% Guarantors and rank equally in right of payment to all of the 3.625% Issuer's and the 3.625% Guarantors' existing and future senior unsecured indebtedness. The 3.625% Indenture contains covenants limiting Darling's ability and the ability of its restricted subsidiaries (including the 3.625% Issuer) to, among other things: incur additional indebtedness or issue preferred stock; pay dividends on or make other distributions or repurchases of Darling's capital stock or make other restricted payments; create restrictions on the payment of dividends or certain other amounts from Darling's restricted subsidiaries to Darling or Darling's other restricted subsidiaries; make loans or investments; enter into certain transactions with affiliates; create liens; designate Darling's subsidiaries as unrestricted subsidiaries; and sell certain assets or merge with or into other companies or otherwise dispose of all of substantially all of Darling's assets.

Other than for extraordinary events such as change of control and defined assets sales, the 3.625% Issuer is not required to make mandatory redemption or sinking fund payments on the 3.625% Notes. The 3.625% Notes are redeemable, in whole or in part, at any time on or after May 15, 2021 at the redemption prices specified in the 3.625% Indenture. The 3.625% Issuer may redeem some or all of the 3.625% Notes at any time prior to May 15, 2021, at a redemption price equal to 100% of the principal amount of the 3.625% Notes redeemed, plus accrued and unpaid interest to the redemption date and an Applicable Premium as specified in the 3.625% Indenture and all additional amounts (if any) then due or which will become due on the redemption date as a result of the redemption or otherwise (subject to the rights of holders on the relevant record dates to receive interest due on the relevant interest payment date and additional amounts (if any) in respect thereof).

5.25% Senior Notes due 2027. On April 3, 2019, Darling issued and sold $500.0 million aggregate principal amount of 5.25% Senior Notes due 2027 (the "5.25% Notes"). The 5.25% Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of April 3, 2019 (the "5.25% Indenture"), among Darling, the subsidiary guarantors party thereto from time to time, and Regions Bank, as trustee. The gross proceeds from the sale of the Notes, together with cash on hand, were used to refinance all of the Company's 5.375% Notes (as defined below), by cash tender offer for and redemption of those notes, to pay the discount of the initial purchasers and to pay the other fees and expenses related to the offering of the 5.25% Notes. The refinancing of the 5.375% Notes was completed during the second quarter of 2019.

The 5.25% Notes will mature on April 15, 2027. Darling will pay interest on the 5.25% Notes on April 15 and October 15 of each year, commencing on October 15, 2019. Interest on the 5.25% Notes accrues from April 3, 2019 at a rate of 5.25% per annum and is payable in cash. The 5.25% Notes are guaranteed on a senior unsecured basis by Darling and all of Darling's restricted subsidiaries (other than foreign subsidiaries) that are borrowers under or that guarantee the Senior Secured Credit Facilities (collectively, the "5.25% Guarantors"). The 5.25% Notes and the guarantees thereof are senior unsecured obligations of Darling and the 5.25% Guarantors and rank equally in right of payment to all of the Darling's and the 5.25% Guarantors' existing and future senior unsecured indebtedness. The 5.25% Indenture contains covenants limiting Darling's ability and the ability of its restricted subsidiaries to, grant liens to secure indebtedness and merge with or into other companies or otherwise dispose of all or substantially all of Darling's assets. In addition, the Company capitalized $7.0 million of deferred loan costs for the issuance of the 5.25% Notes in the second quarter of 2019.

Other than for extraordinary events such as change of control and defined assets sales, Darling is not required to make mandatory redemption or sinking fund payments on the 5.25% Notes. The 5.25% Notes are redeemable, in whole or in part, at any time on or after April 15, 2022 at the redemption prices specified in the 5.25% Indenture. Darling may redeem some or all of the 5.25% Notes at any time prior to April 15, 2022, at a redemption price equal to 100% of the principal amount of the 5.25% Notes redeemed, plus accrued and unpaid interest to the redemption date and an Applicable Premium as specified in the 5.25% Indenture and all additional amounts (if any) then due or which will become due on the redemption date as a result of the redemption or otherwise (subject to the rights of holders on the relevant record dates to receive interest due on the relevant interest payment date and additional amounts (if any) in respect thereof).

4.75% Senior Notes due 2022. On June 3, 2015, Darling Global Finance B.V. issued and sold €515.0 million aggregate principal amount of the 4.75% Senior Notes due 2022 (the "4.75% Notes"). The Company retired the 4.75% Notes in the second quarter of 2018 using the proceeds from the issuance of the 3.625% Notes and incurred charges of approximately $23.5 million in debt extinguishment charges including the write-off of deferred loan costs.

5.375% Senior Notes due 2022. On January 2, 2014, Darling Escrow Corporation, a wholly-owned subsidiary of Darling, issued $500.0 million aggregate principal amount of its 5.375% Notes due 2022 (the "5.375% Notes"). The Company retired the 5.375% Notes in the second quarter of 2019 using the proceeds from the issuance of the 5.25% Notes and incurred charges of approximately $12.1 million in debt extinguishment charges including the write-off deferred loan costs.

As of December 28, 2019, the Company believes it is in compliance with all financial covenants under the Amended Credit Agreement, as well as all of the other covenants contained in the Amended Credit Agreement, the 5.25% Indenture and the 3.625% Indenture.

Maturities of long-term debt at December 28, 2019 follow (in thousands):

	Contractual Debt Payment
2020	$ 90,996
2021	10,220
2022	40
2023	1,534
2024	493,533
thereafter	1,074,274
	$ 1,670,597

NOTE 11. OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities consist of the following (in thousands):

	December 28, 2019	December 29, 2018
Accrued pension liability (Note 15)	$ 55,491	$ 55,632
Reserve for self insurance, litigation, environmental and tax matters (Note 20)	54,568	57,381
Other	5,726	2,019
	$ 115,785	$ 115,032

NOTE 12. INCOME TAXES

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act" or "U.S. tax reform") significantly revised the U.S. corporate income tax by, among other things, lowering the statutory corporate rate from 35% to 21%, eliminating certain deductions, limiting interest expense deductions, enhancing the option for claiming accelerated depreciation deductions through 2026, imposing a mandatory one-time tax on accumulated earnings of foreign subsidiaries (also referred to as the toll charge or transition tax), and changing how foreign earnings are subject to U.S. tax. Due to the timing of the Tax Act and the substantial changes it brings, the Securities and Exchange Commission ("SEC") staff issued Staff Accounting Bulletin No. 118, *Income Tax Accounting Implications of the Tax Cuts and Jobs Act* (SAB 118), which provided registrants a measurement period to report the impact of the new U.S. tax law. During the measurement period, provisional amounts for the effects of the tax law were recorded to the extent a reasonable estimate could be made. The effects of the Tax Act on Darling include two major categories: (i) mandatory deemed repatriation, and (ii) remeasurement of deferred taxes. As described further below, we recorded a provisional net tax benefit of $75.0 million for the impact of the Tax Act in the year ended December 30, 2017. Below is a brief description of the two categories of effects from U.S. tax reform and its impact on the Company:

(i) Mandatory deemed repatriation - under the Tax Act, a company's accumulated foreign earnings are deemed to be repatriated into the U.S. The Company recorded a provisional estimate in fiscal 2017 of federal and state tax related to deemed repatriation in the amount of approximately $26.2 million. However, the Company had an existing U.S. deferred tax liability associated with foreign earnings that were not permanently reinvested outside the U.S. in the amount of $38.3 million. It is now expected that these foreign earnings can be repatriated to the U.S. without any additional U.S. tax above the amount accrued related to the mandatory deemed repatriation. Accordingly, the Company released the entire $38.3 million liability. This $38.3 million release combined with the $26.2 million amount related the mandatory deemed repatriation resulted in the Company recognizing a net provisional tax benefit of $12.1 million for this item.

(ii) Remeasurement of deferred taxes - under the Tax Act, the U.S. corporate income tax rate was reduced from 35% to 21%. Accordingly, Darling remeasured the Company's net U.S. deferred tax liability as of December 30, 2017 using the new 21% federal rate, which resulted in a provisional tax benefit in fiscal 2017 of $62.9 million. The Company has significant net operating loss carryforwards to offset the mandatory one-time repatriation; therefore, the Company reduced its deferred tax asset related to its net operating loss carryforwards rather than incurring a toll charge liability for which a cash payment would otherwise be required.

Also, in December 2017, Belgium and France enacted tax law changes resulting in a tax benefit of approximately $13.9 million. This amount is comprised of a benefit of approximately $4.4 million from the re-measurement of net deferred tax liabilities due to a reduction in the corporate tax rate in each country. Additionally, Belgium enacted a new provision increasing its participation exemption to 100%, which generally allows tax-free dividends to be received from subsidiaries resulting in a tax benefit of approximately $9.6 million.

During fiscal 2018, as information was collected, analyzed and guidance was issued by the U.S. Treasury Department, the IRS and other standard setting bodies in respect to the Tax Act, the Company made adjustments to the provisional amounts recorded in fiscal 2017. An adjustment of approximately $1.7 million of additional tax benefit was made in respect to the impact of the mandatory deemed repatriation, which reduced the effective tax rate by approximately 1.4%. The accounting for the tax effects of the Tax Act has been completed as of December 29, 2018.

In December 2018, the Netherlands enacted tax law changes resulting in a tax benefit in fiscal 2018 of approximately $8.4 million due to the re-measurement of net deferred tax liabilities as a result of a phased in reduction of the corporate income tax rate.

U.S. and foreign income from operations before income taxes are as follows (in thousands):

	December 28, 2019	December 29, 2018	December 30, 2017
United States	$ 260,867	$ 82,146	$ 179
Foreign	119,567	35,829	64,021
Income from operations before income taxes	$ 380,434	$ 117,975	$ 64,200

Income tax expense attributable to income from continuing operations before income taxes consists of the following (in thousands):

	December 28, 2019	December 29, 2018	December 30, 2017
Current:			
Federal	$ (162)	$ (330)	$ 274
State	341	(3)	(80)
Foreign	37,117	27,935	31,256
Total current	37,296	27,602	31,450
Deferred:			
Federal	13,465	4,803	(76,056)
State	11,804	(2,216)	622
Foreign	(3,098)	(18,158)	(25,170)
Total deferred	22,171	(15,571)	(100,604)
	$ 59,467	$ 12,031	$ (69,154)

Income tax expense for the years ended December 28, 2019, December 29, 2018 and December 30, 2017, differed from the amount computed by applying the statutory U.S. federal income tax rate to income from continuing operations before income taxes as a result of the following (in thousands):

	December 28, 2019	December 29, 2018	December 30, 2017
Computed "expected" tax expense	$ 79,891	$ 24,775	$ 22,470
Change in valuation allowance	38	9,700	1,609
Non-deductible compensation expenses	3,950	2,305	1,898
Deferred tax on unremitted foreign earnings	1,505	(31)	641
Sub-Part F income	1,122	3,361	6,284
Foreign rate differential	7,246	658	(8,292)
Change in uncertain tax positions	1,736	3,419	(1,080)
State income taxes, net of federal benefit	5,686	(1,813)	(1,012)
Biofuel tax incentives	(46,007)	(18,489)	—
Change in tax law			
One-time U.S. transition tax	—	(1,654)	26,243
Deferred tax effects	1,352	(8,363)	(115,169)
Other, net	2,948	(1,837)	(2,746)
	$ 59,467	$ 12,031	$ (69,154)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 28, 2019 and December 29, 2018 are presented below (in thousands):

	December 28, 2019	December 29, 2018
Deferred tax assets:		
Loss contingency reserves	$ 11,193	$ 9,007
Employee benefits	12,236	10,791
Pension liability	13,049	12,882
Intangible assets amortization, including taxable goodwill	1,485	1,566
Interest expense carryforwards	12,361	16,871
Tax loss carryforwards	80,195	103,618
Tax credit carryforwards	5,653	5,108
Operating lease liabilities	33,549	—
Inventory	5,185	8,583
Accrued liabilities and other	13,677	12,291
Total gross deferred tax assets	188,583	180,717
Less valuation allowance	(24,759)	(27,942)
Net deferred tax assets	163,824	152,775
Deferred tax liabilities:		
Intangible assets amortization, including taxable goodwill	(157,332)	(152,841)
Property, plant and equipment depreciation	(144,911)	(164,011)
Investment in DGD Joint Venture	(54,287)	(44,857)
Operating lease assets	(32,233)	—
Tax on unremitted foreign earnings	(6,139)	(5,648)
Other	(2,459)	(1,500)
Total gross deferred tax liabilities	(397,361)	(368,857)
Net deferred tax liability	$ (233,537)	$ (216,082)
Amounts reported on Consolidated Balance Sheets:		
Non-current deferred tax asset	$ 14,394	$ 14,981
Non-current deferred tax liability	(247,931)	(231,063)
Net deferred tax liability	$ (233,537)	$ (216,082)

At December 28, 2019, the Company had net operating loss carryforwards for federal income tax purposes of approximately $106.8 million, $44.6 million of which begin to expire in 2020 through 2036 and $62.2 million of which can be carried forward indefinitely. As a result of the change in ownership which occurred pursuant to the May 2002 recapitalization, utilization of approximately $0.7 million of the federal net operating loss carryforwards is limited to approximately $0.7 million per year for the remaining life of the net operating losses. The Company had a capital loss carry forward for federal income tax purposes of approximately $21.1 million, which expires in 2023 and can only be used in future years in which the Company recognizes capital gains. The Company had interest expense carryforwards of approximately $52.4 million and $25.1 million for federal and state income tax purposes, which may be carried forward indefinitely. The Company had approximately $248.2 million of net operating loss carryforwards for state income tax purposes, $239.0 million of which expire in 2020 through 2039 and $9.2 million of which can be carried forward indefinitely. The Company had foreign net operating loss carryforwards of about $151.6 million, $68.6 million of which expire in 2020 through 2037 and $83.0 million of which can be carried forward indefinitely. Also at December 28, 2019, the Company had U.S. federal and state tax credit carryforwards of approximately $1.3 million, and tax credit carryforwards with respect to its foreign tax jurisdictions of approximately $4.3 million. As of December 28, 2019, the Company had a valuation allowance of $7.8 million due to uncertainties in respect to its ability to utilize its U.S. (federal and state) net operating loss, capital loss and tax credit carryforwards. The Company also had a valuation allowance of $16.9 million due to uncertainties in its ability to utilize foreign net operating loss carryforwards, tax credit carryforwards and other foreign deferred tax assets.

At December 28, 2019, the Company had unrecognized tax benefits of approximately $7.8 million. During fiscal 2017, the Company entered into a settlement agreement with the Darling Ingredients International business seller in which an indemnity receivable of $3.0 million was collected and the Company generally accepted responsibility for any remaining tax liabilities in pre-acquisition tax years. All of the unrecognized tax benefits would favorably impact the Company's effective tax rate if recognized. The Company believes it is reasonably possible that unrecognized tax benefits could change by $3.9 million in the next twelve months. The possible change in unrecognized tax benefits relates to the resolution of an uncertain tax position upon liquidation of certain subsidiaries. The Company recognizes accrued interest and penalties, as appropriate, related to unrecognized tax benefits as a component of income tax expense. As of December 28, 2019, interest and penalties related to unrecognized tax benefits were $0.6 million.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows (in thousands):

	December 28, 2019	December 29, 2018
Balance at beginning of Year	$ 5,777	$ 2,384
Change in tax positions related to current year	3,887	237
Change in tax positions related to prior years	(233)	3,649
Change in tax positions due to settlement with tax authorities	(1,354)	—
Expiration of the Statute of Limitations	(267)	(493)
Balance at end of year	$ 7,810	$ 5,777

In fiscal 2019, the Company's major taxing jurisdictions are U.S. (federal and state), Belgium, Brazil, Canada, China, France, Germany and the Netherlands. The Company is subject to regular examination by various tax authorities. Although the final outcome of these examinations is not yet determinable, the Company does not anticipate that any of the examinations will have a significant impact on the Company's results of operations or financial position. The statute of limitations for the Company's major jurisdictions is open for varying periods, but is generally closed through the 2010 tax year.

Many of the Company's operations are conducted outside the United States. As a result of the Tax Act and the mandatory repatriation, the Company expects to have access to its offshore earnings with minimal to no additional U.S. tax impact. Therefore, the Company does not consider these earnings to be permanently reinvested offshore. As of December 28, 2019, a deferred tax liability of approximately $6.1 million has been recorded for any incremental taxes, including foreign withholding taxes, that are estimated to be incurred when those earnings are distributed to the U.S. in future years.

NOTE 13. STOCKHOLDERS' EQUITY AND STOCK-BASED COMPENSATION

On August 7, 2017, the Company's Board of Directors approved the extension for an additional two years of its previously announced share repurchase program and refreshed the amount of the program back up to its original amount of an aggregate of $100.0 million of the Company's Common Stock depending on market conditions. To that point, the Company had previously repurchased $10.9 million shares of Common stock under the program. The repurchases may be made from time to time on the open market at prevailing market prices or in negotiated transactions off the market. On November 6, 2018, the Board approved an increase in the share repurchase program from $100.0 million to $200.0 million and extended the term of the program for an additional year to August 13, 2020. During Fiscal 2019, the Company repurchased approximately $19.3 million including commissions of its common stock in the open market. Since the inception of the share repurchase program, the Company has repurchased approximately $30.1 million of its common stock in open market purchases. As of December 28, 2019, the Company has approximately $180.8 million remaining under the share repurchase program approved in August 2017.

On May 9, 2017, the shareholders approved the Company's 2017 Omnibus Incentive Plan (the “2017 Omnibus Plan”). The 2017 Omnibus Plan replaced the Company's 2012 Omnibus Incentive Plan (the “2012 Omnibus Plan”) for future grants. Under the 2017 Omnibus Plan, the Company can grant stock options, stock appreciation rights, non-vested and restricted stock (including performance stock), restricted stock units (including performance units), other stock-based awards, non-employee director awards, dividend equivalents and cash-based awards. There are up to 20,166,500 common shares available under the 2017 Omnibus Plan which may be granted to participants in any plan year (as such term is defined in the 2017 Omnibus Plan). Some of those shares are subject to outstanding awards as detailed in the tables below. To the extent these outstanding awards are forfeited or expire without exercise, the shares will be returned to and available for future grants under the 2017 Omnibus Plan. The 2017 Omnibus Plan’s purpose is to attract, retain and motivate employees, directors and third party service providers of the Company and to encourage them to have a financial interest in the Company. The 2017 Omnibus Plan is administered by the Compensation Committee (the “Committee”) of the Board of Directors. The Committee has the authority to select plan participants, grant awards, and determine the terms and conditions of such awards as provided in the 2017 Omnibus Plan. For each of fiscal 2017, fiscal 2018 and 2019, the Committee adopted an executive compensation program that includes a long-term incentive component (the "LTIP") for the Company's key employees, as a subplan under the terms of the 2017 Omnibus Plan. Pursuant to the LTIP, participants receive (i) annual, overlapping grants of performance share units ("PSUs") tied to a three-year, forward looking performance metric and (ii) annual stock options grants that vest 33.33% on the first, second and third anniversaries of grant. The principal purpose of the LTIP is to encourage the participants to enhance the value of the Company and, hence, the price of the Company's stock and the stockholders' return. In addition, the LTIP is designed to create retention incentives for the individual and to provide an opportunity for increased equity ownership by participants. See "Stock Option Awards", "Fiscal 2019 LTIP PSU Awards", "Fiscal 2018 LTIP PSU Awards" and "Fiscal 2017 LTIP PSU Awards" below for more information regarding the stock options and PSU awards under the 2019 LTIP, 2018 LTIP and 2017 LTIP. At December 28, 2019, the number of common shares available for issuance under the 2017 Omnibus Plan was 12,522,616.

At December 28, 2019, $6.9 million of total future equity-based compensation expense (determined using the Black-Scholes option pricing model and Monte Carlo model for non-vested stock grants with performance based incentives) related to outstanding non-vested options and stock awards is expected to be recognized over a weighted average period of 1.2 years.

The following is a summary of stock-based compensation awards granted during the years ended December 28, 2019, December 29, 2018 and December 30, 2017.

<u>Stock Option Awards</u>. Stock options to purchase Darling common shares are granted by the Committee to certain of the Company's employees as part of the Company's LTIPs under the 2017 Omnibus Plan. For the options granted under the fiscal 2019 LTIP, 2018 LTIP and 2017 LTIP, the exercise price was equal to the closing price of Darling common shares on the date of grant, which was January 25, 2019, January 29, 2018 and February 6, 2017, respectively, and such options vest 33.33% on the first, second and third anniversaries of the grant date. The Company granted 610,953 stock options under the 2019 LTIP, 637,115 stock options under the 2018 LTIP and 956,809 stock options under the 2017 LTIP.

During fiscal 2019, 2018 and 2017 only nonqualified stock options were issued and none of the options were incentive stock options. The Company's stock options granted under the LTIPs generally terminate 10 years after the date of grant.

A summary of all stock option activity as of December 28, 2019 and changes during the year ended is as follows:

	Number of shares	Weighted-avg. exercise price per share	Weighted-avg. remaining contractual life
Options outstanding at December 31, 2016	2,365,916	$ 11.65	8.4 years
Granted	956,809	12.29	
Exercised	(27,968)	8.51	
Forfeited	(4,000)	13.55	
Expired	—	—	
Options outstanding at December 30, 2017	3,290,757	11.86	7.3 years
Granted	637,115	18.82	
Exercised	(153,717)	11.49	
Forfeited	(19,953)	9.99	
Expired	—	—	
Options outstanding at December 29, 2018	3,754,202	13.07	6.9 years
Granted	610,953	21.00	
Exercised	(380,206)	9.83	
Forfeited	(6,464)	18.11	
Expired	—	—	
Options outstanding at December 28, 2019	3,978,485	$ 14.59	6.5 years
Options exercisable at December 28, 2019	2,685,252	$ 12.70	5.6 years

The fair value of each stock option grant under the LTIPs was estimated on the date of grant using the Black Scholes option-pricing model with the following weighted average assumptions and results for fiscal 2019, 2018 and 2017.

Weighted Average	2019	2018	2017
Expected dividend yield	0.0%	0.0%	0.0%
Risk-free interest rate	2.61%	2.54%	2.00%
Expected term	6.00 years	5.82 years	5.82 years
Expected volatility	29.6%	29.3%	33.4%
Fair value of options granted	$7.16	$6.37	$4.34

The expected lives for options granted during fiscal 2019, 2018 and 2017 were computed using the simplified method since the current option plans historical exercise data has not provided a reasonable basis for estimating the expected term for the current option grants.

For the year ended December 28, 2019, the amount of cash received from the exercise of options was less than $0.1 million and the related tax benefit was $0.7 million. For the year ended December 29, 2018, the amount of cash received from the exercise of options was approximately $0.2 million and the related tax benefit was approximately $0.1 million. For the year ended December 30, 2017, the amount of cash received from the exercise of options was less than $0.1 million and the related tax benefit was less than $0.1 million. The total intrinsic value of options exercised for the years ended December 28, 2019, December 29, 2018 and December 30, 2017 was approximately $4.7 million, $1.1 million and $0.2 million, respectively. The fair value of shares vested for the years ended December 28, 2019, December 29, 2018 and December 30, 2017 was approximately $15.5 million, $12.5 million and $11.3 million, respectively. At December 28, 2019, the aggregate intrinsic value of options outstanding was approximately $53.4 million and the aggregate intrinsic value of options exercisable was approximately $41.1 million.

Non-Vested Stock, Restricted Stock Unit and Performance Share Unit Awards. The Company has in the past granted non-vested stock and restricted stock unit (RSU) awards to certain of the Company's employees as part of the LTIP under the 2012 Omnibus Plan. Starting in 2016, the Committee made changes to the LTIP and instead of the non-vested stock and RSU awards, the Company began to grant performance share unit awards as part of the LTIP. In addition, the Company has granted performance share unit awards, individual non-vested stock and RSU awards to key employees from time to time at the discretion of the Committee. Non-vested stock is generally granted to U.S. based employees, while RSUs are generally granted to foreign based employees, with each RSU equivalent to one share of common stock and payable upon vesting in an equivalent number of shares of Darling common stock. For grants made under the 2017 Omnibus Plan, both non-vested stock and RSUs generally vest on the first three anniversary dates of the grant. Generally, upon termination of employment (voluntary or with cause), non-vested stock, RSUs and discretionary performance share awards that have not vested are forfeited. Upon, death, disability or qualifying retirement, a pro-rata portion of the unvested non-vested and RSU awards will vest and be payable.

A summary of the Company’s non-vested stock, restricted stock unit and performance share unit awards as of December 28, 2019, and changes during the year ended is as follows:

	Non-Vested, RSU and PSU Shares	Weighted Average Grant Date Fair Value
Stock awards outstanding December 31, 2016	981,261	$ 15.56
Shares granted	104,750	12.27
Shares vested	(486,086)	13.98
Shares forfeited	(239,581)	20.90
Stock awards outstanding December 30, 2017	360,344	13.18
Shares granted	—	—
Shares vested	(228,991)	13.11
Shares forfeited	(2,779)	12.11
Stock awards outstanding December 29, 2018	128,574	13.32
Shares granted	—	—
Shares vested	(126,511)	12.13
Shares forfeited	(1,313)	14.92
Stock awards outstanding December 28, 2019	750	$ 15.50

Fiscal 2019 LTIP PSU Awards. On January 25, 2019, the Committee granted 305,195 PSUs under the Company's 2019 LTIP. The PSUs are tied to a three-year forward-looking performance period and will be earned based on the Company's average return on capital employed (ROCE), as calculated in accordance with the terms of the award agreement, relative to the average ROCE of the Company's performance peer group companies over the same performance period, with the earned award to be determined in the first quarter of fiscal 2022, after the final results for the relevant performance period are determined.

Fiscal 2018 LTIP PSU Awards. On January 29, 2018, the Committee granted 295,514 PSUs under the Company's 2018 LTIP. The PSUs are tied to a three-year forward-looking performance period and will be earned based on the Company's average return on capital employed (ROCE), as calculated in accordance with the terms of the award agreement, relative to the average ROCE of the Company's performance peer group companies over the same performance period, with the earned award to be determined in the first quarter of fiscal 2021, after the final results for the relevant performance period are determined.

Fiscal 2017 LTIP PSU Awards. On February 6, 2017, the Committee granted 559,388 PSUs under the Company's 2017 LTIP. The PSUs are tied to a three-year forward-looking performance period and will be earned based on the Company's average return on capital employed (ROCE), as calculated in accordance with the terms of the award agreement, relative to the average ROCE of the Company's performance peer group companies over the same performance period, with the earned award to be determined in the first quarter of fiscal 2020, after the final results for the relevant performance period are determined.

Under the 2019 LTIP, 2018 LTIP and 2017 LTIP, PSUs were granted at target level; however, actual awards may vary between 0% and 225% of the target number of PSUs, depending on the performance level achieved. In addition, the number of PSUs earned may be reduced (up to 30%) or increased (capped at the maximum payout) based on the Company's total shareholder return (TSR) over the performance period.

The fair value of each 2019 LTIP, 2018 LTIP and 2017 LTIP PSU award under the Company's 2019 LTIP, 2018 LTIP and 2017 LTIP was estimated on the date of grant using a Monte Carlo model with the following weighted average assumptions for fiscal 2019 , fiscal 2018 and fiscal 2017, except for the illiquidity discount, which only pertains to the 2017 LTIP PSU's with a holding period requirement.

Weighted Average	2019	2018	2017
Expected dividend yield	0.0%	0.0%	0.0%
Risk-free interest rate	2.58%	2.25%	1.40%
Expected term	2.93 years	2.93 years	2.89 years
Expected volatility	30.7%	34.4%	32.7%
Illiquidity discount	—%	—%	14.0%

A summary of the Company’s 2019, 2018 and 2017 LTIP PSU awards as of December 28, 2019, and changes during the year ended is as follows:

	LTIP PSU Shares	Weighted Average Grant Date Fair Value
LTIP PSU awards outstanding December 31, 2016	664,120	$ 7.17
Granted	559,388	11.14
Additional PSU awards vested from performance	—	—
Forfeited	(82,492)	9.99
LTIP PSU awards outstanding December 30, 2017	1,141,016	$ 8.91
Granted	295,514	20.60
Additional PSU awards vested from performance	88,151	6.95
Stock issued for PSUs	(26,212)	6.95
Forfeited	(16,493)	9.39
LTIP PSU awards outstanding December 29, 2018	1,481,976	$ 11.15
Granted	305,195	21.50
Additional PSU awards vested from performance	235,126	7.23
Stock issued for PSUs	(125,067)	7.84
Forfeited	(3,757)	19.09
LTIP PSU awards outstanding December 28, 2019	1,893,473	$ 12.54

Nonemployee Director Restricted Stock and Restricted Stock Unit Awards. On February 24, 2011, the Company's Board of Directors approved an Amended and Restated Non-Employee Director Restricted Stock Award Plan (the "Director Restricted Stock Plan") pursuant to and in accordance with the Company's 2004 Omnibus Incentive Plan (the "2004 Omnibus Plan") in order to attract and retain highly qualified persons to serve as non-employee directors and to more closely align such directors' interests with the interests of the stockholders of the Company by providing a portion of their compensation in the form of Company common stock. Under the Director Restricted Stock Plan, $60,000 in restricted Company common stock was awarded to each non-employee director on the fourth business day after the Company released its earnings for its prior completed fiscal year (the "Date of Award"). The amount of restricted stock to be issued was calculated using the closing price of the Company's common stock on the third business day after the Company released its earnings. The restricted stock was subject to a right of repurchase at $0.01 per share upon termination of the holder as a member of the Company's board of directors for cause and was not transferable. These restrictions lapse with respect to 100% of the restricted stock upon the earliest to occur of (i) 10 years after the date of award, (ii) a Change of Control (as defined in the 2004 Omnibus Plan), and (iii) termination of the non-employee director's service with the Company, other than for "cause" (as defined in the Director Restricted Stock Plan).

Beginning in fiscal 2014, the Board discontinued grants to non-employee directors under the Director Restricted Stock Plan described above, and in lieu thereof, as an additional element of annual non-employee director compensation, pursuant to the 2012 Omnibus Plan, each non-employee director received $90,000 of restricted stock units immediately following the Company's annual meeting of stockholders at which such directors are elected. Beginning in fiscal 2017, the Board increased the dollar amount of the annual grant of restricted stock units to $110,000, and such grants are now made under the 2017 Omnibus Plan. The number of restricted stock units to be issued is calculated using the closing price of the Company's stock on the date of its annual meeting. The award vests (and is no longer subject to forfeiture) on the first to occur of (i) the first anniversary of the grant date, (ii) the grantee's separation from service as a result of death or disability, or (iii) a change of control. The award will become "payable" in shares of the Company's stock in a single lump sum payment as soon as possible following a grantee's separation from service, subject to a grantee's right to elect earlier distributions under certain circumstances. If a grantee ceases to be a director for any reason other than death or disability prior to vesting, the grantee will receive a prorated amount of the award up to the date of separation.

A summary of the Company's non-employee director restricted stock awards as of December 28, 2019, and changes during the year ended is as follows:

	Restricted stock and Restricted Stock Unit Shares	Weighted Average Grant Date Fair Value
Stock awards outstanding December 31, 2016	111,359	$ 14.18
Restricted shares granted	60,575	15.63
Restricted shares where the restriction lapsed	(14,915)	12.42
Restricted shares forfeited	(2,210)	14.51
Stock awards outstanding December 30, 2017	154,809	14.91
Restricted shares granted	61,806	16.92
Restricted shares where the restriction lapsed	(1,438)	13.90
Restricted shares forfeited	—	—
Stock awards outstanding December 29, 2018	215,177	15.49
Restricted shares granted	52,990	20.76
Restricted shares where the restriction lapsed	(6,803)	2.94
Restricted shares forfeited	—	—
Stock awards outstanding December 28, 2019	261,364	$ 16.89

NOTE 14. COMPREHENSIVE INCOME/(LOSS)

The Company follows FASB authoritative guidance for reporting and presentation of comprehensive income or loss and its components. Other comprehensive income (loss) is derived from adjustments that reflect pension adjustments, natural gas swap adjustments, corn option adjustments, foreign exchange forward and option adjustments and foreign currency translation adjustments. In February 2018, the FASB issued ASU No. 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. This ASU amends Topic 220, *Income Statement - Reporting Comprehensive Income*, which allowed for a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. The ASU is effective for fiscal years beginning after December 15, 2018; however, the Company elected to early adopt ASU No. 2018-02 during the quarter ended March 31, 2018. The adoption resulted in a $4.8 million reclassification from accumulated other comprehensive loss to retained earnings resulting from the Tax Cuts and Jobs Act.

In fiscal 2019, the Company's DGD Joint Venture entered into heating oil derivatives that were deemed to be cash flow hedges. As a result, the Company has accrued the other comprehensive income/(loss) portion belonging to Darling with an offset to the investment in DGD as required by FASB ASC Topic 323.

The components of other comprehensive income/(loss) and the related tax impacts for the years ended December 28, 2019, December 29, 2018 and December 30, 2017 are as follows (in thousands):

	Before-Tax Amount	Tax (Expense) or Benefit	Net-of-Tax Amount
Year Ended December 30, 2017			
Defined Benefit Pension Plans			
Actuarial (loss)/gain recognized	$ 4,027	$ (1,264)	$ 2,763
Amortization of actuarial loss	4,786	(1,801)	2,985
Amortization of prior service costs	35	(11)	24
Amortization of settlement	42	(15)	27
Other	30	—	30
Total defined benefit pension plans	8,920	(3,091)	5,829
Natural gas swap derivatives			
Gain/(loss) reclassified to net income	35	(14)	21
Gain/(loss) recognized in other comprehensive income (loss)	(65)	26	(39)
Total natural gas derivatives	(30)	12	(18)
Corn option derivatives			
Gain/(loss) reclassified to net income	(5,255)	2,039	(3,216)
Gain/(loss) recognized in other comprehensive income (loss)	3,494	(1,356)	2,138
Total corn options	(1,761)	683	(1,078)
Foreign currency translation			
Other comprehensive income	121,810	—	121,810
Other comprehensive income/(loss)	$ 128,939	$ (2,396)	$ 126,543
Year Ended December 29, 2018			
Defined Benefit Pension Plans			
Actuarial (loss)/gain recognized	$ (7,901)	$ 2,015	$ (5,886)
Amortization of actuarial loss	3,543	(910)	2,633
Actuarial prior service cost recognized	(11)	3	(8)
Amortization of prior service costs	35	(9)	26
Amortization of curtailment	498	—	498
Amortization of settlement	(3)	1	(2)
Other	9	—	9
Total defined benefit pension plans	(3,830)	1,100	(2,730)
Natural gas swap derivatives			
Gain/(loss) reclassified to net income	14	(3)	11
Gain/(loss) recognized in other comprehensive income (loss)	16	(4)	12
Total natural gas derivatives	30	(7)	23
Soybean meal option derivatives			
Gain/(loss) reclassified to net income	(8)	2	(6)
Gain/(loss) recognized in other comprehensive income (loss)	8	(2)	6
Total soybean meal derivatives	—	—	—
Corn option derivatives			
Gain/(loss) reclassified to net income	(1,912)	493	(1,419)
Gain/(Loss) recognized in other comprehensive income	(361)	93	(268)
Total corn options	(2,273)	586	(1,687)
Foreign exchange derivatives			
Gain/(Loss) recognized in other comprehensive income	1,637	(556)	1,081
Total foreign exchange derivatives	1,637	(556)	1,081
Foreign currency translation	(89,198)	1,724	(87,474)
Other comprehensive income/(loss)	$ (93,634)	$ 2,847	$ (90,787)
Year Ended December 28, 2019			
Defined Benefit Pension Plans			
Actuarial (loss)/gain recognized	$ (2,202)	$ 211	$ (1,991)

Amortization of actuarial loss	4,571	(1,143)	3,428
Actuarial prior service cost recognized	9	(2)	7
Amortization of prior service costs	34	(9)	25
Amortization of settlement	66	(16)	50
Other	16	—	16
Total defined benefit pension plans	2,494	(959)	1,535
Heating oil swap derivatives			
Gain/(loss) recognized in other comprehensive income (loss)	(4,188)	1,047	(3,141)
Total heating oil derivatives	(4,188)	1,047	(3,141)
Corn option derivatives			
Gain/(loss) reclassified to net income	422	(106)	316
Gain/(Loss) recognized in other comprehensive income	(51)	13	(38)
Total corn options	371	(93)	278
Foreign exchange derivatives			
Gain/(loss) reclassified to net income	1,345	(442)	903
Gain/(Loss) recognized in other comprehensive income	(6,887)	2,261	(4,626)
Total foreign exchange derivatives	(5,542)	1,819	(3,723)
Foreign currency translation	(12,771)	837	(11,934)
Other comprehensive income/(loss)	$ (19,636)	$ 2,651	$ (16,985)

	Fiscal Year Ended			
	December 28, 2019	December 29, 2018	December 30, 2017	Statement of Operations Classification
Derivative instruments				
Soybean meal option derivatives	$ —	$ 8	$ —	Net sales
Foreign Exchange derivatives	(1,345)	—	—	Net sales
Natural gas swap derivatives	—	(14)	(35)	Cost of sales and operating expenses
Corn option derivatives	(422)	1,912	5,255	Cost of sales and operating expenses
	(1,767)	1,906	5,220	Total before tax
	548	(492)	(2,025)	Income taxes
	(1,219)	1,414	3,195	Net of tax
Defined benefit pension plans				
Amortization of prior service cost	$ (34)	$ (35)	$ (35)	(a)
Amortization of actuarial loss	(4,571)	(3,543)	(4,786)	(a)
Amortization of curtailment	—	(498)	—	(a)
Amortization of settlement	(66)	3	(42)	(a)
	(4,671)	(4,073)	(4,863)	Total before tax
	1,168	918	1,827	Income taxes
	(3,503)	(3,155)	(3,036)	Net of tax
Total reclassifications	$ (4,722)	$ (1,741)	$ 159	Net of tax

(a) These items are included in the computation of net periodic pension cost. See Note 15 Employee Benefit Plans for additional information.

The following table presents changes in each component of accumulated comprehensive income/(loss) as of December 28, 2019 as follows (in thousands):

	Fiscal Year Ended December 28, 2019			
	Foreign Currency Translation	Derivative Instruments	Defined Benefit Pension Plans	Total
Accumulated Other Comprehensive Income/(loss) December 29, 2018, attributable to Darling, net of tax	$ (270,081)	$ 1,081	$ (35,539)	$ (304,539)
Other comprehensive loss before reclassifications	(11,934)	(7,805)	(1,968)	(21,707)
Amounts reclassified from accumulated other comprehensive income	—	1,219	3,503	4,722
Net current-period other comprehensive income/(loss)	(11,934)	(6,586)	1,535	(16,985)
Noncontrolling interest	323	—	—	323
Accumulated Other Comprehensive loss December 28, 2019, attributable to Darling, net of tax	$ (282,338)	$ (5,505)	$ (34,004)	$ (321,847)

NOTE 15. EMPLOYEE BENEFIT PLANS

The Company has retirement and pension plans covering a substantial number of its domestic and foreign employees. Most retirement benefits are provided by the Company under separate final-pay noncontributory and contributory defined benefit and defined contribution plans for all salaried and hourly employees (excluding those covered by union-sponsored plans) who meet service and age requirements. Although various defined benefit formulas exist for employees, generally these are based on length of service and earnings patterns during employment. Effective January 1, 2012, the Company's Board of Directors authorized the Company to proceed with the restructuring of its domestic retirement benefit program to include the closing of Darling's domestic salaried and hourly defined benefit plans to new participants as well as the freezing of service and wage accruals thereunder effective December 31, 2011 (a curtailment of these plans for financial reporting purposes) and the enhancing of benefits under the Company's domestic defined contribution plans. The Company-sponsored domestic hourly union plan has not been curtailed; however, several locations of the Company-sponsored domestic hourly union plan have been curtailed as a result of collective bargaining renewals for those sites.

The Company maintains defined contribution plans both domestically and at its foreign entities. The Company's matching portion and annual employer contributions to the Company's domestic defined contribution plans for fiscal 2019, 2018 and 2017 were approximately $10.6 million, $10.1 million and $9.6 million, respectively. The Company's matching portion and annual employer contributions to the Company's foreign defined contribution plans for fiscal 2019, 2018 and 2017 were approximately $8.4 million, $7.8 million and $7.5 million, respectively.

The Company recognizes the over-funded or under-funded status of the Company's defined benefit post-retirement plans as an asset or liability in the Company's balance sheet, with changes in the funded status recognized through comprehensive income in the year in which they occur. The Company uses the month-end date of December 31 as the measurement date for all of the Company's defined benefit plans, which is the closest month-end to the Company's fiscal year-end. The following table sets forth the plans' funded status for the Company's domestic and foreign defined benefit plans and amounts recognized in the Company's Consolidated Balance Sheets based on the measurement date (December 31, 2019 and December 31, 2018) (in thousands):

	December 28, 2019	December 29, 2018
Change in projected benefit obligation:		
Projected benefit obligation at beginning of period	$ 190,666	$ 204,728
Service cost	2,696	3,064
Interest cost	6,828	6,443
Employee contributions	368	410
Actuarial loss/(gain)	20,927	(12,235)
Benefits paid	(8,120)	(7,799)
Effect of curtailment	(43)	(474)
Effect of settlement	(903)	(280)
Other	(154)	(3,191)
Projected benefit obligation at end of period	212,265	190,666
Change in plan assets:		
Fair value of plan assets at beginning of period	133,861	150,517
Actual return on plan assets	26,014	(11,922)
Employer contributions	4,343	4,538
Employee contributions	368	410
Benefits paid	(8,120)	(7,799)
Effect of settlement	(903)	(331)
Other	139	(1,552)
Fair value of plan assets at end of period	155,702	133,861
Funded status	(56,563)	(56,805)
Net amount recognized	$ (56,563)	$ (56,805)
Amounts recognized in the consolidated balance sheets consist of:		
Current liability	$ (1,072)	$ (1,173)
Noncurrent liability	(55,491)	(55,632)
Net amount recognized	$ (56,563)	$ (56,805)
Amounts recognized in accumulated other comprehensive loss consist of:		
Net actuarial loss	$ 45,062	$ 47,501
Prior service cost	295	351
Net amount recognized (a)	$ 45,357	$ 47,852

(a) Amounts do not include deferred taxes of $11.4 million and $12.3 million at December 28, 2019 and December 29, 2018, respectively.

The amounts included in "Other" in the above table reflect the impact of foreign exchange translation for plans in Brazil, Belgium, Canada, France, Germany, Japan, Netherlands and United Kingdom. The Company's domestic pension plan benefits comprise approximately 73% and 74% of the projected benefit obligation for fiscal 2019 and fiscal 2018, respectively. Additionally, the Company has made required and tax deductible discretionary contributions to its domestic pension plans in fiscal 2019 and fiscal 2018 of approximately $0.9 million and $1.0 million, respectively. The Company made required and tax deductible discretionary contributions to its foreign pension plans in fiscal 2019 and fiscal 2018 of approximately $3.4 million and $ 3.5 million, respectively.

	December 28, 2019	December 29, 2018
Projected benefit obligation	$ 212,265	$ 190,666
Accumulated benefit obligation	201,708	181,642
Fair value of plan assets	155,702	133,861

The Company's service cost component of net periodic pension cost is included in compensation costs while all components of net periodic pension cost other than the service cost component are included in the line item “Other expense, net” in the Company's Consolidated Statements of Operations.

Net pension cost includes the following components (in thousands):

	December 28, 2019	December 29, 2018	December 30, 2017
Service cost	$ 2,696	$ 3,064	$ 3,043
Interest cost	6,828	6,443	6,711
Expected return on plan assets	(7,270)	(8,226)	(7,181)
Net amortization and deferral	4,605	3,578	4,821
Curtailment	(33)	(263)	—
Settlement	66	47	42
Net pension cost	$ 6,892	$ 4,643	$ 7,436

Amounts recognized in accumulated other comprehensive income (loss) for the year ended (in thousands):

	2019	2018
Actuarial (loss)/gain recognized:		
Reclassification adjustments	$ 3,428	$ 2,633
Actuarial (loss)/gain recognized during the period	(1,991)	(5,886)
Amortization of settlement	50	(2)
Amortization of curtailment	—	498
Prior service (cost) credit recognized:		
Reclassification adjustments	25	26
Prior service cost arising during the period	7	(8)
Other	16	9
	$ 1,535	$ (2,730)

The estimated amount that will be amortized from accumulated other comprehensive loss into net periodic pension cost in fiscal 2020 is as follows (in thousands):

	2020
Net actuarial loss	$ 3,417
Prior service cost	33
	$ 3,450

Weighted average assumptions used to determine benefit obligations were:

	December 28, 2019	December 29, 2018	December 30, 2017
Discount rate	2.77%	3.68%	3.40%
Rate of compensation increase	0.40%	0.42%	0.38%

Weighted average assumptions used to determine net periodic benefit cost for the employee benefit pension plans were:

	December 28, 2019	December 29, 2018	December 30, 2017
Discount rate	3.33%	2.30%	3.49%
Rate of increase in future compensation levels	0.42%	0.36%	0.43%
Expected long-term rate of return on assets	6.13%	6.13%	6.17%

Consideration was made to the long-term time horizon for the (U.S. and Canada's) plans' benefit obligations as well as the related asset class mix in determining the expected long-term rate of return. Historical returns are also considered, over the long-term time horizon, in determining the expected return. Considering the overall asset mix of approximately 60% equity and 40% fixed income with equity exposure on a declining trend since the implementation of the glide path for two of the U.S. plans, the Company believes it is reasonable to expect a long-term rate of return of 6.4% for the (U.S. and Canada's) plans' investments as a whole. The remaining foreign plans' assets are principally invested under insurance contracts arrangements which have weighted average expected long-term rate of returns of 3.3%.

The investment objectives have been established in conjunction with a comprehensive review of the current and projected financial requirements. The primary investment objectives are: 1) to have the ability to pay all benefit and expense obligations when due; 2) to maximize investment returns within reasonable and prudent levels of risk in order to minimize contributions; and 3) to maintain flexibility in determining the future level of contributions.

Investment results and changing discount rates are the most critical elements in achieving funding objectives; however, contributions are used as a supplemental source of funding as deemed appropriate.

The investment guidelines are based upon an investment horizon of greater than ten years; therefore, interim fluctuations are viewed with this perspective. The strategic asset allocation is based on this long-term perspective and the plans' funded status. However, because the participants' average age is somewhat older than the typical average plan age, consideration is given to retaining some short-term liquidity. Analysis of the cash flow projections of the plans indicates that benefit payments will continue to exceed contributions. The results of a thorough asset-liability study completed during 2012 established a dynamic asset allocation glide path (the "Glide Path") by which the U.S. plans' asset allocations are determined. The Glide Path designates intervals based on funded status which contain a corresponding allocation to equities/real assets and fixed income. As the U.S. plans' funded status improves, the allocations become more conservative, and the opposite is true when the funded status declines.

Fixed Income	35% - 80%
Equities	20% - 65%

The equity allocation is invested in stocks traded on one of the U.S. stock exchanges or in foreign companies whose stock is traded outside the U.S. and/or companies that conduct the major portion of their business outside the U.S. Securities convertible into such stocks, convertible bonds and preferred stock, may also be purchased. The portfolio may invest in American Depository Receipts ("ADR"). The majority of the equities are invested in mutual funds that are well-diversified among growth and value stocks, as well as large, mid, and small cap assets. This mix is balanced based on the understanding that large cap stocks are historically less volatile than small cap stocks: however, smaller cap stocks have historically outperformed larger cap stocks. The emerging markets portion of the equity allocation is held below 10% due to greater volatility in the asset class. Risk adjusted returns are the primary driver of allocation choices within these asset classes. The portfolio is well-diversified in terms of companies, industries and countries.

The diversified asset portion of the allocation will invest in securities with a goal to outpace inflation and preserve their value. The securities in this allocation may consist of inflation-indexed bonds, securities of real estate companies, commodity index-linked notes, fixed-income securities, securities of natural resource companies, master limited partnerships, publicly-listed infrastructure companies, and floating rate debt.

All investment objectives are expected to be achieved over a market cycle anticipated to be a period of five to seven years. Reallocations are performed on a monthly basis to retain target allocation ranges. On a quarterly basis the plans' funded status will be recalculated to determine which Glide Path interval allocation is appropriate.

The following table presents fair value measurements for the Company's defined benefit plans' assets as categorized using the fair value hierarchy under FASB authoritative guidance (in thousands):

(In thousands of dollars)	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Balances as December 29, 2018				
Fixed Income:				
Long Term	$ 21,670	$ 21,670	$ —	$ —
Short Term	2,032	2,032	—	—
Equity Securities:				
Domestic equities	37,223	37,223	—	—
International equities	24,714	24,714	—	—
Insurance contracts	9,636	—	6,299	3,337
Total categorized in fair value hierarchy	95,275	85,639	6,299	3,337
Other investments measured at NAV	38,586			
Totals	$ 133,861	$ 85,639	$ 6,299	$ 3,337
Balances as December 28, 2019				
Fixed Income:				
Long Term	$ 16,154	$ 16,154	$ —	$ —
Short Term	3,448	3,448	—	—
Equity Securities:				
Domestic equities	52,420	52,420	—	—
International equities	32,167	32,167	—	—
Insurance contracts	10,266	—	5,792	4,474
Total categorized in fair value hierarchy	114,455	104,189	5,792	4,474
Other investments measured at NAV	41,247			
Totals	$ 155,702	$ 104,189	$ 5,792	$ 4,474

The majority of the U.S. and Canada plan pension assets are invested in mutual funds; however, some assets are invested in pooled separate accounts ("PSA") which have similar mutual fund counterparts. PSA accounts are generally used to access lower fund management expenses when compared to their mutual fund counterparts. The mutual funds are generally invested in institutional shares, retirement shares, or A-shares with no loads. The fair value of each mutual fund and PSA is based on the market value of the underlying investments. The U.S. pension plans PSA for fiscal 2019 and fiscal 2018 utilized net asset value ("NAV") per share (or its equivalent) to measure its investments, as a practical expedient in accordance with ASC Topic 820, *Fair Value Measurements* and have not been classified in the fair value hierarchy in the above table. The majority of the foreign pension assets are held under insurance contracts where the investment risk for the accumulated benefit obligation rests with the insurer, which the Company has no specific detailed asset information.

The fair value measurement of plan assets using significant unobservable inputs (level 3) changed due to the following:

(in thousands of dollars)	Insurance Contracts
Balance as of December 30, 2017	$ 3,375
Unrealized gains relating to instruments still held in the reporting period.	114
Purchases, sales, and settlements	—
Exchange rate changes	(152)
Balance as of December 29, 2018	3,337
Unrealized gains relating to instruments still held in the reporting period.	1,168
Purchases, sales, and settlements	—
Exchange rate changes	(31)
Balance as of December 28, 2019	$ 4,474

Contributions

The Company's funding policy for employee benefit pension plans is to contribute annually not less than the minimum amount required nor more than the maximum amount that can be deducted for federal income tax purposes. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

Based on current actuarial estimates, the Company expects to make payments of approximately $4.8 million to meet funding requirements for its domestic and foreign pension plans in fiscal 2020.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

Year Ending	Pension Benefits
2020	$ 10,546
2021	10,498
2022	10,754
2023	10,675
2024	11,892
Years 2025 – 2029	64,147

Multiemployer Pension Plans

The Company participates in various multiemployer pension plans which provide defined benefits to certain employees covered by labor contracts in the United States. These plans are not administered by the Company and contributions are determined in accordance with provisions of negotiated labor contracts to meet their pension benefit obligations to their participants. The FASB issued guidance requiring companies to provide additional disclosures related to individually significant multiemployer pension plans. The Company's contributions to each individual multiemployer plan represent less than 5% of the total contributions to each such plan. Based on the most currently available information, the Company has determined that, if a withdrawal were to occur, withdrawal liabilities on two of the plans in which the Company currently participates could be material to the Company. The following table provides more detail on these significant multiemployer plans (contributions in thousands):

Pension Fund	**EIN Pension Plan Number**	**Pension Protection Act Zone Status**		**FIP/RP Status Pending/ Implemented**	**Contributions**			**Expiration Date of Collective Bargaining Agreement**
		2019	**2018**		**2019**	**2018**	**2017**	
Western Conference of Teamsters Pension Plan	91-6145047 / 001	Green	Green	No	$ 1,514	$ 1,505	$ 1,524	December 2023 (b)
Central States, Southeast and Southwest Areas Pension Plan (a)	36-6044243 / 001	Red	Red	Yes	916	978	968	August 2022 (c)
All other multiemployer plans					1,196	1,064	980	
		Total Company Contributions			$ 3,626	$ 3,547	$ 3,472	

(a) In July 2005 this plan received a 10 year extension from the IRS for amortizing unfunded liabilities. In April 2016 the IRS approved a modification of the amortization extension.

(b) The Company has several plants that participate in the Western Conference of Teamsters Pension Plan under collective bargaining agreements that require minimum funding contributions. The agreements have expiration dates through December 31, 2023.

(c) The Company has several processing plants that participate in the Central States, Southeast and Southwest Areas Pension Plan under collective bargaining agreements that require minimum funding contributions. Certain of these agreements have expired and are being renegotiated with others having expiration dates through August 2, 2022.

With respect to the other multiemployer pension plans in which the Company participates and which are not individually significant, five plans have certified as critical or red zone, two plan have certified as endangered or yellow zone, as defined by the Pension Protection Act of 2006. The Company's portion of contributions to all plans amounted to $3.6 million, $3.5 million and $3.5 million for the years ended December 28, 2019, December 29, 2018 and December 30, 2017, respectively.

The Company has received notices in prior years of withdrawal liability from five U.S. multiemployer plans in which it participated. As of December 28, 2019, the Company has an aggregate accrued liability of approximately $6.0 million representing the present value of scheduled withdrawal liability payments under these multiemployer plans. While the Company has no ability to calculate a possible current liability for under-funded multiemployer plans that could terminate or could require additional funding under the Pension Protection Act of 2006, the amounts could be material.

NOTE 16. DERIVATIVES

The Company’s operations are exposed to market risks relating to commodity prices that affect the Company’s cost of raw materials, finished product prices and energy costs and the risk of changes in interest rates and foreign currency exchange rates.

The Company makes limited use of derivative instruments to manage cash flow risks related natural gas usage, diesel fuel usage, inventory, forecasted sales and foreign currency exchange rates. The Company does not use derivative instruments for trading purposes. Natural gas swaps and options are entered into with the intent of managing the overall cost of natural gas usage by reducing the potential impact of seasonal weather demands on natural gas that increases natural gas prices. Heating oil swaps and options are entered into with the intent of managing the overall cost of diesel fuel usage by reducing the potential impact of seasonal weather demands on diesel fuel that increases diesel fuel prices. Corn options and future contracts are entered into with the intent of managing forecasted sales of BBP by reducing the impact of changing prices. Foreign currency forward contracts are entered into to mitigate the foreign exchange rate risk for transactions designated in a currency other than the local functional currency. At December 28, 2019, the Company had foreign currency option and forward contracts and corn option contracts outstanding that qualified and were designated for hedge accounting as well as corn forward contracts and foreign currency forward contracts that did not qualify and were not designated for hedge accounting.

Entities are required to report all derivative instruments in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, on the reason for holding the instrument. If certain conditions are met, entities may elect to designate a derivative instrument as a hedge of exposures to changes in fair value, cash flows or foreign currencies. If the hedged exposure is a cash flow exposure, the gain or loss on the derivative instrument is reported initially as a component of other comprehensive income (outside of earnings) and is subsequently reclassified into earnings when the forecasted transaction affects earnings. Any amounts excluded from the assessment of hedge effectiveness are reported in earnings immediately. If the derivative instrument is not designated as a hedge, the gain or loss is recognized in earnings in the period of change.

Cash Flow Hedges

In fiscal 2018 and fiscal 2019, the Company entered into foreign exchange option and forward contracts that are considered cash flow hedges. Under the terms of the foreign exchange contracts, the Company hedged a portion of its forecasted collagen sales in currencies other than the functional currency through the fourth quarter of fiscal 2022. As of December 28, 2019, the contract positions and activity are not significant to the Company. At December 28, 2019 and December 29, 2018, the aggregate fair value of these foreign exchange contracts was approximately $1.3 million and $1.6 million, respectively. The December 28, 2019 amounts are included in other current assets, other noncurrent assets and accrued expenses on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

In fiscal 2019, the Company entered into corn option contracts that are considered cash flow hedges. Under the terms of the corn option contracts the Company hedged a portion of its forecasted sales of BBP into the second quarter of fiscal 2020. At December 28, 2019, the aggregate fair value of the corn contracts was $0.4 million. As of December 29, 2018 there were no outstanding amounts. The amounts are included in other current assets on the balance sheet.

As of December 28, 2019, the Company had the following outstanding forward contract amounts that were entered into to hedge the future payments of intercompany note transactions, foreign currency transactions in currencies other than the functional currency and forecasted transactions in currencies other than the functional currency (in thousands):

Functional Currency		Contract Currency	
Type	**Amount**	**Type**	**Amount**
Brazilian real	45,908	Euro	9,983
Brazilian real	1,106,077	U.S. Dollar	308,320
Euro	71,203	U.S. Dollar	79,664
Euro	26,943	Polish zloty	115,500
Euro	5,159	Japanese yen	624,510
Euro	21,074	Chinese renminbi	166,146
Euro	13,441	Australian dollar	21,850
Euro	6,905	British pound	5,930
Polish zloty	26,647	Euro	6,233
British pound	94	Euro	113
Japanese yen	204,824	U.S. dollar	1,909
U.S. dollar	705	Japanese yen	77,000
U.S. dollar	49,833	Euro	45,000
Australian dollar	432	Euro	267

The Company estimates the amount that will be reclassified from accumulated other comprehensive loss at December 28, 2019 into earnings over the next 12 months will be approximately $3.1 million. As of December 28, 2019, no amounts have been reclassified into earnings as a result of the discontinuance of cash flow hedges.

The table below summarizes the effect of derivatives not designated as hedges on the Company's consolidated statements of operations for the year ended December 28, 2019, December 29, 2018 and December 30, 2017 (in thousands):

		Loss or (Gain) Recognized in Income on Derivatives Not Designated as Hedges		
		For The Year Ended		
Derivatives not designated as hedging instruments	Location	December 28, 2019	December 29, 2018	December 30, 2017
Foreign exchange	Foreign currency loss/(gain)	$ 1,565	$ (2,160)	$ 13,460
Foreign exchange	Net sales	903	2,806	—
Foreign exchange	Cost of sales and operating expenses	(452)	(1,005)	—
Foreign exchange	Selling, general and administrative expense	1,649	3,040	(2,763)
Corn options and futures	Net sales	670	683	212
Corn options and futures	Cost of sales and operating expenses	(1,636)	(543)	(1,659)
Natural gas and heating oil swaps and options	Cost of sales and operating expenses	(506)	1,031	—
Heating oil swaps and options	Net sales	—	—	492
Soybean meal	Net sales	—	—	(405)
Soybean oil	Net sales	—	—	45
Total		$ 2,193	$ 3,852	$ 9,382

At December 28, 2019, the Company had forward purchase agreements in place for purchases of approximately $43.5 million of natural gas and diesel fuel. These forward purchase agreements have no net settlement provisions and the Company intends to take physical delivery. Accordingly, the forward purchase agreements are not subject to the requirements of fair value accounting because they qualify as normal purchases as defined.

NOTE 17. FAIR VALUE MEASUREMENT

FASB authoritative guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements including guidance related to nonrecurring measurements of nonfinancial assets and liabilities.

The following tables presents the Company's financial instruments that are measured at fair value on a recurring and nonrecurring basis as of December 28, 2019 and December 29, 2018 and are categorized using the fair value hierarchy under FASB authoritative guidance. The fair value hierarchy has three levels based on the reliability of the inputs used to determine the fair value.

		Fair Value Measurements at December 28, 2019 Using		
(In thousands of dollars)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Derivative assets	$ 4,140	$ —	$ 4,140	$ —
Total Assets	4,140	—	4,140	—
Liabilities				
Derivative liabilities	1,593	—	1,593	—
5.25% Senior Notes	531,850	—	531,850	—
3.625% Senior Notes	605,327	—	605,327	—
Term Loan B	497,475	—	497,475	—
Revolver	38,805	—	38,805	—
Total Liabilities	$ 1,675,050	$ —	$ 1,675,050	$ —

		Fair Value Measurements at December 29, 2018 Using		
(In thousands of dollars)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Derivative assets	$ 4,307	$ —	$ 4,307	$ —
Total Assets	4,307	—	4,307	—
Liabilities				
Derivative liabilities	3,235	—	3,235	—
5.375% Senior Notes	495,000	—	495,000	—
3.625% Senior Notes	585,303	—	585,303	—
Term Loan A	67,739	—	67,739	—
Term Loan B	492,525	—	492,525	—
Revolver	31,623	—	31,623	—
Total Liabilities	$ 1,675,425	$ —	$ 1,675,425	$ —

Derivative assets and liabilities consist of the Company's corn option and future contracts, foreign currency contracts, natural gas swap contracts and heating oil swap contracts which represent the difference between the observable market rates of commonly quoted intervals for similar assets and liabilities in active markets and the fixed swap rate considering the instrument’s term, notional amount and credit risk. See Note 16 Derivatives for discussion on the Company's derivatives.

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates fair value due to the short maturity of these instruments and as such have been excluded from the table above. The carrying amount for the Company's other debt is not deemed to be significantly different than the fair value and all other instruments have been recorded at fair value.

The fair value of the senior notes, term loan A, term loan B and revolver debt is based on market quotation from third-party banks.

NOTE 18. ASSET IMPAIRMENT, EXIT AND RESTRUCTURING COSTS

In the second quarter of fiscal 2018, management decided to permanently shut down the Company's Hurlingham, Argentina collagen plant. As of December 29, 2018, the Company has incurred restructuring and asset impairment charges of approximately $15.0 million, which includes employee termination charges of approximately $8.4 million, asset impairment charges of approximately $2.9 million and other factory and operational restructuring charges of approximately $3.7 million.

NOTE 19. CONCENTRATION OF CREDIT RISK

Concentration of credit risk is limited due to the Company's diversified customer base and the fact that the Company sells commodities. No single customer accounted for more than 10% of the Company’s net sales in fiscal years 2019, 2018 and 2017.

NOTE 20. CONTINGENCIES

The Company is a party to various lawsuits, claims and loss contingencies arising in the ordinary course of its business, including insured worker's compensation, auto, and general liability claims, assertions by certain regulatory and governmental agencies related to permitting requirements and/or air, wastewater and storm water discharges from the Company's processing facilities, litigation involving tort, contract, statutory, labor, employment, and other claims, and tax matters.

The Company’s workers compensation, auto and general liability policies contain significant deductibles or self-insured retentions. The Company estimates and accrues its expected ultimate claim costs related to accidents occurring during each fiscal year under these insurance policies and carries this accrual as a reserve until these claims are paid by the Company.

As a result of the matters discussed above, the Company has established loss reserves for insurance, environmental, litigation and tax contingencies. At December 28, 2019 and December 29, 2018, the reserves for insurance, environmental, litigation and tax contingencies reflected on the balance sheet in accrued expenses and other non-current liabilities were approximately $70.5 million and $66.6 million, respectively. The Company has insurance recovery receivables of approximately $26.2 million and $26.1 million, as of December 28, 2019 and December 29, 2018, related to the insurance contingencies. The Company's management believes these reserves for contingencies are reasonable and sufficient based upon present governmental regulations and information currently available to management; however, there can be no assurance that final costs related to these contingencies will not exceed current estimates. The Company believes that the likelihood is remote that any additional liability from the lawsuits and claims that may not be covered by insurance would have a material effect on the Company's financial position, results of operations or cash flows.

Lower Passaic River Area. In December 2009, the Company, along with numerous other entities, received notice from the United States Environmental Protection Agency (“EPA”) that the Company (as alleged successor-in-interest to The Standard Tallow Corporation) is considered a potentially responsible party (a “PRP”) with respect to alleged contamination in the lower 17-mile area of the Passaic River which is part of the Diamond Alkali Superfund Site located in Newark, New Jersey. The Company’s designation as a PRP is based upon the operation of former plant sites located in Newark and Kearny, New Jersey by The Standard Tallow Corporation, an entity that the Company acquired in 1996. In the letter, EPA requested that the Company join a group of other parties in funding a remedial investigation and feasibility study at the site. As of the date of this report, the Company has not agreed to participate in the funding group. In March 2016, the Company received another letter from EPA notifying the Company that it had issued a Record of Decision the (“ROD”) selecting a remedy for the lower 8.3 miles of the lower Passaic River area at an estimated cost of $1.38 billion. The EPA letter makes no demand on the Company and lays out a framework for remedial design/remedial action implementation in which the EPA will first seek funding from major PRPs. The letter indicates that the EPA has sent the letter to over 100 parties, which include large chemical and refining companies, manufacturing companies, foundries, plastic companies, pharmaceutical companies and food and consumer product companies. The EPA has already offered early cash out settlements to 20 of the other PRPs and has stated that other parties who did not discharge any of the eight contaminants of concern identified in the ROD (the “COCs”) may also be eligible for cash out settlements and conducted a settlement analysis using a third-party allocator. The Company participated in this allocation process as it asserts that it is not responsible for any liabilities of its former subsidiary The Standard Tallow Corporation, which was legally dissolved in 2000, and that, in any event, The Standard Tallow Corporation did not discharge any of the COCs. In November 2019, the Company received a cash out settlement offer from the EPA in the amount of $0.6 million ($0.3 million for each of the former plant sites in question) for liabilities relating to the lower 8.3 miles of the lower Passaic River area. The Company has accepted this settlement offer, which is now subject to the EPA's administrative approval process, which includes publication and a public comment period. On September 30, 2016, Occidental Chemical Corporation ("OCC") entered into an agreement with the EPA to perform the remedial design for the cleanup plan for the lower 8.3 miles of the Passaic River. On June 30, 2018, OCC filed a complaint in the United States District Court for the District of New Jersey against over 100 companies, including the Company, seeking cost recovery or contribution for costs under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") relating to various investigations and cleanups OCC has conducted or is conducting in connection with the Passaic River. According to the complaint, OCC has incurred or is incurring costs which include the estimated cost to complete the remedial design for the cleanup plan for the lower 8.3 miles of the Passaic River. OCC is also seeking a declaratory judgment to hold the defendants liable for their proper shares of future response costs, including the remedial action for the lower 8.3 miles of the Passaic River. The Company, along with 40 of the other defendants, had previously received a release from OCC of its CERCLA contribution claim of $165 million associated with the costs to design the remedy for the lower 8.3 miles of the Passaic River. Furthermore, in the event the settlement with the EPA described above is consummated, it could preclude certain of the claims alleged by OCC against the Company. The Company's ultimate liability, if any, for investigatory costs, remedial costs and/or natural resource damages in connection with the lower Passaic River area cannot be determined at this time; however, as of the date of this report, the Company has found no definitive evidence that the former Standard Tallow Corporation plant sites contributed any of the COCs to the Passaic River and, therefore, there is nothing that leads the Company to believe that this matter will have a material effect on the Company's financial position, results of operations or cash flows.

NOTE 21. BUSINESS SEGMENTS

The Company sells its products domestically and internationally and operates within three industry segments: Feed Ingredients, Food Ingredients and Fuel Ingredients. The measure of segment profit (loss) includes all revenues, operating expenses (excluding certain amortization of intangibles), and selling, general and administrative expenses incurred at all operating locations and excludes general corporate expenses.

Included in corporate activities are general corporate expenses and the amortization of intangibles. Assets of corporate activities include cash, unallocated prepaid expenses, deferred tax assets, prepaid pension, and miscellaneous other assets.

Feed Ingredients
Feed Ingredients consists principally of (i) the Company's U.S. ingredients business, including the Company's fats and proteins, used cooking oil, trap grease, the Rothsay ingredients business, and the ingredients and specialty products businesses conducted by Darling Ingredients International under the Sonac name (proteins, fats, and plasma products) and (ii) the Company's bakery residuals business. Feed Ingredients operations process animal by-products and used cooking oil into fats, proteins and hides.

Food Ingredients
Food Ingredients consists principally of (i) the collagen business conducted by Darling Ingredients International under the Rousselot name, (ii) the natural casings and meat-by-products business conducted by Darling Ingredients International under the CTH name and (iii) certain specialty products businesses conducted by Darling Ingredients International under the Sonac name.

Fuel Ingredients
The Company's Fuel Ingredients segment consists of (i) the Company's investment in the DGD Joint Venture (ii) the Company's biofuel business conducted under the Dar Pro® and Rothsay names and (iii) the bioenergy business conducted by Darling Ingredients International under the Ecoson and Rendac names.

Business Segments (in thousands):

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended December 28, 2019					
Net Sales	$ 1,970,561	$ 1,119,085	$ 274,259	$ —	$ 3,363,905
Cost of sales and operating expenses	1,519,596	864,618	204,871	—	2,589,085
Gross Margin	450,965	254,467	69,388	—	774,820
Loss (gain) on sale of assets	(7,720)	(13,175)	313	—	(20,582)
Selling, general and administrative expense	200,487	97,363	2,762	57,911	358,523
Depreciation and amortization	203,456	79,671	31,946	10,437	325,510
Equity in net income of Diamond Green Diesel	—	—	364,452	—	364,452
Segment operating income/(loss)	54,742	90,608	398,819	(68,348)	475,821
Equity in net income of other unconsolidated subsidiaries	428	—	—	—	428
Segment income/(loss)	55,170	90,608	398,819	(68,348)	476,249
Total other expense					(95,815)
Income before income taxes					$ 380,434
Segment assets at December 28, 2019	$ 2,653,363	$ 1,345,526	$ 1,087,701	$ 258,668	$ 5,345,258

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended December 29, 2018					
Net Sales	$ 1,952,555	$ 1,139,126	$ 296,045	$ —	$ 3,387,726
Cost of sales and operating expenses	1,497,973	918,141	230,260	—	2,646,374
Gross Margin	454,582	220,985	65,785	—	741,352
Loss/(gain) on sale of assets	725	(282)	266	—	709
Selling, general and administrative expense	176,722	91,546	(4,770)	45,766	309,264
Restructuring and impairment charges	—	14,965	—	—	14,965
Depreciation and amortization	194,292	80,988	34,981	10,931	321,192
Equity in net income of Diamond Green Diesel	—	—	159,779	—	159,779
Segment operating income/(loss)	82,843	33,768	195,087	(56,697)	255,001
Equity in net loss of unconsolidated subsidiaries	(550)	—	—	—	(550)
Segment income/(loss)	82,293	33,768	195,087	(56,697)	254,451
Total other expense					(136,476)
Income before income taxes					$ 117,975
Segment assets at December 29, 2018	$ 2,566,106	$ 1,401,291	$ 761,817	$ 160,140	$ 4,889,354

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Fiscal Year Ended December 30, 2017					
Net Sales	$ 2,239,492	$ 1,156,976	$ 265,783	$ —	$ 3,662,251
Cost of sales and operating expenses	1,744,990	920,165	210,525	—	2,875,680
Gross Margin	494,502	236,811	55,258	—	786,571
Loss/(gain) on sale of assets	(358)	218	(97)	—	(237)
Selling, general and administrative expense	178,347	104,644	10,355	50,156	343,502
Depreciation and amortization	184,172	75,010	31,019	11,899	302,100
Equity in net income of Diamond Green Diesel	—	—	28,239	—	28,239
Segment operating income/(loss)	132,341	56,939	42,220	(62,055)	169,445
Equity in net income of unconsolidated subsidiaries	265	—	—	—	265
Segment income/(loss)	132,606	56,939	42,220	(62,055)	169,710
Total other expense					(105,510)
Income before income taxes					$ 64,200

Business Segment Property, Plant and Equipment (in thousands):

	December 28, 2019	December 29, 2018	December 30, 2017
Depreciation and amortization:			
Feed Ingredients	$ 203,456	$ 194,292	$ 184,172
Food Ingredients	79,671	80,988	75,010
Fuel Ingredients	31,946	34,981	31,019
Corporate Activities	10,437	10,931	11,899
Total	$ 325,510	$ 321,192	$ 302,100
Capital expenditures:			
Feed Ingredients	$ 229,415	$ 237,215	$ 191,953
Food Ingredients	85,501	51,659	50,099
Fuel Ingredients	23,964	27,121	24,707
Corporate Activities	20,618	5,901	7,409
Total (a)	$ 359,498	$ 321,896	$ 274,168

(a) Excludes capital assets acquired by acquisition in fiscal 2018 of approximately $31.6 million and excludes immaterial capital assets acquired by acquisition in fiscal 2017.

Long-lived assets related to the Company's operations in North America, Europe, China, South American and other were as follows (in thousands):

	FY 2019	FY 2018
	Long-Lived Assets	Long-Lived Assets
North America	$ 2,991,537	$ 2,562,389
Europe	1,228,807	1,219,084
China	124,874	136,711
South America	73,477	64,916
Other	9,275	8,312
Total	$ 4,427,970	$ 3,991,412

NOTE 22. REVENUE

On December 31, 2017, the Company adopted ASU No. 2014-09, Revenue from Contracts with Customers (“Topic 606”), using the modified retrospective basis. Results for reporting periods beginning December 31, 2017 are presented under Topic 606, while prior periods are not adjusted and continue to be reported in accordance with the Company's historic accounting under Revenue Recognition (Topic 605). The adoption did not change the timing of revenue recognition as the Company's revenues have been determined to be recognized at a point in time and not over time. The Company elected not to capitalize contract fulfillment costs as the recovery of such costs are for a period of less than one year's time and are not material to the Company. At December 28, 2019, there were no contract assets recorded on the Consolidated Balance sheets. Also, the Company elected to treat shipping and handling as fulfillment costs under Topic 606, which will result in billed freight recorded in cost of sales and netted against freight costs. Sales, value-add, and other taxes collected concurrently with revenue-producing activities are excluded from revenue and booked on a net basis.

The Company extends payment terms to its customers based on commercially acceptable practices. The term between invoicing and payment due date is not significant. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring finished products or performing services, which is generally based on executed agreement or purchase order.

Most of the Company's products are shipped based on the customer specifications. Customer returns are infrequent and not material to the Company. Adjustments to net sales for sales deductions are generally recognized in the same period as the sale or when known. Customers in certain industries or countries may be required to prepay prior to shipment in order to maintain payment protection. These represent short-term prepayment from customers and are not material to the Company.

The following table summarizes the impact of adopting Topic 606 on the Company's consolidated financial statements for the year ended December 28, 2019 (in thousands):

	Impact of changes in accounting policies		
	As reported	Adjustments	Balances without adoption of Topic 606
Year Ended December 28, 2019			
Net sales	$ 3,363,905	184,835	3,548,740
Cost of sale and operating expenses	$ 2,589,085	184,835	2,773,920
Year Ended December 29, 2018			
Net sales	$ 3,387,726	177,726	$ 3,565,452
Cost of sales and operating expenses	$ 2,646,374	177,726	$ 2,824,100

The following tables presents the Company revenues disaggregated by geographic area and major product types by reportable segment for the years ended December 28, 2019, December 29, 2018 and December 30, 2017 (in thousands):

	Year Ended December 28, 2019			
	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total
Geographic Area				
North America	$ 1,635,382	$ 214,623	$ 39,568	$ 1,889,573
Europe	309,097	609,999	234,691	1,153,787
China	16,342	178,283	—	194,625
South America	—	51,168	—	51,168
Other	9,740	65,012	—	74,752
Net sales	$ 1,970,561	$ 1,119,085	$ 274,259	$ 3,363,905
Major product types				
Fats	$ 584,336	$ 133,898	$ —	$ 718,234
Used cooking oil	185,705	—	—	185,705
Proteins	791,284	—	—	791,284
Bakery	191,551	—	—	191,551
Other rendering	167,870	—	—	167,870
Food ingredients	—	894,761	—	894,761
Bioenergy	—	—	234,691	234,691
Biofuels	—	—	39,568	39,568
Other	49,815	90,426	—	140,241
Net sales	$ 1,970,561	$ 1,119,085	$ 274,259	$ 3,363,905

	Year Ended December 29, 2018			
	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total
Geographic Area				
North America	$ 1,586,930	$ 181,213	$ 48,858	$ 1,817,001
Europe	329,341	648,933	247,187	1,225,461
China	28,288	182,369	—	210,657
South America	—	53,206	—	53,206
Other	7,996	73,405	—	81,401
Net sales	$ 1,952,555	$ 1,139,126	$ 296,045	$ 3,387,726
Major product types				
Fats	$ 564,790	$ 163,815	$ —	$ 728,605
Used cooking oil	166,634	—	—	166,634
Proteins	842,878	—	—	842,878
Bakery	180,227	—	—	180,227
Other rendering	129,273	—	—	129,273
Food ingredients	—	886,042	—	886,042
Bioenergy	—	—	247,187	247,187
Biofuels	—	—	48,858	48,858
Other	68,753	89,269	—	158,022
Net sales	$ 1,952,555	$ 1,139,126	$ 296,045	$ 3,387,726

	Year Ended December 30, 2017 (a)			
	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total
Geographic Area Revenues				
North America	$ 1,696,081	$ 193,950	$ 46,996	$ 1,937,027
Europe	503,786	650,177	218,787	1,372,750
China	32,103	177,677	—	209,780
South America	—	60,111	—	60,111
Other	7,522	75,061	—	82,583
Net sales	$ 2,239,492	$ 1,156,976	$ 265,783	$ 3,662,251
Major product types				
Fats	$ 648,328	$ 183,719	$ —	$ 832,047
Used cooking oil	185,516	—	—	185,516
Proteins	816,060	—	—	816,060
Bakery	209,801	—	—	209,801
Other rendering	286,183	—	—	286,183
Food ingredients	—	880,128	—	880,128
Bioenergy	—	—	218,787	218,787
Biofuels	—	—	46,996	46,996
Other	93,604	93,129	—	186,733
Net sales	$ 2,239,492	$ 1,156,976	$ 265,783	$ 3,662,251

(a) As noted above prior year amounts have not been adjusted under the modified retrospective method for billed freight of approximately $160.0 million that is included in net sales for the year ended December 30, 2017.

Revenue from Contracts with Customers

The Company has two primary revenue streams. Finished product revenues are recognized when control of the promised finished product is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for the finished product. Service revenues are recognized when the service occurs.

Fats and Proteins. Fats and Proteins include the Company's global activities related to the collection and processing of beef, poultry and pork animal by-products into finished products of non-food grade oils, food grade fats and protein meal. Fats and proteins net sales are recognized when the Company ships the finished product to the customer and control has been transferred.

Used Cooking Oil. Used cooking oil includes collection and processing of used cooking oil into finished products of non-food grade fats. Used cooking oil net sales are recognized when the Company ships the finished product to the customer and control has been transferred.

Bakery. Bakery includes collection and processing of bakery residuals into finished product including Cookie Meal®, an animal feed ingredient primarily used in poultry and swine rations. Bakery net sales are recognized when the Company ships the finished product to the customer and control has been transferred.

Other Rendering. Other rendering include hides, pet food products, and service charges. Hides and pet food net sales are recognized when the Company ships the finished product to the customer and control has been transferred. Service revenues are recognized when the service has occurred.

Food Ingredients. Food ingredients includes collection and processing of pigskin, hide, bone and fish into finished product. Also includes harvesting, sorting and selling of hog and sheep casings as well as harvesting, purchasing and processing of hog, sheep and beef meat for pet food industry. Collagen and CTH meat and casings net sales are recognized when the Company ships the finished product to the customer and control has been transferred.

Bioenergy. Bioenergy includes Ecoson, which converts organic sludge and food waste into biogas and Rendac, which collects fallen stock and animal waste for a fee and processes these materials into fats and meals that can only be used as low grade energy or fuel for boilers and cement kilns. Net sales are recognized when the finished product is shipped to the customer and control has been transferred. Service revenues are recognized in net sales when the service has occurred.

Biofuels. Biofuels includes the North American processing of rendered animal fats, recycled cooking oils and third party additives to produce diesel fuel. Biofuel net sales are recognized when the finished product is shipped to the customer and control has been transferred.

Other. Other includes grease trap collection and environmental services to food processors in the Feed Ingredients segment and Sonac Bone and Sonac Heparin in the Food Ingredients segment. Net sales are recognized when the Company ships the finished product to the customer. Service revenues are recognized when the service has occurred.

Long-Term Performance Obligations. The Company from time to time enters into long-term contracts to supply certain volumes of finished products to certain customers. Revenue recognized in 2019 under these long-term supply contracts was approximately $41.0 million, with the remaining performance obligations to be recognized in future periods (generally 5 years) of approximately $280.8 million.

NOTE 23. QUARTERLY FINANCIAL DATA (UNAUDITED AND IN THOUSANDS EXCEPT PER SHARE AMOUNTS):

	Year Ended December 28, 2019			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter (a)
Net sales	$ 835,104	$ 827,324	$ 842,049	$ 859,428
Operating income	48,551	74,124	59,859	293,287
Income from operations before income taxes	24,914	38,820	37,687	279,013
Net income	19,640	31,044	26,837	243,446
Net income attributable to minority interests	(1,628)	(4,786)	(1,116)	(837)
Net income attributable to Darling	18,012	26,258	25,721	242,609
Basic earnings per share	0.11	0.16	0.16	1.48
Diluted earnings per share	0.11	0.16	0.15	1.44

	Year Ended December 29, 2018			
	First Quarter (b)	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$ 875,374	$ 846,646	$ 812,576	$ 853,130
Operating income	128,953	36,754	15,556	73,738
Income/(loss) from operations before income taxes	101,787	(27,455)	(6,540)	50,183
Net income/(loss)	98,075	(29,138)	(5,137)	42,144
Net income attributable to minority interests	(770)	(1,282)	(900)	(1,496)
Net income/(loss) attributable to Darling	97,305	(30,420)	(6,037)	40,648
Basic earnings/(loss) per share	0.59	(0.18)	(0.04)	0.25
Diluted earnings/(loss) per share	0.58	(0.18)	(0.04)	0.24

(a) In the fourth quarter of fiscal 2019, the Company's results include 2019 and 2018 blenders tax credits of approximately $234.4 million.

(b) In the first quarter of fiscal 2018, the Company's results includes 2017 blenders tax credits of approximately $92.7 million.

NOTE 24. RELATED PARTY TRANSACTIONS

Raw Material Agreement

The Company has entered into a Raw Material Agreement with the DGD Joint Venture pursuant to which the Company will offer to supply certain animal fats and used cooking oil at market prices, up to the DGD Joint Venture's full operational requirement of feedstock, but the DGD Joint Venture is not obligated to purchase the raw material offered by the Company. Additionally, the Company may offer other feedstocks to the DGD Joint Venture, such as inedible corn oil, purchased on a resale basis. For the years ended December 28, 2019, December 29, 2018 and December 30, 2017, the Company has recorded sales to the DGD Joint Venture of approximately $208.7 million, $131.8 million and $171.3 million, respectively. At December 28, 2019 and December 29, 2018, the Company has approximately $17.8 million and $8.0 million in outstanding receivables due from the DGD Joint Venture, respectively. In addition, the Company has eliminated additional sales of approximately $5.1 million, $4.6 million and $4.1 million for the year ended December 28, 2019, December 29, 2018 and December 30, 2017, respectively to the DGD Joint Venture and deferred the Company's portion of profit on those sales relating to inventory assets still remaining on the DGD Joint Venture's balance sheet at December 28, 2019, December 29, 2018 and December 30, 2017 of approximately $0.8 million, $0.9 million and $0.9 million, respectively.

Revolving Loan Agreement

On May 1, 2019, Darling through its wholly owned subsidiary Darling Green Energy LLC, ("Darling Green"), and a third party Diamond Alternative Energy, LLC ("Diamond Alternative" and together with Darling Green, the "DGD Lenders") entered into a revolving loan agreement (the "DGD Loan Agreement") with the DGD Joint Venture. The DGD Lenders have committed to make loans available to the DGD Joint Venture in the total amount of $50.0 million with each lender committed to $25.0 million of the total commitment. Any borrowings by the DGD Joint Venture under the DGD Loan Agreement are at the applicable annum rate equal to the sum of (a) the LIBO Rate (meaning Reuters BBA Libor Rates Page 3750) on such day plus (b) 2.50%. The DGD Loan Agreement matures on April 29, 2020. The DGD Loan Agreement replaces a similar agreement with lower commitment levels that expired on December 31, 2018. As of December 28, 2019, no amounts are owed to Darling Green under the DGD Loan Agreement.

Guarantee Agreement

In February 2020, in connection with the DGD Joint Venture's expansion project at its Norco, LA facility, it has entered into two agreements (the "IMTT Terminaling Agreements") with International-Matex Tank Terminals ("IMTT"), pursuant to which the DGD Joint Venture will move raw material and finished product to and from the IMTT terminal facility by pipeline, thereby providing better logistical capabilities. As a condition to entering into the IMTT Terminaling Agreements, IMTT required that the Company and Valero guarantee their proportionate share, up to $50 million each, of the DGD Joint Venture's obligations under the IMTT Terminaling Agreements (the "Guarantee"), subject to the conditions provided for in the IMTT Terminaling Agreements. The Company has not recorded any liability as a result of the guarantee, as the Company believes the likelihood of having to make any payments under the guarantee is remote.

NOTE 25. NEW ACCOUNTING PRONOUNCEMENTS

In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2019-12, Simplifying the Accounting for Income Taxes. This ASU amends Topic 740 Income Taxes, which will eliminate certain exceptions in accounting for income taxes, improves consistency in application and clarifies existing guidance. The standard is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company is currently evaluating the impact of this standard.

In August 2018, the FASB issued ASU No. 2018-15, Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract. This ASU amends Subtopic 350-40, *Intangibles - Goodwill and Other Internal - Use Software*, which will align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The standard is effective for fiscal years beginning after December 15, 2019 and for interim periods therein, with early adoption permitted. Implementation should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The Company adopted the new accounting standard effective December 30, 2018 and the adoption did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-14, Changes to the Disclosure Requirements for Defined Benefit Plans. This ASU amends Subtopic 715-20, *Compensation - Retirement Benefits - Defined Benefit Plans - General*, which modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans by removing and adding certain disclosures for these plans. The standard is effective for fiscal years ending after December 15, 2020, with early adoption permitted. The Company is currently evaluating the impact of this standard.

In August 2018, the FASB issued ASU No. 2018-13, Changes to the Disclosure Requirements for Fair Value Measurements. This ASU amends Topic 820, *Fair Value Measurement*, which changes the disclosure requirements for fair value measurements by removing, adding and modifying certain disclosures. The standard is effective for fiscal years beginning after December 15, 2019 and for interim periods therein, with early adoption permitted. The initial adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

In August 2017, the FASB issued ASU No. 2017-12, Targeted Improvement to Accounting for Hedging Activities. This ASU amends Topic 815, *Derivatives and Hedging*, which is intended to more closely align hedge accounting with companies' risk management strategies and simplify the application of hedge accounting. The guidance includes certain targeted improvements to ease the operational burden of applying hedge accounting. The ASU is effective for fiscal years beginning after December 15, 2018 and for interim periods therein with early adoption permitted. The Company will be required to apply the guidance on a cumulative-effect basis with adjustment to retained earnings as of the beginning of the fiscal year of adoption with disclosure on a prospective basis. The Company adopted this ASU on December 30, 2018 and the initial adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04 Simplifying the Test for Goodwill Impairment. This ASU amends Topic 350, *Intangibles-Goodwill and Other*, which will simplify the goodwill impairment calculation by eliminating Step 2 from the current goodwill impairment test. Under the new guidance, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The ASU eliminates existing guidance that requires an entity to determine goodwill impairment by calculating the implied fair value of goodwill by hypothetically assigning the fair value of a reporting unit to all of the assets and liabilities as if that reporting unit had been acquired in a business combination. This ASU is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. The initial adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. Under ASU 2016-13, existing guidance on reporting credit losses for trade and other receivables and available for sale debt securities will be replaced with a new forward-looking "expected loss" model that generally will result in the earlier recognition of allowances for losses. This ASU is effective for fiscal years beginning after December 15, 2019 and interim periods therein. The initial adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

NOTE 26. GUARANTOR FINANCIAL INFORMATION

The Company's 5.25% Notes and 3.625% Notes (see Note 10) are guaranteed on a senior unsecured basis by the following Notes Guarantors, each of which is a 100% directly or indirectly owned subsidiary of Darling and which constitute all of Darling's existing restricted subsidiaries that are Credit Agreement Guarantors (other than Darling's foreign subsidiaries, Darling Global Finance B.V., which issued the 3.625% Notes and is discussed further below, or any receivables entity): Darling National, Griffin and its subsidiary Craig Protein, Darling Global Holdings Inc., EV Acquisition LLC, Rousselot Inc., Rousselot Dubuque Inc., Sonac USA LLC and Rousselot Peabody Inc. In addition, the 3.625% Notes, which were issued by Darling Global Finance B.V., a wholly-owned indirect subsidiary of Darling, are guaranteed on a senior unsecured basis by Darling. The Notes Guarantors, and Darling in the case of the 3.625% Notes, fully and unconditionally guaranteed the 5.25% Notes and 3.625% Notes on a joint and several basis. The following financial statements present condensed consolidating financial data for (i) Darling, (ii) the combined Notes Guarantors, (iii) the combined other subsidiaries of the Company that did not guarantee the 5.25% Notes or the 3.625% Notes (the "Non-guarantors"), and (iv) eliminations necessary to arrive at the Company's consolidated financial statements, which include condensed consolidated balance sheets as of December 28, 2019 and December 29, 2018, and the condensed consolidating statements of operations, the condensed consolidating statements of comprehensive income/(loss) and the condensed consolidating statements of cash flows for the years ended December 28, 2019, December 29, 2018 and December 30, 2017. Separate financial information is not presented for Darling Global Finance B.V. since it was formed as a special purpose finance subsidiary for the purpose of issuing euro-denominated notes such as the 3.625% Notes and therefore does not have any substantial operations or assets.

Condensed Consolidating Balance Sheet
As of December 28, 2019
(in thousands)

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 551	$ 26	$ 72,358	$ —	$ 72,935
Restricted cash	103	—	7	—	110
Accounts receivable, net	51,097	702,945	518,614	(866,318)	406,338
Inventories	26,893	86,609	249,455	—	362,957
Income taxes refundable	1,106	—	2,211	—	3,317
Prepaid expenses	20,888	2,241	23,470	—	46,599
Other current assets	5,399	(2,326)	40,872	(18,913)	25,032
Total current assets	106,037	789,495	906,987	(885,231)	917,288
Investment in subsidiaries	5,365,956	1,366,635	844,043	(7,576,634)	—
Property, plant and equipment, net	434,237	524,577	843,597	—	1,802,411
Intangible assets, net	44,404	170,581	311,409	—	526,394
Goodwill	49,902	490,748	682,641	—	1,223,291
Investment in unconsolidated subsidiaries	—	—	689,354	—	689,354
Operating lease right-of-use asset	74,005	31,243	19,478	—	124,726
Other assets	35,456	134	61,974	(50,164)	47,400
Deferred income taxes	—	—	14,394	—	14,394
	$ 6,109,997	$ 3,373,413	$ 4,373,877	$ (8,512,029)	$ 5,345,258
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current portion of long-term debt	$ 40,916	$ 10	$ 68,983	$ (18,913)	$ 90,996
Accounts payable	893,490	29,535	182,484	(866,257)	239,252
Income taxes payable	(10)	—	8,905	—	8,895
Current operating lease liability	20,454	10,510	6,841	—	37,805
Accrued expenses	116,758	32,861	161,833	(61)	311,391
Total current liabilities	1,071,608	72,916	429,046	(885,231)	688,339
Long-term debt, net of current portion	1,040,974	30	567,589	(50,164)	1,558,429
Long-term operating lease liability	58,970	20,281	12,173	—	91,424
Other noncurrent liabilities	80,409	—	35,376	—	115,785
Deferred income taxes	122,109	—	125,822	—	247,931
Total liabilities	2,374,070	93,227	1,170,006	(935,395)	2,701,908
Total stockholders' equity	3,735,927	3,280,186	3,203,871	(7,576,634)	2,643,350
	$ 6,109,997	$ 3,373,413	$ 4,373,877	$ (8,512,029)	$ 5,345,258

Condensed Consolidating Balance Sheet
As of December 29, 2018
(in thousands)

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 995	$ 32	$ 106,235	$ —	$ 107,262
Restricted cash	103	—	4	—	107
Accounts receivable, net	56,113	619,628	461,005	(751,009)	385,737
Inventories	23,752	83,261	234,015	—	341,028
Income taxes refundable	2,851	—	3,611	—	6,462
Prepaid expenses	12,890	2,936	19,421	—	35,247
Other current assets	2,680	(1,418)	20,837	—	22,099
Total current assets	99,384	704,439	845,128	(751,009)	897,942
Investment in subsidiaries	4,880,193	1,366,126	844,044	(7,090,363)	—
Property, plant and equipment, net	375,824	503,130	808,904	—	1,687,858
Intangible assets, net	50,132	200,936	344,794	—	595,862
Goodwill	49,506	490,748	688,905	—	1,229,159
Investment in unconsolidated subsidiary	13,969	—	396,208	—	410,177
Other assets	39,395	138	13,842	—	53,375
Deferred income taxes	—	—	14,981	—	14,981
	$ 5,508,403	$ 3,265,517	$ 3,956,806	$ (7,841,372)	$ 4,889,354
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current portion of long-term debt	$ 3,558	$ 5	$ 3,929	$ —	$ 7,492
Accounts payable	783,406	24,388	162,678	(750,993)	219,479
Income tax payable	(10)	—	4,053	—	4,043
Accrued expenses	107,572	33,387	168,541	(16)	309,484
Total current liabilities	894,526	57,780	339,201	(751,009)	540,498
Long-term debt, net of current portion	1,019,130	18	647,792	—	1,666,940
Other noncurrent liabilities	78,589	—	36,443	—	115,032
Deferred income taxes	95,710	—	135,353	—	231,063
Total liabilities	2,087,955	57,798	1,158,789	(751,009)	2,553,533
Total stockholders' equity	3,420,448	3,207,719	2,798,017	(7,090,363)	2,335,821
	$ 5,508,403	$ 3,265,517	$ 3,956,806	$ (7,841,372)	$ 4,889,354

Condensed Consolidating Statements of Operations
For the year ended December 28, 2019
(in thousands)

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
Net sales	$ 652,708	$ 1,305,464	$ 1,637,861	$ (232,128)	$ 3,363,905
Cost and expenses:					
Cost of sales and operating expenses	515,286	1,078,247	1,227,680	(232,128)	2,589,085
Loss (gain) on sale of assets	(403)	(7,356)	(12,823)	—	(20,582)
Selling, general and administrative expenses	187,851	43,855	126,817	—	358,523
Depreciation and amortization	61,777	104,247	159,486	—	325,510
Total costs and expenses	764,511	1,218,993	1,501,160	(232,128)	3,252,536
Equity in net income of Diamond Green Diesel	—	—	364,452	—	364,452
Operating income/(loss)	(111,803)	86,471	501,153	—	475,821
Interest expense	(56,240)	(167)	(22,267)	—	(78,674)
Debt extinguishment costs	(12,126)	—	—	—	(12,126)
Foreign currency gains/(losses)	(306)	4	(1,009)	—	(1,311)
Gain on disposal of subsidiaries	—	—	2,967	—	2,967
Other income/(expense), net	(5,828)	(880)	37	—	(6,671)
Equity in net income/(loss) of other unconsolidated subsidiaries	(2,425)	—	2,853	—	428
Earnings in investments in subsidiaries	471,827	—	—	(471,827)	—
Income/(loss) from operations before taxes	283,099	85,428	483,734	(471,827)	380,434
Income taxes (benefit)	(29,501)	13,354	75,614	—	59,467
Net income attributable to noncontrolling interests	—	—	(8,367)	—	(8,367)
Net income/(loss) attributable to Darling	$ 312,600	$ 72,074	$ 399,753	$ (471,827)	$ 312,600

Condensed Consolidating Statements of Operations
For the year ended December 29, 2018
(in thousands)

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
Net sales	$ 541,499	$ 1,338,376	$ 1,738,427	$ (230,576)	$ 3,387,726
Cost and expenses:					
Cost of sales and operating expenses	422,028	1,080,420	1,374,502	(230,576)	2,646,374
Loss (gain) on sale of assets	(86)	(184)	979	—	709
Selling, general and administrative expenses	149,715	46,199	113,350	—	309,264
Restructuring and impairment charges	—	—	14,965	—	14,965
Depreciation and amortization	48,941	107,581	164,670	—	321,192
Total costs and expenses	620,598	1,234,016	1,668,466	(230,576)	3,292,504
Equity in net income of Diamond Green Diesel	—	—	159,779	—	159,779
Operating income/(loss)	(79,099)	104,360	229,740	—	255,001
Interest expense	(56,832)	7,397	(36,994)	—	(86,429)
Debt extinguishment costs	(15,635)	—	(7,874)	—	(23,509)
Foreign currency gains/(losses)	(431)	(103)	(5,897)	—	(6,431)
Gain/(loss) on sale of subsidiaries	(15,583)	—	3,038	—	(12,545)
Other income/(expense), net	(18,487)	(1,019)	11,944	—	(7,562)
Equity in net income/(loss) of unconsolidated subsidiaries	(2,622)	—	2,072	—	(550)
Earnings in investments in subsidiaries	270,943	—	—	(270,943)	—
Income/(loss) from operations before taxes	82,254	110,635	196,029	(270,943)	117,975
Income taxes (benefit)	(19,242)	11,282	19,991	—	12,031
Net income attributable to noncontrolling interests	—	—	(4,448)	—	(4,448)
Net income/(loss) attributable to Darling	$ 101,496	$ 99,353	$ 171,590	$ (270,943)	$ 101,496

Condensed Consolidating Statements of Operations
For the year ended December 30, 2017
(in thousands)

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
Net sales	$ 545,699	$ 1,464,920	$ 1,893,304	$ (241,672)	$ 3,662,251
Cost and expenses:					
Cost of sales and operating expenses	429,983	1,198,528	1,488,841	(241,672)	2,875,680
Loss (gain) on sale of assets	(302)	(257)	322	—	(237)
Selling, general and administrative expenses	150,880	55,053	137,569	—	343,502
Depreciation and amortization	42,366	106,406	153,328	—	302,100
Total costs and expenses	622,927	1,359,730	1,780,060	(241,672)	3,521,045
Equity in net income of Diamond Green Diesel	—	—	28,239	—	28,239
Operating income/(loss)	(77,228)	105,190	141,483	—	169,445
Interest expense	(55,336)	15,818	(49,408)	—	(88,926)
Foreign currency gains/(losses)	(234)	114	(6,778)	—	(6,898)
Loss on sale of subsidiaries	—	—	(885)	—	(885)
Other income/(expense), net	(14,651)	37	5,813	—	(8,801)
Equity in net income/(loss) of unconsolidated subsidiary	(1,847)	—	2,112	—	265
Earnings in investments in subsidiaries	438,580	—	—	(438,580)	—
Income/(loss) from operations before taxes	289,284	121,159	92,337	(438,580)	64,200
Income taxes (benefit)	160,816	(130,508)	(99,462)	—	(69,154)
Net income attributable to noncontrolling interests	—	—	(4,886)	—	(4,886)
Net income/(loss) attributable to Darling	$ 128,468	$ 251,667	$ 186,913	$ (438,580)	$ 128,468

Condensed Consolidating Statements of Comprehensive Income/(Loss)
For the year ended December 28, 2019
(in thousands)

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
Net income	$ 320,967	$ 72,074	$ 399,753	$ (471,827)	$ 320,967
Other comprehensive income/(loss), net of tax:					
Foreign currency translation	837	—	(12,771)	—	(11,934)
Pension adjustments	4,287	—	(2,752)	—	1,535
Corn option derivative adjustments	278	—	—	—	278
Heating oil derivative adjustments	—	—	(3,141)	—	(3,141)
Foreign exchange derivative adjustments	—	—	(3,723)	—	(3,723)
Total other comprehensive income/(loss), net of tax	5,402	—	(22,387)	—	(16,985)
Total comprehensive income/(loss)	326,369	72,074	377,366	(471,827)	303,982
Comprehensive income attributable to noncontrolling interests	—	—	8,690	—	$ 8,690
Comprehensive income/(loss) attributable to Darling	$ 326,369	$ 72,074	$ 368,676	$ (471,827)	$ 295,292

Condensed Consolidating Statements of Comprehensive Income/(Loss)
For the year ended December 29, 2018
(in thousands)

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
Net income	$ 105,944	$ 99,353	$ 171,590	$ (270,943)	$ 105,944
Other comprehensive income/(loss), net of tax:					
Foreign currency translation	1,724	(53,387)	(35,811)	—	(87,474)
Pension adjustments	(4,184)	—	1,454	—	(2,730)
Natural gas swap derivative adjustments	23	—	—	—	23
Corn option derivative adjustments	(1,687)	—	—	—	(1,687)
Foreign exchange derivative adjustments	—	—	1,081	—	1,081
Total other comprehensive income, net of tax	(4,124)	(53,387)	(33,276)	—	(90,787)
Total comprehensive income/(loss)	$ 101,820	$ 45,966	$ 138,314	$ (270,943)	$ 15,157
Comprehensive income attributable to noncontrolling interests	—	—	3,894	—	3,894
Comprehensive income/(loss) attributable to Darling	$ 101,820	$ 45,966	$ 134,420	$ (270,943)	$ 11,263

Condensed Consolidating Statements of Comprehensive Income/(Loss)
For the year ended December 30, 2017
(in thousands)

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
Net income	$ 133,354	$ 251,667	$ 186,913	$ (438,580)	$ 133,354
Other comprehensive income/(loss), net of tax:					
Foreign currency translation	—	—	121,810	—	121,810
Pension adjustments	4,797	—	1,032	—	5,829
Natural gas swap derivative adjustments	(18)	—	—	—	(18)
Corn option derivative adjustments	(1,078)	—	—	—	(1,078)
Total other comprehensive income/(loss), net of tax	3,701	—	122,842	—	126,543
Total comprehensive income/(loss)	$ 137,055	$ 251,667	$ 309,755	$ (438,580)	$ 259,897
Comprehensive income attributable to noncontrolling interests	—	—	947	—	947
Comprehensive income/(loss) attributable to Darling	$ 137,055	$ 251,667	$ 308,808	$ (438,580)	$ 258,950

Condensed Consolidating Statements of Cash Flows
For the year ended December 28, 2019
(in thousands)

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income	$ 320,967	$ 72,074	$ 399,753	$ (471,827)	$ 320,967
Earnings in investments in subsidiaries	(471,827)	—	—	471,827	—
Other operating cash flows	244,255	5,020	(207,621)	—	41,654
Net cash provided by operating activities	93,395	77,094	192,132	—	362,621
Cash flows from investing activities:					
Capital expenditures	(113,632)	(94,659)	(151,207)	—	(359,498)
Acquisitions, net of cash acquired	(1,157)	—	(274)	—	(1,431)
Investment in subsidiaries and affiliates	(2,393)	(393)	—	786	(2,000)
Proceeds from sale of investment in subsidiary	—	—	3,671	—	3,671
Note receivable from affiliates	50,164	—	(50,164)	—	—
Gross proceeds from sale of property, plant and equipment and other assets	1,034	12,459	4,742	—	18,235
Proceeds from insurance settlements	1,493	5,107	—	—	6,600
Payments related to routes and other intangibles	(131)	—	(3,520)	—	(3,651)
Net cash provide/(used) in investing activities	(64,622)	(77,486)	(196,752)	786	(338,074)
Cash flows from financing activities:					
Proceeds from long-term debt	500,000	—	17,606	—	517,606
Payments on long-term debt	(545,872)	(7)	(35,284)	—	(581,163)
Borrowings from revolving credit facility	281,000	—	188,227	—	469,227
Payments on revolving credit facility	(242,000)	—	(219,669)	—	(461,669)
Net overdraft financing	8,358	—	30,009	—	38,367
Deferred loan costs	(7,027)	—	—	—	(7,027)
Issuance of common stock	39	—	—	—	39
Repurchase of common stock	(19,260)	—	—	—	(19,260)
Contributions from parent	—	393	393	(786)	—
Minimum withholding taxes paid on stock awards	(4,455)	—	(17)	—	(4,472)
Distributions to noncontrolling interests	—	—	(6,533)	—	(6,533)
Net cash provided/(used) in financing activities	(29,217)	386	(25,268)	(786)	(54,885)
Effect of exchange rate changes on cash and cash equivalent	—	—	(3,986)	—	(3,986)
Net increase/(decrease) in cash, cash equivalents and restricted cash	(444)	(6)	(33,874)	—	(34,324)
Cash, cash equivalents and restricted cash at beginning of year	1,098	32	106,239	—	107,369
Cash, cash equivalents and restricted cash at end of year	$ 654	$ 26	$ 72,365	$ —	$ 73,045

Condensed Consolidating Statements of Cash Flows
For the year ended December 29, 2018
(in thousands)

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income/(loss)	$ 105,944	$ 99,353	$ 171,590	$ (270,943)	$ 105,944
Earnings in investments in subsidiaries	(270,943)	—	—	270,943	—
Other operating cash flows	323,903	(81,561)	50,329	—	292,671
Net cash provided by operating activities	158,904	17,792	221,919	—	398,615
Cash flows from investing activities:					
Capital expenditures	(115,004)	(90,402)	(116,490)	—	(321,896)
Acquisitions, net of cash acquired	(100,500)	—	(7,227)	—	(107,727)
Investment in subsidiaries and affiliates	(12,250)	(198,880)	—	198,880	(12,250)
Proceeds from sale of investment in subsidiary	79,955	—	2,805	—	82,760
Note receivable from affiliates	—	266,880	(266,880)	—	—
Gross proceeds from sale of property, plant and equipment and other assets	2,125	1,146	16,057	—	19,328
Proceeds from insurance settlements	750	503	—	—	1,253
Payments related to routes and other intangibles	(299)	—	(3,584)	—	(3,883)
Net cash provided/(used) in investing activities	(145,223)	(20,753)	(375,319)	198,880	(342,415)
Cash flows from financing activities:					
Proceeds from long-term debt	—	—	624,620	—	624,620
Payments on long-term debt	(15,116)	—	(671,512)	—	(686,628)
Borrowings from revolving credit facility	351,000	—	192,898	—	543,898
Payments on revolving credit facility	(351,000)	—	(159,974)	—	(510,974)
Net overdraft financing	3,558	—	(98)	—	3,460
Deferred loan costs	(824)	—	(8,844)	—	(9,668)
Issuances of common stock	182	—	—	—	182
Contributions from parent	—	—	198,880	(198,880)	—
Minimum withholding taxes paid on stock awards	(2,210)	—	(5)	—	(2,215)
Distributions to noncontrolling interest	—	—	(10,257)	—	(10,257)
Net cash provided/(used) in financing activities	(14,410)	—	165,708	(198,880)	(47,582)
Effect of exchange rate changes on cash and cash equivalents	—	—	(8,165)	—	(8,165)
Net increase/(decrease) in cash, cash equivalents and restricted cash	(729)	(2,961)	4,143	—	453
Cash, cash equivalents and restricted cash at beginning of year	1,827	2,993	102,096	—	106,916
Cash, cash equivalents and restricted cash at end of year	$ 1,098	$ 32	$ 106,239	$ —	$ 107,369

Condensed Consolidating Statements of Cash Flows
For the year ended December 30, 2017
(in thousands)

	Parent	Guarantors	Non-guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income/(loss)	$ 133,354	$ 251,667	$ 186,913	$ (438,580)	$ 133,354
Earnings in investments in subsidiaries	(438,580)	—	—	438,580	—
Other operating cash flows	489,302	(240,494)	28,274	—	277,082
Net cash provided/(used) by operating activities	184,076	11,173	215,187	—	410,436
Cash flows from investing activities:					
Capital expenditures	(83,520)	(74,384)	(116,264)	—	(274,168)
Acquisitions, net of cash acquired	—	(12,144)	—	—	(12,144)
Investment in subsidiaries and affiliates	(6,309)	(13,386)	—	14,945	(4,750)
Note receivable from affiliates	—	82,000	(82,000)	—	—
Gross proceeds from sale of property, plant and equipment and other assets	2,577	3,980	1,533	—	8,090
Proceeds from insurance settlements	—	—	6,054	—	6,054
Payments related to routes and other intangibles	(7,135)	—	—	—	(7,135)
Net cash provided/(used) in investing activities	(94,387)	(13,934)	(190,677)	14,945	(284,053)
Cash flows from financing activities:					
Proceeds from long-term debt	—	—	33,401	—	33,401
Payments on long-term debt	(79,706)	—	(69,917)	—	(149,623)
Borrowing from revolving credit facility	170,000	—	29,495	—	199,495
Payments on revolving credit facility	(170,000)	—	(34,935)	—	(204,935)
Net overdraft financing	—	—	(714)	—	(714)
Deferred loan costs	(6,717)	—	—	—	(6,717)
Issuances of common stock	22	—	—	—	22
Contributions from parent	—	—	14,945	(14,945)	—
Minimum withholding taxes paid on stock awards	(3,034)	—	(15)	—	(3,049)
Deductions to noncontrolling interest	—	—	(17,451)	—	(17,451)
Distributions to noncontrolling interests	—	—	(5,281)	—	(5,281)
Net cash provided/(used) in financing activities	(89,435)	—	(50,472)	(14,945)	(154,852)
Effect of exchange rate changes on cash and cash equivalents	—	—	20,528	—	20,528
Net increase/(decrease) in cash, cash equivalents and restricted cash	254	(2,761)	(5,434)	—	(7,941)
Cash, cash equivalents and restricted cash at beginning of year	1,573	5,754	107,530	—	114,857
Cash, cash equivalents and restricted cash at end of year	$ 1,827	$ 2,993	$ 102,096	$ —	$ 106,916

PART II

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.

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company's management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation, as of the end of the period covered by this report, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. As defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, disclosure controls and procedures are controls and other procedures of the Company that are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Based on management's evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Internal Control over Financial Reporting.

(a) *Management's Annual Report on Internal Control over Financial Reporting.* Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act. Those rules define internal control over financial reporting as 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 and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 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
- 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. 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.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 28, 2019. In making this assessment, the Company's management used the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (2013).

Based on their assessment, management has concluded that the Company's internal control over financial reporting was effective at the reasonable assurance level as of December 28, 2019.

KPMG LLP, the registered public accounting firm that audited the Company's financial statements, has issued an audit report on management's assessment of the Company's internal control over financial reporting, which report is included herein.

(b) *Attestation Report of the Registered Public Accounting Firm.* The attestation report called for by Item 308(b) of Regulation S-K is incorporated herein by reference to Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting, included in Part II, Item 8. "Financial Statements and Supplementary Data" of this report.

(c) *Changes in Internal Control over Financial Reporting*. As required by Exchange Act Rule 13a-15(d), the Company's management, including the Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of the Company's internal control over financial reporting to determine whether any change occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. Based on that evaluation there has been no change in the Company's internal control over financial reporting during the last fiscal quarter of the period covered by this report other than SOX control changes related to the upgrade of accounting software at its international operations that has materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item with respect to Items 401, 405 and 407 of Regulation S-K will appear in the sections entitled "Election of Directors," "Our Management - Executive Officers and Directors," "Delinquent Section 16 (a) Reports" and "Corporate Governance-Committees of the Board - Audit Committee" included in the Company's definitive Proxy Statement relating to the 2020 annual meeting of stockholders, which will be filed no later than 120 days after December 28, 2019, and such information is incorporated herein by reference.

The Company has adopted the Darling Ingredients Inc. Code of Conduct ("Code of Conduct"), which is applicable to all of the Company's employees, including its senior financial officers, the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Controller, Treasurer and General Counsel. A copy of the Company's Code of Conduct has been posted on the "Investor" portion of our web site, at www.darlingii.com. We intend to satisfy the disclosure requirements of the SEC regarding amendments to, or waivers from, the Code of Conduct by posting such information on the same web site.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item will appear in the sections entitled "Executive Compensation," "Compensation Committee Report" and "Corporate Governance - Compensation Committee Interlocks and Insider Participation" included in the Company's definitive Proxy Statement relating to the 2020 annual meeting of stockholders, which will be filed no later than 120 days after December 28, 2019, and such information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

EQUITY COMPENSATION PLANS

The following table sets forth certain information as of December 28, 2019, with respect to the Company's equity compensation plans (including individual compensation arrangements) under which the Company's equity securities are authorized for issuance, aggregated by (i) all compensation plans previously approved by the Company's security holders, and (ii) all compensation plans not previously approved by the Company's security holders. The table includes:

- the number of securities to be issued upon the exercise of outstanding options and granted non-vested stock;
- the weighted-average exercise price of the outstanding options and granted non-vested stock; and
- the number of securities that remain available for future issuance under the plans.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights		(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	6,110,844	(1)	$14.04	12,522,616
Equity compensation plans not approved by security holders	–		–	–
Total	6,110,844		$14.04	12,522,616

(1) Includes shares underlying options that have been issued and granted non-vested stock pursuant to the Company's 2004 Omnibus Incentive Plan, 2012 Omnibus Incentive Plan and 2017 Omnibus Incentive Plan, each as approved by the Company's stockholders. See Note 13 of Notes to Consolidated Financial Statements for information regarding the material features of the 2017 Omnibus Incentive Plan.

The information required by this Item with respect to Item 403 of Regulation S-K will appear in the section entitled "Security Ownership of Certain Beneficial Owners and Management" included in the Company's definitive Proxy Statement relating to the 2019 annual meeting of stockholders, which will be filed no later than 120 days after December 28, 2019, and such information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item will appear in the sections entitled "Transactions with Related Persons, Promoters and Certain Control Persons," "Corporate Governance – Code of Business Conduct" and "Corporate Governance - Independent Directors" included in the Company's definitive Proxy Statement relating to the 2020 annual meeting of stockholders, which will be filed no later than 120 days after December 28, 2019, and such information is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item will appear in the section entitled "Ratification of Selection of Independent Registered Public Accountant" included in the Company's definitive Proxy Statement relating to the 2020 annual meeting of stockholders, which will be filed no later than 120 days after December 28 2019, and such information is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this report:

(1) The following consolidated financial statements are included in Item 8.

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto.

(3) Exhibits

(With regard to applicable cross-references in the list of exhibits below, the Company's Current, Quarterly and Annual Reports are filed with the Securities and Exchange Commission under File No. 001-13323).

Exhibit No.	
3.1	Restated Certificate of Incorporation of the Company, as amended (filed as Exhibit 3.1 to the Company's Registration Statement on Form S-1 filed May 23, 2002 and incorporated herein by reference).
3.2	Certificate of Amendment of Restated Certificate of Incorporation of the Company (filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K filed March 2, 2011 and incorporated herein by reference).
3.3	Certificate of Amendment of Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed November 27, 2013 and incorporated herein by reference).
3.4	Certificate of Amendment of Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed May 7, 2014 and incorporated herein by reference).
3.5	Amended and Restated Bylaws of the Company (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed March 1, 2017 and incorporated herein by reference).
4.1	Certificate of Designation, Preferences and Rights of Series A Preferred Stock (filed as Exhibit 4.2 to the Company's Registration Statement on Form S-1 filed May 23, 2002 and incorporated herein by reference).
4.2	Senior Notes Indenture, dated as of May 2, 2018, by and among Darling Global Finance B.V., Darling Ingredients Inc., the subsidiary guarantors party thereto from time to time, Citibank, N.A., London Branch, as trustee and principal paying agent, and Citigroup Global Markets Deutschland AG, as principal registrar (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 2, 2018 and incorporated herein by reference).
4.3	Senior Notes Indenture, dated as of April 3, 2019, by and among Darling Ingredients Inc., the guarantors party thereto from time to time, and Regions Bank, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed April 3, 2019 and incorporated herein by reference).
10.1	Second Amended and Restated Credit Agreement, dated as of January 6, 2014, by and among Darling International Inc., the other borrowers party thereto from time to time, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the other agents from time to time party thereto (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed January 10, 2014 and incorporated herein by reference).
10.2	First Amendment to the Second Amended and Restated Credit Agreement, dated as of May 13, 2015, among the Company, as the parent borrower, the other subsidiary borrowers party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and certain lenders party thereto (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed May 15, 2015 and incorporated herein by reference).
10.3	Second Amendment to the Second Amended and Restated Credit Agreement, dated as of September 23, 2015, among the Company, as the parent borrower, the other subsidiary borrowers party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and certain lenders party thereto (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed September 25, 2015 and incorporated herein by reference).
10.4	Third Amendment to the Second Amended and Restated Credit Agreement, dated as of October 14, 2015, among the Company, as the parent borrower, the other subsidiary borrowers party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and certain lenders party thereto (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 14, 2015 and incorporated herein by reference).
10.5	Fourth Amendment to Second Amended and Restated Credit Agreement, dated as of December 16, 2016, by and among Darling Ingredients Inc., as the parent borrower, the other subsidiary borrowers party thereto, the subsidiary guarantors, JPMorgan Chase Bank, N.A., as administrative agent, and certain lenders party thereto (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed December 20, 2016 and incorporated herein by reference).

10.6	Fifth Amendment to Second Amended and Restated Credit Agreement, dated as of December 18, 2017, by and among Darling Ingredients Inc., as the parent borrower, the other subsidiary borrowers party thereto, the subsidiary guarantors, JPMorgan Chase Bank, N.A., as administrative agent, and certain lenders party thereto (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed December 20, 2017 and incorporated herein by reference).
10.7	Second Amended and Restated Security Agreement, dated as of January 6, 2014, by and among Darling International Inc., its subsidiaries signatory thereto and any other subsidiary who may become a party thereto and JPMorgan Chase Bank, N.A, as administrative agent (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed January 10, 2014 and incorporated herein by reference).
10.8	Second Amended and Restated Guaranty Agreement, dated as of January 6, 2014, by and among Darling International Inc., its subsidiaries signatory thereto and any other subsidiary who may become a party thereto and JPMorgan Chase Bank, N.A., as administrative agent (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed January 10, 2014 and incorporated herein by reference).
10.9	Second Amended and Restated Limited Liability Company Agreement, dated as of May 1, 2019, by and among Diamond Green Diesel Holdings LLC, Darling Green Energy LLC and Diamond Alternative Energy, LLC. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed May 7, 2019 and incorporated herein by reference).
10.10	Raw Material Supply Agreement, dated as of May 31, 2011, by and between Diamond Green Diesel LLC and Darling International Inc. (filed as Exhibit 10 to the Company's Quarterly Report on Form 10-Q filed August 11, 2011 and incorporated herein by reference).
10.11	Ground Lease, dated as of December 17, 2010, by and between Martom Properties, LLC and Griffin Industries, Inc. (Butler, Kentucky) (filed as Exhibit 10.6 to the Company's Current Report on Form 8-K filed December 20, 2010 and incorporated herein by reference).
10.12	Ground Lease, dated as of December 17, 2010, by and between Martom Properties, LLC and Griffin Industries, Inc. (Henderson, Kentucky) (filed as Exhibit 10.7 to the Company's Current Report on Form 8-K filed December 20, 2010 and incorporated herein by reference).
10.13 *	Darling International Inc. 2004 Omnibus Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed May 17, 2005 and incorporated herein by reference).
10.14 *	Amendment to Darling International Inc. 2004 Omnibus Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed January 22, 2007 and incorporated herein by reference).
10.15 *	Amendment to Darling International Inc. 2004 Omnibus Incentive Plan (filed as Exhibit 10.15 to the Company's Current Report on Form 10-K filed February 28, 2017 and incorporated herein by reference).
10.16 *	Darling International Inc. 2012 Omnibus Incentive Plan (filed as Exhibit 99 to the Company's Registration Statement on Form S-8 filed May 31, 2012 and incorporated herein by reference).
10.17 *	Amendment to Darling International Inc. 2012 Omnibus Incentive Plan (filed as Exhibit 10.17 to the Company's Current Report on Form 10-K filed February 28, 2017 and incorporated herein by reference).
10.18 *	Darling Ingredients Inc. 2017 Omnibus Incentive Plan (filed as Exhibit 4.6 to the Company's Registration Statement on Form S-8 filed May 9, 2017 and incorporated herein by reference).
10.19 *	Form of Performance Award Agreement for use in connection with awards under the 2012 Omnibus Incentive Plan (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed May 12, 2016 and incorporated herein by reference).
10.20 *	Form of Stock Option Notice and Agreement for use in connection with awards under the 2012 Omnibus Incentive Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed May 12, 2016 and incorporated herein by reference).
10.21 *	Form of Performance Unit Award Agreement under the Darling International Inc. 2012 Omnibus Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed January 6, 2014 and incorporated herein by reference).
10.22 *	Form of Performance Unit Award Agreement for 2017 awards under the 2017 Omnibus Incentive Plan (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed May 11, 2017 and incorporated herein by reference).

10.23 *	Form of Performance Unit Award Agreement under the 2017 Omnibus Incentive Plan effective January 2018 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed May 9, 2018 and incorporated herein by reference).
10.24 *	Form of Stock Option Notice and Agreement for 2017 awards under the 2017 Omnibus Incentive Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed May 11, 2017 and incorporated herein by reference).
10.25 *	Form of Stock Option Notice and Agreement under the 2017 Omnibus Incentive Plan effective January 2018 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed May 9, 2018 and incorporated herein by reference).
10.26 *	Non-Employee Director Restricted Stock Award Plan (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed March 15, 2006 and incorporated herein by reference).
10.27 *	Amendment No. 1 to Non-Employee Director Restricted Stock Award Plan, effective as of January 15, 2009 (filed as Exhibit 10.04 to the Company's Current Report on Form 8-K filed January 21, 2009 and incorporated herein by reference).
10.28 *	Amended and Restated Non-Employee Director Restricted Stock Award Plan, (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 28, 2011 and incorporated herein by reference).
10.29 *	Form of Notice of Grant of Restricted Stock Unit Award (Non-Employee Directors) under the Darling International Inc. 2012 Omnibus Incentive Plan (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed August 7, 2014 and incorporated herein by reference).
10.30 *	Form of Notice of Grant of Restricted Stock Unit Award (Non-Employee Directors) under the Darling International Inc. 2017 Omnibus Incentive Plan (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed August 9, 2017 and incorporated herein by reference).
10.31 *	Amended and Restated Employment Agreement, dated as of January 1, 2009, between Darling International Inc. and Randall C. Stuewe (filed as Exhibit 10.01 to the Company's Current Report on Form 8-K filed January 21, 2009 and incorporated herein by reference).
10.32 *	Amendment No. 1, dated as of March 23, 2015, to Amended and Restated Employment Agreement between Darling Ingredients Inc. and Randall C. Stuewe (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 25, 2015 and incorporated herein by reference).
10.33 *	Employment Agreement, dated August 21, 2014, between Darling International Netherlands BV and J.M.I.M. (Jan) van der Velden (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed May 9, 2018 and incorporated herein by reference).
10.34 *	Employment Agreement, dated February 9, 2016, between Darling International Netherlands BV and Jos Vervoort (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed May 8, 2019 and incorporated herein by reference).
10.35 *	Form of Senior Executive Termination Benefits Agreement (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed November 29, 2007 and incorporated herein by reference).
10.36 *	Form of Addendum to Senior Executive Termination Benefits Agreement (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed December 12, 2008 and incorporated herein by reference).
10.37 *	Form of Third Addendum to Senior Executive Termination Benefits Agreement (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed December 13, 2010 and incorporated herein by reference).
10.38 *	Amended and Restated Senior Executive Termination Benefits Agreement, dated effective as of January 1, 2018, between Darling Ingredients Inc. and John O. Muse (filed as Exhibit 10.36 to the Company's Annual Report on Form 10-K filed February 28, 2017 and incorporated herein by reference).
10.39 *	Form of Indemnification Agreement between Darling International Inc. and its directors and executive officers (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 25, 2008 and incorporated herein by reference).
21	Subsidiaries of the Registrant (filed herewith).
23.1	Consent of KPMG LLP (filed herewith).

23.2	Consent of KPMG LLP (filed herewith).
31.1	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, of Randall C. Stuewe, the Chief Executive Officer of the Company (filed herewith).
31.2	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, of Brad Phillips, the Chief Financial Officer of the Company (filed herewith).
32	Written Statement of Chief Executive Officer and Chief Financial Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) (filed herewith).
99.1	Consolidated Financial Statements of Diamond Green Diesel Holdings LLC and Subsidiary for the year ended December 31, 2019 (filed herewith).
101	Interactive Data Files Pursuant to Rule 405 of Regulation S-T: (i) Consolidated Balance Sheets as of December 28, 2019 and December 29, 2018; (ii) Consolidated Statements of Operations for the years ended December 28, 2019, December 29, 2018 and December 30, 2017; (iii) Consolidated Statements of Comprehensive Income for the years ended December 28, 2019, December 29, 2018 and December 30, 2017; (iv) Consolidated Statements of Stockholders' Equity for the years ended December 28, 2019, December 29, 2018 and December 30, 2017; (v) Consolidated Statements of Cash Flows for the years ended December 28, 2019, December 29, 2018 and December 30, 2017; (vi) Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File (formated as Inline XBRL and contained in Exhibit 101).
	The Exhibits are available upon request from the Company.

* Management contract or compensatory plan or arrangement.

SIGNATURES

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

DARLING INGREDIENTS INC.

By: /s/ Randall C. Stuewe
Randall C. Stuewe
Chairman of the Board and
Chief Executive Officer

Date: February 25, 2020

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.

Signature	Title	Date
/s/ Randall C. Stuewe Randall C. Stuewe	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	February 25, 2020
/s/ Brad Phillips Brad Phillips	Chief Financial Officer (Principal Financial Officer)	February 25, 2020
/s/ Brenda Snell Brenda Snell	Chief Accounting Officer (Principal Accounting Officer)	February 25, 2020
/s/ Charles Adair Charles Adair	Director	February 25, 2020
/s/ D. Eugene Ewing D. Eugene Ewing	Director	February 25, 2020
/s/ Linda Goodspeed Linda Goodspeed	Director	February 25, 2020
/s/ Dirk Kloosterboer Dirk Kloosterboer	Director	February 25, 2020
/s/ Mary R. Korby Mary R. Korby	Director	February 25, 2020
/s/ Cynthia Pharr Lee Cynthia Pharr Lee	Director	February 25, 2020
/s/ Charles Macaluso Charles Macaluso	Director	February 25, 2020
/s/ Gary W. Mize Gary W. Mize	Director	February 25, 2020
/s/ Michael E. Rescoe Michael E. Rescoe	Director	February 25, 2020
/s/ Nicole M. Ringenberg Nicole M. Ringenberg	Director	February 25, 2020

Principal Office

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Irving, Texas 75038
972.717.0300
www.darlingii.com

Transfer Agent and Registrar
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Louisville, KY 40233-5002

Overnight correspondence
Computershare
C/O Shareholder Services
462 South 4th Street
Suite 1600
Louisville, KY 40202
www.computershare.com/investor

Independent Auditors
KPMG LLP
2323 Ross Ave., Suite 1400
Dallas, Texas 75201

Annual Meeting
May 5, 2020
10:00 a.m. Central Time
Darling Ingredients Inc.
5601 North MacArthur Blvd.
Irving, Texas 75038

Form 10-K
Darling Ingredients Inc.'s Annual Report on Form10-K is available upon request without charge:
c/o Investor Relations
Darling Ingredients Inc.
5601 North MacArthur Blvd.
Irving, Texas 75038
www.darlingii.com

Directors

Randall C. Stuewe
Chairman and Director
since February 2003

Charles Adair
Director since 2017

D. Eugene Ewing
Director since 2011

Linda Goodspeed
Director since 2017

Dirk Kloosterboer
Director since 2014

Mary R. Korby
Director since 2014

Cynthia Pharr Lee
Director since 2016

Charles Macaluso
Director since 2002

Gary W. Mize
Director since 2016

Michael E. Rescoe
Director since 2017

Nicole M. Ringenberg
Director since 2018

Executive Officers

Randall C. Stuewe
Chief Executive Officer

Brad Phillips
Executive Vice President
Chief Financial Officer

John O. Muse
Executive Vice President
Chief Administrative Officer

Rick A. Elrod
Executive Vice President
Darling U.S. Rendering Operations

Jan van der Velden
Executive Vice President
International Rendering and Specialties

John Bullock
Executive Vice President
Specialty Ingredients
Chief Strategy Officer

Jos Vervoort
Executive Vice President
Rousselot

John F. Sterling
Executive Vice President
General Counsel and Secretary