FORM 10-K

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2003

OR

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

For the transition period from ________________________ to ________________________
Commission file number 1-44

ARCHER-DANIELS-MIDLAND COMPANY
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	41-0129150 (I. R. S. Employer Identification No.)
4666 Faries Parkway Box 1470 Decatur, Illinois (Address of principal executive offices)	62525 (Zip Code)
Registrant's telephone number, including area code	217-424-5200

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

Title of each class	Name of each exchange on which registered
Common Stock, no par value	New York Stock Exchange Chicago Stock Exchange Swiss Stock Exchange Frankfurt Stock Exchange

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes _X_ No____

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes X No ___

State the aggregate market value of the voting stock held by non-affiliates of the registrant.

Common Stock, no par value--$7.6 billion
(Based on the closing sale price of Common Stock as reported on the New York Stock Exchange on July 31, 2003)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Common Stock, no par value—644,805,839 shares
(July 31, 2003)

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the annual shareholders' report for the year ended June 30, 2003 are incorporated by reference into Parts I, II and IV.

Portions of the proxy statement for the annual meeting of stockholders to be held November 6, 2003 are incorporated by reference into Part III.

SAFE HARBOR STATEMENT

This Form 10-K contains forward-looking information that is subject to certain risks and uncertainties that could cause actual results to differ materially from those projected, expressed, or implied by such forward-looking information. In some cases, you can identify forward-looking statements by our use of words such as “may, will, should, anticipates, believes, expects, plans, future, intends, could, estimate, predict, potential or contingent,” the negative of these terms or other similar expressions. The Company’s actual results could differ materially from those discussed or implied herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this Form 10-K for the fiscal year ended June 30, 2003. Among these risks are legislative acts, changes in the prices of food, feed and other commodities, including gasoline, and macroeconomic conditions in various parts of the world. To the extent permitted under applicable law, the Company assumes no obligation to update any forward-looking statements as a result of new information or future events.

PART I

Item 1. BUSINESS

(a) General Development of Business

Archer Daniels Midland Company was incorporated in Delaware in 1923, successor to the Daniels Linseed Co. founded in 1902.

During the last five years, the Company has experienced significant growth, spending approximately $3.5 billion for construction of new plants, expansions of existing plants and the acquisitions of plants and transportation equipment. There have been no significant dispositions during this period. The Company incurred charges of $13 million, $83 million and $108 million during 2003, 2002 and 2000, respectively, related to the abandonment and write-down of certain long-lived assets.

(b) Financial Information About Industry Segments

The Company is principally engaged in procuring, transporting, storing, processing and merchandising agricultural commodities and products.

The Company's operations are classified into four reportable business segments: Oilseeds Processing, Corn Processing, Wheat Processing and Agricultural Services. Each of these segments is organized based upon the nature of products and services offered. The Company's remaining operations are aggregated and classified as Other.

Financial information with respect to the Company's reportable business segments is set forth in "Note 13 of Notes to Consolidated Financial Statements" of the annual shareholders' report for the year ended June 30, 2003 and is incorporated herein by reference.

(c) Narrative Description of Business

(i) Principal products produced and principal markets for and methods of distribution of such products:

<u>Oilseeds Processing</u>

The Company is engaged in processing oilseeds such as soybeans, cottonseed, sunflower seeds, canola, peanuts, flaxseed and corn germ into vegetable oils and meals principally for the food and feed industries. Crude vegetable oil is sold "as is" or is further processed by refining, bleaching and deodorizing into salad oils. Salad oils can be further processed by hydrogenating and/or interesterifying into margarine, shortening and other food products. Partially refined oil is also sold for use in chemicals, paints and other industrial products. Oilseed meals are primary ingredients used in the manufacture of commercial livestock and poultry feeds. Cottonseed flour is produced and sold primarily to the pharmaceutical industry. Cotton cellulose pulp is manufactured and sold to the chemical, paper and filter markets.

Golden Peanut Company LLC, a joint venture between the Company and Alimenta (U.S.A.), Inc., is a major supplier of peanuts to both the domestic and export markets. The Company has a 50% ownership interest in this joint venture.

The Company participates in various joint ventures that operate oilseed crushing facilities, oil refineries and related storage facilities in China and Indonesia.

Corn Processing

The Company is engaged in wet milling and dry milling corn operations. Products produced for use in the food and beverage industry include syrup, starch, glucose, dextrose, and sweeteners. Corn gluten feed and meal as well as distillers grains are produced for use as feed ingredients. Ethyl alcohol is produced to beverage grade or for industrial use as ethanol. In gasoline, ethanol increases octane and is used as an extender and oxygenate. Corn germ, a by-product of the milling process, is further processed as an oilseed.

Almidones Mexicanos S.A., of which the Company has a 50% interest, operates a wet corn milling plant in Mexico.

Wheat Processing

The Company is engaged in milling wheat, corn and milo into flour. Wheat flour is sold primarily to commercial bakeries, food companies, food service companies and retailers. Bulgur, a gelatinized wheat food, is sold to both the export and the domestic food markets. Corn meal and flour is sold primarily to the cereal, snack and bakery mix markets. The Company produces bakery products and mixes which are sold to the baking industry. The Company also mills milo to produce industrial flour used in the manufacturing of wallboard for the building industry.

Agricultural Services

The Agricultural Services segment utilizes the Company's extensive grain elevator and transportation network to buy, store, clean and transport agricultural commodities, such as oilseeds, corn, wheat, milo, oats and barley, and resells these commodities primarily as feed ingredients and as raw materials for the agricultural processing industry. Agricultural Services' grain sourcing and transportation network provides reliable and efficient services to the Company's agricultural processing operations.

A.C. Toepfer International and affiliates, in which the Company has an 80% interest, is a global merchandiser of agricultural commodities and processed products. Toepfer has 39 sales offices worldwide.

The Company owns a 62% interest in Heartland Rail Corporation. Heartland's 80% owned affiliate, Iowa Interstate Railroad, operates a regional railroad in Iowa and Illinois.

The Company has a 45% interest in Kalama Export Company, a grain export elevator in Washington.

The Company owns a 20% interest in Agricore United, one of Canada's leading agri-businesses.

Other

The Company processes cocoa beans and produces cocoa liquor, cocoa butter, cocoa powder, chocolate and various compounds for the food processing industry.

The Company produces citric and lactic acids, lactates, sorbitol and xanthan gum which are used in both food and industrial products. Lecithin, an emulsifier produced in the vegetable oil refining process, is marketed as a food and feed ingredient. The Company produces wheat starch and vital wheat gluten for the baking industry.

The Company produces, by fermentation of dextrose, amino acids for use as feed ingredients. These amino acids, lysine and threonine, are vital compounds used in swine feeds to produce leaner animals, and in poultry feeds to enhance the speed and efficiency of poultry production. The Company also produces, by fermentation, astaxanthin, a product used in aquaculture to enhance flesh coloration.

The Company produces a wide range of edible soy protein products including soy flour, grits, soy protein concentrates and soy isolates that are used in processed meats, baked foods, nutritional products, snacks and dairy and meat analogs. The Company further processes these ingredients into dry and frozen meat analogs that it markets to foodservice operators, retail and private label brand marketers, and direct to retail stores.

The Company produces natural source Vitamin E, tocopherol antioxidants and phytosterols from co-products of oilseeds which are marketed to the dietary supplement and food industry. The Company produces soy isoflavones, a dietary supplement, from a co-product of edible soy processing. The Company produces lettuce, other fresh vegetables and herbs in its hydroponic greenhouse. The Company raises fish in an aquaculture operation for distribution to consumer food customers.

The Company processes and distributes edible beans for use in many parts of the food industry.

The Company produces and distributes formula feeds and animal health and nutrition products to the livestock, dairy, poultry and pet food industries. Many of the feed ingredients and health and nutrition products are produced in the Company's other commodity processing operations.

Hickory Point Bank and Trust Company, fsb, a wholly-owned subsidiary of the Company, furnishes public banking and trust services, as well as cash management, transfer agency and securities safekeeping services for the Company.

ADM Investor Services, Inc., a wholly-owned subsidiary of the Company, is a registered futures commission merchant and a clearing member of all principal commodities exchanges. ADM Investor Services International, Ltd. specializes in futures, options and foreign exchange in the European marketplace.

Agrinational Insurance Company, a wholly-owned subsidiary of the Company, acts as a direct insurer and reinsurer of a portion of the Company's domestic and foreign property and casualty insurance risks.

Gruma S.A. de C.V. and affiliates, of which the Company has a 29% interest, is the world's largest producer and marketer of corn flour and tortillas with operations in the U.S., Mexico, Central America, South America and Europe. Additionally, the Company has a 20% interest in a joint venture which consists of the combined U.S. corn flour operations of ADM and Gruma. The Company also has a 40% share, through a joint venture with Gruma, in nine Mexican-based wheat flour mills.

Eaststarch C.V. (Netherlands), of which the Company has a 50% interest, owns interests in companies that operate wet corn milling plants in Bulgaria, Hungary, Romania, Slovakia and Turkey.

International Malting Company, a joint venture between the Company and the LeSaffre Company, operates barley malting plants in the United States, Australia, New Zealand, Canada and France. The Company has a 49% ownership interest in this joint venture.

The Company is a limited partner in various private equity funds which invest primarily in emerging markets that have agri-processing potential.

Methods of Distribution

Since the Company's customers are principally other manufacturers and processors, its products are distributed mainly in bulk from processing plants or storage facilities directly to the customers' facilities. The Company has developed a comprehensive transportation system utilizing trucks, rail, river barges and ocean-going vessels to efficiently move both commodities and processed products virtually anywhere in the world. The Company owns or leases large numbers of the trucks, trailers, railroad tank and hopper cars, river barges and towboats used in this transportation system.

(ii) Status of new products

The Company continues to expand its business through the development and production of new, value-added products. A new line of trans-free fats and oils has been developed under the NovaLipid™ brand using enzymatic interesterification technology. This portfolio of new products will allow margarines, shortenings and other products to be produced with near zero levels of trans-fatty acids. This enzymatic interesterification technology has been used for over a year to supply the Company's cocoa operations with cocoa butter substitutes and the Company has been supplying external customers with these products. This same process has been scaled up for trans-free fats and oils and is being tested by our customers for use in trans-free margarines, and bakery products in response to recent FDA trans-fatty acid labeling regulations.

The Company introduced a new product for latex paint manufacturers, Archer RC®, that reduces the Volatile Organic Compounds (VOCs) released as latex paint dries. During the drying process in a conventional latex paint, coalescing solvents soften the paint resin so that it will form a film. These solvents then evaporate into the atmosphere as VOCs. The new Archer RC® works in a similar way, except that it becomes part of the film instead of evaporating, producing coatings with higher scrub resistance and gloss while greatly reducing or eliminating VOCs. Archer RC® is derived from vegetable oil, a renewable resource, and will replace a petroleum-based solvent.

Other new products include a wide-range of health and nutrition products known as nutraceuticals or functional foods. The Company acquired an exclusive license for flax lignan technology that may have potential for health maintenance and possible risk reduction of several diseases. The license gives the Company an exclusive, worldwide right to produce and sell flax lignans for use as an active ingredient in functional foods, nutraceuticals, pharmaceuticals, animal feed additives and veterinary products. Pilot scale quantities of this product have been produced to support clinical trials of this product. The Company is a leader in the processing of flaxseed.

The Company has formed a joint venture with Kao Corporation of Japan to manufacture and market diacylglycerol oil in America, Europe, Australia and New Zealand. This oil, developed by Kao, has been shown in several clinical studies in Japan to assist in lowering body fat content. This naturally derived vegetable oil can be used as a home cooking oil or as an ingredient in packaged foods. Semi-works scale production of this product has begun and is supplying test markets in Chicago and Atlanta.

The Company continues to develop its soy protein meat substitutes. New product research in the area include new extrusion processes for the development of meat substitutes. The Company also introduced a new organic soy protein ingredient, Nutrisoy® whole soybean soymilk powder. This product differs from traditional soymilks in that the fiber component of the soybean is retained in the soymilk. In the nutraceutical area, work continues on expanding the use of isoflavones into more food formulations.

(iii) Source and availability of raw materials

Substantially all of the Company's raw materials are agricultural commodities. In any single year, the availability and price of these commodities are subject to unpredictable factors such as weather, plantings, government (domestic and foreign) farm programs and policies, changes in global demand created by population growth and changes in standards of living and global production of similar and competitive crops.

(iv) Patents, trademarks and licenses

The Company owns several valuable patents, trademarks and licenses, but does not consider any segment of its business dependent upon any single or group of patents, trademarks or licenses.

(v) Extent to which business is seasonal

Since the Company is so widely diversified in global agribusiness markets, there are no material seasonal fluctuations in the manufacture, sale and distribution of its products and services. There is a degree of seasonality in the growing season and procurement of the Company's principal raw materials: oilseeds, corn, wheat, cocoa beans and other grains. However, the actual physical movement of the millions of bushels of these crops through the Company's storage and processing facilities is reasonably constant throughout the year.

(vi) Working capital items

Price variations and availability of raw agricultural commodities may cause fluctuations in the Company's inventories and short-term borrowings.

(vii) Dependence on single customer

No material part of the Company's business in any segment is dependent upon a single customer or very few customers.

(viii) Amount of backlog

Because of the nature of the Company's business, the backlog of orders at year end is not a significant indication of the Company's activity for the current or upcoming year.

(ix) Business subject to renegotiation

The Company has no business with the government subject to renegotiation.

(x) Competitive conditions

Markets for the Company's products are highly price competitive and sensitive to product substitution. No single company competes with the Company in all of its markets. However, a number of large companies compete with the Company in one or more markets. Major competitors in one or more markets include, but are not limited to, Barry Callebaut A.G., Bunge, Ltd., Cargill, Inc., ConAgra, Inc., Corn Products International, Inc. and Tate & Lyle PLC.

(xi) Research and development expenditures

Practically all of the Company's technical efforts and expenditures are concerned with food and feed ingredient products. Special efforts are being made to find improvements in food technology to alleviate protein malnutrition throughout the world, utilizing the three largest United States crops: corn, soybeans and wheat.

The Company interacts with its customers to understand their needs through its technical service representatives. These technical service representatives then interact with researchers who are familiar with the Company’s wide range of food ingredients as well as a wide range of food applications technology. These individuals form quick acting teams to develop solutions to customer needs.

The Company maintains a research laboratory in Decatur, Illinois where product and process development activities are conducted. To develop new bioproducts and to improve existing bioproducts, new cultures are developed using classical mutation and genetic engineering. Protein and vegetable oil research is conducted at facilities in Decatur where bakery, meat and dairy pilot plants support application research. Research to support sales and development for bakery products is done at a laboratory in Olathe, Kansas. Research to support sales and development for cocoa and chocolate products is done in Milwaukee, Wisconsin and the Netherlands. Research and technical support for industrial and food wheat starch applications is conducted in a Montreal, Canada research center. The Company conducts research for corn starches in paper and textile industries as well as fuel ethanol research in Clinton, Iowa. The Company maintains research centers in Quincy, Illinois and Decatur, Indiana that conduct swine and cattle feeding trials to test new formula feed products and to develop improved feeding efficiencies.

The amounts spent during the three years ended June 30, 2003, 2002 and 2001 for such technical efforts were approximately $29.6, $26.1 and $23.8 million, respectively.

(xii) Material effects of capital expenditures for environmental protection

During 2003, $50.9 million was spent for equipment, facilities and programs for pollution control and compliance with the requirements of various environmental agencies.

There have been no material effects upon the earnings and competitive position of the Company resulting from compliance with federal, state and local laws or regulations enacted or adopted relating to the protection of the environment.

In April 2003, the Company entered into an agreement with the federal and various state and county governments to reduce air emissions over the next 10 years. This agreement relates to 52 facilities located in 16 states and resolves all air emissions issues at these facilities. The Company anticipates achieving a portion of these reductions through process changes and optimization of existing pollution control equipment. However, in the event the Company were to effect these emission reductions solely by installation of additional control equipment, the capital cost during the 10-year period is estimated to be $213 million. The Company expects other expenditures for environmental facilities and programs to continue at approximately the present rate with no unusual amounts anticipated for the next two years.

(xiii) Number of employees

The number of persons employed by the Company was 26,197 at June 30, 2003.

(d) Financial Information About Foreign and Domestic Operations and Export Sales

The Company's foreign operations are principally in developed countries and do not entail any undue or unusual business risks. Geographic financial information is set forth in "Note 13 of Notes to Consolidated Financial Statements" of the annual shareholders' report for the year ended June 30, 2003 and is incorporated herein by reference.

Export sales by segment for the last three years were as follows:

	2003	2002	2001
		(in thousands)	
Oilseeds Processing	$ 890,263	$ 1,268,901	$ 1,229,191
Corn Processing	60,202	93,773	151,771
Wheat Processing	90,826	83,313	61,633
Agricultural Services	4,277,620	3,595,419	3,250,944
Other	206,076	190,492	203,012
Total	$ 5,524,987	$ 5,231,898	$ 4,896,551

(e) Available Information

The Company's Internet website is http://www.admworld.com. The Company makes available, free of charge, through its Internet website, the Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Directors and Officers Forms 3, 4 and 5, and amendments to those reports, as soon as reasonably practicable after electronically filing such materials with, or furnishing them to, the Securities and Exchange Commission.

(f) Executive Officers and Certain Significant Employees of the Company

Name	Title	Age
G. Allen Andreas	Chairman of the Board of Directors from January 1999. Chief Executive from July 1997. President from July 1997 to February 1999.	60
Martin L. Andreas	Assistant to the Chief Executive from 1989. Senior Vice President from 1989 to November 2001.	64
Charles P. Archer	Vice President and Treasurer from November 2002. Treasurer from October 1992 to November 2002.	47
Maureen K. Ausura	Vice President from June 2000. Senior Vice President, Human Resources, of Giant Eagle, Inc. from 1996 to June 2000.	47
Ronald S. Bandler	Assistant Treasurer from January 1998. Manager of Treasury Operations from 1989 to January 1998.	42
Lewis W. Batchelder	Senior Vice President from December 2001. Group Vice President from July 1997 to December 2001. President of Grain Operations from March 2001.	58
J. Kevin Burgard	Vice President from January 2003. Managing Director of ADM International from January 2003. President of North American Oilseed Processing Division from March 2002 to January 2003. President, ADM Bioproducts and Feed from September 2001 to March 2002. Vice President, North American Soybean Division from January 2001 to September 2001. Various merchandising management positions from 1986 to 2001.	40
William H. Camp	Senior Vice President from December 2001. Group Vice President and President, North American Oilseed Processing Division from April 2000 to December 2001. Group Vice President and President, South American Oilseed Processing Division from March 1999 to April 2000. Vice President from April 1993 to March 1999.	54

Mark J. Cheviron	Vice President from July 1997. Vice President of Corporate Security and Administrative Services since May 1997. Director of Security since 1980.	54
Anthony P. Delio	Vice President of Marketing and Public Relations from March 2002. President ADM Natural Health and Nutrition September 2001 to March 2002. Vice President from May 2000. President of ADM Protein Specialties Division from October 1999 to September 2001. President of ADM Nutraceutical Division from May 1999 to September 2001. Various senior product development positions with Mars, Inc. from 1980 to May 1999.	47
Craig A. Fischer	Vice President from September 2001. President of ADM Milling from September 2001. President of ADM BioProducts and Specialty Ingredients from July 2000 to September 2001. Vice President of ADM Corn Processing from 1985 to 2000. President of ARTCO from 1996 to 1999.	53
Dennis C. Garceau	Vice President from April 1999. President of ADM Technical Services Department from April 1999. Various senior engineering positions from 1969 to April 1999.	56
Edward A. Harjehausen	Group Vice President from March 2002. President of ADM Bioproducts and Feed Division from March 2002. President of ADM Corn Processing Division from July 2000. Vice President from October 1992 to March 2002. President of ADM Bioproducts and Food Additives from October 1999 to July 2000.	53
Craig E. Huss	Vice President from January 2001. President of ADM Transportation from 1999. Various grain elevator and merchandising management positions from 1976 to 1999.	50
Matthew J. Jansen	Vice President from January 2003. President, South American Oilseed Processing from April 2000. Vice President, South American Oilseed Processing from August 1999 to April 2000. Various merchandising management positions from 1989 to 1999.	37

Paul L. Krug, Jr.	Vice President from November 1991. President of ADM Investor Services from 1991.	59
Michael Lusk	Vice President from November 1999. Senior Vice President with AON/ International Risk Management Company, Inc. from 1989 to November 1999.	54
Margaret M. Loebl	Group Vice President – Finance from November 2002. Vice President, Corporate Finance of NIKE, Inc from 2000 to 2001. Various finance positions with General Motors Corporation from 1987 to 2000.	43
Steven R. Mills	Group Vice President from January 2002. Vice President from February 2000 to January 2002. Controller from October 1994.	48
Paul B. Mulhollem	Chief Operating Officer from January 2002. President from December 2001. Senior Vice President from October 1999 to December 2001. Group Vice President from July 1997 to October 1999. Vice President from January 1996 to July 1997. Managing Director of ADM International, Ltd. from 1993 to October 1999.	53
Brian F. Peterson	Senior Vice President - Corporate Affairs from January 2003. Group Vice President and Managing Director of ADM International, Ltd. from October 1999 to January 2003. Vice President from January 1996 to October 1999. President of ADM Protein Specialties Division from February 1999 to October 1999. President of ADM Bioproducts Division from 1995 to October 1999.	61
Raymond V. Preiksaitis	Group Vice President from July 1997. Vice President of Management Information Systems from 1988 to July 1997.	50
John G. Reed	Vice President from 1982.	73
Richard P. Reising	Senior Vice President from July 1997. Vice President, Secretary and General Counsel from 1991 to July 1997.	59

John D. Rice	Senior Vice President from February 2000. Group Vice President and President, North American Oilseed Processing Division from February 1999 to February 2000. Vice President from 1993 to February 1999. President of ADM Food Oils Division from December 1996 to February 2000.	49
Scott A. Roberts	Assistant Secretary and Assistant General Counsel from July 1997. Member of the Law Department since 1985.	42
Kenneth A. Robinson	Vice President from January 1996.	56
Scott A. Roney	Vice President, Corporate Compliance and Regulatory Affairs from April 2001. Member of the Law Department from 1991 to April 2001.	38
Marc A. Sanner	Assistant Controller from January 2003. Vice President, Business Development and Strategic Planning from July 2001 to January 2003. Various positions in tax and accounting from 1987 to 2001.	50
Douglas J. Schmalz	Senior Vice President and Chief Financial Officer from January 2002. Vice President and Chief Financial Officer from 1986 to January 2002.	57
A. J. Shafter	Vice President and Assistant General Counsel from January 2003. Partner with Kehart Shafter Webber & Campbell Robinson from December 1975 to January 2003.	56
David J. Smith	Executive Vice President, Secretary and General Counsel from January 2003. Senior Vice President, Secretary and General Counsel from January 2002 to January 2003. Vice President, Secretary and General Counsel from July 1997 to January 2002. Assistant General Counsel from 1995 to July 1997. Assistant Secretary from 1988 to July 1997.	48
Stephen H. Yu	Vice President from January 1996.	43

Officers of the Company are elected by the Board of Directors for terms of one year and until their successors are duly elected and qualified.

Item 2. PROPERTIES

The Company owns, leases, or has a 50% or greater interest in the following processing plants and procurement facilities:

	Processing Plants			Procurement Facilities		
	United States	Foreign	Total	United States	Foreign	Total
Owned	149	115	264	200	99	299
Leased	3	3	6	28	25	53
Joint Venture	-	6	6	9	-	9
	152	124	276	237	124	361

The Company's operations are such that most products are efficiently processed near the source of raw materials. Consequently, the Company has many plants strategically located in grain producing areas. The annual volume of commodities processed will vary depending upon availability of raw materials and demand for finished products.

Oilseeds Processing

	Processing Plants			Procurement Facilities		
	United States	Foreign	Total	United States	Foreign	Total
Owned	40	52	92	15	84	99
Leased	2	1	3	-	18	18
Joint Venture	-	-	-	-	-	-
	42	53	95	15	102	117

The Company operates twenty-three domestic and nineteen foreign oilseed crushing plants with a daily processing capacity of approximately 88,000 metric tons (3.2 million bushels). The domestic plants are located in Arkansas, Georgia, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Carolina, Tennessee and Texas. The foreign plants are located in Bolivia, Brazil, Canada, England, Germany, India, Mexico, the Netherlands, Poland and Turkey.

The Company operates twelve domestic oilseed refineries in Georgia, Illinois, Indiana, Iowa, Minnesota, Missouri, Nebraska, North Dakota and Tennessee, as well as twenty foreign refineries in Bolivia, Brazil, Canada, England, France, Germany, India, the Netherlands, Poland and Turkey. The Company packages oils at five domestic plants located in California, Georgia, and Illinois, as well as at ten foreign plants located in Bolivia, Brazil, England, Germany and Turkey. Cotton linter pulp is produced in Tennessee and cottonseed flour is produced in Texas. The Company operates two fertilizer blending plants in Brazil and two bio-diesel plants in Germany.

The Oilseeds Processing segment operates fifteen domestic country grain elevators as adjuncts to its processing plants. These elevators, with an aggregate storage capacity of 6 million bushels, are located in Arkansas, Illinois, Kansas, Missouri and North Carolina.

This segment also operates one hundred two foreign elevators including port facilities in Bolivia, Brazil, Canada, Germany and Paraguay as adjuncts to its processing plants. These facilities have a storage capacity of 122 million bushels.

Item 2. PROPERTIES—Continued

Corn Processing

	Processing Plants			Procurement Facilities		
	United States	Foreign	Total	United States	Foreign	Total
Owned	9	-	9	3	-	3
Leased	-	-	-	-	-	-
Joint Venture	-	1	1	-	-	-
	9	1	10	3	-	3

The Company operates five wet corn milling and two dry corn milling plants with a daily grind capacity of approximately 51,300 metric tons (2.0 million bushels). These plants, and other related properties, including two corn germ extractions plants, are located in Illinois, Iowa, Minnesota, Nebraska and North Dakota. The Corn Processing segment operates three domestic grain terminal elevators as adjuncts to its processing plants. These elevators, with an aggregate storage capacity of 6.4 million bushels are located in Minnesota. The Company also has an interest, through a joint venture, in a processing plant in Mexico.

Wheat Processing

	Processing Plants		
	United States	Foreign	Total
Owned	33	32	65
Leased	1	-	1
Joint Venture	-	-	-
	34	32	66

The Company operates twenty-four domestic wheat flour mills, a domestic bulgur plant, three domestic corn flour mills, two domestic milo mills, and twenty-four foreign flour mills with a total daily milling capacity of approximately 31,000 metric tons (1.1 million bushels). The Company also operates six bakery mix and specialty ingredient plants. These plants and related properties are located in California, Illinois, Indiana, Kansas, Minnesota, Missouri, Nebraska, New York, North Carolina, Oklahoma, Pennsylvania, Tennessee, Texas, Washington, Wisconsin, Barbados, Belize, Canada, England, Grenada, Jamaica, and the Netherlands Antilles. The Company operates three foreign formula feed plants as adjuncts to the wheat flour mills in Belize, Grenada and the Netherlands Antilles. The Company operates a food ingredient plant and a rice milling plant in Jamaica. In addition, the Company operates a paper bag plant in West Virginia.

Agricultural Services

	Procurement Facilities		
	United States	Foreign	Total
Owned	154	7	161
Leased	28	-	28
Joint Venture	9	-	9
	191	7	198

The Agricultural Services Segment operates one hundred eighty-two domestic terminal, sub-terminal, country, and river elevators covering the major grain producing states, including sixty-seven country elevators and one hundred fifteen sub-terminal, terminal and river loading facilities including seven grain export elevators in Florida, Louisiana, Ohio and Texas. Elevators are located in Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, Ohio, Oklahoma, Tennessee, and Texas. These elevators have an aggregate storage capacity of approximately 442 million bushels. The Company has three grain export elevators in Argentina that have an aggregate storage capacity of approximately 10 million bushels. In addition, the Company has three country elevators in Canada and one country elevator in the Dominican Republic.

The Company also has interests, through joint ventures, in nine domestic grain elevators located in Minnesota, North Dakota and South Dakota with an aggregate storage capacity of approximately 6 million bushels.

Other

	Processing Plants			Procurement Facilities		
	United States	Foreign	Total	United States	Foreign	Total
Owned	67	31	98	28	8	36
Leased	-	2	2	-	7	7
Joint Venture	-	5	5	-	-	-
	67	38	105	28	15	43

The Company operates three domestic and ten foreign chocolate and cocoa bean processing plants. The domestic plants are located in Massachusetts, New Jersey, and Wisconsin, and the foreign plants are located in Brazil, Canada, China, England, Ivory Coast, the Netherlands, Poland and Singapore. The Company operates fourteen cocoa bean procurement and handling facilities/port sites in the Ivory Coast, Indonesia, Malaysia and Brazil.

The Company operates ten domestic soy protein specialty plants in Illinois and three foreign plants in the Netherlands. Lecithin products are produced at six domestic and four foreign plants in Illinois, Iowa, Nebraska, Canada, Germany and the Netherlands, and Vitamin E is produced in Illinois. The Company also operates a domestic starch and gluten plant in Iowa and one in Canada. The Company operates four various other food and food ingredient plants in England, France and Germany. The Company produces feed and food additives at eight plants located in Illinois, North Carolina, China and Ireland. The Company also operates a bakery mix and specialty ingredient plant in Kansas and a honey drying operation in Wisconsin.

The Company operates twenty-eight domestic and one foreign edible bean procurement facilities with an aggregate storage capacity of approximately 13 million bushels, located in Colorado, Idaho, Michigan, Minnesota, North Dakota, Wyoming and Canada. The Company has an edible bean dehydration facility in North Dakota.

The Company also operates thirty-seven domestic and nine foreign formula feed and animal health and nutrition plants. The domestic plants are located in Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, Ohio, Pennsylvania, South Dakota, Texas, Wisconsin and Washington. The foreign plants are located in Canada, China, Ireland, Puerto Rico and Trinidad. The Company also has interests, through joint ventures, in cereal sweeteners and starch plants in Bulgaria, Hungary, Romania, Slovakia and Turkey.

Item 3. LEGAL PROCEEDINGS

ENVIRONMENTAL MATTERS

The Company is involved in approximately 25 administrative and judicial proceedings in which it has been identified as a potentially responsible party ("PRP") under the federal Superfund law and its state analogs for the study and clean-up of sites contaminated by material discharged into the environment. In all of these matters, there are numerous PRPs. Due to various factors such as the required level of remediation and participation in the clean-up effort by others, the Company's future clean-up costs at these sites cannot be reasonably estimated. In management's opinion, these proceedings will not, either individually or in the aggregate, have a material adverse effect on the Company's financial condition or results of operations.

LITIGATION REGARDING ALLEGED ANTICOMPETITIVE PRACTICES

The Company is currently a defendant in various lawsuits related to alleged anticompetitive practices by the Company as described in more detail below. The Company intends to vigorously defend these actions unless they can be settled on terms deemed acceptable to the parties.

GOVERNMENTAL MATTERS

Federal grand juries in the Northern Districts of Illinois, California and Georgia, under the direction of the United States Department of Justice ("DOJ"), have been investigating possible violations by the Company and others with respect to the sale of lysine, citric acid and high fructose corn syrup, respectively. In connection with an agreement with the DOJ in fiscal 1997, the Company paid the United States fines of $100 million. This agreement constituted a global resolution of all matters between the DOJ and the Company and brought to a close all DOJ investigations of the Company. The federal grand juries in the Northern Districts of Illinois (lysine) and Georgia (high fructose corn syrup) have been closed.

The Company has received notice that certain foreign governmental entities were commencing investigations to determine whether anticompetitive practices occurred in their jurisdictions. Except for the investigations being conducted by the Commission of the European Communities and the Brazilian Department of Protection and Economic Defense as described below, all such matters have been resolved as previously reported. In June 1997, the Company and several of its European subsidiaries were notified that the Commission of the European Communities had initiated an investigation as to possible anticompetitive practices in the amino acid markets, in particular the lysine market, in the European Union. On October 29, 1998, the Commission of the European Communities initiated formal proceedings against the Company and others and adopted a Statement of Objections. The reply of the Company was filed on February 1, 1999 and the hearing was held on March 1, 1999. On August 8, 1999, the Commission of the European Communities adopted a supplementary Statement of Objections expanding the period of involvement as to certain other companies. On June 7, 2000, the Commission of the European Communities adopted a decision imposing a fine against the Company in the amount of EUR 47.3 million. The Company appealed this decision. On July 9, 2003 the court reduced the fine assessed against the Company to EUR 43.9 million. The Company is considering a further appeal of this decision. In September 1997, the Company received a request for information from the Commission of the European Communities with respect to an investigation being conducted by that Commission into the possible existence of certain agreements and/or concerted practices in the citric acid market in the European Union. On March 28, 2000, the Commission of the European Communities initiated formal proceedings against the Company and others and adopted a Statement of Objections. The reply of the Company was filed on June 9, 2000. On December 17, 2001, the Commission of the European Communities adopted a decision imposing a fine against the Company in the amount of EUR 39.7 million. The Company has appealed this decision. In November 1998, a European subsidiary of the Company received a request for information from the Commission of the European Communities with respect to an investigation being conducted by that Commission into the possible existence of certain agreements and/or concerted practices in the sodium gluconate market in the European Union. On May 17, 2000, the Commission of the European Communities initiated formal proceedings against the Company and others and adopted a Statement of Objections. The reply of the Company was filed on September 1, 2000. On October 2, 2001, the Commission of the European Communities adopted a decision imposing a fine against the Company in the amount of EUR 10.3 million. The Company has appealed this decision. On May 8, 2000, a Brazilian subsidiary of the Company was notified of the commencement of an administrative proceeding by the Department of Protection and Economic Defense relative to possible anticompetitive practices in the lysine market in Brazil. On July 3, 2000, the Brazilian subsidiary of the Company filed a Statement of Defense in this proceeding.

The ultimate outcome of the proceedings of the Commission of the European Communities and the ultimate outcome and materiality of the proceedings of the Brazilian Department of Protection and Economic Defense cannot presently be determined.

HIGH FRUCTOSE CORN SYRUP ACTIONS

The Company, along with other companies, has been named as a defendant in thirty-one antitrust suits involving the sale of high fructose corn syrup in the United States. Thirty of these actions have been brought as putative class actions.

FEDERAL ACTIONS. Twenty-two of these putative class actions allege violations of federal antitrust laws, including allegations that the defendants agreed to fix, stabilize and maintain at artificially high levels the prices of high fructose corn syrup, and seek injunctions against continued alleged illegal conduct, treble damages of an unspecified amount, attorneys' fees and costs, and other unspecified relief. The putative classes in these cases comprise certain direct purchasers of high fructose corn syrup during certain periods in the 1990s. These twenty-two actions have been transferred to the United States District Court for the Central District of Illinois and consolidated under the caption In Re High Fructose Corn Syrup Antitrust Litigation, MDL No. 1087 and Master File No. 95-1477. On April 3, 2001, the Company and the other defendants filed motions for summary judgment. On August 23, 2001, the Court entered a written order granting the defendants' motions for summary judgment. On June 18, 2002, the United States Court of Appeals for the Seventh Circuit reversed the district court's grant of summary judgment for defendants. On August 5, 2002, the Court of Appeals denied defendants' petitions for rehearing and rehearing en banc. On February 24, 2003, the United States Supreme Court denied defendants' petitions for writ of certiorari. On July 1, 2003, the Company and the other defendants filed a motion to decertify the class. That motion is currently being briefed.

On January 14, 1997, the Company, along with other companies, was named a defendant in a non-class action antitrust suit involving the sale of high fructose corn syrup and corn syrup. This action which is encaptioned Gray & Co. v. Archer Daniels Midland Co., et al., No. 97-69-AS, was filed in federal court in Oregon, alleges violations of federal antitrust laws and Oregon and Michigan state antitrust laws, including allegations that the defendants conspired to fix, raise, maintain and stabilize the price of corn syrup and high fructose corn syrup, and seeks treble damages, attorneys' fees and costs of an unspecified amount. This action was transferred for pretrial proceedings to the United States District Court for the Central District of Illinois. On October 25, 2002, the defendants moved for partial summary judgment with respect to the corn syrup claims asserted in this case. On May 13, 2003, the Court denied this motion. On June 24, 2003, the Judicial Panel on Multidistrict Litigation remanded the case back to federal court in Oregon.

STATE ACTIONS. The Company, along with other companies, also has been named as a defendant in seven putative class action antitrust suits filed in California state court involving the sale of high fructose corn syrup. These California actions allege violations of the California antitrust and unfair competition laws, including allegations that the defendants agreed to fix, stabilize and maintain at artificially high levels the prices of high fructose corn syrup, and seek treble damages of an unspecified amount, attorneys' fees and costs, restitution and other unspecified relief. One of the California putative classes comprises certain direct purchasers of high fructose corn syrup in the State of California during certain periods in the 1990s. This action was filed on October 17, 1995 in Superior Court for the County of Stanislaus, California and encaptioned Kagome Foods, Inc. v Archer-Daniels-Midland Co. et al., Civil Action No. 37236. This action has been removed to federal court and consolidated with the federal class action litigation pending in the Central District of Illinois referred to above. The other six California putative classes comprise certain indirect purchasers of high fructose corn syrup and dextrose in the State of California during certain periods in the 1990s. One such action was filed on July 21, 1995 in the Superior Court of the County of Los Angeles, California and is encaptioned Borgeson v. Archer-Daniels-Midland Co., et al., Civil Action No. BC131940. This action and four other indirect purchaser actions have been coordinated before a single court in Stanislaus County, California under the caption, Food Additives (HFCS) cases, Master File No. 39693. The other four actions are encaptioned, Goings v. Archer Daniels Midland Co., et al., Civil Action No. 750276 (Filed on July 21, 1995, Orange County Superior Court); Rainbow Acres v. Archer Daniels Midland Co., et al., Civil Action No. 974271 (Filed on November 22, 1995, San Francisco County Superior Court); Patane v. Archer Daniels Midland Co., et al., Civil Action No. 212610 (Filed on January 17, 1996, Sonoma County Superior Court); and St. Stan's Brewing Co. v. Archer Daniels Midland Co., et al., Civil Action No. 37237 (Filed on October 17, 1995, Stanislaus County Superior Court). On October 8, 1997, Varni Brothers Corp. filed a complaint in intervention with respect to the coordinated action pending in Stanislaus County Superior Court, asserting the same claims as those advanced in the consolidated class action.

One action filed in the Circuit Court of Coosa County, Alabama alleging violations of the Alabama, Michigan and Minnesota antitrust laws was dismissed on April 5, 2002. This action was encaptioned Caldwell v. Archer-Daniels-Midland Company, et al., Civil Action No. 96-17.

HIGH FRUCTOSE CORN SYRUP/CITRIC ACID STATE CLASS ACTIONS

The Company, along with other companies, has been named as a defendant in five putative class action antitrust suits involving the sale of both high fructose corn syrup and citric acid. Two of these actions allege violations of the California antitrust and unfair competition laws, including allegations that the defendants agreed to fix, stabilize and maintain at artificially high levels the prices of high fructose corn syrup and citric acid, and seek treble damages of an unspecified amount, attorneys' fees and costs, restitution and other unspecified relief. The putative class in one of these California cases comprises certain direct purchasers of high fructose corn syrup and citric acid in the State of California during the period January 1, 1992 until at least October 1995. This action was filed on October 11, 1995 in the Superior Court of Stanislaus County, California and is entitled Gangi Bros. Packing Co. v. Archer-Daniels-Midland Co., et al., Civil Action No. 37217. The putative class in the other California case comprises certain indirect purchasers of high fructose corn syrup and citric acid in the State of California during the period October 12, 1991 until November 20, 1995. This action was filed on November 20, 1995 in the Superior Court of San Francisco County and is encaptioned MCFH, Inc. v. Archer-Daniels-Midland Co., et al., Civil Action No. 974120. The California Judicial Council has bifurcated the citric acid and high fructose corn syrup claims in these actions and coordinated them with other actions in San Francisco County Superior Court and Stanislaus County Superior Court. As noted in prior filings, the Company accepted a settlement agreement with counsel for the citric acid plaintiff class. This settlement received final court approval and the case was dismissed on September 30, 1998. The Company, along with other companies, also has been named as a defendant in one putative class action antitrust suit filed in West Virginia state court involving the sale of high fructose corn syrup and citric acid. This action alleges violations of the West Virginia antitrust laws, including allegations that the defendants agreed to fix, stabilize and maintain at artificially high levels the prices of high fructose corn syrup and citric acid, and seeks treble damages of an unspecified amount, attorney's fees and costs, and other unspecified relief. The putative class in the West Virginia action comprises certain entities within the State of West Virginia that purchased products containing high fructose corn syrup and/or citric acid for resale from at least 1992 until 1994. This action was filed on October 26, 1995, in the Circuit Court for Boone County, West Virginia, and is encaptioned Freda's v. Archer-Daniels-Midland Co., et al., Civil Action No. 95-C-125. The Company, along with other companies, also has been named as a defendant in a putative class action antitrust suit filed in the Superior Court for the District of Columbia involving the sale of high fructose corn syrup and citric acid. This action alleges violations of the District of Columbia antitrust laws, including allegations that the defendants agreed to fix, stabilize and maintain at artificially high levels the prices of high fructose corn syrup and citric acid, and seeks treble damages of an unspecified amount, attorney's fees and costs, and other unspecified relief. The putative class in the District of Columbia action comprises certain persons within the District of Columbia that purchased products containing high fructose corn syrup and/or citric acid during the period January 1, 1992 through December 31, 1994. This action was filed on April 12, 1996 in the Superior Court for the District of Columbia, and is encaptioned Holder v. Archer-Daniels-Midland Co., et al., Civil Action No. 96-2975. On November 13, 1998, plaintiff's motion for class certification was granted. Plaintiffs are seeking to conduct additional discovery. The Company, along with other companies, has been named as a defendant in a putative class action antitrust suit filed in Kansas state court involving the sale of high fructose corn syrup and citric acid. This action alleges violations of the Kansas antitrust laws, including allegations that the defendants agreed to fix, stabilize and maintain at artificially high levels the prices of high fructose corn syrup and citric acid, and seeks treble damages of an unspecified amount, court costs and other unspecified relief. The putative class in the Kansas action comprises certain persons within the State of Kansas that purchased products containing high fructose corn syrup and/or citric acid during at least the period January 1, 1992 through December 31, 1994. This action was filed on May 7, 1996 in the District Court of Wyandotte County, Kansas and is encaptioned Waugh v. Archer-Daniels-Midland Co., et al., Case No. 96-C-2029. Plaintiff's motion for class certification is currently pending.

HIGH FRUCTOSE CORN SYRUP/CITRIC ACID/LYSINE STATE CLASS ACTIONS

The Company, along with other companies, has been named as a defendant in six putative class action antitrust suits filed in California state court involving the sale of high fructose corn syrup, citric acid and/or lysine. These actions allege violations of the California antitrust and unfair competition laws, including allegations that the defendants agreed to fix, stabilize and maintain at artificially high levels the prices of high fructose corn syrup, citric acid and/or lysine, and seek treble damages of an unspecified amount, attorneys' fees and costs, restitution and other unspecified relief. One of the putative classes is comprised of certain direct purchasers of high fructose corn syrup, citric acid and/or lysine in the State of California during a certain period in the 1990s. This action was filed on December 18, 1995 in the Superior Court for Stanislaus County, California and is encaptioned Nu Laid Foods, Inc. v. Archer-Daniels-Midland Co., et al., Civil Action No. 39693. The other five putative classes comprise certain indirect purchasers of high fructose corn syrup, citric acid and/or lysine in the State of California during certain periods in the 1990s. One such action was filed on December 14, 1995 in the Superior Court for Stanislaus County, California and is encaptioned Batson v. Archer-Daniels-Midland Co., et al., Civil Action No. 39680. The other actions are encaptioned Abbott v. Archer Daniels Midland Co., et al., No. 41014 (Filed on December 21, 1995, Stanislaus County Superior Court); Noldin v. Archer Daniels Midland Co., et al., No. 41015 (Filed on December 21, 1995, Stanislaus County Superior Court); Guzman v. Archer Daniels Midland Co., et al., No. 41013 (Filed on December 21, 1995, Stanislaus County Superior Court) and Ricci v. Archer Daniels Midland Co., et al., No. 96-AS-00383 (Filed on February 6, 1996, Sacramento County Superior Court). As noted in prior filings, the plaintiffs in these actions and the lysine defendants have executed a settlement agreement that has been approved by the court, and the California Judicial Council has bifurcated the citric acid and high fructose corn syrup claims and coordinated them with other actions in San Francisco County Superior Court and Stanislaus County Superior Court.

MONOSODIUM GLUTAMATE ACTIONS

The Company, along with other companies, has been named as a defendant in sixteen putative class action antitrust suits and one non-class action suit involving the sale of monosodium glutamate and/or other food flavor enhancers in the United States and three putative class action antitrust suits involving the sale of nucleotides and monosodium glutamate in Canada. Except for the actions specifically described below, all such suits have been settled, dismissed or withdrawn.

CANADIAN ACTIONS. The Company, along with other companies, has been named as a defendant in three actions filed pursuant to the Class Proceedings Act in which the plaintiffs allege that the defendants violated the Competition Act with respect to the sale of nucleotides and monosodium glutamate in Canada. The putative classes are comprised of direct and indirect purchasers in Canada during the period from January 1, 1990 to November 1, 1999. The plaintiffs in these actions seek general, punitive and exemplary damages and "disgorgement of ill-gotten overcharges", plus prejudgment interest and costs of the actions. The first action was filed on or about September 7, 2001 in the Superior Court of Justice in Toronto, Ontario, and is encaptioned Long Duc Ngo and Christopher McLean v. Ajinomoto U.S.A., Inc., et al., Court File No. 37708. The second action was filed on or about October 4, 2001 in the Supreme Court of British Columbia in Vancouver and is encaptioned Abel Lam and Klas Consulting & Investment Ltd. v. Ajinomoto U.S.A., Inc., et al., Court File No. S015589. The third action was filed on or about October 18, 2001 in the "Cour Superieure" in the Province of Quebec and District of Quebec, and is encaptioned Colette Brochu v. Ajinomoto U.S.A. Inc., et al., No.: 200-06-000019-011. On September 19, 2002, the plaintiffs in the Ontario class action served a motion seeking to amend the Statement of Claim to remove all allegations relating to the sale of nucleotides and to launch a separate class action in respect of the sale of nucleotides. On December 10, 2002, the plaintiffs withdrew this motion and advised that they no longer intend to sever the MSG and nucleotides claims. The plaintiffs further advised on December 10, 2002 that they would be serving a further Amended Statement of Claim, but no such pleading has yet been served. The original timetable approved by the Court for the conduct of the motion for certification in Ontario has been abandoned and no new timetable has been set. No schedule has been established for the actions pending in British Columbia and Quebec. Plaintiffs' counsel has advised that the plaintiffs have now reached a settlement with certain, as yet unnamed, defendant(s) in all three actions. The plaintiffs' motion for approval of this settlement, scheduled for June 2, 2003 in the Ontario Superior Court, has been tentatively adjourned to October 7, 2003. On May 28, 2003, the Company and the plaintiffs in these three actions reached an agreement pursuant to which the Company will pay the plaintiffs C$150,000, plus up to C$25,000 in costs related to providing notice of this settlement. This settlement is subject to court approval in each action.

STATE ACTIONS. The Company, along with at least one other company, has been named as a defendant in four putative class action antitrust suits filed in California state court involving the sale of monosodium glutamate and/or other food flavor enhancers. These actions allege violations of California antitrust and unfair competition laws, including allegations that the defendants agreed to fix, stabilize and maintain at artificially high levels the price of monosodium glutamate and/or other food flavor enhancers, and seek treble damages of an unspecified amount, restitution, attorneys' fees and costs, and other unspecified relief. The putative classes in these actions comprise certain indirect purchasers of monosodium glutamate and/or other food flavor enhancers in the State of California during certain periods in the 1990's. The first action originally was filed on June 25, 1999 in the Superior Court of San Francisco County and is encaptioned Fu's Garden Restaurant v. Archer-Daniels-Midland Company, et al., Civil Action No. 304471. The second action was filed on January 14, 2000 in the Superior Court of San Francisco County and is encaptioned JMN Restaurant Management, Inc. v. Ajinomoto Co., Inc., et al., Civil Action No. 309236. The third action was filed on

May 2, 2000 in the Superior Court of San Francisco County and is encaptioned Tanuki Restaurant and Lilly Zapanta v. Archer Daniels Midland Co., et al., Civil Action No. 311871. The fourth action was filed on May 24, 2000 in the Superior Court of San Francisco County and is encaptioned Tasty Sunrise Burgers v. Archer Daniels Midland Co., et al., Civil Action No. 312373. On June 19, 2000, the Court consolidated all of these cases for pretrial and trial purposes. The Company and the plaintiffs in these actions have executed a settlement agreement pursuant to which the Company will pay the plaintiffs $50,000. This settlement will be submitted for approval by the court in the near future. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit filed in Massachusetts state court involving the sale of monosodium glutamate and/or other food flavor enhancers. The action alleges violations of the Massachusetts Consumer Protection Act, including allegations that the defendants agreed to fix prices, allocate market shares and eliminate and suppress competition in the sale of monosodium glutamate, nucleotides and other food flavor enhancers, and seeks treble damages of an unspecified amount, attorneys' fees and costs, and other unspecified relief. The putative class in this action comprises persons within the State of Massachusetts that purchased for consumer purposes products containing monosodium glutamate and/or nucleotides between January 1990 and August 23, 2001. This action was filed on June 5, 2002 in Middlesex Superior Court, and is encaptioned Fortin v. Ajinomoto U.S.A., Inc., et al., Civil Action No. 02-2345. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit filed in Kansas state court involving the sale of monosodium glutamate and nucleotides. The action alleges violations of the Kansas antitrust laws, including allegations that the defendants agreed to fix, stabilize, control and maintain prices for monosodium glutamate and nucleotides, and seeks damages, including treble damages, of an unspecified amount, attorneys' fees and costs, and other unspecified relief. The putative class in this action comprises all persons or entities in the State of Kansas that indirectly purchased monosodium glutamate and/or nucleotides between January 1990 and November 1, 1999 for use as an ingredient in the manufacture or preparation of final food products. This action was filed on July 22, 2002 in the District Court of Johnson County, Kansas and is encaptioned Williams Foods, Inc. v. Ajinomoto U.S.A., Inc., et al., Civil Action No. 02-CV-04661. On February 21, 2003, the Company moved to dismiss the case. The parties to this case subsequently executed an Order and Stipulation of Dismissal with Prejudice and the Court entered this Order on June 24, 2003. The Company, along with other defendants, also has been named as a defendant in one non-class action antitrust suit filed by six individual business entities in Kansas state court involving the sale of monosodium glutamate and nucleotides. The action alleges violations of the Kansas state antitrust laws, including allegations that defendants agreed to raise, fix and maintain prices for monosodium glutamate and nucleotides, and seeks damages, including treble damages and the full consideration or sum paid for monosodium glutamate or nucleotides or products containing these ingredients, of an unspecified amount, attorneys' fees and costs, and other unspecified relief. This action was filed on October 8, 2002 in the District Court of Wyandotte County, Kansas and is encaptioned Four B Corp., et al., v. Archer Daniels Midland Co., et al., Civil Action No. 02-C-4271. On January 3, 2003, the Company along with other defendants removed this action to the United States District Court for the District of Kansas. On February 12, 2003, the Judicial Panel on Multidistrict Litigation transferred this action to the District of Minnesota for coordinated pretrial proceedings. On April 3, 2003, the Company moved to dismiss the case. This motion is currently pending. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit filed in Wisconsin state court involving the sale of monosodium glutamate and nucleotides. The action alleges violations of the laws of the States of Arizona, California, Florida, Hawaii, Kansas, Maine, Massachusetts, Michigan, Minnesota, Nevada, New Mexico, New York, North Carolina, North Dakota, South Dakota, Tennessee and West Virginia, as well as the District of Columbia and Puerto Rico. The action includes allegations that the defendants agreed to fix, stabilize, control and maintain the prices for monosodium glutamate and nucleotides, and seeks damages, including treble damages, of an unspecified amount, attorneys' fees and costs, and other unspecified relief. The putative class in this action comprises all persons or entities in the above-referenced jurisdictions who indirectly purchased monosodium glutamate or nucleotides, or products containing these ingredients for human and/or animal consumption, during any time between January 1, 1989 and November 25, 2002. This action was filed on November 25, 2002 in the Circuit Court for Dane County, Wisconsin and is encaptioned Lief v. Archer Daniels Midland Co., et al., Case No. 02-CV-3697. On March 12, 2003, the Company and other defendants removed this action to the United States District Court for the Western District of Wisconsin. On April 11, 2003, plaintiffs moved to remand this case to state court. On May 6, 2003, the Judicial Panel on Multidistrict Litigation transferred this action to the District of Minnesota for coordinated pretrial proceedings.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Information responsive to this Item is set forth in "Common Stock Market Prices and Dividends" of the annual shareholders' report for the year ended June 30, 2003 and is incorporated herein by reference.

Item 6. SELECTED FINANCIAL DATA

Information responsive to this Item is set forth in the "Ten-Year Summary of Operating, Financial and Other Data" of the annual shareholders' report for the year ended June 30, 2003 and is incorporated herein by reference.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Information responsive to this Item is set forth in "Management's Discussion of Operations and Financial Condition" of the annual shareholders' report for the year ended June 30, 2003 and is incorporated herein by reference.

Item 7A. QUANTITIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information responsive to this Item is set forth in "Management's Discussion of Operations and Financial Condition" of the annual shareholders' report for the year ended June 30, 2003 and is incorporated herein by reference.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following financial statements and supplementary data included in the annual shareholders' report for the year ended June 30, 2003 are incorporated herein by reference:

Consolidated balance sheets--June 30, 2003 and 2002
Consolidated statements of earnings--Years ended
June 30, 2003, 2002 and 2001
Consolidated statements of shareholders' equity--Years ended
June 30, 2003, 2002 and 2001
Consolidated statements of cash flows--Years ended
June 30, 2003, 2002 and 2001
Notes to consolidated financial statements--June 30, 2003
Summary of Significant Accounting Policies
Report of Independent Auditors
Quarterly Financial Data (Unaudited)

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

As of June 30, 2003, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, 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 Securities Exchange Act of 1934 (the "Exchange Act")). Based on that evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. There have been no significant changes in the Company's internal controls over financial reporting or in other factors that could significantly affect internal controls over financial reporting subsequent to June 30, 2003.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information with respect to directors and executive officers is set forth in "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" of the definitive proxy statement for the Company's annual meeting of stockholders to be held on November 6, 2003 and is incorporated herein by reference. Certain information with respect to executive officers is included in Item 1(f) of this report.

Item 11. EXECUTIVE COMPENSATION

Information responsive to this Item is set forth in "Executive Compensation" of the definitive proxy statement for the Company's annual meeting of stockholders to be held on November 6, 2003 and is incorporated herein by reference.

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

Information responsive to this Item is set forth in "Principal Holders of Voting Securities", "Election of Directors" and "Equity Compensation Plan Information" of the definitive proxy statement for the Company's annual meeting of stockholders to be held on November 6, 2003 and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information responsive to this Item is set forth in "Certain Relationships and Related Transactions" of the definitive proxy statement for the Company's annual meeting of stockholders to be held on November 6, 2003 and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information responsive to this Item is set forth in "Fees Paid to Independent Auditors" of the definitive proxy statement for the Company's annual meeting of stockholders to be held on November 6, 2003 and is incorporated herein by reference. The Audit Committee has adopted an Audit and Non-Audit Services Pre-Approval Policy. This Policy provides that audit services engagement terms and fees, and any changes in such terms or fees, are subject to the specific pre-approval of the Audit Committee. The Policy further provides that other audit services, audit-related services, tax services and permitted non-audit services are subject to general pre-approval by the Audit Committee; provided, tax services involving large complex transactions require the specific pre-approval of the Audit Committee. The requests or applications for services to be provided by the independent auditor that do not require specific approval by the Audit Committee are submitted to the Chief Financial Officer for determination of whether such services are included within the services that have received general pre-approval of the Audit Committee. The Audit Committee has designated the Chief Financial Officer to monitor the performance of all services provided by the independent auditor and to determine whether such services are in compliance with this Policy. The Chief Financial Officer will report to the Audit Committee on a periodic basis on the results of his monitoring and will immediately report to the Chairman of the Audit Committee any breach of this Policy. The Chairman of the Audit Committee is authorized to act on behalf of the Audit Committee between meetings.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)(1) The following consolidated financial statements and other financial data of the registrant and its subsidiaries, included in the annual report of the Company to its shareholders for the year ended June 30, 2003, are incorporated by reference in Item 8, and are also incorporated herein by reference:

Consolidated balance sheets--June 30, 2003 and 2002

Consolidated statements of earnings--Years ended June 30, 2003, 2002 and 2001

Consolidated statements of shareholders' equity--Years ended June 30, 2003, 2002 and 2001

Consolidated statements of cash flows--Years ended June 30, 2003, 2002 and 2001

Notes to consolidated financial statements--June 30, 2003

Summary of Significant Accounting Policies

Quarterly Financial Data (Unaudited)

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K (Continued)

(a)(2) Financial Statement Schedules

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

	Balance at Beginning of Year	Additions	Deductions (1)	Other (2)	Balance at End of Year
			(In thousands)		
Classification					
Allowance for doubtful accounts					
2001	$ 46,573	7,802	(6,235)	(1,124)	$ 47,016
2002	$ 47,016	11,016	(21,258)	12,515	$ 49,289
2003	$ 49,289	14,934	(27,756)	4,149	$ 40,616

(1) Uncollectible accounts written off, net of recoveries
(2) Impact of business combinations and foreign currency exchange adjustments

All other schedules are either not required, not applicable or the information is otherwise included.

(a)(3) LIST OF EXHIBITS

(3)(i) Composite Certificate of Incorporation, as amended, filed on November 13, 2001, as Exhibit (3)(i) to Form 10-Q for the quarter ended September 30, 2001 (File No. 1-44), is incorporated herein by reference.

(ii) Bylaws, as amended and restated, filed on May 12, 2000 as Exhibit 3(ii) to Form 10-Q for the quarter ended March 31, 2000 (File No. 1-44), are incorporated herein by reference.

(4) Instruments defining the rights of security holders, including:

(i) Indenture dated June 1, 1986 between the registrant and The Chase Manhattan Bank, formerly known as Chemical Bank, (as successor to Manufacturers Hanover Trust Company), as Trustee (incorporated by reference to Exhibit 4(a) to Registration Statement No. 33-6721), and Supplemental Indenture dated as of August 1, 1989 between the registrant and Chemical Bank (as successor to Manufacturers Hanover Trust Company), as Trustee (incorporated by reference to Exhibit 4(c) to Post-Effective Amendment No. 3 to Registration Statement No. 33-6721), relating to:

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K (Continued)

the $300,000,000 – 8 7/8% Debentures due April 15, 2011,
the $300,000,000 – 8 3/8% Debentures due April 15, 2017,
the $300,000,000 – 8 1/8% Debentures due June 1, 2012,
the $250,000,000 – 7 1/8% Debentures due March 1, 2013,
the $350,000,000 – 7 1/2% Debentures due March 15, 2027,
the $200,000,000 – 6 3/4% Debentures due December 15, 2027,
the $250,000,000 – 6 7/8% Debentures due December 15, 2097,
the $196,210,000 – 5 7/8% Debentures due November 15, 2010,
the $300,000,000 – 6 5/8% Debentures due May 1, 2029,
the $400,000,000 – 7% Debentures due February 1, 2031, and
the $500,000,000 – 5.935% Debentures due October 1, 2032.

Copies of constituent instruments defining rights of holders of long-term debt of the Company and Subsidiaries, other than the Indentures specified herein, are not filed herewith, pursuant to Instruction (b)(4)(iii)(A) to Item 601 of Regulation S-K, because the total amount of securities authorized under any such instrument does not exceed 10% of the total assets of the Company and Subsidiaries on a consolidated basis. The registrant hereby agrees that it will, upon request by the Commission, furnish to the Commission a copy of each such instrument.

(10) Material Contracts--Copies of the Company's stock option and stock unit plans, deferred compensation plan, and savings and investment plans, pursuant to Instruction (b)(10)(iii)(A) to Item 601 of Regulation S-K, each of which is a management contract or compensation plan or arrangement required to be filed as an exhibit pursuant to Item 15(c) of Form 10-K, are incorporated herein by reference as follows:

(i) Exhibits 4(c) and 4(d) to Registration Statement No. 33-49409 on Form S-8 dated March 15, 1993 relating to the Archer Daniels Midland 1991 Incentive Stock Option Plan and Archer Daniels Midland Company Savings and Investment Plan.

(ii) Exhibits 4(c) and 4(d) to Registration Statement No. 333-39605 on Form S-8 dated November 5, 1997 relating to the ADM Savings and Investment Plan for Salaried Employees and the ADM Savings and Investment Plan for Hourly Employees.

(iii) Exhibit 4 to Registration Statement No. 333-51381 on Form S-8 dated April 30, 1998 relating to the Archer-Daniels-Midland Company 1996 Stock Option Plan.

(iv) The Archer-Daniels-Midland Company Stock Unit Plan for Nonemployee Directors (incorporated by reference to Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997, (File No. 1-44)).

(v) Exhibits 4(c) and 4(d) to Registration Statement No. 333-75073 on Form S-8 dated March 26, 1999 relating to the ADM Employee Stock Ownership Plan for Salaried Employees and the ADM Employee Stock Ownership Plan for Hourly Employees.

(vi) The Archer-Daniels-Midland Company Incentive Compensation Plan (incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement filed with the Securities and Exchange Commission on September 15, 1999 (File No. 1-44)).

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K (Continued)

(vii) Exhibits 4.3 and 4.4 to Registration Statement No. 333-42612 on Form S-8 dated July 31, 2000 relating to the ADM 401(k) Plan for Salaried Employees and the ADM 401(k) Plan for Hourly Employees, as amended by Post-Effective No. 1 to Registration Statement No. 333-42612 on Form S-8 dated August 8, 2000.

(viii) Exhibit 4.3 to Registration Statement No. 333-67962 on Form S-8 dated August 20, 2001 relating to the ADM Deferred Compensation Plan for Selected Management Employees.

(ix) The Archer-Daniels-Midland Company Voluntary Employee Payroll Deduction Stock Purchase Plan.

(13) Portions of annual report to shareholders incorporated by reference

(21) Subsidiaries of the registrant

(23) Consent of independent auditors

(24) Powers of attorney

(31.1) Certificate of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(31.2) Certificate of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(32.1) Certificate of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(32.2) Certificate of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

A Form 8-K was filed on April 25, 2003, in connection with the issuance of the press release announcing the Company's results for the quarter ended March 31, 2003.

SIGNATURES

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

Date: September 3, 2003

ARCHER-DANIELS-MIDLAND COMPANY

By: /s/ D. J. Smith
D. J. Smith
Executive Vice President, Secretary
and General Counsel

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on September 3, 2003, by the following persons on behalf of the Registrant and in the capacities indicated.

/s/ G. A. Andreas
G. A. Andreas,
Chief Executive and Director
(Principal Executive Officer)

/s/D. J. Schmalz
D. J. Schmalz
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/S. R. Mills
S. R. Mills
Group Vice President and Controller
(Controller)

/s/ H. de Boon
H. de Boon*,
Director

/s/ M. H. Carter
M. H. Carter*,
Director

/s/ R. S. Joslin
R. S. Joslin *,
Director

/s/ S. A. McMurtrie
Mrs. S. A. McMurtrie *,
Director

/s/ D. J. Mimran
D. J. Mimran*,
Director

/s/ M. B. Mulroney
M. B. Mulroney*,
Director

/s/ J. K. Vanier
J. K. Vanier*,
Director

/s/ O. G. Webb
O. G. Webb*,
Director

/s/ A. Young
A. Young*,
Director

/s/ D. J. Smith
Attorney-in-Fact

*Powers of Attorney authorizing D. J. Schmalz, S. R. Mills and D. J. Smith and each of them, to sign the Form 10-K on behalf of the above-named officers and directors of the Company copies of which are being filed with the Securities and Exchange Commission.

MANAGEMENT'S DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION - JUNE 30, 2003

Operations

Net earnings for fiscal 2003 decreased due principally to reduced North American and European oilseed crush volumes and margins, reduced operating results of Agricultural Services and Wheat Processing operations due to poor crop conditions in North America, and a reduction in the gain from the settlement of vitamin antitrust litigation. The Company recognized a $28 million gain from the vitamin settlements in 2003 as compared to a gain of $147 million in 2002. In addition, last year's results included a $37 million gain on marketable securities transactions. These decreases were partially offset by improved Corn Processing, Cocoa and Bioproducts operating results. Net earnings include a charge of $13 million and $83 million for abandonment and write-down of long-lived assets in 2003 and 2002, respectively.

The $13 million and $83 million charge in 2003 and 2002, respectively, for abandonment and write-down of long-lived assets primarily represents the write-down of abandoned idle assets to their estimated salvage values. In addition, the 2002 impairment charge included a write-down to fair value of assets that were intended for use in a new product line.

The Company completed its acquisition of Minnesota Corn Processors LLC (MCP), an operator of corn wet-milling plants in Minnesota and Nebraska, on September 6, 2002. Prior to September 6, 2002, the Company had a 30% ownership interest in MCP through its ownership of non-voting Class B units. The Company paid MCP shareholders $382 million in cash, or $2.90 for each outstanding Class A unit, to acquire all of the outstanding Class A units and assumed $233 million of MCP debt. The operating results of MCP are consolidated in the Company's Corn Processing segment from September 6, 2002. Prior to September 6, 2002, the Company accounted for its investment in MCP on the equity method of accounting.

The Company acquired six flour mills located in the United Kingdom from Associated British Foods plc (ABF) on February 24, 2003. The Company acquired the assets and inventories of the ABF mills for cash of approximately $96 million and assumed no liabilities in connection with the acquisition. The operating results of the ABF mills are included in the Company's Wheat Processing segment from February 24, 2003.

During February 2003, the Company tendered an offer to acquire all of the outstanding shares of Pura plc (Pura), a United Kingdom based company that processes and markets edible oil, for cash of approximately $1.78 per share. These shares represented 72% of the outstanding equity of Pura. Prior to the offer, the Company owned 28% of the outstanding equity of Pura. The Company purchased a sufficient number of shares to obtain majority ownership of Pura on April 7, 2003, and the results of Pura's operations are consolidated in the Company's Oilseeds Processing segment from April 7, 2003. Prior to April 7, 2003, the Company accounted for its investment in Pura on the equity method of accounting. As of June 30, 2003, the Company had acquired all of the outstanding shares of Pura for cash of $58 million.

As of the fourth quarter of fiscal 2002, the Company acquired control of A.C. Toepfer International (ACTI), a global merchandiser of agricultural commodities and processed products, by increasing its ownership to 80%. Prior to the fourth quarter of fiscal 2002, the Company accounted for ACTI on the equity method of accounting. The operating results of ACTI are consolidated in the Company's Agricultural Services segment from April 1, 2002.

On July 1, 2002, the Company adopted Statement of Financial Accounting Standards Number 142 (SFAS 142), "Goodwill and Other Intangible Assets". Under the standard, goodwill is no longer amortized but is subject to annual impairment tests. Goodwill amortization included in the 2002 and 2001 results was $28 million and $33 million, respectively.

2003 Compared to 2002

Net sales and other operating income increased 36 percent to $30.7 billion principally due to recently-acquired Corn Processing and Agricultural Services operations and, to a lesser extent, increased sales volumes and higher average selling prices.

Cost of products sold increased $8.1 billion to $29.0 billion principally due to recently-acquired businesses and, to a lesser extent, higher commodity price levels. Excluding the impact of recently-acquired businesses, manufacturing costs were relatively unchanged from prior year levels.

Selling, general and administrative expenses increased $121 million to $948 million due principally to recently-acquired Corn Processing and Agricultural Services operations and, to a lesser extent, increased personnel-related expenses, penalties and supplemental environmental projects associated with the Company's EPA settlement, and general cost increases.

Other expense increased $11 million to $148 million principally due to a reduction in realized gains on securities transactions, partially offset by a gain on the sale of redundant assets. Gains on securities transactions in the prior year consisted of a $56 million gain from the sale of IBP, Inc. shares, partially offset by the write-off of the Company's investments in the Rooster and Pradium e-commerce ventures.

Income taxes decreased due to lower pretax earnings and a reduction in the Company's effective tax rate. The Company's effective tax rate was 28.5 percent in the current year as compared to 28.9 percent in the prior year. The prior year effective tax rate includes a $26 million reduction in taxes resulting from the resolution of various outstanding state and federal tax issues. The Company's effective tax rate, excluding the effect of the aforementioned tax credit, was approximately 33 percent in 2002. The reduction in the Company's effective tax rate for 2003 is due to foreign tax benefits realized as a result of foreign tax planning initiatives implemented at the beginning of 2003. In addition, the Company's effective tax rate for 2003 reflects the impact of no goodwill amortization, which was not deductible for tax purposes.

Segment Information

The Company is principally engaged in procuring, transporting, storing, processing, and merchandising agricultural commodities and products. The Company's operations are classified into four reportable business segments: Oilseeds Processing, Corn Processing, Wheat Processing, and Agricultural Services. The Company's remaining operations are aggregated and classified as Other.

Oilseeds Processing segment includes activities related to processing oilseeds such as soybeans, cottonseed, sunflower seeds, canola, peanuts, flaxseed and corn germ into vegetable oils and meals principally for the food and feed industries. Crude vegetable oil is sold "as is" or is further processed by refining, bleaching and deodorizing into salad oils. Salad oils can be further processed by hydrogenating and/or interesterifying into margarine, shortening and other food products. Partially refined oil is also sold for use in chemicals, paints and other industrial products. Oilseed meals are primary ingredients used in the manufacture of commercial livestock and poultry feeds. The results of Pura from April 7, 2003, are consolidated in the Oilseeds Processing segment. Prior to April 7, 2003, the Company accounted for its investment in Pura on the equity method of accounting.

Corn Processing segment includes activities related to the production of products for use in the food and beverage industry. These products include syrup, starch, glucose, dextrose and sweeteners. Corn gluten feed and meal as well as distillers grains are produced for use as feed ingredients. Ethyl alcohol is produced to beverage grade or for industrial use as ethanol. The results of MCP from September 6, 2002, are consolidated in the Corn Processing segment. Prior to September 6, 2002, the Company accounted for its investment in MCP on the equity method of accounting.

Wheat Processing segment includes activities related to the production of wheat flour for use primarily by commercial bakeries, food companies, food service companies and retailers. The results of the ABF mills from February 24, 2003, are included in the Wheat Processing segment.

Agricultural Services segment utilizes the Company's extensive grain elevator and transportation network to buy, store, clean and transport agricultural commodities, such as oilseeds, corn, wheat, milo, oats and barley, and resells these commodities primarily as feed ingredients and as raw materials for the agricultural processing industry. Agricultural Services' grain sourcing and transportation network provides reliable and efficient services to the Company's agricultural processing operations. The activities of A.C. Toepfer International, a global merchandiser of agricultural commodities and processed products, are consolidated in the Agricultural Services segment from April 1, 2002. Prior to April 1, 2002, the Company accounted for its investment in A.C. Toepfer International on the equity method of accounting.

Sales to external customers	2003	2002	Change
	(In thousands)		
Oilseeds Processing	$ 9,773,379	$ 8,155,530	$ 1,617,849
Corn Processing	2,550,108	1,939,100	611,008
Wheat Processing	1,589,116	1,360,895	228,221
Agricultural Services	13,441,193	8,280,078	5,161,115
Other	3,354,237	2,876,291	477,946
Total	$ 30,708,033	$ 22,611,894	$ 8,096,139

Operating profit	2003	2002	Change
	(In thousands)		
Oilseeds Processing	$ 337,089	$ 387,960	$ (50,871)
Corn Processing	326,380	214,875	111,505
Wheat Processing	59,222	78,800	(19,578)
Agricultural Services	92,124	169,593	(77,469)
Other	195,097	188,592	6,505
Total	$ 1,009,912	$ 1,039,820	$ (29,908)

Oilseeds Processing sales increased 20 percent to $9.8 billion principally due to increased sales volumes and higher average selling prices. These increases were primarily due to increased South American exports of oilseeds and oilseed products, and overall higher average vegetable oil and protein meal selling prices resulting from good demand and higher commodity price levels. Oilseeds Processing operating profits decreased 13 percent to $337 million due primarily to lower North American and European oilseed crush volumes and margins partially offset by improved operating results of the Company's South American and Asian oilseed operations. Although average selling prices for vegetable oil have increased and protein meal average prices and demand improved, oilseed crush margins in North America and Europe were negatively impacted by higher oilseed costs. Operating profits include a charge of $7 million and $23 million for abandonment and write-down of long-lived assets in 2003 and 2002, respectively.

Corn Processing sales increased 32 percent to $2.6 billion primarily due to the recently-acquired MCP operations and increased ethanol sales volumes. Ethanol sales volume increases were principally due to increased demand from California gasoline refiners. Operating profits increased 52 percent to $326 million primarily due to increased ethanol and sweetener sales volumes. Prior year operating profits include a $10 million charge for abandonment and write-down of long-lived assets.

Wheat Processing sales increased 17 percent to $1.6 billion primarily due to increased average selling prices and, to a lesser extent, higher sales volumes of wheat flour products. The increase in average selling prices was principally due to higher commodity price levels resulting from the drought conditions in the midwestern United States. Operating profit decreased $20 million to $59 million primarily due to lower flour milling yields due to a lower quality wheat crop resulting from the drought conditions in the United States. In addition, last year's results included increased export volumes and profits from government food donation programs and a $6 million charge for abandonment and write-down of long-lived assets.

Agricultural Services sales increased $5.2 billion to $13.4 billion due principally to the recently-acquired operations of A.C. Toepfer International and to increased commodity price levels. Operating profits decreased $77 million to $92 million due to reduced operating results of the Company's international trading operations, domestic grain origination operations, and barge transportation operations. Grain origination and trading operating results declined as a result of the reduced crop size caused by the drought conditions in the midwestern United States. In addition, lower freight rates, higher fuel costs, and low river water conditions in the midwestern United States resulted in reduced operating results of the Company's barge transportation operations.

Other sales increased 17 percent to $3.4 billion primarily due to higher average selling prices of cocoa products and, to a lesser extent, increased sales volumes and higher average selling prices of bioproducts. Operating profits increased 3 percent to $195 million principally due to improved results of cocoa operations as improved demand for butter and powder resulted in increased margins. Bioproducts operating results also improved as a result of increased lysine selling prices and demand. In addition, improved results of the Company's Eastern European starch and Gruma corn flour ventures contributed to the increase in profits. These increases were partially offset by a reduction in the gain from the partial settlement of vitamin antitrust litigation and reduced operating results of the Company's citric acid and protein specialties operations. The Company recognized a $28 million gain from the vitamin settlements in the current year as compared to a $147 million gain during the prior year. In addition, operating profits include a charge of $6 million and $44 million for abandonment and write-down of long-lived assets in 2003 and 2002, respectively.

2002 Compared to 2001

Net sales and other operating income increased 16 percent to $22.6 billion due to recently-acquired grain, feed, oilseeds, and cocoa operations, and, to a lesser extent, increased sales volumes and prices.

Cost of products sold increased $2.9 billion to $20.9 billion due primarily to recently-acquired businesses and, to a lesser extent, to the aforementioned $83 million charge for abandonment and write-down of long-lived assets. Manufacturing costs were relatively unchanged from the prior year.

Selling, general and administrative expenses increased $96 million to $827 million due principally to recently-acquired grain, feed, oilseeds, and cocoa operations, and, to a lesser extent, increased personnel-related expenses.

Other expense decreased $41 million to $138 million due principally to increased gains on securities transactions partially offset by decreased equity in earnings of unconsolidated affiliates. Realized gains on securities transactions were $38 million in 2002 compared to realized losses on securities transactions of $56 million for the prior year. The decrease in equity in earnings of unconsolidated affiliates is principally due to a $50 million decline in the Company's private equity fund investments due to lower valuations and to last year's gain of $95 million representing the Company's equity share of the gain reported by the Company's unconsolidated affiliate, Compagnie Industrielle et Financiere des Produits Amylaces SA ("CIP"), upon the sale of its interest in wet corn milling and wheat starch production businesses (the "CIP Gain").

Income taxes increased primarily due to higher pretax earnings and to no taxes being provided in the prior year on the CIP Gain. The Company's effective tax rate was 28.9 percent in the current year as compared to 26.6 percent in the prior year. The current year effective tax rate includes a $26 million reduction in taxes resulting from the resolution of various outstanding state and federal tax issues. CIP is a foreign corporate joint venture and CIP intends to permanently reinvest the proceeds from the sale transaction. The Company's effective tax rate, excluding the effect of the aforementioned tax credit and the CIP Gain, was approximately 33 percent for both 2002 and 2001.

Segment Information

Sales to external customers	**2002**	**2001**	**Change**
	(In thousands)		
Oilseeds Processing	$ 8,155,530	$ 7,778,440	$ 377,090
Corn Processing	1,939,100	2,117,098	(177,998)
Wheat Processing	1,360,895	1,308,692	52,203
Agricultural Services	8,280,078	5,644,237	2,635,841
Other	2,876,291	2,634,744	241,547
Total	$ 22,611,894	$ 19,483,211	$ 3,128,683

Operating profit	**2002**	**2001**	**Change**
	(In thousands)		
Oilseeds Processing	$ 387,960	$ 260,116	$ 127,844
Corn Processing	214,875	242,211	(27,336)
Wheat Processing	78,800	71,519	7,281
Agricultural Services	169,593	119,548	50,045
Other	188,592	210,005	(21,413)
Total	$ 1,039,820	$ 903,399	$ 136,421

Oilseeds Processing sales increased 5 percent to $8.2 billion primarily due to increased sales volumes and higher average selling prices. These increases were principally due to continued strong, worldwide demand for protein meal and fiber and higher average vegetable oil selling prices rebounding from historic low levels. Oilseeds Processing operating profits increased 49 percent to $388 million due to improved oilseed crush margins resulting from increased protein meal demand and improved plant capacity utilization. These increases were partially offset by a $23 million charge related to abandonment and write-down of long-lived assets.

Corn Processing sales decreased 8 percent to $1.9 billion due principally to lower ethanol sales volumes. Operating profits decreased 11 percent to $215 million also due to the lower ethanol sales volumes and a $10 million charge related to abandonment and write-down of long-lived assets.

Wheat Processing sales increased slightly due principally to increased selling prices for wheat flour products. Operating profits increased 10 percent to $79 million primarily due to improved processing margins as a result of improvements in plant capacity utilization resulting from industry production capacity rationalization and increased export volumes from food donation programs, partially offset by a $6 million charge for abandonment and write-down of long-lived assets.

Agricultural Services sales increased 47 percent to $8.3 billion due principally to recently acquired trading operations. Operating profits increased 42 percent to $170 million due primarily to increased trading volumes and improved results of international trading operations.

Other sales increased 9 percent to $2.9 billion due primarily to recently-acquired feed and cocoa operations. This increase was partially offset by decreased average selling prices of food additives and amino acid products, and decreased sales volumes of cocoa products and edible beans. Operating profits of the Other segment decreased 10 percent to $189 million due to last year's $95 million CIP Gain, a $44 million charge related to abandonment and write-down of long-lived assets, and a decline in private equity fund results due to lower valuations. Additionally, the Company's cocoa operations declined from prior year levels due principally to reduced grinding margins created by excess butter stocks and higher cocoa bean prices. These declines were partially offset by a $147 million gain from the partial settlement of vitamin antitrust litigation and improved results of the Company's protein specialties operations.

Liquidity and Capital Resources

At June 30, 2003, the Company continued to show substantial liquidity with working capital of $3.3 billion and a current ratio, defined as current assets divided by current liabilities, of 1.6. Included in this $3.3 billion of working capital is $787 million of cash, cash equivalents and short-term marketable securities as well as $2 billion of readily marketable commodity inventories. Cash generated from operating activities totaled $1.1 billion for the year compared to $1.3 billion last year. This decrease was primarily due to an increase in working capital requirements. Cash used in investing activities increased $651 million for the year to $1.1 billion due primarily to increased investment in net assets of businesses acquired. Cash generated from financing activities was $227 million. $500 million of 5.935% debentures were issued in fiscal 2003. Purchases of the Company's common stock decreased $83 million to $101 million. Borrowings under line-of-credit agreements were $282 million in 2003 compared to repayments of $174 million in 2002.

Capital resources were strengthened as shown by the increase in the Company's net worth to $7.1 billion. The Company's ratio of long-term debt to total capital (the sum of the Company's long-term debt and shareholders' equity) increased to 35% at June 30, 2003 from 32% at June 30, 2002. This ratio is a measure of the Company's long-term liquidity and is an indicator of financial flexibility. Commercial paper and commercial bank lines of credit are available to meet seasonal cash requirements. At June 30, 2003, the Company had $1.3 billion outstanding and an additional $1.8 billion available under its commercial paper and bank lines of credit programs. Standard & Poor's and Moody's rate the Company's commercial paper as A-1 and P-1, respectively, and rate the Company's long-term debt as A+ and A1, respectively. In addition to the cash flow generated from operations, the Company has access to equity and debt capital through numerous alternatives from public and private sources in domestic and international markets.

Contractual Obligations and Commercial Commitments

In the normal course of business, the Company enters into contracts and commitments which obligate the Company to make payments in the future. The table below sets forth the Company's significant future obligations by time period. Excluded from this table are commodity-based contracts entered into in the normal course of business which are further described in the "Market Risk Sensitive Instruments and Positions" section of "Management's Discussion of Operations and Financial Condition" and energy-related purchase contracts entered into in the normal course of business. Where applicable, information included in the Company's consolidated financial statements and notes is cross-referenced in this table.

			Payments Due by Period			
Long-Term Contractual Obligations	Note Reference	Total	Less than 1 Year	1 – 3 Years	4 – 5 Years	Over 5 Years
			(in thousands)			
Short-term debt		$ 1,279,483	$ 1,279,483			
Long-term debt	Note 6	3,831,564	20,102	$299,117	$ 111,341	$ 3,401,004
Capital leases	Note 6	71,611	10,786	23,725	26,450	10,650
Operating leases	Note 11	268,453	58,716	85,292	51,107	73,338
Total		$5,451,111	$ 1,369,087	$408,134	$ 188,898	$ 3,484,992

At June 30, 2003, the Company estimates it will cost approximately $481 million to complete construction in progress and other commitments to purchase or construct property, plant and equipment. The Company is a limited partner in various private equity funds which invest primarily in emerging markets that have agri-processing potential. At June 30, 2003, the Company's carrying value of these limited partnership investments was $441 million. The Company has future capital commitments related to these partnerships of $169 million and expects the majority of these additional capital commitments, if called for, to be funded by cash flows generated by the partnerships.

In addition, the Company has also entered into debt guarantee agreements, primarily related to equity-method investees, which could obligate the Company to make future payments under contingent commitments. The Company's liability under these agreements arises only if the primary entity fails to perform its contractual obligation. If the Company is called upon to make payments pursuant to these guarantees, the Company has, for a majority of these agreements, a security interest in the underlying assets of the primary entity. At June 30, 2003, these debt guarantees total approximately $631 million.

Critical Accounting Policies

The process of preparing financial statements requires management to make estimates and judgments that affect the carrying values of the Company's assets and liabilities as well as the recognition of revenues and expenses. These estimates and judgments are based on the Company's historical experience and management's knowledge and understanding of current facts and circumstances. Certain of the Company's accounting policies are considered critical, as these policies are important to the depiction of the Company's financial statements and require significant or complex judgment by management. There have been no significant changes in critical accounting policies in the past year. Following are accounting policies management considers critical to the Company's financial statements.

Inventories and Derivatives

Certain of the Company's merchandisable agricultural commodity inventories, forward fixed-price purchase and sale contracts, and exchange-traded futures and options contracts are valued at estimated market values. These merchandisable agricultural commodities are freely traded, have quoted market prices, and may be sold without significant, additional processing. Management estimates market value based on exchange-quoted prices, adjusted for differences in local markets. Changes in the market values of these inventories and contracts are recognized in the statement of earnings as a component of cost of products sold. If management used different methods or factors to estimate market value, amounts reported as inventories and cost of products sold could differ. Additionally, if market conditions change subsequent to year-end, amounts reported in future periods as inventories and cost of products sold could differ.

The Company, from time-to-time, uses derivative contracts to fix the purchase price of anticipated volumes of commodities to be purchased and processed in a future month. These derivative contracts are designated as cash flow hedges. The change in the market value of such derivative contracts has historically been, and is expected to continue to be, highly effective at offsetting changes in price movements of the hedged item. Gains and losses arising from open and closed hedging transactions are deferred in other comprehensive income, net of applicable income taxes, and recognized as a component of cost of products sold in the statement of earnings when the hedged item is recognized. If it is determined that the derivative instruments used are no longer effective at offsetting changes in the price of the hedged item, then the changes in the market value of these exchange-traded futures contracts would be recorded in the statement of earnings as a component of cost of products sold.

Employee Benefit Plans

The Company provides substantially all domestic employees and employees at certain international subsidiaries with pension benefits. The Company also provides substantially all domestic salaried employees with postretirement health care and life insurance benefits. In order to measure the expense and funded status of these employee benefit plans, management makes several estimates and assumptions, including interest rates used to discount certain liabilities, rates of return on assets set aside to fund these plans, rates of compensation increases, employee turnover rates, anticipated mortality rates, and anticipated future health care costs. These estimates and assumptions are based on the Company's historical experience combined with management's knowledge and understanding of current facts and circumstances. The Company uses third-party specialists to assist management in measuring the expense and funded status of these employee benefit plans. If management used different estimates and assumptions regarding these plans, the funded status of the plans could vary significantly, and the Company could recognize different amounts of expense over future periods.

Tax and Litigation Contingencies

The Company frequently faces challenges from domestic and foreign tax authorities regarding the amount of taxes due. These challenges include questions regarding the timing and amount of deductions and the allocation of income among various tax jurisdictions. In evaluating the exposure associated with various tax filing positions, the Company records reserves for probable exposures. Based on management's evaluation of the Company's tax position, it is believed the amounts related to these tax exposures are appropriately accrued. To the extent the Company were to prevail in matters for which accruals have been established or be required to pay amounts in excess of the aforementioned reserves, the Company's effective tax rate in a given financial statement period may be impacted.

As described in Note 14 to the Company's consolidated financial statements, the Company has made provisions to cover fines, litigation settlements and costs related to certain putative class action antitrust suits and other proceedings involving the sale of lysine, citric acid, sodium gluconate and monosodium glutamate. As to certain other suits and proceedings, including those related to high fructose corn syrup, where the ultimate outcome and materiality cannot presently be determined, no provision for any liability that may result therefrom has been made in the consolidated financial statements. The Company intends to vigorously defend these actions and proceedings unless they can be settled on terms deemed acceptable by the parties. To the extent additional information arises regarding these actions and proceedings or the Company's strategies change, it is possible that management's best estimate of the Company's liability may change.

Asset Abandonments and Write-downs

The Company is principally engaged in the business of procuring, transporting, storing, processing and merchandising agricultural commodities and products. This business is global in nature and is highly capital intensive. Both the availability of the Company's raw materials and the demand for the Company's finished products are driven by unpredictable factors such as weather, plantings, government (domestic and foreign) farm programs and policies, changes in population growth, changes in standards of living, and production of similar and competitive crops. These aforementioned unpredictable factors, therefore, may cause a shift in the supply/demand dynamics for the Company's products. This shift will cause management to evaluate the efficiency and profitability of the Company's fixed asset base in terms of geographic location, size, and age of its factories. The Company, from time-to-time, will also invest in equipment and technology related to new, value-added products produced from agricultural commodities and products. These new products are not always successful from either a commercial production or marketing perspective. Management evaluates the Company's property, plant and equipment for impairment whenever indicators of impairment exist. Assets are abandoned after consideration of the ability to utilize the assets for their intended purpose, or to employ the assets in alternative uses, or sell the assets to recover the carrying value. If management used different estimates and assumptions in its evaluation of this fixed asset base, then the Company could recognize different amounts of expense over future periods.

Valuation of Marketable Securities and Investments in Affiliates

In determining if and when a decline in market value below carrying value of the Company's marketable securities or the recorded value of an investment accounted for on the equity method is "other-than-temporary," management evaluates the market conditions, trends of earnings, price multiples, trading volumes and other key measures of these investments. When such a decline in value is deemed to be "other-than-temporary," an impairment loss is recognized in the current period operating results to the extent of the decline. See Notes 2 and 4 to the Company's consolidated financial statements for information regarding the Company's marketable securities and investments in affiliates. If management used different estimates and assumptions in its evaluation of these marketable securities, then the Company could recognize different amounts of expense over future periods

The Company is a limited partner in various private equity funds which invest primarily in emerging markets that have agri-processing potential. The Company accounts for these limited partnerships using the equity method of accounting. Therefore, the Company is recording in the consolidated statement of earnings its proportional share of the limited partnerships' net income or loss. The limited partnerships value their investments at fair value. Thus, unrealized gains and losses related to the change in fair value of these investments are recorded in the limited partnerships' statements of earnings. The valuation of these investments, as determined by the general partner, can be subjective, and the values may vary significantly in a short period of time. Some of the factors causing the subjectivity and volatility of these valuations include the illiquidity and minority positions of these investments, currency exchange rate fluctuations, less regulated securities exchanges, and the inherent business risks and limitations present in the emerging market countries. The Company records the results of these limited partnerships based on the information provided to the Company by the general partner. Due to the subjectivity and volatility in valuing these investments, the fair value of these investments, and thus the Company's results, could vary significantly over future periods.

Market Risk Sensitive Instruments and Positions

The market risk inherent in the Company's market risk sensitive instruments and positions is the potential loss arising from adverse changes in commodity prices, marketable equity security prices, market prices of limited partnerships' investments, foreign currency exchange rates and interest rates as described below.

Commodities

The availability and price of agricultural commodities are subject to wide fluctuations due to unpredictable factors such as weather, plantings, government (domestic and foreign) farm programs and policies, changes in global demand resulting from population growth and changes in standards of living, and global production of similar and competitive crops. To reduce price risk caused by market fluctuations, the Company generally follows a policy of using exchange-traded futures and options contracts to minimize its net position of merchandisable agricultural commodity inventories and forward cash purchase and sales contracts. In addition, the Company from time-to-time enters into futures contracts which are designated as hedges of specific volumes of commodities that will be purchased and processed in a future month. The changes in the market value of such futures contracts have historically been, and are expected to continue to be, highly effective at offsetting changes in price movements of the hedged item. Gains and losses arising from open and closed hedging transactions are deferred in other comprehensive income, net of applicable taxes, and recognized as a component of cost of products sold in the statement of earnings when the hedged item is recognized.

A sensitivity analysis has been prepared to estimate the Company's exposure to market risk of its commodity position. The Company's daily net commodity position consists of inventories, related purchase and sale contracts, and exchange-traded futures contracts, including those to hedge portions of production requirements. The fair value of such position is a summation of the fair values calculated for each commodity by valuing each net position at quoted futures prices. Market risk is estimated as the potential loss in fair value resulting from a hypothetical 10 percent adverse change in such prices. Actual results may differ.

	2003		2002	
	Fair Value	Market Risk	Fair Value	Market Risk
	(in millions)			
Highest long position	$ 611	$ 61	$ 373	$ 37
Highest short position	485	49	315	32
Average position long (short)	51	5	128	13

The decrease in fair value of the average position for 2003 compared to 2002 was principally a result of a decrease in the daily net commodity position partially offset by an increase in quoted futures prices.

Marketable Equity Securities

Marketable equity securities, which are recorded at fair value, have exposure to price risk. The fair value of marketable equity securities is based on quoted market prices. Risk is estimated as the potential loss in fair value resulting from a hypothetical 10 percent adverse change in quoted market prices. Actual results may differ.

	2003	2002
	(in millions)	
Fair value	$ 519	$ 658
Market risk	52	66

The decrease in fair value for 2003 compared to 2002 resulted primarily from the decrease in fair market value of the securities, disposals of securities, and increased investment in a security causing it to be categorized as an "Investment in Affiliate".

Limited Partnerships

The Company is a limited partner in various private equity funds which invest primarily in emerging markets that have agri-processing potential. The Company accounts for these limited partnerships using the equity method of accounting. Therefore, the Company is recording in the consolidated statement of earnings its proportional share of the limited partnerships' net income or loss. The limited partnerships value their investments at fair value. Risk is estimated as the potential loss in fair value resulting from a hypothetical 10 percent adverse change in market prices of the limited partnerships' investments. Actual results may differ.

	2003	2002
	(in millions)	
Fair value of partnerships' investments	$ 429	$ 462
Market risk	43	46

The decrease in fair value for 2003 compared to 2002 resulted primarily from the lower fair market value of the limited partnerships' investments.

Currencies

In order to reduce the risk of foreign currency exchange rate fluctuations, except for amounts permanently invested as described below, the Company follows a policy of hedging substantially all transactions denominated in a currency other than the functional currencies applicable to each of its various entities. The instruments used for hedging are readily marketable exchange-traded futures contracts and forward contracts with banks. The changes in market value of such contracts have a high correlation to the price changes in the currency of the related hedged transactions. The potential loss in fair value for such net currency position resulting from a hypothetical 10 percent adverse change in foreign currency exchange rates is not material.

The amount the Company considers permanently invested in foreign subsidiaries and affiliates and translated into dollars using the year-end exchange rates is $3.3 billion at June 30, 2003 and $2.7 billion at June 30, 2002. This increase is principally due to the strengthening of the Euro and British Pound currencies versus the U.S. dollar. The potential loss in fair value resulting from a hypothetical 10 percent adverse change in quoted foreign currency exchange rates amounts to $331 million and $272 million for 2003 and 2002, respectively. Actual results may differ.

Interest

The fair value of the Company's long-term debt is estimated below using quoted market prices, where available, and discounted future cash flows based on the Company's current incremental borrowing rates for similar types of borrowing arrangements. Such fair value exceeded the long-term debt carrying value. Market risk is estimated as the potential increase in fair value resulting from a hypothetical one-half percent decrease in interest rates. Actual results may differ.

	2003	2002
	(in millions)	
Fair value of long-term debt	**$ 4,753**	$ 3,530
Excess of fair value over carrying value	**881**	419
Market risk	**232**	160

The increase in fair value for the current year resulted from a decrease in quoted interest rates, long-term debt assumed in an acquisition, and a net increase in long-term borrowings.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company is principally engaged in procuring, transporting, storing, processing, and merchandising agricultural commodities and products.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. Investments in affiliates are carried at cost plus equity in undistributed earnings since acquisition.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in its consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash Equivalents

The Company considers all non-segregated, highly-liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Marketable Securities

The Company classifies its marketable securities as available-for-sale, except for certain designated securities which are classified as trading securities. Available-for-sale securities are carried at fair value, with the unrealized gains and losses, net of income taxes, reported as a component of other comprehensive income (loss). Unrealized gains and losses related to trading securities are included in income on a current basis. The Company uses the specific identification method when securities are sold or classified out of accumulated other comprehensive income (loss) into earnings.

Segregated Cash and Investments

The Company segregates certain cash and investment balances in accordance with certain regulatory requirements, commodity exchange requirements, and insurance arrangements. These segregated balances represent deposits received from customers trading in exchange-traded commodity instruments, securities pledged to commodity exchange clearing houses, and cash and securities pledged as security under certain insurance arrangements. Segregated cash and investments primarily consist of cash, U.S. government securities, and money-market funds.

Inventories

Inventories of certain merchandisable agricultural commodities, which include amounts acquired under deferred pricing contracts, are stated at market value. In addition, the Company values certain inventories using the lower of cost, determined by either the last-in, first-out (LIFO) or first-in, first-out (FIFO) methods, or market.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. The Company generally uses the straight-line method in computing depreciation for financial reporting purposes and generally uses accelerated methods for income tax purposes. The annual provisions for depreciation have been computed principally in accordance with the following ranges of asset lives: buildings - 10 to 50 years; machinery and equipment - 3 to 30 years.

Asset Abandonments and Write-downs

The Company recorded a $13 million and an $83 million charge in cost of products sold during the fourth quarter of 2003 and 2002, respectively, principally related to the abandonment and write-down of certain long-lived assets. The majority of these assets were idle, and the decision to abandon was finalized after consideration of the ability to utilize the assets for their intended purpose, employ the assets in alternative uses, or sell the assets to recover the carrying value. After the write-downs, the carrying value of these assets is immaterial. In addition, the 2002 impairment charge included a write-down to fair value of assets that were intended for use in a new product line.

Net Sales

The Company follows a policy of recognizing sales revenue at the time of delivery of the product. Included as a component of net sales are freight costs and handling charges related to the sales. Credit risk on trade receivables arising from the Company's net sales is minimized as a result of the large and diversified nature of the Company's worldwide customer base. The Company controls its exposure to credit risk through credit approvals, credit limits and monitoring procedures. Collateral is generally not required for the Company's trade receivables.

As of the fourth quarter of 2002, when the Company acquired control of A.C. Toepfer International ("ACTI") by increasing its ownership to 80%, the Company began consolidating the operations of ACTI. Prior to the fourth quarter of 2002, the Company accounted for ACTI, a global merchandiser and supplier of agricultural commodities and products, on the equity method of accounting. ACTI's net sales revenues were approximately $1.3 billion for the fourth quarter of 2002 and were approximately $5.8 billion for fiscal year 2003.

Per Share Data

Basic earnings per common share is determined by dividing net earnings by the weighted average number of common shares outstanding. In computing diluted earnings per share, the weighted average number of common shares outstanding is increased by common stock options outstanding with exercise prices lower than the average market prices of common shares during each year. The number of common stock options outstanding excluded from the diluted earnings per share computation is not material.

New Accounting Standards

Effective December 31, 2002, the Company adopted Financial Accounting Standards Board Interpretation Number 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." The interpretation requires disclosure of all guarantee arrangements and requires guarantees issued or revised after December 31, 2002, to be recognized at fair value in the financial statements.

The Company has entered into debt guarantee agreements, primarily related to equity-method investees, which could obligate the Company to make future payments if the primary entity fails to perform under its contractual obligation. Should the Company be required to make any payments pursuant to these guarantees, the Company has, for a majority of these agreements, a security interest in the underlying assets of the primary entity. At June 30, 2003, these debt guarantees total approximately $631 million.

In January 2003, the Financial Accounting Standards Board issued Interpretation Number 46, "Consolidation of Variable Interest Entities" (FIN 46). A variable interest entity is a corporation, partnership, trust, or any other legal structure used for business purposes that does not have equity investors with voting rights, or has equity investors that do not provide sufficient financial resources for the entity to support its activities. FIN 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns, or both. The Company will adopt FIN 46 in the first quarter of fiscal 2004 and believes the impact of adopting this standard will not have a material impact on the Company's financial statements.

Stock Compensation

Effective January 1, 2003, the Company adopted Statement of Financial Accounting Standards Number 148 (SFAS 148) "Accounting for Stock-Based Compensation – Transition and Disclosure." SFAS 148 amends Statement of Financial Accounting Standards Number 123 (SFAS 123), "Accounting for Stock-Based Compensation," to provide alternative methods for those companies choosing to transition to SFAS 123's fair value method of accounting for stock-based compensation. SFAS 148 also amends the disclosure provisions of SFAS 123 and Accounting Principles Board Opinion Number 28, "Interim Reporting," to require disclosure of the effects of an entity's accounting policy with respect to stock-based compensation on reported net earnings and earnings per share in annual and interim financial statements.

The Company accounts for its stock-based compensation in accordance with Accounting Principles Board Opinion Number 25 (APB 25), "Accounting for Stock Issued to Employees." Under APB 25, compensation expense is recognized if the exercise price of the employee stock option is less than the market price on the grant date. The following table illustrates the effect on net earnings and earnings per share as if the fair value method had been applied to all outstanding and unvested employee stock options and awards in each period.

	2003	2002	2001
	(In thousands, except per share amounts)		
Net earnings, as reported	$ 451,145	$511,093	$ 383,284
Add: stock-based compensation expense reported in net income, net of related tax	2,706	464	99
Deduct: stock-based compensation expense determined under fair value method, net of related tax	8,125	6,018	3,720
Pro forma net earnings	$ 445,726	$ 505,539	$ 379,663
Earnings per share:			
Basic and diluted – as reported	$ .70	$ .78	$ .58
Basic and diluted – pro forma	$ .69	$ .77	$ .57

The fair value of each option grant is estimated as of the date of grant using the Black-Scholes single option pricing model for pro forma net earnings purposes. The assumptions used in the Black-Scholes single option pricing model are as follows.

	2003	2002	2001
Dividend yield	2%	2%	1%
Risk-free interest rate	4%	5%	7%
Stock volatility	30%	37%	36%
Average expected life (years)	6	5	4

Reclassifications

Certain amounts included in the Company's consolidated statements of earnings for the fiscal years ended June 30, 2002 and 2001, have been reclassified due to certain intercompany sale transactions being misclassified as trade sales. These reclassifications had no effect on the Company's financial condition, changes in financial condition, and results of operations including no effect on reported gross profit, net earnings or earnings per common share for the fiscal years ended June 30, 2002 and 2001. A summary of these reclassifications is as follows:

	2002	2001
	(In thousands)	
Net sales and other operating income as reported	$ 23,453,561	$ 20,051,421
Reclassification	841,667	568,210
Net sales and other operating income as adjusted	22,611,894	19,483,211
Cost of products sold as reported	21,770,105	18,619,623
Reclassification	841,667	568,210
Cost of products sold as adjusted	20,928,438	18,051,413
Gross profit as reported	$ 1,683,456	$ 1,431,798

For segment reporting purposes, the reclassifications shown above reduced sales to external customers for the Oilseeds Processing segment during the periods indicated. In addition to those items described above, certain other items in the prior year financial statements have been reclassified to conform to the current year's presentation.

CONSOLIDATED STATEMENTS OF EARNINGS

Archer Daniels Midland Company

	Year Ended June 30		
	2003	2002	2001
	(In thousands, except per share amounts)		
Net sales and other operating income	**$30,708,033**	$22,611,894	$19,483,211
Cost of products sold	**28,980,895**	20,928,438	18,051,413
Gross Profit	**1,727,138**	1,683,456	1,431,798
Selling, general and administrative expenses	**947,694**	826,922	731,029
Other expense - net	**148,471**	137,597	178,870
Earnings Before Income Taxes	**630,973**	718,937	521,899
Income taxes	**179,828**	207,844	138,615
Net Earnings	**$ 451,145**	$ 511,093	$ 383,284
Basic and diluted earnings per common share	**$ .70**	$ .78	$ .58
Average number of shares outstanding	**646,086**	656,955	664,507

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

Archer Daniels Midland Company

ASSETS	June 30 2003	June 30 2002
	(In thousands)	
Current Assets		
Cash and cash equivalents	**$ 764,959**	$ 526,115
Segregated cash and investments	**544,669**	404,674
Receivables	**3,320,336**	2,846,425
Inventories	**3,550,225**	3,255,412
Other assets	**241,668**	293,919
Total Current Assets	**8,421,857**	7,326,545
Investments and Other Assets		
Investments in and advances to affiliates	**1,763,453**	1,653,895
Long-term marketable securities	**818,016**	876,550
Goodwill	**344,720**	223,598
Other assets	**366,117**	408,506
	3,292,306	3,162,549
Property, Plant and Equipment		
Land	**186,652**	172,279
Buildings	**2,606,707**	2,247,112
Machinery and equipment	**10,067,834**	9,250,880
Construction in progress	**406,587**	351,803
	13,267,780	12,022,074
Allowances for depreciation	**(7,799,064)**	(7,131,833)
	5,468,716	4,890,241
	$17,182,879	$15,379,335

CONSOLIDATED BALANCE SHEETS

Archer Daniels Midland Company

LIABILITIES AND SHAREHOLDERS' EQUITY	**June 30**	
	2003	2002
	(In thousands)	
Current Liabilities		
Short-term debt	**$ 1,279,483**	$ 967,473
Accounts payable	**2,848,926**	2,330,992
Accrued expenses	**988,175**	951,770
Current maturities of long-term debt	**30,888**	305,790
Total Current Liabilities	**5,147,472**	4,556,025
Long-Term Liabilities		
Long-term debt	**3,872,287**	3,111,294
Deferred income taxes	**543,555**	594,985
Other	**550,368**	362,210
	4,966,210	4,068,489
Shareholders' Equity		
Common stock	**5,373,005**	5,436,151
Reinvested earnings	**1,863,150**	1,567,570
Accumulated other comprehensive loss	**(166,958)**	(248,900)
	7,069,197	6,754,821
	$17,182,879	$15,379,335

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Archer Daniels Midland Company

	Year Ended June 30		
	2003	2002	2001
	(In thousands)		
Operating Activities			
Net earnings	**$ 451,145**	$ 511,093	$ 383,284
Adjustments to reconcile to net cash provided by operations			
Depreciation and amortization	**643,615**	566,576	572,390
Asset abandonments	**13,221**	82,927	-
Deferred income taxes	**105,086**	(4,972)	3,919
Amortization of long-term debt discount	**5,111**	47,494	49,584
(Gain) loss on marketable securities transactions	**363**	(38,588)	56,160
Stock contributed to employee benefit plans	**23,591**	23,263	40,425
Other – net	**58,576**	86,138	30,886
Changes in operating assets and liabilities			
Segregated cash and investments	**(134,434)**	(134,317)	70,895
Receivables	**(112,460)**	(119,176)	(27,311)
Inventories	**(200,392)**	(72,508)	229,289
Other assets	**(39,061)**	(44,197)	1,557
Accounts payable and accrued expenses	**266,676**	397,483	(407,921)
Total Operating Activities	**1,081,037**	1,301,216	1,003,157
Investing Activities			
Purchases of property, plant and equipment	**(419,876)**	(349,637)	(273,168)
Net assets of businesses acquired	**(526,970)**	(40,012)	(124,639)
Investments in and advances to affiliates, net	**(89,983)**	2,963	(147,735)
Purchases of marketable securities	**(328,852)**	(384,149)	(269,755)
Proceeds from sales of marketable securities	**271,340**	347,296	530,936
Other – net	**25,353**	404	(30,922)
Total Investing Activities	**(1,068,988)**	(423,135)	(315,283)
Financing Activities			
Long-term debt borrowings	**517,222**	7,621	429,124
Long-term debt payments	**(315,319)**	(459,826)	(41,702)
Net borrowings (payments) under lines of credit agreements	**281,669**	(174,399)	(674,350)
Purchases of treasury stock	**(101,212)**	(184,519)	(62,932)
Cash dividends	**(155,565)**	(130,000)	(125,053)
Total Financing Activities	**226,795**	(941,123)	(474,913)
Increase (Decrease) in Cash and Cash Equivalents	**238,844**	(63,042)	212,961
Cash and Cash Equivalents Beginning of Year	**526,115**	589,157	376,196
Cash and Cash Equivalents End of Year	**$ 764,959**	$ 526,115	$ 589,157

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Archer Daniels Midland Company

	Common Stock		Reinvested	Accumulated Other Comprehensive	Total Shareholders
	Shares	Amount	Earnings	Loss	Equity
			(In thousands)		
Balance July 1, 2000	632,296	$ 5,232,597	$ 1,325,323	$ (447,677)	$ 6,110,243
Comprehensive income					
Net earnings			383,284		
Other comprehensive loss				(16,738)	
Total comprehensive income					366,546
Cash dividends paid-$.19 per share			(125,053)		(125,053
5% stock dividend	31,542	395,923	(395,923)		
Treasury stock purchases	(5,525)	(62,932)			(62,932
Other	4,065	43,153	(274)		42,879
Balance June 30, 2001	662,378	5,608,741	1,187,357	(464,415)	6,331,683
Comprehensive income					
Net earnings			511,093		
Other comprehensive income				215,515	
Total comprehensive income					726,608
Cash dividends paid-$.20 per share			(130,000)		(130,000
Treasury stock purchases	(12,818)	(184,519)			(184,519
Other	433	11,929	(880)		11,049
Balance June 30, 2002	649,993	5,436,151	1,567,570	(248,900)	6,754,821
Comprehensive income					
Net earnings			**451,145**		
Other comprehensive income				**81,942**	
Total comprehensive income					**533,087**
Cash dividends paid-$.24 per share			**(155,565)**		**(155,565**
Treasury stock purchases	**(8,410)**	**(101,212)**			**(101,212**
Other	**3,272**	**38,066**			**38,066**
Balance June 30, 2003	**644,855**	**$ 5,373,005**	**$ 1,863,150**	**$ (166,958)**	**$ 7,069,197**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 1-Acquisitions

On September 6, 2002, the Company acquired all of the outstanding Class A units of Minnesota Corn Processors, LLC (MCP), an operator of corn wet-milling plants in Minnesota and Nebraska. These Class A units represented 70% of the outstanding equity of MCP. Prior to September 6, 2002, the Company owned non-voting Class B units, which represented the remaining 30% of the outstanding equity of MCP. The acquisition was structured as a cash-for-stock transaction whereby the Company paid MCP shareholders a price of $2.90 for each outstanding Class A unit. The Company paid $382 million for the outstanding Class A units and assumed $233 million of MCP long-term debt. At the date of the MCP acquisition, the Company recognized $36 million in liabilities for the costs of closing MCP's administrative offices and terminating MCP's corn sweetener marketing joint venture. As of June 30, 2003, the Company has paid substantially all of the costs related to these activities. The operating results of MCP are consolidated in the Company's net earnings from September 6, 2002. Prior to September 6, 2002, the Company accounted for its investment in MCP on the equity method of accounting.

On February 24, 2003, the Company acquired six wheat flour mills located in the United Kingdom from Associated British Foods plc (ABF). The Company acquired the assets and inventories of the ABF mills for cash of approximately $96 million and assumed no liabilities in connection with the acquisition. The operating results of the ABF mills are included in the Company's net earnings from February 24, 2003.

During February 2003, the Company tendered an offer to acquire all of the outstanding shares of Pura plc (Pura), a United Kingdom based company that processes and markets edible oil, for cash of approximately $1.78 per share. These shares represented 72% of the outstanding equity of Pura. Prior to the offer, the Company owned 28% of the outstanding equity of Pura. The Company purchased a sufficient number of shares to obtain majority ownership of Pura on April 7, 2003, and the results of Pura's operations are consolidated in the Company's net earnings from April 7, 2003. Prior to April 7, 2003, the Company accounted for its investment in Pura on the equity method of accounting. As of June 30, 2003, the Company had acquired all of the outstanding shares of Pura for cash of $58 million.

These acquisitions were accounted for as purchases in accordance with Statement of Financial Accounting Standards Number 141, "Business Combinations." Accordingly, the tangible assets and liabilities have been adjusted to fair values with the remainder of the purchase price recorded as goodwill. The identifiable intangible assets acquired as part of these acquisitions are not material. The Company has completed the allocation of the purchase price for the MCP acquisition. The Company has recorded a preliminary allocation of the purchase price for the ABF mills and Pura acquisitions as of June 30, 2003, as the valuation of the long-lived assets acquired and certain other transaction costs have not been finalized.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed, pertaining to the acquisitions described above, as of the acquisition dates.

	(In thousands)
Current assets	$ 198,709
Property, plant and equipment	695,874
Goodwill	124,586
Investments in unconsolidated affiliates	47,879
Other assets	7,397
Total assets acquired	1,074,445
Current liabilities	121,639
Long-term debt	255,772
Deferred income taxes	34,773
Other liabilities	21,269
Total liabilities assumed	433,453
Net assets acquired	640,992
Less equity method investments in MCP and Pura (including goodwill of $16,867) at date of acquisition, net of deferred taxes	105,146
Total purchase price	$ 535,846

Acquired goodwill related to these acquisitions of $12 million, $74 million, and $39 million was assigned to the Oilseeds Processing, Corn Processing, and Wheat Processing segments, respectively. The Company estimates approximately $106 million of the acquired goodwill will be deductible for tax purposes.

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 2-Marketable Securities and Cash Equivalents

	Cost	Unrealized Gains	Unrealized Losses	Fair Value
2003		(In thousands)		
United States government obligations				
Maturity less than 1 year	**$ 265,993**	**$ 172**	**$ (119)**	**$ 266,046**
Other debt securities				
Maturity less than 1 year	**242,225**	**31**	**-**	**242,256**
Maturity 5 to 10 years	**170,561**	**2,947**	**-**	**173,508**
Maturity greater than 10 years	**124,735**	**1,193**	**-**	**125,928**
Equity securities				
Available-for-sale	**443,551**	**67,560**	**(149)**	**510,962**
Trading	**7,618**	**-**	**-**	**7,618**
	$ 1,254,683	**$ 71,903**	**$ (268)**	**$ 1,326,318**

	Cost	Unrealized Gains	Unrealized Losses	Fair Value
2002		(In thousands)		
United States government obligations				
Maturity less than 1 year	$ 284,133	$ 85	$ (168)	$ 284,050
Other debt securities				
Maturity less than 1 year	204,034	144	(7)	204,171
Maturity 1 to 5 years	30,000	428	-	30,428
Maturity 5 to 10 years	128,599	3,771	-	132,370
Maturity greater than 10 years	54,967	795	-	55,762
Equity securities				
Available-for-sale	541,402	144,534	(31,043)	654,893
Trading	3,097	-	-	3,097
	$ 1,246,232	$ 149,757	$ (31,218)	$ 1,364,771

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 3-Inventories and Derivatives

To reduce price risk caused by market fluctuations, the Company generally follows a policy of using exchange-traded futures and options contracts to minimize its net position of merchandisable agricultural commodity inventories and forward cash purchase and sales contracts. Inventories of certain merchandisable agricultural commodities, which include amounts acquired under deferred pricing contracts, are stated at market value. Exchange-traded futures and options contracts, forward cash purchase contracts and forward cash sales contracts, which have not been designated as fair value hedges, are valued at market price. Changes in the market value of inventories of merchandisable agricultural commodities, forward cash purchase and sales contracts and exchange-traded futures contracts are recognized in earnings immediately, resulting in cost of goods sold approximating first-in, first out (FIFO) cost. Unrealized gains on forward cash purchase contracts, forward cash sales contracts and exchange-traded futures contracts represent the fair value of such instruments and are classified on the Company's balance sheet as receivables. Unrealized losses on forward cash purchase contracts, forward cash sales contracts and exchange-traded futures contracts represent the fair value of such instruments and are classified on the Company's balance sheet as accounts payable.

The Company also values certain inventories using the lower of cost, determined by either the last-in, first out (LIFO) or FIFO method, or market.

	2003	2002
	(In thousands)	
LIFO inventories		
FIFO value	**$ 343,552**	$ 352,365
LIFO valuation reserve	**(15,975)**	(1,678)
LIFO carrying value	**327,577**	350,687
FIFO inventories	**1,257,655**	1,312,250
Market inventories	**1,964,993**	1,592,475
	$3,550,225	$3,255,412

The Company, from time to time, uses futures contracts to fix the purchase price of anticipated volumes of commodities to be purchased and processed in a future month. The Company also uses futures, options, and swaps to fix the purchase price of the Company's anticipated natural gas requirements for certain production facilities. These derivatives are designated as cash flow hedges. The changes in the market value of such derivative contracts have historically been, and are expected to continue to be, highly effective at offsetting changes in price movements of the hedged item. The amounts representing the ineffectiveness of these cash flow hedges are immaterial. Gains and losses arising from open and closed hedging transactions are deferred in other comprehensive income, net of applicable income taxes, and recognized as a component of cost of products sold in the statement of earnings when the hedged item is recognized. The gains and losses arising from these cash flow hedges will be recognized in the statement of earnings within the next 12 months.

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 4-Investments in and Advances to Affiliates

The Company has ownership interests in non-majority owned affiliates accounted for under the equity method. The Company had 82 and 83 unconsolidated affiliates as of June 30, 2003 and 2002, respectively, located in North and South America, Africa, Europe and Asia. During fiscal 2003, the Company acquired controlling interests in 3 previously unconsolidated affiliates, made initial investments in 8 unconsolidated affiliates, disposed of its investments in 6 affiliates and diluted its ownership in 1 affiliate. In addition, the Company increased its ownership interest and influence in 1 affiliate. The following table summarizes the balance sheets as of June 30, 2003 and 2002, and the statements of earnings for each of the three years ended June 30, 2003 of the Company's unconsolidated affiliates.

	2003	2002	2001
		(In thousands)	
Current assets	**$ 4,215,810**	$ 2,790,239	
Non-current assets	**8,279,207**	7,557,131	
Current liabilities	**2,721,111**	1,624,651	
Non-current liabilities	**1,961,009**	1,439,162	
Minority interests	**342,411**	280,283	
Net assets	**$ 7,470,486**	$ 7,003,274	
Net sales	**$ 17,181,800**	$ 9,853,370	$ 16,447,274
Gross profit	**2,037,875**	1,276,901	1,550,299
Net income (loss)	**(62,707)**	21,627	137,299

Two foreign affiliates for which the Company has a carrying value of $364 million have a market value of $185 million based on quoted market prices and exchange rates at June 30, 2003.

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 5-Goodwill and Other Intangible Assets

Effective July 1, 2002, the Company adopted Statement of Financial Accounting Standards Number 142 (SFAS 142), "Goodwill and Other Intangible Assets." Under the standard, goodwill and intangible assets deemed to have indefinite lives are no longer amortized but are subject to annual impairment tests. Other intangible assets will continue to be amortized over their useful lives. The Company performed the transitional impairment tests prescribed in SFAS 142. These tests resulted in an immaterial impairment charge which was recorded upon adoption of SFAS 142. Reported net earnings, adjusted to exclude amortization expense related to goodwill for the periods indicated, are as follows:

	2003	2002	2001
	(In thousands, except per share amounts)		
Reported net earnings	**$ 451,145**	$ 511,093	$ 383,284
Goodwill amortization	**-**	28,415	32,799
Adjusted net earnings	**$ 451,145**	$ 539,508	$ 416,083
Basic and diluted earnings per common share			
Reported net earnings	**$.70**	$.78	$.58
Goodwill amortization	**-**	.04	.05
Adjusted net earnings	**$.70**	$.82	$.63

Remaining goodwill balances, for acquired goodwill and goodwill associated with investments in unconsolidated affiliates, by segment, are set forth in the table below.

	2003			2002		
	Acquired Goodwill	Affiliate Goodwill	Total	Acquired Goodwill	Affiliate Goodwill	Total
	(In thousands)			(In thousands)		
Oilseeds Processing	**$ 15,146**	**$ 6,618**	**$ 21,764**	$ 1,426	$ 12,239	$ 13,665
Corn Processing	**73,603**	**-**	**73,603**	-	10,397	10,397
Wheat Processing	**41,792**	**-**	**41,792**	1,506	-	1,506
Agricultural Services	**17,574**	**7,882**	**25,456**	6,669	-	6,669
Other	**96,175**	**85,930**	**182,105**	105,956	85,405	191,361
Total	**$ 244,290**	**$ 100,430**	**$ 344,720**	$ 115,557	$ 108,041	$223,598

As described in Note 1, "Acquisitions," the 2003 acquisitions increased acquired goodwill by $12 million, $74 million, and $39 million in the Oilseeds Processing, Corn Processing, and Wheat Processing segments, respectively. In 2002, the Oilseeds Processing and Corn Processing segments included the goodwill amounts related to the Company's equity investments in MCP and Pura prior to the acquisition of their remaining outstanding equity in 2003. Other changes in acquired and affiliate goodwill during 2003 are principally related to goodwill recorded for an affiliate moved from the cost method to the equity method of accounting as a result of the Company's ownership increasing and foreign currency translation gains and losses.

The Company's other intangible assets are not material.

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 6-Debt and Financing Arrangements

	2003	2002
	(In thousands)	
5.935% Debentures $500 million face amount, due in 2032	**$ 493,013**	$ -
7.0% Debentures $400 million face amount, due in 2031	**397,380**	397,285
7.5% Debentures $350 million face amount, due in 2027	**348,009**	347,980
8.875% Debentures $300 million face amount, due in 2011	**298,823**	298,722
6.625% Debentures $300 million face amount, due in 2029	**298,634**	298,614
8.125% Debentures $300 million face amount, due in 2012	**298,593**	298,489
8.375% Debentures $300 million face amount, due in 2017	**295,162**	294,984
7.125% Debentures $250 million face amount, due in 2013	**249,569**	249,539
6.95% Debentures $250 million face amount, due in 2097	**246,212**	246,183
6.75% Debentures $200 million face amount, due in 2027	**196,001**	195,890
6.25% Notes $250 million face amount, paid in 2003	**-**	249,793
Other	**781,779**	539,605
Total long-term debt	**3,903,175**	3,417,084
Current maturities	**(30,888)**	(305,790)
	$3,872,287	$ 3,111,294

At June 30, 2003, the fair value of the Company's long-term debt exceeded the carrying value by $881 million, as estimated by using quoted market prices or discounted future cash flows based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

The aggregate maturities of long-term debt for the five years after June 30, 2003 are $31 million, $152 million, $170 million, $59 million, and $79 million, respectively.

At June 30, 2003, the Company had lines of credit totaling $3.1 billion, of which $1.8 billion was unused. The weighted average interest rates on short-term borrowings outstanding at June 30, 2003 and 2002, were 1.41% and 1.96%, respectively.

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 7-Shareholders' Equity

The Company has authorized one billion shares of common stock and 500 thousand shares of preferred stock, each without par value. No preferred stock has been issued. At June 30, 2003 and 2002, the Company had approximately 27.1 million and 21.9 million shares, respectively, in treasury. Treasury stock is recorded at cost, $330 million at June 30, 2003 and $269 million at June 30, 2002, as a reduction of common stock.

Stock option plans provide for the granting of options to employees to purchase common stock of the Company at market value on the date of grant. Options expire five to ten years after the date of grant. At June 30, 2003, there were 26 million shares available for future grant. Stock option activity during the years indicated is as follows:

	Number of Shares	Weighted Average Exercise Price Per Share
	(In thousands, except per share amounts)	
Shares under option at June 30, 2000	10,965	$11.56
Granted	41	10.94
Exercised	(34)	9.27
Cancelled	(392)	12.23
Shares under option at June 30, 2001	10,580	11.54
Granted	2,632	12.54
Exercised	(724)	12.01
Cancelled	(1,907)	12.27
Shares under option at June 30, 2002	10,581	11.62
Granted	**4,439**	**11.30**
Exercised	**(228)**	**9.32**
Cancelled	**(329)**	**12.75**
Shares under option at June 30, 2003	**14,463**	**$11.54**
Shares exercisable at June 30, 2003	**5,445**	**$11.40**
Shares exercisable at June 30, 2002	3,705	$11.55
Shares exercisable at June 30, 2001	3,311	$12.35

At June 30, 2003, the range of exercise prices and weighted average remaining contractual life of outstanding options was $8.33 to $14.84 and four years, respectively. The weighted average fair values of options granted during 2003, 2002, and 2001 are $3.20, $4.31, and $3.79, respectively.

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 8-Accumulated Other Comprehensive Loss

The following table sets forth information with respect to accumulated other comprehensive income (loss):

	Foreign Currency Translation Adjustment	Deferred Gain (Loss) on Hedging Activities	Minimum Pension Liability Adjustment	Unrealized Gain (Loss) on Investments	Accumulated Other Comprehensive Income (Loss)
			(In thousands)		
Balance at June 30, 2000	$ (396,857)			$ (50,820)	$ (447,677)
Adoption of SFAS 133 – net of tax		$ (32,076)			(32,076)
Unrealized gains (losses)	(101,991)	(35,648)	$ (22,424)	147,520	(12,543)
(Gains) losses reclassified to net earnings		51,672		53,385	105,057
Tax effect		(6,076)	8,504	(79,604)	(77,176)
Net of tax amount	(101,991)	(22,128)	(13,920)	121,301	(16,738)
Balance at June 30, 2001	(498,848)	(22,128)	(13,920)	70,481	(464,415)
Unrealized gains (losses)	125,636	66,391	(17,392)	65,978	240,613
(Gains) losses reclassified to net earnings		35,648		(35,937)	(289)
Tax effect		(38,699)	6,596	7,294	(24,809)
Net of tax amount	125,636	63,340	(10,796)	37,335	215,515
Balance at June 30, 2002	(373,212)	41,212	(24,716)	107,816	(248,900)
Unrealized gains (losses)	**250,211**	**22,834**	**(188,080)**	**(34,513)**	**50,452**
(Gains) losses reclassified to net earnings		**(66,391)**		**(7,892)**	**(74,283)**
Tax effect		**16,519**	**71,333**	**17,921**	**105,773**
Net of tax amount	**250,211**	**(27,038)**	**(116,747)**	**(24,484)**	**81,942**
Balance at June 30, 2003	**$ (123,001)**	**$ 14,174**	**$ (141,463)**	**$ 83,332**	**$ (166,958)**

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 9-Other Expense – Net

	2003	2002	2001
	(In thousands)		
Interest expense	**$ 359,971**	$ 355,956	$ 398,131
Investment income	**(121,887)**	(114,032)	(149,401)
Net (gain) loss on marketable securities transactions	**(2,619)**	(38,296)	56,311
Equity in (earnings) losses of unconsolidated affiliates	**(65,991)**	(61,532)	(104,909)
Other – net	**(21,003)**	(4,499)	(21,262)
	$ 148,471	$ 137,597	$ 178,870

Interest expense is net of interest capitalized of $4 million, $6 million and $16 million in 2003, 2002 and 2001, respectively.

The Company made interest payments of $345 million, $308 million and $348 million in 2003, 2002 and 2001, respectively.

Realized gains on sales of available-for-sale marketable securities totaled $7 million, $61 million and $3 million in 2003, 2002 and 2001, respectively. Realized losses totaled $4 million, $23 million and $59 million in 2003, 2002 and 2001, respectively.

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 10-Income Taxes

For financial reporting purposes, earnings before income taxes include the following components:

	2003	2002	2001
		(In thousands)	
United States	**$ 356,654**	$ 440,517	$ 242,772
Foreign	**274,319**	278,420	279,127
	$ 630,973	$ 718,937	$ 521,899

Significant components of income taxes are as follows:

	2003	2002	2001
		(In thousands)	
Current			
Federal	**$ 13,653**	$ 169,802	$ 48,578
State	**1,229**	12,214	7,890
Foreign	**60,881**	102,570	64,009
Deferred			
Federal	**92,518**	(71,547)	15,122
State	**9,125**	(2,522)	4,599
Foreign	**2,422**	(2,673)	(1,583)
	$ 179,828	$ 207,844	$ 138,615

Significant components of the Company's deferred tax liabilities and assets are as follows:

	2003	2002
	(In thousands)	
Deferred tax liabilities		
Depreciation	**$ 663,498**	$ 602,834
Bond discount amortization	**27,695**	29,728
Unrealized gain on marketable securities	**17,054**	35,933
Equity in earnings of affiliates	**53,831**	92,405
Other	**58,805**	52,074
	820,883	812,974
Deferred tax assets		
Pension and postretirement benefits	**156,084**	80,213
Reserves and other accruals	**15,147**	96,808
Other	**93,989**	117,624
	265,220	294,645
Net deferred tax liabilities	**555,663**	518,329
Current net deferred tax assets (liabilities) included in other assets and accrued expenses	**(12,108)**	76,656
Non-current net deferred tax liabilities	**$ 543,555**	$ 594,985

Reconciliation of the statutory federal income tax rate to the Company's effective tax rate on earnings is as follows:

	2003	2002	2001
Statutory rate	**35.0%**	35.0%	35.0%
Prior years tax redetermination	**-**	(3.6)	-
Foreign sales corporation	**(4.2)**	(3.6)	(4.9)
State income taxes, net of federal tax benefit	**0.8**	0.8	1.6
Foreign gain permanently reinvested	**-**	-	(6.4)
Foreign earnings taxed at rates other than the U.S. statutory rate	**(5.5)**	(0.3)	(2.0)
Other	**2.4**	0.6	3.3
Effective rate	**28.5%**	28.9%	26.6%

The Company made income tax payments of $124 million, $162 million and $104 million in 2003, 2002 and 2001, respectively.

During the fourth quarter of 2002, the Company recognized a reduction in income tax of $26 million, or $.04 per share, as taxes were relieved upon resolution of various outstanding state and federal tax issues.

The Company has $59 million of tax assets for net operating loss carry-forwards related to certain international subsidiaries. Approximately $47 million of these assets have no expiration date and the remaining $12 million expire at various times through fiscal 2010. The annual usage of certain of these assets is limited to a percentage of the taxable income of the respective international subsidiary for the year. The Company has recorded a valuation allowance of $41 million against these tax assets at June 30, 2003, due to the uncertainty of their realization. The Company also has $30 million of tax assets related to excess foreign tax credits which expire in fiscal 2008.

Undistributed earnings of the Company's foreign subsidiaries and affiliated corporate joint venture companies accounted for on the equity method amounting to approximately $810 million at June 30, 2003, are considered to be permanently reinvested, and accordingly, no provision for U.S. income taxes has been provided thereon. It is not practicable to determine the deferred tax liability for temporary differences related to these undistributed earnings.

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 11-Leases

The Company leases manufacturing and warehouse facilities, real estate, transportation and other equipment under operating leases which expire at various dates through the year 2076. Rent expense for 2003, 2002 and 2001 was $98 million, $88 million and $81 million, respectively. Future minimum rental payments for non-cancelable operating leases with initial or remaining terms in excess of one year are as follows:

Fiscal years	(In thousands)
2004	$ 58,716
2005	46,740
2006	38,552
2007	28,495
2008	22,612
Thereafter	73,338
Total minimum lease payments	$ 268,453

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 12-Employee Benefit Plans

The Company provides substantially all domestic employees and employees at certain international subsidiaries with pension benefits. The Company also provides substantially all domestic salaried employees with postretirement health care and life insurance benefits. Assets of the Company's pension plans consist primarily of listed common stocks and pooled funds. The Company's pension plans held 3.3 million shares of Company common stock at June 30, 2003, with a market value of $43 million. Cash dividends received on shares of Company common stock by these plans during the year ended June 30, 2003, were $1 million.

The Company has savings and investment plans available to employees. The Company also maintains stock ownership plans for qualifying employees. The Company contributes shares of its stock to the plans to match qualifying employee contributions. Employees have the choice of retaining Company stock in their accounts or diversifying the shares into other investment options. Expense is measured and recorded based upon the fair value of the stock contributed to the plans each month. The number of shares designated for use in the plans is not significant compared to the shares outstanding for the periods presented. Assets of the Company's defined contribution plans consist primarily of listed common stocks and pooled funds. The Company's defined contribution plans held 24.7 million shares of Company common stock at June 30, 2003, with a market value of $317 million. Cash dividends received on shares of Company common stock by these plans during the year ended June 30, 2003, were $6 million.

	Pension Benefits			Postretirement Benefits		
	2003	2002	2001	**2003**	**2002**	**2001**
	(In thousands)			(In thousands)		
Retirement plan expense						
Defined benefit plans:						
Service cost (benefits earned during the period)	**$ 33,414**	$ 32,727	$ 29,120	**$ 7,135**	$ 5,888	$ 5,892
Interest cost	**64,287**	56,404	50,163	**8,449**	7,863	6,922
Expected return on plan assets	**(63,268)**	(55,907)	(54,625)	**-**	-	-
Actuarial loss (gain)	**5,721**	1,767	407	**(2)**	-	(12)
Net amortization	**2,193**	1,725	1,160	**539**	436	165
Net periodic defined benefit plan expense	**42,347**	36,716	26,225	**16,121**	14,187	12,967
Defined contribution plans:	**22,833**	20,784	19,114	**-**	-	-
Total retirement plan expense	**$ 65,180**	$ 57,500	$ 45,339	**$ 16,121**	$ 14,187	$ 12,967

The following tables set forth changes in the defined benefit obligation and the fair value of defined benefit plan assets:

	Pension Benefits		Postretirement Benefits	
	2003	2002	**2003**	2002
	(In thousands)		(In thousands)	
Benefit obligation, beginning	**$ 912,503**	$ 783,869	**$ 116,505**	$ 108,459
Service cost	**33,414**	32,727	**7,135**	5,888
Interest cost	**64,287**	56,404	**8,449**	7,863
Actuarial loss (gain)	**111,525**	(7,406)	**21,156**	(2,483)
Benefits paid	**(42,059)**	(35,900)	**(4,617)**	(4,358)
Plan amendments	**2,145**	2,063	**(23,047)**	-
Acquisitions	**13,606**	58,397	**156**	1,137
Foreign currency effects	**36,111**	22,349	**28**	(1)
Benefit obligation, ending	**$ 1,131,532**	$ 912,503	**$ 125,765**	$ 116,505
Fair value of plan assets, beginning	**$ 699,006**	$ 618,532	**$ -**	$ -
Actual return on plan assets	**(81,971)**	12,595	**-**	-
Employer contributions	**26,740**	46,418	**4,617**	4,358
Benefits paid	**(42,059)**	(35,900)	**(4,617)**	(4,358)
Acquisitions	**2,012**	31,418	**-**	-
Foreign currency effects	**33,393**	25,943	**-**	-
Fair value of plan assets, ending	**$ 637,121**	$ 699,006	**$ -**	$ -
Funded status	**$ (494,411)**	$ (213,497)	**$ (125,765)**	$ (116,505)
Unamortized transition amount	**(9,438)**	(9,023)	**-**	-
Unrecognized net loss (gain)	**414,427**	157,208	**13,250**	(7,903)
Unrecognized prior service costs	**43,081**	43,861	**(13,399)**	10,031
Adjustment for fourth quarter contributions	**5,241**	762	**-**	-
Pension liability recognized in the balance sheet	**$ (41,100)**	$ (20,689)	**$ (125,914)**	$ (114,377)
Prepaid benefit cost	**$ 72,411**	$ 64,342	**$ -**	$ -
Accrued benefit liability - current	**(73,337)**	(18,330)	**-**	**-**
Accrued benefit liability – long-term	**(309,864)**	(146,185)	**(125,914)**	(114,377)
Intangible asset	**41,794**	39,668	**-**	-
Accumulated other comprehensive loss	**227,896**	39,816	**-**	-
Net amount recognized, June 30	**$ (41,100)**	$ (20,689)	**$ (125,914)**	$ (114,377)

The following table sets forth the principal assumptions used in developing the benefit obligation and the net periodic pension expense:

	Pension Benefits		Postretirement Benefits	
	2003	2002	**2003**	2002
Discount rate	**6.0%**	6.7%	**6.3%**	7.3%
Expected return on plan assets	**7.5%**	8.3%	**N/A**	N/A
Rate of compensation increase	**4.1%**	4.1%	**N/A**	N/A

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the U.S. retirement plans with accumulated benefit obligations in excess of plan assets were $786 million, $710 million, and $391 million, respectively, as of June 30, 2003, and $657 million, $591 million, and $455 million, respectively, as of June 30, 2002.

For postretirement benefit measurement purposes, a 9.5% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2004. The rate was assumed to decrease gradually to 5.0% for 2013 and remain at that level thereafter.

Assumed health care cost trend rates have a significant impact on the amounts reported for the health care plans. A 1% change in assumed health care cost trend rates would have the following effect:

	1% Increase	1% Decrease
	(In thousands)	
Effect on combined service and interest cost components	$ 1,846	$ (1,639)
Effect on accumulated postretirement benefit obligations	$ 11,802	$ (10,819)

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Shareholders
Archer Daniels Midland Company
Decatur, Illinois

We have audited the accompanying consolidated balance sheets of Archer Daniels Midland Company and subsidiaries as of June 30, 2003 and 2002, and the related consolidated statements of earnings, shareholders' equity and cash flows for each of the three years in the period ended June 30, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Archer Daniels Midland Company and its subsidiaries at June 30, 2003 and 2002, and the consolidated results of their operations and their cash flows for each of the three years in the period ended June 30, 2003, in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

St. Louis, Missouri
August 1, 2003

Quarterly Financial Data (Unaudited)

Archer Daniels Midland Company

	Quarter				
	First	Second	Third	Fourth	Total
	(In thousands, except per share amounts)				
Fiscal 2003					
Net Sales	**$6,943,895**	**$7,807,382**	**$7,908,530**	**$8,048,226**	**$30,708,033**
Gross Profit	**419,983**	**490,887**	**414,348**	**401,920**	**1,727,138**
Net Earnings	**108,075**	**131,245**	**116,805**	**95,020**	**451,145**
Per Common Share	**.17**	**.20**	**.18**	**.15**	**.70**
Fiscal 2002					
Net Sales	$5,203,683	$5,463,996	$5,189,165	$6,755,050	$22,611,894
Gross Profit	405,497	507,288	390,243	380,428	1,683,456
Net Earnings	131,618	150,025	117,184	112,266	511,093
Per Common Share	.20	.23	.18	.17	.78

Net earnings for the three months and year ended June 30, 2003 include a charge to cost of products sold of $13 million ($8 million after tax, equal to $.01 per share) related to the abandonment and write-down of certain long-lived assets. Net earnings for the three months and year ended June 30, 2002 include a charge to cost of products sold of $83 million ($51 million after tax, equal to $.08 per share) principally related to the abandonment and write-down of certain long-lived assets, and a $26 million tax credit, equal to $.04 per share, related to the resolution of various outstanding state and federal tax issues, and a gain of $93 million ($58 million after tax, equal to $.09 per share) related to a partial settlement of the Company's claims related to vitamin antitrust litigation. For the years ended June 30, 2003 and 2002, gains related to this vitamin antitrust litigation totaled $28 million ($17 million after tax, equal to $.03 per share) and $147 million ($91 million after tax, equal to $.14 per share), respectively.

Common Stock Market Prices and Dividends

Archer Daniels Midland Company

The Company's common stock is listed and traded on the New York Stock Exchange, Chicago Stock Exchange, Frankfurt Stock Exchange, and Swiss Stock Exchange. The following table sets forth, for the periods indicated, the high and low market prices of the common stock as reported on the New York Stock Exchange and common stock cash dividends.

	Market Price		Cash Dividends
	High	**Low**	**Per Share**
Fiscal 2003--Quarter Ended			
June 30	**$ 13.17**	**$ 10.68**	**$ 0.06**
March 31	**12.94**	**10.50**	**0.06**
December 31	**14.45**	**11.95**	**0.06**
September 30	**12.89**	**10.00**	**0.06**
Fiscal 2002-Quarter Ended			
June 30	$ 14.67	$ 12.47	$ 0.05
March 31	14.85	12.95	0.05
December 31	15.80	11.80	0.05
September 30	14.10	11.60	0.048

The number of registered shareholders of the Company's common stock at June 30, 2003 was 25,539. The Company expects to continue its policy of paying regular cash dividends, although there is no assurance as to future dividends because they are dependent on future earnings, capital requirements and financial condition.

TEN YEAR SUMMARY

Archer Daniels Midland Company

Operating, Financial and Other Data (Dollars in thousands, except per share data)

	2003	2002	2001
Operating			
Net sales and other operating income	**$30,708,033**	$22,611,894	$19,483,211
Depreciation and amortization	**643,615**	566,576	572,390
Net earnings	**451,145**	511,093	383,284
Per common share	**0.70**	0.78	0.58
Cash dividends	**155,565**	130,000	125,053
Per common share	**0.24**	0.20	0.19
Financial			
Working capital	**$3,274,385**	$2,770,520	$2,283,320
Per common share	**5.08**	4.26	3.45
Current ratio	**1.6**	1.6	1.6
Inventories	**3,550,225**	3,255,412	2,631,885
Net property, plant and equipment	**5,468,716**	4,890,241	4,920,425
Gross additions to property, plant and equipment	**1,245,910**	596,559	318,168
Total assets	**17,182,879**	15,379,335	14,339,931
Long-term debt	**3,872,287**	3,111,294	3,351,067
Shareholders' equity	**7,069,197**	6,754,821	6,331,683
Per common share	**10.96**	10.39	9.56
Other			
Weighted average shares outstanding (000s)	**646,086**	656,955	664,507
Number of shareholders	**25,539**	26,715	27,918
Number of employees	**26,197**	24,746	22,834

Share and per share data have been adjusted for a three-for-two stock split in December 1994 and annual 5% stock dividends from September 1995 through September 2001.

Net earnings for 1999 include an extraordinary charge of $15 million, or $.02 per share, from the repurchase of debt.

2000	1999	1998	1997	1996	1995	1994
$18,612,423	$18,509,903	$19,832,594	$18,104,827	$17,981,264	$15,576,471	$13,863,065
604,229	584,965	526,813	446,412	393,605	384,872	354,463
300,903	265,964	403,609	377,309	695,912	795,915	484,069
0.45	0.39	0.59	0.55	0.99	1.10	0.66
120,001	117,089	111,551	106,990	90,860	46,825	32,586
0.18	0.17	0.16	0.15	0.13	0.06	0.04
$1,829,422	$1,949,323	$1,734,411	$2,035,580	$2,751,132	$2,540,260	$2,783,817
2.76	2.89	2.50	3.00	3.95	3.56	3.84
1.4	1.5	1.5	1.9	2.7	3.2	3.5
2,822,712	2,732,694	2,562,650	2,094,092	1,790,636	1,473,896	1,422,147
5,277,081	5,567,161	5,322,704	4,708,595	4,114,301	3,762,281	3,538,575
475,396	825,676	1,228,553	1,127,360	801,426	657,915	682,485
14,471,936	14,029,881	13,833,534	11,354,367	10,449,869	9,756,887	8,746,853
3,277,218	3,191,883	2,847,130	2,344,949	2,002,979	2,070,095	2,021,417
6,110,243	6,240,640	6,504,912	6,050,129	6,144,812	5,854,165	5,045,421
9.20	9.24	9.38	8.92	8.82	8.20	6.96
669,279	685,328	686,047	690,352	702,012	724,610	732,108
29,911	31,764	32,539	33,834	35,431	34,385	33,940
22,753	23,603	23,132	17,160	14,811	14,833	16,013

EXHIBIT 21--SUBSIDIARIES OF THE REGISTRANT

ARCHER DANIELS MIDLAND COMPANY

June 30, 2003

Following is a list of the Registrant's subsidiaries showing the percentage of voting securities owned:

	Organized Under Laws of	Ownership
ADM Worldwide Holdings LP (A)	Cayman Islands	100
ADM Europe BV (B)	Netherlands	100
ADM Canadian Holdings BV (C)	Netherlands	100
ADM Agri-Industries Company (D)	Canada	100
ADM International Ltd. (E)	United Kingdom	100
ADM Ireland Holdings Ltd. (F)	Ireland	100
ADM Ringaskiddy Unlimited Liability Co. (G)	Ireland	100
ADM German Holdings BV (H)	Netherlands	100
ADM European Management Holding GmbH & Co. KG (I)	Germany	100

(A) ADM Worldwide Holdings LP owns ADM Europe BV and twelve subsidiary companies whose names have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary.

(B) ADM Europe BV owns ADM Canadian Holdings BV, ADM International Ltd., and ADM Ireland Holdings Ltd. and forty-five subsidiary companies whose names have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary.

(C) ADM Canadian Holdings BV has one subsidiary company, ADM Agri-Industries Company.

(D) ADM Agri-Industries Company has fifteen subsidiary companies whose names have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary.

(E) ADM International Ltd. has forty-three subsidiary companies whose names have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary.

(F) ADM Ireland Holdings Ltd. has one subsidiary company, ADM Ringaskiddy Unlimited Liability Co.

(G) ADM Ringaskiddy Unlimited Liability Co. owns ADM German Holdings BV and one subsidiary company whose name has been omitted because it is not a significant subsidiary.

(H) ADM German Holdings BV owns ADM European Management Holding GMBH & Co. KG and one subsidiary company whose name has been omitted because it is not a significant subsidiary.

(I) ADM European Management Holding GMBH & Co. KG owns forty-three subsidiary companies whose names have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary.

The names of fifty-nine domestic subsidiaries and sixty international subsidiaries have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary.

Exhibit 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Archer Daniels Midland Company of our report dated August 1, 2003 included in the 2003 Annual Report to Shareholders of Archer Daniels Midland Company.

Our audits also included the financial statement schedule of Archer Daniels Midland Company listed in Item 15(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the following Registration Statements of our report dated August 1, 2003, with respect to the consolidated financial statements of Archer Daniels Midland Company incorporated by reference and our report in the preceding paragraph with respect to the financial statement schedule included in this Annual Report (Form 10-K) for the year ended June 30, 2003.

Registration Statement No. 33-49409 on Form S-8 dated March 15, 1993 relating to the Archer-Daniels-Midland 1991 Incentive Stock Option Plan and Archer Daniels Midland Company Savings and Investment Plan.

Registration Statement No. 33-55301 on Form S-3 dated August 31, 1994 as amended by Amendment No. 1 dated October 7, 1994 (definitive Prospectus dated October 11, 1994) relating to secondary offering of the Common Stock of Archer Daniels Midland Company.

Registration Statement No. 33-56223 on Form S-3 dated October 28, 1994 as amended by Amendment No. 1 dated December 27, 1994 (definitive Prospectus dated December 30, 1994) relating to secondary offering of the Common Stock of Archer Daniels Midland Company.

Registration Statement No. 333-13233 on Form S-3 dated October 1, 1996 as amended by Amendment No. 1 dated November 8, 1996, Amendment No. 2 dated March 20, 1997 and Amendment No. 3 dated March 31, 1997 (definitive Prospectus dated April 1, 1997) relating to secondary offering of the Common Stock of Archer Daniels Midland Company.

Registration Statement No. 333-31623 on Form S-3 dated July 18, 1997 as amended by Amendment No. 1 dated July 29, 1997, (definitive Prospectus dated August 5, 1997) relating to secondary offering of the Common Stock of Archer Daniels Midland Company.

Registration Statement No. 333-51381 on Form S-8 dated April 30, 1998 relating to the Archer-Daniels-Midland Company 1996 Stock Option Plan.

Registration Statement No. 333-68339 on Form S-3 dated December 3, 1998 as amended by Amendment No. 1 dated December 10, 1998 relating to secondary offering of the Common Stock of Archer Daniels Midland Company.

Registration Statement No. 333-75073 on Form S-8 dated March 26, 1999 relating to the ADM Employee Stock Ownership Plan for Salaried Employees and the ADM Employee Stock Ownership Plan for Hourly Employees.

Registration Statement No. 333-37690 on Form S-8 dated May 24, 2000 relating to the Archer Daniels Midland Company Incentive Compensation Plan.

Registration Statement No. 333-37694 on Form S-8 dated May 24, 2000 relating to the ADM Employee Stock Ownership Plan for Salaried Employees and the ADM Employee Stock Ownership Plan for Hourly Employees.

Registration Statement No. 333-42612 on Form S-8 dated July 31, 2000 as amended by Post-Effective Amendment No. 1 dated August 8, 2000, relating to the ADM 401(k) Plan for Salaried Employees and the ADM 401(k) Plan for Hourly Employees.

Registration Statement No. 333-64524 on Form S-3 dated July 3, 2001 relating to secondary offering of the Common Stock of Archer Daniels Midland Company.

Registration Statement No. 333-67962 on Form S-8 dated August 20, 2001 relating to the ADM Deferred Compensation Plan for Selected Management Employees.

Registration Statement No. 333-86344 on Form S-8 dated April 16, 2002 relating to the ADM Voluntary Employee Payroll Deduction Stock Purchase Plan.

Registration Statement No. 333-103291 on Form S-3 dated February 18, 2003 relating to Debt Securities and Warrants to purchase Debt Securities of Archer Daniels Midland Company.

/s/ Ernst & Young LLP

St. Louis, Missouri
September 2, 2003

EXHIBIT 24 – POWERS OF ATTORNEY

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint D. J. SCHMALZ, S. R. MILLS and D. J. SMITH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as a director of said Company to the Form 10-K for the fiscal year ended June 30, 2003, and all amendments thereto, to be filed by said Company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this 28th day of August, 2003.

/s/ R. S. JOSLIN

R. S. JOSLIN

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Chief Executive Officer (Principal Executive Officer) and Chairman of the Board of Directors of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint D. J. SCHMALZ, S. R. MILLS and D. J. SMITH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as the Chief Executive Officer and Chairman of the Board of Directors of said Company to the Form 10-K for the fiscal year ended June 30, 2003, and all amendments thereto, to be filed by said Company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this 24th day of August, 2003.

/s/ G. ALLEN ANDREAS

G. ALLEN ANDREAS

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint D. J. SCHMALZ, S. R. MILLS and D. J. SMITH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as a director of said Company to the Form 10-K for the fiscal year ended June 30, 2003, and all amendments thereto, to be filed by said Company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this 25th day of August, 2003.

/s/ S. A. MCMURTRIE

S. A. MCMURTRIE

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint D. J. SCHMALZ, S. R. MILLS and D. J. SMITH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as a director of said Company to the Form 10-K for the fiscal year ended June 30, 2003, and all amendments thereto, to be filed by said Company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this 28th day of August, 2003.

/s/ M. H. CARTER

M. H. CARTER

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint D. J. SCHMALZ, S. R. MILLS and D. J. SMITH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as a director of said Company to the Form 10-K for the fiscal year ended June 30, 2003, and all amendments thereto, to be filed by said Company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this 27th day of August, 2003.

/s/ H. de BOON

H. de BOON

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint D. J. SCHMALZ, S. R. MILLS and D. J. SMITH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as a director of said Company to the Form 10-K for the fiscal year ended June 30, 2003, and all amendments thereto, to be filed by said Company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this 3rd day of September, 2003.

/s/ M. BRIAN MULRONEY

M. BRIAN MULRONEY

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint D. J. SCHMALZ, S. R. MILLS and D. J. SMITH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as a director of said Company to the Form 10-K for the fiscal year ended June 30, 2003, and all amendments thereto, to be filed by said Company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this 28th day of August, 2003.

/s/ J. K. VANIER

J. K. VANIER

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint D. J. SCHMALZ, S. R. MILLS and D. J. SMITH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as a director of said Company to the Form 10-K for the fiscal year ended June 30, 2003, and all amendments thereto, to be filed by said Company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this 28th day of August, 2003.

/s/ O. G. WEBB

O. G. WEBB

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint D. J. SCHMALZ, S. R. MILLS and D. J. SMITH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as a director of said Company to the Form 10-K for the fiscal year ended June 30, 2003, and all amendments thereto, to be filed by said Company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this 3rd day of September, 2003.

/s/ ANDREW YOUNG

ANDREW YOUNG

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint D. J. SCHMALZ, S. R. MILLS and D. J. SMITH, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as a director of said Company to the Form 10-K for the fiscal year ended June 30, 2003, and all amendments thereto, to be filed by said Company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this 28th day of August, 2003.

/s/ DAVID J. MIMRAN

DAVID J. MIMRAN

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, G. A. Andreas, certify that:

1. I have reviewed this annual report on Form 10-K of Archer-Daniels-Midland Company;

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

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

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

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

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

    c) disclosed in this report any change in the registrant's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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

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

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 3, 2003

/s/ G. A. Andreas
G. A. Andreas
Chairman and Chief Executive

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, D. J. Schmalz, certify that:

1. I have reviewed this annual report on Form 10-K of Archer-Daniels-Midland Company;

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

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

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

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

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

   c) disclosed in this report any change in the registrant's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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

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

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 3, 2003

/s/ D. J. Schmalz

D. J. Schmalz
Senior Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Archer-Daniels-Midland Company (the "Company") on Form 10-K for the fiscal year ended June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, G. A. Andreas, Chairman and Chief Executive of the Company, certify that:

(i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ G. A. Andreas
G. A. Andreas
Chairman and Chief Executive
September 3, 2003

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Archer-Daniels-Midland Company (the "Company") on Form 10-K for the fiscal year ended June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, D. J. Schmalz, Senior Vice President and Chief Financial Officer of the Company, certify that:

(i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ D. J. Schmalz
D. J. Schmalz
Senior Vice President and
Chief Financial Officer
September 3, 2003