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, 2004

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--$9.5 billion
(Based on the closing sale price of Common Stock as reported on the New York Stock Exchange
as of December 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—650,935,640 shares
(July 31, 2004)

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the annual shareholders' report for the year ended June 30, 2004 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 4, 2004 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, 2004. 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—Continued

(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 $3.3 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.

(b) Financial Information About Industry Segments

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

The Company has changed its reportable segments to reflect how the Company now manages its businesses and to reflect the activities of the Company as viewed by the Company's chief operating decision maker. The Company's operations are classified into three reportable business segments: Oilseeds Processing, Corn 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. The Company's Corn Processing segment now includes all of the Company's fermentation activities, including operations such as Specialty Feed Ingredients, that were previously classified in 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, 2004 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:

Oilseeds Processing

The Company is engaged in processing oilseeds such as soybeans, cottonseed, sunflower seeds, canola, peanuts, and flaxseed 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 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. Corn germ, a by-product of the milling process, is further processed as an oilseed.

By fermentation of dextrose, the Company produces alcohol, amino acids, and other specialty food and 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. Amino acids, such as 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 citric and lactic acids, lactates, sorbitol and xanthan gum which are used in both food and industrial products.

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

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.

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 40 sales offices worldwide.

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

The Company owns a 23% interest in Agricore United, one of Canada's leading agri-businesses.

Other

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.

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 wheat starch and vital wheat gluten for the baking industry. Lecithin, an emulsifier produced in the vegetable oil refining process, is marketed as a food and feed ingredient.

The Company produces a wide range of edible soy protein products including soy flour, soy 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.

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.

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 50% ownership interest in this joint venture.

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, provides insurance coverage for certain property, casualty, marine, and other miscellaneous risks of the Company and participates in certain third-party reinsurance arrangements.

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 is being marketed under the NovaLipid™ brand using enzymatic interesterification technology. This portfolio of new products allows 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 two years 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 is being used to produce trans-free fats and oils. These fats and oils are being marketed to our customers for use in trans-free margarines, and bakery products in response to recent FDA trans-fatty acid labeling regulations. This year the FDA, in response to an inquiry about the labeling declaration for these products, stated that it has no objections to labeling the enzymatically interesterified fats as “interesterified vegetable oil”.

The Company has commercially launched 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 of 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. Research continues for optimizing its production and expanding its applications.

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. Plans are underway to proceed to the next stage of production of lignans. The Company is a leader in the processing of flaxseed.

Research into producing biodiesel from a variety of fatty acid feed stocks has begun. This work should provide a low cost source of fatty acid methyl esters for other products as well as biodiesel.

The need for a stable liquid frying oil in addition to NuSun, corn and cottonseed oils has led to an initiative to develop selective hydrogenation technology without the development of trans fatty acids. This has potential for both food and industrial oil applications.

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. Increased production of this product has begun and is expected to be available nationwide by early 2005.

The Company continues to develop its soy protein meat substitutes. This year Nutrisoy Next® was introduced to the market. This product has the texture and flavor profile of chicken breast meat. New product research in the area includes the development of pork and beef analogs with this new extrusion process. The Company is also producing 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. The substantial majority of our raw materials are procured from thousands of grain elevators and wholesale merchants, principally in North America, South America and Europe pursuant to short-term agreements (less than 1 year) or on a “spot” basis. The Company does not grow crops and a relatively small proportion of our raw materials are purchased directly from growers. The Company is not dependent upon any particular grower, elevator or merchant or group of growers, elevators or merchants as a source for its raw materials.

(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 receivables, 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

The Company’s research and development expenditures are focused on developing food, feed, and industrial products from renewable, agricultural crops. Special efforts are being made to find improvements in food technology to alleviate protein malnutrition throughout the world. The Company uses technical services representatives to interact with customers to understand the customers’ product needs. These technical service representatives then interact with researchers who are familiar with the Company’s wide range of food, feed and industrial products as well as 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. Vegetable oil research is also conducted in Hamburg, Germany, Erith, U.K. and Arras, France. 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, 2004, 2003 and 2002 for such technical efforts were approximately $32.3, $29.6 and $26.1 million, respectively.

(xii) Material effects of capital expenditures for environmental protection

During 2004, $59.0 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.

The Company expects 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 26,317 at June 30, 2004.

(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, 2004 and is incorporated herein by reference.

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

	2004	2003	2002
		(in thousands)	
Oilseeds Processing	$ 1,212,729	$ 600,031	$ 961,638
Corn Processing	533,672	432,395	473,023
Agricultural Services	5,001,022	4,264,044	3,602,550
Other	246,478	228,818	218,657
Total	$ 6,993,901	$ 5,525,288	$5,255,868

(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.	61
Martin L. Andreas	Assistant to the Chief Executive from 1989. Senior Vice President from 1989 to November 2001.	65
Maureen K. Ausura	Vice President from June 2000. Senior Vice President, Human Resources, of Giant Eagle, Inc. from 1996 to June 2000.	48
Ronald S. Bandler	Assistant Treasurer from January 1998. Manager of Treasury Operations from 1989 to January 1998.	43
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.	59
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.	42
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.	55

Mark J. Cheviron	Vice President from July 1997. Vice President of Corporate Security and Administrative Services since May 1997. Director of Security since 1980.	55
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.	54
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.	57
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.	54
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.	51
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.	38

Paul L. Krug, Jr.	Vice President from November 1991. President of ADM Investor Services from 1991.	60
Michael Lusk	Vice President from November 1999. Senior Vice President with AON/ International Risk Management Company, Inc. from 1989 to November 1999.	55
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.	44
Steven R. Mills	Group Vice President from January 2002. Vice President from February 2000 to January 2002. Controller from October 1994.	49
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.	54
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.	62
Raymond V. Preiksaitis	Group Vice President from July 1997. Vice President of Management Information Systems from 1988 to July 1997.	51
John G. Reed	Vice President from 1982.	74

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.	50
Scott A. Roberts	Assistant Secretary and Assistant General Counsel from July 1997. Member of the Law Department since 1985.	43
Kenneth A. Robinson	Vice President from January 1996.	57
Scott A. Roney	Vice President, Corporate Compliance and Regulatory Affairs from April 2001. Member of the Law Department from 1991 to April 2001.	39
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.	51
Douglas J. Schmalz	Senior Vice President and Chief Financial Officer from January 2002. Vice President and Chief Financial Officer from 1986 to January 2002.	58
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.	57
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.	49
Stephen H. Yu	Vice President from January 1996.	44

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 or leases the following processing plants and procurement facilities:

	Processing Plants			Procurement Facilities		
	United States	Foreign	Total	United States	Foreign	Total
	139	112	251	197	100	297
	4	3	7	10	26	36
	143	115	258	207	126	333

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	83	98
Leased	2	1	3	-	20	20
	42	53	95	15	103	118

The Company operates twenty-three domestic and eighteen foreign oilseed crushing plants with a daily processing capacity of approximately 90,000 metric tons (3.3 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 nineteen 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, Missouri and North Carolina.

This segment also operates one hundred three 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 123 million bushels.

Item 2. PROPERTIES—Continued

Corn Processing

	Processing Plants			Procurement Facilities		
	United States	Foreign	Total	United States	Foreign	Total
Owned	14	1	15	3	-	3
Leased	-	-	-	-	-	-
	14	1	15	3	-	3

The Company operates five wet corn milling and two dry corn milling plants with a daily grind capacity of approximately 50,500 metric tons (2.0 million bushels). Corn germ extractions plants, sweeteners and starches production facilities, and bioproducts production facilities are located in Illinois, Iowa, Minnesota, Nebraska, North Carolina, North Dakota, and Ireland. The Corn Processing segment also 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.

Agricultural Services

	Processing Plants			Procurement Facilities		
	United States	Foreign	Total	United States	Foreign	Total
Owned	1	-	1	151	10	161
Leased	-	-	-	10	-	10
	1	-	1	161	10	171

The Company operates a rice mill located in California. The Agricultural Services segment operates one hundred sixty-one domestic terminal, sub-terminal, country, and river elevators covering the major grain producing states, including fifty-nine country elevators and one hundred two sub-terminal, terminal and river loading facilities including seven grain export elevators in Florida, Louisiana, Ohio and Texas. Elevators are located in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, Ohio, Oklahoma, Tennessee, and Texas. These elevators have an aggregate storage capacity of approximately 374 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 five country elevators and one river elevator located in the Ukraine, and one country elevator in the Dominican Republic.

Other

	Processing Plants			Procurement Facilities		
	United States	Foreign	Total	United States	Foreign	Total
Owned	84	59	143	28	7	35
Leased	2	2	4	-	6	6
	86	61	147	28	13	41

The Company operates twenty-three domestic wheat flour mills, a domestic bulgur plant, two domestic corn flour mills, two domestic milo mills, and twenty-three foreign flour mills with a total daily milling capacity of approximately 22,000 metric tons (900 thousand 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, 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.

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 thirteen cocoa bean procurement and handling facilities/port sites in the Ivory Coast, Indonesia, Malaysia and Brazil.

The Company operates three domestic soy protein specialty plants in Illinois and North Dakota and one foreign plant in the Netherlands. Lecithin products are produced at six domestic and four foreign plants in Illinois, Iowa, Nebraska, Canada, Germany and the Netherlands. The Company also operates a domestic starch and gluten plant in Iowa and one in Canada. The Company produces soy-based foods at plants in Illinois, North Dakota, and England. The Company produces Vitamin E, sterols, and isoflavones at plants in Illinois. 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 edible bean procurement facilities with an aggregate storage capacity of approximately 13 million bushels, located in Colorado, Idaho, Michigan, Minnesota, North Dakota, and Wyoming. The Company has an edible bean dehydration facility in North Dakota.

The Company also operates thirty-five 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.

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"), investigated 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 has appealed 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. The fines assessed by the Commission of the European Communities as described above have been paid pursuant to an escrow arrangement pending final resolution of these matters. 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 March 18, 2004, the Court of Appeals reversed a district court ruling that it did not have the authority to order the case tried before two juries and the district court has announced that it will empanel two juries for the trial in this case; one jury to consider the case against the Company, and another jury to consider the case against any other remaining defendants. On June 17, 2004, the Company entered into a settlement agreement with class counsel pursuant to which the Company will pay $400 million. On June 24, 2004, the court granted preliminary approval of this settlement. On September 3, 2004, the court granted final approval of this settlement..

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. Trial of this case is currently set to commence on December 7, 2004.

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, consolidated with the federal class action litigation pending in the Central District of Illinois referred to above and is encompassed within the settlement agreement 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.

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. This action is encompassed within the federal settlement referred to above. 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. On August 20, 2003, plaintiff Lisa Heun filed a motion to substitute herself as plaintiff for Arthur Waugh. That motion is currently pending. On October 9, 2003, Lisa Heun filed a motion to intervene in the action. That motion 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. This action is encompassed within the federal settlement referred to above. 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 twenty-seven putative class action antitrust suits 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 monosodium glutamate and nucleotides claims. The plaintiffs further advised on December 10, 2002 that they would be serving a further Amended Statement of Claim. The Amended Statement of Claim was served on September 3, 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. The plaintiffs have also reached a settlement with all of the other defendants except Tung Hai Fermentation Industrial Corp. Tung Hai is a Taiwanese company that has never responded to the action. The plaintiffs have now discontinued the action against Tung Hai. The settling defendants have all executed settlement agreements with the plaintiffs. The settlement with the Company is conditional upon the Courts' approval of all of the settlements in each action. A hearing to approve the settlements in the Ontario class action was conducted on November 24, 2003 and continued on December 18, 2003 and March 2, 2004. The settlements were approved by the Ontario Superior Court of Justice on March 10, 2004. A hearing to approve the settlements in the British Columbia class action was conducted on December 19, 2003 and the settlements were approved by the Supreme Court of British Columbia on April 16, 2004. The settlement in Quebec was approved by the Quebec Superior Court on June 2, 2004.

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. On July 13, 2004, the Court granted final approval of this settlement. 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. This class action alleges violations of the Kansas antitrust statute and 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 Kansas that indirectly purchased monosodium glutamate or nucleotides, or products containing these ingredients for human and/or animal consumption, between January 1, 1983 and September 1999. This action was filed on September 9, 2003 in the Circuit Court for Johnson County, Kansas and is encaptioned Smith v. Archer Daniels Midland Co., et al., Case No. 03-CV-06474. On May 3, 2004, the Company filed a motion to dismiss this action and this motion is still being fully briefed. 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, 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 May 6, 2003, the Judicial Panel on Multidistrict Litigation transferred this action to the District of Minnesota for coordinated pretrial proceedings. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit filed in South Dakota state court involving the sale of monosodium glutamate and nucleotides. The action alleges violations of the South Dakota antitrust statute and 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 South Dakota who indirectly purchased monosodium glutamate or nucleotides, or products containing these ingredients for human and/or animal consumption, between January 1, 1983 and September 1999. This action was filed on September 3, 2003 in the Circuit Court for Pennington County, South Dakota and is encaptioned Berger v. Archer Daniels Midland Co., et al., Case No. 03-CV-964. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit filed in North Carolina state court involving the sale of monosodium glutamate and nucleotides. The action alleges violations of the laws of the States of Arizona, Arkansas, Florida, Hawaii, Iowa, Kansas, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, South Dakota, Tennessee, Vermont, West Virginia and Wisconsin, 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, between January 1, 1983 and September 1999. This action was filed on September 3, 2003 in Mecklenburg County Superior Court and is encaptioned Thai Holdings of Charlotte, Inc. v. Archer Daniels Midland Co., et al., Case No. 03-CVS-15906. On July 19, 2004, the Company filed a motion to dismiss this action and this motion is still being fully briefed. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit filed in Michigan state court involving the sale of monosodium glutamate and nucleotides. The action alleges violations of the Michigan antitrust statute, as well as a claim for civil conspiracy, and 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 Michigan who indirectly purchased monosodium glutamate or nucleotides, or products containing these ingredients for human and/or animal consumption, between January 1, 1983 and September 1999. This action was filed on September 4, 2003 in the Circuit Court for Wayne County, Michigan and is encaptioned National Coney Island, Inc. v. Archer Daniels Midland Co., et al., Case No. 03-329445. On May 3, 2004, the Company field a motion to dismiss this action and this motion is still being fully briefed. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit filed in Arizona state court involving the sale of monosodium glutamate and nucleotides. The action alleges violations of the Arizona antitrust statute, as well as a claim for civil conspiracy, and 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 Arizona who indirectly purchased monosodium glutamate or nucleotides, or products containing these ingredients for human and/or animal consumption, between January 1, 1983 and September 1999. This action was filed on September 8, 2003 in Maricopa County Superior Court and is encaptioned Auer v. Archer Daniels Midland Co., et al., Case No. CV-2003-017157. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit filed in the Superior Court for the District of Columbia involving the sale of monosodium glutamate and nucleotides. The action alleges violations of the Arizona antitrust statute, as well as a claim for civil conspiracy, and 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 District of Columbia who indirectly purchased monosodium glutamate or nucleotides, or products containing these ingredients for human and/or animal consumption, between January 1, 1983 and September 1999. This action was filed on September 9, 2003 in the District of Columbia Superior Court and is encaptioned Wondrack v. Archer Daniels Midland Co., et al., Case No. 03-CA-007542. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit filed in West Virginia state court involving the sale of monosodium glutamate and nucleotides. This action alleges violation of the West Virginia Antitrust Act and includes allegations that the defendants agreed to fix, raise, maintain and stabilize prices at artificially high and noncompetitive levels, 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 present in West Virginia who indirectly purchased monosodium glutamate and/or nucleotides manufactured by any defendant from January 1983 to September 1999. This action was filed on September 8, 2003 in the Circuit Court of Hancock County, West Virginia and is encaptioned Marie C. Dodson, et al v. Archer-Daniels-Midland Co., et al., Civil Action No.: 03-C-168G. On May 3, 2004, the Company filed a motion to dismiss this action and this motion is still being fully briefed. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit in Minnesota state court involving the sale of monosodium glutamate and nucleotides. The action alleges violations of the Minnesota antitrust statute and 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 Minnesota who indirectly purchased monosodium glutamate or nucleotides, or products containing these ingredients for human and/or animal consumption, between January 1983 and September 1999. This action was commenced on September 3, 2003 in the Fourth Judicial District of Hennepin County, Minnesota and is encaptioned Mannings Café, Inc. v. Archer Daniels Midland Co., et al. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit filed in Tennessee state court involving the sale of monosodium glutamate and nucleotides. The action alleges violations of the Tennessee antitrust statute and includes allegations that the defendants agreed to fix, stabilize, control and maintain the prices for monosodium glutamate and nucleotides, and seeks damages, including actual 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. The putative class in this action comprises all persons or entities in Tennessee who indirectly purchased monosodium glutamate or nucleotides, or products containing these ingredients for human and/or animal consumption, between January 1983 and August 2001. This action was filed on September 5, 2003 in the Circuit Court of Davidson County, Tennessee and is encaptioned Williams v. Archer Daniels Midland Co., et al., Case No. 03-C-2544. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit filed in Florida state court involving the sale of monosodium glutamate and nucleotides. The action alleges violations of the Florida antitrust statue and includes allegations that the defendants agreed to fix, stabilize, control and maintain the prices for monosodium glutamate and nucleotides, and seeks damages, including actual 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 Florida who indirectly purchased monosodium glutamate or nucleotides, or products containing these ingredients for human and/or animal consumption, between January 1983 and September 1999. This action was filed on September 5, 2003 in the Seventeenth Judicial Circuit Court of Broward County, Florida and is encaptioned O'Kane, et al. v. Archer Daniels Midland Co., et al., Case No. 0315633. On May 3, 2004, the Company filed a motion to dismiss this action and this motion is still being fully briefed. The Company, along with other defendants, also has been named as a defendant in one putative class action antitrust suit filed in New Mexico state court involving the sale of monosodium glutamate and nucleotides. The action alleges violations of the New Mexico antitrust statute and 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 New Mexico who indirectly purchased monosodium glutamate or nucleotides, or products containing these ingredients for human and/or animal consumption, between January 1983 and September 1999. This action was filed on September 8, 2003 in the Second Judicial District Court of Bernalillo County, New Mexico and is encaptioned Higgins v. Archer Daniels Midland Co., et al., Case No. CV-2003-06168. On May 3, 2004, the Company field a motion to dismiss this action and this motion is still being fully briefed. The Company has recently reached a settlement in principle with counsel for plaintiffs in all of the remaining monosodium glutamate state indirect purchaser actions referenced above, except for the

Fortin action in Massachusetts, pursuant to which the Company will pay $165,000 in total to settle all claims. This settlement in principle still must be finalized in writing and be submitted to the various courts for approval.

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

None.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

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, 2004 and is incorporated herein by reference.

(C) Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program (2)	Number of Shares Remaining to be Purchased Under the Program (2)
April 1, 2004 to April 30, 2004	34,103	$ 17.24	774	20,905,418
May 1, 2004 to May 31, 2004	47,142	17.18	428	20,904,990
June 1, 2004 to June 30, 2004	6,503	16.70	510	20,904,480
Total	87,748	$ 17.17	1,712	20,904,480

(1) Total shares purchased represents those purchased as part of the Company's publicly announced share repurchase program described below and shares received as payment of the exercise price for stock option exercises.

(2) On October 19, 1995, the Company's Board of Directors adopted a stock repurchase program authorizing the Company to repurchase up to 25,000,000 shares of the Company's common stock which was due to expire on October 19, 1997. On April 17, 1997, July 30, 1999, August 2, 2001, and August 8, 2002, the Company's Board of Directors extended the stock repurchase program and increased the number of shares authorized for repurchase under the program by 20,000,000, 20,000,000, 20,000,000, and 15,000,000 shares, respectively. As of June 30, 2004, total stock purchases under this stock repurchase program were 79,095,520. The stock repurchase program currently expires on December 31, 2004.

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, 2004 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, 2004 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, 2004 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, 2004 are incorporated herein by reference:

Consolidated balance sheets--June 30, 2004 and 2003
Consolidated statements of earnings--Years ended
June 30, 2004, 2003 and 2002
Consolidated statements of shareholders' equity--Years ended
June 30, 2004, 2003 and 2002
Consolidated statements of cash flows--Years ended
June 30, 2004, 2003 and 2002
Notes to consolidated financial statements--June 30, 2004
Summary of Significant Accounting Policies
Report of Independent Registered Public Accounting Firm
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, 2004, 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 was no change in the Company’s internal controls over financial reporting during the Company’s most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal controls over financial reporting.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information with respect to directors, executive officers, code of conduct, audit committee and audit committee financial experts of the Company, and Section 16(a) beneficial ownership reporting compliance is set forth in “Election of Directors,” “Corporate Governance Guidelines,” “Code of Conduct,” “Report of the Audit Committee,” 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 4, 2004 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 4, 2004 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 4, 2004 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 4, 2004 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” and “Audit Committee Pre-Approval Policies” of the definitive proxy statement for the Company’s annual meeting of stockholders to be held on November 4, 2004 and is incorporated herein by reference.

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, 2004, are incorporated by reference in Item 8, and are also incorporated herein by reference:

Consolidated balance sheets--June 30, 2004 and 2003

Consolidated statements of earnings--Years ended June 30, 2004, 2003 and 2002

Consolidated statements of shareholders' equity--Years ended June 30, 2004, 2003 and 2002

Consolidated statements of cash flows--Years ended June 30, 2004, 2003 and 2002

Notes to consolidated financial statements--June 30, 2004

Summary of Significant Accounting Policies

Quarterly Financial Data (Unaudited)

(a)(2) Financial Statement Schedules

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

	Balance at Beginning of Year	Additions	Deductions (1) (In thousands)	Other (2)	Balance at End of Year
Classification					
Allowance for doubtful accounts					
2002	$ 47,016	11,016	(21,258)	12,515	$ 49,289
2003	$ 49,289	14,934	(27,756)	4,149	$ 40,616
2004	$ 40,616	13,747	(10,503)	453	$ 43,407

(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.

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

(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 JPMorgan Chase (formerly known or successor to The Chase Manhattan Bank, Chemical Bank, and 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 JPMorgan Chase (formerly known or successor to The Chase Manhattan Bank, Chemical Bank and 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:

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.

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

(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) The Archer-Daniels-Midland 1996 Stock Option Plan (incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement filed with the Secruities and Exchange Commission on September 25, 1996 (File No. 1-44)).

(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)).

(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.

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

(ix) The Archer-Daniels-Midland 2002 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 25, 2002 (File No. 1-44)).

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

(21) Subsidiaries of the registrant

(23) Consent of independent registered public accounting firm

(24) Powers of attorney

(31.1) Certification of Chief Executive Officer pursuant to Rule 13a – 14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.

(31.2) Certification of Chief Financial Officer pursuant to Rule 13a – 14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.

(32.1) Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(32.2) Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted 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 30, 2004, in connection with the issuance of the press release announcing the Company's results for the quarter ended March 31, 2004.

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 8, 2004

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 8, 2004, 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/ M. H. Carter
M. H. Carter*,
Director

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

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

/s/ P. J. Moore
P. J. Moore*,
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/ K. R. Westbrook
K. R. Westbrook*,
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, 2004

COMPANY OVERVIEW

The Company is principally engaged in procuring, transporting, storing, processing and merchandising agricultural commodities and products. The Company's operations are classified into three reportable business segments: Oilseeds Processing, Corn 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.

The Oilseeds Processing segment includes activities related to processing oilseeds such as soybeans, cottonseed, sunflower seeds, canola, peanuts, and flaxseed into vegetable oils and meals principally for the food and feed industries. In addition, oilseeds may be resold into the marketplace as a raw material for other processors. 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 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 Corn Processing segment includes activities related to the production of syrups, starches, dextrose, and sweeteners for the food and beverage industry as well as activities related to the production, by fermentation, of bioproducts such as alcohol, amino acids, and other specialty food and feed ingredients.

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. Also included in Agricultural Services are the activities of A.C. Toepfer International, a global merchandiser of agricultural commodities and processed products.

Other includes the Company's remaining operations, consisting principally of food and feed ingredient businesses and financial activities. Food and feed ingredient businesses include wheat processing with activities related to the production of wheat flour; cocoa processing with activities related to the production of chocolate and cocoa products; the production of natural health and nutrition products; and the production of other specialty food and feed ingredients. Financial activities include banking, captive insurance, private equity fund investments, and futures commission merchant activities.

Operating Performance Indicators and Risk Factors

The Company is exposed to certain risks inherent to an agricultural-based commodity business. These risks are further described in the "Critical Accounting Policies" and "Market Risk Sensitive Instruments and Positions" sections of "Management's Discussion of Operations and Financial Condition".

The Company's Oilseeds Processing, Agricultural Services, and Wheat Processing operations are agricultural commodity-based businesses where changes in segment selling prices move in relationship to changes in prices of the commodity-based agricultural raw materials. Therefore, agricultural commodity price changes have relatively equal impacts on both net sales and cost of products sold and minimal impact on the gross profit of underlying transactions. As a result, changes in net sales amounts of these business segments do not necessarily correspond to the changes in gross profit realized by these businesses.

The Company's Corn Processing operations and certain other food and feed processing operations also utilize agricultural commodities (or products derived from agricultural commodities) as raw materials. In these operations, agricultural commodity price changes can result in significant fluctuations in cost of products sold and such price changes cannot necessarily be passed directly through to the selling price of the finished products. For products such as ethanol, selling prices bear no direct relationship to the raw material cost of the agricultural commodity from which it is produced, but are related to other market factors, such as gasoline prices, not associated directly with agricultural commodities.

The Company conducts its business in many foreign countries. For many of the Company's subsidiaries located outside the United States, the local currency is the functional currency. Revenues and expenses denominated in foreign currencies are translated into U.S. dollars at the weighted average exchange rates for the periods. Fluctuations in the exchange rates of primarily the euro and British pound as compared to the U.S. dollar will result in corresponding fluctuations in the relative U.S. dollar value of the Company's revenues and expenses. The impact of these currency exchange rate changes, where significant, is discussed below.

The Company measures the performance of its business segments using key operating statistics such as segment operating profit and return on fixed capital investment. The Company's operating results can vary significantly due to changes in unpredictable factors such as weather conditions, 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. Due to these factors, the Company does not provide forward-looking information in "Management's Discussion of Operations and Financial Condition."

2004 COMPARED TO 2003

As an agricultural-based commodity business, the Company is subject to a variety of market factors which affect the Company's operating results. During 2004, significant volatility occurred in global oilseeds markets principally due to reduced oilseed crop sizes in all major growing areas of the world as a result of unfavorable weather conditions. Reduced oilseed crop sizes, combined with continued growth and demand for protein and vegetable oil in Asia, resulted in increased prices for soybeans and shortages of shipping capacity. Despite record high oilseed price levels, demand for protein meal and vegetable oil in North America remained strong. Reduced oilseed crop sizes and imports of protein meal from South America adversely impacted European crushing capacity utilization and margins. In addition, crushing industry overcapacity in South America negatively affected South American oilseed crushing margins.

Ethanol continued to experience strong demand due to additional states replacing the use of recently-banned MTBE as a gasoline additive. Record crude oil prices also contributed to good demand for ethanol and helped support ethanol price levels. High oilseed price levels resulted in livestock producers feeding animals increased amounts of corn gluten meal and distillers dried grains in lieu of higher-priced protein meal. The use of corn-based feeds, supplemented with lysine to balance the amino acid profile, resulted in increases in demand and average selling prices of lysine. Additionally, the improvement in global equity markets during 2004 favorably impacted holders of investments in marketable equity securities and private equity funds.

In June 2004, the Company entered into a settlement agreement related to a class action lawsuit involving the sale of high-fructose corn syrup pursuant to which the Company will pay $400 million, which amount has been accrued in the consolidated financial statements.

Net earnings for fiscal 2004 increased principally due to improved Corn Processing and Agricultural Services operating results and improved results of the Company's food and feed ingredient operations. Net earnings also increased due to a $115 million increase in equity in earnings of unconsolidated affiliates primarily due to improved valuations of the Company's private equity fund investments. Net earnings also include a $21 million gain from an insurance-related lawsuit pertaining to the flood of 1993. These increases were partially offset by the fructose litigation settlement expense of $400 million and a $51 million charge for abandonment and write-down of long-lived assets. Last year's results included a $28 million gain from partial settlement of the Company's claims related to vitamin antitrust litigation and a $13 million charge for abandonment and write-down of long-lived assets.

The $51 million and $13 million charge in 2004 and 2003, respectively, for abandonment and write-down of long-lived assets primarily represents the write-down of abandoned idle assets to their estimated salvage values.

The comparability of the Company's operating results to the prior year is affected by the following acquisitions completed during fiscal 2003:

On September 6, 2002, the Company acquired all of the outstanding Class A units of 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 Company paid cash of approximately $382 million for the outstanding Class A units and assumed $233 million of MCP long-term debt. The operating results of MCP are included in the Company's Corn Processing segment based on the equity method of accounting until acquisition date and on a consolidated basis thereafter.

The Company acquired six flour mills located in the United Kingdom from Associated British Foods plc (ABF) on February 24, 2003. The Company paid cash of approximately $96 million for the assets and inventories of the ABF mills. The operating results of the ABF mills since the acquisition date are included in the Company's Other segment.

Prior to April 7, 2003, the Company owned 28% of the outstanding shares of Pura plc (Pura), a United Kingdom-based company that processes and markets edible oil. On April 7, 2003, the Company acquired the remaining outstanding shares of Pura for cash of approximately $58 million. The operating results of Pura are included in the Company's Oilseeds Processing segment and were accounted for on the equity method of accounting until acquisition date and on a consolidated basis thereafter.

Analysis of Statements of Earnings

Net sales and other operating income increased 18% to $36.2 billion principally due to higher average selling prices of merchandised agricultural commodities and commodity-based oilseeds finished products and, to a lesser extent, increased sales volumes of ethanol, and $761 million of net sales related to recently-acquired businesses. In addition, net sales and other operating income increased $1.5 billion, or 5%, due to currency exchange rate fluctuations. These increases were partially offset by reduced sales volumes of soybeans and commodity-based oilseeds finished products due primarily to the short soybean supply in North America.

Net sales and other operating income are as follows:

	2004	2003	Change
		(In thousands)	
Oilseeds Processing	$ 12,049,250	$ 9,773,379	$ 2,275,871
Corn Processing			
Sweeteners and Starches	1,736,526	1,395,087	341,439
Bioproducts	2,268,655	1,663,599	605,056
Total Corn Processing	4,005,181	3,058,686	946,495
Agricultural Services	15,638,341	13,557,946	2,080,395
Other			
Food and Feed Ingredients	4,386,246	4,223,664	162,582
Financial	72,376	94,358	(21,982)
Total Other	4,458,622	4,318,022	140,600
Total	$36,151,394	$30,708,033	$ 5,443,361

Oilseeds Processing sales increased 23% to $12.0 billion primarily due to higher average selling prices of soybeans, vegetable oil, protein meal and, to a lesser extent, the recently acquired Pura operations. These increases were partially offset by lower sales volumes of protein meal. The fluctuations in average selling prices and sales volumes were primarily due to rising oilseed commodity price levels due to a short oilseed supply in the United States, the impact of last summer's drought in Europe, and increased demand in China for oilseeds. Corn Processing sales increased 31% to $4 billion principally due to increased bioproducts sales and, to a lesser extent, increased sales of sweetener and starch products and the recently-acquired MCP operations. The increase in bioproducts sales is principally due to increased selling volumes of ethanol and, to a lesser extent, increased selling prices of lysine. The ethanol sales volume increase was principally due to increased demand from gasoline refiners in the northeastern United States as a result of various states reformulating gasoline blends by using ethanol to replace recently-banned MTBE. Agricultural Services sales increased 15% to $15.6 billion primarily due to higher average commodity prices, partially offset by lower oilseed sales volumes resulting from the short supplies. Other sales increased 3% to $4.5 billion principally due to the sales attributable to the recently-acquired ABF mills.

Cost of products sold increased $5.0 billion to $34.0 billion primarily due to higher average costs of merchandised agricultural commodities. These increases were partially offset by reduced selling volumes of soybeans due primarily to the short soybean supply in North America. Manufacturing costs increased $424 million from prior year levels primarily due to $50 million of costs related to recently-acquired businesses, $165 million of increased energy-related costs, $44 million of increased personnel-related costs, and a $51 million charge for abandonment and write-down of long-lived assets. In addition, cost of products sold increased $1.4 billion due to currency exchange rate fluctuations. Last year's cost of products sold includes a $13 million charge for abandonment and write-down of long-lived assets and a $28 million credit from partial settlement of the Company's claims related to vitamin antitrust litigation.

Selling, general, and administrative expenses increased $454 million to $1.4 billion principally due to the fructose litigation settlement expense of $400 million. Other increases include $22 million of costs related to recently-acquired businesses and $26 million due to currency exchange rate fluctuations. In addition, the prior year included $11 million of costs related to the Company's settlement with the EPA. Excluding the effects of these changes, the remaining increase was primarily due to increased employee-related costs, including pension costs.

Other expense decreased $120 million to $28 million due primarily to $24 million of gains realized on marketable securities transactions and a $115 million increase in equity in earnings of unconsolidated affiliates, partially offset by last year's gain on the sale of redundant assets. The increase in equity in earnings of unconsolidated affiliates is primarily due to an improvement in valuations of the Company's private equity fund investments. Interest expense decreased principally due to lower average interest rates. Investment income decreased principally due to lower average invested balances.

Operating profit is as follows:

	2004	2003	Change
		(In thousands)	
Oilseeds Processing	**$ 290,732**	$ 337,089	$ (46,357)
Corn Processing			
Sweeteners and Starches	**318,369**	228,227	90,142
Bioproducts	**342,578**	130,473	212,105
Total Corn Processing	**660,947**	358,700	302,247
Agricultural Services	**249,863**	92,124	157,739
Other			
Food and Feed Ingredients	**260,858**	212,507	48,351
Financial	**98,611**	9,492	89,119
Total Other	**359,469**	221,999	137,470
Total Segment Operating Profit	**1,561,011**	1,009,912	551,099
Corporate	**(843,000)**	(378,939)	(464,061)
Earnings Before Income Taxes	**$ 718,011**	$ 630,973	$ 87,038

Oilseeds Processing operating profit decreased 14% to $291 million due primarily to lower oilseed crush margins in Europe and South America, partially offset by improved oilseed crush margins in North America. In addition, Chinese contract defaults in the fourth quarter of 2004 had a significant impact on global oilseed markets and negatively impacted oilseed processing profits. European crush margins were weaker, as imported oilseed products from South America resulted in lower capacity utilization in Europe. In Brazil, capacity utilization was reduced to better balance supply and demand. The improved crush margins in North America are primarily due to continued strong demand for vegetable oils and protein meals. Operating profits include a charge of $4 million and $7 million for abandonment and write-down of long-lived assets in 2004 and 2003, respectively.

Corn Processing operating profits increased $302 million to $661 million due primarily to increased bioproducts sales volumes and average selling prices and, to a lesser extent, higher average selling prices of sweeteners and starches. The increase in bioproducts sales volumes is primarily due to the aforementioned increased ethanol demand from gasoline refiners in the northeastern United States. The increase in bioproducts average selling prices is principally due to increased demand for lysine from poultry and swine producers. Lysine is used in swine and poultry diets to replace protein meal and balance the amino acid profile. The demand for lysine is also driven by the relationship between the price of protein meal and the price of corn. Operating profits for 2004 include a $15 million gain from an insurance-related lawsuit pertaining to the flood of 1993 and a $15 million charge for abandonment and write-down of long-lived assets.

Agricultural Services operating profits increased $158 million to $250 million due principally to improved global grain merchandising results and, to a lesser extent, improved domestic grain origination operating results. The record United States corn crop and large wheat crop provided the Company with the opportunity for solid storage, transportation, origination and marketing profits. In addition, regional production imbalances, caused principally by the drought in Europe, allowed the Company to more fully utilize its grain infrastructure and merchandising capabilities. Strong worldwide demand for grains and feedstuffs also favorably impacted operating profits. Operating profits for 2004 include a $5 million charge for abandonment and write-down of long-lived assets and a $2 million gain from an insurance-related lawsuit pertaining to the flood of 1993.

Other operating profits increased $137 million to $359 million. Other - financial increased $89 million principally due to improved valuations of the Company's private equity fund investments. Other - food and feed ingredient operating profits increased $48 million principally due to improved wheat and cocoa processing operations. Wheat Processing results improved due principally to a higher-quality wheat crop, which improved flour milling yields. The prior year's wheat crop was of lower milling quality due to the drought conditions in the midwestern United States. Cocoa operations improved due to continued strong demand from the chocolate and baking industries for cocoa butter and cocoa powder. Other – food and feed ingredient operating profits include a $13 million and $6 million charge for abandonment and write-down of long-lived assets in 2004 and 2003, respectively. Last year's food and feed ingredient results include a $28 million gain from the partial settlement of the Company's claims related to vitamin antitrust litigation.

Corporate expense increased $464 million to $843 million primarily due to the fructose litigation settlement expense of $400 million, a $104 million increase in FIFO to LIFO inventory valuation adjustments, and a $14 million charge for abandonment and write-down of long-lived assets, partially offset by a $21 million increase in gains on marketable security transactions and $4 million of interest received from the insurance-related lawsuit pertaining to the flood of 1993.

Income taxes increased due to increased pretax earnings and, to a lesser extent, an increase in the Company's effective tax rate. The Company's effective tax rate was 31.1% in 2004 as compared to 28.5% in the prior year. The increase in the effective rate is principally due to changes in the mix of pretax earnings among tax jurisdictions and increased state income taxes.

2003 COMPARED TO 2002

During 2003, poor crop conditions in North America resulting from drought conditions in the midwestern United States reduced crop sizes and quality. As a result, oilseed prices increased and the short supply of oilseeds adversely affected oilseed crushing margins in North America. Poor crop conditions also reduced wheat flour milling yields and margins, the quantity of grain available for United States grain origination and trading activities, and increased corn costs which adversely affected operators of wet corn milling facilities. Increased demand from China for oilseeds and oilseed products favorably impacted South American exporters of these products. Ethanol experienced strong demand as California gasoline refiners replaced recently-banned MTBE as a gasoline additive. Additionally, continued industry rationalization in Europe of cocoa processing capacity improved margins for processors of cocoa butter and cocoa powder.

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, 2002 results include a $37 million gain on marketable securities transactions. These decreases were partially offset by improved Corn Processing and Cocoa Processing 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 comparability of the Company’s 2003 operating results to the prior year is affected by the MCP, ABF mills, and Pura acquisitions completed during fiscal 2003, as described above. During 2002, the Company acquired control of A.C. Toepfer International by increasing its ownership to 80% and began consolidating the operations of A.C. Toepfer International. Prior to 2002, the Company accounted for A.C. Toepfer International on the equity method of accounting.

Analysis of Statements of Earnings

Net sales and other operating income increased 36% 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 of commodity-based oilseeds finished products and South American exports of oilseeds.

Net sales and other operating income are as follows:

	2003	2002	Change
		(In thousands)	
Oilseeds Processing	$ 9,773,379	$ 8,155,530	$ 1,617,849
Corn Processing			
Sweeteners and Starches	1,395,087	1,049,785	345,302
Bioproducts	1,663,599	1,356,121	307,478
Total Corn Processing	3,058,686	2,405,906	652,780
Agricultural Services	13,557,946	8,280,078	5,277,868
Other			
Food and Feed Ingredients	4,223,664	3,709,693	513,971
Financial	94,358	60,687	33,671
Total Other	4,318,022	3,770,380	547,642
Total	$30,708,033	$22,611,894	$ 8,096,139

Oilseeds Processing sales increased 20% 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. Corn Processing sales increased 27% to $3.1 billion primarily due to the recently-acquired MCP operations and, to a lesser extent, increased bioproducts sales volumes. Bioproducts increased sales volumes were principally due to ethanol sales volume increases resulting from increased demand from California gasoline refiners and, to a lesser extent, increased sales volumes of lysine. Agricultural Services sales increased $5.3 billion to $13.6 billion due principally to the recently-acquired operations of A.C. Toepfer International and to increased commodity price levels. Other sales increased 15% to $4.3 billion primarily due to higher average selling prices of cocoa and wheat flour products and, to a lesser extent, higher sales volumes of wheat flour products. The increase in average selling prices of cocoa products was principally due to improved demand for cocoa butter and cocoa powder. The increase in average selling prices of wheat flour products was principally due to higher commodity price levels resulting from the drought conditions in the midwestern United States.

Cost of products sold increased $8.1 billion to $29.0 billion principally due to recently-acquired businesses and, to a lesser extent, increased sales volumes and higher average costs of merchandised agricultural commodities. Excluding the impact of recently-acquired businesses, manufacturing costs were relatively unchanged from prior year levels. Cost of products sold includes a $13 million and an $83 million charge for abandonment and write-down of long-lived assets in 2003 and 2002, respectively. In addition, cost of products sold includes a $28 million and a $147 million credit from partial settlement of the Company's claims related to vitamin antitrust litigation in 2003 and 2002, respectively.

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.

Operating profit is as follows:

	2003	2002	Change
		(In thousands)	
Oilseeds Processing	$ 337,089	$ 387,960	$ (50,871)
Corn Processing			
Sweeteners and Starches	228,227	34,248	193,979
Bioproducts	130,473	157,328	(26,855)
Total Corn Processing	358,700	191,576	167,124
Agricultural Services	92,124	169,593	(77,469)
Other			
Food and Feed Ingredients	212,507	275,841	(63,334)
Financial	9,492	14,850	(5,358)
Total Other	221,999	290,691	(68,692)
Total Segment Operating Profit	1,009,912	1,039,820	(29,908)
Corporate	(378,939)	(320,883)	(58,056)
Earnings Before Income Taxes	$ 630,973	$ 718,937	$ (87,964)

Oilseeds Processing operating profits decreased 13% 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 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 operating profits increased $167 million to $359 million primarily due to improved sweetener and starches results principally due to increased sweetener sales volumes, the recently-acquired MCP operations, and improved results of the Company's Eastern European starch venture. Bioproducts results decreased 17% principally due to reduced operating results of the Company's citric acid operations. 2002 operating profits include a $51 million charge for abandonment and write-down of long-lived assets.

Agricultural Services operating profits decreased $77 million to $92 million due to reduced operating results of the Company's global grain merchandising operations, domestic grain origination operations, and barge transportation operations. Grain origination and merchandising 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 operating profits decreased 24% to $222 million principally due to reduced food and feed ingredient operating results due to a reduction in the gain from the partial settlement of vitamin antitrust litigation and reduced operating results of the Company's wheat processing and protein specialties operations. The Company recognized a $28 million gain from the vitamin settlements in 2003 as compared to a $147 million gain during the prior year. The decrease in the Company's Wheat Processing operations was principally due to lower flour milling yields due to a lower-quality wheat crop resulting from the drought conditions in the United States. These decreases were partially offset by improved results of cocoa operations as improved demand for cocoa butter and cocoa powder resulted in increased margins. In addition, improved results of the Company's Gruma corn flour ventures contributed to the increase in profits. Operating profits include a charge of $6 million and $9 million for abandonment and write-down of long-lived assets in 2003 and 2002, respectively.

Corporate expense increased $58 million to $379 million principally due to a $37 million reduction in realized gains on securities transactions and a $13 million increase in FIFO to LIFO inventory valuation adjustments, 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% in 2003 as compared to 28.9% 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% 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.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2004, the Company continued to show substantial liquidity with working capital of $3.6 billion and a current ratio, defined as current assets divided by current liabilities, of 1.5. Included in this $3.6 billion of working capital is $575 million of cash, cash equivalents, and short-term marketable securities as well as $3.2 billion of readily marketable commodity inventories. Cash generated from operating activities totaled $33 million for the year compared to $1.1 billion last year. This decrease was primarily due to an increase in working capital requirements due principally to the impact of increased prices of commodity-based agricultural raw materials. Cash used in investing activities decreased $485 million for the year to $574 million due primarily to decreased investment in net assets of businesses acquired. Cash generated from financing activities was $316 million. Purchases of the Company's common stock decreased $97 million to $4 million. Borrowings under line-of-credit agreements were $484 million in 2004 compared to borrowings of $282 million in 2003 due to requirements to fund higher levels of working capital due to increased commodity prices.

Capital resources were strengthened as shown by the increase in the Company's net worth to $7.7 billion. The Company's ratio of long-term debt to total capital (the sum of the Company's long-term debt and shareholders' equity) decreased to 33% at June 30, 2004 from 35% at June 30, 2003. 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, 2004, the Company had $1.8 billion outstanding and an additional $2.7 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. This table includes 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			
Contractual Obligations	Note Reference	Total	Less than 1 Year	2 – 3 Years	4 – 5 Years	Over 5 Years
			(in thousands)			
Purchases						
Inventories		$ 9,395,518	$ 9,213,157	$ 176,966	$ 5,395	$ –
Energy		659,574	281,166	329,742	41,649	7,017
Other		714,615	160,751	214,050	108,815	230,999
Total purchases		10,769,707	9,655,074	720,758	155,859	238,016
Short-term debt		1,770,512	1,770,512	–	–	–
Long-term debt	Note 6	3,835,977	148,751	208,063	109,280	3,369,883
Capital leases	Note 6	64,693	12,044	27,191	17,364	8,094
Estimated Interest Payments		5,714,998	276,046	539,473	500,272	4,399,207
Operating leases	Note 11	249,978	56,830	77,866	45,213	70,069
Total		$22,405,865	$11,919,257	$1,573,351	$827,988	$8,085,269

At June 30, 2004, the Company estimates it will cost approximately $514 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, 2004, the Company's carrying value of these limited partnership investments was $418 million. The Company has future capital commitments related to these partnerships of $156 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, 2004, these debt guarantees total approximately $398 million. Outstanding borrowings under these guarantees were $311 million at June 30, 2004.

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. Management has discussed with the Company's Audit Committee the development, selection, disclosure, and application of these critical accounting policies. 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.

Income Taxes

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. Deferred tax assets represent items to be used as tax deductions or credits in future tax returns, and the related tax benefit has already been recognized in the Company's income statement. Realization of these deferred tax assets reflects the Company's tax planning strategies. Valuation allowances related to these deferred tax assets have been established to the extent the realization of the tax benefit is not probable. 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 favorably resolve 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.

Litigation Contingencies

As described in Note 15 to the Company's consolidated financial statements, the Company is subject to various contingencies related to legal proceedings. Management attempts to assess the probability and range of loss for such contingencies and accrues a liability and/or discloses the relevant circumstances, as appropriate. Management believes that any liability to the Company that may arise as a result of currently pending legal proceedings will not have a material adverse effect on the Company's financial condition or results of operations.

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 raw materials and final products. Any such 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

The Company classifies the majority of its marketable securities as available-for-sale and carries these securities at fair value. Investments in affiliates are carried at cost plus equity in undistributed earnings. For publicly-traded securities, the fair value of the Company's investments is readily available based on quoted market prices. For non-publicly-traded securities, management's assessment of fair value is based on valuation methodologies including discounted cash flows and estimates of sales proceeds. In the event of a decline in fair value of an investment below carrying value, management may be required to determine if the decline in fair value is other than temporary. In evaluating the nature of a decline in the fair value of an investment, management considers the market conditions, trends of earnings, discounted cash flows, price multiples, trading volumes, and other key measures of the investment as well as the Company's ability and intent to hold the investment. 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 futures prices as it relates to the Company's net commodity position, 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. The Company will also use exchange-traded futures and options contracts as components of merchandising strategies designed to enhance margins. The results of these strategies can be significantly impacted by factors such as the volatility of the relationship between the value of exchange-traded commodities futures contracts and the cash prices of the underlying commodities, counterparty contracts defaults, and volatility of freight markets. 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 daily net commodity position. The Company's daily net commodity position consists of inventories, related purchase and sale contracts, and exchange-traded futures contracts, including those contracts used to hedge portions of production requirements. The fair value of such daily net commodity 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% adverse change in such prices. Actual results may differ.

	2004		2003	
	Fair Value	Market Risk	Fair Value	Market Risk
	(in millions)			
Highest long position	**$ 754**	**$ 75**	$ 611	$ 61
Highest short position	**506**	**51**	485	49
Average position long (short)	**31**	**3**	51	5

The decrease in fair value of the average position for 2004 compared to 2003 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% adverse change in quoted market prices. Actual results may differ.

	2004	2003
	(in millions)	
Fair value	**$ 773**	$ 519
Market risk	**77**	52

The increase in fair value for 2004 compared to 2003 resulted primarily from an increase in fair market value of the securities offset partially by disposals of securities.

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% adverse change in market prices of the limited partnerships' investments. Actual results may differ.

	2004	2003
	(in millions)	
Fair value of partnerships' investments	**$ 447**	$ 429
Market risk	**45**	43

The increase in fair value for 2004 compared to 2003 resulted primarily from an increase in fair market value of the limited partnerships' investments offset partially by returns of capital.

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% 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 $3.6 billion at June 30, 2004 and $3.3 billion at June 30, 2003. This increase is principally due to the strengthening of the euro and British pound currencies versus the U.S. dollar and, to a lesser extent, an increase in retained earnings of the foreign subsidiaries and affiliates. The potential loss in fair value resulting from a hypothetical 10% adverse change in quoted foreign currency exchange rates is $361 million and $331 million for 2004 and 2003, 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 % decrease in interest rates. Actual results may differ.

	2004	2003
	(in millions)	
Fair value of long-term debt	**$ 4,237**	$ 4,753
Excess of fair value over carrying value	**497**	881
Market risk	**203**	232

The decrease in fair value for the current year resulted principally from an increase in quoted interest rates.

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

In January 2003, the Financial Accounting Standards Board (FASB) issued FASB Interpretation 46, *Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51* (FIN 46). In December 2003, the FASB modified FIN 46 to make certain technical corrections and to address certain implementation issues that had arisen. A variable interest entity (VIE) 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 VIE to be consolidated by a company if that company is the primary beneficiary of the VIE. The primary beneficiary of a VIE is an entity that is subject to a majority of the risk of loss from the VIE's activities or entitled to receive a majority of the entity's residual returns, or both. The Company adopted the provisions of FIN 46, as revised, on March 31, 2004. As of June 30, 2004, the Company has $418 million of investments in private equity funds included in investments in affiliates which are considered VIEs pursuant to FIN 46. The Company's residual risk and rewards from these VIEs are proportional to the Company's ownership interest, and the Company is not the primary beneficiary of any of these VIEs.

The consolidated financial statements as of June 30, 2004 and for the three years then ended 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. All significant intercompany accounts and transactions have been eliminated.

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.

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 clearinghouses, 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.

Receivables

The Company records trade accounts receivable at net realizable value. This value includes an appropriate allowance for estimated uncollectible accounts to reflect any loss anticipated on the trade accounts receivable balances. The Company calculates this allowance based on its history of write-offs, level of past-due accounts, and its relationships with, and the economic status of, its customers.

Credit risk on trade receivables 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.

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 first-in, first-out (FIFO) or last-in, first-out (LIFO) methods, or market.

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.

Property, Plant, and Equipment

Property, plant, and equipment is recorded at cost and repair and maintenance costs are expensed as incurred. 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 $51 million, a $13 million and an $83 million charge in cost of products sold during 2004, 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.

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 $6.3 billion and $5.8 billion for 2004 and 2003, respectively, and approximately $1.3 billion for the fourth quarter of 2002.

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 unvested restricted stock and 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.

Stock Compensation

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.

	2004	2003	2002
	(In thousands, except per share amounts)		
Net earnings, as reported	**$ 494,710**	$ 451,145	$511,093
Add: stock-based compensation expense reported in net income, net of related tax	**4,566**	2,706	464
Deduct: stock-based compensation expense determined under fair value method, net of related tax	**8,748**	8,125	6,018
Pro forma net earnings	**$ 490,528**	$ 445,726	$ 505,539
Earnings per share:			
Basic and diluted – as reported	**$ .76**	$ .70	$ .78
Basic – pro forma	**$ .76**	$ .69	$ .77
Diluted – pro forma	**$ .75**	$ .69	$ .77

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.

	2004	2003	2002
Dividend yield	**2%**	2%	2%
Risk-free interest rate	**4%**	4%	5%
Stock volatility	**28%**	30%	37%
Average expected life (years)	**9**	6	5

Reclassifications

Certain items in 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		
	2004	2003	2002
	(In thousands, except per share amounts)		
Net sales and other operating income	**$36,151,394**	$30,708,033	$22,611,894
Cost of products sold	**34,003,070**	28,980,895	20,928,438
Gross Profit	**2,148,324**	1,727,138	1,683,456
Selling, general, and administrative expenses	**1,401,833**	947,694	826,922
Other expense - net	**28,480**	148,471	137,597
Earnings Before Income Taxes	**718,011**	630,973	718,937
Income taxes	**223,301**	179,828	207,844
Net Earnings	**$ 494,710**	$ 451,145	$ 511,093
Basic and diluted earnings per common share	**$ .76**	$ .70	$ .78
Average number of shares outstanding	**647,698**	646,086	656,955

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

Archer Daniels Midland Company

ASSETS	June 30 **2004**	2003
	(In thousands)	
Current Assets		
Cash and cash equivalents	**$ 540,207**	$ 764,959
Segregated cash and investments	**871,439**	544,669
Receivables	**4,040,759**	3,320,336
Inventories	**4,591,648**	3,550,225
Other assets	**294,943**	241,668
Total Current Assets	**10,338,996**	8,421,857
Investments and Other Assets		
Investments in and advances to affiliates	**1,832,619**	1,763,453
Long-term marketable securities	**1,161,388**	818,016
Goodwill	**337,474**	344,720
Other assets	**443,606**	366,117
	3,775,087	3,292,306
Property, Plant, and Equipment		
Land	**190,136**	186,652
Buildings	**2,568,472**	2,606,707
Machinery and equipment	**10,658,282**	10,067,834
Construction in progress	**263,332**	406,587
	13,680,222	13,267,780
Allowances for depreciation	**(8,425,484)**	(7,799,064)
	5,254,738	5,468,716
	$19,368,821	$17,182,879

CONSOLIDATED BALANCE SHEETS

Archer Daniels Midland Company

Liabilities and Shareholders' Equity	**June 30**	
	2004	2003
	(In thousands)	
Current Liabilities		
Short-term debt	**$ 1,770,512**	$ 1,279,483
Accounts payable	**3,238,230**	2,848,926
Accrued expenses	**1,580,700**	988,175
Current maturities of long-term debt	**160,795**	30,888
Total Current Liabilities	**6,750,237**	5,147,472
Long-Term Liabilities		
Long-term debt	**3,739,875**	3,872,287
Deferred income taxes	**653,834**	543,555
Other	**526,659**	550,368
	4,920,368	4,966,210
Shareholders' Equity		
Common stock	**5,431,510**	5,373,005
Reinvested earnings	**2,183,751**	1,863,150
Accumulated other comprehensive income (loss)	**82,955**	(166,958)
	7,698,216	7,069,197
	$19,368,821	$17,182,879

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Archer Daniels Midland Company

	Year Ended June 30		
	2004	2003	2002
	(In thousands)		
Operating Activities			
Net earnings	**$ 494,710**	$ 451,145	$ 511,093
Adjustments to reconcile to net cash provided by operations			
Depreciation	**685,613**	643,615	566,576
Asset abandonments	**50,576**	13,221	82,927
Deferred income taxes	**(67,505)**	105,086	(4,972)
Amortization of long-term debt discount	**4,245**	5,111	47,494
(Gain) loss on marketable securities transactions	**(23,968)**	363	(36,296)
Equity in (earnings) of affiliates, net of dividends	**(84,930)**	(14,138)	(9,121)
Stock contributed to employee benefit plans	**23,281**	23,591	23,263
Other – net	**(63,383)**	125,316	103,777
Changes in operating assets and liabilities			
Segregated cash and investments	**(316,423)**	(134,434)	(134,317)
Receivables	**(378,501)**	(112,460)	(119,176)
Inventories	**(950,792)**	(200,392)	(72,508)
Other assets	**(6,724)**	(39,061)	(44,197)
Accounts payable and accrued expenses	**667,140**	202,213	388,609
Total Operating Activities	**33,339**	1,069,176	1,303,152
Investing Activities			
Purchases of property, plant, and equipment	**(509,237)**	(435,952)	(362,974)
Proceeds from sales of property, plant, and equipment	**57,226**	40,061	16,553
Net assets of businesses acquired	**(93,022)**	(526,970)	(40,012)
Investments in and advances to affiliates, net	**(112,984)**	(130,096)	(65,928)
Distributions from affiliates, excluding dividends	**122,778**	40,113	68,891
Purchases of marketable securities	**(857,786)**	(328,852)	(384,149)
Proceeds from sales of marketable securities	**786,492**	271,340	345,004
Other – net	**32,098**	11,258	(11,108)
Total Investing Activities	**(574,435)**	(1,059,098)	(433,723)
Financing Activities			
Long-term debt borrowings	**4,366**	517,222	7,621
Long-term debt payments	**(32,381)**	(315,319)	(459,826)
Net borrowings (payments) under lines of credit agreements	**483,764**	281,669	(174,399)
Purchases of treasury stock	**(4,113)**	(101,212)	(184,519)
Cash dividends	**(174,109)**	(155,565)	(130,000)
Proceeds from exercises of stock options	**38,817**	1,971	8,652
Total Financing Activities	**316,344**	228,766	(932,471)
Increase (Decrease) in Cash and Cash Equivalents	**(224,752)**	238,844	(63,042)
Cash and Cash Equivalents - Beginning of Year	**764,959**	526,115	589,157
Cash and Cash Equivalents - End of Year	**$ 540,207**	$ 764,959	$ 526,115

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	Income (Loss)	Equity
			(In thousands)		
Balance July 1, 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
Comprehensive income					
Net earnings			**494,710**		
Other comprehensive income				**249,913**	
Total comprehensive income					**744,623**
Cash dividends paid-$.27 per share			**(174,109)**		**(174,109)**
Treasury stock purchases	**(309)**	**(4,113)**			**(4,113)**
Other	**6,202**	**62,618**			**62,618**
Balance June 30, 2004	**650,748**	**$ 5,431,510**	**$ 2,183,751**	**$ 82,955**	**$ 7,698,216**

See notes to consolidated financial statements.

Note 1-Acquisitions

The 2004 and 2003 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, if any, recorded as goodwill. The identifiable intangible assets acquired as part of these acquisitions are not material.

2004 Acquisitions
During 2004, the Company acquired five businesses for a total cost of $94 million. The Company recorded no goodwill related to these acquisitions.

2003 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. 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.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed, pertaining to the 2003 acquisitions described above, as of the acquisition dates.

	(In thousands)
Current assets	$ 205,595
Property, plant, and equipment	700,283
Goodwill	119,883
Investments in unconsolidated affiliates	47,879
Other assets	12,459
Total assets acquired	1,086,099
Current liabilities	125,422
Long-term debt	255,772
Deferred income taxes	41,713
Other liabilities	23,730
Total liabilities assumed	446,637
Net assets acquired	639,462
Less equity method investments in MCP and Pura (including goodwill of $16,867) at date of acquisition, net of deferred taxes	103,616
Total purchase price	$ 535,846

Acquired goodwill related to the 2003 acquisitions of $6 million, $77 million, and $37 million was assigned to the Oilseeds Processing, Corn Processing, and Other 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
2004		(In thousands)		
United States Government Obligations				
Maturity less than 1 year	**$ 180,472**	**$ 104**	**$ (135)**	**$ 180,441**
Other debt securities				
Maturity less than 1 year	**137,127**	**2**	**(125)**	**137,004**
Maturity 5 to 10 years	**90,000**	**–**	**(2,796)**	**87,204**
Maturity greater than 10 years	**306,231**	**–**	**(4,656)**	**301,575**
Equity securities				
Available-for-sale	**435,668**	**326,043**	**(2,031)**	**759,680**
Trading	**12,929**	**–**	**–**	**12,929**
	$ 1,162,427	**$ 326,149**	**$ (9,743)**	**$ 1,478,833**

	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

The $10 million of unrealized losses at June 30, 2004, have arisen within the last twelve months.

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. The Company will also use exchange-traded futures and options contracts as components of merchandising strategies designed to enhance margins. The results of these strategies can be significantly impacted by factors such as the volatility of the relationship between the value of exchange-traded commodities futures contracts and the cash prices of the underlying commodities, counterparty contracts defaults, and volatility of freight markets. 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 of merchandisable agricultural commodities, 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 LIFO or FIFO method, or market.

	2004	2003
	(In thousands)	
LIFO inventories		
FIFO value	**$ 560,442**	$ 343,552
LIFO valuation reserve	**(134,607)**	(15,975)
LIFO inventories carrying value	**425,835**	327,577
FIFO inventories	**1,366,755**	1,257,655
Market inventories	**2,799,058**	1,964,993
	4,591,648	$3,550,225

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.

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 85 and 82 unconsolidated affiliates as of June 30, 2004 and 2003, respectively, located in North and South America, Africa, Europe, and Asia. During fiscal 2004, the Company made initial investments in 8 unconsolidated affiliates and disposed of its investments in 5 affiliates. The following table summarizes the combined balance sheets and the combined statements of earnings of the Company's unconsolidated affiliates as of and for each of the three years ended June 30, 2004, 2003, and 2002.

	2004	2003	2002
		(In thousands)	
Current assets	**$ 5,159,660**	$ 4,215,810	
Non-current assets	**8,305,256**	8,279,207	
Current liabilities	**3,983,022**	2,721,111	
Non-current liabilities	**1,939,453**	1,961,009	
Minority interests	**369,991**	342,411	
Net assets	**$ 7,172,450**	$ 7,470,486	
Net sales	**$ 17,744,217**	$ 17,181,800	$ 9,853,370
Gross profit	**1,991,947**	2,037,875	1,276,901
Net income (loss)	**819,201**	(62,707)	21,627

Two foreign affiliates for which the Company has a carrying value of $369 million have a market value of $281 million based on quoted market prices and exchange rates at June 30, 2004.

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 5-Goodwill and Other Intangible Assets

The Company accounts for its goodwill and other intangible assets in accordance with Statement of Financial Accounting Standards Number 142 (SFAS 142), *Goodwill and Other Intangible Assets*. Under this standard, goodwill and intangible assets deemed to have indefinite lives are no longer amortized but are subject to annual impairment tests. Intangible assets with identifiable useful lives are amortized over those useful lives. Reported net earnings, adjusted to exclude amortization expense related to goodwill for the periods indicated, are as follows:

	2004	2003	2002
	(In thousands, except per share amounts)		
Reported net earnings	**$ 494,710**	$ 451,145	$ 511,093
Goodwill amortization	**–**	–	28,415
Adjusted net earnings	**$ 494,710**	$ 451,145	$ 539,508
Basic and diluted earnings per common share			
Reported net earnings	**$.76**	$.70	$.78
Goodwill amortization	**–**	–	.04
Adjusted net earnings	**$.76**	$.70	$.82

Goodwill balances attributable to consolidated businesses and investments in affiliates, by segment, are set forth in the table below.

	2004			2003		
	Consolidated Businesses	Investments in Affiliates	Total	Consolidated Businesses	Investments In Affiliates	Total
	(In thousands)			(In thousands)		
Oilseeds Processing	**$ 12,419**	**$ 6,618**	**$ 19,037**	$ 15,146	$ 6,618	$ 21,764
Corn Processing	**76,961**	**7,074**	**84,035**	73,603	7,074	80,677
Agricultural Services	**6,771**	**7,963**	**14,734**	17,574	7,881	25,455
Other	**140,811**	**78,857**	**219,668**	137,967	78,857	216,824
Total	**$ 236,962**	**$ 100,512**	**$337,474**	$ 244,290	$ 100,430	$344,720

The changes in goodwill during 2004 are principally related to the disposal of an Agricultural Services subsidiary, finalization of allocations of purchase prices for acquisitions, and foreign currency translation adjustments.

The Company's other intangible assets are not material.

Note 6-Debt and Financing Arrangements

	2004	2003
	(In thousands)	
5.935% Debentures $500 million face amount, due in 2032	**$ 493,252**	$ 493,013
7.0% Debentures $400 million face amount, due in 2031	**397,475**	397,380
7.5% Debentures $350 million face amount, due in 2027	**348,041**	348,009
8.875% Debentures $300 million face amount, due in 2011	**298,933**	298,823
8.125% Debentures $300 million face amount, due in 2012	**298,706**	298,593
6.625% Debentures $300 million face amount, due in 2029	**298,655**	298,634
8.375% Debentures $300 million face amount, due in 2017	**295,356**	295,162
7.125% Debentures $250 million face amount, due in 2013	**249,601**	249,569
6.95% Debentures $250 million face amount, due in 2097	**246,241**	246,212
6.75% Debentures $200 million face amount, due in 2027	**196,107**	196,001
Other	**778,303**	781,779
Total long-term debt	**3,900,670**	3,903,175
Current maturities	**(160,795)**	(30,888)
	$3,739,875	$3,872,287

At June 30, 2004, the fair value of the Company's long-term debt exceeded the carrying value by $497 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, 2004 are $161 million, $174 million, $62 million, $79 million, and $47 million, respectively.

At June 30, 2004, the Company had lines of credit totaling $4.5 billion, of which $2.7 billion was unused. The weighted average interest rates on short-term borrowings outstanding at June 30, 2004 and 2003 were 1.46% and 1.41%, respectively.

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, 2004 and 2003, the Company had approximately 21.2 million and 27.1 million shares, respectively, in treasury. Treasury stock of $259 million at June 30, 2004 and $330 million at June 30, 2003 is recorded at cost 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 pursuant to the Company’s 1996 Stock Option Plan, 1999 Incentive Compensation Plan, and 2002 Incentive Compensation Plan. Options expire five to ten years after the date of grant, and the vesting requirements of awards under the plans correspond to the term of the related options.

The Company’s 1999 and 2002 Incentive Compensation Plan provides for the granting of restricted stock awards at no cost to certain officers and key employees. The awarded shares are made in common stock and vest at the end of a three-year restriction period. Upon issuance of restricted stock awards, unearned compensation equivalent to the market value of the shares at the date of grant is charged to shareholders’ equity and amortized to compensation expense over the vesting period. During 2004 and 2003, 1.1 million and 1 million common shares were granted as restricted stock awards, respectively.

At June 30, 2004, there were .3 million, .6 million, and 23.2 million shares available for future grant pursuant to the 1996, 1999, and 2002 plans, respectively. 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, 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
Granted	**1,446**	**13.65**
Exercised	**(3,931)**	**11.58**
Cancelled	**(876)**	**12.41**
Shares under option at June 30, 2004	**11,102**	**$11.73**
Shares exercisable at June 30, 2004	**3,880**	**$10.77**
Shares exercisable at June 30, 2003	5,445	$11.40
Shares exercisable at June 30, 2002	3,785	$11.55

At June 30, 2004, 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 2004, 2003, and 2002 are $2.37, $3.20, and $4.31, respectively.

Notes to Consolidated Financial Statements

Archer Daniels Midland Company

Note 8-Accumulated Other Comprehensive Income (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, 2001	$(498,848)	$(22,128)	$ (13,920)	$ 70,481	$(464,415)
Unrealized gains (losses)	125,636	66,391	(17,392)	65,978	240,613
(Gains) losses reclassified to net earnings		35,648		(35,937)	(289)
Tax effect		(38,699)	6,596	7,294	(24,809)
Net of tax amount	125,636	63,340	(10,796)	37,335	215,515
Balance at June 30, 2002	(373,212)	41,212	(24,716)	107,816	(248,900)
Unrealized gains (losses)	250,211	22,834	(188,080)	(34,513)	50,452
(Gains) losses reclassified to net earnings		(66,391)		(7,892)	(74,283)
Tax effect		16,519	71,333	17,921	105,773
Net of tax amount	250,211	(27,038)	(116,747)	(24,484)	81,942
Balance at June 30, 2003	(123,001)	14,174	(141,463)	83,332	(166,958)
Unrealized gains (losses)	**97,044**	**14,292**	**19,227**	**250,876**	**381,439**
(Gains) losses reclassified to net earnings		**(22,834)**		**(11,042)**	**(33,876)**
Tax effect		**3,379**	**(9,330)**	**(91,699)**	**(97,650)**
Net of tax amount	**97,044**	**(5,163)**	**9,897**	**148,135**	**249,913**
Balance at June 30, 2004	**$ (25,957)**	**$ 9,011**	**$ (131,566)**	**$ 231,467**	**$ 82,955**

Note 9-Other Expense – Net

	2004	2003	2002
	(In thousands)		
Interest expense	**$ 341,991**	$ 359,971	$ 355,956
Investment income	**(116,352)**	(121,887)	(114,032)
Net (gain) loss on marketable securities transactions	**(23,968)**	363	(36,296)
Equity in (earnings) losses of unconsolidated affiliates	**(180,716)**	(65,991)	(61,532)
Other – net	**7,525**	(23,985)	(6,499)
	$ 28,480	$ 148,471	$ 137,597

Interest expense is net of interest capitalized of $7 million, $4 million, and $6 million in 2004, 2003, and 2002, respectively.

The Company made interest payments of $361 million, $345 million, and $308 million in 2004, 2003, and 2002, respectively.

Realized gains on sales of available-for-sale marketable securities totaled $24 million, $4 million, and $59 million in 2004, 2003, and 2002, respectively. Realized losses totaled $4 million and $23 million in 2003 and 2002, 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:

	2004	2003	2002
		(In thousands)	
United States	**$ 369,153**	$ 356,654	$ 440,517
Foreign	**348,858**	274,319	278,420
	$ 718,011	$ 630,973	$ 718,937

Significant components of income taxes are as follows:

	2004	2003	2002
		(In thousands)	
Current			
Federal	**$ 159,450**	$ 13,653	$ 169,802
State	**19,770**	1,229	12,214
Foreign	**141,985**	60,881	102,570
Deferred			
Federal	**(50,601)**	92,518	(71,547)
State	**(3,312)**	9,125	(2,522)
Foreign	**(43,991)**	2,422	(2,673)
	$ 223,301	$ 179,828	$ 207,844

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

	2004	2003
	(In thousands)	
Deferred tax liabilities		
Depreciation	**$ 635,238**	$ 663,498
Bond discount amortization	**24,712**	27,695
Unrealized gain on marketable securities	**108,753**	17,054
Equity in earnings of affiliates	**93,363**	53,831
Other	**131,248**	58,805
	993,314	820,883
Deferred tax assets		
Pension and postretirement benefits	**134,410**	156,084
Reserves and other accruals	**165,713**	15,147
Other	**118,084**	93,989
	418,207	265,220
Net deferred tax liabilities	**575,107**	555,663
Current net deferred tax assets (liabilities) included in other assets and accrued expenses	**78,727**	(12,108)
Non-current net deferred tax liabilities	**$ 653,834**	$ 543,555

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

	2004	2003	2002
Statutory rate	**35.0%**	35.0%	35.0%
Prior years tax redetermination	**–**	–	(3.6)
Export tax incentives	**(5.0)**	(4.2)	(3.6)
State income taxes, net of federal tax benefit	**1.9**	0.8	0.8
Foreign earnings taxed at rates other than the U.S. statutory rate	**(3.8)**	(5.5)	(0.3)
Other	**3.0**	2.4	0.6
Effective rate	**31.1%**	28.5%	28.9%

The Company made income tax payments of $273 million, $124 million, and $162 million in 2004, 2003, and 2002, 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 $81 million and $59 million of tax assets for net operating loss carry forwards related to certain international subsidiaries at June 30, 2004 and 2003, respectively. As of June 30, 2004, approximately $71 million of these assets have no expiration date, and the remaining $10 million expire at various times through fiscal 2011. 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 $70 million and $41 million against these tax assets at June 30, 2004 and 2003, respectively, due to the uncertainty of their realization. The Company also has $22 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 $1.1 billion at June 30, 2004 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.

Note 11-Leases

The Company leases manufacturing and warehouse facilities, real estate, transportation assets, and other equipment under operating leases which expire at various dates through the year 2076. Rent expense for 2004, 2003, and 2002 was $121 million, $98 million, and $88 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)
2005	$ 56,830
2006	44,100
2007	33,766
2008	24,908
2009	20,305
Thereafter	70,069
Total minimum lease payments	$ 249,978

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. During 2004, the FASB issued Staff Positions 106-1 and 106-2, *Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003*, which provide guidance on accounting for the effects of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Act). The Company has adopted Staff Positions 106-1 and elected to defer recognizing the effects of the Act and believes the adoption of Staff Position 106-2 will not have a material impact on the Company's financial statements.

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 market 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 23.7 million shares of Company common stock at June 30, 2004, with a market value of $397 million. Cash dividends received on shares of Company common stock by these plans during the year ended June 30, 2004 were $6 million.

	Pension Benefits			Postretirement Benefits		
	2004	2003	2002	**2004**	2003	2002
	(In thousands)			(In thousands)		
Retirement plan expense						
Defined benefit plans:						
Service cost (benefits earned during the period)	**$ 48,749**	$ 33,414	$ 32,727	**$ 6,121**	$ 7,135	$ 5,888
Interest cost	**70,133**	64,287	56,404	**7,711**	8,449	7,863
Expected return on plan assets	**(57,947)**	(63,268)	(55,907)	–	–	–
Actuarial loss (gain)	**23,865**	5,721	1,767	**61**	(2)	–
Net amortization	**3,721**	2,193	1,725	**(1,116)**	539	436
Net periodic defined benefit plan expense	**88,521**	42,347	36,716	**12,777**	16,121	14,187
Defined contribution plans:	**23,622**	22,833	20,784	**–**	–	–
Total retirement plan expense	**$ 112,143**	$ 65,180	$ 57,500	**$ 12,777**	$ 16,121	$ 14,187

The Company uses a March 31 measurement date for substantially all defined benefit plans. The following tables set forth changes in the defined benefit obligation and the fair value of defined benefit plan assets:

	Pension Benefits		Postretirement Benefits	
	2004	2003	**2004**	2003
	(In thousands)		(In thousands)	
Benefit obligation, beginning	**$ 1,131,532**	$ 912,503	**$ 125,765**	$ 116,505
Service cost	**48,681**	33,414	**6,121**	7,135
Interest cost	**70,133**	64,287	**7,711**	8,449
Actuarial loss (gain)	**112,576**	111,525	**1,561**	21,156
Benefits paid	**(44,712)**	(42,059)	**(4,758)**	(4,617)
Plan amendments	**28,478**	2,145	**–**	(23,047)
Acquisitions	**34,879**	13,606	**–**	156
Foreign currency effects	**16,862**	36,111	**3**	28
Benefit obligation, ending	**$ 1,398,429**	$ 1,131,532	**$ 136,403**	$ 125,765
Fair value of plan assets, beginning	**$ 637,121**	$ 699,006	**$ –**	$ –
Actual return on plan assets	**151,027**	(81,971)	**–**	–
Employer contributions	**110,556**	26,740	**4,758**	4,617
Benefits paid	**(43,401)**	(42,059)	**(4,758)**	(4,617)
Plan amendments	**18,443**	–	**–**	–
Acquisitions	**27,397**	2,012	**–**	–
Foreign currency effects	**11,406**	33,393	**–**	–
Fair value of plan assets, ending	**$ 912,549**	$ 637,121	**$ –**	$ –
Funded status	**$ (485,880)**	$ (494,411)	**$ (136,403)**	$ (125,765)
Unamortized transition amount	**(929)**	(9,438)	**–**	–
Unrecognized net loss (gain)	**411,500**	414,427	**14,751**	13,250
Unrecognized prior service costs	**42,615**	43,081	**(12,283)**	(13,399)
Adjustment for fourth quarter contributions	**2,682**	5,241	**–**	–
Pension liability recognized in the balance sheet	**$ (30,012)**	$ (41,100)	**$ (133,935)**	$ (125,914)
Prepaid benefit cost	**$ 67,721**	$ 72,411	**$ –**	$ –
Accrued benefit liability – current	**(86,511)**	(73,337)	**–**	–
Accrued benefit liability - long-term	**(261,909)**	(309,864)	**(133,935)**	(125,914)
Intangible asset	**42,018**	41,794	**–**	–
Accumulated other comprehensive loss	**208,669**	227,896	**–**	–
Net amount recognized, June 30	**$ (30,012)**	$ (41,100)	**$ (133,935)**	$ (125,914)

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

	Pension Benefits		Postretirement Benefits	
	2004	2003	**2004**	2003
Discount rate	**5.6%**	6.0%	**5.8%**	6.3%
Expected return on plan assets	**7.4%**	7.5%	**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 pension plans with projected benefit obligations in excess of plan assets were $1.3 billion, $1.2 billion, and $834 million, respectively, as of June 30, 2004, and $1.1 billion, $987 million, and $606 million, respectively, as of June 30, 2003. The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $1.2 billion, $1 billion, and $703 million, respectively, as of June 30, 2004, and $969 million, $861 million, and $475 million, respectively, as of June 30, 2003. The accumulated benefit obligation for all pension plans as of June 30, 2004 and 2003, was $1.2 billion and $1 billion, respectively.

For postretirement benefit measurement purposes, a 9.0% 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 2012 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	$ 1,632	$ (1,449)
Effect on accumulated postretirement benefit obligations	$ 13,961	$ (12,663)

Plan Assets

The following table sets forth the actual asset allocation and target asset allocation for the Company's global pension plan assets:

	2004	Target Asset Allocation
Equity securities[1]	54%	54%
Debt securities	43%	45%
Other	3%	1%
Total	100%	100%

[1] The Company's pension plans held 3.4 million shares of Company common stock at June 30, 2004, with a market value of $56 million. Cash dividends received on shares of Company common stock by these plans during the year ended June 30, 2004 were $1 million.

Investment objectives for the Company's plan assets are to:

- optimize the long-term return on plan assets at an acceptable level of risk.
- maintain a broad diversification across asset classes and among investment managers.
- maintain careful control of the risk level within each asset class.
- focus on a long-term return objective.

Asset allocation targets promote optimal expected return and volatility characteristics given the long-term time horizon for fulfilling the obligations of the pension plans. Selection of the targeted asset allocation for plan assets was based upon a review of the expected return and risk characteristics of each asset class, as well as the correlation of returns among asset classes.

Investment guidelines are established with each investment manager. These guidelines provide the parameters within which the investment managers agree to operate, including criteria that determine eligible and ineligible securities, diversification requirements, and credit quality standards, where applicable. In some countries, derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of underlying investments.

External consultants monitor the most appropriate investment strategy and asset mix for the Company's plan assets. To develop the Company's expected long-term rate of return assumption on plan assets, generally, the Company uses long-term historical return information for the targeted asset mix identified in asset and liability studies. Adjustments are made to the expected long-term rate of return assumption when deemed necessary based upon revised expectations of future investment performance of the overall investment markets. The expected long-term rate of return assumption used in computing 2004 net periodic pension cost for the pension plans was 7.4%.

Contributions and Expected Future Benefit Payments

The Company expects to contribute $92 million to the pension plans and $5 million to the postretirement benefit plan during 2005.

The following benefit payments, which reflect expected future service, are expected to be paid:

	Pension Benefits	Postretirement Benefits
	(In thousands)	
2005	$ 50,289	$ 4,943
2006	54,950	5,581
2007	57,718	6,222
2008	60,779	6,803
2009	64,388	7,492
2010 - 2014	436,205	46,562

Note 13-Segment and Geographic Information

The Company is principally engaged in procuring, transporting, storing, processing, and merchandising agricultural commodities and products. The Company has changed its reportable segments to reflect how the Company now manages its businesses and to reflect the activities of the Company as viewed by the Company's chief operating decision maker. The Company's operations are classified into three reportable business segments: Oilseeds Processing, Corn 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. The Company's Corn Processing segment now includes all of the Company's fermentation activities, including operations such as Specialty Feed Ingredients, that were previously classified in Other. Prior period segment information has been reclassified to conform to the new presentation.

The Oilseeds Processing segment includes activities related to processing oilseeds such as soybeans, cottonseed, sunflower seeds, canola, peanuts, and flaxseed into vegetable oils and meals principally for the food and feed industries. In addition, oilseeds may be resold into the marketplace as a raw material for other processors. 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 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 Corn Processing segment includes activities related to the production of sweeteners, starches, and syrups for the food and beverage industry as well as activities related to the production, by fermentation of starch, of bioproducts such as alcohol, amino acids, and other specialty food and feed ingredients.

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. Also included in Agricultural Services are the activities of A.C. Toepfer International, a global merchandiser of agricultural commodities and processed products.

Other includes the Company's remaining operations, consisting principally of food and feed ingredient businesses and financial activities. Food and feed ingredient businesses include wheat processing with activities related to the production of wheat flour; cocoa processing with activities related to the production of chocolate and cocoa products; the production of natural health and nutrition products; and the production of other specialty food and feed ingredients. Financial activities include banking, captive insurance, private equity fund investments, and futures commission merchant activities.

Intersegment sales have been recorded at amounts approximating market. Operating profit for each segment is based on net sales less identifiable operating expenses, including an interest charge related to working capital usage. Also included in operating profit are the related equity in earnings (losses) of affiliates based on the equity method of accounting. General corporate expenses, investment income, unallocated interest expense, marketable securities transactions, and FIFO to LIFO inventory adjustments have been excluded from segment operations and classified as Corporate. Gross additions to property, plant, and equipment represent purchases of property, plant, and equipment plus the fair value of property, plant, and equipment acquired from business acquisitions.

Segment Information

	2004	2003	2002
		(In thousands)	
Sales to external customers			
Oilseeds Processing	**$ 12,049,250**	$ 9,773,379	$ 8,155,530
Corn Processing	**4,005,181**	3,058,686	2,405,906
Agricultural Services	**15,638,341**	13,557,946	8,280,078
Other	**4,458,622**	4,318,022	3,770,380
Total	**$ 36,151,394**	$ 30,708,033	$ 22,611,894
Intersegment sales			
Oilseeds Processing	**$ 178,056**	$ 123,243	$ 123,794
Corn Processing	**315,173**	244,039	95,684
Agricultural Services	**2,192,090**	1,425,883	1,694,831
Other	**108,655**	101,822	90,696
Total	**$ 2,793,974**	$ 1,894,987	$ 2,005,005
Net sales			
Oilseeds Processing	**$ 12,227,306**	$ 9,896,622	$ 8,279,324
Corn Processing	**4,320,354**	3,302,725	2,501,590
Agricultural Services	**17,830,431**	14,983,829	9,974,909
Other	**4,567,277**	4,419,844	3,861,076
Intersegment elimination	**(2,793,974)**	(1,894,987)	(2,005,005)
Total	**$ 36,151,394**	$ 30,708,033	$ 22,611,894
Interest expense			
Oilseeds Processing	**$ 36,942**	$ 35,433	$ 44,360
Corn Processing	**9,931**	14,124	14,736
Agricultural Services	**43,424**	50,024	35,944
Other	**56,387**	62,760	66,223
Corporate	**195,307**	197,630	194,693
Total	**$ 341,991**	$ 359,971	$ 355,956
Depreciation			
Oilseeds Processing	**$ 168,836**	$ 154,514	$ 152,548
Corn Processing	**268,968**	246,851	192,214
Agricultural Services	**79,987**	77,636	71,921
Other	**144,625**	142,513	130,334
Corporate	**23,197**	22,101	19,559
Total	**$ 685,613**	$ 643,615	$ 566,576
Equity in earnings (losses) of affiliates			
Oilseeds Processing	**$ 30,475**	$ 51,411	$ 17,974
Corn Processing	**33,286**	39,825	31,602
Agricultural Services	**12,359**	953	29,036
Other	**88,919**	(35,147)	(37,838)
Corporate	**15,677**	8,949	20,758
Total	**$ 180,716**	$ 65,991	$ 61,532

	2004	2003	2002
Operating profit			
Oilseeds Processing	**$ 290,732**	$ 337,089	$ 387,960
Corn Processing	**660,947**	358,700	191,576
Agricultural Services	**249,863**	92,124	169,593
Other	**359,469**	221,999	290,691
Total operating profit	**1,561,011**	1,009,912	1,039,820
Corporate	**(843,000)**	(378,939)	(320,883)
Earnings before income taxes	**$ 718,011**	$ 630,973	$ 718,937
Investments in and advances to affiliates			
Oilseeds Processing	**$ 321,333**	$ 300,241	
Corn Processing	**147,950**	142,044	
Agricultural Services	**180,952**	157,085	
Other	**881,108**	893,535	
Corporate	**301,276**	270,548	
Total	**$ 1,832,619**	$ 1,763,453	
Identifiable assets			
Oilseeds Processing	**$ 5,412,654**	$ 4,071,567	
Corn Processing	**2,829,153**	2,819,416	
Agricultural Services	**2,907,637**	2,395,384	
Other	**6,273,607**	5,972,007	
Corporate	**1,945,770**	1,924,505	
Total	**$ 19,368,821**	$ 17,182,879	
Gross additions to property, plant, and equipment			
Oilseeds Processing	**$ 207,344**	$ 245,040	
Corn Processing	**214,805**	711,326	
Agricultural Services	**93,834**	50,044	
Other	**86,243**	136,527	
Corporate	**18,407**	102,973	
Total	**$ 620,633**	$ 1,245,910	

Geographic Information: The following geographic area data include net sales and other operating income attributed to the countries based on the location of the subsidiary making the sale and long-lived assets based on physical location. Long-lived assets represent the sum of the net book value of property, plant, and equipment plus goodwill related to acquired businesses.

	2004	2003	2002
		(In millions)	
Net sales and other operating income			
United States	**$ 19,106**	$ 16,140	$ 14,695
Germany	**6,108**	4,519	2,481
Other foreign	**10,937**	10,049	5,436
	$ 36,151	$ 30,708	$ 22,612
Long-lived assets			
United States	**$ 4,033**	$ 4,302	
Foreign	**1,459**	1,411	
	$ 5,492	$ 5,713	

Note 14-Guarantees

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 its contractual obligation. The Company has not recorded a liability for these contingent obligations, as the Company believes the likelihood of any payments being made is remote. 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. These debt guarantees totaled $398 million at June 30, 2004. Outstanding borrowings under these guarantees were $311 million at June 30, 2004.

Note 15-Antitrust Investigation and Related Litigation

The Company, along with other domestic and foreign companies, was named as a defendant in a number of putative class action antitrust suits and other proceedings involving the sale of lysine, citric acid, sodium gluconate, monosodium glutamate, and high-fructose corn syrup. These actions and proceedings generally involve claims for unspecified compensatory damages, fines, costs, expenses, and unspecified relief. The Company intends to vigorously defend these actions and proceedings unless they can be settled on terms deemed acceptable by the parties. These matters have resulted and could result in the Company being subject to monetary damages, other sanctions, and expenses.

In June 2004, the Company entered into a settlement agreement related to a class action antitrust suit involving the sale of high-fructose corn syrup pursuant to which the Company will pay $400 million, which amount is included as a component of accrued expenses in the consolidated balance sheet. The Company has not made provisions to cover the potential fines, litigation settlements, and costs related to the other suits and proceedings. In addition, the Company believes that any adverse outcome from these remaining suits and proceedings will not have a material adverse effect on the Company's financial condition or results of operations.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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, 2004 and 2003, and the related consolidated statements of earnings, shareholders' equity and cash flows for each of the three years in the period ended June 30, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Archer Daniels Midland Company and subsidiaries at June 30, 2004 and 2003, and the consolidated results of their operations and their cash flows for each of the three years in the period ended June 30, 2004, in conformity with United States generally accepted accounting principles.

/s/ Ernst & Young LLP

St. Louis, Missouri
August 4, 2004

Quarterly Financial Data (Unaudited)

Archer Daniels Midland Company

	Quarter				
	First	Second	Third	Fourth	Total
	(In thousands, except per share amounts)				
Fiscal 2004					
Net Sales	**$7,967,902**	**$9,188,504**	**$9,309,019**	**$9,685,969**	**$36,151,394**
Gross Profit	**453,754**	**604,294**	**587,019**	**503,257**	**2,148,324**
Net Earnings (Loss)	**150,181**	**220,821**	**226,769**	**(103,061)**	**494,710**
Per Common Share	**.23**	**.34**	**.35**	**(.16)**	**.76**
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 (Loss)	108,075	131,245	116,805	95,020	451,145
Per Common Share	.17	.20	.18	.15	.70

Net earnings (loss) for the three months and year ended June 30, 2004 include a $400 million charge ($252 million after tax, or $.39 per share) to selling, general, and administrative expense related to the settlement of fructose litigation. Net earnings (loss) for the three months and year ended June 30, 2004 include charges to cost of products sold of $10 million ($6 million after tax, equal to $.01 per share) and $51 million ($32 million after tax, equal to $.05 per share), respectively, related to the abandonment and write-down of certain long-lived assets. For the year ended June 30, 2004, net earnings include a gain of $21 million ($13 million after tax, equal to $.02 per share) from an insurance-related lawsuit pertaining to the flood of 1993. 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. For the year ended June 30, 2003, net earnings include a gain of $28 million ($17 million after tax, equal to $.03 per share) related to a partial settlement of the Company’s claims related to vitamin antitrust litigation.

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 High	Low	Cash Dividends Per Share
Fiscal 2004--Quarter Ended			
June 30	**$ 17.95**	**$ 15.82**	**$ 0.075**
March 31	**17.83**	**14.90**	**0.075**
December 31	**15.24**	**13.11**	**0.06**
September 30	**14.14**	**11.95**	**0.06**
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

The number of registered shareholders of the Company's common stock at June 30, 2004 was 24,394. 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)

	2004	2003	2002	2001
Operating				
Net sales and other operating income	**$36,151,394**	$30,708,033	$22,611,894	$19,483,211
Depreciation	**685,613**	643,615	566,576	572,390
Net earnings	**494,710**	451,145	511,093	383,284
Per common share	**0.76**	0.70	0.78	0.58
Cash dividends	**174,109**	155,565	130,000	125,053
Per common share	**0.27**	0.24	0.20	0.19
Financial				
Working capital	**$3,588,759**	$3,274,385	$2,770,520	$2,283,320
Per common share	**5.51**	5.08	4.26	3.45
Current ratio	**1.5**	1.6	1.6	1.6
Inventories	**4,591,648**	3,550,225	3,255,412	2,631,885
Net property, plant, and equipment	**5,254,738**	5,468,716	4,890,241	4,920,425
Gross additions to property, plant, and equipment	**620,633**	1,245,910	596,559	318,168
Total assets	**19,368,821**	17,182,879	15,379,335	14,339,931
Long-term debt	**3,739,875**	3,872,287	3,111,294	3,351,067
Shareholders' equity	**7,698,216**	7,069,197	6,754,821	6,331,683
Per common share	**11.83**	10.96	10.39	9.56
Other				
Weighted average shares outstanding (000s)	**647,698**	646,086	656,955	664,507
Number of shareholders	**24,394**	25,539	26,715	27,918
Number of employees	**26,317**	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 1996 through September 2001.

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

EXHIBIT 21--SUBSIDIARIES OF THE REGISTRANT

ARCHER DANIELS MIDLAND COMPANY

June 30, 2004

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

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

(A) ADM Milling Company owns seventeen 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 Worldwide Holdings LP owns ADM Europe BV and thirteen 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 Europe BV owns ADM Canadian Holdings BV, ADM International Ltd., and ADM Ireland Holdings Ltd. and forty-eight subsidiary companies whose names have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary.

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

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

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

(H) ADM Ringaskiddy Unlimited Liability Co. owns one subsidiary company, ADM German Holdings BV.

(I) ADM German Holdings BV owns one subsidiary company, ADM European Management Holding GmbH & Co. KG.

(J) ADM European Management Holding GmbH & Co. KG owns ADM Beteiligungs Gesellschaft GmbH and sixteen subsidiary companies whose names have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary.

(K) ADM Beteiligungs Gesellschaft GmbH owns twenty-seven 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 sixty domestic subsidiaries and forty-five 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 REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Archer Daniels Midland Company of our report dated August 4, 2004 included in the 2004 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 4, 2004, 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, 2004.

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.

Registration Statement No. 333-117206 on Form S-8 dated July 7, 2004 relating to the Archer Daniels Midland Company 2002 Incentive Compensation Plan.

/s/ Ernst & Young LLP

St. Louis, Missouri
September 1, 2004

EXHIBIT 24 – POWERS OF ATTORNEY

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the Chief Executive (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 and Chairman of the Board of Directors of said Company to the Form 10-K for the fiscal year ended June 30, 2004, 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 31st day of August, 2004.

/s/ G. ALLEN ANDREAS
G. ALLEN ANDREAS

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, 2004, 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 30th day of September, 2004.

/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, 2004, 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 7th day of September, 2004.

/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 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, 2004, 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 30th day of August, 2004.

/s/ DAVID J. MIMRAN
DAVID J. MIMRAN

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, 2004, 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 31st day of August, 2004.

/s/ PATRICK J. MOORE
PATRICK J. MOORE

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, 2004, 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 31ST day of August, 2004.

/s/ M. BRIAN MULRONEY
M. BRIAN MULRONEY

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, 2004, 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 30th day of August, 2004.

/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, 2004, 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 31st day of August, 2004.

/s/ O. G. WEBB
O. G. WEBB

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, 2004, 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 31st day of August, 2004.

/s/ KELVIN R. WESTBROOK
KELVIN R. WESTBROOK

Exhibit 31.1

RULE 13a – 14(a)/15d-14(a) CERTIFICATION

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 8, 2004

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

Exhibit 31.2

RULE 13a – 14(a)/15d-14(a) CERTIFICATION

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 8, 2004

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

Exhibit 32.1

SECTION 1350 CERTIFICATION

In connection with the Annual Report of Archer-Daniels-Midland Company (the "Company") on Form 10-K for the fiscal year ended June 30, 2004 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 8, 2004

Exhibit 32.2

SECTION 1350 CERTIFICATION

In connection with the Annual Report of Archer-Daniels-Midland Company (the "Company") on Form 10-K for the fiscal year ended June 30, 2004 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 8, 2004