

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-K**

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

For the fiscal year ended June 30, 2010

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)
217-424-5200 (Registrant's telephone number, including area code)	

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

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, no par value	New York Stock Exchange Frankfurt Stock Exchange

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer
Non-accelerated Filer Smaller Reporting Company

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

Common Stock, no par value--\$19.7 billion
(Based on the closing sale price of Common Stock as reported on the New York Stock Exchange
as of December 31, 2009)

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—639,324,639 shares
(July 31, 2010)

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual meeting of stockholders to be held November 4, 2010, 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, 2010. 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.

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PART I

Item 1. BUSINESS

Company Overview

Archer Daniels Midland Company (the Company) was incorporated in Delaware in 1923, successor to the Daniels Linseed Co. founded in 1902. The Company is one of the world's largest processors of oilseeds, corn, wheat, cocoa, and other agricultural commodities and is a leading manufacturer of vegetable oil and protein meal, corn sweeteners, flour, biodiesel, ethanol, and other value-added food and feed ingredients. The Company also has an extensive grain elevator and transportation network to procure, store, clean, and transport agricultural commodities, such as oilseeds, corn, wheat, milo, oats, and barley, as well as processed agricultural commodities.

During the past five years, the Company has experienced significant growth, spending approximately \$7.9 billion for construction of new plants, maintenance and expansions of existing plants, and the acquisitions of plants and transportation equipment. The Company has recently completed construction of a coal cogeneration facility and two corn dry milling plants which will increase the Company's annual ethanol production capacity by 600 million gallons to 1.8 billion gallons. In addition, the Company has completed the initial phase of its polyhydroxy alkanate (PHA) bioplastic production facility, and continues to work through start up at its propylene/ethylene glycol production facility and a new cocoa processing facility. The Company currently expects to spend approximately \$1.5 billion to complete the facilities under construction and other approved capital projects through calendar year 2013. There have been no significant dispositions during the last five years.

Segment Descriptions

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, which include wheat processing, cocoa processing, and its financial business units are not reportable business segments, as defined by the applicable accounting standard, and are classified as Other. Financial information with respect to the Company's reportable business segments is set forth in "Note 15 of Notes to Consolidated Financial Statements" included in Item 8 herein, "Financial Statements and Supplementary Data."

Oilseeds Processing

The Oilseeds Processing segment includes activities related to the origination, merchandising, crushing, and further processing of oilseeds such as soybeans, cottonseed, sunflower seeds, canola, rapeseed, peanuts, flaxseed, and palm into vegetable oils and protein meals. The Oilseeds Processing segment principally produces and markets processed oilseed products as ingredients for the food, feed, energy, and other industrial products industries. Crude vegetable oil is sold "as is" or is further processed by refining, blending, bleaching, and deodorizing into salad oils. Salad oils are sold "as is" or are further processed by hydrogenating and/or interesterifying into margarine, shortening, and other food products. Partially refined oil is used to produce biodiesel or is sold to other manufacturers for use in chemicals, paints, and other industrial products. Oilseed protein meals are principally sold to third parties to be used as ingredients in commercial livestock and poultry feeds. The Oilseeds Processing segment also produces natural health and nutrition products and other specialty food and feed ingredients. In North America, cottonseed flour is produced and sold primarily to the pharmaceutical industry and cotton cellulose pulp is manufactured and sold to the chemical, paper, and filter markets. In South America, the Oilseeds Processing segment utilizes a network of grain elevators, port facilities and transportation assets to buy, store, clean, and transport agricultural commodities and operates fertilizer blending facilities.

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.

From co-products of oilseeds, the Company produces natural source vitamin E, tocopherol antioxidants and phytosterols 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.

Item 1. BUSINESS (Continued)

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

The Company has a 50% interest in Edible Oils Limited, a joint venture between the Company and Princes Foods to procure, package, and sell edible oils in the United Kingdom. The Company recently announced the formation of a new edible oils joint venture with Princes Foods in Poland.

Stratas Foods LLC, a joint venture between the Company and ACH Jupiter, LLC, a subsidiary of Associated British Foods, procures, packages, and sells edible oils in North America. The Company has a 50% ownership interest in this joint venture.

The Company has a 16.4% ownership interest in Wilmar International Limited (Wilmar), a Singapore publicly listed company. Wilmar, a leading agribusiness group in Asia, is the largest global processor and merchandiser of palm and lauric oils, and a major oil palm plantation owner. In China, Wilmar is a leading consumer edible oils producer, oilseeds crusher, edible oils refiner, and specialty fats and oleochemicals manufacturer. In India, Wilmar is one of the largest edible oils refiners and a leading producer of consumer edible oils.

The Company is a major supplier of agricultural commodity raw materials to Edible Oils Limited, Stratas Foods LLC, and Wilmar.

Corn Processing

The Company's Corn Processing segment is engaged in corn wet milling and dry milling activities, primarily in the United States, related to its production of ingredients used in the food and beverage industry including syrup, starch, glucose, dextrose, and sweeteners. Dextrose is also used by the Company as a feedstock for its bioproducts operations. Corn gluten feed and meal, as well as distillers grains, is produced for use as animal feed ingredients. Corn germ, a by-product of the wet milling process, is further processed as an oilseed into vegetable oil and protein meal.

By fermentation of dextrose, the Corn Processing segment produces alcohol, amino acids, and other specialty food and animal feed ingredients. Ethyl alcohol is produced by the Company 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 Corn Processing segment also produces, by fermentation, astaxanthin, a product used in aquaculture to enhance flesh coloration. The Corn Processing segment produces citric and lactic acids, lactates, sorbitol, xanthan gum and glycols which are used in various food and industrial products.

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

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

The Company has a 50% interest in Telles, LLC (Telles), a joint venture between the Company and Metabolix to market and sell PHA, which is being produced in a facility owned by the Company. The first phase of plant construction was completed and operations began in December 2009.

The Company has entered into Brazilian joint ventures for the purposes of growing sugarcane and the production of sugar and ethanol from sugarcane. Construction of the first joint venture ethanol production facility was completed and operations began in December 2009.

Red Star Yeast Company, LLC produces and sells fresh and dry yeast in the United States and Canada. The Company has a 40% ownership interest in this joint venture.

Item 1. BUSINESS (Continued)

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, rice, and barley, and resells these commodities primarily as food and 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 and customers. Agricultural Services' transportation network capabilities include ground, rail, river, and ocean freight services.

The Company processes and distributes edible beans in the United States for use as a food ingredient. The Company produces and distributes formula feeds and animal health and nutrition products to the livestock, dairy, poultry, and pet food industries.

Alfred C. Toepfer International (Toepfer), in which the Company has an 80% interest, is a global merchandiser of agricultural commodities and processed products. Toepfer has 36 sales offices worldwide and operates inland, river, and export facilities in Argentina, Romania, Ukraine, and the United States.

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

Other

The Company is engaged in milling wheat, corn, and milo into flour in the United States, Canada, the Caribbean, and the United Kingdom. Wheat flour is sold primarily to commercial bakeries, food manufacturing 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, wheat starch, and gluten, 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.

Gruma S.A.B. de C.V. (Gruma), in which the Company has a 23.2% interest, is the world's largest producer and marketer of corn flour and tortillas with operations in Mexico, the United States, Central America, South America, and Europe. Additionally, the Company has a 20% share, through a joint venture with Gruma, in six U.S. corn flour mills and one in Italy. The Company also has a 40% share, through a joint venture with Gruma, in nine Mexican wheat flour mills.

The Company procures, transports, and processes cocoa beans and produces cocoa liquor, cocoa butter, cocoa powder, chocolate, and various compounds in North America, South America, Europe, Asia, and Africa for the food processing industry.

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. and ADMIS Hong Kong Limited are wholly owned subsidiaries of the Company offering broker services in Europe and Asia.

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.

Item 1. BUSINESS (Continued)

Corporate

Compagnie Industrielle et Financiere des Produits Amylaces SA (Luxembourg) and affiliates, of which the Company has a 41.5% interest, is a joint venture which targets investments in food, feed ingredients and bioenergy businesses.

In July 2010, the Company made a \$100 million cornerstone investment in Agricultural Bank of China, to help advance its strategic growth plans in China.

Methods of Distribution

Since the Company's customers are principally other manufacturers and processors, the Company's products are distributed mainly in bulk from processing plants or storage facilities directly to customers' facilities. The Company has developed a comprehensive transportation system 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, towboats, and ocean-going vessels used in this transportation system.

Concentration of Sales by Product

The following products account for 10% or more of net sales and other operating income for the last three fiscal years:

	% of Net Sales and Other Operating Income		
	2010	2009	2008
Soybeans	22%	19%	16%
Soybean Meal	12%	11%	11%
Corn	10%	12%	14%
Wheat	6%	9%	10%

Status of New Products

The Company continues to expand the size and global reach of its business through the development of new products.

For retail and foodservice markets, the Company's researchers continue to develop custom fats and oils with low levels of trans fats. In addition, the Company is working to develop vegetable oil products with reduced saturated fats. During the first quarter of fiscal year 2010, the Company successfully introduced oils with lower levels of naturally occurring trace compounds in Europe.

The Company continues to develop the market for its cooked, dried edible bean products of the Vegefull™ line to meet customer demands for increased protein and fiber in food.

In 2007, the Company entered into a development agreement with ConocoPhillips to develop affordable, renewable transportation biofuels from biomass. A technology platform has been developed following extensive evaluation of potential options for the production of bio-crude materials. The Company is piloting the technology and has produced quantities of biocrude that can be upgraded to gasoline components by ConocoPhillips.

In December 2009, the Company started production of Mirel®, a renewable plastic in our Clinton, Iowa facility. This new bioplastic is being marketed by Telles, a joint venture of the Company and Metabolix.

Item 1. BUSINESS (Continued)

The Company has completed modifications to its sorghum mill in Plainview, Texas to produce food-grade sorghum flour to be used in the growing market for gluten-free, multigrain and whole-grain bakery and snack products. The Company has introduced a new chocolate that contains fiber for use in nutrition bars.

The Company is moving toward the completion of its propylene glycol plant in Decatur, Illinois. The Company expects this plant to be fully operational in the fourth quarter of this calendar year.

The Company has begun offering isosorbide under its Evolution Chemicals™ line. Isosorbide is an industrial ingredient made from corn that is a potential alternative to the petroleum-based chemical Bisphenol A in plastics and other applications.

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 factors such as weather, plantings, government 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 Company's raw materials are procured from thousands of growers, grain elevators, and wholesale merchants, in North America, South America, Europe, Asia, and Africa, pursuant to short-term (less than one year) agreements or on a spot basis. The Company is not dependent upon any particular grower, elevator, or merchant as a source for its raw materials.

Patents, Trademarks, and Licenses

The Company owns 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.

Seasonality, Working Capital Needs, and Significant Customers

Since the Company is 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 cycles, procurement, and transportation of the Company's principal raw materials: oilseeds, corn, wheat, cocoa beans, sugarcane, and other grains. However, the physical movement of the millions of metric tons of these crops through the Company's global processing facilities is reasonably constant throughout the year.

Price variations and availability of raw agricultural commodities may cause fluctuations in the Company's working capital levels. No material part of the Company's business is dependent upon a single customer or very few customers.

Competition

The Company has significant competition in the markets in which it operates based principally on price, quality, products and alternative products, some of which are made from different raw materials than those utilized by the Company. Given the commodity-based nature of many of its businesses, the Company, on an ongoing basis, focuses on managing unit costs and improving efficiency through technology improvements, productivity enhancements, and regular evaluation of the Company's asset portfolio.

Research and Development Expenditures

The Company's research and development expenditures are focused on improving processing efficiency and developing food, feed, fuel, and industrial products from renewable agricultural crops.

Item 1. BUSINESS (Continued)

The Company maintains a research laboratory in Decatur, Illinois, where product and process development activities are conducted. Activities at Decatur include the development of new bioproducts and the improvement of existing bioproducts by utilizing new microbial strains that are developed using classical mutation and genetic engineering. Protein and vegetable oil research is also conducted in Decatur where bakery, meat and dairy pilot plants support food ingredient research. Vegetable oil research is also conducted in Hamburg, Germany; Erith, UK; and Arras, France. Research to support sales and development for flour and bakery products is performed in Overland Park, Kansas. Sales and development support for cocoa and chocolate products is performed in Milwaukee, Wisconsin, and Koog aan de Zaan, the Netherlands. Research and technical support for industrial and food wheat starch applications is conducted in Ontario, Canada. The Company recently opened its Advantage Centre in Singapore which supports customers with de Zaan cocoa product solutions through seminars, demonstrations and collaborative product development.

The Company uses technical service 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, fuel, and industrial products as well as applications technology. These individuals form quick-acting teams to develop solutions to customer needs.

As part of the Company's partnership with ConocoPhillips, the Company is continuing its development of advanced biofuels. Piloting work has been undertaken for the conversion of biomass into bio-crude which can be utilized within an existing petroleum refinery to produce gasoline components. In addition, the Company is developing a technology for the conversion of vegetable oils into green diesel.

The Company is continuing to work on a grant awarded by the Department of Energy to build and operate a pilot plant for the production of ethanol and ethyl acrylate from corn stover and other cellulosic materials.

The Company's biodiesel research is focused on cost, product quality, and alternative feed stocks. Several new technologies have been developed to minimize the chemical input costs for biodiesel production while simultaneously reducing waste streams and improving yield. Selected technologies are being deployed in the Company's current biodiesel production facilities to reduce costs and improve quality.

The Company has entered into a joint development agreement with John Deere and Monsanto to evaluate the sustainable collection, storage and transportation of corn stover – the stalks, cobs and leaves of the corn plant left in the field after combine harvesting. The insights from this research will continue to help the Company understand the volume potential and economics of corn stover as a biomass feedstock for advanced biofuels.

The Company is working with the U.S. Department of Energy's National Energy Technology Laboratory and other key academic and corporate partners on projects to demonstrate carbon capture and sequestration as a viable option for reducing carbon dioxide emissions from manufacturing operations. The first project will demonstrate the viability of sequestering carbon dioxide in the Mt. Simon Sandstone, an underground saline-bearing rock formation. A second project, announced in June 2010, is currently investigating the feasibility to sequester up to one million tons of carbon dioxide annually.

The Company is continuing to invest in research to develop a broad range of industrial chemicals. The approach is to build key chemical-building blocks that serve as a platform for producing a variety of commodity chemicals. The key chemical-building blocks are derived from the Company's starch and oilseed-based feedstocks. Conversion technologies include utilizing expertise in both fermentation and catalysis. The chemicals pipeline includes the development of chemicals and intermediates that are currently produced from petrochemical resources as well as new to the market bio-based products. The Company's current portfolio includes products that are in the early development phase and those that are close to pilot plant demonstration.

The expense during the three years ended June 30, 2010, 2009 and 2008 for such technical efforts, including expenditures subsequently reimbursed by grants, was approximately \$56 million, \$50 million, and \$49 million, respectively.

Item 1. BUSINESS (Continued)

Environmental Compliance

During the year ended June 30, 2010, \$90 million was spent specifically to improve equipment, facilities, and programs for pollution control and compliance with the requirements of various environmental agencies.

On July 31, 2009, the United States Environmental Protection Agency (U.S. EPA) issued a Notice of Violation indicating that one of the Company's facilities in Memphis, Tennessee, may have violated section 311(j) of the Clean Water Act relating to a release of product that occurred on January 2, 2008. The Company and the U.S. EPA have reached a tentative agreement to resolve this matter which includes a penalty of approximately \$120,000.

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's business could be affected in the future by national and global regulation or taxation of greenhouse gas emissions. In the United States, the U.S. Environmental Protection Agency (Agency) has recently adopted regulations requiring the owners of certain facilities to measure and report their greenhouse gas emissions, and the Agency has begun a process to regulate these emissions under the Clean Air Act. The U.S. Congress is currently considering climate change-related legislation which may include cap and trade provisions or a carbon tax. Globally, a number of countries that are parties to the Kyoto Protocol have instituted or are considering climate change legislation and regulations. Most notable is the European Union Greenhouse Gas Emission Trading System (EU-ETS). The Company has several facilities in Europe that participate in this system. It is difficult at this time to estimate the likelihood of passage, or predict the potential impact, of any additional legislation. Potential consequences could include increased energy, transportation and raw material costs and may require the Company to make additional investments in its facilities and equipment.

Number of Employees

The number of full-time employees of the Company was approximately 29,300 at June 30, 2010.

Financial Information About Foreign and Domestic Operations

Item 1A, "Risk Factors," and Item 2, "Properties," includes information relating to the Company's foreign and domestic operations. Geographic financial information is set forth in "Note 15 of Notes to Consolidated Financial Statements" included in Item 8 herein, "Financial Statements and Supplementary Data".

Available Information

The Company's internet address is <http://www.adm.com>. The Company makes available, free of charge, through its internet site, 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 (SEC).

In addition, the Company makes available, through its Internet site, the Company's Business Code of Conduct and Ethics, Corporate Governance Guidelines, and the written charters of the Audit, Compensation/Succession, Nominating/Corporate Governance, and Executive Committees.

References to our website addressed in this report are provided as a convenience and do not constitute, or should not be viewed as, an incorporation by reference of the information contained on, or available through, the website. Therefore, such information should not be considered part of this report.

Item 1. BUSINESS (Continued)

The public may read and copy any materials filed by the Company with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site which contains reports, proxy and information statements, and other information regarding issuers that file information electronically with the SEC. The SEC's Internet address is <http://www.sec.gov>.

Item 1A. RISK FACTORS

The availability and prices of the agricultural commodities and agricultural commodity products the Company procures, transports, stores, processes, and merchandises can be affected by weather conditions, disease, government programs, competition, and various other factors beyond the Company's control and could adversely affect the Company's operating results.

The availability and prices of agricultural commodities are subject to wide fluctuations due to factors such as changes in weather conditions, disease, plantings, government programs and policies, competition, changes in global demand resulting from population growth and changes in standards of living, and global production of similar and competitive crops. These factors have historically caused volatility in agricultural commodity prices and, consequently, in the Company's operating results. Reduced supply of agricultural commodities due to weather-related factors or other reasons could adversely affect the Company's profitability by increasing the cost of raw materials and/or limit the Company's ability to procure, transport, store, process, and merchandise agricultural commodities in an efficient manner.

The Company has significant competition in the markets in which it operates.

The Company faces significant competition in each of its businesses and has numerous competitors. Pricing of the Company's products is partly dependent upon industry processing capacity, which is impacted by competitor actions to bring on-line idled capacity or build new production capacity. Many of the products bought and sold by the Company are global commodities or are derived from global commodities. The markets for global commodities are highly price competitive and in many cases the commodities are subject to substitution. To compete effectively, the Company focuses on improving efficiency in its production and distribution operations, developing and maintaining appropriate market share, and providing high levels of customer service. Competition could increase the Company's costs to purchase raw materials, lower selling prices of its products, or reduce the Company's market share, which may result in lower and more inefficient operating rates. If the Company is unable to compete on price, service, or other factors, it could have an adverse effect on its operating results.

Fluctuations in energy prices could adversely affect the Company's operating results.

The Company's operating costs and the selling prices of certain finished products are sensitive to changes in energy prices. The Company's processing plants are powered principally by electricity, natural gas, and coal. The Company's transportation operations are dependent upon diesel fuel and other petroleum-based products. Significant increases in the cost of these items, including any consequences of regulation or taxation of greenhouse gases, could adversely affect the Company's production costs and operating results.

The Company has certain finished products, such as ethanol and biodiesel, which are closely related to, or may be substituted for, petroleum products. Therefore, the selling prices of ethanol and biodiesel can be impacted by the selling prices of gasoline and diesel fuel. A significant decrease in the price of gasoline or diesel fuel could result in a significant decrease in the selling price of the Company's ethanol and biodiesel and could adversely affect the Company's revenues and operating results.

Item 1A. RISK FACTORS (Continued)

The Company is subject to economic downturns, political instability and other risks of doing business globally which could adversely affect the Company's operating results.

The Company conducts its business and has substantial assets located in many countries and geographic areas. The Company's operations are principally in the United States and developed countries in Western Europe and South America, but the Company also operates in, or plans to expand or develop its business in, emerging market areas such as Asia, Eastern Europe, the Middle East, and Africa. Both developed and emerging market areas are subject to impacts of economic downturns, including decreased demand for the Company's products, reduced availability of credit, or declining credit quality of the Company's suppliers, customers, and other counterparties. In addition, emerging market areas could be subject to more volatile economic, political and market conditions. Economic downturns and volatile conditions may have a negative impact on the Company's operating results and ability to execute its business strategies.

The Company's operating results could be affected by changes in trade, monetary, fiscal and environmental policies, laws and regulations, and other activities of governments, agencies, and similar organizations. These conditions include but are not limited to changes in a country's or region's economic or political conditions, trade regulations affecting production, pricing and marketing of products, local labor conditions and regulations, reduced protection of intellectual property rights, changes in the regulatory or legal environment, restrictions on currency exchange activities, currency exchange fluctuations, burdensome taxes and tariffs, enforceability of legal agreements and judgments, other trade barriers, and regulation or taxation of greenhouse gases. International risks and uncertainties, including changing social and economic conditions as well as terrorism, political hostilities, and war, could limit the Company's ability to transact business in these markets and could adversely affect the Company's revenues and operating results.

Government policies and regulations, in general, and specifically affecting the agricultural sector and related industries, could adversely affect the Company's operating results.

Agricultural production and trade flows are subject to government policies and regulations. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies, incentives, and import and export restrictions on agricultural commodities and commodity products, including policies related to genetically modified organisms, renewable fuel, and low carbon fuel mandates, can influence the planting of certain crops, the location and size of crop production, whether unprocessed or processed commodity products are traded, the volume and types of imports and exports, the availability and competitiveness of feedstocks as raw materials, the viability and volume of production of certain of the Company's products, and industry profitability. In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Future government policies may adversely affect the supply of, demand for, and prices of the Company's products, restrict the Company's ability to do business in its existing and target markets, and could negatively impact the Company's revenues and operating results.

The Company is subject to industry-specific risks which could adversely affect the Company's operating results.

The Company is subject to risks which include, but are not limited to, product quality or contamination; shifting consumer preferences; federal, state, and local food processing regulations; socially unacceptable farming practices; environmental, health and safety regulations; and customer product liability claims. The liability which could result from certain of these risks may not always be covered by, or could exceed liability insurance related to product liability and food safety matters maintained by the Company. The occurrence of any of the matters described above could adversely affect the Company's revenues and operating results.

Certain of the Company's merchandised commodities and finished products are used as ingredients in livestock and poultry feed. The Company is subject to risks associated with the outbreak of disease in livestock and poultry, including, but not limited to, mad-cow disease and avian influenza. The outbreak of disease could adversely affect demand for the Company's products used as ingredients in livestock and poultry feed. A decrease in demand for these products could adversely affect the Company's revenues and operating results.

Item 1A. RISK FACTORS (Continued)

The Company is subject to numerous laws and regulations globally which could adversely affect the Company's operating results.

The Company does business globally, operating facilities in over 60 countries. In addition, the Company distributes product to countries in which we do not operate facilities. The Company is required to comply with the numerous and broad reaching laws and regulations administered by United States federal, state and local, and foreign governmental authorities. The Company must comply with other general business regulations such as those directed toward accounting and income taxes, anti-corruption, anti-bribery, global trade, handling of regulated substances, and other commercial activities, conducted by the Company's employees and third party representatives globally. Any failure to comply with applicable laws and regulations could subject the Company to administrative penalties and injunctive relief, and civil remedies including fines, injunctions, and recalls of its products.

The production of the Company's products requires the use of materials which can create emissions of certain regulated substances including greenhouse gas emissions. Although the Company has programs in place throughout the organization globally to guard against non-compliance, failure to comply with these regulations can have serious consequences, including civil and administrative penalties as well as a negative impact on the Company's reputation, business, cash flows, and results of operations.

In addition, changes to regulations or implementation of additional regulations, for example the imposition of regulatory restrictions on greenhouse gases, may require the Company to modify existing processing facilities and/or processes which could significantly increase operating costs and negatively impact operating results.

The Company is exposed to potential business disruption, including but not limited to disruption of transportation services, supply of non-commodity raw materials used in its processing operations, and other impacts resulting from acts of terrorism or war, natural disasters, severe weather conditions, and accidents which could adversely affect the Company's operating results.

The Company's operations rely on dependable and efficient transportation services. A disruption in transportation services could result in difficulties supplying materials to the Company's facilities and impair the Company's ability to deliver products to its customers in a timely manner. In addition, if certain non-agricultural commodity raw materials, such as certain chemicals used in the Company's processing operations, are not available, the Company's business could be disrupted. Certain factors which may impact the availability of non-agricultural commodity raw materials are out of the Company's control including but not limited to disruptions resulting from economic conditions, manufacturing delays or disruptions at suppliers, shortage of materials, and unavailable or poor supplier credit conditions.

The assets and operations of the Company could be subject to extensive property damage and business disruption from various events which include, but are not limited to, acts of terrorism or war, natural disasters and severe weather conditions, accidents, explosions, and fires. The potential effects of these conditions could impact the Company's revenues and operating results.

The Company's business is capital intensive in nature and the Company relies on cash generated from its operations and external financing to fund its growth and ongoing capital needs. Limitations on access to external financing could adversely affect the Company's operating results.

The Company requires significant capital to operate its current business and fund its growth strategy. The Company's working capital requirements are directly affected by the price of agricultural commodities, which may fluctuate significantly and change quickly. The Company also requires substantial capital to maintain and upgrade its extensive network of storage facilities, processing plants, refineries, mills, ports, transportation assets and other facilities to keep pace with competitive developments, technological advances, regulations and changing safety standards in the industry. Moreover, the expansion of the Company's business and pursuit of acquisitions or other business opportunities may require significant amounts of capital. If the Company is unable to generate sufficient cash flows or raise adequate external financing, it may restrict the Company's current operations and its growth opportunities which could adversely affect the Company's operating results.

Item 1A. RISK FACTORS (Continued)

The Company's risk management strategies may not be effective.

The Company's business is affected by fluctuations in agricultural commodity prices, transportation costs, energy prices, interest rates, and foreign currency exchange rates. The Company engages in hedging strategies to manage these risks. However, these hedging strategies may not be successful in mitigating the Company's exposure to these fluctuations. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk."

The Company has limited control over and may not realize the expected benefits of its equity investments and joint ventures.

The Company has many joint ventures and investments of which the Company has limited control as to the governance and management activities of these investments. The Company expects to benefit from these investments, which typically aim to expand or enhance the Company's market for its products or offer other benefits including but not limited to geographic or product line expansion. The Company may encounter unanticipated operating issues or financial results related to these investments that may impact the Company's revenues and operating results.

The Company's information technology systems, processes, and sites may suffer interruptions or failures which may affect the Company's ability to conduct its business.

The Company's information technology systems, some of which are dependent on services provided by third-parties, provide critical data connectivity, information and services for internal and external users. These interactions include, but are not limited to, ordering and managing materials from suppliers, converting raw materials to finished products, inventory management, shipping products to customers, processing transactions, summarizing and reporting results of operations, complying with regulatory, legal or tax requirements, and other processes necessary to manage the business. The Company has put in place business continuity plans for its critical systems. However, if the Company's information technology systems are damaged, or cease to function properly due to any number of causes, such as catastrophic events, power outages, security breaches, and the Company's business continuity plans do not effectively compensate on a timely basis, the Company may suffer interruptions in the ability to manage its operations, which may adversely impact the Company's revenues and operating results.

Item 1B. UNRESOLVED STAFF COMMENTS

The Company has no unresolved staff comments.

Item 2. PROPERTIES

The Company owns or leases, under operating leases, the following processing plants and procurement facilities:

	Processing Plants			Procurement Facilities		
	United States	International	Total	United States	International	Total
Owned	132	112	244	178	114	292
Leased	1	2	3	13	27	40
	133	114	247	191	141	332

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 agricultural commodity producing areas. The annual volume of commodities processed will vary depending upon availability of raw materials and demand for finished products.

To enhance the efficiency of transporting large quantities of raw materials and finished products between the Company's procurement facilities and processing plants and also the final delivery of products to our customers around the world, the Company owns approximately 1,500 barges, 14,100 rail cars, 700 trucks, 1,600 trailers, and 7 ocean going vessels; and leases, under operating leases, approximately 200 barges and 10,600 railcars.

Oilseeds Processing

	Processing Plants			Procurement Facilities		
	United States	International	Total	United States	International	Total
Owned	47	67	114	13	90	103
Leased	–	–	–	–	15	15
	47	67	114	13	105	118

The Company operates twenty-three domestic and twenty-two international oilseed crushing plants with a daily processing capacity of approximately 95,000 metric tons (3.5 million bushels). The domestic plants are located in Georgia, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Carolina, Tennessee, and Texas. The international plants are located in Bolivia, Brazil, Canada, Czech Republic, England, Germany, India, Mexico, the Netherlands, Poland, and Ukraine.

The Company operates thirteen domestic oilseed refineries in Georgia, Illinois, Indiana, Iowa, Minnesota, Missouri, Nebraska, North Dakota, and Tennessee, as well as nineteen international refineries in Bolivia, Brazil, Canada, Czech Republic, England, Germany, India, the Netherlands, and Poland. The Company packages oils at ten international plants located in Bolivia, Brazil, England, Germany, India, Peru, and Poland. The Company operates one domestic and six international biodiesel plants located in North Dakota, Brazil, Germany, and India. In addition, the Company operates four fertilizer blending plants in Brazil.

The Oilseeds Processing segment operates thirteen domestic country grain elevators as adjuncts to its processing plants. These elevators, with an aggregate storage capacity of approximately 8 million bushels, are located in Illinois, Missouri, North Carolina, and Ohio.

This segment also operates 105 international elevators, including port facilities, in Bolivia, Brazil, Canada, India, Germany, the Netherlands, Paraguay, and Poland. These facilities have a storage capacity of approximately 133 million bushels.

Item 2. PROPERTIES (Continued)

The Company operates two soy protein specialty plants in Illinois and one plant in the Netherlands. Lecithin products are produced at six domestic and four international plants in Illinois, Iowa, Nebraska, Canada, Germany, and the Netherlands. The Company produces vitamin E, sterols, and isoflavones at two plants in Illinois. The Company also operates a specialty oils and fats plant in France that produces various value-added products for the pharmaceutical, cosmetic and food industries.

Corn Processing

	Processing Plants			Procurement Facilities		
	United States	International	Total	United States	International	Total
Owned	17	1	18	5	–	5

The Company operates five wet corn milling plants and four dry corn milling plants with a daily grind capacity of approximately 66,000 metric tons (2.6 million bushels). The Company also operates corn germ extraction plants, sweeteners and starches production facilities, a glycols production facility, a polymer production facility and bioproducts production facilities in Illinois, Iowa, Minnesota, Nebraska, North Carolina, and North Dakota and a sugarcane processing plant in Brazil. The Corn Processing segment also operates five domestic grain terminal elevators as adjuncts to its processing plants. These elevators, with an aggregate storage capacity of approximately 13 million bushels, are located in Minnesota.

Agricultural Services

	Processing Plants			Procurement Facilities		
	United States	International	Total	United States	International	Total
Owned	29	6	35	160	18	178
Leased	1	1	2	13	9	22
	30	7	37	173	27	200

The Company operates 142 domestic terminal, sub-terminal, country, and river elevators covering the major grain producing states, and also operates eight grain export elevators in Florida, Louisiana, Ohio, and Texas. Elevators are located in Arkansas, 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 400 million bushels. The Company has five grain export elevators in Argentina, Mexico, and Ukraine that have an aggregate storage capacity of approximately 29 million bushels. The Company has thirteen country elevators located in the Dominican Republic, Ireland, Romania, and Ukraine. In addition, the Company has nine leased river elevators located in Romania and Ukraine.

The Company operates twenty-three domestic edible bean procurement facilities located in Colorado, Idaho, Michigan, Minnesota, North Dakota, and Wyoming.

The Company operates a rice mill located in California, an animal feed facility in Illinois, and an edible bean plant in North Dakota. The Company also operates twenty-seven domestic and seven international 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, Texas, Washington, and Wisconsin. The international plants are located in Canada, China, Puerto Rico, and Trinidad & Tobago.

Item 2. PROPERTIES (Continued)*Other*

	Processing Plants			Procurement Facilities		
	United States	International	Total	United States	International	Total
Owned	39	38	77	–	6	6
Leased	–	1	1	–	3	3
	39	39	78	–	9	9

The Company operates twenty-three domestic wheat flour mills, a domestic bulgur plant, two domestic corn flour mills, two domestic milo mills, and twenty international flour mills with a total daily milling capacity of approximately 28,000 metric tons (1.0 million bushels). The Company also operates six bakery mix 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, and Jamaica. The Company operates two formula feed plants as adjuncts to the wheat flour mills in Belize and Grenada, a rice milling plant in Jamaica, and a starch and gluten plant in Iowa and one in Canada. The Company also operates a honey drying operation in Wisconsin.

The Company operates six domestic and twelve international chocolate and cocoa bean processing plants with a total daily production capacity of approximately 3,000 metric tons. The domestic plants are located in Massachusetts, New Jersey, Pennsylvania, and Wisconsin, and the international plants are located in Belgium, Brazil, Canada, England, Germany, Ghana, Ivory Coast, the Netherlands, and Singapore. The Company operates nine cocoa bean procurement and handling facilities/port sites in Brazil, Indonesia, and Ivory Coast.

Item 3. LEGAL PROCEEDINGS

The Company is a party to routine legal proceedings that arise in the course of its business. The Company is not currently a party to any legal proceeding or environmental claim that it believes would have a material adverse effect on its financial position, results of operations, or liquidity.

Item 4. RESERVED

PART II

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

Common Stock Market Prices and Dividends

The Company's common stock is listed and traded on the New York Stock Exchange and the Frankfurt 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 declared per share.

	Market Price		Cash Dividends Per Share
	High	Low	
Fiscal 2010-Quarter Ended			
June 30	\$ 29.26	\$ 24.22	\$ 0.15
March 31	31.89	28.06	0.15
December 31	33.00	27.66	0.14
September 30	32.13	26.00	0.14
Fiscal 2009-Quarter Ended			
June 30	\$ 29.40	\$ 23.13	\$ 0.14
March 31	29.50	24.08	0.14
December 31	29.08	13.53	0.13
September 30	33.91	19.70	0.13

The number of registered shareholders of the Company's common stock at June 30, 2010, was 15,384. 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.

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

Issuer Purchases of Equity Securities

<u>Period</u>	<u>Total Number of Shares Purchased (1)</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Program (2)</u>	<u>Number of Shares Remaining to be Purchased Under the Program (2)</u>
April 1, 2010 to April 30, 2010	33,035	\$ 28.600	220	99,999,376
May 1, 2010 to May 31, 2010	3,776,252	26.482	3,776,252	96,223,124
June 1, 2010 to June 30, 2010	<u>196</u>	<u>26.792</u>	<u>–</u>	<u>96,223,124</u>
Total	3,809,483	\$ 26.500	3,776,472	96,223,124

(1) Total shares purchased represents those shares 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. During the three-month period ended June 30, 2010, the Company received 33,011 shares as payment of the exercise price for stock option exercises.

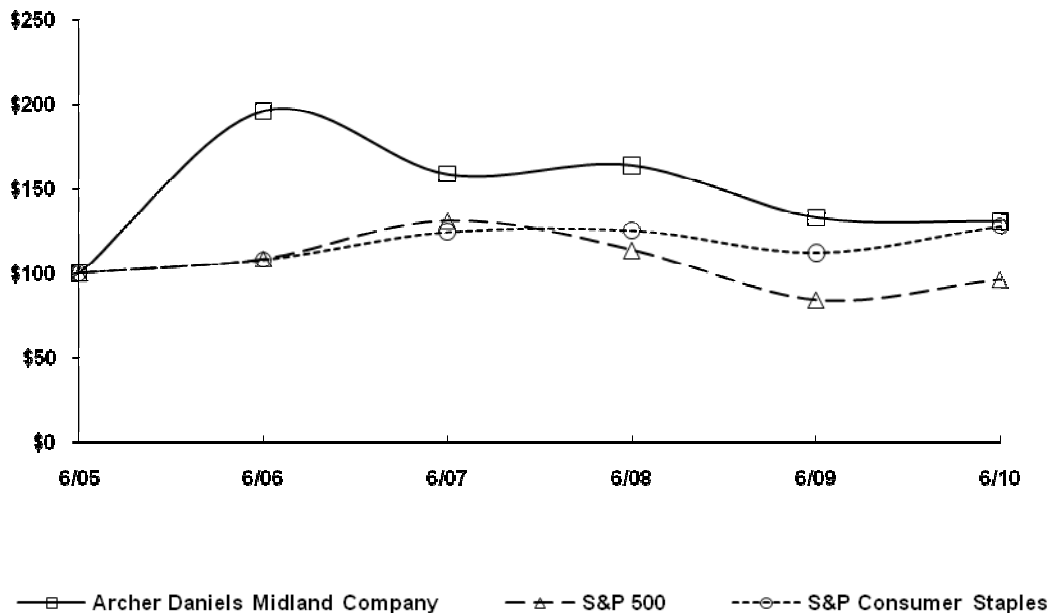
(2) On November 5, 2009, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to 100,000,000 shares of the Company's common stock during the period commencing January 1, 2010 and ending December 31, 2014.

Item 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES (Continued)

Performance Graph

The graph below compares five-year returns of the Company’s common stock with those of the S&P 500 Index and the S&P Consumer Staples Index. The graph assumes all dividends have been reinvested and assumes an initial investment of \$100 on June 30, 2005. Information in the graph is presented on a June 30 fiscal year basis.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN
Among Archer Daniels Midland Company, the S&P 500 Index
and the S&P Consumer Staples Index



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Graph produced by Research Data Group, Inc.

Item 6. SELECTED FINANCIAL DATA

Selected Financial Data
(In millions, except ratio and per share data)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net sales and other operating income	\$ 61,682	\$ 69,207	\$ 69,816	\$ 44,018	\$ 36,596
Depreciation	857	730	721	701	657
Net earnings attributable to controlling interests	1,930	1,684	1,780	2,154	1,312
Basic earnings per common share	3.00	2.62	2.76	3.31	2.01
Diluted earnings per common share	3.00	2.62	2.75	3.28	2.00
Cash dividends	372	347	316	281	242
Per common share	0.58	0.54	0.49	0.43	0.37
Working capital	\$ 9,561	\$ 10,523	\$ 10,833	\$ 7,254	\$ 5,661
Current ratio	2.1	2.2	1.7	1.9	1.9
Inventories	7,611	7,782	10,160	6,060	4,677
Net property, plant, and equipment	8,712	7,950	7,125	6,010	5,293
Gross additions to property, plant, and equipment	1,788	2,059	1,789	1,404	841
Total assets	31,548	31,582	37,052	25,114	21,269
Long-term debt, excluding current maturities	6,830	7,592	7,443	4,468	4,050
Shareholders' equity	14,631	13,653	13,666	11,446	9,838
Per common share	22.89	21.27	21.22	17.80	15.00
Weighted average shares outstanding-basic	643	643	644	651	654
Weighted average shares outstanding-diluted	644	644	646	656	656

Significant items affecting the comparability of the financial data shown above are as follows:

- Net earnings attributable to controlling interests for 2010 include a charge of \$75 million (\$47 million after tax, equal to \$0.07 per share) related to loss on extinguishment of debt resulting from the repurchase of \$500 million in aggregate principal amount of the Company's outstanding debentures, and start up costs for the Company's significant new greenfield plants of \$110 million (\$68 million after tax, equal to \$0.11 per share).
- Net earnings attributable to controlling interests for 2009 include a non-cash charge of \$275 million (\$171 million after tax, equal to \$0.27 per share) related to currency derivative losses of the Company's equity investee, Gruma S.A.B. de C.V., and a \$158 million income tax charge (equal to \$0.24 per share) related to the reorganization of the holding company structure in which the Company holds a portion of its equity investment in Wilmar. For further information concerning Wilmar-related tax matters see Note 12 in Item 8, Financial Statements and Supplementary Data (Item 8).
- Net earnings attributable to controlling interests for 2007 include a gain of \$440 million (\$286 million after tax, equal to \$0.44 per share) related to the exchange of the Company's interests in certain Asian joint ventures for shares of Wilmar, realized securities gains of \$357 million (\$225 million after tax, equal to \$0.34 per share) related to the Company's sale of equity securities of Tyson Foods Inc. and Overseas Shipholding Group Inc. and a \$209 million gain (\$132 million after tax, equal to \$0.20 per share) related to the sale of businesses.

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

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, which include wheat processing, cocoa processing, and its financial business units, are not reportable segments, as defined by the applicable accounting standard, and are classified as Other.

The Oilseeds Processing segment includes activities related to the origination, merchandising, crushing, and further processing of oilseeds such as soybeans, cottonseed, sunflower seeds, canola, rapeseed, peanuts, flaxseed, and palm into vegetable oils and protein meals. The Oilseeds Processing segment principally produces and markets processed oilseed products as ingredients for the food, feed, energy, and other industrial products industries. Crude vegetable oil is sold "as is" or is further processed by refining, blending, bleaching, and deodorizing into salad oils. Salad oils are sold "as is" or are further processed by hydrogenating and/or interesterifying into margarine, shortening, and other food products. Partially refined oil is used to produce biodiesel or is sold to other manufacturers for use in chemicals, paints, and other industrial products. Oilseed protein meals are principally sold to third parties to be used as ingredients in commercial livestock and poultry feeds. The Oilseeds Processing segment also produces natural health and nutrition products and other specialty food and feed ingredients. In North America, cottonseed flour is produced and sold primarily to the pharmaceutical industry and cotton cellulose pulp is manufactured and sold to the chemical, paper, and filter markets. In South America, the Oilseeds Processing segment utilizes a network of grain elevators, port facilities and transportation assets to buy, store, clean, and transport agricultural commodities and operates fertilizer blending facilities. This segment also includes the Company's share of the results of its equity method investment in Wilmar and its Golden Peanut Company LLC, Edible Oils Limited, and Stratas Foods LLC joint ventures.

The Company's Corn Processing segment is engaged in corn wet milling and dry milling activities, primarily in the United States, related to its production of ingredients used in the food and beverage industry including syrup, starch, glucose, dextrose, and sweeteners. Dextrose is also used by the Company as a feedstock for its bioproducts operations. Corn gluten feed and meal, as well as distillers grains, is produced for use as animal feed ingredients. Corn germ, a by-product of the wet milling process, is further processed as an oilseed into vegetable oil and protein meal.

By fermentation of dextrose, the Corn Processing segment produces alcohol, amino acids, and other specialty food and animal feed ingredients. Ethyl alcohol is produced by the Company 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 Corn Processing segment also produces, by fermentation, astaxanthin, a product used in aquaculture to enhance flesh coloration. The Corn Processing segment produces citric and lactic acids, lactates, sorbitol, xanthan gum and glycols which are used in various food and industrial products. The Corn Processing segment includes the activities of the Company's Brazilian sugarcane operations, propylene and ethylene glycol facility, and investments in renewable plastics. This segment also includes the Company's share of the results of its equity method investments in Almidones Mexicanos S.A., Eaststarch C.V., and Red Star Yeast Company LLC.

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

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, rice, and barley, and resells these commodities primarily as food and 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 and customers. Agricultural Services' transportation network capabilities include ground, rail, river, and ocean freight services. The Agricultural Services segment also includes activities related to procuring, processing, and distributing edible beans, and the processing and distributing of formula feeds and animal health and nutrition products. In addition, the Agricultural Services segment includes the activities of Alfred C. Toepfer International, a global merchant of agricultural commodities and processed products, and the Company's share of the results of its Kalama Export Company joint venture.

Other includes the Company's remaining processing operations, consisting of activities related to processing agricultural commodities into food ingredient products such as wheat into wheat flour and cocoa into chocolate and cocoa products. Other also includes financial activities related to banking, captive insurance, private equity fund investments, futures commission merchant activities, and the Company's share of the results of its equity method investment in Gruma S.A.B. de C.V.

Certain Corporate items are not allocated to the Company's reportable business segments. Corporate results include the impact of LIFO-related adjustments, the after-tax elimination of income attributable to mandatorily redeemable interests in consolidated subsidiaries, unallocated corporate expenses, and unallocated net interest costs.

Operating Performance Indicators

The Company's Oilseeds Processing, Agricultural Services, and wheat processing operations are principally agricultural commodity-based businesses where changes in selling prices move in relationship to changes in prices of the commodity-based agricultural raw materials. Thus, changes in agricultural commodity prices have relatively equal impacts on both sales revenue and cost of products sold. Therefore, changes in gross profit of these businesses do not necessarily correspond to the changes in net sales and other operating income amounts.

The Company's Corn Processing operations and certain other food and animal feed processing operations also utilize agricultural commodities (or products derived from agricultural commodities) as raw materials. In these operations, agricultural commodity market 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.

The Company conducts its business in over 60 countries. For the majority 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 applicable periods. For the majority of the Company's business activities in Brazil, the functional currency is the U.S. dollar, however certain transactions, including taxes, occur in local currency and require conversion to the functional currency. The impact of these currency exchange rate changes, where significant, is discussed in Item 7A. Fluctuations in the exchange rates of foreign currencies, primarily the Euro, British pound, Canadian dollar and Brazilian real, as compared to the U.S. dollar will result in corresponding fluctuations in the U.S. dollar value of revenues and expenses reported by the Company.

The Company measures the performance of its business segments using key operating statistics such as segment operating profit, return on fixed capital investment, return on invested capital, and return on equity. The Company's operating results can vary significantly due to changes in factors such as fluctuations in energy prices, weather conditions, crop plantings, government programs and policies, changes in global demand resulting from population growth, general global economic conditions, changes in standards of living, and global production of similar and competitive crops. Due to these unpredictable factors, the Company does not provide forward-looking information in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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

2010 Compared to 2009

As an agricultural commodity-based business, the Company is subject to a variety of market factors which affect the Company's operating results. Market expectations throughout most of fiscal 2010 for fewer global crop supply and demand imbalances, coupled with continuing uncertainty about short-term demand, led to generally lower and less volatile agricultural commodity market prices and conditions. In addition, the late, extended U.S. harvest reduced profit opportunities. North American oilseed exports and domestic crushing volumes were enhanced by the poor supply of 2009 crop year soybeans in South America. Increased government mandates for the use of biodiesel in South America and Europe resulted in increased biodiesel demand and helped keep overall demand for refined and crude vegetable oil steady in these regions. However, in North America, demand for vegetable oils remained weak due to low consumption of oils in the food service and biodiesel industries, in part due to the expiration of the biodiesel blending credit in the U.S. on January 1, 2010. Soybean protein meal demand improved, particularly in Asia. Market prices for corn decreased resulting in lower raw material costs for Corn Processing and decreased average selling prices for sweeteners and starches. Lower energy, fuel and chemical costs per unit positively impacted the Company's manufacturing costs. More favorable ethanol blending economics together with increased ethanol merchandising activity resulted in increased demand, higher ethanol sales volumes, and improved margins.

Earnings before income taxes for 2010 include a credit of \$42 million from the effect of changing commodity prices on LIFO inventory valuations, compared to a credit of \$517 million in 2009.

Income taxes decreased \$146 million due to a lower effective income tax rate, partially offset by higher pretax earnings. Income taxes for 2009 included a \$158 million charge resulting from the restructuring of a holding company in which the Company holds a portion of its equity investment in Wilmar.

Analysis of Statements of Earnings

Net sales and other operating income by segment are as follows:

	2010	2009	Change
	(In millions)		
Oilseeds Processing			
Crushing & Origination	\$ 15,732	\$ 15,579	\$ 153
Refining, Packaging, Biodiesel & Other	7,136	8,760	(1,624)
Asia	190	179	11
Total Oilseeds Processing	23,058	24,518	(1,460)
Corn Processing			
Sweeteners & Starches	3,333	3,785	(452)
Bioproducts	4,609	3,938	671
Total Corn Processing	7,942	7,723	219
Agricultural Services			
Merchandising & Handling	25,273	31,342	(6,069)
Transportation	167	242	(75)
Total Agricultural Services	25,440	31,584	(6,144)
Other			
Wheat, Cocoa & Malt	5,147	5,272	(125)
Financial	95	110	(15)
Total Other	5,242	5,382	(140)
Total	\$ 61,682	\$ 69,207	\$ (7,525)

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

Net sales and other operating income decreased 11% to \$61.7 billion due principally to lower average selling prices in line with year-over-year declines in underlying commodity costs. Oilseeds Processing sales decreased 6% to \$23.1 billion, due principally to lower average selling prices for soybeans, protein meal, refined oil, and biodiesel partially offset by increased sales volumes of soybeans and fertilizer. Corn Processing sales increased 3% to \$7.9 billion primarily as a result of increased sales volumes of ethanol and lysine partially offset by lower average selling prices of ethanol, sweeteners, and starches. Agricultural Services sales decreased 19% to \$25.4 billion, due to lower average selling prices, in line with year-over-year declines in underlying commodity prices, and lower sales volumes. Other sales decreased 3% to \$5.2 billion, primarily due to lower average selling prices of wheat flour partially offset by increased wheat flour sales volumes and higher average selling prices and sales volumes for cocoa products.

Cost of products sold decreased 11% to \$57.8 billion, due principally to decreased agricultural commodity costs including the impact of changes in LIFO inventory valuations which reduced cost of products sold by \$42 million in 2010 compared to \$517 million in 2009. Manufacturing expenses decreased 1% or \$60 million, primarily due to lower energy, chemical and fuel costs partially offset by higher employee-related costs and a \$124 million increase in depreciation and amortization expense. In 2010, manufacturing expenses included additional costs associated with the Company's new greenfield plants.

Selling, general and administrative expenses decreased 1% to \$1.4 billion, due principally to decreased provisions for doubtful accounts partially offset by increased expenses for legal, professional, and commercial services.

Other (income) expense - net improved \$317 million primarily due to increased equity earnings of unconsolidated affiliates of \$416 million, and decreased expense for the elimination of after-tax mandatorily redeemable interests in consolidated subsidiaries. These increases were partially offset by pre-tax charges of \$75 million related to the early extinguishment of debt and \$59 million for unrealized losses on interest rate swaps (for more information see Note 8 in Item 8, Financial Statements and Supplementary Data). Equity earnings of unconsolidated affiliates in 2009 included a non-cash charge of \$275 million related to currency derivative losses of the Company's equity investee, Gruma S.A.B. de C.V.

Income taxes decreased \$146 million due to a lower effective income tax rate partially offset by higher pretax earnings. The Company's effective income tax rate during 2010 was 25.8%. In 2009, the effective income tax rate was 32.5% which included \$158 million of income tax charges related to the partial restructuring of the holding company structure through which the Company holds a portion of its equity investment in Wilmar. Excluding these Wilmar charges, the Company's effective income tax rate for 2009 was 26.2%. For more information concerning Wilmar tax matters see Note 12 in Item 8.

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

Operating profit by segment is as follows:

	2010	2009	Change
	(In millions)		
Oilseeds Processing			
Crushing & Origination	\$ 818	\$ 767	\$ 51
Refining, Packaging, Biodiesel & Other	291	265	26
Asia	291	248	43
Total Oilseeds Processing	<u>1,400</u>	<u>1,280</u>	<u>120</u>
Corn Processing			
Sweeteners & Starches	529	500	29
Bioproducts	193	(315)	508
Total Corn Processing	<u>722</u>	<u>185</u>	<u>537</u>
Agricultural Services			
Merchandising & Handling	583	832	(249)
Transportation	85	162	(77)
Total Agricultural Services	<u>668</u>	<u>994</u>	<u>(326)</u>
Other			
Wheat, Cocoa & Malt	403	51	352
Financial	46	(57)	103
Total Other	<u>449</u>	<u>(6)</u>	<u>455</u>
Total Segment Operating Profit	<u>3,239</u>	<u>2,453</u>	<u>786</u>
Corporate (see below)	<u>(654)</u>	<u>47</u>	<u>(701)</u>
Earnings Before Income Taxes	<u>\$ 2,585</u>	<u>\$ 2,500</u>	<u>\$ 85</u>

Corporate results are as follows:

	2010	2009	Change
	(In millions)		
LIFO credit	\$ 42	\$ 517	\$ (475)
Unallocated interest expense - net	(283)	(192)	(91)
Unallocated corporate costs	(266)	(252)	(14)
Charges on early extinguishment of debt	(75)	-	(75)
Unrealized losses on interest rate swaps	(59)	-	(59)
Other	(13)	(26)	13
Total Corporate	<u>\$ (654)</u>	<u>\$ 47</u>	<u>\$ (701)</u>

Oilseeds Processing operating profit increased 9% to \$1.4 billion. Crushing and origination results increased \$51 million due to higher North American soybean crushing margins and favorable soft seed commodity positioning partially offset by lower soybean crushing margins in Europe and South America. Refining, packaging, biodiesel and other operating profit increased \$26 million due primarily to higher South American biodiesel results and improved margins in Europe. Oilseeds processing results in Asia increased \$43 million to \$291 million due principally to improved equity earnings of Wilmar.

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

Corn Processing operating profit increased \$537 million to \$722 million. Bioproducts operating profit increased \$508 million due to improved ethanol and lysine sales volumes and improved ethanol margins resulting from lower net corn costs and decreased manufacturing costs. Ethanol sales volumes increased due to favorable gasoline blending economics and increased merchandising activity. Sweeteners and starches operating profit increased \$29 million due to lower net corn and manufacturing costs due principally to lower energy and chemical prices. These lower manufacturing costs were partially offset by lower average selling prices.

Agricultural Services operating profit decreased \$326 million to \$668 million. Merchandising and handling results decreased \$249 million. Enhanced volume and margin opportunities created by last year's volatile commodity markets and tight credit markets did not recur. Volumes and margins in 2010 benefited from strong demand for U.S. soybean exports following the short South American 2009 crop. Transportation results decreased \$77 million due to lower barge freight rates and decreased barge utilization levels resulting from weaker U.S. economic conditions and the late, extended North American harvest.

Other operating profit increased \$455 million to \$449 million. Wheat, cocoa and malt operating profit increased \$352 million due to improved equity earnings from the Company's investment in Gruma, improved wheat milling margins, and improved cocoa processing results. Financial operating profit increased \$103 million due primarily to the absence of losses experienced last year from managed fund investments and captive insurance operations.

Corporate results decreased \$701 million. The effects of changing commodity prices on LIFO inventory valuations resulted in a credit of \$42 million for the year ended June 30, 2010, compared to a credit of \$517 million for the year ended June 30, 2009. Unallocated interest expense – net increased \$91 million reflecting a reduction in corporate interest income caused by lower short-term interest rates and lower working capital requirements of the operating segments. In January 2010, the Company repurchased \$500 million of long-term debt which generated a \$75 million pretax charge on early extinguishment of debt. In connection with a debt remarketing planned for 2011, the Company entered into interest rate swaps to fix the interest rate on a portion of the planned remarketing which resulted in \$59 million of unrealized losses on interest rate swaps.

2009 Compared to 2008

As an agricultural commodity-based business, the Company is subject to a variety of market factors which affect the Company's operating results. Net corn costs increased significantly in 2009 compared to 2008, negatively impacting ethanol margins, and, to a lesser extent, sweeteners and starches margins as the higher net corn costs were only partially offset by increased selling prices for sweeteners and starches. Additionally, lower demand for gasoline, decreased gasoline prices and excess ethanol industry capacity negatively impacted ethanol margins. Demand for agricultural commodities, freight, and other products was weaker during 2009 in line with the downturn in the global economy. Results were negatively impacted by decreased equity earnings in unconsolidated affiliates including significant non-cash charges related to currency derivative losses incurred by the Company's equity investee, Gruma S.A.B. de C.V., and losses from the Company's managed fund investments.

Earnings before income taxes for 2009 include a credit of \$517 million from the effect of changing commodity prices on LIFO inventory valuation reserves, compared to a charge of \$569 million in 2008.

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

Income taxes for 2009 include charges of \$158 million resulting from the restructuring of a holding company in which the Company holds a portion of its equity investment in Wilmar.

Analysis of Statements of Earnings

Net sales and other operating income decreased 1% to \$69.2 billion due to foreign exchange translation impacts and decreased sales volumes partially offset by higher average selling prices. Net sales and other operating income increased \$3.0 billion due to higher average selling prices primarily related to higher underlying commodity costs, decreased \$2.0 billion due to foreign exchange translation impacts, and decreased \$1.6 billion due to lower sales volumes and other.

Net sales and other operating income by segment are as follows:

	2009	2008	Change
	(In millions)		
Oilseeds Processing			
Crushing & Origination	\$ 15,579	\$ 14,477	\$ 1,102
Refining, Packaging, Biodiesel & Other	8,760	8,588	172
Asia	179	214	(35)
Total Oilseeds Processing	<u>24,518</u>	<u>23,279</u>	<u>1,239</u>
Corn Processing			
Sweeteners & Starches	3,785	3,546	239
Bioproducts	3,938	3,591	347
Total Corn Processing	<u>7,723</u>	<u>7,137</u>	<u>586</u>
Agricultural Services			
Merchandising & Handling	31,342	33,749	(2,407)
Transportation	242	219	23
Total Agricultural Services	<u>31,584</u>	<u>33,968</u>	<u>(2,384)</u>
Other			
Wheat, Cocoa & Malt	5,272	5,335	(63)
Financial	110	97	13
Total Other	<u>5,382</u>	<u>5,432</u>	<u>(50)</u>
Total	<u>\$ 69,207</u>	<u>\$ 69,816</u>	<u>\$ (609)</u>

Oilseeds Processing sales increased 5% to \$24.5 billion due principally to increased sales volumes of merchandised oilseeds and biodiesel partially offset by lower sales volumes of vegetable oil and protein meal. Corn Processing sales increased 8% to \$7.7 billion due principally to higher sales volumes of ethanol and higher average selling prices of sweeteners and starches, partially offset by lower average selling prices of ethanol. Agricultural Services sales decreased 7% to \$31.6 billion due principally to lower sales volumes of grain. Other sales decreased 1% to \$5.4 billion primarily due to the sale of the Company's malting business during the first quarter of fiscal year 2009 and lower average selling prices of wheat flour. Partially offsetting these decreases were higher average selling prices of cocoa products and increased chocolate sales volumes.

Cost of products sold decreased 1% to \$65.1 billion, in line with the decrease in net sales and other operating income. Cost of products sold decreased \$856 million due principally to decreased sales volumes, decreased LIFO inventory valuations and approximately \$1.9 billion from the impact of foreign currency translation, partially offset by increased agricultural commodity costs. Manufacturing expenses decreased \$215 million primarily due to decreased energy and fuel costs.

Item 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Selling, general and administrative expenses of \$1.4 billion were comparable to 2008. Decreased employee-related costs and favorable impacts from foreign currency translation were offset by increases in provisions for doubtful accounts.

Other (income) expense – net decreased \$348 million primarily due to decreased results from equity earnings of unconsolidated affiliates of \$270 million, and decreased investment income. Equity earnings in unconsolidated affiliates included a non-cash charge of \$275 million of foreign exchange derivative losses incurred by the Company’s equity investee, Gruma S.A.B. de C.V.

Operating profit by segment is as follows:

	2009	2008	Change
	(In millions)		
Oilseeds Processing			
Crushing & Origination	\$ 767	\$ 727	\$ 40
Refining, Packaging, Biodiesel & Other	265	181	84
Asia	248	132	116
Total Oilseeds Processing	<u>1,280</u>	<u>1,040</u>	<u>240</u>
Corn Processing			
Sweeteners & Starches	500	557	(57)
Bioproducts	(315)	404	(719)
Total Corn Processing	<u>185</u>	<u>961</u>	<u>(776)</u>
Agricultural Services			
Merchandising & Handling	832	873	(41)
Transportation	162	144	18
Total Agricultural Services	<u>994</u>	<u>1,017</u>	<u>(23)</u>
Other			
Wheat, Cocoa & Malt	51	217	(166)
Financial	(57)	206	(263)
Total Other	<u>(6)</u>	<u>423</u>	<u>(429)</u>
Total Segment Operating Profit	<u>2,453</u>	<u>3,441</u>	<u>(988)</u>
Corporate (see below)	47	(847)	894
Earnings Before Income Taxes	<u>\$ 2,500</u>	<u>\$ 2,594</u>	<u>\$ (94)</u>

Corporate results are as follows:

	2009	2008	Change
	(In millions)		
LIFO credit (charge)	\$ 517	\$ (569)	\$ 1,086
Interest expense (income) - net	(192)	49	(241)
Corporate costs	(252)	(262)	10
Other	(26)	(65)	39
Total Corporate	<u>\$ 47</u>	<u>\$ (847)</u>	<u>\$ 894</u>

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

Oilseeds Processing operating profit increased 23% to \$1.3 billion. Crushing and origination results increased \$40 million. Improved global crushing margins were partially offset by lower fertilizer sales volumes and margins and lower North American crushing volumes due to decreased demand for vegetable oil and protein meal. Refining, packaging, biodiesel and other results increased \$84 million due principally to higher biodiesel sales volumes in South America and increased average margins for value-added products. 2008 results for refining, packaging, biodiesel and other included asset abandonment charges of \$27 million. Asia results increased \$116 million due principally to the Company's share in improved operating results of Wilmar.

Corn Processing operating profits decreased 81% to \$185 million. Sweeteners and starches decreased \$57 million due to the impact of higher net corn costs partially offset by higher average sweetener and starches selling prices. Bioproducts operating profit decreased \$719 million for the year as ethanol and lysine margins declined significantly due to higher corn costs and lower average selling prices. Ethanol margins were also impacted by lower demand for gasoline, decreased gasoline prices, and excess ethanol industry capacity.

Agricultural Services operating profits decreased 2% to \$994 million. Merchandising and handling profit decreased \$41 million. Merchandising margins moderated as demand for commodities slowed following the downturn in the global economy. Transportation results increased \$18 million due to higher barge freight rates.

Other operating profits decreased 101% to a loss of \$6 million. Wheat, cocoa, and malt processing operating profit decreased \$166 million for the year primarily due to equity losses from the Company's investment in Gruma, partially offset by improved cocoa and wheat processing margins. Financial operating profit decreased \$263 million due to losses on managed fund investments compared to gains for the year ended June 30, 2008, increased captive insurance loss provisions and decreased interest income and lower marketable security gains of the Company's brokerage service business.

Corporate results increased \$894 million to \$47 million, primarily due to the effects of changing commodity prices on LIFO inventory valuations which resulted in credits of \$517 million for the year ended June 30, 2009, compared to \$569 million of LIFO charges for the year ended June 30, 2008. Unallocated interest expense increased \$241 million primarily due to higher long-term debt interest expense and decreased interest income. Corporate interest income decreased due to lower short-term interest rates and lower working capital requirements of the operating segments.

The Company's effective tax rate during 2009 was 32.5% compared to 31.1% during 2008. Income taxes increased \$4 million. Lower pre-tax earnings and positive impacts from favorable changes in geographic mix of earnings, currency translation impacts in South America, lower tax rates in certain foreign jurisdictions, and return to provision adjustments, were offset by charges of \$158 million resulting from the restructuring of a holding company in which the Company holds a portion of its equity investment in Wilmar.

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

Liquidity and Capital Resources

A Company objective is to have sufficient liquidity, balance sheet strength, and financial flexibility to fund the operating and capital requirements of a capital intensive agricultural commodity-based business. The primary source of funds to finance the Company's operations and capital expenditures is cash generated by operations. In addition, the Company maintains a commercial paper borrowing facility and has access to equity and debt capital from public and private sources in both domestic and international markets.

At June 30, 2010, the Company had \$1.4 billion of cash, cash equivalents, and short-term marketable securities and a current ratio, defined as current assets divided by current liabilities, of 2.1 to 1. Included in working capital is \$4.9 billion of readily marketable commodity inventories. Cash generated by operating activities decreased to \$2.7 billion for the year compared to \$5.3 billion last year due primarily to a \$3.1 billion decrease in 2009 working capital requirements related to lower agricultural commodity market prices. Cash used in investing activities was \$1.7 billion compared to \$1.9 billion last year. Cash used in financing activities was \$1.0 billion for the year compared to \$3.2 billion last year due principally to a decrease in repayments of commercial paper borrowings partially offset by the repurchase of \$500 million of long-term debt.

At June 30, 2010, the Company's capital resources included net worth of \$14.6 billion and lines of credit totaling \$6.0 billion, of which \$5.7 billion was unused. The Company's ratio of long-term debt to total capital (the sum of the Company's long-term debt and shareholders' equity) was 32% at June 30, 2010 and 36% at June 30, 2009. This ratio is a measure of the Company's long-term liquidity and is an indicator of financial flexibility. Of the Company's total lines of credit, \$4.2 billion support a commercial paper borrowing facility, against which there were no borrowings at June 30, 2010.

The Company has outstanding \$1.15 billion principal amount of convertible senior notes. As of June 30, 2010, none of the conditions permitting conversion of these notes had been satisfied. The Company has purchased call options and warrants intended to reduce the potential shareholder dilution upon future conversion of the notes. As of June 30, 2010, the market price of the Company's common stock was not greater than the exercise price of the purchased call options or warrants related to the convertible senior notes.

In June 2008, the Company issued \$1.75 billion of debentures as a component of Equity Units (see Note 8 in Item 8). The debentures will be remarketed in 2011. The Equity Units are a combination of debt and forward contracts for the holder to purchase the Company's common stock. Each purchase contract obligates the holder to purchase from the Company, no later than June 1, 2011, for a price of \$50 in cash, a certain number of shares, ranging from 1.0453 shares to 1.2544 shares, of the Company's common stock, based on a formula established in the contract.

The Company's credit facilities and certain debentures require the Company to comply with specified financial and non-financial covenants including maintenance of minimum tangible net worth as well as limitations related to incurring liens, secured debt, and certain other financing arrangements. The Company is in compliance with these covenants as of June 30, 2010.

Item 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Contractual Obligations and Off-Balance Sheet Arrangements

In the normal course of business, the Company enters into contracts and commitments which obligate the Company to make payments in the future. The following table sets forth the Company’s significant future obligations by time period. Purchases include commodity-based contracts entered into in the normal course of business, which are further described in Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” energy-related purchase contracts entered into in the normal course of business, and other purchase obligations related to the Company’s normal business activities. The following table does not include unrecognized income tax benefits of \$84 million as at June 30, 2010, due to uncertainty of the timing of deductibility. Where applicable, information included in the Company’s consolidated financial statements and notes is cross-referenced in this table.

Contractual Obligations	Item 8 Note Reference	Total	Payments Due by Period			
			Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
(In millions)						
Purchases						
Inventories		\$ 9,949	\$ 9,508	\$ 417	\$ 6	\$ 18
Energy		498	284	137	31	46
Other		409	143	208	56	2
Total purchases		<u>10,856</u>	<u>9,935</u>	<u>762</u>	<u>93</u>	<u>66</u>
Short-term debt		374	374	–	–	–
Long-term debt	Note 8	7,174	344	428	1,076	5,326
Estimated interest payments		7,928	381	700	636	6,211
Operating leases	Note 13	1,381	235	371	333	442
Estimated pension and other postretirement plan contributions ⁽¹⁾	Note 14	150	45	17	21	67
Total		<u><u>\$27,863</u></u>	<u><u>\$11,314</u></u>	<u><u>\$2,278</u></u>	<u><u>\$2,159</u></u>	<u><u>\$12,112</u></u>

⁽¹⁾ The Company is unable to estimate the amount of pension contributions beyond fiscal year 2011. For more information concerning the Company’s pension and other postretirement plans, see Note 14 in Item 8.

At June 30, 2010, the Company estimates it will spend approximately \$1.5 billion through calendar year 2013 to complete currently approved capital projects which are not included in the table above. The Company also has outstanding letters of credit and surety bonds of \$459 million at June 30, 2010.

In addition, the Company has entered into agreements, primarily debt guarantee agreements related to equity-method investees, which could obligate the Company to make future payments. The Company’s liability under these agreements arises only if the primary entity fails to perform its contractual obligation. The Company has collateral for a portion of these contingent obligations. At June 30, 2010, these contingent obligations totaled approximately \$131 million. Amounts outstanding for the primary entity under these contingent obligations were \$74 million at June 30, 2010.

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

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. Following are the 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 exchange-traded and over-the-counter 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 materially. Additionally, if market conditions change subsequent to year-end, amounts reported in future periods as inventories and cost of products sold could differ materially.

The Company, from time to time, uses derivative contracts designated as cash flow hedges to fix the purchase price of anticipated volumes of commodities to be purchased and processed in a future month, to fix the purchase price of the Company's anticipated natural gas requirements for certain production facilities, and to fix the sales price of anticipated volumes of ethanol. 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 and net sales and other operating income 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 and exchange-traded and over-the-counter option 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. Eligible domestic employees with five or more years of service prior to January 1, 2009 participate in a defined benefit pension plan. Eligible domestic employees hired on or after January 1, 2009 (and eligible salaried employees with less than five years of service prior to January 1, 2009) participate in a "cash balance" pension formula. The Company provides eligible domestic employees who retire under qualifying conditions with access to postretirement health care, at full cost to the retiree (certain employees are "grandfathered" into subsidized coverage). 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. Management also uses third-party actuaries to assist 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.

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

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 estimates of potential additional tax owed by the Company. As an example, a subsidiary of the Company received a tax assessment in the amount of \$456 million (subject to variation in currency exchange rates) consisting of tax, penalty, and interest from the Brazilian Federal Revenue Service challenging the deductibility of commodity hedging losses incurred by the Company in 2004. The Company evaluated its tax position regarding these hedging transactions and concluded, based in part upon advice from Brazilian legal counsel, that it was appropriate to recognize the tax benefits of these deductions (See Note 12 in Item 8 for additional information). 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. The realization of the Company's deferred tax assets is dependent upon future taxable income in specific tax jurisdictions, the timing and amount of which are uncertain. The Company evaluates all available positive and negative evidence including estimated future reversals of existing temporary differences, projected future taxable income, tax planning strategies, and recent financial results. Valuation allowances related to these deferred tax assets have been established to the extent the realization of the tax benefit is not likely. 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.

Undistributed earnings of the Company's foreign subsidiaries and affiliated corporate joint ventures accounted for on the equity method are considered to be permanently reinvested, and accordingly, no provision for U.S. income taxes has been provided thereon. If the Company were to receive distributions from any of these foreign subsidiaries or affiliates or determine the undistributed earnings of these foreign subsidiaries or affiliates to not be permanently reinvested, the Company could be subject to U.S. tax liabilities which have not been provided for in the consolidated financial statements.

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 factors such as weather, plantings, government 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. These aforementioned factors may cause a shift in the supply/demand dynamics for the Company's raw materials and finished products. Any such shift will cause management to evaluate the efficiency and cash flows of the Company's assets in terms of geographic location, size, and age of its factories. The Company, from time to time, will also invest in equipment, technology, and companies 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. The Company evaluates goodwill and other intangible assets with indefinite lives for impairment annually. Assets are written down 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 these assets, then the Company could recognize different amounts of expense over future periods.

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

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. The Company applies the equity method for investments in investees over which the Company has the ability to exercise significant influence. These investments in affiliates are carried at cost plus equity in undistributed earnings and are adjusted, where appropriate, for amortizable basis differences between the investment balance and the underlying net assets of the investee. 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 is 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, 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 5 and 6 in Item 8 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.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk inherent in the Company's market risk sensitive instruments and positions is the potential loss arising from adverse changes in: commodity market prices as they relate to the Company's net commodity position, foreign currency exchange rates, and interest rates as described below.

Commodities

The availability and prices of agricultural commodities are subject to wide fluctuations due to factors such as changes in weather conditions, disease, plantings, government programs and policies, competition, 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 exchange-traded and over-the-counter 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 exchange-traded and over-the-counter 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 derivative contracts which are designated as hedges of specific volumes of commodities that will be purchased and processed, or sold, 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 or net sales and other operating income in the statement of earnings when the hedged item is recognized.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK
(Continued)

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 merchandisable agricultural commodity inventories, related purchase and sale contracts, and exchange-traded futures and exchange-traded and over-the-counter option 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.

<u>Long/(Short)</u>	<u>2010</u>		<u>2009</u>	
	<u>Fair Value</u>	<u>Market Risk</u>	<u>Fair Value</u>	<u>Market Risk</u>
	(In millions)			
Highest position	\$ 429	\$ 43	\$ 845	\$ 85
Lowest position	(667)	(67)	(1,342)	(134)
Average position	(190)	(19)	(392)	(39)

The change in fair value of the average position for 2010 compared to 2009 was principally the result of changes in average quantities underlying the daily net commodity position.

Currencies

The Company conducts its business in over 60 countries. For the majority of the Company's subsidiaries located outside the United States, the local currency is the functional currency. In order to reduce the risks associated with foreign currency exchange rate fluctuations, except for amounts permanently invested as described below, the Company follows a policy of entering into currency exchange contracts to mitigate its foreign currency risk related to transactions denominated in a currency other than the functional currencies applicable to each of its various entities, primarily the Euro, British pound, Canadian dollar, and Brazilian real. The instruments used are forward contracts, swaps with banks, exchange-traded futures contracts, and over-the-counter options. The changes in market value of such contracts have a high correlation to the price changes in the currency of the related 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 \$6.4 billion at June 30, 2010, and \$6.6 billion at June 30, 2009. This decrease is due to the depreciation of foreign currencies versus the U.S. dollar partially offset by an increase in retained earnings of the foreign subsidiaries and affiliates. The potential loss in fair value, which would principally be recognized in Other Comprehensive Income, resulting from a hypothetical 10% adverse change in quoted foreign currency exchange rates is \$639 million and \$664 million for 2010 and 2009, respectively. Actual results may differ.

Interest

The fair value of the Company's long-term debt is estimated 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 .5% decrease in interest rates. Actual results may differ.

	<u>2010</u>	<u>2009</u>
	(In millions)	
Fair value of long-term debt	\$7,700	\$8,103
Excess of fair value over carrying value	870	511
Market risk	289	310

The decrease in fair value of long-term debt in 2010 resulted principally from the repurchase of \$500 million in aggregate principal amount of the Company's outstanding debentures.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Archer Daniels Midland Company
Consolidated Statements of Earnings

	Year Ended June 30		
	2010	2009	2008
	(In millions, except per share amounts)		
Net sales and other operating income	\$ 61,682	\$ 69,207	\$ 69,816
Cost of products sold	57,839	65,118	65,974
Gross Profit	3,843	4,089	3,842
Selling, general and administrative expenses	1,398	1,412	1,419
Other (income) expense - net	(140)	177	(171)
Earnings Before Income Taxes	2,585	2,500	2,594
Income taxes	666	812	808
Net Earnings Including Noncontrolling Interests	1,919	1,688	1,786
Less: Net earnings (losses) attributable to noncontrolling interests	(11)	4	6
Net Earnings Attributable to Controlling Interests	\$ 1,930	\$ 1,684	\$ 1,780
Average number of shares outstanding – basic	643	643	644
Average number of shares outstanding – diluted	644	644	646
Basic earnings per common share	\$ 3.00	\$ 2.62	\$ 2.76
Diluted earnings per common share	\$ 3.00	\$ 2.62	\$ 2.75

See notes to consolidated financial statements.

Archer Daniels Midland Company

Consolidated Balance Sheets

	June 30	
	2010	2009
	(In millions)	
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,046	\$ 1,055
Short-term marketable securities	394	500
Segregated cash and investments	2,337	2,430
Receivables	6,122	7,311
Inventories	7,611	7,782
Other assets	624	330
Total Current Assets	<u>18,134</u>	<u>19,408</u>
Investments and Other Assets		
Investments in and advances to affiliates	2,799	2,459
Long-term marketable securities	678	626
Goodwill	523	532
Other assets	702	607
Total Investments and Other Assets	<u>4,702</u>	<u>4,224</u>
Property, Plant, and Equipment		
Land	277	240
Buildings	4,008	3,304
Machinery and equipment	15,107	13,052
Construction in progress	612	2,245
	<u>20,004</u>	<u>18,841</u>
Accumulated depreciation	<u>(11,292)</u>	<u>(10,891)</u>
Net Property, Plant, and Equipment	<u>8,712</u>	<u>7,950</u>
Total Assets	<u><u>\$ 31,548</u></u>	<u><u>\$ 31,582</u></u>
Liabilities and Shareholders' Equity		
Current Liabilities		
Short-term debt	\$ 374	\$ 356
Accounts payable	5,538	5,786
Accrued expenses	2,317	2,695
Current maturities of long-term debt	344	48
Total Current Liabilities	<u>8,573</u>	<u>8,885</u>
Long-Term Liabilities		
Long-term debt	6,830	7,592
Deferred income taxes	439	308
Other	1,075	1,144
Total Long-Term Liabilities	<u>8,344</u>	<u>9,044</u>
Shareholders' Equity		
Common stock	5,151	5,204
Reinvested earnings	10,357	8,778
Accumulated other comprehensive income (loss)	(899)	(355)
Noncontrolling interests	22	26
Total Shareholders' Equity	<u>14,631</u>	<u>13,653</u>
Total Liabilities and Shareholders' Equity	<u><u>\$ 31,548</u></u>	<u><u>\$ 31,582</u></u>

See notes to consolidated financial statements.

Archer Daniels Midland Company

Consolidated Statements of Cash Flows

	Year Ended June 30		
	2010	2009	2008
	(In millions)		
Operating Activities			
Net earnings including noncontrolling interests	\$ 1,919	\$ 1,688	\$ 1,786
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities			
Depreciation and amortization	912	780	767
Asset abandonments and impairments	9	13	32
Deferred income taxes	30	20	(142)
(Gain) loss on sales of marketable securities	6	4	(38)
(Gain) loss on sale or exchange of unconsolidated affiliates	(15)	11	(8)
Gain on sale of businesses	–	(24)	(8)
Equity in (earnings) losses of affiliates, net of dividends	(326)	54	(283)
Stock compensation expense	45	65	70
Stock contributed to employee benefit plans	–	18	29
Pension and postretirement accruals (contributions), net	(110)	(161)	36
Charges on early extinguishment of debt	75	–	–
Deferred cash flow hedges	49	(235)	161
Other – net	84	26	164
Changes in operating assets and liabilities			
Segregated cash and investments	74	(426)	(614)
Receivables	740	3,680	(4,781)
Inventories	(144)	1,899	(3,736)
Other assets	(211)	152	(174)
Accounts payable and accrued expenses	(453)	(2,223)	3,535
Total Operating Activities	<u>2,684</u>	<u>5,341</u>	<u>(3,204)</u>
Investing Activities			
Purchases of property, plant, and equipment	(1,607)	(1,898)	(1,779)
Proceeds from sales of property, plant, and equipment	35	65	52
Proceeds from sale of businesses	–	258	11
Net assets of businesses acquired	(62)	(198)	(13)
Investments in and advances to affiliates	(146)	(15)	(32)
Distributions from affiliates, excluding dividends	57	11	54
Purchases of marketable securities	(1,387)	(2,402)	(1,405)
Proceeds from sales of marketable securities	1,454	2,312	1,222
Other – net	(9)	(4)	(5)
Total Investing Activities	<u>(1,665)</u>	<u>(1,871)</u>	<u>(1,895)</u>
Financing Activities			
Long-term debt borrowings	27	125	3,095
Long-term debt payments	(552)	(24)	(69)
Debt repurchase premium and costs	(71)	–	–
Net borrowings (payments) under line of credit agreements	29	(2,890)	2,574
Purchases of treasury stock	(100)	(100)	(61)
Cash dividends	(372)	(347)	(316)
Other – net	11	11	23
Total Financing Activities	<u>(1,028)</u>	<u>(3,225)</u>	<u>5,246</u>
Increase (decrease) in cash and cash equivalents	(9)	245	147
Cash and cash equivalents – beginning of year	<u>1,055</u>	<u>810</u>	<u>663</u>
Cash and cash equivalents – end of year	<u>\$ 1,046</u>	<u>\$ 1,055</u>	<u>\$ 810</u>

See notes to consolidated financial statements.

Archer Daniels Midland Company

Consolidated Statements of Shareholders' Equity

	<u>Common Stock</u>		<u>Reinvested Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Noncontrolling Interests</u>	<u>Total Shareholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>		(In millions)		
Balance June 30, 2007	643	\$ 5,272	\$ 5,974	\$ 181	\$ 19	\$ 11,446
Comprehensive income						
Net earnings			1,780		6	
Other comprehensive income				776		
Total comprehensive income						2,562
Cash dividends paid-.49 per share			(316)			(316)
Treasury stock purchases	(2)	(61)				(61)
Forward contract component of equity units		(110)				(110)
Stock compensation expense		70				70
Other	3	50	25			75
Balance June 30, 2008	644	5,221	7,463	957	25	13,666
Comprehensive income						
Net earnings			1,684		4	
Other comprehensive income (loss)				(1,312)		
Total comprehensive income						376
Cash dividends paid-.54 per share			(347)			(347)
Treasury stock purchases	(4)	(100)				(100)
Pension plan measurement date adjustment, net of tax			(21)			(21)
Stock compensation expense		65				65
Other	2	18	(1)		(3)	14
Balance June 30, 2009	642	5,204	8,778	(355)	26	13,653
Comprehensive income						
Net earnings			1,930		(11)	
Other comprehensive income (loss)				(544)		
Total comprehensive income						1,375
Cash dividends paid-.58 per share			(372)			(372)
Treasury stock purchases	(4)	(100)				(100)
Stock compensation expense		45				45
Other	1	2	21		7	30
Balance June 30, 2010	639	\$ 5,151	\$ 10,357	\$ (899)	\$ 22	\$ 14,631

See notes to consolidated financial statements.

Archer Daniels Midland Company

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Business

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

Principles of Consolidation

The consolidated financial statements as of June 30, 2010, and for the three years then ended include the accounts of the Company and its majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Investments in affiliates are carried at cost plus equity in undistributed earnings since acquisition and are adjusted, where appropriate, for amortizable basis differences between the investment balance and the underlying net assets of the investee. The Company's portion of the results of certain affiliates and results of certain majority-owned subsidiaries are included using the most recent available financial statements. In each case the financial statements are within 93 days of the Company's year end and are consistent from period to period. The Company evaluates and consolidates, where appropriate, its less than majority-owned investments pursuant to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 810, *Consolidation*.

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.

Reclassifications

Certain items in prior years' consolidated statements of cash flows have been reclassified to conform to the current year's presentation with no impact to total cash provided by (used in) operating, investing, or financing activities. In addition, certain items in prior years' consolidated statements of shareholders' equity have been reclassified to conform to the current year's presentation.

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, United States government securities, and money-market funds.

Notes to Consolidated Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Receivables

The Company records trade accounts receivable at net realizable value. This value includes an allowance for estimated uncollectible accounts, \$97 million and \$103 million at June 30, 2010 and 2009, respectively, 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 counter party credit risk through credit analysis and approvals, credit limits, and monitoring procedures. Collateral is generally not required for the Company's trade receivables. Trade accounts receivable due from unconsolidated affiliates as of June 30, 2010 and 2009 was \$304 million and \$301 million, respectively.

Inventories

Inventories of certain merchandisable agricultural commodities, which include inventories 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. The Company monitors its investments for impairment periodically, and recognizes an impairment charge when the decline in fair value of an investment is judged to be other-than-temporary. 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 reclassified out of accumulated other comprehensive income into earnings. The Company considers marketable securities maturing in less than one year as short-term. All other marketable securities are classified as long-term.

Property, Plant, and Equipment

Property, plant, and equipment is recorded at cost. 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 40 years; machinery and equipment - 3 to 30 years.

Asset Abandonments and Write-Downs

The Company recorded a \$9 million, a \$13 million, and a \$32 million charge in cost of products sold during 2010, 2009, and 2008, respectively, principally related to the abandonment and write-down to fair value of certain long-lived assets. The majority of these assets were idle or related to underperforming product lines and the decision to abandon or write-down 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.

Notes to Consolidated Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)*Net Sales*

The Company follows a policy of recognizing sales revenue at the time of delivery of the product and when all of the following have occurred: a sales agreement is in place, pricing is fixed or determinable, and collection is reasonably assured. Freight costs and handling charges related to sales are recorded as a component of cost of products sold. Net sales to unconsolidated affiliates during 2010, 2009, and 2008 were \$8.4 billion, \$7.3 billion, and \$8.5 billion, respectively.

Stock Compensation

The Company recognizes expense for its share-based compensation based on the fair value of the awards that are granted. The Company's share-based compensation plans provide for the granting of restricted stock, restricted stock units, performance stock units, and stock options. The fair values of stock options and performance stock units are estimated at the date of grant using the Black-Scholes option valuation model and a lattice valuation model, respectively. These valuation models require the input of highly subjective assumptions. Measured compensation cost, net of estimated forfeitures, is recognized ratably over the vesting period of the related share-based compensation award.

Research and Development

Costs associated with research and development are expensed as incurred. Such costs incurred were \$56 million, \$50 million, and \$49 million for the years ended June 30, 2010, 2009, and 2008, respectively.

Per Share Data

Basic earnings per common share are determined by dividing net earnings attributable to controlling interests by the weighted average number of common shares outstanding. In computing diluted earnings per share, the weighted average number of common shares outstanding is increased by common stock options outstanding with exercise prices lower than the average market price of common shares using the treasury share method. During 2010, 2009, and 2008, diluted average shares outstanding included incremental shares related to outstanding common stock options of 1 million, 1 million, and 2 million, respectively.

As further described in Note 8, certain potentially dilutive securities were excluded from the diluted average shares calculation because their impact was anti-dilutive.

New Accounting Standards

On July 1, 2009, the Company adopted FASB amended guidance in ASC Topic 805, *Business Combinations*, which changes the financial accounting and reporting of business combination transactions. The guidance was applied prospectively to business combinations completed on or after the adoption date. This amended guidance requires recognizing, with certain exceptions, 100 percent of the fair values of assets acquired, liabilities assumed, and noncontrolling interests in acquisitions of less than a 100 percent controlling interest when the acquisition constitutes a change in control of the acquired entity; measuring acquirer shares issued and contingent consideration arrangements in connection with a business combination at fair value on the acquisition date with subsequent changes in fair value reflected in earnings; and expensing as incurred acquisition-related transaction costs. The amended guidance also includes requirements relating to the accounting for assets acquired and liabilities assumed in a business combination that arise from contingencies and establishes a model to account for certain pre-acquisition contingencies. Under the amended guidance, an acquirer is required to recognize at fair value an asset acquired or a liability assumed in a business combination that arises from a contingency if the acquisition-date fair value of that asset or liability can be determined during the measurement period. If the acquisition-date fair value cannot be determined, the acquirer should follow the recognition criteria in ASC Topic 450, *Contingencies*. There was no material effect on the Company's consolidated financial statements as a result of the adoption of this amended guidance.

Notes to Consolidated Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

On July 1, 2009, the Company adopted the amended guidance in ASC Topic 470-20, *Debt with Conversion and Other Options*, which specifies that issuers of convertible debt instruments that may settle in cash upon conversion must bifurcate the proceeds from the debt issuance between the debt and equity components in a manner that reflects the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. The equity component reflects the fair value of the conversion feature of the notes at adoption. The amended guidance was retrospectively applied to the Company's \$1.15 billion, 0.875% Convertible Series Notes for all periods presented as further described in Note 8.

On July 1, 2009, the Company adopted amended guidance in ASC Topic 810, *Consolidation*, pertaining to the accounting and reporting of noncontrolling interests in financial statements. The amended guidance establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. As required by the amended guidance, the Company retrospectively applied the guidance to all periods presented. The net earnings attributable to noncontrolling interests is now presented as a separate line item on the consolidated statements of earnings. In addition, the Company consolidates certain subsidiaries which are associated with mandatorily redeemable instruments outside of the Company's control. In accordance with guidance contained in SEC Accounting Series Release 268, *Redeemable Preferred Stock* and ASC Topic 480, *Distinguishing Liabilities from Equity*, noncontrolling interests which are associated with mandatorily redeemable instruments outside of the Company's control have been classified as other long term liabilities. The income or loss attributable to the mandatorily redeemable interests in consolidated subsidiaries adjusts the redeemable value of the redeemable instruments and is included in Other (income) expense - net.

On July 1, 2009, the Company adopted the amended guidance in ASC Topic 260, *Earnings per Share*, which addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing earnings per share (EPS) under the two-class method. It also clarifies that all outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends participate in undistributed earnings with common shareholders and are considered to be participating securities, thus requiring the issuing entity to apply the two-class method of computing basic and diluted EPS. There was no material effect on the Company's consolidated financial statements as a result of the adoption of this amended guidance.

On July 1, 2009, the Company adopted the guidance in ASC Topic 820, *Fair Value Measurements and Disclosures*, for its nonfinancial assets and liabilities that are recognized at fair value on a nonrecurring basis, including goodwill, other intangible assets, and asset retirement obligations. The Company recorded no significant new or remeasured fair values during the period for its nonfinancial assets and liabilities that are recognized on a nonrecurring basis.

On October 1, 2009, the Company adopted the amended guidance in ASC Topic 820, *Fair Value Measurements and Disclosures*. The amendment permits certain entities to use Net Asset Value (NAV) as a practical expedient to estimate the fair value of investments within its scope provided the NAV is calculated as of the Company's reporting date. The amendment also indicates how investments within its scope would be classified in the fair value hierarchy and requires enhanced disclosures about the nature and risks of investments. The disclosure requirements apply to all investments within the scope of the amendment, regardless of whether the Company elects to measure the investment using NAV as a practical expedient. The adoption of this amendment requires expanded disclosure in the notes to the Company's consolidated financial statements but does not materially impact financial results.

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

On October 1, 2009, the Company adopted the amendment to ASC Topic 820, *Fair Value Measurements and Disclosures*, which provides guidance for the fair value measurement of liabilities. It clarifies that in circumstances in which a quoted price in an active market for the identical liability is not available, fair value must be measured using specified valuation techniques. It further clarifies that both (a) a quoted price in an active market for the identical liability at the measurement date, and (b) the quoted price for the identical liability when traded as an asset in an active market (such as bonds), when no adjustments to the quoted price of the asset are required, are Level 1 fair value measurements. There is no material effect on the Company's consolidated financial statements as a result of the adoption of this amended guidance.

Effective March 31, 2010, the Company adopted the first phase of the amended guidance in ASC Topic 820, *Fair Value Measurements and Disclosures*, which requires the Company to disclose the amounts and reasons for significant transfers between Levels 1 and 2 in the fair value hierarchy as well as reasons for any transfers in or out of Level 3. The amended guidance also requires the Company to provide fair value measurement disclosures for each class of assets and liabilities and disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. The adoption of this amendment requires expanded disclosure in the notes to the Company's consolidated financial statements but does not impact financial results.

Effective June 30, 2010, the Company adopted the amended guidance in ASC Topic 715, *Compensation – Retirement Benefits*, which expands disclosure requirements and requires entities to disclose investment policies and strategies, major categories of plan assets, fair value measurements for each major category of plan assets segregated by fair value hierarchy level as defined in ASC Topic 820, the effect of fair value measurements using Level 3 inputs on changes in plan assets for the period, and significant concentrations of risk within plan assets. The adoption of this amended guidance requires expanded disclosure in the notes to the Company's consolidated financial statements but does not impact financial results.

Effective July 1, 2010, the Company will be required to adopt the amended guidance in ASC Topic 810, *Consolidations*, which will change how a reporting entity determines when an entity that is insufficiently capitalized or is not controlled through voting or similar rights (known as variable interest entities or VIEs) should be consolidated. The determination of whether a reporting entity is required to consolidate another entity is based on, among other things, the other entity's purpose and design and the reporting entity's ability to direct the activities of the other entity that most significantly impact the other entity's economic performance. This amended guidance will require a number of new disclosures including disclosures about the reporting entity's involvement with VIEs, how its involvement with VIEs affects the reporting entity's financial statements, and any significant changes in risk exposure due to that involvement. The Company does not expect a material effect on its consolidated financial statements as a result of the adoption of this amended guidance.

Effective July 1, 2011, the Company will be required to adopt the second phase of the amended guidance in ASC Topic 820, *Fair Value Measurements and Disclosures*, which requires the Company to disclose information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements on a gross basis, separately for assets and liabilities. The adoption of this amended guidance will require expanded disclosure in the notes to the Company's consolidated financial statements but will not impact financial results.

Notes to Consolidated Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Effective October 1, 2010 and January 1, 2011, the Company will be required to adopt the amended guidance in ASC Topic 310, *Receivables*, which requires more robust and disaggregated disclosures about the credit quality of an entity's financing receivables (excluding trade receivables), and its allowances for credit losses. The new disclosures will require additional information for nonaccrual and past due accounts, the allowance for credit losses, impaired loans, credit quality, and account modifications. A financing receivable is defined as a contractual right to receive money on demand or on fixed or determinable dates that is recognized as an asset in the entity's statement of financial position. The Company has not yet assessed the impact of this amended guidance on its consolidated financial statements.

Note 2. Acquisitions

The Company's 2010 acquisitions were accounted for as purchases in accordance with ASC Topic 805, *Business Combinations* as amended. The Company's 2009 and 2008 acquisitions were accounted for as purchases in accordance with Statement of Financial Accounting Standards No. 141. 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. Operating results of these acquisitions are included in the Company's financial statements from the date of acquisition and are not significant to the Company's operating results.

2010 Acquisitions

During 2010, the Company acquired two businesses for a total cost of \$62 million in cash and recorded a preliminary allocation of the purchase price related to these acquisitions. The preliminary purchase price allocations resulted in goodwill of \$3 million. The purchase price of \$62 million was allocated to current assets, property, plant and equipment, and other long-term assets for \$2 million, \$57 million, and \$3 million, respectively.

2009 Acquisitions

During 2009, the Company acquired ten businesses for a total cost of \$198 million in cash and recorded a preliminary allocation of the purchase price related to these acquisitions. The preliminary purchase price allocations resulted in goodwill of \$31 million. The purchase price of \$198 million was allocated to current assets, property, plant and equipment, other long-term assets, and liabilities for \$176 million, \$82 million, \$111 million, and \$171 million, respectively. The final valuations resulted in a \$13 million reduction in the cost of one acquisition and a corresponding decrease in the amount previously allocated to current assets. The finalization of purchase price allocations related to these acquisitions resulted in a \$7 million increase in goodwill and a corresponding decrease in other long-term assets.

2008 Acquisitions

During 2008, the Company acquired six businesses for a total cost of \$15 million, paid for with \$2 million in Company stock and \$13 million in cash. The final purchase price allocations resulted in goodwill of \$5 million. The purchase price of \$15 million was allocated to current assets, property, plant and equipment, other long-term assets, and liabilities for \$14 million, \$10 million, \$5 million, and \$14 million, respectively.

Notes to Consolidated Financial Statements (Continued)

Note 3. Fair Value Measurements

The Company determines the fair value of certain of its inventories of agricultural commodities, derivative contracts, and marketable securities based on the fair value definition and hierarchy levels established in the guidance of ASC Topic 820, *Fair Value Measurements and Disclosures*. Three levels are established within the hierarchy that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 assets and liabilities include exchange-traded derivative contracts, U.S. treasury securities and certain publicly traded equity securities.

Level 2: Observable inputs, including Level 1 prices that have been adjusted; quoted prices for similar assets or liabilities; quoted prices in markets that are less active than traded exchanges; and other inputs that are observable or can be substantially corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are a significant component of the fair value of the assets or liabilities. In evaluating the significance of fair value inputs, the Company generally classifies assets or liabilities as Level 3 when their fair value is determined using unobservable inputs that individually or when aggregated with other unobservable inputs, represent more than 10% of the fair value of the assets or liabilities. Judgment is required in evaluating both quantitative and qualitative factors in the determination of significance for purposes of fair value level classification. Level 3 amounts can include assets and liabilities whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as assets and liabilities for which the determination of fair value requires significant management judgment or estimation.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of input that is a significant component of the fair value measurement determines the placement of the entire fair value measurement in the hierarchy. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the classification of fair value assets and liabilities within the fair value hierarchy levels.

The Company's policy regarding the timing of transfers between levels, including both transfers into and transfers out of Level 3, is to measure and record the transfers at the end of the reporting period. For the period ended June 30, 2010, the Company had no transfers between Levels 1 and 2.

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 3. Fair Value Measurements (Continued)

The following tables set forth, by level, the Company's assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2010 and 2009.

	Fair Value Measurements at June 30, 2010			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In millions)			
Assets:				
Inventories carried at market	\$ —	\$ 3,774	\$ 458	\$ 4,232
Unrealized derivative gains				
Commodity contracts	777	1,883	69	2,729
Foreign exchange contracts	162	38	—	200
Marketable securities	1,067	543	—	1,610
Total Assets	\$ 2,006	\$ 6,238	\$ 527	\$ 8,771
Liabilities:				
Unrealized derivative losses				
Commodity contracts	\$ 937	\$ 2,161	\$ 56	\$ 3,154
Foreign exchange contracts	184	82	—	266
Interest rate contracts	—	26	—	26
Inventory-related payables	—	207	31	238
Total Liabilities	\$ 1,121	\$ 2,476	\$ 87	\$ 3,684

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 3. Fair Value Measurements (Continued)

Fair Value Measurements at June 30, 2009				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(In millions)				
Assets:				
Inventories carried at market	\$ —	\$ 4,081	\$ 488	\$ 4,569
Unrealized derivative gains				
Commodity contracts	742	962	82	1,786
Foreign exchange contracts	—	46	—	46
Interest rate contracts	—	10	—	10
Marketable securities	921	606	—	1,527
Total Assets	\$ 1,663	\$ 5,705	\$ 570	\$ 7,938
Liabilities:				
Unrealized derivative losses				
Commodity contracts	\$ 972	\$ 1,084	\$ 84	\$ 2,140
Foreign exchange contracts	—	40	—	40
Inventory-related payables	—	245	20	265
Total Liabilities	\$ 972	\$ 1,369	\$ 104	\$ 2,445

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 3. Fair Value Measurements (Continued)

The Company uses the market approach valuation technique to measure the majority of its assets and liabilities carried at fair value. Estimated fair values for inventories carried at market are based on exchange-quoted prices, adjusted for differences in local markets, broker or dealer quotations, or market transactions in either listed or over-the-counter (OTC) markets. In such cases, the inventory is classified in Level 2. Certain inventories may require management judgment or estimation for a significant component of the fair value amount. In such cases, the inventory is classified in Level 3. Changes in the fair value of inventories are recognized in the consolidated statements of earnings as a component of cost of products sold.

The Company's derivative contracts that are measured at fair value include forward commodity purchase and sale contracts, exchange-traded commodity futures and option contracts, and OTC instruments related primarily to agricultural commodities, ocean freight, energy, interest rates, and foreign currencies. Exchange-traded futures and options contracts are valued based on unadjusted quoted prices in active markets and are classified in Level 1. The majority of the Company's exchange-traded futures and options contracts are cash settled on a daily basis and, therefore, are not included in this table. Fair value for forward commodity purchase and sale contracts is estimated based on exchange-quoted prices adjusted for differences in local markets. These differences are generally determined using inputs from broker or dealer quotations or market transactions in either the listed or OTC markets. When observable inputs are available for substantially the full term of a contract, it is classified in Level 2. When unobservable inputs have a significant impact on the measurement of fair value, the contract is classified in Level 3. Based on historical experience with the Company's suppliers and customers, the Company's own credit risk and knowledge of current market conditions, the Company does not view nonperformance risk to be a significant input to fair value for the majority of its forward commodity purchase and sale contracts. However, in certain cases, if the Company believes the nonperformance risk to be a significant input, the Company records estimated fair value adjustments, and classifies the contract in Level 3. Except for certain derivatives designated as cash flow hedges, changes in the fair value of commodity-related derivatives are recognized in the consolidated statements of earnings as a component of cost of products sold. Changes in the fair value of foreign currency-related derivatives are recognized in the consolidated statements of earnings as a component of net sales and other operating income, cost of products sold, and other (income) expense-net. The effective portions of changes in the fair value of derivatives designated as cash flow hedges are recognized in the consolidated balance sheets as a component of accumulated other comprehensive income until the hedged items are recorded in earnings or the hedged transaction is no longer probable to occur.

The Company's marketable securities are comprised of U.S. Treasury securities, obligations of U.S. government agencies, corporate and municipal debt securities, and equity investments. U.S. Treasury securities and certain publicly traded equity investments are valued using quoted market prices and are classified in Level 1. U.S. government agency obligations, corporate and municipal debt securities and certain equity investments are valued using third-party pricing services and substantially all are classified in Level 2. Security values that are determined using pricing models are classified in Level 3. Unrealized changes in the fair value of available-for-sale marketable securities are recognized in the consolidated balance sheets as a component of accumulated other comprehensive income (loss) unless a decline in value is deemed to be other-than-temporary at which point the decline is recorded in earnings.

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 3. Fair Value Measurements (Continued)

The following tables present a reconciliation of all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the twelve months ended June 30, 2010 and 2009.

Level 3 Fair Value Measurements at June 30, 2010			
	Inventories Carried at Market, Net	Commodity Derivative Contracts, Net	Total
(In millions)			
Balance, June 30, 2009	\$ 468	\$ (2)	\$ 466
Total gains (losses), realized or unrealized, included in earnings before income taxes*	7	30	37
Purchases, issuances and settlements	(29)	(26)	(55)
Transfers in and/or out of Level 3	(19)	11	(8)
Ending balance, June 30, 2010	<u>\$ 427</u>	<u>\$ 13</u>	<u>\$ 440</u>

* Includes gains of \$6 million that are attributable to the change in unrealized gains or losses relating to Level 3 assets and liabilities still held at June 30, 2010.

Level 3 Fair Value Measurements at June 30, 2009				
	Inventories Carried at Market, Net	Derivative Contracts, Net	Marketable Securities	Total
(In millions)				
Balance, June 30, 2008	\$ 343	\$ (6)	\$ 10	\$ 347
Total gains (losses), realized or unrealized, included in earnings before income taxes*	(278)	(74)	(1)	(353)
Purchases, issuances and settlements	225	(74)	17	168
Transfers in and/or out of Level 3	178	152	(26)	304
Ending balance, June 30, 2009	<u>\$ 468</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ 466</u>

*Includes unrealized losses of \$35 million attributable to the change in Level 3 derivative assets still held at June 30, 2009 and unrealized losses of \$76 million attributable to the change in Level 3 inventories carried at market still held at June 30, 2009.

Transfers into Level 3 previously classified in Level 2 were due to the relative value of unobservable inputs to the total fair value measurement on certain derivative contracts rising above the 10% threshold. Transfers out of Level 3 were primarily due to the relative value of unobservable inputs to the total fair value measurement on certain products falling below the 10% threshold and thus permitting reclassification to Level 2.

Notes to Consolidated Financial Statements (Continued)

Note 4. Inventories, Derivative Instruments & Hedging Activities

The Company values certain inventories using the lower of cost, determined by either the LIFO or FIFO method, or market. Inventories of certain merchandisable agricultural commodities, which include inventories acquired under deferred pricing contracts, are stated at market value.

	2010	2009
	(In millions)	
LIFO inventories		
FIFO value	\$ 646	\$ 745
LIFO valuation reserve	(225)	(267)
LIFO inventories carrying value	421	478
FIFO inventories	2,958	2,735
Market inventories	4,232	4,569
	<u>\$ 7,611</u>	<u>\$ 7,782</u>

The Company recognizes all of its derivative instruments as either assets or liabilities at fair value in its consolidated balance sheet. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. The majority of the Company's derivatives have not been designated as hedging instruments. For those derivative instruments that are designated and qualify as hedging instruments, a reporting entity must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, a cash flow hedge, or a hedge of a net investment in a foreign operation. The Company has certain derivatives designated as cash flow hedges. Within Note 4 tables, zeros represent minimal amounts.

Derivatives Not Designated as Hedging Instruments

The Company generally follows a policy of using exchange-traded futures and exchange-traded and OTC options contracts to minimize its net position of merchandisable agricultural commodity inventories and forward cash purchase and sales contracts to reduce price risk caused by market fluctuations in agricultural commodities and foreign currencies. The Company also uses exchange-traded futures and exchange-traded and OTC 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 contract defaults, and volatility of freight markets. Exchange-traded futures and exchange-traded and OTC options contracts, and forward cash purchase and sales contracts of certain merchandisable agricultural commodities accounted for as derivatives by the Company are stated at fair value. Inventories of certain merchandisable agricultural commodities, which include amounts acquired under deferred pricing contracts, are stated at market value. Inventory is not a derivative and therefore is not included in the tables below. Changes in the market value of inventories of certain merchandisable agricultural commodities, forward cash purchase and sales contracts, and exchange-traded futures and exchange-traded and OTC options contracts are recognized in earnings immediately. Unrealized gains and unrealized losses on forward cash purchase contracts, forward foreign currency exchange (FX) contracts, forward cash sales contracts, and exchange-traded and OTC options contracts represent the fair value of such instruments and are classified on the Company's consolidated balance sheet as receivables and accrued expenses, respectively.

At March 31, 2010, the Company de-designated and discontinued hedge accounting treatment for certain interest rate swaps. At the date of de-designation of these hedges, \$21 million of after-tax gains was deferred in accumulated other comprehensive income (AOCI). These gains will remain in AOCI until the hedged transactions occur or it is probable the hedged transaction will not occur. During the fourth quarter of 2010, the Company recognized \$59 million of before-tax losses in earnings from these interest rate swaps.

Notes to Consolidated Financial Statements (Continued)

Note 4. Inventories, Derivative Instruments & Hedging Activities (Continued)

The following table sets forth the fair value of derivatives not designated as hedging instruments as of June 30, 2010 and 2009.

	2010		2009	
	Assets	Liabilities	Assets	Liabilities
	(In millions)		(In millions)	
FX Contracts	\$ 200	\$ 266	\$ 46	\$ 39
Interest Contracts	–	26	–	–
Commodity Contracts	2,727	3,152	1,781	2,139
Total	<u>\$ 2,927</u>	<u>\$ 3,444</u>	<u>\$ 1,827</u>	<u>\$ 2,178</u>

The following table sets forth the pre-tax gains (losses) on derivatives not designated as hedging instruments that have been included in the consolidated statement of earnings for the indicated time periods. The amended disclosure requirements of ASC Topic 815 were first implemented for the period ended March 31, 2009. As a result, comparative year-to-date information is not available for fiscal year 2009.

	Twelve months ended June 30, 2010
	(In millions)
Interest Contracts	
Other income (expense) – net	\$ (57)
FX Contracts	
Net sales and other operating income	\$ 0
Cost of products sold	61
Other income (expense) - net	(42)
Commodity Contracts	
Cost of products sold	\$ 242
Total gain (loss) recognized in earnings	<u>\$ 204</u>

Derivatives Designated as Cash Flow Hedging Strategies

For derivative instruments that are designated and qualify as cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income (OCI) and reclassified into earnings in the same line item affected by the hedged transaction and in the same period or periods during which the hedged transaction affects earnings. The remaining gain or loss on the derivative instrument that is in excess of the cumulative change in the cash flows of the hedged item, if any (i.e., the ineffective portion), hedge components excluded from the assessment of effectiveness, and gains and losses related to discontinued hedges are recognized in the consolidated statement of earnings during the current period.

Notes to Consolidated Financial Statements (Continued)

Note 4. Inventories, Derivative Instruments & Hedging Activities (Continued)

For each of the commodity hedge programs described below, the 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. Once the hedged item is recognized in earnings, the gains/losses arising from the hedge will be reclassified from AOCI to either net sales and other operating income, or cost of products sold. As of June 30, 2010, the Company has \$5 million of after-tax gains in AOCI related to gains and losses from commodity cash flow hedge transactions. The Company expects to recognize all of these after-tax gains in the statement of earnings during the next 12 months.

The Company, from time to time, uses futures or options contracts to fix the purchase price of anticipated volumes of corn to be purchased and processed in a future month. The objective of this hedging program is to reduce the variability of cash flows associated with the Company's forecasted purchases of corn. The Company's corn processing plants currently grind approximately 75 million bushels of corn per month. During the past 12 months, the Company hedged between 21% and 100% of its monthly anticipated grind. At June 30, 2010, the Company has hedged portions of its anticipated monthly purchases of corn over the next 8 months, ranging from 1% to 13% of its anticipated monthly grind.

The Company, from time to time, also uses futures, options, and swaps to fix the purchase price of the Company's anticipated natural gas requirements for certain production facilities. The objective of this hedging program is to reduce the variability of cash flows associated with the Company's forecasted purchases of natural gas. These production facilities use approximately 3.5 million MMBtus of natural gas per month. During the past 12 months, the Company hedged between 47% and 77% of the quantity of its anticipated monthly natural gas purchases. At June 30, 2010, the Company has hedged portions of its anticipated monthly purchases of natural gas over the next 12 months, ranging from 37% to 58% of its anticipated monthly natural gas purchases.

To protect against fluctuations in cash flows due to foreign currency exchange rates, the Company from time to time will use forward foreign exchange contracts as cash flow hedges. Certain production facilities have manufacturing expenses and some sales contracts denominated in non-functional currency. To reduce the risk of fluctuations in cash flows due to changes in the exchange rate between functional versus non-functional currency, the Company will hedge some portion of the forecasted foreign currency expenditures and/or receipts. The fair value of foreign exchange contracts designated as cash flow hedging instruments as of June 30, 2010 was immaterial.

The Company is using treasury lock agreements and interest rate swaps in order to lock in the Company's interest rate prior to the issuance or remarketing of debentures. Both the treasury-lock agreements and interest rate swaps were designated as cash flow hedges of the risk of changes in the future interest payments attributable to changes in the benchmark interest rate. The objective of the treasury-lock agreements and interest rate swaps was to protect the Company from changes in the benchmark rate from the date the Company decided to issue the debt to the date when the debt will actually be issued. At June 30, 2010, AOCI included \$25 million of after-tax gains related to treasury-lock agreements and interest rate swaps. The Company will recognize the \$25 million of gains in its consolidated statement of earnings over the terms of the hedged items or when it is probable the hedged transactions will not occur.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 4. Inventories, Derivative Instruments & Hedging Activities (Continued)

The following table sets forth the fair value of derivatives designated as hedging instruments as of June 30, 2010 and 2009.

	2010		2009	
	Assets	Liabilities	Assets	Liabilities
	(In millions)		(In millions)	
Interest Contracts	\$ 0	\$ 0	\$ 10	\$ 0
Commodity Contracts	2	2	5	2
Total	\$ 2	\$ 2	\$ 15	\$ 2

The following table sets forth the pre-tax gains (losses) on derivatives designated as hedging instruments that have been included in the consolidated statement of earnings for the indicated periods. The amended disclosure requirements of ASC Topic 815 were first implemented for the quarter ended March 31, 2009. As a result, comparative year-to-date information is not available for fiscal year 2009.

	Consolidated Statement of Earnings Location	Twelve months ended June 30, 2010
		(In millions)
FX Contracts		
Effective amount recognized in earnings	Other (income) expense – net	\$ (1)
Interest Contracts		
Effective amount recognized in earnings	Other (income) expense – net	0
Commodity Contracts		
Effective amount recognized in earnings	Cost of products sold	(85)
	Net sales and other operating income	0
Ineffective amount recognized in earnings	Cost of products sold	(55)
Total amount recognized in earnings		\$ (141)

Notes to Consolidated Financial Statements (Continued)

Note 5. Marketable Securities and Cash Equivalents

	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
	(In millions)			
2010				
United States government obligations				
Maturity less than 1 year	\$ 395	\$ —	\$ —	\$ 395
Maturity 1 to 5 years	33	1	—	34
Government-sponsored enterprise obligations				
Maturity less than 1 year	111	3	—	114
Maturity 1 to 5 years	122	4	—	126
Maturity 5 to 10 years	232	9	—	241
Corporate debt securities				
Maturity less than 1 year	10	—	—	10
Maturity 1 to 5 years	46	2	—	48
Other debt securities				
Maturity less than 1 year	659	—	—	659
Maturity 5 to 10 years	2	—	—	2
Maturity greater than 10 years	6	—	—	6
Equity securities				
Available-for-sale	54	48	(15)	87
Trading	20	—	—	20
	<u>\$ 1,690</u>	<u>\$ 67</u>	<u>\$ (15)</u>	<u>\$ 1,742</u>
	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
	(In millions)			
2009				
United States government obligations				
Maturity less than 1 year	\$ 645	\$ —	\$ —	\$ 645
Maturity 1 to 5 years	29	1	—	30
Government-sponsored enterprise obligations				
Maturity less than 1 year	8	—	—	8
Maturity 1 to 5 years	59	2	—	61
Maturity 5 to 10 years	104	1	(1)	104
Maturity greater than 10 years	268	6	—	274
Corporate debt securities				
Maturity less than 1 year	10	—	—	10
Maturity 1 to 5 years	37	1	—	38
Other debt securities				
Maturity less than 1 year	463	—	—	463
Maturity 5 to 10 years	6	—	—	6
Maturity greater than 10 years	16	—	(3)	13
Equity securities				
Available-for-sale	69	33	(29)	73
Trading	19	—	—	19
	<u>\$ 1,733</u>	<u>\$ 44</u>	<u>\$ (33)</u>	<u>\$ 1,744</u>

Notes to Consolidated Financial Statements (Continued)

Note 5. Marketable Securities and Cash Equivalents (Continued)

None of the \$15 million in unrealized losses at June 30, 2010 arose within the last 12 months. The market value of the investments that have been in an unrealized loss position for 12 months and longer is \$15 million. The \$15 million in unrealized losses is associated with available-for-sale equity securities related to the Company's investment in one security. In June 2010, the Company recorded a \$15 million other-than-temporary impairment related to an investment in an available-for-sale equity security, based on the Company's assessment of underlying market conditions. The Company does not intend to sell its impaired equity security, and, based upon its evaluation, the Company does not believe it is likely that the Company will be required to sell the investment before recovery of its amortized cost basis.

Note 6. Investments in and Advances to Affiliates

The Company applies the equity method for investments in investees over which the Company has the ability to exercise significant influence, including the Company's 16.4% share ownership in its equity investment in Wilmar. The Company had 73 and 72 unconsolidated affiliates as of June 30, 2010 and 2009, respectively, located in North and South America, Africa, Europe, and Asia. The following table summarizes the combined balance sheets as of June 30, 2010 and 2009, and the combined statements of earnings of the Company's unconsolidated affiliates for each of the three years ended June 30, 2010, 2009, and 2008.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
		(In millions)	
Current assets	\$ 18,495	\$ 12,766	
Non-current assets	16,315	19,403	
Current liabilities	(12,967)	(8,646)	
Non-current liabilities	(4,209)	(3,751)	
Minority interests	(783)	(681)	
Net assets	<u>\$ 16,851</u>	<u>\$ 19,091</u>	
Net sales	\$ 39,524	\$ 41,205	\$ 37,542
Gross profit	5,225	5,682	4,575
Net income	2,931	816	2,503

Undistributed earnings of the Company's unconsolidated affiliates as of June 30, 2010, are \$1.2 billion. The Company has direct investments in two foreign equity method investees who have a carrying value of \$1.5 billion as of June 30, 2010, and a market value of \$3.3 billion based on active market quoted prices converted to U.S. dollars at applicable exchange rates at August 20, 2010.

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 6. Investments in and Advances to Affiliates (Continued)

The Company provides credit facilities totaling \$336 million to nine unconsolidated affiliates. One facility matures December 31, 2011 and bears interest at the one month LIBOR rate. This facility has an outstanding balance of \$110 million as of June 30, 2010 that is included in other non-current assets in the accompanying consolidated balance sheet. Two facilities have no outstanding balance while the other six credit facilities have outstanding balances of \$17 million as of June 30, 2010, that are included in receivables in the accompanying consolidated balance sheet.

Note 7. Goodwill

The Company accounts for its goodwill and other intangible assets in accordance with ASC Topic 350, *Intangibles - Goodwill and Other*. Under this standard, goodwill and intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. The Company recorded a \$6 million goodwill impairment charge during 2009. There were no goodwill impairment charges recorded during 2010 and 2008. The changes in goodwill during 2010 are related to acquisitions and foreign currency translation adjustments. The carrying value of the Company's other intangible assets is not material.

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

	2010			2009		
	Consolidated Businesses	Investments in Affiliates	Total	Consolidated Businesses	Investments In Affiliates	Total
	(In millions)			(In millions)		
Oilseeds Processing	\$ 8	\$ 187	\$ 195	\$ 9	\$ 186	\$ 195
Corn Processing	85	7	92	77	7	84
Agricultural Services	46	1	47	44	1	45
Other	123	66	189	126	82	208
Total	\$ 262	\$ 261	\$ 523	\$ 256	\$ 276	\$ 532

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 8. Debt and Financing Arrangements

	2010	2009
	(In millions)	
4.70% Debentures \$1.75 billion face amount, due in 2041	\$ 1,750	\$ 1,750
0.875% Convertible Senior Notes \$1.15 billion face amount, due in 2014	982	942
5.45% Notes \$700 million face amount, due in 2018	700	700
5.375% Debentures \$600 million face amount, due in 2035	587	586
5.935% Debentures \$500 million face amount, due in 2032	495	494
6.625% Debentures \$298 million face amount, due in 2029	296	296
8.375% Debentures \$295 million face amount, due in 2017	292	292
7.5% Debentures \$282 million face amount, due in 2027 ⁽¹⁾	281	341
6.95% Debentures \$250 million face amount, due in 2097	246	246
7.0% Debentures \$246 million face amount, due in 2031 ⁽²⁾	244	398
7.125% Debentures \$243 million face amount, due in 2013	243	243
6.45% Debentures \$215 million face amount, due in 2038 ⁽³⁾	215	498
6.75% Debentures \$200 million face amount, due in 2027	197	197
5.87% Debentures \$196 million face amount, due in 2010	191	177
8.125% Debentures \$103 million face amount, due in 2012	103	103
8.875% Debentures \$102 million face amount, due in 2011	102	102
Other	250	275
Total long-term debt including current maturities	7,174	7,640
Current maturities	(344)	(48)
Total long-term debt	\$ 6,830	\$ 7,592

⁽¹⁾ \$343 million face amount in 2009

⁽²⁾ \$400 million face amount in 2009

⁽³⁾ \$500 million face amount in 2009

Notes to Consolidated Financial Statements (Continued)

Note 8. Debt and Financing Arrangements (Continued)

In fiscal year 2008, the Company issued \$3.10 billion of additional long-term debt, including \$500 million of debentures issued in December 2007, \$700 million of notes issued in March 2008, and \$1.75 billion of debentures issued in June 2008 (the Debentures).

In connection with the issuance of the Debentures in June 2008, the Company issued \$1.75 billion of Equity Units. Equity Units are a combination of debt and forward purchase contract for the holder to purchase the Company's common stock. The debt and equity instruments are deemed to be separate instruments as the investor may transfer or settle the equity instrument separately from the debt instrument.

The forward purchase contract will obligate the buyer to purchase from the Company, no later than June 1, 2011, for a price of \$50 in cash, the following number of shares of the Company's common stock, subject to anti-dilution adjustments:

- if the "Applicable Market Value" (AMV) of the Company's common stock, which is the average closing price of the Company's common stock over the 20-trading day period ending on the third trading day prior to June 1, 2011, equals or exceeds \$47.83, 1.0453 shares of the Company's common stock;
- if the AMV is less than \$47.83, but greater than \$39.86, a number of shares of the Company's common stock having a value, based on the AMV, equal to \$50; and
- if the AMV is less than or equal to \$39.86, 1.2544 shares of the Company's common stock.

The Debentures bear interest at a rate of 4.70% per year, payable quarterly and are due June 1, 2041. The Debentures will be remarketed in 2011. If this remarketing is successful, the interest rate on the Debentures will be reset, and thereafter interest will be payable semi-annually at the reset rate. In addition, following a successful remarketing, the Company may modify certain terms of the Debentures including adjusting the frequency of interest payments, adjusting the ranking of the Debentures or changing the stated maturity. If there has been no successful remarketing, the interest rate on the Debentures will not be reset, and the holder of each Equity Unit will have the right to put its interest in the Debentures to the Company on June 1, 2011 at a put price equal to 100% of its principal amount plus accrued and unpaid interest. The proceeds of the put right will be deemed to have been applied against the holder's obligations under the forward purchase contracts.

The Company will also pay the Equity Unit holder quarterly contract adjustment payments at a rate of 1.55% per year of the stated amount of \$50 per Equity Unit, or \$0.775 per year. The present value of the future contract adjustment payments of \$75 million, which is being paid over the three years from the date of issuance, was recorded as a reduction to shareholders' equity. The Company also recorded a \$35 million decrease in shareholders' equity for issuance costs related to the equity portion of the Equity Units. The remaining issuance costs have been allocated to the debt and will be recognized in earnings over the life of the debt.

The forward purchase contracts issued in connection with the issuance of the debentures in June 2008, will be settled for the Company's common stock on June 1, 2011. Until settlement of the forward purchase contract, the shares of stock underlying each forward purchase contract are not outstanding. The forward purchase contracts will only be included in the computation of diluted earnings per share to the extent they are dilutive. As of June 30, 2010, 2009 and 2008, the forward purchase contracts were not considered dilutive and therefore not included in the computation of diluted earnings per share. Basic earnings per share will not be affected until the forward purchase contracts are settled and the holders thereof become stockholders.

Notes to Consolidated Financial Statements (Continued)

Note 8. Debt and Financing Arrangements (Continued)

In February 2007, the Company issued \$1.15 billion principal amount of convertible senior notes due in 2014 (the Notes) in a private placement. The Notes were issued at par and bear interest at a rate of 0.875% per year, payable semiannually. The Notes are convertible based on a conversion rate of 22.8423 shares per \$1,000 principal amount of Notes (which is equal to a conversion price of approximately \$43.78 per share). The Notes may be converted, subject to adjustment, only under the following circumstances: 1) during any calendar quarter beginning after March 31, 2007, if the closing price of the Company's common stock for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the immediately preceding quarter is more than 140% of the applicable conversion price per share, which is \$1,000 divided by the then applicable conversion rate, 2) during the five consecutive business day period immediately after any five consecutive trading day period (the note measurement period) in which the average of the trading price per \$1,000 principal amount of Notes was equal to or less than 98% of the average of the product of the closing price of the Company's common stock and the conversion rate at each date during the note measurement period, 3) if the Company makes specified distributions to its common stockholders or specified corporate transactions occur, or 4) at any time on or after January 15, 2014, through the business day preceding the maturity date. Upon conversion, a holder would receive an amount in cash equal to the lesser of 1) \$1,000 and 2) the conversion value, as defined. If the conversion value exceeds \$1,000, the Company will deliver, at the Company's election, cash or common stock or a combination of cash and common stock for the conversion value in excess of \$1,000. If the Notes are converted in connection with a change in control, as defined, the Company may be required to provide a make-whole premium in the form of an increase in the conversion rate, subject to a stated maximum amount. In addition, in the event of a change in control, the holders may require the Company to purchase all or a portion of their Notes at a purchase price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest, if any. In accordance with ASC Topic 470-20, the Company recognized the Notes proceeds received in 2007 as long-term debt of \$853 million and equity of \$297 million. The discount is being amortized over the life of the Notes using the effective interest method. Discount amortization expense of \$40 million, \$39 million, and \$37 million for 2010, 2009, and 2008, respectively, were included in interest expense related to the Notes.

Concurrent with the issuance of the Notes, the Company purchased call options in private transactions at a cost of \$300 million. The purchased call options allow the Company to receive shares of its common stock and/or cash from the counterparties equal to the amounts of common stock and/or cash related to the excess of the current market price of the Company's common stock over the exercise price of the purchased call options. In addition, the Company sold warrants in private transactions to acquire, subject to customary anti-dilution adjustments, 26.3 million shares of its common stock at an exercise price of \$62.56 per share and received proceeds of \$170 million. If the average price of the Company's common stock during a defined period ending on or about the respective settlement dates exceeds the exercise price of the warrants, the warrants will be settled, at the Company's option, in cash or shares of common stock. The purchased call options and warrants are intended to reduce the potential dilution upon future conversions of the Notes by effectively increasing the initial conversion price to \$62.56 per share. The net cost of the purchased call options and warrant transactions of \$130 million was recorded as a reduction of shareholders' equity.

Upon closing of the sale of the Notes, \$370 million of the net proceeds from the Note issuance and the proceeds from the warrant transactions were used to repurchase 10.3 million shares of the Company's common stock under the Company's stock repurchase program.

As of June 30, 2010, none of the conditions permitting conversion of the Notes had been satisfied. In addition, as of June 30, 2010, the market price of the Company's common stock was not greater than the exercise price of the purchased call options or warrants. As of June 30, 2010, no share amounts related to the conversion of the Notes or exercise of the warrants are included in diluted average shares outstanding.

Notes to Consolidated Financial Statements (Continued)

Note 8. Debt and Financing Arrangements (Continued)

In March 2010, the Company repurchased an aggregate principal amount of \$500 million of its outstanding debentures in accordance with its announced tender offers, resulting in charges on early extinguishment of debt of \$75 million, which consisted of \$71 million in premium and other related expenses and \$4 million in write-off of debt issuance costs.

At June 30, 2010, the fair value of the Company's long-term debt exceeded the carrying value by \$870 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, 2010, are \$344 million, \$156 million, \$272 million, \$1.05 billion, and \$25 million, respectively.

At June 30, 2010, the Company had pledged certain property, plant, and equipment with a carrying value of \$344 million as security for certain long-term debt obligations.

At June 30, 2010, the Company had lines of credit totaling \$6.0 billion, of which \$5.7 billion were unused. The weighted average interest rates on short-term borrowings outstanding at June 30, 2010 and 2009, were 2.29% and 2.86%, respectively. Of the Company's total lines of credit, \$4.2 billion support a commercial paper borrowing facility, against which there were no borrowings at June 30, 2010.

The Company has outstanding standby letters of credit and surety bonds at June 30, 2010 and 2009, totaling \$459 million and \$398 million, respectively.

Note 9. Shareholders' Equity

The Company has authorized one billion shares of common stock and 500,000 shares of preferred stock, each without par value. No preferred stock has been issued. At June 30, 2010 and 2009, the Company had approximately 32.6 million and 30.0 million shares, respectively, in treasury. Treasury stock of \$838 million at June 30, 2010, and \$765 million at June 30, 2009, is recorded at cost as a reduction of common stock.

The Company's employee stock compensation plans provide for the granting of options to employees to purchase common stock of the Company pursuant to the Company's 1999 Incentive Compensation Plan, 2002 Incentive Compensation Plan and 2009 Incentive Compensation Plan. These options are issued at market value on the date of grant, vest incrementally over five to nine years, and expire ten years after the date of grant.

The Company's 1999, 2002 and 2009 Incentive Compensation Plans provide for the granting of restricted stock and restricted stock units (Restricted Stock Awards) at no cost to certain officers and key employees. In addition, the Company's 2002 and 2009 Incentive Compensation Plans also provide for the granting of performance stock units (PSUs) at no cost to certain officers and key employees. Restricted Stock awards are made in common stock or stock units with equivalent rights and vest at the end of a three-year restriction period. The awards for PSUs are made in common stock and vest at the end of a three-year vesting period subject to the attainment of certain future performance criteria. During 2010, 2009, and 2008, 1.0 million, 1.1 million, and 1.3 million common stock or stock units, respectively, were granted as Restricted Stock Awards and PSUs. At June 30, 2010, there were 30.9 million shares available for future grants pursuant to the 2009 plan.

Notes to Consolidated Financial Statements (Continued)

Note 9. Shareholders' Equity (Continued)

Compensation expense for option grants, Restricted Stock Awards and PSUs granted to employees is generally recognized on a straight-line basis during the service period of the respective grant. Certain of the Company's option grants, Restricted Stock Awards and PSUs continue to vest upon the recipient's retirement from the Company and compensation expense related to option grants and Restricted Stock Awards granted to retirement-eligible employees is recognized in earnings on the date of grant. Total compensation expense for option grants, Restricted Stock Awards and PSUs recognized during 2010, 2009, and 2008 was \$45 million, \$65 million, and \$70 million, respectively.

The fair value of each option grant is estimated as of the date of grant using the Black-Scholes single option pricing model. The volatility assumption used in the Black-Scholes single option pricing model is based on the historical volatility of the Company's stock. The volatility of the Company's stock was calculated based upon the monthly closing price of the Company's stock for the period immediately prior to the date of grant corresponding to the average expected life of the grant. The average expected life represents the period of time that option grants are expected to be outstanding. The risk-free rate is based on the rate of U.S. Treasury zero-coupon issues with a remaining term equal to the expected life of option grants. The assumptions used in the Black-Scholes single option pricing model are as follows.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Dividend yield	2%	2%	1%
Risk-free interest rate	2%	3%	5%
Stock volatility	32%	30%	30%
Average expected life (years)	8	8	8

A summary of option activity during 2010 is presented below:

	<u>Shares</u>	<u>Weighted-Average Exercise Price</u>
	(In thousands, except per share amounts)	
Shares under option at June 30, 2009	10,709	\$ 26.05
Granted	1,628	28.69
Exercised	(845)	16.90
Forfeited or expired	(232)	25.83
Shares under option at June 30, 2010	<u>11,260</u>	\$ 27.12
Exercisable at June 30, 2010	4,735	\$ 25.44

The weighted-average remaining contractual term of options outstanding and exercisable at June 30, 2010, is 7 years and 6 years, respectively. The aggregate intrinsic value of options outstanding and exercisable at June 30, 2010, is \$25 million and \$40 million, respectively. The weighted-average grant-date fair values of options granted during 2010, 2009, and 2008, were \$8.50, \$7.81, and \$12.60 respectively. The total intrinsic values of options exercised during 2010, 2009, and 2008, were \$11 million, \$17 million, and \$34 million, respectively. Cash proceeds received from options exercised during 2010, 2009, and 2008, were \$11 million, \$11 million, and \$20 million, respectively.

At June 30, 2010, there was \$24 million of total unrecognized compensation expense related to option grants. Amounts to be recognized as compensation expense during the next five fiscal years are \$11 million, \$7 million, \$4 million, \$1 million, and \$1 million, respectively.

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 9. Shareholders' Equity (Continued)

The fair value of Restricted Stock Awards is determined based on the market value of the Company's shares on the grant date. The fair value of PSUs is estimated at the date of grant using a lattice valuation model. The weighted-average grant-date fair values of awards granted during 2010 and 2009, were \$26.55 and \$26.03, respectively.

A summary of Restricted Stock Awards and PSUs activity during 2010 is presented below:

	Restricted Stock Awards and PSUs	Weighted Average Grant-Date Fair Value
(In thousands, except per share amounts)		
Non-vested at June 30, 2009	3,413	\$ 33.81
Granted	948	26.55
Vested	(1,028)	41.54
Forfeited	(65)	29.06
Non-vested at June 30, 2010	3,268	\$ 29.36

At June 30, 2010 there was \$16 million of total unrecognized compensation expense related to Restricted Stock Awards and PSUs. Amounts to be recognized as compensation expense during the next three fiscal years are \$10 million, \$5 million, and \$1 million, respectively. At the vesting date, the total fair value of Restricted Stock Awards vested during 2010 was \$30 million.

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 10. Accumulated Other Comprehensive Income (Loss)

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

	<u>Foreign Currency Translation Adjustment</u>	<u>Deferred Gain (Loss) on Hedging Activities</u>	<u>Pension Liability Adjustment</u> (In millions)	<u>Unrealized Gain (Loss) On Investments</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>
Balance at June 30, 2007	\$ 402	\$ (6)	\$ (261)	\$ 46	\$ 181
Unrealized gains (losses)	624	126	121	(4)	867
(Gains) losses reclassified to earnings	–	13	23	(38)	(2)
Tax effect	–	(43)	(62)	16	(89)
Net of tax amount	<u>624</u>	<u>96</u>	<u>82</u>	<u>(26)</u>	<u>776</u>
Balance at June 30, 2008	1,026	90	(179)	20	957
Unrealized gains (losses)	(819)	(24)	(591)	(26)	(1,460)
(Gains) losses reclassified to earnings	–	(126)	8	6	(112)
Tax effect	–	47	206	7	260
Net of tax amount	<u>(819)</u>	<u>(103)</u>	<u>(377)</u>	<u>(13)</u>	<u>(1,312)</u>
Balance at June 30, 2009	207	(13)	(556)	7	(355)
Unrealized gains (losses)	(557)	46	(123)	37	(597)
(Gains) losses reclassified to earnings	–	24	41	6	71
Tax effect	–	(27)	25	(16)	(18)
Net of tax amount	<u>(557)</u>	<u>43</u>	<u>(57)</u>	<u>27</u>	<u>(544)</u>
Balance at June 30, 2010	<u>\$ (350)</u>	<u>\$ 30</u>	<u>\$ (613)</u>	<u>\$ 34</u>	<u>\$ (899)</u>

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 11. Other (Income) Expense – Net

	2010	2009	2008
	(In millions)		
Interest expense	\$ 422	\$ 469	\$ 513
Investment income	(126)	(181)	(269)
Loss on extinguishment of debt	75	–	–
Unrealized losses on interest rate swaps	59	–	–
Net (gain) loss on marketable securities transactions	6	6	(38)
Net (gain) loss on sale of unconsolidated affiliates	(15)	11	(9)
Net gain on sales of businesses	–	(24)	(8)
Equity in earnings of unconsolidated affiliates	(561)	(145)	(415)
Other – net	–	41	55
	\$ (140)	\$ 177	\$ (171)

Interest expense is net of interest capitalized of \$75 million, \$95 million, and \$52 million in 2010, 2009, and 2008, respectively. The Company made interest payments of \$453 million, \$522 million, and \$485 million in 2010, 2009, and 2008, respectively. Realized gains on sales of available-for-sale marketable securities totaled \$12 million, \$17 million, and \$39 million in 2010, 2009, and 2008, respectively. Annual realized losses on sales of available-for-sale marketable securities were \$3 million in 2010, \$1 million in 2009, and \$1 million in 2008. Impairment losses on securities totaled \$15 million and \$22 million in 2010 and 2009, respectively.

Note 12. Income Taxes

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

	2010	2009	2008
	(In millions)		
United States	\$ 1,453	\$ 1,332	\$ 1,409
Foreign	1,132	1,168	1,185
	\$ 2,585	\$ 2,500	\$ 2,594

Significant components of income taxes are as follows:

	2010	2009	2008
	(In millions)		
Current			
Federal	\$ 422	\$ 626	\$ 540
State	18	28	46
Foreign	195	139	363
Deferred			
Federal	107	(4)	(63)
State	(4)	10	11
Foreign	(72)	13	(89)
	\$ 666	\$ 812	\$ 808

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 12. Income Taxes (Continued)

Significant components of deferred tax liabilities and assets are as follows.

	2010	2009
	(In millions)	
Deferred tax liabilities		
Property, plant, and equipment	\$ 677	\$ 599
Equity in earnings of affiliates	187	142
Inventories	33	64
Other	143	80
	\$ 1,040	\$ 885
Deferred tax assets		
Pension and postretirement benefits	\$ 358	\$ 301
Stock compensation	59	59
Foreign tax credit carryforwards, net	34	27
Foreign tax loss carryforwards, net	97	4
State tax attributes, net	24	7
Other	120	170
	\$ 692	\$ 568
Net deferred tax liabilities	\$ 348	\$ 317
Current deferred tax assets (liabilities) included in other assets (accrued expenses)	91	(9)
Non-current deferred tax liabilities	\$ 439	\$ 308

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

	2010	2009	2008
Statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	0.3	1.0	1.3
Foreign earnings taxed at rates other than the U.S. statutory rate	(8.9)	(9.2)	(4.6)
WIHL Liquidation	0.5	6.6	-
Other	(1.1)	(0.9)	(0.6)
Effective rate	25.8%	32.5%	31.1%

The Company made income tax payments of \$604 million, \$1.0 billion and \$859 million in 2010, 2009, and 2008, respectively.

Notes to Consolidated Financial Statements (Continued)

Note 12. Income Taxes (Continued)

The Company has \$135 million and \$55 million of tax assets for net operating loss carry-forwards related to certain international subsidiaries at June 30, 2010 and 2009, respectively. As of June 30, 2010, approximately \$132 million of these assets have no expiration date, and the remaining \$3 million expire at various times through fiscal 2019. The annual usage of certain of these assets is limited to a percentage of taxable income of the respective international subsidiary for the year. The Company has recorded a valuation allowance of \$38 million and \$51 million against these tax assets at June 30, 2010 and 2009, respectively, due to the uncertainty of their realization.

The Company has \$41 million and \$38 million of tax assets related to excess foreign tax credits at June 30, 2010 and 2009, respectively, which begin to expire in fiscal 2013. The Company has \$50 million and \$9 million of tax assets related to state income tax attributes (incentive credits and net operating loss carryforwards) net of federal benefit at June 30, 2010 and 2009, respectively, which will expire at various times through fiscal 2016. The Company has recorded a valuation allowance of \$7 million against the excess foreign tax credits at June 30, 2010, due to the uncertainty of realization. The Company has recorded a valuation allowance against the state income tax assets of \$26 million net of federal benefit as of June 30, 2010. As of June 30, 2009, the Company had an \$11 million valuation allowance recorded related to the excess foreign tax credits and a \$2 million valuation allowance related to state income tax attributes, due to the uncertainty of realization.

The Company remains subject to examination in the U.S. for the calendar tax years 2007, 2008 and 2009.

Undistributed earnings of the Company's foreign subsidiaries and affiliated corporate joint venture companies accounted for on the equity method amounting to approximately \$6.6 billion at June 30, 2010, 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.

During 2009, approximately \$158 million of income tax expense was incurred related to the Company's investment in Wilmar International Holdings, Limited (WIHL), a subsidiary of ADM Asia Pacific, Limited (ADMAP), a wholly-owned subsidiary of the Company. Through WIHL, ADMAP holds an indirect ownership interest in Wilmar.

Historically, the Company considered the retained earnings of its investment in ADMAP to be permanently reinvested outside the U.S. Therefore, the Company provided no deferred tax liability associated with the undistributed earnings of this investment prior to the third quarter of 2009. On February 3, 2009, the shareholders of WIHL approved a plan of voluntary liquidation which was followed by a partial liquidating distribution on April 1, 2009. Pursuant to this distribution, ADMAP received publicly traded shares of Wilmar that represented approximately 40% of the Wilmar shares indirectly held by WIHL. The distribution caused the market value of the Wilmar shares received to be subject to U.S. income tax as a deemed distribution from ADMAP to the Company. Consequently, the Company concluded that a portion of its investment in ADMAP related to its investment in WIHL was not permanently reinvested. Accordingly, the Company recorded approximately \$97 million of income tax expense and deferred income tax liability in the third quarter of 2009 to reflect the book-tax basis difference of its investment in WIHL as of March 31, 2009. On April 1, 2009, the income tax gain generated by the distribution of WIHL triggered additional U.S. income tax expense of approximately \$61 million which was recorded in the Company's fourth quarter 2009 and established a new tax basis in the U.S. for the Company's WIHL investment.

In fiscal 2010, the liquidation process of WIHL was terminated, without any further liquidating distributions. As a result of the formal termination proceedings in 2010, the Company recognized \$12 million of additional income tax expense in 2010 related to the original 2009 deemed and liquidating distributions. Previously, the Company has anticipated that the liquidation of WIHL could have resulted in additional income tax expense of approximately \$590 million in the period that the liquidation would have occurred. As a result of the termination of the liquidation proceedings, we currently do not anticipate any further distributions which would result in additional income tax expense. However, in the event that such distributions occur in the future, it could result in a material expense and payment of income taxes by the Company.

Notes to Consolidated Financial Statements (Continued)

Note 12. Income Taxes (Continued)

The Company accounts for its income tax positions under the provisions of ASC Topic 740, *Income Taxes*. ASC Topic 740 prescribes a minimum threshold a tax position is required to meet before being recognized in the consolidated financial statements. This interpretation requires the Company to recognize in the consolidated financial statements tax positions determined more likely than not to be sustained upon examination, based on the technical merits of the position. The total amounts of unrecognized tax benefits at June 30, 2010 and 2009 are as follows:

	Unrecognized Tax Benefits	
	2010	2009
	(in millions)	
Beginning balance	\$ 54	\$ 55
Additions related to current years' tax positions	31	-
Additions related to prior years' tax positions	8	10
Reductions related to prior years' tax positions	(7)	(9)
Settlements with tax authorities	(2)	(2)
Ending balance	<u>\$ 84</u>	<u>\$ 54</u>

The additions and reductions in unrecognized tax benefits shown in the table include effects related to net income and shareholders' equity, and timing differences for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The 2010 changes in unrecognized tax benefits did not have a material effect on the Company's net income or cash flow.

The Company classifies interest on income tax related balances as interest expense or interest income and classifies tax-related penalties as selling, general and administrative expenses. At June 30, 2010 and 2009, the Company had accrued interest and penalties on unrecognized tax benefits of \$27 million and \$22 million, respectively.

The Company is subject to income taxation in many jurisdictions around the world. Resolution of the related tax positions through negotiations with relevant tax authorities or through litigation may take years to complete. Therefore, it is difficult to predict the timing for resolution of tax positions. However, the Company does not anticipate that the total amount of unrecognized tax benefits will increase or decrease significantly in the next twelve months. Given the long periods of time involved in resolving tax positions, the Company does not expect that the recognition of unrecognized tax benefits will have a material impact on the Company's effective income tax rate in any given period. If the total amount of unrecognized tax benefits were required to be recognized by the Company at one time, there would be a positive impact of \$53 million on the tax expense for that period.

In December 2009, the Company's wholly-owned subsidiary, ADM do Brasil Ltda. ("ADM do Brasil"), received a tax assessment in the amount of \$456 million (subject to variation in currency exchange rates) consisting of tax, penalty, and interest, from the Brazilian Federal Revenue Service ("BFRS") challenging the tax deductibility of commodity hedging losses incurred by ADM do Brasil in 2004. Commodity hedging transactions can result in gains, which are included in ADM do Brasil's calculations of taxable income in Brazil, and losses, which ADM do Brasil deducts from its taxable income in Brazil. In June 2010, ADM do Brasil was notified by the BFRS that tax years 2005, 2006, and 2007 would also be audited, but as yet, no additional assessments have been received for these years. If the BFRS were to challenge commodity hedging deductions in all tax years still open to assessment (2005-2010), the Company estimates it could receive additional claims of approximately \$160 million (as of June 30, 2010 and subject to variation in currency exchange rates).

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Notes to Consolidated Financial Statements (Continued)

In January 2010, ADM do Brasil filed an appeal with the BFRS. If ADM do Brasil is unsuccessful in the administrative appellate process, further appeals are available in the Brazilian federal courts. While the Company believes that its consolidated financial statements properly reflect the tax deductibility of these hedging losses, the ultimate resolution of this matter could result in the future recognition of significant additional payments of, and expense for, income tax and the associated interest and penalties.

The Company has evaluated its tax position regarding these hedging transactions and concluded, based in part upon advice from Brazilian legal counsel, that it was appropriate to recognize both gains and losses resulting from hedging transactions when determining its Brazilian income tax expense. Therefore, the Company has continued to recognize the tax benefit from hedging losses in its financial statements and has not recorded any tax liability for the amounts assessed by the BFRS. The Company intends to vigorously defend its position against the current assessment and any similar assessments that may be issued for years subsequent to 2004.

Note 13. Leases

The Company leases manufacturing and warehouse facilities, real estate, transportation assets, and other equipment under non-cancelable operating leases the majority of which expire at various dates through the year 2031. Rent expense for 2010, 2009, and 2008 was \$241 million, \$217 million, and \$201 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	Minimum Rental Payments
	(In millions)
2011	\$ 235
2012	189
2013	182
2014	156
2015	177
Thereafter	442
Total minimum lease payments	<u>\$ 1,381</u>

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Notes to Consolidated Financial Statements (Continued)

Note 14. Employee Benefit Plans

The Company provides substantially all domestic employees and employees at certain international subsidiaries with pension benefits. Eligible domestic employees with five or more years of service prior to January 1, 2009 participate in a defined benefit pension plan. Eligible domestic employees hired on or after January 1, 2009 and eligible salaried employees with less than five years of service prior to January 1, 2009 participate in a “cash balance” pension formula. The Company provides eligible domestic employees who retire under qualifying conditions with access to postretirement health care, at full cost to the retiree (certain employees are “grandfathered” into subsidized coverage).

The Company also maintains 401(k) plans covering substantially all domestic employees. The Company contributes cash to the plans to match qualifying employee contributions, and also provides a non-matching employer contribution of 1% of pay to eligible participants. Under an employee stock ownership component of the 401(k) plans, employees may choose to invest in ADM stock as part of their own investment elections. The employer contributions are expensed when paid. Assets of the Company’s 401(k) plans consist primarily of listed common stocks and pooled funds. The Company’s 401(k) plans held 17.2 million shares of Company common stock at June 30, 2010, with a market value of \$443 million. Cash dividends received on shares of Company common stock by these plans during the year ended June 30, 2010 were \$10 million.

	Pension Benefits			Postretirement Benefits		
	2010	2009	2008	2010	2009	2008
	(In millions)			(In millions)		
Retirement plan expense						
Defined benefit plans:						
Service cost (benefits earned during the period)	\$ 58	\$ 52	\$ 68	\$ 9	\$ 7	\$ 9
Interest cost	119	111	109	16	13	12
Expected return on plan assets	(117)	(113)	(121)	–	–	–
Curtailment/Plan settlements	–	–	–	–	(15)	–
Amortization of actuarial loss	31	2	17	5	1	2
Other amortization	6	6	5	(1)	(1)	(1)
Net periodic defined benefit plan expense	97	58	78	29	5	22
Defined contribution plans	40	35	31	–	–	–
Total retirement plan expense	\$ 137	\$ 93	\$ 109	\$ 29	\$ 5	\$ 22

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Notes to Consolidated Financial Statements (Continued)

Note 14. Employee Benefit Plans (Continued)

The Company uses a June 30 measurement date for 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	
	2010	2009	2010	2009
	(In millions)		(In millions)	
Benefit obligation, beginning	\$ 2,012	\$ 1,851	\$ 256	\$ 206
Service cost	58	52	9	7
Interest cost	119	111	16	13
Actuarial loss (gain)	271	160	(51)	48
Employee contributions	2	2	—	—
Settlements	—	(15)	—	(8)
Curtailments	(3)	—	—	—
Business Combinations	2	—	—	—
Plan measurement date adjustment	—	39	—	6
Benefits paid	(86)	(94)	(6)	(8)
Plan amendments	—	(2)	—	(8)
Foreign currency effects	(76)	(92)	—	—
Benefit obligation, ending	\$ 2,299	\$ 2,012	\$ 224	\$ 256
Fair value of plan assets, beginning	\$ 1,427	\$ 1,662	\$ —	\$ —
Actual return on plan assets	182	(283)	—	—
Employer contributions	249	217	6	8
Employee contributions	2	2	—	—
Settlements	—	(15)	—	—
Business Combinations	2	—	—	—
Plan measurement date adjustment	—	27	—	—
Benefits paid	(86)	(94)	(6)	(8)
Foreign currency effects	(55)	(89)	—	—
Fair value of plan assets, ending	\$ 1,721	\$ 1,427	\$ —	\$ —
Funded status	(578)	\$ (585)	(224)	\$ (256)
Prepaid benefit cost	\$ 17	\$ 17	\$ —	—
Accrued benefit liability – current	(13)	(13)	(7)	(8)
Accrued benefit liability – long-term	(582)	(589)	(217)	(248)
Net amount recognized in the balance sheet	\$ (578)	\$ (585)	\$ (224)	\$ (256)

Notes to Consolidated Financial Statements (Continued)

Note 14. Employee Benefit Plans (Continued)

Included in accumulated other comprehensive income for pension benefits at June 30, 2010, are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized transition obligation of \$3 million, unrecognized prior service costs of \$26 million and unrecognized actuarial losses of \$906 million. The prior service cost and actuarial loss included in accumulated other comprehensive income and expected to be recognized in net periodic pension cost during the fiscal year ended June 30, 2011, is \$5 million and \$58 million, respectively.

Included in accumulated other comprehensive income for postretirement benefits at June 30, 2010, are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service credit of \$7 million and unrecognized actuarial losses of \$21 million. The prior service credit included in accumulated other comprehensive income and expected to be recognized in net periodic benefit costs during the fiscal year ended June 30, 2011, is \$1 million.

The following table sets forth the principal assumptions used in developing net periodic pension cost:

	Pension Benefits		Postretirement Benefits	
	2010	2009	2010	2009
Discount rate	6.1%	6.5%	6.3%	6.8%
Expected return on plan assets	7.1%	7.2%	N/A	N/A
Rate of compensation increase	3.8%	3.9%	N/A	N/A

The following table sets forth the principal assumptions used in developing the year-end actuarial present value of the projected benefit obligations:

	Pension Benefits		Postretirement Benefits	
	2010	2009	2010	2009
Discount rate	5.2%	6.1%	5.4%	6.8%
Rate of compensation increase	3.9%	3.8%	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 \$2.2 billion, \$2.0 billion, and \$1.6 billion, respectively, as of June 30, 2010, and \$1.9 billion, \$1.7 billion, and \$1.3 billion, respectively, as of June 30, 2009. 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 \$2.1 billion, \$1.9 billion, and \$1.5 billion, respectively, as of June 30, 2010, and \$1.6 billion, \$1.5 billion, and \$1.1 billion, respectively, as of June 30, 2009. The accumulated benefit obligation for all pension plans as of June 30, 2010 and 2009, was \$2.1 billion and \$ 1.8 billion, respectively.

For postretirement benefit measurement purposes, an 8.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2010. The rate was assumed to decrease gradually to 5.0% for 2016 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 effects:

	1% Increase	1% Decrease
	(In millions)	
Effect on combined service and interest cost components	\$ 3	\$ (3)
Effect on accumulated postretirement benefit obligations	\$ 33	\$ (27)

Notes to Consolidated Financial Statements (Continued)

Note 14. Employee Benefit Plans (Continued)

Plan Assets

The Company's employee benefit plan assets are principally comprised of the following types of investments:

ADM and other common stock:

Equity securities are valued based on quoted exchange prices and are classified within Level 1 of the valuation hierarchy.

Mutual funds:

Mutual funds are valued at the closing price reported on the active market on which they are traded and are classified within Level 1 of the valuation hierarchy.

Common collective trust (CCT) funds:

The fair values of the CCTs are based on the cumulative net asset value of their underlying investments. The investments in CCTs are comprised of international equity funds, a small cap U.S. equity fund, large cap U.S. equity funds, fixed income funds, and other funds. The fund units are valued at NAV based on the closing market value of the units bought or sold as of the valuation date and are classified in Level 2 of the fair value hierarchy. The CCTs seek primarily to provide investment results approximating the aggregate price, dividend performance, total return, and income stream of underlying investments of the funds. Issuances and redemptions of certain of the CCT investments may be restricted by date and/or amount.

Corporate debt instruments:

Corporate debt instruments are valued at the closing price reported on the active market on which they are traded and are classified within Level 2 of the valuation hierarchy.

U.S. Treasury instruments:

U.S. Treasury instruments are valued at the closing price reported on the active market on which they are traded and are classified within Level 1 of the valuation hierarchy.

U.S. government agency, state, and local government bonds:

U.S. government agency obligations and state and municipal debt securities are valued using third-party pricing services and are classified within Level 2 of the valuation hierarchy.

Notes to Consolidated Financial Statements (Continued)

Note 14. Employee Benefit Plans (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants' methods, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level within the fair value hierarchy, the fair value of plan assets as of June 30, 2010.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(In millions)				
Common stock				
ADM common stock	\$ 19	\$ —	\$ —	\$ 19
U.S. companies	64	—	—	64
International companies	3	—	—	3
Equity mutual funds				
Emerging markets	53	—	—	53
International	70	—	—	70
Large cap U.S.	230	—	—	230
Other	1	—	—	1
Common collective trust funds				
International equity	—	365	—	365
Small cap U.S. equity	—	76	—	76
Large cap U.S. equity	—	52	—	52
Fixed income	—	252	—	252
Other	—	32	—	32
Debt instruments				
Corporate bonds	—	383	—	383
U.S. Treasury instruments	84	—	—	84
U.S. government agency, state and local government bonds	—	16	—	16
Other	—	21	—	21
Total assets at fair value	<u>\$ 524</u>	<u>\$ 1,197</u>	<u>\$ —</u>	<u>\$ 1,721</u>

Level 3 Gains and Losses:

There are no Plan assets classified as Level 3 in the fair value hierarchy; therefore there are no associated gains or losses.

Notes to Consolidated Financial Statements (Continued)

Note 14. Employee Benefit Plans (Continued)

The following table sets forth the actual asset allocation for the Company's global pension plan assets as of the measurement date:

	2010^{1,2}	2009
Equity securities	48%	48%
Debt securities	50%	46%
Other	2%	6%
Total	100%	100%

¹ The Company's U.S. pension plans contain approximately 66% of the Company's global pension plan assets. The target asset allocation for the Company's U.S. pension plans consists of 60% equity securities and 40% debt securities. The actual asset allocation for the U.S. pension plans as of the measurement date consists of 55% equity securities and 45% debt securities. The actual asset allocation for the Company's foreign pension plans as of the measurement date consists of 33% equity securities, 65% debt securities, and 2% in other investments. The target asset allocation for the Company's foreign pension plans is approximately the same as the actual asset allocation.

² The Company's pension plans held 0.7 million shares of Company common stock as of the measurement date, June 30, 2010, with a market value of \$19 million. Cash dividends received on shares of Company common stock by these plans during the twelve-month period ended June 30, 2010, were \$0.7 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.

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. The U.S. pension plans target asset allocation is also based on an asset and liability study that is updated periodically.

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.

Notes to Consolidated Financial Statements (Continued)

Note 14. Employee Benefit Plans (Continued)

The Company uses external consultants to assist in monitoring the 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, the Company generally 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.

Contributions and Expected Future Benefit Payments

The Company expects to contribute \$38 million to the pension plans and \$7 million to the postretirement benefit plan during 2011.

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

	<u>Pension Benefits</u>	<u>Postretirement Benefits</u>
	(In millions)	
2011	\$ 88	\$ 7
2012	94	8
2013	100	9
2014	106	10
2015	112	11
2016 – 2020	664	67

Note 15. Segment and Geographic Information

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, which include wheat processing, cocoa processing, and its financial business units, are not reportable segments, as defined by ASC Topic 280, *Segment Reporting*, and are classified as Other.

The Oilseeds Processing segment includes activities related to the origination, merchandising, crushing, and further processing of oilseeds such as soybeans, cottonseed, sunflower seeds, canola, rapeseed, peanuts, flaxseed, and palm into vegetable oils and protein meals. The Oilseeds Processing segment principally produces and markets processed oilseed products as ingredients for the food, feed, energy, and other industrial products industries. Crude vegetable oil is sold "as is" or is further processed by refining, blending, bleaching, and deodorizing into salad oils. Salad oils are sold "as is" or are further processed by hydrogenating and/or interesterifying into margarine, shortening, and other food products. Partially refined oil is used to produce biodiesel or is sold to other manufacturers for use in chemicals, paints, and other industrial products. Oilseed protein meals are principally sold to third parties to be used as ingredients in commercial livestock and poultry feeds. The Oilseeds Processing segment also produces natural health and nutrition products and other specialty food and feed ingredients. In North America, cottonseed flour is produced and sold primarily to the pharmaceutical industry and cotton cellulose pulp is manufactured and sold to the chemical, paper, and filter markets. In South America, the Oilseeds Processing segment utilizes a network of grain elevators, port facilities and transportation assets to buy, store, clean, and transport agricultural commodities and operates fertilizer blending facilities. This segment also includes the Company's share of the results of its equity method investment in Wilmar and its Golden Peanut Company LLC, Edible Oils Limited, and Stratas Foods, LLC joint ventures.

Notes to Consolidated Financial Statements (Continued)

Note 15. Segment and Geographic Information (Continued)

The Company's Corn Processing segment is engaged in corn wet milling and dry milling activities, primarily in the United States, related to its production of ingredients used for use in the food and beverage industry including syrup, starch, glucose, dextrose, and sweeteners. Dextrose is also used by the Company as a feedstock for its bioproducts operations. Corn gluten feed and meal, as well as distillers grains, is produced for use as animal feed ingredients. Corn germ, a by-product of the wet milling process, is further processed as an oilseed into vegetable oil and protein meal.

By fermentation of dextrose, the Corn Processing segment produces alcohol, amino acids, and other specialty food and animal feed ingredients. Ethyl alcohol is produced by the Company 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 Corn Processing segment also produces, by fermentation, astaxanthin, a product used in aquaculture to enhance flesh coloration. The Corn Processing segment produces citric and lactic acids, lactates, sorbitol, xanthan gum and glycols which are used in various food and industrial products. The Corn Processing segment includes the activities of the Company's Brazilian sugarcane operations, propylene and ethylene glycol facility, and investments in renewable plastics. This segment also includes the Company's share of the results of its equity method investments in Almidones Mexicanos S.A., Eaststarch C.V., and Red Star Yeast Company LLC.

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, rice, and barley, and resells these commodities primarily as food and 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 and customers. Agricultural Services' transportation network capabilities include ground, rail, river, and ocean freight services. The Agricultural Services segment also includes activities related to procuring, processing, and distributing edible beans, and the processing and distributing of formula feeds and animal health and nutrition products. In addition, the Agricultural Services segment includes the activities of Alfred C. Toepfer International, a global merchant of agricultural commodities and processed products, and the Company's share of the results of its Kalama Export Company joint venture.

Other includes the Company's remaining processing operations, consisting of activities related to processing agricultural commodities into food ingredient products such as wheat into wheat flour and cocoa into chocolate and cocoa products. Other also includes financial activities related to banking, captive insurance, private equity fund investments, futures commission merchant activities, and the Company's share of the results of its equity method investment in Gruma S.A.B. de C. V.

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 segment operating profit is equity in earnings of affiliates based on the equity method of accounting. Certain Corporate items are not allocated to the Company's reportable business segments. Corporate results include the impact of LIFO-related adjustments, the after-tax elimination of income attributable to mandatorily redeemable interests in consolidated subsidiaries, unallocated corporate expenses, and unallocated net interest costs.

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 15. Segment and Geographic Information (Continued)

Segment Information

	2010	2009	2008
	(In millions)		
Sales to external customers			
Oilseeds Processing	\$ 23,058	\$ 24,518	\$ 23,279
Corn Processing	7,942	7,723	7,137
Agricultural Services	25,440	31,584	33,968
Other	5,242	5,382	5,432
Total	\$ 61,682	\$ 69,207	\$ 69,816
Intersegment sales			
Oilseeds Processing	\$ 70	\$ 109	\$ 535
Corn Processing	34	80	99
Agricultural Services	2,265	2,767	2,965
Other	146	153	140
Total	\$ 2,515	\$ 3,109	\$ 3,739
Net sales			
Oilseeds Processing	\$ 23,128	\$ 24,627	\$ 23,814
Corn Processing	7,976	7,803	7,236
Agricultural Services	27,705	34,351	36,933
Other	5,388	5,535	5,572
Intersegment elimination	(2,515)	(3,109)	(3,739)
Total	\$ 61,682	\$ 69,207	\$ 69,816
Depreciation			
Oilseeds Processing	\$ 188	\$ 190	\$ 202
Corn Processing	412	319	293
Agricultural Services	112	96	92
Other	116	101	114
Corporate	29	24	20
Total	\$ 857	\$ 730	\$ 721
Asset abandonments and write-downs			
Oilseeds Processing	\$ 4	\$ 4	\$ 28
Corn Processing	-	-	2
Other	5	9	2
Total	\$ 9	\$ 13	\$ 32
Interest expense			
Oilseeds Processing	\$ 37	\$ 89	\$ 186
Corn Processing	8	17	49
Agricultural Services	31	80	170
Other	50	86	119
Corporate	296	197	(11)
Total	\$ 422	\$ 469	\$ 513

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 15. Segment and Geographic Information (Continued)

	2010	2009	2008
	(In millions)		
Investment income			
Oilseeds Processing	\$ 34	\$ 36	\$ 24
Corn Processing	1	–	–
Agricultural Services	26	29	48
Other	52	79	136
Corporate	13	37	61
Total	\$ 126	\$ 181	\$ 269
Equity in earnings of affiliates			
Oilseeds Processing	\$ 305	\$ 283	\$ 156
Corn Processing	78	44	53
Agricultural Services	76	76	105
Other	86	(253)	113
Corporate	16	(5)	(12)
Total	\$ 561	\$ 145	\$ 415
Operating profit			
Oilseeds Processing	\$ 1,400	\$ 1,280	\$ 1,040
Corn Processing	722	185	961
Agricultural Services	668	994	1,017
Other	449	(6)	423
Total operating profit	3,239	2,453	3,441
Corporate	(654)	47	(847)
Earnings before income taxes	\$ 2,585	\$ 2,500	\$ 2,594
Investments in and advances to affiliates			
Oilseeds Processing	\$ 1,563	\$ 1,202	
Corn Processing	361	402	
Agricultural Services	224	201	
Other	302	256	
Corporate	349	398	
Total	\$ 2,799	\$ 2,459	
Identifiable assets			
Oilseeds Processing	\$ 9,616	\$ 10,266	
Corn Processing	6,822	6,333	
Agricultural Services	5,630	5,657	
Other	7,700	7,965	
Corporate	1,780	1,361	
Total	\$ 31,548	\$ 31,582	

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 15. Segment and Geographic Information (Continued)

	2010	2009
	(In millions)	
Gross additions to property, plant, and equipment		
Oilseeds Processing	\$ 349	\$ 258
Corn Processing	915	1,018
Agricultural Services	320	254
Other	149	471
Corporate	55	58
Total	\$ 1,788	\$ 2,059

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 consolidated businesses.

	2010	2009	2008
	(In millions)		
Net sales and other operating income			
United States	\$ 33,362	\$ 35,485	\$ 37,466
Germany	6,424	7,431	8,335
Other Foreign	21,896	26,291	24,015
	\$ 61,682	\$ 69,207	\$ 69,816
Long-lived assets			
United States	\$ 6,964	\$ 6,452	
Foreign	2,010	1,754	
	\$ 8,974	\$ 8,206	

Note 16. Guarantees and Commitments

The Company has entered into agreements, primarily debt guarantee agreements related to equity-method investees, which could obligate the Company to make future payments if the primary entity fails to perform its contractual obligations. The Company has not recorded a liability for payment of these contingent obligations, as the Company believes the fair value of these contingent obligations is immaterial. The Company has collateral for a portion of these contingent obligations. These contingent obligations totaled \$131 million at June 30, 2010. Amounts outstanding for the primary entity under these contingent obligations were \$74 million at June 30, 2010.

Archer Daniels Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 17. Quarterly Financial Data (Unaudited)

	Quarter				Year
	First	Second	Third	Fourth	
	(In millions, except per share amounts)				
Fiscal 2010					
Net Sales	\$ 14,921	\$ 15,913	\$ 15,145	\$ 15,703	\$ 61,682
Gross Profit	973	1,053	891	926	3,843
Net Earnings Attributable to Controlling Interests	496	567	421	446	1,930
Basic Earnings Per Common Share	0.77	0.88	0.65	0.70	3.00
Diluted Earnings Per Common Share	0.77	0.88	0.65	0.69	3.00
Fiscal 2009					
Net Sales	\$ 21,160	\$ 16,673	\$ 14,842	\$ 16,532	\$ 69,207
Gross Profit	1,867	1,212	649	361	4,089
Net Earnings Attributable to Controlling Interests	1,045	578	3	58	1,684
Basic Earnings Per Common Share	1.62	0.90	0.00	0.09	2.62
Diluted Earnings Per Common Share	1.62	0.90	0.00	0.09	2.62

Net earnings attributable to controlling interests for the first, second, third and fourth quarters of fiscal year 2010 includes after-tax start up costs for the Company's new greenfield plants of \$6 million, \$20 million, \$18 million, and \$24 million (equal to \$.01, \$.03, \$.03, and \$.04 per share) respectively. Net earnings attributable to controlling interests for the third quarter ended March 31, 2010 include charges to other (income) expense - net of \$75 million (\$47 million after tax, equal to \$0.07 per share) related to loss on extinguishment of debt resulting from the repurchase of \$500 million in aggregate principal amount of the Company's outstanding debentures. Net earnings attributable to controlling interests for the fourth quarter ended June 30, 2010 include charges to other (income) expense - net of \$59 million (\$37 million after tax, equal to \$0.06 per share) related to losses on interest rate swaps as discussed in Note 4.

Net earnings attributable to controlling interests for the second quarter ended December 31, 2008, third quarter ended March 31, 2009, and fourth quarter and year ended June 30, 2009 include charges to other (income) expense - net of \$51 million (\$32 million after tax, equal to \$0.05 per share), \$212 million (\$132 million after tax, equal to \$0.21 per share), \$12 million (\$7 million after tax, equal to \$0.01 per share) and \$275 million (\$171 million after tax equal to \$0.27 per share), respectively, related to currency derivative losses of the Company's equity investee, Gruma S.A.B. de C.V. Net earnings attributable to controlling interests for the third quarter ended March 31, 2009, and fourth quarter and year ended June 30, 2009 include income tax charges of \$97 million or \$0.15 per share, \$61 million or \$0.09 per share, and \$158 million or \$0.24 per share, respectively, resulting from the reorganization of the holding company structure in which the Company holds a portion of its equity investment in Wilmar.

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

We have audited the accompanying consolidated balance sheets of Archer Daniels Midland Company (the Company) as of June 30, 2010 and 2009, and the related consolidated statements of earnings, shareholders' equity, and cash flows for each of the three years in the period ended June 30, 2010. Our audits also included the financial statement schedule listed in the Index at Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule 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 at June 30, 2010 and 2009, and the consolidated results of its operations and its cash flows for each of the three years in the period ended June 30, 2010, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, 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 have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Archer Daniels Midland Company's internal control over financial reporting as of June 30, 2010, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 27, 2010, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

St. Louis, Missouri
August 27, 2010

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

We have audited Archer Daniels Midland Company's internal control over financial reporting as of June 30, 2010, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Archer Daniels Midland Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, Archer Daniels Midland Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2010, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Archer Daniels Midland Company as of June 30, 2010 and 2009, and the related consolidated statements of earnings, shareholders' equity, and cash flows for each of the three years in the period ended June 30, 2010, of Archer Daniels Midland Company and our report dated August 27, 2010, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

St. Louis, Missouri
August 27, 2010

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

None.

Item 9A. CONTROLS AND PROCEDURES

As of June 30, 2010, 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 (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to the CEO and CFO to allow timely decisions regarding required disclosure. 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.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Archer Daniels Midland Company's ("ADM's") management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). ADM's internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

Under the supervision and with the participation of management, including its principal executive officer and principal financial officer, ADM's management assessed the design and operating effectiveness of internal control over financial reporting as of June 30, 2010 based on the framework set forth in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this assessment, management concluded that ADM's internal control over financial reporting was effective as of June 30, 2010. Ernst & Young LLP, an independent registered public accounting firm, has issued an attestation report on the Company's internal control over financial reporting as of June 30, 2010. That report is included herein.

/s/ Patricia A. Woertz
Patricia A. Woertz
Chairman, Chief Executive Officer
and President

/s/ Steven R. Mills
Steven R. Mills
Executive Vice President &
Chief Financial Officer

Item 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

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 “Proposal No. 1 - Election of Directors for a One-Year Term,” “Director Experiences, Qualifications, Attributes and Skills, and Board Diversity,” “Code of Conduct,” “Information Concerning Committees and Meetings – Audit Committee,” “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, 2010 and is incorporated herein by reference.

Information with respect to executive officers and certain significant employees of the Company is set forth below. Except as otherwise indicated, all positions are with the Company.

Name	Title	Age
Ronald S. Bandler	Assistant Treasurer since January 1998.	49
Michael R. Baroni	Vice President of the Company and President Corn business unit since September 2009. President, Specialty Food Ingredients from November 2006 to September 2009. Vice President, Protein and Food Additives from September 2001 to November 2006.	55
Mark A. Bemis	Vice President of the Company since February 2005. President, Cocoa, Milling and Other business unit since September 2009. President of ADM Cocoa from September 2001 to September 2009.	49
Mark J. Cheviron	Vice President of the Company since July 1997. Vice President of Security and Corporate Services since May 1997.	61
Michael D’Ambrose	Senior Vice President - Human Resources since October 2006. Independent human resources consultant from 2005 to October 2006. Executive Vice President, Human Resources at First Data from 2003 to 2005.	53
Stuart E. Funderburg	Assistant Secretary and Assistant General Counsel since November 2008. Corporate Counsel from October 2001 to November 2008.	46
Shannon Herzfeld	Vice President of the Company since February 2005, with responsibility for the Company’s Government Affairs function. Senior Vice President-International Affairs with Pharmaceutical Research and Manufacturers of America (PhRMA) trade association from January 1998 to December 2004.	58

**Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE
(Continued)**

Kevin L. Hess	Vice President of the Company since November 2008, with responsibility for the Company’s Oilseeds Processing production operations. Vice President and Director-Group Operations Oilseed Processing division from December 2005 to November 2008. Vice President-European Crushing and Refining Operations from March 2003 to December 2005.	50
Craig E. Huss	Vice President of the Company since January 2001. President, Agricultural Services business unit since September 2009. President of ADM Transportation from 1999 to September 2009.	58
Matthew J. Jansen	Vice President of the Company since January 2003. President, Oilseeds business unit since February 2010. President, Grain Operations from August 2006 to February 2010. President, South American Oilseed Processing Division from April 2000 to August 2006.	44
Randall Kampfe	Vice President of the Company since November 2008, with responsibility for the Company’s Corn Processing production operations. Vice President-Corn Processing Operations from March 1999 to November 2008.	63
Domingo A. Lastra	Vice President of the Company since September 2009. President, South American Operations since August 2006. Director-Origination, Ports, Logistics and Fertilizer for South America from November 2003 to August 2006.	42
Michael Lusk	Vice President of the Company since November 1999, with responsibility for the Company’s Captive Insurance operations.	61
Vikram Luthar	Vice President and Treasurer of the Company since November 2004.	43
Steven R. Mills	Executive Vice President and Chief Financial Officer since March 2008. Senior Vice President of the Company from December 2006 to February 2008. Group Vice President and Controller of the Company from January 2002 to December 2006.	55
Victoria Podesta	Vice President of the Company since May 2007 with responsibility for the Company’s Corporate Communications function. Corporate communications consultant for various global companies from 1989 to May 2007.	54

**Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE
(Continued)**

John D. Rice	Executive Vice President - Commercial and Production since February 2005. Senior Vice President from February 2000 to February 2005.	56
Dennis C. Riddle	Vice President of the Company since May 2006. President ADM Corn Processing Division since June 2005.	63
Scott A. Roberts	Assistant Secretary and Assistant General Counsel from July 1997.	50
Ismael Roig	Vice President of the Company since December 2004. Vice President and Executive Director, Asia-Pacific since July 2010. Vice President Planning & Business Development from December 2004 to July 2010.	43
Scott A. Roney	Vice President of the Company since April 2001, with responsibility for the Company's Office of Compliance and Ethics.	46
Marc A. Sanner	Vice President and General Auditor of the Company since November 2008. Assistant Controller from January 2003 to November 2008. Finance Director – Europe from 2005 to 2006.	57
David J. Smith	Executive Vice President, Secretary and General Counsel since January 2003.	55
John P. Stott	Vice President and Controller of the Company since December 2006. Operations Controller from July 2005 to December 2006. Finance Director-Europe from January 2001 to July 2005.	43
Joseph D. Taets	Vice President of the Company and Vice President – ADM Grain since September 2009, Managing Director, European Oilseeds from September 2007 to September 2009. President of ADM European Oilseed Processing from February 2003 to September 2007.	44
Gary L. Towne	Vice President of the Company and Chairman of the Management Board of Alfred C. Toepfer International since September 2009. Manager Global Risk from August 2007 to September 2009. Vice President, Corn Processing from July 2000 to August 2007.	55
Patricia A. Woertz	Chairman of the Board of Directors since February 2007. Chief Executive Officer & President of the Company since May 2006. Executive Vice President Downstream at Chevron Corporation from October 2001 to March 2006.	57

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 11. EXECUTIVE COMPENSATION

Information responsive to this Item is set forth in “Compensation Discussion and Analysis,” “Compensation/Succession Committee Report,” “Compensation/Succession Committee Interlocks and Insider Participation,” “Summary Compensation Table,” “Grants of Plan-Based Awards During Fiscal 2010,” “Outstanding Equity Awards at Fiscal 2010 Year-End,” “Option Exercises and Stock Vested During Fiscal 2010,” “Pension Benefits,” “Nonqualified Deferred Compensation,” “Termination of Employment and Change-in-Control Arrangements” and “Director Compensation for Fiscal 2010” of the definitive proxy statement for the Company’s annual meeting of stockholders to be held on November 4, 2010, 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,” “Proposal No. 1 - Election of Directors for a One-year Term,” “Executive Officer Stock Ownership,” and “Equity Compensation Plan Information” of the definitive proxy statement for the Company’s annual meeting of stockholders to be held on November 4, 2010, and is incorporated herein by reference.

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

Information responsive to this Item is set forth in “Certain Relationships and Related Transactions,” “Review and Approval of Certain Relationships and Related Transactions,” and “Independence of Directors” of the definitive proxy statement for the Company’s annual meeting of stockholders to be held on November 4, 2010, and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING 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, 2010, and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) See Item 8, "Financial Statements and Supplementary Data," for a list of financial statements.

(a)(2) Financial statement schedules

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

	Balance at Beginning of Year	Additions	Deductions ⁽¹⁾	Other ⁽²⁾	Balance at End of Year
	(In millions)				
Allowance for doubtful accounts					
2008	\$ 69	7	(6)	19	\$ 89
2009	\$ 89	21	(6)	(1)	\$ 103
2010	\$ 103	2	-	(8)	\$ 97

⁽¹⁾ Uncollectible accounts written off, net of recoveries

⁽²⁾ Impact of reclassifications, business combinations, and foreign currency exchange adjustments

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

(a)(3) List of exhibits

- (3) (i) Composite Certificate of Incorporation, as amended, filed on November 13, 2001, as Exhibit (3)(i) to Form 10-Q for the quarter ended September 30, 2001 (File No. 1-44), is incorporated herein by reference.
- (ii) Bylaws, as amended, filed on August 12, 2009, as Exhibit 3(ii) to Form 8-K (File No. 1-44), are incorporated herein by reference.

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES (Continued)

- (4) Instruments defining the rights of security holders, including:
- (i) Indenture dated June 1, 1986, between the registrant and JPMorgan Chase (formerly known as, 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 as, 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,
 - the \$500,000,000 – 5.935% Debentures due October 1, 2032, and
 - the \$600,000,000 – 5.375% Debentures due September 15, 2035.
 - (ii) Indenture dated September 20, 2006, between the Company and The Bank of New York (formerly known as, or successor to, JPMorgan Chase Bank, N.A.), as Trustee (incorporated by reference to Exhibit 4 to Registration Statement on Form S-3, Registration No. 333-137541), and Supplemental Indenture dated as of June 3, 2008 between the registrant and The Bank of New York (incorporated by reference to Exhibit 4.6 to Form 8-K (File No. 1-44) filed on June 3, 2008), relating to:
 - the \$500,000,000 – 6.45% Debentures due January 15, 2038,
 - the \$700,000,000 – 5.45% Notes due March 15, 2015, and
 - the \$1,750,000,000 – 4.70% Debentures due June 1, 2041.
 - (iii) Indenture dated February 22, 2007, between the Company and The Bank of New York, as Trustee, including form of 0.875% Convertible Senior Notes due 2014 (incorporated by reference to Exhibit 4.1 to Form 8-K (File No. 1-44) filed on February 22, 2007).
 - (iv) Registration Rights Agreement, dated February 22, 2007, among the Company, Citigroup Global Markets Inc., J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Banc of America Securities LLC, Barclays Capital Inc., BNP Paribas Securities Corp., Deutsche Bank Securities Inc., Goldman, Sachs & Co. and HSBC Securities (USA) Inc. (incorporated by reference to Exhibit 4.2 to Form 8-K (File No. 1-44) filed on February 22, 2007).

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 SEC, furnish to the SEC a copy of each such instrument.

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES (Continued)

- (v) Purchase Contract and Pledge Agreement, dated as of June 3, 2008, among ADM, The Bank of New York as Purchase Contract Agent, and the Bank of New York as Collateral Agent, Custodial Agent, and Securities Intermediary, including form of Corporate Units, form of Treasury Units and form of Remarketing Agreement (incorporated by reference to Exhibit 4.1 to Form 8-K (File No. 1-44) filed on June 3, 2008.
- (10) Material Contracts - Copies of the Company's equity compensation plans and deferred compensation 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(b) of Form 10-K, are incorporated herein by reference as follows:
- (i) Exhibit 4(c) 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.
 - (ii) The Archer-Daniels-Midland 1996 Stock Option Plan (incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement filed with the Securities and Exchange Commission on September 25, 1996 (File No. 1-44)).
 - (iii) The Archer-Daniels-Midland Company Deferred Compensation Plan for Selected Management Employees I, as amended.
 - (iv) The Archer-Daniels-Midland Company Deferred Compensation Plan for Selected Management Employees II, as amended.
 - (v) 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)).
 - (vi) The Archer-Daniels-Midland Company Supplemental Retirement Plan, as amended.
 - (vii) The Archer-Daniels-Midland Company Amended and Restated Stock Unit Plan for Nonemployee Directors, as amended.
 - (viii) 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)).
 - (ix) Management Compensation Arrangements (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (File No. 1-44)).
 - (x) Form of Stock Option Agreement (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (File No. 1-44)).
 - (xi) Form of Restricted Stock Agreement (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (File No. 1-44)).
 - (xii) Form of Performance Share Unit Award Agreement.

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES (Continued)

- (xiii) Form of Restricted Stock Unit Award Agreement.
- (xiv) Agreement Regarding Terms of Employment dated April 27, 2006 with Patricia A. Woertz, filed on May 1, 2006, as Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 1-44).
- (xv) The Archer-Daniels-Midland Company 2009 Incentive Compensation Plan (incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement (File No. 1-44) filed on September 25, 2009).
- (xvi) Annual Cash Incentive Program (incorporated by reference to description thereof included in Item 5.02 of the Company's Current Report on Form 8-K (File No. 1-44) filed on July 3, 2007).

- (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.

- (101) Interactive Data File.

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: August 27, 2010

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 August 27, 2010, by the following persons on behalf of the Registrant and in the capacities indicated.

/s/ P. A. Woertz
P. A. Woertz,
Chairman, Chief Executive Officer, President
and Director
(Principal Executive Officer)

/s/ D. E. Felsing
D. E. Felsing *,
Director

/s/ S. R. Mills
S. R. Mills
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/ V. F. Haynes
V. F. Haynes *,
Director

/s/ J. P. Stott
J. P. Stott
Vice President and Controller
(Controller)

/s/ A. Maciel
A. Maciel*,
Director

/s/ G. W. Buckley
G. W. Buckley*,
Director

/s/ P. J. Moore
P. J. Moore*,
Director

/s/ T. F. O'Neill
T. F. O'Neill*,
Director

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

/s/ K. R. Westbrook
K. R. Westbrook*,
Director

/s/ P. Dufour
P. Dufour *,
Director

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

*Powers of Attorney authorizing S. R. Mills, J. P. Stott, 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.



**ADM
DEFERRED COMPENSATION PLAN
FOR
SELECTED MANAGEMENT EMPLOYEES I**

(As Adopted Effective September 1, 2001)

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**ADM
DEFERRED COMPENSATION PLAN
FOR
SELECTED MANAGEMENT EMPLOYEES I**

ARTICLE I

INTRODUCTION

- 1.1 PLAN; PURPOSE.** The **ADM DEFERRED COMPENSATION PLAN FOR SELECTED MANAGEMENT EMPLOYEES I** is sponsored by the Company to attract high quality executives and to provide eligible executives with an opportunity to save on a pre-tax basis and accumulate tax-deferred earnings to achieve their financial goals.
- 1.2 NON-QUALIFIED “TOP-HAT” PLAN.** The Plan is a “top-hat” plan – that is, an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of ERISA §§ 201(2), 301(a)(3) and 401(a)(1), and therefore is exempt from Parts 2, 3 and 4 of Title I of ERISA.
- 1.3 PLAN DOCUMENT.** The Plan document consists of this document, any appendix to this document and any document that is expressly incorporated by reference into this document.
- 1.4 EFFECTIVE DATE OF DOCUMENT.** The Plan (as stated in this document) is effective September 1, 2001.
- 1.5 THE AMERICAN JOBS CREATION ACT OF 2004; PLAN FREEZE.**
- 1.5.1 The Jobs Creation Act. The American Jobs Creation Act of 2004 (the “Jobs Act”) changed the income inclusion rules applicable to nonqualified deferred compensation plans. In response to the Jobs Act, the Plan is amended to freeze participation and future deferrals, with all deferrals after December 31, 2004, to be under the ADM Deferred Compensation Plan for Selected Management Employees II (the “Successor Plan”). The Company intends that the Accounts remaining under this Plan and attributable to deferrals on and prior to December 31, 2004, will qualify for “grandfathered” treatment under Code § 409A.
- 1.5.2 Freeze. Any contrary provision of this document notwithstanding, there will be no Active Participants under this Plan, and no deferrals or credits (other than Earnings Credits) will be added to any Participant’s Account, after December 31, 2004, unless earned and vested by that date as determined under Code § 409A (deferrals and credits earned or vested after December 31, 2004, will be governed by the Successor Plan).

All other provisions of this document will remain effect and will govern Participant rights and obligations after December 31, 2004.

ARTICLE II

DEFINITIONS AND CONSTRUCTION

- 2.1 DEFINITIONS.**
- 2.1.1 “Account” means the account established for a Participant pursuant to Article IV.
- 2.1.2 “Administrator” means the Company.
- 2.1.3 “Affiliate” means any corporation that is a member of the same controlled group as the Company as defined in Code § 414(b) or any business entity that is under common control with the Company as defined in Code § 414(c).

- 2.1.4 “Annualized Base Salary” means an individual’s base salary from the Company and its Affiliates (excluding bonuses, incentive payments and other special compensation) expressed on an annual basis.
- 2.1.5 “Beneficiary” means a person or persons designated as such pursuant to Sec. 8.2.
- 2.1.6 “Certified Domestic Partner” means a person of the same or opposite sex who is not a Spouse, and with respect to whom the Participant has on file with ADM (and has not terminated) an affidavit attesting that the conditions for domestic partner status are satisfied as specified in the Domestic Partner Policy adopted (and as modified from time to time) by ADM.
- 2.1.7 “Change in Control” means either:
- (a) A person other than the Company or a subsidiary of the Company acquires beneficial ownership, directly or indirectly, of thirty-percent (30%) or more of the combined voting power of the Company’s then outstanding securities entitled to vote generally in the election of directors (“Voting Securities”), provided that the following will not constitute a Change in Control under this subsection (a):
 - (i) Any acquisition directly from the Company;
 - (ii) Any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or one or more of its subsidiaries;
 - (iii) Any acquisition by any corporation with respect to which, immediately following such acquisition, more than 60% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the persons who were the beneficial owners, respectively, of the outstanding Company common stock and Voting Securities immediately prior to such acquisition in substantially the same proportions as their ownership, immediately prior to such acquisition, of the outstanding Company common stock and Voting Securities, as the case may be;
 - (b) Approval by the stockholders of the Company of (i) the complete dissolution or liquidation of the Company, or (ii) the sale or other disposition of all or substantially all of the assets of the Company (in one or a series of transactions), other than to a corporation with respect to which, immediately following such sale or other disposition, more than 60% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the persons who were the beneficial owners, respectively, of the outstanding Company common stock and Voting Securities immediately prior to such sale or other disposition in substantially the same proportions as their ownership, immediately prior to such sale or other disposition, of the outstanding Company common stock and Voting Securities, as the case may be;
 - (c) Approval by the stockholders of the Company of a reorganization, merger or consolidation of the Company (other than a merger or consolidation with a subsidiary of the Company) or a statutory exchange of outstanding Voting Securities of the Company, unless immediately following such reorganization, merger, consolidation or exchange, all or substantially all of the persons who were the beneficial owners, respectively, of the outstanding Company common stock and Voting Securities immediately prior to such reorganization, merger, consolidation or exchange beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger, consolidation or exchange in substantially the same proportions as their

ownership, immediately prior to such reorganization, merger, consolidation or exchange, of the outstanding Company common stock and Voting Securities, as the case may be; or

- (d) A majority of the members of the Board of Directors of the Company are not Continuing Directors. For purposes of this subsection (d), "Continuing Directors" shall mean:
- (i) Individuals who, on the effective date of this Plan as provided in Section 1.4, are directors of the Company,
 - (ii) Individuals elected as directors of the Company subsequent to the effective date of this Plan for whose election proxies have been solicited by the Board of Directors of the Company, or
 - (iii) Any individual elected or appointed by the Board of Directors of the Company to fill a vacancy on the Board of Directors of the Company caused by death or resignation (but not by removal) or to fill a newly created directorship.

For purposes of this definition, a "person" means a person within the meaning of Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), "beneficial ownership" means beneficial ownership within the meaning of Rule 13d-3 under the Exchange Act, and "subsidiary" of the Company means any entity of which securities or other ownership interests having general voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Company.

- 2.1.8 "Code" means the Internal Revenue Code of 1986, as amended.
- 2.1.9 "Company" means Archer Daniels Midland Company and its successor and assigns.
- 2.1.10 "Company Match Credit" means the credit to the Account of a Participant pursuant to Section 3.3.
- 2.1.11 "Deferral Eligible Compensation" means an individual's base salary from the Company and its Affiliates, plus any bonus, incentive, or other payments the Company determines in its sole discretion to be eligible for a deferral election under Sec. 3.2.
- 2.1.12 "Disability" means eligibility to receive benefits under the Company's Long Term Disability Plan as in effect at the time of such Disability.
- 2.1.13 "Earnings Credit" means the gains and losses credited on the balance of an Account based on the choice made by the Participant (or Beneficiary after the death of the Participant) among the investment options made available by the Administrator.
- 2.1.14 "Eligible Executive" means an executive of the Company or a Participating Affiliate:
- (a) Who is compensated on a salary basis;
 - (b) Who is selected by the Company to be eligible to participate in the Plan; and
 - (c) Whose Annualized Base Salary exceeds \$175,000.
- 2.1.15 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.
- 2.1.16 "Financial Hardship" means a sudden and unexpected illness or accident of the Participant or his/her dependent's (as defined in Code § 152(a)), property casualty loss to the Participant, or other similar extraordinary and unforeseeable circumstances of the Participant arising as a result of events beyond the control of the Participant, which is not covered by insurance and may not be relieved by the liquidation of other assets provided that such liquidation would not cause a Financial Hardship, and which is determined to qualify as a Financial Hardship by the Administrator.

Cash needs arising from foreseeable events such as the purchase of a residence or education expenses for children will not, alone, be considered a Financial Hardship.

- 2.1.17 “Financial Hardship Withdrawal” means the distribution elected by the Participant pursuant to Section 6.3.
- 2.1.18 “Funding Event” means a Change in Control or a Potential Change in Control.
- 2.1.19 “Participant” means an executive who is enrolled in the Plan, or a current or former executive who is not enrolled but who has a balance remaining in his/her Account under the Plan. “Active Participant” means an executive who is enrolled in the Plan.
- 2.1.20 “Participating Affiliate” means any Affiliate (while it is such) which employs one or more Eligible Executives.
- 2.1.21 “Plan Year” means the calendar year, except that the first Plan Year will begin September 1, 2001 and end December 31, 2001.
- 2.1.22 “Potential Change in Control” means any of the following:
- (a) The commencement by any person of a tender or exchange offer or a proxy contest that would ultimately result in a Change in Control described in Sections 2.1.7(a) or (d).
 - (b) The execution of a letter of intent, agreement in principle or definitive agreement by the Company that would ultimately result in a Change in Control.
 - (c) The public announcement by any person of such person’s intent to take or consider taking actions which, if consummated, would result in a Change in Control.
 - (d) The adoption by the Board of Directors of the Company of a resolution to the effect that a Change in Control is imminent for purposes of this Plan.

If 1/3rd of the Participants, separately or together, provide a written statement to the Company that, in their good faith opinion, a Potential Change in Control has occurred, then a Potential Change in Control will be deemed to have occurred for purposes of this Plan unless the Company, within ten business days after such statement has been received from the Participants provides the Participants with an opinion of a nationally or regionally recognized law firm that a Potential Change in Control has not occurred for purposes of the Plan.

For purposes of this definition, a “person” means a person within the meaning of Sections 13(d) and 14(d) of the Exchange Act.

- 2.1.23 “Retirement” means Termination of Employment on or after the date on which the Participant:
- (a) Attains age sixty-five (65) (referred to as “Normal Retirement”); or
 - (b) Has both attained age fifty-five (55) and completed at least five (5) Years of Service (referred to as “Early Retirement”).
- 2.1.24 “Scheduled Withdrawal” means the distribution elected by the Participant pursuant to Section 6.1
- 2.1.25 “Spouse” means a person of the opposite sex to whom the Participant is legally married (including a common-law spouse in any state that recognizes common-law marriage).
- 2.1.26 “Termination of Employment” means resignation, discharge, retirement, death or the happening of any other event or circumstance that results in the severance of the employer-employee relationship with the Company and all Affiliates. A Termination of Employment will not be deemed to have occurred upon the occurrence of a Disability until the Participant either:
- (a) Ceases to be eligible for benefits under the Company’s Long-Term Disability Plan (and assuming he/she does not then return to active employment with the Company or an Affiliate), except that:

- (1) The Administrator may, in its sole discretion, deem a Termination of Employment for purposes of the Plan to have occurred prior to the above date and thus allow for the commencement of benefits to the Participant; or
- (2) The Participant may elect to have a Disability constitute a Termination of Employment for purposes of the Plan provided that such election is received by the Administrator at least thirteen (13) months prior to the Disability.

An election under paragraph (2) must be made on such form, and in accordance with such rules, as may be prescribed for this purpose by the Administrator.

(b) Satisfies the requirements for Retirement.

2.1.27 "Trustee" means the trustee of the trust established pursuant to Section 9.2.

2.1.28 "Unscheduled Withdrawal" means a distribution elected by the Participant pursuant to Section 6.2.

2.1.29 "Valuation Date" means each day on which trading occurs on the New York Stock Exchange.

2.1.30 "Withdrawal Penalty" means the ten percent (10%) penalty deducted from an Account as a result of an Unscheduled Withdrawal, or as a result of a change in the form of distribution within thirteen (13) months prior to Termination of Employment.

2.1.31 "Years of Service" means the cumulative consecutive years of continuous full-time employment with the Company or an Affiliate (while it is such), beginning on the date the Participant first began service with the Company or an Affiliate (while it is such), and counting each anniversary thereof.

2.2 CHOICE OF LAW. The Plan will be governed by the laws of the State of Illinois to the extent that such laws are not preempted by the laws of the United States. All controversies, disputes, and claims arising hereunder must be submitted to the United States District Court for the Central District of Illinois.

ARTICLE III

PARTICIPATION AND CONTRIBUTION CREDITS

3.1 PARTICIPATION.

3.1.1 Selection by Board of Directors. The Company will select the executives of the Company and Participating Affiliates who will be eligible to participate in the Plan from among those whose Annualized Base Salary exceeds \$175,000.

3.1.2 Enrollment. An Eligible Executive will be allowed to enroll in the Plan as of the first day of the month that coincides with or next follows the date thirty (30) days after he/she is notified of eligibility for the Plan. Thereafter, an Eligible Executive may elect to enroll for a Plan Year during the enrollment period established by the Administrator for such Plan Year, which enrollment period will be a period of at least thirty (30) days that precedes the start of the Plan Year.

Enrollment must be made in such manner and in accordance with such rules as may be prescribed for this purpose by the Administrator (including by means of a voice response or other electronic system under circumstances authorized by the Administrator).

3.1.3 End of Eligibility. An Eligible Employee may continue to participate in the Plan for so long as the Plan remains in effect and he/she remains an Eligible Employee.

3.2 ELECTIVE DEFERRAL CREDITS.

3.2.1 Elective Deferral Credits. Elective Deferral Credits will be made for each payroll period on behalf of each Active Participant who has enrolled in the Plan and who thereby elects to have his/her Deferral Eligible Compensation reduced in order to receive Elective Deferral Credits. The Elective Deferral Credits for a payroll period will be given on or as soon as administratively practicable after the payroll date for such payroll period in an amount equal to the amount of the reduction in Deferral Eligible Compensation.

An Eligible Executive may elect to reduce his/her Deferral Eligible Compensation for a payroll period by any whole percent, but not less than five percent (5%) or more than seventy-five percent (75%) (or such other minimum and/or maximum as the Company determines in its sole discretion to be appropriate for any bonus or other incentive payment that is eligible for a deferral election). An election (or the modification or revocation of an election) must be made in such manner and in accordance with such rules as may be prescribed for this purpose by the Administrator (including by means of a voice response or other electronic system under circumstances authorized by the Administrator). An election must be made as part of enrollment described in Section 3.1.2. and must specify the Subaccount(s) to which the Elective Deferrals are to be credited pursuant to Section 4.1.1.

3.2.2 Elections are Irrevocable. An election will be “evergreen” – that is, it will apply with respect to the Plan Year (or the remaining portion thereof) to which it relates and to subsequent Plan Years until changed or revoked by the Participant during an open enrollment period, or changed or revoked during the Plan Year as provided under this Section. An election will be irrevocable throughout the Plan Year; except that:

(a) Elective Deferrals will automatically stop during the Plan Year:

- (i) If the Participant receives a hardship withdrawal prior to age 59½ from his/her Before-Tax Contribution Account under the ADM 401(k) Plan for Salaried Employees;
- (ii) If the Participant receives an Unscheduled Withdrawal or Financial Hardship Withdrawal;
- (iii) Upon the occurrence of a Disability.
- (iv) Upon Termination of Employment.

(b) The Administrator may, in its sole discretion, allow a Participant to reduce or stop his/her Elective Deferrals during the Plan as necessary to alleviate a Financial Hardship.

(c) The Administrator may, in its sole discretion, allow a Participant who has had a material increase in his/her Annualized Base Salary during the Plan Year as a result of a change in job position with the Company or Participating Affiliate to change his/her election with respect to the remaining portion of the Plan Year, subject to the limits specified in Sec. 3.2.1. Any such change in election will be effective as soon as administratively practicable after the new election is made, and will not apply retroactively to any payroll period that has started prior to the date the new election is made.

3.2.3 Limits. The Administrator may, in its sole discretion, limit the minimum or maximum amount of Elective Deferrals that are allowed under the Plan by any Participant or any group of Participants.

3.3 COMPANY MATCHING CREDITS. Company Matching Credits will be made for each Plan Year on behalf of each Participant who receives Elective Deferrals Credits for such Plan Year, who has made the

maximum permissible elective deferrals under the ADM 401(k) Plan for Salaried Employees, and whose employer matching contributions under the ADM Employee Stock Ownership Plan for Salaried Employees (“Salaried ESOP”) are reduced because of the reduction in Base Pay resulting from an election under this Plan. The Company Matching Credits for a Plan Year will be given on or as soon as administratively practicable after the first business day of the next Plan Year in an amount equal to the difference between the amount of the employer matching contributions that would have been made under the Salaried ESOP if his/her Base Pay had not been reduced as a result of the election under this Plan (disregarding the impact such additional matching contributions would have had on the nondiscrimination test under Code § 401(m)), and the actual amount of employer matching contributions made under the Salaried ESOP for the Plan Year.

ARTICLE IV

ACCOUNTS AND INVESTMENT ADJUSTMENTS

4.1 ACCOUNTS.

4.1.1 Types of Subaccounts. The following Subaccounts will be maintained under the Plan as part of the Account of each Participant:

- (a) “Subaccount A – Retirement Subaccount” to reflect Elective Deferral Credits which the Participant directs be credited to this Subaccount.
- (b) “Subaccount B – Scheduled Withdrawal Subaccount” to reflect Elective Deferral Credits which the Participant directs be credited to this Subaccount.
- (c) “Subaccount C – Scheduled Withdrawal Subaccount” to reflect Elective Deferral Credits which the Participant directs be credited to this Subaccount.
- (d) “Subaccount D – Company Contribution Subaccount” to reflect Company Matching Credits.

Additional Subaccounts may also be maintained if considered appropriate by the Administrator in the administration of the Plan.

4.1.2 Balance of Accounts. A Subaccount will have a cash balance expressed in United States Dollars.

4.1.3 Accounts for Bookkeeping Only. Accounts and Subaccounts are for bookkeeping purposes only and the maintenance of Accounts and Subaccounts will not require any segregation of assets of the Company or any Participating Affiliate. Except as provided in Section 9.2, neither the Company nor any Participating Affiliate will have any obligation whatsoever to set aside funds for the Plan or for the benefit of any Participant or Beneficiary, and no Participant or Beneficiary will have any rights to any amounts that may be set aside other than the rights of an unsecured general creditor of the Company or Participating Affiliate that employs (or employed) the Participant.

4.2 VALUATION OF ACCOUNTS.

4.2.1 Daily Adjustments. Accounts will be adjusted from time to time as follows:

- (a) Elective Deferral and Company Matching Credits. Elective Deferral Credits and Company Matching Credits will be added to the balance of the appropriate Subaccount as of the dates specified in Sections 3.2 and 3.3.
- (b) Earnings Credits. Earnings Credits will be added to (or subtracted) from the balance of the Subaccount as of each Valuation Date as provided in Section 4.3.
- (c) Withdrawals and Distributions. The withdrawals and distributions made from a Subaccount will be subtracted from the balance of the Subaccount as of the date the withdrawal or distribution is made from the Plan.

- 4.2.2 Processing Transactions Involving Accounts. Accounts shall be adjusted to reflect Elective Deferral Credits, Company Matching Credits, Earnings Credits, distributions and other transactions as provided in Section 4.2.1. However, all information necessary to properly reflect a given transaction in an Account may not be immediately available, in which case the transaction will be reflected in the Account when such information is received and processed. Further, the Administrator reserves the right to delay the processing of any Elective Deferral Credit, Company Matching Credit, Earnings Credit, distribution or other transaction for any legitimate business reason (including, but not limited to, failure of systems or computer programs, failure of the means of the transmission of data, force majeure, the failure of a service provider to timely receive net asset values or prices, or to correct for its errors or omissions or the errors or omissions of any service provider).

4.3 EARNINGS CREDITS.

- 4.3.1 Adjustment to Reflect Earnings Credits. Accounts will be adjusted (increased or decreased) as of each Valuation Date to reflect Earnings Credits as determined under Section 4.3.2.

- 4.3.2 Earnings Credits. The Administrator will establish a procedure by which a Participant (or Beneficiary following the death of a Participant) may elect to have his/her Earnings Credits determined based the performance of one or more investment options deemed to be available under the Plan. The Administrator, in its sole discretion, will determine the investment options that will be available as benchmarks for determining the Earnings Credit, which may include mutual funds, common or commingled investment funds or any other investment option deemed appropriate by the Administrator. The Administrator may at any time and from time to time add to or remove from the investment options deemed to be available under the Plan.

A Participant (or Beneficiary following the death of the Participant) will be allowed on a hypothetical basis to direct the investment of his/her Account among the investment options available under the Plan. Hypothetical investment directions may be given with such frequency as is deemed appropriate by the Administrator, and must be made in such percentage or dollar increments, in such manner and in accordance with such rules as may be prescribed for this purpose by the Administrator (including by means of a voice response or other electronic system under circumstances so authorized by the Administrator). If an investment option has a loss, the Earnings Credit attributable to such investment option will serve to reduce the Account; similarly, if an investment option has a gain, the Earnings Credit attributable to such investment option will serve to increase the Account. If the Participant fails to elect an investment option, the Earnings Credit will be based on a money market investment option or such other investment option as may be selected for this purpose by the Administrator.

- 4.3.3 Hypothetical Investments. All investment directions of a Participant or Beneficiary will be on a “hypothetical” basis for the sole purpose of establishing the Earnings Credit for his/her Account – that is, the Account will be adjusted for Earnings Credits as if the Account were invested pursuant to the investment directions of the Participant or Beneficiary, but actual investments need not be made pursuant to such directions. However, the Administrator, in its sole discretion and without any obligation, may direct that investments be made per the investment directions of Participants and Beneficiaries in order to hedge the liability of the Company and Participating Affiliates.

- 4.4 **STATEMENTS.** The Administrator may cause benefit statements to be issued from time to time advising Participants and Beneficiaries of the status of their Accounts, but it is not required to issue benefit statements and the issuance of such benefit statements (and any errors that may be reflected on benefit statements) will not in any way alter or affect the rights of Participants with respect to the Plan.

ARTICLE V

VESTING

A Participant at all times will have a fully vested interest in his/her Account under the Plan.

ARTICLE VI

WITHDRAWALS WHILE EMPLOYED

6.1 SCHEDULED WITHDRAWALS

6.1.1 Scheduled Withdrawal Subaccounts. A Participant may direct that up to two Scheduled Withdrawal Subaccounts – Accounts B and C – be maintained under the Plan. When a Participant directs that a Scheduled Withdrawal Account be established, he/she also must select:

- (a) The Plan Year during which distribution is to be made (or distributions are to commence) with respect to such Subaccount, provided that such Plan Year must not be before the third (3rd) Plan Year following the enrollment period in which the Participant directs that the Scheduled Withdrawal Subaccount be established under the Plan; and
- (b) The distribution method with respect to each such Subaccount, which may be either a lump-sum or annual installments over a period that does not exceed four (4) years.

An election as to the time and method of distribution from a Scheduled Withdrawal Subaccount will be irrevocable. For so long as a Participant has two Scheduled Withdrawal Subaccounts, he/she may not elect to establish another until full distribution has been made from a Scheduled Withdrawal Subaccount.

6.1.2 Scheduled Withdrawal Election Procedures. A election to establish a Scheduled Withdrawal Account must be made in such manner and in accordance with such rules as may be prescribed for this purpose by the Administrator (including by means of a voice response or other electronic system under circumstances authorized by the Administrator).

A Participant may direct that Elective Deferrals Credits be added to a Scheduled Withdrawal Account and may change such election during any annual enrollment period. Such an election will be irrevocable for the Plan Year. Elective Deferral Credits cannot, however, be added to a Scheduled Withdrawal Account in the Plan Year in which distribution is to be made (or distributions are to start) from a Scheduled Withdrawal Account.

6.1.3 Scheduled Withdrawals. Distributions will be made to the Participant from a Scheduled Withdrawal Subaccount at the time and in the manner selected by the Participant with respect to such Subaccount. Payments will start no later than the last day of January of the Plan Year selected by the Participant unless preceded by Termination of Employment. In the event of Termination of Employment for any reason prior to completion of all payments elected with respect to a Scheduled Withdrawal Subaccount, the balance of the Scheduled Withdrawal Subaccount will be paid in the form provided in Article VII. In the event such Termination of Employment is as a result of the Participant's death, the Scheduled Withdrawal will be paid as provided Article VIII.

6.2 UNSCHEDULED WITHDRAWALS.

6.2.1 Unscheduled Withdrawals. A Participant may make an Unscheduled Withdrawal at any time of an amount not less than twenty-five percent (25%) of the balance of his/her Account. Such withdrawal will be paid as soon as administratively practicable after the withdrawal request is received by the Administrator.

A Participant may make only one Unscheduled Withdrawal in any Plan Year. If a Participant elects to make an Unscheduled Withdrawal of seventy-five percent (75%) or more of the balance of the Account, he/she will be deemed to have elected to receive the entire balance of the Account.

The Elective Deferrals of the Participant will automatically stop in the event of an Unscheduled Withdrawal, and the Participant will not be allowed to again enroll until the first day of the second Plan Year following the date of the Unscheduled Withdrawal.

6.2.2 Withdrawal Penalty. A Withdrawal Penalty will be permanently deducted from the balance of the Account in the event of an Unscheduled Withdrawal. The Withdrawal Penalty will be in an amount equal to:

- (a) Five percent (5%) of the amount of the withdrawal if the withdrawal occurs within twenty-four (24) months following a Change in Control; or
- (b) Otherwise, ten percent (10%) of the amount of the withdrawal.

An Unscheduled Withdrawal and Withdrawal Penalty will be deemed to have been drawn on a pro-rata basis from the various investments of the Account.

6.3 FINANCIAL HARDSHIP WITHDRAWAL. A Participant may make a Financial Hardship Withdrawal from his/her Account in the event of a Financial Hardship. Such withdrawal will be paid as soon as administratively practicable after the withdrawal request is received and the Administrator, in its sole discretion, has determined that the Participant has a Financial Hardship.

The Elective Deferrals of the Participant will automatically stop in the event of a Financial Hardship Withdrawal, and the Participant will not be allowed to again enroll until the first day of the second Plan Year following the date of the Financial Hardship Withdrawal.

ARTICLE VII

DISTRIBUTIONS AFTER TERMINATION

7.1 BENEFIT ON TERMINATION OF EMPLOYMENT. A Participant will be eligible to receive a distribution of the full balance of his/her Account following his/her Termination of Employment in accordance with the terms of this Article.

7.2 TIME AND FORM OF DISTRIBUTION.

7.2.1 Time of Distribution. A distribution will be made (or installment distributions will commence if available and elected) as soon as administratively practicable after either of the following dates as elected by the Participant:

- (a) Termination of Employment; or
- (b) January 1st next following Termination of Employment.

7.2.2 Form of Distribution. A distribution will be made in the following form:

- (a) Retirement or Disability. In the case of Retirement or Disability, a distribution will be made in either of the following forms as elected by the Participant:
 - (1) A single-sum distribution of the full balance of his/her Account; or
 - (2) A series of annual installments over a period of two (2) to twenty (20) years as elected by the Participant. Each annual installment will be determined by dividing the balance of the Account as of the last Valuation Date prior to the date on which the installments are to commence (and each anniversary of such date) by the number of years remaining in the installment period elected by the Participant.

The Account will continue to be adjusted for Earnings Credits during the installment payout period; thus, if the balance in the Account as of the last scheduled payment exceeds the scheduled payment because of positive Earnings Credits, the full balance of the Account will be paid to the Participant, and if the balance of the Account is not sufficient to pay all scheduled payments because of negative Earnings Credits, the number of payments (and the amount of the final payment) will be reduced accordingly. However, with respect to the final year of the installment payout period, the Administrator in its sole discretion may direct that full payment of the balance of the Account be made to the Participant in lieu of continued installment payments from the Plan.

(3) A combination of (1) and (2).

(b) Other Terminations. In the case of a Termination of Employment other than Retirement or Disability, a distribution will be in the form of a single-sum distribution of the full balance of his/her Account. However, the Administrator may, in its sole discretion, elect to make a distribution in the form of annual installments over a period of up to three (3) years.

7.2.3 Distribution Election Procedures. A distribution election as to time and form must be made in such manner and in accordance with such rules as may be prescribed for this purpose by the Administrator (including by means of a voice response or other electronic system under circumstances authorized by the Administrator).

A distribution election will be effective only if it is received by the Administrator at least thirteen (13) months prior to Termination of Employment. However, a Participant may elect to have a distribution election take effect less than thirteen (13) months prior to Termination of Employment subject to a Withdrawal Penalty of ten percent (10%) of the pre-penalty balance of his/her Account.

7.2.4 Default Elections. If a Participant fails to file a timely election as to the time of distribution, the distribution will be made as soon as administratively practicable after Termination of Employment. If a Participant fails to file a timely election as to the form of distribution in the event of a Retirement or Disability, the distribution will be made in a series of annual or monthly installments, at the discretion of the Administrator, over a period of ten (10) years.

7.3 CASH-OUT OF SMALL ACCOUNTS. Notwithstanding any contrary provision, if the balance of a Participant's Account does not exceed one-hundred thousand dollars (\$100,000) at Termination of Employment, the Administrator may, in its sole discretion, elect to pay the full balance of the Account to the Participant in full settlement of all benefits due under the Plan.

7.4 VALUATION OF ACCOUNTS FOLLOWING TERMINATION OF EMPLOYMENT. An Account will continue to be credited with Earnings Credits in accordance with Article IV until it is paid in full to the Participant or Beneficiary.

ARTICLE VIII

DISTRIBUTIONS AFTER DEATH

8.1 SURVIVOR BENEFITS.

8.1.1 Survivor Benefits. If a Participant dies prior to the full distribution of his/her Account, his/her Beneficiary will be entitled to a survivor benefit under the Plan.

8.1.2 Time of Distribution. The survivor benefit will be paid on or as soon as administratively practicable after the Administrator determines that a survivor benefit is payable under the Plan – that is, the date the Administrator is provided with the documentation reasonably necessary to establish the fact of death of the Participant and the identity and entitlement of the Beneficiary.

8.1.3 Form of Distribution. The survivor benefit will be paid in one of the following forms as elected by the Participant:

- (1) A single-sum distribution of the full balance (or full remaining balance) of the Participant's Account; or
- (2) A series of annual installments over a period of one (1) to five (5) years as elected by the Participant. Each annual installment will be determined by dividing the balance of the Account as of the last Valuation Date prior to the date on which the installments are to commence (and each anniversary of such date) by the number of years remaining in the installment period elected by the Participant.

The Account will continue to be adjusted for Earnings Credits during the installment payout period; thus, if the balance in the Account as of the last scheduled payment exceeds

the scheduled payment because of positive Earnings Credits, the full balance of the Account will be paid to the Beneficiary, and if the balance of the Account is not sufficient to pay all scheduled payments because of negative Earnings Credits, the number of payments (and the amount of the final payment) will be reduced accordingly. However, with respect to the final year of the installment payout period, the Administrator in its sole discretion may direct that full payment of the balance of the Account be made to the Beneficiary in lieu of continued installment payments from the Plan.

- (3) A combination of (1) and (2).

Notwithstanding the above, if the Participant dies while he/she is receiving installments under Section 7.2.2(a), such installments will continue to his/her Beneficiary over the same period such benefits would have been paid to the Participant. However, the Administrator may, in its sole discretion, elect to pay the survivor benefit in a single lump sum payment in an amount equal to the remaining balance in the Account in full satisfaction of the benefit otherwise payable under the Plan.

- 8.1.4 Distribution Election Procedures. A distribution form election must be made in such manner and in accordance with such rules as may be prescribed for this purpose by the Administrator (including by means of a voice response or other electronic system under circumstances authorized by the Administrator).

A distribution form election will be effective only if it is received by the Administrator at least thirteen (13) months prior to the death of the Participant.

- 8.1.5 Default Elections. If a Participant fails to file a timely election as to the form of distribution to his/her Beneficiary, the distribution will be made in a single lump-sum payment, unless the Participant dies while he/she is receiving installments under Section 7.2.2(a), in which case such installments will continue to his/her Beneficiary over the same period such benefits would have been paid to the Participant, subject to acceleration to a lump-sum at the discretion of the Administrator.

8.2 BENEFICIARY DESIGNATION.

- 8.2.1 General Rule. A Participant may designate any person (natural or otherwise, including a trust or estate) as his/her Beneficiary to receive any balance remaining in his/her Accounts when he/she dies, and, subject to the consent requirements of Sec. 8.2.2, may change or revoke a Beneficiary designation previously made without the consent of any current Beneficiary.

- 8.2.2 Special Requirements for Participants with a Spouse or Certified Domestic Partner. If a Participant has a Spouse or Certified Domestic Partner at the time of death, such Spouse or Certified Domestic Partner will be his/her Beneficiary unless the Spouse or Certified Domestic Partner has consented in writing to the designation of a different Beneficiary.

Consent of a Spouse or Certified Domestic Partner will be deemed to have been obtained if it is established to the satisfaction of ADM that such consent cannot be obtained because the Spouse or Certified Domestic Partner cannot be located.

If a Participant's Spouse or Certified Domestic Partner consents to the designation of a Beneficiary, that consent cannot be revoked so long as the designation remains in effect, but the designation cannot be changed (other than to revoke the designation and reinstate the Spouse or Certified Domestic Partner as the Beneficiary) without the consent of the Spouse or Certified Domestic Partner. If a Spouse or Certified Domestic Partner consents to the designation of a Beneficiary, and the Participant and Spouse divorce or the Participant files a notice with ADM that the domestic partner relationship has ended, the consent of the prior Spouse or Certified Domestic Partner does not bind a subsequent Spouse or Certified Domestic Partner.

8.2.3 Form and Method of Designation. A Beneficiary designation must be made on such form and in accordance with such rules as may be prescribed for this purpose by ADM. A Beneficiary designation will be effective (and will revoke all prior designations) if it is received by ADM (or if sent by mail, the post-mark of the mailing is) prior to the date of death of the Participant. ADM may rely on the latest Beneficiary designation on file (or if an effective designation is not on file may direct that payment be made pursuant to the default provision of the Plan) and will not be liable to any person making claim for such payment under a subsequently filed designation or for any other reason.

ADM may rely on the latest designation on file with it (or may direct that payment be made pursuant to the default provision if an effective designation is not on file) and will not be liable to any person making claim for such payment under a subsequently filed designation or for any other reason.

If a Participant designates a Beneficiary by name that is accompanied by a description of a business, legal or family relationship to the Participant (*e.g.*, “spouse”, “business partner”, “landlord”), such Beneficiary will be deemed to have predeceased the Participant if such relationship has been dissolved or no longer exists at the death of the Participant. If a Participant designates a Beneficiary by name that is accompanied by a description of a personal relationship to the Participant (*e.g.*, “friend”), the dissolution of that relationship will not affect the designation. For purposes of applying the above rules, a domestic partner (or similarly described) relationship will be considered to be a “family” relationship if, and only if, the Participant has a domestic partner affidavit on file with ADM as described in Sec. 2.1.6; otherwise, it will be considered to be a “personal” relationship. Also for purposes of applying the above rules, a domestic partner relationship will be deemed to exist for so long as a Participant has a domestic partner affidavit on file with ADM that has not been revoked and that is considered to be valid by ADM, and accordingly, if such an affidavit is on file at death, ADM will not independently verify the continued existence of domestic partner status.

8.2.4 Default Designation. If a Beneficiary designation is not on file with ADM, or if no designated Beneficiary survives the Participant, the Beneficiary will be the person or persons surviving the Participant in the first of the following classes in which there is a survivor, share and share alike:

- (a) The Participant’s Spouse or Certified Domestic Partner.
- (b) The Participant’s children, except that if any of the Participant’s children predecease the Participant but leave issue surviving the Participant, such issue will take by right of representation the share their parent would have taken if living.
- (c) The Participant’s parents.
- (d) The Participant’s brothers and sisters.
- (e) The Participant’s estate.

The identity of the Beneficiary in each case will be determined by ADM.

8.3 SUCCESSOR BENEFICIARY. If the primary Beneficiary dies prior to complete distribution of the benefits under Section 8.1.2, the remaining Account balance will be paid to the contingent Beneficiary elected by the Participant in the form of a lump sum payable as soon as administratively practicable after the primary Beneficiary’s death is established. If there is no surviving contingent Beneficiary, the lump sum will be paid to the estate of the primary Beneficiary.

ARTICLE IX

CONTRACTUAL OBLIGATIONS AND FUNDING

9.1 CONTRACTUAL OBLIGATIONS.

9.1.1 Obligations of Employer. The Plan creates a contractual obligation on the part of the Company and each Participating Affiliate to provide benefits as set forth in the Plan with respect to:

- (a) Participants who are employed with the Company or that Participating Affiliate;
- (b) Participants who were employed with the Company or that Participating Affiliate prior to Termination of Employment; and
- (c) Beneficiaries of the Participants described in (a) and (b).

A Participating Affiliate is not responsible for (and has no contractual obligation with respect to) benefits payable to a Participant who is or was employed with the Company or another Participating Affiliate. If a Participant is employed with two or more employers (the Company and a Participating Affiliate, or two or more Participating Affiliates, etc.), either concurrently or at different times, each will be responsible for the benefit attributable to Elective Deferral Credits and Company Matching Credits made while the Participant was employed with that employer, adjusted for Earnings Credits.

9.1.2 Guarantee by Company. The Company will guarantee and assume secondary liability for the contractual commitment of each Participating Affiliate under Section 9.1.1.

9.2 OBLIGATIONS UPON OCCURRENCE OF A FUNDING EVENT. The Company will establish a "rabbi" trust to fund benefits payable under the Plan. However, neither the Company nor any Participating Affiliate will have any obligation to fund such trust except upon the occurrence of a Funding Event, and then, the Company and each Participating Affiliate will be obligated to immediately deposit into the trust an amount equal to the then current balance of the Accounts of all Participants with respect to which it has a contractual obligation under Section 9.1.1.

The above notwithstanding, neither the Company nor any Participating Affiliate will transfer or contribute any funds during any "restricted period," as defined in Code § 409A(b)(3)(B), to any rabbi trust established under this Section 9.2. If any funds are transferred or contributed during a restricted period and the Company certifies in writing that such transfer or contribution was disallowed under this provision, the funds will be deemed to have been transferred or contributed under a mistake of fact and will be returned to the Company or the Participating Affiliate, along with any earnings allocable to such funds, regardless of whether the rabbi trust's terms establish it as revocable or irrevocable.

A rabbi trust established to fund benefits may be revocable (in whole or in part) at any time prior to a Change in Control. The assets of any rabbi trust hereby established will not be held or transferred outside of the United States, and the trust will not have any other feature that would result in a transfer of property being deemed to have occurred under Code § 409A (for example, there will be no funding obligation or restrictions on assets in connection with a change in financial health of the Company or any Affiliate).

ARTICLE X

AMENDMENT AND TERMINATION OF PLAN

The Company may amend or terminate the Plan at any time and for any reason; provided that, during the twenty-four (24) months immediately following a Change in Control, the amendment or termination of the Plan will require the written consent of a majority of the Participants who would be affected by such amendment or termination of the Plan. However, such written consent will not be required if the Company makes a good faith determination that either the amendment is required by law or the failure to adopt the amendment would have an adverse tax consequence to the Participants affected by such amendment. In no event may an amendment or termination of

the Plan reduce the balance or the vested portion of the balance of the Account of any Participant or Beneficiary.

If the Company terminates the Plan, the date of such termination will be treated as a Termination of Employment for the purpose of calculating benefits and the Company will pay to each Participant the benefits such Participant would be entitled to receive under Article VII except that such termination benefits will be paid in a single lump sum payable on the last day of the month following the month in which termination of the Plan occurs.

ARTICLE XI

ADMINISTRATION/CLAIMS PROCEDURES

11.1 ADMINISTRATION.

11.1.1 Administrator. The Company is the Administrator of the Plan with authority to control and manage the operation and administration of the Plan and make all decisions and determinations incident thereto. Action on behalf of the Company as Administrator may be taken by any of the following:

- (a) Its Board of Directors (or a committee thereof).
- (b) Its Chief Executive Officer.
- (c) Its Benefit Plans Committee.
- (d) Any individual, committee, or entity to whom responsibility for the operation and administration of the Plan is allocated to by action of one of the above.

11.1.2 Third-Party Service Providers. The Administrator may from time to time contract with or appoint a recordkeeper or other third-party service provider for the Plan. Any such recordkeeper or other third-party service provider will serve in a nondiscretionary capacity and will act in accordance with directions given and/or procedures established by the Administrator.

11.1.3 Rules of Procedure. The Administrator may establish, adopt or revise such rules and regulations as it may deem necessary or advisable for the administration of the Plan.

11.2 CLAIMS PROCEDURE

11.2.1 Claims Procedure. If a Participant or Beneficiary does not feel as if he/she has received full payment of the benefit due such person under the Plan, the Participant or Beneficiary may file a written claim with the Administrator setting forth the nature of the benefit claimed, the amount thereof, and the basis for claiming entitlement to such benefit. The Administrator will determine the validity of the claim and communicate a decision to the claimant promptly and, in any event, not later than ninety (90) days after the date of the claim. The claim may be deemed by the claimant to have been denied for purposes of further review described below in the event a decision is not furnished to the claimant within such ninety (90) day period. If additional information is necessary to make a determination on a claim, the claimant will be advised of the need for such additional information within forty-five (45) days after the date of the claim. The claimant will have up to one hundred and eighty (180) days to supplement the claim information, and the claimant will be advised of the decision on the claim within forty-five (45) days after the earlier of the date the supplemental information is supplied or the end of the one hundred and eighty (180) day period.

A claim for benefits which is denied will be denied by written notice setting forth in a manner calculated to be understood by the claimant:

- (a) The specific reason or reasons for the denial;
- (b) A specific reference to any provisions of the Plan (including any internal rules, guidelines, protocols, criteria, etc.) on which the denial is based;

- (c) A description of any additional material or information that is necessary to process the claim; and
- (d) An explanation of the procedure for further reviewing the denial of the claim (including applicable time limits and a statement of the claimant's right to bring a civil action under ERISA § 502(a) following an adverse determination on review).

11.2.2 **Review Procedures.** Within sixty (60) days after the receipt of a denial on a claim, a claimant or his/her authorized representative may file a written request for review of such denial. Such review will be undertaken by the Administrator and will be a full and fair review. The claimant will have the right to review all pertinent documents. The Administrator will issue a decision not later than sixty (60) days after receipt of a request for review from a claimant unless special circumstances, such as the need to hold a hearing, require a longer period of time, in which case a decision will be rendered as soon as possible but not later than one hundred and twenty (120) days after receipt of the claimant's request for review. The decision on review will be in writing and will include specific reasons for the decision written in a manner calculated to be understood by the claimant with specific reference to any provisions of the Plan on which the decision is based.

11.2.3 **Arbitration.** Any claim, dispute or other matter in question of any kind relating to this Plan which is not resolved by the claims procedures will be settled by arbitration in accordance with the employment dispute resolution rules of the American Arbitration Association. Notice of demand for arbitration will be made in writing to the opposing party and to the American Arbitration Association within a reasonable time after the claim, dispute or other matter in question has arisen. In no event will a demand for arbitration be made after the date when the applicable statute of limitations would bar the institution of a legal or equitable proceeding based on such claim, dispute or other matter in question. The decision of the arbitrator(s) will be final and may be enforced in any court of competent jurisdiction.

The arbitrator(s) may award reasonable fees and expenses to the prevailing party in any dispute hereunder and will award reasonable fees and expenses in the event that the arbitrator(s) find that the losing party acted in bad faith or with intent to harass, hinder or delay the prevailing party in the exercise of its rights in connection with the matter under dispute.

11.3 **INDEMNIFICATION.** The Company and the Participating Affiliates jointly and severally agree to indemnify and hold harmless, to the extent permitted by law, each director, officer, and employee against any and all liabilities, losses, costs, or expenses (including legal fees) of whatsoever kind and nature that may be imposed on, incurred by, or asserted against such person at any time by reason of such person's services in the administration of the Plan, but only if such person did not act dishonestly, or in bad faith, or in willful violation of the law or regulations under which such liability, loss, cost, or expense arises.

11.4 **EXERCISE OF AUTHORITY.** The Administrator and any person who has authority with respect to the management, administration or investment of the Plan may exercise that authority in its/his/her full discretion. This discretionary authority includes, but is not limited to, the authority to make any and all factual determinations and interpret all terms and provisions of this document (or any other document established for use in the administration of the Plan) relevant to the issue under consideration. The exercise of authority will be binding upon all persons; and it is intended that the exercise of authority be given deference in all courts of law to the greatest extent allowed under law, and that it not be overturned or set aside by any court of law unless found to be arbitrary and capricious, or made in bad faith.

11.5 **TELEPHONIC OR ELECTRONIC NOTICES AND TRANSACTIONS.** Any notice that is required to be given under the Plan to a Participant or Beneficiary, and any action that can be taken under the Plan by a Participant or Beneficiary (including enrollments, changes in deferral percentages, loans, withdrawals, distributions, investment changes, consents, etc.), may be by means of voice response or other electronic system to the extent so authorized by the Administrator.

ARTICLE XII

MISCELLANEOUS

- 12.1 NONASSIGNABILITY.** Neither the rights of, nor benefits payable to, a Participant or Beneficiary under the Plan may be alienated, assigned, transferred, pledged or hypothecated by any person, at any time, or to any person whatsoever. Such interest and benefits will be exempt from the claims of creditors or other claimants of the Participant or Beneficiary and from all orders, decrees, levies, garnishments or executions to the fullest extent allowed by law.
- 12.2 WITHHOLDING.** A Participant must make appropriate arrangements with the Company or Participating Affiliate for satisfaction of any federal, state or local income tax withholding requirements and Social Security or other employee tax requirements applicable to the payment of benefits under the Plan. If no other arrangements are made, the Company or Participating Affiliate may provide, at its discretion, for such withholding and tax payments as may be required, including, without limitation, by the reduction of other amounts payable to the Participant.
- 12.3 SUCCESSORS OF THE COMPANY.** The rights and obligations of the Company under the Plan will inure to the benefit of, and will be binding upon, the successors and assigns of the Company.
- 12.4 EMPLOYMENT NOT GUARANTEED.** Nothing contained in the Plan nor any action taken hereunder will be construed as a contract of employment or as giving any Participant any right to continued employment with the Company.
- 12.5 GENDER, SINGULAR AND PLURAL.** All pronouns and any variations thereof will be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.
- 12.6 CAPTIONS.** The captions of the articles, paragraphs and sections of this document are for convenience only and will not control or affect the meaning or construction of any of its provisions.
- 12.7 VALIDITY.** In the event any provision of the Plan is held invalid, void or unenforceable, the same will not affect, in any respect whatsoever, the validity of any other provisions of the Plan.
- 12.8 WAIVER OF BREACH.** The waiver by the Company of any breach of any provision of the Plan will not operate or be construed as a waiver of any subsequent breach by that Participant or any other Participant.
- 12.9 NOTICE.** Any notice or filing required or permitted to be given to the Company or the Participant under this Agreement will be sufficient if in writing and hand-delivered, or sent by registered or certified mail, in the case of the Company, to the principal office of the Company, directed to the attention of the Administrator, and in the case of the Participant, to the last known address of the Participant indicated on the employment records of the Company. Such notice will be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Notices to the Company may be permitted by electronic communication according to specifications established by the Administrator.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed this _____ day of August, 2001.

Archer Daniels Midland Company,
a Delaware corporation

By _____

Title _____



**ADM
DEFERRED COMPENSATION PLAN
FOR
SELECTED MANAGEMENT EMPLOYEES II**

(As Amended and Restated Effective January 1, 2009)

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**ADM
DEFERRED COMPENSATION PLAN
FOR
SELECTED MANAGEMENT EMPLOYEES II**

ARTICLE I

INTRODUCTION

- 1.1 PURPOSE OF THE PLAN; HISTORY.** The **ADM DEFERRED COMPENSATION PLAN FOR SELECTED MANAGEMENT EMPLOYEES II** is sponsored by ADM and its Participating Affiliates to attract high quality executives and to provide eligible executives with an opportunity to save on a pre-tax basis and accumulate tax-deferred earnings to achieve their financial goals.

The Plan is the successor to the ADM Deferred Compensation Plan for Selected Management Employees I (As Amended and Restated Effective September 1, 2001), as amended by a First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Amendment. The Seventh Amendment to the Prior Plan “froze” that plan to new deferrals effective as of December 31, 2004. All obligations under the Prior Plan will be satisfied under the Prior Plan.

The Plan was restated effective as of December 1, 2004, which restatement was amended by a First Amendment adopted August 17, 2006 and a Second Amendment adopted on April 2, 2008. These documents reflect good faith compliance with the requirements of Code § 409A for the period from January 1, 2005 to December 31, 2008.

The Plan most recently was restated as of the effective date specified in Sec. 1.4.

ERROR! BOOKMARK NOT DEFINED. 1.2 NON-QUALIFIED “TOP-HAT” PLAN.

- 1.2.1 ERISA Status. The Plan is a “top-hat” plan – that is, an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of ERISA §§ 201(2), 301(a)(3) and 401(a)(1), and therefore is exempt from Parts 2, 3 and 4 of Title I of ERISA.
- 1.2.2 Compliance with Code § 409A. The Plan also is a nonqualified deferred compensation plan that is intended to meet the requirements of paragraph (2), (3) and (4) of Code § 409A(a), and the terms and provisions of the Plan should be interpreted and applied in a manner consistent with such requirements, including the regulations and other guidance issued under Code § 409A.

1.3 PLAN DOCUMENT.

- 1.3.1 Plan Documents. The Plan document consists of this document, any appendix to this document and any document that is expressly incorporated by reference into this document.
- 1.3.2 Modifications by Employment or Similar Agreement. ADM or an Affiliate may be a party to an employment or similar agreement with a Participant, the terms of which may enhance or modify in some respect the benefits provided under this Plan, including, but not necessarily limited to, an enhancement to or modification of the benefit amount, payment forms and/or other rights and features of the Plan. The Plan consists only of this document and the core documents referenced in Sec. 1.3.1. Accordingly, any contractual rights that a Participant may have to any enhancement or modification called for under an employment or similar agreement are rights that derive from such agreement and not directly from the Plan. Nonetheless, the Plan will be applied in a manner that takes into account any enhancements or modifications called for under an enforceable employment or similar agreement as if such provisions were part of the Plan; *provided that*, no change can be made to the Plan by means of an employment or similar agreement that would not have been allowed by means of an amendment to the Plan (for example, an amendment inconsistent with Code § 409A).

- 1.4 EFFECTIVE DATE OF DOCUMENT.** The Plan (as amended and restated in this document) is effective January 1, 2009.

ARTICLE II

DEFINITIONS AND CONSTRUCTION

2.1 DEFINITIONS.

- 2.1.1 “Account” means an account established for a Participant pursuant to Article IV.
- 2.1.2 “ADM” means Archer Daniels Midland Company.
- 2.1.3 “Affiliate” means any business entity that is required to be aggregated and treated as one employer with ADM under Code § 414(b) or (c) (and for purposes of determining whether a Separation from Service has occurred, a standard of “at least 80 percent” will be used to identify an affiliate under Code § 414(b) and (c) notwithstanding the default standard of “at least 50 percent” found in Treas. Reg. § 1.409A-1(h)(3)).
- 2.1.4 “Aggregated Plan” means any other deferred compensation plan maintained by ADM or an Affiliate that is subject to Code § 409A and that is aggregated with this Plan under Treasury Regulation § 1.409A-1(c)(2).
- 2.1.5 “Beneficiary” means a person or persons designated as such pursuant to Sec. 8.2.
- 2.1.6 “Board” means the Board of Directors of ADM or, except for purposes of applying the definition of Change in Control or Potential Change in Control, its Compensation Committee.
- 2.1.7 “Certified Domestic Partner” means a person of the same or opposite sex who is not a Spouse, and with respect to whom the Participant has on file with ADM (and has not terminated) an affidavit attesting that the conditions for domestic partner status are satisfied as specified in the Domestic Partner Policy adopted (and as modified from time to time) by ADM.
- 2.1.8 “Change in Control” means either:
- (a) Acquisition of 30% Control. A person other than ADM or a subsidiary of ADM acquires beneficial ownership, directly or indirectly, of thirty-percent (30%) or more of the combined voting power of ADM’s then outstanding securities entitled to vote generally in the election of directors (“Voting Securities”), provided that the following will not constitute a Change in Control under this subsection (a):
- (1) Any acquisition directly from ADM;
 - (2) Any acquisition by any employee benefit plan (or related trust) sponsored or maintained by ADM or one or more of its subsidiaries; and
 - (3) Any acquisition by any corporation with respect to which, immediately following such acquisition, more than sixty percent (60%) of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the persons who were the beneficial owners, respectively, of the outstanding ADM common stock and Voting Securities immediately prior to such acquisition in substantially the same proportions as their ownership, immediately prior to such acquisition, of the outstanding ADM common stock and Voting Securities, as the case may be.
- (b) Liquidation or Dissolution. The complete dissolution or liquidation of ADM, or the sale or other disposition of all or substantially all of the assets of ADM (in one or a series of transactions), other than to a corporation with respect to which, immediately following such sale or other disposition, more than sixty percent (60%) of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the

election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the persons who were the beneficial owners, respectively, of the outstanding ADM common stock and Voting Securities immediately prior to such sale or other disposition in substantially the same proportions as their ownership, immediately prior to such sale or other disposition, of the outstanding ADM common stock and Voting Securities, as the case may be;

- (c) Certain Business Combinations. Consummation of a reorganization, merger or consolidation of ADM (other than a merger or consolidation with a subsidiary of ADM) or a statutory exchange of outstanding Voting Securities of ADM, unless immediately following such reorganization, merger, consolidation or exchange, all or substantially all of the persons who were the beneficial owners, respectively, of the outstanding ADM common stock and Voting Securities immediately prior to such reorganization, merger, consolidation or exchange beneficially own, directly or indirectly, more than sixty percent (60%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger, consolidation or exchange in substantially the same proportions as their ownership, immediately prior to such reorganization, merger, consolidation or exchange, of the outstanding ADM common stock and Voting Securities, as the case may be; or
- (d) Change in Board. A majority of the members of the Board are not Continuing Directors. For purposes of this subsection (d), “Continuing Directors” shall mean:
- (1) Individuals who, on January 1, 2005, are directors of ADM;
 - (2) Individuals elected as directors of ADM subsequent to January 1, 2005, for whose election proxies have been solicited by the Board; or
 - (3) Any individual elected or appointed by the Board to fill a vacancy on the Board caused by death or resignation (but not by removal) or to fill a newly created directorship.

For purposes of this definition, a “person” means a person within the meaning of Sections 13(d) and 14(d) of the Exchange Act, “beneficial ownership” means beneficial ownership within the meaning of Rule 13d-3 under the Exchange Act, and “subsidiary” of ADM means any entity of which securities or other ownership interests having general voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by ADM.

2.1.9 “Code” means the Internal Revenue Code of 1986, as amended.

2.1.10 “Company Matching Credit” means the credit to Account G – Company Match Account of a Participant, pursuant to Sec. 3.3.

2.1.11 “Deferral Eligible Compensation” means the following:

- (a) Base salary paid by ADM or any Participating Affiliate;
- (b) Any annual performance-based bonus payable under the annual bonus program maintained by ADM (any bonus payable under such program that is not performance-based as determined by ADM is not included in Deferral Eligible Compensation); and
- (c) Any other bonus, incentive, or other payments that ADM (acting in its corporate capacity) determines in its sole discretion to be eligible for a deferral election under this Plan.

ADM will make a determination to include or exclude a given type of pay from being Deferral Eligible Compensation prior to the start of a given Plan Year as reflected in the payroll system starting with the first payroll date within the Plan Year, and such determination will not be modified during the Plan Year.

- 2.1.12 “Disability” means that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.
- 2.1.13 “Earnings Credit” means the gains and losses credited on the balance of an Account based on the choice made by the Participant (or Beneficiary after the death of the Participant) among the investment options made available under the Plan.
- 2.1.14 “Eligible Employee” means an Employee:
- (a) Who is employed with ADM or a Participating Affiliate (while it is a Participating Affiliate);
 - (b) Who is compensated on a salary basis;
 - (c) Whose annualized base salary is one-hundred seventy-five thousand dollars (\$175,000) or more; and
 - (d) Who is on payroll in the United States.
- An Employee’s “annualized base salary” for this purpose means his/her base salary from ADM and its Affiliates (excluding bonuses, incentive payments and other special compensation) expressed on an annual basis.
- Either the Board or the Chief Executive Officer of ADM may determine that an Employee described above will not be an Eligible Employee, or may determine that an Employee not described above will be an Eligible Employee. However, the Plan is intended to cover only those Employees who are in a select group of management or highly compensated employees within the meaning of ERISA §§ 201(2), 301(a)(3) and 401(a)(1); and, accordingly, if any interpretation is issued by the Department of Labor that would exclude any Employee from satisfying that requirement, such Employee immediately will cease to be an Eligible Employee (and will cease to be an Active Participant as provided in Sec. 3.1.3).
- 2.1.15 “Employee” means any common-law employee of ADM or an Affiliate (while it is an Affiliate).
- 2.1.16 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.
- 2.1.17 “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- 2.1.18 “Funding Event” means a Change in Control or a Potential Change in Control.
- 2.1.19 “Participant” means an Active Participant, or a current or former Eligible Employee who is not enrolled but who has a balance remaining in an Account under the Plan. “Active Participant” means an Eligible Employee who has enrolled in the Plan (or who previously enrolled, but without regard to whether a deferral election is currently in place) and who remains an Active Participant under Sec. 3.1.3.
- 2.1.20 “Participating Affiliate” means any Affiliate (while it is an Affiliate) which employs one or more Eligible Employees.
- 2.1.21 “Plan” means the ADM Deferred Compensation Plan for Selected Management Employees II.
- 2.1.22 “Plan Year” means the calendar year.

2.1.23 “Potential Change in Control” means any of the following:

- (a) The commencement by any person of a tender or exchange offer or a proxy contest that would ultimately result in a Change in Control described in Secs. 2.1.8(a) or (d);
- (b) The execution of a letter of intent, agreement in principle or definitive agreement by ADM that would ultimately result in a Change in Control;
- (c) The public announcement by any person of such person’s intent to take or consider taking actions which, if consummated, would result in a Change in Control; or
- (d) The adoption by the Board of a resolution to the effect that a Change in Control is imminent for purposes of this Plan.

If one-third (1/3rd) of the Participants, separately or together, provide a written statement to ADM that, in their good faith opinion, a Potential Change in Control has occurred, then a Potential Change in Control will be deemed to have occurred for purposes of this Plan unless ADM, within ten (10) business days after such statement has been received from the Participants, provides the Participants with an opinion of a nationally or regionally recognized law firm that a Potential Change in Control has not occurred for purposes of the Plan.

For purposes of this definition, a “person” means a person within the meaning of Sections 13(d) and 14(d) of the Exchange Act.

2.1.24 “Prior Plan” means the ADM Deferred Compensation Plan for Selected Management Employees I, as amended.

2.1.25 “Retirement” means a Separation from Service on or after the date on which the Employee:

- (a) Has both attained age sixty-five (65) and completed at least five (5) years of Continuous Service (as defined in the ADM Retirement Plan) (referred to as “Normal Retirement”); or
- (b) Has both attained age fifty-five (55) and completed at least ten (10) years of Continuous Service (referred to as “Early Retirement”).

2.1.26 “Separation from Service” means that ADM and the Participant anticipate that the Participant will perform no future services (as an Employee or contractor) for ADM and its Affiliates or that the level of services the Participant will perform for ADM and its Affiliates (as an Employee or contractor) will permanently decrease to twenty percent (20%) or less of the average level of services performed over the immediately preceding thirty-six (36) month period (or the full period of services if the Participant has been providing services for less than thirty-six (36) months). In the event of a leave of absence, a Separation from Service will be deemed to have occurred on the date that is six (6) months (or in the case of a disability leave, twenty-nine (29) months) following the start of such leave; *provided that*, if the Participant has a statutory or contractual right to return to active employment that extends beyond the end of such leave period, the Separation from Service will be deemed to have occurred upon the expiration of such statutory or contractual right; and if the individual has a Termination of Employment during such leave period, the Separation from Service will be deemed to have occurred on such Termination of Employment. A “disability” leave for this purpose means an absence due to a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months, where such impairment causes the Participant to be unable to perform the duties of his/her position of employment or any substantially similar position.

In the case of a sale or other disposition of stock or substantial assets, or other corporate transaction, whether a Separation from Service has occurred may be affected by the provisions of Sec. 9.1.3.

2.1.27 “Specified Employee” means an Employee who at any time during the twelve-month period ending on the identification date was a “key employee” as defined under Code § 416(i) (applied in accordance with the regulations thereunder, but without regard to paragraph (5) thereof).

ADM may adopt a Specified Employee Identification Policy which specifies the identification date, the effective date of any change in the key employee group, compensation definition and other variables that are relevant in identifying Specified Employees, and which may include an alternative method of identifying Specified Employees consistent with the regulations under Code § 409A. In the absence of any such policy or policy provision, for purposes of the above, the “identification date” is each December 31st, and an Employee who satisfies the above conditions will be considered to be a “Specified Employee” from April 1st following the identification date to March 31st of the following year, and the compensation and other variables, and special rules for corporate events and special rules relating to nonresident aliens, that is necessary in identifying Specified Employees will be determined and applied in accordance with the defaults specified in the regulations under Code § 409A. Any Specified Employee Identification Policy will apply uniformly to all nonqualified deferred compensation plans subject to Code § 409A that are maintained by ADM or an Affiliate.

- 2.1.28 “Spouse” means a person of the opposite sex to whom the Participant is legally married as of the determination date (including a common-law spouse in any state that recognizes common-law marriage, provided that acceptable proof and certification of common law marriage has been received by ADM).
- 2.1.29 “Termination of Employment” means that the common-law employer-employee relationship has ended between the individual and ADM and its Affiliates, as determined under the employment policies and practices of ADM (including by reason of voluntary or involuntary termination, retirement, death, expiration of and failure to return from a recognized leave of absence, or otherwise). A Termination of Employment does not occur merely as a result of transfer of employment from one Affiliate to another Affiliate, or from ADM to an Affiliate or from an Affiliate to ADM. In the case of an Employee working for an Affiliate, a Termination of Employment will not occur upon the sale of the stock of such employer such that it no longer satisfies the definition of an Affiliate (assuming the individual continues in the employ of that employer or a new affiliate of that employer after the sale).
- 2.1.30 “Trustee” means the trustee of a trust established pursuant to Sec. 9.2.
- 2.1.31 “Valuation Date” means each day on which trading occurs on the New York Stock Exchange.
- 2.2** **CHOICE OF LAW.** The Plan will be governed by the laws of the State of Illinois to the extent that such laws are not preempted by the laws of the United States. All controversies, disputes, and claims arising hereunder must be submitted to the United States District Court for the Central District of Illinois.

ARTICLE III

PARTICIPATION AND CONTRIBUTION CREDITS

3.1 **PARTICIPATION.**

- 3.1.4 Eligible Employees. All Eligible Employees will be eligible to participate in the Plan.
- 3.1.5 Enrollment. An Eligible Employee who is not a participant in any other Aggregated Plan will be allowed to enroll in the Plan during the thirty (30) day period following the date he/she is notified of eligibility for the Plan, with enrollment to be effective as of the first day of the month that coincides with or next follows the last day of such enrollment period. Otherwise, an Eligible Employee may elect to enroll for a Plan Year during the annual enrollment period established by ADM for such Plan Year, which annual enrollment period will end not later than the last day of the prior Plan Year.

Enrollment is required and must be made in such manner and in accordance with such rules as may be prescribed for this purpose by ADM (including by means of a voice response or other electronic system under circumstances authorized by ADM).

3.1.6 End of Active Participation and Participation. An Active Participant will continue as an Active Participant until the earliest of the following:

- (a) The date of his/her Separation from Service;
- (b) The date on which the Plan is terminated and liquidated pursuant to Sec. 10.2.2; or
- (c) The last day of the Plan Year in which the Participant ceases to be an Eligible Employee (other than as a result of Separation from Service) or in which the Plan is terminated other than pursuant to Sec. 10.2.2.

A Participant will continue as a Participant until having received a full distribution of the benefit due under the Plan.

3.2 ELECTIVE DEFERRAL CREDITS.

3.2.1 Elective Deferral Credits. Elective Deferral Credits will be made for each pay date on behalf of each Active Participant who has enrolled in the Plan and who thereby elects to have his/her Deferral Eligible Compensation reduced in order to receive Elective Deferral Credits. The Elective Deferral Credits for a pay date will be credited to the appropriate Account on or as soon as administratively practicable after the pay date in an amount equal to the amount of the reduction in Deferral Eligible Compensation.

An Eligible Employee may elect to reduce his/her Deferral Eligible Compensation by any whole percent, subject to the following:

- (a) Any election against base salary may not be less than five percent (5%) or more than seventy-five percent (75%) of base salary;
- (b) Any election against the annual performance-based bonus payable under the annual bonus program maintained by ADM may not be less than five percent (5%), but may be as much as one-hundred percent (100%) of the performance-based bonus.
- (c) Any election against other Deferral Eligible Compensation will be subject to such minimum and/or maximums as may be determined by ADM.

An election (or the modification or revocation of an election) must be made in such manner and in accordance with such rules as may be prescribed for this purpose by ADM (including by means of a voice response or other electronic system under circumstances authorized by ADM). An election must be made as part of enrollment described in Sec. 3.1.2 and must specify the Account(s) to which the Elective Deferrals are to be credited pursuant to Sec. 4.1.1, and the payment form associated with such Account.

Deferral Eligible Compensation will be reduced first to provide Elective Deferral Credits under this Plan, prior to any reduction for any contribution or other amount drawn from compensation. However, the FICA taxes due on Elective Deferral Credits, plus pyramided income taxes on such FICA amounts will be drawn from the Plan and will reduce the net Elective Deferral Credit to the extent other compensation is not available to provide for FICA.

3.2.2 Elections Relate to Services Performed After the Election. An election applicable to base salary must be made by December 31st of the Plan Year prior to the Plan Year in which the services are performed that give rise to the right to receive such base pay. However, for the Plan Year in which an Eligible Employee is first notified of eligibility for the Plan, an election made within the thirty (30) day period referenced in Sec. 3.1.2 (if applicable to the Eligible Employee) may apply to base salary attributable to pay periods that start on or after the effective date of enrollment as provided in Sec. 3.1.2.

Any election against the annual performance-based bonus payable under the annual bonus program maintained by ADM must be made not later than six (6) months prior to the end of the performance period (which generally is December 31st of the Plan Year prior to the Plan Year in which the bonus is paid).

- 3.2.3 Elections are Irrevocable for the Plan Year. An election applied against base salary will be “evergreen” – that is, it will apply with respect to the Plan Year (or the remaining portion thereof) to which it relates and to subsequent Plan Years until changed or revoked by the Participant during an open enrollment period, or changed or revoked during the Plan Year as provided under this Section; *except that*, an election will not apply to a Plan Year (and a new election will be required) if the election would result in any credits inconsistent with the terms of the Plan (for example, an election will not be evergreen if it would result in credits being made to a Scheduled Distribution Account during the scheduled distribution Plan Year of such Account). An election applied against any other Deferral Eligible Compensation will apply only to the bonus or other amount to which it relates.

An election generally will be irrevocable for a Plan Year, but will be revoked if:

- (v) The Participant receives a hardship withdrawal prior to age fifty-nine and one-half (59½) from his/her 401(k) Contribution Account under the ADM 401(k) Plan for Salaried Employees or other cash or deferred arrangement, as defined in Code § 401(k), maintained as part of a qualified plan sponsored by ADM or an Affiliate (while it is an Affiliate) – in which case the Participant cannot reenroll until the first day of the Plan Year that starts at least six (6) months after the hardship withdrawal;
- (vi) The Participant receives a withdrawal for unforeseeable emergency from this Plan pursuant to Sec. 6.2 or from the Prior Plan (or receives a comparable withdrawal from any Aggregated Plan);
- (vii) The Participant has a Disability; or
- (viii) The Participant ceases to be an Active Participant.

- 3.2.4 Final Payroll Period Within Year. An election in effect for a given Plan Year (or portion thereof) with respect to base pay that is paid as part of payroll will apply only to payroll periods ending within the Plan Year – that is, in the case of the final payroll period starting within a Plan Year, if such payroll period ends in the following Plan Year, the election in effect for the following Plan Year will apply to amounts payable for such payroll period.

- 3.2.5 Limits. ADM may, in its sole discretion, limit the minimum or maximum amount of Elective Deferral Credits that are allowed under the Plan by any Active Participant or any group of Active Participants, provided that such limit is established prior to the beginning of the Plan Year or prior to enrollment of the affected Participant.

- 3.3 COMPANY MATCHING CREDITS.** Company Matching Credits will be made for each Plan Year on behalf of each Participant who receives Elective Deferrals Credits for such Plan Year, who has made the maximum permissible elective deferrals permitted under Code § 402(g) under the ADM 401(k) Plan for Salaried Employees (“401(k) Plan”), and whose employer matching contributions under the 401(k) Plan are reduced because of the reduction in base pay resulting from an election under this Plan (taking into account the compensation limit of Code § 401(a)(17) applicable to the matching contributions under the 401(k) Plan). Company Matching Credits for a Plan Year will be added to Account G – Company Match Account on or as soon as administratively practicable after the first business day of the next Plan Year in an amount equal to the difference between the amount of the employer matching contributions that would have been made under the 401(k) Plan if his/her base pay had not been reduced as a result of the election under this Plan (disregarding the impact such additional matching contributions would have had on the nondiscrimination test under Code § 401(m)), and the actual amount of employer matching contributions made under the 401(k) Plan for the Plan Year.

ARTICLE IV
ACCOUNTS AND INVESTMENT ADJUSTMENTS

4.1 ACCOUNTS.

4.1.1 Types of Accounts. The following Accounts will be maintained under the Plan as part of the Account of each Participant:

- (a) “Account A – Retirement Account” to reflect Elective Deferral Credits which the Participant directs be credited to this Account.
- (b) “Account B, C, D, E and/or F – Scheduled Distribution Account” to reflect Elective Deferral Credits which the Participant directs be credited to any of these Accounts.
- (c) “Account G – Company Match Account” to reflect Company Matching Credits.

Additional Accounts may also be maintained if considered appropriate by ADM in the administration of the Plan.

4.1.2 Distribution Events. Distributions from Account A – Retirement Account and Account G – Company Match Account will occur following Separation from Service or Disability in accordance with Article VII, or following death in accordance with Article VIII.

Distributions from Account B, C, D, E and/or F – Scheduled Distribution Accounts will be made in accordance with Article VI, or in the event of a Separation from Service or Disability over-ride election made by the Participant in accordance with Article VI, following Separation from Service or Disability in accordance with Article VII, or in either event following death in accordance with Article VIII.

4.1.3 Balance of Accounts. An Account will have a cash balance expressed in United States dollars.

4.1.4 Accounts for Bookkeeping Only. Accounts are for bookkeeping purposes only and the maintenance of Accounts will not require any segregation of assets of ADM or any Participating Affiliate. Except as provided in Sec. 9.2, neither ADM nor any Participating Affiliate will have any obligation whatsoever to set aside funds for the Plan or for the benefit of any Participant or Beneficiary, and no Participant or Beneficiary will have any rights to any amounts that may be set aside other than the rights of an unsecured general creditor of ADM or Participating Affiliate that employs (or employed) the Participant.

4.2 VALUATION OF ACCOUNTS.

4.2.1 Daily Adjustments. Accounts will be adjusted from time to time as follows:

- (a) Elective Deferral and Company Matching Credits. Elective Deferral Credits and Company Matching Credits will be added to the balance of the appropriate Account as of the dates specified in Secs. 3.2 and 3.3.
- (b) Earnings Credits. Earnings Credits will be added to (or subtracted) from the balance of the Account as of each Valuation Date as provided in Sec. 4.3.
- (c) Withdrawals and Distributions. The withdrawals and distributions made from an Account will be subtracted from the balance of the Account as of the date the withdrawal or distribution is made from the Plan.

- 4.2.2 Processing Transactions Involving Accounts. Accounts shall be adjusted to reflect Elective Deferral Credits, Company Matching Credits, Earnings Credits, distributions and other transactions as provided in Sec. 4.2.1. However, all information necessary to properly reflect a given transaction in an Account may not be immediately available, in which case the transaction will be reflected in the Account when such information is received and processed. Further, ADM reserves the right to delay any Elective Deferral Credit, Company Matching Credit, Earnings Credit, distribution or other transaction for any legitimate administrative reason (including, but not limited to, failure of systems or computer programs, failure of the means of the transmission of data, force majeure, the failure of a service provider to timely receive net asset values or prices, or to correct for its errors or omissions or the errors or omissions of any service provider).

4.3 EARNINGS CREDITS.

- 4.3.1 Adjustment to Reflect Earnings Credits. Accounts will be adjusted (increased or decreased) as of each Valuation Date to reflect Earnings Credits as determined under Sec. 4.3.2.

- 4.3.3 Earnings Credits. ADM will establish a procedure by which a Participant (or Beneficiary following the death of a Participant) may elect to have his/her Earnings Credits determined based the performance of one or more investment options deemed to be available under the Plan. ADM, in its sole discretion, will determine the investment options that will be available as benchmarks for determining the Earnings Credit, which may include mutual funds, common or commingled investment funds or any other investment option deemed appropriate by ADM. ADM may at any time and from time to time add to or remove from the investment options deemed to be available under the Plan.

A Participant (or Beneficiary following the death of the Participant) will be allowed on a hypothetical basis to direct the investment of his/her Accounts among the investment options available under the Plan. Hypothetical investment directions may be given with such frequency as is deemed appropriate by ADM, and must be made in such percentage or dollar increments, in such manner and in accordance with such rules as may be prescribed for this purpose by ADM (including by means of a voice response or other electronic system under circumstances so authorized by ADM). If an investment option has a loss, the Earnings Credit attributable to such investment option will serve to reduce the Account; similarly, if an investment option has a gain, the Earnings Credit attributable to such investment option will serve to increase the Account. If the Participant fails to elect an investment option, the Earnings Credit will be based on a money market investment option or such other investment option as may be selected for this purpose by ADM.

- 4.3.3 Hypothetical Investments. All investment directions of a Participant or Beneficiary will be on a “hypothetical” basis for the sole purpose of establishing the Earnings Credit for his/her Account – that is, the Account will be adjusted for Earnings Credits as if the Account were invested pursuant to the investment directions of the Participant or Beneficiary, but actual investments need not be made pursuant to such directions. However, ADM, in its sole discretion and without any obligation, may direct that investments be made per the investment directions of Participants and Beneficiaries.

4.4 STATEMENTS.

- 4.4.1 Statements. ADM may cause benefit statements to be issued from time to time advising Participants and Beneficiaries of the balance and/or investment of their Accounts, but it is not required to issue benefit statements.
- 4.4.2 Errors on Statements and Responsibility to Review. ADM may correct errors that appear on benefit statements at any time, and the issuance of a benefit statement (and any errors that may appear on a statement) will not in any way alter or affect the rights of a Participant or Beneficiary with respect to the Plan.

Each Participant or Beneficiary has a duty to promptly review each benefit statement and to notify ADM of any error that appears on such statement as provided in Sec. 11.2.2.

ARTICLE V

VESTING

A Participant at all times will have a fully vested interest in his/her Accounts under the Plan.

ARTICLE VI

SCHEDULED DISTRIBUTIONS

6.1 SCHEDULED DISTRIBUTIONS.

6.1.1 Scheduled Distribution Accounts; Time and Form of Distribution. A Participant may direct that up to five (5) Scheduled Distribution Accounts – Accounts B, C, D, E and F – be maintained under the Plan, with the following features associated with each such Account:

(a) Time of Payment. When a Participant directs that a Scheduled Distribution Account be established, he/she must specify the Plan Year during which payment is to be made (or installments are to commence) with respect to such Account, subject to the following:

- (1) The Plan Year of payment may not be before the second (2nd) Plan Year following the Plan Year for which the Account is first established (for example, if the Account is first established for 2009 during the enrollment period at the end of 2008, the Plan Year of payment cannot be before 2011); and
- (2) Two Scheduled Distribution Accounts may not have the same distribution year.

Payment will be made (or installments will commence) from a Scheduled Distribution Account during January of the scheduled distribution Plan Year. However, any payment may be delayed if necessary for administrative reasons, at the sole discretion of ADM, to a later date within the calendar year.

(b) Form of Payment. A Scheduled Distribution Account will be distributed in the following form:

- (1) A distribution from Scheduled Distribution Account B will be made in either of the following forms at the election of the Participant:
 - (A) A single lump-sum distribution; or
 - (B) A series of annual installments over a period of two (2) to five (5) years as elected by the Participant. The first annual installment will equal, one-half (1/2), one-third (1/3rd), one-fourth (1/4th) or one-fifth (1/5th), as appropriate, of the balance of the Account as of the Valuation Date established by ADM that precedes the date on which the installment is to be paid, with the denominator of the fraction reduced by one each year. However, the installment for the final year will equal the full remaining balance of the Account.

A right to each installment payment is to be treated as a right to a separate payment for purposes of Code § 409A.

When a Participant directs that Scheduled Distribution Account B be established, he/she must specify the Plan Year during which payment is to be made (or installments are to commence) with respect to such Account.

- (2) A distribution from Scheduled Distribution Accounts C, D, E, and F will be made as a single-sum distribution of the full balance of the Participant's Account.

- (c) Over-ride by Separation from Service or Disability. When a Participant directs that a Scheduled Distribution Account be established, he/she must specify whether a Separation from Service or Disability will over-ride the scheduled distribution election made under subsection (a) or Sec. 6.1.2 (that is, whether the distribution provisions of Article VII will apply to the Account in the event of a Separation from Service or Disability prior to the scheduled distribution Plan Year), and, if an over-ride does apply, the distribution time and form elections that will apply in the event of a Separation from Service or Disability, consistent with Article VII.

If so permitted by ADM, a Participant may make a different over-ride election to apply in the case of Retirement or Disability than will apply in the case of any other Separation from Service (for example, the Participant may elect that Article VII will over-ride in the event of Retirement or Disability, but not any other Separation from Service, or that Article VII will over-ride in the event of any Separation from Service or Disability).

A Scheduled Distribution Account that will be paid in a given Plan Year will not count toward the maximum five (5) Scheduled Distribution Accounts. Accordingly, if a Participant has five (5) Scheduled Distribution Accounts, and one such Account will be paid in a given Plan Year, a Participant will be allowed to establish another Scheduled Distribution Account with respect to Elective Deferral Credits made for such Plan Year.

- 6.1.2 Distribution Election Procedures; Subsequent Deferrals. An election to establish a Scheduled Distribution Account must be made in such manner and in accordance with such rules as may be prescribed for this purpose by ADM (including by means of a voice response or other electronic system under circumstances authorized by ADM). An election will be effective only if it is received in properly completed form by ADM as part of the enrollment for the Plan Year for which the Account is first established. However, a Participant may later defer the Plan Year in which payment is to be made, subject to the following:

- (a) Twelve Month Advance Election. An election to defer must be received by ADM in properly completed form prior to the earlier of:
- (1) Twelve (12) months prior to the first day of the scheduled distribution Plan Year; or
 - (2) Termination of Employment.
- (b) Five Year Deferral. The deferral must be for at least five (5) Plan Years from the scheduled distribution Plan Year.

A Participant may direct that Elective Deferral Credits for any Plan Year be added to an already existing Scheduled Distribution Account and may change such election during any annual enrollment period to apply with respect to future Elective Deferral Credits. Such an election will be irrevocable for the Plan Year. However, Elective Deferral Credits cannot be added to a Scheduled Distribution Account in the scheduled distribution Plan Year with respect to such Account.

- 6.1.3 Special Distribution Election for Scheduled Distribution Accounts Prior to December 31, 2008. Any contrary provision notwithstanding, ADM may, in its sole discretion, allow a Participant to revise the distribution election applicable to a Scheduled Distribution Account for Plan Years after 2008 by December 31, 2008, consistent with the transition rules allowed under Code § 409A as specified in IRS Notice 2007-86. Specifically, ADM may allow a Participant to change the scheduled payment date of a distribution under Sec. 6.1.1(a), modify a payment or an installment under Sec. 6.1.1(b), and/or add or remove an override under 6.1.1(c) in a manner otherwise consistent with the terms of the Plan and transition rules specified in IRS Notice 2007-86. A change will not apply to any amount that is payable in 2008, and will not be effective to cause any amount otherwise payable after 2008 to be paid in 2008. Such revised election will be irrevocable after December 31, 2008.
- 6.1.4 Effect of Separation from Service, Disability or Death. A Separation from Service (except by reason of death) or Disability will not serve to accelerate any distribution from a Scheduled Distribution Account unless the Participant has elected that Separation from Service or Disability will over-ride the scheduled distribution election with respect to the Account (as provided in Sec. 6.1.1(c)), in

which case Article VII will govern the distribution of the Account following Separation from Service or Disability consistent with the election made by the Participant.

In the event of death, distributions from a Scheduled Distribution Account will be determined under Article VIII.

- 6.2 SEVERE FINANCIAL HARDSHIP WITHDRAWAL.** ADM may, in its sole discretion, allow a Participant to make a withdrawal from his/her Accounts in the event of a financial hardship. Such withdrawal will be paid as soon as administratively practicable after the withdrawal request is received and ADM, in its sole discretion, has determined that the Participant has a financial hardship and further has determined that a withdrawal will be permitted from the Plan.

A “financial hardship” for this purpose means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, or his/her Spouse or dependent (as defined in Code § 152(a)), property casualty loss to the Participant, or other similar extraordinary and unforeseeable circumstances of the Participant arising as a result of events beyond the control of the Participant, which is not covered by insurance and may not be relieved by the liquidation of other assets provided that such liquidation would not cause a financial hardship, and which is determined to qualify as a financial hardship by ADM. Cash needs arising from foreseeable events such as the purchase of a residence or education expenses for children will not, alone, be considered a financial hardship.

The amount available from a Participant’s Accounts on account of a financial hardship is limited to the amount necessary to satisfy such hardship, plus amounts necessary to pay any taxes that may become due as a result of the distribution, as determined by ADM. A withdrawal will be drawn from the various Accounts as directed by the Participant.

ARTICLE VII

DISTRIBUTIONS AFTER SEPARATION OR DISABILITY

- 7.1 BENEFIT ON SEPARATION FROM SERVICE OR DISABILITY.** A Participant will be eligible to receive a distribution of the full balance of his/her Account A – Retirement Account, Account G – Company Match Account, and any of Accounts B, C, D, E or F – Scheduled Distribution Accounts with respect to which he/she has elected an over-ride for Separation from Service or Disability, following his/her Separation from Service or Disability in accordance with the terms of this Article.

7.2 TIME AND FORM OF DISTRIBUTION.

- 7.2.1 Time of Distribution. A distribution will be made (or installment distributions will commence if installments are available and elected) at the following time:

- (a) Disability. In the case of a Disability, a distribution will be made at the following time as elected by the Participant:
- (1) The first day of the third (3rd) calendar month following the Participant’s Disability; or
 - (2) The later of:
 - (A) The first day of the third (3rd) calendar month following the Participant’s Disability; or
 - (B) January 1st following the Participant’s Disability.

(b) Separation from Service. In the case of a Separation from Service (including Retirement), a distribution will be made at the following time as elected by the Participant:

- (1) The first day of calendar month following the Participant's Separation from Service; or
- (2) January 1st following the Participant's Separation from Service.

However, a distribution made to a Specified Employee made due to Separation from Service under this subsection (b) will not under any circumstances be made prior to the first day of the seventh (7th) calendar month following the Participant's Separation from Service, except in the case of an intervening death of the Participant as provided in Sec. 8.1.1.

Any election under paragraph (a)(2) or (b)(2) will not apply to a Company Matching Account – Account G; rather, such Account will be paid in all cases as of the date specified in paragraph (a)(1) or (b)(1), as applicable, subject to the delayed payment requirement described in the prior paragraph in the case of a Specified Employee.

Any payment may be delayed if necessary for administrative reasons, at the sole discretion of ADM, to a later date within the calendar year or, if later, to the fifteenth (15th) day of the third calendar month following the scheduled payment date.

7.2.2 Form of Distribution. A distribution will be made in the following form:

(a) Retirement or Disability. In the case of Retirement or Disability, a distribution will be made in either of the following forms as elected by the Participant:

- (1) A single lump-sum distribution of the full balance of his/her Accounts; or
- (2) A single lump-sum distribution of the full balance of his/her Account G – Company Match Account, with the remaining Accounts paid in a series of annual installments over a period of two (2) to twenty (20) years as elected by the Participant. The first annual installment will equal, one-half (1/2), one-third (1/3rd), one-fourth (1/4th) or one-fifth (1/5th), etc., as appropriate, of the balance of the Account as of the last Valuation Date in the Plan Year prior to the Plan Year in which the installment is to be paid, with the denominator of the fraction reduced by one each year (the last installment will consist of the full remaining balance of the Accounts); or
- (3) A combination of (1) and (2).

A right to each installment payment is to be treated as a right to a separate payment for purposes of Code § 409A.

(b) Separation from Service (Other than Retirement). In the case of a Separation from Service other than Retirement, a distribution will be in the form of a single lump-sum distribution of the full balance of the Participant's Accounts subject to this Article.

7.2.3 Distribution Election Procedures. A distribution election as to time and form must be made in such manner and in accordance with such rules as may be prescribed for this purpose by ADM (including by means of a voice response or other electronic system under circumstances authorized by ADM).

A distribution election will be effective only if it is received in properly completed form by ADM as part of the enrollment for the Plan Year for which Account A – Retirement Account, or any of Accounts B, C, D, E or F – Scheduled Distribution Accounts that provide for a Separation from Service or Disability over-ride is established (whichever occurs first), and thereafter may not be modified.

7.3 CASH-OUT OF SMALL ACCOUNTS.

- 7.3.1 Mandatory Cash-Out. If the balance of a Participant's Account A – Retirement Plan, plus any Scheduled Distribution Account – Account B, C, D, E or F, that the Participant elects to be subject to this Article VII, does not exceed ten thousand dollars (\$10,000) as of the scheduled payment date under Sec. 7.2.1, then, notwithstanding that the Participant may otherwise be eligible for installments under Sec. 7.2.2, the full balance of such Accounts will be paid in a single-sum distribution in full settlement of all obligations under the Plan.
- 7.3.2 Discretionary Cash-Out at the Direction of ADM. If the balance (or remaining balance) of a Participant's Accounts, together with his/her interest under all other Aggregated Plans does not exceed the applicable dollar amount then in effect under Code § 402(g)(1)(B) as of the scheduled payment date under Sec. 7.2.1 or as of any date thereafter while the Participant is receiving installment payments under Sec. 7.2.2, then ADM may, in its sole discretion, direct that the Participant be paid the balance (or remaining balance) of his/her Accounts under this Plan, plus his/her entire interest under all other Aggregated Plans be distributed to the Participant in a single-sum distribution in full settlement of all obligations under the Plan and other Aggregated Plans maintained by ADM and its Affiliates.
- 7.4 **VALUATION OF ACCOUNTS FOLLOWING SEPARATION FROM SERVICE**. An Account will continue to be credited with Earnings Credits in accordance with Article IV until it is paid in full to the Participant or Beneficiary.

ARTICLE VIII

DISTRIBUTIONS AFTER DEATH

8.1 SURVIVOR BENEFITS

- 8.1.1 Survivor Benefits. If a Participant dies prior to the full distribution of his/her Accounts (including any death during the delayed payment period specified in Sec. 7.2.1(b)(2)), his/her Beneficiary will be entitled to a survivor benefit under the Plan.
- 8.1.2 Time of Distribution. The survivor benefit will be paid on or as soon as administratively practicable after ADM determines that a survivor benefit is payable under the Plan – that is, the date ADM is provided with the documentation necessary to establish the fact of death of the Participant and the identity and entitlement of the Beneficiary.
- 8.1.3 Form of Distribution. The survivor benefit will be paid in one of the following forms as elected by the Participant:
- (a) A single-sum distribution of the full balance (or full remaining balance) of the Participant's Account;
 - (b) A series of annual installments over a period of two (2) to five (5) years as elected by the Participant. The first annual installment will equal, one-half (1/2), one-third (1/3rd), one-fourth (1/4th) or one-fifth (1/5th), as appropriate, of the balance of the Account as of the last Valuation Date in the Plan Year prior to the Plan Year in which the installment is to be paid, with the denominator of the fraction reduced by one each year (the last installment will consist of the full remaining balance of the Accounts); or
 - (c) A combination of (a) and (b).

Notwithstanding the above, if the Participant dies while he/she is receiving installments under Sec. 7.2.2(a), such installments will continue to his/her Beneficiary over the same period such benefits would have been paid to the Participant.

- 8.1.4 Distribution Election Procedures. A distribution form election must be made in such manner and in accordance with such rules as may be prescribed for this purpose by ADM (including by means of a voice response or other electronic system under circumstances authorized by ADM).

An election will be effective only if it is received in properly completed form by ADM as part of the initial enrollment in the Plan, and thereafter the form of payment (lump-sum or installments) may not be modified and will apply to all Accounts (except any Accounts that are being paid in installments under Sec. 7.2.2(a) will continue to be paid in installments as elected by the Participant).

- 8.1.5 Default Elections. If a Participant fails to file a timely election as to the form of distribution to his/her Beneficiary, the distribution will be made in a single lump-sum payment, which will apply to all Accounts (except any Accounts that are being paid in installments under Sec. 7.2.2(a) will continue to be paid in installments as elected by the Participant).

8.2 BENEFICIARY DESIGNATION.

- 8.2.1 General Rule. A Participant may designate any person (natural or otherwise, including a trust or estate) as his/her Beneficiary to receive any balance remaining in his/her Accounts when he/she dies, and, subject to the consent requirements of Sec. 8.2.2, may change or revoke a Beneficiary designation previously made without the consent of any current Beneficiary.
- 8.2.2 Special Requirements for Participants with a Spouse or Certified Domestic Partner. If a Participant has a Spouse or Certified Domestic Partner at the time of death, such Spouse or Certified Domestic Partner will be his/her Beneficiary unless the Spouse or Certified Domestic Partner has consented in writing to the designation of a different Beneficiary.

Consent of a Spouse or Certified Domestic Partner will be deemed to have been obtained if it is established to the satisfaction of ADM that such consent cannot be obtained because the Spouse or Certified Domestic Partner cannot be located.

If a Participant's Spouse or Certified Domestic Partner consents to the designation of a Beneficiary, that consent cannot be revoked so long as the designation remains in effect, but the designation cannot be changed (other than to revoke the designation and reinstate the Spouse or Certified Domestic Partner as the Beneficiary) without the consent of the Spouse or Certified Domestic Partner. If a Spouse or Certified Domestic Partner consents to the designation of a Beneficiary, and the Participant and Spouse divorce or the Participant files a notice with ADM that the domestic partner relationship has ended, the consent of the prior Spouse or Certified Domestic Partner does not bind a subsequent Spouse or Certified Domestic Partner.

- 8.2.3 Form and Method of Designation. A Beneficiary designation must be made on such form and in accordance with such rules as may be prescribed for this purpose by ADM. A Beneficiary designation will be effective (and will revoke all prior designations) if it is received by ADM (or if sent by mail, the post-mark of the mailing is) prior to the date of death of the Participant. ADM may rely on the latest Beneficiary designation on file (or if an effective designation is not on file may direct that payment be made pursuant to the default provision of the Plan) and will not be liable to any person making claim for such payment under a subsequently filed designation or for any other reason.

ADM may rely on the latest designation on file with it (or may direct that payment be made pursuant to the default provision if an effective designation is not on file) and will not be liable to any person making claim for such payment under a subsequently filed designation or for any other reason.

If a Participant designates a Beneficiary by name that is accompanied by a description of a business, legal or family relationship to the Participant (*e.g.*, "spouse", "business partner", "landlord"), such Beneficiary will be deemed to have predeceased the Participant if such relationship has been dissolved or no longer exists at the death of the Participant. If a Participant designates a Beneficiary by name that is accompanied by a description of a personal relationship to the Participant (*e.g.*, "friend"), the dissolution of that relationship will not affect the designation. For purposes of applying the above rules, a domestic partner (or similarly described) relationship will be considered to be a "family" relationship if, and only if, the Participant has a domestic partner affidavit on file with ADM as described in Sec. 2.1.6; otherwise, it will be considered to be a "personal" relationship. Also for purposes of applying the above rules, a domestic partner relationship will be deemed to exist for so long as a Participant has a domestic partner affidavit on file with ADM that

has not been revoked and that is considered to be valid by ADM, and accordingly, if such an affidavit is on file at death, ADM will not independently verify the continued existence of domestic partner status.

- 8.2.4 **Default Designation.** If a Beneficiary designation is not on file with ADM, or if no designated Beneficiary survives the Participant, the Beneficiary will be the person or persons surviving the Participant in the first of the following classes in which there is a survivor, share and share alike:
- (a) The Participant's Spouse or Certified Domestic Partner.
 - (b) The Participant's children, except that if any of the Participant's children predecease the Participant but leave issue surviving the Participant, such issue will take by right of representation the share their parent would have taken if living.
 - (c) The Participant's parents.
 - (d) The Participant's brothers and sisters.
 - (e) The Participant's estate.

The identity of the Beneficiary in each case will be determined by ADM.

- 8.3 SUCCESSOR BENEFICIARY.** If a Beneficiary survives the Participant but dies before receiving payment of the balance due to such Beneficiary, the balance will be payable to the surviving contingent Beneficiary designated by the Participant or, if there is no surviving contingent Beneficiary, then to the estate of the deceased Beneficiary.
- 8.4 CASH-OUT OF SMALL ACCOUNTS.** Any contrary provision notwithstanding, if the balance of a Participant's Accounts does not exceed ten-thousand dollars (\$10,000) at his/her death, such Accounts will be paid to the Beneficiary in a lump-sum in full settlement of all survivor benefits due under the Plan.
- 8.5 VALUATION OF ACCOUNTS FOLLOWING SEPARATION FROM SERVICE.** An Account will continue to be credited with Earnings Credits in accordance with Article IV until it is paid in full to the Beneficiary.

ARTICLE IX

CONTRACTUAL OBLIGATIONS AND FUNDING

9.1 CONTRACTUAL OBLIGATIONS.

9.1.1 **Obligations of Employer.** The Plan creates a contractual obligation on the part of ADM and each Participating Affiliate to provide benefits as set forth in the Plan with respect to:

- (d) Participants who are employed with ADM or that Participating Affiliate;
- (e) Participants who were employed with ADM or that Participating Affiliate prior to Termination of Employment; and
- (f) Beneficiaries of the Participants described in (a) and (b).

A Participating Affiliate is not responsible for (and has no contractual obligation with respect to) benefits payable to a Participant who is or was employed with ADM or another Participating Affiliate unless the second Participating Affiliate is a successor to the legal liabilities of the first Participating Affiliate (for example, as a result of a merger). If a Participant is employed with two or more employers (ADM and a Participating Affiliate, or two or more Participating Affiliates, etc.), either concurrently or at different times, each will be responsible for the benefit attributable to Elective Deferral Credits and Company Matching Credits made while the Participant was employed with that employer, adjusted for Earnings Credits.

Notwithstanding the contractual obligation, no Participant or Beneficiary entitled to benefits under this Plan has any right, title or claim in or to any specific assets of ADM or any Participating Affiliate, but instead has the right of a general creditor of such employer.

- 9.1.2 Guarantee by Company. ADM will guarantee and assume secondary liability for the contractual commitment of each Participating Affiliate under Sec. 9.1.1.
- 9.1.3 Transfer of Liability in Corporate Transaction. In the event of a sale of the stock to an unrelated buyer, or a disposition by means of a forward or reverse merger involving an unrelated buyer, or similar corporate transaction, where an employer ceases as a result of the transaction to be an Affiliate, for any individual who remains employed with the employer after it ceases to be an Affiliate, the transaction will not be deemed to constitute a Separation from Service and benefits thereafter will be paid in accordance with the terms of the Plan or, if applicable, the successor plan established by the buyer or an affiliate in a manner consistent with Code § 409A.

In the event of a sale of substantial assets (such as a plant or division, or substantially all assets of a trade or business) of ADM or an Affiliate to an unrelated buyer, ADM and the buyer may agree to transfer the contractual obligation and liability for benefits with respect to any individual who becomes an employee of the buyer or an affiliate of the buyer upon the closing or in connection with such transaction. In such case, the transaction will not be deemed to constitute a Separation from Service and benefits thereafter will be paid in accordance with the terms of the Plan or a successor plan established by the buyer or an affiliate in a manner consistent with Code § 409A.

9.2 OBLIGATIONS UPON OCCURRENCE OF A FUNDING EVENT.

- 9.2.1 Establishment and Funding of Rabbi Trust. ADM will establish a “rabbi” trust to serve as a funding vehicle for benefits payable under the Plan. However, neither ADM nor any Participating Affiliate will have any obligation to fund such trust except upon the occurrence of a Funding Event, and then, ADM and each Participating Affiliate will be obligated to immediately deposit into the trust an amount equal to the then current balance of the Accounts (whether or not vested) of all Participants and Beneficiaries (including Participants and Beneficiaries who have deferred benefits or are in pay status under the Plan) with respect to which it has a contractual obligation under Sec. 9.1.1. The funding obligation of any Participating Affiliate may be satisfied by ADM or another Participating Affiliate, and ADM will guarantee and assume secondary liability for the funding obligation of each Participating Affiliate.

The above notwithstanding, neither ADM nor any Participating Affiliate will transfer or contribute any funds during any “restricted period,” as defined in Code § 409A(b)(3)(B), to any rabbi trust established under this Sec. 9.2.1. If any funds are transferred or contributed during a restricted period and ADM certifies in writing that such transfer or contribution was disallowed under this provision, the funds will be deemed to have been transferred or contributed under a mistake of fact and will be returned to ADM or the Participating Affiliate, along with any earnings allocable to such funds, regardless of whether the rabbi trust’s terms establish it as revocable or irrevocable.

The rabbi trust hereby established may be revocable, provided that it must become irrevocable (in whole or in part) in the event of a Change of Control. The assets of any rabbi trust hereby established will not be held or transferred outside of the United States, and the trust will not have any other feature that would result in a transfer of property being deemed to have occurred under Code § 409A (for example, there will be no funding obligation or restrictions on assets in connection with a change in financial health of ADM or any Affiliate).

- 9.2.2 Effect on Benefit Obligations. The establishment and funding of a rabbi trust will not affect the contractual obligations of ADM and each Participating Affiliate under Sec. 9.1, except that such obligations with respect to any Participant or Beneficiary will be offset to the extent that payments actually are made from the trust to such Participant or Beneficiary. In the case of any transfer of contractual obligations and liabilities under Sec. 9.1.3, the parties may arrange for a transfer of assets to a rabbi trust maintained by the buyer or an affiliate of the buyer.

A Participant will have the right to enforce the funding obligation imposed hereunder; *provided that*, in the case of a funding obligation that arises as a result of a Potential Change in Control, a Participant will have the right to enforce the funding obligation only if the Participants have first followed the procedures specified in Sec. 2.1.23 and there has been no timely opinion letter of a nationally or regionally recognized law firm delivered to the Participants that a Potential Change in Control has not occurred for purposes of the Plan.

- 9.2.3 Prefunding and Use of Other Rabbi Trusts. The amount that ADM and each Participating Affiliate are obligated to fund to a rabbi trust under Sec. 9.2.1 upon the occurrence of a Funding Event will be offset by the then current balance of the rabbi trust resulting from prior funding of such trust by ADM or a Participating Affiliate to the extent such balance is attributable to this Plan. Similarly, if another rabbi trust also exists at the time of a Funding Event to fund benefits payable under this Plan, and such other rabbi trust is irrevocable or becomes irrevocable upon a Change in Control, then the amount that ADM and each Participating Affiliate are obligated to fund to a rabbi trust under Sec. 9.2.1 will be offset by the then current balance of such other rabbi trust to the extent such balance is attributable to this Plan.

Any rabbi trust used to fund benefits payable under this Plan may be used to fund benefits payable under any other non-qualified deferred compensation plan maintained by ADM or a Participating Affiliate; *provided that*, if a funding obligation arises under Sec. 9.2.1, the portion of the trust assets attributable to this Plan will thereafter be accounted for separately under the trust, and such assets will be used solely to fund benefits payable under this Plan.

ARTICLE X

AMENDMENT AND TERMINATION OF PLAN

10.1 RIGHT TO AMEND OR TERMINATE.

- 10.1.1 Amendment. ADM may amend the Plan at any time and for any reason by action of the following, subject to Sec. 10.2:

- (a) Board of Directors. The Board can adopt any amendment to the Plan, and any amendment that has a material negative cost impact to ADM is reserved exclusively to the Board.
- (b) Benefit Plans Committee or Chief Executive Officer. The ADM Benefit Plans Committee or the Chief Executive Officer of ADM can adopt any amendment to the Plan that is not reserved to the Board (that is, any amendment that does not have a material negative cost impact to ADM). The Benefit Plans Committee or Chief Executive Officer, in its/his/her sole and absolute discretion, can determine the cost impact of an amendment, and the validity of amendment will not be open to challenge if based upon a good faith determination of the cost impact made by the Benefit Plans Committee or Chief Executive Officer.

The Benefit Plans Committee or Chief Executive Officer acts on behalf ADM in its corporate capacity in connection with any amendment to the Plan.

- (c) Persons with Delegated Authority. The Board and the ADM Benefit Plans Committee and ADM Chief Executive Officer, by resolution or written action, can delegate the amendment authority vested in such person or body to any other person, committee or body.

- 10.1.2 Termination. ADM may terminate the Plan at any time and for any reason by action of the Board, subject to Sec. 10.2.

- 10.1.3 Delayed Timing of Amendment or Termination Effective Under Code § 409A. ADM, acting pursuant to Sec. 10.1.1, generally will determine the effective date of any amendment to the Plan. However, if Code § 409A requires a delayed effective date (for example, if an amendment changes a deferral rule in a way that must be delayed for twelve (12) months), then the amendment will be effective as of the later of the date determined by ADM or the earliest effective date allowed under Code § 409A.

ADM generally will determine the effective date of a termination of the Plan. However, a termination of the Plan will not be effective to cause a deferral election in place under the Plan for a Plan Year (including for any incentive pay or bonus for a fiscal year that starts within such Plan Year) to be modified or discontinued prior to the end of such Plan Year (or fiscal year), unless the Plan is terminated and liquidated pursuant to Sec. 10.2.2.

- 10.1.4 Restrictions in the Event of a Change in Control. Any contrary provision notwithstanding, during the twenty-four (24) months immediately following a Change in Control, the amendment or termination of the Plan will require the written consent of a majority of the Participants who would be affected by such amendment or termination of the Plan. However, such written consent will not be required if ADM makes a good faith determination that either the amendment is required by law or the failure to adopt the amendment would have an adverse tax consequence to the Participants affected by such amendment.

10.2 LIMITS ON EFFECT OF AMENDMENT OR TERMINATION.

- 10.2.1 No Negative Effect on Balances or Vesting. ADM may not amend or terminate the Plan in a manner that has the effect of reducing the balance or vested percentage of any Participant's or Beneficiary's Accounts. This will not prohibit an amendment that reduces or eliminates the benefit accrued and payable under this Plan and shifts the liability for such benefit to another nonqualified retirement plan maintained by ADM or an Affiliate, or any successor, or an amendment that is required by law or for which the failure to adopt the amendment would have adverse tax consequences to the Participants affected by such amendment (as determined by ADM).
- 10.2.2 Liquidation Terminations. ADM may terminate the Plan and provide for the acceleration and liquidation of all benefits remaining due under the Plan pursuant to Treas. Reg. § 1.409A-3(j)(4)(ix). If such a termination and liquidation occurs, all deferrals and credits under the Plan will be discontinued (and all Active Participants will cease to be Active Participants) as of the termination date established by ADM, and benefits remaining due will be paid in a lump-sum at the time specified by ADM as part of the action terminating the Plan and consistent with Treas. Reg. § 1.409A-3(j)(4)(ix).
- 10.2.3 Other Terminations. ADM may terminate the Plan other than pursuant to Treas. Reg. § 1.409A-3(j)(4)(ix). In the event of such other termination, all deferral and credits under the Plan will be discontinued (and all Active Participants will cease to be Active Participants) as of the end of the Plan Year, but all benefits remaining payable under the Plan will be paid at the same time and in the same form as if the termination had not occurred – that is, the termination will not result in any acceleration of any distribution under the Plan.

ARTICLE XI

ADMINISTRATION/CLAIMS PROCEDURES

11.1 ADMINISTRATION.

- 11.1.1 Administrator. ADM is the administrator of the Plan with authority to control and manage the operation and administration of the Plan and make all decisions and determinations incident thereto. Action on behalf of ADM as administrator may be taken by any of the following:
- (a) Its Benefit Plans Committee;
 - (b) Its Chief Executive Officer; or

- (c) Any individual, committee, or entity to whom responsibility for the operation and administration of the Plan is allocated by the Benefit Plans Committee or Chief Executive Officer.

Where action is to be taken by the Board under the Plan, such action is taken in a corporate capacity (and not as administrator) with respect to the Plan.

- 11.1.2 Third-Party Service Providers. ADM may from time to time contract with or appoint a recordkeeper or other third-party service provider for the Plan. Any such recordkeeper or other third-party service provider will serve in a non-discretionary capacity and will act in accordance with directions given and/or procedures established by ADM.
- 11.1.3 Rules of Procedure. ADM may establish, adopt or revise such rules and regulations as it may deem necessary or advisable for the administration of the Plan.

11.2 CORRECTION OF ERRORS AND DUTY TO REVIEW INFORMATION.

- 11.2.1 Correction of Errors. Errors may occur in the operation and administration of the Plan. ADM reserves the right to cause such equitable adjustments to be made to correct for such errors as it considers appropriate (including adjustments to Participant or Beneficiary Accounts), which will be final and binding on the Participant or Beneficiary.
- 11.2.2 Participant Duty to Review Information. Each Participant and Beneficiary has the duty to promptly review any information that is provided or made available to the Participant or Beneficiary and that relates in any way to the operation and administration of the Plan or his/her elections under the Plan (for example, to review payroll stubs to make sure a contribution election is being implemented appropriately, to review benefit statements to make sure investment elections are being implemented appropriately, to review summary plan descriptions and prospectuses, etc.) and to notify ADM of any error made in the operation or administration of the Plan that affects the Participant or Beneficiary within thirty (30) days of the date such information is provided or made available to the Participant or Beneficiary (for example, the date the information is sent by mail or the date the information is provided or made available electronically). If the Participant or Beneficiary fails to review any information or fails to notify ADM of any error within such period of time, he/she will not be able to bring any claim seeking relief or damages based on the error.

If ADM is notified of an alleged error within the thirty (30) day time period, ADM will investigate and either correct the error or notify the Participant or Beneficiary that it believes that no error occurred. If the Participant or Beneficiary is not satisfied with the correction (or the decision that no correction is necessary), he/she will have sixty (60) days from the date of notification of the correction (or notification of the decision that no correction is necessary), to file a formal claim under the claims procedures under Sec. 11.3.

11.3 CLAIMS PROCEDURE.

- 11.3.1 Claims Procedure. If a Participant or Beneficiary does not feel as if he/she has received full payment of the benefit due such person under the Plan, or if a Participant or Beneficiary feels that an error has been made with respect to his/her benefit under the Plan and has satisfied the requirements in Sec. 11.2.2, the Participant or Beneficiary (or such authorized representative) may file a claim in accordance with the claims procedure set forth in the summary created for the Plan or other claims procedure policy adopted by ADM. Following the claims procedure through completion is a condition of filing an arbitration action under Sec. 11.3.2.

The Benefits Plans Committee will decide all claims and its decision on appeal will be final and binding subject to Sec. 11.3.2.

- 11.3.2 Arbitration. If a Participant or Beneficiary follows the claims procedures but his/her final appeal is denied, he/she will have one year to file an arbitration action with respect to that claim, and failure to meet the one-year deadline will extinguish his/her right to file an arbitration action with respect to that claim.

Any claim, dispute or other matter in question of any kind relating to this Plan which is not resolved by the claims procedures will be settled by arbitration in accordance with the employment dispute resolution rules of the American Arbitration Association. Notice of demand for arbitration will be made in writing to the opposing party and to the American Arbitration Association within one year after the final decision on appeal is issued, and if not filed within one year, all rights to benefits are forfeited under the Plan. The decision of the arbitrator(s) will be final and may be enforced in any court of competent jurisdiction.

The arbitrator(s) may award reasonable fees and expenses to the prevailing party in any dispute hereunder and will award reasonable fees and expenses in the event that the arbitrator(s) find that the losing party acted in bad faith or with intent to harass, hinder or delay the prevailing party in the exercise of its rights in connection with the matter under dispute.

11.3.3 Participant Responsible for Timely Action Under Code § 409A. The Participant will be solely responsible for taking prompt actions in the event of disputed payments as necessary to avoid any adverse tax consequences under Code § 409A, even if action is required to be taken under Code § 409A in a more timely manner than is required under the claims procedures of Sec. 11.3.

11.4 **INDEMNIFICATION.** ADM and its Participating Affiliates jointly and severally agree to indemnify and hold harmless, to the extent permitted by law, each director, officer, and employee against any and all liabilities, losses, costs, or expenses (including legal fees) of whatsoever kind and nature that may be imposed on, incurred by, or asserted against such person at any time by reason of such person's services in the administration of the Plan, but only if such person did not act dishonestly, or in bad faith, or in willful violation of the law or regulations under which such liability, loss, cost, or expense arises.

11.5 **EXERCISE OF AUTHORITY.** ADM, its Benefit Plans Committee and Chief Executive Officer and any other person who has authority with respect to the management, administration or investment of the Plan may exercise that authority in its/his/her full discretion. This discretionary authority includes, but is not limited to, the authority to make any and all factual determinations and interpret all terms and provisions of this document (or any other document established for use in the administration of the Plan) relevant to the issue under consideration. The exercise of authority will be binding upon all persons; and it is intended that the exercise of authority be given deference in arbitration, and that it not be overturned or set aside by the arbitrator unless found to be arbitrary and capricious.

11.6 **TELEPHONIC OR ELECTRONIC NOTICES AND TRANSACTIONS.** Any notice that is required to be given under the Plan to a Participant or Beneficiary, and any action that can be taken under the Plan by a Participant or Beneficiary (including enrollments, changes in deferral percentages, loans, withdrawals, distributions, investment changes, consents, etc.), may be made or given by means of voice response or other electronic system to the extent so authorized by ADM.

ARTICLE XII

MISCELLANEOUS

12.1 **NONASSIGNABILITY.**

12.1.1 General Rule Regarding Assignment. Neither the rights of, nor benefits payable to, a Participant or Beneficiary under the Plan may be alienated, assigned, transferred, pledged or hypothecated by any person, at any time, or to any person whatsoever. Such interest and benefits will be exempt from the claims of creditors or other claimants of the Participant or Beneficiary and from all orders, decrees, levies, garnishments or executions to the fullest extent allowed by law, except as provided in Sec. 12.1.2.

- 12.1.2 **Domestic Relations Orders.** The Plan will comply with any court order purporting to divide the benefits payable under this Plan pursuant to a state's domestic relations laws to the extent permitted under Code § 409A. However, such court order shall be deemed to only apply to such amounts that actually become payable to a Participant under the terms of this Plan (and shall not create a separate interest in favor of the alternate payee).
- 12.2 **WITHHOLDING.** A Participant must make appropriate arrangements with ADM or Participating Affiliate for satisfaction of any federal, state or local income tax withholding requirements and Social Security or other employee tax requirements applicable to the payment of benefits under the Plan. If no other arrangements are made, ADM or Participating Affiliate may provide, at its discretion, for such withholding and tax payments as may be required, including, without limitation, by the reduction of other amounts payable to the Participant.
- 12.3 **RIGHT OF SETOFF.** Notwithstanding any other provisions of this Plan, ADM reserves the right to withhold and setoff from any distribution or payments to a Participant or Beneficiary under the Plan any amount owed to ADM or an Affiliate by the Participant, whether such obligation is matured or unmatured and however arising, at the time of (and with priority over) any such distribution or payment. Further, ADM reserves the right to withhold and setoff from the Participant's Account any amount owed to ADM or an Affiliate by the Participant, as satisfaction of such obligation of the Participant, where such obligation is incurred in the ordinary course of the service relationship between the Participant and ADM or an Affiliate, the entire amount of reduction in any of ADM's taxable years that does not exceed five thousand dollars (\$5,000), and the reduction is made at the same time and in the same amount as the obligation otherwise would have been due and collected from the Participant.
- 12.4 **UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT.** Notwithstanding any other provisions of the Plan, deferral elections and changes to the time and form of payment shall be allowed in a manner consistent with the Uniformed Services Employment and Reemployment Rights Act (USERRA) to the extent authorized by Treasury Regulation § 1.409A-2(a)(15).
- 12.5 **SUCCESSORS OF ADM.** The rights and obligations of ADM or a Participating Affiliate under the Plan will inure to the benefit of, and will be binding upon, the successors and assigns of ADM or the Participating Affiliate.
- 12.6 **EMPLOYMENT NOT GUARANTEED.** Nothing contained in the Plan nor any action taken hereunder will be construed as a contract of employment or as giving any Participant any right to continued employment with ADM or an Affiliate.
- 12.7 **GENDER, SINGULAR AND PLURAL.** All pronouns and any variations thereof will be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.
- 12.8 **CAPTIONS.** The captions of the articles, paragraphs and sections of this document are for convenience only and will not control or affect the meaning or construction of any of its provisions.
- 12.9 **VALIDITY.** In the event any provision of the Plan is held invalid, void or unenforceable, the same will not affect, in any respect whatsoever, the validity of any other provisions of the Plan.
- 12.10 **WAIVER OF BREACH.** The waiver by ADM of any breach of any provision of the Plan will not operate or be construed as a waiver of any subsequent breach by that Participant or any other Participant.
- 12.11 **NOTICE.** Any notice or filing required or permitted to be given to ADM or the Participant under this Agreement will be sufficient if in writing and hand-delivered, or sent by registered or certified mail, in the case of ADM, to the principal office of ADM, directed to the attention of ADM, and in the case of the Participant, to the last known address of the Participant indicated on the employment records of ADM. Such notice will be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Notices to ADM may be permitted by electronic communication according to specifications established by ADM.

APPENDIX A

SPECIAL RULES FOR CERTAIN EMPLOYEES OF INTERNATIONAL MALTING COMPANY LLC

A.1 **APPLICATION.** ADM has entered into a “Membership Interest Purchase Agreement” among Archer-Daniels-Midland Company, Fleischmann Malting Company, Inc., Lesaffre Et Compagnie and Lesaffre Malting Corporation” whereby Fleischmann Malting Company, Inc. (a wholly owned subsidiary of ADM) agreed to purchase the remaining membership interests in International Malting Company LLC (“IMC”) from Lesaffre Malting Corporation, resulting in IMC becoming an Affiliate of ADM. In connection with such transaction, certain deferred compensation liabilities under the Lesaffre International Corporation Supplemental Retirement Plan (“Lesaffre Plan”) with respect to two employees of IMC were transferred to become liabilities of IMC to be administered under the terms of this Plan as of the effective date of the closing of the above transaction (the “Closing Date”). This Appendix A sets forth the special rules that will apply under the Plan with respect to such transferred liabilities (“Transferred Liability”).

A.2 **PARTICIPATION, CREDITS AND ACCOUNTS.**

A.2.1 **Special Participation Status.** An Employee with respect to which IMC has assumed a Transferred Liability will not be considered an Eligible Employee solely by reason of such liability assumption – rather, his/her status as an Eligible Employee will be determined under the terms of the Plan without regard to this Appendix A. Nonetheless, such Employee will be considered a Participant for purposes of determining his/her rights under the Plan (referred to herein as an “Appendix A Participant”).

A.2.2 **Credits.** A “Transferred Liability Credit” will be made on behalf of each Appendix A Participant in an amount equal to the Transferred Liability.

To reflect the Transferred Liability Credit, Accounts will be established of any of the types specified in Sec. 4.1.1 based upon the distribution election made by the Appendix A Participant in accordance with Sec. 6.1.1, which Accounts thereafter will be adjusted for Earnings Credits in accordance with the terms of the Plan.

A.3 **VESTING.**

A.3.1 **Vested Percentage.** An Appendix A Participant generally will have fully (100%) vested interest in his/her Accounts established under this Appendix A, subject only to the forfeiture conditions of Secs. A.3.2 and A.3.3:

A.3.2 **Forfeiture for Cause.** Notwithstanding the vesting rule in Sec. A.3.1, in the event an Appendix A Participant has a Termination of Employment for cause, the then-current balance of his/her Accounts will be reduced by, and he/she will forfeit, the contribution credits (if any) that were added to his/her account under the Lesaffre Plan during the twelve (12) calendar quarters immediately preceding Termination of Employment, adjusted for gains and losses under the Lesaffre Plan and Earnings Credits under this Plan.

“Cause” for this purpose means:

- (a) Gross misconduct, dishonesty or disloyalty in the performance of duties for IMC, ADM or other Affiliate with which the individual is employed;
- (b) Serious breach of the policies of IMC, ADM or other Affiliate with which the individual is employed; or
- (c) Gross failure to perform material duties within the scope of the individual’s authority or responsibility assigned by IMC, ADM or any Affiliate or the individual’s superiors at IMC, ADM or other Affiliate with which he/she is employed.

A.3.3 Clawback for Non-Compete. Notwithstanding the vesting rule in Sec. A.3.1, in the event an Appendix A Participant, within three (3) years after his/her Termination of Employment, engages in competition with IMC, ADM or any Affiliate, the individual will forfeit the amount determined in Sec. A.3.2 (applicable to for “cause” terminations). The amount forfeited will be offset against amounts remaining due to the individual under the Plan or any other amounts due to the individual for any purpose from IMC, ADM or any Affiliate. To the extent the amounts remaining due the individual are not sufficient, the individual will have an obligation to promptly return the forfeited amount to IMC or ADM.

“Competition” for this purpose shall mean:

- (a) Any activity in which the individual, directly or indirectly, whether as owner, partner, lender, investor, employee, consultant, agent or co-venturer, competes with IMC, ADM or any other Affiliate;
- (b) Any attempt by the individual to employ, or assist another to employ, any Employee;
- (c) Any attempt by the individual to encourage any Employee to terminate his/her employment or relationship with IMC, ADM or any Affiliate; or
- (d) Any attempt by the individual to solicit or encourage any customer of IMC, ADM or any Affiliate to terminate its relationship with IMC, ADM or any Affiliate or to conduct with any other person any business or activity which such customer conducts, or is able to conduct, with IMC, ADM or any Affiliate.

A.4 DISTRIBUTIONS.

A.4.1 Distribution Options. An Appendix A Participant will be allowed the distribution rights and options provided in Articles VI and VII with respect to the Accounts established under this Appendix A.

A.4.2 Distribution Election Procedures; Subsequent Deferrals. An Appendix A Participant must file a distribution election by December 31, 2006 (or such earlier deadline as may be established by ADM). In the absence of a timely distribution election, an Appendix A Participant will be deemed to have elected to have his/her Transfer Liability Credit added to Account A – Retirement Account which, to the extent payable under Sec. A.3, will be paid in the form of a single lump-sum distribution as of the later of January following his/her Separation from Service or Disability or the calendar month beginning six (6) months after his/her Separation from Service or Disability.

A.4.3 Special Distribution Rules. A distribution election made under Sec. A.4.2 will not cause any payment scheduled to be made under the terms of the Lesaffre Plan, as in effect immediately prior to the Closing Date, to be accelerated into 2006 or cause any payment scheduled to be made under the terms of the Lesaffre Plan to be made in 2006 to be deferred into a later year. Accordingly, if an Appendix A Participant has a Separation from Service in 2006 and honoring a distribution election made under Sec. A.4.2 would not conform with the prior sentence, then the distribution election will be ineffective and the balance of the Account, to the extent payable under Sec. A.3, will be paid under this Plan in accordance with the terms of the Lesaffre Plan.

A.5 SURVIVOR BENEFITS. If an Appendix A Participant dies prior to full distribution of the benefit due under the Plan, his/her Beneficiary will be entitled to a survivor benefit in accordance with Article VIII. Any designation of beneficiary made under the Lesaffre Plan will carry-over and apply under this Plan unless and until changed by the Appendix A Participant.



**ADM
SUPPLEMENTAL RETIREMENT PLAN**

(As Amended and Restated Effective January 1, 2009)

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**ADM
SUPPLEMENTAL RETIREMENT PLAN**

ARTICLE I

INTRODUCTION

- 1.1 PURPOSE OF THE PLAN; HISTORY.** The **ADM SUPPLEMENTAL RETIREMENT PLAN** is sponsored by ADM and its Participating Affiliates to attract high quality executives and to provide eligible executives with the additional benefits they would have received under the Qualified Retirement Plan but for the limit imposed on the compensation that can be taken into account under the Qualified Retirement Plan (Code § 401(a)(17)), the limit imposed on the benefits accrued and payable under the Qualified Retirement Plan (Code § 415(b)), or the reduction in the compensation base under the Qualified Retirement Plan as a result of an election to reduce compensation and receive Elective Deferral Credits under the ADM Deferred Compensation Plan for Selected Management Employees I or II.

The Plan is the result of the merger of the Archer-Daniels-Midland Supplemental Retirement Plan I (“Plan I”) and the ADM Supplemental Retirement II (“Plan II”) effective January 1, 2009. Plan I was previously “frozen” to new accruals effective as December 31, 2004 in response to the American Jobs Creation Act of 2004 which added new Code § 409A, and ADM originally intended that Plan I qualify for “grandfathered” treatment under Code § 409A. Plan II was the successor to Plan I. All benefits that accrued after December 31, 2004 (and all benefits accrued prior to that date that were not vested as of December 31, 2004) and before January 1, 2009, were subject to the terms of Plan II. ADM then determined not to treat amounts accrued and vested as of December 31, 2004, as grandfathered under Code § 409A, and thus merged Plan I and Plan II effective January 1, 2009.

1.2 NON-QUALIFIED “TOP-HAT” PLAN.

- 1.2.1 ERISA Status. The Plan is a “top-hat” plan – that is, an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of ERISA §§ 201(2), 301(a)(3) and 401(a)(1), and therefore is exempt from Parts 2, 3 and 4 of Title I of ERISA.
- 1.2.2 Compliance with Code § 409A. The Plan also is a nonqualified deferred compensation plan that is intended to meet the requirements of paragraph (2), (3) and (4) of Code § 409A(a), and the terms and provisions of the Plan should be interpreted and applied in a manner consistent with such requirements, including the regulations and other guidance issued under Code § 409A.

1.3 PLAN DOCUMENT.

- 1.3.1 Plan Documents. The Plan consists of this document, any appendix to this document and any document that is expressly incorporated by reference into this document.
- 1.3.2 Modifications by Employment or Similar Agreement. ADM or an Affiliate may be a party to an employment or similar agreement with a Participant, the terms of which may enhance or modify in some respect the benefits provided under this Plan, including, but not necessarily limited to, an enhancement to or modification of the benefit amount, payment forms and/or other rights and features of the Plan. The Plan consists only of this document and the core documents referenced in Sec. 1.3.1. Accordingly, any contractual rights that a Participant may have to any enhancement or modification called for under an employment or similar agreement are rights that derive from such agreement and not directly from the Plan. Nonetheless, the Plan will be applied in a manner that takes into account any enhancements or modifications called for under an enforceable employment or similar agreement as if such provisions were part of the Plan; *provided that*, no change can be made to the Plan by means of an employment or similar agreement that would not have been allowed by means of an amendment to the Plan (for example, an amendment inconsistent with Code § 409A).

- 1.4 EFFECTIVE DATE OF DOCUMENT.** The Plan (as amended and restated in this document) is effective January 1, 2009, to apply to accruals on and after that date, and also to accruals prior to that date

with respect to any Participant (or Spouse) who has not previously commenced payment of his/her Supplemental Pension under Plan I or Plan II.

ARTICLE II

DEFINITIONS AND CONSTRUCTION

2.1 DEFINITIONS.

- 2.1.1 “ADM” means Archer Daniels Midland Company.
- 2.1.2 “Affiliate” means any business entity that is required to be aggregated and treated as one employer with ADM under Code § 414(b) or (c) (and for purposes of determining whether a Separation from Service has occurred, a standard of “at least 80 percent” will be used to identify an Affiliate under Code § 414(b) and (c) notwithstanding the default standard of “at least 50 percent” found in Treas. Reg. § 1.409A-1(h)(3)).
- 2.1.3 “Aggregated Plan” means any other deferred compensation plan maintained by ADM or an Affiliate that is subject to Code § 409A and that is aggregated with this Plan under Treasury Regulation § 1.409A-1(c)(2).
- 2.1.4 “Beneficiary” means a person or persons designated as such pursuant to Sec. 6.2, or the joint annuitant on joint and survivor annuity payable under the Plan.
- 2.1.5 “Benefit Commencement Date” means the date on which a Supplemental Pension is paid in the form of a lump sum or starts to be paid in the form of an annuity (taking into account any delay in payment applicable with respect to a Specified Employee).
- 2.1.6 “Board” means the Board of Directors of ADM, or its Compensation Committee.
- 2.1.7 “Cash Balance Pension Benefit” means the benefit payable to the Participant under the Qualified Retirement Plan determined by the balance in the Participant’s cash balance account under the Qualified Retirement Plan.
- 2.1.8 “Cash Balance Participant” means a Participant who is entitled to receive a Cash Balance Pension Benefit under the Qualified Retirement Plan.
- 2.1.9 “Certified Domestic Partner” means a person of the same or opposite sex who is not a Spouse, and with respect to whom the Participant has on file with ADM (and has not terminated) an affidavit attesting that the conditions for domestic partner status are satisfied as specified in the Domestic Partner Policy adopted (and as modified from time to time) by ADM.
- 2.1.10 “Code” means the Internal Revenue Code of 1986, as amended.
- 2.1.11 “Eligible Employee” means an Employee:
- (a) Who is employed with ADM or a Participating Affiliate (while it is a Participating Affiliate);
 - (b) Who is a participant in the Qualified Retirement Plan and has his/her benefit limited under the Qualified Retirement Plan as a result of the limits imposed under Code §§ 401(a)(17) or 415, or as a result of his/her elective deferral under the ADM Deferred Compensation Plan for Selected Management Employees II; and
 - (c) Who is notified of his/her eligibility under the Plan; *provided that*, this notice requirement does not apply to an Employee who was an Active Participant in the Plan before January 1, 2009, unless he/she has a Separation from Service, is rehired by ADM or an Affiliate on or after January 1, 2009 and reenters the Qualified Retirement Plan under the Cash Balance Pension Formula.

Either the Board or the Chief Executive Officer of ADM may determine that an Employee described above will not be an Eligible Employee. However, the Plan is intended to cover only those Employees who are in a select group of management or highly compensated employees within the meaning of ERISA §§ 201(2), 301(a)(3) and 401(a)(1); and, accordingly, if any interpretation is issued by the Department of Labor that would exclude any Employee from satisfying that requirement, such Employee immediately will cease to be an Eligible Employee and Active Participant.

- 2.1.12 “Employee” means any common-law employee of ADM or an Affiliate (while it is an Affiliate).
- 2.1.13 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.
- 2.1.14 “Normal Retirement Age” means the later of the date on which the Participant attains age sixty-five (65) or the fifth (5th) anniversary of the date on which the Participant commenced participation in the Qualified Retirement Plan.
- 2.1.15 “Participant” means an Active Participant, or a current or former Eligible Employee who has benefits due to him/her under the Plan. “Active Participant” means an Eligible Employee who has become and remains an Active Participant under Sec. 3.1.3.
- 2.1.16 “Participating Affiliate” means any Affiliate (while it is an Affiliate) which employs one or more Eligible Employees.
- 2.1.17 “Plan” means the ADM Supplemental Retirement Plan.
- 2.1.18 “Plan Year” means the calendar year.
- 2.1.19 “Qualified Retirement Plan” means the Archer Daniels Midland Retirement Plan.
- 2.1.20 “Separation from Service” means that ADM and the Participant anticipate that the Participant will perform no future services (as an Employee or contractor) for ADM and its Affiliates or that the level of services the Participant will perform for ADM and its Affiliates (as an Employee or contractor) will permanently decrease to twenty percent (20%) or less of the average level of services performed over the immediately preceding thirty-six (36) month period (or the full period of services if the Participant has been providing services for less than thirty-six (36) months). In the event of a leave of absence, a Separation from Service will be deemed to have occurred on the date that is six (6) months (or in the case of a disability leave, twenty-nine (29) months) following the start of such leave; *provided that*, if the Participant has a statutory or contractual right to return to active employment that extends beyond the end of such leave period, the Separation from Service will be deemed to have occurred upon the expiration of such statutory or contractual right; and if the individual has a Termination of Employment during such leave period, the Separation from Service will be deemed to have occurred on such Termination of Employment. A “disability” leave for this purpose means an absence due to a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months, where such impairment causes the Participant to be unable to perform the duties of his/her position of employment or any substantially similar position.

In the case of a sale or other disposition of stock or substantial assets, or other corporate transaction, whether a Separation from Service has occurred may be affected by the provisions of Sec. 7.1.3.

- 2.1.21 “Specified Employee” means an Employee who at any time during the twelve-month period ending on the identification date was a “key employee” as defined under Code § 416(i) (applied in accordance with the regulations thereunder, but without regard to paragraph (5) thereof).

ADM may adopt a Specified Employee Identification Policy which specifies the identification date, the effective date of any change in the key employee group, compensation definition and other variables that are relevant in identifying Specified Employees, and which may include an alternative method of identifying Specified Employees consistent with the regulations under Code § 409A. In the absence of any such policy or policy provision, for purposes of the above, the “identification date” is each December 31st, and an Employee who satisfies the above conditions will be considered to be a “Specified Employee” from April 1st following the identification date to March 31st of the

following year, and the compensation and other variables, and special rules for corporate events and special rules relating to nonresident aliens, that is necessary in identifying Specified Employees will be determined and applied in accordance with the defaults specified in the regulations under Code § 409A. Any Specified Employee Identification Policy will apply uniformly to all nonqualified deferred compensation plans subject to Code § 409A that are maintained by ADM or an Affiliate.

- 2.1.22 “Spouse” means a person of the opposite sex to whom the Participant is legally married as of the determination date (including a common-law spouse in any state that recognizes common-law marriage, provided that acceptable proof and certification of common-law marriage has been received by ADM).
- 2.1.23 “Supplemental Pension” means the benefit payable to a Participant under the Plan, which may be a Cash Balance Supplemental Pension or a Traditional Formula Supplemental Pension. A “Cash Balance Supplemental Pension” is a Supplemental Pension determined under Sec. 4.2; and a “Traditional Formula Supplemental Pension” is a Supplemental Pension determined under Sec. 4.3..
- 2.1.24 “Termination of Employment” means that the common-law employer-employee relationship has ended between the individual and ADM and its Affiliates, as determined under the employment policies and practices of ADM (including by reason of voluntary or involuntary termination, retirement, death, expiration of and failure to return from a recognized leave of absence, or otherwise). A Termination of Employment does not occur merely as a result of transfer of employment from one Affiliate to another Affiliate, or from ADM to an Affiliate or from an Affiliate to ADM. In the case of an Employee working for an Affiliate, a Termination of Employment will not occur upon the sale of the stock of such employer such that it no longer satisfies the definition of an Affiliate (assuming the individual continues in the employ of that employer or a new affiliate of that employer after the sale).
- 2.1.25 “Traditional Formula Pension Benefit” means the benefit that is payable to the Participant under the Qualified Retirement Plan determined under the traditional formula.
- 2.1.26 “Traditional Formula Participant” means a Participant who is entitled to receive a Traditional Formula Pension Benefit under the Qualified Retirement Plan.
- 2.1.27 “Trustee” means the trustee of a trust established pursuant to Sec. 7.2.
- 2.1.28 “Vested” means that the Participant has a Separation from Service under circumstances where he/she is vested under Sec. 5.1.
- 2.2 CHOICE OF LAW.** The Plan will be governed by the laws of the State of Illinois to the extent that such laws are not preempted by the laws of the United States. All controversies, disputes, and claims arising hereunder must be submitted to the United States District Court for the Central District of Illinois.

ARTICLE III

PARTICIPATION

3.1 PARTICIPATION.

- 3.1.1 Eligible Employees. An Eligible Employee will be eligible to participate in the Plan once he/she has been provided with a written notice of eligibility from ADM.
- 3.1.2 Payment Form Elections. An Eligible Employee who is provided with notice of eligibility on or after January 1, 2009 and participates in the Qualified Retirement Plan under the Cash Balance Pension Formula will be allowed to make an initial distribution election under the Plan during the thirty (30) day period following the date he/she is provided with written notice of his/her eligibility to participate in the Plan. At the expiration of such thirty (30) day period, the distribution election will be irrevocable and the Eligible Employee will become an Active Participant.

If an Eligible Employee fails to file an distribution election during the thirty (30) day period above, he/she will be deemed to have elected a lump-sum payment.

3.1.3 End of Active Participation and Participation. An Active Participant will continue as an Active Participant until the earliest of the following:

- (d) The date of his/her Separation from Service;
- (e) The date on which the Plan is terminated and liquidated pursuant to Sec. 8.2.2; or
- (f) The date the Participant ceases to be an Eligible Employee (other than as a result of Separation from Service).

A Participant will continue as a Participant until having received a full distribution of the benefit due under the Plan.

ARTICLE IV

SUPPLEMENTAL PENSION BENEFITS

4.1 SUPPLEMENTAL PENSIONS – CASH BALANCE AND TRADITIONAL FORMULA. A Participant may be accruing a Cash Balance Supplemental Pension or a Traditional Formula Supplemental Pension, but not both at the same time under the Plan.

4.2 CASH BALANCE SUPPLEMENTAL PENSION.

4.2.1 Entitlement. A Cash Balance Participant will be entitled to a Cash Balance Supplemental Pension he/she is Vested at Separation from Service.

4.2.2 Normal Expression of Cash Balance Supplemental Pension – Lump-Sum. A Participant's Cash Balance Supplemental Pension, when expressed as a single lump-sum payment payable as of the date of determination, is equal to A minus B, where:

“A” = The balance that would have been in the Participant's Cash Balance Account under the Qualified Retirement Plan if credits had been determined without regard to:

- (i) The limit on compensation taken into account under the Qualified Retirement Plan under Code § 401(a)(17); and
- (ii) The exclusion of amounts deferred by the Participant under the ADM Deferred Compensation Plan for Selected Management Employees I or II (or other non-qualified deferred compensation plan maintained or previously maintained by ADM or Participating Affiliate) from the compensation base used in determining the benefit accrued and payable under the Qualified Retirement Plan.

“A” will also include the difference, if any, between the lump-sum benefit that would be payable under the Qualified Retirement Plan without regard to the benefit limits of Code § 415(b) and the lump-sum benefit actually payable under the Plan.

“B” = The actual balance of the Participant’s cash balance account under the Qualified Retirement Plan on such date (as limited by Code § 415(b)).

If a Participant receives a distribution under the Qualified Retirement Plan prior to distribution of his/her Supplemental Pension, the balance under “A” or “B” will be determined as if not such distribution had occurred from the plan.

4.3 TRADITIONAL FORMULA SUPPLEMENTAL PENSION.

4.3.1 Entitlement. A Traditional Formula Participant will be entitled to a Traditional Formula Supplemental Pension under this Plan if he/she is Vested at Separation from Service.

4.3.2 Normal Expression of Traditional Formula Supplemental Pension – Single Life Annuity at Normal Retirement Age. A Participant’s Traditional Formula Supplemental Pension, when expressed as a single life annuity starting as of the first day of the month following the Participant’s Normal Retirement Age (or the first day of the month following the date of determination, if after the Participant’s Normal Retirement Age), is equal to A minus B, where:

“A” = The single life annuity that would have been payable under the Qualified Retirement Plan starting on such date, determined without regard to:

- (i) The limit on compensation taken into account under the Qualified Retirement Plan under Code § 401(a)(17);
- (ii) The limit on the benefit accrued and payable under the Qualified Retirement Plan under Code § 415(b); and
- (iii) The exclusion of amounts deferred by the Participant under the ADM Deferred Compensation Plan for Selected Management Employees I or II (or other non-qualified deferred compensation plan maintained or previously maintained by ADM or Participating Affiliate) from the compensation base used in determining the benefit accrued and payable under the Qualified Retirement Plan.

“B” = The single life annuity that is (or would be) payable to the Participant under the Qualified Retirement Plan starting on such date (as limited by Code § 415(b)).

Any reference to an annuity that “would be” paid under the Qualified Retirement Plan as of a given date, means the annuity determined as if the Participant had received (or started to receive) his/her benefit under the Qualified Retirement Plan as of the specified date, regardless of whether the benefit under the Qualified Retirement Plan is actually paid then or at a later time.

4.3.3 Adjustment for Early Commencement. If a Participant receives (or starts) his/her Traditional Formula Supplemental Pension prior to Normal Retirement Age, such Supplemental Pension, when expressed as a single life annuity, will equal the single life annuity determined under Sec. 4.3.2, adjusted for early commencement as follows:

(a) If the Participant’s Separation from Service occurs at or after age fifty-five (55), and the Participant has completed ten (10) or more years of Continuous Service (as determined under the Qualified Retirement Plan), such annuity will be adjusted for early commencement as follows:

<u>Age at Benefit</u>	<u>Early</u>
<u>Commencement Date</u>	<u>Commencement Factor*</u>
65	100%
64	97%
63	93%
62	88%

61	83%
60	78%
59	73%
58	68%
57	62%
56	56%
55	50%

* Percentage determined using straight line interpolation on the basis of age to the last full month.

- (b) If the Participant's Separation from Service occurs before age fifty-five (55), and the Participant has completed ten (10) or more years of Continuous Service (as determined under the Qualified Retirement Plan), such annuity will be adjusted for early commencement as follows:

<u>Age at Benefit</u>	<u>Early Commencement Factor*</u>
65	100%
64	93.36%
63	86.67%
62	80.00%
61	73.36%
60	66.67%
59	63.36%
58	60.00%
57	56.67%
56	53.36%
55	50.00%

* Percentage determined using straight line interpolation on the basis of age to the last full month.

- (c) If the Participant has not completed ten (10) year of Continuous Service (as determined under the Qualified Retirement Plan), early commencement is not permitted under this Plan.

4.3.4 Participant With Frozen Traditional Formula Supplemental Pension. If a Traditional Formula Participant has a Separation from Service and later is rehired by ADM or an Affiliate on or after January 1, 2009, he/she may enter the Qualified Retirement Plan under the Cash Balance Pension Formula. In such case, the Traditional Formula Supplemental Pension attributable to his/her prior employment will be determined as a separate benefit under this Plan from the Cash Balance Supplemental Pension attributable to his/her subsequent period of employment and will be paid based upon the original Separation from Service (as of rehire had not occurred).

4.4 TIME OF PAYMENT.

4.4.1 Cash Balance Supplemental Pension. A Participant who is entitled to a Cash Balance Supplemental Pension may elect to receive (or start) such Supplemental Pension as of the following dates:

- (a) The first day of the month next following the Participant's Separation from Service;
- (b) The January 1 next following his/her Separation from Service; or
- (c) The first day of any month elected by the Participant that falls on or after the date he/she attains age fifty-five (55), but not later than the first day of the month following the date he/she attains Normal Retirement Age.

If a Cash Balance Participant fails to make a timely election of a Benefit Commencement Date as provided in Sec. 4.6.2, the Benefit Commencement Date will be the first day of the month following the Participant's Separation from Service.

4.4.2 Traditional Formula Supplemental Pension. A Participant who is entitled to a Traditional Formula Supplemental Pension will receive (or start) such Supplemental Pension as of the later of the following dates:

- (a) The first day of the month next following the Participant's Separation from Service; or
- (b) If the Participant has completed ten (10) year of Continuous Service (as determined under the Qualified Retirement Plan), the first day of the month next following the date on which the Participant attains age fifty-five (55); otherwise, the first day of the month next following Normal Retirement Age.

4.4.3 Required Delay for Specified Employees. Any contrary provision notwithstanding, a distribution to a Specified Employee will not under any circumstances be made prior to the first day of the seventh (7th) calendar month following the Participant's Separation from Service, except in the case of an intervening death of the Participant as provided in Sec. 6.1. In the event of such a delay, any payments that would have been paid to the Participant but for the required delay will be accumulated (without interest or earnings adjustment) and will be paid in a single lump sum on the first day of the seventh (7th) month.

4.5 FORM OF PAYMENT.

4.5.1 Available Payment Forms. A Participant's Supplemental Pension will be paid in the following payment form:

- (a) In the case of a Cash Balance Supplemental Pension, the Participant may elect one of the following payment forms:
 - (i) A lump sum; or
 - (ii) A life contingent annuity, except as provided in Sec. 4.7 (for cash-out of small benefits).

If a Cash Balance Participant fails to make a timely election of a payment form as provided in Sec. 4.6.2, the payment form will be a lump-sum (as specified in the governing election form, a deemed lump-sum election also applies with respect to a Participant whose Traditional Formula Supplemental Pension was converted to a Cash Balance Supplemental Pension as of January 1, 2008 and who did not elect an annuity by December 31, 2008). A Cash Balance Participant who elects a life contingent annuity may later elect a lump sum payment in lieu of the annuity provided the election is made at least twelve (12) months prior to the Benefit Commencement Date of the annuity (an election made within such period will not be given effect). A Cash Balance Participant who makes such election will receive the lump-sum payment as of a date that is five (5) years after what would have been the original Benefit Commencement Date.

- (b) In the case of a Traditional Formula Supplemental Pension, the Supplemental Pension will be paid in the form of a life contingent annuity, , except as provided in Sec. 4.7 (for cash-out of small benefits).

4.5.2 Life Contingent Annuity Forms. Where a Participant's Supplemental Pension is payable as a life contingent annuity, the Participant may elect to receive such annuity in either of the following forms:

- (a) A single life annuity – that is, a monthly annuity payable to the Participant for the life of the Participant; or

- (b) A joint and survivor annuity – that is, a monthly annuity payable to the Participant for the life of the Participant and, upon the Participant’s death, if the Participant’s Spouse or Certified Domestic Partner survives the Participant, a monthly annuity payable to the Spouse or Certified Domestic Partner for his/her life equal to fifty percent (50%), seventy five percent (75%) or one-hundred percent (100%), as selected by the Participant, of the annuity previously payable to the Participant.

A joint and survivor annuity will be payable only if the Participant has a surviving Spouse or Certified Domestic Partner on the Benefit Commencement Date of the Supplemental Pension Benefit. If the Participant is not married on the Benefit Commencement Date (including if the Spouse or Certified Domestic Partner predeceased the Participant or in the event of a divorce or revocation of a domestic partner affidavit), the Supplemental Pension will be paid as a single life annuity in accordance with subparagraph (a).

A joint and survivor annuity will be the actuarial equivalent of the following:

- (i) In the case of a Cash Balance Participant, the actuarial equivalent of the lump-sum amount determined under Sec. 4.2.2; or
- (ii) In the case of a Traditional Formula Participant, the actuarial equivalent of the single life annuity starting on the same date as the joint and survivor annuity, which is the single life annuity determined under Sec. 4.3.2, adjusted (if applicable) under Sec. 4.3.3.

Actuarial equivalence for this purpose will be determined using the following actuarial assumptions: Interest – six percent (6%) annual rate; Mortality – the mortality table used to convert between annuity forms under the Qualified Retirement Plan for an annuity starting as of the Benefit Commencement Date of the Supplemental Pension under this Plan.

If a Participant whose Supplemental Pension is payable as a life contingent annuity fails to timely elect a specific form of annuity prior to the Benefit Commencement Date, he/she receive his/her Supplemental Pension in the form of a joint and survivor annuity with a fifty percent (50%) survivor percentage, if the Participant has a surviving Spouse or Certified Domestic Partner; otherwise, in the form of a single life annuity.

4.6 PAYMENT FORM ELECTION PROCEDURE.

- 4.6.1 Election Procedure. An election as to the time and/or form of payment will be effective only if it is made by the Participant in such manner and in accordance with such rules as may be prescribed for this purpose by ADM (including by means of a voice response or other electronic system under circumstances authorized by ADM).
- 4.6.2 Timing - Cash Balance Participants. In the case of a Cash Balance Participant, a payment time and form election will be effective only if it is received in properly completed form by ADM by the following date:
- (a) If the Participant was an Active Participant on December 31, 2008 and his/her Traditional Formula Supplemental Pension was converted to a Cash Balance Supplemental Pension as of January 1, 2009, the payment election form due date is December 31, 2008.
 - (b) Otherwise, the payment election form due date is 30 days after the Cash Balance Participant becomes eligible to participate in the Plan.

If a payment time and form election is not received by such date, default elections will apply as specified in the Plan.

- 4.6.3 Timing - Traditional Formula Participants. In the case of a Traditional Pension Formula Participant, a payment form election will be effective only if it is received in properly completed form by ADM as of a date determined by ADM prior to the Benefit Commencement Date.

4.7 CASH-OUT OF SMALL BENEFITS.

- 4.7.1 Mandatory Cash-Out. Any contrary provision notwithstanding, if the value of a Participant's Supplemental Pension payable as of the Benefit Commencement Date does not exceed twenty-five thousand dollars (\$25,000), a lump sum of such value will be paid to the Participant in full satisfaction of all rights under this Plan.

The "value" of a Participant's Supplemental Pension for this purpose will equal the following:

- (a) In the case of a Cash Balance Participant, the lump sum amount determined under Sec. 4.2.2 as of the Benefit Commencement Date; or
- (b) In the case of a Traditional Formula Participant, the present value of the single life annuity that would be payable to the Participant starting as of the Benefit Commencement Date, which is the single life annuity determined under Sec. 4.3.2, adjusted (if applicable) under Sec. 4.3.3.

Present value for purposes of (b) will be determined using the following actuarial assumptions: Interest – the annual rate of interest prescribed by the Internal Revenue Service for purposes of Code § 417(e), with the interest rate prescribed for October applying with respect to any payment date during the next Plan Year; Mortality – the mortality table used to convert to lump-sum amounts under the Qualified Retirement Plan as of the same Benefit Commencement Date.

- 4.7.2 Discretionary Cash-Out at the Direction of ADM. If at any time during the payment of an annuity the present value (determined using the factors specified in Sec. 4.7.1) of the remaining payments due under such annuity, together with any benefits due under all other Aggregated Plans, does not exceed the applicable dollar amount then in effect under Code § 402(g)(1)(B), then ADM may, in its sole discretion, direct that a lump sum of such present value under this Plan and all other Aggregated Plans be paid to the Participant in full settlement of all obligations under such plans to the Participant.

- 4.8 **FICA OVER-PAYMENT TRUE-UP.** If ADM reports benefit accruals under this Plan as "wages" for purposes of the Federal Insurance Contributions Act (FICA) pursuant to Code § 3121(v) on an early inclusion date prior to the date on which the benefits are reasonably ascertainable, then performs a true-up on the resolution date and determines that FICA taxes have been overpaid, the Participant will receive an additional payment under this Plan in a lump-sum equal to the over-payment amount that was charged to the Participant (the employee-portion only) as a result of reporting benefit accruals on an early inclusion date, without adjustment for interest or earnings. This additional lump-sum will be paid as of the later of the resolution date under Code § 3121(v) or the payment due date provided in Sec. 4.4.

4.9 SPECIAL RULES.

- 4.9.1 Benefits Due Only for Time in Eligible Group. If a Participant ceases to be an Eligible Employee prior to his/her actual Separation from Service (for example, if the Board exercises its discretion to remove the Employee as an Eligible Employee), the Supplemental Pension payable to the Participant will be the lesser of the Supplemental Pension that would be payable if the Participant had a Separation from Service as of the date he/she ceased to be an Eligible Employee, and the Supplemental Pension that would be payable if the Participant had continued to be an Eligible Employee to the date of his/her actual Separation from Service.
- 4.9.2 Transition Period Under Code § 409A. Any contrary provision notwithstanding, consistent with the transition relief provided under IRS Notice 2007-86, the time and form of payment to a Participant under this Plan will be controlled by the payment election made by the Participant under the Qualified Retirement Plan until December 31, 2008. A Participant who has not yet commenced his/her benefit under this Plan as of December 31, 2008 will have his/her benefit paid as provided in this Article without regard to this subsection.

ARTICLE V

VESTING

- 5.1** **VESTING.** A Participant will be Vested if he/she is vested and entitled to a pension benefit under the Qualified Retirement Plan and, in the case of a Participant who first becomes an Active Participant on or after January 1, 2009, the Participant has been an Active Participant for at least twelve (12) months.
- 5.2** **FORFEITURE.** If a Participant has a Separation from Service before he/she is Vested, he/she will forfeit his/her Supplemental Pension. However, if such a Participant is subsequently rehired by ADM or a Participating Affiliate (while it is a Participating Affiliate), and has his/her pension benefit under the Qualified Retirement Plan reinstated, such Participant's Supplemental Pension will also be reinstated under this Plan.

ARTICLE VI

DISTRIBUTIONS AFTER DEATH

6.1 **SURVIVOR BENEFITS.**

6.1.1 **Entitlement.** A Survivor Benefit will be payable under the Plan if:

- (a) The Participant dies after he/she is Vested but prior to the Benefit Commencement Date of his/her Supplemental Pension; and
- (b) In the case of a Traditional Formula Participant, the Participant is survived by a Spouse to whom the Participant was married throughout the one year period preceding death, or a Certified Domestic Partner with respect to whom an affidavit of domestic partner status has been continuously on file with ADM throughout the one year period preceding death.

6.1.2 **Survivor Benefit - Cash Balance Participant.** In the case of a Cash Balance Participant, the Survivor Benefit will be a lump-sum payment equal to "A" minus "B" as determined under Sec. 4.2.2.

The Survivor Benefit will be paid to the Participant's Beneficiary within ninety (90) days after the death of the Participant.

6.1.3 **Survivor Benefit - Traditional Formula Participant - Death While Employed.** In the case of a Traditional Formula Participant who dies while employed with ADM or an Affiliate (while it is an Affiliate), the Survivor Benefit will be a life annuity for the life of the Spouse or Certified Domestic Partners with monthly payments equal fifty percent (50%) of A minus B, where:

"A" = The single life annuity that would have been payable to the Participant under the Qualified Retirement Plan starting on the first day of the month following the Participant's Normal Retirement Age (or the first day of the month following the date of determination, if after the Participant's Normal Retirement Age), determined without regard to:

- (i) The limit on compensation taken into account under the Qualified Retirement Plan under Code § 401(a)(17);
- (ii) The limit on the benefit accrued and payable under the Qualified Retirement Plan under Code § 415(b); and
- (iii) The exclusion of amounts deferred by the Participant under the ADM Deferred Compensation Plan for Selected Management Employees I or II (or other non-qualified deferred compensation plan maintained or previously maintained by ADM or Participating Affiliate) from the compensation base used in determining the benefit accrued and payable under the Qualified Retirement Plan.

“B” = The single life annuity that is or would have been payable to the Participant under the Qualified Retirement Plan starting on such date (as limited by Code § 415(b)).

This Survivor Benefit will be paid to the Spouse or Certified Domestic Partner starting the first day of the calendar month following the Participant’s death.

- 6.1.4 Survivor Benefit – Traditional Formula Participant – Death After Separation from Service. In the case of a Traditional Formula Participant who dies after Separation from Service but prior to the Benefit Commencement Date of his/her Supplemental Pension, the Survivor Benefit will be a life annuity for the life of the Spouse or Certified Domestic Partner with monthly payments equal to the monthly survivor benefit that would have been paid to the Spouse or Certified Domestic Partner if the Participant had survived to the Benefit Commencement Date, commenced his/her Supplemental Pension in the form of a joint and survivor annuity with a fifty percent (50%) survivor percentage, and died immediately after the start of such annuity.

This Survivor Benefit will be paid to the Spouse or Certified Domestic Partner starting on the date the Participant would have started to receive his Supplemental Pension had he/she had a Separation from Service on the date of death and survived to start his/her Supplemental Pension on date specified in Sec. 4.4.2.

- 6.1.5 Survivor Benefit – Death During Six-Month Delay Period. If the Participant was a Specified Employee at the time of his/her Separation from Service and thus was subject to the delay period described in Sec. 4.4.3, and the Participant died prior to the Benefit Commencement Date of his/her Supplemental Pension, the Participant’s Spouse or Certified Domestic Partner may be entitled to a survivor benefit as follows:

(a) In the case of a Cash Balance Participant who elected to receive his/her Supplemental Pension in the form of a lump sum payment or in the case of any Participant whose Supplemental Benefit was below the cash-out amount in Sec. 4.7.1, the Survivor Benefit will equal the lump sum amount determined under Sec. 4.2.2 or Sec. 4.7.1 (as applicable), which will be paid to the Participant’s Beneficiary within ninety (90) days following the death of the Participant.

(b) In the case of a Participant who is scheduled to receive his/her Supplemental Pension in the form of an annuity, the Spouse or Certified Domestic Partner will be entitled to:

(i) A lump sum payment of the monthly payments that accumulated prior to the Participant’s death; and,

(ii) If the Participant elected a joint and survivor form of annuity, a monthly annuity for life equal to the survivor percentage (fifty percent (50%), seventy five percent (75%) or one-hundred percent (100%)) for the form of annuity elected by the Participant.

6.2 BENEFICIARY DESIGNATION.

- 8.2.2 General Rule. A Cash Balance Participant may designate any person (natural or otherwise, including a trust or estate) as his/her Beneficiary to receive any Survivor Benefit due under the Plan, subject to the consent requirements of Sec. 6.2.2, may change or revoke a Beneficiary designation previously made without the consent of any current Beneficiary.

- 8.2.3 Special Requirements for Participants with a Spouse or Certified Domestic Partner. If a Participant has a Spouse or Certified Domestic Partner at the time of death, such Spouse or Certified Domestic Partner will be his/her Beneficiary unless the Spouse or Certified Domestic Partner has consented in writing to the designation of a different Beneficiary.

Consent of a Spouse or Certified Domestic Partner will be deemed to have been obtained if it is established to the satisfaction of ADM that such consent cannot be obtained because the Spouse or Certified Domestic Partner cannot be located.

If a Participant's Spouse or Certified Domestic Partner consents to the designation of a Beneficiary, that consent cannot be revoked so long as the designation remains in effect, but the designation cannot be changed (other than to revoke the designation and reinstate the Spouse or Certified Domestic Partner as the Beneficiary) without the consent of the Spouse or Certified Domestic Partner. If a Spouse or Certified Domestic Partner consents to the designation of a Beneficiary, and the Participant and Spouse divorce or the Participants files a notice with ADM that the domestic partner relationship has ended, the consent of the prior Spouse or Certified Domestic Partner does not bind a subsequent Spouse or Certified Domestic Partner.

6.2.3 Form and Method of Designation. A Beneficiary designation must be made on such form and in accordance with such rules as may be prescribed for this purpose by ADM. A Beneficiary designation will be effective (and will revoke all prior designations) if it is received by ADM (or if sent by mail, the post-mark of the mailing is) prior to the date of death of the Participant. ADM may rely on the latest Beneficiary designation on file (or if an effective designation is not on file may direct that payment be made pursuant to the default provision of the Plan) and will not be liable to any person making claim for such payment under a subsequently filed designation or for any other reason.

ADM may rely on the latest designation on file with it (or may direct that payment be made pursuant to the default provision if an effective designation is not on file) and will not be liable to any person making claim for such payment under a subsequently filed designation or for any other reason.

If a Participant designates a Beneficiary by name that is accompanied by a description of a business, legal or family relationship to the Participant (*e.g.*, "spouse", "business partner", "landlord"), such Beneficiary will be deemed to have predeceased the Participant if such relationship has been dissolved or no longer exists at the death of the Participant. If a Participant designates a Beneficiary by name that is accompanied by a description of a personal relationship to the Participant (*e.g.*, "friend"), the dissolution of that relationship will not affect the designation. For purposes of applying the above rules, a domestic partner (or similarly described) relationship will be considered to be a "family" relationship if, and only if, the Participant has a domestic partner affidavit on file with ADM as described in Sec. 2.1.9; otherwise, it will be considered to be a "personal" relationship. Also for purposes of applying the above rules, a domestic partner relationship will be deemed to exist for so long as a Participant has a domestic partner affidavit on file with ADM that has not been revoked and that is considered to be valid by ADM, and accordingly, if such an affidavit is on file at death, ADM will not independently verify the continued existence of domestic partner status.

6.2.4 Default Designation. If a Beneficiary designation is not on file with ADM, or if no designated Beneficiary survives the Participant, the Beneficiary will be the person or persons surviving the Participant in the first of the following classes in which there is a survivor, share and share alike:

- (a) The Participant's Spouse or Certified Domestic Partner.
- (b) The Participant's children, except that if any of the Participant's children predecease the Participant but leave issue surviving the Participant, such issue will take by right of representation the share their parent would have taken if living.
- (c) The Participant's parents.
- (d) The Participant's brothers and sisters.
- (e) The Participant's estate.

The identity of the Beneficiary in each case will be determined by ADM.

- 6.3** **CASH-OUT OF SMALL BENEFITS.** If at any time during the payment of an annuity to a Spouse or Certified Domestic Partner, the present value of the remaining payments due under such annuity, together with any benefits due under all other Aggregated Plans, does not exceed the applicable dollar amount then in effect under Code § 402(g)(1)(B), then ADM may, in its sole discretion, direct that a lump sum of such present value under this Plan and all other Aggregated Plans be paid to the Spouse or Certified Domestic Partner in full settlement of all obligations under such plans to the Spouse or Certified Domestic Partner.

Present value for this purpose will be determined using the following actuarial assumptions: Interest – the annual rate of interest prescribed by the Internal Revenue Service for purposes of Code § 417(e), with the interest rate prescribed for October applying with respect to any payment date during the next Plan Year; Mortality – the mortality table used to convert to lump-sum amounts under the Qualified Retirement Plan as of the same commencement date.

- 6.4** **NO OTHER SURVIVOR BENEFITS.** No survivor benefits are payable to anyone with respect to a Participant except as provided in Sec. 6.1.

ARTICLE VII

CONTRACTUAL OBLIGATIONS AND FUNDING

7.1 **CONTRACTUAL OBLIGATIONS.**

- 7.1.1 **Obligations of Employer.** The Plan creates a contractual obligation on the part of ADM and each Participating Affiliate to provide benefits as set forth in the Plan with respect to:

- (a) Participants who are employed with ADM or that Participating Affiliate;
- (b) Participants who were employed with ADM or that Participating Affiliate prior to Termination of Employment; and
- (c) Beneficiaries of the Participants described in (a) and (b).

A Participating Affiliate is not responsible for (and has no contractual obligation with respect to) benefits payable to a Participant who is or was employed with ADM or another Participating Affiliate unless the second Participating Affiliate is a successor to the legal liabilities of the first Participating Affiliate (for example, as a result of a merger). If a Participant is employed with two or more employers (ADM and a Participating Affiliate, or two or more Participating Affiliates, etc.), either concurrently or at different times, each will be responsible for the benefit attributable to the period of service with such employer.

Notwithstanding the contractual obligation, no Participant or Spouse entitled to benefits under this Plan has any right, title or claim in or to any specific assets of ADM or any Participating Affiliate, but instead has the right of a general creditor of such employer.

- 7.1.2 **Guarantee by Company.** ADM will guarantee and assume secondary liability for the contractual commitment of each Participating Affiliate under Sec. 7.1.1.
- 7.1.3 **Transfer of Liability in Corporate Transaction.** In the event of a sale of the stock to an unrelated buyer, or a disposition by means of a forward or reverse merger involving an unrelated buyer, or similar corporate transaction, where an employer ceases as a result of the transaction to be an Affiliate, for any individual who remains employed with the employer after it ceases to be an Affiliate, the transaction will not be deemed to constitute a Separation from Service and benefits thereafter will be paid in accordance with the terms of the Plan or, if applicable, the successor plan established by the buyer or an affiliate in a manner consistent with Code § 409A.

In the event of a sale of substantial assets (such as a plant or division, or substantially all assets of a trade or business) of ADM or an Affiliate to an unrelated buyer, ADM and the buyer may agree to transfer the contractual obligation and liability for benefits with respect to any individual who becomes an employee of the buyer or an affiliate of the buyer upon the closing or in connection with such transaction. In such case, the transaction will not be deemed to constitute a Separation from Service and benefits thereafter will be paid in accordance with the terms of the Plan or a successor plan established by the buyer or an affiliate in a manner consistent with Code § 409A.

7.2 FUNDING.

- 7.2.1 Establishment and Funding of Rabbi Trust. ADM may, in its sole and absolute discretion, establish a “rabbi” trust to serve as a funding vehicle for benefits payable under the Plan. However, neither ADM nor any Participating Affiliate will have any obligation to establish such a trust, or to fund such trust if established.

Neither ADM nor any Participating Affiliate will transfer or contribute any funds during any “restricted period,” as defined in Code § 409A(b)(3)(B), to any rabbi trust established under this Section 7.2.1. If any funds are transferred or contributed during a restricted period and ADM certifies in writing that such transfer or contribution was disallowed under this provision, the funds will be deemed to have been transferred or contributed under a mistake of fact and will be returned to ADM or the Participating Affiliate, along with any earnings allocable to such funds, regardless of whether the rabbi trust’s terms establish it as revocable or irrevocable.

Any rabbi trust hereby established may be revocable if so established under the terms of the trust. The assets of any rabbi trust hereby established will not be held or transferred outside of the United States, and the trust will not have any other feature that would result in a transfer of property being deemed to have occurred under Code § 409A (for example, there will be no funding obligation or restrictions on assets in connection with a change in financial health of ADM or any Affiliate).

Any rabbi trust used to fund benefits payable under this Plan may be used to fund benefits payable under any other non-qualified deferred compensation plan maintained by ADM or any Participating Affiliate.

- 7.2.2 Effect on Benefit Obligations. The establishment and funding of a rabbi trust will not affect the contractual obligations of ADM and each Participating Affiliate under Sec. 7.1, except that such obligations with respect to any Participant or Beneficiary will be offset to the extent that payments actually are made from the trust to such Participant or Spouse. In the case of any transfer of contractual obligations and liabilities under Sec. 7.1.3, the parties may arrange for a transfer of assets to a rabbi trust maintained by the buyer or an affiliate of the buyer.

ARTICLE VIII

AMENDMENT AND TERMINATION OF PLAN

8.1 RIGHT TO AMEND OR TERMINATE.

- 8.1.1 Amendment. ADM may amend the Plan at any time and for any reason by action of the following:
- (a) Board of Directors. The Board can adopt any amendment to the Plan, and any amendment that has a material negative cost impact to ADM is reserved exclusively to the Board.
 - (b) Benefit Plans Committee or Chief Executive Officer. The ADM Benefit Plans Committee or the Chief Executive Officer of ADM can adopt any amendment to the Plan that is not reserved to the Board (that is, any amendment that does not have a material negative cost impact to ADM). The Benefit Plans Committee or Chief Executive Officer, in its/his/her sole and absolute discretion, can determine the cost impact of an amendment, and the validity of amendment will not be open to challenge if based upon a good faith determination of the cost impact made by the Benefit Plans Committee or Chief Executive Officer.

The Benefit Plans Committee or Chief Executive Officer acts on behalf ADM in its corporate capacity in connection with any amendment to the Plan.

- (c) Persons with Delegated Authority. The Board and the ADM Benefit Plans Committee and ADM Chief Executive Officer, by resolution or written action, can delegate the amendment authority vested in such person or body to any other person, committee or body.

8.1.2 Termination. ADM may terminate the Plan at any time and for any reason by action of the Board.

8.1.3 Delayed Timing of Amendment or Termination Effective Under Code § 409A. ADM, acting pursuant to Sec. 8.1.1, generally will determine the effective date of any amendment to the Plan. However, if Code § 409A requires a delayed effective date (for example, if an amendment changes a deferral rule in a way that must be delayed for twelve (12) months), then the amendment will be effective as of the later of the date determined by ADM or the earliest effective date allowed under Code § 409A.

ADM generally will determine the effective date of a termination of the Plan.

8.2 LIMITS ON EFFECT OF AMENDMENT OR TERMINATION.

8.2.1 No Negative Effect on Accrued Benefit. An amendment or termination of the Plan may not have the effect of reducing the overall benefit attributable to the period prior to amendment or termination and payable to the Participant under the Qualified Retirement Plan or this Plan. This will not prohibit an amendment that reduces or eliminates the benefit accrued and payable under this Plan and shifts the liability for such benefit to another nonqualified retirement plan maintained by ADM or an Affiliate, or any successor, or to the Qualified Retirement Plan, or an amendment that is required by law or for which the failure to adopt the amendment would have adverse tax consequences to the Participants affected by such amendment (as determined by ADM).

8.2.2 Liquidation Terminations. ADM may terminate the Plan and provide for the acceleration and liquidation of all benefits remaining due under the Plan pursuant to Treas. Reg. § 1.409A-3(j)(4)(ix). If such a termination and liquidation occurs, all accruals under the Plan will be discontinued (and all Active Participants will cease to be Active Participants) as of the termination date established by ADM, and benefits remaining due will be paid in a lump-sum at the time specified by ADM as part of the action terminating the Plan and consistent with Treas. Reg. § 1.409A-3(j)(4)(ix).

8.2.3 Other Terminations. ADM may terminate the Plan other than pursuant to Treas. Reg. § 1.409A-3(j)(4)(ix). In the event of such other termination, all accruals under the Plan will be discontinued (and all Active Participants will cease to be Active Participants), but all benefits remaining payable under the Plan will be paid at the same time and in the same form as if the termination had not occurred – that is, the termination will not result in any acceleration of any distribution under the Plan.

ARTICLE IX

ADMINISTRATION/CLAIMS PROCEDURES

9.1 ADMINISTRATION.

9.1.1 Administrator. ADM is the administrator of the Plan with authority to control and manage the operation and administration of the Plan and make all decisions and determinations incident thereto. Action on behalf of ADM as administrator may be taken by any of the following:

- (a) Its Benefit Plans Committee;
- (b) Its Chief Executive Officer; or
- (c) Any individual, committee, or entity to whom responsibility for the operation and administration of the Plan is allocated by the Benefit Plans Committee or Chief Executive Officer.

Where action is to be taken by the Board under the Plan, such action is taken in a corporate capacity (and not as administrator) with respect to the Plan.

- 9.1.2 Third-Party Service Providers. ADM may from time to time contract with or appoint a recordkeeper or other third-party service provider for the Plan. Any such recordkeeper or other third-party service provider will serve in a non-discretionary capacity and will act in accordance with directions given and/or procedures established by ADM.
- 9.1.3 Rules of Procedure. ADM may establish, adopt or revise such rules and regulations as it may deem necessary or advisable for the administration of the Plan.

9.2 CORRECTION OF ERRORS AND DUTY TO REVIEW INFORMATION.

- 9.2.1 Correction of Errors. Errors may occur in the operation and administration of the Plan. ADM reserves the right to cause such equitable adjustments to be made to correct for such errors as it considers appropriate (including adjustments to pension statements), which will be final and binding on the Participant or Beneficiary.
- 9.2.2 Participant Duty to Review Information. Each Participant and Beneficiary has the duty to promptly review any information that is provided or made available to the Participant or Beneficiary and that relates in any way to the operation and administration of the Plan or his/her payment elections under the Plan and to notify ADM of any error made in the operation or administration of the Plan that affects the Participant or Beneficiary within thirty (30) days of the date such information is provided or made available to the Participant or Beneficiary (for example, the date the information is sent by mail or the date the information is provided or made available electronically). If the Participant or Beneficiary fails to review any information or fails to notify ADM of any error within such period of time, he/she will not be able to bring any claim seeking relief or damages based on the error.

If ADM is notified of an alleged error within the thirty (30) day time period, ADM will investigate and either correct the error or notify the Participant or Beneficiary that it believes that no error occurred. If the Participant or Beneficiary is not satisfied with the correction (or the decision that no correction is necessary), he/she will have sixty (60) days from the date of notification of the correction (or notification of the decision that no correction is necessary), to file a formal claim under the claims procedures under Sec. 9.3.

9.3 CLAIMS PROCEDURE.

- 9.3.1 Claims Procedure. If a Participant or Beneficiary does not feel as if he/she has received full payment of the benefit due such person under the Plan, or if a Participant or Beneficiary feels that an error has been made with respect to his/her benefit under the Plan and has satisfied the requirements in Sec. 9.2.2, the Participant or Beneficiary (or such authorized representative) may file a claim in accordance with the claims procedure set forth in the summary created for the Plan or other claims procedure policy adopted by ADM. Following the claims procedure through completion is a condition of filing an arbitration action under Sec. 9.3.2.

The Benefits Plans Committee will decide all claims and its decision on appeal will be final and binding subject to Sec. 9.3.2.

- 9.3.2 Arbitration. If a Participant or Beneficiary follows the claims procedures but his/her final appeal is denied, he/she will have one year to file an arbitration action with respect to that claim, and failure to meet the one-year deadline will extinguish his/her right to file an arbitration action with respect to that claim.

Any claim, dispute or other matter in question of any kind relating to this Plan which is not resolved by the claims procedures will be settled by arbitration in accordance with the employment dispute resolution rules of the American Arbitration Association. Notice of demand for arbitration will be made in writing to the opposing party and to the American Arbitration Association within one year after the final decision on appeal is issued, and if not filed within one year, all rights to benefits are

forfeited under the Plan. The decision of the arbitrator(s) will be final and may be enforced in any court of competent jurisdiction.

The arbitrator(s) may award reasonable fees and expenses to the prevailing party in any dispute hereunder and will award reasonable fees and expenses in the event that the arbitrator(s) find that the losing party acted in bad faith or with intent to harass, hinder or delay the prevailing party in the exercise of its rights in connection with the matter under dispute.

- 9.3.3 **Participant Responsible for Timely Action Under Code § 409A.** The Participant will be solely responsible for taking prompt actions in the event of disputed payments as necessary to avoid any adverse tax consequences under Code § 409A, even if action is required to be taken under Code § 409A in a more timely manner than is required under the claims procedures of this Sec. 9.3.
- 9.4 INDEMNIFICATION.** ADM and its Participating Affiliates jointly and severally agree to indemnify and hold harmless, to the extent permitted by law, each director, officer, and employee against any and all liabilities, losses, costs, or expenses (including legal fees) of whatsoever kind and nature that may be imposed on, incurred by, or asserted against such person at any time by reason of such person's services in the administration of the Plan, but only if such person did not act dishonestly, or in bad faith, or in willful violation of the law or regulations under which such liability, loss, cost, or expense arises.
- 9.5 EXERCISE OF AUTHORITY.** ADM, its Benefit Plans Committee and Chief Executive Officer and any other person who has authority with respect to the management, administration or investment of the Plan may exercise that authority in its/his/her full discretion. This discretionary authority includes, but is not limited to, the authority to make any and all factual determinations and interpret all terms and provisions of this document (or any other document established for use in the administration of the Plan) relevant to the issue under consideration. The exercise of authority will be binding upon all persons; and it is intended that the exercise of authority be given deference in arbitration, and that it not be overturned or set aside in arbitration unless found to be arbitrary and capricious.
- 9.6 TELEPHONIC OR ELECTRONIC NOTICES AND TRANSACTIONS.** Any notice that is required to be given under the Plan to a Participant or Beneficiary, and any action that can be taken under the Plan by a Participant or Beneficiary (including distribution, consents, etc.), may be by means of voice response or other electronic system to the extent so authorized by ADM.

ARTICLE X

MISCELLANEOUS

- 10.1 NONASSIGNABILITY.**
- 10.1.1 **General Rule Regarding Assignment.** Neither the rights of, nor benefits payable to, a Participant or Beneficiary under the Plan may be alienated, assigned, transferred, pledged or hypothecated by any person, at any time, or to any person whatsoever. Such interest and benefits will be exempt from the claims of creditors or other claimants of the Participant or Beneficiary and from all orders, decrees, levies, garnishments or executions to the fullest extent allowed by law, except as provided in Sec. 10.1.2.
- 10.1.2 **Domestic Relations Orders.** The Plan will comply with any court order purporting to divide the benefits payable under this Plan pursuant to a state's domestic relations laws to the extent permitted under Code § 409A. However, such court order shall be deemed to only apply to such amounts that actually become payable to a Participant under the terms of this Plan (and shall not create a separate interest in favor of the alternate payee).

- 10.2 WITHHOLDING.** A Participant must make appropriate arrangements with ADM or Participating Affiliate for satisfaction of any federal, state or local income tax withholding requirements and Social Security or other employee tax requirements applicable to the payment of benefits under the Plan. If no other arrangements are made, ADM or Participating Affiliate may provide, at its discretion, for such withholding and tax payments as may be required, including, without limitation, by the reduction of other amounts payable to the Participant.
- 10.3 RIGHT OF SETOFF.** Notwithstanding any other provisions of this Plan, ADM reserves the right to withhold and setoff from any distribution or payments to a Participant or Beneficiary under the Plan any amount owed to ADM or an Affiliate by the Participant, whether such obligation is matured or unmatured and however arising, at the time of (and with priority over) any such distribution or payment. Further, ADM reserves the right to withhold and setoff from the Participant's Account any amount owed to ADM or an Affiliate by the Participant, as satisfaction of such obligation of the Participant, where such obligation is incurred in the ordinary course of the service relationship between the Participant and ADM or an Affiliate, the entire amount of reduction in any of ADM's taxable years that does not exceed five thousand dollars (\$5,000), and the reduction is made at the same time and in the same amount as the obligation otherwise would have been due and collected from the Participant.
- 10.4 UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT.** Notwithstanding any other provisions of the Plan, deferral elections and changes to the time and form of payment shall be allowed in a manner consistent with the Uniformed Services Employment and Reemployment Rights Act (USERRA) to the extent authorized by Treasury Regulation § 1.409A-2(a)(15).
- 10.5 SUCCESSORS OF ADM.** The rights and obligations of ADM or a Participating Affiliate under the Plan will inure to the benefit of, and will be binding upon, the successors and assigns of ADM or such Participating Affiliate.
- 10.6 EMPLOYMENT NOT GUARANTEED.** Nothing contained in the Plan nor any action taken hereunder will be construed as a contract of employment or as giving any Participant any right to continued employment with ADM or any Affiliate.
- 10.7 GENDER, SINGULAR AND PLURAL.** All pronouns and any variations thereof will be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.
- 10.8 CAPTIONS.** The captions of the articles, paragraphs and sections of this document are for convenience only and will not control or affect the meaning or construction of any of its provisions.
- 10.9 VALIDITY.** In the event any provision of the Plan is held invalid, void or unenforceable, the same will not affect, in any respect whatsoever, the validity of any other provisions of the Plan.
- 10.10 WAIVER OF BREACH.** The waiver by ADM of any breach of any provision of the Plan will not operate or be construed as a waiver of any subsequent breach by that Participant or any other Participant.
- 10.11 NOTICE.** Any notice or filing required or permitted to be given to ADM or the Participant under this Agreement will be sufficient if in writing and hand-delivered, or sent by registered or certified mail, in the case of ADM, to the principal office of ADM, directed to the attention of ADM, and in the case of the Participant, to the last known address of the Participant indicated on the employment records of ADM. Such notice will be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Notices to ADM may be permitted by electronic communication according to specifications established by ADM.

**Archer-Daniels-Midland Company
Amended and Restated
Stock Unit Plan
For Nonemployee Directors**

1. Introduction

The Archer-Daniels-Midland Company Stock Unit Plan for Nonemployee Directors is intended to promote the interests of the Company and its Stockholders by paying part or all of the compensation of the Company's nonemployee directors in the form of an economic equivalent of an equity interest in the Company, thereby providing appropriate incentives and rewards to encourage nonemployee directors to take a long-term outlook when formulating policy applicable to the Company and encouraging them to remain on the Board. In general, the Plan provides for the conversion of at least 50 percent and up to 100 percent of a nonemployee director's fees for each calendar year into units of measurement relating to the value of the Company's common stock, and for payment to the director of the value of such units on the earlier of (a) the passage of five full calendar years or (b) upon termination from service on the Board (in either case, subject to deferral of the payment date by the nonemployee director in accordance with the terms of the Plan). A nonemployee director will thus normally receive payment under the Plan each successive year in respect of the fees originally converted into units in the year preceding the fifth calendar year prior to the year of payment. A nonemployee director will participate in the Plan for all periods of service on the Board following the effective date of the Plan, notwithstanding any future payments to the director of any part of his interest under the Plan.

The original Plan was approved by the Stockholders of the Company at its 1996 Annual Meeting and become effective on January 1, 1997. In July 1997, the Board of Directors amended the original Plan by increasing the minimum portion of the nonemployee directors' fees to be converted into units from 25 percent to 50 percent. The Plan was further amended in October 2001 to permit nonemployee directors to defer payment under the Plan in certain circumstances and again in December 2003 to provide nonemployee directors with additional flexibility in electing to defer payment under the Plan. Most recently, the Plan was amended effective January 1, 2005 to comply with Section 409A of the Code, and was again amended effective January 1, 2009, in response to final regulations issued under Section 409A of the Code.

2. Definitions

- (a) "Board" means the Board of Directors of the Company.
- (b) "Code" means the Internal Revenue Code of 1986, as amended.
- (c) "Committee" means the Benefit Plans Committee of the Company, or any successor committee thereto.

- (d) “Common Stock” means the common stock of the Company, without par value.
- (e) “Company” means Archer-Daniels-Midland Company, a Delaware corporation.
- (f) “Director’s Fees” means the annual retainer fee and all meeting fees, committee fees and other Director’s fees earned by the Participant for his service on the Board.
- (g) “Fair Market Value” means, with respect to a share of the Common Stock, the average of the high and low reported sales price regular way per share of the Common Stock on the New York Stock Exchange Composite Tape for the relevant day, or, in the absence thereof, on the most recent prior day for which such sales are reported. If the Common Stock is not listed on the New York Stock Exchange as of any date that Fair Market Value is to be determined, Fair Market Value shall be determined by the Committee in its discretion in a manner consistently applied.
- (h) “Mandatory Conversion” means the required conversion of 50 percent of a Participant’s Director’s Fees into a Stock Unit Award pursuant to Section 4 hereof.
- (i) “Participant” means a member of the Board who is not an employee of the Company or any of its affiliates.
- (j) “Plan” means this Archer-Daniels-Midland Company Stock Unit Plan for Nonemployee Directors.
- (k) “Realization Date” means, with respect to each Stock Unit allocated to a Participant’s Stock Unit Account, the first business day following the earlier of (i) the date five years after the end of the calendar year that includes the calendar quarter for which such Stock Unit is awarded to the Participant or in which such Stock Unit is credited to the Participant as a dividend equivalent, or (ii) the date the Participant has a Separation from Service, in either case subject to extension under Section 5(e).
- (l) “Separation from Service” means that (i) with respect to Stock Unit Awards credited prior to January 1, 2005, the Participant has ceased to be a member of the Board, or (ii) with respect to Stock Unit Awards credited after December 31, 2004, the Participant has ceased to be a member of the Board and has otherwise had a separation from service recognized as such under Section 409A of the Code.
- (m) “Stock Unit” means a non-voting unit of measurement that is deemed for valuation and bookkeeping purposes to be equivalent to an outstanding share of Common Stock, and shall include fractional units.
- (n) “Stock Unit Account” means a book account maintained by the Company reflecting the Stock Units allocated to a Participant pursuant to Section 4 hereof as a result of the Participant’s Mandatory Conversions and Voluntary Conversions and such additional Stock Units as shall be credited thereto in respect of dividends paid on the Common Stock.

(o) “Stock Unit Award” means an award under Section 4(c) hereof of Stock Units as a result of a Participant’s Mandatory Conversion and Voluntary Conversion for a calendar quarter.

(p) “Voluntary Conversion” means the conversion based on the election of the Participant of all or part of a Participant’s Director’s Fees otherwise payable to the Participant in cash into a Stock Unit Award pursuant to Section 4 hereof.

3. Administration

The Plan shall be administered by the Committee. The Committee shall have full authority to administer the Plan, including the discretionary authority to interpret and construe all provisions of the Plan, to resolve all questions of fact arising under the Plan, and to adopt such rules and regulations for administering the Plan as it may deem necessary or appropriate. Decisions of the Committee shall be final and binding on all parties. The Committee may delegate administrative responsibilities under the Plan to appropriate officers or employees of the Company. All expenses of the Plan shall be borne by the Company.

4. Crediting of Stock Units

(a) Mandatory Conversions. For each calendar quarter in which the Plan is in effect, 50 percent of the aggregate dollar amount of a Participant’s Director’s Fees payable for such quarter shall be converted into a Stock Unit Award pursuant to Section 4(c) hereof.

(b) Voluntary Conversions. For each calendar quarter in which the Plan is in effect, a Participant may elect to convert all or any portion of his Director’s Fees payable for such quarter (in addition to those required to be converted under Section 4(a) hereof) into a Stock Unit Award pursuant to Section 4(c) hereof. Each Voluntary Conversion shall be made on the basis of a Participant’s written election stating the amount by which such Director’s Fees shall be converted to a Stock Unit Award. Each such election shall be made in the form required by the Committee, shall be delivered to the Company no later than December 31 of the calendar year immediately preceding the calendar year for which the election is made, and shall be effective for each calendar quarter of such calendar year. In the case of a member of the Board who first becomes a Participant during a calendar year, such election for such year must be made within 30 days following such member becoming a Participant, and shall apply only to calendar quarters that begin following the date such election is made.

(c) Stock Unit Awards. A Participant shall receive a Stock Unit Award for each calendar quarter in respect of his Mandatory Conversion and any Voluntary Conversion applicable to such quarter. Such Stock Unit Award shall equal the number of the Stock Units determined by dividing (A) the aggregate dollar amount of the Participant’s Director’s Fees that are converted to a Stock Unit Award for the quarter by his Mandatory Conversion and Voluntary Conversion, by (B) the Fair Market Value of the Common Stock on the last business day of such calendar quarter. Each Stock Unit Award shall be credited to the Participant’s Stock Unit Account as of the first day following the end of the calendar quarter for which such Stock Unit Award is granted.

(d) Dividend Equivalents. As of any date that cash dividends are paid with respect to the Common Stock from time to time, each Participant's Stock Unit Account shall be credited with an additional number of Stock Units determined by dividing (A) the aggregate dollar amount of the dividends that would have been paid on the Stock Units credited to the Participant's Stock Unit Account as of the record date for such dividend had such Stock Units been actual shares of Common Stock by (B) the Fair Market Value of the Common Stock on the dividend payment date.

(e) Certain Adjustments. In the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger or consolidation, or the sale, conveyance, lease or other transfer by the Company of all or substantially all of its property, or any other change in the corporate structure or shares of the Company, pursuant to any of which events the then outstanding shares of the Common Stock are split up or combined or are changed into, become exchangeable at the holder's election for, or entitle the holder thereof to, other shares of stock, or similar change in the Common Stock or other similar event that the Committee, in its discretion, deems appropriate, each Participant's Stock Unit Account shall be adjusted as determined by the Committee in its sole discretion to reflect such change or other event. It is intended that in making such adjustments, the Committee will seek to treat each Participant as if he were a stockholder of the Common Stock of the number of Stock Units credited to his Stock Unit Account (but without duplication of any benefits that may be provided under Section 4(d) hereof). Except as is expressly provided in this Section, Participants shall have no rights as a result of any such change in the Common Stock or other event.

5. Distributions of Benefits

(a) Valuation and Payment of Units. Subject to Section 6 hereof, a Participant shall be entitled to a benefit under the Plan with respect to each Stock Unit Award upon the Realization Date for such Stock Unit Award. Such benefit shall be equal to the cash amount determined by multiplying (A) the number of Stock Units credited to the Participant's Stock Unit Account in respect of the Stock Unit Award for which the Realization Date has occurred (including additional Stock Units credited to the Participant's Stock Unit Account with respect thereto pursuant to Section 4(d) hereof) by (B) the Fair Market Value of the Common Stock on the Realization Date. Each such amount shall be paid to the Participant in cash within 30 days after the applicable Realization Date.

(b) Payment of Additional Dividends. Subject to Section 6 hereof, if, pursuant to Section 4(d) hereof, additional Stock Units are required to be credited to a Participant's Stock Unit Account in respect of Stock Units that were held in the Participant's Stock Unit Account as of the record date for dividends paid on the Common Stock that were paid after the payment to the Participant of a benefit in respect of such Stock Units, the Company shall pay to the Participant a cash amount in respect of such dividends equal to the dollar amount of such dividends. Such amount shall be paid to the Participant within 30 days after the dividend payment date.

(c) Payment of Nonconverted Fees. Subject to Section 6 hereof, in the event that a Participant has a Separation from Service prior to the time that Stock Units are credited to his Stock Unit Account pursuant to Section 4(c) hereof in respect of his Mandatory Conversion or Voluntary Conversion for a calendar quarter, the amount of all Director's Fees earned by the Participant during such quarter shall be paid to the Participant in cash within 30 days after his Separation from Service.

(d) Section 16 Restrictions. Notwithstanding any other provision hereof, if and to the extent required in order for Stock Units to meet the requirements for exemption under Rule 16b-3 (or any successor thereto) promulgated under the Securities Exchange Act of 1934, no amount in respect of any Stock Unit Award (including any additional Stock Units allocated to a Participant's Stock Unit Account pursuant to Section 4(d) hereof) shall be paid to a Participant until the expiration of 6 months after the Stock Units in respect of which the payment is to be made have been allocated to the Participant's Stock Unit Account, and the amount of such payment shall be determined based on the Fair Market Value of the Common Stock on the date such 6-month period expires.

(e) Extension of Realization Date. A Participant shall be allowed the following elections:

(A) A Participant shall be allowed to extend the Realization Date occurring under Section 2(k)(i) to a new Realization Date determined by the Participant, subject to the following:

(i) An election will be effective only if it is received by the Committee at least 12 months prior to the currently scheduled Realization Date under Section 2(k)(i); and

(ii) With respect to any Stock Unit Award credited after December 31, 2004, the new Realization Date under Section 2(k)(i) must be at least 5 years after the currently scheduled Realization Date under Section 2(k)(i) unless the election to extend the Realization Date is received by the Committee prior to the calendar year in which the Stock Unit Award is made to the Participant.

A Participant may elect to extend the Realization Date any number of times, provided that each election complies with paragraphs (i) and (ii).

(B) A Participant shall be allowed to extend the Realization Date occurring under Section 2(k)(ii) to up to three new Realization Dates determined by the Participant that are a fixed number of months (not more than 30 months) after the Participant's Separation from Service. An election will be effective with respect to a Stock Unit Award if it is received by the Committee prior to the calendar year in which the Stock Unit Award is credited to the Participant. Thereafter, an election will be effective with respect to a Stock Unit Award credited prior to January 1, 2005, if it is received by the Committee at least 12 months prior to Separation from Service (in the case of any Stock Unit Award credited after December 31, 2004, an election under subsection (B) of this Section 5(e) will

not be allowed after December 31 of the calendar year prior to the calendar year in which the Stock Unit Award is made to the Participant).

An election to extend a Realization Date under subsection (A) or (B) of this Section 5(e) must be made in such a manner and in accordance with such rules as may be prescribed for this purpose by the Committee and must receive the approval required to exempt the disposition of the Stock Units under Rule 16b-3 (or any successor thereto) promulgated under the Securities Exchange Act of 1934.

With respect to any extension under subsection (A) or (B) of this Section 5(e), no Participant may elect to establish more than one new Realization Date in any given calendar year.

(f) Transition Elections Made By December 31, 2008. Any contrary provision notwithstanding, any election made by December 31, 2008, to establish or extend a Realization Date will be given effect under the Plan to the extent consistent with the transition rules allowed under Section 409A of the Code as specified in IRS Notice 2007-86.

6. Forfeiture of Benefits

Each Participant's benefits hereunder shall be nonforfeitable, except that a Participant shall forfeit all rights to all benefits hereunder in respect of Mandatory Conversions, Voluntary Conversions and Stock Units credited to the Participant's Stock Unit Account if the Participant's status as a director of the Company is (or is deemed to have been) terminated for Cause. For purposes hereof, a Participant's status as a director shall have been terminated for "Cause" upon the voluntary or involuntary termination of the individual's service as a director on account of (i) the willful violation by the Participant of any federal or state law or any rule or regulation of any regulatory body to which the Company or its affiliates is subject, which violation would materially reflect on the Participant's character, competence or integrity or (ii) a breach by the Participant of the Participant's duty of loyalty to the Company and its affiliates. If, subsequent to the termination of a Participant's status as a director of the Company, it is determined by the Committee that the Participant's status as a director of the Company could have been terminated for Cause, such Participant's status as a director of the Company may be deemed to have been terminated for Cause.

7. Beneficiaries

Any payment required to be made to a Participant hereunder that cannot be made to the Participant because of his death shall be made to the Participant's beneficiary or beneficiaries, subject to applicable law. Each Participant shall have the right to designate in writing from time to time a beneficiary or beneficiaries by filing a written notice of such designation with the Committee. In the event a beneficiary designated by the Participant does not survive the Participant and no successor beneficiary is selected, or in the event no valid designation has been made, such Participant's beneficiary shall be such Participant's estate.

8. Unfunded Status of the Plan

The Plan shall be unfunded, and Mandatory Conversions, Voluntary Conversions, Stock Units credited to each Participant's Stock Unit Account and all benefits payable to Participants under the Plan represent merely unfunded, unsecured promises of the Company to pay a sum of money to the Participant in the future.

9. Alienation of Benefits Prohibited

No transfer (other than pursuant to Section 7 hereof) by a Participant of any right to any payment hereunder, whether voluntary or involuntary, by operation of law or otherwise, and whether by means of alienation by anticipation, sale, transfer, assignment, bankruptcy, pledge, attachment, charge, or encumbrance of any kind, shall vest the transferee with any interest or right, and any attempt to so alienate, sell, transfer, assign, pledge, attach, charge, or otherwise encumber any such amount, whether presently or thereafter payable, shall be void and of no force or effect.

10. No Special Rights

Nothing contained in the Plan shall confer upon any Participant any right with respect to the continuation of the Participant's status as a director of the Company.

11. Termination and Amendment

The Plan may be terminated at any time by the Board. The Plan may be amended by the Board from time to time in any respect; provided, however, that no such amendment may reduce the number of Stock Units theretofore credited or creditable to a Participant's Stock Unit Account without the affected Participant's prior written consent. The termination of the Plan, or any amendment made to the Plan, shall not operate to accelerate the Realization Date with respect to any Stock Unit Award unless specifically so provided by the Board and allowed under Section 409A of the Code.

12. Status Under Section 409A of the Code

The Plan is intended to comply with paragraphs (2), (3) and (4) of Section 409A(a) of the Code, and should be interpreted in a manner consistent with that intent.

13. Choice of Law

The Plan and all rights hereunder shall be subject to and interpreted in accordance with the laws of the State of Illinois, without reference to the principles of conflicts of laws, and to applicable federal securities laws.

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**Archer-Daniels-Midland Company
2002 Incentive Compensation Plan**

Performance Share Unit Award Agreement

This Performance Share Unit Award Agreement (the “Agreement”), is made and entered into as of *[grant date] (the “Date of Grant”), by and between Archer-Daniels-Midland Company, a Delaware corporation (the “Company”), and «First_Name» «Last_Name», an employee of the Company (the “Grantee”). This Agreement is pursuant to the terms of the Company’s 2002 Incentive Compensation Plan, as amended (the “Plan”). The applicable terms of the Plan are incorporated herein by reference, including the definitions of capitalized terms contained in the Plan.

Section 1. Performance Share Unit Award. The Company hereby grants to the Grantee, on the terms and conditions hereinafter set forth, an Award of «ResAmount» Performance Share Units (the “Units”), each such Unit representing the right to receive one share of the Company’s common stock. The Units granted to the Grantee shall be credited to an account in the Grantee’s name. This account shall be a record of book-keeping entries only and shall be utilized solely as a device for the measurement and determination of the number of Shares to be granted to or in respect of the Grantee pursuant to this Agreement.

Section 2. Rights of Grantee.

(a) No Shareholder Rights. The Units granted pursuant to this Award do not entitle Grantee to any rights of a shareholder of the Company’s common stock. The Grantee’s rights with respect to the Units shall remain forfeitable at all times by the Grantee until satisfaction of the vesting conditions set forth in Section 3 hereof.

(b) Restrictions on Transfer. The Grantee shall not be entitled to transfer, sell, pledge, alienate, hypothecate or assign the Units or this Award, except that in the event of the Grantee’s death, the Grantee’s designated beneficiary or estate shall be entitled to receive the Shares represented by earned and vested Units. Any attempt to otherwise transfer the Units or this Award shall be void. All rights with respect to the Units and this Award shall be available only to the Grantee during his or her lifetime, and thereafter to the Grantee’s estate.

Section 3. Vesting of Units. Subject to the provisions of Sections 6 and 7 hereof, the Units granted hereunder (and the Grantee’s right to receive Shares in settlement of the Units pursuant to this Award) shall vest to the extent provided below on the earliest to occur of the following (the “Vesting Date”):

- (i) June 30, 2012, but only to the extent the Units have been earned during the period from July 1, 2009 to June 30, 2012 (the “Performance Period”) as provided in Section 4 hereof. Any outstanding Units granted hereunder that do not vest on that date shall be forfeited.

- (ii) Upon the occurrence of a Change in Control of the Company (as defined in Appendix A hereto), any outstanding Units granted hereunder shall vest in full.
- (iii) Upon the death of the Grantee, any outstanding Units granted hereunder shall vest in full.

Section 4. Earned Units. The number of Units that the Grantee will be deemed to have earned (“Earned Units”) as of the end of each fiscal year of the Company occurring during the Performance Period (the last day of each such fiscal year being a “Determination Date”) will be determined by the extent to which the Company has satisfied the applicable performance objective for the fiscal year or years ending on the applicable Determination Date as set forth in Appendix B to this Agreement, as evidenced by a Committee certification. The portion of the Units subject to this Award that will be deemed Earned Units as of each Determination Date during the Performance Period will be determined according to the procedure specified in Appendix B. Any Units that are not earned as of either of the first two Determination Dates during the Performance Period solely because of the failure to satisfy the applicable performance-based objective shall remain eligible to be earned as of the final Determination Date during the Performance Period.

Section 5. Settlement of Units. After any Units vest in accordance with Section 3 hereof, the Company shall cause to be issued to the Grantee, or to the Grantee’s designated beneficiary or estate in the event of Grantee’s death, one share of its common stock in payment and settlement of each vested Unit. Except for vesting as a result of Grantee’s death or a Change in Control of the Company, such issuance shall follow certification by the Committee of the degree to which the Company has satisfied the applicable performance objective as of the final Determination Date, and shall occur on or before the later of (i) the end of the calendar year in which the Vesting Date occurs, or (ii) the 15th day of the third calendar month after the Vesting Date, and the Grantee shall have no power to affect the timing of such issuance. If vesting occurs as a result of Grantee’s death, such issuance shall occur within 90 days of the date of Grantee’s death, and if vesting occurs as a result of a Change in Control, such issuance shall occur as of the date of the Change in Control. Such issuance shall be evidenced by a stock certificate or appropriate entry on the books of the Company or a duly authorized transfer agent of the Company, shall be subject to the tax withholding provisions of Section 8, and shall be in complete settlement and satisfaction of such vested Units. If the ownership of or issuance of Shares to the Grantee as provided herein is not feasible due to applicable exchange controls, securities or tax laws or other provisions of applicable law, as determined by the Committee in its sole discretion, the Grantee or his legal representative shall receive cash proceeds in an amount equal to the Fair Market Value (as of the Vesting Date) of the Shares otherwise issuable to Grantee, net of any amount required to satisfy withholding tax obligations as provided in Section 8.

Section 6. Effect of Termination of Service. If the Grantee’s service as an Employee ceases prior to the Vesting Date other than as a result of the Grantee’s Retirement or Disability, the Grantee shall forfeit the Units. If such termination of service is a result of Grantee’s Retirement or Disability, then subject to the forfeiture conditions of Section 7, Grantee’s right to receive Shares pursuant to this Award shall continue to vest in accordance with Section 3.

Section 7. Forfeiture Conditions. Notwithstanding the foregoing, in the event of termination of Grantee's service as an Employee for "cause" (as defined below), the breach of any non-competition or confidentiality restrictions applicable to the Grantee, or the Grantee's participation in an activity that is deemed by the Company to be detrimental to the Company (including, without limitation, criminal activity or accepting employment with a competitor of the Company), (i) the Grantee's right to receive an award of Units or an issuance of Shares in settlement of Units shall immediately terminate, (ii) any unvested Units held by the Grantee (including any Earned Units) shall be forfeited, and (iii) if Shares have been issued (or the cash value thereof paid) after the Vesting Date, then either (A) the Shares so issued shall be forfeited and returned to the Company, or (B) the Grantee shall be required to pay to the Company in cash an amount equal to the Fair Market Value of such Shares as of the Vesting Date.

For purposes hereof, "cause" shall have the meaning specified in such Grantee's employment agreement with the Company, or, in the case of a Grantee who is not employed pursuant to an employment agreement, "cause" shall mean any of the following acts by the Grantee: (i) embezzlement or misappropriation of corporate funds, (ii) any acts resulting in a conviction for, or plea of guilty or nolo contendere to, a charge of commission of a felony, (iii) misconduct resulting in injury to the Company or any subsidiary, (iv) activities harmful to the reputation of the Company or any subsidiary, (v) a violation of Company or subsidiary operating guidelines or policies, (vi) willful refusal to perform, or substantial disregard of, the duties properly assigned to the Grantee, or (vi) a violation of any contractual, statutory or common law duty of loyalty to the Company or any subsidiary.

Section 8. Withholding of Taxes. The Grantee shall pay to the Company any required withholding taxes upon any event in connection with this Award, such as the issuance of Shares in settlement of the Units, that the Company determines may result in any domestic or foreign tax withholding obligation, and the delivery of such Shares shall be conditioned upon the prior payment by the Grantee, or the establishment of arrangements satisfactory to the Company for the payment by the Grantee, of such withholding tax obligation. The Company may permit the Grantee to satisfy all or any part of such withholding tax obligations (up to the Grantee's minimum required tax withholding rate) by having the Company withhold Shares otherwise payable in settlement of Units having a Fair Market Value on the date the tax is to be determined equal to the amount of such withholding tax obligations.

Section 9. Securities Law Compliance. No Shares shall be delivered upon the vesting and settlement of any Units unless and until the Company and/or the Grantee shall have complied with all applicable federal, state or foreign registration, listing and/or qualification requirements and all other requirements of law or of any regulatory agencies having jurisdiction, unless the Committee has received evidence satisfactory to it that Grantee may acquire such shares pursuant to an exemption from registration under the applicable securities laws. Any determination in this connection by the Committee shall be final, binding, and conclusive. The Company reserves the right to legend any Share certificate or book entry, conditioning sales of such Shares upon compliance with applicable federal and state securities laws and regulations.

Section 10. No Rights as Employee or Consultant. Nothing in this Agreement or this Award shall confer upon the Grantee any right to continue as an Employee or consultant of the Company or any Subsidiary or Affiliate, or to interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate the Grantee's service at any time.

Section 11. Adjustments. If at any time while this Award is outstanding, the number of outstanding Shares is changed by reason of a reorganization, recapitalization, stock split or any of the other events described in Section 4.2 of the Plan, the number of Units and the number and kind of securities that may be issued in respect of such Units shall be adjusted in accordance with the provisions of the Plan.

Section 12. Notices. Any notice hereunder by the Grantee shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the Secretary of the Company at the Company's office at 4666 Faries Parkway, Decatur, Illinois 62526, or at such other address as the Company may designate by notice to the Grantee. Any notice hereunder by the Company shall be given to the Grantee in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Grantee may have on file with the Company.

Section 13. Construction. The construction of this Agreement is vested in the Committee, and the Committee's construction shall be final and conclusive.

Section 14. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois, without giving effect to the choice of law principles thereof.

Archer-Daniels-Midland Company

By: _____

P. A. Woertz
Chairman, President & Chief
Executive Officer

GRANTEE

By: _____

Definition of Change in Control

For purposes of this Agreement, a "Change in Control" of the Company shall mean:

(i) the acquisition, during any twelve (12) consecutive month period that ends subsequent to the Date of Grant, by any individual, entity or group (within the meaning of section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of ownership (determined taking into account the ownership attribution rules of Section 318(a) of the Code) of stock of the Company possessing thirty percent (30%) or more of the combined voting power of the then outstanding stock of the Company; provided that, (A) any stock of the Company owned by the Person prior to the start of the applicable twelve (12) consecutive month period shall not be counted toward the thirty percent (30%) threshold specified above, and (B) an acquisition shall not be counted if (i) prior to the acquisition, the Person owns stock of the Company possessing more than fifty percent (50%) of the combined voting power of the then outstanding stock of the Company, or stock of the Company that constitutes more than fifty percent (50%) of the fair market value of the outstanding stock of the Company; (ii) the acquisition occurs after the Person has satisfied the thirty percent (30%) threshold specified above, (iii) the acquisition is made directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (iv) the acquisition is by the Company, or (v) the acquisition is by an employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary;

(ii) the replacement, during any twelve (12) consecutive month period that ends subsequent to the Date of Grant, of a majority of the members of the Board of the Company with members whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election;

(iii) the consummation of a merger, consolidation, reorganization or similar corporate transaction involving the Company which, subsequent to the Date of Grant, has been approved by the stockholders of the Company, other than a merger, consolidation, or reorganization where the stockholders of the Company immediately before the transaction continue to own stock of the Company (or other surviving entity) after the transaction possessing at least fifty percent (50%) of the combined voting power of the then outstanding stock of the Company (or other surviving entity) outstanding immediately after such merger, consolidation, or reorganization; or

(iv) the sale, during any twelve (12) consecutive month period that ends subsequent to the Date of Grant, to any Person of assets of the Company with a gross fair market value equal to more than forty percent (40%) of the total gross fair market value of all assets of the Company immediately prior to the sale (or the first such sale);

provided in each case that the transaction or transactions constitutes a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, as determined under Section 409A of the Code.

Earned Units and Performance-Based Objectives

Performance Period: July 1, 2009 through June 30, 2012

The determination of the number of Units that will be earned as of each Determination Date (“Earned Units”) during the Performance Period specified above as provided in Section 4 of the Agreement will be determined as follows:

1. Total Shareholder Return (as defined below) for the Company and for each of the four Indices (as defined below) for the period beginning on the first day of the Performance Period and ending on the applicable Determination Date (the “Relevant Period”) will initially be calculated.
2. The Total Shareholder Return figures for the Relevant Period for the four equally weighted Indices will be averaged, resulting in an “Index Average TSR” for the Relevant Period.
3. If the Company’s Total Shareholder Return (the “Company’s TSR”) for that Relevant Period exceeds the Index Average TSR for that Relevant Period, then a number of Units will become Earned Units as of the applicable Determination Date. Assuming the Total Shareholder Return condition has been satisfied for the Relevant Period ending on the applicable Determination Date, the number of Units that will become Earned Units as of such Determination Date will be calculated using the following formula:

$$\text{(Cumulative Unit Percentage x Number of Units Awarded)} - \text{Number of Previously Earned Units}$$

where:

- “Cumulative Unit Percentage” is the percentage in the following table that corresponds to the Determination Date marking the end of the Relevant Period:

<u>Determination Dates</u>	<u>Cumulative Unit Percentage</u>
June 30, 2010	33 1/3%
June 30, 2011	66 2/3%
June 30, 2012	100%

- “Number of Units Awarded” is the number in Section 1 of the Agreement; and
 - “Number of Previously Earned Units” is the number of Units subject to the Award that had already been determined to be Earned Units prior to the applicable Determination Date.
4. For purposes of this Appendix B, the following terms shall have meanings indicated:

- (a) “Indices” means the S&P 500 Index, the S&P 500 Consumer Staples Index, the Russell 3000 FB&T Index and the Peer Company Index, and “Index” refers to any one of the Indices. The S&P 500 Index and the S&P 500 Consumer Staples Index are U.S. market equity indices constructed and maintained by Standard & Poor’s Index Services.
- (b) The “Russell 3000 FB&T Index” means the Russell 3000 Food, Beverage and Tobacco Customized Index, which is a customized Index consisting of the following companies: [list companies]
- (c) The “Peer Company Index” means a customized Index consisting of the following companies: Corn Products International, Inc.; ConAgra Foods, Inc. and Bunge Limited.
- (d) “Total Shareholder Return” means the cumulative total return over a specified measurement period on a company’s common stock or of a specified Index, as measured by the change in the company’s stock price or the Index’s value from the beginning of the measurement period to the end of such period and taking into account the assumed reinvestment of all dividends paid during the measurement period, expressed as a percentage comparing such cumulative total return to the company’s stock price or the Index’s value at the beginning of the measurement period. Total Shareholder Return shall be calculated consistent with the following principles:
- (i) A company’s per share stock price or an Index’s value as of the first day of the Performance Period shall be deemed to be the average closing price (on the principal U.S. exchange) or value as reported in the *Wall Street Journal* for the 20 trading days immediately prior to the first day of the Performance Period.
 - (ii) A company’s per share stock price or an Index’s value as of a Determination Date shall be deemed to be the average closing price (on the principal U.S. exchange) or value as reported in the *Wall Street Journal* for the last 20 trading days of the applicable Relevant Period ending on the Determination Date.
 - (iii) The values of the S&P 500 Index and the S&P 500 Consumer Staples Index will be determined in accordance with the total return calculation methodology utilized by Standard & Poor’s Index Services.
 - (iv) Except as otherwise provided in this Item 4, Total Shareholder Return shall be calculated in accordance with the requirements of Item 201(e) of Regulation S-K promulgated by the Securities and Exchange Commission (“SEC”) and any interpretations thereof issued by the staff of the SEC.

**Archer-Daniels-Midland Company
2002 Incentive Compensation Plan**

Restricted Stock Unit Award Agreement

This Restricted Stock Unit Award Agreement (the “Agreement”), is made and entered into as of [grant date] (the “Date of Grant”), by and between Archer-Daniels-Midland Company, a Delaware corporation (the “Company”), and «First_Name» «Last_Name», an employee of <<the Company>><< _____, a subsidiary of the Company>> (the “Grantee”). This Agreement is pursuant to the terms of the Company’s 2002 Incentive Compensation Plan, as amended (the “Plan”). The applicable terms of the Plan are incorporated herein by reference, including the definitions of capitalized terms contained in the Plan.

Section 1. Restricted Stock Unit Award. The Company hereby grants to the Grantee, on the terms and conditions hereinafter set forth, an Award of «ResAmount» Restricted Stock Units, each such Restricted Stock Unit representing the right to receive one share of the Company’s common stock.

Section 2. Rights of Grantee.

(a) No Shareholder Rights. The Restricted Stock Units granted pursuant to this Award do not entitle Grantee to any rights of a shareholder of the Company’s common stock. The Grantee’s rights with respect to the Restricted Stock Units shall remain forfeitable at all times by the Grantee until satisfaction of the vesting conditions set forth in Section 3 hereof.

(b) Restrictions on Transfer. The Grantee shall not be entitled to transfer, sell, pledge, alienate, hypothecate or assign the Restricted Stock Units or this Award, except that in the event of the Grantee’s death, the Grantee’s estate shall be entitled to the Shares represented by the Restricted Stock Units. Any attempt to otherwise transfer the Restricted Stock Units or this Award shall be void. All rights with respect to the Restricted Stock Units and this Award shall be available only to the Grantee during his lifetime, and thereafter to the Grantee’s estate.

(c) Dividend Equivalents. As of each date that the Company pays a cash dividend to the holders of its common stock generally, the Company shall pay the Grantee an amount equal to the per share cash dividend paid by the Company on its common stock on that date multiplied by the number of Restricted Stock Units credited to Grantee under this Award as of the related dividend payment record date. No such dividend equivalent payment shall be made with respect to any Restricted Stock Units which, as of such record date, have either been settled as provided in Section 4 or forfeited pursuant to Sections 5 or 6. Any such payment shall be made as soon as practicable after the related dividend payment date, but no later than the later of (i) the end of the calendar year in which the dividend payment date occurs, or (ii) the 15th day of the third calendar month after the dividend payment date.

Section 3. Vesting. Subject to the provisions of Sections 5 and 6 hereof, the Grantee's right to receive Shares pursuant to this Award shall vest in full on the earliest to occur of the following (the "Vesting Date"):

- (i) [vesting date],
- (ii) a Change in Control of the Company (as defined in Appendix A hereto), or
- (iii) the death of Grantee.

Section 4. Settlement of Restricted Stock Units. After any Restricted Stock Units vest pursuant to Section 3, the Company shall cause to be issued to the Grantee, or to the Grantee's estate in the event of Grantee's death, one share of its common stock in payment and settlement of each vested Restricted Stock Unit. Such issuance shall occur on or before the later of (i) the end of the calendar year in which the Vesting Date occurs, or (ii) the 15th day of the third calendar month after the Vesting Date, and the Grantee shall have no power to affect the timing of such issuance. Such issuance shall be evidenced by a stock certificate or appropriate entry on the books of the Company or a duly authorized transfer agent of the Company, shall be subject to the tax withholding provisions of Section 7, and shall be in complete satisfaction of such vested Restricted Stock Units. If the Restricted Stock Units that vest include a fractional Restricted Stock Unit, the Company shall round the number of vested Restricted Stock Units to the nearest whole unit prior to issuance of Shares as provided herein. If the ownership of or issuance of Shares to the Grantee as provided herein is not feasible due to applicable exchange controls, securities or tax laws or other provisions of applicable law, as determined by the Committee in its sole discretion, the Grantee or his legal representative shall receive cash proceeds in an amount equal to the Fair Market Value (as of the Vesting Date) of the Shares otherwise issuable to Grantee, net of any amount required to satisfy withholding tax obligations as provided in Section 7.

Section 5. Effect of Termination of Service. If the Grantee ceases to be an Employee prior to the Vesting Date other than as a result of the Grantee's death, Retirement or Disability, the Grantee shall forfeit the Restricted Stock Units. If such termination of service is a result of Grantee's death, then the Grantee's right to receive Shares shall fully vest and the Company shall settle such Restricted Stock Units pursuant to Section 4 hereof. If such termination of service is a result of Grantee's Retirement or Disability, then subject to the forfeiture conditions of Section 6, Grantee's right to receive Shares pursuant to this Award shall continue to vest in accordance with Section 3.

Section 6. Forfeiture Conditions. Notwithstanding the foregoing, in the event of termination of service for "cause" (as defined below), the breach of any non-competition or confidentiality restrictions applicable to the Grantee, or the Grantee's participation in an activity that is deemed by the Company to be detrimental to the Company (including, without limitation, criminal activity or accepting employment with a competitor of the Company), (i) the Grantee's right to receive an award of Restricted Stock Units or an issuance of Shares in settlement of Restricted Stock Units shall immediately terminate, (ii) any unvested Restricted Stock Units held by the Grantee shall be forfeited, and (iii) if Shares have been issued (or the cash value thereof paid) after the Vesting Date, then either (A) the Shares so issued shall be forfeited and returned to

the Company, or (B) the Grantee shall be required to pay to the Company in cash an amount equal to the Fair Market Value of such Shares as of the Vesting Date.

For purposes hereof, “cause” shall have the meaning specified in such Grantee’s employment agreement with the Company, or, in the case of a Grantee who is not employed pursuant to an employment agreement, “cause” shall mean any of the following acts by the Grantee: (i) embezzlement or misappropriation of corporate funds, (ii) any acts resulting in a conviction for, or plea of guilty or nolo contendere to, a charge of commission of a felony, (iii) misconduct resulting in injury to the Company or any subsidiary, (iv) activities harmful to the reputation of the Company or any subsidiary, (v) a violation of Company or subsidiary operating guidelines or policies, (vi) willful refusal to perform, or substantial disregard of, the duties properly assigned to the Grantee, or (vi) a violation of any contractual, statutory or common law duty of loyalty to the Company or any subsidiary.

Section 7. Withholding of Taxes. Prior to any event in connection with the Award (for example, vesting or payment) that the Company determines may result in any domestic or foreign tax withholding obligation, including any social security obligation, the Company (or the Subsidiary or Affiliate employing Grantee) shall have the right to withhold Shares equal in value to the amount of such tax withholding obligation. The Company may permit the Grantee to arrange for the satisfaction of the minimum amount of such tax withholding obligation by payment of the estimated tax obligation to the Company (or the Subsidiary or Affiliate employing Grantee) to the fullest extent permitted by law. Payment may be made by electronic transfer, check or authority to withhold from salary. If such payment is not received in cleared funds within 2 days prior to the Vesting Date, the Company shall instruct the broker to sell such number of Shares as are equal in value to the tax withholding obligation, prior to the transfer of Shares to the Grantee.

Section 8. Securities Law Compliance. No Shares shall be delivered upon the vesting of any Restricted Stock Units unless and until the Company and/or the Grantee shall have complied with all applicable federal, state or foreign registration, listing and/or qualification requirements and all other requirements of law or of any regulatory agencies having jurisdiction, unless the Committee has received evidence satisfactory to it that Grantee may acquire such shares pursuant to an exemption from registration under the applicable securities laws. Any determination in this connection by the Committee shall be final, binding, and conclusive. The Company reserves the right to legend any Share certificate or book entry, conditioning sales of such Shares upon compliance with applicable federal and state securities laws and regulations.

Section 9. Nature of the Award. The Grantee understands that the value that may be realized, if any, from the Award is contingent, and depends on the future market price of the Company’s common stock, among other factors. The Grantee further confirms his or her understanding that the Award is intended to promote employee retention and stock ownership and to align employees’ interests with those of shareholders, is subject to vesting conditions and will be cancelled if vesting conditions are not satisfied.

The Grantee also understands that (i) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) the grant of an Award is voluntary and occasional and does not create any contractual or other right to receive future Awards, or

benefits in lieu of Awards even if Awards have been granted repeatedly in the past; (iii) all decisions with respect to any future award will be at the sole discretion of the Company; (iv) his or her participation in the Plan is voluntary; (v) the value of this Award is an extraordinary item of compensation which is outside the scope of his or her employment contract with his or her actual employer, if any; (vi) this Award and past or future Awards are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (vii) no claim or entitlement to compensation or damages arises from termination of this Award or diminution in value of this Award, and he or she irrevocably releases the Company, and its subsidiaries from any such claim that may arise.

Section 10. Administration. The Grantee understands that the Company and its Subsidiaries and Affiliates hold certain personal information about the Grantee, including, but not limited to, information such as his or her name, home address, telephone number, date of birth, salary, nationality, job title, social security number, social insurance number or other such tax identity number and details of all Awards or other entitlement to shares of common stock awarded, cancelled, exercised, vested, unvested or outstanding in his or her favor (“Personal Data”).

The Grantee understands that in order for the Company to process the Grantee’s Award and maintain a record of Shares under the Plan, the Company shall collect, use, transfer and disclose Personal Data within the Company and among its Subsidiaries and Affiliates electronically or otherwise, as necessary for the implementation and administration of the Plan including, in the case of a social insurance number, for income reporting purposes as required by law. The Grantee further understands that the Company may transfer Personal Data, electronically or otherwise, to third parties, including but not limited to such third parties as outside tax, accounting, technical and legal consultants when such third parties are assisting the Company or its Affiliates in the implementation and administration of the Plan. The Grantee understands that such recipients may be located within the jurisdiction of residence of the Grantee, or within the United States or elsewhere and are subject to the legal requirements in those jurisdictions. The Grantee understands that the employees of the Company, its Subsidiaries and Affiliates and third parties performing work related to the implementation and administration of the Plan shall have access to the Personal Data as is necessary to fulfill their duties related to the implementation and administration of the Plan. By accepting this Award, the Grantee consents, to the fullest extent permitted by law, to the collection, use, transfer and disclosure, electronically or otherwise, of his or her Personal Data by or to such entities for such purposes and the Grantee accepts that this may involve the transfer of Personal Data to a country which may not have the same level of data protection law as the country in which this Agreement is executed. The Grantee confirms that if the Grantee has provided or, in the future, will provide Personal Data concerning third parties including beneficiaries, the Grantee has the consent of such third party to provide their Personal Data to the Company for the same purposes.

The Grantee understands that he or she may, at any time, request to review the Personal Data and require any necessary amendments to it by contacting the Company in writing. As well, the Grantee may always elect to forgo participation in the Plan or any other award program.

Section 11. No Rights as Employee or Consultant. Nothing in this Agreement or this Award shall confer upon the Grantee any right to continue as an Employee or consultant of the Company or any Subsidiary or Affiliate, or to interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate the Grantee's service at any time.

Section 12. Adjustments. If at any time while this Award is outstanding, the number of outstanding Shares is changed by reason of a reorganization, recapitalization, stock split or any of the other events described in Section 4.2 of the Plan, the number of Restricted Stock Units and the number and kind of securities that may be issued in respect of such Units shall be adjusted in accordance with the provisions of the Plan.

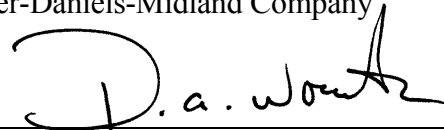
Section 13. Notices. Any notice hereunder by the Grantee shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the Secretary of the Company at the Company's office at 4666 Faries Parkway, Decatur, Illinois 62526, or at such other address as the Company may designate by notice to the Grantee. Any notice hereunder by the Company shall be given to the Grantee in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Grantee may have on file with the Company.

Section 14. Construction. The construction of this Agreement is vested in the Committee, and the Committee's construction shall be final and conclusive.

Section 15. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois, without giving effect to the choice of law principles thereof.

Archer-Daniels-Midland Company

By: _____



P. A. Woertz
President & Chief Executive Officer

GRANTEE

By: _____

APPENDIX A
Definition of Change in Control

For purposes of this Agreement, a "Change in Control" of the Company shall mean:

(i) the acquisition, during any twelve (12) consecutive month period that ends subsequent to the Date of Grant, by any individual, entity or group (within the meaning of section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of ownership (determined taking into account the ownership attribution rules of Section 318(a) of the Code) of stock of the Company possessing thirty percent (30%) or more of the combined voting power of the then outstanding stock of the Company; provided that, (A) any stock of the Company owned by the Person prior to the start of the applicable twelve (12) consecutive month period shall not be counted toward the thirty percent (30%) threshold specified above, and (B) an acquisition shall not be counted if (i) prior to the acquisition, the Person owns stock of the Company possessing more than fifty percent (50%) of the combined voting power of the then outstanding stock of the Company, or stock of the Company that constitutes more than fifty percent (50%) of the fair market value of the outstanding stock of the Company; (ii) the acquisition occurs after the Person has satisfied the thirty percent (30%) threshold specified above, (iii) the acquisition is made directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (iv) the acquisition is by the Company, or (v) the acquisition is by an employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary;

(ii) the replacement, during any twelve (12) consecutive month period that ends subsequent to the Date of Grant, of a majority of the members of the Board of the Company with members whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election;

(iii) the consummation of a merger, consolidation, reorganization or similar corporate transaction involving the Company which, subsequent to the Date of Grant, has been approved by the stockholders of the Company, other than a merger, consolidation, or reorganization where the stockholders of the Company immediately before the transaction continue to own stock of the Company (or other surviving entity) after the transaction possessing at least fifty percent (50%) of the combined voting power of the then outstanding stock of the Company (or other surviving entity) outstanding immediately after such merger, consolidation, or reorganization; or

(iv) the sale, during any twelve (12) consecutive month period that ends subsequent to the Date of Grant, to any Person of assets of the Company with a gross fair market value equal to more than forty percent (40%) of the total gross fair market value of all assets of the Company immediately prior to the sale (or the first such sale); provided in each case that the transaction or transactions constitutes a change in the ownership of the Company, a change in the effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, as determined under Section 409A of the Code.

EXHIBIT 21--SUBSIDIARIES OF THE REGISTRANT

ARCHER-DANIELS-MIDLAND COMPANY

June 30, 2010

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

	Organized Under Laws of	Ownership
ADM Grain River System, Inc. (A)	United States of America	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 Sarl (F)	Switzerland	100

(A) ADM Grain River System, Inc. owns six 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 thirty-eight 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 Sarl and 139 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 owns 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 Sarl does not have any subsidiary companies.

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

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements of Archer Daniels Midland Company and in the related prospectuses of our reports dated August 27, 2010, with respect to the consolidated financial statements and schedule of Archer Daniels Midland Company and the effectiveness of internal control over financial reporting of Archer Daniels Midland Company, included in this Annual Report (Form 10-K) for the year ended June 30, 2010.

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. 333-117206 on Form S-8 dated July 7, 2004, relating to the Archer Daniels Midland Company 2002 Incentive Compensation Plan.

Registration Statement No. 333-121616 on Form S-8 dated December 23, 2004, relating to the ADM Deferred Compensation Plan for Selected Management Employees I.

Registration Statement No. 333-121631 on Form S-8 dated December 23, 2004, relating to the ADM Deferred Compensation Plan for Selected Management Employees II.

Registration Statement No. 333-137541 on Form S-3 dated September 22, 2006, as amended by Amendment No. 1 dated May 27, 2008, relating to debt securities and warrants to purchase debt securities, common stock and warrants to purchase common stock, and stock purchase contracts and stock purchase units of Archer Daniels Midland Company.

Registration Statement No. 333-165627 on Form S-3 dated March 23, 2010, relating to debt securities and warrants to purchase debt securities, common stock and warrants to purchase common stock, and stock purchase contracts and stock purchase units of Archer Daniels Midland Company.

St. Louis, Missouri
August 27, 2010

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the President and Chief Executive Officer (Principal Executive Officer) and a director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint S.R. MILLS, J. STOTT 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 names as the Principal Executive Officer and a director of said company to the Form 10-K for the fiscal year ended June 30, 2010, 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 19th day of August, 2010.

/s/ P. A. WOERTZ
P. A. WOERTZ

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint S.R. MILLS, J. STOTT 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 names as a director of said company to the Form 10-K for the fiscal year ended June 30, 2010, 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 19th day of August, 2010.

/s/ G. W. BUCKLEY
G. W. BUCKLEY

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint S.R. MILLS, J. STOTT 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 names as a director of said company to the Form 10-K for the fiscal year ended June 30, 2010, 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 18th day of August, 2010.

/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, a director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint S.R. MILLS, J. STOTT 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 names as a director of said company to the Form 10-K for the fiscal year ended June 30, 2010, 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 19th day of August, 2010.

/s/ P. DUFOUR
P. DUFOUR

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint S.R. MILLS, J. STOTT 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 names as a director of said company to the Form 10-K for the fiscal year ended June 30, 2010, 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 18th day of August, 2010.

/s/ D. FELSINGER
D. FELSINGER

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint S.R. MILLS, J. STOTT 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 names as a director of said company to the Form 10-K for the fiscal year ended June 30, 2010, 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 19th day of August, 2010.

/s/ V. F. HAYNES
V. F. HAYNES

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

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IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand this 18th day of August, 2010.

/s/ A. MACIEL
A. MACIEL

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint S.R. MILLS, J. STOTT 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 names as a director of said company to the Form 10-K for the fiscal year ended June 30, 2010, 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 18th day of August, 2010.

/s/ P. J. MOORE
P. J. MOORE

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint S.R. MILLS, J. STOTT 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 names as a director of said company to the Form 10-K for the fiscal year ended June 30, 2010, 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 19th day of August, 2010.

/s/ T. F. O'NEILL
T. F. O'NEILL

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute and appoint S.R. MILLS, J. STOTT 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 names as a director of said company to the Form 10-K for the fiscal year ended June 30, 2010, 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 18th day of August, 2010.

/s/ K. R. WESTBROOK
K. R. WESTBROOK

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

I, P. A. Woertz, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 27, 2010

/s/ P. A. Woertz
P. A. Woertz
Chairman, Chief Executive Officer
and President

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

I, S. R. Mills, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 27, 2010

/s/ S. R. Mills
S. R. Mills
Executive Vice President &
Chief Financial Officer

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, 2010 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, P. A. Woertz, Chief Executive Officer and President 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.

Date: August 27, 2010

/s/ P. A. Woertz
P. A. Woertz
Chairman, Chief Executive Officer
and President

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, 2010 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, S. R. Mills, Executive 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.

Date: August 27, 2010

/s/ S. R. Mills
S. R. Mills
Executive Vice President &
Chief Financial Officer

