

ARCHER DANIELS MIDLAND CO
Form DEF 14A
September 21, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

ARCHER-DANIELS-MIDLAND COMPANY

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
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(3) Filing Party:

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ARCHER-DANIELS-MIDLAND COMPANY

4666 Faries Parkway, Decatur, Illinois 62526-5666

NOTICE OF ANNUAL MEETING

To All Stockholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Archer-Daniels-Midland Company, a Delaware corporation, will be held at the JAMES R. RANDALL RESEARCH CENTER located at 1001 Brush College Road, Decatur, Illinois, on Thursday, November 1, 2012, commencing at 10:30 A.M., for the following purposes:

- (1) To elect Directors to hold office until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified;
- (2) To ratify the appointment by the Board of Directors of Ernst & Young LLP as independent auditors to audit the accounts of the Company for the six-month transition period of July 1, 2012 to December 31, 2012;
- (3) To consider an advisory vote on the compensation of our named executive officers;
- (4) If properly presented, to consider and act upon the Stockholder's proposal set forth in the accompanying Proxy Statement; and
- (5) To transact such other business as may properly come before the meeting.

By Order of the Board of Directors

M. I. SMITH, SECRETARY

September 21, 2012

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON NOVEMBER 1, 2012: THE PROXY STATEMENT AND ANNUAL REPORT TO STOCKHOLDERS ARE AVAILABLE AT www.adm.com/proxy

ARCHER-DANIELS-MIDLAND COMPANY

4666 Faries Parkway, Decatur, Illinois 62526-5666

September 21, 2012

PROXY STATEMENT

General Matters

Our board of directors asks that you complete the accompanying proxy for the annual stockholders meeting. The meeting will be held at the time, place, and location mentioned in the Notice of Annual Meeting included in this mailing. We are first mailing our stockholders this proxy statement and a proxy form (included in this mailing) around September 21, 2012.

We pay the costs of soliciting proxies from our stockholders. We have retained Georgeson Inc. to help us solicit proxies. We will pay Georgeson Inc. \$24,000 plus reasonable expenses for its services. Our officers may solicit proxies by means other than mail. Our other employees or employees of Georgeson Inc. may also solicit proxies in person or by telephone, mail, or the internet at a cost we expect will be nominal. We will reimburse brokerage firms and other securities custodians for their reasonable expenses in forwarding proxy materials to their principals.

We have a policy of keeping confidential all proxies, ballots, and voting tabulations that identify individual stockholders. Such documents are available for examination only by the inspectors of election, our transfer agent and certain employees associated with processing proxy cards and tabulating the vote. We will not disclose any stockholder's vote except in a contested proxy solicitation or as may be necessary to meet legal requirements.

Our common stock stockholders of record at the close of business on September 7, 2012, are the only people entitled to notice of the annual meeting and to vote at the meeting. At the close of business on September 7, 2012, we had 658,625,947 outstanding shares of common stock, each share being entitled to one vote on each of the twelve director nominees and on each of the other matters to be voted on at the meeting. Our stockholders are the only people entitled to attend the annual meeting. We reserve the right to direct stockholder representatives with the proper documentation to an alternative room to observe the meeting.

All stockholders will need a form of photo identification to attend the annual meeting. If you are a stockholder of record and plan to attend, please detach the admission ticket from the top of your proxy card and bring it with you to the meeting. The number of people we will admit to the meeting will be determined by how the shares are registered, as indicated on the admission ticket. If you are a stockholder whose shares are held by a broker, bank, or other nominee, please request an admission ticket by writing to our office at Archer-Daniels-Midland Company, Shareholder Relations, 4666 Faries Parkway, Decatur, Illinois 62526-5666. Your letter to our office must include evidence of your stock ownership. You can obtain evidence of ownership from your broker, bank, or nominee. The number of tickets sent will be determined by the manner in which shares are registered. If your request is received by October 18, 2012, an admission ticket will be mailed to you. Entities, such as a corporation or limited liability company, that are stockholders may send one representative to the annual meeting and the representative should have a pre-existing relationship with the entity represented. All other admission tickets can be obtained at the registration table located at the James R. Randall Research Center lobby beginning at 9:30 A.M. on the day of the meeting. Stockholders who do not pre-register will only be admitted to the meeting upon verification of stock ownership.

The use of cameras, video or audio recorders or other recording devices in the James R. Randall Research Center is prohibited. The display of posters, signs, banners or any other type of signage by any stockholder in the James R. Randall Research Center is prohibited.

Any request to deviate from the admittance guidelines described above should be in writing, addressed to our office at Archer-Daniels-Midland Company, Secretary, 4666 Faries Parkway, Decatur, Illinois 62526-5666 and received by us by October 18, 2012. We will also have personnel in the lobby of the James R. Randall Research Center beginning at 9:30 A.M. on the day of the meeting to consider special requests.

If you properly execute the enclosed proxy form, your shares will be voted at the meeting. You may revoke your proxy form at any time prior to voting by:

- (1) delivering written notice of revocation to our Secretary;
- (2) delivering to our Secretary a new proxy form bearing a date later than your previous proxy; or
- (3) attending the meeting and voting in person (attendance at the meeting will not, by itself, revoke a proxy).

Under our bylaws, directors are elected by a majority vote in an uncontested election (one in which the number of nominees is the same as the number of directors to be elected) and by a plurality vote in a contested election (one in which the number of nominees exceeds the number of directors to be elected). Because this year's election is an uncontested election, each director nominee receiving a majority of votes cast will be elected (the number of shares voted for a director nominee must exceed the number of shares voted against that nominee). Approval of each other proposal presented in the proxy statement requires the affirmative vote of the holders of a majority of the outstanding shares of common stock present in person or by proxy at the meeting and entitled to vote. Shares not present at the meeting and shares voting abstain have no effect on the election of directors. For the other proposals to be voted on at the meeting, abstentions are treated as shares present or represented and voting, and therefore have the same effect as negative votes. Broker non-votes (shares held by brokers who do not have discretionary authority to vote on the matter and have not received voting instructions from their clients) are counted toward a quorum, but are not counted for any purpose in determining whether a matter has been approved.

As we have previously announced, our board of directors has determined that our company's fiscal year shall begin on January 1 and end on December 31 of each year, starting on January 1, 2013. Our next annual meeting of stockholders will be held following the completion of the six-month transition period of July 1, 2012 to December 31, 2012.

Principal Holders of Voting Securities

Based upon filings with the Securities and Exchange Commission (SEC), we know that the following stockholders are beneficial owners of more than 5% of our outstanding common stock shares:

Name and Address of Beneficial Owner	Amount	Percent of Class
State Farm Mutual Automobile Insurance Company and related entities One State Farm Plaza Bloomington, IL 61710	56,568,042(1)	8.59
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	37,268,242(2)	5.66

- (1) Based on a Schedule 13G filed with the SEC on January 31, 2012, State Farm Mutual Automobile Insurance Company and related entities have shared voting and dispositive power with respect to 273,300 shares and sole voting and dispositive power with respect to 56,294,742 shares.
- (2) Based on a Schedule 13G filed with the SEC on February 13, 2012, BlackRock Inc. has sole voting and dispositive power with respect to 37,268,242 shares.

Proposal No. 1 Election of Directors

Our board of directors has fixed the size of the board at twelve. Unless you provide different directions, we intend for board-solicited proxies (like this one) to be voted for the nominees named below.

Eleven of the twelve nominees proposed for election to the board of directors are presently members of the board. The new nominee for election is Mr. Daniel Shih. Mr. Shih was identified by the Nominating/Corporate Governance Committee as a potential nominee, with the assistance of an executive search firm, and was recommended by the Nominating/Corporate Governance Committee after such committee completed its interview and vetting process. Mr. Boeckmann was appointed to our board effective February 2, 2012, and thus was not elected by our stockholders at our annual meeting of stockholders in 2011. Mr. Boeckmann previously served on our board of directors from 2004-2008. He did not stand for re-election at our 2008 annual meeting of stockholders due to the corporate governance guidelines of his then employer, which limited the number of outside corporate boards on which he could serve.

The nominees would hold office until the next annual stockholders meeting and until their successors are elected and qualified. If any nominee for director becomes unable to serve as a director, we intend that the persons named in the proxy may vote for a substitute who will be designated by the board of directors. The board has no reason to believe that any nominee will be unable to serve as a director.

Our bylaws were amended in February 2007 to require that each director be elected by a majority of votes cast with respect to that director in an uncontested election (where the number of nominees is the same as the number of directors to be elected). In a contested election (where the number of nominees exceeds the number of directors to be elected), the plurality voting standard governs the election of directors. Under the plurality standard, the number of persons equal to the number of directors to be elected who receive more votes than the other nominees are elected to the board, regardless of whether they receive a majority of the votes cast. Whether an election is contested or not is determined as of the day before we first mail our meeting notice to stockholders. This year's election was determined to be an uncontested election, and the majority vote standard will apply. If a nominee who is serving as a director is not elected at the annual meeting, Delaware law provides that the director would continue to serve on the board as a holdover director. However, under an amendment to our Corporate Governance Guidelines approved by our board in February 2007, each director annually submits an advance, contingent, irrevocable resignation that the board may accept if the director fails to be elected through a majority vote in an uncontested election. In that situation, the Nominating/Corporate Governance Committee would make a recommendation to the board about whether to accept or reject the resignation. The board will act on the Nominating/Corporate Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days after the date the election results are certified. The board will nominate for election or re-election as director, and will elect as directors to fill vacancies and new directorships, only candidates who agree to tender the form of resignation described above. If a nominee who was not already serving as a director fails to receive a majority of votes cast at the annual meeting, Delaware law provides that the nominee does not serve on the board as a holdover director.

The table below lists the nominees, their ages, positions with our company, principal occupations, current directorships of other publicly-owned companies, directorships of other publicly-owned companies held within the past five years, the year in which each first was elected as a director, and the number of shares of common stock beneficially owned as of September 7, 2012, directly or indirectly. Unless otherwise indicated in the footnotes to the following table, and subject to community property laws where applicable, we believe that each nominee named in the table below has sole voting and investment power with respect to the shares indicated as

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beneficially owned. Unless otherwise indicated, all of the nominees have been executive officers of their respective companies or employed as otherwise specified below for at least the last five years.

Name, Age, Principal Occupation or

Position, Directorships of Other	Year First Elected as Director	Common Stock Owned	Percent of Class
Publicly-Owned Companies			
Alan L. Boeckmann, 64 Non-Executive Chairman of Fluor Corporation (an engineering and construction firm) from February, 2011 February, 2012; Chairman and Chief Executive Officer of Fluor Corporation from February, 2002 February, 2011; Director of Sempra Energy; Director of BHP Billiton and Burlington Northern Santa Fe within the past five years.		3,441(1)	*
George W. Buckley, 65 Chairman of Arle Capital Partners Limited (a private equity partnership) since February, 2012; Chairman of Expro International (an international oil field services company) since June, 2012; Chairman of 3M Company (a diversified technology company) from February, 2012 June, 2012; Chairman, President and Chief Executive Officer of 3M Company from December, 2005 February, 2012; Director of Hitachi, Ltd. and Stanley Black & Decker, Inc.	2008	28,406(1)	*
Mollie Hale Carter, 50 Chairman, Chief Executive Officer and President, Sunflower Bank and Vice President, Star A, Inc. (a farming and ranching operation); Director of Westar Energy, Inc.	1996	12,048,321(2)	1.84
Terrell K. Crews, 57 Executive Vice President, Chief Financial Officer and Vegetable Business Chief Executive Officer of Monsanto Company (an agricultural company) from September, 2007 November, 2009; Executive Vice President and Chief Financial Officer of Monsanto Company from 2000 2007; Director of Rock-Tenn Company and Hormel Foods Corporation; Director of Smurfit-Stone Container Corporation within the past five years.	2011	5,877(3)	*
Pierre Dufour, 57 Senior Executive Vice President of Air Liquide Group (a leading provider of gases for industry, health and the environment) since November, 2007; Executive Vice President of Air Liquide Group since 2002.	2010	14,984(4)	*
Donald E. Felsing, 64 Executive Chairman of Sempra Energy (an energy services company) since June, 2011; Chairman and Chief Executive Officer of Sempra Energy from February, 2006 June, 2011; President and Chief Operating Officer of Sempra Energy beginning in January, 2005; Director of Northrup Grumman Corporation.	2009	25,365(1)	*
Antonio Maciel Neto, 55 Chief Executive Officer of Suzano Papel e Celulose (a Brazilian paper and pulp company) since June, 2006; President of Ford South America from October, 2003 April, 2006; President of Ford Brazil from July, 1999 October, 2003; Director of Marfrig Alimentos S.A.	2006	25,192(1)	*
Patrick J. Moore, 58 President and Chief Executive Officer of PJM Advisors, LLC (an investment and advisory firm) since June, 2011; Chief Executive Officer of Smurfit-Stone Container Corporation from June, 2010 May, 2011; Chairman and Chief Executive Officer of Smurfit-Stone Container Corporation from 2002 June, 2010; Director of ITT Exelis and Ralcorp Holdings,	2003	47,239(1)	*

Inc.; Director of Smurfit-Stone Container Corporation within the past five years(5).

Name, Age, Principal Occupation or

Position, Directorships of Other	Year First Elected as Director	Common Stock Owned	Percent of Class
Publicly-Owned Companies			
Thomas F. O'Neill, 65 Chairman of the holding company of First Allied (a broker dealer) and Chairman of Ranieri Partners Financial Services Group (a company which acquires and manages financial services companies) since November, 2010; Principal, Sandler O'Neill & Partners, L.P. from 1988 November, 2010; Director of The Nasdaq OMX Group, Inc. and Misonix, Inc.	2004	31,095(1)	*
Daniel Shih, 61 Deputy Chairman, Executive Director and Chief Strategy Officer of Stella International Holdings Limited (a developer and manufacturer of footwear) since May, 2008; Chairman of PepsiCo (China) Investment Ltd. and President, PepsiCo Beverages, China from October, 2006 April, 2008; Director of VisionChina Media Inc.			*
Kelvin R. Westbrook, 57 President and Chief Executive Officer of KRW Advisors, LLC (a consulting and advisory firm) since October, 2007; Chairman and Chief Strategic Officer of Millennium Digital Media Systems, L.L.C. (a broadband services company) (MDM)(6) from approximately September, 2006 October, 2007; President and Chief Executive Officer of Millennium Digital Media, L.L.C. from May 1997 October, 2006; Director of Stifel Financial Corp. and Trust Manager of Camden Property Trust; Director of Angelica Corporation within the past five years.	2003	50,430(1)	*
Patricia A. Woertz, 59 Chairman since February 2007; President and Chief Executive Officer since May 2006; previously Executive Vice President of Chevron Corporation (a diversified energy company); Director of The Procter & Gamble Company.	2006	2,206,746(7)	*

* Less than 1% of outstanding shares

- (1) Includes only stock units allocated under our Stock Unit Plan for Nonemployee Directors that are deemed to be the equivalent of outstanding shares of common stock for valuation purposes.
- (2) Includes 3,017,595 shares held in a family foundation or owned by or in trust for members of Ms. Carter's family, 8,918,000 shares held in a limited partnership and 112,726 stock units allocated under our Stock Unit Plan for Nonemployee Directors.
- (3) Includes 760 shares owned individually and 5,117 stock units allocated under our Stock Unit Plan for Nonemployee Directors.
- (4) Includes 5,700 shares owned individually and 9,284 stock units allocated under our Stock Unit Plan for Nonemployee Directors.
- (5) Smurfit-Stone Container Corporation and its U.S. and Canadian subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in January 2009.
- (6) Broadstripe, LLC (formerly MDM) and certain of its affiliates filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in January, 2009, approximately fifteen months after Mr. Westbrook resigned from MDM.
- (7) Includes 878,215 shares owned individually or in trust, 1,327,875 shares that are unissued but are subject to stock options exercisable within 60 days and 656 shares allocated under our 401(k) and Employee Stock Ownership Plan.

The Board of Directors recommends a vote FOR the election of the twelve nominees named above as directors. Unless otherwise indicated on your proxy, your shares will be voted FOR the election of such twelve nominees as directors.

Director Experiences, Qualifications, Attributes and Skills, and Board Diversity

In assessing an individual's qualifications to become a member of the board, the Nominating/Corporate Governance Committee may consider various factors including education, experience, judgment, independence, integrity, availability, and other factors that the Nominating/Corporate Governance Committee deems appropriate. The Nominating/Corporate Governance Committee strives to recommend candidates that complement the current board members and other proposed nominees so as to further the objective of having a

board that reflects a diversity of background and experience with the necessary skills to effectively perform the functions of the board and its committees. In addition, the Nominating/Corporate Governance Committee considers personal characteristics of nominees and current board members, including race, gender and geographic origin, in an effort to obtain a diversity of perspectives on the board.

The specific experience, qualifications, attributes and skills that qualify each of our directors to serve on our board are listed below:

Alan L. Boeckmann

Prior to retiring in February, 2012, Mr. Boeckmann served in a variety of engineering and executive management positions during his 35-plus year career with Fluor Corporation, including non-executive Chairman of the Board from 2011-2012, Chairman of the Board and Chief Executive Officer from 2002-2011, and President and Chief Operating Officer from 2001-2002. His tenure with Fluor Corporation included responsibility for global operations and multiple international assignments. Mr. Boeckmann currently serves as a director of Sempra Energy. He has previously served on the boards of BHP Billiton and Burlington-Northern Santa Fe. Mr. Boeckmann has been an outspoken business leader in promoting international standards for business ethics. His extensive board and executive management experience, coupled with his commitment to ethical conduct in international business activities, makes him a valuable addition to the board of directors.

George W. Buckley

Dr. Buckley is Chairman of Arle Capital Partners Limited, a private equity partnership with a portfolio of energy, industrial and service-sector businesses. Dr. Buckley is also currently Chairman of Expro International, an international oil field services company. Previously, Dr. Buckley served as Chairman of 3M Company from February, 2012 to June, 2012 and as Chairman, President and Chief Executive Officer of 3M Company from December, 2005 to February, 2012. He previously held executive positions at Brunswick Corp., Emerson Electric Co. and British Railways. Dr. Buckley's Bachelor of Science degree in Electrical and Electronic Engineering and his Doctoral degree in Engineering in joint study at Huddersfield and Southampton Universities, his service as Chairman of the Board, President and Chief Executive Officer of 3M Company, his leadership roles at the Brunswick Corporation, Emerson Electric Co. and British Railways, his skills in business and financial matters and his experience as a director of the public companies listed above, qualify him to serve as a director of the company.

Mollie Hale Carter

Ms. Carter has twenty-five years of business experience in the agricultural sector, including consulting, finance and operations. Ms. Carter also has served since 1995 as the Chairman and/or Chief Executive Officer of a regional financial institution based in Salina, Kansas. Ms. Carter's qualifications to serve as a director of the company include her substantial leadership experience as a chief executive officer, her financial expertise, her service as a director of Westar Energy, Inc., her previous service as a director of Premium Standard Farms, Inc., and her significant experience in the agricultural sector.

Terrell K. Crews

Mr. Crews retired from Monsanto Company in November 2009. He served as Executive Vice President, Chief Financial Officer and Vegetable Business CEO for Monsanto Company from September 2007 to November 2009, and Executive Vice President and Chief Financial Officer from 2000 to 2007. Mr. Crews brings to the board of directors of the company extensive expertise in finance and related functions, as well as significant knowledge of corporate development, agri-business and international operations.

Pierre Dufour

Mr. Dufour is Senior Executive Vice President of Air Liquide Group, the world leader in gases for industry, health and the environment. Having joined Air Liquide in 1997, Mr. Dufour was named Senior Executive Vice President in November 2007. Since January 2010, he has supervised Air Liquide's operations in the Americas, Africa-Middle East and Asia-Pacific zones, while also overseeing, globally, Air Liquide's industrial World Business Lines, Engineering and Construction. Mr. Dufour was elected to the board of Air Liquide S.A. in May, 2012. Mr. Dufour's qualifications to serve as a director of the company include his substantial leadership, engineering, operations management and international business experience.

Donald E. Felsing

Mr. Felsing brings extensive experience as a board member, chair and CEO with Fortune 500 companies. His leadership roles at Sempra Energy and other energy companies have allowed him to provide the board of directors with his expertise in mergers and acquisitions, environmental matters, corporate governance, strategic planning, engineering, finance, human resources, compliance, risk management, international business and public affairs. Mr. Felsing possesses in-depth knowledge of executive compensation and benefits practices and serves as a member of the Compensation/Succession Committee.

Antonio Maciel Neto

Mr. Maciel has been Chief Executive Officer of Suzano Papel e Celulose S/A, one of Latin America's largest vertically integrated producers of paper and eucalyptus pulp, since June 2006. From 1999 to May 2006, Mr. Maciel held various executive positions with Ford Motor Company, including Chief Executive Officer of Ford South America Operations. Mr. Maciel's qualifications to serve on the company's board of directors include his substantial leadership, international business, environmental and sustainability, engineering, product development and innovations and operations management experience.

Patrick J. Moore

Mr. Moore retired as Chief Executive Officer of Smurfit-Stone Container Corporation in 2011, and held positions of increasing importance at Smurfit-Stone and related companies since 1987. Prior to 1987, Mr. Moore served 12 years at Continental Bank in various corporate lending, international banking and administrative positions. Mr. Moore brings to the board of directors his substantial experience in leadership, banking and finance, strategy development, sustainability and operations management.

Thomas F. O'Neill

Mr. O'Neill has worked on Wall Street since 1972 and, as a founding principal of a nationally-recognized investment bank, he has broad experience in the areas of finance, mergers and acquisitions and business development. Mr. O'Neill specializes in working with financial institutions and his substantial experience in the finance community contributes to his role as chair of the Audit Committee.

Daniel Shih

Mr. Shih has served as Deputy Chairman, Executive Director and Chief Strategy Officer of Stella International Holdings Limited, a company listed on the Main Board of the Hong Kong Stock Exchange, since May, 2008. He previously held executive positions with PepsiCo (China) Investment Ltd. and Motorola (China) Electronic Ltd. Mr. Shih's qualifications to serve as a director of the company include his extensive business experience in Asia and his expertise in business strategy, leadership development, joint ventures and mergers and acquisitions.

Kelvin R. Westbrook

Mr. Westbrook brings legal, media and marketing expertise to the board of directors. He is a former partner of a national law firm, was the President, Chief Executive Officer and co-founder of two large cable television and broadband companies and was or is a member of the board of numerous high-profile companies, including the National Cable Satellite Corporation, better known as C-SPAN. Mr. Westbrook currently serves on the boards of two other public companies and a multi-billion dollar not-for-profit healthcare services company.

Patricia A. Woertz

Prior to joining the company, Ms. Woertz held positions of increasing importance at Chevron Corporation and its predecessor companies. Having started her career as a certified public accountant with Ernst & Ernst, and with a broad range of executive roles at Chevron Corporation and its predecessor companies, Ms. Woertz brings to the board of directors of the company a significant amount of leadership, strategy development, risk management, mergers and acquisitions, international business, marketing, finance and technology experience.

Board Leadership Structure

Our company's board of directors does not have a current requirement that the roles of Chief Executive Officer and Chairman of the Board be either combined or separated, because the board believes it is in the best interests of our company to make this determination based on the position and direction of our company and the constitution of the board and management team. The board regularly evaluates whether the roles of Chief Executive Officer and Chairman of the Board should be combined or separated. The board has determined that having our company's Chief Executive Officer serve as Chairman is in the best interest of our stockholders at this time. The Chief Executive Officer is responsible for the day-to-day management of our company and the development and implementation of our company's strategy, and has access to the people, information and resources necessary to facilitate board function. Therefore, the board believes that combining the roles of Chief Executive Officer and Chairman contributes to an efficient and effective board.

The non-management directors elect a Lead Director at the board's annual meeting. Ms. Carter is currently serving as Lead Director. The board believes that naming an independent Lead Director more accurately reflects the accountability and responsibilities that accompany a non-executive position and does not believe that our stockholders would benefit at this time by having the roles of Chief Executive Officer and Chairman of the Board filled by different individuals. Our Lead Director provides the board with independent leadership and facilitates the independence of the board from management. The duties and responsibilities of the Lead Director are set forth in our Corporate Governance Guidelines as follows: (i) organize, convene and preside over executive sessions of the non-management and independent directors and promptly communicate the messages and directives approved by such directors at each such meeting to the Chairman and Chief Executive Officer; (ii) preside at all meetings of the board at which the Chairman of the Board is not present; (iii) consult with the Chairman and Chief Executive Officer in establishing meeting schedules and agendas, and in determining the information to be forwarded to the directors both in conjunction with such meetings and otherwise; (iv) facilitate communication among the directors and between the board and the Chairman and Chief Executive Officer; (v) serve as an advisor to the board committees, chairmen of the board committees and other directors; and (vi) such other duties and responsibilities as assigned from time-to-time by the non-management directors consistent with the Lead Director's role.

In addition to appointing a Lead Director, our non-management directors facilitate the board's independence by meeting frequently as a group and fostering a climate of transparent communication. The high level of contact between our Lead Director and our Chairman between board meetings and the specificity contained in the board's delegation of authority parameters also serve to foster effective board leadership.

Board Role in Risk Oversight

Management is responsible for day-to-day risk assessment and mitigation activities, and our company's board of directors is responsible for risk oversight, focusing on our company's overall risk management strategy, our company's degree of tolerance for risk and the steps management is taking to manage our company's risks. While the board as a whole maintains the ultimate oversight responsibility for risk management, the committees of the board can be assigned responsibility for risk management oversight of specific areas. The Audit Committee currently maintains responsibility for overseeing our company's enterprise risk management process and regularly discusses our company's major risk exposures, the steps management has taken to monitor and control such exposures, and guidelines and policies to govern our company's risk assessment and risk management processes. The Audit Committee periodically reports to our board of directors regarding significant matters identified with respect to the foregoing. The Nominating/Corporate Governance Committee has the authority to assign oversight of risk areas to specific committees as the need arises.

Management has established an Integrated Risk Management Committee consisting of personnel representing multiple functional and regional areas within our company, with broad oversight of the risk management process. Such committee's responsibilities and objectives include:

ensuring implementation and maintenance of a process to identify, evaluate and prioritize risks to achievement of our company's objectives;

ensuring congruence of risk decisions with our company's values, policies, procedures, measurements, and incentives or disincentives;

supporting the integration of risk assessment and controls into mainstream business processes and decision-making;

clearly identifying roles and responsibilities across our company in regard to risk assessment and control functions;

promoting consistency and standardization in risk identification and controls across our company;

ensuring sufficient information capabilities and information flow to support risk identification and controls and alignment of technology assets;

regularly evaluating the overall design and operation of the risk assessment and control process, including development of relevant metrics and indicators; and

reporting regularly to senior management and our board regarding the above-described processes and the most significant risks to our company's objectives.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the Exchange Act) requires our directors and executive officers to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC. Based on our review of Forms 3, 4 and 5 we have received from, or have filed on behalf of, our directors and executive officers, and on written representations from those persons that they were not required to file a Form 5, we believe that, during the fiscal year ended June 30, 2012, our directors and executive officers complied with all Section 16(a) filing requirements.

Executive Stock Ownership Policy

The board of directors believes that it is important for each member of our senior management to acquire and maintain a significant ownership position in shares of our common stock to further align the interests of senior management with the stockholders' interests. Accordingly, we have

adopted a policy regarding ownership of shares of our common stock by senior management. The policy calls for members of senior management to

own shares of common stock with a fair market value within a range of one to five times that individual's base salary, depending on each individual's level of responsibility with our company. The stock ownership guidelines applicable to the named executive officers (as defined herein) are set forth below.

Executive	Ownership Guideline as a Multiple of Salary
P. A. Woertz	5x
J. R. Luciano	3x
R. G. Young	3x
D. J. Smith	3x
J. D. Rice(1)	3x
S. R. Mills(2)	3x

(1) Mr. Rice retired as an executive officer and employee of our company effective June 30, 2012.

(2) Mr. Mills retired as an executive officer and employee of our company effective February 7, 2012.

Executive Officer Stock Ownership

The following table shows the number of shares of our common stock beneficially owned as of September 7, 2012, directly or indirectly, by each of the individuals named in the Summary Compensation Table herein.

Name	Common Stock Beneficially Owned(1)	Options Exercisable Within 60 Days	Percent of Class
P. A. Woertz	2,206,746	1,327,875	*
J. R. Luciano	320,534	38,802	*
R. G. Young	117,897	16,075	*
D. J. Smith	682,964	324,863	*
J. D. Rice	506,558	156,339	*
S. R. Mills	439,129	164,447	*

* Less than 1% of outstanding shares

(1) Includes shares allocated to the accounts of the named individuals under our 401(k) and Employee Stock Ownership Plan and, pursuant to SEC rules, stock options exercisable within 60 days.

Common stock beneficially owned as of September 7, 2012 by all directors, director nominees and executive officers as a group, numbering 35 persons including those listed above except for Messrs. Rice and Mills, is 17,500,156 shares representing 2.66% of the outstanding shares, of which 338,295 shares represent stock units allocated under our Stock Unit Plan for Nonemployee Directors, 2,902,809 shares are unissued but are subject to stock options exercisable within 60 days and 38,000 shares are subject to pledge.

Independence of Directors

NYSE Independence

The listing standards of the New York Stock Exchange, or NYSE, require companies listed on the NYSE to have a majority of independent directors. Subject to certain exceptions and transition provisions, the NYSE standards generally provide that a director will qualify as independent if the board affirmatively determines that he or she has no material relationship with our company other than as a director, and will not be considered independent if:

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(1) the director or a member of the director's immediate family is, or in the past three years has been, one of our executive officers or, in the case of the director, one of our employees;

(2) the director or a member of the director's immediate family has received during any 12-month period within the last three years more than \$120,000 per year in direct compensation from us other than for service as a director, provided that compensation received by an immediate family member for service as a non-executive officer employee is not considered in determining independence;

(3) the director or an immediate family member is a current partner of one of our independent auditors, the director is employed by one of our independent auditors, a member of the director's immediate family is employed by one of our independent auditors and personally works on our audits, or the director or a member of the director's immediate family was within the last three years an employee of one of our independent auditors and personally worked on one of our audits;

(4) the director or a member of the director's immediate family is, or in the past three years has been, employed as an executive officer of a company where one of our executive officers at the same time serves or served on the compensation committee; or

(5) the director is a current employee of, or a member of the director's immediate family is an executive officer of, a company that makes payments to, or receives payments from, us in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

Bylaw Independence

Section 2.8 of our bylaws also provides that a majority of the board of directors be comprised of independent directors. Under our bylaws, an independent director means a director who:

(1) is not a current employee or a former member of our senior management or the senior management of one of our affiliates;

(2) is not employed by one of our professional services providers;

(3) does not have any business relationship with us, either personally or through a company of which the director is an officer or a controlling shareholder, that is material to us or to the director;

(4) does not have a close family relationship, by blood, marriage, or otherwise, with any member of our senior management or the senior management of one of our affiliates;

(5) is not an officer of a company of which our Chairman or Chief Executive Officer is also a board member;

(6) is not personally receiving compensation from us in any capacity other than as a director; and

(7) does not personally receive or is not an employee of a foundation, university, or other institution that receives grants or endowments from us, that are material to us, the recipient, or the foundation/university/institution.

The board of directors has reviewed business and charitable relationships between us and each non-employee director and director nominee to determine compliance with the NYSE and bylaw standards described above and to evaluate whether there are any other facts or circumstances that might impair a director's or nominee's independence. Based on that review, the board has determined that ten of its eleven current members, Dr. Buckley, Messrs. Boeckmann, Crews, Dufour, Felsing, Maciel, Moore, O'Neill, and Westbrook, and Ms. Carter, are independent and that Mr. Shih, a director nominee is also independent. Ms. Woertz is not independent under the NYSE or bylaw standards because of her employment with us.

In determining that Mr. Boeckmann is independent, the board considered that, in the ordinary course of business, Sempra Energy, of which Mr. Boeckmann is a director, sold approximately \$2.0 million of utility service to our company, on an arms-length basis during the fiscal year ended June 30, 2012. The board determined that Mr. Boeckmann does not have a direct or indirect material interest in such transactions and that such transactions do not otherwise impair Mr. Boeckmann's independence.

In determining that Dr. Buckley is independent, the board considered that, in the ordinary course of business, 3M Company, of which Dr. Buckley was Chairman, President and Chief Executive Officer during a portion of the fiscal year ended June 30, 2012, purchased approximately \$321,000 of certain commodity products from our company, and sold approximately \$273,000 of supplies to our company, on an arms-length basis during the fiscal year ended June 30, 2012. The board determined that this arrangement did not exceed the NYSE's threshold of 2% of 3M Company's consolidated gross revenues, that Dr. Buckley does not have a direct or indirect material interest in such transactions, and that such transactions do not otherwise impair Dr. Buckley's independence.

In determining that Ms. Carter is independent, the board considered that, during all or a portion of the fiscal year ended June 30, 2012, Ms. Carter's brother was employed by our company in a non-executive officer capacity as a compliance auditor at total compensation less than \$120,000. The board determined that Ms. Carter does not have a direct or indirect material interest in such employment relationship and that such employment relationship does not otherwise impair Ms. Carter's independence. Also in determining that Ms. Carter is independent, the board considered that, during the fiscal year ended June 30, 2012, the company purchased from Westar Energy Inc. approximately \$3.0 million of utility services in the ordinary course of business and on an arms-length basis. Ms. Carter is a director of Westar Energy Inc. The board determined that Ms. Carter does not have a direct or indirect material interest in such utility transactions, and that such utility transactions do not otherwise impair Ms. Carter's independence.

In determining that Mr. Crews is independent, the board considered that, in the ordinary course of business, Rock-Tenn Company, of which Mr. Crews is a director, purchased approximately \$46.0 million of certain commodity products from our company and sold approximately \$3.1 million of certain supplies to our company and that Hormel Foods Corporation, of which Mr. Crews is a director, purchased approximately \$37.4 million of certain commodity products from our company, all on an arms-length basis during the fiscal year ended June 30, 2012. The board determined that Mr. Crews does not have a direct or indirect material interest in such transactions and that such transactions do not otherwise impair Mr. Crews' independence.

In determining that Mr. Dufour is independent, the board considered that, in the ordinary course of business, Air Liquide Group, of which Mr. Dufour is Senior Executive Vice President and a director, sold approximately \$2.3 million of certain supplies and commodity products to our company on an arms-length basis during the fiscal year ended June 30, 2012. The board determined that this arrangement did not exceed the NYSE's threshold of 2% of Air Liquide Group's consolidated gross revenues, that Mr. Dufour does not have a direct or indirect material interest in such transactions, and that such transactions do not otherwise impair Mr. Dufour's independence.

In determining that Mr. Felsing is independent, the board considered that, in the ordinary course of business, Sempra Energy, of which Mr. Felsing is Executive Chairman, sold approximately \$2.0 million of utility service to our company, on an arms-length basis during the fiscal year ended June 30, 2012. The board determined that this arrangement did not exceed the NYSE's threshold of 2% of Sempra Energy's consolidated gross revenues, that Mr. Felsing does not have a direct or indirect material interest in such transactions, and that such transactions do not otherwise impair Mr. Felsing's independence.

In determining that Mr. Moore is independent, the board considered that, in the ordinary course of business, Ralcorp Holdings, Inc., of which Mr. Moore is a director, purchased approximately \$100.1 million worth of certain commodity products from our company, on an arms-length basis during such fiscal year. The board determined that Mr. Moore does not have a direct or indirect material interest in such transactions, and that such transactions do not otherwise impair Mr. Moore's independence.

In determining that Mr. Westbrook is independent, the board considered that, in the ordinary course of business, Stifel Financial Corp., of which Mr. Westbrook is a director, provided certain brokerage services with a value of approximately \$60,000 to our company and that BJC Healthcare, of which Mr. Westbrook is a director,

provided certain medical services in the amount of approximately \$16,000 to our company, all on an arms-length basis during the fiscal year ended June 30, 2012. The board determined that Mr. Westbrook does not have a direct or indirect material interest in such transactions and that such transactions do not otherwise impair Mr. Westbrook's independence.

Corporate Governance Guidelines

The board has adopted corporate governance guidelines that govern the structure and functioning of the board and set-out the board's policies on governance issues. The guidelines, along with the written charters of each of the committees of the board and our bylaws, are posted on our internet site, www.adm.com, and are available free of charge on written request to Secretary, Archer-Daniels-Midland Company, 4666 Faries Parkway, Decatur, Illinois 62526-5666.

Executive Sessions

In accordance with our corporate governance guidelines, the non-management directors meet in executive session at least quarterly. If the non-management directors include any directors who are not independent pursuant to the board's determination of independence, at least one executive session includes only independent directors. The Lead Director, or in his or her absence, the chairman of the Nominating/Corporate Governance Committee, presides at such meetings. The non-management directors met in executive session five times during fiscal 2012.

Board Meetings and Attendance at Annual Meetings of Stockholders

During the last fiscal year, our board of directors held seven meetings. All incumbent directors attended 75% or more of the combined total meetings of the board and the committees on which they served during the last fiscal year. We expect all director nominees to attend the annual stockholders' meeting. All director nominees standing for election at our last annual stockholders' meeting held on November 3, 2011 attended that meeting.

Information Concerning Committees and Meetings

The board's standing committees are the Audit, Compensation/Succession, Nominating/Corporate Governance, and Executive Committees. Each committee operates pursuant to a written charter adopted by the board, available on our internet site, www.adm.com.

Audit Committee

The Audit Committee consists of Mr. O'Neill, Chairman, Mr. Crews, Mr. Dufour, Mr. Maciel and Mr. Moore. The Audit Committee met nine times during the most recent fiscal year. All of the members of the Audit Committee were determined by the board to be independent directors, as that term is defined in our bylaws, in the NYSE listing standards and in Section 10A of the Exchange Act. No director may serve as a member of the Audit Committee if such director serves on the audit committees of more than two other public companies unless the board determines that such service would not impair such director's ability to serve effectively on the Audit Committee. The Audit Committee reviews:

- (1) the overall plan of the annual independent audit;
- (2) financial statements;
- (3) the scope of audit procedures;
- (4) the performance of our independent auditors and internal auditors;

- (5) the auditors' evaluation of internal controls;
- (6) matters of legal and regulatory compliance;
- (7) the performance of our company's compliance function; and
- (8) certain relationships and related transactions.

Compensation/Succession Committee

The Compensation/Succession Committee consists of Mr. Westbrook, Chairman, Mr. Boeckmann, Dr. Buckley, Ms. Carter, and Mr. Felsing. The Compensation/Succession Committee met five times during the most recent fiscal year. All of the members of the Compensation/Succession Committee were determined by the board to be independent directors, as that term is defined in our bylaws and in the NYSE listing standards. The Compensation/Succession Committee:

- (1) establishes and administers a compensation policy for senior management;
- (2) reviews and approves the compensation policy for all of our employees and our subsidiaries other than senior management;
- (3) approves all compensation elements with respect to our executive officers and all employees with a base salary of \$500,000 or more;
- (4) reviews and monitors our financial performance as it affects our compensation policies or the administration of those policies;
- (5) establishes and reviews a compensation policy for non-employee directors;
- (6) reviews and monitors our succession plans;
- (7) approves awards to employees pursuant to our incentive compensation plans; and
- (8) approves modifications in the employee benefit plans with respect to the benefits salaried employees receive under such plans.

All of the Compensation/Succession Committee's actions are reported to the board of directors and, where appropriate, submitted to the board of directors for ratification. Members of management attend meetings of the committee and make recommendations to the committee regarding compensation for officers other than the Chief Executive Officer. In determining the Chief Executive Officer's compensation, the committee considers the evaluation prepared by the non-management directors.

In accordance with the General Corporation Law of Delaware, the committee may delegate to one or more officers the authority to grant stock options to other officers and employees who are not directors or executive officers, provided that the resolution authorizing this delegation specify the total number of options that the officer or officers can award. The charter for the Compensation/Succession Committee also provides that the committee may form subcommittees and delegate tasks to them.

For additional information on the responsibilities and activities of the Compensation/Succession Committee, including the committee's processes for determining executive compensation, see the section of this proxy statement entitled "Compensation Discussion and Analysis".

Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee consists of Mr. Maciel, Chairman, and Mr. Boeckmann, Mr. Felsing, and Mr. Westbrook. The Nominating/Corporate Governance Committee met four times during the most recent fiscal year. All of the members of the Nominating/Corporate Governance Committee were

determined by the board to be independent directors, as that term is defined in our bylaws and in the NYSE listing standards. The Nominating/Corporate Governance Committee:

- (1) identifies individuals qualified to become members of the board, including evaluating individuals appropriately suggested by stockholders in accordance with our bylaws;
- (2) recommends individuals to the board for nomination as members of the board and board committees;
- (3) develops and recommends to the board a set of corporate governance principles applicable to the company; and
- (4) leads the evaluation of the directors, the board and board committees.

The Nominating/Corporate Governance Committee will consider nominees recommended by a stockholder provided the stockholder submits the nominee's name in a written notice delivered to our Secretary at our principal executive offices not less than 60 nor more than 90 days prior to the anniversary date of the immediately preceding annual stockholders' meeting. However, if the annual meeting is called for a date that is not within 30 days before or after such anniversary date, such as our next annual meeting which we expect to hold in the spring of 2013, the notice must be received at our principal executive offices not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made (whichever first occurs). Different notice delivery requirements may apply if the number of directors to be elected at an annual meeting is being increased, and we do not make a public announcement naming all of the nominees or specifying the size of the increased board at least 100 days prior to the first anniversary of the preceding year's annual meeting. Any notice of a stockholder nomination must set forth the information required by Section 1.4(c) of our bylaws, and must be accompanied by a written consent from the proposed nominee to being named as a nominee and to serve as a director if elected, and a written statement from the proposed nominee as to whether he or she intends, if elected, to tender the contingent, irrevocable resignation that would become effective should the individual fail to receive the required vote for re-election at the next meeting of stockholders. All candidates, regardless of the source of their recommendation, are evaluated using the same criteria.

Executive Committee

The Executive Committee consists of Ms. Woertz, Chairman, Ms. Carter, Lead Director, and Mr. Moore. The Executive Committee met five times during the most recent fiscal year. The Executive Committee acts on behalf of the board to determine matters which, in the judgment of the Chairman of the Board, do not warrant convening a special board meeting but should not be postponed until the next scheduled board meeting. The Executive Committee exercises all the power and authority of the board in the management and direction of our business and affairs except for matters which are expressly delegated to another board committee and matters that cannot be delegated by the board under applicable law, our certificate of incorporation, or our bylaws.

Communications with Directors

We have approved procedures for stockholders and other interested parties to send communications to individual directors or the non-employee directors as a group. You should send any such communications in writing addressed to the applicable director or directors in care of the Secretary, Archer-Daniels-Midland Company, 4666 Faries Parkway, Decatur, Illinois 62526-5666. All correspondence will be forwarded to the intended recipient(s).

Code of Conduct

The board has adopted a Code of Conduct that sets forth standards regarding matters such as honest and ethical conduct, compliance with law, and full, fair, accurate, and timely disclosure in reports and documents that we file with the SEC and in other public communications. The Code of Conduct applies to all of our employees, officers, and directors, including our principal executive officer, principal financial officer, and principal

accounting officer. The Code of Conduct is available at our internet site, www.adm.com, and is available free of charge on written request to Secretary, Archer-Daniels-Midland Company, 4666 Faries Parkway, Decatur, Illinois 62526-5666. Any amendments to certain provisions of the Code of Conduct or waivers of such provisions granted to certain executive officers will be promptly disclosed on our internet site.

Compensation Discussion and Analysis

The purpose of the Compensation Discussion and Analysis is to explain the process the Compensation/Succession Committee uses to determine compensation and benefits for our named executive officers (NEOs).

The NEOs with respect to fiscal year 2012 (FY12) are:

P. A. Woertz	Chairman, Chief Executive Officer and President (CEO)
J. R. Luciano	Executive Vice President and Chief Operating Officer (COO)
R. G. Young	Senior Vice President and Chief Financial Officer (CFO)
D. J. Smith	Executive Vice President, Secretary and General Counsel (General Counsel)
J. D. Rice	Vice Chairman (retired on June 30, 2012)
S. R. Mills	Senior Executive Vice President, Performance and Growth (retired on February 7, 2012)

Executive Summary

Objectives

The objectives of our executive compensation program are to:

Attract and retain a strong executive team and motivate them to develop leadership and successors;

Align the interests of the NEOs with those of our stockholders;

Encourage a culture of pay-for-performance by setting challenging objectives and linking compensation to the attainment of those objectives;

Encourage and reward current business results through cash salaries and performance-based annual cash incentives;

Reward sustained performance by granting equity and maintaining ownership guidelines; and

In total, provide competitive total compensation opportunities.

FY12 Operating and Financial Performance

In FY12, the volatile external market caused negative margin structures in some of our businesses, including U.S. ethanol, and a reduced global crop supply lowered volumes and presented significant challenges to earnings. At the same time, we took actions to better align the company's portfolio and organizational structure to these new circumstances and enhance future earnings power. These actions resulted in some significant asset impairment and workforce reduction charges, which also reduced earnings. Against these challenges and actions, we did not achieve all of our performance goals, including those for adjusted earnings per share (Adjusted EPS) and adjusted return on invested capital (Adjusted ROIC) (see Annex A Definition and Reconciliation of Non-GAAP Measures).

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With this as a backdrop, we took additional actions to improve our ability to generate returns and create higher levels of stockholder value, including (i) our first-ever workforce reduction, which is projected to save \$150 million annually; (ii) reorganization of our businesses to improve efficiencies and better leverage synergies; (iii) reduction in hierarchy and widened spans of control for our leadership to enhance effectiveness and accountability; (iv) decrease in corporate costs; (v) reviews of multiple investment and transaction alternatives to identify further means of creating stockholder value and (vi) share buybacks that returned \$527 million to stockholders.

FY12 NEO Earned Incentive Compensation

Financial performance was below compensation plan threshold for Adjusted EPS and Adjusted ROIC goals in the annual cash incentive plan. This performance, combined with mixed results in other incentive metrics under the plan, led to a significantly reduced cash bonus award of 32.74% of target (compared to 120.63% of target in FY11), with no discretionary adjustment applied to the quantitative scoring within the plan. These outcomes were approved by the Compensation/Succession Committee. Long-term incentive (LTI) awards were granted at a base level, reflecting our three-year relative total shareholder return (TSR) at below the median of the S&P 100 Industrials.

As a result, the total cash incentive compensation for FY12 decreased by 74.2% from FY11 for our CEO, and decreased an average of 73.5% for our COO, CFO, Vice Chairman and General Counsel.

The first two charts below summarize our FY12 and FY11 performance against our primary annual and long-term incentive metrics, Adjusted EPS and relative TSR, respectively. Two additional charts comparing FY12 actual incentive cash compensation for NEOs to their FY11 incentive cash compensation follow these charts.

* In FY11, Mr. Luciano's Cash Incentive was prorated 50% to reflect his partial year of service. For this chart, his Annual FY11 Cash Incentive was annualized.

** Mr. Mills, Sr. EVP, did not participate in our standard executive compensation programs for the full FY12 and is therefore excluded from the above chart.

The chart below further demonstrates the strong relationship between our performance in FY12 and the resulting compensation provided to our NEOs.

CEO Realizable Pay

To further illustrate the alignment of our compensation program with business performance, with an emphasis on stockholder value creation, we considered the relationship between pay opportunity and realizable pay. While most of the required compensation disclosures represent the awards that *may be earned*, realizable pay considers actual earnings based on performance. For this purpose, realizable pay means the sum of salary, actual cash bonus paid for each fiscal year, the current in the money value of stock options granted in the year and the current market value of restricted stock granted in the year. For each year below, the equity awards granted in each fiscal year are presented at their current realizable value, which is based on the fiscal year end 2012 closing price.

The following graph shows the realizable pay of Ms. Woertz, our CEO, for each of the fiscal years ending June 30, 2008, 2009, 2010, 2011 and 2012, and the correlation with the indexed TSR of our common stock on these dates. As the chart indicates:

Ms. Woertz's awarded total direct compensation has declined during the past three years, based on our company performance, including our TSR with respect to relevant comparisons.

Ms. Woertz's *realizable pay* is only a portion of the granted award value. Because the largest portion of her compensation opportunity is provided in the form of equity, of which 50% has been in the form of stock options that have zero value if share price does not increase, Ms. Woertz's compensation has been directly aligned with the interests of our stockholders and stockholder value.

CEO Realizable Pay Is Aligned With Stock Price

Program Design

Our executive compensation program is built on a structure that balances short and long term performance:

Salaries generally target the median of companies of similar scope, complexity and business environment;

Our annual cash incentive program is based on key measures of financial and operating performance; and

The size of our long-term incentive program awards is based on our ability to drive stockholder value over a three-year period. The awards are generally granted in an equal mix of stock options and restricted stock to continue the alignment of the interests of our NEOs and stockholders.

We pay an annual cash incentive only if our company's overall performance warrants. Our annual cash incentive program emphasizes company-wide performance objectives to encourage the executives to focus on overall company success and utilizes multiple measures of performance to create the appropriate balance. Our goal setting process utilizes a detailed framework that incorporates our business plan, industry expectations and stockholder value creation. Individual performance and the Compensation/Succession Committee's informed judgment are incorporated to ensure actual awards appropriately reflect our operating environment and individual executive contributions.

Our LTI program is designed to reward sustained performance based on a review of three years of performance. The Compensation/Succession Committee conducts a thorough assessment of multi-year performance incorporating perspective on company and market factors, including relative and absolute stockholder return and strategic, operating,

and financial milestones, when determining the portion of an executive's target award that should be granted, but focuses largely on our TSR performance compared to the S&P 100 Industrials. For FY12, the Compensation/Succession Committee, based on its assessment of the prior three years of performance, determined the LTI awards would be made at the base award level.

Best Practice Executive Compensation Program Changes

We regularly seek to identify and implement ways to enhance the alignment between our NEOs and stockholders. Recent changes and improvements include the following:

Our CEO, COO and CFO all voluntarily eliminated the company car benefit we had been providing them;

Beginning with awards granted in August 2012, the Compensation/Succession Committee expanded our clawback policy to include all cash incentives awarded to all NEOs and members of our Executive Committee, in addition to our existing clawback policy for equity awards for the entire company; and

The Compensation/Succession Committee included a non-compete provision in all equity awards granted in August 2012 and beyond that provides that any unvested awards to retirees will no longer continue to vest if the retiree works for a competitor.

Ongoing Best Practices

We annually review all elements of NEO pay and, where appropriate for our business objectives and our stockholders, have made changes to incorporate and maintain current best practices. As a result, we have:

A clawback policy covering all cash and equity incentives of NEOs and Executive Committee members;

A clawback provision in agreements for long-term incentives that provides for the forfeiture or recovery of prior awards for a broad range of reasons for all employees;

A Compensation/Succession Committee comprised solely of independent directors;

A regular review of stockholder advisory groups' guidelines and policies, including regular dialogue with these groups, to ensure executive pay programs appropriately consider stockholder interests;

An annual, independent review of our compensation programs by an outside consultant to assess risk;

A consistent, company-wide rewards strategy that utilizes the same company-wide performance metrics for all employees;

Stock ownership guidelines for NEOs and additional senior leaders;

An active, detailed role for the Compensation/Succession Committee in determining equity award grant structure and value;

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An independent compensation consultant retained by, and which reports to, the Compensation/Succession Committee and has no other business with the company;

A Compensation/Succession Committee that took the favorable advisory vote of stockholders into consideration in making compensation decisions, therefore continuing to align compensation with company performance as it has in the past;

Regular briefings from the compensation consultant regarding key trends;

Annual reviews of our comparator groups;

An annual review of CEO performance;

An annual review of NEO performance;

No individual employment agreements for NEOs, with the exception of our CEO;

Non-compete provisions for retirees to be eligible to receive future equity award vesting;

No change-in-control tax gross-ups, with the exception of that provided in the original employment agreement with our CEO;

No dividends paid on unvested performance-based awards;

Limited perquisites no clubs, financial planning or tax reimbursements for perquisites, except for relocation expenses as applies to all employees. For FY12, we eliminated most of our perquisites, with the exception of an executive physical, automobile and limited personal use of company aircraft as approved by our CEO, although our CEO will continue to be required to utilize the company aircraft for travel, in addition to a home security system for personal security;

Eliminated for our CEO, COO and CFO, at their request, their automobile benefit; and

A policy that prohibits executives and directors from hedging of the Company's securities.

The remainder of this *Compensation Discussion and Analysis* offers a more detailed explanation of our NEO pay.

What Elements of Executive Compensation Does the Company Provide?

<u>Element</u>	<u>Purpose</u>	<u>Characteristics</u>
Base Salary	Fixed pay to recognize an individual's role and responsibilities	Reviewed annually and set based on competitiveness versus the external market, individual performance and internal equity
Annual Cash Incentive	Paid upon achievement of pre-defined, challenging operational and financial goals	Performance-based award opportunity that varies based on achievements
Long-Term Incentive	Create current and future alignment with stockholders	Mix of stock options and restricted shares Award level based on prior 3 years performance, largely based on our TSR compared to the S&P 100 Industrials and other relevant benchmarks in any given year
Benefits	Provide for basic health, welfare and income security needs Supplemental retirement benefits provided to employees whose benefits under broad-based retirement plan are limited under applicable tax law	NEOs participate in the broad-based health and welfare plans available to all employees. In addition, they are eligible to participate in the Supplemental Retirement Plan and the Deferred Compensation Plan (these plans are described on pages 47-49). NEOs are also eligible for limited perquisites as described above.

How are the Elements Used to Deliver Total Pay?

For our NEOs who participated in our standard executive compensation programs for the full FY12*, on average, 77% of the NEOs' total direct compensation (salary, annual cash incentive and long-term incentive) was delivered in variable pay, through the annual cash incentive and long-term incentive programs. On average, 70% of the total direct compensation was delivered in the form of equity awards. Although the Compensation/Succession Committee has not adopted a policy for allocating the various elements of total direct compensation, we do place greater emphasis on variable pay for executives with more significant responsibilities, reflecting their greater capacity to affect our performance and results.

* Mr. Rice, Vice Chairman, and Mr. Mills, Sr. EVP, did not participate in our standard executive compensation programs for the full FY12 and are therefore excluded from the above charts.

Oversight of Executive Compensation

What Is The Role Of The Compensation/Succession Committee?

The Compensation/Succession Committee is composed solely of independent directors and is responsible to the board of directors and our stockholders for establishing our compensation philosophy and establishing and administering our compensation policies and programs consistent with this philosophy. The Compensation/Succession Committee's responsibilities are set forth in the Compensation/Succession Committee's charter, which is available on the investor relations section of our website. Additional information regarding the Compensation/Succession Committee's authority to determine compensation can be found herein under the caption Compensation/Succession Committee.

What Is The Role Of The Board?

The board approves the company's business plan, which is one of the factors used to set financial business objectives for the annual cash incentive plan. The non-management directors establish and approve all performance criteria for evaluating the CEO and annually evaluate the performance of the CEO based on these

criteria. The non-management directors also ratify the CEO's compensation. When asked by the Compensation/Succession Committee, the board can also provide input and ratification on any additional compensation-related issues. The board also conducts an annual review of the company's performance.

What Is The Role Of The Compensation/Succession Committee Consultant?

The Compensation/Succession Committee retained Pay Governance LLC as its independent executive compensation consultant. Pay Governance provides no other services to the company. The independent compensation consultant reports directly to the Compensation/Succession Committee, and provides the Compensation/Succession Committee with objective and expert analyses and independent advice on executive and director compensation, and other matters in support of the Compensation/Succession Committee's responsibilities under its charter. Each Compensation/Succession Committee meeting includes an executive session where the Compensation/Succession Committee meets exclusively with the independent consultant; company management is not included in these meetings. Outside of these meetings, the independent consultant interacts with our management team solely on behalf of the Compensation/Succession Committee to assist the Compensation/Succession Committee in fulfilling its duties and responsibilities. The Compensation/Succession Committee will only retain consultants that it believes will provide independent advice.

What Are The Roles Of Executives?

To assist the Compensation/Succession Committee in determining compensation for the other NEOs, our CEO participates in discussions with the Compensation/Succession Committee regarding the officers' performance and compensation. She provides the Compensation/Succession Committee with her assessment of the NEOs' performance, both as individuals and with respect to the functions or business units they oversee. She also recommends to the Compensation/Succession Committee, but does not determine or vote on, the specific amount of compensation that should be paid to the other NEOs.

Our Senior Vice President of Human Resources administers all employee compensation and benefits programs, with oversight and supervision by the Compensation/Succession Committee. He prepares the majority of the materials for the Compensation/Succession Committee meetings and provides analyses that assist the Compensation/Succession Committee with their decisions, such as summaries of competitive market practices, summaries of our succession planning actions, and reports regarding our company's performance. In addition, throughout the year, he facilitates meetings with management to help the Compensation/Succession Committee gain a better understanding of company performance. He ensures that the Compensation/Succession Committee is provided a rigorous assessment of year-to-date performance at each Compensation/Succession Committee meeting. At the direction of the Chairman, our Senior Vice President of Human Resources involves other members of management in portions of the Compensation/Succession Committee meetings to participate in discussions related to company and individual performance and our compensation and benefit programs. Our executives leave meetings during discussions of individual compensation actions affecting them personally and during all executive sessions, unless requested to attend by the Compensation/Succession Committee.

What are the Objectives of our Executive Compensation Program?

1. *Alignment of Executive and Stockholder Interests.* We believe that a substantial portion of total compensation should be delivered in the form of equity in order to align the interests of our NEOs with the interests of our stockholders. In FY12, on average for our NEOs participating in our standard executive compensation programs for the full year, 70% of total direct compensation provided to NEOs was awarded in the form of equity. These awards were determined primarily based on our three-year TSR, compared to the S&P 100 Industrials. Restricted stock awards typically vest three years from the date of grant and stock options typically vest over five years. We also include a clawback provision in agreements for long-term incentive awards that not only enables us to recover awards if the recipient

engages in prohibited conduct, but also makes awards subject to any clawback policy involving the restatement of our earnings.

2. *Enable Us to Attract and Retain Top Executive Talent.* Stockholders are best served when we can attract, retain and motivate talented executives with compensation packages that are competitive and fair. Our compensation program for NEOs delivers salary, annual cash incentive and long-term incentive generally targeted at the median of the market. The Compensation/Succession Committee used input from management and from its independent compensation consultant to select comparator groups of companies. The use of multiple comparator groups allows the Compensation/Succession Committee to understand compensation levels for talent across a broad marketplace. We utilize three comparator groups ranging from a broad general industry group based on revenue scope to a custom industry group. When selecting these groups, we considered industry, business complexity and size. We believe that these comparator groups reflect companies with which our company competes for executive talent and have similar pay models. In addition to the market data points gathered through this analysis, the Compensation/Succession Committee considers individual and corporate performance, roles and responsibilities, growth potential and other qualitative factors when establishing executive pay levels.

Each year, management and the Compensation/Succession Committee evaluate the comparator groups to ensure each group remains applicable. Any changes are carefully assessed in an effort to maintain continuity from year to year. No changes in the identity of the comparator groups were made for FY12. The comparator groups are:

Nonfinancial companies participating in the Towers Watson Executive Compensation Database with revenue of \$20 billion or greater

S&P 100 Industrials

Custom industry comparator group, consisting of the following 19 companies: Altria Group Inc., Bunge Ltd., Caterpillar Inc., ConAgra Foods, Inc., Deere & Co., Dow Chemical, DuPont (E.I.) De Nemours, General Mills, Hess Corp, Hillshire Brands Company, International Paper Company, Kraft Foods Inc., Marathon Oil Corp., PepsiCo, Sunoco Inc., Tesoro Corp, Tyson Foods Inc., Valero Energy Corp, Weyerhaeuser.

We do not use these comparator groups to assess company performance. Company performance is assessed using five benchmarks as described on page 25. In seeking to provide a competitive target total direct compensation package, the Compensation/Succession Committee reviews comparator group compensation data, both with respect to total direct compensation and compensation elements, as a general reference to make compensation decisions, but does not establish specific compensation parameters based on such data. In this regard, the Compensation/Succession Committee considers target total direct compensation to be competitive if it is within a range of 80-130% of total direct compensation of the market 50th percentile for comparable positions and responsibilities among comparator groups described above. While positioning to the comparator market data is considered, other factors ultimately determine how a named executive officer is paid, including individual responsibilities, an executive's experience and tenure, individual performance, and business objectives.

3. *NEO Compensation Should Reflect Our Results.* Our executive compensation program emphasizes variable, performance-based pay and is targeted and assessed in the aggregate, although the Compensation/Succession Committee reviews each component independently as well. Base salary is reviewed annually and adjusted based on a variety of factors including a subjective evaluation of each NEO's overall performance and tenure. The CEO provides the Compensation/Succession Committee with a recommendation of annual base salary adjustments, individual and group performance factors and short and long-term incentive award target levels for all officers, other than the CEO. The Compensation/Succession Committee takes the CEO's recommendations, along with information provided by the compensation consultant and management into consideration when making annual base salary adjustments, individual and group performance factor adjustments and any adjustments to

annual cash incentive award opportunity levels. The annual cash incentive plan for FY12 targeted awards at 58.8% to 150% of each NEO's base salary, but actual awards may range from zero to 236.4% of the target level depending on performance against the specific goals. Annual cash incentives are paid if, and to the extent that, corporate goals approved by the Compensation/Succession Committee are attained. Equity compensation is also assessed in a similar manner and is designed to reward measurable results.

Elements of Compensation

Base Salary

How Are Base Salaries Determined?

Base salaries are established based on an NEO's position, skills, performance, experience, tenure and responsibilities. Competitiveness of base salary levels are assessed annually relative to salaries within the marketplace for similar executive positions. Increases may be considered for various factors such as individual performance, changes in responsibilities, and/or changes in competitive marketplace levels. The Company's historical emphasis on base salaries and its more recent emphasis on increasing the proportion of variable compensation elements have led the Compensation/Succession Committee to hold base salaries steady over the past four fiscal years for the CEO and NEOs, except with respect to certain promotions and role changes.

What Were The Base Salary Increases For Named Executives?

Base salary levels for the NEOs have not changed during the past four fiscal years, except for Mr. Rice, who received an increase upon his promotion to Vice Chairman during FY11. For FY12, the Compensation/Succession Committee determined to increase base salaries for the COO (5%) and CFO (3.3%) in an effort to provide competitive compensation opportunity and recognize individual performance and growth in their roles.

Annual Cash Incentives

How Do We Calculate Annual Cash Incentives?

Annual cash incentives are determined by the degree to which company-wide business objectives are achieved and the Compensation/Succession Committee's independent assessment of our company's performance. This outcome may then be adjusted within a range of -20% to +20% based on the Compensation/Succession Committee's assessment of individual and group performance. The formula used to calculate an annual cash incentive payout can be expressed as follows:

$$\begin{array}{rcccl}
 & & \text{Company performance factor based on:} & & \text{Individual and group} \\
 & & & & \text{performance factor} \\
 \text{Target annual} & & & & \\
 \text{cash incentive} & \times & \text{Performance versus Company-wide} & \times & \text{80\% to 120\% adjustment} & = & \text{Final annual} \\
 & & \text{performance objectives} & & & & \text{cash incentive} \\
 & & & & & & \text{payout}
 \end{array}$$

Committee's Discretion

How Is The Company Performance Factor Determined?

At the beginning of FY12, the Compensation/Succession Committee approved the following company-wide business performance metrics: (1) Adjusted EPS, (2) Adjusted ROIC, (3) Productivity, (4) Safety, and (5) Recognition of The ADM Way.

Each performance metric has a weighting in the final company performance factor, with a 30% weighting reserved for the Compensation/Succession Committee's discretion.

In setting the objectives for FY12, the Compensation/Succession Committee continued to use a framework based on our company's business plan, industry perspective, historical earnings, earnings variability, stockholders' expectations, analysts' estimates, and our company's cost of capital. Our company focuses on company-wide performance objectives to encourage the executives to focus on overall company success, which ultimately drives stockholder value. Each objective is described in greater detail below:

Objective	Rationale	Weighting	FY12 Minimum to		Range of Possible Payout as	
			Maximum Objective	% of Target	0%	200%
Adjusted Earnings per share (Adjusted EPS)(1)	Key metric for analysts and stockholders	35.0%	\$2.42	\$4.19	0%	200%
Adjusted Return on Invested Capital (Adjusted ROIC)(2)	Measures the efficient use of capital to support a focus on operating effectiveness, encourages margin enhancement, and cost control	15.0%	5.8%	9.8%	0%	200%
Operating Costs(3)	Strategic imperative	3.0%	0% Change to 1.5% Reduction from FY11		0%	200%
Energy Efficiency(4)	Strategic imperative	1.25%	1% Improvement to 3% Improvement from FY11		0%	200%
Corporate Costs(5)	Competitive positioning	0.75%	1.2% Increase to 3.6% Improvement from FY11		0%	200%
Cost Management	Competitive positioning	2.0%	0% or 100%		0% or 100%	
Employee Safety Recordable Incidents(6)	Safety culture	2.5%	5% 25% Reduction from FY11		0%	200%
Employee Safety	Safety culture	2.5%	5% 25% Reduction from FY11		0%	200%
Lost Work Days(7)	Safety culture	1.0%	10% 35% Reduction from FY11		0%	200%
Contractor Safety	Safety culture	1.0%	25% 55% Reduction from FY11		0%	200%
Recordable Incidents(8)	Safety culture	1.0%	25% 55% Reduction from FY11		0%	200%
Contractor Safety	Safety culture	1.0%	25% 55% Reduction from FY11		0%	200%
Lost Work Days(9)	Safety culture	2.0%	94.9% 96.9% of critical safety equipment inspected/		0%	200%
Safety Total	Safety culture	2.0%	94.9% 96.9% of critical safety equipment inspected/		0%	200%
Process(10)	Safety culture	1.0%	tested/calibrated		0%	200%
Safety Behavioral(11)	Employee engagement	1.0%	25 34 engagements		0%	200%

Objective	Rationale	Weighting	FY12 Minimum to	Range of Possible Payout as
			Maximum Objective	% of Target
The ADM Way(12)	The manner in which we achieve our results is important. We monitor behaviors and values.	3.0%	0% or 100%	0% or 100%
Committee Discretion(13)	Enables Committee to use informed judgment.	30.0%	Informed Judgment	0% 200%

- (1) Adjusted EPS is defined and reconciled to the most comparable GAAP financial measure in Annex A.
- (2) Adjusted ROIC is defined and reconciled to the most comparable GAAP financial measure in Annex A. The Compensation/Succession Committee retains the discretion to exclude the impact (positive or negative) of extraordinary events from the calculation of Adjusted EPS or Adjusted ROIC if the Compensation/Succession Committee determines that the events were beyond management's control and if the exclusion is appropriate to align annual cash incentives with performance. For FY12, the Compensation/Succession Committee elected not to make any adjustments to the Adjusted ROIC calculation to exclude extraordinary events, although they have the discretion to do so.
- (3) Allocated across FY12 segments using the following weightings: Corn 35%, Oilseeds 35%, Agricultural Services 20%, Cocoa & Milling 10%.
- (4) Allocated across FY12 segments using the following metrics and weightings; Corn BTU/Bushel 65%, Oilseeds KWH/MT 35%.
- (5) Measures costs driven exclusively by corporate-level activities and centralized departments that serve all operations and excludes one-time expenses associated with workforce reductions.
- (6) Measures the number of safety-related incidents incurred by colleagues.
- (7) Measures the lost work days for colleagues.
- (8) Measures the number of safety-related incidents incurred by contractors.
- (9) Measures the lost work days for contractors.
- (10) Measures the percentage of critical safety equipment and controls inspected/tested/calibrated per established frequency.
- (11) Measures the number of completed Value-Based Safety (VBS®) engagements.
- (12) Recognizes the importance of The ADM Way. In FY12, a defined set of leaders, including the NEOs, were asked to focus on the ADM Way, our company's Code of Conduct. This process included quarterly discussions and/or activities on topics related to the ADM Way and completing the annual Code of Conduct Overview training program.
- (13) Allows the Compensation/Succession Committee to ensure that the annual cash incentive appropriately reflects our company's performance and management's efforts in achieving that performance.

The Company Performance Factor for FY12 was 32.74% as shown in the following table:

Objective	FY12 Actual Performance	FY12 Actual Performance as % of Target	Weighted Amount of Total Payout*
Adjusted EPS	\$1.83	0.0%	0.0%
Adjusted ROIC	5.26%	0.0%	0.0%
Operating Costs	Decrease from last year	0.0%	0.0%
Energy Efficiency	4.0% Reduction	200.0%	2.5%
Corporate Costs	Increase from last year	200.0%	