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ADM - Archer Daniels Midland Co at Barclays Back to School Conference

EVENT DATE/TIME: SEPTEMBER 05, 2014 / 11:30AM GMT

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PRESENTATION

Matthew Korn - *Barclays capital - Analyst*

Good morning, Friday morning, everyone. Thanks again for joining us here on the last day of the Barclay's Back to School Conference.

I'm Matthew Korn, I've been actually covering some of the leading agra-business stocks for Barclay's the last couple of years but today I'm very, very pleased that we have ADM able to join us.

ADM of course not only facilitates the infrastructure change that truly brings the world's foods from the proverbial farm to the table but they also process and produce a wide range of ag-source products; starches, sweeteners, specialty ingredients, animal feeds, energy and so on.

So here to speak to us today on the companies accomplishments through 2014 and the outlook into next year is ADM's Chairman and CEO, Pat Woertz and she's joined by Ray Young, Senior Vice President and Chief Financial Officer.

Now, we're going to do things a little bit differently this morning with Pat, Ray and myself conducting a fireside chat type of conversation around some of the most important main topics of the company after which we'll open the floor to some questions at the end. And so with that I'm going to kick things off. Again, thanks and welcome again.

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

Thank you.

QUESTIONS AND ANSWERS

Matthew Korn - *Barclays capital - Analyst*

I think a hallmark of the company over the last couple of years has really been the focus internally on returns. I know that you set out a target to generate returns 200 points, basis points, above your current cost to capital. They've shown some steady improvement over the past year.

If you could maybe talk to us about how these efforts are progressing and what you consider to be your ability over the near to medium term to reach that target at the 200 BPS above WAC?

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

Excellent. Well thanks Matt and good morning everyone. Thanks for being here early and your interest in ADM. I think returns, interesting first question, is a good place to start. ADM has been focusing on returns for a number of years now. It's an important area for us to improve and it's also an important area where we have been improving.

Our target, as you note, is 200 basis points over our long-term WAC and we think ultimately interest rates should improve and so forth and longer-term our WAC should be more like 8% so targeting 200 basis points over that or 10%, so double digits types of return on invested capital.

One of the important hallmarks of that is we're executing it internally is the opportunity for almost every single individual at ADM to understand how their job and how their work impacts return on invested capital whether it be the numerator or the denominator. So that takes time and that is something that we have spent a lot of time on and I think that you could kind of either walk the halls or the plants of ADM today and see that people do understand that as an objective.

We have aligned our compensation plans around that objective and we've aligned our strategies and our work, our initiative, in buckets to accomplish that objective. We kind of have three buckets of actions we're taking to improve returns; one is improving the core of the business or working on improvements around the core. We can talk about that a little more if you'd like but, of course, it relates to looking at costs, at cash, at capital, deployment.

We have a bucket called Working the Portfolio which would include different asset divestitures if certain parts of our business and there are not sacred [cows]. If we look at we don?t think has the opportunity even if the team has worked very hard but doesn?t have the opportunity to meet those return objectives overtime or we can't fix it in a certain way we will divest and we've been doing some of that.

We're also investing in opportunities to add to the portfolio areas where we think have improved opportunity for returns, higher margins, higher value add and then the third bucket is investing for growth. It would be some of our more organic growth projects like areas of the world or geography where we think have the opportunity for greater growth and greater returns.

So returns is a big focus, we're aligning our work around that focus, we're aligning our comp plans around it and I think employees -- and we really have traction, so it's an exciting time for ADM.

Matthew Korn - *Barclays capital - Analyst*

Okay, very good. Let's -- kind of unpacking a piece of that, let's talk a little bit more about maybe some of your portfolio management where you've been somewhat active over the past year and some of the divestitures. You sold the fertilizer business, of course just recently in the cocoa business as well. Are there areas there specifically where you still have some uncertainty whether there's remaining pieces of businesses that can help you contribute to that return metric that you stated? What else remains to be done as far as portfolio management on that side?

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

So when it comes to portfolio management we have taken a very granular look at each of our businesses so taking our three big segments but even the sub-segments of those businesses and stacked them up, sort of a Pareto chart of those that are higher returns and those that all the way down to the lower returns and, of course, the size of the bar would be the size of the invested capital.

So we're focused on economic value add or EVA along with returns because even our most significant core businesses, a small improvement in returns there, of course, can add a lot of economic value.

You asked the question about portfolios so the ones at the end, an example might be we've looked at our global chocolate business. We announced this week that we are selling that business. We looked at it strategically, we've looked at the opportunity to make improvements, we felt that in this particular area it was better to divest and deploy that capital elsewhere so the opportunity to turn the portfolio a bit and take some of the lower performing return businesses and invest in higher return businesses is part of that process.

So as far as this past year we've announced the sale of global chocolate, the sale of our South American fertilizer business. We expect that to close by the end of the year. We have other things we're looking at. I would say that they're not as significant, again, maybe down to the more granular level so I think that will continue to be a process and then we've invested in businesses that should have a higher margin, higher return, even more stable earnings; WILD Flavors acquisitions was recently announced and we expect that close also by year-end. That would be, again, a redeployment of capital.

We've purchased the 20% that we did not own of our Toepfer International Merchandising business and are consolidating those offices and that work around the world. So, again, taking the lesser performing and reinvesting in higher performing.

Matthew Korn - *Barclays capital - Analyst*

You brought up WILD Flavors, I'd like to ask a little bit more about that. I think that investors when they often first think about ADM they do think about your, really in comparable asset base that you have, to move, transport, trade and store ag commodities. But you do have a fairly substantial downstream business focused on food ingredients.

What was particularly attractive to you about WILD Flavors? Could you talk about how that adds particularly to the portfolio offerings that ADM has?

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

Sure, so you are correct and let me just, kind of as background, for those that maybe are less familiar with us, we have a sizable origination and transportation business sort of at the front-end of our value chain. Then we have large processing businesses; corn processing, oilseed processing businesses and then the higher value add business we are actually going to create a fourth business unit titled WILD Flavors and Specialty Ingredients where we will put the WILD acquisition, and I'll talk about it in a moment about strategically why that fits along with some of our specialty, ADM specialty businesses that are much more aligned to that customer-facing higher margin customer business as the fourth business unit.

We looked at our own health and wellness business, food ingredients, health and wellness trends, and felt that this area of natural ingredients, natural flavors, WILD is the number one in natural flavors globally, has a good fit with our customer focus on specialty ingredients. So we have good strong portfolio of ingredients in the texture, in the functionality and the nutrition space so things that help the food customers with their products in these categories but we never had taste. We never had the taste component and, of course, taste is king if you're going to have some of these products that are good for you, whether its proteins or fibers, it needs to also have that taste component to be positive in the consumer's mind.

So this offers an opportunity to complement our portfolio in a way that really will drive, I think, value with our customers. Ray, maybe you want to talk a little bit about the economics of the deal? We feel like it can -- we didn't overpay but we paid full value for this and with our synergies, which are very pin-pointed and detailed as far as the revenue and cost synergies as the teams are starting to work together of what might be possible, we think it will be a very, very positive add for ADM's portfolio.

Ray Young - *Archer Daniels Midland Company - SVP and CFO*

Well thanks Pat and good morning everyone. You know, for those who are not as familiar with the transaction, we're paying basically an enterprise value of 2.3 billion Euro's for WILD Flavors. This will be ADM's largest acquisition in the company's history. At 2.3 billion Euro's and looking at 2015 estimated EBITDA we're paying a multiple of roughly 14 times for EBITDA and as Pat indicated we believe that 14 times, we're paying full value. We don?t believe we're overpaying for this. We've had a lot of discussions with investors after we made the announcement and the general reaction from the investor community has been that, yes, it's a full value transaction. But at the same time we do believe we'll generate about 100 million Euro's of run rate synergies from this transaction, approximately two-thirds will be more revenue oriented based upon a lot of synergies we have in terms of distribution and development, product development, with WILD and one-third are costs.

So when you do on a post-synergy basis we're paying about nine times EBITDA which we think is a good multiple. We're going to be financing this transaction primarily by using offering cash and short-term debt. For those that are familiar with our balance sheet we're actually quite a bit deleveraged right now. As you know, with the GrainCorp transaction not moving through we've got significant balance sheet capacity right now and so we'll be issuing some short-term debt in order to affect the financing of the transaction.

As you know, short-term debt rates are pretty low right now and so on a first full-year basis we believe we'll have earnings accretion of $0.10 to $0.15 a share associated with this transaction. With a -- once we get the synergies in place the run rate earnings accretion will be more in the $0.20 to $0.25 a share. So we think that this is a good transaction from an earnings accretion perspective.

From an overall ROIC perspective by year three we believe we will achieve our long-term WAC of 8% and then by the time we get to year five we believe that we can achieve our long-term objectives of WAC plus 200 basis points. So overall from a deal metrics perspective, again, we paid full price but at the same time we feel that this is a very, very good transaction for our shareholders in terms of providing another platform for growth for this company.

Matthew Korn - *Barclays capital - Analyst*

All right, so we talked a lot about how we're managing the portfolio both on what we're subtracting but what we're adding. Talk about what's going on right now. Now we've had -- you know, ADM had very, very good results for the second quarter with the very strong harvest with supplies for crops really, really improving particularly from the year previous. I think that people expected it to be a fairly good improvement year-over-year. Now we have a new very strong harvest, looked like its kind of coming up this next fall, weathers been excellent. How does the environment as you're looking at the second half of the year compare? What's better, what's going to improve?

And I guess also beyond that as far as it relates to ag services and that part of the business, how are the drivers for the other pieces of the business? The ethanol, for the special ingredients, for the other types of food aspects of it? How is that shaping up?

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

Well I think it's an extremely exciting time for ADM so you're right, we're at a little bit of a turning point with all of the self-help that we've been working on with cost improvements that I talked about, cash, we've unleashed, unlocked, so to speak, about $2 billion of cash from the balance sheet. We have another cost target this year of $400 million reduction by the end of the year and we're well on our way to accomplishing that. We're very disciplined with our capital so all of these things are -- regardless of the external environment we can do to continue to have these fundamental and sustainable improvements longer term.

So then you turn to your question about, well what's the external environment look like in many of our sectors; it's excepted to be a phenomenal global harvest in North America particularly where we are built for scale, ADM is a sizable, if not the largest mover of grain in the U.S. We have an outlook that looks quite robust so that being a second year of a good harvest after sort of a two-year drought and the worst drought in 60-year history following on the tails of that that is a very good environment for our company; plentiful crops, plentiful stocks. We can move both with our transportation network, our storage network, potentially our [drawing] assets to be able to utilize those assets. That's a very good thing.

Of course the third quarter's always a transition quarter as you move into the fourth when the harvest is more in full swing, so that's on the ag services side of the business. You mention also our corn business with relatively low corn prices, corn cost that, of course, feeds into our feed stock for that business, that's quite positive. Sweeteners and starches has been a very stable business for us and we see that going forward.

The other part of the corn processing business which has been our bio-products business or mainly ethanol, has had its ups and downs but we see that stabilizing as well going forward. There is now a balance in supply and demand with ethanol. We can go into that in a little more detail if you'd like but that also is a nice tailwind for us in looking forward.

And then oilseeds has a nice global demand. Overall of course the underlying population growth, consuming more protein, the middle class consuming more protein and meals with more protein. We find the global demand for oilseed is actually quite strong. So that feeds into our system as well. SO it feels like it's a very strong time for ADM.

Matthew Korn - *Barclays capital - Analyst*

I would like to ask a little more on ethanol if we could. I think that that's been a, you know, an industry closely associated with ADM for quite some time.

Now last year I know that investors were a little concerned, they were worried that the EPA was going to re-visit some of the current mandates in the RFS, there's lots to talk about the blend wall, what's happening in the U.S., with terms of the amount of fuel that we're actually burning. But like you said, when you look at the actual economics for blending and producing was very strong and so far year-to-date you've seen very, very good ethanol economics, ethanol production.

Could you maybe give us a current state of the union as far as where we are in the ethanol market here in the States and what you guys see it there on the ground?

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

Ray, why don?t you take that one?

Ray Young - *Archer Daniels Midland Company - SVP and CFO*

Maybe I'll take that Matt. First of all, we're actually living in a very, very favorable ethanol environment right now. We're seeing that ethanol really is the lowest cost transportation of fuel in the world right now and that's reflected in their export market of U.S., produced ethanol.

When you take a look at the domestic market right now what's interesting is driving miles have improved in the United States so consumption of unleaded gasoline has actually improved versus our expectations even two years ago. I think this year probably 135 billion to 136 billion gallons of gasoline consumption, which with the 10% blend rate means that about 13.5, 13.6 billion gallon of ethanol demand from the domestic market so that's a positive and as I indicated that's better than we thought two years ago when we thought we'd be down close to about 130 billion gallons of gasoline demand. So I actually think that the U.S., economic recovery is actually being reflected in terms of gasoline consumption right now.

Being the lowest cost transportation fuel we're also seeing some level of discretionary blending in the United States so probably a couple hundred million gallons of a discretionary blending over and above the 10% blend rate and that's through E85 and in some level of E15 although we think E15 rollout will probably gain some momentum as we enter the fourth quarter and into the next year with the low-cost transportation fuel.

And then what's also very positive is the export markets from the United States. We're seeing a lot of discretionary blending in overseas markets as well and with the U.S., ethanol being more competitive than Brazilian ethanol we're gaining some good volumes and so this year we think about 800 million gallons of U.S., exports.

And so when you add up those numbers we're getting into a production environment for the U.S., industry in [2014] of very, very healthy, you know, 14.5, 14.6 billion gallons and relative to really a capacity in the industry probably between 14.6 to 14.8 in that range and so that means that the industry's tight and when you see the industry tight in terms of supply demand balance you see reasonable margins, healthy margins, and more importantly stable margins. We truly do believe we're entering a period whereby the ethanol business is going to have healthy margins, stable margins and healthy returns and so we at ADM are clearly benefiting from that and we've seen this in the first quarter results, second quarter results. I think you should anticipate that going into the third quarter and fourth quarter we'll continue to have very, very good results from our ethanol business here and so as I indicated at the beginning, I think we're really entering a period whereby the ethanol business for ADM is a very good business and is going to earn it's required return of invested capital for us.

So very positive about it.

Matthew Korn - *Barclays capital - Analyst*

All right, very good. Well when you add this up both what you're doing within the company [into arranged] portfolio, when you're considering the external factors that are looking very favorable at this point, what do you see as the real earnings power for ADM as you're going into 2015 and beyond. Where can you go, where can you take this?

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

Well, we've kind of -- as you've looked at our financials we had a decade of earnings growth and then sort of plateaued at the $3.00 a share level so we've been talking about breaking through that level and that's an important sort of milestone I think that is in the future that allows some of our work that we've been doing as well as the tailwinds that kind of come with that to say that when you look at the fourth quarter and 2015 we should break through that.

The power beyond that is part of why our strategy around expanding into higher value-add products, higher value-add and specialty products as well as some geographic fill in where we still need our core business to be stronger in certain geographies sort of on both of those dimensions. That future is about investing for future growth. I think that also has potential to go well beyond 2015.

So I think our future is bright and we're looking forward to not only meeting those return objectives but sustaining them for the long-term.

Matthew Korn - *Barclays capital - Analyst*

Okay, all right. You mentioned a little bit before your oilseed business and like the tie there with global protein demand and the rest. And often I think ADM is associated with more corn, with more North America but you do have a very sizable oilseed processing business with substantial prices down in Latin America. Are you investing in that particular business and where and in what particular regions? I think if you can give us an outlook for -- you know, we often hear global protein demand is increasing, you know, middle class is the story that we hear from the ag business a lot, maybe if you could kind of tell us where we are with the real and what kind of the outlook is from your standpoint today on that part on the business?

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

Sure. So it would be a misperception to think we're either one kind of company or another. I think we have, and will have in the future, four solid businesses of opportunity. Again, if I start with the value chain of attracting and originating and buying crops from farmers wherever they're grown in the world we move about one-third of the crops we touch to our own facilities selling two-thirds into the market in its raw form then the processing business, again, corn processing, oilseed processing. Actually oilseed processing is the largest of our businesses and the most global at the moment so much more global diversity in oilseed processing and has sustained earnings growth profile in the past and we think also going forward.

I mentioned already that we think corn also has that potential profile as we see going forward with the ethanol business being less volatile in the future than it has been in the past. So with oilseeds, global demand is good. We have a very strong portfolio in North America with crushing assets with refining and biodiesel assets. We are growing our asset base in South America. We have a good position in Brazil and actually our origination in Brazil is part of that oilseed business because there's such a close collaboration and work with the farmer community in Brazil that that is part of our oilseeds business there.

We've built a new plant in Paraguay, the largest in Paraguay; production is growing there and our position looks a little bit like a mini version of maybe what occurs in the U.S., on the Mississippi River. So we have a fertilizer blending plant, we have a crush plant that we finished last year. We have a barge facility and a barge fleet that can do both up river and export from that plant. We were on-time, on-budget. Its one of our poster child examples of our strong capital investment both management portfolio and it came in this year before the harvest and it's even running at higher economic values than we had forecasted; so very strong example of investing to grow in that part of the world.

We're also investing in Eastern Europe, more of a consolidation play there with some of our plants and oilseeds being plugged into our system. We're investing for origination along the Danube and the Black Sea regions and in Asia our affiliation with our company, our investment in Wilmar is sort of our oilseeds work in Asia, it's under our Asia line in the oilseeds division. So that's kind of a walk around the world thing; very strong in the demand side.

Matthew Korn - *Barclays capital - Analyst*

Okay, so clearly ADM's footprint, well it reaches far beyond North America. Now, in that context, it's been somewhat of an active summer I think you'd say geopolitically, there's been a lot of events. You've had some concerns in Ukraine, concerns in Argentina, concerns in the Middle East, etc., are there areas, are there regions, are there particular businesses where you see, or you worry, particularly about the risk that's emerging that you feel particularly exposed. What keeps you up at night when you think about this global footprint that ADM has based on what we've seen say over these last three or four months?

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

Well, you know the fact that we have a global footprint actually helps me sleep at night more than it keeps me up at night particularly because when you have a global footprint and you can move products around the world to serve customers needs, wherever there's a disruption, and sadly there's often disruptions in the world whether there's a tsunami or a geopolitical event or an uprising, sometimes you're blocked or you're unable to deliver from certain parts of the world to meet customers needs and therefore we can do it from elsewhere. So one thing about a global footprint is the opportunity to be able to really manage and maximize and even optimize when there's difficulties.

You asked specifically about regions that today have some geopolitical challenges. We do have operations in the Ukraine. They are currently -- we monitor the situation. One of the most important things to us is that our employees are safe and that is the case at the moment and there's actually been minimal disruption to our operations in the Ukraine with the difficulties and challenges that have occurred there.

Production is going on, exports are going on and things are actually running pretty much on target. We are not ? we don?t have large assets in Argentina. For example, we export from Argentina but we don?t have assets there that have caused others maybe some concerns. In fact, some of the aspects of being a global business, our footprint or lack of a footprint in Argentina, sometimes helps some other areas of the business. We're operating well in Europe as a result of maybe some of that movement either happening or not happening.

Matthew Korn - *Barclays capital - Analyst*

Okay. Well, kind of I guess in summing up then there's been a lot that's been active that you've done here at ADM in terms of the focus on returns taking out costs, reposition the portfolio. What is it do you think that investors are missing about the ADM story today, what kind of message is still not getting across that you want to make sure that they hear?

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

We've been talking with investors quite a bit of late so actually I think much of the ADM discussion is actually well understood by investors and even well articulated but perhaps I'd remind folks if I either didn?t say it clearly today or have the opportunity to dig into some of it is that we are focused on returns. We've been making significant improvements on returns quarter after quarter after quarter on a four quarter rolling average which we think is an important measure. We have made self-improvements in the areas of cost and cash and capital and we've been working the portfolio to do that digging into some of that underlying point in that portfolio change is that we think that we can have more stable earnings, less volatile earnings, higher margin products. That is kind of underlying the strategy associated with some of those changes in the portfolio and then the tailwinds behind us in an environmental situation are also quite strong.

So all of that kind of adds up to a very optimistic outlook.

Matthew Korn - *Barclays capital - Analyst*

Very good. Pat, Ray, thanks very much for being here. I think we have a few minutes here left at the end of the presentation. I'd love to be able to open up to any kind of audience questions that you may have for ADM.

We'll get you the microphone here in a moment.

Unidentified Audience Member

Good morning.

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

Good morning.

Unidentified Audience Member

So I guess turning this all upside down on you but it seems as we're in the midst of as good an environment as you guys could possibly have from an external framework; the crop, phenomenal, ethanol market, super tight. It seems that you've made so much change internally on returns, on cash management, on cost. It's kind of hard to imagine how you don?t hit your long-term returns in the next 12 months.

So what is, what would be, holding you back from that I mean, given just how favorable the situation is?

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

Well I think it is a favorable environment and you've outlined a little bit of what I've noted as well. I think that is the objective. Of course our current WAC is much lower than our long-term WAC but we like the target and think about the longer-term going up and being higher. I think that is the objective, that's what our organization is striving for.

The reason I would argue that you not have a particular date or time or quarter to hit it is that, you know, it is -- you do roll off one quarter in the early part and you're searching for which quarter is going to actually happen so I wouldn't pin-point the exact time but I think we do have a good environment. We have some acquisitions to get under our belt. We need to get the WILD acquisition under our belt and operating in its full form next year. Ray commented that it's by year three that we expect to hit our WAC even in the acquisition.

So I think getting this fourth platform up and running has lots of potential in the longer-term so you make some bets and chips on different investments and that investment profile is somewhat balanced so it comes to fruition at different times and I would say this fourth one which is one of our exciting opportunities because it's a higher growth market, it's a higher growth margins, hopefully higher growth earnings and so forth. It will be one that will have a little bit of a longer tail on it to get those returns coming but I agree with you in the core business and the base business. We should be seeing the fruits of our labor in those arenas.

Unidentified Audience Member

You've been a commodity processor big batch operator, WILD Oats gets you into a more specialized business. Historically you've not made R&D investments and to take [Alex's] question and flip it around, you know, are you prepared to make serious R&D investments in a year where the corn crop is bad, business is bad and you really ? this is a much different business than what you currently do and spending R&D money in a down year, a bad year, is something that you really have to do to be successful longer-term. Can you manage the business?

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

So, thank you for the question [John]. I would take exception to your premise that we don?t make R&D investments but I would not take exception to your premise that we've been a very strong large commodity bulk player. In each of our businesses in both corn processing and oilseeds and even a little bit in ag services we have some of these specialty ingredients businesses which because they have been less material, we haven't talked about them a lot but we have made investments in our specialty businesses and that's why we're really paying attention to pulling them, so to speak, and putting them alongside the customer-facing higher collaboration with customers and R&D business which will be called WILD Flavors and Specialty Ingredients.

We don?t want to lose the culture of WILD at all, in fact, we want to preserve and enhance it. We want to support it, we think there's much more growth in that specialty areas to bolt on or add to. We can and will and have the cash in the balance sheet to fund future investments there and we think that that culture of that fourth business, while having some similarities and some complementarities to our other businesses does need to be a little different in the way it addresses R&D and the way it addresses collaboration and the way it goes to market and the way we organize the sales force, etc.

So we are paying attention to that maybe not being in deep in the DNA of ADM in the past but definitely there in pieces of our business that have flourished but have been somewhat under the radar of communication.

So, again, pulling it out as a fourth business unit is important to us.

Unidentified Audience Member

What are a couple of these products that you currently have that have been, you know, came out of R&D of your own?

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

Sure, a good example are some of our soy isolate, soy concentrates. An example might be a CLARISOY, even a branded product, which adds soy to a beverage in a clear format so you could have a beverage drink that now again health trends, etc., want more fiber, more protein, perhaps less added sugars, less fats in the general stream of health and wellness trends. So that protein product is an example, came out of our R&D working with consumers, customers and consumers, to develop that kind of a product would be in our new specialty business.

Thank you.

Ray Young - *Archer Daniels Midland Company - SVP and CFO*

Maybe I can add a little bit also [John]. You talked about the impact of say another bad corn crop and whether that will have an adverse impact on how we think about investments. I just want to reinforce, remember last year we actually had the full impact, full financial impact, of really two consecutive years of drought on ADM and we still earn an adjusted EPS of roughly 220 a share. We still generate phenomenal cash flows in this business here. So, it important people understand, people think that ADM we're really volatile. The reality of the matter is our business is actually a lot more stable than people think and the cash flow generation capacity of this company is phenomenal. We recognize that when commodity prices spike up you need more working capital but we handle the working capital needs through separate lines, okay, so that doesn?t get me too excited.

But it is important for people to understand that ADM's cash flows are actually very, very stable and even when there's say a 60-year drought or two consecutive years of drought, financially, ADM can actually still generate good cash flows and handle investments whether it be organic investments or R&D investments. And so, that's an important factor for investors to consider when you analyze ADM and from the perspective any downturns that we may have.

Matthew Korn - *Barclays capital - Analyst*

Any other questions in the room? All right, well with that, Pat, Ray, thank you very much for participating and for attending this morning. We really do appreciate your time. Thanks, all right.

Pat Woertz - *Archer Daniels Midland Company - Chairman and CEO*

Thank you very much. Thank you.