2020 Letter to Stockholders
Proxy Statement
2019 Form 10-K

Dear Stockholders,

Over the last five years, ADM has undergone a remarkable evolution. We've built on more than a century of heritage to leverage our core capabilities and create a global nutrition business, with an industry-leading array of ingredients and solutions that are opening the door to growth opportunities in key global macro trend areas. We've enhanced our use of innovative technologies to help us run our business more efficiently and meet customer needs. And we've consolidated our operations to simplify our business, while still expanding our global footprint, building capabilities, and adding talent and expertise that allow us to create value to every part of our global value chain.

Early in 2020, we launched a new corporate identity, one that reflects the exciting changes we've made and the dynamic company we have become. The core of that identity is our purpose: to unlock the power of nature to enrich the quality of life. We are living that purpose every day — and our accomplishments in 2019 and plans for 2020 and beyond show it.

2019 Performance and Accomplishments

When 2019 began, we could not have foreseen some of the dramatic external headwinds that would affect our industry. Extreme weather in the United States, African Swine Fever, the U.S.-China trade dispute — and in the beginning of 2020, coronavirus — all posed challenges. But around the world, our team showed its resilience, its innovation and its dedication in meeting those challenges.

Delivering for Shareholders and for ADM's Future

$3.24	$3.5 billion	$3.1 billion	7.5%	353	$940 million
2019 Adjusted EPS	Adjusted EBITDA	2019 Adjusted Segment Operating Profit	Four-Quarter Trailing Adjusted Return on Invested Capital (ROIC), 75 basis points above annual WACC	Consecutive quarterly dividend payments as of March 2020	Return of capital to shareholders

Around the globe and in each of our three business segments, our team delivered impressive accomplishments:

- In the third quarter, we launched our new combined **Ag Services & Oilseeds** segment, and throughout the second half of the year, that team came together and successfully delivered on the synergy opportunities offered by a simplified business model, including more than $300 million in capital-reduction initiatives. The combined business contributed $1.9 billion in adjusted operating profit in 2019, accomplishing multiple growth and improvement milestones throughout the year. We further enhanced our global destination marketing footprint, growing overall volumes by 10 percent and continuing to expand into new markets; we successfully integrated Algar Agro's Brazilian oilseed assets; and we took actions that significantly improved results at our Golden Peanut and Tree Nuts business. In addition, our refined oils team delivered one of its best years in history, serving our customers with our value-added oils and fats solutions.
- The **Carbohydrate Solutions** team continued to maneuver well through extremely difficult market conditions in 2019, delivering $644 million in adjusted operating profit. Despite challenging industry ethanol margins, our colleagues focused on strong execution, optimization, and operational improvement efforts. The business identified and delivered on key market opportunities: We completed a realignment of our North American flour milling business that included the opening of our new state-of-the-art flour mill in Mendota, Illinois, and we continued to serve growing customer needs for both food and industrial starches, as well as specialty sweeteners.

- **Nutrition** had a breakout year. Our value proposition — an industry-leading portfolio of complete, innovative solutions that we can move from prototype to market with unparalleled speed and efficiency — resonated with customers around the globe. The segment's adjusted operating profit of $418 million represented 23 percent growth over 2018. Sales were up more than 53 percent year over year on a constant-currency basis, and adjusted EBITDA was 32 percent higher than 2018. The WFSI team continued to deliver customer wins, supporting operating profits that were 18 percent higher than 2018. We enhanced our leadership position in fast-growing consumer trend areas, including an important partnership with Marfrig for manufacturing alternative protein consumer products, and we expanded our unparalleled array of products and solutions with the addition of citrus leaders Florida Chemical and Ziegler, followed in the first quarter of this year with botanical leader Yerbalatina. We completed the acquisition of Neovia and, after a successful integration, we are now seeing the benefits of our new global platform in nutritional ingredients and solutions for pets and production animals.

Supporting our performance across the enterprise was our continued focus on **Readiness**. Throughout 2019, we took actions to drive standardization and efficiency and improve our execution by continuing to centralize critical activities — such as our new global operations organization — and by streamlining decision-making and processes in order to drive accountability and realize additional value in the way we work. We also significantly advanced our 1ADM business transformation program in 2019.

Readiness is about building a continuous improvement engine, one that's powered by every team member's ideas and innovation. At the end of the year, we had completed 435 individual Readiness initiatives, which in total will account for $815 million in run-rate benefits on an annual basis. For 2019 alone, Readiness contributed approximately $250 million in accrued net benefits, in line with the goals we set a year ago.

Readiness represents a cultural change, one in which innovation, agility and learning are embedded at every level. That's why we introduced our comprehensive Ability to Execute, or A2E, training in late 2018 — and why we aggressively rolled it out across the organization, until, by the end of 2019, approximately 31,000 colleagues had completed the program.

Safety

The health and safety of ADM colleagues and contractors remains our highest priority. Our lost workday incident rate improved once again in 2019, and severity rates were better as well. However, our total recordable incident rate was slightly higher, reminding us that safety must be the subject of constant improvement and constant vigilance. We can and must do better every single year, ensuring that every ADM colleague goes home safe and sound after every shift. That we suffered two fatalities in January of this year after more than a year without a workplace fatality is a tragic and sobering reminder that safety must always be front of mind.

Diversity and Inclusion

If our strength comes from our people, then it follows that an inclusive culture and diverse workforce is critical to ADM's success. True diversity — of background, experience and opinion — is how our team innovates, learns and grows. In early 2019, we partnered with Paradigm for Parity® and made a commitment to achieve gender parity within our senior leadership structure by 2030. We made a strong start on that goal by increasing female representation within our leadership by almost 5 percent during the year. And we're making sure to build that diverse and welcoming culture from the ground up: in the U.S., almost 60 percent of our college class hires were from underrepresented groups. In November, we held our first Global Week of Understanding, inviting colleagues around the globe to sit down with their leaders and each other to discuss how we can work to make our culture more open and inclusive. In 2019, we saw "Together We Grow" — the consortium co-founded by ADM and focused on educating, recruiting, and retaining a more diverse workforce in the agriculture sector — take important steps forward, showing the potential for collaboration between companies, NGOs and universities with diverse but common interests to make our industry better. And for the second year running, two ADM colleagues were honored as "Women Worth Watching" by *Profiles in Diversity Journal*.

Corporate Governance and Environmental Stewardship

Our Board of Directors acts as the steward of the company in service to ADM's many stakeholders, including its shareholders, employees, business partners, and communities. We take pride in our strong corporate governance practices, such as our independent, experienced, and diverse directors; our robust board and director evaluation process; our constant engagement with shareholders; and our oversight of corporate strategy, executive compensation and succession, enterprise risk management, and compliance policies and programs.

We consistently receive high marks from shareholder organizations on the strength of our corporate governance practices. In January of this year, Fortune magazine named us one of the “World’s Most Admired Companies” for the 12th consecutive year. ADM was included in S&P Global’s Sustainability Yearbook 2020, “a showcase of the world’s best performing companies among industry peers and in terms of financially material ESG metrics.” And in February, Ethisphere, a recognized arbiter of corporate ethics, named ADM one of the world’s most ethical companies.

Global sustainability is an integral part of our company’s business and culture. We believe in paving the way through good practices, progressive solutions and mindful actions that make a positive impact, and we continue to take aggressive actions to ensure we are meeting our public commitments on deforestation, human rights, and more. In 2019, ADM formed a new Board committee on Sustainability and Corporate Responsibility. The committee, chaired by Board member Suzan Harrison, offers guidance, leadership and oversight at the highest level for ADM’s sustainability and corporate citizenship efforts.

In December, ADM was shortlisted as a Sustainability Champion by the Food Ingredients Innovation awards for our work in promoting and supporting sustainable agricultural practices among more than 12,000 smallholder farmers in Brazil and Paraguay. We also partnered with Concern Worldwide in 2019 to create the Lifesaving Education and Assistance to Farmers project, an 18-month initiative to fight chronic malnutrition and hunger in Kenya and Ethiopia.

2020 and Beyond

As we look ahead to 2020 and beyond, we see a rapidly changing consumer landscape in which ADM is uniquely positioned to play a key role. We have identified seven global trends that present growing opportunities:

- Alternative proteins
- Nourishment of the body, mind and emotional health
- Microbiome as the root of health & wellness
- Clean to clear labels
- Humanization of pets
- Sustainable goodness
- Renewable materials

In each of these trend areas, ADM offers not just ingredients and products, but customized solutions and systems backed by best-in-class science, research and a team with unparalleled abilities to provide customers the edge to succeed.

In order to meet demand in these trend areas and reach our goals in 2020 and beyond, we’ll be focusing on further aligning our go-to-market efforts and our investments in R&D and technology to support our customers and drive growth. To underpin this, we will be maintaining our strong focus on Readiness, working to deliver internal improvement projects from continued invested capital reduction efforts to the deployment of new technologies. We’ll also continue to deliver business improvements and enhance execution where necessary, as well as prioritize the ongoing harvest of opportunities offered by our recent growth investments.

ADM has a rich heritage of creating solutions from nature. Today, our industry-leading portfolio satisfies tastes and fulfills nutritional needs for a growing — and rapidly changing — global population. We are a global leader in nutrition, the world’s most diversified processor of agricultural products, and the globe’s premier agricultural supply chain company — and we are continuing to grow and improve. I am proud of our team for the transformation we have made and the results we have delivered in a difficult year for the industry, and I am excited about the opportunities ahead of us.

Sincerely yours,

Juan Luciano

Juan Luciano
Chairman, CEO and President

* This letter refers to non-GAAP, or “adjusted,” financial measures that exclude certain items from the comparable GAAP measure. For a reconciliation of these non-GAAP items to GAAP, please prefer to Annex A to the enclosed proxy statement and page 33 of the enclosed Form 10-K.

2020 Proxy Statement

ARCHER-DANIELS-MIDLAND COMPANY
77 West Wacker Drive, Suite 4600, Chicago, Illinois 60601

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 on Thursday, May 7, 2020, commencing at 8:30 A.M. Central Daylight Time. Due to concerns about the coronavirus (COVID-19), this year the annual meeting will be a completely virtual meeting of stockholders. You may attend the online meeting, submit questions, and vote your shares electronically during the meeting via the internet by visiting www.virtualshareholdermeeting.com/ADM2020. To enter the annual meeting you will need the 16-digit control number that is printed in the box marked by the arrow on your Notice of Internet Availability of Proxy Materials. We recommend that you log in at least 15 minutes before the meeting to ensure that you are logged in when the meeting starts. Online check-in will start shortly before the meeting on May 7, 2020. At the annual meeting, you will be asked to consider and vote on the following matters:

(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 our company for the fiscal year ending December 31, 2020;

(3) To consider an advisory vote on the compensation of our named executive officers;

(4) To approve the 2020 Incentive Compensation Plan; and

(5) To transact such other business as may properly come before the meeting.

By Order of the Board of Directors

D. C. Findlay

D. C. FINDLAY, SECRETARY

March 25, 2020

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 7, 2020: THE 2020 LETTER TO STOCKHOLDERS, PROXY STATEMENT, AND 2019 FORM 10-K ARE AVAILABLE AT https://www.proxy-direct.com/MeetingDocuments/31175/ARCHER-DANIELS-MIDLAND.pdf

Table of Contents

PROXY SUMMARY

The following is a summary of certain key disclosures in this proxy statement. This is only a summary, and it may not contain all of the information that is important to you. For more complete information, please review this proxy statement in its entirety as well as our 2019 Annual Report on Form 10-K. As used in this proxy statement, ADM or the Company refers to Archer-Daniels-Midland Company. The information contained on adm.com or any other website referred to in this proxy statement is provided for reference only and is not incorporated by reference into this proxy statement.

General Information

See pages 5–6

Meeting: Annual Meeting of Stockholders
Date: Thursday, May 7, 2020
Time: 8:30 A.M. Central Daylight Time
Location: The completely virtual annual meeting will be held at www.virtualshareholdermeeting.com/ADM2020.
Record Date: March 16, 2020
Stock Symbol: ADM
Exchange: NYSE
Common Stock Outstanding: 557,207,815 as of March 16, 2020
Registrar & Transfer Agent: Hickory Point Bank and Trust, fsb
State of Incorporation: Delaware
Corporate Headquarters and Principal Executive Office:
77 West Wacker Drive, Suite 4600,
Chicago, Illinois 60601
Corporate Website: www.adm.com

Executive Compensation

See pages 44–55

CEO: Juan R. Luciano
CEO 2019 Total Direct Compensation:
- Salary: $1,383,338
- Non-Equity Incentive Plan Compensation: $2,898,000
- Long-Term Incentives: $13,641,916

CEO Employment Agreement: No
Change in Control Agreement: No
Stock Ownership Guidelines: Yes
Hedging Policy: Yes

Items to Be Voted On

Election of Directors for a One-Year Term
(See pages 7–11)
Ratification of Appointment of Independent Registered Public Accounting Firm (Ernst & Young LLP)
(See page 62)
Advisory Vote on Executive Compensation
(See page 63)
Approval of the 2020 Incentive Compensation Plan
(See page 64)

Corporate Governance

See pages 7–23

Director Nominees: 11
- Michael S. Burke (Independent)
- Terrell K. Crews (Independent)
- Pierre Dufour (Independent)
- Donald E. Felsinger (Independent)
- Suzan F. Harrison (Independent)
- Juan R. Luciano
- Patrick J. Moore (Independent)
- Francisco J. Sanchez (Independent)
- Debra A. Sandler (Independent)
- Lei Z. Schlitz (Independent)
- Kelvin R. Westbrook (Independent)

Director Term: One year
Director Election Standard: Majority voting standard for uncontested elections
Board Meetings in 2019: 6
Board Committee Meetings in 2019:
- Audit – 9
- Compensation/Succession – 4
- Nominating/Corporate Governance – 4
- Sustainability and Corporate Responsibility – 3

Supermajority Voting Requirements: No
Stockholder Rights Plan: No

Governance Highlights

The Board of Directors views itself as the long-term stewards of ADM. The Board is committed to enhancing the success and value of our company for its stockholders, as well as for other stakeholders such as employees, business partners, and communities. The Board recognizes the importance of good corporate governance and understands that transparent disclosure of its governance practices helps stockholders assess the quality of our company and its management and the value of their investment decisions.

ADM's corporate governance practices are intended to ensure independence, transparency, management accountability, effective decision making, and appropriate monitoring of compliance and performance. We believe that these strong corporate governance practices, together with our enduring corporate values and ethics, are critical to providing lasting value to the stockholders of our company.

We use majority voting for uncontested director elections.	10 of our 11 current directors are independent and only independent directors serve on the Audit, Compensation/ Succession, Nominating/Corporate Governance, and Sustainability and Corporate Responsibility Committees.
We have an independent Lead Director, selected by the independent directors. The Lead Director provides the Board with independent leadership, facilitates the Board's independence from management, and has broad powers as described on page 12.	Our independent directors meet in executive session at each regular in-person board meeting.
We have a policy prohibiting directors and officers from trading in derivative securities of our company, and no NEOs or directors have pledged any company stock.	Significant stock ownership requirements are in place for directors and executive officers.
The Board and each standing committee annually conduct evaluations of their performance. Directors annually evaluate each other, and these evaluations are used to assess future re-nominations to the Board.	Individuals cannot stand for election as a director once they reach age 75, and our Corporate Governance Guidelines set limits on the number of public company boards on which a director can serve.
Holders of 10% or more of our common stock have the ability to call a special meeting of stockholders.	Our bylaws include a "proxy access" provision under which a small group of stockholders who has owned at least 3% of our common stock for at least 3 years may submit nominees for up to 20% of the board seats for inclusion in our proxy statement.

Voting Matters and Board Recommendations

Proposal	Board Voting Recommendation	Page Reference
Proposal No. 1 — Election of Directors	FOR	7
Proposal No. 2 — Ratification of Appointment of Independent Registered Public Accounting Firm	FOR	62
Proposal No. 3 — Advisory Vote on Executive Compensation	FOR	63
Proposal No. 4 — Approval of the 2020 Incentive Compensation Plan	FOR	64

Director Nominee Qualifications and Experience

The following chart provides summary information about each of our director nominees' qualifications and experiences. More detailed information is provided in each director nominee's biography beginning on page 8.

	Current or Recent CEO	Non-U.S. Business	Risk Management	M&A	Government/ Public Policy	Agriculture, Food, or Retail Consumer Business	Corporate Governance	Sustainability/ Environmental
Michael S. Burke	●	●	●	●			●	●
Terrell K. Crews		●	●	●		●		●
Pierre Dufour		●	●	●			●	●
Donald E. Felsinger	●	●	●	●		●	●	●
Suzan F. Harrison		●		●		●		●
Juan R. Luciano	●	●	●	●		●	●	●
Patrick J. Moore	●	●	●	●	●		●	●
Francisco J. Sanchez		●			●			●
Debra A. Sandler		●		●		●		●
Lei Z. Schlitz		●		●				●
Kelvin R. Westbrook	●			●	●	●	●	●

Director Nominee Diversity, Age, Tenure, and Independence

The following charts provide summary information about our director nominees' personal characteristics, including race/ethnicity, gender, and age, as well as tenure and independence, to illustrate the diversity of perspectives of our director nominees. More detailed information is provided in each director nominee's biography beginning on page 8.

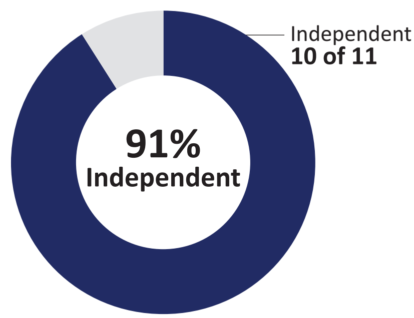
Diversity

55%
Overall Diversity

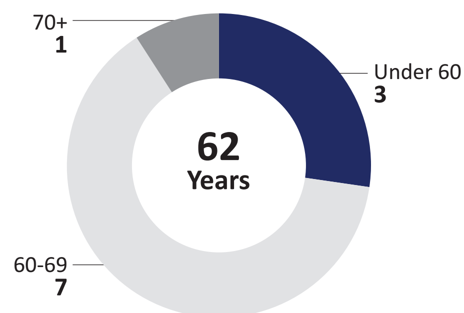
5
are African American, Asian, or Hispanic

3
are female

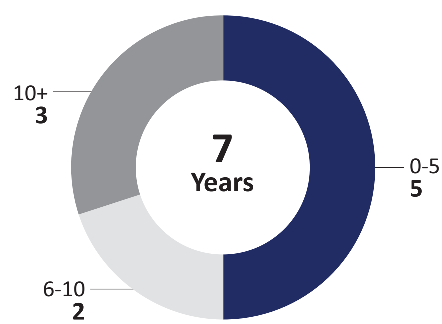
Independence



Average Age



Average Tenure



General Information About the Annual Meeting and Voting

Proxy Statement

GENERAL MATTERS

The Board of Directors asks that you complete the accompanying proxy for the annual stockholders' meeting. Due to concerns about the coronavirus (COVID-19), this year the meeting will be completely virtual and will be held at the time and web address mentioned in the Notice of Annual Meeting included in these materials. We will be using the "Notice and Access" method of providing proxy materials to stockholders via the internet. We will mail to our stockholders (other than those described below) a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement and the 2019 Annual Report on Form 10-K and how to vote electronically via the internet. This notice will also contain instructions on how to request a paper copy of the proxy materials. Stockholders holding shares through the ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees (the "401(k) and ESOP") and those stockholders who previously have opted out of participation in notice and access procedures will receive a paper copy of the proxy materials by mail or an electronic copy of the proxy materials by email. We are first providing our stockholders with notice and access to, or first mailing or emailing, this proxy statement and a proxy form around March 25, 2020.

We pay the costs of soliciting proxies from our stockholders. We have retained Georgeson LLC to help us solicit proxies. We will pay Georgeson LLC a base shareholder meeting services fee of approximately $24,000 plus reasonable project management fees and expenses for its services. Our employees or employees of Georgeson LLC may also solicit proxies in person or by telephone, mail, or the internet at a cost which we expect will be nominal. We will reimburse brokerage firms and other securities custodians for their reasonable fees and 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 stockholders of record at the close of business on March 16, 2020, are the only people entitled to notice of the annual meeting and to vote at the meeting. At the close of business on March 16, 2020, we had 557,207,815 outstanding shares of common stock, each share being entitled to one vote on each of the director nominees and on each of the other matters to be voted on at the meeting. Our stockholders and advisors to our company 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.

The annual meeting this year will be a completely virtual meeting of stockholders. Hosting a virtual meeting provides expanded access, improved communication, and cost savings for our stockholders and us and enables participation from any location around the world. Stockholders may submit questions during the annual meeting at www.virtualshareholdermeeting.com/ADM2020, and management will respond to questions in the same way as it would if the company held an in-person meeting. If you have questions during the meeting, you may type them in the dialog box provided at any point during the meeting until the floor is closed to questions.

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 annual meeting online and voting again (attendance at the online meeting will not, by itself, revoke a proxy).

Under our bylaws, stockholders elect our directors 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, online or by proxy at the meeting and entitled to vote on that matter. 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.

Principal Holders of Voting Securities

Based upon filings with the Securities and Exchange Commission ("SEC"), we believe 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	51,455,676(1)	9.23
The Vanguard Group 100 Vanguard Blvd., Malvern, PA 19355	44,946,621(2)	8.06
BlackRock, Inc. 55 East 52nd Street, New York, NY 10055	38,454,597(3)	6.90
Corporation One Lincoln Street, Boston, MA 02111	37,082,871 (4)	6.66

(1) Based on a Schedule 13G filed with the SEC on January 27, 2020, State Farm Mutual Automobile Insurance Company and related entities have sole voting and dispositive power with respect to 51,214,613 shares and shared voting and dispositive power with respect to 241,063 shares.

(2) Based on a Schedule 13G/A filed with the SEC on February 12, 2020, The Vanguard Group has sole voting power with respect to 821,863 shares, sole dispositive power with respect to 43,993,781 shares, shared voting power with respect to 174,423 shares, and shared dispositive power with respect to 952,840 shares.

(3) Based on a Schedule 13G/A filed with the SEC on February 5, 2020, BlackRock, Inc. has sole voting power with respect to 32,389,168 shares and sole dispositive power with respect to 38,454,597 shares.

(4) Based on a Schedule 13G filed with the SEC on February 13, 2020, State Street Corporation has shared voting power with respect to 33,876,563 shares and shared dispositive power with respect to 37,048,786 shares.

Proposal No. 1

Proposal No. 1 — Election of Directors for a One-Year Term

The Board of Directors has fixed the size of the current board at eleven. All eleven nominees proposed for election to the Board of Directors are currently members of the Board and have been elected previously by our stockholders. Unless you provide different directions, we intend for board-solicited proxies (like this one) to be voted for the nominees named below.

If elected, 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, the persons named as proxies may vote for a substitute who will be designated by the Board of Directors. Alternatively, the Board of Directors could reduce the size of the board. The Board has no reason to believe that any nominee will be unable to serve as a director.

Our bylaws 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 nominees 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 our Corporate Governance Guidelines, 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 information below describes 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 March 16, 2020, directly or indirectly. Unless otherwise indicated, 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 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.

The Board of Directors recommends a vote FOR the election of the eleven nominees named below as directors. Proxies solicited by the Board will be so voted unless stockholders specify a different choice.

DIRECTOR NOMINEES

Michael S. Burke

Age: 56
Director since: 2018
Common stock owned: 6,862(1)
Percent of class: *
Principal Occupation or Position: Chairman and Chief Executive Officer of AECOM (a global infrastructure firm) since March 2015; Chief Executive Officer of AECOM from March 2014 to March 2015; President of AECOM from 2011 to March 2014.
Directorships of Other Publicly-Owned Companies: Chairman of AECOM.

Qualifications and Career Highlights: Mr. Burke is currently Chief Executive Officer and Chairman of the Board of AECOM, an infrastructure firm that designs, builds, finances, and operates infrastructure assets in more than 150 countries. Mr. Burke joined AECOM in October 2005 and has held several leadership positions, including Senior Vice President, Corporate Strategy, Chief Corporate Officer, and Chief Financial Officer. Prior to joining AECOM, Mr. Burke was with the accounting firm KPMG LLP, serving in various leadership positions. Mr. Burke brings to the Board of Directors his deep expertise in accounting and finance, his experience as a CEO, and his involvement in projects throughout the world.

Pierre Dufour

Age: 64
Director since: 2010
Common stock owned: 30,285(3)
Percent of class: *
Former Principal Occupation or Position: Senior Executive Vice President of Air Liquide Group (a leading provider of gases for industry, health, and the environment) from 2007 – July 2017.
Directorships of Other Publicly-Owned Companies: Director of Air Liquide S.A. Director of National Grid plc. within the past five years.

Qualifications and Career Highlights: Prior to retiring in July 2017, Mr. Dufour served as 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 2007. Mr. Dufour's tenure with Air Liquide Group included supervision of operations in the Americas, Africa-Middle East, and Asia-Pacific zones, and he also was responsible for 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 our company include his substantial leadership, engineering, operations management, and international business experience.

Terrell K. Crews

Age: 64
Director since: 2011
Common stock owned: 35,608(2)
Percent of class: *
Former Principal Occupation or Position: Executive Vice President, Chief Financial Officer and Vegetable Business Chief Executive Officer of Monsanto Company (an agricultural company) from 2007 – 2009.
Directorships of Other Publicly-Owned Companies: Director of WestRock Company and Hormel Foods Corporation.

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

Donald E. Felsinger

Age: 72
Director since: 2009
Common stock owned: 126,676(4)
Percent of class: *
Former Principal Occupation or Position: Executive Chairman of Sempra Energy (an energy services company) from 2011 – December 2012.
Directorships of Other Publicly-Owned Companies: Lead Director of Northrop Grumman Corporation. Director of Gannett Co., Inc. within the past five years.

Qualifications and Career Highlights: Mr. Felsinger brings extensive experience as a board member, chair and CEO with Fortune 500 companies. Mr. Felsinger retired as Executive Chairman of Sempra Energy in December 2012. His leadership roles at Sempra Energy and other 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.

Suzan F. Harrison

Age: 62
Director since: 2017
Common stock owned: 10,893(1)
Percent of class: *
Former Principal Occupation or Position: President of Global Oral Care at Colgate-Palmolive Company (a global household and consumer products company) from 2011 – 2019; President of Hill's Pet Nutrition Inc. North America from 2009 – 2011; Vice President, Marketing for Colgate U.S. from 2006 – 2009.
Directorships of Other Publicly-Owned Companies: Director of WestRock Company.

Qualifications and Career Highlights: Ms. Harrison retired in 2019 as the President of Global Oral Care at Colgate-Palmolive Company, a worldwide consumer products company focused on the production, distribution, and provision of household, health care, and personal products. She was previously President of Hill's Pet Nutrition Inc. North America, a position she held from 2009 to 2011. Additionally, she served as Vice President, Marketing for Colgate U.S. from 2006 to 2009, and Vice President and General Manager of Colgate Oral Pharmaceuticals, North America and Europe from 2005 to 2006. Previously, Ms. Harrison held a number of leadership roles at Colgate commencing in 1983. Ms. Harrison's qualifications to serve as a director of our company include her extensive leadership, management, operations, marketing, and international experience.

Patrick J. Moore

Age: 65
Director since: 2003
Common stock owned: 64,497(1)
Percent of class: *
Principal Occupation or Position: President and Chief Executive Officer of PJM Advisors, LLC (an investment and advisory firm) since 2011; Chief Executive Officer of Smurfit-Stone Container Corporation from 2010 – 2011(6).
Directorships of Other Publicly-Owned Companies: Chairman of Energizer Holdings, Inc.

Qualifications and Career Highlights: 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.

Juan R. Luciano

Age: 58
Director since: 2014
Common stock owned: 2,777,280 (5)
Percent of class: *
Principal Occupation or Position: Chairman of the Board, Chief Executive Officer and President since January 2016; Chief Executive Officer and President from January 2015 - January 2016; President and Chief Operating Officer from February 2014 – December 2014; Executive Vice President and Chief Operating Officer from 2011 – February 2014.
Directorships of Other Publicly-Owned Companies: Director of Eli Lilly and Company.

Qualifications and Career Highlights: Mr. Luciano joined ADM in 2011 as executive vice president and chief operating officer, was named president in February 2014, was named Chief Executive Officer in January 2015, and was named Chairman of the Board in January 2016. Mr. Luciano has overseen the commercial and production activities of ADM's Corn, Oilseeds, and Agricultural Services businesses, as well as its research, project management, procurement, and risk management functions. He also has overseen the company's operational excellence initiatives, which seek to improve productivity and efficiency companywide. He has led the company's efforts to improve its capital, cost, and cash positions. Previously, Mr. Luciano was with The Dow Chemical Company, where he last served as executive vice president and president of the performance division.

Francisco J. Sanchez

Age: 60
Director since: 2014
Common stock owned: 25,587(7)
Percent of class: *
Principal Occupation or Position: Senior Managing Director of Pt. Capital (a private equity firm) and Chairman of CNS Global Advisors (an international trade and investment consulting firm) since November 2013; Under Secretary for International Trade, U.S. Department of Commerce from 2010 – November 2013.
Directorships of Other Publicly-Owned Companies: Director of Good Resources Holdings Ltd. within the past five years.

Qualifications and Career Highlights: Mr. Sanchez is the founder and chairman of the board of CNS Global Advisors, a firm focused on international trade and investment. In addition, he is a Senior Managing Director at Pt. Capital, a private equity firm focused on responsible investments in the Pan Arctic. In 2009, President Obama nominated Mr. Sanchez to be the Under Secretary for International Trade at the U.S. Department of Commerce. He was later unanimously confirmed by the U.S. Senate. Mr. Sanchez served in that role until November 2013. There he was responsible for strengthening the competitiveness of U.S. industry, promoting trade and investment, enforcing trade laws and agreements, and implementing the President's National Export Initiative. Mr. Sanchez brings to the Board of Directors substantial experience in public policy, international trade, and international investment.

Debra A. Sandler

Age: 60
Director since: 2016
Common stock owned: 14,681(1)
Percent of class: *
Principal Occupation or Position: President of LaGrenade Group, LLC (a marketing consulting firm) since October 2015; Chief Health and Wellbeing Officer of Mars, Inc. from July 2014 – July 2015; President, Chocolate, North America of Mars, Inc. from April 2012 – July 2014; Chief Consumer Officer of Mars Chocolate North America from 2009 – March 2012.
Directorships of Other Publicly-Owned Companies: Director of Gannett Co., Inc.

Qualifications and Career Highlights: Ms. Sandler is currently President of LaGrenade Group, LLC, a marketing consultancy she founded to advise consumer packaged goods companies operating in the Health and Wellness space. She was previously Chief Health and Wellbeing Officer of Mars, Inc., a position she held from July 2014 to July 2015. Additionally, she served as President, Chocolate, North America from April 2012 to July 2014, and Chief Consumer Officer, Mars Chocolate North America from November 2009 to March 2012. Prior to joining Mars, Ms. Sandler spent 10 years with Johnson & Johnson in a variety of leadership roles. She currently serves on the board of Gannett Co., Inc. Ms. Sandler has strong marketing and operating experience and a proven record of creating, building, enhancing, and leading well-known consumer brands as a result of the leadership positions she has held with Mars, Johnson & Johnson, and PepsiCo.

Lei Z. Schlitz

Age: 53
Director since: 2019
Common stock owned: 3,137(1)
Percent of class: *
Principal Occupation or Position: Executive Vice President, Automotive OEM at Illinois Tool Works Inc. (a global multi-industrial manufacturer) since January 2020; Executive Vice President, Food Equipment at Illinois Tool Works from September 2015 – January 2020; Group President, Worldwide Ware-Wash, Refrigeration, and Weigh/Wrap Businesses at Illinois Tool Works from 2011 – December 2015; Vice President, Research & Development, and Head of ITW Technology Center at Illinois Tool Works from 2008 – 2011.

Qualifications and Career Highlights: Dr. Schlitz is currently Executive Vice President of the Automotive OEM segment at Illinois Tool Works Inc., a publicly held, global multi-industrial manufacturer. She oversees a global business involving the design and manufacture of fasteners, interior and exterior components, and powertrain and braking systems for automotive OEMs and their top-tier suppliers around the world. Previously, she has served in leadership roles at Illinois Tool Works, serving as Executive Vice President of the Food Equipment segment, a global commercial food equipment business, serving institutional, industrial, restaurant, and retail customers around the world, and the group president of various food equipment businesses and leading research and development efforts. Dr. Schlitz brings extensive leadership experience in strategy development, growth initiatives, and operational excellence.

Kelvin R. Westbrook

Age: 64
Director since: 2003
Common stock owned: 47,641(1)
Percent of class: *
Principal Occupation or Position: President and Chief Executive Officer of KRW Advisors, LLC (a consulting and advisory firm) since 2007; Chairman and Chief Strategic Officer of Millennium Digital Media Systems, L.L.C. (a broadband services company) ("MDM")(8) from 2006 – 2007.
Directorships of Other Publicly-Owned Companies: Director of T-Mobile USA, Inc. and Mosaic Company; Lead Independent Trust Manager of Camden Property Trust. Director of Stifel Financial Corp. within the past five years.

Qualifications and Career Highlights: 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 several high-profile companies, including T-Mobile USA, Inc. and the National Cable Satellite Corporation, better known as C-SPAN. Mr. Westbrook also previously served on the board of a multi-billion-dollar not-for-profit healthcare services company.

* Less than 1% of outstanding shares

(1) Consists of stock units allocated under our Stock Unit Plan that are deemed to be the equivalent of outstanding shares of common stock for valuation purposes.

(2) Includes 34,848 stock units allocated under our Stock Unit Plan.

(3) Includes 22,585 stock units allocated under our Stock Unit Plan.

(4) Includes 66,676 stock units allocated under our Stock Unit Plan and 60,000 shares held in trust.

(5) Includes 440,574 shares held in trust, 238 shares held by a family-owned limited liability company, and 1,766,494 shares that are unissued but are subject to stock options exercisable within 60 days.

(6) 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.

(7) Includes 21,217 stock units allocated under our Stock Unit Plan.

(8) 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.

DIRECTOR EXPERIENCES, QUALIFICATIONS, ATTRIBUTES, AND SKILLS; 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 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 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 the Board are described in the biographies above and in the Proxy Summary under "Director Nominee Qualifications and Experience" on page 3 and "Director Nominee Diversity, Age, Tenure, and Independence" on page 4.

DIRECTOR NOMINATIONS FROM STOCKHOLDERS

The Nominating/Corporate Governance Committee will consider nominees recommended by a stockholder, provided that 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, 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, a written representation and agreement from the proposed nominee attesting to certain facts set forth in Section 1.4(c)(2) of our bylaws, and a written statement from the proposed nominee as to whether he or she intends, if elected, to tender the advance, 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. Stockholders may also have the opportunity to include nominees in our proxy statement by complying with the requirements set forth in Section 1.15 of our bylaws. All candidates, regardless of the source of their recommendation, are evaluated using the same criteria.

Board Leadership and Oversight

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 interest of our company to make this determination based on the position and direction of the 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's implementation of a careful and seamless succession plan over the past several years demonstrates that the Board takes seriously its responsibilities under the Corporate Governance Guidelines to determine who should serve as Chairman at any point in time in light of the specific circumstances facing our company. After careful consideration, the Board has determined that having Mr. Luciano, 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 at this time that combining the roles of Chief Executive Officer and Chairman contributes to an efficient and effective board.

The independent directors elect a Lead Director at the Board's annual meeting. Mr. Felsinger is currently serving as Lead Director. The Board believes that having an independent Lead Director provides the Board with independent leadership and facilitates the independence of the Board from management. The Nominating/Corporate Governance Committee regularly evaluates the responsibilities of the Lead Director and considers current trends regarding independent board leadership. In the last few years, the Board has enhanced the Lead Director's responsibilities, as set forth in the Corporate Governance Guidelines, in connection with determining performance criteria for evaluating the Chief Executive Officer, evaluating the Board, committees, and individual directors, and planning for management succession. In accordance with our Corporate Governance Guidelines, the Lead Director: (i) presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors, and regularly meets with the Chairman and Chief Executive Officer for discussion of appropriate matters arising from these sessions; (ii) coordinates the activities of the other independent directors and serves as liaison between the Chairman and the independent directors; (iii) consults with the Chairman and approves all meeting agendas, schedules, and information provided to the Board, and may, from time to time, invite corporate officers, other employees, and advisors to attend Board or committee meetings whenever deemed appropriate; (iv) interviews, along with the Chairman and the Chair and members of the Nominating/Corporate Governance Committee, all director candidates and makes recommendations to the Nominating/Corporate Governance Committee; (v) advises the Nominating/Corporate Governance Committee on the selection of members of the board committees; (vi) advises the board committees on the selection of committee chairs; (vii) works with the Chairman and Chief Executive Officer to propose a schedule of major discussion items for the Board; (viii) guides the Board's governance processes; (ix) provides leadership to the Board if circumstances arise in which the role of the Chairman or Chief Executive Officer may be, or may be perceived to be, in conflict; (x) has the authority to call meetings of the independent directors; (xi) if requested by major stockholders, ensures that he or she is available for consultation and direct communication; (xii) leads the non-management directors in determining performance criteria for evaluating the Chief Executive Officer and coordinates the annual performance review of the Chief Executive Officer; (xiii) works with the Chair of the Compensation/Succession Committee to guide the Board's discussion of management succession plans; (xiv) works with the Chair and members of the Nominating/Corporate Governance Committee to facilitate the evaluation of the performance of the Board, committees, and individual directors; (xv) works with the Chair and members of the Sustainability and Corporate Responsibility Committee to set sustainability and corporate responsibility objectives; and (xvi) performs such other duties and responsibilities as the Board may determine.

In addition to electing a Lead Director, our independent 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 the Board of Directors regarding significant matters identified with respect to the foregoing.

Management has established an Enterprise Risk Management Committee consisting of a Chief Risk Officer and personnel representing multiple functional and regional areas within our company, with broad oversight of the risk management process.

BOARD OF DIRECTORS

Audit Committee

- assists the Board in fulfilling its oversight responsibility to the stockholders relating to the company's major risk exposures
- oversees the company's enterprise risk management process
- regularly discusses the steps management has taken to monitor and control risk exposure
- regularly reports to the Board regarding significant matters identified

Nominating/Corporate Governance Committee

- assigns oversight of specific areas of risk to other committees
- recommends director nominees who it believes will capably assess and monitor risk

Compensation/ Succession Committee

- assesses potential risks associated with compensation decisions
- engages an independent outside consultant every other year to review the company's compensation programs and evaluate the risks in such programs; the consultant attends all committee meetings to advise the committee

Sustainability and Corporate Responsibility Committee

- has oversight responsibility for sustainability and corporate responsibility matters, including workplace safety, process safety, environmental, social well-being, diversity and inclusion, corporate giving, community relations, compliance with sustainability and corporate responsibility laws and regulations, and ADM's performance relating to sustainability and corporate responsibility goals and industry benchmarks

SENIOR MANAGEMENT

Enterprise Risk Management Committee

- ensures implementation and maintenance of a process to identify, evaluate, and prioritize risks to our company's objectives
- ensures congruence of risk decisions with our company's values, policies, procedures, measurements, and incentives or disincentives
- supports the integration of risk assessment and controls into mainstream business processes, planning, and decision-making
- identifies roles and responsibilities across our company in regard to risk assessment and control functions
- promotes consistency and standardization in risk identification, reporting, and controls across our company
- ensures sufficient information capabilities and information flow to support risk identification and controls and alignment of technology assets
- regularly evaluates the overall design and operation of the risk assessment and control process, including development of relevant metrics and indicators
- reports regularly to senior management and the Board regarding the above-described processes and the most significant risks to our company's objectives

Sustainability and Corporate Responsibility

Our commitment to change and growth goes beyond our products and services. At ADM, sustainable practices and a focus on environmental responsibility are not separate from our primary business: they are integral to the work we do every day to serve customers and create value for stockholders. We have aligned our efforts with the United Nations (UN) Sustainable Development Goals which serve as a road map to achieve a better future for all. Specifically, we are focusing our efforts toward Zero Hunger, Clean Water and Sanitation, Climate Action, and Life On Land.

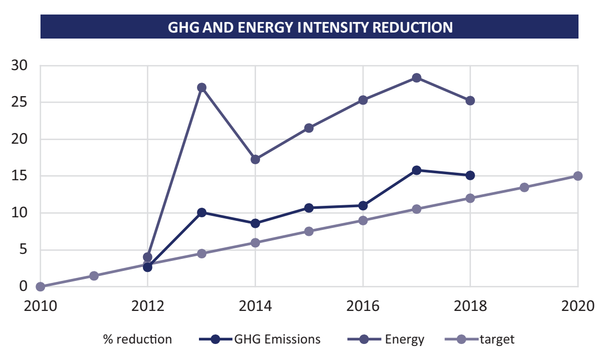
Our sustainability efforts are led by our Chief Sustainability Officer, who is supported by regional sustainability teams. Sustainability-related risks are reviewed quarterly through the Enterprise Risk Management process. In 2019, our company's Board of Directors created a Sustainability and Corporate Responsibility Committee. This committee has oversight of sustainability and corporate responsibility matters. Sustainability topics are also presented to the full Board.

See the table below for additional information and highlights related to our sustainability efforts.

SUSTAINABILITY HIGHLIGHTS

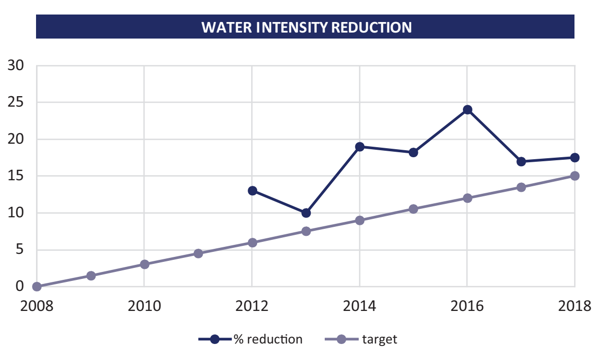
Climate Action

- We address climate change through three main pathways:
  - renewable product and process innovations, such as our carbon sequestration project in Decatur, Illinois,
  - supply chain commitments, such as our Commitment to No-Deforestation, and
  - a strategic approach to operational excellence which emphasizes enhancing the efficiency of our production plants throughout our global operations, including through a centralized energy management team that enables us to identify and share successful programs across business or geographic regions.
- See the charts below illustrating our progress toward our greenhouse gas emissions and energy intensity goals:



Clean Water and Sanitation

- We aim to conserve water and improve water quality through:
  - supply chain projects specifically focusing on water conservation and improving water quality,
  - water-reduction efforts and efficiency improvement projects in our own operations, which have resulted in a reduction of 2.6 billion gallons of water per year, and
  - the Ceres and World Wildlife Fund AgWater Challenge, through which we have set measurable, time-bound commitments to mitigate water risks, reduce water impacts associated with key commodities, and provide support and education to growers about water stewardship practices.
- See the chart below illustrating our progress toward our water-reduction goals:



Zero Hunger	*Life On Land*

• We support the UN efforts to eliminate world hunger by connecting the harvest to the home:
  ◦ with a vast and diverse global value chain that includes approximately 480 crop procurement locations, approximately 350 ingredient manufacturing facilities, approximately 55 innovation centers, and the world's premier crop transportation network,
  ◦ through our corporate social investment program, ADM Cares, which supports food security and hunger relief projects globally,
  ◦ through sustainable sourcing, certification and sustainable agriculture programs across the globe, and
  ◦ in 2019, through an ADM Cares grant, we committed $1M to help create and implement an 18-month program to fight hunger for 50,000 people in Ethiopia and Kenya with a focus on women and children.
	• We are a responsible steward to our natural resources:
	  ◦ In 2015, we committed to no deforestation, no planting on peat, and no exploitation (No DPE) in our palm and South American soy supply chains through our Commitment to No-Deforestation.
	  ◦ In Brazil, we remain committed to the Amazon Soy Moratorium, and in the Brazilian Cerrado, we have digitally mapped 100% of our direct supply chain in the 25 municipalities at the greatest risk for land conversion.
	  ◦ We report our progress with respect to our No DPE efforts to the public at www.adm.com/progresstracker.
	  ◦ Over 800,000 acres of our supply chain is involved in sustainable agriculture initiatives.
	  ◦ In Illinois, ADM supported the S.T.A.R. program for growers which tripled its enrollment goal in 2019.
	• We require all ADM colleagues and suppliers to comply with ADM's Human Rights Policy.
	  ◦ In 2019, we completed a human rights risk assessment for our global commodity supply chains.

For more information, please review our Corporate Sustainability Report, found at www.adm.com/sustainability.	

Board Role in Overseeing Political Activities

The Board of Directors believes that participation in the political process is important to our business. We and our political action committee (ADMPAC) therefore support candidates for political office and organizations that share our pro-growth vision, our aspirations for the future of global agriculture, and our commitment to the people who depend on it for their lives and livelihoods. Decisions to support particular candidates and/or organizations are subject to fixed policies and determined by the company's best interests, not the personal political preferences of our company's executives. ADMPAC submits to the Federal Election Commission (FEC) regular, detailed reports on all federal political contributions, which reports are available to the public on the FEC's website. Similarly, contributions to state candidates are disclosed to relevant state authorities and typically disclosed on individual states' websites.

In addition to our contributions to individual candidates for public office and candidate committees, we also support a small number of so-called "527" groups, including the Democratic Governors Association, the Republican Governors Association, Ag America, and the Republican State Leadership Committee. We have not supported independent political expenditures or 501(c)(4) organizations. Finally, we have memberships in several industry, trade, and business associations representing agriculture and the business community. If a trade association engages in political activity, the amount of dues associated with this political advocacy is reported in our quarterly LD2 filings.

We engage in a centralized, deliberative process when making decisions about the company's political participation to ensure that it complies with all applicable laws and makes appropriate disclosures. Contributions of greater than $1,000 typically require the approval of the board of directors of ADMPAC, a political action committee funded by our employees' voluntary contributions. The ADMPAC board of directors is chaired by the vice president of state government relations and composed of employees who represent various areas of the company. Contributions of less than $1,000 may be authorized by the company's vice president of government relations and vice president of state government relations.

The Board of Directors provides oversight of ADMPAC's and the company's political activities, political contributions, and compliance with relevant laws. At each quarterly board meeting, ADM management provides the Board of Directors with a detailed report on our political contributions in the previous quarter. Any member of the Board may obtain further detailed information concerning political contributions, trade associations, compliance with federal and state laws, or any other related topic.

For more information on ADM's political policies and activities, please see https://www.adm.com/our-company/us-political-contributions.

Director Evaluations

Board, Committee, and Director Evaluations

The Board believes that a robust annual evaluation process is a critical part of its governance practices. Accordingly, the Nominating/Corporate Governance Committee oversees an annual evaluation of the performance of the Board of Directors, each committee of the Board, and each individual director. The Nominating/Corporate Governance Committee approves written evaluation questionnaires which are distributed to each director. The results of each written evaluation are provided to, and compiled by, an outside firm. Individual directors are evaluated by their peers in a confidential process. Our Lead Director works with the Chair and members of the Nominating/Corporate Governance Committee to facilitate the evaluation of the performance of the Board, committees, and individual directors, and delivers and discusses individual evaluation results with each director. The Chair of the Nominating/Corporate Governance Committee delivers and discusses the Lead Director's individual evaluation with him or her. Results of the performance evaluations of the committees and the Board are discussed at appropriate committee meetings and with the full board.

The Board utilizes the results of these evaluations in making decisions on board agendas, board structure, committee responsibilities and agendas, and continued service of individual directors on the board.

Independence of Directors

The Board of Directors has reviewed business and charitable relationships between our company and each non-employee director and director nominee to determine compliance with the NYSE standards and our bylaw standards, each described below, 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, Messrs. Burke, Crews, Dufour, Felsinger, Moore, Sanchez, and Westbrook, Ms. Harrison, Ms. Sandler, and Dr. Schlitz are independent. Mr. Luciano is not independent under the NYSE or bylaw standards because of his employment with us.

In determining that Mr. Burke is independent, the Board considered that, in the ordinary course of business, AECOM, of which Mr. Burke is Chairman and Chief Executive Officer, sold certain services to our company and purchased various products from our company on an arm's-length basis during the fiscal year ended December 31, 2019. The Board determined that this arrangement did not exceed the NYSE's threshold of 2.0% of AECOM's consolidated gross revenues, that Mr. Burke does not have a direct or indirect material interest in such transactions, and that such transactions do not impair Mr. Burke's independence.

In determining that Mr. Crews is independent, the Board considered that, in the ordinary course of business, WestRock Company, of which Mr. Crews is a director, purchased various products from our company and sold various products to our company and that Hormel Foods Corporation, of which Mr. Crews is a director, purchased certain commodity products from our company, all on an arm's-length basis during the fiscal year ended December 31, 2019. The Board determined that these arrangements did not exceed the NYSE's threshold of 2.0% of WestRock Company's or Hormel Foods Corporation's consolidated gross revenues, respectively, that Mr. Crews does not have a direct or indirect material interest in such transactions, and that such transactions do not 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 a director, sold certain chemicals to our company on an arm's-length basis during the fiscal year ended December 31, 2019. The Board determined that this arrangement did not exceed the NYSE's threshold of 2.0% 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 impair Mr. Dufour's independence.

In determining that Ms. Harrison is independent, the Board considered that, in the ordinary course of business, WestRock Company, of which Ms. Harrison is a director, purchased various products from our company and sold various products to our company, and that Colgate-Palmolive Company, of which Ms. Harrison was President of Global Oral Care until her retirement in 2019, purchased certain products from our company, all on an arm's-length basis during the fiscal year ended December 31, 2019. The Board determined that these arrangements did not exceed the NYSE's threshold of 2.0% of WestRock Company's or Colgate-Palmolive Company's consolidated gross revenues, that Ms. Harrison does not have a direct or indirect material interest in such transactions, and that such transactions do not impair Ms. Harrison's independence.

In determining that Ms. Sandler is independent, the Board considered that, in the ordinary course of business, Gannett Co. Inc., of which Ms. Sandler is a director, sold certain products to our company on an arm's-length basis during the fiscal year ended December 31, 2019. The Board determined that this arrangement did not exceed the NYSE's threshold of 2.0% of Gannett Co. Inc.'s consolidated gross revenues, that Ms. Sandler does not have a direct or indirect material interest in such transactions, and that such transactions do not impair Ms. Sandler's independence.

In determining that Dr. Schlitz is independent, the Board considered that, in the ordinary course of business, Illinois Tool Works Inc., of which Dr. Schlitz is Executive Vice President, Automotive OEM, sold certain equipment and services to our company on an arm's-length basis during the fiscal year ended December 31, 2019. The Board determined that this arrangement did not exceed the NYSE's threshold of 2.0% of Illinois Tool Works Inc.'s consolidated gross revenues, that Dr. Schlitz does not have a direct or indirect material interest in such transactions, and that such transactions do not impair Dr. Schlitz's independence.

In determining that Mr. Westbrook is independent, the Board considered that, in the ordinary course of business, Mosaic Company, of which Mr. Westbrook is a director, sold fertilizer products to our company and purchased certain logistics and other services from our company and that T-Mobile US, Inc., of which Mr. Westbrook is a director, sold various products to our company, all on an arm's-length basis during the fiscal year ended December 31, 2019. The Board determined that these arrangements did not exceed the NYSE's threshold of 2.0% of Mosaic Company's or T-Mobile US, Inc.'s consolidated gross revenues, respectively, that Mr. Westbrook does not have a direct or indirect material interest in such transactions, and that such transactions do not impair Mr. Westbrook's independence.

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:

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 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, or institution.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines that govern the structure and functioning of the Board and set forth 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 website, https://www.adm.com/investors/corporate-governance, and are available free of charge upon written request to ADM, Attention: Secretary, 77 West Wacker Drive, Suite 4600, Chicago, Illinois 60601.

Independent 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 each year 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 of independent directors. The non-management directors met in independent executive session four times during fiscal year 2019.

Information Concerning Committees and Meetings

Board Meetings and Attendance at Annual Meetings of Stockholders

During the last fiscal year, the Board of Directors held six meetings. All incumbent directors attended 75% or more of the combined total meetings of the Board and the committees on which they served during such period. Our Corporate Governance Guidelines provide that all directors standing for election are expected to attend the annual meeting of stockholders. All director nominees standing for election at our last annual stockholders' meeting held on May 1, 2019, attended that meeting, other than Mr. Alan Boeckmann and Mr. Dufour.

Information Concerning Committees and Meetings

The Board's standing committees for the year ended December 31, 2019, consisted of the Audit, Compensation/Succession, Nominating/Corporate Governance, Sustainability and Corporate Responsibility, and Executive Committees. Each committee operates pursuant to a written charter adopted by the Board, available on our website, www.adm.com.

Audit Committee

The Audit Committee consists of Mr. Crews (Chairman), Mr. Dufour, Mr. Moore, Mr. Sanchez, Ms. Sandler, and Ms. Schlitz. 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. the company's oversight of risk and the enterprise risk management program;
7. matters of legal and regulatory compliance;
8. the performance of our company's compliance function;
9. business and charitable relationships and transactions between us and each non-employee director, director nominee, and executive officer to assess potential conflicts of interest and impairment of independence; and
10. the company's earnings press releases and information provided to analysts and investors

For additional information with respect to the Audit Committee, see the sections of this proxy statement entitled "Report of the Audit Committee" and "Audit Committee Pre-Approval Policies."

Compensation/Succession Committee

The Compensation/Succession Committee consists of Mr. Westbrook (Chairman), Mr. Burke, and Ms. Harrison. The Compensation/Succession Committee met four 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, including the NYSE listing standards specifically applicable to compensation committee members.

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 directors, 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;
8. approves major modifications in the employee benefit plans with respect to the benefits that salaried employees receive under such plans; and
9. ensures succession processes are in place to aid business continuity.

The Compensation/Succession Committee provides reports to the Board of Directors and, where appropriate, submits actions 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 specifies 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. Moore (Chairman), Mr. Burke, Mr. Crews, Ms. Sandler, 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;
4. assigns oversight of particular risk areas to other committees of the board;
5. leads the evaluation of the directors, the Board, and board committees; and
6. has oversight responsibility for certain of the company's corporate objectives and policies.

Sustainability and Corporate Responsibility Committee

The Sustainability and Corporate Responsibility Committee consists of Ms. Harrison (Chairman), Mr. Dufour, Mr. Sanchez, and Ms. Schlitz. The Sustainability and Corporate Responsibility Committee met three times during the most recent fiscal year. All of the members of the Sustainability and Corporate Responsibility Committee were determined by the Board to be independent directors, as that term is defined in our bylaws and in the NYSE listing standards. For more information on the company's sustainability and corporate responsibility efforts, see the section of this proxy statement entitled "Sustainability and Corporate Responsibility."

The Sustainability and Corporate Responsibility Committee:

1. oversees objectives, goals, strategies, and activities relating to sustainability and corporate responsibility;
2. receives and reviews reports from management regarding strategies, activities, compliance, and regulations regarding sustainability and corporate responsibility;
3. has authority to obtain advice and assistance from internal or external advisors; and
4. leads the evaluation of the company's performance related to sustainability and corporate responsibility.

Executive Committee

The Executive Committee consists of Mr. Luciano (Chairman), Mr. Felsinger (Lead Director), Mr. Crews (Chair of the Audit Committee), Ms. Harrison (Chair of the Sustainability and Corporate Responsibility Committee), Mr. Moore (Chair of the Nominating/Corporate Governance Committee), and Mr. Westbrook (Chair of the Compensation/Succession Committee). The Executive Committee did not meet 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.

Stockholder Outreach and Engagement; Code of Conduct

Stockholder Outreach and Engagement

As part of our commitment to effective corporate governance practices, in 2019 we reached out to many of our largest institutional stockholders to hold formal discussions with them to help us better understand the views of our investors on key topics. Our Lead Director (who, as provided in the Corporate Governance Guidelines, ensures that he is available for consultation and direct communication with major stockholders) and senior management participated in these meetings to discuss and obtain feedback on corporate governance, executive compensation, and other related issues important to our stockholders. We share stockholder feedback with the Board and its committees to enhance both our governance practices and transparency of these practices to our stockholders. We review the voting results of our most recent annual meeting of stockholders, the stockholder feedback received through our engagement process, the governance practices of our peers and other large companies, and current trends in governance as we consider enhancements to our governance practices and disclosure. We value our dialogue with our stockholders and believe our outreach efforts, which are in addition to our other communication channels available to our stockholders and interested parties, help ensure our corporate governance, compensation, and other related practices continue to evolve and reflect the insights and perspectives of our many stakeholders. We welcome suggestions from our stockholders on how the Board and management can enhance this dialogue in the future.

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, ADM, 77 West Wacker Drive, Suite 4600, Chicago, Illinois 60601. All correspondence will be forwarded to the intended recipients.

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 directors, employees, and officers, including our principal executive officer, principal financial officer, and principal accounting officer. The Code of Conduct is available at our website, https://www.adm.com/our-company/the-adm-way/code-of-conduct, and is available free of charge upon written request to ADM, Attention: Secretary, 77 West Wacker Drive, Suite 4600, Chicago, Illinois 60601. Any amendments to certain provisions of the Code of Conduct or waivers of such provisions granted to certain executive officers will be disclosed promptly on our website.

Executive Stock Ownership

Executive Officer Stock Ownership

The following table shows the number of shares of our common stock beneficially owned as of March 16, 2020, directly or indirectly, by each of the named executive officers.

Executive	Common Stock Beneficially Owned(1)	Options Exercisable Within 60 Days	Percent of Class
J. R. LUCIANO	2,777,280(2)	1,766,494	*
R. G. YOUNG	1,312,542(3)	912,636	*
V. F. MACCIOCCHI	226,920	74,488	*
G. A. MORRIS	315,246(4)	130,299	*
J. D. TAETS	540,601(5)	319,113	*

* Less than 1% of outstanding shares

(1) Includes for each director the following:

	Unvested RSUs	RSUs that vest within 60 days
J. R. Luciano	490,092	0
R. G. Young	171,913	0
V. F. Macciocchi	114,716	0
G. A. Morris	117,257	0
J. D. Taets	113,179	0

(2) Includes 440,574 shares held in trust, 238 shares held by a family-owned limited liability company, and stock options exercisable within 60 days.

(3) Includes 4,298 shares held in our Dividend Reinvestment Plan and stock options exercisable within 60 days.

(4) Includes 617 shares held in the 401(k) and ESOP and stock options exercisable within 60 days.

(5) Includes 934 shares held in the 401(k) and ESOP and stock options exercisable within 60 days.

Common stock beneficially owned as of March 16, 2020, by all directors, director nominees, and executive officers as a group, numbering 19 persons including those listed above, is 7,121,648 shares representing 1.27% of the outstanding shares, of which 293,037 shares represent stock units allocated under our Stock Unit Plan for Nonemployee Directors, 5,055 shares are held in the 401(k) and ESOP, 4,298 shares are held in our Dividend Reinvestment Plan, 4,124,510 shares are unissued but are subject to stock options exercisable within 60 days, and no shares are subject to pledge.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes the compensation of the following named executive officers, or NEOs:

Name	Title	Time with ADM (as of March 2020)
Juan R. Luciano	Chairman, Chief Executive Officer and President	8 years, 11 mos.
Ray G. Young	Executive Vice President and Chief Financial Officer	9 years, 4 mos.
Vincent F. Macciocchi	Senior Vice President, President, Nutrition, and Chief Sales and Marketing Officer	7 years, 9 mos.*
Greg A. Morris	Senior Vice President and President, Ag Services and Oilseeds	25 years, 2 mos.
Joseph D. Taets	Senior Vice President and President, Global Business Readiness and Global Procurement	31 years, 10 mos.

* includes tenure at a predecessor company that ADM acquired in 2014.

Table of Contents

Executive Summary

OUR COMPENSATION PHILOSOPHY AND OBJECTIVES

ADM unlocks the power of nature to provide access to nutrition worldwide. ADM is a global leader in human and animal nutrition and one of the world's premier agricultural origination and processing companies. In order to do this, we must attract, engage, and retain highly talented individuals who are committed to our core values of integrity, excellence, and respect for others. Our compensation programs are designed to help us achieve these goals while balancing the long-term interests of our shareholders. Our compensation and benefit programs are based on the following objectives:

- We reinforce a high-performance culture by linking both long- and short-term compensation with individual and company performance while discouraging excessive risk-taking;
- We structure executive compensation packages to include a significant percentage of variable equity awards to ensure executives remain focused on company performance and shareholder returns;
- We reward senior executives for creating value for our stockholders, demonstrating excellence in leadership, and successfully implementing our business strategy;
- We provide market-competitive compensation that reflects the level of job impact and responsibilities and helps us attract and retain high quality executive talent; and
- We structure our compensation and benefit programs to have consistent features for employees and executives across the organization to encourage and reward everyone who contributes to ADM's success.

When designing our executive compensation programs, management and the Compensation/Succession Committee consider shareholder feedback received during our annual say-on-pay vote and regular engagement process.

2019 PERFORMANCE HIGHLIGHTS

In 2019, ADM managed effectively through a difficult operating environment including trade disruptions and unusual weather events in the United States. Despite the external environment, we kept our focus on strong execution, continued improvement efforts, and delivering winning solutions for our customers. Here are some things ADM achieved in 2019:

- We grew the Nutrition segment operating profit by 23% year-over-year.
- We created a global leader in animal nutrition with the addition of Neovia in January 2019 and we are ahead of our synergy targets by the end of 2019.
- We continued to expand our leadership position in fast-growing consumer trend areas, such as alternative proteins.
- We expanded our unparalleled array of products and solutions by adding citrus leaders Florida Chemical and Ziegler, as well as signing a deal to acquire the botanical capabilities of Yerbalatina.
- We crushed record level global oilseeds volumes in 2019 as we capitalized on strong global demand and benefited from other efficiencies and expanded footprint.
- We executed improvements in targeted businesses and the enterprise, including a significant turnaround of our Golden Peanut and Tree Nut subsidiary.
- We turned in a year of record profitability in our refined oils business.
- We met ambitious Readiness goals for the year, including training for 31,000 employees on Ability to Execute.

Although adjusted earnings per share declined from 2018, we delivered adjusted return on invested capital (Adjusted ROIC) over weighted average cost of capital (WACC) and generated positive economic value added. Highlights of our 2019 financial performance include:

- adjusted earnings per share of $3.24;
- trailing four-quarter average adjusted return on invested capital (Adjusted ROIC) of 7.5%, 75 basis points above our 2019 weighted average cost of capital (WACC) of 6.75%;
- Generated positive economic value add of $213 million; and
- Adjusted EBITDA of $3.509 billion.[1]

1 Adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization, adjusted to exclude the impact of certain items) and Adjusted ROIC (return on invested capital, adjusted to exclude the impact of certain items) are financial measures that have not been calculated in accordance with generally accepted accounting principles ("GAAP"). Annex A to this Proxy Statement offers more detailed definitions of these terms, a reconciliation of each to the most directly comparable GAAP financial measure, and related disclosures about the use of these non-GAAP financial measures. In May 2019, our Reserve, Louisiana facility suffered a shipping accident caused by a third party. This accident resulted in property damage and forced us to cease operations at the facility until repairs are completed. We expect to collect reimbursement for our losses, estimated at $27 million for 2019. In calculating Adjusted EBITDA for 2019, the Compensation/Succession Committee chose to recognize this $27 million. This amount will be deducted from any calculation performed in connection with the 2020 annual cash incentive awards so as not to double-count the effects of such adjustment.

We also continued executing the most sweeping portfolio transformation in the 117-year history of the company. Since 2014, we have acquired, invested in, or partnered with approximately 30 companies and divested 11 businesses to expand and focus our product portfolio. We accomplished this transformation while taking billions of dollars in run-rate costs out of the business, including delivering $250 million in accrued net benefits from our Readiness program in 2019. We also have returned $9.5 billion to shareholders since 2014 — with $940 million of that going to shareholders in 2019 alone.

OVERVIEW OF OUR COMPENSATION PROGRAM

Total direct compensation for ADM executives is delivered through a mix of cash and equity awards that emphasize multiple performance factors tied to stockholder value creation over near-, mid- and longer-term time horizons. The three key elements of our compensation program are base salary, annual cash incentive awards, and long-term equity incentive (LTI) awards.

We believe our salaries and performance-based annual cash incentive awards encourage and reward current business results, with a significant emphasis on strategic goals. In contrast, our LTI awards reward sustained performance against critical metrics. Our executive stock ownership guidelines (discussed below under "Compensation Policies and Governance — Executive Stock Ownership"), which require executives to own meaningful amounts of ADM common stock, enhance our executives' interest in attaining sustainable long-term results.

SIGNIFICANT 2019 COMPENSATION ACTIONS

In 2019, we granted a mix of performance stock units (PSUs) and time-based restricted stock units (RSUs) to the NEOs. The PSUs will vest, or not, based on ADM's performance against specific goals over a three-year performance period that will end on December 31, 2021. The RSUs generally will vest on the same day if the recipient remains employed by ADM. For details, see "2019 Compensation Decisions — Equity-Based Long-Term Incentives."

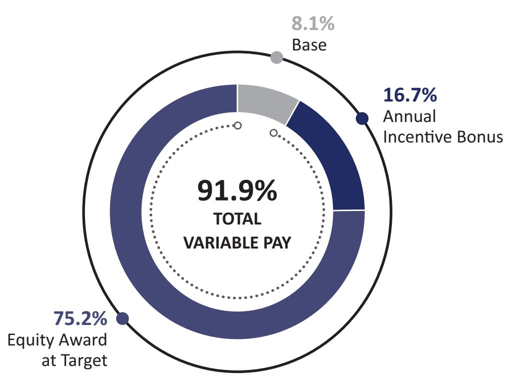
The Compensation/Succession Committee expanded the performance metrics for annual cash incentive awards granted in 2019. In the past, these awards were based solely on Adjusted EBITDA and Adjusted ROIC. Since 2017, we have retained those metrics, but each year we also have added specific and relevant strategic goals in order to drive participant engagement and positive outcomes. Strong results for these strategic goals can have a significant impact on annual bonuses. For details on the three strategic goals prescribed for the 2019 annual bonuses, see "2019 Executive Compensation Decisions — 2019 Annual Cash Incentives."

Base salary increases for four of the NEOs in 2019 ranged from 3% to 7.7%. One NEO's base salary was unchanged. For details, see "2019 Executive Compensation Decisions — Individual Compensation Decisions." None of the NEOs received base salary increases in 2018, and only one (Mr. Luciano) has received a base salary increase in the past three years.

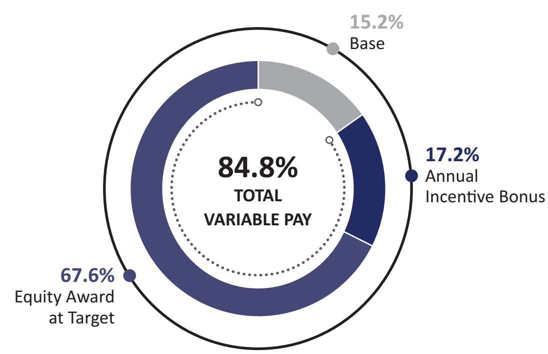
In 2019, the NEOs received, on average, 88% of their total target direct compensation in variable pay, and 71% of their total target direct compensation in equity awards. For these purposes, we consider the base salary paid in 2019, the annual cash incentive earned in 2019 (paid in early 2020), and the target award value of equity (the dollar amount of such awards as approved by the Compensation/Succession Committee) granted early in 2019 for the 2019-2021 performance period.

The charts below present the mix of total target direct compensation awarded or paid to the NEOs in 2019.

AVERAGE CEO PAY MIX



AVERAGE NEO PAY MIX



EXECUTIVE COMPENSATION BEST PRACTICES

We annually review all elements of NEO pay and, where appropriate for our business and talent objectives and our stockholders, may make changes to incorporate and update current best practices. The following table summarizes our current practices.

What We Do	What We Don't Do
✓ **Pay-for-performance:** We tie compensation to performance by setting clear and challenging company financial goals and individual goals and having a majority of target total direct compensation consist of performance-based components.	✗ **No guaranteed base salary increases:** Base salary levels are reviewed every year, but there is no expectation of annual increases.
✓ **Multiple performance metrics:** Payouts of our annual cash incentives and long-term incentives are determined based on the weighted results for several financial performance measures over both the short and the long term to dissuade executives from focusing on particular metrics and disregarding others.	✗ **No dividends paid on unvested performance awards:** We do not pay dividends or credit dividend-equivalents on unvested performance-based awards.
✓ **Aggressive stock ownership and retention requirements:** Our NEOs and directors must comply with rigorous stock ownership and retention requirements, and they may not sell any company securities until those guidelines are satisfied.	✗ **No hedging:** We prohibit NEOs from engaging in hedging transactions with ADM securities.
✓ **Compensation-related risk review:** The Compensation/Succession Committee regularly reviews compensation-related risks, often with the assistance of independent consultants, to confirm that any such risks are not reasonably likely to have a material adverse effect on the company.	✗ **No stock options:** We have not granted stock options since 2016 and do not intend to resume granting them.
✓ **Clawback policy:** The company has a policy to enable us to recover previously paid cash and equity-based incentive compensation from executives in the event of a financial restatement, ethical misconduct, or other specified circumstances.	✗ **No gross up of excise tax payments:** We do not assist executives with taxes owed as a result of their compensation.
✓ **Use of independent compensation consultants:** The Compensation/Succession Committee retains two independent compensation consulting firms — one for customary compensation advice and one for assistance with a risk assessment — that perform no other consulting services for the company and have no conflicts of interest.	✗ **No excessive executive perks:** With the exception of certain benefits provided under our expatriate program, executive perquisites are restricted to executive physicals, company-provided life insurance, and (for the Chairman and CEO) limited personal use of company aircraft.
✓ **Regular review of proxy advisor policies and corporate governance best practices:** The Compensation/Succession Committee regularly considers the perspectives of outside authorities as they relate to our executive compensation programs.	✗ **No excessive pledging:** We prohibit executives from pledging company securities if they have not met stock ownership guidelines, and then we require advance approval of any pledging transaction from our General Counsel.
✓ **Performance-based equity awards:** Half of the NEOs' annual LTI award opportunity is delivered in PSUs that may be earned only if the company achieves prescribed financial goals over a prospective three-year measurement period.	✗ **No employment contracts:** We do not have an employment contract with any executive officer.
✓ **Double trigger requirement:** Equity awards do not automatically vest in the event of a change in control. Instead, we impose a "double trigger" requirement to accelerate vesting.	
✓ **Peer group**: We use the S&P 100 Industrials as a peer group to recognize that ADM has no direct competitor (in terms of size or focus) in the U.S. public markets and we recruit talent from a wide spectrum of organizations and industries.	

ADVISORY "SAY ON PAY" VOTE

At the 2019 Annual Meeting of Stockholders, approximately 86% of the votes in the advisory vote on executive compensation were favorable. The Compensation/Succession Committee believes that this strong level of support, and the similarly strong levels of support shown in prior years, affirms broad stockholder agreement with our pay-for-performance approach to executive compensation. Nevertheless, the committee made several substantive changes in the executive compensation programs for 2020. As more fully discussed below under "Changes to Compensation Plans Beginning in 2020," the annual incentive plan will have a different payout formula, including a metric that reflects five business-critical strategic goals. The long-term incentive plan will replace the Adjusted EBITDA performance metric with a new metric — growth in operating profit in our Nutrition segment — and will use a more focused peer group for the relative TSR metric.

We routinely conduct extensive proactive outreach to significant institutional shareholders to understand and address issues of interest and to foster long-term cooperative relationships. The Compensation/Succession Committee will continue to consider stockholder feedback and the results from advisory votes on executive compensation when approving compensation programs. For more information, see "Stockholder Outreach and Engagement."

How Executive Compensation is Determined

THE ROLE OF THE COMPENSATION/SUCCESSION COMMITTEE

The Compensation/Succession Committee, which is composed solely of independent directors, is responsible for establishing ADM's compensation philosophy and developing and administering compensation policies and programs consistent with this philosophy. When making compensation decisions, the Compensation/Succession Committee considers the company's executive compensation objectives, described below.

Align 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. Our RSU awards typically vest three years from the date of grant. Our PSU awards typically have a three-year performance period and vest only if certain performance goals are achieved.

We also protect our stockholders' interest by including a clawback provision in agreements for long-term incentive awards to enable the company to recover awards if the recipient engages in any of a broad range of prohibited conduct, including violation of post-vesting non-competition and non-solicitation restrictions.

Enable the company 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. As a large, global company engaged in multiple lines of business, our competition for talent — like our competition for business and investment — is broad. The company's compensation program for NEOs delivers a mix of salary, annual cash incentives, and long-term incentives targeted to be market-competitive.

Reflect the company's results*.* Our executive compensation program emphasizes variable, performance-based pay. The Compensation/Succession Committee assesses executive compensation packages in the aggregate, and considers each individual component as well. Base salary is reviewed annually. Annual cash incentives are paid if, and to the extent that, specified corporate goals and individual goals are attained. Performance-based equity compensation is assessed in a similar manner and is designed to reward measurable long-term results.

Internal equity. The Compensation/Succession Committee takes into account internal equity when determining the pay of the CEO and other NEOs. We provide the Committee with data on the compensation of other ADM non-executive employees in other pay grades and/or salary ranges and the Committee reviews such data when setting CEO and NEO pay.

THE ROLE OF THE BOARD

The Board approves the company's business plan, which is one of the factors used to set financial and business objectives for incentive compensation. The independent directors establish and approve all performance criteria for evaluating the Chairman and CEO, annually evaluate the performance of the Chairman and CEO based on these criteria, and ratify his compensation. The board also may provide input and ratification on any additional compensation-related issues at the Compensation/Succession Committee's request. The Board conducts an annual review of the company's performance, which informs the calculation of performance-based incentives and decisions regarding compensation packages generally.

THE ROLE OF THE INDEPENDENT COMPENSATION 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 objective and expert analyses and independent advice on executive and director compensation and other matters in support of the committee's responsibilities. Each Compensation/Succession Committee meeting includes an executive session where the committee meets exclusively with the independent consultant, without company management. Outside of these sessions, the independent consultant interacts with management solely on behalf of the Compensation/Succession Committee.

The Compensation/Succession Committee will only retain consultants that it believes will provide independent advice. The committee has assessed the independence of Pay Governance pursuant to the SEC's and NYSE's rules, and concluded that the work Pay Governance has performed and is expected to perform in the future does not raise any conflict of interest.

THE ROLE OF EXECUTIVES

Our Chairman and CEO assists the Compensation/Succession Committee in determining compensation for the NEOs other than himself. To that end, the Chairman and CEO assesses the performance of each of the other NEOs, both in terms of individual execution and with respect to the functions or business units they oversee. The Chairman and CEO also recommends to the Compensation/Succession Committee, but does not vote on, annual base salary adjustments, individual and group performance factors, and short- and long-term incentive award target levels for the other NEOs.

The company's Senior Vice President of Human Resources oversees all employee compensation and administers our benefits programs under the oversight and direction of the Compensation/Succession Committee. The individual in that role prepares most of the materials for the Compensation/Succession Committee meetings and provides analyses that assist the committee with its decisions, such as summaries of competitive market practices, summaries of the company's succession-planning actions, and reports regarding the company's performance. In addition, throughout the year, the Senior Vice President of Human Resources facilitates meetings with management to help the Compensation/Succession Committee gain a better understanding of company performance, and ensures that the committee receives a rigorous assessment of year-to-date performance at each of its meetings. The company's executives leave meetings during discussions of individual compensation actions affecting them personally and during all executive sessions, unless requested to remain by the Compensation/Succession Committee.

Components of Executive Compensation

The company's executive compensation program is built on a structure that emphasizes both short- and long-term performance. We believe our salaries and performance-based annual cash incentive awards encourage and reward current business results, while our LTI awards reward sustained performance, particularly when coupled with our stock ownership requirements.

When setting compensation levels, the Compensation/Succession Committee refers to data regarding compensation for comparable executives at large public companies with which ADM competes for executive talent. As described in greater detail below under the heading "Peer Group," the Compensation/Succession Committee chose a broad external market peer group in the S&P 100 Industrials in order to capture a wide spectrum of compensation levels. In addition, the Compensation/Succession Committee considers company-wide internal equity when determining pay packages for the NEOs.

The following chart summarizes the direct compensation components and associated objectives of our fixed and performance-based pay for executives in 2019. Although the Compensation/Succession Committee has not adopted a policy for allocating the various elements of total direct compensation, the company places greater emphasis on variable pay for executives with more significant responsibilities because they have a greater capacity to affect the company's performance and results.

Components of Executive Compensation

	Pay Element		Objective	Performance Rewarded
FIXED	Annual	Base Salary	Recognize an individual's role and responsibilities	Reviewed annually and set based on competitiveness versus the external market, individual performance, and internal equity
VARIABLE OR PERFORMANCE BASED	Annual	Annual Cash Incentive	Achieve annual goals measured in terms of financial, strategic, and individual performance linked to creation of stockholder value	Adjusted EBITDA, Adjusted ROIC, Individual Performance Factor, Accretion in Growth Investments, Improvements in Targeted Businesses, Readiness Performance
	Long-Term	Restricted Stock Units ("RSUs") 50%	Align NEOs' interests with stockholders' interests and retain executive talent	Achievement of key drivers of stockholder value as evidenced in our share price
		Performance Share Units ("PSUs") 50%	Align long-term performance with interests of stockholders and retain executive talent	Achievement of key drivers of company performance and stockholder value as evidenced by cumulative Adjusted EBITDA, average Adjusted ROIC, and relative total shareholder return (TSR)

SALARY

The Compensation/Succession Committee sets base salaries based on an executive's position, skills, performance, experience, tenure, and responsibilities. The Compensation/Succession Committee annually assesses the competitiveness of base salary levels relative to salaries within the marketplace for similar executive positions, typically using the market median as a starting point. When assessing any salary adjustments for executives, the Compensation/Succession Committee also considers factors such as changes in responsibilities and corresponding changes in competitive marketplace levels. Base salaries are not expected to change every year. None of the NEOs received base salary increases in 2018, and, until this year, only one (Mr. Luciano) had received a base salary increase in the past three years.

ANNUAL CASH INCENTIVE

We pay an annual cash incentive only if ADM meets specified performance goals. The annual cash incentive program emphasizes company-wide performance objectives to encourage executives to focus on overall company success and leadership to generate the most value across the organization. Our assessment of company performance is directly tied to stockholder expectations: we require meaningful results for forward-looking metrics before any awards may be earned.

The 2019 annual cash incentive program was based on two key measures of financial performance — Adjusted EBITDA and Adjusted ROIC relative to annual WACC — with final awards also reflecting the Compensation/Succession Committee's informed judgment regarding individual performance, accretion in growth investments, improvements in targeted businesses, and Readiness performance. Cash incentive awards for 2019 were paid in the first quarter of 2020.

LTI AWARDS

Our long-term equity awards are based on company and market factors, including relative total stockholder return and achievement of financial milestones. The LTI awards granted in 2019 are part performance-based and part time-based, with an equal mix of PSUs and RSUs, to ensure that NEOs' interests are aligned with the interests of our stockholders. LTI awards were granted to the NEOs in February 2019.

2019 Executive Compensation Decisions

INDIVIDUAL COMPENSATION DECISIONS

The following tables summarize compensation decisions made by the Compensation/Succession Committee with respect to each of the NEOs for 2019. Details regarding the specific compensation elements and related payouts follow the individual summaries.

The award values shown below for LTI grants represent the dollar amount of such awards, at target, as approved by the Compensation/Succession Committee. These amounts differ from the grant date fair values of such awards as shown in the Grants of Plan-Based Awards Table and the Summary Compensation Table for two reasons: There is a lag between the equity award approval date and the grant date, and the valuation methodology the Compensation/Succession Committee uses in making its decisions differs from the valuation methodology required by the SEC for the compensation tables.

MR. LUCIANO
Chairman and CEO

Base salary	Increased from $1,300,008 to $1,400,004
Target annual cash incentive	200% of base salary, or $2,800,000
Actual annual cash incentive	$2,898,000, or 207% of base salary
Long-term incentives	$13,000,000, divided equally between PSUs and RSUs

Significant accomplishments:

- Executed key elements of our strategy, including Readiness efforts focused on continued process improvements across the organization, including significant progress with 1ADM.
- Optimized the organizational structure to drive effectiveness and customer experience.
- Drove continued transformation of the business portfolio by executing key M&A plans while divesting non-strategic assets.
- Continued year-over-year safety improvements and advanced our Corporate Responsibility and Sustainability efforts, including advancement against our Diversity and Inclusion goals.

MR. YOUNG
Executive Vice President and CFO

Base salary	Increased from $825,048 to $850,008
Target annual cash incentive	132% of base salary, or $1,125,000
Actual annual cash incentive	$1,164,375, or approximately 137% of base salary
Long-term incentives	$4,500,000, divided equally between PSUs and RSUs

Significant accomplishments:

- Executed balanced capital allocation framework, which included funding significant acquisitions closed in 2019, while maintaining a solid balance sheet.
- Implemented strong cost controls on corporate staff with continued advancement on centralization, simplification and process improvements initiatives, including 1ADM.
- Led the corporate/enterprise workstream in Readiness, exceeding the targeted benefits.
- Executive champion of targeted business improvements and supported enterprise intervention actions to help mitigate headwinds experienced in the year.

MR. MACCIOCCHI
Senior Vice President, President, Nutrition, and Chief Sales and Marketing Officer

Base salary	Increased from $640,008 to $675,000
Target annual cash incentive	100% of base salary, or $675,000
Actual annual cash incentive	$664,875, or 98.5% of base salary
Long-term incentives	$2,800,000, divided equally between PSUs and RSUs

Significant accomplishments:

- Achieved 50% revenue growth and 23% adjusted operating profit growth, demonstrating our unparalleled value proposition to our customers; built a robust pipeline for future customer wins.
- Closed on Neovia, creating a global animal nutrition business; integration completed and synergy opportunities ahead of schedule.
- Expanded our production footprint with the opening of two animal nutrition centers in Decatur, IL and in Hoa Mac, Vietnam; also expanded our Beijing, China flavor facility.
- Enhanced our capabilities with two citrus company acquisitions, Florida Chemical Company and Ziegler; signed a deal to acquire Yerbalitina, a leader in botanical extracts; expanded our position in plant-based proteins with a partnership with Marfrig, a Brazilian leader in protein; and commissioned ADM's new pea protein facility.

MR. MORRIS
Senior Vice President and President, Agricultural Services and Oilseeds

Base salary	Increased from $650,004 to $675,000
Target annual cash incentive	100% of base salary, or $675,000
Actual annual cash incentive	$664,875, or 98.5% of base salary
Long-term incentives	$2,800,000, divided equally between PSUs and RSUs

Significant accomplishments:

- Consolidated the Origination business unit and Oilseeds business unit to create Ag Services and Oilseeds to drive synergy opportunities, and implemented harmonized risk management approach on the combined businesses.
- Continued to simplify our business model and drive ROIC by deploying technology tools focused on margin expansion, expanding services to our suppliers and customers, extending our destination marketing capabilities and driving capital reduction of $300 million by monetizing non-core assets.
- Achieved record level performance in Refined Products and Other, including biodiesel and Golden Peanut and Tree Nut.
- Drove our Diversity and Inclusion goals.

MR. TAETS
Senior Vice President and President, Global Business Readiness and Global Procurement

Base salary	Unchanged at $700,008
Target annual cash incentive	100% of base salary, or $700,000
Actual annual cash incentive	$794,500, or 113.5% of base salary
Long-term incentives	$2,800,000, divided equally between PSUs and RSUs

Significant accomplishments:

- Spearheaded our Readiness program and delivered $250 million in accrued net benefits from 435 completed projects; trained 31,000 employees on Ability to Execute.
- Achieved significant progress towards attaining our 2020 Readiness goal of $1.2 billion of run rate benefits.
- Globalized and centralized global procurement to drive cost savings and efficiency in the organization.
- Established and implemented strong processes for services procurement, travel & entertainment procurement and capital equipment procurement, allowing for significant savings in 2019 and beyond.

2019 ANNUAL CASH INCENTIVES

The annual cash incentive program aligns rewards with business results measured against specific strategic goals. At the start of each fiscal year, the Compensation/Succession Committee approves target annual cash incentive levels, expressed as a percentage of salary, for each NEO. Actual awards paid are based on both company performance (75% weight) and individual and business unit performance (25% weight).

Company Performance Components and Bonus Pool Funding

The size of the bonus pool is determined by ADM's Adjusted EBITDA, our results on a set of strategic initiatives, and the relationship between our return on invested capital (ROIC) and our weighted average cost of capital (WACC).[2]

Adjusted EBITDA

As a threshold matter, Adjusted EBITDA must exceed $1.4 billion — the cash flows required to fund dividends and interest for the year. If Adjusted EBITDA for 2019 had been less than $1.4 billion, ADM would not have paid any annual incentives to the NEOs. If Adjusted EBITDA for 2019 had been between $1.4 billion and $3.31 billion, the Compensation/Succession Committee would have had discretion to determine whether to fund the bonus pool, and by how much.

Any surplus amount of Adjusted EBITDA above $1.4 billion ("Surplus Adjusted EBITDA") is multiplied by a factor ranging from 1.1% to 3.5%, as shown below, to create the initial bonus pool.

Surplus Adjusted EBITDA (Adjusted EBITDA less $1.4 billion)	**Percentage of Surplus Adjusted EBITDA to fund the bonus pool**
$3.1B & Above	3.5%
$2.9B - $3.09B	3.1%
$2.7B - $2.89B	2.6%
$2.5B - $2.69B	2.3%
$2.3B - $2.49B	1.8%
$2.1B - $2.29B	1.5%
$1.91B - $2.09B	1.1%

Strategic Initiatives

The initial funding amount determined by Adjusted EBITDA results may be adjusted upward based on the company's achievements for three equally-weighted strategic goals:

Harvest Growth Investments. ADM must realize an increase in year-on-year operating profit from a specific list of recent acquisitions and major projects.[3]

Improve. ADM must realize operating profit improvements in key target businesses.[4]

Readiness. Readiness is a re-invention of our business from the bottom up. It provides a structure for ongoing continuous improvement that will give us the tools to deliver an excellent customer experience at the lowest cost. Readiness incorporates digitization, automation, and simplification into our day-to-day operations, and is best reflected by run-rate benefits and accrued in-year benefits.

The targets for each of these goals, and the increases in bonus pool funding that would result from reaching those targets, are shown below. "Level 1" targets are the most ambitious, and "Level 3" targets are what we consider threshold performance. If results are below the Level 3 target

2 Adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization, adjusted to exclude the impact of certain items) and Adjusted ROIC (return on invested capital, adjusted to exclude the impact of certain items) are financial measures that have not been calculated in accordance with generally accepted accounting principles ("GAAP"), and are referred to as non-GAAP financial measures. Annex A to this Proxy Statement provides more detailed definitions of these terms, a reconciliation of each to the most directly comparable GAAP financial measure, and related disclosures about the use of these non-GAAP financial measures.

3 The businesses in this calculation include Neovia, Protexin, Crosswind, Harvest Innovations, Eatem, Rodelle, our China premix facilities, Algar Agro, Eaststarch Turkey expansion, Aston Foods, Enid flour mill, and NA Fertilizer distribution.

4 For 2019, these businesses include Amino Acids, Campo Grande, Tianjin Fibersol, Polyols, Decatur Nutrition, Corn Milling – Asia, GPTN, AOR, El Transito, Romania, and Indonesia.

for any strategic goal, there will be no adjustment to the bonus pool funding attributable to that goal. Conversely, if we attain Level 1 targets for all three strategic goals, the bonus pool will be funded with an additional 1.35% of Surplus Adjusted EBITDA, or a maximum of 4.85% total.

Strategic goal	Level 3	Extra funding	Level 2	Extra funding	Level 1	Extra funding
Harvest Growth Investments (operating profit)	$70 million	0.15%	$85 million	0.3%	$100 million	0.45%
Improve (operating profit)	$70 million	0.15%	$85 million	0.3%	$100 million	0.45%
Readiness (Gross benefits) (each component weighted 50%)	Accrued in-year benefits: $475 million Run-rate benefits: $790 million	0.15%	Accrued in-year benefits: $580 million Run-rate benefits: $960 million	0.3%	Accrued in-year benefits: $682 million Run-rate benefits: $1.13 billion	0.45%

ROIC/WACC Multiplier

ROIC measures how effectively we are using invested capital. Comparing Adjusted ROIC against WACC tells us if our invested capital is being used effectively to create value for our shareholders.

As the last step in our bonus pool funding calculation, we consider whether ROIC exceeds WACC (which means we used invested capital very effectively during the year), or whether ROIC is even with or lags WACC. That review leads to a multiplier. In essence, the multiplier boosts the size of the bonus pool in years that our return on capital exceeds our cost of capital, and reduces the size of the bonus pool if the inverse is true.

In 2019, WACC was 6.75%. The ROIC/WACC multiplier is determined as follows:

ROIC	Multiplier*	Effect of multiplier on bonus pool funding
8.75%	1.1	10% increase
6.75% (equal to Annual WACC)	1.0	No change
4.75%	.9	10% decrease

* For ROIC results between specific goals, the multiplier will be determined by linear interpolation.

2019 Bonus Pool Calculation

For 2019, ADM attained the results shown below, leading to a bonus pool of $52.5 million.

Adjusted EBITDA: $3.509 billion.

Surplus Adjusted EBITDA: $2.109 billion

Initial funding percentage: 1.5%

Harvest Growth Investments: $42 million

Improvements in Targeted Businesses: $148 million

Gross Cumulative Accrued Benefits: $746 million

Gross Run-Rate Benefits: $1.26 billion

Final funding percentage: 2.4%

$2.109 billion (Surplus Adjusted EBITDA) x 2.4% (funding percentage) = $50.62 million

Adjusted ROIC: 7.5%

ROIC/WACC multiplier: 1.0375

$50.62 million x 1.0375 multiplier = $52.5 million bonus pool

Individual Performance Components

Individual performance determines 25% of the annual cash bonus.

Our leaders are responsible for driving performance company-wide; their respective individual performance ratings are a result of their performance against goals for the year, including goals for the business units they run. The target individual performance percentage is 25%. However, for any NEO, the Compensation/Succession Committee has discretion to adjust this target percentage by +/- 5% increments based on the committee's assessment of the NEO's performance and contribution to the company's success. As a result, individual payouts can range from 0% to 50%.

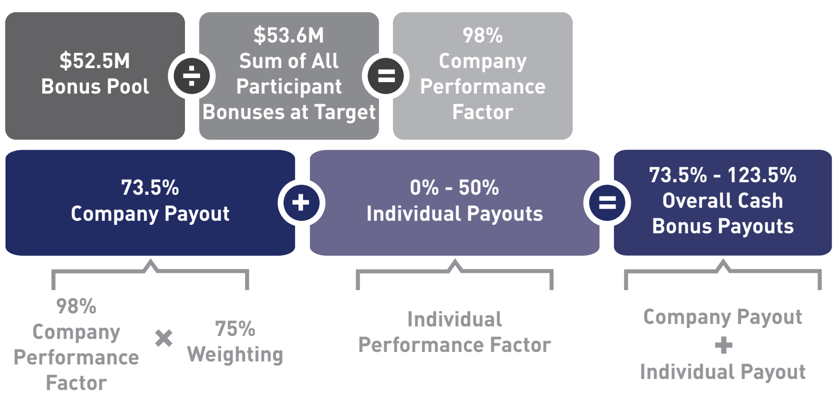
Based on business results, the economic environment for 2019 performance, and the individual achievements summarized above under "Individual Compensation Decisions," the Compensation/Succession Committee elected to award the following individual performance percentages to the NEOs:

Mr. Luciano	30%
Mr. Young	30%
Mr. Macciocchi	25%
Mr. Morris	25%
Mr. Taets	40%

The Compensation/Succession Committee considered the full board's assessment of the Chairman and CEO's performance and full company performance when approving Mr. Luciano's individual performance percentage.

Calculation of Award Amounts

The formula used to calculate an annual cash incentive payout for the NEOs can be expressed as follows:



The Resulting Annual Cash Incentive for Each NEO

Based on the determination of the company and individual performance factors as described above, the NEOs received the payouts set forth below.

Executive	Target Cash Incentive Opportunity (% of Salary)	Target Cash Incentive Opportunity ($)	Cash Bonus Payout Percentage	Actual FY2019 Cash Award
J. R. Luciano	200%	$2,800,000	103.5%	$2,898,000
R. G. Young	132%	$1,125,000	103.5%	$1,164,375
V. F. Macciocchi	100%	$675,000	98.5%	$664,875
G. A. Morris	100%	$675,000	98.5%	$664,875
J. D. Taets	100%	$700,000	113.5%	$794,500

EQUITY-BASED LONG-TERM INCENTIVES

ADM's LTI program aligns the interests of executives with those of our stockholders by rewarding the creation of long-term stockholder value, supporting stock ownership, and encouraging long-term service with the company. Our performance-based LTI awards are based on the results of forward-looking metrics measured over a three-year performance period. In 2019, we divided LTI awards equally between performance share units (PSUs) and restricted stock units (RSUs) with three-year vesting. We believe this forward-looking LTI program aligns our equity compensation with market practice and strengthens our executives' focus on growth and future value creation for shareholders.

The February 2019 grants in the target amounts approved by the Compensation/Succession Committee are shown below. The listed values represent the dollar amount of such awards, at target, as approved by the Compensation/Succession Committee. These amounts differ from the grant date fair values of such awards as shown in the Grants of Plan-Based Awards Table and the Summary Compensation Table for two reasons: There is a lag between the equity award approval date and the grant date, and the valuation methodology the Compensation/Succession Committee uses in making its decisions differs from the valuation methodology required by the SEC for the compensation tables.

Executive	Target Equity Award
J. R. Luciano	$13,000,000
R. G. Young	$4,500,000
V. F. Macciocchi	$2,800,000
G. A. Morris	$2,800,000
J. D. Taets	$2,800,000

The terms of these equity awards are described below.

PSU Vesting

PSUs will vest in three years upon the Compensation/Succession Committee's determination of the company's achievements, if any, against certain performance goals over a three-year performance period (2019–2021). Payouts can range from 0% to 200%, and the value of those payouts will depend upon the price of ADM's common stock at the end of the performance period. Vested PSUs will be settled in shares of ADM common stock in an amount based on fair market value.

PSU Performance Metrics

The performance metrics for the 2019 PSU awards are:

- Relative TSR as compared to the other companies in the S&P 100 Industrials Index,
- Average Adjusted ROIC over the three-year performance period,[5] and
- Adjusted EBITDA for the three-year performance period.[6]

ROIC and EBITDA both appear as metrics in both our short- and long-term incentive compensation plans, but they serve different purposes and have different weights in the two plans. For example, one-year Adjusted ROIC demonstrates our short-term performance, while three-year Average Adjusted ROIC better reflects long-term results with an emphasis on growth and consistent return of our capital investments over time. Adjusted ROIC has a more significant influence on long-term PSUs than it does on annual bonuses, which are influenced more by results on strategic goals.

The goals and associated payouts for these metrics are shown below. If results for any metric fall between specific goals, the associated payout will be determined by linear interpolation.

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5 "Adjusted ROIC" for the performance period means the average of the annual percentage obtained by dividing the Adjusted ROIC Earnings for each fiscal year during the Performance Period by Adjusted Invested Capital for the same fiscal year. For this purpose, Adjusted Invested Capital is the average of quarter-end amounts for the trailing four quarters, with each such quarter-end amount being equal to the sum of ADM's stockholders' equity (excluding non-controlling interests), interest-bearing liabilities, the after-tax effect of the LIFO reserve, and other specified adjustments as determined by the Compensation/Succession Committee to be appropriate.

6 "Adjusted EBITDA" means ADM's cumulative EBITDA for the performance period, adjusted for special items determined by the Compensation/Succession Committee, in its sole discretion, to be appropriate in order to reflect the impact of significant unusual or nonrecurring events.

Performance metric	Weighting	No payout	50% payout	75% payout	100% payout	150% payout	175% payout	200% payout
Adjusted ROIC	25%	Below 6.5%	6.5%	n/a	7.0%	7.5%	8.0%	8.5%
Adjusted EBITDA	50%	Below $9.0 billion	$9.0 billion	n/a	$10.0 billion	$10.75 billion	n/a	$11.25 billion
Relative TSR	25%	Below 30th percentile	30th percentile	Between 30th percentile and median	Median	Between median and top quartile	n/a	Top quartile

Regardless of the results on these metrics, the PSUs will not pay out at all if the company's cumulative Adjusted EBITDA for the performance period does not reach $7.0 billion. In addition, in establishing and measuring achievements against the goals shown above, the Compensation/Succession Committee retains discretion to make changes to reflect "material portfolio adjustments," which are events that are unusual and infrequent, like significant acquisitions and divestitures.

RSU Vesting

Except in cases that trigger accelerated vesting (described below), RSUs vest three years after the grant date so long as the recipient is still employed by the company. During the vesting period, participants are paid dividend equivalents on their unvested RSUs. Vested RSUs will be settled in shares of ADM common stock at fair market value.

Conditions Leading to Accelerated Vesting

RSUs and PSUs will continue to vest as scheduled if an executive leaves the company because of disability or retirement (at age 55 or older with 10 or more years of service, or 65 years of age). Upon the death of an executive, the executive's RSUs will vest immediately. The executive's PSUs will vest in an amount equal to: (i) the number of PSUs determined by the Compensation/Succession Committee actually earned during the truncated performance period, plus (ii) the target number of PSUs multiplied by a fraction, the numerator of which is the number of fiscal years in the original performance period that were not included in the truncated performance period, and the denominator of which is three. A detailed description of change in control provisions that may lead to accelerated vesting appears under the header "Employment Agreements, Severance, and Change in Control Benefits" below.

Equity Awards Granted in 2017 with a Performance Period that Ended in 2020

In 2017, ADM granted PSUs to our then-NEOs with a three-year performance period that ended December 31, 2019. The 2017 PSUs contained an initial performance metric requiring our cumulative adjusted EBITDA for the performance period to reach $10.5 billion before any awards could vest. We did not achieve the threshold EBITDA amount, so none of the 2017 PSUs were earned. All of the RSUs granted in 2017 vested on February 16, 2020.

Peer Group

The Compensation/Succession Committee utilizes the S&P 100 Industrial Index as a peer group to evaluate whether executive officer pay levels are aligned with performance on a relative basis and to assess relative total stockholder return for the PSUs. We believe the large peer group is relevant for ADM because we compete for talent and investments across a wide range of industries. Moreover, our diverse business encompasses aspects of several industries; we do not have a direct competitor — in terms of size or focus — in the public markets. As a result, the Compensation/Succession Committee believes it is appropriate to consider a broad spectrum of compensation levels and investment returns to arrive at our NEO compensation.

Company Name
3M Company
Abbott Laboratories
AbbVie Inc.
Accenture plc
Alphabet Inc.*
Amazon.com, Inc.
American Airlines Group Inc.
American Express Company
American International Group, Inc.
AmerisourceBergen Corporation
Anthem, Inc.
Apple Inc.
Archer-Daniels-Midland Company
AT&T Inc.
Bank of America Corporation
Berkshire Hathaway Inc.
Best Buy Co., Inc.
Cardinal Health, Inc.
Caterpillar Inc.
Centene Corporation
Charter Communications, Inc.
Chevron Corporation
Chubb Limited
Cigna Corporation
Cisco Systems, Inc.
Citigroup Inc.
Comcast Corporation
ConocoPhillips
Costco Wholesale Corporation
CVS Health Corporation
Deere & Company
Delta Air Lines, Inc.
Dollar General Corporation
Dow, Inc
DuPont de Nemours, Inc
Exelon Corporation
Exxon Mobil Corporation
Facebook, Inc.
FedEx Corporation
Ford Motor Company
General Dynamics Corporation
General Electric Company
General Motors Company
HCA Healthcare, Inc.
Hewlett Packard Enterprise Company
Honeywell International Inc.
HP Inc.
Humana Inc.
Intel Corporation
International Business Machines Corporation

Company Name
Johnson & Johnson
JPMorgan Chase & Co.
Linde plc
Lockheed Martin Corporation
Lowe’s Companies, Inc.
LyondellBasell Industries N.V.
Marathon Petroleum Corporation
McKesson Corporation
Medtronic plc
Merck & Co., Inc.
MetLife, Inc.
Microsoft Corporation
Morgan Stanley
NIKE, Inc.
Northrop Grumman Corporation
Oracle Corporation
PACCAR Inc
Pepsico, Inc.
Pfizer Inc.
Philip Morris International Inc.
Phillips 66
Prudential Financial, Inc.
Raytheon Company
Schlumberger Limited
Starbucks Corporation
Sysco Corporation
T-Mobile US, Inc
Target Corporation
The Allstate Corporation
The Boeing Company
The Coca-Cola Company
The Goldman Sachs Group, Inc.
The Home Depot, Inc.
The Kroger Co.
The Procter & Gamble Company
The Progressive Corporation
The TJX Companies, Inc.
The Travelers Companies, Inc.
The Walt Disney Company
Tyson Foods, Inc.
United Airlines Holding, Inc
United Parcel Service, Inc.
United Technologies Corporation
UnitedHealth Group Incorporated
Valero Energy Corporation
Verizon Communications Inc.
Walgreens Boots Alliance, Inc.
Wal-Mart Stores, Inc.
WellCare Health Plans, Inc
Wells Fargo & Company

Changes to Incentive Compensation Plans Beginning in 2020

The Compensation/Succession Committee made changes to the short-term and long-term incentive compensation plans for performance periods beginning in 2020. Some of these changes were designed to emphasize our focus on the Nutrition segment of our business. Other changes were made to simplify our incentive plans.

For instance, changes to the 2020 annual cash incentive bonus include no separate calculation for bonus pool funding and that the company portion of the payout is based on results for Adjusted EBITDA, five strategic goals, and Adjusted ROIC. Changes to the 2020 PSU includes increasing the Adjusted ROIC metric to 50%, introducing a new 50% metric of operating profit growth in the Nutrition segment, and using Relative TSR modifier as a +/- 10%. The Committee expects to consider the effect of a global pandemic and other economic and environmental pressures negatively impacting results.

Benefits

In addition to the direct elements of pay described above, ADM offers benefits to our NEOs to provide for basic health, welfare, and income security needs and to ensure that our compensation packages are competitive. With few exceptions, such as supplemental benefits provided to employees whose benefits under broad-based plans are limited under applicable tax laws, our policy is to offer the same benefits to all U.S. salaried employees as are offered to the NEOs.

Retirement Program	Eligibility	Description
401(k) and ESOP	All salaried employees	Qualified defined contribution plan where employees may defer up to 75% of eligible pay, or up to $19,000 for 2019. The company provides a 1% non-elective employer contribution and a match of 4% on the first 6% contributed by an employee. The employee contribution can be made pre-tax (401(k)) or after-tax (Roth 401(k)). Employees also may defer traditional after-tax contributions into the plan for a total $55,750 savings opportunity including all contribution types (pre-tax, Roth, and after tax) plus any ADM matching and 1% non-elective contributions. Employees who are 50 years of age or older can elect to make additional contributions of up to $6,000 for 2019.
ADM Retirement Plan	All salaried employees	Newly-hired eligible employees and those who had less than 5 years of service as of January 1, 2009, participate in a qualified cash balance pension formula where the benefit is based on an accrual of benefit at a stated percentage of the participant's base compensation each year. Those employees who had 5 or more years of service as of January 1, 2009, participate in a qualified traditional defined benefit formula where the benefit is based on number of years of service and final average earnings. (Final average earnings is the average of monthly compensation over a 60 consecutive month period within the employee's last 180-month period of employment that produces the highest average.) Effective January 1, 2022, participants in the traditional defined benefit pension will begin to accrue benefits under the cash balance pension formula.
Deferred Compensation Plan	Employees with salaries above $175,000	Eligible participants may defer up to 75% of their annual base salary and up to 100% of their annual cash incentive until designated future dates. Earning credits are added to the deferred compensation account balances based upon hypothetical investment elections available under these plans and chosen by the participant. These hypothetical investment options correspond with the investment options (other than company common stock) available under the 401(k) and ESOP.
Supplemental Retirement Plan	Employees whose retirement benefit is limited by applicable IRS limits	Non-qualified deferred compensation plan that ensures participants in the Retirement Plan receive the same retirement benefit they would have received if not for certain limitations under applicable tax law.

Healthcare and Other Benefits. NEOs receive the same healthcare benefits as other employees, except that we provide executive physicals and related services to our senior executives who serve on the Executive Council. We provide a benefits package for employees (including NEOs) and their dependents, portions of which may be paid for by the employee. Benefits include life, accidental death and dismemberment, health (including prescription drug), dental, vision, and disability insurance; dependent and healthcare reimbursement accounts; tuition reimbursement; paid time off; holidays; and a matching gifts program for charitable contributions.

Perquisites. Consistent with our pay-for-performance philosophy, we limit executive perquisites. Any NEO who receives a perquisite is individually responsible for any associated taxes.

The Compensation/Succession Committee allows our Chairman and CEO to have access to company aircraft for personal use for security and efficiency reasons. See the notes to the Summary Compensation Table for a description of other perquisites provided to the NEOs.

Compensation Policies and Governance

EXECUTIVE STOCK OWNERSHIP

The Board of Directors believes it is important for each member of senior management to maintain a significant ownership position in shares of ADM's common stock to further align their interests with the interests of our stockholders. Accordingly, we require each member of senior management to own shares of common stock with a fair market value ranging from one to six times the individual's base salary. Executives may not sell any company securities until the applicable guideline is met. As shown below, each of our NEOs exceeds the applicable ownership guideline by a comfortable margin.

Executive	Ownership Guideline as a Multiple of Salary	Actual Ownership as of March 16, 2020
J. R. Luciano	6.0x	23.6x
R. G. Young	3.0x	15.4x
V. F. Macciocchi	3.0x	7.4x
G. A. Morris	3.0x	9.0x
J. D. Taets	3.0x	10.3x

TIMING OF GRANTS

The Compensation/Succession Committee approves all equity awards to NEOs at a meeting during the first quarter of each fiscal year, and awards are issued promptly thereafter. There is no attempt to time these grants in relation to the release of material, non-public information. Under the 2009 Incentive Compensation Plan, fair market value is the closing market price of ADM's common stock on the last trading day prior to the date of grant. In addition to annual awards, NEOs may receive awards when they join the company or change their job status, including promotions.

CLAWBACK PROVISIONS

We include clawback provisions in the company's long-term incentive award agreements that provide us with the ability to recover this compensation for a broad range of reasons. Specifically, this policy provides for the recoupment of any cash or equity incentive awards made to NEOs and certain other members of senior management for a period of three years from the vesting date in the event of a financial restatement or ethical misconduct. In 2015 and in 2017, we added language to our equity awards to incorporate post-vesting non-competition and non-solicitation restrictions. Any violation of these provisions could be cause for the company to initiate a clawback proceeding. Our aggressive approach to recoupment of long-term incentive compensation reflects the company's commitment to protecting stockholder value.

PROHIBITION ON INSIDER TRADING AND HEDGING

Pursuant to ADM's Insider Trading Policy, employees and directors may not engage in short selling, speculative trading, or hedging transactions involving the company's stock, including writing or trading in options, warrants, puts and calls, prepaid variable forward contracts, or equity swaps or collars; or enter into other transactions that are designed to hedge or offset decreases in the price of the company's securities. In addition, employees and directors are required to review any pledge of company securities with ADM's General Counsel before committing to a pledge transaction.

Our Insider Trading Policy also provides that all transactions in ADM securities by directors, NEOs, and certain other officers and employees must be pre-cleared by the law department.

SECTION 162(M) OF THE INTERNAL REVENUE CODE EFFECTS ON THE COMPANY

Section 162(m) of the Internal Revenue Code precludes the company from taking a federal income tax deduction for compensation paid in excess of $1 million to our "covered employees" (which, as of 2018, includes the CEO, CFO, and our three other most highly compensated executive officers). Prior to 2018, this deduction limitation did not apply to qualified "performance-based" compensation or to the compensation of a CFO.

Despite these new limits on the deductibility of performance-based compensation, the Compensation/Succession Committee continues to believe that a significant portion of our executives' compensation should be tied to the company's performance and that shareholder interests are best served if its discretion and flexibility in structuring and awarding compensation is not restricted. The Compensation/ Succession Committee also believes that the amount of any expected loss of a tax deduction under Section 162(m) will be insignificant to the company's overall tax position. Therefore, we do not anticipate that the changes to Section 162(m) will significantly impact the design of our compensation program going forward.

EVALUATION OF RISK IN OUR COMPENSATION PROGRAMS

On an ongoing basis, the Compensation/Succession Committee, with input from management, assesses potential risks associated with compensation decisions and discusses them with our board of directors if warranted. To date, we have not identified any incentive compensation features that encourage inappropriate risk-taking. To ensure we are considering all possibilities objectively, we engage an outside consultant every other year to review the company's programs and independently assess the risk in them.

In 2019, the company engaged an outside consultant, The Korn Ferry Hay Group ("Hay"), to assist the Compensation/Succession Committee in evaluating the risk in our compensation programs. As part of its independent assessment, Hay reviewed all of the company's incentive compensation programs and determined that none encourages inappropriate risk-taking or the manipulation of earnings. The detailed findings of this review were discussed with management and presented to the Compensation/Succession Committee in November 2019.

Another independent review of the company's incentive programs will be conducted during 2021 and reported to the Compensation/ Succession Committee.

LIABILITIES ASSOCIATED WITH RETIREMENT PROGRAMS

The Compensation/Succession Committee is mindful that our non-qualified deferred compensation and supplemental retirement plans create financial statement liabilities. We generally do not set amounts aside in a "rabbi" trust for the benefit of participants in these plans. However, the deferred compensation plans have "rabbi" trust funding triggers in the event of a change in control of the company. These triggers provide some measure of assurance to employees that amounts they have chosen to defer from their current compensation will be held for their benefit, although still subject to creditor claims as required under the applicable tax law.

The company is required to fund its qualified pension plans in a manner consistent with the minimum funding requirements of the Internal Revenue Code and the Employee Retirement Income Security Act. Historically, the company has made contributions in excess of the minimum to maintain plans at or near a full funding level relative to the accrued benefit obligation.

Employment Agreements, Severance, and Change in Control Benefits

NO EMPLOYMENT CONTRACTS

None of our NEOs has an employment contract or separation agreement. Consistent with our approach of rewarding performance, employment is not guaranteed, and either ADM or any NEO may terminate the employment relationship at any time.

ADM maintains a severance program that serves as a guideline for severance benefits that may be provided to various levels of employees, including the NEOs, upon termination of their employment without cause, but the program does not give anyone a contractual right to receive any severance benefits. The Compensation/Succession Committee generally requires a terminated employee to enter into a non-competition and/or non-solicitation agreement in exchange for receiving severance.

CHANGE IN CONTROL PROVISIONS

Upon a change in control of the company, NEOs may receive certain protections related to their LTI awards (as described below), and other compensation detailed in the sections titled "Pension Benefits," "Nonqualified Deferred Compensation," and "Termination of Employment and Change in Control Arrangements." NEOs are not eligible to receive any other cash severance, continued health and welfare benefits, tax gross ups, or other change in control benefits.

The Archer-Daniels-Midland Company 2009 Incentive Compensation Plan provides non-employee directors and all employees, including executive officers, change in control protections for their LTI awards. For awards granted in 2017 and later, if a change in control occurs with respect to the company, the RSUs held by executive officers generally will vest immediately, and the PSUs will vest on a modified pro rata basis, if the equity award is not assumed or replaced. The same accelerated vesting provisions will apply if an award is assumed or replaced, but the executive officer's employment is terminated for reasons other than for cause or good reason within 24 months of the change in control (referred to as "double trigger" vesting). We adopted double trigger accelerated vesting to provide our executives with some assurance that they will not be disadvantaged with respect to their equity awards in the event of a change in control of the company. This assurance increases the value of these awards to the executives (which in turn enhances retention) and makes it easier for our executives to focus on the potential benefits of a change in control for our shareholders without conflicting concerns about their own financial situations.

COMPENSATION/SUCCESSION COMMITTEE REPORT

The Compensation/Succession Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based upon this review and discussion, the Compensation/Succession Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

K. R. Westbrook, Chairman
M. S. Burke
S. F. Harrison

COMPENSATION/SUCCESSION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the members of the Compensation/Succession Committee is or has been an employee of the company or any of the company's subsidiaries. There are no interlocking relationships between the company and other entities that might affect the determination of the compensation of the company's executive officers.

Executive Compensation

SUMMARY COMPENSATION TABLE

The following table summarizes the compensation for the fiscal years noted in the table of our named executive officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(4)	All Other Compensation ($)(5)	Total ($)
J. R. LUCIANO Chairman, CEO and President	2019	1,383,338	—	13,641,916	—	2,898,000	93,298	123,869	18,140,421
	2018	1,300,008	—	13,204,353	—	5,020,600	33,918	78,655	19,637,534
	2017	1,300,008	—	12,166,416	—	2,251,600	76,179	80,852	15,875,055
R. G. YOUNG Executive Vice President and CFO	2019	845,848	—	4,722,182	—	1,164,375	61,783	30,879	6,825,067
	2018	825,048		4,456,512	—	2,172,375	19,233	24,204	7,497,372
	2017	825,048	—	4,153,349	—	921,856	53,260	25,454	5,978,967
V. F. MACCIOCCHI Senior Vice President, President, Nutrition, and Chief Sales and Marketing Officer(6)	2019	669,168	—	2,938,269	—	664,875	29,335	23,071	4,324,718
G. A. MORRIS Senior Vice President and President, Ag Services and Oilseeds	2019	670,834	—	2,938,269	—	664,875	818,206	26,145	5,118,329
	2018	650,004	—	3,081,073	—	1,255,150	27,574	21,082	5,034,883
	2017	650,004	—	2,327,537	—	530,400	393,998	21,132	3,923,071
J. D. TAETS Senior Vice President and President, Global Business Readiness and Global Procurement	2019	701,804	—	2,938,269	—	794,500	857,911	23,478	5,315,962
	2018	700,008	—	3,081,073	—	1,351,700	(194,918)	1,654,244	6,592,107
	2017	700,008	—	2,962,263	—	571,200	561,951	27,743	4,823,165

(1) Stock awards in 2019 consisted of RSU awards and PSU awards. The amounts reported in this column represent the aggregate grant date fair value of the RSU awards for fiscal years 2019, 2018, and 2017 and of the target level of the PSU awards for fiscal years 2018 and 2019. We calculated these amounts in accordance with the provisions of FASB ASC Topic 718 utilizing the assumptions discussed in Note 11 to our financial statements for the fiscal years ended December 31, 2019, December 31, 2018, and December 31, 2017. The grant date fair value of the 2019 RSUs and the grant date fair value of the 2019 PSUs if target performance and maximum performance is achieved are as follows:

		PSUs	
Name	RSUs	Target	Maximum
J. R. Luciano	$6,907,299	$6,734,617	$13,469,233
R. G. Young	$2,390,978	$2,331,204	$4,662,408
V. F. Macciocchi	$1,487,731	$1,450,538	$2,901,076
G. A. Morris	$1,487,731	$1,450,538	$2,901,076
J. D. Taets	$1,487,731	$1,450,538	$2,901,076

(2) No options were issued in 2017, 2018 or 2019.

(3) The amounts reported in this column represent amounts earned under our annual incentive plan during each of the respective fiscal periods shown. In each case, the amounts were paid shortly after the close of the applicable fiscal period.

(4) The amounts reported in this column for 2019 represents the aggregate change in actuarial present value of each NEO's accumulated benefit under all defined benefit and actuarial pension plans from December 31, 2018 to December 31, 2019, using the same assumptions used for financial reporting purposes except that retirement age is assumed to be the normal retirement age (65) specified in the plans. No NEO received above market or preferential earnings on deferred compensation. To derive the change in pension value for financial reporting purposes, the assumptions used to value pension liabilities on December 31, 2019 were an interest rate of 3.44% for the ADM Retirement Plan, an interest rate of 3.19% for the ADM Supplemental Retirement Plan, and mortality was determined using the PRI-2012 mortality table, with a white collar adjustment, projected generationally using Scale MP-2019. The assumptions used to value pension liabilities on December 31, 2018 were an interest rate of 4.44% for the ADM Retirement Plan, an interest rate of 4.27% for the ADM Supplemental Retirement Plan, and mortality was determined using the RP2014 mortality table, with a white collar adjustment, projected generationally using Scale MP-2018.

(5) The amounts reported in this column for 2019 include costs for use of company aircraft, value of company-provided life insurance, imputed value of company-provided life insurance, costs for executive healthcare services, spousal travel and lodging, company contributions under the 401(k) and ESOP and charitable gifts pursuant to the company's matching charitable gift program which is available to substantially all full-time employees and non-employee directors. Specific perquisites and other items applicable to each NEO listed are identified below by an "X". Where a perquisite or benefit exceeded $10,000 for an individual, the dollar amount is given.

NEO	Personal Aircraft Use	Imputed Income	Life Insurance Company Paid Premiums	Executive Healthcare Services	Spousal Travel & Lodging	Matching Charitable Gifts
J. R. Luciano	$94,400	X	X	X	X	X
R. G. Young		X	X	X		X
V. F. Macciocchi(6)		X	X	X	X	
G. A. Morris		X	X	X	X	X
J. D. Taets		X	X	X	X	X

(6) Mr. Macciocchi first became an NEO in 2019.

Aggregate incremental cost to our company of perquisites and personal benefits is determined as follows. In the case of payment of expenses related to items such as executive healthcare services and relocation expenses, incremental cost is determined by the amounts paid to third-party providers. In the case of personal use of company-owned aircraft, incremental cost is based solely on the cost per hour to the company to operate the aircraft, and does not include fixed costs that do not change based on usage, such as purchase costs of the aircraft and non-trip-related hangar expenses. Our direct operating cost per hour of an aircraft is based on the actual costs of fuel, on-board catering, aircraft maintenance, landing fees, trip-related hangar and parking costs, and smaller variable costs, divided by the number of hours the aircraft was operated during the year.

GRANTS OF PLAN-BASED AWARDS DURING FISCAL YEAR 2019

The following table summarizes the grants of plan-based awards made to our named executive officers during the fiscal year ended December 31, 2019.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards				
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units(#)	Grant Date Fair Value of Stock and Option Awards ($)(1)
J. R. LUCIANO									
Annual Cash Incentive Plan Award			2,800,000	5,600,000					
Performance Share Unit Award	2/14/19				0	162,908	325,816		6,734,617
Restricted Stock Unit Award	2/14/19							162,908	6,907,299
R. G. YOUNG									
Annual Cash Incentive Plan Award			1,125,000	2,250,000					
Performance Share Unit Award	2/14/19				0	56,391	112,782		2,331,204
Restricted Stock Unit Award	2/14/19							56,391	2,390,978
V. F. MACCIOCCHI									
Annual Cash Incentive Plan Award			675,000	1,350,000					
Performance Share Unit Award	2/14/19				0	35,088	70,176		1,450,538
Restricted Stock Unit Award	2/14/19							35,088	1,487,731
G. A. MORRIS									
Annual Cash Incentive Plan Award			675,000	1,350,000					
Performance Share Unit Award	2/14/19				0	35,088	70,176		1,450,538
Restricted Stock Unit Award	2/14/19							35,088	1,487,731
J. D. TAETS									
Annual Cash Incentive Plan Award			700,000	1,400,000					
Performance Share Unit Award	2/14/19				0	35,088	70,176		1,450,538
Restricted Stock Unit Award	2/14/19							35,088	1,487,731

(1) The grant date fair value is generally the amount the company would expense in its financial statements over the award's service period under FASB ASC Topic 718. With respect to the PSUs the value represents the probable outcome of the performance condition using target payout levels. See Footnote 1 to the Summary Compensation Table for additional detail.

All of the awards in the table above were granted under our 2009 Incentive Compensation Plan. The awards shown in the columns designated "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" were made pursuant to our annual cash incentive plan. The amounts actually paid with respect to these awards are reflected in the Summary Compensation Table in the "Non-Equity Incentive Plan Compensation" column. See "Compensation Discussion and Analysis — 2019 Executive Compensation Decisions — 2019 Annual Cash Incentives" for more information about our annual cash incentive plan.

The awards shown in the column designated "Estimated Future Payouts Under Equity Incentive Plan Awards" in the table above are PSU awards and vest in three years if the company achieves certain performance goals over a three-year performance period (2019 – 2021). The 2019 PSU metrics are: (i) the company's relative TSR as compared to the companies in the S&P 100 Industrials Index (25% weighting), (ii) the degree to which the company achieves specified Adjusted ROIC goals (25% weighting), and (iii) the degree to which the company's Adjusted EBITDA for 2019 – 2021 exceeds its specified cumulative Adjusted EBITDA goals for the same period (50% weighting). Before the PSU can pay out, the company's cumulative EBITDA must exceed a certain threshold. If this does not occur, there will be no payout for the other metrics.

All of the awards shown in the "All Other Stock Awards" column in the table above are RSUs awards and vest in full three years after the date of the grant. Under the terms of the RSU award agreements, the recipient of the award may receive cash dividend equivalents on RSUs prior to their vesting date, but may not transfer or pledge the units in any manner prior to vesting. Dividend equivalents on RSUs are paid at the same rate as dividends to our stockholders generally.

The 2019 RSU and PSU awards are subject to double trigger accelerated vesting and payout upon a change in control only if the award recipient's employment is terminated without cause or if the award recipient resigns for good reason, in each case, within 24 months after the change in control, or if the surviving entity in the change in control transaction refuses to continue, assume, or replace the awards. In such instance the 2019 RSU awards will vest in full immediately, and the 2019 PSU awards will vest based on actual performance during the truncated performance period and on a pro rata basis based on a target number of units for any year(s) remaining in the original performance period. Upon the death of an award recipient, vesting of the RSU awards will accelerate in full while the vesting of the PSU awards will accelerate in the manner described in the preceding sentence. If an award recipient's employment ends as a result of disability or retirement, both the RSU and PSU awards will continue to vest in accordance with the original vesting schedule. If an award recipient's employment ends for any other reason, unvested RSU and PSU awards will be forfeited. With respect to each of the RSU and PSU awards described above, if an award recipient's employment is terminated for cause, or if the recipient breaches a non-competition, non-solicitation, or confidentiality restriction or participates in an activity deemed by us to be detrimental to our company, the recipient's unvested units will be forfeited, and any shares issued in settlement of units that have already vested must be returned to us or the recipient must pay us the amount of the shares' fair market value as of the date they were issued.

The impact of a termination of employment or change in control of our company on RSU and PSU awards held by our named executive officers is quantified in the "Termination of Employment and Change in Control Arrangements" section below.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR 2019 YEAR-END

The following table summarizes information regarding unexercised stock options and unvested restricted stock awards for the named executive officers as of December 31, 2019.

		OPTION AWARDS				STOCK AWARDS			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable(1)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock that Have Not Vested ($)(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(4)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested($)(3)
J. R. LUCIANO	2-11-2016 2-12-2015 2-13-2014 2-21-2013 8-16-2012 8-11-2011	558,659 259,856 234,531 51,664 216,585 194,014	372,440 64,965 — — — —	33.18 46.92 40.65 32.50 26.25 26.17	2-11-2026 2-12-2025 2-13-2024 2-21-2023 8-16-2022 8-11-2021	452,744	20,984,684	315,348	14,616,380
R. G. YOUNG	2-11-2016 2-12-2015 2-13-2014 2-21-2013 8-16-2012 8-11-2011	208,144 171,868 184,631 31,503 123,763 80,377	138,764 42,968 — — — —	33.18 46.92 40.65 32.50 26.25 26.17	2-11-2026 2-12-2025 2-13-2024 2-21-2023 8-16-2022 8-11-2021	154,744	7,172,384	107,840	4,998,384
V. F. MACCIOCCHI	2-11-2016	55,866	37,244	33.18	2-11-2026	88,428	4,098,638	68,117	3,157,223
G. A. MORRIS	2-11-2016 2-12-2015 8-16-2012 8-11-2011 8-19-2010	67,039 22,436 5,263 4,491 3,114	44,693 5,610 — — —	33.18 46.92 26.25 26.17 30.71	2-11-2026 2-12-2025 8-16-2022 8-11-2021 8-19-2020	96,943	4,493,308	70,658	3,274,998
J. D. TAETS	2-11-2016 2-12-2015 2-13-2014 2-21-2013 8-16-2012	83,799 60,594 70,285 13,861 47,492	55,866 15,149 — — —	33.18 46.92 40.65 32.50 26.25	2-11-2026 2-12-2025 2-13-2024 2-21-2023 8-16-2022	104,111	4,825,545	70,658	3,274,998

(1) Stock option awards vest at a rate of 20% of the subject shares per year on each of the first five anniversaries of the grant date.

(2) The RSUs reported in this column vest on the dates and in the amounts set forth below.

	Restricted Stock Units Vesting On:		
Name	2/16/20	2/15/21	2/14/22
J. R. Luciano	137,396	152,440	162,908
R. G. Young	46,904	51,449	56,391
V.F. Macciocchi	20,311	33,029	35,088
G. A. Morris	26,285	35,570	35,088
J. D. Taets	33,453	35,570	35,088

(3) Based on the closing market price of a share of our common stock on the New York Stock Exchange on December 31, 2019, which was $46.35.

(4) The PSUs reported in this column represent 2018 and 2019 PSU awards that each will vest at the end of the three-year performance period. The number of PSUs that the executive officer will receive is dependent upon the achievement of certain financial metrics approved by the Compensation/Succession Committee measuring relative TSR, Adjusted EBITDA, and Adjusted ROIC. The amount of PSU units shown is the target number of units that could be earned and paid out in shares. The company did not assign a threshold unit amount to the 2018 or 2019 PSU awards.

Name	Performance Stock Units:	
	Performance Period 1/1/18 to 12/31/20	Performance Period 1/1/19 to 12/31/21
J. R. Luciano	152,440	162,908
R. G. Young	51,449	56,391
V.F. Macciocchi	33,029	35,088
G. A. Morris	35,570	35,088
J. D. Taets	35,570	35,088

OPTION EXERCISES AND STOCK VESTED DURING FISCAL YEAR 2019

The following table summarizes information regarding stock options exercised by the named executive officers during the fiscal year ended December 31, 2019 and restricted stock unit awards to the named executive officers that vested during that same period.

Name	OPTION AWARDS		STOCK AWARDS	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(1)	Number of Shares Acquired On Vesting (#)(2)	Value Realized on Vesting ($)(3)
J. R. LUCIANO			160,103	6,685,901
R. G. YOUNG			59,651	2,491,026
V. F. MACCIOCCHI			16,011	668,619
G. A. MORRIS(4)	2,279	23,428	19,213	802,335
J. D. TAETS(5)	25,503	473,995	24,016	1,002,908

(1) Represents the difference between the market value of the shares acquired upon exercise (calculated using the sale price of the shares on the NYSE on the date preceding the exercise date) and the aggregate exercise price of the shares acquired.

(2) Reflects vesting of the 2016 RSUs. The 2017 PSUs did not achieve the threshold performance metric, so they were forfeited in their entirety and are not reflected in this table.

(3) Represents the market value of the shares issued in settlement of 2016 RSU awards on the date the awards vested, calculated using the closing sale price reported on the NYSE on the trading date immediately prior to the vesting date, before shares were withheld for taxes.

(4) On June 4, 2019, Mr. Morris exercised 2,279 options at a strike price of $28.70.

(5) On December 17, 2019, Mr. Taets exercised 13,305 options at a strike price of $26.17, 6,781 options at a strike price of $30.71, and 5,417 options at a strike price of $26.25.

PENSION BENEFITS

The following table summarizes information regarding the participation of each of the named executive officers in our defined benefit retirement plans as of the pension plan measurement date for the fiscal year ended December 31, 2019.

Name	Plan Name	Number of Years Credited Service (#)(1)	Present Value of Accumulated Benefit ($)(2)	Payments During Last Fiscal Year ($)
J. R. LUCIANO	ADM Retirement Plan ADM Supplemental Retirement Plan	9 9	91,244 306,007	0 0
R. G. YOUNG	ADM Retirement Plan ADM Supplemental Retirement Plan	9 9	95,433 194,468	0 0
V. F. MACCIOCCHI	ADM Retirement Plan ADM Supplemental Retirement Plan	5 5	42,948 58,717	0 0
G. A. MORRIS	ADM Retirement Plan ADM Supplemental Retirement Plan	25 25	831,003 1,433,182	0 0
J. D. TAETS	ADM Retirement Plan ADM Supplemental Retirement Plan	32 32	1,270,305 2,453,443	0 0

(1) The number of years of credited service was calculated as of the pension plan measurement date used for financial statement reporting purposes, which was December 31, 2019. For each of the named executive officers, the number of years of credited service is equal to the number of actual years of service with our company.

(2) The assumptions used to value pension liabilities as of December 31, 2019 were an interest rate of 3.44% for the ADM Retirement Plan and 3.19% for the ADM Supplemental Retirement Plan and mortality was determined under the PRI-2012 mortality table, with a white collar adjustment, projected generationally using scale MP-2019. Mr. Morris and Mr. Taets participate in the final average pay formula under the ADM Retirement Plan and the ADM Supplemental Retirement Plan, while Mr. Luciano, Mr. Young and Mr. Macciocchi participate in the cash balance formula under those plans. The amounts reported for Mr. Luciano, Mr. Young and Mr. Macciocchi are the present value of their respective projected normal retirement benefit under the Retirement and Supplemental Plans at December 31, 2019. The amounts reported are calculated by projecting the balance in the accounts forward to age 65 by applying a 2.19% interest rate, converting to a single-life annuity as of age 65, and then discounting back to December 31, 2019 using the assumptions specified above. The total account balance for Mr. Luciano at December 31, 2019 under the Retirement and Supplemental Plans was $304,780.26, the total account balance for Mr. Young at December 31, 2019 under the Retirement and Supplemental Plans was $224,360.15 and the total account balance for Mr. Macciocchi at December 31, 2019 under the Retirement and Supplemental Plans was $82,543.87, which are the amounts that would have been distributable if such individuals had terminated employment on that date.

QUALIFIED RETIREMENT PLAN

We sponsor the ADM Retirement Plan (the “Retirement Plan”), which is a qualified defined benefit plan under Section 401(a) of the Internal Revenue Code. The Retirement Plan covers eligible salaried employees of our company and its participating affiliates.

Effective January 1, 2009, the Retirement Plan was amended to provide benefits determined under a cash balance formula. The cash balance formula applies to any participant entering or re-entering the plan on or after January 1, 2009 and to any participant who had less than five years of service prior to January 1, 2009. For a participant with an accrued benefit and five years of service or more prior to January 1, 2009, an account was established on January 1, 2009 with an opening balance equal to the present value of his or her accrued benefit determined under the final average pay formula. The accrued benefits of all other participants to whom the cash balance formula does not apply continue to be determined under the traditional final average pay formula. Messrs. Luciano, Young, and Macciocchi, participate in the cash balance formula, while Messrs. Morris and Taets participate in the final average pay formula.

A participant whose accrued benefit is determined under the cash balance formula has an individual hypothetical account established under the Retirement Plan. Pay and interest credits are made on an annual basis to the participant’s account. Pay credits are equal to a percentage of the participant’s earnings for the year based on the sum of the participant’s age and years of service at the end of the year under the schedule to the right.

AGE + SERVICE	PAY
Less than 40	2.00%
at least 40 but less than 50	2.25%
at least 50 but less than 60	2.50%
at least 60 but less than 70	3.00%
at least 70 but less than 80	3.50%
80 or more	4.00%

Interest credits are made at the end of the year and are calculated on the balance of the participant’s account as of the first day of the plan year, using an interest rate based upon the yield on 30-year Treasury bonds, subject to a minimum annual interest rate of 1.95%. The participant’s pension benefit will be the amount of the balance in the participant’s account at the time that the pension becomes payable under the Retirement Plan. The pension payable to a participant whose accrued benefit under the final average pay formula was converted to the cash balance formula at January 1, 2009, if paid in annuity form, will be increased to reflect any additional benefit which the participant would have received in that form under the traditional formula, but only with respect to the benefit accrued by the participant prior to January 1, 2009. A participant under the cash balance formula becomes vested in a benefit under the Retirement Plan after three years of service. There are no special early retirement benefits under the cash balance formula.

For a participant whose accrued benefit is determined under the final average pay formula, the formula calculates a life annuity payable at a normal retirement age of 65 based upon a participant's highest average earnings over 60 consecutive months during the last 15 years of employment. The final average pay formula provides a benefit of 36.0% of a participant's final average earnings, plus 16.5% of the participant's final average earnings in excess of Social Security "covered compensation." This benefit accrues ratably over 30 years of service. A participant accrues an additional benefit of 0.5% of final average earnings for years of service in excess of 30. Early retirement is available at age 55 with 10 years of service. The life annuity payable at early retirement is subsidized relative to the normal retirement benefit. The payment amount in life annuity form is 97% of the full benefit amount at age 64, and 50% at age 55, with adjustments between those two ages. All participants under the final average pay formula are vested in their benefits under the Retirement Plan, based on five years of service.

Earnings for purposes of the cash balance and the final average pay formulas generally include amounts reflected as pay on Form W-2, increased by 401(k) Plan pre-tax deferrals and elective "cafeteria plan" contributions, and decreased by bonuses, expense allowances/reimbursements, severance pay, income from stock option and restricted stock awards or cash payments in lieu thereof, merchandise or service discounts, amounts paid in a form other than cash, and other fringe benefits. Annual earnings are limited as required under Section 401(a)(17) of the Internal Revenue Code.

When a participant is eligible for a pension, the participant has a choice of a life annuity, a joint and 50% survivor annuity, a joint and 75% survivor annuity, or a joint and 100% survivor annuity. Each joint and survivor annuity form is the actuarial equivalent of the life annuity payable at the same age, with actuarial equivalence determined using the IRS prescribed mortality table under Section 417(e) of the Internal Revenue Code and an interest rate assumption of 6%. Cash balance participants may also elect a lump-sum payment option.

In December 2017, the Retirement Plan was amended to freeze final average pay formula benefit accruals as of December 31, 2021 for all active final average pay formula participants in the Retirement Plan on that date. Final average pay accrued benefits would be calculated as if the participant terminated employment on the earlier of their actual termination date or December 31, 2021. The final average pay benefit will not be converted to a cash balance benefit, but will remain subject to the final average pay benefit rules. As of January 1, 2022, all Retirement Plan participants will accrue future benefits under the cash balance formula, based on their age and total years of service.

SUPPLEMENTAL RETIREMENT PLAN

We also sponsor the ADM Supplemental Retirement Plan (the "Supplemental Plan"), which is a nonqualified deferred compensation plan under Section 409A of the Internal Revenue Code. The Supplemental Plan covers participants in the Retirement Plan whose benefit under such plan is limited by the benefit limits of Section 415 or the compensation limit of Section 401(a)(17) of the Internal Revenue Code. The Supplemental Plan also covers any employee whose Retirement Plan benefit is reduced by participation in the ADM Deferred Compensation Plan. Participation by those employees who otherwise qualify for coverage is at the discretion of the Board, the Compensation/Succession Committee or, in the case of employees other than executive officers, the Chief Executive Officer. The Supplemental Plan provides the additional benefit that would have been provided under the Retirement Plan but for the limits of Section 415 or 401(a)(17) of the Internal Revenue Code, and but for the fact that elective contributions made by the participant under the ADM Deferred Compensation Plan are not included in the compensation base for the Retirement Plan. A participant is not vested in a benefit under the Supplemental Plan unless and until the participant is vested in a benefit under the Retirement Plan, which requires three years of service for a cash balance formula participant and five years of service for a final average pay formula participant for vesting. A separate payment form election is required with respect to the Supplemental Plan benefit from among the same options available under the Retirement Plan, subject to the limitations of Section 409A of the Internal Revenue Code.

NONQUALIFIED DEFERRED COMPENSATION

The following table summarizes information with respect to the participation of the named executive officers in the ADM Deferred Compensation Plan for Selected Management Employees I and II, which are non-qualified deferred compensation plans, for the fiscal year ended December 31, 2019.

Name	Executive Contributions in Last Fiscal Year ($)	Aggregate Earnings in Last Fiscal Year ($)(1)	Aggregate Withdrawals/ Distributions in Last Fiscal Year ($)	Aggregate Balance at 12/31/19 ($)(2)
J. R. LUCIANO	0	0	0	0
R. G. YOUNG	0	0	0	0
V. F. MACCIOCCHI	0	0	0	0
G. A. MORRIS	0	0	0	0
J. D. TAETS	0	51,168	106,174	324,367

(1) The amount reported in this column was not reported in the Summary Compensation Table as part of Mr. Taets' compensation for the fiscal year ended December 31, 2019 because none of the earnings is considered to be "above market".

(2) Of the amount shown in this column, $709,977 was previously reported as compensation to Mr. Taets in the Summary Compensation Table in previous years, not all of which is reflected in this column due in part to previous distributions to Mr. Taets, including $106,174 in 2019.

We sponsor two nonqualified deferred compensation plans — the ADM Deferred Compensation Plan for Selected Management Employees I and II (referred to as "Deferred Comp Plan I" and "Deferred Comp Plan II", respectively). Deferred Comp Plan I was frozen as to new participants and new deferrals effective January 1, 2005, and is maintained as a separate "grandfathered" plan under Section 409A of the Internal Revenue Code. Deferred Comp Plan II is structured to comply with Section 409A. Deferred Comp Plan II covers salaried employees of our company and its affiliates whose annualized base salary is $175,000 or more. Participation by those employees who otherwise qualify for coverage is at the discretion of the Board, the Compensation/ Succession Committee or, in the case of employees other than executive officers, the Chief Executive Officer.

A participant in Deferred Comp Plan II can defer up to 75% of his or her base salary and up to 100% of his or her bonus. Earnings credits are added based upon hypothetical investment elections made by participants. A participant can elect each year when to be paid the base salary or bonus amounts deferred for that year, by electing to be paid upon a specified future date prior to separation from service or following retirement, in the form of a lump sum or in installments over a period of two to twenty years. If a participant separates from service prior to the elected payment date (or prior to qualifying for retirement), the payment will be made in a lump sum after separation from service, subject to the six month "specified employee" payment delay required by Section 409A. Withdrawals are allowed upon a showing of "hardship" by the participant in accordance with Section 409A. Small account balances of $10,000 or less are paid in a lump sum only.

Deferred Comp Plan II provides for "make-whole" company credits to the extent that a participant's election to defer under the Deferred Comp Plan II causes a loss of company contributions under the 401(k) and ESOP. No "make-whole" company credits were made on behalf of the named executive officers for fiscal year 2019.

A participant with an account balance remaining under Deferred Comp Plan I continues to receive earnings credits on such account based upon hypothetical investment elections made by the participant. A participant can establish up to two "scheduled distribution accounts" that are payable upon dates specified by the participant in either a lump sum or installments over a period of two to four years. A participant also can take unscheduled withdrawals of up to 25% of the balance of his or her accounts, subject to a withdrawal penalty of 10% of the withdrawn amount. Only one such unscheduled withdrawal is allowed in any year. Withdrawals also are allowed upon a showing of "hardship" by the participant. A participant's account under Deferred Comp Plan I is paid following termination of employment. Payment following termination of employment is in a lump sum, except that a participant can elect to have installments paid over a period of two to 20 years if termination of employment occurs after retirement eligibility or due to disability.

Deferred Comp Plan I balances are fully-vested. A participant becomes vested in his or her company credits to Deferred Comp Plan II after two years of service. Unpaid amounts at death are paid to designated beneficiaries.

The hypothetical investment options available under Deferred Comp Plans I and II are determined by us and correspond with the investment options (other than our company's common stock) that are made available to participants in the qualified 401(k) and ESOP. These investment options are listed below, and the plan earnings credited to each participant's account in these plans correspond to the earnings performance of the investment selected. Participants in the Deferred Comp Plans I and II may reallocate the amount of new deferrals and existing account balances among these investment options at any time. We do not set assets aside for the benefit of plan participants, but the Deferred Comp Plans I and II provide for full funding of all benefits upon a change in control or potential change in control, as defined in the plans.

In fiscal year 2019, the investment options available under Deferred Comp Plans I and II and their respective notional rates of return were as follows:

Deemed Investment Option	Fiscal Year 2019 Cumulative Return (1/1/19 to 12/31/19)
Dodge & Cox Stock	24.83%
Aristotle Small Cap Equity Collective Trust Class B	23.96%
PIMCO Total Return — Instl Class	8.26%
T. Rowe Price Institutional Mid-Cap Equity Growth	33.09%
T. Rowe Price Institutional Large-Cap Growth	28.49%
Vanguard Wellington — Admiral Shares	22.61%
Vanguard International Growth — Admiral Shares	31.48%
Vanguard Institutional 500 Index Trust	N/A
Vanguard Target Retirement 2015 Trust I	14.91%
Vanguard Target Retirement 2020 Trust I	17.73%
Vanguard Target Retirement 2025 Trust I	19.78%
Vanguard Target Retirement 2030 Trust I	21.18%
Vanguard Target Retirement 2035 Trust I	22.58%
Vanguard Target Retirement 2040 Trust I	23.97%
Vanguard Target Retirement 2045 Trust I	25.10%
Vanguard Target Retirement 2050 Trust I	25.07%
Vanguard Target Retirement 2055 Trust I	25.09%
Vanguard Target Retirement 2060 Trust I	25.07%
Vanguard Target Retirement 2065 Trust I	25.10%
Vanguard Target Retirement Income Trust I	13.27%

TERMINATION OF EMPLOYMENT AND CHANGE IN CONTROL ARRANGEMENTS

We have entered into certain agreements and maintain certain plans that will require us to provide compensation to our named executive officers in the event of a termination of employment or a change in control of our company. See the tabular disclosure and narrative description under the "Pension Benefits" and "Nonqualified Deferred Compensation" sections above for detail regarding payments that would result from a termination of employment or change in control of our company under our pension and nonqualified deferred compensation plans.

Under the terms of our stock option agreements, vesting and exercisability accelerate upon the death of the recipient or change in control of our company, and continue in accordance with the original vesting schedule if employment ends as a result of disability or retirement. If employment ends for reasons other than death, disability, retirement, or cause, a recipient forfeits any interest in the unvested portion of any option but retains the right to exercise the previously vested portion of any option for a period of three months. In addition, if an award recipient's employment is terminated for cause, or if the recipient breaches a non-competition or confidentiality restriction or participates in an activity deemed by us to be detrimental to our company, the recipient's right to exercise any unexercised options will terminate, the recipient's right to receive option shares will terminate, and any shares already issued upon exercise of the option must be returned to us in exchange for the lesser of the shares' then-current fair market value or the price paid for the shares, or the recipient must pay us cash in the amount of the gain realized by the recipient from the exercise of the option.

Under the terms of our 2017, 2018, and 2019 RSU award agreements, vesting accelerates upon a change in control of the company only if the award recipient's employment is terminated without cause or if the award recipient resigns for good reason, in each case, within 24 months after the change in control, or if the surviving entity in the change in control transaction refuses to continue, assume, or replace the awards. Under all of our RSU award agreements, vesting accelerates upon death and continues in accordance with the original vesting schedule if employment ends as a result of disability or retirement. If employment ends for other reasons, the unvested portion of each award is forfeited. In addition, if an award recipient's employment is terminated for cause, or if the recipient breaches a non-competition or confidentiality restriction or participates in an activity deemed by us to be detrimental to our company, the recipient's unvested awards will be forfeited, and any award shares that have already been issued in settlement must be returned to us or the recipient must pay us the amount of the shares' fair market value as of the date the award vested.

Under the terms of our PSU award agreements, vesting accelerates upon the death of the award recipient or upon a change in control of our company only if the award recipient's employment is terminated without cause or if the award recipient resigns for good reason, in each case, within 24 months after the change in control, or if the surviving entity in the change in control transaction refuses to continue, assume, or replace the awards. In all such instances, the PSU awards will vest based on actual performance during the truncated performance period and on a pro rata basis based on a target number of units for the performance period year(s) following the truncated performance period, if any. If employment ends as a result of disability or retirement, vesting will continue in accordance with the original vesting schedule. If employment ends for other reasons, the unvested portion of each award is forfeited. In addition, if an award recipient's employment is terminated for cause, or if the recipient breaches a non-competition or confidentiality restriction or participates in an activity deemed by us to be detrimental to our company, the recipient's unvested awards will be forfeited, and any award shares that have already been issued in settlement must be returned to us or the recipient must pay us the amount of the shares' fair market value as of the date the award vested.

The amount of compensation payable to each named executive officer in various termination and change in control scenarios is listed in the table below. These payments and benefits are provided under the terms of agreements involving equity compensation awards. Unless otherwise indicated, the amounts listed are calculated based on the assumption that the named executive officer's employment was terminated or that a change in control occurred on December 31, 2019.

Name		Voluntary Termination ($)	Involuntary Termination without Cause ($)	Termination for Cause ($)	Death ($)(1)	Disability ($)	Change in Control ($)(3)	Change in Control (Non-Assumption of Awards or Involuntary Termination Without Cause or Termination for Good Reason) ($)(4)	Retirement ($)
J. R. Luciano	Vesting of nonvested stock options	0	0	0	4,905,035	(2)	4,905,035	4,905,035	(5)
	Vesting of nonvested RSU awards	0	0	0	20,984,684	(2)	0	20,984,684	(5)
	Vesting of nonvested PSU awards	0	0	0	14,616,380	(2)	0	14,616,380	(5)
R. G. Young	Vesting of nonvested stock options	0	0	0	1,827,522	(2)	1,827,522	1,827,522	(5)
	Vesting of nonvested RSU awards	0	0	0	7,172,384	(2)	0	7,172,384	(5)
	Vesting of nonvested PSU awards	0	0	0	4,998,384	(2)	0	4,998,384	(5)
V. F. Macciocchi	Vesting of nonvested stock options	0	0	0	490,503	(2)	490,503	490,503	(5)
	Vesting of nonvested RSU awards	0	0	0	4,098,638	(2)	0	4,098,638	(5)
	Vesting of nonvested PSU awards	0	0	0	3,157,223	(2)	0	3,157,223	(5)
G. A. Morris	Vesting of nonvested stock options	0	0	0	588,607	(2)	588,607	588,607	(5)
	Vesting of nonvested RSU awards	0	0	0	4,493,308	(2)	0	4,493,308	(5)
	Vesting of nonvested PSU awards	0	0	0	3,274,998	(2)	0	3,274,998	(5)
J. D. Taets	Vesting of nonvested stock options	0	0	0	735,755	(2)	735,755	735,755	(5)
	Vesting of nonvested RSU awards	0	0	0	4,825,545	(2)	0	4,825,545	(5)
	Vesting of nonvested PSU awards	0	0	0	3,274,998	(2)	0	3,274,998	(5)

(1) Pursuant to the terms of the stock option and RSU awards issued under the 2009 Incentive Compensation Plan, vesting and exercisability of these equity awards are accelerated in full upon death. The amount shown with respect to RSU awards was calculated by multiplying the number of units as to which accelerated vesting and settlement occurs by $46.35, the closing sale price of a share of our common stock on the NYSE on December 31, 2019. The amounts shown with respect to stock options were calculated with respect to options that were "in the money" as of December 31, 2019 and were determined by multiplying the number of shares subject to each option as to which accelerated vesting occurs by the difference between $46.35, the closing sale price of a share of our common stock on the NYSE on December 31, 2019, and the exercise price of the applicable stock option.

Pursuant to the terms of the PSU awards issued under the 2009 Incentive Compensation Plan, vesting of the PSU awards will accelerate upon death in an amount equal to the sum of (i) the number of units deemed to have been earned and entitled to vest during the truncated performance period based on the company's actual performance and (ii) the target number of units multiplied by a fraction whose numerator is the number of fiscal years not included in the original performance period that were not included in the truncated performance period and whose denominator is three. The amount shown with respect to 2018 and 2019 PSU awards, assuming that the Relative TSR as well as the levels of both Adjusted ROIC and Adjusted EBITDA achieved for applicable portion of the performance period equate to a 100% payout of the total number of target shares, was calculated (1) with respect to the 2019 PSUs, by (i) deeming 33% of the target number of shares earned and entitled to vest and (ii) multiplying the target number of shares by 66% of the remaining target share amount and finally (iii) multiplying the sum of (i) and (ii) by $46.35, and (2) with respect to the 2018 PSUs, by (i) deeming 66% of the target number of shares earned and entitled to vest and (ii) multiplying the target number of shares by 33% of the remaining target share amount and finally (iii) multiplying the sum of (i) and (ii) by $46.35.

(2) Pursuant to the terms of the stock option, RSU award and PSU award agreements issued under the 2009 Incentive Compensation Plan, vesting of these equity awards generally continues on the same schedule after retirement or termination of employment due to disability.

(3) Pursuant to the terms of the stock option issued prior to 2017 under the 2009 Incentive Compensation Plan, vesting and exercisability of these equity awards are accelerated in full upon a change in control. All currently outstanding RSUs and PSUS are subject to a double trigger vesting and payout mechanism upon a change in control, meaning that only if (i) within 24 months after the change in control, one of our executive officer's employment is terminated without cause or he or she resigns for good reason or (ii) the surviving entity in the change of control does not continue, assume, or replace the awards, the RSU awards will accelerate in full and the PSU awards will accelerate on a pro rata basis as described in footnote 1 above. Therefore, this column excludes all outstanding RSUs and PSUs. The amounts shown with respect to stock options were calculated with respect to options that were "in the money" as of December 31, 2019 and were determined by multiplying the number of shares subject to each unvested option as to which accelerated vesting occurs upon a change in control by the difference between $46.35, the closing sale price of a share of our common stock on the NYSE on December 31, 2019, and the exercise price of the applicable stock option.

(4) Pursuant to the terms of the stock option issued prior to 2017 under the 2009 Incentive Compensation Plan, vesting and exercisability of these equity awards are accelerated in full upon a change in control. However, beginning in 2017, the company made the RSU awards as well as the PSU awards subject to a double trigger vesting and payout mechanism upon a change in control, meaning that only if (i) within 24 months after the change in control, one of our executive officer's employment is terminated without cause or he or she resigns for good reason or (ii) the surviving entity in the change of control does not continue, assume, or replace the awards, the RSU awards will accelerate in full and the PSU awards will accelerate on a pro rata basis as described in footnote 1 above. Therefore, this column includes (i) all unexercisable options, (ii) all unvested RSU awards, and (iii) a portion of the unvested PSU awards (calculated in the manner set forth in footnote 1). The amounts shown with respect to stock options were calculated with respect to options that were "in the money" as of December 31, 2019 and were determined by multiplying the number of shares subject to each option as to which accelerated vesting occurs by the difference between $46.35, the closing sale price of a share of our common stock on the NYSE on December 31, 2019, and the exercise price of the applicable stock option. The amounts shown with respect to RSU and PSU awards was calculated by multiplying the number of units as to which accelerated vesting and settlement occurs by $46.35, the closing sale price of a share of our common stock on the NYSE on December 31, 2019.

(5) Because this named executive officer is not yet eligible for retirement under the terms of the ADM Retirement Plan, no current termination of employment would be considered "retirement" under any of the applicable equity-based compensation plans.

CEO PAY RATIO

For our fiscal year 2019 pay ratio analysis, we determined that due to changes in our employee population caused by acquisitions we completed in 2019, including but not limited to Neovia, that we reasonably believe would significantly impact our fiscal year 2019 pay ratio, we could not use the same median employee that we identified for the years ended December 31, 2017 and December 31, 2018.

Our median employee's annual total compensation for fiscal year 2019 was $63,981. The annual total compensation of our Chairman and CEO for fiscal year 2019 was $18,174,409. The ratio between the Chairman and CEO's annual total compensation to the annual total compensation of our median employee is 285:1.

We determined our median employee for fiscal year 2019 by using a consistently applied compensation measure of total cash compensation paid to our global employee population (including full-time, part-time, temporary, and seasonal employees) other than our Chairman and CEO, as of December 31, 2019, which included 39,223 individuals, with 40% of these individuals located in the United States. We define "total cash compensation" as base salary for salaried colleagues, base hourly compensation and overtime for hourly permanent employees, actual compensation for seasonal or temporary colleagues, sales commission (if applicable), and any annual cash incentive compensation for the year ending on December 31, 2019. For purposes of the pay ratio, their compensation is converted to U.S. dollars as of December 31, 2019 exchange rate to determine the median employee.

With respect to our median employee, we then identified and calculated the elements of the employee's annual total compensation for 2019 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K and also included $17,393 as the estimated value of the median employee's 2019 employer-paid health care and basic life and short-term disability insurance premiums. With respect to the annual total compensation of our Chairman and CEO, we used the amount reported in the Summary Compensation Table and also included $19,674 as the estimated value of our Chairman and CEO's 2019 employer-paid health care and basic life and short-term disability insurance premiums.

Supplemental Pay Ratio

Our global footprint drives the median pay level at ADM. 60% of our workforce is employed outside the United States. We aim to provide competitive pay and benefits for each employee's role in every business segment and geography. To be consistent with our compensation philosophy, all global colleagues are paid based upon their local market as reviewed on an annual basis to ensure they are paid competitively. We believe this information is useful to put the SEC-required pay ratio provided above into context.

In addition, we are also providing a supplemental pay ratio that includes our domestic employees only. We identified the median employee for purposes of the supplemental pay ratio using the same methodology as the required pay ratio. Applying this methodology to our employees located in the United States only (other than our Chairman and CEO), we determined that our median employee in fiscal year 2019 had annual total compensation in the amount of $83,793.

As a result, the fiscal year 2019 ratio of the total annual compensation of our Chairman and CEO to the total annual compensation of our median employee in the United States, each as calculated above to include 2019 employer-paid health care and basic life and short-term disability insurance premiums, is 217:1. This supplemental pay ratio is not a substitute for the required CEO pay ratio, but we believe it is helpful in fully evaluating the ratio of our Chairman and CEO's annual total compensation to that of our median employee.

Director Compensation

For fiscal year 2019, our standard compensation for non-employee directors consists of an annual retainer in the amount of $300,000. With respect to the $300,000 annual retainer, $175,000 must be paid in stock units pursuant to our Stock Unit Plan for Non-Employee Directors. The remaining portion of the annual retainer may be paid in cash, stock units, or a combination of both, at the election of each non-employee director. Each stock unit is deemed for valuation and bookkeeping purposes to be the equivalent of a share of our common stock. In addition to the annual retainer, our Lead Director received a stipend in the amount of $30,000, the Chair of the Audit Committee received a stipend in the amount of $25,000, the Chair of the Compensation/Succession Committee received a stipend in the amount of $20,000, the Chair of the Nominating/Corporate Governance Committee received a stipend in the amount of $15,000, and the Chair of the Sustainability and Corporate Responsibility Committee received a stipend in the amount of $10,000. All such stipends are paid in cash. We do not pay fees for attendance at board and committee meetings. Directors are reimbursed for out-of-pocket traveling expenses incurred in attending board and committee meetings. Directors may also be provided with certain perquisites from time to time.

Stock units are credited to the account of each non-employee director on a quarterly basis in an amount determined by dividing the quarterly amount of the retainer to be paid in stock units by the fair market value of a share of our common stock on the last business day of that quarter, and are fully-vested at all times. As of any date on which cash dividends are paid on our common stock, each director's stock unit account is also credited with stock units in an amount determined by dividing the dollar value of the dividends that would have been paid on the stock units in that director's account had those units been actual shares by the fair market value of a share of our stock on the dividend payment date. For purposes of this plan, the "fair market value" of a share of our common stock on any date is the average of the high and low reported sales prices for our stock on the NYSE on that date. Each stock unit is paid out in cash on the first business day following the earlier of (i) five years after the end of the calendar year that includes the quarter for which that stock unit was credited to the director's account, and (ii) when the director ceases to be a member of the Board. The amount to be paid will equal the number of stock units credited to a director's account multiplied by the fair market value of a share of our stock on the payout date. A director may elect to defer the receipt of these payments in accordance with the plan.

The following table summarizes compensation provided to each non-employee director for services provided during fiscal year 2019.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	All Other Compensation ($)(3)	Total ($)
A. L. BOECKMANN(4)	30,978	225,000	—	255,978
M. S. BURKE	125,000	175,000	—	300,000
T. K. CREWS	150,000	175,000	—	325,000
P. DUFOUR	125,000	175,000	—	300,000
D. E. FELSINGER	30,000	300,000	5,000	335,000
S. F. HARRISON(5)	131,675	175,000	—	306,675
P. J. MOORE	140,000	175,000	5,000	320,000
F. J. SANCHEZ	125,000	175,000	—	300,000
D. A. SANDLER	125,000	175,000	—	300,000
L. Z. SCHLITZ(6)	83,448	131,250	—	214,698
D. T. SHIH(7)	56,800	43,750	—	100,550
K. R. WESTBROOK	145,000	175,000	—	320,000

(1) As described above, $175,000 of the annual retainer of $300,000 is paid in stock units, which are reported in the "Stock Awards" column. In addition, our directors may elect to receive the remaining portion of the annual retainer in the form of cash, stock units, or a combination of both. For fiscal year 2019, each of Mr. Boeckmann and Mr. Felsinger elected to receive his entire annual retainer in the form of stock units.

(2) The amounts set forth in this column represent the grant date fair value of stock unit grants to each of the listed directors computed in accordance with the provisions of FASB ASC Topic 718. Each of the listed directors is a non-employee director and the fair value of services provided by each director has been used to calculate the number of stock units credited to each director by dividing the quarterly fair value of the services provided by the fair market value of a share of our company's common stock on the last business day of the quarter. For purposes of this plan, the "fair market value" of a share of our common stock on any date is the average of the high and low reported sales prices for our stock on the NYSE on that date. The fair value of services provided by each of the directors has been determined to be $75,000 per quarter. The aggregate number of stock units credited to the account of each non-employee director as of December 31, 2019 (including mandatory stock unit grants, voluntary elections to receive stock units, and the deemed reinvestment of dividends) was as follows:

Name	Number of Stock Units at 12/31/19
M. S. Burke	5,850
T. K. Crews	33,576
P. Dufour	24,927
D. E. Felsinger	64,431
S. F. Harrison	9,844
P. J. Moore	62,949
F. J. Sanchez	21,456
D. A. Sandler	13,597
L. Z. Schlitz	2,161
K. R. Westbrook	50,446

(3) Consists of charitable gifts pursuant to the company's matching charitable gift program which is available to substantially all employees and non-employee directors.

(4) Mr. Boeckmann resigned from the Board of Directors effective November 7, 2019, and his annual non-employee director compensation was prorated to reflect his period of service during 2019.

(5) Ms. Harrison's compensation includes a pro-rated stipend to reflect her period of service as the Chair of Sustainability and Corporate Responsibility Committee in 2019.

(6) Ms. Schlitz was elected to the Board of Directors at our 2019 Annual Meeting of Stockholders on May 1, 2019, and her annual non-employee director compensation was prorated to reflect her period of service during 2019.

(7) Mr. Shih did not stand for reelection at our 2019 Annual Meeting of Stockholders on May 1, 2019, and his annual non-employee director compensation was prorated to reflect his period of service during 2019.

Director Stock Ownership Guidelines

Our company has guidelines regarding ownership of shares of our common stock by our non-employee directors. These guidelines call for non-employee directors to own shares of common stock (including stock units issued pursuant to the Stock Unit Plan for Non-Employee Directors) over time with a fair market value of not less than five times the amount of the maximum cash portion of the annual retainer. Application of these guidelines will consider the time each director has served on the Board of Directors, as well as stock price fluctuations that may impact the achievement of the five times cash retainer ownership guidelines.

We prohibit non-employee directors from pledging company securities if they have not met stock ownership guidelines, and we require our non-employee directors to obtain approval from our General Counsel before pledging company securities.

Equity Compensation Plan Information; Related Transactions

EQUITY COMPENSATION PLAN INFORMATION AT DECEMBER 31, 2019

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights(a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))(c)
Equity Compensation Plans Approved by Security Holders	14,768,827(1)	$35.20(2)	5,234,839(3)
Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total	14,768,827(1)	$35.20(2)	5,234,839(3)

(1) Consists of 4,840,843 shares to be issued upon vest of outstanding restricted stock units, 1,880,597* shares to be issued upon vest of outstanding Performance Units, and 8,047,387 shares to be issued upon exercise of outstanding options pursuant to the company's 2009 Incentive Compensation Plan all as of December 31, 2019.

(2) Weighted-average exercise price for outstanding stock options.

(3) Consists of shares available for issuance pursuant to the Company's 2009 Incentive Compensation Plan, as of December 31, 2019. Benefits which may be granted under the 2009 Incentive Compensation Plan are options, stock appreciation rights, restricted stock and restricted stock units, performance shares, performance units and cash-based awards. However, only 2,107,032 of these shares are eligible for granting of full value shares.

*Based on Target Share Amounts for PSUs. Number of PSUs issued would be 2,471,866 under the maximum payout conditions.

As of March 16, 2020, our company does not have any equity compensation plans that have not been approved by our stockholders.

REVIEW AND APPROVAL OF CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Various policies and procedures of our company, including our Code of Conduct, our bylaws, the charter of the Nominating/Corporate Governance Committee, and annual questionnaires completed by all of our directors and executive officers, require the directors and executive officers to disclose and otherwise identify to the company the transactions or relationships that may constitute conflicts of interest or otherwise require disclosure under applicable SEC rules as "related person transactions" between our company or its subsidiaries and related persons. For these purposes, a related person is a director, executive officer, nominee for director, or 5% stockholder of the company since the beginning of the last fiscal year and their immediate family members.

Although the company's processes vary with the particular transaction or relationship, in accordance with our Code of Conduct, directors, executive officers, and other company employees are directed to inform appropriate supervisory personnel as to the existence or potential existence of such a transaction or relationship. To the extent a related person is involved in the relationship or has a material interest in the transaction, the company's practice, although not part of a written policy, is to refer consideration of the matter to the Board or the Audit Committee. The transaction or relationship will be evaluated by the Board or the Audit Committee, which will approve or ratify it if it is determined that the transaction or relationship is fair and in the best interests of the company. Generally, transactions and series of related transactions of less than $120,000 are approved or ratified by appropriate company supervisory personnel and are not approved or ratified by the Board or a committee thereof.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the fiscal year ended December 31, 2019, the brother of Christopher Cuddy, one of our executive officers, was employed by our company as a vice president of our Golden Peanut and Tree Nut business. Such relationship was considered by the Audit Committee and found to be fair and in the best interests of our company.

Report of the Audit Committee

The Audit Committee provides assistance to the Board of Directors in fulfilling its oversight responsibility to the stockholders relating to the Company's (i) financial statements and the financial reporting process, (ii) preparation of the financial reports and other financial information provided by the Company to any governmental or regulatory body, (iii) systems of internal accounting and financial controls, (iv) internal audit functions, (v) annual independent audit of the Company's financial statements, (vi) major risk exposures, (vii) legal compliance and ethics programs as established by management and the Board, (viii) related-party transactions, and (ix) performance of the compliance function.

The Audit Committee assures that the corporate information gathering, analysis and reporting systems developed by management represent a good faith attempt to provide senior management and the Board of Directors with information regarding material acts, events, and conditions within the Company. In addition, the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent auditor. The Audit Committee ensures that the Company establishes, resources, and maintains a professional internal auditing function and that there are no unjustified restrictions or limitations imposed on such function. The Audit Committee reviews the effectiveness of the internal audit function and reviews and approves the actions relating to the Company's General Auditor, including performance appraisals and related base and incentive compensation. The Audit Committee is comprised of six independent directors, all of whom are financially literate and one of whom (T. K. Crews, the Chairman) has been determined by the Board of Directors to be an "audit committee financial expert" as defined by the Securities and Exchange Commission ("SEC").

Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited financial statements in the annual report with management, including a discussion of the quality — not just the acceptability — of the accounting principles, the reasonableness of significant judgments, the development and selection of the critical accounting estimates, and the clarity of disclosures in the financial statements. Also, the Audit Committee discussed with management education regarding compliance with the policies and procedures of the Company as well as federal and state laws.

The Audit Committee reviewed and discussed with the independent auditor, who is responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, the effectiveness of the Company's internal control over financial reporting, and the matters required to be discussed by the applicable Public Company Accounting Oversight Board ("PCAOB") standards including their judgment as to the quality — not just the acceptability — of the Company's accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. In addition, the Audit Committee received the written disclosures and the letter from the independent auditor required by applicable requirements of the PCAOB regarding the independent auditor's communications with the Audit Committee concerning independence and has discussed with the independent auditor the auditor's independence from management and the Company. The Audit Committee has adopted an Audit and Non-Audit Services Pre-Approval Policy and considered the compatibility of non-audit services with the independent auditor's independence. The Audit Committee recommended to the Board of Directors (and the Board of Directors approved) a hiring policy related to current and former employees of the independent auditor.

The Committee discussed the Company's major risk exposures, the steps management has taken to monitor and control such exposures, and guidelines and policies to govern the Company's risk assessment and risk management processes.

The meetings of the Audit Committee are designed to facilitate and encourage communication among the Audit Committee, the Company, the Company's internal audit function and the Company's independent auditor. The Audit Committee discussed with the internal and independent auditors the overall scope and plans for their respective audits. The Audit Committee met with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the accounting and financial controls, and the overall quality of the Company's financial reporting. The Audit Committee met individually with members of management in executive session. The Audit Committee held nine meetings during fiscal year 2019.

The Audit Committee recognizes the importance of maintaining the independence of the Company's independent auditor, both in fact and appearance. Each year, the Audit Committee evaluates the qualifications, performance, tenure and independence of the

Company's independent auditor and determines whether to re-engage the current independent auditor. In doing so, the Audit Committee considers the quality and efficiency of the services provided by the auditors, the auditors' global capabilities and the auditors' technical expertise and knowledge of the Company's operations and industry. Based on this evaluation, the Audit Committee has appointed Ernst & Young LLP as independent auditor for the fiscal year ending December 31, 2020. The members of the Audit Committee and the Board believe that, due to Ernst & Young LLP's knowledge of the Company and of the industries in which the Company operates, it is in the best interests of the Company and its stockholders to continue retention of Ernst & Young LLP to serve as the Company's independent auditor. Although the Audit Committee has the sole authority to appoint the independent auditors, the Board is submitting the selection of Ernst & Young LLP to our stockholders for ratification as a matter of good corporate practice.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board of Directors approved) that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2019 for filing with the SEC.

T. K. Crews, Chairman
P. Dufour
P. J. Moore
F. J. Sanchez
D. A. Sandler
L. Z. Schlitz

Proposal No. 2

Proposal No. 2 — Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee is directly responsible for the appointment, compensation, retention, and oversight of the independent registered public accounting firm retained to audit the company's financial statements. The Audit Committee has appointed Ernst & Young LLP as our company's independent registered public accounting firm for the fiscal year ending December 31, 2020. Ernst & Young LLP, or its predecessor firms, has served as our independent registered public accounting firm for more than 85 years.

The Audit Committee is responsible for the audit fee negotiations associated with our company's retention of Ernst & Young LLP. In order to assure continuing auditor independence, the Audit Committee periodically considers whether there should be regular rotation of the independent registered public accounting firm. In conjunction with the required rotation of Ernst & Young LLP's lead engagement partner, the Audit Committee and its Chairman are directly involved in the selection of Ernst & Young LLP's new lead engagement partner.

We are asking our stockholders to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm. Although ratification is not required by our bylaws or otherwise, the Board is submitting the selection of Ernst & Young LLP to our stockholders as a matter of good corporate practice. The members of the Audit Committee, and the Board of Directors, believe that the continued retention of Ernst & Young LLP to serve as the company's independent registered public accounting firm is in the best interests of our company and its stockholders. Representatives of Ernst & Young LLP will be present at the virtual meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

The Board of Directors recommends a vote FOR ratification of the appointment of Ernst & Young LLP as our company's independent registered public accounting firm for the fiscal year ending December 31, 2020. Proxies solicited by the Board will be so voted unless stockholders specify a different choice.

FEES PAID TO INDEPENDENT AUDITORS

The following table shows the aggregate fees paid to Ernst & Young LLP by us for the services it rendered during the fiscal years ended December 31, 2019, and December 31, 2018.

Description of Fees	2019	2018
Audit Fees(1)	$17,153,000	$16,512,000
Audit-Related Fees(2)	2,567,000	2,462,000
Tax Fees(3)	2,447,000	1,646,000
All Other Fees(4)	318,000	—
Total	$22,485,000	$20,620,000

(1) Includes fees for audit of annual financial statements, reviews of the related quarterly financial statements, audit of the effectiveness of our company's internal control over financial reporting, and certain statutory audits.

(2) Includes fees for accounting and reporting assistance for newly adopted accounting standards (Leases), due diligence for mergers and acquisitions, and audit-related work in connection with employee benefit plans of our company.

(3) Includes fees related to tax planning advice and tax compliance.

(4) Includes fees for advisory services related to strategic transactions or divestitures.

AUDIT COMMITTEE PRE-APPROVAL POLICIES

The Audit Committee has adopted an Audit and Non-Audit Services Pre-Approval Policy. This policy provides that audit services engagement terms and fees, and any changes in such terms or fees, are subject to the specific pre-approval of the Audit Committee. The policy further provides that all other audit services, audit-related services, tax services, and permitted non-audit services are subject to pre-approval by the Audit Committee. All of the services Ernst & Young LLP performed for us during fiscal years 2019 and 2018 were pre-approved by the Audit Committee.

Proposal No. 3

Proposal No. 3 — Advisory Vote on Executive Compensation

Pursuant to Section 14A of the Exchange Act, the following proposal provides our stockholders with an opportunity to vote to approve, on an advisory basis, the compensation of our named executive officers, as disclosed in this proxy statement. In considering your vote, you may wish to review the “Compensation Discussion and Analysis” discussion herein, which provides details as to our compensation policies, procedures, and decisions regarding the named executive officers, as well as the Summary Compensation Table and other related compensation tables, notes, and narrative disclosures in this proxy statement. This vote is not intended to address any specific element of our executive compensation program, but rather the overall compensation program for our named executive officers.

The Compensation/Succession Committee, which is comprised entirely of independent directors, and the Board of Directors believe that the executive compensation policies, procedures, and decisions made with respect to our named executive officers are competitive, are based on our pay-for-performance philosophy, and are focused on achieving our company’s goals and enhancing stockholder value.

Accordingly, for the reasons discussed above and in the “Compensation Discussion and Analysis” section of this proxy statement, the Board asks our stockholders to vote FOR the adoption of the following resolution to be presented at the Annual Meeting of Stockholders in 2020:

> RESOLVED, that the stockholders approve, on an advisory basis, the compensation of the Company’s named executive officers as disclosed in the Compensation Discussion and Analysis section, the compensation tables, and the related narrative disclosure in this Proxy Statement.

Although this advisory vote is not binding on the Board of Directors, the Board and the Compensation/Succession Committee will review and expect to take into account the outcome of the vote when considering future executive compensation decisions.

The Board of Directors recommends that you vote FOR the approval of the advisory resolution on the compensation of our company’s named executive officers, as disclosed in this proxy statement. Proxies solicited by the Board will be so voted unless stockholders specify a different choice.

Proposal No. 4

Proposal No. 4 — Approval of the 2020 Incentive Compensation Plan

Introduction

We are seeking stockholder approval of the ADM 2020 Incentive Compensation Plan (the “2020 Plan”), which was approved by our Board on February 5, 2020, subject to stockholder approval. Upon approval of the 2020 Plan by our stockholders, no further awards will be made under our current plan, the Archer-Daniels-Midland Company Amended and Restated 2009 Incentive Compensation Plan (the “2009 Plan”).

As of March 16, 2020, the 2009 Plan had approximately 3,150,181 shares remaining available for issuance. Additional shares are being requested to help ensure the Company has sufficient shares to meet our anticipated needs to grant equity awards to incentivize and retain employees in future years.

The 2020 Plan authorizes 16,200,000 shares for awards, together with those shares of common stock remaining available for future grants under the 2009 Plan on the date the 2020 Plan obtains stockholder approval. We believe that given our current grant practices, the authorized share amount under the 2020 Plan should allow us to make equity compensation awards through February 2026, prior to the 2026 annual meeting of stockholders.

Awards outstanding under the 2009 Plan as of the date the 2020 Plan becomes effective will continue to be subject to the terms of the 2009 Plan, but if those awards subsequently expire, are forfeited, canceled, or terminated, or are settled in cash, the shares subject to those awards will become available for awards under the 2020 Plan.

Stockholder approval of the 2020 Plan is being sought in order to satisfy the stockholder approval requirements of (i) the New York Stock Exchange and (ii) Section 422 of the Internal Revenue Code (“Code”) to enable options granted under the 2020 Plan to qualify as incentive stock options. If the 2020 Plan is not approved by our stockholders, the 2009 Plan will remain in effect and we will remain subject to its existing share reserve.

Factors Considered in Setting Size of Requested Share Amount

As of March 16, 2020, there were 557,207,815 shares of our common stock issued and outstanding. The closing sale price of a share of our common stock on the New York Stock Exchange on that date was $32.68.

In setting the proposed number of shares reserved and issuable under the 2020 Plan, the Compensation/Succession Committee and our Board considered a number of factors as described below.

Awards Outstanding and Shares Available for Grant

The table below shows, as of March 16, 2020, the shares reserved for issuance of outstanding awards under the 2009 Plan. Our 2009 Plan is the only plan under which we currently grant equity awards to our officers and employees. The table also shows the number of shares that will be available for future grants under each equity compensation plan following approval of the 2020 Plan by our stockholders.

	As of March 16, 2020		After Approval of 2020 Plan	
	Shares Reserved for Issuance of Outstanding Awards (1)	Shares Available For Future Awards	Shares Reserved for Issuance of Outstanding Awards	Shares Available for Future Awards
2009 Plan (2)	14,889,407	3,150,181(3)	14,889,407	0
2020 Plan	0	0	0	(3)
Total				(3)

(1) Shares reserved for issuance of outstanding awards at March 16, 2020 consist of the following:

	Types of Awards		Weighted Average Exercise Price of Options/SARs	Weighted Average Term to Expiration
	Options/SARs	Full Value Awards		
2009 Plan (2)	7,478,025	7,411,382	$35,83	4.2 years

(2) No further equity awards may be granted under the 2009 Plan, following stockholder approval of the 2020 Plan; however, any shares that would return to the 2009 Plan as a result of an award terminating, expiring or being forfeited or being settled in cash in lieu of shares will instead become available under the 2020 Plan.

(3) The 2020 Plan authorizes 16,200,000 shares for awards, together with those shares of common stock remaining available for future grants under the 2009 Plan on the date the 2020 Plan obtains stockholder approval.

We believe that the expected dilution that will result from the 2020 Plan is reasonable for a company of our size in our industry.

Historical Equity Grant Practices

Our three-year average "burn rate" was 0.43% for fiscal years 2017 through 2019. We define burn rate as the total number of shares subject to awards granted to participants in a single year expressed as a percent of our basic weighted average common shares outstanding for that year. We believe our historical burn rate is reasonable for a company of our size in our industry.

Overhang

Expectations regarding future share usage under the 2020 Plan are based on a number of assumptions regarding factors such as future growth in the population of eligible participants, the rate of future compensation increases, the rate at which shares are returned to the 2020 Plan reserve through forfeitures, cancellations and the like, the level at which performance-based awards pay out, and our future stock price performance. While the Compensation/Succession Committee believes that the assumptions utilized are reasonable, future share usage will differ to the extent that actual events differ from our assumptions.

Key Compensation Practices

The 2020 Plan is substantially similar to our 2009 Plan, with several primary differences. The 2020 Plan:

- Streamlines the types of award categories and permits all award categories to be granted subject to performance-based vesting conditions;
- Imposes an annual limit on the aggregate grant date fair value of all equity-based awards granted to any non-employee director for his or her service as a non-employee director;
- Adopts a plan default for treatment of awards upon a change of control, including double-trigger acceleration of awards continued, assumed, or replaced in connection with a change of control, consistent with the provisions of award agreements granted since 2017;
- Preserves a minimum performance period of one year for performance-based awards but shortens the minimum vesting period for time-based awards from three years to one year in order to increase flexibility with respect to award design while maintaining compliance with governance principles;

- Removes the fungible share design to reduce administrative complexity and more closely align with our current grant practices;
- Increases flexibility for design of performance-based awards following the repeal of Section 162(m) of the Code, but maintains individual award limits; and
- Provides that if any benefits provided to a participant under the 2020 Plan or other Company compensation arrangements in connection with a change of control would constitute "parachute payments" within the meaning of Section 280G of the Code and result in the imposition of an excise tax on the participant under Section 4999 of the Code, then the amount of such payments and benefits will either (i) be reduced to the extent necessary to avoid characterization as parachute payments and the imposition of the excise tax, or (ii) be paid in full and remain subject to the imposition of the excise tax, whichever results in the participant's receipt on an after-tax basis of the greatest amount of payments and benefits. Like the 2009 Plan, the 2020 Plan does not provide any parachute payment gross-ups to its participants.

The 2020 Plan continues to include a number of features similar to our 2009 Plan that we believe are consistent with the interests of our stockholders and sound corporate governance practices, including the following:

- Administered by our independent Compensation/Succession Committee;
- Contains annual limits on all types of equity awards and cash-based awards granted to any participants (other than to non-employee directors who a subject to a separate equity award limit described above);
- Prohibits cancellation of awards for cash or other property or the grant of a full value award at a time when the exercise price of the award is greater than the current fair market value of a share of our common stock;
- Subjects most awards to a minimum one-year vesting period, subject to certain exceptions;
- Prohibits re-pricing of stock options or SARs, including any cancellation for cash or other property or the grant of a full value award at a time when the exercise price of the stock option or SAR is greater than the current fair market value of a share of our common stock;
- Prohibits the issuance of stock options or SARs at an exercise price that is less than the fair market value of our common stock on the date of grant;
- Prohibits liberal share recycling;
- Provides for the forfeiture of certain outstanding awards if the Compensation/Succession Committee determines that the employee has engaged in certain misconduct that is materially detrimental to the interests of the Company;
- Does not apply a "liberal" change of control definition to awards; and
- Does not allow material modifications to the 2020 Plan without prior stockholder approval, which includes amendments that would increase the number of shares of our common stock.

The complete text of the 2020 Plan is attached as Appendix A.

Why We Believe You Should Vote for the 2020 Plan

The Board believes that equity compensation is an important part of total compensation for our executives as well as for certain other senior and management-level employees. As described in the CD&A, our compensation programs are intended to work together to reward these employees for achieving the pre-established business goals set by the Board, to induce their commitment and continued service with the Company, and to align their interests with those of our stockholders through equity compensation and stock ownership requirements. We believe that equity compensation is one of the most effective tools to achieve these goals, and consistent with our goals for the future, we believe that equity-based incentives will continue to play an important role in our ability to incentivize our executives and other employees. Accordingly, we believe that stockholders should approve the 2020 Plan.

Summary of the 2020 Long Term Incentive Plan

Administration

The Compensation/Succession Committee will administer the 2020 Plan and will have full power and authority to determine when and to whom awards will be granted, and the type, amount, and other terms and conditions of each award, consistent with the provisions of the 2020 Plan. In addition, the Compensation/Succession Committee can specify whether, and under what circumstances, awards to be received under the 2020 Plan may be deferred. Subject to the provisions of the 2020 Plan, the Compensation/Succession Committee may amend or waive the terms and conditions, or accelerate the vesting and/or exercisability of an outstanding award. The Compensation/Succession Committee shall also have discretionary authority to interpret the 2020 Plan and any award or award agreement, adopt sub-plans or special provisions applicable to awards, reconcile any inconsistency, correct any defect or supply an omission in the 2020 Plan or any award agreement, make all factual determinations under the Plan, and make all other determinations necessary or advisable for Plan administration. The Compensation/Succession Committee may delegate its authority under the 2020 Plan to members of the Board or executive officers of the Company as it relates to awards to persons not subject to Section 16 of the Exchange Act.

Eligible Participants

Any employee, officer, non-employee director, or permitted consultant, who is selected by the Compensation/Succession Committee, is eligible to receive an award under the 2020 Plan. As of December 31, 2019, approximately 38,100 full-time employees, including officers, and the non-employee directors were eligible to be selected by the Compensation/Succession Committee to receive awards under the 2020 Plan.

Shares Available For Awards

Upon approval by our stockholders of this proposal, 16,200,000 shares of common stock together with those shares of common stock remaining available for future grants under the 2009 Plan on the date the 2020 Plan obtains stockholder approval will be available for issuance under the 2020 Plan. Each award granted under the 2020 Plan will count as one share against the pool of authorized shares.

In the event of certain equity restructurings, such as a stock dividend, stock split, spin-off, rights offering, or recapitalization through a large, nonrecurring cash dividend, that causes a change in the per share value of the shares of common stock underlying outstanding equity awards, the Compensation/Succession Committee will make equitable adjustments with respect to the 2020 Plan and awards thereunder as it may deem appropriate, including adjustments to the aggregate number of shares that may be issued under the 2020 Plan, individual award limits and the number and kind of shares or other securities subject to outstanding awards and, if applicable, the option price or base price of outstanding awards. Similarly, in the event of any other change in corporate capitalization, which may include a merger, consolidation, any reorganization, or any partial or complete liquidation of the Company, the Compensation/Succession Committee may, in its sole discretion, make appropriate and equitable adjustments to prevent dilution or enlargement of benefits or potential benefits intended to be provided under the 2020 Plan.

If any shares of our common stock subject to any award under the 2020 Plan, or to an award under a Prior Plan that is outstanding on the date our stockholders approve the 2020 Plan, that expires, is forfeited or cancelled, or is settled or paid in cash will, to the extent of such expiration, forfeiture, cancellation, or cash settlement, become available again for future awards under the 2020 Plan. Each share that again becomes available for awards in such manner shall increase the share reserve by one share. However, shares tendered or withheld in payment of the purchase price of a stock option, shares tendered or withheld to satisfy a tax withholding obligation, shares repurchased with proceeds received by the Company from exercise of a stock option, and shares subject to a stock appreciation right that are not issued in connection with the stock settlement of the stock appreciation right may not be used again under the 2020 Plan.

Awards granted under the 2020 Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by an entity acquired by the Company or any of our subsidiaries will not reduce the number of shares of common stock authorized for issuance under the 2020 Plan. Additionally, if a company acquired by the Company or any of our subsidiaries has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition, the shares available for grant pursuant to the terms of that pre-existing plan may be used for awards under the 2020 Plan and will not reduce the shares authorized for issuance under the 2020 Plan, but only if the shares are used for awards made to individuals who were not employed by or providing services to us or any of our subsidiaries immediately prior to such acquisition.

Types of Awards and Terms and Conditions

The 2020 Plan permits the granting of:

- Stock options (incentive stock options, non-qualified stock options);
- Stock appreciation rights (SARs);
- Restricted stock;
- Stock units;
- Cash-based awards; and
- Other stock-based awards.

Awards may be granted alone, in addition to, in combination with or in substitution for, any other award granted under the 2020 Plan or any other compensation plan. The exercise price per share under any stock option and the grant price of any SAR may not be less than the fair market value on the date of grant of such option or SAR. Determinations of fair market value under the 2020 Plan will be made by reference to the closing price of our common stock on the NYSE on the trading date immediately prior to the date in question. The term of awards of the stock-based portion of the plan will not be longer than ten years.

Stock Options. The holder of an option will be entitled to purchase a number of shares of our common stock at a specified exercise price during a specified time period (not to exceed ten years), all as determined by the Compensation/Succession Committee. The option exercise price may be payable either in cash or its equivalent, by tendering, either by actual delivery of shares or by attestation, previously acquired shares having an aggregate fair market value at the time of exercise equal to the total option price, or a combination of the foregoing. The Compensation/Succession Committee also may permit participants to elect cashless exercise to satisfy the exercise price or through any other means which the Compensation/Succession Committee determines to be consistent with the Plan's purpose and applicable law. Under the 2020 Plan, the Compensation/Succession Committee may adopt a rule to provide for the automatic exercise of a vested and exercisable non-qualified stock option that remains unexercised immediately prior to the close of business on the expiration date of the option, subject to the terms and conditions provided under the 2020 Plan and by the Compensation/Succession Committee. We have not granted stock options in recent years.

Stock Appreciation Rights. The value of a SAR granted to a participant is determined by the appreciation in the number of shares of common stock of the company subject to the award during its term, subject to any limitations upon the amount or percentage of total appreciation that the Compensation/Succession Committee may determine at the time the award is granted. The participant receives all or a portion of the amount by which the fair market value on the date the award is exercised of the number of shares as to which the award is exercised, exceeds a base price for that number of shares as specified by the Compensation/Succession Committee at the time the award is granted. The base price per share of a SAR must be at least 100% of the fair market value of a share of common stock of the company on the date the SAR is granted, except in the case of substitute awards. A SAR may be granted in connection with a previously or contemporaneously granted option, or independent of any option. A SAR may be paid in cash, shares of common stock of the company or a combination of cash and shares as determined by the Compensation/Succession Committee. No SAR may be exercised more than ten years after its date of grant.

Restricted Stock / Stock Units. The Compensation/Succession Committee may grant participants shares of common stock of the company that are subject to such transfer and other restrictions as the Compensation/Succession Committee may determine, along with a risk of forfeiture or repurchase. The Committee may also grant participants stock units, each of which provides a participant the right to receive a share of common stock of the company after satisfaction of a vesting period, and which are also subject to restrictions and a risk of forfeiture. Awards of restricted stock generally provide the participant with dividends and voting rights prior to vesting, but the dividends may be made subject to such restrictions and risk of forfeiture as the Committee may determine. Awards of stock units may provide the participant with dividend equivalents prior to vesting, at the discretion of the Compensation/Succession Committee. The terms and conditions of restricted stock and stock unit awards are determined by the Compensation/Succession Committee.

Cash-Based Awards. A cash-based award shall be considered a performance-based award and its payment is contingent upon the degree to which one or more specified performance goals have been achieved over the specified performance period. Cash-based awards may be granted to any participant in such dollar-denominated amounts and upon such terms and at such times as shall be determined by the Compensation/Succession Committee, consistent with the terms and conditions of the 2020 Plan.

Other Stock-Based Awards. Other awards of our common stock and other awards that are valued in whole or in part by reference to, or are otherwise based upon or settled in, our common stock also may be granted under the 2020 Plan. The Committee has the discretion to determine the terms and conditions of these other stock-based awards so long as they are consistent with the vesting requirements and other provisions of the 2020 Plan.

Performance Awards. The Compensation/Succession Committee may grant any of the foregoing types of awards subject to performance-based vesting conditions and other restrictions. In connection with any performance-based award, the Compensation/Succession Committee will select the applicable performance measures and specify the performance goals based on those performance measures for any performance period, specify in terms of a formula or standard the method for calculating the amount payable to a participant if the performance goals are satisfied, and determine the degree to which the vesting, exercisability, lapse of restrictions and/or settlement in cash or shares of such award has been earned, including the degree to which applicable performance goals have been satisfied.

The Compensation/Succession Committee may, in its discretion, adjust any amount otherwise determined to be payable in connection with an award. The Compensation/Succession Committee shall also have the authority to provide, in an award agreement or otherwise, for the modification of a performance period and/or an adjustment or waiver of the achievement of performance measures upon the occurrence of certain events.

Performance measures include: earnings per share; net income (before or after taxes); return on assets, net assets, equity, investment or capital; cash flow, cash flow per share, and cash flow return on investments, which equals net cash flows divided by owners equity; earnings before or after any one or more of taxes, interest, depreciation, and amortization; gross revenues; share price (including, but not limited to, growth measures and total stockholder return), or any other financial, operational, or strategic measure approved by the Compensation/Succession Committee. Any performance goal based on one of the foregoing performance measures utilized may be expressed in absolute amounts, on a per share basis, relative to one or more of the other performance measures, as a growth rate or change from preceding periods, or as a comparison to the performance of specified companies, indices, or other external measures, and may relate to one or any combination of corporate, group, unit, division, subsidiary, or individual performance. In specifying any financial performance goals applicable to any performance period, the Committee may provide that one or more adjustments shall be made to the performance measures on which the performance goals are based, which may include adjustments that would cause such measures to be considered “non-GAAP financial measures” within the meaning of Rule 101 under Regulation G promulgated by the Securities and Exchange Commission, such as excluding the impact of specified unusual or nonrecurring events such as acquisitions, divestitures, restructuring activities, asset write-downs, litigation judgments or settlements, or changes in tax laws or accounting principles.

Minimum Vesting. The 2020 Plan provides that except as otherwise provided in an award agreement, service-based awards shall be subject to a vesting period of not less than one year from the applicable grant date, and performance-based awards shall be subject to a performance period of not less than one year. These minimum vesting and performance periods will not apply in connection with: (i) a change of control, (ii) a termination of employment or other service due to death, disability, or retirement, (iii) a substitute award that does not reduce the vesting period of the award being replaced, (iv) an award made in payment of or exchange for other compensation already earned and payable, and (v) outstanding, exercised, and settled awards involving an aggregate number of shares not in excess of 5% of the 2020 Plan’s share reserve. For purposes of awards to our non-employee directors, a vesting period will be deemed to be one year if runs from the date of one of our annual stockholder meetings to the date of the next annual stockholder meeting.

Dividends and Dividend Equivalents. The 2020 Plan prohibits the payment of dividends or dividend equivalents on stock options and SARs. It also provides that with respect to any dividends or distributions payable with respect to shares of our common stock that are subject to the unvested portion of a restricted stock grant during the period of restriction may be either made currently, credited to an account for the participant, or deemed to have been reinvested in additional shares which shall thereafter be deemed to be part of and subject to the underlying Award, including the same vesting and performance conditions. The Compensation/Succession Committee may apply any restrictions on a participant’s receipt of the dividends from such underlying award as it deems appropriate. In its discretion, the Committee may provide in an award agreement for a stock unit award or other stock-based award that a participant will be entitled to receive dividend equivalent payments based on dividends actually declared and paid on outstanding shares, units, or other share equivalents subject to the underlying award agreement, which payments may be either made currently, credited to an account for the participant, or deemed to have been reinvested in additional shares, units, or other share equivalents which shall thereafter be deemed to be part of and subject to the underlying award, including the same vesting and performance conditions. Dividend equivalent amounts credited to an account for a participant may be settled in cash or shares or a combination of both, as determined by the Compensation/Succession Committee, and may be made subject to the same vesting and performance conditions as the underlying award.

Limitations on Awards. The 2020 Plan also sets forth the following limitations on the amount of awards that may be granted to any one participant (other than a non-employee director) under the 2020 Plan during any calendar year:

- 4,000,000 shares subject to stock options and SARs;
- 1,000,000 shares subject to full value awards, such as awards of restricted stock, stock units, and/or other-stock based awards; and
- $10,000,000 maximum aggregate payout (determined as of the end of the applicable performance period) with respect to cash-based awards.

The Company’s non-employee directors are subject to a separate aggregate grant date fair value limit of $500,000 of all equity-based awards during any calendar year (excluding any awards granted at the election of the director in lieu of all or any portion of retainers or fees otherwise payable to him or her in cash).

Duration, Termination, and Amendment. The 2020 Plan shall remain in effect, subject to the right of the Board to amend or terminate the 2020 Plan at any time, until all shares subject to it shall have been distributed according to the 2020 Plan’s provisions, provided that in no event may an incentive stock option be granted under the 2020 Plan more than ten years after the effective date of the 2020 Plan.

The Board may at any time and from time to time, modify, amend, suspend, or terminate the 2020 Plan in whole or in part, at any time but no such modification, amendment, suspension, or termination of the 2020 Plan shall materially impair the rights of a participant with respect to a previously granted award without the consent of the participant, except such a modification or amendment made to comply with applicable law or stock exchange rules. Stockholder approval is also required for any action that would, absent such approval, violate the rules and regulations of the NYSE or any other securities exchange applicable to the company.

The Committee may unilaterally amend or modify the terms of any award agreement previously granted, except that no such amendment or modification shall (i) materially impair the rights of a participant with respect to a previously granted Award without the consent of the participant, except such a modification or amendment made to comply with applicable law or stock exchange rules or (ii) decrease the option price or base price thereof, or be cancelled in exchange for cash, a new option or SAR with a lower option price or base price, or other awards, or otherwise be subject to any action that would be treated for accounting purposes as a “repricing” of such option or SAR, unless such action is approved by the Company’s stockholders.

Forfeiture and Clawback.

The Committee may specify in an award agreement that a participant's rights, payments, and benefits under the award will be subject to reduction, cancellation, forfeiture, or recovery by the Company upon the occurrence of certain other specified events, which may include termination of service for cause; breach of noncompetition or confidentiality provisions that apply to the participant; or other conduct by the participant that is detrimental to the Company. Awards also may be made subject to forfeiture or recovery by the Company pursuant to any compensation recovery policy adopted by the Board or the Compensation/Succession Committee at any time, including in response to the requirements of Section 10D of the Exchange Act and any implementing rules and regulations thereunder, or as otherwise required by law. Any award agreement may be unilaterally amended by the Committee to comply with any such compensation recovery policy.

Change of Control.

In the event of a change of control that constitutes a business combination, if an award is not continued, assumed, or replaced by the successor corporation and unless otherwise provided in an award agreement, the award will vest in full and the participant will have the right to exercise such outstanding option and SAR, all restrictions on such restricted stock, stock units, and other stock-based awards will lapse, and, with respect to any performance-based awards, all performance goals or other vesting criteria will be deemed achieved at the greater of one hundred percent (100%) of target levels and the actual level of performance (if determinable) and all other terms and conditions met. In addition, if an option or SAR is not assumed or substituted in the event of a change of control, the Compensation/Succession Committee will notify the participant in writing or electronically that such option or SAR will be exercisable for a period of time determined by the Compensation/Succession Committee in its sole discretion, and the option or SAR will terminate upon the expiration of such period.

In the event of a change of control that constitutes a business combination, if an award is continued, assumed, or replaced by the successor corporation and unless otherwise provided in an award agreement during the 24 month period following a change of control the participant (i) is terminated without cause by the Company (or any successor entity) or (ii) if permitted under an award agreement, resigns with good reason, then the participant will fully vest in and have the right to exercise such outstanding replacement awards that are options and SARs, all restrictions on any replacement awards that are restricted stock, stock units, and other stock-based awards will lapse, and, with respect to performance-based vesting awards, all performance goals or other vesting criteria will be deemed achieved at the greater of one hundred percent (100%) of target levels and the actual level of performance (if determinable) and all other terms and conditions met.

In the event of a change of control, the Compensation/Succession Committee shall determine whether and to what extent a participant's outstanding cash-based awards will be subject to accelerated vesting. Unless otherwise provided by the Compensation/Succession Committee in an award agreement or otherwise, if we experience a change of control due to the stockholder approval of a plan to liquidate or dissolve the Company, all outstanding awards shall vest and become fully exercisable, and will terminate immediately prior to the consummation of any such proposed action.

A "change of control" under the 2020 Plan generally refers to the acquisition by a person or group of beneficial ownership of 30% or more of the combined voting power of our voting securities, our continuing directors ceasing to constitute a majority of our Board, or the consummation of a business combination (unless immediately following such business combination all or substantially all of our previous holders of voting securities beneficially own more than 60% of the combined voting power of the resulting entity in substantially the same proportions and no individual owns more than 30% of the combined voting power of the resulting entity), or our shareholders approve a definitive agreement or plan to liquidate or dissolve the Company.

Prohibition on Repricing Awards

No option or SAR may be amended to reduce its exercise price, no option or SAR may be canceled and replaced with an option or SAR having a lower exercise price, and no award may be cancelled in exchange for cash or other property or the grant of a full value award at a time when the exercise price of the award is greater than the current fair market value of a share of our common stock, except in connection with a stock dividend or other distribution, including a stock split, merger, or other similar corporate transaction or event, in order to prevent dilution or enlargement of the benefits, or potential benefits intended to be provided under the 2020 Plan.

Transferability of Awards

Unless otherwise provided by the Compensation/Succession Committee, awards under the 2020 Plan may only be transferred by will or by the laws of descent and distribution.

Federal Income Tax Consequences

Grant of Options and SARs. The grant of a stock option or SAR is not expected to result in any taxable income for the recipient.

Exercise of Options and SARs. Upon exercising a non-qualified stock option, the optionee must recognize ordinary income equal to the excess of the fair market value of the shares of our common stock acquired on the date of exercise over the exercise price, and we will generally be entitled at that time to an income tax deduction for the same amount. The holder of an incentive stock option generally will have no taxable income upon exercising the option (except that an alternative minimum tax liability may arise), and we will not be entitled to an income tax deduction. Upon exercising an SAR, the fair market value on the exercise date of any shares of our common stock received is taxable to the recipient as ordinary income and generally deductible by us.

Disposition of Shares Acquired Upon Exercise of Options and SARs. The tax consequence upon a disposition of shares acquired through the exercise of an option or SAR will depend on how long the shares have been held and whether the shares were acquired by exercising an incentive stock option or by exercising a non-qualified stock option or SAR. Generally, there will be no tax consequence to us in connection with the disposition of shares acquired under an option or SAR, except that we may be entitled to an income tax deduction in the case of the disposition of shares acquired under an incentive stock option before the applicable incentive stock option holding periods set forth in the of the Code have been satisfied.

Awards Other than Options and SARs. As to other awards granted under the 2020 Plan that are payable either in cash or shares of our common stock that are either transferable or not subject to substantial risk of forfeiture, the holder of the award must recognize ordinary income equal to (i) the amount of cash received or, as applicable, (ii) the excess of (A) the fair market value of the shares received (determined as of the date of receipt) over (B) the amount (if any) paid for the shares by the holder of the award. We will generally be entitled at that time to an income tax deduction for the same amount.

*Section 162(m) Limit***.** Section 162(m) of the of the Code prevents us from taking a federal income tax deduction for compensation paid in excess of $1 million to our "covered employees" which includes the CEO, CFO, and the three other most highly compensated executive officers of the Company as of the end of the applicable calendar year, and any other person who was considered a covered employee in a previous taxable year (but not earlier than 2017). Any awards we grant pursuant to the 2020 Plan to covered employees, whether performance-based or otherwise, will be subject to the $1 million annual deduction limitation.

Parachute Payment Limitations. The 2020 Plan also provides that if any payments or benefits provided to a participant under the 2020 Plan or any other of our compensation programs or arrangements in connection with a change of control would constitute "parachute payments" within the meaning of Section 280G of the of the Code, and would otherwise result in the imposition of an excise tax under Section 4999 of the of the Code, then the amount of such payments and benefits will either (i) be reduced to the extent necessary to avoid characterization as parachute payments and the imposition of the excise tax, or (ii) be paid in full and remain subject to the imposition of the excise tax, whichever results in the participant's receipt on an after-tax basis of the greatest amount of payments and benefits.

Share Withholding to Satisfy Tax Obligation. Under the 2020 Plan, the Compensation/Succession Committee may permit participants receiving or exercising awards, subject to the discretion of the Compensation/Succession Committee and upon such terms and conditions as it may impose, to elect to have the Company withhold shares having a fair market value equal to the required withholdings (up to the maximum individual statutory tax rates in the applicable jurisdictions) to satisfy federal and state income tax obligations.

Plan Benefits

The amount, type and timing of awards granted under the 2020 Plan are determined in the sole discretion of the administrator and therefore cannot be determined in advance. The future awards that would be received under the 2020 Plan by executive officers and other employees are discretionary and are therefore not determinable at this time.

Information regarding awards made under the 2009 Plan during 2019 to our NEOs is provided elsewhere in this Proxy Statement. Currently we do not provide any equity awards to our non-employee directors under the 2009 Plan. Instead, stock units are granted pursuant to our Stock Unit Plan for Non-Employee Directors as further described in the "Director Compensation" section of this Proxy Statement. In addition, please refer to the "Grants of Plan-Based Awards" table of this Proxy Statement for a listing of awards granted to our NEOs during 2019.

The Board of Directors recommends that you vote FOR the approval of the 2020 Incentive Compensation Plan.

Submission of Stockholder Proposals and Other Matters

Deadline for Submission of Stockholder Proposals

Proposals of stockholders, including nominations for director, intended to be presented at the next annual meeting and desired to be included in our proxy statement for that meeting must be received by the company's Secretary, addressed to ADM, Attn: Secretary, 77 West Wacker Drive, Suite 4600, Chicago, Illinois 60601, no later than November 25, 2020, and, in the case of nominations for director, no earlier than October 26, 2020, in order to be included in such proxy statement. These proposals and nominations must also meet all the relevant requirements of our bylaws in order to be included in our proxy statement. Generally, if written notice of any stockholder proposal intended to be presented at the next annual meeting, and not included in our proxy statement for that meeting, is not delivered to the Secretary at the above address between February 6, 2021 and March 8, 2021 (or, if the next annual meeting is called for a date that is not within the period from April 7, 2021 to June 6, 2021, if such notice is not so delivered by the close of business on the tenth day following the earlier of the date on which notice of the date of such annual meeting is mailed or public disclosure of the date of such annual meeting is made), or if such notice does not contain the information required by Section 1.4(c) of our bylaws, the chair of the annual meeting may declare that such stockholder proposal be disregarded.

STOCKHOLDERS WITH THE SAME ADDRESS

Individual stockholders sharing an address with one or more other stockholders may elect to "household" the mailing of the proxy statement and our annual report. This means that only one annual report and proxy statement will be sent to that address unless one or more stockholders at that address specifically elect to receive separate mailings. Stockholders who participate in householding will continue to receive separate proxy cards. Also, householding will not affect dividend check mailings. We will promptly send a separate annual report and proxy statement to a stockholder at a shared address on request. Stockholders with a shared address may also request us to send separate annual reports and proxy statements in the future, or to send a single copy in the future if we are currently sending multiple copies to the same address.

Requests related to householding should be made in writing and addressed to Investor Relations, ADM, 4666 Faries Parkway, Decatur, Illinois 62526-5666, or by calling our Investor Relations at 217-424-5656. If you are a stockholder whose shares are held by a bank, broker, or other nominee, you can request information about householding from your bank, broker, or other nominee.

OTHER MATTERS

It is not contemplated or expected that any business other than that pertaining to the subjects referred to in this proxy statement will be brought up for action at the meeting, but in the event that other business does properly come before the meeting calling for a stockholders' vote, the named proxies will vote thereon according to their best judgment in the interest of our company.

By Order of the Board of Directors

ARCHER-DANIELS-MIDLAND COMPANY

D. C. Findlay

D. C. Findlay, Secretary

March 25, 2020

Annex A

Definition and Reconciliation of Non-GAAP Measures

DEFINITION AND RECONCILIATION OF NON-GAAP MEASURES

We use Adjusted ROIC to mean “Adjusted ROIC Earnings” divided by “Adjusted Invested Capital”. Adjusted ROIC Earnings is the Company’s net earnings attributable to controlling interests adjusted for the after-tax effects of interest expense, changes in the LIFO reserve, and other specified items. Adjusted Invested Capital is the average of quarter-end amounts for the trailing four quarters, with each such quarter-end amount being equal to the sum of the Company’s equity (excluding noncontrolling interests), interest-bearing liabilities, the after-tax effect of the LIFO reserve, and other specified items. Management uses Adjusted ROIC to measure the Company’s performance by comparing Adjusted ROIC to the Company’s weighted average cost of capital, or WACC.

Adjusted EBITDA is defined as Earnings Before Interest, Taxes, Depreciation, and Amortization, adjusted for specified items. Adjusted EPS is defined as diluted Earnings Per Share adjusted for the effects on reported diluted EPS of certain specified items. Management believes Adjusted EBITDA and Adjusted EPS are useful measures of the Company’s performance because they provide investors additional information about the Company’s operations allowing better evaluation of underlying business performance and better period-to-period comparability.

Adjusted economic value added (EVA) is the Company’s economic value added adjusted for LIFO and other specified items. The Company calculates economic value added by comparing ADM’s adjusted ROIC to its Annual WACC multiplied by adjusted invested capital.

Adjusted ROIC, Adjusted ROIC Earnings, Adjusted Invested Capital, Adjusted EBITDA, Adjusted EPS, and adjusted EVA are non-GAAP financial measures and are not intended to replace or be alternatives to GAAP financial measures. The following tables present reconciliations of Adjusted ROIC Earnings to net earnings attributable to controlling interests, the most directly comparable amount reported under GAAP; of Adjusted Invested Capital to Total Shareholders’ Equity, the most directly comparable amount reported under GAAP; of Adjusted EBITDA to earnings before income taxes, the most directly comparable amount reported under GAAP; of Adjusted EPS to diluted EPS, the most directly comparable amount reported under GAAP, and the calculations of Adjusted EVA and Adjusted ROIC for the period ended December 31, 2019.

ADJUSTED EVA(1) CALCULATION (TWELVE MONTHS ENDED DECEMBER 31, 2019)

Adjusted ROIC 7.5% less Annual WACC 6.75% x Adjusted Invested Capital $28,416* = $213*

ADJUSTED ROIC(1) CALCULATION (TWELVE MONTHS ENDED DECEMBER 31, 2019)

Adjusted ROIC Earnings $2,135* ÷ Adjusted Invested Capital $28,416* = 7.5%

*in millions

ADJUSTED ROIC EARNINGS(1) (IN MILLIONS)	Quarter Ended				Four Quarters Ended
	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Dec 31, 2019
Net earnings attributable to ADM	$233	$235	$407	$504	$1,379
Adjustments:					
Interest expense	101	109	97	95	402
LIFO	1	25	(16)	27	37
Specified items	30	119	48	253	450
Total adjustments	132	253	129	375	889
Tax on adjustments	(28)	(65)	(32)	(8)	(133)
Net adjustments	104	188	97	367	756
Total Adjusted ROIC Earnings	$337	$423	$504	$871	$2,135

ADJUSTED INVESTED CAPITAL(1) (IN MILLIONS)	Quarter Ended				Trailing Four-Quarter Average
	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Dec 31, 2019
Shareholders' Equity(2)	$18,895	$18,955	$18,873	$19,208	$18,983
+ Interest-bearing liabilities(3)	9,887	9,417	8,891	8,891	9,272
+ LIFO adjustment (net of tax)	42	61	49	69	55
+ Specified items	27	86	36	274	106
Total Adjusted Invested Capital	$28,851	$28,519	$27,849	$28,442	$28,416

ADJUSTED EBITDA(1) (IN MILLIONS)	Twelve Months Ended Dec 31, 2019
Earnings before income taxes	$1,588
Interest expense	402
Depreciation and amortization	993
EBITDA	2,983
Adjustments:	
LIFO charge	37
Losses on sales of assets and businesses	89
Asset impairment, restructuring, and settlement charges	305
Railroad maintenance expense	51
Acquisition-related expenses	17
Adjusted EBITDA	$3,482
Reserve, Louisiana facility adjustment	27
Adjusted EBITDA excluding Reserve, Louisiana facility adjustment	$3,509

ADJUSTED EPS(1)	Twelve Months Ended Dec 31, 2019
EPS (fully diluted) as reported	$2.44
Adjustments:	
LIFO charge	0.05
Losses on sales of assets and businesses	0.22
Asset impairment, restructuring, and settlement charges	0.44
Acquisition-related expenses	0.02
Tax adjustments	0.07
Adjusted EPS	$3.24

(1) Non-GAAP measure: The Company uses certain "Non-GAAP" financial measures as defined by the Securities and Exchange Commission. These are measures of performance not defined by accounting principles generally accepted in the United States, and should be considered in addition to, not in lieu of, GAAP reported measures.

(a) Adjusted Return on Invested Capital (ROIC) is Adjusted ROIC Earnings divided by Adjusted Invested Capital. Adjusted ROIC Earnings is ADM's net earnings adjusted for the after tax effects of interest expense, changes in the LIFO reserve, and other specified items. Adjusted Invested Capital is the sum of ADM's equity (excluding noncontrolling interests), interest-bearing liabilities, the after tax effect of the LIFO reserve, and the after tax effect of other specified items.

(b) Other specified items are comprised of charges related to the impairment of certain assets and restructuring of $11 million ($10 million, after tax; $0.02 per share), expenses related to the Neovia acquisition of $14 million ($9 million, after tax; $0.02 per share), a tax expense adjustment related to the U.S. tax reform and certain discrete items of $17 million ($0.03 per share), and gains related to the sale of certain assets and a step-up gain on an equity investment of $12 million ($9 million, after tax; $0.02 per share) for the quarter ended March 31, 2019; charges related to the impairment of certain assets, restructuring, and pension remeasurement of $138 million ($105 million, after tax; $0.18 per share) and a tax benefit adjustment related to the U.S. tax reform and certain discrete items of $19 million ($0.03 per share) for the quarter ended June 30, 2019; charges related to the impairment of certain assets, restructuring, and pension settlement of $53 million ($41 million, after tax; $0.08 per share) and a tax benefit adjustment related to the U.S. tax reform and certain discrete items of $5 million ($0.01 per share) for the quarter ended September 30, 2019; and charges related to the impairment of certain assets, restructuring, and pension settlement of $103 million ($93 million, after tax; $0.16 per share), a loss related to the sale of an equity investment of $101 million ($133 million, after tax; $0.24 per share), expenses related to certain acquisitions of $3 million ($2 million, after tax; $0.00 per share), and a tax expense adjustment related to certain discrete items of $46 million ($0.08 per share) for the quarter ended December 31, 2019.

(c) Reserve, Louisiana facility adjustment of $27 million related to a pretax loss that resulted from shutting operations at the facility due to property damage from a shipping accident caused by a third party.

(d) Adjusted EVA is Adjusted ROIC less the Company's Annual WACC multiplied by Adjusted Invested Capital.

(e) Adjusted EBITDA is EBITDA adjusted for certain specified items as described above and railroad maintenance expense.

(f) Adjusted EPS is diluted EPS adjusted for certain specified items as described above.

(2) Excludes noncontrolling interests.

(3) Includes short-term debt, current maturities of long-term debt, capital lease obligations, and long-term debt.

Annex B

2020 Incentive Compensation Plan

ARCHER-DANIELS-MIDLAND COMPANY
2020 INCENTIVE COMPENSATION PLAN

Article 1. Establishment, Objectives, and Duration

1.1. Establishment of the Plan. Archer-Daniels-Midland Company, a Delaware corporation (hereinafter referred to as the "Company"), hereby establishes an incentive compensation plan to be known as the "Archer-Daniels-Midland Company 2020 Incentive Compensation Plan" (hereinafter referred to as the "Plan"), as set forth in this document. The Plan permits the grant of various forms of equity- and cash-based Awards. The Plan shall become effective on the date it is approved by the Company's stockholders, which shall be considered the date of its adoption for purposes of Treasury Regulation §1.422-2(b)(2)(i) (the "Effective Date"), and shall remain in effect as provided in Section 1.3 hereof. No Awards shall be made under the Plan prior to the Effective Date. If the Company's shareholders fail to approve the Plan by May 31, 2021, the Plan will be of no further force or effect.

1.2. Objectives of the Plan. The objectives of the Plan are to optimize the profitability and growth of the Company through annual and long-term incentives which are consistent with the Company's goals and which link the personal interests of Participants to those of the Company's Stockholders; to provide Participants with an incentive for excellence in individual performance; and to promote teamwork among Participants. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Participants who make significant contributions to the Company's success and to allow Participants to share in the success of the Company.

1.3. Duration of the Plan. The Plan shall commence on the Effective Date, as described in Section 1.1 hereof, and shall remain in effect, subject to the right of the Board of Directors to amend or terminate the Plan at any time pursuant to Article 16 hereof, until all Shares subject to it shall have been distributed according to the Plan's provisions. However, in no event may an ISO be granted under the Plan more than ten years after the Effective Date.

Article 2. Definitions

Whenever used in the Plan, the following terms shall have the meanings set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized:

2.1. "Affiliate" means any entity that is a Subsidiary or a parent corporation, as defined in Code Section 424(e), of the Company, or any other entity designated by the Committee as covered by the Plan in which the Company has, directly or indirectly, at least a 20% voting interest.

2.2. "Award" means a grant under this Plan of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Stock Units, a Cash-Based Award or an Other Stock-Based Award.

2.3. "Award Agreement" means a written or electronic agreement entered into by the Company and each Participant setting forth the terms and provisions applicable to an Award granted under this Plan.

2.4. "Beneficial Owner" or "Beneficial Ownership" shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

2.5. "Board" or "Board of Directors" means the Board of Directors of the Company.

2.6. "Cash-Based Award" means an Award granted to a Participant, as described in Article 11 herein.

2.7. "Cause" has the meaning specified in a Participant's employment agreement or Award Agreement with the Company or an Affiliate, or, in the case the Participant is not employed pursuant to an employment agreement or is party to an Award Agreement or employment agreement that does not define the term, "Cause" shall mean any of the following acts by the Participant: (i) embezzlement or misappropriation of corporate funds, (ii) any acts resulting in a conviction for, or plea of guilty or nolo contendere to, a charge of commission of a felony, (iii) misconduct resulting in injury to the Company or any Affiliate, (iv) activities harmful to the reputation of the Company or any Affiliate, (v) a violation of Company or Affiliate operating guidelines or policies, (vi) willful refusal to perform, or substantial disregard of, the duties properly assigned to the Participant, or (vi) a violation of any contractual, statutory or common law duty of loyalty to the Company or any Affiliate.

2.8. "Change of Control" means what the term (or a term of like import) is expressly defined to mean in a then-effective employment or other written agreement between the Participant and the Company or any Affiliate, or in the absence of any such then-effective agreement or definition, means either:

(a) A Person other than the Company or a Subsidiary of the Company acquires Beneficial Ownership, directly or indirectly, of thirty-percent (30%) or more of either (i) the then outstanding shares of Company common stock, or (ii) the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors ("Voting Securities"), provided that the following will not constitute a Change of Control under this subsection (a):

(i) Any acquisition directly from the Company (excluding any acquisition resulting from the exercise of a conversion or exchange privilege with respect to outstanding convertible or exchangeable securities unless such convertible or exchangeable securities were acquired directly from the Company);

(ii) Any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or one or more of its Subsidiaries;

(iii) Any acquisition by any corporation with respect to which, immediately following such acquisition, more than 60% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then Beneficially Owned, directly or indirectly, by all or substantially all of the persons who were the Beneficial Owners, respectively, of the outstanding Company common stock and Voting Securities immediately prior to such acquisition in substantially the same proportions as their ownership, immediately prior to such acquisition, of the outstanding Company common stock and Voting Securities, as the case may be;

(b) Approval by the stockholders of the Company of the complete dissolution or liquidation of the Company;

(c) The consummation of (i) a reorganization, merger or consolidation of the Company (other than a merger or consolidation with a subsidiary of the Company), (ii) a statutory exchange of outstanding Voting Securities of the Company, or (iii) a sale or other disposition of all or substantially all of the assets of the Company (in one or a series of transactions) (any transaction referred to in clauses (i) through (iii) a "Business Combination"), unless immediately following such Business Combination all or substantially all of the persons who were the beneficial owners, respectively, of the outstanding Company common stock and Voting Securities immediately prior to such Business Combination Beneficially Own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the surviving or acquiring entity (or its parent corporation) resulting from such Business Combination in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the outstanding Company common stock and Voting Securities, as the case may be; or

(d) A majority of the members of the Board of Directors of the Company are not Continuing Directors, with the term "Continuing Directors" meaning (i) the members of the Board as of the Effective Date, and (ii) any individual who becomes a member of the Board after such date whose election, or nomination for election by the stockholders of the Company, was approved by the vote of at least two-thirds of the then Continuing Directors, but excluding any individual whose initial assumption of office as a director of the Company occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board.

provided, however, that for purposes of Awards hereunder that are subject to the provisions of Code Section 409A, no Change of Control shall be deemed to have occurred upon an event described in (a), (b), (c) or (d) that would have the effect of changing the time or form of payment of such Award, unless such event would also constitute a "change in control" under Code Section 409A (regarding change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation) and related guidance thereunder.

2.9. "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

2.10. "Committee" means the Compensation Committee of the Board of Directors, which shall consist of two or more directors all of whom are intended to satisfy the requirements for a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act and an "independent director" under the rules of the New York Stock Exchange (or any other national securities exchange which is the principal exchange on which the Shares may then be traded).

2.11. "Company" means Archer-Daniels-Midland Company, a Delaware corporation, and any successor thereto as provided in Article 18 herein.

2.12. "Consultant" means a consultant or adviser engaged to provide services to the Company or any Affiliate (other than in connection with (i) a capital-raising transaction or (ii) promoting or maintaining a market in Company securities) who is a natural person.

2.13. "Date of Grant" shall mean the date on which an Award under the Plan is approved by the Committee or such later effective date for such Award as the Committee may specify.

2.14. "Disability" shall have the meaning set forth in the Award Agreement, or if no definition is specified in the Award Agreement, it shall have the meaning ascribed to such term in the Participant's governing long-term disability plan; provided that, if no such plan exists and no definition is specified in the Award Agreement, it shall mean the inability of the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

2.15. "Effective Date" shall have the meaning ascribed to such term in Section 1.1 hereof.

2.16. "Eligible Individual" means any person who is an Employee, a Non-Employee Director or a Consultant.

2.17. "Employee" means any person who is an employee of the Company or any Affiliate; provided, however, that with respect to ISOs, "Employee" means any person who is considered an employee of the Company or any Affiliate for purposes of Treasury Regulation Section 1.421-1(h).

2.18. "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.19. "Fair Market Value" on any date shall be determined on the basis of the closing sale price of a Share on the trading date immediately prior to such date on the principal securities exchange on which the Shares are traded or, if there is no such sale on the relevant date, then on the last previous day on which a sale was reported.

2.20. "Freestanding SAR" means a SAR that is granted independently of any Options, as described in Article 7 herein.

2.21. "Full Value Award" means any Award other than an Option, a Stock Appreciation Right or a Cash-Based Award.

2.22. "Good Reason" shall have the meaning specified in a Participant's employment agreement with the Company; provided if the Participant is not a party to an employment agreement that contains such definition, then a termination for "Good Reason" shall occur upon the a Participant's resignation from employment with the Company as a result of one or more of the following reasons: (i) the Company materially reduces the amount of a Participant's base salary or cash bonus opportunity (it being understood that the Committee shall have discretion to set the Company's and his/her personal performance targets to which the cash bonus will be tied), (ii) a material diminution in the Participant's authority, duties or responsibilities, or (iii) the Company changes the Participant's place of work (other than in connection with a return to his/her home country upon the termination of a work assignment in a different country) to a location more than fifty (50) miles from the Participant's present place of work; provided, however, that the occurrence of any such condition shall not constitute Good Reason unless (A) the Participant provides written notice to the Company of the existence of such condition not later than 60 days after he/she knows or reasonably should know of the existence of such condition, (B) the Company fails to remedy such condition within 30 days after receipt of such notice and (C) the Participant resigns due to the existence of such condition within 60 days after the expiration of the remedial period described in clause (B) hereof.

2.23. "Incentive Stock Option" or "ISO" means an option to purchase Shares granted under Article 6 herein and which is designated as an Incentive Stock Option and which is intended to meet the requirements of Code Section 422.

2.24. "Non-Employee Director" means a member of the Board who is not an Employee.

2.25. "Nonqualified Stock Option" or "NQSO" means an option to purchase Shares granted under Article 7 herein and which is not intended to meet the requirements of Code Section 422.

2.26. "Option" means an Incentive Stock Option or a Nonqualified Stock Option, as described in Article 7 herein.

2.27. "Option Price" means the price at which a Share may be purchased by a Participant pursuant to an Option.

2.28. "Other Stock-Based Award" means an Award described in Article 11 of the Plan.

2.29. "Participant" means an Employee, Non-Employee Director or Consultant who has been selected to receive an Award or who has outstanding an Award granted under the Plan.

2.30. "Performance Measure" means. earnings per share; net income (before or after taxes); return on assets, net assets, equity, investment or capital; cash flow, cash flow per share and cash flow return on investments, which equals net cash flows divided by owners equity; earnings before or after any one or more of taxes, interest, depreciation and amortization; gross revenues; share price (including, but not limited to, growth measures and total stockholder return) or any other financial, operational or strategic measure approved by the Committee. Any performance goal based on one of the foregoing performance measures utilized may be expressed in absolute amounts, on a per share basis, relative to one or more of the other performance measures, as a growth rate or change from preceding periods, or as a comparison to the performance of specified companies, indices or other external measures, and may relate to one or any combination of corporate, group, unit, division, Subsidiary or individual performance. In specifying any financial performance goals applicable to any performance period, the Committee may provide that one or more adjustments shall be made to the performance measures on which the performance goals are based, which may include adjustments that would cause such measures to be considered "non-GAAP financial measures" within the meaning of Rule 101 under Regulation G promulgated by the Securities and Exchange Commission, such as excluding the impact of specified unusual or nonrecurring events such as acquisitions, divestitures, restructuring activities, asset write-downs, litigation judgments or settlements or changes in tax laws or accounting principles.

2.31. "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock is limited in some way and the Shares are subject to a risk of forfeiture, as provided in Article 9 herein.

2.32. "Person" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof.

2.33. "Prior Plan" means each of the Archer-Daniels-Midland Company Amended and Restated 2009 Incentive Compensation Plan and the Archer-Daniels-Midland Company Amended and Restated 2002 Incentive Plan.

2.34. "Restricted Stock" means Shares granted to a Participant pursuant to Article 9 herein that are subject to certain restrictions and the risk of forfeiture or repurchase.

2.35. "Retirement" means what the term is expressly defined to mean in an applicable Award Agreement or, in the absence of such a definition, means any termination of employment at or after age sixty-five (65), or at or after age fifty-five (55) with ten (10) or more years of continuous service as defined under the ADM Retirement Plan.

2.36. "Shares" means the shares of common stock of the Company, without par value.

2.37. "Stock Appreciation Right" or "SAR" means an Award, granted alone or in connection with a related Option, designated as a SAR, pursuant to the terms of Article 8 herein.

2.38. "Stock Unit" or "Unit" means the right granted to a Participant pursuant to Article 10 to receive, in cash and/or Shares as determined by the Committee, the Fair Market Value of a Share, subject to such restrictions on transfer, vesting conditions and other restrictions or limitations as may be set forth in this Plan and the applicable Agreement.

2.39. "Subsidiary" means any corporation, partnership, joint venture, or other entity in which the Company has a majority voting interest; provided, however, that with respect to ISOs, the term "Subsidiary" shall include only an entity that qualifies under Code Section 424(f) as a "subsidiary corporation" with respect to the Company.

2.40. "Substitute Award" means an Award granted or Shares issued by the Company in assumption of, or in substitution or exchange for, outstanding awards granted by a company or other entity acquired by the Company or any Affiliate or with which the Company or any Affiliate combines.

2.41. "Tandem SAR" means a SAR that is granted in connection with a related Option pursuant to Article 8 herein, the exercise of which shall require forfeiture of the right to purchase a Share under the related Option (with a similar cancellation of the Tandem SAR when a Share is purchased under the Option). Except for the medium of payment, the terms of a Tandem SAR shall be identical in all material respects to the terms of the related Option.

Article 3. Administration

3.1. Committee Members. The Plan shall be administered by the Committee. The members of the Committee shall be appointed by and serve at the pleasure of the Board. The Committee shall have such powers and authority as may be necessary or appropriate for the Committee to carry out its functions as described in the Plan. No member of the Committee shall be liable for any action or determination made in good faith by the Committee with respect to the Plan or any Award thereunder.

3.2. Discretionary Authority. Subject to the express limitations of the Plan, the Committee shall have authority in its discretion to

(a) determine the Eligible Individuals to whom, and the time or times at which, Awards may be granted, the number of Shares, Units or other rights subject to each Award, the Option Price or purchase price of an Award (if any), the time or times at which an Award will become vested, exercisable or payable, any Performance Measures and performance goals applicable to and the other conditions of an Award, the duration of the Award, and all other terms of an Award;

(b) cancel or suspend an Award, accelerate the vesting or extend the exercise period of an Award, or otherwise amend the terms and conditions of any outstanding Award, subject to the requirements of Section 16.2;

(c) grant Substitute Awards under the Plan; and

(d) require or permit the deferral of the settlement of an Award, and establish the terms and conditions of any such deferral.

The Committee shall also have discretionary authority to interpret the Plan and any Award or Award Agreement, adopt sub-plans or special provisions applicable to Awards, reconcile any inconsistency, correct any defect or supply an omission in the Plan or any Award Agreement, to make all factual determinations under the Plan, and to make all other determinations necessary or advisable for Plan administration. The Committee may prescribe, amend, and rescind rules and regulations relating to the Plan. All interpretations, determinations, and actions by the Committee shall be final, conclusive, and binding upon all parties.

3.3. Action by the Committee. A majority of the members of the Committee shall constitute a quorum for any meeting of the Committee, and the act of a majority of the members present at any meeting at which a quorum is present or the act approved in writing by a majority of all the members of the Committee shall be the act of the Committee. To the extent consistent with applicable law and stock exchange rules, the Committee may delegate all or any portion of its authority under the Plan to any one or more of its members or, as to Awards to Participants who are not subject to Section 16 of the Exchange Act, to one or more directors or executive officers of the Company or to a committee of the Board comprised of one or more directors of the Company. The Committee may also delegate non-discretionary administrative responsibilities in connection with the Plan to such other persons as it deems advisable. In the performance of their duties under this Plan, the Committee members shall be entitled to rely upon information and advice furnished by the Company's officers, employees, accountants or counsel, or any executive compensation consultant or other professional retained by the Company or the Committee to assist in the administration of this Plan.

3.4 Finality of Decisions. The Committee's interpretation of the Plan and of any Award or Agreement made under the Plan and all related decisions or resolutions of the Board or Committee shall be final and binding on all parties with an interest therein.

Article 4. Shares Subject to the Plan and Maximum Awards

4.1. Number of Shares Available for Grants. Subject to adjustment as provided in Sections 4.1(a) and 4.4 herein, the number of Shares that may be the subject of awards and issued to Participants under the Plan shall be Sixteen Million Two Hundred Thousand Shares (16,200,000), plus any Shares of Stock remaining available for future grants under the Prior Plan on the Effective Date of this Plan. The Shares to be delivered under the Plan will be made available from authorized but unissued Shares or issued Shares that are held in the Company's treasury. Shares that are subject to Awards shall be counted against the share reserve as one Share for every one Share granted. Shares subject to Substitute Awards shall not be counted against the share reserve, nor shall they reduce the Shares authorized for grant to a Participant in any calendar year. Awards that may be settled solely in cash shall not be counted against the share reserve, nor shall they reduce the Shares authorized for grant to a Participant in any calendar year.

4.2. Effect of Forfeitures and Other Actions. Any Shares subject to an Award under this Plan, or to an award granted under a Prior Plan that is outstanding on the Effective Date, that expires, is forfeited, cancelled, or returned to the Company for failure to satisfy vesting requirements, is settled for cash or otherwise terminates without payment being made thereunder shall, to the extent of such expiration, forfeiture, cancellation, return, cash settlement or termination, again be available for grant under the Plan. The following Shares will, however, continue to be charged against the foregoing maximum Share limitations and will not again become available for grant: (i) Shares tendered by the Participant or withheld by the Company in payment of the purchase price of an Option under this Plan or a Prior Plan, (ii) Shares tendered by the Participant or withheld by the Company to satisfy any tax withholding obligation with respect to an Award under this Plan or a Prior Plan, (iii) Shares repurchased by the Company with proceeds received from the exercise of a stock option issued under this Plan or a Prior Plan, and (iv) Shares subject to a SAR issued under this Plan or a Prior Plan that are not issued in connection with the stock settlement of the SAR upon its exercise.

4.3. Counting Shares Again Available. Each Share that again becomes available for Awards as provided in Section 4.1(a) shall increase the total number of Shares available for grant under Section 4.1 by one Share.

4.4. Effect of Plans Operated by Acquired Companies. If a company acquired by the Company or any Affiliate or with which the Company or any Affiliate combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not be charged against the foregoing maximum Share limitations; provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees or Non-Employee Directors prior to such acquisition or combination

4.5. Individual Award Limitations. Subject to adjustments as provided in Section 4.7 herein, the following rules shall apply to grants of Awards under the Plan to Participant other than non-Employee Directors:

(a) Stock Options and SARs: The maximum aggregate number of Shares subject to Option and/or Stock Appreciation Right Awards granted during any calendar year to any one Participant shall not exceed 4,000,000 Shares.

(b) Full Value Award Compensation Limit. The maximum number of Shares that may be the subject of Full Value Awards that are granted to any Participant during any calendar year shall not exceed 1,000,000 Shares.

(c) Cash-Based Awards: The maximum aggregate payout (determined as of the end of the applicable performance period) with respect to Cash-Based Awards granted in any one calendar year to any one Participant shall be Ten Million Dollars ($10,000,000).

4.6. Limits on Awards to Non-Employee Directors. The aggregate grant date fair value (as determined in accordance with generally accepted accounting principles applicable in the United States) of all equity-based Awards granted during any calendar year to any Non-Employee Director (excluding any such Awards granted at the election of a Non-Employee Director in lieu of all or any portion of retainers or fees otherwise payable to Non-Employee Directors in cash) with respect to such individual's service as a Non-Employee Director shall not exceed $500,000.

4.7. Adjustments in Shares.

(a) Equity Restructurings. In the event of any equity restructuring, the Committee shall make such equitable adjustments with respect to the Plan and Awards thereunder as the Committee may deem appropriate to reflect the occurrence of such equity restructuring, including adjustments to (i) the aggregate number of Shares or other securities that may be issued under the Plan (ii) the Award limits set forth in this Article 4, and (iii) the number and kind of Shares or other securities subject to outstanding Awards and, if applicable, the Option Price or base price of outstanding Awards.

An "equity restructuring" for this purpose means a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that causes a change in the per share value of the Shares underlying outstanding Awards.

(b) Other Events. In the event of any other change in corporate capitalization, which may include a merger, consolidation, any reorganization (whether or not such reorganization comes within the definition of such term in Code Section 368), or any partial or complete liquidation of the Company to the extent such events do not constitute equity restructurings, and subject to Article 20, the Committee may, in its sole discretion, make such equitable adjustments described in Section 4.7(a) as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of benefits.

Any adjustment made pursuant to this Section 4.7 shall be conclusive and binding for all purposes of the Plan. Unless otherwise determined by the Committee, the number of shares subject to an Award shall always be a whole number. No fractional Shares may be issued under the Plan, but the Committee may, in its discretion, adopt any rounding convention it deems suitable or pay cash in lieu of any fractional Share in settlement of an Award. Notwithstanding the foregoing, no adjustment made pursuant to this Section 4.7 shall be authorized to the extent that it would cause an Award to be subject to adverse tax consequences under Code Section 409A.

Article 5. Eligibility and Participation

5.1. Eligibility. Eligible Individuals who may participate in this Plan include all Employees, Non-Employee Directors and Consultants. References in this Plan to "employed," "employment" and similar terms (other than "Employee" or "employee") shall be deemed to include, as the context requires, the providing of services in the capacity of a Non-Employee Director or Consultant. For purposes of the Plan, a Participant's employment shall be deemed to have terminated either upon an actual cessation of providing services or when the entity to which the Participant provides services ceases to be an Affiliate. Except as otherwise provided in this Plan or any Award Agreement, employment shall not be deemed terminated in the case of (i) any approved leave of absence; (ii) transfers among the Company and any Affiliates in any Eligible Individual capacity; or (iii) any change in status so long as the person remains in the service of the Company or any Affiliate in any Eligible Individual capacity.

5.2. Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from all Eligible Individuals those to whom Awards shall be granted and shall determine the nature and amount of each Award.

Article 6. General Terms of Awards

6.1. Award Agreements. Each Award will be evidenced by an Award Agreement setting forth the terms, conditions and restrictions, as determined by the Committee, which will apply to such Award, and not inconsistent with the terms and conditions of this Plan.

6.2. Minimum Vesting. Each Agreement shall set forth the period until the applicable Award is scheduled to vest and, if applicable, expire (which shall not be more than ten years from the Grant Date), and, consistent with the requirements of this Section 6.2, the applicable vesting conditions and any applicable performance period. Except as provided in this Section 6.2, Awards that vest based solely on the satisfaction by the Participant of service-based vesting conditions shall be subject to a vesting period of not less than one year from the applicable Grant Date (during which no portion of the award may be scheduled to vest), and Awards whose grant or vesting is subject to the satisfaction of performance goals over a performance period shall be subject to a performance period of not less than one year. The minimum vesting periods specified above shall not apply: (i) to Awards in payment of or exchange for other compensation already earned and payable; (ii) to termination of employment due to death, Disability or Retirement; (iii) upon a Change of Control; (iv) to a Substitute Award that does not reduce the vesting period of the award being replaced; or (v) to outstanding, exercised and settled Awards involving an aggregate number of Shares not in excess of 5% of the number of Shares available for Awards under Section 4.1. For purposes of Awards to Non-Employee Directors, a vesting period will be deemed to be one year if runs from the date of one annual meeting of the Company's stockholders to the date of the next annual meeting of the Company's stockholders.

6.3. Transferability. Except as provided in this Section 6.3, (i) during the lifetime of a Participant, only the Participant or the Participant's guardian or legal representative may exercise an Option or SAR, or receive payment with respect to any other Award; and (ii) no Award may be sold, assigned, transferred, exchanged or encumbered, voluntarily or involuntarily, other than by will or the laws of descent and distribution. Any attempted transfer in violation of this Section 6.3 shall be of no effect. The Committee may, however, provide in an Agreement or otherwise that an Award (other than an Incentive Stock Option) may be transferred pursuant to a domestic relations order or may be transferable by gift to any "family member" (as defined in General Instruction A.1(a)(5) to Form S-8 under the Securities Act of 1933) of the Participant. Any Award held by a transferee shall continue to be subject to the same terms and conditions that were applicable to that Award immediately before the transfer thereof. For purposes of any provision of the Plan relating to notice to a Participant or to acceleration or termination of an Award upon the death or termination of employment of a Participant, the references to "Participant" shall mean the original grantee of an Award and not any transferee.

6.4 Performance-Based Awards. Any Award may be granted as a performance-based Award if the Committee establishes one or more performance goals to be attained based on one or more Performance Measures, and the performance period over which the specified performance is to be attained, as a condition to the vesting, exercisability, lapse of restrictions and/or settlement in cash or Shares of such Award. In connection with any such Award, the Committee will select the applicable Performance Measure(s) and specify the performance goal(s) based on those Performance Measures for any performance period, specify in terms of a formula or standard the method for calculating the amount payable to a Participant if the performance goal(s) are satisfied, and determine the degree to which the vesting, exercisability, lapse of restrictions and/or settlement in cash or Shares of such Award has been earned, including the degree to which applicable performance goals and other applicable terms and conditions have been satisfied. The Committee may, in its discretion and based on such considerations as it deems appropriate, adjust any amount otherwise determined by the application of the performance goals to be otherwise payable in connection with an Award. The Committee shall also have the authority to provide, in an Agreement or otherwise, for the modification of a performance period and/or an adjustment or waiver of the achievement of performance measures upon the occurrence of certain events, which may include (i) a Change of Control, an equity restructuring (as described in Section 4.7), acquisitions, divestitures, restructuring activities, recapitalizations, or asset write-downs, (ii) a change in applicable tax laws or accounting principles, or (iii) the Participant's death or Disability.

6.5 Dividends and Dividend Equivalents. No dividends, dividend equivalents or distributions will be paid with respect to Shares subject to an Option or SAR Award. Any dividends or distributions payable with respect to Shares that are subject to the unvested portion of a Restricted Stock Award during the Period of Restriction may be either paid currently to the Participant, credited to an account for the Participant, or deemed to have been reinvested in additional Shares which shall thereafter be deemed to be part of and subject to the underlying Award, including the same vesting and performance conditions. The Committee may apply any restrictions on the Participant's receipt of the dividends from such underlying Award that the Committee deems appropriate. In its discretion, the Committee may provide in an Award Agreement for a Stock Unit Award or an Other Stock-Based Award that the Participant will be entitled to receive dividend equivalent payments, based on dividends actually declared and paid on outstanding Shares, Units or other Share equivalents subject to the Stock Unit Award or Other Stock-Based Award, which payments may be either made currently, credited to an account for the Participant, or deemed to have been reinvested in additional Shares, Units or other Share equivalents which shall thereafter be deemed to be part of and subject to the underlying Award, including the same vesting and performance conditions. Dividend equivalent amounts credited to an account for the Participant may be settled in cash or Shares or a combination of both, as determined by the Committee, and may be made subject to the same vesting and performance conditions as the underlying Award.

Article 7. Options

7.1. Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee. The Agreement pursuant to which an Option Award is granted shall specify whether the Option is an Incentive Stock Option or a Non-Qualified Stock Option.

7.2. Option Price. The Option Price for each grant of an Option under this Plan shall be at least equal to one hundred percent (100%) of the Fair Market Value of a Share on the Date of Grant, except in the case of Substitute Awards.

7.3. Duration of Options. Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that no Option shall be exercisable later than one day prior to the tenth (10th) anniversary date of its grant.

7.4. Exercise of Options. Options granted under this Article 7 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant. No Option Award shall be exercisable at any time after its scheduled expiration. When an Option Award is no longer exercisable, it shall be deemed to have terminated.

7.5. Payment. Options granted under this Article 7 shall be exercised by the delivery of a written or electronic notice of exercise to the Company, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares. The Option Price upon exercise of any Option shall be payable to the Company in full either: (a) in cash or its equivalent, or (b) by tendering, either by actual delivery of Shares or by attestation, previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the total Option Price, or (c) by a combination of (a) and (b). The Committee also may allow payment of the Option Price in the form of an authorization to the Company to withhold from the total number of Shares as to which the Option is being exercised the number of Shares having a Fair Market Value on the date of exercise equal to the aggregate Option Price for the total number of Shares as to which the Option is being exercised, an irrevocable authorization to a third party with which the Participant has a brokerage or similar relationship to sell the Shares (or a sufficient portion of such Shares) acquired upon the exercise of the Option and remit to the Company a portion of the sale proceeds sufficient to pay the entire Option Price to the Company, or by any other means which the Committee determines to be consistent with the Plan's purpose and applicable law. Subject to any governing rules or regulations, as soon as practicable after receipt of a written notification of exercise and full payment, the Company shall deliver to the Participant, in the Participant's name, Share certificates in an appropriate amount based upon the number of Shares purchased under the Option(s).

7.6. Additional Rules for Incentive Stock Options.

(a) No more than Sixteen Million Two Hundred Thousand Shares (16,200,000), plus any Shares of Stock remaining available for future grants under the Prior Plan on the Effective Date of this Plan may be the subject of ISO Awards. ISO Awards may be granted only to Employees.

(b) No ISO shall be granted to a Participant as a result of which the aggregate Fair Market Value (determined as of the Date of the Grant) of the stock with respect to which ISOs granted to that Participant are exercisable for the first time in any calendar year under the Plan and any other stock option plans of the Company or its Affiliates, would exceed the maximum amount permitted under Code Section 422(d). This limitation shall be applied by taking Options into account in the order in which granted.

(c) If Shares acquired by exercise of an ISO are disposed of within two years following the Date of Grant or one year following the transfer of such Shares to the Participant upon exercise, the Participant shall, promptly following such disposition, notify the Company in writing of the date and terms of such disposition and provide such other information regarding the disposition as the Committee may reasonably require.

(d) Any ISO granted hereunder shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as are deemed necessary or desirable by the Committee, which terms, together with the terms of this Plan, shall be intended and interpreted to cause such ISO to qualify as an "incentive stock option" under Code Section 422. Such terms shall include, if applicable, limitations on ISOs granted to ten-percent owners of the Company. An Award Agreement for an ISO may provide that such Option shall be treated as a NQSO to the extent that certain requirements applicable to "incentive stock options" under the Code shall not be satisfied.

7.7. Termination of Employment. Except as otherwise provided by the Committee in an applicable Award Agreement, a Participant shall have the right to exercise the vested portion of an Option only while such Participant is employed, or within three months after such Participant ceases to be employed; provided, however, that in the event the employment of the Participant is terminated on account of the Participant's death, the Participant's personal representatives, heirs or legatees shall have the right to exercise the vested portion of any Option held by the Participant at the time of his or her death for one year following the date of death.

7.8. Automatic Exercise of Non-Qualified Stock Options. The Committee may, by Plan rule adopted in accordance with Section 3.2, provide that to the extent any portion of a vested and exercisable Non-Qualified Stock Option remains unexercised immediately prior to the close of business on the expiration date of the Option (either the originally scheduled expiration date or such earlier date on which the Option would otherwise expire pursuant to the Plan or the applicable Agreement in connection with a termination of employment other than due to termination for cause) (an "Automatic Exercise Date"), the entire vested and exercisable portion of such Option will be exercised on the Automatic Exercise Date without any further action by the Participant to whom the Option was granted (or the person or persons to whom the Option may have been transferred in accordance with Section 6.3 of the Plan and any applicable Agreement), but only if (i) the Fair Market Value of a Share on the Automatic Exercise Date is at least 3% greater than the per share Option Price of the Option, and (ii) no Option exercise suspension permitted or required under the Plan and applicable Agreements is then in effect. The aggregate Option Price for any Option exercise under this Section 7.8 and any related withholding taxes will be paid by the Company retaining from the total number of Shares as to which the Option is being exercised a number of Shares having an aggregate Fair Market Value as of the Automatic Exercise Date equal to the amount of such aggregate Option Price plus the applicable withholding taxes. The Committee shall have the authority to limit or modify the applicability of this provision to Participants who are subject to Section 21.5 of the Plan. Nothing in this Section 7.8 shall prelude the Committee from unilaterally modifying or repealing any such Plan rule at any time, and any such modification or repeal may be applicable to all Option Awards then outstanding as well as to Option Awards granted thereafter, as specified by the Committee.

Article 8. Stock Appreciation Rights

8.1. Grant of SARs. Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time as shall be determined by the Committee. The Committee may grant Freestanding SARs, Tandem SARs, or any combination of these forms of SAR. The Committee shall have complete discretion in determining the number of SARs granted to each Participant (subject to Article 4 herein) and, consistent with the provisions of the Plan, in determining the terms and conditions pertaining to such SARs. The base price of a Freestanding SAR shall equal the Fair Market Value of a Share on the Date of Grant of the SAR, except in the case of Substitute Awards. The base price of Tandem SARs shall equal the Option Price of the related Option.

8.2. Exercise of Tandem SARs. Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option. A Tandem SAR may be exercised only with respect to Shares for which its related Option is then exercisable. Notwithstanding any other provision of this Plan to the contrary, with respect to a Tandem SAR granted in connection with an ISO: (i) the Tandem SAR will expire no later than the expiration of the underlying ISO; (ii) the value of the payout with respect to the Tandem SAR may be for no more than one hundred percent (100%) of the difference between the Option Price of the underlying ISO and the Fair Market Value of the Shares subject to the underlying ISO at the time the Tandem SAR is exercised; and (iii) the Tandem SAR may be exercised only when the Fair Market Value of the Shares subject to the ISO exceeds the Option Price of the ISO.

8.3. Exercise of Freestanding SARs. Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes upon them.

8.4. SAR Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the base price, the term of the SAR, and such other provisions as the Committee shall determine.

8.5. Term of SARs. The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion; provided, however, that such term shall not exceed ten (10) years.

8.6. Payment of SAR Amount. Upon exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying: (i) the difference between the Fair Market Value of a Share on the date of exercise over the base price; by (ii) the number of Shares with respect to which the SAR is exercised. At the discretion of the Committee, the payment upon SAR exercise may be in cash, in Shares of equivalent value, or in some combination thereof. The Committee's determination regarding the form of SAR payout shall be set forth in the Award Agreement pertaining to the grant of the SAR.

8.7. Termination of Employment. Except as otherwise provided by the Committee in an applicable Award Agreement, a Participant shall have the right to exercise the vested portion of a SAR only while such Participant is employed, or within three months after such Participant's employment ceases; provided, however, that in the event the employment of the Participant is terminated on account of the Participant's death, the Participant's personal representatives, heirs or legatees shall have the right to exercise the vested portion of any SAR held by the Participant at the time of his or her death for one year following the date of death.

Article 9. Restricted Stock

9.1. Grants. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock to Participants in such amounts as the Committee shall determine.

9.2. Award Agreement. Each Restricted Stock grant shall be evidenced by an Award Agreement that shall specify the Period(s) of restriction, the number of Shares of Restricted Stock, and such other provisions as the Committee shall determine. The end of any Period of Restriction may be conditioned upon the satisfaction of such conditions as are specified by the Committee in its sole discretion and set forth in the applicable Award Agreement.

9.3. Other Restrictions. The Committee shall impose such other conditions and/or restrictions on any Shares of Restricted Stock granted pursuant to the Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each Share of Restricted Stock, restrictions based upon the continued employment of the Participant, the achievement of specific performance goals (Company-wide, divisional, and/or individual), time-based restrictions on vesting following the attainment of the performance goals, and/or restrictions under applicable federal or state securities laws. Until such time as all conditions and/or restrictions applicable to Shares of Restricted Stock have been satisfied and the Shares vest at the end of the applicable Period of Restriction, they shall be evidenced by a certificate deposited with the Company or its designee, or by a book-entry notation on the records of the Company's transfer agent. Except as otherwise provided in this Article 9, Shares of Restricted Stock covered by a Restricted Stock grant made under the Plan shall become freely transferable by the Participant after the last day of the applicable Period of Restriction.

9.4. Voting Rights. Participants holding Shares of Restricted Stock granted hereunder shall be entitled to exercise full voting rights with respect to those Shares during the Period of Restriction.

9.5. Termination of Employment. Each Restricted Stock Award Agreement shall set forth the extent, if any, to which the Participant shall have the right to continued or accelerated vesting of Shares of Restricted Stock following termination of the Participant's employment with the Company. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Restricted Stock granted pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

9.6. Section 83(b) Election. If a Participant makes an election pursuant to Code Section 83(b) with respect to a Restricted Stock Award, the Participant shall be required to promptly file a copy of such election with the Company.

Article 10. Stock Units

10.1. Grants. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Stock Units to Participants in such amounts as the Committee shall determine.

10.2. Award Agreement. Each Stock Unit grant shall be evidenced by an Award Agreement that shall specify the number of Stock Units, the vesting conditions and such other provisions as the Committee shall determine.

10.3. Vesting and Consideration. A Stock Unit Award shall be subject to vesting and the lapse of applicable restrictions based on such conditions or factors and occurring over such period of time as the Committee may determine in its discretion, subject to the requirements of Section 6.2. If vesting of a Stock Unit Award is conditioned on the achievement of specified performance goals, the extent to which they are achieved over the specified performance period shall determine the number of Stock Units that will be earned and eligible to vest, which may be greater or less than the target number of Stock Units stated in the Agreement. The Committee may provide whether any consideration other than service or employment must be received by the Company or any Affiliate as a condition precedent to the settlement of a Stock Unit Award.

10.4. Settlement of Award. Following the vesting of a Stock Unit Award, and the Company's determination that any necessary conditions precedent to the settlement of the Award (such as satisfaction of tax withholding obligations and compliance with applicable legal requirements) have been satisfied, settlement of the Award and payment to the Participant shall be made at such time or times in the form of cash, Shares (which may themselves be considered Restricted Stock under the Plan) or a combination of cash and Shares as determined by the Committee.

10.5. Termination of Employment. Each Stock Unit Award Agreement shall set forth the extent, if any, to which the Participant shall have the right to continued or accelerated vesting of the Stock Units following termination of the Participant's employment with the Company. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Stock Units granted pursuant to the Plan, and may reflect distinctions based on the reasons for termination

Article 11. Other Awards

11.1 Other Stock-Based Awards. The Committee may from time to time grant Shares and other Awards that are valued in whole or in part by reference to, or are otherwise based upon and/or payable in Shares and evidenced by an Award Agreement. The Committee, in its sole discretion, shall determine the terms and conditions of such Awards, which shall be consistent with the terms and purposes of the Plan.

11.2 Cash-Based Awards. A Cash-Based Award shall be considered a performance-based Award, the payment of which shall be contingent upon the degree to which one or more specified performance goals have been achieved over the specified performance period. Cash Based Awards may be granted to any Participant in such dollar-denominated amounts and upon such terms and at such times as shall be determined by the Committee. Following the completion of the applicable performance period and the vesting of a Cash-Based Award, payment of the settlement amount of the Award to the Participant shall be made at such time or times in the form of cash or other forms of Awards under the Plan (valued for these purposes at their grant date fair value) or a combination of cash and other forms of Awards as determined by the Committee and specified in the applicable Agreement.

Article 12. Forfeiture Conditions; Compensation Recovery

The Committee may provide in an Award Agreement for conditions of forfeiture of a Participant's rights with respect to such Award in the event of: (i) the termination of employment of the Participant for "cause" (as defined in an Award Agreement), (ii) the Participant's breach of such restrictive covenants (e.g., non-competition and confidentiality restrictions) as may apply to the Participant, or (iii) the Participant's having engaged in an activity that is detrimental to the Company (including, without limitation, criminal activity or accepting employment with a competitor of the Company). Such conditions of forfeiture may include, in the discretion of the Committee, (a) suspension or cancellation of the Participant's right to exercise an Option or SAR (whether or not then otherwise exercisable), (b) suspension or cancellation of the Participant's pending right to receive an issuance of Shares or cash payment in settlement of any Award, (c) the forfeiture of any Shares of Restricted Stock held by the Participant or (d) following the issuance of Shares or payment of cash upon exercise, vesting or payment of an Award, either (1) cancellation of the Shares so issued (and repayment to the Participant of the full purchase price, if any, paid for such shares) or (2) requiring the Participant to pay to the Company in cash an amount equal to the gain realized by the Participant from such Award (measured by the value (on the date of receipt) of any property and/or amount of cash received by the Participant under the Award, to the extent in excess of any amount paid by the Participant). The Company may deduct from any amounts the Company may owe a Participant from time to time any amounts the Participant may owe the Company under this Article 12 and any related Award Agreements. Awards and any compensation associated therewith may be made subject to forfeiture, recovery by the Company or other action pursuant to any compensation recovery policy adopted by the Board or the Committee at any time, including in response to the requirements of Section 10D of the Exchange Act and any implementing rules and regulations thereunder, or as otherwise required by law. Any Agreement may be unilaterally amended by the Committee to comply with any such compensation recovery policy.

Article 13. Beneficiary Designation

Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

Article 14. Deferrals

The Committee may permit (upon timely election by the Participant) or require a Participant to defer such Participant's receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant by virtue of the exercise of an Option or SAR, the lapse or waiver of restrictions with respect to Restricted Stock, or the settlement of any other forms of Awards. If any such deferral election is required or permitted, the Committee shall, in its sole discretion, establish rules and procedures for such payment deferrals in a manner consistent with Code Section 409A and the regulations thereunder.

Article 15. Rights of Employees

15.1. Employment. Nothing in the Plan shall interfere with or limit in any way the right of the Company or any Affiliate to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of the Company or any Affiliate.

15.2. Participation. No Employee shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

15.3. Stockholders. Except as otherwise provided in Section 9.4, a Participant shall have no rights as a stockholder with respect to any Shares covered by an Award until the date the Participant becomes the holder of record of the Shares, if any, to which the Award relates.

Article 16. Amendment, Modification, and Termination

16.1. Amendment, Modification, and Termination of Plan. The Board may at any time and from time to time, modify, amend, suspend or terminate the Plan in whole or in part, but no such modification, amendment, suspension or termination of the Plan shall materially impair the rights of a Participant with respect to a previously granted Award without the consent of the Participant, except such a modification or amendment made to comply with applicable law or stock exchange rules. In addition, no modification or amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by applicable laws or regulations or by the rules of the principal securities exchange on which the Shares are then listed.

16.2. Amendment of Awards. The Committee may unilaterally amend the terms of any Award Agreement previously granted, except that (i) no such amendment may materially impair the rights of any Participant under the applicable Award without the Participant's consent, unless such amendment is necessary to comply with applicable law or stock exchange rules; and (ii) in no event may an Option or SAR be amended or modified, other than as provided in Section 4.7, to decrease the Option Price or base price thereof, or be cancelled in exchange for cash, a new Option or SAR with a lower Option Price or base price, or other Awards, or otherwise be subject to any action that would be treated for accounting purposes as a "repricing" of such Option or SAR, unless such action is approved by the Company's stockholders.

16.3 Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.7 hereof) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan; provided that no such adjustment shall be authorized to the extent that it would cause an Award to be subject to adverse tax consequences under Code Section 409A; and provided further that the Committee's discretion shall be limited by the provisions of Section 4.7 pertaining to equitable adjustments in connection with equity restructurings.

16.4. Compliance with Code Section 409A.

(a) Timing of Payment to a Specified Employee. If any amount shall be payable with respect to any Award hereunder as a result of a Participant's "separation from service" at such time as the Participant is a "specified employee" and such amount is subject to the provisions of Code Section 409A, then notwithstanding any other provision of this Plan, no payment shall be made, except as permitted under Code Section 409A, prior to the first day of the seventh (7th) calendar month beginning after the Participant's separation from service (or the date of his or her earlier death). The Company may adopt a specified employee policy that will apply to identify the specified employees for all deferred compensation plans subject to Code Section 409A; otherwise, specified employees will be identified using the default standards contained in the regulations under Code Section 409A.

(b) Separation from Service. If any amount shall be payable with respect to any Award hereunder as a result of a Participant's termination of employment or other service and such amount is subject to the provisions of Code Section 409A, then notwithstanding any other provision of this Plan, a termination of employment or other service will be deemed to have occurred only at such time as the Participant has experienced a "separation from service" as such term is defined for purposes of Code Section 409A.

Article 17. Withholding

17.1. Tax Withholding. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy Federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan.

17.2. Share Withholding. With respect to withholding required upon the exercise of Options or SARs, upon the lapse of restrictions on Restricted Stock, or upon any other taxable event arising as a result of Awards granted hereunder, Participants may elect, subject to the approval of the Committee, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the required withholdings (up to the maximum individual statutory tax rates in the applicable jurisdictions). All such elections shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

Article 18. Indemnification

Each person who is or shall have been a member of the Committee, or of the Board, and any other person to whom the Committee delegates authority under the Plan, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under or in connection with the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgement in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

Article 19. Successors

All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company.

Article 20. Change of Control

20.1 Business Combination. Unless otherwise provided in an applicable Agreement, the following provisions shall apply to outstanding Awards in the event a Change of Control that is a Business Combination occurs as described in paragraph (c) of Section 2.8 of the Plan.

(a) Continuation, Assumption or Replacement. The Committee may arrange for the surviving or successor entity (or its parent entity) to continue, assume or replace Awards outstanding as of the date of the Business Combination, with such Awards or replacements therefor to remain outstanding for their respective terms. For purposes of this Section 20.1(a), an Award shall be considered assumed or replaced if, in connection with the Business Combination and in a manner consistent with Code Sections 409A and 424, either (i) the contractual obligations represented by the Award are expressly assumed by the surviving or successor entity (or its parent entity) with appropriate adjustments to the number and type of securities subject to the Award and the exercise price thereof that preserves the intrinsic value of the Award existing at the time of the Business Combination, or (ii) the Participant has received a comparable award that preserves the intrinsic value of the Award existing at the time of the Business Combination and is subject to substantially similar terms and conditions as the Award. To the extent vesting of any Award continued, assumed or replaced as provided in this Section 20.1(a), is subject to satisfaction of specified performance goals, those goals shall be deemed to have been achieved at the greater of target level of performance or the actual level of performance (if determinable) as of the date of the Business Combination for purposes of satisfying the performance-based vesting condition and determining the intrinsic value of the Award, but the Award will continue to be subject to any continuing service-based vesting requirements

(b) Acceleration. If and to the extent that outstanding Awards under the Plan are not continued, assumed or replaced in connection with a Business Combination, then (i) all outstanding Option and SAR Awards shall become fully exercisable for such period of time prior to the effective time of the Business Combination as is deemed fair and equitable by the Committee, and shall terminate at the effective time of the Business Combination, and (ii) all outstanding Full Value Awards shall fully vest immediately prior to the effective time of the Business Combination (which in the case of a performance-based Award, shall be deemed to equal the greater of the amount that would be vested upon satisfaction of the target level of performance or the actual level of performance (if determinable) under the Award). The Committee shall provide written notice of the period of accelerated exercisability of Option and SAR Awards to all affected Participants, and any exercise of such accelerated Awards shall be effective only immediately before, and shall be conditioned upon, the consummation of the Business Combination.

(c) Payment for Awards. If and to the extent that outstanding Awards under the Plan are not continued, assumed or replaced in connection with a Business Combination, then the Committee may terminate some or all of such outstanding Awards, in whole or in part, at or immediately prior to the effective time of the Business Combination in exchange for payments to the holders as provided in this Section 20.1(c).

The Committee will not be required to treat all Awards similarly for purposes of this Section 20.1(c). The payment for any Award or portion thereof terminated shall be in an amount equal to the excess, if any, between (i) the fair market value (as determined in good faith by the Committee) of the consideration that would otherwise be received in the Business Combination for the number of Shares subject to the Award or portion thereof being terminated (which in the case of a performance-based Award would be the number based on the greater of the deemed target level performance or deemed actual level of performance (if determinable), over (ii) the aggregate exercise price (if any) for the Shares subject to such Award or portion thereof being terminated. If there is no excess, such Award may be terminated without payment to the affected Participant. Payment of any amount under this Section 20.1(c) shall be made in such form, on such terms and subject to such conditions as the Committee determines in its discretion, which may or may not be the same as the form, terms and conditions applicable to payments to the Company's stockholders in connection with the Business Combination, and may, in the Committee's discretion, include subjecting such payments to vesting conditions comparable to those of the Award or portion thereof being terminated, subjecting such payments to escrow or holdback terms comparable to those imposed upon the Company's stockholders under the Business Combination, or calculating and paying the present value of payments that would otherwise be subject to escrow or holdback terms

(d) Termination After A Business Combination. If and to the extent that Awards are continued, assumed or replaced under the circumstances described in Section 20.1(a), and if within 24 months after the Business Combination a Participant experiences an involuntary termination of employment for reasons other than Cause, or, if so provided in the discretion of the Committee in an Award Agreement, terminates his or her employment for Good Reason, then (i) outstanding Option and SAR Awards issued to the Participant that are not yet fully exercisable shall immediately become exercisable in full and shall remain exercisable in accordance with their terms, and (ii) any Full Value Awards that are not yet fully vested shall immediately vest in full and become non-forfeitable.

20.2 Change in Effective Control. Unless otherwise provided by the Committee (in an applicable Award Agreement or otherwise at the time of a Change of Control), if within 24 months after a Change of Control as described in paragraphs (a) or (d) of Section 2.8, a Participant's employment (i) is terminated by the Company or a Subsidiary without Cause or (ii) if so provided in the discretion of the Committee in an Award Agreement, is terminated by the Participant for Good Reason, then (A) outstanding Option and SAR Awards issued to the Participant that are not yet fully exercisable shall immediately become exercisable in full and shall remain exercisable in accordance with their terms, and (B) any Full Value Awards that are not yet fully vested shall immediately vest in full and become non-forfeitable (which in the case of a performance-based Award, shall be deemed to equal the greater of the amount that would be vested upon satisfaction of the target level of performance or the actual level of performance (if determinable) under the Award).

20.3 Cash-Based Awards. In the event of a Change of Control, the Committee shall determine whether and to what extent a Participant's outstanding Cash-Based Awards will be subject to accelerated vesting if: (i) the Participant's outstanding Cash-Based Awards are not continued, assumed or replaced as described in section 20.1(a) above or (ii) the Participant's outstanding Cash-Based Awards were continued, assumed or replaced as provided in Section 20.1(a) above but if within 24 months after a Change of Control a Participant's employment (A) is terminated by the Company or a Subsidiary without Cause or (B) if so provided in the discretion of the Committee in an Award Agreement, is terminated by the Participant for Good Reason.

20.4 Liquidation or Dissolution. Unless otherwise provided by the Committee (in an applicable Agreement or otherwise) in connection with a Change of Control described in paragraph (b) of Section 2.8, all outstanding Awards shall vest and become fully exercisable, and will terminate immediately prior to the consummation of any such proposed action (which in the case of a performance-based Award, shall be deemed to equal the greater of the amount that would be vested upon satisfaction of the target level of performance or the actual level of performance (if determinable) under the Award). The Committee will notify each Participant as soon as practicable of such accelerated vesting and exercisability and pending termination.

20.5 Parachute Payment Limitation.

(a) Notwithstanding any other provision of this Plan or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its Affiliates to a Participant or for the Participant's benefit pursuant to the terms of this Plan or otherwise ("Covered Payments") constitute parachute payments ("Parachute Payments") within the meaning of Section 280G of the Code, and would, but for this Section 20.5 be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law and any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then the Covered Payments shall be payable either (i) in full or (ii) reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax, whichever of the foregoing clauses (i) or (ii) results in the Participant's receipt on an after-tax basis of the greatest amount of payments and benefits after taking into account the applicable federal, state, local and foreign income, employment and excise taxes (including the Excise Tax).

(b) Any such reduction shall be made in accordance with Section 409A of the Code and the following: (i) the Covered Payments which do not constitute deferred compensation subject to Section 409A of the Code shall be reduced first, and (ii) Covered Payments that are cash payments shall be reduced before non-cash payments, and Covered Payments to be made on a later payment date shall be reduced before payments to be made on an earlier payment date.

(c) If, notwithstanding the initial application of this Section 20.5, the Internal Revenue Service determines that any Covered Payment constitutes an "excess parachute payment" (as defined by Section 280G(b) of the Code), this Section 20.5 will be reapplied based on the Internal Revenue Service's determination, and the Participant will be required to promptly repay the portion of the Covered Payments required to avoid imposition of the Excise Tax together with interest at the applicable federal rate (as defined in Section 7872(f)(2)(A) of the Code) from the date of the Participant's receipt of the excess payments until the date of repayment).

(d) Any determination required under this Section 20.5 shall be made in writing in good faith by the accounting firm which was the Company's independent auditor immediately before the Change of Control (the "Accountants"), which shall provide detailed supporting calculations to the Company and the Participant as requested by the Company or the Participant. The Company and the Participant shall provide the Accountants with such information and documents as the Accountants may reasonably request in order to make a determination under this Section 20.5.

Article 21. Additional Provisions

21.1. Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

21.2. Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

21.3. Securities Law Compliance. With respect to Participants subject to Section 16 of the Exchange Act, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the Exchange Act. If any provision of this Plan or of any Award Agreement would otherwise frustrate or conflict with the intent expressed in the preceding sentence, that provision to the extent possible shall be interpreted and deemed amended in the manner determined by the Committee so as to avoid the conflict. To the extent of any remaining irreconcilable conflict with this intent, the provision shall be deemed void as applicable to Participants who are then subject to Section 16 of the Exchange Act. In addition, no Shares will be issued or transferred pursuant to an Award unless and until all then applicable requirements imposed by federal and state securities and other laws, rules and regulations and by any regulatory agencies having jurisdiction, and by any stock exchanges upon which the Shares may be listed, have been fully met. As a condition precedent to the issuance of Shares pursuant to the grant, exercise, vesting or settlement of an Award, the Company may require the Participant to take any reasonable action to meet such requirements. The Committee may impose such conditions on any Shares issuable under the Plan as it may deem advisable, including, without limitation, restrictions under the Securities Act of 1933, as amended, under the requirements of any stock exchange upon which such Shares of the same class are then listed, and under any blue sky or other securities laws applicable to such Shares.

21.4. Governing Law. To the extent not preempted by federal law, the Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the state of Illinois.

21.5. Participants Outside the United States. In order to comply with the laws in other countries in which the Company and its Affiliates operate or have individuals otherwise eligible to be Participants, or in order to comply with the requirements of any foreign securities exchange, the Committee shall have the power and authority to: (i) determine which Affiliates shall be covered by the Plan; (ii) determine which Employees, Non-Employee Directors and Consultants outside of the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to Participants outside of the United States to comply with applicable foreign laws or listing requirements of any applicable foreign securities exchange; (iv) establish subplans and modify Plan rules and procedures, to the extent such actions may be deemed necessary or desirable by the Committee (but no such action shall increase the Share limitations of the Plan); and (v) take any action, before or after an Award is made, that the Committee deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals or listing requirements of any applicable foreign securities exchange.

2019 Form 10-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2019

OR

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

For the transition period from ________________ to ________________

Commission file number 1-44

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

DE	**41-0129150**
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)
77 West Wacker Drive, Suite 4600 **Chicago, IL**	**60601**
(Address of principal executive offices)	(Zip Code)

(312) 634-8100
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	**ADM**	**NYSE**
1.000% Notes due 2025		**NYSE**

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer ☒	Accelerated Filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

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

Common Stock, no par value—$22.7 billion
(Based on the closing sale price of Common Stock as reported on the New York Stock Exchange
as of June 28, 2019)

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

Common Stock, no par value—557,887,494 shares
(February 14, 2020)

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual meeting of stockholders to be held May 7, 2020, are incorporated by reference into Part III of this Form 10-K.

SAFE HARBOR STATEMENT

This Form 10-K contains forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995 that is subject to certain risks and uncertainties that could cause actual results to differ materially from those projected, expressed, or implied by such forward-looking information. Risks and uncertainties that could cause or contribute to such differences include, but are not limited to, those discussed in Item 1A, "Risk Factors" included in this Form 10-K, as may be updated in our subsequent Quarterly Reports on Form 10-Q. To the extent permitted under applicable law, the Company assumes no obligation to update any forward-looking statements as a result of new information or future events.

PART I

Item 1. BUSINESS

Company Overview

Archer-Daniels-Midland Company (the Company or ADM) unlocks the power of nature to provide access to nutrition worldwide. ADM is a global leader in human and animal nutrition and one of the world's premier agricultural origination and processing companies. The Company's breadth, depth, insights, facilities, and logistical expertise give it exceptional capabilities to meet needs for food, beverages, health and wellness, and more. From the seed of the idea to the outcome of the solution, ADM enriches the quality of life the world over.

ADM was incorporated in Delaware in 1923, successor to the Daniels Linseed Co. founded in 1902. Today, it is one of the world's leading producers of ingredients for human and animal nutrition, and other products made from nature. The Company works with customers to bring a wide array of natural products – including proteins, flavors, colors, flours, fibers, and more – together into unique and innovative solutions to meet consumer needs. In addition, ADM offers a deep portfolio of plant-based products for other uses, such as replacing petroleum-based plastics.

In order to meet consumer needs, ADM has an expansive origination, transportation, and production footprint. The Company operates an extensive global grain elevator and transportation network to procure, store, clean, and transport agricultural raw materials, such as oilseeds, corn, wheat, milo, oats, and barley, as well as products derived from those inputs. ADM's production facilities around the globe produce a wide array of products, ingredients, and solutions. In addition, ADM has significant investments in joint ventures that aim to expand or enhance the market for its products or offer other benefits including, but not limited to, geographic or product-line expansion.

Segment Descriptions

Effective July 1, 2019, the Company changed its segment reporting to reflect the creation of the combined Ag Services and Oilseeds segment. The former Origination and Oilseeds businesses were merged into a combined Ag Services and Oilseeds segment which enables the Company to better respond to market changes by integrating the supply and value chains and risk management, while delivering significant simplification and efficiency to the day-to-day business. As part of the Company's efforts for a streamlined management structure, the combined segment is led by the former President of Oilseeds expanding his role to President of Ag Services and Oilseeds.

The Company's operations are organized, managed, and classified into three reportable business segments: Ag Services and Oilseeds, Carbohydrate Solutions, and Nutrition. Each of these segments is organized based upon the nature of products and services offered. The Company's remaining operations are not reportable business segments, as defined by the applicable accounting standard, and are classified as Other. Financial information with respect to the Company's reportable business segments is set forth in Note 17 of "Notes to Consolidated Financial Statements" included in Item 8 herein, "Financial Statements and Supplementary Data" (Item 8).

Ag Services and Oilseeds

The Ag Services and Oilseeds segment includes global activities related to the origination, merchandising, transportation, and storage of agricultural raw materials, and the crushing and further processing of oilseeds such as soybeans and soft seeds (cottonseed, sunflower seed, canola, rapeseed, and flaxseed) into vegetable oils and protein meals. Oilseeds products produced and marketed by the segment include ingredients for food, feed, energy, and industrial customers. Crude vegetable oils produced by the segment's crushing activities are sold "as is" or are further processed by refining, blending, bleaching, and deodorizing into salad oils. Salad oils are sold "as is" or are further processed by hydrogenating and/or interesterifying into margarine, shortening, and other food products. Partially refined oils are used to produce biodiesel and glycols or are sold to other manufacturers for use in chemicals, paints, and other industrial products. Oilseed protein meals are principally sold to third parties to be used as ingredients in commercial livestock and poultry feeds. The Ag Services and Oilseeds segment is also a major supplier of peanuts, tree nuts, and peanut-derived ingredients to both the U.S. and export markets. In North America, cotton cellulose pulp is manufactured and sold to the chemical, paper, and other industrial markets. The Ag Services and Oilseeds segment's grain sourcing, handling, and transportation network (including barge, ocean-going vessel, truck, rail, and container freight services) provides reliable and efficient services to the Company's customers and agricultural processing operations. The Ag Services and Oilseeds segment also includes agricultural commodity and feed product import, export, and global distribution, and structured trade finance activities. In February 2019, the Company purchased the remaining 50% interest owned by InVivo Group in the Gleadell Agriculture Ltd. joint venture located in the United Kingdom.

The Company has a 32.2% interest in Pacificor (formerly Kalama Export Company LLC). Pacificor owns and operates a grain export elevator in Kalama, Washington and a grain export elevator in Portland, Oregon.

The Company has a 24.8% equity interest in Wilmar International Limited (Wilmar), a Singapore publicly listed company. Wilmar is a leading global agribusiness group headquartered in Asia engaged in the businesses of oil palm cultivation, oilseeds crushing, edible oils refining, packaged oils and foods, sugar milling and refining, specialty fats, oleo chemicals, biodiesel and fertilizers manufacturing, and grains processing.

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

The Company has a 50% interest in Edible Oils Limited, a joint venture between ADM and Princes Limited to procure, package, and sell edible oils in the United Kingdom. The Company also formed a joint venture with Princes Limited in Poland to procure, package, and sell edible oils in Poland, the Czech Republic, Slovakia, Hungary, and Austria.

The Company has a 37.5% ownership interest in Olenex Sarl (Olenex), a joint venture between ADM and Wilmar, that produces and sells a comprehensive portfolio of edible oils and fats to customers around the globe. In addition, Olenex markets refined oils and fats from the Company's plants in the Czech Republic, Germany, the Netherlands, Poland, and the U.K.

The Company has a 50% interest in SoyVen, a joint venture between ADM and Cargill to provide soybean meal and oil for customers in Egypt.

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

Item 1. BUSINESS (Continued)

Carbohydrate Solutions

The Carbohydrate Solutions segment is engaged in corn and wheat wet and dry milling and other activities. The Carbohydrate Solutions segment converts corn and wheat into products and ingredients used in the food and beverage industry including sweeteners, corn and wheat starches, syrup, glucose, wheat flour, and dextrose. Dextrose and starch are used by the Carbohydrate Solutions segment as feedstocks for its bioproducts operations. By fermentation of dextrose, the Carbohydrate Solutions segment produces alcohol and other food and animal feed ingredients. Ethyl alcohol is produced by the Company for industrial use as ethanol or as beverage grade. Ethanol, in gasoline, increases octane and is used as an extender and oxygenate. Corn gluten feed and meal, as well as distillers' grains, are produced for use as animal feed ingredients. Corn germ, a by-product of the wet milling process, is further processed into vegetable oil and protein meal. Other Carbohydrate Solutions products include citric acids which are used in various food and industrial products.

Hungrana Ltd., in which ADM owns a 50% interest, operates a wet corn milling plant in Hungary.

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

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

Aston Foods and Food Ingredients, in which ADM owns a 50% interest, is a Russian-based sweeteners and starches business.

Nutrition

The Nutrition segment serves customer needs for food, beverages, health and wellness, and more. The segment engages in the manufacturing, sale, and distribution of a wide array of products from nature including plant-based proteins, natural flavor ingredients, flavor systems, natural colors, emulsifiers, soluble fiber, polyols, hydrocolloids, natural health and nutrition products including probiotics, prebiotics, enzymes, and botanical extracts, and other specialty food and feed ingredients. The Nutrition segment includes the activities related to the procurement, processing, and distribution of edible beans. The Nutrition segment also includes activities related to the processing and distribution of formula feeds and animal health and nutrition products and the manufacture of contract and private label pet treats and foods. In 2019, ADM completed the acquisitions of Neovia, a French-based global provider of value-added animal nutrition solutions, with 72 production facilities and a presence in 25 countries; Florida Chemical Company (FCC), one of the world's largest producers of citrus oils and ingredients; and The Ziegler Group (Ziegler), a leading European provider of natural citrus flavor ingredients. In January 2020, ADM acquired Yerbalatina Phytoactives (Yerbalatina), a natural plant-based extracts and ingredients manufacturer.

Other

Other includes the Company's remaining operations as described below.

ADM Investor Services, Inc., a wholly owned subsidiary of the Company, is a registered futures commission merchant and a clearing member of all principal commodities exchanges in the U.S. ADM Investor Services International, Limited, a member of several derivative and commodity exchanges and clearing houses in Europe, ADMIS Singapore Pte. Limited, a clearing member of the Singapore exchange, and ADMIS Hong Kong Limited, are wholly owned subsidiaries of ADM offering brokerage services in Europe and Asia.

Insurance activities include Agrinational Insurance Company (Agrinational) and its subsidiaries. Agrinational, a wholly owned subsidiary of ADM, provides insurance coverage for certain property, casualty, marine, credit, and other miscellaneous risks of the Company. Agrinational also participates in certain third-party reinsurance arrangements. ADM Crop Risk Services, a wholly owned subsidiary engaged in the selling and servicing of crop insurance policies to farmers, was sold on May 1, 2017 to Validus Holdings, a global group of insurance and reinsurance companies.

Corporate

In December 2019, the Company sold its 43.7% interest in Compagnie Industrielle et Financiere des Produits Amylaces SA (Luxembourg) and affiliates (CIP), a joint venture that targets investments in food, feed ingredients, and bioproducts businesses.

Methods of Distribution

The Company's products are distributed mainly in bulk from processing plants or storage facilities directly to customers' facilities. The Company has developed a comprehensive transportation capability to efficiently move both commodities and processed products virtually anywhere in the world. The Company owns or leases a significant portion of the trucks, trailers, railroad tank and hopper cars, river barges, towboats, and ocean-going vessels used to transport the Company's products to its customers.

Concentration of Revenues by Product

The following products accounted for 10% or more of revenues for the following periods:

	% of Revenues		
	Year Ended December 31		
	2019	2018	2017
Soybeans	**16%**	16%	17%
Soybean Meal	**13%**	14%	13%
Corn	**12%**	12%	10%

Status of New Products

The Company continues to expand the size and global reach of its business through the development of new products. Acquisitions, especially in the Nutrition segment, expand the Company's ability to unlock the potential of nature and serve customers' evolving and expanding nutritional needs through its offering of natural flavor and ingredient products. The Company does not expect any individual new product to have a significant impact on the Company's revenues in 2020.

Source and Availability of Raw Materials

A significant majority of the Company's raw materials are agricultural commodities. In addition, the Company sources specific fruits, vegetables, and nuts for extracts to make flavors and colors. In any single year, the availability and price of these commodities are subject to factors such as changes in weather conditions, plantings, government programs and policies, competition, changes in global demand, changes in standards of living, and global production of similar and competitive crops. The Company's raw materials are procured from thousands of growers, grain elevators, and wholesale merchants in North America, South America, Europe, Middle East, and Africa (EMEA), Asia, and Australia, pursuant primarily to short-term (less than one year) agreements or on a spot basis. The Company is not dependent upon any particular grower, elevator, or merchant as a source for its raw materials.

Trademarks, Brands, Recipes, and other Intellectual Property

The Company owns trademarks, brands, recipes, and other intellectual property including patents, with a net book value of $948 million as of December 31, 2019. The Company does not consider any segment of its business to be dependent upon any single or group of trademarks, brands, recipes, or other intellectual property.

Seasonality, Working Capital Needs, and Significant Customers

Since the Company is widely diversified in global agribusiness markets, there are no material seasonal fluctuations in overall global processing volumes and the sale and distribution of its products and services. There is a degree of seasonality in the growing cycles, procurement, and transportation of the Company's principal raw materials: oilseeds, corn, wheat, and other grains.

The prices of agricultural commodities, which may fluctuate significantly and change quickly, directly affect the Company's working capital requirements. Because the Company has a higher portion of its operations in the northern hemisphere, principally North America and Europe, relative to the southern hemisphere, primarily South America, inventory levels typically peak after the northern hemisphere fall harvest and are generally lower during the northern hemisphere summer months. Working capital requirements have historically trended with inventory levels. No material part of the Company's business is dependent upon a single customer or very few customers. The Company has seasonal financing arrangements with farmers in certain countries around the world. Typically, advances on these financing arrangements occur during the planting season and are repaid at harvest.

Competition

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

Research and Development

Research and development expense during the year ended December 31, 2019, net of reimbursements of government grants, was $154 million.

The Company's laboratories and technical innovation centers around the world enhance its ability to interact with customers globally, not only to provide flavors, but also to support the sales of other food ingredients. The acquisition of Wild Flavors in October 2014 approximately doubled the number of scientists and technicians in research and development. Since that time, additional laboratories have been added, including food & beverages applications laboratories in Fort Collins, Colorado, and Bergamo, Italy as well as expanded laboratories in Decatur, Illinois and Shanghai, China.

The Company expanded its human health and nutrition portfolio in February 2017 with the acquisition of a controlling interest in Biopolis SL (Biopolis), a leading provider of probiotics and genomic services. Biopolis provides genomic sequencing capabilities for the Company's customers as well as for its internal use. Biopolis also has high through-put biological functionality testing capabilities that can be used to discover new probiotics and nutraceuticals. In January 2018, the Company announced a joint development agreement with Vland Biotech to develop and commercialize enzymes for animal feed. In April 2018, the Company opened its new enzyme development laboratory in Davis, California to advance the research and development of feed enzyme as well as enzymes for internal use. In August 2018, the Company further expanded its probiotics business with the acquisition of Probiotics International Limited. With the acquisition of Neovia in early 2019, ADM further expanded its R&D capabilities in Animal Nutrition, globally. In December 2019, the Company opened a new Animal Nutrition Technology Center in Decatur, Illinois, to further expand its animal nutrition capabilities to support customer innovation in pet and aqua food production in North America.

ADM Ventures, which was launched by the Company in 2016, continues to select high-potential, new product development projects from within its business units. The first internal venture funded project, a new sweetener, has been fully commercialized and is being sold in the United States by our Carbohydrate Solutions team. Through the acquisition of Neovia, ADM Ventures further expanded its equity investments in promising, early-stage start-up companies from three to six, and is looking at several others in which the Company may choose to invest.

The Company is continuing to invest in research to develop a broad range of sustainable materials with an objective to produce key intermediate materials that serve as a platform for producing a variety of sustainable packaging products. Conversion technologies include utilizing expertise in both fermentation and catalysis. The Company's current portfolio includes products that are in the early development phase and those that are close to pilot plant demonstration. The Company's project with DuPont to develop sustainable packaging solutions with improved barrier properties has progressed to a pilot production facility that opened in April 2018. This facility provides samples for customers as well as engineering data for a full-scale plant. In 2019, the Company announced a joint venture with LG Chem, Ltd. to develop biobased acrylic acid using ingredients from the Company's corn processing. Acrylic acid is a key element required in the manufacture of superabsorbent polymers used in a range of hygiene products, including diapers.

Item 1. BUSINESS (Continued)

Environmental Compliance

During the year ended December 31, 2019, the Company spent $48 million specifically to improve equipment, facilities, and programs for pollution control and compliance with the requirements of various environmental agencies.

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

A number of jurisdictions where the Company has operations have implemented or are in the process of implementing carbon pricing programs or regulations to reduce greenhouse gas emissions including, but not limited to, the U.S., Canada, Mexico, the E.U. and its member states, and China. The Company's operations located in countries with effective and applicable carbon pricing and regulatory programs currently meet their obligations in this regard with no significant impact on the earnings and competitive position of the Company. The Company's business could be affected in the future by additional global, regional, national, and local regulation, pricing of greenhouse gas emissions or other climate change legislation, regulation or agreements. It is difficult at this time to estimate the likelihood of passage, or predict the potential impact, of any additional legislation, regulations or agreements. Potential consequences of new obligations could include increased energy, transportation, raw material, and administrative costs, and may require the Company to make additional investments in its facilities and equipment.

Number of Employees

The number of full-time employees of the Company was approximately 38,100 at December 31, 2019 and 31,600 at December 31, 2018. The net increase in the number of full-time employees is primarily related to acquisitions net of the early retirement and reorganization initiatives.

Available Information

The Company's website is http://www.adm.com. ADM's annual reports on Form 10-K; quarterly reports on Form 10-Q; current reports on Form 8-K; directors' and officers' Forms 3, 4, and 5; and amendments to those reports, if any, are available, free of charge, through its website, as soon as reasonably practicable after electronically filing such materials with, or furnishing them to, the Securities and Exchange Commission (SEC).

The Company's Code of Conduct, Corporate Governance Guidelines, and the written charters of the Audit, Compensation/ Succession, Nominating/Corporate Governance, Sustainability and Corporate Responsibility, and Executive Committees are also available through its website.

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

The SEC maintains a website which contains reports, proxy and information statements, and other information regarding issuers that file information electronically with the SEC. The SEC's website is http://www.sec.gov.

Item 1A. RISK FACTORS

The Company faces risks in the normal course of business and through global, regional, and local events that could have an adverse impact on its reputation, operations, and financial performance.

Management directs a Company-wide Enterprise Risk Management (ERM) Program, with oversight from the Company's Board of Directors. The Company's Audit Committee has the delegated risk management oversight responsibility and receives updates on the risk management processes and key risk factors on a quarterly basis.

The Company, through its business unit, functional, and corporate teams, continually updates, assesses, monitors, and mitigates these and other business and compliance risks in accordance with the ERM Program and as monitored by the ERM Program team and Chief Risk Officer.

The risk factors that follow are the main risks that the ERM Program focuses on to protect and enhance shareholder value through intentional risk mitigation plans based on management-defined risk limits.

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

The availability and prices of agricultural commodities are subject to wide fluctuations, including impacts from factors outside the Company's control such as changes in weather, climate, and rising sea levels, crop disease, plantings, government programs and policies, competition, and changes in global demand. The Company uses a global network of procurement, processing, and transportation assets, as well as robust communications between global commodity merchandiser teams, to continually assess price and basis opportunities. Management-established limits (including a corporate wide value-at-risk metric), with robust internal reporting, help to manage risks in pursuit of driving performance. Additionally, the Company depends globally on agricultural producers to ensure an adequate supply of the agricultural commodities.

Reduced supply of agricultural commodities could adversely affect the Company's profitability by increasing the cost of raw materials and/or limiting the Company's ability to procure, transport, store, process, and merchandise agricultural commodities in an efficient manner. High and volatile commodity prices can place more pressures on short-term working capital funding. Conversely, if supplies are abundant and crop production globally outpaces demand for more than one or two crop cycles, price volatility is somewhat diminished. This could result in reduced operating results due to the lack of supply chain dislocations and reduced market spread and basis opportunities.

Advances in technology, such as seed and crop protection, farming techniques, storage and logistics, and speed of information flow, may reduce the significance of dislocations and arbitrage opportunities in the agricultural global markets, which may reduce the earnings potential of agricultural merchandisers and processors such as the Company.

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

The Company faces significant competition in each of its businesses and has numerous competitors, who can be different depending upon each of the business segments in which it participates. The Company competes for the acquisition of inputs such as agricultural commodities, transportation services, and other materials and supplies, as well as for workforce and talent. Competition impacts the Company's ability to generate and increase its gross profit as a result of the following factors: Pricing of the Company's products is partly dependent upon industry processing capacity, which is impacted by competitor actions to bring idled capacity on-line, build new production capacity or execute aggressive consolidation; many of the products bought and sold by the Company are global commodities or are derived from global commodities that are highly price competitive and, in many cases, subject to substitution; significant changes in exchange rates of foreign currencies versus the U.S. dollar, particularly the currencies of major crop growing countries, could also make goods and products of these countries more competitive than U.S. products; improved yields in different crop growing regions may reduce the reliance on origination territories in which the Company has a significant presence; and continued merger and acquisition activities resulting in further consolidations could result in greater cost competitiveness and global scale of certain players in the industry, especially when acquirers are state-owned and/or backed by public funds and have profit and return objectives that may differ from publicly traded enterprises. To compete effectively, the Company focuses on improving efficiency in its production and distribution operations, developing and maintaining appropriate market presence, maintaining a high level of product safety and quality, and working with customers to develop new products and tailored solutions.

In the case of the nutrition business, while maintaining efficient and cost-effective operations are important, the ability to drive innovation and come up with quality nutritional solutions for human and animal needs are key factors to remain competitive in the nutrition market.

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

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

The Company has certain finished products, such as ethanol and biodiesel, which are closely related to, or may be substituted for, petroleum products, or in the case of ethanol, blended into gasoline to increase octane content. Therefore, the selling prices of ethanol and biodiesel can be impacted by the selling prices of gasoline, diesel fuel, and other octane enhancers. A significant decrease in the price of gasoline, diesel fuel, or other octane enhancers could result in a significant decrease in the selling price of the Company's ethanol and biodiesel. The Company uses derivative contracts as anticipatory hedges for both purchases of commodity inputs and sales of energy-based products in order to protect itself in the near term against these price trends and to protect and maximize processing margins.

The Company is subject to economic downturns and regional economic volatilities, which could adversely affect the Company's operating results.

The Company conducts its business and has substantial assets located in many countries and geographic areas. While 44 percent of the Company's processing plants and 57 percent of its procurement facilities are located in the United States, the Company also has significant operations in both developed areas (such as Western Europe, Canada, and Brazil) and emerging market areas. One of the Company's strategies is to expand the global reach of its core model, which may include expanding or developing its business in emerging market areas. Both developed and emerging market areas are subject to impacts of economic downturns, including decreased demand for the Company's products, and reduced availability of credit, or declining credit quality of the Company's suppliers, customers, and other counterparties. In addition, emerging market areas could be subject to more volatile operating conditions including, but not limited to, logistics limitations or delays, labor-related challenges, epidemic outbreaks, limitations or regulations affecting trade flows, local currency concerns, and other economic and political instability. Political fiscal instability could generate intrusive regulations in emerging markets, potentially creating unanticipated assessments of taxes, fees, increased risks of corruption, etc. Economic downturns and volatile market conditions could adversely affect the Company's operating results and ability to execute its long-term business strategies, although the nature of many of the Company's products (i.e. food and feed ingredients) is less sensitive to demand reductions in any economic downcycles. The Company mitigates this risk in many ways, including country risk and exposure analysis, government relations and tax compliance activities, and robust ethics compliance training requirements.

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

The Company does business globally, connecting crops and markets in more than 190 countries, and is required to comply with laws and regulations administered by the United States federal government as well as state, local, and non-U.S. governmental authorities in areas including: Accounting and income taxes, anti-corruption, anti-bribery, global trade, trade sanctions, environmental, product safety, and handling and production of regulated substances. The Company frequently faces challenges from U.S. and foreign tax authorities regarding the amount of taxes due. These challenges include questions regarding the timing and amount of deductions and the allocation of income among various tax jurisdictions. Any failure to comply with applicable laws and regulations or appropriately resolve these challenges could subject the Company to administrative, civil, and criminal remedies, including fines, penalties, disgorgement, injunctions, and recalls of its products, and damage to its reputation. Resolution of some of these tax disputes could take many years and interest and penalties may be accruing in the meantime, thereby significantly increasing the notional amount of the exposures.

The production of the Company's products uses materials which can create emissions of certain regulated substances, including greenhouse gas emissions. The Company has programs and policies in place (e.g., Corporate Sustainability Program, No-Deforestation Policy, Environmental Policy, etc.) to reduce its environmental footprint and to help ensure compliance with laws and regulations. Implementation of these programs and policies sometimes requires acquisition of technology at a cost to the Company. Failure to comply can have serious consequences, including civil, administrative, and criminal penalties as well as a negative impact on the Company's reputation, business, cash flows, and results of operations.

In addition, changes to regulations or implementation of additional regulations - for example, the imposition of regulatory restrictions on greenhouse gases, the implementation of IMO 2020 low sulfur fuel oil requirements for ships or regulatory modernization of food safety laws - may require the Company to modify existing processing facilities and/or processes which could significantly increase operating costs and adversely affect operating results.

Government policies, mandates, and regulations specifically affecting the agricultural sector and related industries; regulatory policies or matters that affect a variety of businesses; taxation polices; and political instability could adversely affect the Company's operating results.

Agricultural production and trade flows are subject to government policies, mandates, regulations, and trade agreements, including taxes, tariffs, duties, subsidies, incentives, foreign exchange rates, and import and export restrictions, including policies related to genetically modified organisms, traceability standards, product safety and labeling, renewable fuels, and low carbon fuel mandates. These policies can influence the planting of certain crops; the location and size of crop production; whether unprocessed or processed commodity products are traded; the volume and types of imports and exports; the availability and competitiveness of feedstocks as raw materials; the viability and volume of production of certain of the Company's products; and industry profitability. For example, changes in government policies or regulations of ethanol and biodiesel including, but not limited to, changes in the Renewable Fuel Standard program under the Energy Independence and Security Act of 2007 in the United States, can have an impact on the Company's operating results. International trade regulations can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Regulations of financial markets and instruments, including the Dodd-Frank Act, Consumer Protection Act, and the European Market Infrastructure Regulation, create uncertainty and may lead to additional risks and costs, and could adversely affect the Company's futures commission merchant business and its agricultural commodity risk management practices. Future government policies may adversely affect the supply of, demand for, and prices of the Company's products; adversely affect the Company's ability to deploy adequate hedging programs; restrict the Company's ability to do business in its existing and target markets; and adversely affect the Company's revenues and operating results.

The Company's operating results could be affected by political instability and by changes in monetary, fiscal, trade, and environmental policies, laws, regulations, and acquisition approvals, creating risks including, but not limited to: Changes in a country's or region's economic or political conditions (e.g. Brexit), local labor conditions and regulations, and safety and environmental regulations; reduced protection of intellectual property rights; changes in the regulatory or legal environment; restrictions on currency exchange activities; currency exchange fluctuations; burdensome taxes and tariffs; enforceability of legal agreements and judgments; adverse tax, administrative agency or judicial outcomes; and regulation or taxation of greenhouse gases. International risks and uncertainties, including changing social and economic conditions as well as terrorism, political hostilities, and war, could limit the Company's ability to transact business in these markets. There has been a recent increase in populism and nationalism in various countries around the world and the concept and benefits of free trade are being challenged. The Company has benefited from the free flow of agricultural and food and feed ingredient products from the U.S. and other sources to markets around the world. Increases in tariff and restrictive trade activities around the world (e.g., the U.S.-China trade dispute, Iran sanctions) could negatively impact the Company's ability to enter certain markets or the price of products may become less competitive in those markets.

The Company's strategy involves expanding the volume and diversity of crops it merchandises and processes, expanding the global reach of its core model, and expanding its value-added product portfolio. Government policies including, but not limited to, antitrust and competition law, trade restrictions, food safety regulations, sustainability requirements, and traceability, can impact the Company's ability to execute this strategy successfully.

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

The Company is subject to risks which include, but are not limited to, product safety or quality; launch of new products by other industries that can replace the functionalities of the Company's production; shifting consumer preferences; federal, state, and local regulations on manufacturing or labeling; socially acceptable farming practices; environmental, health, and safety regulations; and customer product liability claims. The liability which could result from certain of these risks may not always be covered by, or could exceed liability insurance related to product liability and food safety matters maintained by the Company. The Company has a particularly strong capability and culture around occupational health and safety and food safety; however, risks to the Company's reputation may exist due to potential negative publicity caused by product liability, food safety, occupational health and safety, and environmental matters.

Certain of the Company’s merchandised commodities and finished products are used as ingredients in livestock and poultry feed. The Company is subject to risks associated with economic, product quality, feed safety or other factors which may adversely affect the livestock and poultry businesses, including the outbreak of disease in livestock and poultry, for example African swine fever, which could adversely affect demand for the Company’s products used as ingredients in feed. In addition, as the Company increases its investment in flavors and ingredients businesses, it is exposed to increased risks related to rapidly changing consumer preferences and the impacts these changes could have on the success of certain of the Company's customers.

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

The Company’s operations rely on dependable and efficient transportation services the disruption of which could result in difficulties supplying materials to the Company’s facilities and impair the Company’s ability to deliver products to its customers in a timely manner. The Company relies on access to navigable rivers and waterways in order to fulfill its transportation obligations more effectively. In addition, if certain non-agricultural commodity raw materials, such as water or certain chemicals used in the Company’s processing operations, are not available, the Company’s business could be disrupted. Any major lack of available water for use in certain of the Company’s processing operations could have a material adverse impact on operating results. Certain factors which may impact the availability of non-agricultural commodity raw materials are out of the Company’s control including, but not limited to, disruptions resulting from weather, high river water conditions, economic conditions, manufacturing delays or disruptions at suppliers, shortage of materials, interruption of energy supply, and unavailable or poor supplier credit conditions.

The assets and operations of the Company could be subject to extensive property damage and business disruption from various events which include, but are not limited to, acts of terrorism (for example, purposeful adulteration of the Company’s products), war, natural disasters, severe weather conditions, accidents, explosions, and fires. The Company is continuing to enhance and deploy additional food safety and security procedures and controls to appropriately mitigate the risks of any adulteration of the Company’s products in the supply chain and finished products in production and distribution networks. In addition, the Company conforms to management systems, such as International Organization for Standardization (ISO) or other recognized global standards.

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

The Company requires significant capital, including continuing access to credit markets, to operate its current business and fund its growth strategy. The Company’s working capital requirements, including margin requirements on open positions on futures exchanges, are directly affected by the price of agricultural commodities, which may fluctuate significantly and change quickly. The Company also requires substantial capital to maintain and upgrade its extensive network of storage facilities, processing plants, refineries, mills, ports, transportation assets, and other facilities to keep pace with competitive developments, technological advances, regulations, and changing safety standards in the industry. Moreover, the expansion of the Company’s business and pursuit of acquisitions or other business opportunities may require significant amounts of capital. Access to credit markets and pricing of the Company’s capital is dependent upon maintaining sufficient credit ratings from credit rating agencies. Sufficient credit ratings allow the Company to access cost competitive tier one commercial paper markets. If the Company is unable to maintain sufficiently high credit ratings, access to these commercial paper and other debt markets and costs of borrowings could be adversely affected. If the Company is unable to generate sufficient cash flow or maintain access to adequate external financing, including as a result of significant disruptions in the global credit markets, it could restrict the Company’s current operations and its growth opportunities. The Company manages this risk with constant monitoring of credit/liquidity metrics, cash forecasting, and routine communications with credit rating agencies on risk management practices.

LIBOR (London Interbank Offered rate) has been the subject of recent proposals for international reform and it is anticipated LIBOR will be discontinued or modified by the end of 2021. The Company's variable rate debt, credit facilities, certain derivative agreements, and commercial agreements may use LIBOR as a benchmark for establishing interest rates. While it is not possible to predict the consequences of discontinuation or modification of LIBOR at this time, the Company's financing costs could be adversely or positively impacted. Although the Company does not expect that a transition from LIBOR will have a material adverse impact on its financing costs, the Company continues to monitor developments.

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

The Company has a Chief Risk Officer who oversees the ERM Program and regularly reports to the Board of Directors on the myriad of risks facing the Company and the Company's strategies for mitigating the risks. The Company's business is affected by fluctuations in agricultural commodity cash prices and derivative prices, transportation costs, energy prices, interest rates, foreign currency exchange rates, and equity markets. The Company monitors position limits and counterparty risks and engages in other strategies and controls to manage these risks. The Company regularly reports its aggregate commodity risk exposures to the Board of Directors through the ERM process. The Company has an established commodity merchandising governance process that ensures proper position reporting and monitoring, limits approvals, and executes training on trade compliance, commodity regulatory reporting controls, and other policies. The Company's risk monitoring efforts may not be successful at detecting a significant risk exposure. If these controls and strategies are not successful in mitigating the Company's exposure to these fluctuations, it could adversely affect the Company's operating results.

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

The Company has $5.1 billion invested in or advanced to joint ventures and investments over which the Company has limited control as to the governance and management activities. Net sales to unconsolidated affiliates during the year ended December 31, 2019 was $4.9 billion. Risks related to these investments may include: The financial strength of the investment partner; loss of revenues and cash flows to the investment partner and related gross profit; the inability to implement beneficial management strategies, including risk management and compliance monitoring, with respect to the investment's activities; and the risk that the Company may not be able to resolve disputes with the partners. The Company may encounter unanticipated operating issues, financial results, or compliance and reputational risks related to these investments. The Company mitigates this risk using controls and policies related to joint venture formation, governance (including board of directors' representation), merger and acquisition integration management, and harmonization of joint venture policies with the Company's policies and controls.

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

The Company's operations rely on certain key IT systems, some of which are dependent on services provided by third parties, to provide critical data connectivity, information, and services for internal and external users. These interactions include, but are not limited to: Ordering and managing materials from suppliers; risk management activities; converting raw materials to finished products; inventory management; shipping products to customers; processing transactions; summarizing and reporting results of operations; human resources benefits and payroll management; and complying with regulatory, legal or tax requirements. The Company is also in the process of implementing a new enterprise resource planning (ERP) system on a worldwide basis as part of its ongoing business transformation program, which is expected to improve the efficiency and effectiveness of certain financial and business transaction processes and the underlying systems environment. This will allow the Company to mitigate the risk of instability in aging legacy systems. Increased IT security and social engineering threats and more sophisticated computer crime, including advanced persistent threats, pose a potential risk to the security of the Company's IT systems, networks, and services, as well as the confidentiality, availability, and integrity of the Company's third party data. The Company is subject to a variety of laws and regulations in the United States and other jurisdictions regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data. Compliance with and interpretation of data privacy regulations, including the European Union General Data Protection Regulation implemented in 2018, continues to evolve and any violation could subject the Company to legal claims, regulatory penalties, and damage to its reputation. The Company has put in place security measures to prevent, detect, and mitigate cyber-based attacks, and has instituted control procedures for cyber security incident responses and disaster recovery plans for its critical systems. In addition, the Company monitors this risk on an ongoing basis to detect and correct any breaches, and reports metrics on the quality of the Company's data security efforts and control environment to the highest level of management and to the Board of Directors. However, if the Company's IT systems are breached, damaged, or cease to function properly due to any number of causes, such as catastrophic events, power outages, security breaches, or cyber-based attacks, and the Company's disaster recovery plans do not effectively mitigate the risks on a timely basis, the Company may suffer significant interruptions in its ability to manage its operations, loss of valuable data, actual or threatened legal actions, and damage to its reputation, which may adversely impact the Company's revenues, operating results, and financial condition.

The Company may fail to realize the benefits or experience delays in the execution of its growth strategy, encompassing organic and inorganic initiatives, outside the U.S. and in businesses where the Company does not currently have a large presence.

As the Company executes its growth strategy, through both organic and inorganic growth, it may encounter risks which could result in increased costs, decreased revenues, and delayed synergies. Recent investments outside the U.S. include Neovia, certain assets of Brazil-based Algar Agro, Protexin, Ziegler, Rodelle, Inc., and Yerbalatina. Growth in new geographies outside the U.S. can expose the Company to volatile economic, political, and regulatory risks that may negatively impact its operations and ability to achieve its growth strategy. Expanding businesses where the Company has limited presence may expose the Company to risks related to the inability to identify an appropriate partner or target and favorable terms, inability to retain/hire strategic talent, or integration risks that may require significant management resources that would have otherwise been available for ongoing growth or operational initiatives. Acquisitions may involve unanticipated delays, costs, and other problems. Due diligence performed prior to the acquisition may not identify a material liability or issue that could impact the Company's reputation or adversely affect results of operations resulting in a reduction of the anticipated acquisition benefits. Additionally, acquisitions may involve integration risks such as: internal control effectiveness, system integration risks, the risk of impairment charges related to goodwill and other intangibles, ability to retain acquired employees, and other unanticipated risks.

Item 1B. UNRESOLVED STAFF COMMENTS

The Company has no unresolved staff comments.

Item 2. PROPERTIES

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

	Processing Plants			Procurement Facilities		
	Owned	Leased	Total	Owned	Leased	Total
U.S.	150	4	154	221	53	274
International	169	24	193	92	116	208
	319	28	347	313	169	482

The Company's operations are such that most products are efficiently processed near the source of raw materials. Consequently, the Company has many plants strategically located in agricultural commodity producing areas. The annual volume of commodities processed will vary depending upon availability of raw materials and demand for finished products. The Company also owns approximately 230 warehouses and terminals primarily used as bulk storage facilities and 55 innovation centers. Warehouses, terminals, corporate, and sales offices are not included in the tables above. Processing plants and procurement facilities owned or leased by unconsolidated joint ventures are also not included in the tables above.

To enhance the efficiency of transporting large quantities of raw materials and finished products between the Company's procurement facilities and processing plants and also the final delivery of products to its customers around the world, the Company owns approximately 1,900 barges, 11,900 rail cars, 330 trucks, 1,300 trailers, 90 boats, and 7 oceangoing vessels; and leases, under operating leases, approximately 610 barges, 16,900 rail cars, 320 trucks, 280 trailers, 40 boats, and 19 oceangoing vessels.

Item 2. PROPERTIES (Continued)

	Ag Services and Oilseeds Processing Facilities							
	Owned				Leased			
	Ag Services	Crushing	Refined Products and Other	Total	Ag Services	Crushing	Refined Products and Other	Total
North America								
U.S.*	1	24	33	58	—	—	2	2
Canada	—	3	4	7	—	—	—	—
Mexico	—	1	—	1	—	—	—	—
Total	1	28	37	66	—	—	2	2
Daily/Storage capacity Metric tons (in 1,000’s)	1	63	24	88	—	—	—	—
South America								
Argentina	—	—	1	1	—	—	—	—
Brazil	—	7	12	19	—	1	—	1
Paraguay	—	1	—	1	—	—	—	—
Peru	—	—	1	1	—	—	—	—
Total	—	8	14	22	—	1	—	1
Daily/Storage capacity Metric tons (in 1,000’s)	—	19	9	28	—	1	—	1
Europe								
Belgium	—	—	1	1	—	—	—	—
Czech Republic	—	1	1	2	—	—	—	—
Germany	—	4	8	12	—	—	—	—
Netherlands	—	1	1	2	—	—	—	—
Poland	—	2	5	7	—	—	—	—
Ukraine	—	1	—	1	—	—	—	—
United Kingdom	—	1	3	4	—	—	—	—
Total	—	10	19	29	—	—	—	—
Daily/Storage capacity Metric tons (in 1,000’s)	—	36	14	50	—	—	—	—
Australia								
Australia	—	—	—	—	1	—	—	1
Total	—	—	—	—	1	—	—	1
Daily capacity Metric tons (in 1,000's)	—	—	—	—	—	—	—	—
Asia								
India	—	—	2	2	—	—	1	1
Total	—	—	2	2	—	—	1	1
Daily capacity Metric tons (in 1,000's)	—	—	1	1	—	—	1	1
Africa								
South Africa	—	—	3	3	—	—	1	1
Total	—	—	3	3	—	—	1	1
Daily capacity Metric tons (in 1,000's)	—	—	2	2	—	—	—	—
Grand Total	1	46	75	122	1	1	4	6
Total daily/storage capacity Metric tons (in 1,000’s)	1	118	50	169	—	1	1	2

*The U.S. processing plants are located in Alabama, California, Georgia, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Carolina, Tennessee, and Texas.

	Ag Services and Oilseeds Procurement Facilities							
	Owned				Leased			
	Ag Services	Crushing	Refined Products and Other	Total	Ag Services	Crushing	Refined Products and Other	Total
North America								
U.S.*	137	3	58	198	17	—	34	51
Canada	1	5	—	6	—	—	—	—
Dominican Republic	1	—	—	1	—	—	—	—
Total	139	8	58	205	17	—	34	51
Daily/Storage capacity Metric tons (in 1,000’s)	12,153	263	224	12,640	786	—	104	890
South America								
Argentina	3	—	—	3	1	—	—	1
Brazil	39	1	—	40	1	—	—	1
Colombia	—	—	—	—	9	—	—	9
Ecuador	—	—	—	—	2	—	—	2
Paraguay	13	—	—	13	2	—	—	2
Peru	—	—	—	—	2	—	—	2
Uruguay	1	—	—	1	6	—	—	6
Total	56	1	—	57	23	—	—	23
Daily/Storage capacity Metric tons (in 1,000’s)	2,471	60	—	2,531	851	—	—	851
Europe								
Germany	2	1	—	3	—	—	—	—
Hungary	—	—	—	—	7	—	—	7
Ireland	1	—	—	1	2	—	—	2
Netherlands	1	1	—	2	—	—	—	—
Poland	—	4	—	4	—	3	—	3
Romania	11	—	—	11	3	—	—	3
Russian Federation	—	—	—	—	12	—	—	12
Spain	—	—	—	—	4	—	—	4
Turkey	1	—	—	1	—	—	—	—
Ukraine	6	—	—	6	—	—	—	—
United Kingdom	—	—	—	—	—	3	—	3
Total	22	6	—	28	28	6	—	34
Daily/Storage capacity Metric tons (in 1,000’s)	1,265	428	—	1,693	353	14	—	367
Asia								
China	—	—	—	—	—	—	1	1
Korea	—	—	—	—	1	—	—	1
India	—	—	—	—	—	51	—	51
Total	—	—	—	—	1	51	1	53
Daily capacity Metric tons (in 1,000's)	—	—	—	—	—	80	35	115
Grand Total	217	15	58	290	69	57	35	161
Total daily/storage capacity Metric tons (in 1,000’s)	15,889	751	224	16,864	1,990	94	139	2,223

*The U.S. procurement facilities are located in Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, and Texas.

	Carbohydrate Solutions Processing Plants			
	Owned			Leased
	Starches & Sweeteners	Bioproducts	Total	Starches & Sweeteners
North America				
U.S.*	35	3	38	—
Canada	8	—	8	—
Barbados	1	—	1	—
Belize	1	—	1	1
Grenada	1	—	1	—
Jamaica	2	—	2	—
Total	48	3	51	1
Daily capacity				
Metric tons (in 1,000's)	69	24	93	3
Europe				
Bulgaria	1	—	1	—
France	1	—	1	—
Turkey	1	—	1	—
United Kingdom	3	—	3	4
Total	6	—	6	4
Daily capacity				
Metric tons (in 1,000's)	5	—	5	1
Asia				
China	1	—	1	—
Total	1	—	1	—
Daily capacity				
Metric tons (in 1,000's)	—	—	—	—
Africa				
Morocco	1	—	1	—
Total	1	—	1	—
Daily capacity				
Metric tons (in 1,000's)	—	—	—	—
Grand Total	56	3	59	5
Total daily capacity				
Metric tons (in 1,000's)	74	24	98	4

*The U.S. processing plants are located in California, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, New York, North Carolina, Oklahoma, Pennsylvania, Tennessee, Texas, Washington, and Wisconsin.

	Carbohydrate Solutions Procurement Facilities					
	Owned			Leased		
	Starches & Sweeteners	Bioproducts	Total	Starches & Sweeteners	Bioproducts	Total
North America						
U.S.*	4	—	4	1	—	1
Canada	—	—	—	2	—	2
Total	4	—	4	3	—	3
Daily/Storage capacity						
Metric tons (in 1,000's)	362	—	362	154	—	154
Europe						
United Kingdom	—	—	—	4	—	4
Total	—	—	—	4	—	4
Daily/Storage capacity						
Metric tons (in 1,000's)	—	—	—	19	—	19
Grand Total	4	—	4	7	—	7
Total daily/storage capacity						
Metric tons (in 1,000's)	362	—	362	173	—	173

*The U.S. procurement facilities are located in Iowa, Minnesota, Oklahoma, and Texas.

	Nutrition Processing Plants					
	Owned			Leased		
	WFSI	Animal Nutrition	Total	WFSI	Animal Nutrition	Total
North America						
U.S.*	27	27	54	1	1	2
Canada	1	4	5	—	—	—
Mexico	—	12	12	—	—	—
Puerto Rico	—	2	2	—	1	1
Trinidad & Tobago	—	1	1	—	—	—
Total	28	46	74	1	2	3
Daily capacity						
Metric tons (in 1,000's)	74	10	84	—	49	49
South America						
Brazil	1	11	12	1	3	4
Colombia	—	1	1	—	—	—
Ecuador	—	1	1	—	—	—
Total	1	13	14	1	3	4
Daily capacity						
Metric tons (in 1,000's)	—	—	—	—	—	—

	Nutrition Processing Plants					
	Owned			Leased		
	WFSI	Animal Nutrition	Total	WFSI	Animal Nutrition	Total
Europe						
Belgium	—	1	1	—	—	—
Germany	6	—	6	2	—	2
France	1	12	13	—	1	1
Italy	—	1	1	—	—	—
Netherlands	1	1	2	1	—	1
Poland	1	1	2	—	—	—
Portugal	—	1	1	—	—	—
Spain	2	1	3	—	—	—
Switzerland	—	1	1	—	—	—
Turkey	—	—	—	1	—	1
United Kingdom	1	—	1	—	—	—
Total	12	19	31	4	1	5
Daily capacity						
Metric tons (in 1,000's)	1	—	1	2	—	2
Africa						
Algeria	—	1	1	—	—	—
Madagascar	—	—	—	1	—	1
Nigeria	—	1	1	—	—	—
South Africa	—	2	2	—	—	—
Total	—	4	4	1	—	1
Daily capacity						
Metric tons (in 1,000's)	—	—	—	—	—	—
Asia						
China	1	7	8	1	—	1
India	—	1	1	1	—	1
Indonesia	—	2	2	—	—	—
Philippines	—	—	—	—	2	2
Vietnam	—	4	4	—	—	—
Total	1	14	15	2	2	4
Daily capacity						
Metric tons (in 1,000's)	—	—	—	—	—	—
Grand Total	42	96	138	9	8	17
Total daily capacity						
Metric tons (in 1,000's)	75	10	85	2	49	51

*The U.S. processing plants are located in Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Dakota, Ohio, Pennsylvania, Texas, and Washington.

Item 2. PROPERTIES (Continued)

	Nutrition Procurement Facilities			
	Owned			Leased
	WFSI	Animal Nutrition	Total	WFSI
North America				
U.S.*	19	—	19	1
Total	19	—	19	1
Daily/Storage capacity				
Metric tons (in 1,000's)	316	—	316	2
Grand Total	19	—	19	1
Total daily/storage capacity				
Metric tons (in 1,000's)	316	—	316	2

*The U.S. procurement facilities are located in Idaho, Illinois, Michigan, Minnesota, North Dakota, and Wyoming.

Item 3. LEGAL PROCEEDINGS

The Company is routinely involved in a number of actual or threatened legal actions, including those involving alleged personal injuries, employment law, product liability, intellectual property, environmental issues, alleged tax liability (see Note 13 in Item 8 for information on income tax matters), and class actions. The Company also routinely receives inquiries from regulators and other government authorities relating to various aspects of its business, and at any given time, the Company has matters at various stages of resolution. The outcomes of these matters are not within the Company's complete control and may not be known for prolonged periods of time. In some actions, claimants seek damages, as well as other relief, including injunctive relief, that could require significant expenditures or result in lost revenues. In accordance with applicable accounting standards, the Company records a liability in its consolidated financial statements for material loss contingencies when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a material loss contingency is reasonably possible but not known or probable, and can be reasonably estimated, the estimated loss or range of loss is disclosed in the notes to the consolidated financial statements. When determining the estimated loss or range of loss, significant judgment is required to estimate the amount and timing of a loss to be recorded. Estimates of probable losses resulting from litigation and governmental proceedings involving the Company are inherently difficult to predict, particularly when the matters are in early procedural stages, with incomplete facts or legal discovery; involve unsubstantiated or indeterminate claims for damages; potentially involve penalties, fines, disgorgement, or punitive damages; or could result in a change in business practice. See Note 20 in Item 8 for information on the Company's legal proceedings.

Item 4. MINE SAFETY DISCLOSURES

None.

PART II

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

Common Stock Market

The Company's common stock is listed and traded on the New York Stock Exchange under the trading symbol "ADM".

The number of registered stockholders of the Company's common stock at December 31, 2019, was 9,148.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program (2)	Number of Shares Remaining to be Purchased Under the Program (2)
October 1, 2019 to October 31, 2019	194	$ 40.375	151	108,315,391
November 1, 2019 to November 30, 2019	287	42.487	217	108,315,174
December 1, 2019 to December 31, 2019	253	44.068	253	108,314,921
Total	734	$ 42.473	621	108,314,921

(1) Total shares purchased represent those shares purchased in the open market as part of the Company's publicly announced stock repurchase program described below, shares received as payment for the exercise price of stock option exercises, and shares received as payment for the withholding taxes on vested restricted stock awards. During the three-month period ended December 31, 2019, there were 113 shares received as payments for the exercise price of stock option exercises.

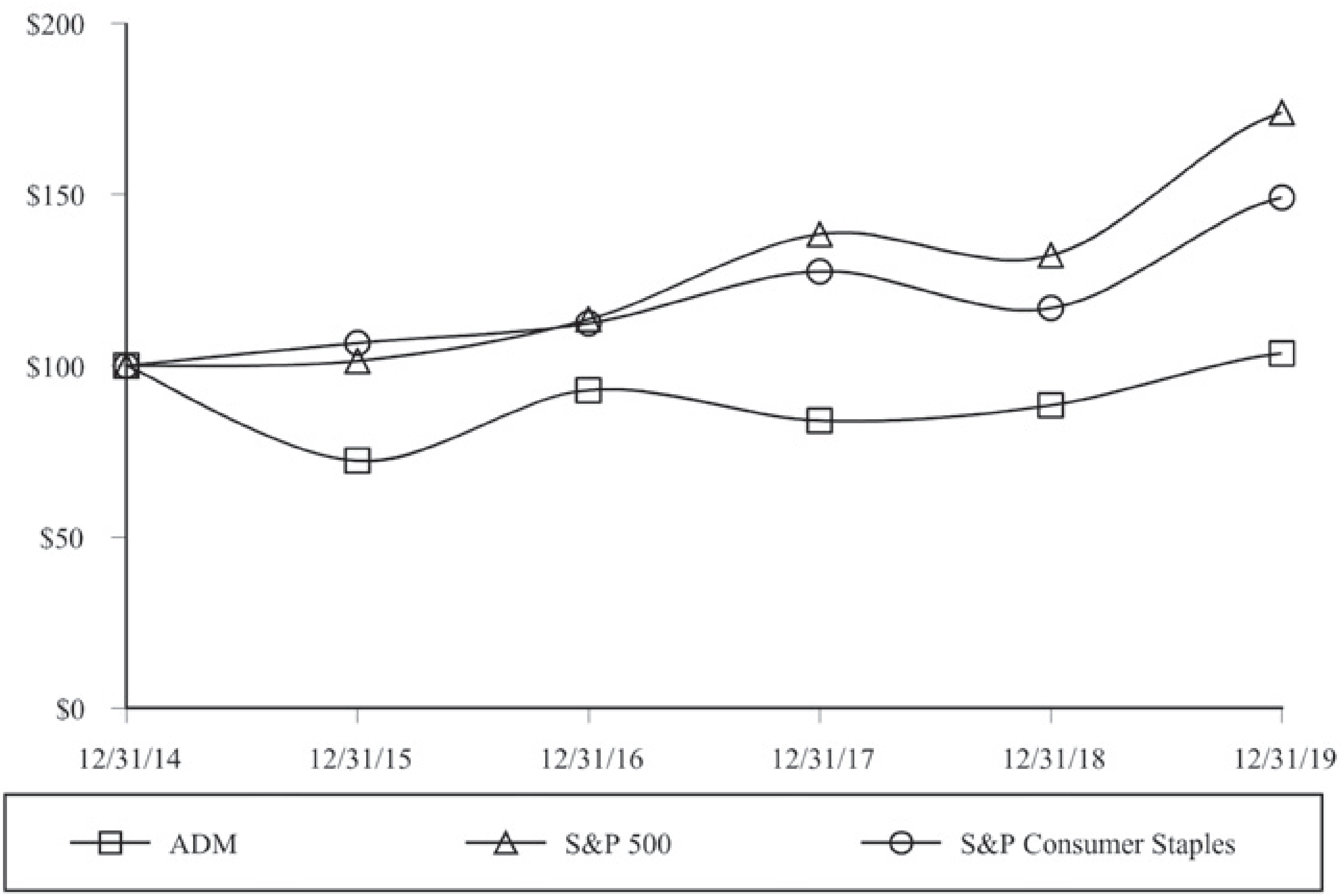
(2) On November 5, 2014, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to 100,000,000 shares of the Company's common stock during the period commencing January 1, 2015 and ending December 31, 2019. On August 7, 2019, the Company's Board of Directors approved the extension of the stock repurchase program through December 31, 2024 and the repurchase of up to an additional 100,000,000 shares under the extended program.

Performance Graph

The graph below compares the Company's common stock with those of the S&P 500 Index and the S&P Consumer Staples Index. The graph assumes an initial investment of $100 on December 31, 2014 and assumes all dividends have been reinvested through December 31, 2019.

COMPARISON OF 60 MONTH CUMULATIVE TOTAL RETURN

Among Archer Daniels Midland Company (ADM), the S&P 500 Index, and the S&P Consumer Staples Index



Index Data: Copyright© Standard and Poor's, Inc.

Item 6. SELECTED FINANCIAL DATA

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

	Years Ended December 31				
	2019	2018	2017	2016	2015
Revenues	**$ 64,656**	$ 64,341	$ 60,828	$ 62,346	$ 67,702
Depreciation	**827**	812	802	787	799
Net earnings attributable to controlling interests	**1,379**	1,810	1,595	1,279	1,849
Basic earnings per common share	**2.45**	3.21	2.80	2.18	2.99
Diluted earnings per common share	**2.44**	3.19	2.79	2.16	2.98
Cash dividends	**789**	758	730	701	687
Per common share	**1.40**	1.34	1.28	1.20	1.12
Working capital	**7,613**	8,812	7,355	7,872	8,324
Current ratio	**1.6**	1.7	1.6	1.6	1.6
Inventories	**9,170**	8,813	9,173	8,831	8,243
Net property, plant, and equipment	**10,106**	9,953	10,138	9,758	9,853
Gross additions to property, plant, and equipment	**817**	845	1,100	882	1,350
Total assets	**43,997**	40,833	39,963	39,769	40,157
Long-term debt, excluding current maturities	**7,672**	7,698	6,623	6,504	5,779
Shareholders' equity	**19,225**	18,996	18,322	17,181	17,915
Per common share	**34.52**	33.98	32.89	29.98	30.11
Weighted average shares outstanding-basic	**563**	564	569	588	618
Weighted average shares outstanding-diluted	**565**	567	572	591	621

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

- Net earnings attributable to controlling interests for the year ended December 31, 2019 included a net loss of $89 million ($124 million after tax, equal to $0.22 per share) related to the loss on sale of an equity investment partially offset by gains on sale of certain assets and a step-up gain on an equity investment; charges of $305 million ($249 million after tax, equal to $0.44 per share) consisting of restructuring and pension settlement and remeasurement charges primarily related to early retirement and reorganization initiatives in Corporate and impairments related to certain long-lived assets; expenses of $17 million ($11 million after tax, equal to $0.02 per share) primarily related to the Neovia acquisition; and tax expense adjustments related to certain discrete items totaling $39 million (equal to $0.07 per share).

- Net earnings attributable to controlling interests for the year ended December 31, 2018 included net gains totaling $13 million ($13 million after tax, equal to $0.02 per share) related to the sale of businesses and assets; charges of $292 million ($226 million after tax, equal to $0.40 per share) consisting of a non-cash pension settlement charge related to the purchase of a group annuity contract that irrevocably transferred the future benefit obligations and annuity administration for certain retirees under the Company's ADM Retirement Plan, charges related to a discontinued software project, a long-term receivable, an equity investment, certain long-lived assets, and several individually insignificant asset impairment charges, restructuring charges in Corporate primarily related to the reorganization of IT services and several individually insignificant restructuring charges, and other settlement charges; charges of $8 million ($6 million after tax, equal to $0.01 per share) related to acquisition expenses and net losses on foreign currency derivative contracts to economically hedge certain acquisitions; and net tax benefits due to changes in the provisional transition tax amount related to the enactment of the Tax Cuts and Jobs Act and certain discrete items totaling $33 million (equal to $0.06 per share).

- Net earnings attributable to controlling interests for the year ended December 31, 2017 included gains totaling $22 million ($10 million after tax loss, equal to $0.02 per share) primarily related to the sale of the crop risk services business partially offset by an adjustment of the proceeds of the 2015 sale of the cocoa business; charges of $214 million ($144 million after tax, equal to $0.25 per share) consisting of asset impairments related to the reconfiguration of the Company’s Peoria, Illinois ethanol complex, restructuring charges related to the reduction of certain positions within the Company’s global workforce, several individually insignificant asset impairments and restructuring charges, and provisions for contingent losses related to certain settlement items; a debt extinguishment charge of $11 million ($7 million after tax, equal to $0.01 per share) related to the early redemption of the Company’s $559 million notes due on March 15, 2018; and net tax benefits related to the Tax Cuts and Jobs Act and certain discrete tax adjustments totaling $366 million (equal to $0.64 per share).

- Net earnings attributable to controlling interests for the year ended December 31, 2016 included gains totaling $119 million ($100 million after tax, equal to $0.17 per share) primarily related to recovery of loss provisions and gains related to the sale of the Company’s Brazilian sugar ethanol facilities, realized contingent consideration on the sale of the Company’s equity investment in Gruma S.A. de C.V. in December 2012, and revaluation of the remaining interest to settlement value in conjunction with the acquisition of Amazon Flavors; a gain of $38 million ($24 million after tax, equal to $0.04 per share) related to a U.S. retiree medical benefit plan curtailment; charges of $117 million ($77 million after tax, equal to $0.13 per share) primarily related to legal fees and settlement, impairment of software, investments, and certain long-lived assets; a $10 million ($8 million after tax, equal to $0.02 per share) loss on sale of individually immaterial assets; and certain discrete tax adjustments totaling $24 million (equal to $0.04 per share) related to valuation allowances, deferred tax re-rates, and changes in assertion.

- Net earnings attributable to controlling interests for the year ended December 31, 2015 included gains totaling $530 million ($515 million after tax, equal to $0.83 per share) related primarily to the sale of the cocoa, chocolate, and lactic businesses, revaluation of the Company’s previously held investments in North Star Shipping, Minmetal, and Eaststarch C.V. in conjunction with the acquisition of the remaining interests, and the sale of a 50% interest in the Barcarena export terminal facility in Brazil to Glencore plc; long-lived asset impairment charges of $129 million ($109 million after tax, equal to $0.18 per share) related primarily to certain international Oilseeds Processing facilities, sugar ethanol facilities in Brazil, and goodwill, intangible, and property, plant, and equipment asset impairments; restructuring and exit charges of $71 million ($63 million after tax, equal to $0.10 per share) related to an international pension plan settlement, sugar ethanol facilities in Brazil, and other restructuring charges; loss provisions, settlements, and inventory writedown of $67 million ($58 million after tax, equal to $0.09 per share); certain discrete tax adjustments totaling $60 million (equal to $0.10 per share) related to valuation allowances and deferred tax re-rates; and loss on debt extinguishment of $189 million ($118 million after tax, equal to $0.19 per share) related to the cash tender offers and redemption of certain of the Company’s outstanding debentures.

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

Company Overview

This MD&A should be read in conjunction with the accompanying consolidated financial statements.

ADM is a global leader in human and animal nutrition and one of the world's premier agricultural origination and processing company. It is one of the world's leading producers of ingredients for human and animal nutrition, and other products made from nature. The Company uses its significant global asset base to originate and transport agricultural commodities, connecting to markets in more than 190 countries. The Company also processes corn, oilseeds, and wheat into products for food, animal feed, chemical and energy uses. The Company also engages in the manufacturing, sale, and distribution of specialty products including natural flavor ingredients, flavor systems, natural colors, proteins, emulsifiers, soluble fiber, polyols, hydrocolloids, natural health and nutrition products, and other specialty food and feed ingredients. The Company uses its global asset network, business acumen, and its relationships with suppliers and customers to efficiently connect the harvest to the home thereby generating returns for our shareholders, principally from margins earned on these activities.

Effective July 1, 2019, the Company changed its segment reporting to reflect the creation of the combined Ag Services and Oilseeds segment. The former Origination and Oilseeds businesses were merged into a combined Ag Services and Oilseeds segment which enables the Company to better respond to market changes by integrating the supply and value chains and risk management, while delivering significant simplification and efficiency to the day-to-day business. As part of the Company's efforts for a streamlined management structure, the combined segment is led by the former President of Oilseeds expanding his role to President of Ag Services and Oilseeds.

Prior period results have been reclassified to conform to the current period segment presentation.

The Company's operations are organized, managed, and classified into three reportable business segments: Ag Services and Oilseeds, Carbohydrate Solutions, and Nutrition. Each of these segments is organized based upon the nature of products and services offered. The Company's remaining operations are not reportable business segments, as defined by the applicable accounting standard, and are classified as Other. Financial information with respect to the Company's reportable business segments is set forth in Note 17 of "Notes to Consolidated Financial Statements" included in Item 8 herein, "Financial Statements and Supplementary Data" (Item 8).

The Company's recent significant portfolio actions and announcements include:

- the acquisition in February 2019 of Neovia, a French-based global provider of value-added animal nutrition solutions, with 72 production facilities and a presence in 25 countries;
- the purchase in February 2019 of the remaining 50% interest owned by InVivo Group in the Gleadell Agriculture Ltd. joint venture in the United Kingdom;
- the acquisition in March 2019 of FCC, one of the world's largest producers of citrus oils and ingredients;
- the formal launch in March 2019 of GrainBridge LLC, a 50% joint venture with Cargill that will develop digital tools to help North American farmers consolidate information on production economics and grain marketing activities into a single digital platform;
- the acquisition in May 2019 of Ziegler, a leading European provider of natural citrus flavor ingredients;
- the sale in December 2019 of its equity investment in CIP; and
- the acquisition in January 2020 of Yerbalatina, a natural plant-based extracts and ingredients manufacturer in Brazil.

The Company executes its strategic vision through three pillars: Optimize the Core, Drive Efficiencies, and Expand Strategically, all supported by its Readiness effort. During 2018, the Company launched Readiness to drive new efficiencies and improve the customer experience in the Company's existing businesses through a combination of data and analytics, process simplification and standardization, and behavioral and cultural change, building upon its earlier 1ADM and operational excellence programs. Readiness will also support the execution of the Company's growth strategies across its five key growth platforms: Taste, Nutrition, Animal Nutrition, Health and Wellness, and Carbohydrates.

Operating Performance Indicators

The Company's Ag Services and Oilseeds operations are principally agricultural commodity-based businesses where changes in selling prices move in relationship to changes in prices of the commodity-based agricultural raw materials. As a result, changes in agricultural commodity prices have relatively equal impacts on both revenues and cost of products sold. Therefore, changes in revenues of these businesses do not necessarily correspond to the changes in margins or gross profit. Thus, gross margins per volume or metric ton are more meaningful than gross margins as percentage of revenues.

The Company's Carbohydrate Solutions operations and Nutrition businesses also utilize agricultural commodities (or products derived from agricultural commodities) as raw materials. However, in these operations, agricultural commodity market price changes do not necessarily correlate to changes in cost of products sold. Therefore, changes in revenues of these businesses may correspond to changes in margins or gross profit. Thus, gross margin rates are more meaningful as a performance indicator in these businesses.

The Company has consolidated subsidiaries in more than 70 countries. For the majority of the Company's subsidiaries located outside the United States, the local currency is the functional currency except certain significant subsidiaries in Switzerland where Euro is the functional currency, and Brazil and Argentina where U.S. dollar is the functional currency. Revenues and expenses denominated in foreign currencies are translated into U.S. dollars at the weighted average exchange rates for the applicable periods. For the majority of the Company's business activities in Brazil and Argentina, the functional currency is the U.S. dollar; however, certain transactions, including taxes, occur in local currency and require remeasurement to the functional currency. Changes in revenues are expected to be correlated to changes in expenses reported by the Company caused by fluctuations in the exchange rates of foreign currencies, primarily the Euro, British pound, Canadian dollar, and Brazilian real, as compared to the U.S. dollar.

The Company measures its performance using key financial metrics including net earnings, gross margins, segment operating profit, return on invested capital, EBITDA, economic value added, manufacturing expenses, and selling, general, and administrative expenses. The Company's financial results can vary significantly due to changes in factors such as fluctuations in energy prices, weather conditions, crop plantings, government programs and policies, trade policies, changes in global demand, general global economic conditions, changes in standards of living, and global production of similar and competitive crops. Due to these unpredictable factors, the Company undertakes no responsibility for updating any forward-looking information contained within "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Market Factors Influencing Operations or Results in the Twelve Months Ended December 31, 2019

The Company is subject to a variety of market factors which affect the Company's operating results. In Ag Services and Oilseeds, sales volumes and margins were negatively impacted by challenging North American weather conditions, in particular high water in the Mississippi river system in the first half of the year, and the continuing global trade tensions with China. Handling volumes in North America were impacted by the late harvest as planting was delayed due to spring flooding. Continued good global meal demand resulted in strong global crushing volumes and solid margins. South American origination volumes benefited from the U.S.-China trade dispute but were also impacted by softer Chinese demand due to the African swine fever impact on local feed demand and intermittent farmer selling. Global demand and margins for refined oil and biodiesel remained solid. In Carbohydrate Solutions, demand and prices for sweeteners and starches remained solid in North America while co-product prices were stable. Although ethanol demand remained steady in North America, margins were severely pressured as U.S. industry ethanol production and stocks remained at high levels and U.S. exports to China ceased during the trade dispute. The severe weather conditions in North America also adversely impacted operations in the Carbohydrate Solutions business unit. Nutrition benefited from growing demand for flavors, flavors systems, human and pet health and wellness products, and plant-based proteins but was negatively impacted by the African swine fever in Asia Pacific, which also resulted in pricing pressures in the global lysine market.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

Net earnings attributable to controlling interests decreased 24% or $0.4 billion, to $1.4 billion. Segment operating profit decreased 10% or $0.3 billion, to $2.9 billion, and included a net charge of $134 million consisting of asset impairment, restructuring, and settlement charges, gains on sale of certain assets, and a step-up gain on an equity investment. Included in segment operating profit in the prior year was a net charge of $89 million consisting of asset impairment, restructuring, and settlement charges and a net gain on sales of assets and businesses. Adjusted segment operating profit decreased $0.3 billion to $3.1 billion due to lower results in Ag Services, Crushing, and Carbohydrate Solutions, and lower equity earnings from Wilmar, partially offset by higher results in Refined Products and Other and Nutrition. Refined Products and Other in the current year included $270 million related to the biodiesel tax credit for 2018 and 2019 compared to $120 million for 2017 recorded in the prior year. Corporate results were a net charge of $1.4 billion in the current year, and included restructuring and pension settlement and remeasurement charges of $159 million primarily related to early retirement and reorganization initiatives, a loss on sale of the Company's equity investment in CIP of $101 million, and a charge of $37 million from the effect of changes in agricultural commodity prices on last-in, first-out (LIFO) inventory valuation reserves, compared to a credit of $18 million in the prior year. Corporate results in the prior year of $1.2 billion included a pension settlement charge of $117 million, a $49 million charge related to a discontinued software project, and restructuring charges of $24 million primarily related to the reorganization of IT services.

Income taxes of $209 million decreased $36 million. The Company's effective tax rate for 2019 was 13.2% compared to 11.9% for 2018. The low 2019 tax rate was primarily due to the impact of U.S. tax credits, including the 2018 and 2019 biodiesel tax credit and the railroad maintenance tax credit, signed into law in December 2019. The effective tax rate for 2018 included the 2017 biodiesel tax credit recorded in the first quarter of 2018 and the additional true-up adjustments related to the 2017 U.S. tax reform, along with certain favorable discrete tax items netting to a favorable $74 million.

Analysis of Statements of Earnings

Processed volumes by product for the years ended December 31, 2019 and 2018 are as follows (in metric tons):

(In thousands)	**2019**	**2018**	**Change**
Oilseeds	**36,271**	36,308	— %
Corn	**22,079**	22,343	(1)%
Total	**58,350**	58,651	(1)%

The Company generally operates its production facilities, on an overall basis, at or near capacity, adjusting facilities individually, as needed, to react to local supply and demand conditions. Processed volumes of Corn decreased slightly from the prior year levels primarily related to the production disruptions in the Columbus, Nebraska corn processing plant due to flooding and production issues in the Decatur, Illinois corn complex.

Revenues by segment for the years ended December 31, 2019 and 2018 are as follows:

(In millions)	2019	2018	Change
Ag Services and Oilseeds			
Ag Services	**$ 31,705**	$ 31,766	$ (61)
Crushing	**9,479**	10,319	(840)
Refined Products and Other	**7,557**	7,806	(249)
Total Ag Services and Oilseeds	**48,741**	49,891	(1,150)
Carbohydrate Solutions			
Starches and Sweeteners	**6,692**	6,696	(4)
Bioproducts	**3,194**	3,583	(389)
Total Carbohydrate Solutions	**9,886**	10,279	(393)
Nutrition			
Wild Flavors and Specialty Ingredients	**2,745**	2,571	174
Animal Nutrition	**2,932**	1,219	1,713
Total Nutrition	**5,677**	3,790	1,887
Other	**352**	381	(29)
Total Other	**352**	381	(29)
Total	**$ 64,656**	$ 64,341	$ 315

Revenues and cost of products sold in agricultural merchandising and processing businesses are significantly correlated to the underlying commodity prices and volumes. In periods of significant changes in market prices, the underlying performance of the Company is better evaluated by looking at margins since both revenues and cost of products sold, particularly in Ag Services and Oilseeds, generally have a relatively equal impact from market price changes which generally result in an insignificant impact to gross profit.

Revenues increased $315 million to $64.7 billion due to overall higher sales volumes ($3.2 billion), partially offset by lower sales prices ($2.9 billion). The increase in sales volumes was due principally to soybeans, wheat, cotton, and higher sales volumes of feed ingredients related to acquisitions. The decrease in sales prices was due principally to soybeans, meal, and wheat. Ag Services and Oilseeds revenues decreased 2% to $48.7 billion due to lower sales prices ($3.0 billion), partially offset by higher sales volumes ($1.8 billion). Carbohydrate Solutions revenues decreased 4% to $9.9 billion due to lower sales volumes ($0.4 billion). Nutrition revenues increased 50% to $5.7 billion due to higher sales volumes ($1.8 billion), primarily related to acquisitions and higher sales prices ($0.1 billion).

Cost of products sold increased $0.3 billion to $60.5 billion due to overall higher sales volumes, partially offset by lower prices of commodities. Included in cost of products sold in the current year was a charge of $37 million from the effect of changes in agricultural commodity prices on LIFO inventory valuation reserves compared to a credit of $18 million in the prior year. Manufacturing expenses increased $0.3 billion to $5.7 billion due principally to new acquisitions.

Foreign currency translation impacts decreased both revenues and cost of products sold by $0.8 billion.

Gross profit decreased $34 million or 1%, to $4.1 billion. Lower results in Ag Services and Oilseeds ($40 million), Carbohydrate Solutions ($301 million), and Other ($6 million) were offset by higher results in Nutrition ($400 million). These factors are explained in the discussions of segment operating profit on page 32 and selling, general, and administrative expenses below. The effect of changes in agricultural commodity prices on LIFO inventory valuation reserves had a negative impact on gross profit of $37 million compared to a positive impact of $18 million in the prior year.

Selling, general, and administrative expenses increased 15% to $2.5 billion due principally to new acquisitions, primarily in the Nutrition segment, and higher spending on IT, business transformation, growth-related investments, and Readiness-related projects, partially offset by lower variable performance-related and stock compensation expenses.

Asset impairment, exit, and restructuring costs increased $132 million to $303 million. Current year charges consisted of asset impairments of $131 million related to certain facilities, vessels, and other long-lived assets and $11 million related to goodwill and other intangible assets presented as specified items within segment operating profit and $159 million of restructuring and pension settlement and remeasurement charges in Corporate primarily related to early retirement and reorganization initiatives and several individually insignificant restructuring charges presented as specified items within segment operating profit. Prior year charges totaling $171 million consisted of $56 million of impairment of certain long-lived assets, a $12 million impairment of an equity investment, a $21 million impairment related to a long-term financing receivable, and $9 million of other individually insignificant impairment and restructuring charges presented as specified items within segment operating profit, and a $49 million charge related to a discontinued software project, $18 million of restructuring charges related to the reorganization of IT services and $6 million individually insignificant restructuring charges in Corporate.

Interest expense increased $38 million to $402 million due to higher borrowings to fund recent acquisitions, partially offset by lower interest rates.

Equity in earnings of unconsolidated affiliates decreased $64 million to $454 million due to lower earnings from the Company's investments in Wilmar and CIP, partially offset by higher earnings from the Company's investments in Olenex and other equity investees.

Other expense - net of $7 million decreased $94 million. Current year expense included a loss on sale of the Company's equity investment in CIP and foreign exchange loss, partially offset by gains on the sale of certain assets, step-up gains on equity investments, gains on disposals of individually insignificant assets in the ordinary course of business, and other income. Prior year expense included foreign exchange losses and a non-cash pension settlement charge of $117 million related to the purchase of a group annuity contract that irrevocably transferred the future benefit obligations and annuity administration for certain U.S. salaried retirees under the Company's ADM Retirement Plan. These expenses were partially offset by gains on disposals of businesses, an equity investment, and individually insignificant assets in the ordinary course of business, and other income.

Segment operating profit, adjusted segment operating profit (a non-GAAP measure), and earnings before income taxes for the years ended December 31, 2019 and 2018 are as follows:

Segment Operating Profit	2019	2018	Change
		(In millions)	
Ag Services and Oilseeds			
Ag Services	**$ 502**	$ 657	$ (155)
Crushing	**580**	650	(70)
Refined Products and Other	**586**	370	216
Wilmar	**267**	343	(76)
Total Ag Services and Oilseeds	**1,935**	2,020	(85)
Carbohydrate Solutions			
Starches and Sweeteners	**803**	894	(91)
Bioproducts	**(159)**	51	(210)
Total Carbohydrate Solutions	**644**	945	(301)
Nutrition			
Wild Flavors and Specialty Ingredients	**376**	318	58
Animal Nutrition	**42**	21	21
Total Nutrition	**418**	339	79
Other	**85**	58	27
Total Other	**85**	58	27
Specified Items:			
Gains on sales of assets and businesses	**12**	13	(1)
Impairment, restructuring, and settlement charges	**(146)**	(102)	(44)
Total Specified Items	**(134)**	(89)	(45)
Total Segment Operating Profit	**$ 2,948**	**$ 3,273**	$ (325)
Adjusted Segment Operating Profit[1]	**$ 3,082**	**$ 3,362**	$ (280)
Segment Operating Profit	**$ 2,948**	**$ 3,273**	$ (325)
Corporate	**(1,360)**	**(1,213)**	(147)
Earnings Before Income Taxes	**$ 1,588**	**$ 2,060**	$ (472)

[1] Adjusted segment operating profit is segment operating profit excluding the listed specified items.

Ag Services and Oilseeds operating profit decreased 4%. Ag Services results were lower due to weaker North American grain margins and lower volumes, in part due to challenging weather conditions and the U.S.-China trade tensions. Results in the current period were negatively impacted by high water conditions in the first half of the year, which limited grain movement and sales in North America. Slow farmer selling and lower Chinese demand of South American origination, in part due to African swine fever, also impacted results. Crushing results were strong but down compared to the prior year. Lower executed crush margins around the globe drove lower results, partially offset by favorable timing effects of approximately $102 million from hedges entered in the prior year. Refined Products and Other results were up compared to the prior period primarily due to the retroactive biodiesel tax credit of $270 million for 2018 and 2019 recorded in the current year compared to $120 million for 2017 recorded in the prior year, strong demand, and higher results from equity investments. Wilmar results were lower year over year.

Carbohydrate Solutions operating profit decreased 32%. Starches and Sweeteners results were down primarily due to lower results in EMEA where margins were pressured due to low sugar prices and the Turkish quota on starch-based sweeteners. Higher manufacturing costs at the Decatur, IL complex and weaker margins in flour milling also contributed to the decrease. Bioproducts results were down due to significantly lower ethanol margins amid a continued unfavorable ethanol industry environment, exacerbated by the lack of Chinese demand for ethanol due to the U.S.-China trade dispute.

Nutrition operating profit increased 23%. Wild Flavors and Specialty Ingredients results were higher year over year on strong sales and margin growth in North America and Europe, Middle East, Africa, and India (EMEAI) and contributions from acquisitions. Animal Nutrition results were up driven largely by contributions from the acquisition of Neovia, partially offset by additional expenses related to inventory valuation of newly-acquired Neovia and weaker lysine results.

Other operating profit increased 47% primarily due to improved results from the Company's futures commission brokerage business and captive insurance underwriting performance.

Corporate results are as follows:

(In millions)	2019	2018	Change
LIFO credit (charge)	**$ (37)**	$ 18	$ (55)
Interest expense - net	**(348)**	(321)	(27)
Unallocated corporate costs	**(647)**	(660)	13
Loss on sale of asset	**(101)**	—	(101)
Expenses related to acquisitions	**(17)**	(8)	(9)
Impairment, restructuring, and settlement charges	**(159)**	(190)	31
Other charges	**(51)**	(52)	1
Total Corporate	**$ (1,360)**	$ (1,213)	$ (147)

Corporate results were a net charge of $1.4 billion in the current year compared to $1.2 billion in the prior year. The effect of changes in agricultural commodity prices on LIFO inventory valuation reserves resulted in a charge of $37 million in the current year compared to a credit of $18 million in the prior year. Interest expense - net increased $27 million due to higher borrowings to fund recent acquisitions, partially offset by interest savings from cross-currency swaps. Unallocated corporate costs decreased $13 million due principally to decreased performance-related compensation accruals partially offset by higher spending on IT, business transformation, growth-related investments, and Readiness-related projects. Loss on sale of asset related to the sale of the Company's equity investment in CIP. Expenses related to acquisitions in the current year consisted of expenses primarily related to the Neovia acquisition compared to prior year's expenses and losses on foreign currency derivative contracts entered into to economically hedge certain acquisitions. Impairment, restructuring, and settlement charges in the current year included restructuring and pension settlement and remeasurement charges related to early retirement and reorganization initiatives. Impairment, restructuring, and settlement charges in the prior year included pension settlement charge of $117 million related to the purchase of a group annuity contract that irrevocably transferred the future benefit obligations and annuity administration for certain U.S. salaried retirees under the Company's ADM Retirement Plan, a $49 million charge related to a discontinued software project, and restructuring charges of $24 million primarily related to the reorganization of IT services. Other charges in the current year included railroad maintenance expenses of $51 million. Other charges in the prior year included foreign exchange losses which were partially offset by earnings from the Company's equity investment in CIP.

Non-GAAP Financial Measures

The Company uses adjusted earnings per share (EPS), adjusted earnings before taxes, interest, and depreciation and amortization (EBITDA), and adjusted segment operating profit, non-GAAP financial measures as defined by the SEC, to evaluate the Company's financial performance. These performance measures are not defined by accounting principles generally accepted in the United States and should be considered in addition to, and not in lieu of, GAAP financial measures.

Adjusted EPS is defined as diluted EPS adjusted for the effects on reported diluted EPS of specified items. Adjusted EBITDA is defined as earnings before taxes, interest, and depreciation and amortization, adjusted for specified items. The Company calculates adjusted EBITDA by removing the impact of specified items and adding back the amounts of interest expense and depreciation and amortization to earnings before income taxes. Adjusted segment operating profit is segment operating profit adjusted, where applicable, for specified items.

Management believes that adjusted EPS, adjusted EBITDA, and adjusted segment operating profit are useful measures of the Company's performance because they provide investors additional information about the Company's operations allowing better evaluation of underlying business performance and better period-to-period comparability. Adjusted EPS, adjusted EBITDA, and adjusted segment operating profit are not intended to replace or be an alternative to diluted EPS, earnings before income taxes, and segment operating profit, respectively, the most directly comparable amounts reported under GAAP.

The table below provides a reconciliation of diluted EPS to adjusted EPS for the years ended December 31, 2019 and 2018.

	2019		**2018**	
	In millions	Per share	In millions	Per share
Average number of shares outstanding - diluted	**565**		567	
Net earnings and reported EPS (fully diluted)	**$ 1,379**	**$ 2.44**	$ 1,810	$ 3.19
Adjustments:				
LIFO charge (credit) (net of tax of $9 million in 2019 and $4 million in 2018) (1)	**28**	**0.05**	(14)	(0.02)
(Gains) Losses on sales of assets and businesses (after tax of $35 million in 2019 and $0 million in 2018) (2)	**124**	**0.22**	(13)	(0.02)
Asset impairment, restructuring, and settlement charges (net of tax of $56 million in 2019 and $66 million in 2018) (2)	**249**	**0.44**	226	0.40
Expenses related to acquisitions (net of tax of $6 million in 2019 and $2 million in 2018) (2)	**11**	**0.02**	6	0.01
Tax adjustments (3)	**39**	**0.07**	(33)	(0.06)
Adjusted net earnings and adjusted EPS	**$ 1,830**	**$ 3.24**	$ 1,982	$ 3.50

(1) Tax effected using the Company's U.S. tax rate.
(2) Tax effected using the applicable tax rates.
(3) Includes tax adjustments related to the U.S. Tax Cuts and Jobs Act and other discrete items.

The tables below provide a reconciliation of earnings before income taxes to adjusted EBITDA and adjusted EBITDA by segment for the years ended December 31, 2019 and 2018.

(In millions)	2019	2018	Change
Earnings before income taxes	**$ 1,588**	$ 2,060	$ (472)
Interest expense	**402**	364	38
Depreciation and amortization	**993**	941	52
LIFO charge (credit)	**37**	(18)	55
(Gains) Losses on sales of assets and businesses	**89**	(13)	102
Asset impairment, restructuring, and settlement charges	**305**	292	13
Railroad maintenance expense	**51**	—	51
Expenses related to acquisitions	**17**	8	9
Adjusted EBITDA	**$ 3,482**	$ 3,634	$ (152)

(In millions)	2019	2018	Change
Ag Services and Oilseeds	**$ 2,311**	$ 2,410	(99)
Carbohydrate Solutions	**974**	1,282	(308)
Nutrition	**642**	486	156
Other	**117**	92	25
Corporate	**(562)**	(636)	74
Adjusted EBITDA	**$ 3,482**	$ 3,634	$ (152)

Market Factors Influencing Operations or Results in the Twelve Months Ended December 31, 2018

The Company is subject to a variety of market factors which affect the Company's operating results. In 2018, markets were volatile amid escalating global trade tensions including the announcement of tariffs on Chinese imports of U.S. soybeans. In Ag Services and Oilseeds, strong demand for feedstuffs in light of weather conditions in Northern Europe resulted in higher sales volumes and margins in destination markets, and strong basis positions across commodities resulted in higher margins. South American origination volumes and margins benefited from stronger farmer selling. Dry conditions in Argentina resulted in a smaller soybean crop, which combined with continued good global meal demand, resulted in strong global crushing margins and volumes. Demand and margins for refined oil remained solid, and biodiesel margins improved. Excess global peanut supply resulted in weak peanut margins. In Carbohydrate Solutions, global demand and prices for starches and sweeteners remained solid in North America while co-product prices were stable. U.S. ethanol industry production remained at high levels. Although ethanol demand remained strong both in North America and export markets due to favorable gasoline blending economics and ethanol's continuing status as a competitive octane enhancer, margins continued to remain under pressure. Nutrition benefited from strong demand for flavor ingredients and flavor systems and from strong demand for and favorable margin development in certain non-flavor food businesses.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Net earnings attributable to controlling interests increased 13% or $0.2 billion, to $1.8 billion. Segment operating profit increased 29% or $0.7 billion, to $3.3 billion. Included in segment operating profit in 2018 was a net charge of $89 million consisting of asset impairment, restructuring, and settlement charges and a net gain on sales of assets and businesses. Included in segment operating profit in 2017 was a net charge of $134 million consisting of asset impairment and restructuring charges, a net gain on sales of assets and businesses, and corn hedge timing effects. Adjusted segment operating profit increased $0.7 billion to $3.4 billion due to an increase in sales prices and volumes of corn and meal, improved margins in Ag Services and Oilseeds and Nutrition, and the benefits of the 2017 biodiesel tax credit which was approved and received in the first quarter of 2018, partially offset by lower ethanol margins. Corporate results were a net charge of $1.2 billion in 2018 compared to $0.9 billion in 2017. Corporate results in 2018 included a pension settlement charge of $117 million, a $49 million charge related to a discontinued software project, restructuring charges of $24 million primarily related to the reorganization of IT services, and a credit of $18 million from the effect of changes in agricultural commodity prices on LIFO inventory valuation reserves, compared to a credit of $2 million in 2017. Corporate results in 2017 also included $54 million of restructuring charges primarily related to the reduction of certain positions within the Company's global workforce.

Income taxes of $245 million increased $238 million due to a higher effective tax rate and higher earnings before income taxes. The Company's effective tax rate for 2018 increased to 11.9% compared to 0.4% for 2017 due primarily to the low rate in 2017 that was impacted by favorable tax adjustments related to the Tax Cuts and Jobs Act of 2017 totaling $379 million. The effective tax rate for 2018 also included the final effects of the U.S. tax reform and the 2017 biodiesel tax credit recorded in the first quarter of 2018, along with certain favorable discrete tax items netting to a favorable $74 million.

Analysis of Statements of Earnings

Processed volumes by product for the years ended December 31, 2018 and 2017 are as follows (in metric tons):

(In thousands)	**2018**	**2017**	**Change**
Oilseeds	**36,308**	34,733	5 %
Corn	**22,343**	22,700	(2)%
Total	**58,651**	57,433	2 %

The Company generally operates its production facilities, on an overall basis, at or near capacity, adjusting facilities individually, as needed, to react to local supply and demand conditions. Processed volumes of oilseeds increased due to increasing global demand for oilseed products, particularly meal, and higher crushing volumes in North America due to the reduced soybean crop in Argentina. The overall decrease in corn is primarily related to decreased current year processing after the reconfiguration of the Company's Peoria, Illinois ethanol complex in the third quarter of fiscal 2017 and production issues in the Decatur, Illinois corn complex in 2018.

Revenues by segment for the years ended December 31, 2018 and 2017 are as follows:

(In millions)	2018	2017	Change
Ag Services and Oilseeds			
Ag Services	$ 31,766	$ 29,124	$ 2,642
Crushing	10,319	9,265	1,054
Refined Products and Other	7,806	8,123	(317)
Total Ag Services and Oilseeds	49,891	46,512	3,379
Carbohydrate Solutions			
Starches and Sweeteners	6,696	6,565	131
Bioproducts	3,583	3,841	(258)
Total Carbohydrate Solutions	10,279	10,406	(127)
Nutrition			
Wild Flavors and Specialty Ingredients	2,571	2,367	204
Animal Nutrition	1,219	1,156	63
Total Nutrition	3,790	3,523	267
Other	381	387	(6)
Total Other	381	387	(6)
Total	$ 64,341	$ 60,828	$ 3,513

Revenues and cost of products sold in commodity merchandising and processing businesses are significantly correlated to the underlying commodity prices and volumes. In periods of significant changes in commodity prices, the underlying performance of the Company is better evaluated by looking at margins since both revenues and cost of products sold, particularly in Ag Services and Oilseeds, generally have a relatively equal impact from commodity price changes which generally result in an insignificant impact to gross profit.

Revenues increased $3.5 billion or 6%, to $64.3 billion due principally to higher sales prices ($2.3 billion) and higher sales volumes ($1.2 billion). The increase in sales prices and volumes was due primarily to increases in corn and soybean meal. Ag Services and Oilseeds revenues increased 7% to $49.9 billion due to higher sales prices ($2.5 billion) and higher sales volumes ($0.8 billion). Carbohydrate Solutions revenues decreased 1% to $10.3 billion due to lower sales prices ($0.2 billion), partially offset by higher sales volumes ($0.1 billion). Nutrition revenues increased 8% to $3.8 billion due to higher sales volumes ($0.3 billion).

Cost of products sold increased $2.9 billion to $60.2 billion due principally to higher sales volumes and higher prices for commodities. Included in cost of products sold in 2018 was a credit of $18 million from the effect of changes in agricultural commodity prices on LIFO inventory valuation reserves compared to $2 million in 2017. Manufacturing expenses increased $0.2 billion to $5.4 billion due principally to increased energy cost, railroad maintenance expense that has an offsetting benefit in income tax expense, and other individually insignificant increases in certain expense categories.

Foreign currency translation impacts increased both revenues and cost of products sold by $0.4 billion.

Gross profit increased $0.7 billion or 19%, to $4.2 billion. Higher results in Ag Services and Oilseeds ($815 million) and Nutrition ($58 million) were partially offset by lower results in Carbohydrate Solutions ($126 million) and Other ($36 million). These factors are explained in the segment operating profit discussion on page 39. The effect of changes in agricultural commodity prices on LIFO inventory valuation reserves had a positive impact on gross profit of $18 million in 2018 compared to $2 million in 2017.

Selling, general, and administrative expenses increased 9% to $2.2 billion due principally to higher performance-related compensation accruals and increased pension and project-related expenses.

Asset impairment, exit, and restructuring costs decreased $2 million to $171 million. Charges in 2018 consisted of $56 million of impairment of certain long-lived assets, a $12 million impairment of an equity investment, a $21 million impairment related to a long-term financing receivable, and $9 million of other individually insignificant impairment and restructuring charges (presented as specified items within segment operating profit), and a $49 million charge related to a discontinued software project, $18 million of restructuring charges related to the reorganization of IT services and $6 million of individually insignificant restructuring charges in Corporate. Charges in 2017 consisted of $63 million of asset impairments related to the reconfiguration of the Company's Peoria, Illinois ethanol complex, $20 million of asset impairments related to the closure of a facility, and $36 million of several individually insignificant asset impairments and restructuring charges presented as specified items within segment operating profit, and $54 million of restructuring charges in Corporate primarily related to the reduction of certain positions within the Company's global workforce.

Interest expense increased $34 million to $364 million primarily due to higher interest rates on short-term debt and higher borrowings.

Equity in earnings of unconsolidated affiliates increased $62 million to $518 million due to earnings from a new equity investment and higher earnings from the Company's equity investments in CIP and Olenex, partially offset by lower earnings from other equity investments.

Other expense - net of $101 million increased $111 million from net income of $10 million. Expense in 2018 included foreign exchange losses and a non-cash pension settlement charge of $117 million related to the purchase of a group annuity contract that irrevocably transferred the future benefit obligations and annuity administration for certain U.S. salaried retirees under the Company's ADM Retirement Plan. These expenses were partially offset by gains on disposals of businesses, an equity investment, and individually insignificant assets in the ordinary course of business, and other income. Income in 2017 included gains related to the sale of the crop risk services business and disposals of other individually insignificant assets in the ordinary course of business, partially offset by an adjustment of the proceeds of the 2015 sale of the cocoa business, changes in contingent settlement provisions, a charge related to the early redemption of the Company's $559 million notes due March 15, 2018, and foreign exchange losses.

Operating profit by segment and earnings before income taxes for the years ended December 31, 2018 and 2017 are as follows:

Segment Operating Profit	2018	2017	Change
		(In millions)	
Ag Services and Oilseeds			
Ag Services	$ 657	$ 453	$ 204
Crushing	650	203	447
Refined Products and Other	370	244	126
Wilmar	343	329	14
Total Ag Services and Oilseeds	2,020	1,229	791
Carbohydrate Solutions			
Sweeteners and Starches	894	930	(36)
Bioproducts	51	148	(97)
Total Carbohydrate Solutions	945	1,078	(133)
Nutrition			
Wild Flavors and Specialty Ingredients	318	279	39
Animal Nutrition	21	33	(12)
Total Nutrition	339	312	27
Other	58	51	7
Total Other	58	51	7
Specified Items:			
Gains on sales of assets and businesses	13	22	(9)
Impairment, restructuring, and exit charges	(102)	(160)	58
Hedge timing effects	—	4	(4)
Total Specified Items	(89)	(134)	45
Total Segment Operating Profit	3,273	2,536	737
Adjusted Segment Operating Profit[1]	3,362	2,670	692
Segment Operating Profit	3,273	2,536	737
Corporate	(1,213)	(927)	(286)
Earnings Before Income Taxes	$ 2,060	$ 1,609	$ 451

[1] Adjusted segment operating profit is segment operating profit excluding the above specified items.

Ag Services and Oilseeds operating profit increased 64%. Ag Services was up significantly year-over-year. Global trade delivered strong results due to increased volumes, strong margins, and improved opportunities in the soybean and feedstuff value chain. North American grain was up due to improved margins and higher volumes. South America saw strong origination volumes and improving margins as farmer selling accelerated. Crushing results increased due to a strong global demand and margin environment. The reduced soybean crop in Argentina combined with continued good global meal demand resulted in strong crushing margins and volumes. Refined Products and Other results were higher mainly due to the 2017 biodiesel tax credit of approximately $120 million which was approved and received in the first quarter of 2018, solid biodiesel results, and higher earnings from the Company's investment in Olenex, partially offset by weaker peanut shelling margins primarily caused by large peanut inventories and difficult market conditions. Wilmar results were higher year over year.

Carbohydrate Solutions operating profit decreased 12%. Starches and Sweeteners results decreased due to lower margins and volumes in liquid sweeteners mainly due to production issues in the Decatur, Illinois corn complex partially offset by improved results from starches and dry sweeteners. Bioproducts results were down as near record industry fuel ethanol inventories pressured margins and production issues in the Decatur, IL corn complex increased costs, partially offset by effective ethanol risk management.

Nutrition operating profit increased 9%. Wild Flavors and Specialty Ingredients results were up due to improved earnings across the segment and higher sales volumes related to contributions from new acquisitions and organic growth. In Wild Flavors, an improved portfolio mix boosted sales and margins. Health and Wellness improved driven largely by increased contributions from bioactives. Specialty Ingredients was up due to improved volumes and margins in proteins and increased sales in fibers partially offset by lower results in polyols. Animal Nutrition was down due to operational issues in Decatur, IL that constrained lysine production volumes and increased manufacturing costs partially offset by improved premix and commercial feed margins.

Other operating profit increased 14% primarily due to stronger results from its futures commission brokerage business due to higher short-term interest rates, partially offset by lower underwriting results from the Company's captive insurance operations during the first half of 2018.

Corporate results are as follows:

(In millions)	2018	2017	Change
LIFO credit (charge)	$ 18	$ 2	$ 16
Interest expense - net	(321)	(310)	(11)
Unallocated corporate costs	(660)	(470)	(190)
Expenses related to acquisitions	(8)	—	(8)
Loss on debt extinguishment	—	(11)	11
Asset impairment, restructuring, and settlement charges	(190)	(54)	(136)
Other charges	(52)	(84)	32
Total Corporate	$ (1,213)	$ (927)	$ (286)

Corporate results were a net charge of $1.2 billion in 2018 compared to $0.9 billion in 2017. The effect of changes in agricultural commodity prices on LIFO inventory valuation reserves resulted in a credit of $18 million in 2018 compared to a credit of $2 million in 2017. Interest expense - net increased $11 million due to higher interest rates on short-term debt and higher borrowings, partially offset by interest income related to a tax credit and lower-tax related expense. Unallocated corporate costs increased $190 million due principally to higher performance-related compensation accruals, increased pension and project-related expenses, and railroad maintenance expense that has an offsetting benefit in income tax expense. Adjustments related to acquisitions in 2018 related to expenses and losses on foreign currency derivative contracts entered into to economically hedge certain acquisitions. Loss on debt extinguishment in 2017 related to the early redemption of the $559 million aggregate principal amount of 5.45% notes due on March 15, 2018. Impairment, restructuring, and settlement charges in 2018 included a pension settlement charge of $117 million, a $49 million charge related to a discontinued software project, and restructuring charges of $24 million primarily related to the reorganization of IT services compared to restructuring charges related to the reduction of certain positions within the Company's global workforce of $54 million in 2017. Other charges decreased $32 million primarily due to improved results in the Company's investment in CIP and lower non-service cost related pension expenses.

Non-GAAP Financial Measures

The Company uses adjusted earnings per share (EPS), adjusted earnings before taxes, interest, and depreciation and amortization (EBITDA), and adjusted segment operating profit, non-GAAP financial measures as defined by the SEC, to evaluate the Company's financial performance. These performance measures are not defined by accounting principles generally accepted in the United States and should be considered in addition to, and not in lieu of, GAAP financial measures.

Adjusted EPS is defined as diluted EPS adjusted for the effects on reported diluted EPS of specified items. Adjusted EBITDA is defined as earnings before taxes, interest, and depreciation and amortization, adjusted for specified items. The Company calculates adjusted EBITDA by removing the impact of specified items and adding back the amounts of interest expense and depreciation and amortization to earnings before income taxes. Adjusted segment operating profit is segment operating profit adjusted, where applicable, for specified items.

Management believes that adjusted EPS, adjusted EBITDA, and adjusted segment operating profit are useful measures of the Company's performance because they provide investors additional information about the Company's operations allowing better evaluation of underlying business performance and better period-to-period comparability. Adjusted EPS, adjusted EBITDA, and adjusted segment operating profit are not intended to replace or be an alternative to diluted EPS, earnings before income taxes, and segment operating profit, respectively, the most directly comparable amounts reported under GAAP.

The table below provides a reconciliation of diluted EPS to adjusted EPS for the years ended December 31, 2018 and 2017.

	2018		2017	
	In millions	Per share	In millions	Per share
Average number of shares outstanding - diluted	567		572	
Net earnings and reported EPS (fully diluted)	$ 1,810	$ 3.19	$ 1,595	$ 2.79
Adjustments:				
LIFO charge (credit) (net of tax of $4 million in 2018 and $1 million in 2017[1]	(14)	(0.02)	(1)	—
(Gains) Losses on sales of assets and businesses (net of tax of $0 million in 2018 and $32 million in 2017) [2]	(13)	(0.02)	10	0.02
Asset impairment, restructuring, and settlement charges (net of tax of $66 million in 2018 and $70 million in 2017) [2]	226	0.40	144	0.25
Expenses related to acquisitions (net of tax of $2 million) [2]	6	0.01	—	—
Loss on debt extinguishment (net of tax of $4 million) [1]	—	—	7	0.01
Tax adjustments [3]	(33)	(0.06)	(366)	(0.64)
Adjusted net earnings and and adjusted EPS	$ 1,982	$ 3.50	$ 1,389	$ 2.43

[1] Tax effected using the Company's U.S. effective tax rate.
[2] Tax effected using the U.S. and other applicable tax rates.
[3] Includes tax adjustments related to the U.S. Tax Cuts and Jobs Act of 2017.

The tables below provide a reconciliation of earnings before income taxes to adjusted EBITDA and adjusted EBITDA by segment for the years ended December 31, 2018 and 2017.

(In millions)	2018	2017	Change
Earnings before income taxes	$ 2,060	$ 1,609	$ 451
Interest expense	364	330	34
Depreciation and amortization	941	924	17
LIFO charge (credit)	(18)	(2)	(16)
Gains (Losses) on sales of assets and businesses	(13)	(22)	9
Asset impairment, restructuring, and settlement charges	292	214	78
Expenses related to acquisitions	8	—	8
Loss on debt extinguishment	—	11	(11)
Adjusted EBITDA	$ 3,634	$ 3,064	$ 570

(In millions)	2018	2017	Change
Ag Services and Oilseeds	$ 2,410	$ 1,620	790
Carbohydrate Solutions	1,282	1,415	(133)
Nutrition	486	450	36
Other - Financial	92	69	23
Corporate	(636)	(490)	(146)
Adjusted EBITDA	$ 3,634	$ 3,064	$ 570

Liquidity and Capital Resources

A Company objective is to have sufficient liquidity, balance sheet strength, and financial flexibility to fund the operating and capital requirements of a capital intensive agricultural commodity-based business. The Company depends on access to credit markets, which can be impacted by its credit rating and factors outside of ADM’s control, to fund its working capital needs and capital expenditures. The primary source of funds to finance ADM’s operations, capital expenditures, and advancement of its growth strategy is cash generated by operations and lines of credit, including a commercial paper borrowing facility and accounts receivable securitization programs. In addition, the Company believes it has access to funds from public and private equity and debt capital markets in both U.S. and international markets.

Cash used in operating activities was $5.5 billion for 2019 compared to $4.8 billion in 2018. Working capital changes, including the increase in deferred consideration, decreased cash by $7.7 billion in the current year compared to $7.5 billion in the prior year. Trade receivables decreased $0.3 billion due to lower revenues, net of acquisitions.

Deferred consideration in securitized receivables of $7.7 billion and $7.8 billion in 2019 and 2018, respectively, was offset by the same amounts of net consideration received for beneficial interest obtained for selling trade receivables.

Cash provided by investing activities was $5.3 billion this year compared to $6.6 billion last year. Capital expenditures and net assets of businesses acquired were $0.8 billion and $1.9 billion, respectively, this year compared to $0.8 billion and $0.5 billion, respectively, last year. Proceeds from the sale of businesses and assets were $0.3 billion in the current year were compared to $0.2 billion in the prior year. There were sales of marketable securities, net of purchases, of $0.1 billion in the current year compared to immaterial marketable securities sales transactions in the prior year. Investments in and advances to affiliates were immaterial in the current year compared to $0.2 billion in the prior year. Net consideration received for beneficial interest obtained for selling trade receivables was $7.7 billion and $7.8 billion in 2019 and 2018, respectively.

Cash used in financing activities was $0.7 billion this year compared to cash provided of $0.2 billion last year. Long-term debt borrowings in the current year were $8 million. Long-term debt borrowings in the prior year of $1.8 billion consisted of the €650 million ($744 million as of December 31, 2018) aggregate principal amount of 1.000% Notes issued on September 12, 2018 and the December 3, 2018 issuance of $600 million and $400 million aggregate principal amounts of 4.5% and 3.375% Notes, respectively. Long-term debt payments in the current year of $626 million primarily related to the €500 million Floating Rate Notes that matured in June 2019 compared to $30 million in the prior year. Commercial paper borrowings in the current year of $0.9 billion were used to fund acquisitions and general corporate expenses compared to payments of $0.7 billion in the prior year. Share repurchases in the current year were $0.2 billion compared to $0.1 billion in the prior year.

At December 31, 2019, ADM had $0.9 billion of cash, cash equivalents, and short-term marketable securities and a current ratio, defined as current assets divided by current liabilities, of 1.6 to 1. Included in working capital is $5.7 billion of readily marketable commodity inventories. At December 31, 2019, the Company’s capital resources included shareholders’ equity of $19.2 billion and lines of credit, including the accounts receivable securitization programs described below, totaling $9.0 billion, of which $6.4 billion was unused. ADM’s ratio of long-term debt to total capital (the sum of long-term debt and shareholders’ equity) was 29% at December 31, 2019 and December 31, 2018. The Company uses this ratio as a measure of ADM’s long-term indebtedness and an indicator of financial flexibility. The Company’s ratio of net debt (the sum of short-term debt, current maturities of long-term debt, and long-term debt less the sum of cash and cash equivalents and short-term marketable securities) to capital (the sum of net debt and shareholders’ equity) increased from 25% at December 31, 2018 to 29% at December 31, 2019 due to acquisitions. Of the Company’s total lines of credit, $5.0 billion supported the combined U.S. and European commercial paper borrowing programs, against which there was $1.0 billion of U.S. and European commercial paper outstanding at December 31, 2019.

As of December 31, 2019, the Company had $0.9 billion of cash and cash equivalents, $0.3 billion of which is cash held by foreign subsidiaries whose undistributed earnings are considered indefinitely reinvested. Based on the Company’s historical ability to generate sufficient cash flows from its U.S. operations and unused and available U.S. credit capacity of $4.3 billion, the Company has asserted that these funds are indefinitely reinvested outside the U.S.

The Company has accounts receivable securitization programs (the "Programs") with certain commercial paper conduit purchasers and committed purchasers. The Programs provide the Company with up to $1.9 billion in funding against accounts receivable transferred into the Programs and expands the Company's access to liquidity through efficient use of its balance sheet assets (see Note 19 in Item 8 for more information and disclosures on the Programs). As of December 31, 2019, the Company utilized $1.4 billion of its facility under the Programs. The Programs are due to terminate during the first half of 2020. However, the Company currently expects to extend these Programs upon termination.

On November 5, 2014, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to 100,000,000 shares of the Company's common stock during the period commencing January 1, 2015 and ending December 31, 2019. On August 7, 2019, the Company's Board of Directors approved the extension of the stock repurchase program through December 31, 2024 and the repurchase of up to an additional 100,000,000 shares under the extended program. The Company has acquired approximately 91.7 million shares under this program as of December 31, 2019.

In 2020, the Company expects capital expenditures of $0.9 billion to $1.0 billion and additional cash outlays of approximately $0.8 billion in dividends and $0.1 billion in share repurchases.

The Company's credit facilities and certain debentures require the Company to comply with specified financial and non-financial covenants including maintenance of minimum tangible net worth as well as limitations related to incurring liens, secured debt, and certain other financing arrangements. The Company was in compliance with these covenants as of December 31, 2019.

The three major credit rating agencies have maintained the Company's credit ratings at solid investment grade levels with stable outlooks.

Contractual Obligations

In the normal course of business, the Company enters into contracts and commitments which obligate the Company to make payments in the future. The following table sets forth the Company's significant future obligations by time period. Purchases include commodity-based contracts entered into in the normal course of business, which are further described in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," energy-related purchase contracts entered into in the normal course of business, and other purchase obligations related to the Company's normal business activities. The following table does not include unrecognized income tax benefits of $130 million as of December 31, 2019 as the Company is unable to reasonably estimate the timing of settlement. Where applicable, information included in the Company's consolidated financial statements and notes is cross-referenced in this table.

			Payments Due by Period			
Contractual Obligations and Other Commitments	**Item 8 Note Reference**	**Total**	**Less than 1 Year**	**1 - 3 Years**	**3 - 5 Years**	**More than 5 Years**
				(In millions)		
Purchases						
Inventories		$ 10,488	$ 10,242	$ 238	$ 8	$ —
Energy		319	260	59	—	—
Other		1,386	938	223	27	198
Total purchases		12,193	11,440	520	35	198
Short-term debt		1,202	1,202	—	—	—
Long-term debt	Note 10	7,679	7	1,081	726	5,865
Estimated interest payments		5,380	324	581	533	3,942
One-time transition tax	Note 13	183	20	40	87	36
Operating leases	Note 14	1,177	251	403	231	292
Estimated pension and other postretirement plan contributions [1]	Note 15	149	43	29	26	51
Total		$ 27,963	$ 13,287	$ 2,654	$ 1,638	$ 10,384

(1) Includes pension contributions of $27 million for fiscal 2020. The Company is unable to estimate the amount of pension contributions beyond fiscal year 2020. For more information concerning the Company's pension and other postretirement plans, see Note 15 in Item 8.

At December 31, 2019, the Company estimates it will spend approximately $1.1 billion through fiscal year 2024 to complete currently approved capital projects which are not included in the table above.

The Company also has outstanding letters of credit and surety bonds of $1.4 billion at December 31, 2019 which are not included in the table above.

The Company has entered into agreements, primarily debt guarantee agreements related to equity-method investees, which could obligate the Company to make future payments. The Company's liability under these agreements arises only if the primary entity fails to perform its contractual obligation. The Company has collateral for a portion of these contingent obligations.

Off Balance Sheet Arrangements

Accounts Receivable Securitization Programs

In September 2019, the Company amended its accounts receivable securitization program (the "Program") with certain commercial paper conduit purchasers and committed purchasers (collectively, the "First Purchasers") and increased its facility from $1.2 billion to $1.3 billion. The program terminates on June 18, 2020 unless extended (see Note 19 of "Notes to Consolidated Financial Statements" included in Item 8 herein, "Financial Statements and Supplementary Data" for more information and disclosures on the Programs).

There were no other material changes in the Company's off balance sheet arrangements during the year.

Critical Accounting Policies

The process of preparing financial statements requires management to make estimates and judgments that affect the carrying values of the Company's assets and liabilities as well as the recognition of revenues and expenses. These estimates and judgments are based on the Company's historical experience and management's knowledge and understanding of current facts and circumstances. Certain of the Company's accounting policies are considered critical, as these policies are important to the depiction of the Company's financial statements and require significant or complex judgment by management. Management has discussed with the Company's Audit Committee the development, selection, disclosure, and application of these critical accounting policies. Following are the accounting policies management considers critical to the Company's financial statements.

Fair Value Measurements - Inventories and Commodity Derivatives

Certain of the Company's inventory and commodity derivative assets and liabilities as of December 31, 2019 are valued at estimated fair values, including $4.7 billion of merchandisable agricultural commodity inventories, $0.5 billion of commodity derivative assets, $0.6 billion of commodity derivative liabilities, and $0.7 billion of inventory-related payables. Commodity derivative assets and liabilities include forward fixed-price purchase and sale contracts for agricultural commodities. Merchandisable agricultural commodities are freely traded, have quoted market prices, and may be sold without significant additional processing. Management estimates fair value for its commodity-related assets and liabilities based on exchange-quoted prices, adjusted for differences in local markets. The Company's inventory and derivative commodity fair value measurements are mainly based on observable market quotations without significant adjustments and are therefore reported as Level 2 within the fair value hierarchy. Level 3 fair value measurements of approximately $1.7 billion of assets and $0.2 billion of liabilities represent fair value estimates where unobservable price components represent 10% or more of the total fair value price. For more information concerning amounts reported as Level 3, see Note 4 in Item 8. Changes in the market values of these inventories and commodity contracts are recognized in the statement of earnings as a component of cost of products sold. If management used different methods or factors to estimate market value, amounts reported as inventories and cost of products sold could differ materially. Additionally, if market conditions change subsequent to year-end, amounts reported in future periods as inventories and cost of products sold could differ materially.

Derivatives – Designated Hedging Activities

The Company, from time to time, uses derivative contracts designated as cash flow hedges to hedge the purchase or sales price of anticipated volumes of commodities to be purchased and processed in a future month. Assuming normal market conditions, the change in the market value of such derivative contracts has historically been, and is expected to continue to be, highly effective at offsetting changes in price movements of the hedged item. Gains and losses arising from open and closed hedging transactions are deferred in accumulated other comprehensive income, net of applicable income taxes, and recognized as a component of cost of products sold and revenues in the statement of earnings when the hedged item is recognized in earnings. If it is determined that the derivative instruments used are no longer effective at offsetting changes in the price of the hedged item, then the changes in the market value of these exchange-traded futures and exchange-traded and over-the-counter option contracts would be recorded immediately in the statement of earnings as a component of revenues and/or cost of products sold. See Note 5 in Item 8 for additional information.

Investments in Affiliates

The Company applies the equity method of accounting for investments over which the Company has the ability to exercise significant influence. These investments are carried at cost plus equity in undistributed earnings and are adjusted, where appropriate, for amortizable basis differences between the investment balance and the underlying net assets of the investee. Generally, the minimum ownership threshold for asserting significant influence is 20% ownership of the investee. However, the Company considers all relevant factors in determining its ability to assert significant influence including, but not limited to, ownership percentage, board membership, customer and vendor relationships, and other arrangements. If management used a different accounting method for these investments, then the amount of earnings from affiliates the Company recognizes may materially differ.

Income Taxes

The Company accounts for income taxes in accordance with the applicable accounting standards. These standards prescribe a minimum threshold a tax position is required to meet before being recognized in the consolidated financial statements. The Company recognizes in its consolidated financial statements tax positions determined more likely than not to be sustained upon examination, based on the technical merits of the position. The Company faces challenges from U.S. and foreign tax authorities regarding the amount of taxes due. These challenges include questions regarding the timing and amount of deductions and the allocation of income among various tax jurisdictions. In evaluating the exposure associated with various tax filing positions, the Company records reserves for estimates of potential additional tax owed by the Company. For example, the Company has received tax assessments from tax authorities in Brazil, Argentina, and the Netherlands, challenging income tax positions taken by subsidiaries of the Company. The Company evaluated its tax positions for these matters and concluded, based in part upon advice from legal counsel, that it was appropriate to recognize the tax benefits of these positions (see Note 13 in Item 8 for additional information).

Deferred tax assets represent items to be used as tax deductions or credits in future tax returns where the related tax benefit has already been recognized in the Company's income statement. The realization of the Company's deferred tax assets is dependent upon future taxable income in specific tax jurisdictions, the timing and amount of which are uncertain. The Company evaluates all available positive and negative evidence including estimated future reversals of existing temporary differences, projected future taxable income, tax planning strategies, and recent financial results. Valuation allowances related to these deferred tax assets have been established to the extent the realization of the tax benefit is not likely. During 2019, the Company increased valuation allowances by approximately $20 million primarily related to newly-generated foreign tax loss carryforwards. To the extent the Company were to favorably resolve matters for which valuation allowances have been established or be required to pay amounts in excess of the aforementioned valuation allowances, the Company's effective tax rate in a given financial statement period may be impacted.

Undistributed earnings of the Company's foreign subsidiaries amounting to approximately $11.6 billion at December 31, 2019, are considered to be indefinitely reinvested.

The Tax Cuts and Jobs Act (the "Act"), which was enacted on December 22, 2017, included a one-time transition tax on accumulated foreign earnings. As a result, the Company recorded a $369 million provisional impact of the transition tax and a $220 million beneficial impact on reserves previously established under Accounting Standards Codification Subtopic 740-30, *Income Taxes - Other Considerations or Special Areas*, or a net provisional impact of $149 million in 2017. The Company performed a quarterly review of the provisional tax liability recorded in 2017 as new guidance on the Act was issued in 2018. The Company finalized its calculation of the transition tax and recorded an immaterial expense in 2019 and a benefit of $29 million in 2018. The Company elected to pay the one-time transition tax over eight years. Because the Company's undistributed foreign earnings and outside basis differences inherent in foreign entities continue to be indefinitely reinvested in foreign operations, no income taxes have been provided. It is not practicable to determine the amount of unrecognized deferred tax liability related to any remaining undistributed foreign earnings not subject to the transition tax and additional outside basis difference in these entities.

The Act also contains new provisions related to Global Intangible Low Taxed Income (GILTI) and Foreign Derived Intangible Income (FDII) which were effective for fiscal year 2018. The Company made an accounting policy election to treat GILTI as a period cost. During 2018, U.S. tax authorities issued proposed Treasury Regulations addressing some of the tax reform items that were effective in 2018. The Company has recorded and will continue to record the impact of tax reform items as U.S. tax authorities issue Treasury Regulations and other guidance addressing tax reform-related changes. It is also reasonable to expect that global taxing authorities will be reviewing their current legislation for potential modifications in reaction to the implementation of the Act. The additional guidance in the U.S., along with the potential for additional global tax legislation changes, may affect significant deductions and income inclusions and could have a material adverse effect on the Company's net income or cash flow.

Property, Plant, and Equipment and Asset Abandonments and Write-Downs

The Company is principally engaged in the business of procuring, transporting, storing, processing, and merchandising agricultural commodities and products. This business is global in nature and is highly capital-intensive. Both the availability of the Company's raw materials and the demand for the Company's finished products are driven by factors such as weather, plantings, government programs and policies, changes in global demand, changes in standards of living, and global production of similar and competitive crops. These aforementioned factors may cause a shift in the supply/demand dynamics for the Company's raw materials and finished products. Any such shift will cause management to evaluate the efficiency and cash flows of the Company's assets in terms of geographic location, size, and age of its facilities. The Company, from time to time, will also invest in equipment, technology, and companies related to new, value-added products produced from agricultural commodities and products. These new products are not always successful from either a commercial production or marketing perspective. Management evaluates the Company's property, plant, and equipment for impairment whenever indicators of impairment exist. Assets are written down to fair value after consideration of the ability to utilize the assets for their intended purpose or to employ the assets in alternative uses or sell the assets to recover the carrying value. If management used different estimates and assumptions in its evaluation of these assets, then the Company could recognize different amounts of expense over future periods. During the years ended December 31, 2019, 2018, and 2017, impairment charges for property, plant, and equipment were $131 million, $100 million, and $101 million, respectively.

Business Combinations

The Company's acquisitions are accounted for in accordance with Accounting Standards Codification (ASC) Topic 805, *Business Combinations,* as amended. The consideration transferred is allocated to various assets acquired and liabilities assumed at their estimated fair values as of the acquisition date with the residual allocated to goodwill. Fair values allocated to assets acquired and liabilities assumed in business combinations require management to make significant judgments, estimates, and assumptions, especially with respect to intangible assets. Management makes estimates of fair values based upon assumptions it believes to be reasonable. These are estimates are based upon historical experience and information obtained from the management of the acquired companies and are inherently uncertain. The estimated fair values related to intangible assets primarily consist of customer relationships, trademarks, and developed technology which are determined primarily using discounted cash flow models. Estimates in the discounted cash flow models include, but are not limited to, certain assumptions that form the basis of the forecasted results (e.g. revenue growth rates, customer attrition rates, and royalty rates). These significant assumptions are forward looking and could be affected by future economic and market conditions. During the measurement period, which may take up to one year from the acquisition date, adjustments due to changes in the estimated fair value of assets acquired and liabilities assumed may be recorded as adjustments to the consideration transferred and related allocations. Upon the conclusion of the measurement period or the final determination of the values of assets acquired and liabilities assumed, whichever comes first, any such adjustments are charged to the consolidated statements of earnings.

Goodwill and Other Intangible Assets

Goodwill and intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. The Company evaluates goodwill for impairment at the reporting unit level annually on October 1 or whenever there are indicators that the carrying value may not be fully recoverable. The Company adopted the provisions of ASC 350, *Intangibles - Goodwill and Other*, which permits, but does not require, a company to qualitatively assess indicators of a reporting unit's fair value. If after completing the qualitative assessment, a company believes it is likely that a reporting unit is impaired, a discounted cash flow analysis is prepared to estimate fair value. Critical estimates in the determination of the fair value of each reporting unit include, but are not limited to, future expected cash flows and discount rates. Definite-lived intangible assets, including capitalized expenses related to the Company's 1ADM program, are amortized over their estimated useful lives of 2 to 50 years and are reviewed for impairment whenever there are indicators that the carrying values may not be fully recoverable. The Company recorded impairment charges totaling $11 million related to goodwill and intangibles, and $9 million related to customer lists during the years ended December 31, 2019 and 2018, respectively. There were no impairment charges recorded for goodwill and intangible assets during the year ended December 31, 2017 (see Note 18 in Item 8 for more information). If management used different estimates and assumptions in its impairment tests, then the Company could recognize different amounts of expense over future periods.

Employee Benefit Plans

The Company provides substantially all U.S. employees and employees at certain international subsidiaries with retirement benefits including defined benefit pension plans and defined contribution plans. The Company provides certain eligible U.S. employees who retire under qualifying conditions with subsidized postretirement health care coverage or Health Care Reimbursement Accounts.

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

The Company uses the corridor approach when amortizing actuarial losses. Under the corridor approach, net unrecognized actuarial losses in excess of 10% of the greater of the projected benefit obligation or the market related value of plan assets are amortized over future periods. For plans with little to no active participants, the amortization period is the remaining average life expectancy of the participants. For plans with active participants, the amortization period is the remaining average service period of the active participants. The amortization periods range from 3 to 38 years for the Company's defined benefit pension plans and from 6 to 22 years for the Company's postretirement benefit plans.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Commodities

The availability and prices of agricultural commodities are subject to wide fluctuations due to factors such as changes in weather conditions, crop disease, plantings, government programs and policies, competition, changes in global demand, changes in customer preferences and standards of living, and global production of similar and competitive crops.

The Company manages its exposure to adverse price movements of agricultural commodities used for, and produced in, its business operations, by entering into derivative and non-derivative contracts which reduce the Company's overall short or long commodity position. Additionally, the Company uses exchange-traded futures and exchange-traded and over-the-counter option contracts as components of merchandising strategies designed to enhance margins. The results of these strategies can be significantly impacted by factors such as the correlation between the value of exchange-traded commodities futures contracts and the cash prices of the underlying commodities, counterparty contract defaults, and volatility of freight markets. In addition, the Company, from time-to-time, enters into derivative contracts which are designated as hedges of specific volumes of commodities that will be purchased and processed, or sold, in a future month. The changes in the market value of such futures contracts have historically been, and are expected to continue to be, highly effective at offsetting changes in price movements of the hedged item. Gains and losses arising from open and closed designated hedging transactions are deferred in other comprehensive income, net of applicable taxes, and recognized as a component of cost of products sold or revenues in the statement of earnings when the hedged item is recognized.

The Company's commodity position consists of merchandisable agricultural commodity inventories, related purchase and sales contracts, energy and freight contracts, and exchange-traded futures and exchange-traded and over-the-counter option contracts including contracts used to hedge portions of production requirements, net of sales.

The fair value of the Company's commodity position is a summation of the fair values calculated for each commodity by valuing all of the commodity positions at quoted market prices for the period, where available, or utilizing a close proxy. The Company has established metrics to monitor the amount of market risk exposure, which consist of volumetric limits, and value-at-risk (VaR) limits. VaR measures the potential loss, at a 95% confidence level, that could be incurred over a one year period. Volumetric limits are monitored daily and VaR calculations and sensitivity analysis are monitored weekly.

In addition to measuring the hypothetical loss resulting from an adverse two standard deviation move in market prices (assuming no correlations) over a one year period using VaR, sensitivity analysis is performed measuring the potential loss in fair value resulting from a hypothetical 10% adverse change in market prices. The highest, lowest, and average weekly position for the years ended December 31, 2019 and 2018 together with the market risk from a hypothetical 10% adverse price change is as follows:

	December 31, 2019		December 31, 2018	
Long/(Short)	**Fair Value**	**Market Risk**	**Fair Value**	**Market Risk**
	(In millions)			
Highest position	**$ 576**	**$ 58**	$ 434	$ 43
Lowest position	**(83)**	**(8)**	25	2
Average position	**280**	**28**	237	24

The change in fair value of the average position was principally the result of an increase in prices underlying the weekly commodity position.

Currencies

The Company has consolidated subsidiaries in more than 70 countries. For the majority of the Company's subsidiaries located outside the United States, the local currency is the functional currency except certain significant subsidiaries in Switzerland where Euro is the functional currency, and Brazil and Argentina where U.S. dollar is the functional currency. To reduce the risks associated with foreign currency exchange rate fluctuations, the Company enters into currency exchange contracts to minimize its foreign currency position related to transactions denominated primarily in Euro, British pound, Canadian dollar, and Brazilian real currencies. These currencies represent the major functional or local currencies in which recurring business transactions occur. The Company also uses currency exchange contracts as hedges against amounts indefinitely invested in foreign subsidiaries and affiliates. The currency exchange contracts used are forward contracts, swaps with banks, exchange-traded futures contracts, and over-the-counter options. The changes in market value of such contracts have a high correlation to the price changes in the currency of the related transactions. The potential loss in fair value for such net currency position resulting from a hypothetical 10% adverse change in foreign currency exchange rates is not material.

The amount the Company considers indefinitely invested in foreign subsidiaries translated into dollars using the year-end exchange rates is $9.6 billion and $8.7 billion ($11.6 billion and $10.5 billion at historical rates) at December 31, 2019 and 2018, respectively. The increase is due to the increase in retained earnings of the foreign subsidiaries and affiliates of $1.1 billion partially offset by the depreciation of foreign currencies versus the U.S. dollar of $0.2 billion. The potential loss in fair value, which would principally be recognized in Other Comprehensive Income, resulting from a hypothetical 10% adverse change in quoted foreign currency exchange rates is $957 million and $870 million for December 31, 2019 and 2018, respectively. Actual results may differ.

Interest

The fair value of the Company's long-term debt is estimated using quoted market prices, where available, and discounted future cash flows based on the Company's current incremental borrowing rates for similar types of borrowing arrangements. Such fair value exceeded the long-term debt carrying value. Market risk is estimated as the potential increase in fair value resulting from a hypothetical 50 basis points decrease in interest rates. Actual results may differ.

	December 31, 2019	**December 31, 2018**
	(In millions)	
Fair value of long-term debt	**$ 9,211**	$ 8,434
Excess of fair value over carrying value	**1,540**	736
Market risk	**420**	405

The increase in fair value of long-term debt at December 31, 2019 is primarily due to decreased interest rates.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Financial Statements	**Page No.**

Archer-Daniels-Midland Company

Consolidated Statements of Earnings

(In millions, except per share amounts)	Year Ended December 31		
	2019	**2018**	**2017**
Revenues	**$ 64,656**	$ 64,341	$ 60,828
Cost of products sold	**60,509**	60,160	57,310
Gross Profit	**4,147**	4,181	3,518
Selling, general and administrative expenses	**2,493**	2,165	1,978
Asset impairment, exit, and restructuring costs	**303**	171	173
Interest expense	**402**	364	330
Equity in earnings of unconsolidated affiliates	**(454)**	(518)	(456)
Interest income	**(192)**	(162)	(106)
Other (income) expense - net	**7**	101	(10)
Earnings Before Income Taxes	**1,588**	2,060	1,609
Income tax expense	**209**	245	7
Net Earnings Including Noncontrolling Interests	**1,379**	1,815	1,602
Less: Net earnings (losses) attributable to noncontrolling interests	**—**	5	7
Net Earnings Attributable to Controlling Interests	**$ 1,379**	$ 1,810	$ 1,595
Average number of shares outstanding – basic	**563**	564	569
Average number of shares outstanding – diluted	**565**	567	572
Basic earnings per common share	**$ 2.45**	$ 3.21	$ 2.80
Diluted earnings per common share	**$ 2.44**	$ 3.19	$ 2.79

See notes to consolidated financial statements.

Archer-Daniels-Midland Company

Consolidated Statements of Comprehensive Income (Loss)

(In millions)	Year Ended December 31		
	2019	**2018**	**2017**
Net earnings including noncontrolling interests	**$ 1,379**	$ 1,815	$ 1,602
Other comprehensive income (loss):			
Foreign currency translation adjustment	**(176)**	(581)	692
Tax effect	**(12)**	(28)	59
Net of tax amount	**(188)**	(609)	751
Pension and other postretirement benefit liabilities adjustment	**(98)**	156	298
Tax effect	**50**	(55)	(98)
Net of tax amount	**(48)**	101	200
Deferred gain (loss) on hedging activities	**(91)**	57	12
Tax effect	**18**	(13)	(1)
Net of tax effect	**(73)**	44	11
Unrealized gain (loss) on investments	**13**	(4)	(1)
Tax effect	**(1)**	(1)	2
Net of tax effect	**12**	(5)	1
Other comprehensive income (loss)	**(297)**	(469)	963
Comprehensive income (loss)	**1,082**	1,346	2,565
Less: Comprehensive income (loss) attributable to noncontrolling interests	**2**	5	9
Comprehensive income (loss) attributable to controlling interests	**$ 1,080**	$ 1,341	$ 2,556

See notes to consolidated financial statements.

Archer-Daniels-Midland Company
Consolidated Balance Sheets

(In millions)	December 31, 2019	December 31, 2018
Assets		
Current Assets		
Cash and cash equivalents	**$ 852**	$ 1,997
Segregated cash and investments	**4,458**	4,506
Trade receivables - net	**2,267**	2,233
Inventories	**9,170**	8,813
Other current assets	**4,600**	3,039
Total Current Assets	**21,347**	20,588
Investments and Other Assets		
Investments in and advances to affiliates	**5,132**	5,317
Goodwill and other intangible assets	**5,476**	4,041
Other assets	**1,936**	934
Total Investments and Other Assets	**12,544**	10,292
Property, Plant, and Equipment		
Land and land improvements	**592**	545
Buildings	**5,381**	5,171
Machinery and equipment	**19,005**	18,399
Construction in progress	**1,021**	987
	25,999	25,102
Accumulated depreciation	**(15,893)**	(15,149)
Net Property, Plant, and Equipment	**10,106**	9,953
Total Assets	**$ 43,997**	$ 40,833
Liabilities, Temporary Equity, and Shareholders' Equity		
Current Liabilities		
Short-term debt	**$ 1,202**	$ 108
Trade payables	**3,746**	3,545
Payables to brokerage customers	**5,022**	4,628
Accrued expenses and other payables	**3,757**	2,913
Current maturities of long-term debt	**7**	582
Total Current Liabilities	**13,734**	11,776
Long-Term Liabilities		
Long-term debt	**7,672**	7,698
Deferred income taxes	**1,194**	1,067
Other	**2,114**	1,247
Total Long-Term Liabilities	**10,980**	10,012
Temporary Equity - Redeemable noncontrolling interest	**58**	49
Shareholders' Equity		
Common stock	**2,655**	2,560
Reinvested earnings	**18,958**	18,527
Accumulated other comprehensive income (loss)	**(2,405)**	(2,106)
Noncontrolling interests	**17**	15
Total Shareholders' Equity	**19,225**	18,996
Total Liabilities, Temporary Equity, and Shareholders' Equity	**$ 43,997**	$ 40,833

See notes to consolidated financial statements.

Archer-Daniels-Midland Company

Consolidated Statements of Cash Flows

(In millions)	Year Ended December 31		
	2019	**2018**	**2017**
Operating Activities			
Net earnings including noncontrolling interests	**$ 1,379**	$ 1,815	$ 1,602
Adjustments to reconcile net earnings to net cash provided by (used in) operating results			
Depreciation and amortization	**993**	941	924
Asset impairment charges	**142**	142	101
Deferred income taxes	**21**	(47)	(714)
Equity in earnings of affiliates, net of dividends	**(213)**	(247)	(210)
Stock compensation expense	**89**	109	66
Pension and postretirement accruals (contributions), net	**(16)**	69	16
Loss (gain) on sale or revaluation of assets	**39**	(43)	(80)
Other – net	**(148)**	(67)	190
Changes in operating assets and liabilities, net of acquisitions and dispositions			
Segregated investments	**278**	1,176	260
Trade receivables	**287**	(376)	73
Inventories	**(21)**	226	(137)
Deferred consideration in securitized receivables	**(7,681)**	(7,838)	(8,177)
Other current assets	**(1,449)**	(70)	676
Trade payables	**(64)**	(300)	181
Payables to brokerage customers	**347**	(309)	(261)
Accrued expenses and other payables	**565**	35	(476)
Total Operating Activities	**(5,452)**	(4,784)	(5,966)
Investing Activities			
Purchases of property, plant, and equipment	**(828)**	(842)	(1,049)
Net assets of businesses acquired	**(1,946)**	(464)	(187)
Proceeds from sale of business and assets	**293**	191	195
Investments in and advances to affiliates	**(13)**	(157)	(280)
Investments in retained interest in securitized receivables	**(5,398)**	(6,957)	(4,306)
Proceeds from retained interest in securitized receivables	**13,079**	14,795	12,483
Purchases of marketable securities	**(27)**	—	(538)
Proceeds from sales of marketable securities	**104**	13	985
Other – net	**(5)**	3	(12)
Total Investing Activities	**5,259**	6,582	7,291
Financing Activities			
Long-term debt borrowings	**8**	1,762	532
Long-term debt payments	**(626)**	(30)	(835)
Net borrowings (payments) under lines of credit agreements	**919**	(743)	685
Share repurchases	**(150)**	(77)	(750)
Cash dividends	**(789)**	(758)	(730)
Other – net	**(22)**	33	70
Total Financing Activities	**(660)**	187	(1,028)
Increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents	**(853)**	1,985	297
Cash, cash equivalents, restricted cash, and restricted cash equivalents – beginning of year	**3,843**	1,858	1,561
Cash, cash equivalents, restricted cash, and restricted cash equivalents – end of year	**$ 2,990**	$ 3,843	$ 1,858
Reconciliation of cash, cash equivalents, restricted cash, and restricted cash equivalents to the consolidated balance sheets			
Cash and cash equivalents	**$ 852**	$ 1,997	$ 804
Restricted cash and restricted cash equivalents included in segregated cash and investments	**2,138**	1,846	1,054
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	**$ 2,990**	$ 3,843	$ 1,858
Cash paid for interest and income taxes were as follows:			
Interest	**$ 373**	$ 330	$ 321
Income taxes	**$ 268**	$ 376	$ 538
Supplemental Disclosure of Noncash Investing Activity:			
Retained interest in securitized receivables	**$ 7,751**	$ 7,897	$ 7,938

See notes to consolidated financial statements.

Archer-Daniels-Midland Company

Consolidated Statements of Shareholders' Equity

	Common Stock Shares	Common Stock Amount	Reinvested Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Shareholders' Equity
	(In millions)					
Balance, December 31, 2016	573	$ 2,327	$ 17,444	$ (2,598)	$ 8	$ 17,181
Impact of ASU 2016-16			(7)			(7)
Balance, January 1, 2017	573	2,327	17,437	(2,598)	8	17,174
Comprehensive income						
Net earnings			1,595		7	
Other comprehensive income (loss)				961	2	
Total comprehensive income						2,565
Cash dividends paid-$1.28 per share			(730)			(730)
Treasury stock purchases	(18)		(750)			(750)
Stock compensation expense	1	66				66
Other	1	5			(8)	(3)
Balance, December 31, 2017	557	$ 2,398	$ 17,552	$ (1,637)	$ 9	$ 18,322
Comprehensive income						
Net earnings			1,810		5	
Other comprehensive income (loss)				(469)		
Total comprehensive income						1,346
Cash dividends paid-$1.34 per share			(758)			(758)
Share repurchases	(2)		(77)			(77)
Stock compensation expense	2	109				109
Other	2	53			1	54
Balance, December 31, 2018	559	$ 2,560	$ 18,527	$ (2,106)	$ 15	$ 18,996
Comprehensive income						
Net earnings			**1,379**			
Other comprehensive income (loss)				**(299)**	**2**	
Total comprehensive income						**1,082**
Cash dividends paid-$1.40 per share			**(789)**			**(789)**
Share repurchases	**(4)**		**(150)**			**(150)**
Stock compensation expense	**2**	**89**				**89**
Other		**6**	**(9)**			**(3)**
Balance, December 31, 2019	**557**	**$ 2,655**	**$ 18,958**	**$ (2,405)**	**$ 17**	**$ 19,225**

See notes to consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

Nature of Business

ADM is a global leader in human and animal nutrition and one of the world's premier agricultural origination and processing company. It is one of the world's leading producers of ingredients for human and animal nutrition, and other products made from nature.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated. The Company consolidates all entities, including variable interest entities (VIEs), in which it has a controlling financial interest. For VIEs, the Company assesses whether it is the primary beneficiary as defined under the applicable accounting standard. Investments in affiliates, including VIEs through which the Company exercises significant influence but does not control the investee and is not the primary beneficiary of the investee's activities, are carried at cost plus equity in undistributed earnings since acquisition and are adjusted, where appropriate, for basis differences between the investment balance and the underlying net assets of the investee. The Company's portion of the results of certain affiliates and results of certain VIEs are included using the most recent available financial statements. In each case, the financial statements are within 93 days of the Company's year-end and are consistent from period to period.

Use of Estimates

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

Reclassifications

Effective July 1, 2019, the Company changed its segment reporting to reflect the creation of the combined Ag Services and Oilseeds segment. The former Origination and Oilseeds businesses were merged into a combined Ag Services and Oilseeds segment which enables the Company to better respond to market changes by integrating the supply and value chains and risk management, while delivering significant simplification and efficiency to the day-to-day business. As part of the Company's efforts for a streamlined management structure, the combined segment is led by the former President of Oilseeds expanding his role to President of Ag Services and Oilseeds.

Prior period results have been reclassified to conform to the current period segment presentation.

Cash Equivalents

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

Segregated Cash and Investments

The Company segregates certain cash, cash equivalents, and investment balances in accordance with regulatory requirements, commodity exchange requirements, and insurance arrangements. These balances represent deposits received from customers of the Company's registered futures commission merchant and commodity brokerage services, cash margins and securities pledged to commodity exchange clearinghouses, and cash pledged as security under certain insurance arrangements. Segregated cash and investments also include restricted cash collateral for the various insurance programs of the Company's captive insurance business. To the degree these segregated balances are comprised of cash and cash equivalents, they are considered restricted cash and cash equivalents on the statement of cash flows.

Note 1. Summary of Significant Accounting Policies (Continued)

Receivables

The Company records accounts receivable at net realizable value. This value includes an allowance for estimated uncollectible accounts of $110 million and $84 million at December 31, 2019 and 2018, respectively, to reflect any loss anticipated on the accounts receivable balances. The Company estimates this allowance based on its history of write-offs, level of past-due accounts, and its relationships with, and the economic status of, its customers. Portions of the allowance for uncollectible accounts are recorded in trade receivables, other current assets, and other assets.

Credit risk on receivables is minimized as a result of the large and diversified nature of the Company's worldwide customer base. The Company manages its exposure to counter-party credit risk through credit analysis and approvals, credit limits, and monitoring procedures. Collateral is generally not required for the Company's receivables.

Accounts receivable due from unconsolidated affiliates as of December 31, 2019 and 2018 was $156 million and $146 million, respectively.

Inventories

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

The following table sets forth the Company's inventories as of December 31, 2019 and 2018.

	December 31, 2019	December 31, 2018
	(In millions)	
LIFO inventories		
FIFO value	**$ 1,022**	$ 1,010
LIFO valuation reserve	**(91)**	(54)
LIFO inventories carrying value	**931**	956
FIFO inventories	**3,106**	2,908
Market inventories	**4,704**	4,547
Supplies and other inventories	**429**	402
Total inventories	**$ 9,170**	$ 8,813

Note 1. Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

The Company determines fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses the market approach valuation technique to measure the majority of its assets and liabilities carried at fair value. Three levels are established within the fair value hierarchy that may be used to report fair value: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2: Observable inputs, including Level 1 prices that have been adjusted; quoted prices for similar assets or liabilities; quoted prices in markets that are less active than traded exchanges; and other inputs that are observable or can be substantially corroborated by observable market data. Level 3: Unobservable inputs that are supported by little or no market activity and that are a significant component of the fair value of the assets or liabilities. In evaluating the significance of fair value inputs, the Company generally classifies assets or liabilities as Level 3 when their fair value is determined using unobservable inputs that individually or when aggregated with other unobservable inputs, represent more than 10% of the fair value of the assets or liabilities. Judgment is required in evaluating both quantitative and qualitative factors in the determination of significance for purposes of fair value level classification. Level 3 amounts can include assets and liabilities whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as assets and liabilities for which the determination of fair value requires significant management judgment or estimation.

Based on historical experience with the Company's suppliers and customers, the Company's own credit risk and knowledge of current market conditions, the Company does not view nonperformance risk to be a significant input to fair value for the majority of its forward commodity purchase and sale contracts. However, in certain cases, if the Company believes the nonperformance risk to be a significant input, the Company records estimated fair value adjustments, and classifies the measurement in Level 3.

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

The Company's policy regarding the timing of transfers between levels, including both transfers into and transfers out of Level 3, is to measure and record the transfers at the end of the reporting period.

Derivatives

The Company recognizes all of its derivative instruments as either assets or liabilities at fair value in its consolidated balance sheet. Unrealized gains are reported as other current assets and unrealized losses are reported as accrued expenses and other payables. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and on the type of hedging relationship. The majority of the Company's derivatives have not been designated as hedging instruments, and as such, changes in fair value of these derivatives are recognized in earnings immediately. For those derivative instruments that are designated and qualify as hedging instruments, the Company designates the hedging instrument, based upon the exposure being hedged, as a fair value hedge, a cash flow hedge, or a net investment hedge.

For derivative instruments that are designated and qualify as highly-effective cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive income (loss) (AOCI) and as an operating activity in the statement of cash flows and reclassified into earnings in the same line item affected by the hedged transaction and in the same period or periods during which the hedged transaction affects earnings. Hedge components excluded from the assessment of effectiveness and gains and losses related to discontinued hedges are recognized in the consolidated statement of earnings during the current period.

For derivative instruments that are designated and qualify as fair value hedges, changes in the fair value of the hedging instrument and changes in the fair value of the hedged item are recognized in the consolidated statement of earnings during the current period.

Note 1. Summary of Significant Accounting Policies (Continued)

For derivative instruments that are designated and qualify as net investment hedges, foreign exchange gains and losses related to changes in foreign currency exchange rates are deferred in AOCI until the underlying investment is divested.

Property, Plant, and Equipment

Property, plant, and equipment is recorded at cost. Repair and maintenance costs are expensed as incurred. The Company generally uses the straight-line method in computing depreciation for financial reporting purposes and generally uses accelerated methods for income tax purposes. The annual provisions for depreciation have been computed principally in accordance with the following ranges of asset lives: buildings - 15 to 40 years; machinery and equipment - 3 to 40 years. The Company capitalized interest on major construction projects in progress of $15 million, $21 million, and $17 million for the years ended December 31, 2019, 2018, and 2017, respectively.

Income Taxes

The Company accounts for income taxes in accordance with the liability method. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and reported amounts in the consolidated financial statements using statutory rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recorded in the results of operations in the period that includes the enactment date under the law. Applicable accounting standards prescribe a minimum threshold a tax position is required to meet before being recognized in the consolidated financial statements. The Company recognizes in its consolidated financial statements tax positions determined more likely than not to be sustained upon examination, based on the technical merits of the position.

The Company classifies interest on income tax-related balances as interest expense and classifies tax-related penalties as selling, general, and administrative expenses.

Goodwill and other intangible assets

Goodwill and other intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. Definite-lived intangible assets, including capitalized expenses related to the Company's 1ADM program, are amortized over their estimated useful lives of 2 to 50 years and are reviewed for impairment whenever there are indicators that the carrying value of the assets may not be fully recoverable. The Company’s accounting policy is to evaluate goodwill and other intangible assets with indefinite lives for impairment on October 1 of each fiscal year or whenever there are indicators that the carrying value of the assets may not be fully recoverable. The Company recorded impairment charges of $11 million related to goodwill and intangibles, and $9 million related to customer lists during the years ended December 31, 2019 and 2018, respectively. There were no impairment charges recorded for goodwill and intangible assets during the year ended December 31, 2017 (see Note 9 for additional information).

Asset Abandonments and Write-Downs

The Company evaluates long-lived assets for impairment whenever indicators of impairment exist. Assets are written down to fair value after consideration of the Company’s ability to utilize the assets for their intended purpose, employ the assets in alternative uses, or sell the assets to recover the carrying value. Fair value is generally based on discounted cash flow analysis which relies on management’s estimate of market participant assumptions or estimated selling price for assets considered held for sale (a Level 3 measurement under applicable accounting standards). During the years ended December 31, 2019, 2018, and 2017, impairment charges were $131 million, $100 million, and $101 million, respectively.

Note 1. Summary of Significant Accounting Policies (Continued)

Payables to Brokerage Customers

Payables to brokerage customers represent the total of customer accounts at the Company's futures commission merchant with credit or positive balances. Customer accounts are used primarily in connection with commodity transactions and include gains and losses on open commodity trades as well as securities and other deposits made for margins or other purposes as required by the Company or the exchange-clearing organizations or counterparties. Payables to brokerage customers have a corresponding balance in segregated cash and investments and customer omnibus receivable in other current assets.

Revenues

The Company follows a policy of recognizing revenue at a single point in time when it satisfies its performance obligation by transferring control over a product or service to a customer. For transportation service contracts, the Company recognizes revenue over time as the barge, ocean-going vessel, truck, rail, or container freight moves towards its destination in accordance with the transfer of control guidance of ASC Topic 606, *Revenue from Contracts with Customers* (Topic 606). For physically settled derivative sales contracts that are outside the scope of Topic 606, the Company recognizes revenue when control of the inventory is transferred within the meaning of Topic 606 as required by ASC 610-20, *Gains and Losses from the Derecognition of Nonfinancial Assets* (Topic 610-20).

Net sales to unconsolidated affiliates during the years ended December 31, 2019, 2018, and 2017 were $4.9 billion, $5.6 billion, and $5.2 billion, respectively.

Stock Compensation

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

Research and Development

Costs associated with research and development are expensed as incurred. Such costs incurred, net of expenditures subsequently reimbursed by government grants, were $154 million, $141 million, and $129 million for the years ended December 31, 2019, 2018, and 2017, respectively.

Per Share Data

Basic earnings per common share are determined by dividing net earnings attributable to controlling interests by the weighted average number of common shares outstanding. In computing diluted earnings per share, average number of common shares outstanding is increased by common stock options outstanding with exercise prices lower than the average market price of common shares using the treasury share method.

Note 1. Summary of Significant Accounting Policies (Continued)

Business Combinations

The Company's acquisitions are accounted for in accordance with ASC Topic 805, *Business Combinations,* as amended. The consideration transferred is allocated to various assets acquired and liabilities assumed at their estimated fair values as of the acquisition date with the residual allocated to goodwill. Fair values allocated to assets acquired and liabilities assumed in business combinations require management to make significant judgments, estimates, and assumptions, especially with respect to intangible assets. Management makes estimates of fair values based upon assumptions it believes to be reasonable. These are estimates are based upon historical experience and information obtained from the management of the acquired companies and are inherently uncertain. The estimated fair values related to intangible assets primarily consist of customer relationships, trademarks, and developed technology which are determined primarily using discounted cash flow models. Estimates in the discounted cash flow models include, but are not limited to, certain assumptions that form the basis of the forecasted results (e.g. revenue growth rates, customer attrition rates, and royalty rates). These significant assumptions are forward looking and could be affected by future economic and market conditions. During the measurement period, which may take up to one year from the acquisition date, adjustments due to changes in the estimated fair value of assets acquired and liabilities assumed may be recorded as adjustments to the consideration transferred and the related allocations. Upon the conclusion of the measurement period or the final determination of the values of assets acquired and liabilities assumed, whichever comes first, any such adjustments are charged to the consolidated statements of earnings.

Adoption of New Accounting Standards

Effective January 1, 2019, the Company adopted the new guidance of Accounting Standards Codification (ASC) Topic 842, *Leases* (Topic 842), which superseded ASC Topic 840, *Leases*. Topic 842 requires lessees to recognize assets and liabilities for all leases. The Company adopted Topic 842 using the optional transition method that allows entities to forgo the comparative reporting requirements under the modified retrospective transition method. In addition, the Company elected to apply the package of practical expedients that allows entities to forgo reassessing at the transition date: (1) whether any expired or existing contracts are or contain leases; (2) lease classification for any expired or existing leases; and (3) whether unamortized initial direct costs for existing leases meet the definition of initial direct costs under the new guidance. The Company also elected to use the practical expedient that allows the combination of lease and non-lease contract components in all of its underlying asset categories, as well as the optional transition practical expedient that permits entities to continue applying current accounting policy for land easements that existed as of or expired before January 1, 2019. The adoption of Topic 842 resulted in the recording of right-of-use assets and lease liabilities of $793 million and $795 million, respectively, at January 1, 2019. The new guidance did not have a material impact on the Company's consolidated statement of earnings and had no impact on the consolidated statement of cash flows. For more information about the adoption of Topic 842, see Note 14.

Effective January 1, 2019, the Company adopted the amended guidance of ASC Topic 220, *Income Statement - Reporting Comprehensive Income* (Topic 220), which allows the reclassification from accumulated other comprehensive income (AOCI) to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act (the Act), eliminating the stranded tax effects resulting from the Act and improving the usefulness of information reported to financial statement users. In addition, the Company is required to disclose: (1) a description of its accounting policy for releasing income tax effects from AOCI; (2) whether it elects to reclassify the stranded income tax effects from the Act; and (3) information about other income tax effects related to the application of the Act that are reclassified from AOCI to retained earnings, if any. The Company's accounting policy is to release income tax effects from AOCI when individual units of account are sold, terminated, or extinguished. However, the Company has elected to not release from AOCI the stranded income tax effects resulting from the Act.

Note 1. Summary of Significant Accounting Policies (Continued)

Pending Accounting Standards

Effective January 1, 2020, the Company will be required to adopt the amended guidance of ASC Topic 326, *Financial Instruments - Credit Losses*, which is intended to improve financial reporting by requiring more timely recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. The amended guidance replaces today's "incurred loss" approach with an "expected loss" model and requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The Company will be required to adopt the amended guidance on a modified retrospective basis through a cumulative effect adjustment to retained earnings as of the beginning of the period of adoption. The Company evaluated its current methodology of estimating allowance for doubtful accounts and the risk profile of its receivable portfolio and developed a model that includes the qualitative and forecasting aspects of the "expected loss" model under the amended guidance. The Company finalized its assessment of the impact of the amended guidance and expects to record an immaterial cumulative effect adjustment to retained earnings at January 1, 2020.

Effective January 1, 2020, the Company will be required to adopt the amended guidance of ASC Topic 820, *Fair Value Measurement*, which modifies the disclosure requirements on fair value measurements. Early adoption is permitted. The adoption of this amended guidance will not impact the Company's financial results.

Effective December 31, 2020, the Company will be required to adopt the amended guidance of ASC Subtopic 715-20, *Compensation - Retirement Benefits - Defined Benefit Plans - General*, which modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. Early adoption is permitted. The adoption of this amended guidance will not impact the Company's financial results.

Effective January 1, 2021, the Company will be required to adopt the amended guidance of ASC Topic 740, *Income Taxes* (Topic 740), which simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. Early adoption is permitted. The Company has not yet completed its assessment of the impact of the amended guidance on the consolidated financial statements but does not expect the adoption of the amendments to have a significant impact on its financial results.

Note 2. Revenues

Revenue Recognition

The Company principally generates revenue from merchandising and transporting agricultural commodities and manufactured products used as ingredients in food, feed, energy, and industrial products. Revenue is measured based on the consideration specified in the contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company follows a policy of recognizing revenue at a single point in time when it satisfies its performance obligation by transferring control over a product or service to a customer. The majority of the Company's contracts with customers have one performance obligation and a contract duration of one year or less. The Company applies the practical expedient in paragraph 10-50-14 of ASC 606, *Revenue from Contracts with Customers* ("Topic 606") and does not disclose information about remaining performance obligations that have original expected durations of one year or less. For transportation service contracts, the Company recognizes revenue over time as the barge, ocean-going vessel, truck, rail, or container freight moves towards its destination in accordance with the transfer of control guidance of Topic 606. The Company recognized revenue from transportation service contracts of $515 million and $481 million for the years ended December 31, 2019 and 2018, respectively. For physically settled derivative sales contracts that are outside the scope of Topic 606, the Company recognizes revenue when control of the inventory is transferred within the meaning of Topic 606 as required by ASC 610-20, *Gains and Losses from the Derecognition of Nonfinancial Assets* ("Topic 610-20").

Shipping and Handling Costs

Shipping and handling costs related to contracts with customers for the sale of goods are accounted for as a fulfillment activity and are included in cost of products sold. Accordingly, amounts billed to customers for such costs are included as a component of revenues.

Note 2. Revenues (Continued)

Taxes Collected from Customers and Remitted to Governmental Authorities

The Company does not include taxes assessed by governmental authorities that are (i) imposed on and concurrent with a specific revenue-producing transaction and (ii) collected from customers, in the measurement of transactions prices or as a component of revenues and cost of products sold.

Contract Liabilities

Contract liabilities relate to advance payments from customers for goods and services that the Company has yet to provide. Contract liabilities of $604 million and $501 million as of December 31, 2019 and 2018, respectively, were recorded in accrued expenses and other payables in the consolidated balance sheet. Contract liabilities recognized as revenues for the years ended December 31, 2019 and 2018 were $575 million and $647 million, respectively.

Disaggregation of Revenues

The following tables present revenue disaggregated by timing of recognition and major product lines for the years ended December 31, 2019 and 2018.

	Year Ended December 31, 2019				
	Topic 606 Revenue			Topic 815[1]	Total
	Point in Time	Over Time	Total	Revenue	Revenues
	(In millions)				
Ag Services and Oilseeds					
Ag Services	$ 4,693	$ 515	$ 5,208	$ 26,497	$ 31,705
Crushing	736	—	736	8,743	9,479
Refined Products and Other	2,230	—	2,230	5,327	7,557
Total Ag Services and Oilseeds	7,659	515	8,174	40,567	48,741
Carbohydrate Solutions					
Starches and Sweeteners	4,992	—	4,992	1,700	6,692
Bioproducts	3,194	—	3,194	—	3,194
Total Carbohydrate Solutions	8,186	—	8,186	1,700	9,886
Nutrition					
Wild Flavors and Specialty Ingredients	2,745	—	2,745	—	2,745
Animal Nutrition	2,932	—	2,932	—	2,932
Total Nutrition	5,677	—	5,677	—	5,677
Other	352	—	352	—	352
Total Revenues	$ 21,874	$ 515	$ 22,389	$ 42,267	$ 64,656

Note 2. Revenues (Continued)

	Year Ended December 31, 2018				
	Topic 606 Revenue			Topic 815[(1)]	Total
	Point in Time	Over Time	Total	Revenue	Revenues
	(In millions)				
Ag Services and Oilseeds					
Ag Services	$ 2,182	$ 481	$ 2,663	$ 29,103	$ 31,766
Crushing	664	—	664	9,655	10,319
Refined Products and Other	1,792	—	1,792	6,014	7,806
Total Ag Services and Oilseeds	4,638	481	5,119	44,772	49,891
Carbohydrate Solutions					
Starches and Sweeteners	4,901	—	4,901	1,795	6,696
Bioproducts	3,583	—	3,583	—	3,583
Total Carbohydrate Solutions	8,484	—	8,484	1,795	10,279
Nutrition					
Wild Flavors and Specialty Ingredients	2,571	—	2,571	—	2,571
Animal Nutrition	1,219	—	1,219	—	1,219
Total Nutrition	3,790	—	3,790	—	3,790
Other	381	—	381	—	381
Total Revenues	$ 17,293	$ 481	$ 17,774	$ 46,567	$ 64,341

(1) Topic 815 revenue relates to the physical delivery or the settlement of the Company's sales contracts that are accounted for as derivatives and are outside the scope of Topic 606.

Ag Services and Oilseeds

The Ag Services and Oilseeds segment generates revenue from the sale of commodities, from service fees for the transportation of goods, and from the sale of products manufactured in its global processing facilities. Revenue is measured based on the consideration specified in the contract and excludes any sales incentives and amounts collected on behalf of third parties. Revenue is recognized when a performance obligation is satisfied by transferring control over a product or providing service to a customer. For transportation service contracts, the Company recognizes revenue over time as the barge, ocean-going vessel, truck, rail, or container freight moves towards its destination in accordance with the transfer of control guidance of Topic 606. The amount of revenue recognized follows the contractually specified price which may include freight or other contractually specified cost components. For physically settled derivative sales contracts that are outside the scope of Topic 606, the Company recognizes revenue when control of the inventory is transferred within the meaning of Topic 606 as required by Topic 610-20.

Carbohydrate Solutions

The Carbohydrate Solutions segment generates revenue from the sale of products manufactured at the Company's global corn and wheat milling facilities around the world. Revenue is recognized when control over products is transferred to the customer. Products are shipped to customers from the Company's various facilities and from its network of storage terminals. The amount of revenue recognized is based on the consideration specified in the contract which could include freight and other costs depending on the specific shipping terms of each contract. For physically settled derivative sales contracts that are outside the scope of Topic 606, the Company recognizes revenue when control of the inventory is transferred within the meaning of Topic 606 as required by Topic 610-20.

Note 2. Revenues (Continued)

Nutrition

The Nutrition segment sells specialty products including natural flavor ingredients, flavor systems, natural colors, animal nutrition products, and other specialty food and feed ingredients. Revenue is recognized when control over products is transferred to the customer. The amount of revenue recognized follows the contracted price or the mutually agreed price of the product. Freight and shipping are recognized as a component of revenue at the same time control transfers to the customer.

Other

Other includes the Company's futures commission business whose primary sources of revenue are commissions and brokerage income generated from executing orders and clearing futures contracts and options on futures contracts on behalf of its customers. Commissions and brokerage revenue are recognized on the date the transaction is executed. Other also includes the Company's captive insurance business which generates third party revenue through its proportionate share of premiums from third-party reinsurance pools. Reinsurance premiums are recognized on a straight-line basis over the period underlying the policy.

Note 3. Acquisitions

Operating results of acquisitions are included in the Company's financial statements from the date of acquisition and were not significant for the year ended December 31, 2019. Goodwill allocated in connection with the acquisitions is primarily attributable to synergies expected to arise after the Company's acquisition of the businesses.

Fiscal year 2019 acquisitions

During the year ended December 31, 2019, the Company acquired Neovia SAS ("Neovia"), Florida Chemical Company ("FCC"), The Ziegler Group ("Ziegler"), and the remaining 50% interest in Gleadell Agriculture Ltd ("Gleadell"), for an aggregate consideration of $2.0 billion in cash. The aggregate consideration of these acquisitions, net of $95 million in cash acquired, plus the $15 million acquisition-date value of the Company's previously held equity interest in Gleadell, were allocated as follows, subject to final adjustments related to Neovia:

(In millions)	Neovia	FCC	Ziegler	Gleadell	Total
Working capital	$ 108	$ 31	$ 18	$ (6)	$ 151
Property, plant, and equipment	384	17	3	13	417
Goodwill	773	94	23	10	900
Other intangible assets	669	29	35	—	733
Other long-term assets	83	—	—	9	92
Long-term liabilities	(325)	(1)	(10)	(11)	(347)
Aggregate cash consideration, net of cash acquired, plus acquisition-date fair value of previously held equity interest	$ 1,692	$ 170	$ 69	$ 15	$ 1,946

Of the $900 million allocated to goodwill, $94 million is expected to be deductible for tax purposes.

The Company recognized pre-tax gains of $4 million on the Gleadell transaction, representing the difference between the carrying value and acquisition-date fair value of the Company's previously held equity interest. The acquisition-date fair value was determined based on a discounted cash flow analysis using market participant assumptions (a Level 3 measurement under applicable accounting standards).

Note 3. Acquisitions (Continued)

The following table sets forth the fair values and the useful lives of the other intangible assets acquired.

	Useful Lives	Neovia	FCC	Ziegler	Total
	(In years)	(In millions)			
Intangible assets with indefinite lives:					
Trademarks/brands		$ 194	$ —	$ —	$ 194
Intangible assets with finite lives:					
Trademarks/brands	5 to 15	12	—	4	16
Customer lists	10 to 20	304	15	5	324
Other intellectual property	6 to 10	159	14	26	199
Total other intangible assets acquired		$ 669	$ 29	$ 35	$ 733

The Neovia, FCC, and Ziegler acquisitions are in line with the Company's strategy to become one of the world's leading nutrition companies. The post-acquisition financial results of these acquisitions are reported in the Nutrition segment.

Fiscal year 2018 acquisitions

During the year ended December 31, 2018, the Company acquired Probiotics International Limited (also known as Protexin), a British-based provider of probiotic supplements for human, pet, and production-animal uses, Rodelle Inc., a premium originator, processor and supplier of vanilla products, and certain soybean origination, crushing, refining, and bottling assets of Brazil-based Algar Agro, for an aggregate consideration of $506 million in cash. The aggregate consideration of these acquisitions, net of $42 million in cash acquired, was allocated as follows:

	(In millions)
Working capital	$ 30
Property, plant, and equipment	133
Goodwill	187
Other intangible assets	132
Other long-term assets	6
Deferred tax liabilities	(15)
Noncontrolling interest	(9)
Aggregate cash consideration, net of cash acquired	$ 464

The acquisitions of Protexin and Rodelle Inc. expand the Company's wide portfolio of health and wellness offerings for both human and animal nutrition consumers.

Fiscal year 2017 acquisitions

During the year ended December 31, 2017, the Company acquired Crosswind Industries, Inc., an industry leader in the manufacture of contract and private label treats and foods, as well as specialty ingredients, Chamtor SA, a French producer of wheat-based sweeteners and starches, a 51% controlling interest in Industries Centers, an Israeli company specializing in the import and distribution of agricultural feed products, and an 89% controlling interest in Biopolis SL, a leading provider of microbial technology with a strong portfolio of novel food ingredients, for an aggregate consideration of $194 million in cash.

Note 4. Fair Value Measurements

The following tables set forth, by level, the Company's assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2019 and 2018.

	Fair Value Measurements at December 31, 2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In millions)			
Assets:				
Inventories carried at market	$ —	$ 3,227	$ 1,477	$ 4,704
Unrealized derivative gains:				
Commodity contracts	—	277	201	478
Foreign exchange contracts	—	138	—	138
Interest rate contracts	—	3	—	3
Cash equivalents	505	—	—	505
Marketable securities	5	—	—	5
Segregated investments	628	—	—	628
Deferred consideration	—	446	—	446
Total Assets	$ 1,138	$ 4,091	$ 1,678	$ 6,907
Liabilities:				
Unrealized derivative losses:				
Commodity contracts	$ —	$ 375	$ 199	$ 574
Foreign exchange contracts	—	125	—	125
Interest rate contracts	—	43	—	43
Inventory-related payables	—	702	27	729
Total Liabilities	$ —	$ 1,245	$ 226	$ 1,471

Note 4. Fair Value Measurements (Continued)

	Fair Value Measurements at December 31, 2018			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In millions)			
Assets:				
Inventories carried at market	$ —	$ 3,032	$ 1,515	$ 4,547
Unrealized derivative gains:				
Commodity contracts	—	306	155	461
Foreign currency contracts	—	175	—	175
Cash equivalents	1,288	—	—	1,288
Marketable securities	12	1	—	13
Segregated investments	1,044	—	—	1,044
Deferred consideration	—	379	—	379
Total Assets	$ 2,344	$ 3,893	$ 1,670	$ 7,907
Liabilities:				
Unrealized derivative losses:				
Commodity contracts	$ —	$ 344	$ 245	$ 589
Foreign currency contracts	—	152	—	152
Interest rate contracts	—	20	—	20
Inventory-related payables	—	579	18	597
Total Liabilities	$ —	$ 1,095	$ 263	$ 1,358

Estimated fair values for inventories carried at market are based on exchange-quoted prices, adjusted for differences in local markets and quality, referred to as basis. Market valuations for the Company's inventories are adjusted for location and quality (basis) because the exchange-quoted prices represent contracts that have standardized terms for commodity, quantity, future delivery period, delivery location, and commodity quality or grade. The basis adjustments are generally determined using inputs from broker or dealer quotations or market transactions in either the listed or over the counter (OTC) markets and are considered observable. In some cases, the basis adjustments are unobservable because they are supported by little to no market activity. When unobservable inputs have a significant impact on the measurement of fair value, the inventory is classified in Level 3. Changes in the fair value of inventories are recognized in the consolidated statements of earnings as a component of cost of products sold.

Note 4. Fair Value Measurements (Continued)

Derivative contracts include exchange-traded commodity futures and options contracts, forward commodity purchase and sale contracts, and OTC instruments related primarily to agricultural commodities, energy, interest rates, and foreign currencies. Exchange-traded futures and options contracts are valued based on unadjusted quoted prices in active markets and are classified in Level 1. The majority of the Company's exchange-traded futures and options contracts are cash-settled on a daily basis and, therefore, are not included in these tables. Fair value for forward commodity purchase and sale contracts is estimated based on exchange-quoted prices adjusted for differences in local markets. Market valuations for the Company's forward commodity purchase and sale contracts are adjusted for location (basis) because the exchange-quoted prices represent contracts that have standardized terms for commodity, quantity, future delivery period, delivery location, and commodity quality or grade. The basis adjustments are generally determined using inputs from broker or dealer quotations or market transactions in either the listed or OTC markets and are considered observable. In some cases, the basis adjustments are unobservable because they are supported by little to no market activity. When observable inputs are available for substantially the full term of the contract, it is classified in Level 2. When unobservable inputs have a significant impact (more than 10%) on the measurement of fair value, the contract is classified in Level 3. Except for certain derivatives designated as cash flow hedges, changes in the fair value of commodity-related derivatives are recognized in the consolidated statements of earnings as a component of cost of products sold. Changes in the fair value of foreign currency-related derivatives are recognized in the consolidated statements of earnings as a component of revenues, cost of products sold, and other (income) expense - net, depending upon the purpose of the contract. The changes in the fair value of derivatives designated as effective cash flow hedges are recognized in the consolidated balance sheets as a component of accumulated other comprehensive income (loss) (AOCI) until the hedged items are recorded in earnings or it is probable the hedged transaction will no longer occur.

The Company's cash equivalents are comprised of money market funds valued using quoted market prices and are classified as Level 1.

The Company's marketable securities are comprised of U.S. Treasury securities and corporate debt securities. U.S. Treasury securities are valued using quoted market prices and are classified in Level 1. Corporate debt securities are valued using third-party pricing services and substantially all are classified in Level 2. Unrealized changes in the fair value of available-for-sale marketable debt securities are recognized in the consolidated balance sheets as a component of AOCI unless a decline in value is deemed to be other-than-temporary at which point the decline is recorded in earnings.

The Company's segregated investments are comprised of U.S. Treasury securities. U.S. Treasury securities are valued using quoted market prices and are classified in Level 1.

The Company has deferred consideration under its accounts receivable securitization programs (the "Programs") which represents notes receivable from the purchasers under the Programs (see Note 19). This amount is reflected in other current assets on the consolidated balance sheet (see Note 6). The Company carries the deferred consideration at fair value determined by calculating the expected amount of cash to be received. The fair value is principally based on observable inputs (a Level 2 measurement) consisting mainly of the face amount of the receivables adjusted for anticipated credit losses and discounted at the appropriate market rate. Receipt of deferred consideration is not subject to significant risks other than delinquencies and credit losses on accounts receivable transferred under the Programs which have historically been insignificant.

Note 4. Fair Value Measurements (Continued)

The following tables present a rollforward of the activity of all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2019 and 2018.

	Level 3 Fair Value Assets Measurements at December 31, 2019		
	Inventories Carried at Market	Commodity Derivative Contracts Gains	Total
	(In millions)		
Balance, December 31, 2018	$ 1,515	$ 155	$ 1,670
Total increase (decrease) in net realized/unrealized gains included in cost of products sold(1)	327	417	744
Purchases	10,833	—	10,833
Sales	(11,167)	—	(11,167)
Settlements	—	(421)	(421)
Transfers into Level 3	108	74	182
Transfers out of Level 3	(139)	(24)	(163)
Ending balance, December 31, 2019	$ 1,477	$ 201	$ 1,678

(1) Includes increase in unrealized gains of $900 million relating to Level 3 assets still held at December 31, 2019.

	Level 3 Fair Value Liabilities Measurements at December 31, 2019		
	Inventory-related Payables	Commodity Derivative Contracts Losses	Total
	(In millions)		
Balance, December 31, 2018	$ 18	$ 245	$ 263
Total increase (decrease) in net realized/unrealized losses included in cost of products sold(1)	(1)	398	397
Purchases	48	—	48
Sales	(38)	—	(38)
Settlements	—	(451)	(451)
Transfers into Level 3	—	51	51
Transfers out of Level 3	—	(44)	(44)
Ending balance, December 31, 2019	$ 27	$ 199	$ 226

(1) Includes increase in unrealized losses of $7 million relating to Level 3 liabilities still held at December 31, 2019.

Note 4. Fair Value Measurements (Continued)

	Level 3 Fair Value Assets Measurements at December 31, 2018		
	Inventories Carried at Market	Commodity Derivative Contracts Gains	Total
	(In millions)		
Balance, December 31, 2017	$ 1,486	$ 111	$ 1,597
Total increase (decrease) in net realized/unrealized gains included in cost of products sold[1]	631	395	1,026
Purchases	11,153	—	11,153
Sales	(11,728)	—	(11,728)
Settlements	—	(468)	(468)
Transfers into Level 3	80	157	237
Transfers out of Level 3	(107)	(40)	(147)
Ending balance, December 31, 2018	$ 1,515	$ 155	$ 1,670

[1] Includes increase in unrealized gains of $669 million relating to Level 3 assets still held at December 31, 2018.

	Level 3 Fair Value Liabilities Measurements at December 31, 2018		
	Inventory-related Payables	Commodity Derivative Contracts Losses	Total
	(In millions)		
Balance, December 31, 2017	$ 39	$ 103	$ 142
Total increase (decrease) in net realized/unrealized losses included in cost of products sold[1]	11	526	537
Purchases	57	—	57
Sales	(89)	—	(89)
Settlements	—	(476)	(476)
Transfers into Level 3	—	150	150
Transfers out of Level 3	—	(58)	(58)
Ending balance, December 31, 2018	$ 18	$ 245	$ 263

[1] Includes increase in unrealized losses of $532 million relating to Level 3 liabilities still held at December 31, 2018.

For all periods presented, the Company had no transfers between Levels 1 and 2. Transfers into Level 3 of assets and liabilities previously classified in Level 2 were due to the relative value of unobservable inputs to the total fair value measurement of certain products and derivative contracts rising above the 10% threshold. Transfers out of Level 3 were primarily due to the relative value of unobservable inputs to the total fair value measurement of certain products and derivative contracts falling below the 10% threshold and thus permitting reclassification to Level 2.

Note 4. Fair Value Measurements (Continued)

In some cases, the price components that result in differences between exchange-traded prices and local prices for inventories and commodity purchase and sale contracts are observable based upon available quotations for these pricing components, and in some cases, the differences are unobservable. These price components primarily include transportation costs and other adjustments required due to location, quality, or other contract terms. In the table below, these other adjustments are referred to as basis. The changes in unobservable price components are impacted by specific local supply and demand characteristics at each facility and the overall market. Factors such as substitute products, weather, fuel costs, contract terms, and futures prices also impact the movement of these unobservable price components.

The following table sets forth the weighted average percentage of the unobservable price components included in the Company's Level 3 valuations as of December 31, 2019 and 2018. The Company's Level 3 measurements may include basis only, transportation cost only, or both price components. As an example, for Level 3 inventories with basis, the unobservable component as of December 31, 2019 is a weighted average 28.2% of the total price for assets and 14.7% of the total price for liabilities.

	Weighted Average % of Total Price			
	December 31, 2019		December 31, 2018	
Component Type	Assets	Liabilities	Assets	Liabilities
Inventories and Related Payables				
Basis	**28.2%**	**14.7%**	18.5%	125.0%
Transportation cost	**24.7%**	**—%**	25.9%	39.4%
Commodity Derivative Contracts				
Basis	**16.0%**	**20.2%**	21.6%	19.1%
Transportation cost	**9.7%**	**3.1%**	29.5%	35.1%

In certain of the Company's principal markets, the Company relies on price quotes from third parties to value its inventories and physical commodity purchase and sale contracts. These price quotes are generally not further adjusted by the Company in determining the applicable market price. In some cases, availability of third-party quotes is limited to only one or two independent sources. In these situations, absent other corroborating evidence, the Company considers these price quotes as 100% unobservable and, therefore, the fair value of these items is reported in Level 3.

Note 5. Derivative Instruments & Hedging Activities

Derivatives Not Designated as Hedging Instruments

The majority of the Company's derivative instruments have not been designated as hedging instruments. The Company uses exchange-traded futures and exchange-traded and OTC options contracts to manage its net position of merchandisable agricultural product inventories and forward cash purchase and sales contracts to reduce price risk caused by market fluctuations in agricultural commodities and foreign currencies. The Company also uses exchange-traded futures and exchange-traded and OTC options contracts as components of merchandising strategies designed to enhance margins. The results of these strategies can be significantly impacted by factors such as the correlation between the value of exchange-traded commodities futures contracts and the value of the underlying commodities, counterparty contract defaults, and volatility of freight markets. Derivatives, including exchange traded contracts and physical purchase or sale contracts, and inventories of certain merchandisable agricultural products, which include amounts acquired under deferred pricing contracts, are stated at market value. Inventory is not a derivative and therefore fair values of and changes in fair values of inventories are not included in the tables below.

Note 5. Derivative Instruments & Hedging Activities (Continued)

The following table sets forth the fair value of derivatives not designated as hedging instruments as of December 31, 2019 and 2018.

	December 31, 2019		December 31, 2018	
	Assets	Liabilities	Assets	Liabilities
	(In millions)			
Foreign Currency Contracts	**$ 125**	**$ 120**	$ 175	$ 152
Commodity Contracts	**478**	**574**	461	589
Total	**$ 603**	**$ 694**	$ 636	$ 741

The following table sets forth the pre-tax gains (losses) on derivatives not designated as hedging instruments that have been included in the consolidated statements of earnings for the years ended December 31, 2019, 2018, and 2017.

(In millions)	Revenues	Cost of products sold	Other expense (income) - net	
For the Year Ended December 31, 2019				
Consolidated Statement of Earnings	**$ 64,656**	**$ 60,509**	**$ 7**	
Pre-tax gains (losses) on:				
Foreign Currency Contracts	**$ 9**	**$ 32**	**$ (21)**	
Commodity Contracts	**—**	**24**	**—**	
Total gain (loss) recognized in earnings	**$ 9**	**$ 56**	**$ (21)**	**$ 44**
For the Year Ended December 31, 2018				
Consolidated Statement of Earnings	$ 64,341	$ 60,160	$ 101	
Pre-tax gains (losses) on:				
Foreign Currency Contracts	$ 5	$ (139)	$ (177)	
Commodity Contracts	—	258	—	
Total gain (loss) recognized in earnings	$ 5	$ 119	$ (177)	$ (53)
For the Year Ended December 31, 2017				
Consolidated Statement of Earnings	$ 60,828	$ 57,310	$ (10)	
Pre-tax gains (losses) on:				
Foreign Currency Contracts	$ (10)	$ 58	$ 214	
Commodity Contracts	—	375	—	
Total gain (loss) recognized in earnings	$ (10)	$ 433	$ 214	$ 637

Changes in the market value of inventories of certain merchandisable agricultural commodities, forward cash purchase and sales contracts, exchange-traded futures, and exchange-traded and OTC options contracts are recognized in earnings immediately as a component of cost of products sold.

Note 5. Derivative Instruments & Hedging Activities (Continued)

Derivatives Designated as Cash Flow, Fair Value or Net Investment Hedging Strategies

The Company had certain derivatives designated as cash flow, fair value, and net investment hedges as of December 31, 2019 and certain derivatives designated as cash flow and fair value hedges as of December 31, 2018.

The Company uses interest rate swaps designated as fair value hedges to protect the fair value of $496 million in fixed-rate debt due to changes in interest rates. The terms of the interest rate swaps match the terms of the underlying debt. At December 31, 2019 and 2018, the Company had $3 million in other current assets and $4 million in other current liabilities, respectively, representing the fair value of the interest rate swaps and a corresponding increase or decrease in the underlying debt for the same amount with no net impact to earnings.

The Company uses cross-currency swaps designated as net investment hedges to protect the Company's investment in a foreign subsidiary against changes in foreign currency exchange rates. During the year ended December 31, 2019, the Company executed USD-fixed to Euro-fixed cross-currency swaps maturing on various dates with an aggregate notional amount of $1.2 billion. As of December 31, 2019, the Company had after-tax gains of $6 million in AOCI related to foreign exchange gains and losses from the net investment hedge transactions. The amount is deferred in AOCI until the underlying investment is divested.

The Company uses interest rate swaps designated as cash flow hedges to hedge the forecasted interest payments on certain letters of credit from banks. The terms of the interest rate swaps match the terms of the forecasted interest payments. The deferred gains and losses are recognized in other (income) expense - net over the period in which the related interest payments are paid to the banks. At December 31, 2019, the Company had $43 million of losses in AOCI related to these interest rate swaps. The Company expects to recognize this amount in its consolidated statement of earnings during the life of the instruments.

For each of the hedge programs described below, the derivatives are designated as cash flow hedges. Assuming normal market conditions, the changes in the market value of such derivative contracts have historically been, and are expected to continue to be, highly effective at offsetting changes in price movements of the hedged item. Once the hedged item is recognized in earnings, the gains/losses arising from the hedge are reclassified from AOCI to either revenues or cost of products sold, as applicable. As of December 31, 2019 and 2018, the Company had $5 million of after-tax losses and $31 million of after-tax gains in AOCI, respectively, related to gains and losses from cash flow hedge transactions. The Company expects to recognize $5 million of the 2019 after-tax losses in its consolidated statement of earnings during the next 12 months.

ADM uses futures or options contracts to hedge the purchase price of anticipated volumes of corn to be purchased and processed in a future month. The objective of this hedging program is to reduce the variability of cash flows associated with the Company's forecasted purchases of corn. The Company's corn processing plants currently grind approximately 72 million bushels of corn per month. During the past 12 months, the Company hedged between 19% and 60% of its monthly anticipated grind. At December 31, 2019, the Company had designated hedges representing between 4% to 38% of its anticipated monthly grind of corn for the next 12 months.

ADM, from time to time, also uses futures, options, and swaps to hedge the sales price of certain ethanol sales contracts. The Company has established hedging programs for ethanol sales contracts that are indexed to unleaded gasoline prices and to various exchange-traded ethanol contracts. The objective of these hedging programs is to reduce the variability of cash flows associated with the Company's sales of ethanol. During the past 12 months, the Company hedged between 0 million and 108 million gallons of ethanol sales per month under these programs. At December 31, 2019, the Company had designated hedges representing between 1 million to 28 million gallons of ethanol sales per month over the next 12 months.

ADM uses futures and options contracts to hedge the purchase price of anticipated volumes of soybeans to be purchased and processed in a future month for certain of its U.S. soybean crush facilities. The Company also uses futures or options contracts to hedge the sales prices of anticipated soybean meal and soybean oil sales proportionate to the soybean crushing process at these facilities. During the past 12 months, the Company hedged between 79% and 100% of the anticipated monthly soybean crush for soybean purchases and soybean meal and oil sales at the designated facilities. The Company has designated hedges representing between 0% and 100% of the anticipated monthly soybean crush for soybean purchases and soybean meal and oil sales at the designated facilities over the next 12 months.

Note 5. Derivative Instruments & Hedging Activities (Continued)

The following table sets forth the fair value of derivatives designated as hedging instruments as of December 31, 2019 and 2018.

	December 31, 2019		December 31, 2018	
	Assets	Liabilities	Assets	Liabilities
	(In millions)			
Foreign Currency Contracts	$ 13	$ 5	$ —	$ —
Interest Rate Contracts	3	43	—	20
Total	$ 16	$ 48	$ —	$ 20

The following table sets forth the pre-tax gains (losses) on derivatives designated as hedging instruments that have been included in the consolidated statement of earnings for the years ended December 31, 2019, 2018, and 2017.

(In millions)	Revenues	Cost of products sold	Interest expense	Other expense (income) - net	
For the Year Ended December 31, 2019					
Consolidated Statement of Earnings	**$ 64,656**	**$ 60,509**	**$ 402**	**$ 7**	
Effective amounts recognized in earnings					
Pre-tax gains (losses) on:					
Interest Contracts	**$ —**	**$ —**	**$ 1**	**$ (46)**	
Commodity Contracts	**(44)**	**(11)**	**—**	**—**	
Total gain (loss) recognized in earnings	**$ (44)**	**$ (11)**	**$ 1**	**$ (46)**	**$ (100)**
For the Year Ended December 31, 2018					
Consolidated Statement of Earnings	$ 64,341	$ 60,160	364	$ 101	
Effective amounts recognized in earnings					
Pre-tax gains (losses) on:					
Interest Rate Contracts	$ —	$ —	$ 1	$ —	
Commodity Contracts	36	(113)	—	—	
Total gain (loss) recognized in earnings	$ 36	$ (113)	$ 1	$ —	$ (76)
For the Year Ended December 31, 2017					
Consolidated Statement of Earnings	$ 60,828	$ 57,310	$ 330	$ (10)	
Effective amounts recognized in earnings					
Pre-tax gains (losses) on:					
Foreign Currency Contracts	$ —	$ —	$ —	$ (2)	
Interest Rate Contracts	—	—	1	—	
Commodity Contracts	(1)	(45)	—	—	
Total gain (loss) recognized in earnings	$ (1)	$ (45)	$ 1	$ (2)	$ (47)

Note 5. Derivative Instruments & Hedging Activities (Continued)

Other Net Investment Hedging Strategies

The Company has designated €1.7 billion of its outstanding long-term debt and commercial paper borrowings and €1.1 billion of its outstanding long-term debt at December 31, 2019 and 2018, respectively, as hedges of its net investment in a foreign subsidiary. As of December 31, 2019 and 2018, the Company had after-tax gains of $7 million and losses of $26 million, respectively, in AOCI related to foreign exchange gains and losses from the net investment hedge transactions. The amount is deferred in AOCI until the underlying investment is divested.

Note 6. Other Current Assets

The following table sets forth the items in other current assets:

	December 31, 2019	December 31, 2018
	(In millions)	
Unrealized gains on derivative contracts	**$ 619**	$ 636
Deferred receivables consideration	**446**	379
Customer omnibus receivable	**1,014**	450
Financing receivables - net [(1)]	**395**	424
Insurance premiums receivable	**41**	35
Prepaid expenses	**318**	184
Biodiesel tax credit	**541**	—
Tax receivables	**579**	379
Non-trade receivables [(2)]	**369**	323
Other current assets	**278**	229
	$ 4,600	$ 3,039

[(1)] The Company provides financing to suppliers, primarily Brazilian farmers, to finance a portion of the suppliers' production costs. The amounts are reported net of allowances of $3 million at December 31, 2019 and 2018. Interest earned on financing receivables of $27 million, $26 million, and $25 million for the years ended December 31, 2019, 2018, and 2017, respectively, is included in interest income in the consolidated statements of earnings.

[(2)] Non-trade receivables included $81 million and $84 million of reinsurance recoverables as of December 31, 2019 and 2018, respectively.

Note 7. Accrued Expenses and Other Payables

The following table sets forth the items in accrued expenses and other payables:

	December 31, 2019	December 31, 2018
	(In millions)	
Unrealized losses on derivative contracts	**$ 742**	$ 761
Accrued compensation	**300**	337
Income tax payable	**72**	—
Other taxes payable	**120**	98
Biodiesel tax credit payable	**332**	—
Insurance claims payable	**284**	277
Contract liability	**604**	501
Operating leases - current maturities	**215**	—
Other accruals and payables	**1,088**	939
	$ 3,757	$ 2,913

Note 8. Investments in and Advances to Affiliates

The Company applies the equity method of accounting for investments in investees over which ADM has the ability to exercise significant influence, including the Company's 24.8% and 24.9% share ownership in Wilmar as of December 31, 2019 and 2018, respectively. The Company had 63 and 56 unconsolidated domestic and foreign affiliates as of December 31, 2019 and 2018, respectively. The following table summarizes the combined balance sheets as of December 31, 2019 and 2018, and the combined statements of earnings of the Company's unconsolidated affiliates for the years ended December 31, 2019, 2018, and 2017.

	December 31	
(In millions)	2019	2018
Current assets	**$ 26,695**	$ 30,732
Non-current assets	**22,627**	21,841
Current liabilities	**(23,580)**	(26,592)
Non-current liabilities	**(5,913)**	(6,205)
Noncontrolling interests	**(1,066)**	(677)
Net assets	**$ 18,763**	$ 19,099

	Year Ended December 31		
(In millions)	2019	2018	2017
Revenues	**$ 50,596**	$ 53,143	$ 55,908
Gross profit	**5,334**	5,118	4,687
Net income	**1,455**	1,881	1,800

The Company's share of the undistributed earnings of its unconsolidated affiliates as of December 31, 2019 is $2.3 billion. The Company's investment in Wilmar has a carrying value of $3.9 billion as of December 31, 2019, and a market value of $4.8 billion based on quoted market price converted to U.S. dollars at the applicable exchange rate at December 31, 2019.

The Company provides credit facilities totaling $106 million to five unconsolidated affiliates. Two facilities that bear interest between 0.00% and 4.41% have a total outstanding balance of $31 million. The other three facilities have no outstanding balance as of December 31, 2019. The outstanding balance is included in other current assets in the accompanying consolidated balance sheet.

Note 9. Goodwill and Other Intangible Assets

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

	December 31, 2019	December 31, 2018
	(In millions)	
Ag Services and Oilseeds	**$ 206**	$ 185
Carbohydrate Solutions	**261**	265
Nutrition	**2,914**	2,042
Other	**4**	4
Total	**$ 3,385**	$ 2,496

The changes in goodwill during the year ended December 31, 2019 primarily related to acquisitions of $900 million (see Note 3).

The following table sets forth the other intangible assets:

		December 31, 2019			December 31, 2018		
	Useful Life	Gross Amount	Accumulated Amortization	Net	Gross Amount	Accumulated Amortization	Net
	(In years)	(In millions)					
Intangible assets with indefinite lives:							
Trademarks/brands		**$ 440**	**$ —**	**$ 440**	$ 248	$ —	$ 248
Other		**1**	**—**	**1**	1	—	1
Intangible assets with definite lives:							
Trademarks/brands	5 to 20	**35**	**(13)**	**22**	28	(10)	18
Customer lists	3 to 30	**1,194**	**(310)**	**884**	876	(228)	648
Computer software	2 to 8	**425**	**(305)**	**120**	411	(272)	139
Land rights	2 to 50	**168**	**(30)**	**138**	173	(25)	148
Other intellectual property	4 to 20	**238**	**(56)**	**182**	60	(35)	25
Recipes and other	3 to 20	**538**	**(234)**	**304**	525	(207)	318
Total		**$ 3,039**	**$ (948)**	**$ 2,091**	$ 2,322	$ (777)	$ 1,545

The changes in the gross carrying amounts of other intangible assets during the year ended December 31, 2019 primarily related to acquisitions of $733 million (see Note 3).

Aggregate amortization expense was $165 million, $129 million, and $122 million for the years ended December 31, 2019, 2018, and 2017, respectively. The estimated future aggregate amortization expense for the next five years is $180 million, $180 million, $178 million, $168 million, and $161 million, respectively.

Note 10. Debt Financing Arrangements

The Company's long-term debt consisted of the following:

Debt Instrument Interest Rate	Face Amount	Due Date	December 31, 2019	December 31, 2018
			(In millions)	
2.5% Notes	$1 billion	2026	**$ 994**	$ 993
1% Notes	€650 million	2025	**723**	736
1.75% Notes	€600 million	2023	**669**	682
4.5% Notes	$600 million	2049	**587**	587
4.479% Debentures	$516 million	2021	**500**	493
3.75% Notes	$500 million	2047	**493**	493
5.375% Debentures	$470 million	2035	**461**	461
3.375% Notes	$400 million	2022	**398**	398
4.016% Debentures	$570 million	2043	**389**	386
4.535% Debentures	$528 million	2042	**384**	382
5.935% Debentures	$383 million	2032	**379**	378
5.765% Debentures	$378 million	2041	**378**	378
7% Debentures	$164 million	2031	**163**	163
6.625% Debentures	$160 million	2029	**159**	159
6.95% Debentures	$159 million	2097	**155**	155
7.5% Debentures	$150 million	2027	**150**	149
6.45% Debentures	$127 million	2038	**126**	126
6.75% Debentures	$118 million	2027	**117**	117
Floating Rate	€500 million	2019	**—**	572
Other			**454**	472
Total long-term debt including current maturities			**7,679**	8,280
Current maturities			**(7)**	(582)
Total long-term debt			**$ 7,672**	$ 7,698

In June 2019, the Company retired €500 million aggregate principal amount of Floating Rate Notes that matured on June 24, 2019.

On December 3, 2018, the Company issued $600 million and $400 million aggregate principal amounts of 4.5% Notes due in 2049 and 3.375% Notes due in 2022, respectively. Net proceeds before expenses for the 4.5% and 3.375% Notes were $588 million and $399 million, respectively.

On September 12, 2018, the Company issued €650 million ($744 million as of December 31, 2018) aggregate principal amount of 1.000% Notes due in 2025. Net proceeds before expenses were $747 million.

Discount amortization expense, net of premium amortization, of $12 million, $10 million, and $11 million for the years ended December 31, 2019, 2018, and 2017, respectively, are included in interest expense related to the Company's long-term debt.

Note 10. Debt Financing Arrangements (Continued)

At December 31, 2019, the fair value of the Company's long-term debt exceeded the carrying value by $1.5 billion, as estimated using quoted market prices (a Level 2 measurement under applicable accounting standards).

The aggregate maturities of long-term debt for the five years after December 31, 2019, are $7 million, $672 million, $409 million, $678 million, and $48 million, respectively.

At December 31, 2019, the Company had lines of credit, including the accounts receivable securitization programs described below, totaling $9.0 billion, of which $6.4 billion was unused. The weighted average interest rates on short-term borrowings outstanding at December 31, 2019 and 2018, were 1.23% and 7.95%, respectively. Of the Company's total lines of credit, $5.0 billion supported the combined U.S. and European commercial paper borrowing programs, against which there was $1.0 billion of commercial paper outstanding at December 31, 2019.

The Company's credit facilities and certain debentures require the Company to comply with specified financial and non-financial covenants including maintenance of minimum tangible net worth as well as limitations related to incurring liens, secured debt, and certain other financing arrangements. The Company is in compliance with these covenants as of December 31, 2019.

The Company had outstanding standby letters of credit and surety bonds at December 31, 2019 and 2018, totaling $1.4 billion and $1.7 billion, respectively.

The Company has accounts receivable securitization programs (the "Programs"). The Programs provide the Company with up to $1.9 billion in funding resulting from the sale of accounts receivable. As of December 31, 2019, the Company utilized $1.4 billion of its facility under the Programs (see Note 19 for more information on the Programs).

Note 11. Stock Compensation

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

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

	Year Ended December 31		
	2019	**2018**	**2017**
Dividend yield	**3%**	3%	3%
Risk-free interest rate	**2%**	2%	2%
Stock volatility	**22%**	23%	25%
Average expected life (years)	**6**	6	6

Note 11. Stock Compensation (Continued)

A summary of option activity during 2019 is presented below:

	Shares	Weighted-Average Exercise Price
	(In thousands, except per share amounts)	
Shares under option at December 31, 2018	**9,061**	**$34.33**
Granted	**1**	**41.57**
Exercised	**(987)**	**27.43**
Forfeited or expired	**(27)**	**28.82**
Shares under option at December 31, 2019	**8,048**	**$35.20**
Exercisable at December 31, 2019	**6,769**	**$34.88**

The weighted-average remaining contractual term of options outstanding and exercisable at December 31, 2019, is 4 years and 4 years, respectively. The aggregate intrinsic value of options outstanding and exercisable at December 31, 2019, is $78 million and $68 million, respectively. The weighted-average grant-date fair values of options granted during the years ended December 31, 2019, 2018, and 2017, were $7.88, $6.95, and $7.90, respectively. The total intrinsic values of options exercised during the years ended December 31, 2019, 2018, and 2017, were $15 million, $36 million, and $11 million, respectively. Cash proceeds received from options exercised during the years ended December 31, 2019, 2018, and 2017, were $27 million, $55 million, and $27 million, respectively.

At December 31, 2019, there was $3 million of total unrecognized compensation expense related to option grants. Amounts to be recognized as compensation expense during the next two years are $2 million and $1 million, respectively.

The Company's 2009 Incentive Compensation Plan provides for the granting of restricted stock and restricted stock units (Restricted Stock Awards) at no cost to certain officers and key employees. In addition, the Company's 2009 Incentive Compensation Plan also provides for the granting of performance stock units (PSUs) at no cost to certain officers and key employees. Restricted Stock Awards are made in common stock or stock units with equivalent rights and vest at the end of a restriction period of three years. The awards for PSUs are made in common stock units and vest at the end of a vesting period of three years subject to the attainment of certain future service and performance criteria based on the Company's adjusted return on invested capital (ROIC), adjusted earnings before taxes, interest, and depreciation and amortization (EBITDA), and total shareholder return (TSR). During the years ended December 31, 2019, 2018, and 2017, 2.6 million, 2.5 million, and 2.2 million common stock or stock units, respectively, were granted as Restricted Stock Awards and PSUs. At December 31, 2019, there were 5.2 million shares available for future grants pursuant to the 2009 plan.

The fair value of Restricted Stock Awards is determined based on the market value of the Company's shares on the grant date. The fair value of PSUs is based on the weighted-average values of adjusted ROIC, adjusted EBITDA, and TSR. The adjusted ROIC and adjusted EBITDA fair value is determined based on the market value of the Company's shares on the grant date while the TSR fair value is determined using the Monte Carlo simulation. The weighted-average grant-date fair values of awards granted during the years ended December 31, 2019, 2018, and 2017 were $42.11, $42.72, and $44.38, respectively.

Note 11. Stock Compensation (Continued)

A summary of Restricted Stock Awards and PSUs activity during 2019 is presented below:

	Restricted Stock Awards and PSUs	Weighted Average Grant-Date Fair Value
	(In thousands, except per share amounts)	
Non-vested at December 31, 2018	**6,125**	**$40.82**
Granted	**2,569**	**42.11**
Vested	**(1,622)**	**33.32**
Forfeited	**(350)**	**43.10**
Non-vested at December 31, 2019	**6,722**	**$42.97**

At December 31, 2019, there was $102 million of total unrecognized compensation expense related to Restricted Stock Awards and PSUs. Amounts to be recognized as compensation expense during the next three years are $71 million, $28 million, and $3 million, respectively. The total grant-date fair value of Restricted Stock Awards that vested during the year ended December 31, 2019 was $54 million.

Compensation expense for option grants, Restricted Stock Awards, and PSUs granted to employees is generally recognized on a straight-line basis during the service period of the respective grant. Certain of the Company’s option grants, Restricted Stock Awards, and PSUs continue to vest upon the recipient’s retirement from the Company and compensation expense related to option grants and Restricted Stock Awards granted to retirement-eligible employees is recognized in earnings on the date of grant. Compensation expense for PSUs is based on the probability of meeting the performance criteria.

Total compensation expense for option grants, Restricted Stock Awards, and PSUs recognized during the years ended December 31, 2019, 2018, and 2017 was $89 million, $109 million, and $66 million, respectively. Changes in incentive compensation expense are primarily caused by the level of attainment of the PSU performance criteria described above.

Note 12. Other (Income) Expense – Net

The following table sets forth the items in other (income) expense:

(In millions)	Year Ended December 31		
	2019	**2018**	**2017**
(Gains) loss on sales of assets and businesses	**$ 39**	$ (43)	$ (80)
Pension settlement	**—**	117	—
Loss on debt extinguishment	**—**	—	11
Other – net	**(32)**	27	59
	$ 7	$ 101	$ (10)

Individually significant items included in the table above are:

Gains (loss) on sales of assets for the year ended December 31, 2019 included a loss on sale of the Company's equity investment in CIP partially offset by gains on the sale of certain assets, step-up gains on equity investments, and gains on disposals of individually insignificant assets in the ordinary course of business. Gains on sales of assets and businesses for the year ended December 31, 2018 included gains on the sale of the Company's oilseeds operations in Bolivia and an equity investment, and individually insignificant assets in the ordinary course of business. Gains on sales of assets and businesses for the year ended December 31, 2017 included gains related to the sale of the crop risk services business and disposals of other individually insignificant assets in the ordinary course of business, partially offset by an adjustment of the proceeds of the 2015 sale of the cocoa business.

Note 12. Other (Income) Expense – Net (Continued)

Pension settlement for the year ended December 31, 2018 related to the purchase of a group annuity contract that irrevocably transferred the future benefit obligations and annuity administration for certain retirees under the Company's ADM Retirement Plan.

Loss on debt extinguishment for the year ended December 31, 2017 related to the early redemption of the Company's $559 million notes due on March 15, 2018.

Realized gains and losses on sales of available-for-sale marketable securities were immaterial for all periods presented.

Other - net for the year ended December 31, 2019 included other income and the non-service components of net pension benefit income of $15 million, partially offset by foreign exchange losses. Other - net for the year ended December 31, 2018 included foreign exchange losses partially offset by other income and the non-service components of net benefit income of $10 million. Other - net for the year ended December 31, 2017 included provisions for contingent losses related to certain legal settlement items in the Oilseeds and Nutrition segments, foreign exchange losses, and the non-service components of net benefit cost of $27 million, partially offset by other income.

Note 13. Income Taxes

The following table sets forth the geographic split of earnings before income taxes:

(In millions)	Year Ended December 31		
	2019	**2018**	**2017**
United States	**$ 756**	$ 972	$ 1,104
Foreign	**832**	1,088	505
	$ 1,588	$ 2,060	$ 1,609

Significant components of income taxes are as follows:

(In millions)	Year Ended December 31		
	2019	**2018**	**2017**
Current			
Federal	**$ 37**	$ 96 [1]	$ 541 [1]
State	**11**	25	53
Foreign	**181**	171	127
Deferred			
Federal	**47**	(55)	(645) [1]
State	**1**	(16)	(6)
Foreign	**(68)**	24	(63)
	$ 209	$ 245	$ 7

[1] Includes the impact of the Tax Cuts and Jobs Act as discussed on page 85.

Note 13. Income Taxes (Continued)

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

	December 31, 2019	December 31, 2018
	(In millions)	
Deferred tax liabilities		
Property, plant, and equipment	**$ 1,012**	$ 944
Intangibles	**286**	130
Right of use assets	**220**	—
Equity in earnings of affiliates	**72**	70
Inventory reserves	**32**	—
Debt exchange	**80**	81
Reserves and other accruals	**20**	25
Other	**109**	83
	$ 1,831	$ 1,333
Deferred tax assets		
Pension and postretirement benefits	**$ 155**	$ 122
Lease liabilities	**225**	—
Stock compensation	**62**	55
Foreign tax loss carryforwards	**411**	313
Capital loss carryforwards	**62**	55
State tax attributes	**74**	74
Unrealized foreign currency losses	**—**	48
Reserves and other accruals	**—**	18
Other	**147**	56
Gross deferred tax assets	**1,136**	741
Valuation allowances	**(325)**	(289)
Net deferred tax assets	**$ 811**	$ 452
Net deferred tax liabilities	**$ 1,020**	$ 881
The net deferred tax liabilities are classified as follows:		
Noncurrent assets (foreign)	**$ 174**	$ 186
Noncurrent liabilities	**(969)**	(929)
Noncurrent liabilities (foreign)	**(225)**	(138)
	$ (1,020)	$ (881)

Note 13. Income Taxes (Continued)

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

	Year Ended December 31		
	2019	**2018**	**2017**
Statutory rate	**21.0%**	21.0%	35.0%
State income taxes, net of federal tax benefit	**0.6**	0.3	1.7
Foreign earnings taxed at rates other than the U.S. statutory rate	**(2.2)**	(1.5)	(4.7)
Foreign currency effects/remeasurement	**0.7**	(1.9)	(0.7)
Income tax adjustment to filed returns	**0.2**	(1.9)	(3.0)
Tax benefit on U.S. biodiesel credits	**(7.5)**	(2.3)	—
Tax benefit on U.S. railroad credits	**(3.6)**	—	—
Tax benefit on U.S. qualified production activity deduction	**—**	—	(2.2)
Tax on global intangible low-taxed income	**1.4**	1.0	—
Tax benefit on foreign derived intangible income deduction	**—**	(1.0)	—
Valuation allowances	**1.3**	—	0.3
U.S. tax reform impacts	**0.4**	(1.1)	(23.9)
Other	**0.9**	(0.7)	(2.1)
Effective income tax rate	**13.2%**	11.9%	0.4%

The low 2019 effective tax rate was primarily due to the impact of U.S. tax credits, including the 2018 and 2019 biodiesel tax credit and the railroad maintenance tax credit, signed into law in December 2019. The effective tax rate for 2018 included the 2017 biodiesel tax credit recorded in the first quarter of 2018 and the additional true-up adjustments related to the 2017 U.S. tax reform, along with certain favorable discrete tax items.

The foreign rate differential was primarily due to lower tax rates from the Company's operations in Switzerland, Asia, and the Caribbean. The Company's foreign earnings, which were taxed at rates lower than the U.S. rate and were generated from these jurisdictions, were 61%, 56%, and 59% of its foreign earnings before taxes in fiscal years 2019, 2018, and 2017, respectively.

Undistributed earnings of the Company's foreign subsidiaries were approximately $11.6 billion at December 31, 2019. Because the Company's undistributed foreign subsidiaries earnings continue to be indefinitely reinvested in foreign operations, no income taxes, other than the transition tax, the U.S. tax on undistributed Subpart F, and the minimum tax on Global Intangible Low Taxed Income (GILTI), have been provided. It is not practicable to determine the amount of unrecognized deferred tax liability related to any remaining undistributed foreign subsidiaries earnings not subject to the transition tax in these entities.

The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. The income tax effects of changes in tax laws are recognized in the period when enacted. The Act provides for numerous significant tax law changes and modifications with varying effective dates, which include reducing the U.S. federal corporate income tax rate from 35% to 21%, creating a territorial tax system (with a one-time transition tax on previously deferred foreign earnings), broadening the tax base, and allowing for immediate capital expensing of certain qualified property. As a result, the Company made a reasonable estimate of the effects on existing deferred tax balances and the one-time transition tax, and recognized a net provisional benefit of $379 million, which is included as a component of income tax expense in the year ended December 31, 2017. The net provisional benefit consisted of a net tax benefit of $528 million related to the remeasurement of deferred tax balance and a beneficial impact of $220 million on reserves previously established under ASC Subtopic 740-30, *Income Taxes - Other Considerations or Special Areas,* partially offset by the $369 million provisional impact of the transition tax. The Company performed a quarterly review of the provisional tax liability recorded in 2017 as new guidance on the Act was issued. The Company updated its calculation of the transition tax and recorded an immaterial expense in 2019 and a benefit of $29 million in 2018. The Company has elected to pay the one-time transition tax over eight years. As of December 31, 2019, the Company's remaining transition tax liability was $183 million, which will be paid in installments through 2025.

Note 13. Income Taxes (Continued)

The Act also contains new provisions related to GILTI and Foreign Derived Intangible Income (FDII) which are effective for fiscal year 2018. The Company incurred additional U.S. taxable income of $105 million and $101 million related to GILTI and deducted $1 million and $101 million related to FDII in fiscal years 2019 and 2018, respectively. The Company made an accounting policy election to treat GILTI as a period cost. During 2018, U.S. tax authorities issued proposed Treasury Regulations addressing some of the tax reform items that were effective in 2018. The Company has recorded and will continue to record the impact of tax reform items as U.S. tax authorities issue Treasury Regulations and other guidance addressing tax reform-related changes. It is also reasonable to expect that global taxing authorities will be reviewing their current legislation for potential modifications in reaction to the implementation of the Act. The additional guidance, along with the potential for additional global tax legislation changes, may affect significant deductions and income inclusions and could have a material adverse effect on the Company's net income or cash flow.

The Company had $411 million and $313 million of tax assets related to net operating loss carry-forwards of certain international subsidiaries at December 31, 2019 and 2018, respectively. As of December 31, 2019, approximately $312 million of these assets have no expiration date, and the remaining $99 million expire at various times through fiscal 2028. The annual usage of certain of these assets is limited to a percentage of taxable income of the respective foreign subsidiary for the year. The Company has recorded a valuation allowance of $193 million and $166 million against these tax assets at December 31, 2019 and 2018, respectively, due to the uncertainty of their realization.

The Company had $62 million and $55 million of tax assets related to foreign and domestic capital loss carryforwards at December 31, 2019 and 2018, respectively. The Company has recorded a valuation allowance of $62 million and $55 million against these tax assets at December 31, 2019 and 2018, respectively.

The Company had $74 million of tax assets related to state income tax attributes (incentive credits and net operating loss carryforwards), net of federal tax benefit, at December 31, 2019 and 2018, which will expire at various times through fiscal 2038. Due to the uncertainty of realization, the Company recorded a valuation allowance of $70 million and $68 million related to state income tax assets net of federal tax benefit as of December 31, 2019 and 2018, respectively.

The Company remains subject to federal examination in the U.S. for the calendar tax years 2016, 2017, 2018, and 2019.

The following table sets forth a rollforward of activity of unrecognized tax benefits for the year ended December 31, 2019 and 2018 as follows:

	Unrecognized Tax Benefits	
	December 31, 2019	**December 31, 2018**
	(In millions)	
Beginning balance	**$ 107**	$ 56
Additions related to current year's tax positions	**8**	3
Additions related to prior years' tax positions	**—**	46
Additions related to acquisitions	**32**	7
Reductions related to prior years' tax positions	**(14)**	—
Reductions related to lapse of statute of limitations	**(2)**	(2)
Settlements with tax authorities	**(1)**	(3)
Ending balance	**$ 130**	$ 107

The additions and reductions in unrecognized tax benefits shown in the table included effects related to net income and shareholders' equity. The changes in unrecognized tax benefits did not have a material effect on the Company's net income or cash flow. At December 31, 2019 and 2018, the Company had accrued interest and penalties on unrecognized tax benefits of $26 million and $24 million, respectively.

Note 13. Income Taxes (Continued)

The Company is subject to income taxation and routine examinations in many jurisdictions around the world and frequently faces challenges regarding the amount of taxes due. These challenges include positions taken by the Company related to the timing, nature, and amount of deductions and the allocation of income among various jurisdictions. In its routine evaluations of the exposure associated with various tax filing positions, the Company recognizes a liability, when necessary, for estimated potential tax owed by the Company in accordance with applicable accounting standards. Resolution of the related tax positions, through negotiations with relevant tax authorities or through litigation, may take years to complete. Therefore, it is difficult to predict the timing for resolution of tax positions and the Company cannot predict or provide assurance as to the ultimate outcome of these ongoing or future examinations. However, the Company does not anticipate that the total amount of unrecognized tax benefits will increase or decrease significantly in the next twelve months. Given the long periods of time involved in resolving tax positions, the Company does not expect that the recognition of unrecognized tax benefits will have a material impact on the Company's effective income tax rate in any given period. If the total amount of unrecognized tax benefits were recognized by the Company at one time, there would be a reduction of $130 million on the tax expense for that period.

The Company's wholly-owned subsidiary, ADM do Brasil Ltda. (ADM do Brasil), has received three separate tax assessments from the Brazilian Federal Revenue Service (BFRS) challenging the tax deductibility of commodity hedging losses and related expenses for the tax years 2004, 2006, and 2007. These assessments totaled approximately $104 million in tax and $307 million in interest and penalties as of December 31, 2019 (adjusted for variation in currency exchange rates). The statute of limitations for tax years 2005 and 2008-2011 has expired. The Company does not expect to receive any additional tax assessments with respect to this issue.

ADM do Brasil enters into commodity hedging transactions that can result in gains, which are included in ADM do Brasil's calculation of taxable income in Brazil, and losses, which ADM do Brasil deducts from its taxable income in Brazil. The Company has evaluated its tax position regarding these hedging transactions and concluded, based upon advice from Brazilian legal counsel, that it was appropriate to recognize both gains and losses resulting from hedging transactions when determining its Brazilian income tax expense. Therefore, the Company has continued to recognize the tax benefit from hedging losses in its financial statements and has not recorded any tax liability for the amounts assessed by the BFRS.

ADM do Brasil filed an administrative appeal for each of the assessments. In January 2020, the second-level administrative appeal panel found in favor of ADM do Brasil and cancelled the assessments. While it is unclear if the BFRS will appeal, the Company intends to vigorously defend its position against any appeal which could be made to the administrative panel or to a superior tax chamber. The Company expects to know if the ruling will be appealed during the first half of 2020. Based upon the view of external counsel, it is unlikely that the BFRS will be successful in appealing the matter. While the Company believes its consolidated financial statements properly reflect the tax deductibility of these hedging losses, the ultimate resolution of this matter could result in the future recognition of additional payments of, and expense for, income tax and the associated interest and penalties.

The Company's subsidiaries in Argentina, ADM Agro SRL (formerly ADM Argentina SA and Alfred C. Toepfer Argentina SRL), received tax assessments challenging transfer prices used to price grain exports for the tax years 1999 through 2011. As of December 31, 2019, these assessments totaled $14 million in tax and up to $53 million in interest (adjusted for variation in currency exchange rates). The Argentine tax authorities conducted a review of income and other taxes paid by large exporters and processors of cereals and other agricultural commodities resulting in allegations of income tax evasion. The Company strongly believes that it has complied with all Argentine tax laws. To date, the Company has not received assessments for closed years subsequent to 2011, considering that the statute of limitation for tax years 2012 and 2013 has expired. However, it cannot rule out receiving additional assessments challenging transfer prices used to price grain exports for years subsequent to 2014, and estimates that these potential assessments could be approximately $43 million in tax and up to $22 million in interest (adjusted for variation in currency exchange rates as of December 31, 2019). The Company believes that it has appropriately evaluated the transactions underlying these assessments, and has concluded, based on Argentine tax law, that its tax position would be sustained, and accordingly, has not recorded a tax liability for these assessments. The Company intends to vigorously defend its position against the current assessments and any similar assessments that may be issued for years subsequent to 2011.

Note 13. Income Taxes (Continued)

In accordance with the accounting requirements for uncertain tax positions, the Company has not recorded an uncertain tax liability for these assessments because it has concluded that it is more likely than not to prevail on the Brazil and Argentina matters based upon their technical merits and because the taxing jurisdictions' processes do not provide a mechanism for settling at less than the full amount of the assessment. The Company's consideration of these tax assessments requires judgments about the application of income tax regulations to specific facts and circumstances. The final outcome of these matters cannot reliably be predicted, may take many years to resolve, and could result in financial impacts of up to the entire amount of these assessments.

In 2014, the Company's wholly-owned subsidiary in the Netherlands, ADM Europe B.V., received a tax assessment from the Netherlands tax authority challenging the transfer pricing aspects of a 2009 business reorganization, which involved two of its subsidiary companies in the Netherlands. As of December 31, 2019, this assessment was $91 million in tax and $34 million in interest (adjusted for variation in currency exchange rates). In September 2019, the Company received an interim decision on its appeal which directed the parties to work toward a settlement. As of December 31, 2019, an agreement has not been reached and the Company is awaiting additional guidance from the court, which could include assigning the matter to a third party expert to establish a valuation. Subsequent appeals may take an extended period of time and could result in additional financial impacts of up to the entire amount of the assessment. The Company has carefully evaluated the underlying transactions and has concluded that the amount of the gain recognized on the reorganization for tax purposes was appropriate. The Company has accrued its best estimate of what it believes will be the likely outcome of the litigation and will vigorously defend its position against the assessment.

Note 14. Leases

Lessee Accounting

The Company leases certain transportation equipment, plant equipment, office equipment, land, buildings, and storage facilities. Most leases include options to renew, with renewal terms that can extend the lease term from 1 month to 49 years. Certain leases also include index and non-index escalation clauses and options to purchase the leased property. Leases accounted for as finance leases were immaterial at December 31, 2019.

As an accounting policy election, the Company does not apply the recognition requirements of Topic 842 to short-term leases in all of its underlying asset categories. The Company recognizes short-term lease payments in earnings on a straight-line basis over the lease term, and variable lease payments in the period in which the obligation for those payments is incurred.

The following table sets forth the amounts relating to the Company's total lease cost and other information.

	Year Ended December 31, 2019	
	(In millions)	
Lease cost:		
Operating lease cost	$	275
Short-term lease cost		99
Total lease cost	$	374
Other information:		
Operating lease liability principal payments	$	209
Right-of-use assets obtained in exchange for new operating lease liabilities	$	302
	December 31, 2019	
Weighted-average remaining lease term - operating leases (in years)		7
Weighted average discount rate - operating leases		4.6%

Note 14. Leases (Continued)

Below is a tabular disclosure of the future annual undiscounted cash flows for operating lease liabilities as of December 31, 2019.

	Undiscounted Cash Flows
	(In millions)
2020	$ 251
2021	216
2022	187
2023	143
2024	88
Thereafter	292
Total	1,177
Less interest [1]	(181)
Lease liability	$ 996

[1] Calculated using the implicit rate of the lease, if available, or the incremental borrowing rate that is appropriate for the tenor and geography of the lease.

As of December 31, 2019, the Company had $971 million of right-of-use assets included in Other assets, $215 million of current lease liabilities included in Accrued expenses and other payables, and $781 million of non-current lease liabilities included in Other long-term liabilities in its consolidated balance sheet.

Below is a tabular disclosure of the future minimum lease payments for non-cancellable operating leases, including time charters of ocean going vessels, with initial or remaining terms in excess of one year as of December 31, 2018:

	Minimum Lease Payments
	(In millions)
2019	$ 214
2020	149
2021	121
2022	95
2023	52
Thereafter	177
Total minimum lease payments	$ 808

Note 15. Employee Benefit Plans

The Company provides substantially all U.S. employees and employees at certain foreign subsidiaries with retirement benefits including defined benefit pension plans and defined contribution plans. The Company provides certain eligible U.S. employees who retire under qualifying conditions with subsidized postretirement health care coverage or Health Care Reimbursement Accounts.

In April 2019, the Company announced an enhanced early retirement for some eligible employees in the U.S. and Canada. As a result, the Company recognized a pension remeasurement charge of $48 million in the second quarter of 2019. Employees electing to retire early were also given the option to receive their benefit in the form of a lump sum payment which resulted in a pension settlement charge of $51 million during the second half of the year.

Note 15. Employee Benefit Plans (Continued)

In October 2018, the Company amended the ADM Retirement Plan (the "Plan") and entered into a binding agreement to purchase a group annuity contract from The Prudential Insurance Company of America ("Prudential"), irrevocably transferring the future benefit obligations and annuity administration for approximately 3,800 retirees from the Plan to Prudential. The purchase of the group annuity contract, which was funded directed by the Plan's assets, was completed on November 2, 2018 and reduced the Company's pension obligations by approximately $528 million. As a result of the transaction, the Company recognized a non-cash pension settlement charge of approximately $117 million in the fourth quarter of 2018.

In July 2017, the Company announced that all participants in the Company's U.S. salaried pension plan and the Supplemental Executive Retirement Plan (SERP) will begin accruing benefits under the cash balance formula effective January 1, 2022. Benefits for participants who were accruing under the final average pay formula will be frozen as of December 31, 2021, including pay and service through that date. This change, along with other changes in participation associated with divestitures and restructuring, triggered a remeasurement of the salaried pension plan and the SERP resulting in decreases in the fiscal 2017 pension expense, accumulated other comprehensive loss, and underfunded status by $18 million, $164 million, and $182 million, respectively.

In 2017, the Company also changed the method used to estimate the service and interest cost components of the net periodic pension and postretirement benefit costs for its plans. The new method uses the spot rate yield curve approach to estimate the service and interest costs. Previously, those costs were determined using a single weighted-average discount rate applied to all future cash outflows. The change does not affect the measurement of the Company's benefit obligations and was accounted for as a change in accounting estimate in accordance with the guidance of ASC Topic 250, *Accounting Estimates and Error Corrections*, thereby impacting the current and future periods. The impact of this change on after-tax earnings and diluted earnings per share for the year ended December 31, 2017 was immaterial.

The Company maintains 401(k) plans covering substantially all U.S. employees. The Company contributes cash to the plans to match qualifying employee contributions, and also provides a non-matching employer contribution of 1% of pay to eligible participants. Under an employee stock ownership component of the 401(k) plans, employees may choose to invest in the Company's stock as part of their own investment elections. The employer contributions are expensed when paid. Assets of the Company's 401(k) plans consist primarily of listed common stocks and pooled funds. The Company's 401(k) plans held 8 million shares of Company common stock at December 31, 2019, with a market value of $384 million. Cash dividends received on shares of Company common stock by these plans during the year ended December 31, 2019 were $12 million.

The following table sets forth the components of retirement plan expense for the years ended December 31, 2019, 2018, and 2017:

(In millions)	Pension Benefits Year Ended December 31			Postretirement Benefits Year Ended December 31		
	2019	**2018**	**2017**	**2019**	**2018**	**2017**
Retirement plan expense						
Defined benefit plans:						
Service cost (benefits earned during the period)	**$ 58**	$ 66	$ 78	**$ 2**	$ 2	$ 2
Interest cost	**82**	93	106	**5**	5	6
Expected return on plan assets	**(115)**	(146)	(145)	**—**	—	—
Settlement charges	**96**	117	—	**3**	—	—
Curtailments	**—**	(1)	—	**—**	—	—
Amortization of actuarial loss	**26**	55	65	**4**	3	4
Amortization of prior service cost (credit)	**(19)**	(19)	(7)	**(15)**	(15)	(13)
Net periodic defined benefit plan expense	**128**	165	97	**(1)**	(5)	(1)
Defined contribution plans	**58**	50	57	**—**	—	—
Total retirement plan expense	**$ 186**	$ 215	$ 154	**$ (1)**	$ (5)	$ (1)

Note 15. Employee Benefit Plans (Continued)

The following tables set forth changes in the defined benefit obligation and the fair value of defined benefit plan assets for the years ended December 31, 2019 and 2018:

	Pension Benefits		Postretirement Benefits	
	December 31 2019	December 31 2018	December 31 2019	December 31 2018
	(In millions)		(In millions)	
Benefit obligation, beginning	**$ 2,323**	$ 3,109	**$ 144**	$ 154
Service cost	**58**	66	**2**	2
Interest cost	**82**	93	**5**	5
Actuarial loss (gain)	**363**	(278)	**24**	(4)
Employee contributions	**2**	2	**—**	—
Curtailments	**—**	(1)	**—**	—
Acquisitions	**26**	—	**3**	—
Settlements	**35**	(528)	**3**	—
Benefits paid	**(249)**	(99)	**(14)**	(13)
Plan amendments	**(2)**	2	**—**	—
Foreign currency effects	**12**	(43)	**—**	—
Benefit obligation, ending	**$ 2,650**	$ 2,323	**$ 167**	$ 144
Fair value of plan assets, beginning	**$ 1,736**	$ 2,448	**$ —**	$ —
Actual return on plan assets	**348**	(122)	**—**	—
Employer contributions	**166**	66	**14**	13
Employee contributions	**2**	2	**—**	—
Settlements	**(10)**	(528)	**—**	—
Business combinations	**7**	—	**—**	—
Benefits paid	**(249)**	(99)	**(14)**	(13)
Foreign currency effects	**18**	(31)	**—**	—
Fair value of plan assets, ending	**$ 2,018**	$ 1,736	**$ —**	$ —
Funded status	**$ (632)**	$ (587)	**$ (167)**	$ (144)
Prepaid benefit cost	**$ 38**	$ 53	**$ —**	$ —
Accrued benefit liability – current	**(18)**	(17)	**(16)**	(13)
Accrued benefit liability – long-term	**(652)**	(623)	**(151)**	(131)
Net amount recognized in the balance sheet	**$ (632)**	$ (587)	**$ (167)**	$ (144)

Included in AOCI for pension benefits at December 31, 2019, are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service credit of $133 million and unrecognized actuarial loss of $572 million. The prior service credit and actuarial loss included in AOCI expected to be recognized in net periodic pension cost during 2020 is $20 million and $37 million, respectively.

Included in AOCI for postretirement benefits at December 31, 2019, are the following amounts that have not yet been recognized in net periodic postretirement benefit cost: unrecognized prior service credit of $15 million and unrecognized actuarial loss of $47 million. Prior service credit of $14 million and actuarial loss of $5 million included in AOCI are expected to be recognized in net periodic benefit cost during 2020.

Note 15. Employee Benefit Plans (Continued)

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

	Pension Benefits		Postretirement Benefits	
	December 31 2019	December 31 2018	December 31 2019	December 31 2018
Discount rate	**3.9%**	3.4%	**4.3%**	3.7%
Expected return on plan assets	**6.5%**	6.8%	**N/A**	N/A
Rate of compensation increase	**4.9%**	4.7%	**N/A**	N/A

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

	Pension Benefits		Postretirement Benefits	
	December 31 2019	December 31 2018	December 31 2019	December 31 2018
Discount rate	**2.9%**	3.9%	**3.2%**	4.3%
Rate of compensation increase	**4.9%**	4.9%	**N/A**	N/A

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plans with projected benefit obligations in excess of plan assets were $2.3 billion, $2.2 billion, and $1.6 billion, respectively as of December 31, 2019, and $2.0 billion, $1.9 billion, and $1.4 billion, respectively, as of December 31, 2018. The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $2.2 billion, $2.1 billion, and $1.5 billion, respectively, as of December 31, 2019 and $1.9 billion, $1.8 billion, and $1.3 billion, respectively, as of December 31, 2018. The accumulated benefit obligation for all pension plans as of December 31, 2019 and 2018, was $2.6 billion and $2.2 billion, respectively.

For postretirement benefit measurement purposes, a 6.9% annual rate of increase in the per capita cost of covered health care benefits was assumed for the year ended December 31, 2019. The rate was assumed to decrease gradually to 4.5% by 2026 and remain at that level thereafter.

A 1% change in assumed health care cost trend rates would have the following effects:

	1% Increase	1% Decrease
	(In millions)	
Effect on accumulated postretirement benefit obligations	$ 5	$ (4)

The effect on combined service and interest cost components is immaterial.

Note 15. Employee Benefit Plans (Continued)

Plan Assets

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

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

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

Common collective trust (CCT) funds:
The fair values of the CCTs are valued using net asset value (NAV). The investments in CCTs are comprised of international equity and short-term investments. The investments are valued at NAV provided by administrators of the funds.

Corporate debt instruments:
Corporate debt instruments are valued using third-party pricing services and are classified within Level 2 of the valuation hierarchy.

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

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

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

Note 15. Employee Benefit Plans (Continued)

The following tables set forth, by level within the fair value hierarchy, the fair value of plan assets as of December 31, 2019 and 2018.

	Fair Value Measurements at December 31, 2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In millions)			
Common stock	**$ 187**	**$ —**	**$ —**	**$ 187**
Mutual funds	**575**	**—**	**—**	**575**
Corporate bonds	**—**	**249**	**—**	**249**
U.S. Treasury instruments	**322**	**—**	**—**	**322**
U.S. government agency, state and local government bonds	**—**	**4**	**—**	**4**
Other	**—**	**9**	**—**	**9**
Total assets	**$ 1,084**	**$ 262**	**$ —**	**$ 1,346**
Common collective trust funds at NAV				
U.S. equity				**391**
International equity				**281**
Total assets at fair value				**$ 2,018**

	Fair Value Measurements at December 31, 2018			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In millions)			
Common stock	$ 152	$ —	$ —	$ 152
Mutual funds	540	—	—	540
Corporate bonds	—	406	—	406
U.S. Treasury instruments	112	—	—	112
U.S. government agency, state and local government bonds	—	31	—	31
Other	—	7	—	7
Total assets	$ 804	$ 444	$ —	$ 1,248
Common collective trust funds at NAV				
U.S. equity				351
International equity				137
Total assets at fair value				$ 1,736

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

Note 15. Employee Benefit Plans (Continued)

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

	December 31 2019[1][2]	December 31 2018[2]
Equity securities	**53%**	48%
Debt securities	**36%**	40%
Other	**11%**	12%
Total	**100%**	100%

(1) The Company's U.S. pension plans contain approximately 73% of the Company's global pension plan assets. The actual asset allocation for the Company's U.S. pension plans as of the measurement date consists of 60% equity securities and 40% debt . The target asset allocation for the Company's U.S. pension plans is approximately the same as the actual asset allocation. The actual asset allocation for the Company's foreign pension plans as of the measurement date consists of 35% equity securities, 24% debt securities, and 41% in other investments. The target asset allocation for the Company's foreign pension plans is approximately the same as the actual asset allocation.

(2) The Company's pension plans did not directly hold any shares of Company common stock as of the December 31, 2019 and 2018 measurement dates.

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

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

Asset allocation targets promote optimal expected return and volatility characteristics given the long-term time horizon for fulfilling the obligations of the pension plans. Selection of the targeted asset allocation for plan assets was based upon a review of the expected return and risk characteristics of each asset class, as well as the correlation of returns among asset classes. The U.S. pension plans target asset allocation is also based on an asset and liability study that is updated periodically.

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

The Company uses external consultants to assist in monitoring the investment strategy and asset mix for the Company's plan assets. To develop the Company's expected long-term rate of return assumption on plan assets, the Company generally uses long-term historical return information for the targeted asset mix identified in asset and liability studies. Adjustments are made to the expected long-term rate of return assumption when deemed necessary based upon revised expectations of future investment performance of the overall investment markets.

Contributions and Expected Future Benefit Payments

Based on actuarial calculations, the Company expects to contribute $27 million to the pension plans and $16 million to the postretirement benefit plan during 2020. The Company may elect to make additional discretionary contributions during this period.

Note 15. Employee Benefit Plans (Continued)

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

	Pension Benefits	Postretirement Benefits
	(In millions)	
2020	$ 96	$ 16
2021	83	15
2022	88	14
2023	93	13
2024	101	13
2025-2029	579	51

Note 16. Shareholders' Equity

The Company has authorized one billion shares of common stock and 500,000 shares of preferred stock, each with zero par value. No preferred stock has been issued. At December 31, 2019 and 2018, the Company had approximately 158.8 million shares and 157.1 million shares, respectively, of its common shares in treasury. Treasury stock of $5.4 billion and $5.3 billion at December 31, 2019 and 2018, respectively, is recorded at cost as a reduction of common stock.

The following tables set forth the changes in AOCI by component and the reclassifications out of AOCI for the years ended December 31, 2019 and 2018:

	Foreign Currency Translation Adjustment	Deferred Gain (Loss) on Hedging Activities	Pension and Other Postretirement Benefit Liabilities Adjustment	Unrealized Gain (Loss) on Investments	Accumulated Other Comprehensive Income (Loss)
			(In millions)		
Balance at December 31, 2017	$ (1,353)	$ 17	$ (321)	$ 20	$ (1,637)
Other comprehensive income before reclassifications	(580)	(19)	124	(2)	(477)
Amounts reclassified from AOCI	(1)	76	32	(2)	105
Tax effect	(28)	(13)	(55)	(1)	(97)
Net of tax amount	(609)	44	101	(5)	(469)
Balance at December 31, 2018	$ (1,962)	$ 61	$ (220)	$ 15	$ (2,106)
Other comprehensive income before reclassifications	**(185)**	**(191)**	**(89)**	**14**	**(451)**
Amounts reclassified from AOCI	**7**	**100**	**(9)**	**(1)**	**97**
Tax effect	**(12)**	**18**	**50**	**(1)**	**55**
Net of tax amount	**(190)**	**(73)**	**(48)**	**12**	**(299)**
Balance at December 31, 2019	**$ (2,152)**	**$ (12)**	**$ (268)**	**$ 27**	**$ (2,405)**

The change in foreign currency translation adjustment in 2019 is primarily due to the U.S. dollar appreciation, impacting the Euro-denominated equities of the Company's foreign subsidiaries while the change in 2018 is primarily due to the US. dollar appreciation, impacting the Euro and British Pound-denominated equities of the Company's foreign subsidiaries.

Note 16. Shareholders' Equity (Continued)

Details about AOCI components	Amounts reclassified from AOCI Year Ended December 31 2019	2018	2017	Affected line item in the consolidated statement of earnings
	(In millions)			
Foreign currency translation adjustment				
	$ 7	$ (1)	$ —	Other income/expense
	—	—	—	Tax
	$ 7	$ (1)	$ —	Net of tax
Deferred loss (gain) on hedging activities				
	$ 11	$ 113	$ 45	Cost of products sold
	46	(36)	2	Other income/expense
	(1)	(1)	(1)	Interest expense
	44	—	1	Revenues
	100	76	47	Total before tax
	(13)	(18)	(18)	Tax on reclassifications
	$ 87	$ 58	$ 29	Net of tax
Pension liability adjustment				
Amortization of defined benefit pension items:				
Prior service losses (credit)	**$ (26)**	$ (33)	$ (57)	Other (income) expense - net
Actuarial losses	**17**	65	112	Other (income) expense - net
	(9)	32	55	Total before tax
	18	(8)	(29)	Tax on reclassifications
	$ 9	$ 24	$ 26	Net of tax
Unrealized loss (gain) on investments				
	$ (1)	$ (2)	$ (1)	Other income/expense
	—	—	—	Tax on reclassifications
	$ (1)	$ (2)	$ (1)	Net of tax

Note 17. Segment and Geographic Information

Effective July 1, 2019, the Company changed its segment reporting to reflect the creation of the combined Ag Services and Oilseeds segment. The former Origination and Oilseeds businesses were merged into a combined Ag Services and Oilseeds segment which enables the Company to better respond to market changes by integrating the supply and value chains and risk management, while delivering significant simplification and efficiency to the day-to-day business. As part of the Company's efforts for a streamlined management structure, the combined segment is led by the former President of Oilseeds expanding his role to President of Ag Services and Oilseeds.

Prior period results have been reclassified to conform to the current period segment presentation.

The Company's operations are organized, managed, and classified into three reportable business segments: Ag Services and Oilseeds, Carbohydrate Solutions, and Nutrition. Each of these segments is organized based upon the nature of products and services offered. The Company's remaining operations are not reportable segments, as defined by the applicable accounting standard, and are classified as Other.

The Ag Services and Oilseeds segment includes global activities related to the origination, merchandising, transportation, and storage of agricultural raw materials, and the crushing and further processing of oilseeds such as soybeans and soft seeds (cottonseed, sunflower seed, canola, rapeseed, and flaxseed) into vegetable oils and protein meals. Oilseeds products produced and marketed by the segment include ingredients for food, feed, energy, and industrial customers. Crude vegetable oils produced by the segment's crushing activities are sold "as is" or are further processed by refining, blending, bleaching, and deodorizing into salad oils. Salad oils are sold "as is" or are further processed by hydrogenating and/or interesterifying into margarine, shortening, and other food products. Partially refined oils are used to produce biodiesel and glycols or are sold to other manufacturers for use in chemicals, paints, and other industrial products. Oilseed protein meals are principally sold to third parties to be used as ingredients in commercial livestock and poultry feeds. The Ag Services and Oilseeds segment is also a major supplier of peanuts, tree nuts, and peanut-derived ingredients to both the U.S. and export markets. In North America, cotton cellulose pulp is manufactured and sold to the chemical, paper, and other industrial markets. The Ag Services and Oilseeds segment's grain sourcing, handling, and transportation network (including barge, ocean-going vessel, truck, rail, and container freight services) provides reliable and efficient services to the Company's customers and agricultural processing operations. The Ag Services and Oilseeds segment also includes agricultural commodity and feed product import, export, and global distribution, and structured trade finance activities. This segment also includes the Company's share of the results of its equity investment in Wilmar and its share of the results of its Pacificor, Stratas Foods LLC, Edible Beans Oils Limited, Olenex, and SoyVen joint ventures. In February 2019, the Company purchased the remaining 50% interest owned by InVivo Group in the Gleadell Agriculture Ltd. joint venture located in the United Kingdom.

The Carbohydrate Solutions segment is engaged in corn and wheat wet and dry milling and other activities. The Carbohydrate Solutions segment converts corn and wheat into products and ingredients used in the food and beverage industry including sweeteners, corn and wheat starches, syrup, glucose, wheat flour, and dextrose. Dextrose and starch are used by the Carbohydrate Solutions segment as feedstocks for its bioproducts operations. By fermentation of dextrose, the Carbohydrate Solutions segment produces alcohol and other food and animal feed ingredients. Ethyl alcohol is produced by the Company for industrial use as ethanol or as beverage grade. Ethanol, in gasoline, increases octane and is used as an extender and oxygenate. Corn gluten feed and meal, as well as distillers' grains, are produced for use as animal feed ingredients. Corn germ, a by-product of the wet milling process, is further processed into vegetable oil and protein meal. Other Carbohydrate Solutions products include citric acids which are used in various food and industrial products. This segment also includes the Company's share of the results of its equity investments in Hungrana Ltd., Almidones Mexicanos S.A., Red Star Yeast Company, LLC, and Aston Foods and Food Ingredients.

Note 17. Segment and Geographic Information (Continued)

The Nutrition segment serves customer needs for food, beverages, health and wellness, and more. The segment engages in the manufacturing, sale, and distribution of a wide array of products from nature including plant-based proteins, natural flavor ingredients, flavor systems, natural colors, emulsifiers, soluble fiber, polyols, hydrocolloids, natural health and nutrition products including probiotics, prebiotics, enzymes, and botanical extracts, and other specialty food and feed ingredients. The Nutrition segment includes the activities related to the procurement, processing, and distribution of edible beans. The Nutrition segment also includes activities related to the processing and distribution of formula feeds and animal health and nutrition products and the manufacture of contract and private label pet treats and foods. In 2019, ADM completed the acquisitions of Neovia, a French-based global provider of value-added animal nutrition solutions, with 72 production facilities and a presence in 25 countries; FCC, one of the world's largest producers of citrus oils and ingredients; and Ziegler, a leading European provider of natural citrus flavor ingredients.

Other includes the Company's financial business units related to futures commission and insurance activities. On May 1, 2017, the Company completed the sale of its crop risk services business to Validus Holdings, a global group of insurance and reinsurance companies.

Intersegment sales have been recorded at amounts approximating market. Operating profit for each segment is based on net sales less identifiable operating expenses. Also included in operating profit for each segment is equity in earnings of affiliates based on the equity method of accounting. Specified items included in total segment operating profit and certain corporate items are not allocated to the Company's individual business segments because operating performance of each business segment is evaluated by management exclusive of these items. Corporate results principally include the impact of LIFO-related adjustments, unallocated corporate expenses, interest cost net of investment income, and the Company's share of the results of its equity investment in CIP, which was sold in December 2019.

Note 17. Segment and Geographic Information (Continued)

Segment Information

(In millions)	Year Ended December 31 2019	2018	2017
Gross revenues			
Ag Services and Oilseeds	**$ 54,633**	$ 56,591	$ 52,217
Carbohydrate Solutions	**11,154**	11,421	11,314
Nutrition	**5,786**	3,836	3,562
Other	**352**	381	387
Intersegment elimination	**(7,269)**	(7,888)	(6,652)
Total	**$ 64,656**	$ 64,341	$ 60,828
Intersegment revenues			
Ag Services and Oilseeds	**$ 5,892**	$ 6,700	$ 5,705
Carbohydrate Solutions	**1,268**	1,142	908
Nutrition	**109**	46	39
Total	**$ 7,269**	$ 7,888	$ 6,652
Revenues from external customers			
Ag Services and Oilseeds			
Ag Services	**$ 31,705**	$ 31,766	$ 29,124
Crushing	**9,479**	10,319	9,265
Refined Products and Other	**7,557**	7,806	8,123
Total Ag Services and Oilseeds	**48,741**	49,891	46,512
Carbohydrate Solutions			
Starches and Sweeteners	**6,692**	6,696	6,565
Bioproducts	**3,194**	3,583	3,841
Total Carbohydrate Solutions	**9,886**	10,279	10,406
Nutrition			
Wild Flavors and Specialty Ingredients	**2,745**	2,571	2,367
Animal Nutrition	**2,932**	1,219	1,156
Total Nutrition	**5,677**	3,790	3,523
Other	**352**	381	387
Total	**$ 64,656**	$ 64,341	$ 60,828

Note 17. Segment and Geographic Information (Continued)

(In millions)	Year Ended December 31 2019	2018	2017
Depreciation			
Ag Services and Oilseeds	**$ 361**	$ 372	$ 370
Carbohydrate Solutions	**320**	328	322
Nutrition	**113**	80	75
Other	**6**	6	6
Corporate	**27**	26	29
Total	**$ 827**	$ 812	$ 802
Long-lived asset abandonments and write-downs[1]			
Ag Services and Oilseeds	**$ 130**	$ 40	$ 17
Carbohydrate Solutions	**1**	—	63
Nutrition	**—**	11	21
Corporate	**—**	49	—
Total	**$ 131**	$ 100	$ 101
Interest income			
Ag Services and Oilseeds	**$ 51**	$ 45	$ 39
Carbohydrate Solutions	**—**	1	1
Nutrition	**1**	2	2
Other	**125**	100	57
Corporate	**15**	14	7
Total	**$ 192**	$ 162	$ 106
Equity in earnings of affiliates			
Ag Services and Oilseeds	**$ 378**	$ 421	$ 391
Carbohydrate Solutions	**60**	62	78
Nutrition	**17**	17	14
Corporate	**(1)**	18	(27)
Total	**$ 454**	$ 518	$ 456

[1] See Note 18 for total asset impairment, exit, and restructuring costs.

Note 17. Segment and Geographic Information (Continued)

(In millions)	Year Ended December 31		
	2019	2018	2017
Segment Operating Profit			
Ag Services and Oilseeds	**$ 1,935**	$ 2,020	$ 1,229
Carbohydrate Solutions	**644**	945	1,078
Nutrition	**418**	339	312
Other	**85**	58	51
Specified Items:			
Gains on sales of assets and businesses(1)	**12**	13	22
Impairment, restructuring, exit, and settlement charges(2)	**(146)**	(102)	(160)
Hedge timing effects(3)	**—**	—	4
Total segment operating profit	**2,948**	3,273	2,536
Corporate	**(1,360)**	(1,213)	(927)
Earnings before income taxes	**$ 1,588**	$ 2,060	$ 1,609

(1) The gains in 2019 consisted of a gain on the sale of certain assets and a step-up gain on an equity investment.The gains in 2018 related to the sale of businesses and assets. The gains in 2017 related to the sale of the crop risk services business and disposals of other individually insignificant assets in the ordinary course of business, partially offset by an adjustment of the proceeds of the 2015 sale of the cocoa business.

(2) The charges in 2019 primarily related to the impairment of certain long-lived assets.The charges in 2018 consisted of impairment of certain assets, restructuring, and settlement charges. The charges in 2017 consisted of asset impairments related to the closure of a facility and the reconfiguration of the Company's Peoria, Illinois ethanol complex, settlement charges, and several individually insignificant asset impairments and restructuring charges.

(3) Hedge timing effects relate to hedge ineffectiveness associated with documented hedge programs.

Note 17. Segment and Geographic Information (Continued)

(In millions)	December 31	
	2019	2018
Investments in and advances to affiliates		
Ag Services and Oilseeds	$ **4,662**	$ 4,549
Carbohydrate Solutions	**363**	375
Nutrition	**98**	63
Corporate	**9**	330
Total	$ **5,132**	$ 5,317
Identifiable assets		
Ag Services and Oilseeds	$ **21,927**	$ 20,656
Carbohydrate Solutions	**6,044**	5,895
Nutrition	**8,622**	7,158
Other	**5,661**	5,131
Corporate	**1,743**	1,993
Total	$ **43,997**	$ 40,833

(In millions)	December 31	
	2019	2018
Gross additions to property, plant, and equipment		
Ag Services and Oilseeds	$ **271**	$ 316
Carbohydrate Solutions	**275**	267
Nutrition	**166**	182
Other	**2**	3
Corporate	**103**	77
Total	$ **817**	$ 845

Note 17. Segment and Geographic Information (Continued)

Geographic information: The following geographic data include revenues attributed to the countries based on the location of the subsidiary making the sale and long-lived assets based on physical location. Long-lived assets represent the net book value of property, plant, and equipment.

(In millions)	Year Ended December 31 2019	2018	2017
Revenues			
United States	**$ 27,509**	$ 28,726	$ 27,894
Switzerland	**13,016**	12,911	14,095
Cayman Islands	**4,374**	5,724	4,189
Brazil	**2,381**	1,702	1,589
Germany	**2,026**	2,179	2,090
Other Foreign	**15,350**	13,099	10,971
	$ 64,656	$ 64,341	$ 60,828

(In millions)	December 31 2019	2018
Long-lived assets		
United States	**$ 6,488**	$ 6,615
Brazil	**869**	802
Other Foreign	**2,749**	2,536
	$ 10,106	$ 9,953

Note 18. Asset Impairment, Exit, and Restructuring Costs

The following table sets forth the charges included in asset impairment, exit, and restructuring costs.

(In millions)	Year Ended December 31		
	2019	**2018**	**2017**
Restructuring and exit costs [(1)]	**$ 161**	$ 29	$ 72
Impairment charge - equity method investment[(2)]	**—**	12	—
Impairment charge - goodwill and other intangible assets [(3)]	**11**	9	—
Impairment charge - other long-lived assets [(4)]	**131**	121	101
Total asset impairment, exit, and restructuring costs	**$ 303**	$ 171	$ 173

(1) Restructuring and exit costs for the year ended December 31, 2019 consisted of restructuring and pension settlement and remeasurement charges of $159 million in Corporate primarily related to early retirement and reorganization initiatives and several individually insignificant restructuring charges presented as specified items within segment operating profit. Restructuring and exit costs for the year ended December 31, 2018 consisted of restructuring charges of $24 million in Corporate primarily related to the reorganization of IT services in Corporate and several individually insignificant restructuring charges presented as specified items within segment operating profit. Restructuring and exit costs for the year ended December 31, 2017 consisted of restructuring charges of $54 million in Corporate primarily related to the reduction of certain positions within the Company's global workforce and several individually insignificant restructuring charges presented as specified items within segment operating profit.

(2) Impairment charge - equity method investment consisted of an impairment charge on an equity investment presented as a specified item within segment operating profit.

(3) Impairment charge - goodwill and other intangible assets for the year ended December 31, 2019 consisted of goodwill and other intangible asset impairments in Ag Services and Oilseeds presented as specified items within segment operating profit. Impairment charge - goodwill and other intangible assets for the year ended December 31, 2018 consisted of an intangible asset impairment in Ag Services and Oilseeds presented as specified items within segment operating profit.

(4) Impairment charge - other long-lived assets for the year ended December 31, 2019 consisted of $130 million of asset impairments related to certain facilities, vessels and other long-lived assets in Ag Services and Oilseeds and $1 million of asset impairments related to certain long-lived assets in Carbohydrate Solutions presented as specified items within segment operating profit. Impairment charge - other long-lived assets for the year ended December 31, 2018 consisted of $61 million of asset impairments related to a long-term receivable and certain long-lived assets in Ag Services and Oilseeds and $11 million of asset impairments related to certain long-lived assets in Nutrition presented as specified items within segment operating profit and a $49 million charge related to a discontinued software project in Corporate. Impairment charge - other long-lived assets for the year ended December 31, 2017 consisted of $63 million of asset impairments primarily related to the configuration of the Company's Peoria, Illinois ethanol complex, $20 million of asset impairments related to the closure of a facility, and several individually insignificant asset charges presented as specified items within segment operating profit.

Note 19. Sale of Accounts Receivable

The Company has an accounts receivable securitization program (the “Program”) with certain commercial paper conduit purchasers and committed purchasers (collectively, the “Purchasers”). Under the Program, certain U.S.-originated trade accounts receivable are sold to a wholly-owned bankruptcy-remote entity, ADM Receivables, LLC (“ADM Receivables”). ADM Receivables in turn transfers such purchased accounts receivable in their entirety to the Purchasers pursuant to a receivables purchase agreement. In exchange for the transfer of the accounts receivable, ADM Receivables receives a cash payment of up to $1.3 billion and an additional amount upon the collection of the accounts receivable (deferred consideration). The Program terminates on June 18, 2020, unless extended.

The Company also has an accounts receivable securitization program (the “Second Program”) with certain commercial paper conduit purchasers and committed purchasers (collectively, the “Second Purchasers”). Under the Second Program, certain non-U.S.-originated trade accounts receivable are sold to a wholly-owned bankruptcy-remote entity, ADM Ireland Receivables Company (“ADM Ireland Receivables”). ADM Ireland Receivables in turn transfers such purchased accounts receivable in their entirety to the Second Purchasers pursuant to a receivables purchase agreement. In exchange for the transfer of the accounts receivable, ADM Ireland Receivables receives a cash payment of up to $0.6 billion (€0.5 billion) and an additional amount upon the collection of the accounts receivable (deferred consideration). The Second Program terminates on March 13, 2020, unless extended.

Under the Program and Second Program (collectively, the “Programs”), ADM Receivables and ADM Ireland Receivables use the cash proceeds from the transfer of receivables to the Purchasers and Second Purchasers (collectively, the "Purchasers") and other consideration to finance the purchase of receivables from the Company and the ADM subsidiaries originating the receivables.

The Company accounts for these transfers as sales. The Company has no retained interests in the transferred receivables, other than collection and administrative responsibilities and its right to the deferred consideration. At December 31, 2019 and 2018, the Company did not record a servicing asset or liability related to its retained responsibility, based on its assessment of the servicing fee, market values for similar transactions, and its cost of servicing the receivables sold.

As of December 31, 2019 and 2018, the fair value of trade receivables transferred to the Purchasers under the Programs and derecognized from the Company’s consolidated balance sheet was $1.9 billion. In exchange for the transfer as of December 31, 2019 and 2018, the Company received cash of $1.4 billion and $1.5 billion and recorded a receivable for deferred consideration included in other current assets of $446 million and $379 million, respectively. Cash collections from customers on receivables sold were $33.8 billion, $34.8 billion, and $33.5 billion for the years ended December 31, 2019, 2018, and 2017, respectively. Of this amount, $13.1 billion, $14.8 billion, and $12.5 billion were cash collections on the deferred consideration reflected as cash inflows from investing activities for the years ended December 31, 2019, 2018, and 2017, respectively. Deferred consideration is paid to the Company in cash on behalf of the Purchasers as receivables are collected; however, as this is a revolving facility, cash collected from the Company’s customers is reinvested by the Purchasers daily in new receivable purchases under the Programs.

The Company’s risk of loss following the transfer of accounts receivable under the Programs is limited to the deferred consideration outstanding. The Company carries the deferred consideration at fair value determined by calculating the expected amount of cash to be received and is principally based on observable inputs (a Level 2 measurement under the applicable accounting standards) consisting mainly of the face amount of the receivables adjusted for anticipated credit losses and discounted at the appropriate market rate. Receipt of deferred consideration is not subject to significant risks other than delinquencies and credit losses on accounts receivable transferred under the Programs which have historically been insignificant.

Transfers of receivables under the Programs during the years ended December 31, 2019, 2018, and 2017 resulted in an expense for the loss on sale of $18 million, $18 million, and $10 million, respectively, which is classified as selling, general, and administrative expenses in the consolidated statements of earnings.

The Company reflects all cash flows related to the Programs as operating activities in its consolidated statements of cash flows because the cash received from the Purchasers upon both the sale and collection of the receivables is not subject to significant interest rate risk given the short-term nature of the Company’s trade receivables.

Note 20. Legal Proceedings

The Company is routinely involved in a number of actual or threatened legal actions, including those involving alleged personal injuries, employment law, product liability, intellectual property, environmental issues, alleged tax liability (see Note 13 for information on income tax matters), and class actions. The Company also routinely receives inquiries from regulators and other government authorities relating to various aspects of our business, and at any given time, the Company has matters at various stages of resolution. The outcomes of these matters are not within our complete control and may not be known for prolonged periods of time. In some actions, claimants seek damages, as well as other relief including injunctive relief, that could require significant expenditures or result in lost revenues. In accordance with applicable accounting standards, the Company records a liability in its consolidated financial statements for material loss contingencies when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a material loss contingency is reasonably possible but not known or probable, and can be reasonably estimated, the estimated loss or range of loss is disclosed in the notes to the consolidated financial statements. When determining the estimated loss or range of loss, significant judgment is required to estimate the amount and timing of a loss to be recorded. Estimates of probable losses resulting from litigation and governmental proceedings involving the Company are inherently difficult to predict, particularly when the matters are in early procedural stages, with incomplete facts or legal discovery; involve unsubstantiated or indeterminate claims for damages; potentially involve penalties, fines, disgorgement, or punitive damages; or could result in a change in business practice.

The Company has been a party to numerous lawsuits pending in various U.S. state and federal courts arising out of Syngenta Corporation's ("Syngenta") marketing and distribution of genetically modified corn products in the U.S. First, the Company brought a state court action in Louisiana against Syngenta in 2014, alleging Syngenta was negligent in commercializing its products before the products were approved in China. In December 2017, the Company and Syngenta reached a confidential settlement of this action. Second, Syngenta brought third-party claims against the Company in 2015 in a federal multidistrict litigation ("MDL") in Kansas City, Kansas, consolidated state court litigation in Minneapolis, Minnesota, and other courts, seeking contribution in the event Syngenta is held liable in class actions by farmers and other parties. In the December 2017 settlement, Syngenta agreed to dismiss all of these third-party claims against the Company. Third, farmers and other parties have sued the Company and other grain companies in numerous individual and purported class action suits in Illinois state and federal courts beginning in the fourth quarter of 2015, alleging the Company and other grain companies were negligent in failing to screen for genetically modified corn. All of these claims were dismissed, subject to appeal, in several orders entered on August 17, 2016 by the federal court in Minneapolis on January 4, 2017 by the federal court in the Southern District of Illinois, and on August 18, 2017 by a state court in Illinois. Subsequently in 2019, a number of additional plaintiffs filed substantially similar claims against the Company and other grain companies in the same Illinois state court. The Company has filed a motion to apply the court's prior dismissal order to these additional complaints, which motion the court has indicated it will grant upon submission of a proposed order from the parties. Thus, pending the anticipated application of the prior dismissal order to the additional Illinois state court complaints and subject to appeals, the Company will not be a defendant in any remaining actions. The Company denies liability in all of the actions in which it has been named as a defendant or third-party defendant and will vigorously defend itself on appeal in these cases. At this time, the Company is unable to predict the final outcome of this matter with any reasonable degree of certainty, but believes the outcome will not have a material adverse effect on its financial condition, results of operations, or cash flows.

On September 4, 2019, AOT Holding AG ("AOT") filed a putative class action under the U.S. Commodities Exchange Act in federal district court in Urbana, Illinois, alleging that the Company sought to manipulate the benchmark price used to price and settle ethanol derivatives traded on futures exchanges. AOT alleges that members of the putative class suffered "hundreds of millions of dollars in damages" as a result of the Company's alleged actions. The Company filed a motion to dismiss this suit in November 2019, and that motion is awaiting decision by the court. The Company denies liability, and is vigorously defending itself, in this action. As this action is in pretrial proceedings, the Company is unable at this time to predict the final outcome with any reasonable degree of certainty, but believes the outcome will not have a material adverse effect on its financial condition, results of operations, or cash flows.

Note 20. Legal Proceedings, Guarantees, and Commitments (Continued)

On September 5, 2019, D&M Farms, Mark Hasty, and Dustin Land filed a putative class action on behalf of a purported class of peanut farmers under the U.S. federal antitrust laws in federal court in Norfolk, Virginia, alleging that the Company's subsidiary, Golden Peanut, and another peanut shelling company, conspired to fix the price they paid to farmers for raw peanuts. The Company filed a motion to dismiss this suit in October 2019, and that motion is awaiting decision by the court. The Company denies liability, and is vigorously defending itself, in this action. As this action is in pretrial proceedings, the Company is unable at this time to predict the final outcome with any reasonable degree of certainty, but believes the outcome will not have a material adverse effect on its financial condition, results of operations, or cash flows.

Note 21. Quarterly Financial Data (Unaudited)

	Quarter Ended				
	March 31	**June 30**	**September 30**	**December 31**	**Year**
	(In millions, except per share amounts)				
Fiscal Year Ended December 31, 2019					
Revenues	**$ 15,304**	**$ 16,297**	**$ 16,726**	**$ 16,329**	**$ 64,656**
Gross Profit	**928**	**972**	**1,078**	**1,169**	**4,147**
Net Earnings Attributable to Controlling Interests	**233**	**235**	**407**	**504**	**1,379**
Basic Earnings Per Common Share	**0.41**	**0.42**	**0.72**	**0.90**	**2.45**
Diluted Earnings Per Common Share	**0.41**	**0.42**	**0.72**	**0.90**	**2.44**

	Quarter Ended				
	March 31	**June 30**	**September 30**	**December 31**	**Year**
	(In millions, except per share amounts)				
Fiscal Year Ended December 31, 2018					
Revenues	$ 15,526	$ 17,068	$ 15,800	$ 15,947	$ 64,341
Gross Profit	889	1,181	1,058	1,053	4,181
Net Earnings Attributable to Controlling Interests	393	566	536	315	1,810
Basic Earnings Per Common Share	0.70	1.00	0.95	0.56	3.21
Diluted Earnings Per Common Share	0.70	1.00	0.94	0.55	3.19

Net earnings attributable to controlling interest for the first quarter of the year ended December 31, 2019 included after-tax gains of $9 million (equal to $0.02 per share) related to the sale of certain assets and a step-up gain on an equity investment; after-tax charges of $10 million (equal to $0.02 per share) related to the impairment of certain assets and restructuring; after-tax charges of $9 million (equal to $0.02 per share) related to the Neovia acquisition; and a tax expense adjustment of $17 million (equal to $0.03 per share) related to the U.S. tax reform and certain discrete items.

Net earnings attributable to controlling interest for the second quarter of the year ended December 31, 2019 included after-tax charges of $105 million (equal to $0.18 per share) related to the impairment of certain assets, restructuring, and pension remeasurement, and a tax benefit adjustment of $19 million (equal to $0.03 per share) related to the U.S. tax reform and certain discrete items.

Net earnings attributable to controlling interest for the third quarter of the year ended December 31, 2019 included included after-tax charges of $41 million (equal to $0.08 per share) related to the impairment of certain assets, restructuring, and pension settlement, and a tax benefit adjustment of $5 million (equal to $0.01 per share) related to the U.S. tax reform and certain discrete items.

Note 21. Quarterly Financial Data (Unaudited) (Continued)

Net earnings attributable to controlling interest for the fourth quarter of the year ended December 31, 2019 included an after-tax loss of $133 million (equal to $0.24 per share) related to the sale of an equity investment; after-tax charges of $93 million (equal to $0.16 per share) related to impairment of certain assets, restructuring, and pension settlement; after-tax charges of $2 million (equal to $0.00 per share) related to certain acquisitions; and a tax expense adjustment of $46 million (equal to $0.08 per share) related to the U.S. tax reform and certain discrete items.

Net earnings attributable to controlling interests for the first quarter of the year ended December 31, 2018 included after-tax charges of $12 million (equal to $0.02 per share), primarily related to the impairment of an equity investment and several individually insignificant asset impairments and restructuring charges and a $14 million (equal to $0.03 per share) provisional tax benefit adjustment related to the enactment of the Act.

Net earnings attributable to controlling interests for the second quarter of the year ended December 31, 2018 included after-tax charges of $16 million (equal to $0.03 per share), primarily related to the impairment of a long-term financing receivable and several individually insignificant restructuring charges and a $7 million (equal to $0.01 per share) provisional tax expense adjustment related to the enactment of the Act and certain discrete items.

Net earnings attributable to controlling interests for the third quarter of the year ended December 31, 2018 included after-tax gains of $20 million (equal to $0.04 per share) related to the sale of a business and an equity investment and a $3 million (equal to $0.01 per share) provisional tax expense adjustment related to the enactment of the Act.

Net earnings attributable to controlling interests for the fourth quarter of the year ended December 31, 2018 included after-tax losses of $7 million (equal to $0.02 per share), primarily related to the sale of an asset and a business; after-tax charges of $196 million (equal to 0.35 per share), consisting of a non-cash pension settlement charge related to the transfer of future benefit obligations and annuity administration for certain retirees under the Company's ADM Retirement Plan, a charge related to a discontinued software project in Corporate, asset impairments related to certain long-lived assets, restructuring charges primarily related to the reorganization of IT services in Corporate, and other settlement charges; after-tax charges of $9 million (equal to $0.01 per share) related to acquisition expenses and net losses on foreign currency derivative contracts to economically hedge certain acquisitions; and a $29 million (equal to $0.05 per share) provisional tax benefit adjustment related to the enactment of the Act and certain discrete items.

Note 22. Subsequent Events

On January 7, 2020, the Company announced that it acquired Yerbalatina Phytoactives, a natural plant-based extracts and ingredients manufacturer.

In January 2020, the second-level administrative appeal panel found in favor of ADM do Brasil and cancelled the assessments from the BFRS. While it is unclear if the BFRS will appeal, the Company intends to vigorously defend its position against any appeal which could be made to the administrative panel or to a superior tax chamber. The Company expects to know if the ruling will be appealed during the first half of 2020. Based upon the view of external counsel, it is unlikely that the BFRS will be successful in appealing the matter (see Note 13 for more information).

The Board of Directors and Shareholders
Archer-Daniels-Midland Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Archer-Daniels-Midland Company (the Company) as of December 31, 2019 and 2018, and the related consolidated statements of income, comprehensive income (loss), shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2019, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated February 18, 2020, expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Fair Value Basis Adjustments - Inventories Carried at Market and Forward Commodity Contracts

Description of the matter	As explained in Notes 1 and 4 to the financial statements, the estimated fair values for inventories carried at market and forward commodity purchase and sale contracts are based on exchange-quoted prices adjusted for differences in local markets and/or quality, referred to as basis. Market valuations for inventories or fair values for forward commodity purchase and sales contracts are adjusted for location and quality differences (basis) because the exchange-quoted prices represent contracts that have standardized terms for commodity, quantity, future delivery period, delivery location, and commodity quality or grade. The stated fair values as of December 31, 2019 for inventories, commodity contracts in an asset position, and commodity contracts in a liability position were $4,704 million, $478 million and $574 million, respectively. Auditing the estimated fair values for inventories carried at market and forward commodity purchase and sale contracts is complex due to the judgment involved in determining market prices, specifically related to determining the estimated basis adjustment. The basis adjustment is impacted by specific local supply and demand characteristics at each facility and the overall market. Factors such as substitute products, weather, fuel costs, contract terms, and futures prices also impact the basis adjustment.
How we addressed the matter in our audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's determination of the estimated fair values for inventories carried at market and forward commodity purchase and sale contracts. Our tests included controls over the estimation process supporting the basis adjustments. To test the estimated fair values of inventories carried at market and forward commodity purchase and sale contracts, our audit procedures included, among others, evaluating (i) the Company's selection of the principal market, (ii) the inputs for the basis adjustments, and (iii) the completeness and accuracy of the underlying data supporting the basis adjustments. For example, we evaluated management's methodology for determining the basis adjustment such as assessing the principal market identified and sources utilized by management to support the basis adjustment. Specifically, we compared the basis adjustments used by management to broker quotes, trade publications, and/or recent trade prices, including recently executed transactions. Further, we investigated, to the extent necessary, basis adjustments that were inconsistent with third party, available information. Finally, we evaluated the adequacy of the Company's financial statement disclosures related to the estimated fair value of inventories carried at market and forward commodity purchase and sale contracts.

Valuation of Acquired Intangible Assets of Neovia S.A.S. (Neovia)

Description of the matter	On February 1, 2019, the Company completed its acquisition of Neovia for net consideration of $1,692 million, as disclosed in Note 3 to the financial statements. The consideration transferred was allocated to the various assets acquired and liabilities assumed at their estimated fair values as of the acquisition date with the residual of the consideration allocated to goodwill. Auditing the Company's accounting for its acquisition of Neovia was complex due to the significant judgments, estimates and assumptions made by management with respect to intangible assets. Intangible assets related to Neovia were approximately $669 million at December 31, 2019, which principally consisted of trademarks/brands, customer lists, and other intellectual property and were determined primarily using discounted cash flow models. Estimates in the discounted cash flow models include, but are not limited to, certain assumptions that form the basis of the forecasted results (e.g., revenue growth rates, customer attrition rates and royalty rates).
How we addressed the matter in our audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's accounting for the acquisition. Our tests included controls over the estimation process supporting the recognition and measurement of the intangible assets. We also tested management's review of assumptions used in the valuation models. To test the estimated fair values of the intangible assets, we performed audit procedures that included, among others, evaluating (i) the Company's selection of the valuation methodology, (ii) the methods and significant assumptions used by the Company, and (iii) the completeness and accuracy of the underlying data supporting the significant assumptions and estimates. For example, we compared the significant assumptions to historical data and other comparable market data.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1930.

Saint Louis, Missouri
February 18, 2020

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Archer-Daniels-Midland Company

Opinion on Internal Control over Financial Reporting

We have audited Archer-Daniels-Midland Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). In our opinion, Archer-Daniels-Midland Company (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Neovia SAS (Neovia), which is included in the 2019 consolidated financial statements of the Company and constituted approximately 5.3% and 4.3% of total and net assets, respectively, as of December 31, 2019 and 2.8% and 0.1% of revenues and net income, respectively, for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Neovia.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Archer-Daniels-Midland Company as of December 31, 2019 and 2018, and the related consolidated statements of earnings, comprehensive income (loss), shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2), and our report dated February 18, 2020, expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young LLP

Saint Louis, Missouri
February 18, 2020

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

None.

Item 9A. CONTROLS AND PROCEDURES

As of December 31, 2019, an evaluation was performed under the supervision and with the participation of the Company’s management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company’s “disclosure controls and procedures” (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)). Based on that evaluation, the Company’s management, including the Chief Executive Officer and Chief Financial Officer, concluded the Company’s disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

During 2018, the Company launched Readiness to drive new efficiencies and improve the customer experience in the Company’s existing businesses through a combination of data analytics, process simplification and standardization, and behavioral and cultural change, building upon its earlier 1ADM and operational excellence programs. As part of this transformation, the Company is implementing a new enterprise resource planning (“ERP”) system on a worldwide basis, which is expected to occur in phases over the next several years. The Company continues to consider these changes in its design of and testing for effectiveness of internal controls over financial reporting and concluded, as part of the evaluation described in the above paragraph, that the implementation of the new ERP in these circumstances has not materially affected its internal control over financial reporting.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Under the supervision and with the participation of management, including its Chief Executive Officer and Chief Financial Officer, the Company's management assessed the design and operating effectiveness of internal control over financial reporting as of December 31, 2019 based on the framework set forth in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on this assessment, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2019.

Management’s assessment of the effectiveness of the Company's internal control over financial reporting did not include the internal controls of Neovia, which was acquired in the first quarter of 2019. In accordance with the SEC guidance regarding the reporting of internal control over financial reporting in connection with an acquisition, management may omit an assessment of an acquired business’ internal control over financial reporting from management’s assessment of internal control over financial reporting for a period not to exceed one year from the date of acquisition. Neovia is included in the Company's consolidated financial statements and constituted 5.3% and 4.3% of total and net assets, respectively, as of December 31, 2019, and 2.8% and 0.1% of revenues and net earnings, respectively, for the year then ended.

Ernst & Young LLP, an independent registered public accounting firm, has issued an attestation report on the Company’s internal control over financial reporting as of December 31, 2019. That report is included herein.

/s/ Juan R. Luciano	/s/ Ray G. Young
Juan R. Luciano	Ray G. Young
Chairman, Chief Executive Officer, and President	Executive Vice President and Chief Financial Officer

Item 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information with respect to directors, code of conduct, audit committee and audit committee financial experts of the Company, and Section 16(a) beneficial ownership reporting compliance is set forth in "Proposal No. 1 - Election of Directors for a One-Year Term," "Director Experiences, Qualifications, Attributes, and Skills; Board Diversity," "Code of Conduct," "Information Concerning Committees and Meetings – Audit Committee," and "Report of the Audit Committee," of the definitive proxy statement for the Company's annual meeting of stockholders to be held on May 7, 2020 and is incorporated herein by reference.

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

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

Name	Titles	Age
Benjamin I. Bard	Global Chief Compliance Officer since January 2014.	46
Camille Batiste	President, Global Supply Chain since January 2020. President, Nutrition Optimization since June 2019. Vice President, Global Procurement from March 2017 to June 2019. Vice President, Sourcing Operations & Compliance at Honeywell Aerospace from March 2015 to March 2017. Senior Director, Indirect Sourcing at Honeywell Aerospace from May 2013 to March 2015.	48
Veronica L. Braker	Senior Vice President, Global Operations since April 2019. Executive Champion of Global Safety since January 2020. Vice President of Operations - Performance Materials at BASF from April 2017 to March 2019. Head of Operations for North America - Performance Materials at BASF from January 2014 to April 2017.	52
Christopher M. Cuddy	Senior Vice President of the Company since May 2015. President, Carbohydrate Solutions business unit since March 2015. President, Corn Sweeteners and Starches from December 2012 to February 2015.	46
Michael D'Ambrose	Senior Vice President, Human Resources since October 2006.	62
Pierre-Christophe Duprat	President, Animal Nutrition since August 2018. President, ADM Europe, Middle East, and Africa (EMEA) from June 2016 to August 2018. President, ADM Corn EMEA and Asia since November 2015. Director, International Business Development - Corn from February 2014 to November 2015.	52
D. Cameron Findlay	Senior Vice President, General Counsel, and Secretary since July 2013.	60
Kristy Folkwein	Senior Vice President of the Company since March 2018. Chief Technology Officer since January 2020. Chief Information Officer from March 2018 to January 2020. Vice President and Chief Information Officer from June 2016 to March 2018. Senior Vice President and Chief Information Officer, Global Business Services at Dow Corning from June 2010 to June 2016.	57
Leticia Goncalves	President, Global Specialty Ingredients since January 2020. Senior Vice President and U.S. Division Head at Bayer from September 2018 to January 2020. President, Europe and Middle East at Monsanto from August 2014 to August 2018.	45
Shannon Herzfeld	Vice President of the Company since February 2005, with responsibility for the Company's Government Affairs function.	67
Domingo Lastra	President, South America since July 2017. Vice President, Integration and Strategy from March 2016 to July 2017. Managing Director, Agricultural Services International from June 2014 to February 2016.	51
Patricia L. Logan	Chief Audit Executive since August 2014.	60
Juan R. Luciano	Chairman of the Board of Directors since January 2016. Chief Executive Officer and President since January 2015.	58

Vikram Luthar	Senior Vice President of the Company since March 2015. Chief Financial Officer, Nutrition since January 2020. President, Health & Wellness from March 2018 to January 2020. President, Bioactives from February 2017 to March 2018. President, Enzymes from December 2015 to February 2017. CFO, Corn Processing business unit from March 2014 to February 2017. Senior Vice President, Strategy from March 2015 to December 2015. Group Vice President, Finance from January 2012 to March 2015.	53
Vincent F. Macciocchi	Senior Vice President of the Company and President, Nutrition business unit since May 2015. Chief Sales and Marketing Officer since January 2020. Global President, WILD Flavors from October 2014 until May 2015.	54
Gregory A. Morris	Senior Vice President of the Company since November 2014. President, Ag Services & Oilseeds business unit since July 2019. President, Global Oilseeds Processing business unit from May 2015 to June 2019. President, WILD Flavors and Specialty Ingredients business unit from October 2014 to May 2015.	48
Ian Pinner	Senior Vice President of the Company since January 2020. Chief Strategy and Innovation Officer and President, Health and Wellness since January 2020. Vice President, Growth and Strategy from August 2018 to January 2020. Chief Growth Officer from July 2017 to August 2018. President, Southeast Asia and Global Destination Marketing from December 2015 to July 2017. President, Global Cocoa from June 2014 to December 2015.	47
Ismael Roig	Senior Vice President of the Company since December 2015. President, ADM Europe, Middle East, and Africa (EMEA) since August 2018. Chief Strategy Officer from December 2015 to August 2018. Chief Sustainability Officer since May 2015. Vice President of the Company from December 2004 until December 2015. President, Asia Pacific from August 2011 to December 2015.	52
John P. Stott	Group Vice President, Finance and Corporate Controller since August 2014.	52
Joseph D. Taets	Senior Vice President of the Company since August 2011. Executive Champion for Quality and Food Safety since January 2020. President, Global Business Readiness since March 2018. President, Agricultural business unit from August 2011 to March 2018. President, ADM Europe, Middle East, and Africa (EMEA) from August 2013 to June 2016.	54
Thuy-Nga T. Vo	Chief Counsel, Corporate, Securities, and Mergers and Acquisitions and Assistant Secretary since January 2017. Chief Counsel, Mergers and Acquisitions from May 2013 to January 2017.	55
Todd Werpy	Senior Vice President and Chief Science Officer since January 2020. Senior Vice President and Chief Technology Officer from March 2015 to January 2020.	57
Ray G. Young	Executive Vice President of the Company since March 2015. Senior Vice President of the Company from November 2010 to March 2015. Chief Financial Officer since December 2010.	58

Item 11. EXECUTIVE COMPENSATION

Information responsive to this Item is set forth in “Compensation Discussion and Analysis,” “Compensation/Succession Committee Report,” “Compensation/Succession Committee Interlocks and Insider Participation,” “Summary Compensation Table,” “Grants of Plan-Based Awards During Fiscal Year 2019,” “Outstanding Equity Awards at Fiscal Year 2019 Year-End,” “Option Exercises and Stock Vested During Fiscal Year 2019,” “Pension Benefits,” “Nonqualified Deferred Compensation,” “Termination of Employment and Change-in-Control Arrangements,” “CEO Pay Ratio,” and “Director Compensation” of the definitive proxy statement for the Company’s annual meeting of stockholders to be held on May 7, 2020, and is incorporated herein by reference.

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

Information responsive to this Item is set forth in “Principal Holders of Voting Securities,” “Proposal No. 1 - Election of Directors for a One-Year Term,” “Executive Officer Stock Ownership,” and “Equity Compensation Plan Information at December 31, 2019” of the definitive proxy statement for the Company’s annual meeting of stockholders to be held on May 7, 2020, and is incorporated herein by reference.

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

Information responsive to this Item is set forth in “Certain Relationships and Related Transactions,” “Review and Approval of Certain Relationships and Related Transactions,” and “Independence of Directors” of the definitive proxy statement for the Company’s annual meeting of stockholders to be held on May 7, 2020, and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information responsive to this Item is set forth in “Fees Paid to Independent Auditors” and “Audit Committee Pre-Approval Policies” of the definitive proxy statement for the Company’s annual meeting of stockholders to be held on May 7, 2020, and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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

(a)(2) Financial statement schedules

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

(In millions)	Beginning of Year Balance	Additions	Deductions [1]	Other [2]	End of Year Balance
Allowance for doubtful accounts					
December 31, 2017	$ 72	3	(6)	4	$ 73
December 31, 2018	$ 73	44	(26)	(7)	$ 84
December 31, 2019	$ 84	26	(19)	19	$ 110

[1] Uncollectible accounts written off

[2] Impact of reclassifications, foreign exchange translation, and other adjustments

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

(a)(3) List of exhibits

(3) (i) Composite Certificate of Incorporation, as amended (incorporated by reference to Exhibit (3)(i) to the Company's Form 10-Q for the quarter ended September 30, 2001 (File No. 1-44)).

(ii) Bylaws, as amended through May 1, 2019 (incorporated by reference to Exhibit 3.ii to the Company's Form 8-K filed on May 7, 2019 (File No. 1-44)).

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

(i) Description of Securities of Registrant

(ii) Indenture, dated as of June 1, 1986, by and between the Company and The Bank of New York Mellon (successor to JPMorgan Chase, The Chase Manhattan Bank, Chemical Bank, and Manufacturers Hanover Trust Company), as Trustee (incorporated by reference to Exhibit 4(a) to the Company's Registration Statement on Form S-3 (File No. 33-6721)), as amended and supplemented by Supplemental Indenture, dated as of August 1, 1989, by and between the Company and The Bank of New York Mellon (successor to JPMorgan Chase, The Chase Manhattan Bank, Chemical Bank and Manufacturers Hanover Trust Company), as Trustee (incorporated by reference to Exhibit 4(c) to Post Effective Amendment No. 3 to the Company's Registration Statement on Form S-3 (No. 33-6721)), relating to:

the $350,000,000 – 7 1/2% Debentures due March 15, 2027,
the $200,000,000 – 6 3/4% Debentures due December 15, 2027,
the $300,000,000 – 6 5/8% Debentures due May 1, 2029,
the $400,000,000 – 7% Debentures due February 1, 2031,
the $500,000,000 – 5.935% Debentures due October 1, 2032,
the $600,000,000 – 5.375% Debentures due September 15, 2035, and
the $250,000,000 – 6.95% Debentures due December 15, 2097.

(iii) Indenture, dated as of September 20, 2006, by and between the Company and The Bank of New York Mellon, as successor to JPMorgan Chase Bank, N.A., as Trustee (incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-3 (File No. 333-137541)), as amended and supplemented by First Supplemental Indenture, dated as of June 3, 2008, by and between the Company and The Bank of New York Mellon (formerly known as The Bank of New York) (incorporated by reference to Exhibit 4.6 to the Company's Current Report on Form 8-K filed on June 3, 2008 (File No. 1-44)), Second Supplemental Indenture, dated as of November 29, 2010, by and between the Company and The Bank of New York Mellon (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on November 30, 2010 (File No. 1-44)), and Third Supplemental Indenture, dated as of April 4, 2011, between the Company and The Bank of New York Mellon (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on April 8, 2011 (File No. 1-44)), relating to:

the \$500,000,000 – 6.45% Debentures due January 15, 2038,
the \$750,000,000 – 4.479% Notes due March 1, 2021,
the \$1,000,000,000 – 5.765% Debentures due March 1, 2041, and
the \$527,688,000 – 4.535% Debentures due March 26, 2042.

(iv) Indenture, dated as of October 16, 2012, by and between the Company and The Bank of New York Mellon, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 17, 2012 (File No. 1-44)), relating to:

the \$570,425,000 – 4.016% Debentures due April 16, 2043,
the €600,000,000 – 1.750% Notes due June 23, 2023,
the \$1,000,000,000 – 2.500% Notes due August 11, 2026,
the \$500,000,000 – 3.750% Notes due September 15, 2047,
the €650,000,000 – 1.00% Notes due September 12, 2025,
the \$400,000,000 – 3.375% Notes due March 15, 2022, and
the \$600,000,000 – 4.500% Notes due March 15, 2049.

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

(10) Copies of the Company’s equity compensation plans, deferred compensation plans and agreements with executive officers are incorporated herein by reference pursuant to Instruction (b)(10)(iii)(A) to Item 601 of Regulation S-K, each of which is a management contract or compensation plan or arrangement required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K, as follows:

(i) The Archer-Daniels-Midland Company Deferred Compensation Plan for Selected Management Employees I, as amended (incorporated by reference to Exhibit 10(iii) to the Company’s Annual Report on Form 10-K for the year ended June 30, 2010 (File No. 1-44)).

(ii) The Archer-Daniels-Midland Company Deferred Compensation Plan for Selected Management Employees II, as amended and restated (incorporated by reference to Exhibit 10(ii) to the Company’s Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 1-44)).

(iii) The Archer-Daniels-Midland Company Supplemental Retirement Plan, as amended and restated (incorporated by reference to Exhibit 10(vi) to the Company’s Annual Report on Form 10-K for the year ended June 30, 2010 (File No. 1-44)).

(iv) Second Amendment to ADM Supplemental Retirement Plan (incorporated by reference to Exhibit 10.1 to the Company’s Quarterly Report on Form 10-Q for the quarter ended December 31, 2010 (File No. 1-44)).

(v) The Archer-Daniels-Midland Company Amended and Restated Stock Unit Plan for Nonemployee Directors, as amended (incorporated by reference to Exhibit 10(v) to the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 (File No. 1-44)).

(vi) The Archer-Daniels-Midland 2002 Incentive Compensation Plan (incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement filed on September 25, 2002 (File No. 1-44)).

(vii) Form of Stock Option Agreement under the Company's 2002 Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (File No. 1-44)).

(viii) Form of Restricted Stock Agreement under the Company's 2002 Incentive Compensation Plan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 (File No. 1-44)).

(ix) Form of Performance Share Unit Award Agreement under the Company's 2002 Incentive Compensative Plan (incorporated by reference to Exhibit 10(xii) to the Company's Annual Report on Form 10-K for the year ended June 30, 2010 (File No. 1-44)).

(x) Form of Restricted Stock Unit Award Agreement under the Company's 2002 Incentive Compensation Plan (incorporated by reference to Exhibit 10(xiii) to the Company's Annual Report on Form 10-K for the year ended June 30, 2010 (File No. 1-44)).

(xi) The Archer-Daniels-Midland Company 2009 Incentive Compensation Plan (incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement filed on September 25, 2009 (File No. 1-44)).

(xii) Form of Stock Option Agreement for U.S. Employees under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10(i) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (File No. 1-44)).

(xiii) Form of Restricted Stock Unit Award Agreement for U.S. Employees under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10(ii) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (File No. 1-44)).

(xiv) Form of Stock Option Agreement for Named Executive Officers under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10(iii) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (File No. 1-44)).

(xv) Form of Restricted Stock Unit Award Agreement for Named Executive Officers under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10(iv) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (File No. 1-44)).

(xvi) Form of Stock Option Agreement for International Employees under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10(v) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (File No. 1-44)).

(xvii) Form of Restricted Stock Unit Award Agreement for International Employees under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10(vi) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (File No. 1-44)).

(xviii) Form of Performance Share Unit Award Agreement under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10(vii) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 (File No. 1-44)).

(xix) Form of Performance Share Unit Award Agreement under the Company's 2009 Incentive Compensation Plan for grant to J. Luciano (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 25, 2011 (File No. 1-44)).

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES (Continued)

(xx) Form of Nonqualified Stock Option Award Agreement for Executive Officers under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 (File No. 1-44)).

(xxi) Form of Nonqualified Stock Option Award Agreement for U.S. Employees under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 (File No. 1-44)).

(xxii) Form of Restricted Stock Unit Award Agreement for Executive Officers under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 (File No. 1-44)).

(xxiii) Form of Restricted Stock Unit Award Agreement for U.S. Employees under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 (File No. 1-44)).

(xxiv) Form of Restricted Stock Unit Award Agreement under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (File No. 1-44)).

(xxv) Form of Performance Share Unit Award Agreement under the Company's 2009 Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (File No. 1-44)).

(xxvi) ADM Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-8 filed on May 15, 2018 (File No. 333-224944)).

(21) Subsidiaries of the Company.

(23) Consent of Independent Registered Public Accounting Firm.

(24) Powers of Attorney.

(31.1) Certification of Chief Executive Officer pursuant to Rule 13a–14(a) and Rule 15d–14(a) of the Securities Exchange Act of 1934, as amended.

(31.2) Certification of Chief Financial Officer pursuant to Rule 13a–14(a) and Rule 15d–14(a) of the Securities Exchange Act of 1934, as amended.

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

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

(101) Interactive Data File.

(104) Cover Page Interactive Data File (formatted as Inline XBRL and incorporated by reference to Exhibit 101)

Item 16. Form 10-K Summary

Not Applicable.

SIGNATURES

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

Date: February 18, 2020

ARCHER-DANIELS-MIDLAND COMPANY

By: /s/ D. C. Findlay
D. C. Findlay
Senior Vice President, General Counsel
and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on February 18, 2020, by the following persons on behalf of the Registrant and in the capacities indicated.

/s/ J. R. Luciano
J. R. Luciano*,
Chairman, Chief Executive Officer,
President, and Director
(Principal Executive Officer)

/s/ R. G. Young
R. G. Young
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/ J. P. Stott
J. P. Stott
Group Vice President, Finance and
Corporate Controller
(Principal Accounting Officer)

/s/ M.S. Burke
M. S. Burke*,
Director

/s/ T. K. Crews
T. K. Crews*,
Director

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

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

/s/ S. F. Harrison
S. F. Harrison*,
Director

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

/s/ F. J. Sanchez
F. J. Sanchez*,
Director

/s/ D. A. Sandler
D. A. Sandler*,
Director

/s/ L. Z. Schlitz
L. Z. Schlitz*,
Director

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

/s/ D. C. Findlay
D. C. Findlay
Attorney-in-Fact

*Powers of Attorney authorizing R. G. Young, J. P. Stott, and D. C. Findlay, and each of them, to sign the Form 10-K on behalf of the above-named officers and directors of the Company, copies of which are being filed with the Securities and Exchange Commission.

STOCKHOLDER INFORMATION

Stock Exchange
ADM common stock is listed and traded on the New York Stock Exchange.
Ticker Symbol: ADM.

Transfer Agent and Registrar
Hickory Point Bank and Trust, fsb
225 N. Water Street, Suite 300
Decatur, IL 62523
888-740-5512

Independent Auditors
Ernst & Young L.L.P., St. Louis, MO

The Annual Meeting of Stockholders of the Company will be held on **Thursday, May 7, 2020, commencing at 8:30 a.m. Central Daylight Time.** The Annual Meeting will be a completely virtual meeting of stockholders, which may be attended via the internet by visiting www.virtualshareholdermeeting.com/ADM2020. Proxies will be requested by Management on or about March 25, 2020, at which time a Notice of Internet Availability of Proxy Materials or, for those who do not receive a Notice, a Proxy Statement, 2019 Annual Report on Form 10-K, and Form of Proxy, will be sent to Stockholders.

SAFE HARBOR STATEMENT

This annual report contains forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995 that is subject to certain risks and uncertainties that could cause actual results to differ materially from those projected, expressed, or implied by such forward-looking information. Risks and uncertainties that could cause or contribute to such differences include, but are not limited to, those discussed in Item 1A, "Risk Factors" included in our Form 10-K for the year ended December 31, 2019, as may be updated in our subsequent Quarterly Reports on Form 10-Q. To the extent permitted under applicable law, the Company assumes no obligation to update any forward-looking statements as a result of new information or future events.

MAILING ADDRESS

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