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

AMENDMENT NO. 1 TO ARCHER-DANIELS-MIDLAND COMPANY PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD THURSDAY, MAY 3, 2018

EXPLANATORY NOTE

This Amendment No. 1 to Schedule 14A ("Amendment No. 1") is being filed to amend Archer-Daniels-Midland Company's definitive proxy statement for its Annual Meeting of Stockholders to be held on Thursday, May 3, 2018 (the "Proxy Statement"), which was filed with the Securities and Exchange Commission on March 23, 2018, in order to correct an error to Juan R. Luciano's compensation set forth in the "Proxy Summary" section on page 1 of the Proxy Statement. All other items of the Proxy Statement are incorporated herein by reference without changes. Except as specifically discussed in this Explanatory Note, this Amendment No. 1 does not otherwise modify or update any other disclosures presented in the Proxy Statement. In addition, this Amendment No. 1 does not reflect events occurring after the date of the Proxy Statement or modify or update disclosures that may have been affected by subsequent events.

CHANGE TO PROXY STATEMENT

The "Executive Compensation" subsection of the "Proxy Summary" section on page 1 of the Proxy Statement is amended as follows:

Executive Compensation
See pages 37–47

CEO: Juan R. Luciano
CEO 2017 TOTAL DIRECT COMPENSATION:
- Salary: $1,300,008
- Non-Equity Incentive Plan Compensation: $2,251,600
- Long-Term Incentives: $12,166,416

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

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 3, 2018:

THIS AMENDMENT NO. 1, THE PROXY STATEMENT AND ANNUAL REPORT TO STOCKHOLDERS ARE AVAILABLE AT https://www.proxy-direct.com/MeetingDocuments/29653/ARCHER-DANIELS-MIDLAND.pdf.

ARCHER DANIELS MIDLAND COMPANY

2018 Letter to Stockholders
Proxy Statement
2017 Form 10-K

Dear Stockholders,

ADM works to grow earnings and returns by anticipating and meeting trends in demand for basic foods, ingredients, food solutions that promote health and wellness, and renewable fuels and chemicals.

Our three-part strategy for achieving those goals — **enhancing our core**; **advancing Readiness**, the evolution of our operational excellence efforts; and **growing strategically**, particularly in the areas of our value chain that are closer to the end customer — continues to drive the company's long-term vision and our ability to deliver strong results for shareholders.

In 2017, ADM delivered adjusted earnings of $2.43 per share, compared with $2.16 in the prior year — a 12.5 percent increase. We also improved our trailing four-quarter average adjusted return on invested capital (ROIC) to 6.4 percent — 40 basis points above our annual weighted average cost of capital (WACC) of 6.0 percent.

This performance enabled us to generate positive economic value added, or EVA, of almost $100 million on a four-quarter trailing average basis during the year. At the same time, we returned $1.5 billion to shareholders in 2017 as part of a balanced capital-allocation framework that also provides for investments in long-term value creation. Much of that amount came in the form of shareholder dividends. The fourth quarter of 2017 was our 345th consecutive quarterly payment, or 86 uninterrupted years of dividends.

Following are highlights of the year's key strategic accomplishments:

- **Enhancing our core.** Our work to optimize our portfolio of existing businesses resulted in significant volume growth in our specialty oils business; operating profit growth of more than 25 percent in our WILD Flavors business; and year-over-year volume growth of more than 20 percent for our destination-marketing business.

  We also continued to manage our asset portfolio to maximize returns, including the sale of our Crop Risk Services business and the agreement to sell our oilseeds crushing operations in Bolivia.

- **Improving our cost structure through Readiness.** Readiness is a multiyear initiative combining lean manufacturing, process standardization and digital design. Its objectives are to lower costs and enable consistently great customer experiences. In 2017, we achieved $285 million in run-rate cost savings, and we will continue improving efficiency and reducing costs by leveraging technology to help save hundreds of millions of additional dollars.

- **Growing strategically by building out our integrated value chain in EMEA.** Our acquisitions of Chamtor — a French company that produces sweeteners from wheat — and Biopolis, the Valencia, Spain-based probiotics manufacturer, have increased our participation in the regional markets for sweeteners, starches and bioactives. We grew our destination marketing business in the Middle East with the acquisition of a majority stake in Israel's Industries Centers, and in early 2018, we announced the formation of a joint venture with Cargill to provide soybean meal and oil for customers in Egypt.

  We also continued using the increased flex-crush capacity at our German oilseeds facilities to crush non-GMO soybeans to meet the region's growing demand. And in March of this year, we announced an agreement to acquire a 50 percent equity stake in the sweeteners and starches business of Russia-based Aston Foods and Food Ingredients, a move that will allow us to address the Russian food and beverage industry's growing ingredient needs. We are also investing to move closer to customers to help them lead in fast-growing market segments, including natural flavors and colors, plant-based proteins, ancient grains and soluble fiber.

2018 outlook

As we did last year, we are pulling the levers under our control in 2018 to drive results, even as “green shoots” of improving business conditions continue to emerge in various segments. Our emphasis is on optimizing our existing businesses, and on reducing run-rate costs by an additional $200 million through Readiness. We will accelerate Readiness in 2018, with initiatives including:

- The continued rollout of 1ADM, our business transformation project that is helping standardize processes and systems, improve decision-making, and control costs.
- Driving energy-efficiency projects with high-efficiency motors, low-energy evaporation technologies and low-energy mixing technology.
- Broadening our Performance Excellence initiative — a rigorous program that is empowering, engaging and enabling front-line colleagues to help improve and standardize processes throughout the business.

We also will benefit from several of our largest recent investments — including our Campo Grande, Brazil, specialty proteins complex — ramping up production in 2018.

Leading with a clear purpose

As a premier global agribusiness and food-ingredient provider, ADM plays a critical role in feeding a protein-hungry world whose population will surpass 9.5 billion by the middle of this century. At the same time, our mission has evolved to include providing better nutrition for consumers worldwide, which has a positive impact on people’s quality of life.

To fulfill these commitments to our customers, their consumers and society at-large, we will pursue growth in five key platforms that we believe hold great potential to drive stronger earnings and returns. They are:

- **Taste**: We’ve already seen tremendous growth in the WILD Flavors business we acquired in 2014. Going forward, we will advance our product-innovation work, broaden our foodservice and private-label customer base, and work to replicate our regional strengths — such as the culinary capabilities we’ve built in North America following our 2015 acquisition of Eatem Foods — on a global scale. We also plan to continue expanding our network of innovation centers, which enable us to collaborate with customers on new-product development and reformulations. We opened one facility in Sydney in 2017 and another in Singapore in January 2018, following on the Cranbury, New Jersey, center we opened in 2016.
- **Nutrition**: In addition to accelerating sales from the Campo Grande specialty proteins complex, we see opportunities to leverage our existing strengths in proteins, fibers, edible beans and other food ingredients to develop new products and services that help our customers respond effectively to changing consumer preferences.
- **Animal Nutrition**: As global meat consumption continues to increase, we will serve as a leading provider of high-quality animal nutrition products for livestock and aquaculture producers, as well as for companion-animal owners. With that goal in mind, last year we acquired the pet-treat manufacturer Crosswind Industries, Inc., completed our latest feed-premix facility in Zhangzhou, China, and announced plans to construct another premix plant in Xiangtan, China. We also added aquaculture feed production lines at our existing Nanjing, China, complex.
- **Bioactives**: Science’s understanding of the human and animal gut microbiomes continues to deepen, which provides ADM with an opportunity to build a portfolio of prebiotics and probiotics, personalized nutrition solutions and animal-health enzymes that address fast-growing demand across the food and beverage, personal care, infant care and pharmaceutical segments. Last year’s acquisition of Biopolis gave us a strong presence in this sector, and our subsequent announcement of a joint research partnership with the Mayo Clinic centered on weight loss could result in findings with broad implications for human health and wellness. Meanwhile, in January 2018, we announced a joint development agreement with Qingdao Vland Biotech Group Co., Ltd., for the development and commercialization of enzymes for animal feed applications. And later this year, we will open a new enzyme lab in Davis, California, to support additional research and commercialization efforts.
- **Carbohydrates**: With a view to growing our industrial, food and specialty-starch portfolios, we will create a broader carbohydrate platform with significant growth potential. Our acquisition of Chamtor, our launch of new sweeteners made from stevia and monk fruit, and the continued success of the former Eaststarch sweetener operations in Eastern Europe illustrate just some of the possibilities.

Safety, Sustainability and Service to Our Communities

The health and safety of our 31,000 colleagues around the globe will always be our highest priority. The fourth quarter of 2017 was ADM's single safest three-month period on record, and we set three monthly safety records during the calendar year.

Also ongoing is our work to strengthen our environmental performance and the integrity of our supply chain. In May, we reported that ADM had reduced energy intensity by 25 percent and emissions by 11 percent on a per-unit-of-production basis since 2010; water usage declined nearly 25 percent on the same basis since 2008. In keeping with the commitments set forth in the no-deforestation policy we adopted in 2015, we reported achieving 98 percent traceability in our palm oil supply chain; 95.5 percent traceability for palm kernel oil; and 99 percent traceability to the municipality/district level for our soybean supply chain.

Because we believe that a key success factor for businesses is an inclusive culture and a diverse workforce, ADM founded and currently leads Together We Grow, a cross-functional council representing industry, academia, NGOs and legislative bodies that are working to grow the pipeline of diverse talent within the agricultural industry. We also are a member of CEO Action for Diversity & Inclusion, a CEO-led collaboration to cultivate workplaces that are both diverse and inclusive. Companywide, we continue to invest in colleague development to further enhance our team's capabilities and build our base of talent for the future.

As we move further into 2018, I am proud of our 31,000 colleagues' dedication and sense of responsibility for delivering the best performance possible. Their perseverance, customer focus and commitment to excellence in all they do was evident throughout 2017, and I am confident we will have many more positive developments to write about next year at this time.

Sincerely,

Juan R. Luciano
Chairman, CEO and President

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* 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 refer to Annex A to the enclosed proxy statement and page 32 of the enclosed Form 10-K.

ADM

ARCHER DANIELS MIDLAND COMPANY

2018 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 at the JAMES R. RANDALL RESEARCH CENTER located at 1001 Brush College Road, Decatur, Illinois, on Thursday, May 3, 2018, commencing at 8:30 A.M., for the following purposes:

(1) To elect directors to hold office until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified;

(2) To ratify the appointment by the Board of Directors of Ernst & Young LLP as independent auditors to audit the accounts of our company for the fiscal year ending December 31, 2018;

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

(4) To approve the material terms of the ADM Employee Stock Purchase Plan;

(5) To consider and act upon the stockholder's proposal regarding an independent board chairman set forth in the accompanying proxy statement; and

(6) 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 23, 2018

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 3, 2018: THE PROXY STATEMENT AND ANNUAL REPORT TO STOCKHOLDERS ARE AVAILABLE AT https://www.proxy-direct.com/MeetingDocuments/29653/ARCHER-DANIELS-MIDLAND.pdf.

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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 2017 Annual Report on Form 10-K.

General Information

See pages 4–5

Meeting: Annual Meeting of Stockholders
Date: Thursday, May 3, 2018
Time: 8:30 A.M.
Location: JAMES R. RANDALL RESEARCH CENTER, 1001 Brush College Road, Decatur, Illinois
Record Date: March 12, 2018
Stock Symbol: ADM
Exchange: NYSE
Common Stock Outstanding: 558,872,570 as of March 12, 2018
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 37–47

CEO: Juan R. Luciano

CEO 2017 TOTAL DIRECT COMPENSATION:

- Salary: $1,300,008
- Non-Equity Incentive Plan Compensation: $12,166,416
- Long-Term Incentives: $2,251,600

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

Other Items to Be Voted On

See pages 53–60

Ratification of Appointment of Independent Registered Public Accounting Firm (Ernst & Young LLP)
Advisory Vote on Executive Compensation
Approval of the ADM Employee Stock Purchase Plan
Consideration and Action Upon the Stockholder's Proposal Regarding Independent Board Chairman

Corporate Governance

See pages 11–19

Director Nominees: 12

- Alan L. Boeckmann (Independent)
- 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)
- Daniel T. Shih (Independent)
- Kelvin R. Westbrook (Independent)

Director Term: One year
Director Election Standard: Majority voting standard for uncontested elections
Board Meetings in 2017: 10
Standing Board Committees (Meetings in 2017):

- Audit (9)
- Compensation/Succession (4)
- Nominating/Corporate Governance (4)

Supermajority Voting Requirements: No
Stockholder Rights Plan: No

GOVERNANCE HIGHLIGHTS

Our 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 others. 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, and Nominating/Corporate Governance 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 11. We recently enhanced the Lead Director's responsibilities, as described on page 11.	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 our Board.	Individuals cannot stand for election as a director once they reach age 75, and our Corporate Governance Guidelines set forth limits on the number of for-profit 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.

DIRECTOR NOMINEE QUALIFICATIONS AND EXPERIENCE

The following chart provides summary information about each of our director nominees' skills and experiences. More detailed information is provided in each director nominee's biography beginning on page 7.

Director Nominee	Current or Recent CEO	Non-U.S. Experience	Risk Management Experience	M&A Experience	Government/ Public Policy Experience	Agriculture or Food Industry Experience	Corporate Governance Experience
A. L. Boeckmann	x	x	x	x		x	x
M. S. Burke	x	x	x	x			x
T. K. Crews		x	x	x		x	
P. Dufour		x	x	x			x
D. E. Felsinger	x	x	x	x			x
S. F. Harrison		x		x			
J. R. Luciano	x	x	x	x		x	x
P. J. Moore	x	x		x	x		x
F. J. Sanchez		x			x		
D. A. Sandler		x		x		x	
D. T. Shih		x	x	x	x		
K. R. Westbrook	x			x	x		x

PROXY SUMMARY

VOTING MATTERS AND BOARD RECOMMENDATIONS

Proposal	Board Voting Recommendation	Page Reference
Proposal No. 1 — Election of Directors	FOR	6
Proposal No. 2 — Ratification of Appointment of Independent Registered Public Accounting Firm	FOR	53
Proposal No. 3 — Advisory Vote on Executive Compensation	FOR	54
Proposal No. 4 — Approval of the ADM Employee Stock Purchase Plan	FOR	55
Proposal No. 5 — Consideration and Action Upon the Stockholder's Proposal Regarding Independent Board Chairman	AGAINST	58

PROXY STATEMENT

General Matters

Our Board of Directors asks that you complete the accompanying proxy for the annual stockholders' meeting. The meeting will be held at the time, place, and location mentioned in the Notice of Annual Meeting included in these materials. This year, 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 2017 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. 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 23, 2018.

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 12, 2018, are the only people entitled to notice of the annual meeting and to vote at the meeting. At the close of business on March 12, 2018, we had 558,872,570 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.

All stockholders will need a form of photo identification to attend the annual meeting. If you are a stockholder of record and plan to attend, please detach the admission ticket from the top of your proxy card and bring it with you to the meeting. The number of people we will admit to the meeting will be determined by how the shares are registered, as indicated on the admission ticket. If you are a stockholder whose shares are held by a broker, bank, or other nominee, please request an admission ticket by writing to our office at Archer-Daniels-Midland Company, Investor Relations, 4666 Faries Parkway, Decatur, Illinois 62526-5666. Your letter to our office must include evidence of your stock ownership. You can obtain evidence of ownership from your broker, bank, or nominee. The number of tickets that we send will be determined by the manner in which shares are registered. If your request is received by April 19, 2018, an admission ticket will be mailed to you. Entities such as a corporation or limited liability company that are stockholders may send one representative to the annual meeting, and the representative should have a pre-existing relationship with the entity represented. All other admission tickets can be obtained at the registration table located at the James R. Randall Research Center lobby beginning at 7:30 A.M. on the day of the meeting. Stockholders who do not pre-register will be admitted to the meeting only upon verification of stock ownership.

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

Any request to deviate from the admittance guidelines described above must be in writing, addressed to our office at Archer-Daniels-Midland Company, Attention: Secretary, 77 West Wacker Drive, Suite 4600, Chicago, Illinois 60601, and received by us by April 19, 2018. We will also have personnel in the lobby of the James R. Randall Research Center beginning at 7:30 A.M. on the day of the meeting to consider special requests.

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

(1) delivering written notice of revocation to our Secretary;

(2) delivering to our Secretary a new proxy form bearing a date later than your previous proxy; or

(3) attending the meeting and voting in person (attendance at the meeting will not, by itself, revoke a proxy).

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

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 in person 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 know that the following stockholders are beneficial owners of more than 5% of our outstanding common stock shares:

Name and Address of Beneficial Owner	Amount	Percent Of Class
State Farm Mutual Automobile Insurance Company and related entities One State Farm Plaza, Bloomington, IL 61710	56,569,961(1)	10.12
The Vanguard Group 100 Vanguard Blvd., Malvern, PA 19355	44,808,924(2)	8.01
BlackRock, Inc. 55 East 52nd Street, New York, NY 10055	41,953,714(3)	7.51
State Street Corporation One Lincoln Street, Boston, MA 02111	32,600,161(4)	5.83

(1) Based on a Schedule 13G filed with the SEC on February 8, 2018, State Farm Mutual Automobile Insurance Company and related entities have sole voting and dispositive power with respect to 56,294,742 shares and shared voting and dispositive power with respect to 275,219 shares.

(2) Based on a Schedule 13G/A filed with the SEC on February 12, 2018, The Vanguard Group has sole voting power with respect to 791,706 shares, sole dispositive power with respect to 43,910,516 shares, shared voting power with respect to 132,079 shares, and shared dispositive power with respect to 898,408 shares.

(3) Based on a Schedule 13G/A filed with the SEC on February 8, 2018, BlackRock, Inc. has sole voting power with respect to34,400,114 shares and sole dispositive power with respect to 41,953,714 shares.

(4) Based on a Schedule 13G filed with the SEC on February 13, 2018, State Street Corporation has shared voting and dispositive power with respect to 32,600,161 shares.

PROPOSAL NO. 1 — ELECTION OF DIRECTORS FOR A ONE-YEAR TERM

Our Board of Directors has fixed the size of the current board at twelve. Eleven of the twelve nominees proposed for election to our Board of Directors are currently members of our Board and have been elected previously by our stockholders. The new nominee for election is Michael S. Burke. Mr. Burke was identified by the Nominating/Corporate Governance Committee as a potential nominee, with assistance from a third-party search firm retained to identify director candidates, and was recommended by the Nominating/Corporate Governance Committee after it completed its interview and vetting process. 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 12, 2018, 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 twelve nominees named below as directors. Proxies solicited by the Board will be so voted unless stockholders specify a different choice.

PROPOSAL NO. 1 — ELECTION OF DIRECTORS

Alan L. Boeckmann

Age: 69
Director since: 2012
Common stock owned: 37,571(1)
Percent of class: *
Former Principal Occupation or Position: Non-Executive Chairman of Fluor Corporation (an engineering and construction firm) from 2011 – February 2012; Chairman and Chief Executive Officer of Fluor Corporation from 2002 – 2011.
Directorships of Other Publicly-Owned Companies: Director of Sempra Energy and BP p.l.c.

Qualifications and Career Highlights:

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

Michael S. Burke

Age: 54
Director since: –
Common stock owned: 0
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 since March 2014; President of AECOM from 2011 to March 2014.
Directorships of Other Publicly-Owned Companies: Chairman of AECOM; Director of Rentech Inc. and Rentech Nitrogen Fertilizer MLP within the past five years.

Qualifications and Career Highlights:

Mr. Burke was appointed 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 our Board of Directors his deep expertise in accounting and finance, his experience as a CEO, and his involvement in projects throughout the world.

Terrell K. Crews

Age: 62
Director since: 2011
Common stock owned: 25,456(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; Director of Rock-Tenn Company within the past five years.

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 our Board of Directors extensive expertise in finance and related functions, as well as significant knowledge of corporate development, agri-business, and international operations.

Pierre Dufour

Age: 62
Director since: 2010
Common stock owned: 28,382(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. and National Grid plc.

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 and the board of National Grid plc in February 2017. Mr. Dufour's qualifications to serve as a director of our company include his substantial leadership, engineering, operations management, and international business experience.

Donald E. Felsinger

Age: 70
Director since: 2010
Common stock owned: 48,793(1)
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: Director of Northrop Grumman Corporation and Gannett Co., Inc.

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 our 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: 60
Director since: 2017
Common stock owned: 2,399(1)
Percent of class: *
Principal Occupation or Position: President of Global Oral Care at Colgate-Palmolive Company (a global household and consumer products company) since 2011; President of Hill's Pet Nutrition Inc. North America from 2009 – 2011; Vice President, Marketing for Colgate U.S. from 2006 – 2009.

Qualifications and Career Highlights:

Ms. Harrison is currently 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.

Juan R. Luciano

Age: 56
Director since: 2015
Common stock owned: 1,986,104(4)
Percent of class: *
Principal Occupation or Position: Chairman of the Board, Chief Executive Officer and President since January 2016; Chief Executive Officer and President since January 2015; 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 and Wilmar International Limited.

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.

Patrick J. Moore

Age: 63
Director since: 2003
Common stock owned: 52,293(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(5).
Directorships of Other Publicly-Owned Companies: Vice Chairman of Energizer Holdings, Inc.; Director of Rentech Inc. and Exelis, Inc. within the past five years.

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 our Board of Directors his substantial experience in leadership, banking and finance, strategy development, sustainability, and operations management.

Francisco J. Sanchez

Age: 58
Director since: 2014
Common stock owned: 16,309(6)
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 our Board of Directors substantial experience in public policy, international trade, and international investment.

Debra A. Sandler

Age: 58
Director since: 2016
Common stock owned: 5,925(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.

Daniel T. Shih

Age: 66
Director since: 2012
Common stock owned: 19,067(1)
Percent of class: *
Former Principal Occupation or Position: Deputy Chairman, Executive Director and Chief Strategy Officer of Stella International Holdings Limited (a developer and manufacturer of footwear) from 2008 – August 2013.

Qualifications and Career Highlights:

Mr. Shih served as Deputy Chairman, Executive Director and Chief Strategy Officer of Stella International Holdings Limited, a company listed on the Main Board of the Hong Kong Stock Exchange, from 2008 to August 2013. He previously held executive positions with PepsiCo (China) Investment Ltd. and Motorola (China) Electronic Ltd. Mr. Shih's qualifications to serve as a director of the company include his extensive business experience in Asia and his expertise in business strategy, leadership development, joint ventures, and mergers and acquisitions.

Kelvin R. Westbrook

Age: 62
Director since: 2003
Common stock owned: 45,421(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")(7) from 2006 – 2007.
Directorships of Other Publicly-Owned Companies: Director of Stifel Financial Corp.(8), T-Mobile USA, Inc., and Mosaic Company; Trust Manager of Camden Property Trust.

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. In addition to Mr. Westbrook's current service on public company boards, he also serves 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 for Nonemployee Directors (the "Stock Unit Plan") that are deemed to be the equivalent of outstanding shares of common stock for valuation purposes.

(2) Includes 24,696 stock units allocated under our Stock Unit Plan.

(3) Includes 20,682 stock units allocated under our Stock Unit Plan.

(4) Includes 318,709 shares held in trust, 238 shares held by a family-owned limited liability company, and 1,217,218 shares that are unissued but are subject to stock options exercisable within 60 days.

(5) Smurfit-Stone Container Corporation and its U.S. and Canadian subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in January 2009.

(6) Includes 13,309 stock units allocated under our Stock Unit Plan.

(7) 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.

(8) Mr. Westbrook has informed the board of directors of Stifel Financial Corp. that he will not stand for reelection at its annual meeting of stockholders in June 2018.

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 our Board are described in the biographies above.

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, 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. Since the 2017 annual meeting, the Board 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 as so revised, 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; and (xv) 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 our Board of Directors regarding significant matters identified with respect to the foregoing.

Management has established an Enterprise Risk Management Committee consisting of 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

- has authority to assign 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 outside consultant every other year to review the company's compensation programs and evaluate the risks in such programs

SENIOR MANAGEMENT

Enterprise Risk Management Committee

- ensures implementation and maintenance of a process to identify, evaluate, and prioritize risks to achievement of 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 our Board regarding the above-described processes and the most significant risks to our company's objectives

BOARD ROLE IN OVERSEEING POLITICAL ACTIVITIES

Our 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.

BOARD LEADERSHIP AND OVERSIGHT

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.

Our 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 Nominating/Corporate Governance Committee 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; SECTION 16(a) REPORTING COMPLIANCE

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.

Our 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.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires our directors and executive officers to file reports of ownership and changes in ownership on Forms 3, 4, and 5 with the SEC. Based on our review of Forms 3, 4, and 5 that we have received from, or have filed on behalf of, our directors and executive officers, and on written representations from those persons that they were not required to file a Form 5, we believe that, during the fiscal year ended December 31, 2017, our directors and executive officers complied with all Section 16(a) filing requirements.

INDEPENDENCE OF DIRECTORS

NYSE Independence

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

1. the director or a member of the director's immediate family is, or in the past three years has been, one of our executive officers or, in the case of the director, one of our employees;
2. the director or a member of the director's immediate family has received during any 12-month period within the last three years more than $120,000 per year in direct compensation from us other than for service as a director, provided that compensation received by an immediate family member for service as a non-executive officer employee is not considered in determining independence;
3. the director or an immediate family member is a current partner of one of our independent auditors, the director is employed by one of our independent auditors, a member of the director's immediate family is employed by one of our independent auditors and personally works on our audits, or the director or a member of the director's immediate family was within the last three years an employee of one of our independent auditors and personally worked on one of our audits;
4. the director or a member of the director's immediate family is, or in the past three years has been, employed as an executive officer of a company where one of our executive officers at the same time serves or served on the compensation committee; or
5. the director is a current employee of, or a member of the director's immediate family is an executive officer of, a company that makes payments to, or receives payments from, us in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million or 2% of such other company's consolidated gross revenues.

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

In determining that Mr. Boeckmann is independent, the Board considered that, in the ordinary course of business, BP p.l.c. sold natural gas and fuel to our company and purchased ethanol and biodiesel from our company, all on an arm's-length basis during the fiscal year ended December 31, 2017. Mr. Boeckmann is a director of BP. The Board determined that Mr. Boeckmann does not have a direct or indirect material interest in such transactions and that such transactions do not impair Mr. Boeckmann's independence.

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 engineering services to our company and purchased various products from our company on an arm's-length basis during the fiscal year ended December 31, 2017. 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 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, 2017. The Board determined 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 was Senior Executive Vice President and is a director, sold certain chemicals to our company on an arm's-length basis during the fiscal year ended December 31, 2017. 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, Colgate-Palmolive Company, of which Ms. Harrison is President of Global Oral Care, purchased various products from our company on an arm's-length basis during the fiscal year ended December 31, 2017. The Board determined that this arrangement did not exceed the NYSE's threshold of 2.0% of 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 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 on an arm's-length basis during the fiscal year ended December 31, 2017. The Board determined 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.

Bylaw Independence

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

1. is not a current employee or a former member of our senior management or the senior management of one of our affiliates;
2. is not employed by one of our professional services providers;
3. does not have any business relationship with us, either personally or through a company of which the director is an officer or a controlling shareholder, that is material to us or to the director;
4. does not have a close family relationship, by blood, marriage, or otherwise, with any member of our senior management or the senior management of one of our affiliates;
5. is not an officer of a company of which our Chairman or Chief Executive Officer is also a board member;
6. is not personally receiving compensation from us in any capacity other than as a director; and
7. does not personally receive or is not an employee of a foundation, university, or other institution that receives grants or endowments from us, that are material to us, the recipient, or the foundation/university/institution.

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, www.adm.com, and are available free of charge upon written request to Archer-Daniels-Midland Company, 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 independent executive session at least quarterly. If the non-management directors include any directors who are not independent pursuant to the Board's determination of independence, at least one executive session includes only independent directors. The Lead Director, or in his or her absence, the chairman of the Nominating/Corporate Governance Committee, presides at such meetings. The non-management directors met in independent executive session four times during fiscal year 2017.

INFORMATION CONCERNING COMMITTEES AND MEETINGS

BOARD MEETINGS AND ATTENDANCE AT ANNUAL MEETINGS OF STOCKHOLDERS

During the last fiscal year, our Board of Directors held ten 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 4, 2017, attended that meeting, with the exception of Mr. Dufour.

INFORMATION CONCERNING COMMITTEES AND MEETINGS

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

Audit Committee

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

The Audit Committee reviews:

1. the overall plan of the annual independent audit;
2. financial statements;
3. the scope of audit procedures;
4. the performance of our independent auditors and internal auditors;
5. the auditors' evaluation of internal controls;
6. matters of legal and regulatory compliance;
7. the performance of our company's compliance function;
8. 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
9. 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. Boeckmann, Mr. Dufour, Ms. Harrison, and Mr. Shih. 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. Boeckmann, Ms. Sandler, Mr. Shih, 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. leads the evaluation of the directors, the Board, and board committees; and
5. has oversight responsibility for the company's corporate objectives and policies relating to social responsibility and sustainability.

Executive Committee

The Executive Committee consists of Mr. Luciano (Chairman), Mr. Felsinger (Lead Director), and the chairs of our three standing committees, Mr. Crews, Mr. Moore, and Mr. Westbrook. The Executive Committee met one time 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

As part of our commitment to effective corporate governance practices, in 2017 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 discussed 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 our 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, Archer-Daniels-Midland Company, 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, www.adm.com, and is available free of charge upon written request to Archer-Daniels-Midland Company, 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 Policy

The Board of Directors believes that it is important for each member of our senior management to acquire and maintain a significant ownership position in shares of our common stock to further align the interests of senior management with the stockholders' interests. Accordingly, we have adopted a policy regarding ownership of shares of our common stock by senior management. The policy calls for members of senior management to own shares of common stock with a fair market value within a range of one to six times that individual's base salary, depending on each individual's level of responsibility with our company. The stock ownership guidelines applicable to the named executive officers (as defined herein) are set forth below.

Executive	Ownership Guideline as a Multiple of Salary
J. R. Luciano	6.0x
R. G. Young	3.0x
D. C. Findlay	3.0x
G. A. Morris	3.0x
J. D. Taets	3.0x

Executive Officer Stock Ownership

The following table shows the number of shares of our common stock beneficially owned as of March 12, 2018, directly or indirectly, by each of the named executive officers.

Executive	Common Stock Beneficially Owned	Options Exercisable Within 60 Days	Percent of Class
J. R. LUCIANO	1,986,104(1)	1,217,218	*
R. G. YOUNG	959,014(2)	651,011	*
D. C. FINDLAY	501,984(3)	324,092	*
G. A. MORRIS	197,298(4)	76,666	*
J. D. TAETS	432,101(5)	250,019	*

* Less than 1% of outstanding shares

(1) Includes 318,709 shares held in trust, 238 shares held by a family-owned limited liability company, and stock options exercisable within 60 days.

(2) Includes 4,000 shares held in our Dividend Reinvestment Plan and stock options exercisable within 60 days.

(3) Includes stock options exercisable within 60 days.

(4) Includes 574 shares held in our 401(k) and Employee Stock Ownership Plan and stock options exercisable within 60 days

(5) Includes 869 shares held in our 401(k) and Employee Stock Ownership Plan and stock options exercisable within 60 days

Common stock beneficially owned as of March 12, 2018, by all directors, director nominees, and executive officers as a group, numbering 20 persons including those listed above, is 5,245,170 shares representing 0.94% of the outstanding shares, of which 270,163 shares represent stock units allocated under our Stock Unit Plan for Nonemployee Directors, 4,696 shares are held in our 401(k) and Employee Stock Ownership Plan, 4,486 shares are held in our Dividend Reinvestment Plan, 2,966,039 shares are unissued but are subject to stock options exercisable within 60 days, and no shares are subject to pledge.

COMPENSATION DISCUSSION AND ANALYSIS

Our Compensation Philosophy and Objectives

ADM's executive compensation programs are designed to align the interests of our executive officers with those of our shareholders. We believe in:

- Rewarding executives for creating value for our stockholders.
- Designing and providing market-competitive compensation programs, enabling us to attract and retain high quality executive talent by rewarding excellence in leadership and the successful implementation of our business strategy.
- Encouraging a culture of pay-for-performance by requiring sufficient financial performance before awards may be earned and directly tying awards to quantifiable performance.
- Delivering competitive levels of compensation to our executives if we achieve our performance goals and enhance stockholder value.

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SECTION 1 — EXECUTIVE SUMMARY

Our Compensation Elements

In 2017, the three key elements of our pay program continued to be base salary, annual cash incentive awards, and long-term incentive (LTI) awards. We refer to the combination of these three elements as "total direct compensation."

We believe our salaries and performance-based annual cash incentives awards encourage and reward current business results while our LTI awards and stock ownership guidelines reward sustained performance.

2017 Compensation Changes

For 2017, the Compensation/Succession Committee approved a number of changes which included:

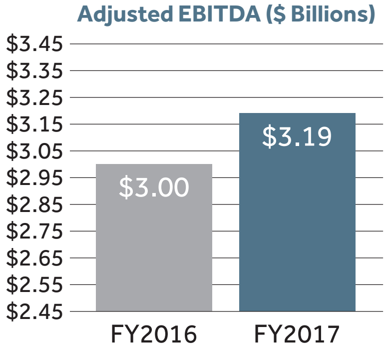
- A move to market based LTI equity awards providing long term incentives for 2017 in amounts with a more direct tie to the company's three-year future performance and value creation.
- Grant of performance share units that may be earned over a three-year future performance period based on the degree to which the company achieves various performance metrics.
- Provision for "double trigger" accelerated vesting upon a change in control, revised from prior single-trigger change in control.
- Expansion of the scope of the LTI award forfeiture and recovery provisions to further mitigate risks associated with the compensation program and further protect the company's interest against unfair and inappropriate conduct.

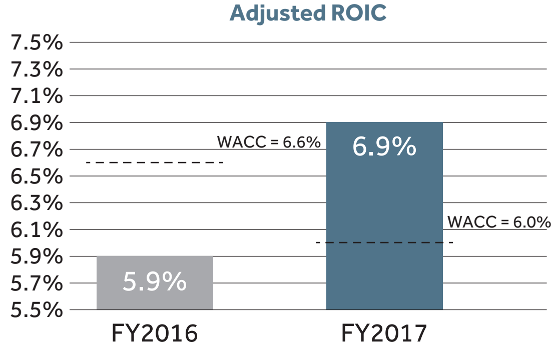
2017 ADM Performance

ADM delivered positive results in challenging market conditions, overcoming certain of the challenges we faced in 2016. In 2017, we grew earnings per share, improved returns on invested capital, and generated positive economic value added. Our focus on efficiency and costs during a challenging period helped to increase adjusted earnings per share to $2.43 in 2017, a 12.5 percent increase from 2016. We achieved a trailing four-quarter average adjusted return on invested capital (ROIC) of 6.4 percent, 40 basis points above our 2017 weighted average cost of capital (WACC) of 6.0 percent. Our 2017 Adjusted EBITDA was $3,187 million. We continued executing the most sweeping portfolio transformation in 115 years by acquiring, investing in, partnering with, or divesting around 20 companies since 2014 to expand and focus our product portfolio.

2017 Financial and Operating Performance Inclusive of 2017 Retroactive Biodiesel Blender's Tax Credit[1]

The Compensation Succession Committee chose to recognize the 2017 retroactive biodiesel blender's tax credit in the year it was earned even though it was not approved by Congress until February 2018. The Adjusted EBITDA and Adjusted ROIC metrics used to calculate the 2017 annual cash incentive target levels included the net benefits of the biodiesel blender's tax credits and hence it was appropriate for the Committee to consider this in the performance compensation calculation. Those values are reflected below for FY2017. The value will be deducted from any performance compensation calculations in 2018.





(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"), and are referred to as non-GAAP financial measures. Attached as Annex A to this Proxy Statement are 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.

Impact of 2017 ADM Performance on Executive Pay

ADM executive total direct compensation 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.

In 2017, we actively managed our business portfolio to further advance the largest portfolio transformation in the history of the company, which began in 2014. We accomplished this portfolio transformation, which began in 2014, while taking billions of dollars in run-rate costs out of the business, including $285 million in 2017, monetizing billions more in invested capital, $378 million of this in 2017. We also have returned nearly $8 billion to shareholders since 2014, $1.5 billion of that being in 2017.

SECTION 2 — COMPONENTS OF EXECUTIVE COMPENSATION

The company's executive compensation program is built on a structure that balances short and long term performance. We believe our salaries and performance-based annual cash incentives awards encourage and reward current business results while our LTI awards and stock ownership guidelines reward sustained performance. The following chart summarizes the components and associated objectives of our fixed and performance-based pay for executives in 2017:

Pay Element			Objective	Performance Rewarded
FIXED	Annual	Base Salary	Fixed pay to recognize an individual's role and responsibilities	Reviewed annually and set based on competitiveness versus the external market, individual performance, and internal equity
PERFORMANCE BASED	Annual	Annual Cash Incentive	Achieve annual goals measured in terms of financial and individual performance linked to creation of stockholder value	Adjusted EBITDA, Adjusted ROIC, cost savings, monetization, revenue growth, group/business unit performance, and individual performance
	Long-Term	Restricted Stock Units ("RSUs")	Align NEOs interests with stockholders and retain executive talent	Reward for achievement of key drivers of stockholder value as evidenced in our share price
		Performance Share Units ("PSUs")	Align performance with interests with stockholders and retain executive talent	Reward for achievement of key drivers of company performance and stockholder value as evidenced in our Adjusted EBITDA, Adjusted ROIC, and relative TSR

COMPENSATION DISCUSSION AND ANALYSIS

Salary

The Compensation/Succession Committee establishes base salaries based on an executive's position, skills, performance, experience, tenure, and responsibilities. The Committee annually assesses the competitiveness of base salary levels relative to salaries within the marketplace for similar executive positions. The Committee also considers factors such as individual performance, changes in responsibilities, and/or changes in competitive marketplace levels.

Annual Cash Incentive

We pay an annual cash incentive only if the company meets certain specified performance goals. The company's annual cash incentive program emphasizes company-wide performance objectives to encourage the executives to focus on overall company success and leadership to generate the most value across the entire company. Our assessment of company performance is directly tied to stockholder expectations by ensuring the delivery of threshold levels of forward-looking metrics such as Adjusted EBITDA and Adjusted ROIC before awards may be earned. Individual performance and the Compensation/Succession Committee's informed judgment are incorporated to ensure actual awards appropriately reflect the company's operating environment and individual executive contributions.

The company's 2017 annual cash incentive program was primarily based on several key measures of financial performance which are Adjusted EBITDA and Adjusted ROIC relative to annual WACC, with final awards based on company, group/business unit, and individual performance, as well as achievements related to the company's strategic and business objectives. To better align with company performance, the annual cash bonus program was revised for 2017 to include a variable percentage of Adjusted EBITDA achieved and the achievement of three specific strategic goals. The three strategic goals for 2017 were: (i) achieve $225 million in run rate savings; (ii) monetize $300 million in invested capital through specific transactions not in the normal course of business that enhance asset turnover or are deployed for improved returns or accretion; and (iii) realize a $500 million increase in year-on-year revenue from recent acquisitions and major projects. For 2017, the recent acquisitions and major projects included destination marketing (including Medsofts), Crosswinds, a Morocco-based corn wet mill, Tianjin HFCS, AOR, WILD Flavors, SCI businesses, Campo Grande, Tianjin Fibersol, Harvest Innovations, Eatem Foods, and Bioactives. Depending on the achievement of the three goals and Adjusted EBITDA, the percentage of Adjusted EBITDA in excess of a specified threshold amount used to fund the bonus pool could range from 0.8% to 3.4%. Each strategic goal can increase the Adjusted EBITDA percentage by 0.2%, making the total range of Adjusted EBITDA 0.8% to 4.0%.

LTI Awards

The company's LTI program is designed to reward sustained performance and to attract and retain talented executives and employees. Historically, the Compensation/Succession Committee has reviewed company performance by incorporating perspectives on company and market factors, including relative and absolute stockholder return and strategic, operating, and financial milestones.

For awards granted in 2017, LTI award grant sizes were based upon market-based equity awards. The performance-based LTI awards granted in 2017 used a mix of PSUs (50%) and RSUs (50%) to continue the alignment of the interests of the company's Named Executive Officers ("NEOs") and stockholders.

Benefits

In addition to these direct elements of pay, the company provides benefits to our NEOs to provide for basic health, welfare, and income security needs and to support the attraction, retention, and motivation of these employees. With few exceptions, such as supplemental benefits provided to employees whose benefits under broad-based plans are limited under applicable tax laws, the company's philosophy is to offer the same benefits to all U.S. salaried employees as are offered to the company's NEOs.

Retirement Program	Eligibility	Description
401(k) Plan/Employee Stock Ownership Plan	All salaried employees	Qualified defined contribution plan where employees may defer up to 75% of eligible pay, up to $18,500 for 2017. Employees who are 50 years of age or older can elect to make additional contributions of up to $6,000 for 2017. 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 may also defer traditional after tax contributions into the plan for a total $55,000 savings opportunity including all contribution types (pre-tax, Roth, and after tax) plus any ADM matching and 1% non-elective contributions.
ADM Retirement Plan	All salaried employees	Those with 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 based on a stated percent of the participant's base compensation each year. Those with 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 base salary during the later stages of employment. Effective December 31, 2021, the traditional defined benefit will sunset. Effective January 1, 2022, any participant in the traditional defined benefit pension will begin to accrue a benefit 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 elected 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) Plan/Employee Stock Ownership Plan.
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 an aggregate retirement benefit that would have been received if not for certain limitations under applicable tax law.

Healthcare and Other Benefits. NEOs receive the same healthcare benefits as other employees. 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. Perquisites are an additional form of income to the NEOs, as shown in the Summary Compensation Table, and the NEOs are individually responsible for any taxes related to this income. We provide our Chairman and CEO with limited personal use of company-owned aircraft. Use of the company-owned aircraft by other NEOs is by exception only. The Compensation/Succession Committee allows our Chairman and CEO to have access to the 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.

SECTION 3 — 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 maintain current best practices. The following table provides a summary of "what we do" and "what we don't do".

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 Employment Contracts/Agreements:** We do not have an employment contract with any executive officer
✓ **Multiple Performance Metrics:** We use performance measures including Adjusted EBITDA and Adjusted ROIC and strategic company goals for revenue, savings, and monetization for annual cash incentives, as well as multi-year vesting or measurement periods	✗ **No Dividends Paid on Unvested Performance Awards:** We do not pay dividends on unvested performance-based awards
✓ **Aggressive Stock Ownership and Retention Requirements:** We have stock ownership and retention requirements for our NEOs. In 2017, we increased CEO stock ownership to 6x base salary. No sales can be made until guidelines are met.	✗ **No Hedging:** We prohibit NEOs from engaging in hedging transactions with company common stock
✓ **Compensation-Related Risk Review:** The Compensation/Succession Committee regularly reviews compensation-related risks, 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 Repricing or Buyouts of Stock Options:** Our equity plan prohibits repricing or buyouts of underwater stock options
✓ **Clawback Policy:** The company has a policy 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 allow gross up of excise tax payments
✓ **Use of Independent Compensation Consultant:** The Compensation/Succession Committee retains an independent compensation consulting firm that performs no other consulting services for the company and has no conflicts of interest	✗ **No Excessive Executive Perks:** With the exception of certain benefits provided under our expatriate program, executive perquisites are limited to executive physicals, limited personal use of the company aircraft, and company-provided life insurance
✓ **Regular Review of Proxy Advisor Policies and Corporate Governance Best Practices:** The Compensation/Succession Committee regularly considers proxy advisor and corporate governance best practices 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 we require our executives to obtain approval from our General Counsel before pledging company securities
✓ **Forward Looking LTI Awards:** Beginning in 2017, our PSUs use forward looking metrics for long term incentive awards; our NEOs receive performance share units as part of their annual long term incentive award	✗ **Discontinued LTI Awards Issued with a "Look-Back" Approach:** In 2017, we effectively transitioned away from a look-back approach for long-term incentive awards and moved to PSU awards that are based on forward-looking metrics
✓ **Double Trigger:** Double trigger accelerated vesting of equity awards applied for a change in control, previously a single trigger was applied.	

Shareholder Engagement

Results of 2017 Advisory Vote on Executive Compensation

At the 2017 Annual Meeting of Stockholders, we held the company's seventh advisory vote on executive compensation. Approximately 93% of the votes cast were in favor of this advisory proposal. The Compensation/Succession Committee believes that this strong level of support, and the similarly strong levels of support manifested in prior periods, affirm broad stockholder agreement with the alignment of existing executive compensation programs with stockholder interests and the Compensation/Succession Committee's approach. After making significant changes to the executive compensation program in 2017 to more closely align with stockholder interests, the Committee considered this outcome in determining that no substantive changes in the executive compensation programs would occur for 2018. At the Annual Meeting of Stockholders to be held on May 3, 2018, we will again hold an advisory vote on executive compensation. The Compensation/Succession Committee will continue to consider stockholder feedback and the results from this year's and future advisory votes on executive compensation.

Our company routinely conducts extensive proactive outreach to engage with key institutional shareholders in order to understand and address the key issues that are important to our shareholders as well as fostering long-term relationships. During the course of the year, an engagement team consisting of our Lead Independent Director, Compensation/Succession Committee Chair, SVP of Human Resources, General Counsel, and Investor Relations and Sustainability staff met with several institutional shareholders to discuss matters of governance, compensation, environmental, and other issues.

Executive Stock Ownership

The Board of Directors believes that it is important for each member of our senior management to acquire and maintain a significant ownership position in shares of our common stock to further align the interests of senior management with the stockholders' interests. Accordingly, we have adopted a policy regarding ownership of shares of our common stock by senior management. The policy calls for members of senior management to own shares of common stock with a fair market value within a range of one to six times that individual's base salary, depending on each individual's level of responsibility with our company. The stock ownership guidelines applicable to our NEOs are set forth on page 20 under "Executive Stock Ownership." As of March 12, 2018, each of our NEOs is in compliance with our stock ownership guidelines.

SECTION 4 — OVERSIGHT OF EXECUTIVE COMPENSATION

The Role of the Compensation/Succession Committee

The Compensation/Succession Committee is composed solely of independent directors and is responsible to the board of directors and the company's stockholders for establishing the company's compensation philosophy and establishing and administering the company's compensation policies and programs consistent with this philosophy. The Compensation/Succession Committee's responsibilities are set forth in its charter, which is available on the company's website, www.adm.com. Additional information regarding the Compensation/Succession Committee's authority to determine compensation can be found under the caption "Compensation/Succession Committee" elsewhere in this proxy.

The Role of the Board

The Board approves the company's business plan, which is one of the factors used to set financial business objectives for the annual cash incentive plan. The independent directors establish and approve all performance criteria for evaluating the Chairman and CEO and annually evaluate the performance of the Chairman and CEO based on these criteria. The non-management directors also ratify the Chairman and CEO's compensation. The board can also provide input and ratification on any additional compensation-related issues. The Board also conducts an annual review of the company's performance.

The Role of the Compensation/Succession Committee Consultant

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

The Role of Executives

To assist the Compensation/Succession Committee in determining compensation for the other NEOs, the company's Chairman and CEO participates in discussions with the Compensation/Succession Committee regarding the other officers' performance and compensation. The Chairman and CEO provides the Compensation/Succession Committee with an assessment of the other NEOs' performance, both as individuals 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 that should be paid to the other NEOs.

The company's Senior Vice President of Human Resources oversees all employee compensation and the administration of benefits programs, under the oversight and direction of the Compensation/Succession Committee. He prepares the majority of the materials for the Compensation/Succession Committee meetings and provides analyses that assist the Compensation/Succession Committee with 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, he facilitates meetings with management to help the Compensation/Succession Committee gain a better understanding of company performance. He ensures that the Compensation/Succession Committee is provided a rigorous assessment of year-to-date performance at each of its meetings. At the direction of the Chairman of the Compensation/Succession Committee, the company's Senior Vice President of Human Resources involves other members of management in portions of the Compensation/Succession Committee meetings to participate in discussions related to company and individual performance and the company's compensation and benefit programs. The company's executives leave meetings during discussions of individual compensation actions affecting them personally and during all executive sessions, unless requested to attend by the Compensation/Succession Committee.

The Committee's Decisions Incorporate the Company's Executive Compensation Objectives

- ***Alignment of Executive and Stockholder Interests***. We believe that a substantial portion of total compensation should be delivered in the form of equity in order to align the interests of the company's NEOs with the interests of the company's stockholders. Our RSU awards typically vest three years from the date of grant, and our stock option grants typically vest pro rata over a five year period. Our PSU awards typically have a three year performance period and vest only if certain performance metrics are achieved. In 2017, an average of 69% of actual total direct compensation paid to our NEOs was in the form of equity awards. The 2017 awards were comprised of time-based RSUs and performance-based PSUs which use three forward looking metrics focused on the three-year Adjusted EBITDA from 2017 to 2019, Adjusted ROIC, and relative TSR as compared to the S&P 100 Industrials Index. We also protect our stockholders' interest by including a clawback provision in agreements for long-term incentive awards, enabling the company to recover awards if the recipient engages in a broad range of prohibited conduct, including 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. The company's compensation program for NEOs delivers a mix of salary, annual cash incentives, and long-term incentives targeted to be market competitive as described below. As a large, global company engaged in multiple lines of business, the company's competition for talent, business, and investment is broad.
- ***NEO Compensation Should Reflect the Company's Results***. The company's executive compensation program emphasizes variable, performance-based pay and is targeted and assessed in the aggregate, although the Compensation/Succession Committee reviews each component independently as well. Base salary is reviewed annually and adjusted based on a variety of factors including, in addition to an evaluation relative to competitive market practices as described above, a subjective evaluation of each NEO's overall performance, tenure, and changes in responsibilities if applicable. Annual cash incentives are paid if, and to the extent that, corporate goals approved by the Compensation/Succession Committee are attained. For example, the annual cash incentive plan for 2017 targeted awards at 100% to 200% of each NEO's base salary, but actual payouts ranged from 82% to 173% of the target level depending on performance against the specific goals. Performance-based equity compensation is assessed in a manner similar to the annual cash incentive compensation and is designed to reward measurable results.

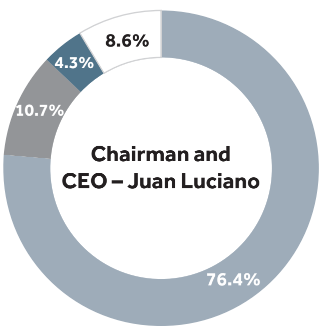
SECTION 5 — 2017 EXECUTIVE COMPENSATION

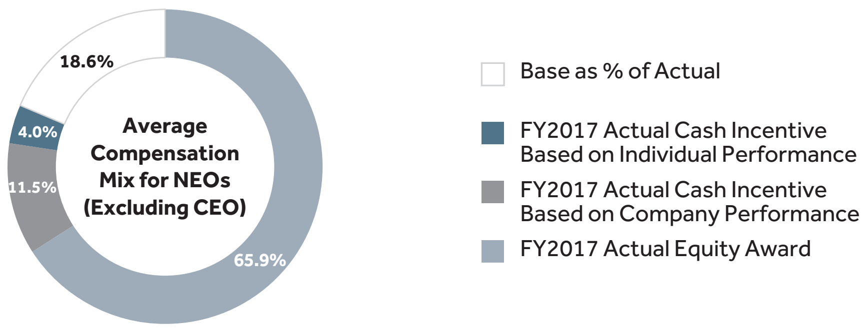
This Compensation Discussion and Analysis describes the compensation of the following named executive officers, or NEOs:

Name	Title
J. R. Luciano	Chairman, Chief Executive Officer and President ("Chairman and CEO")
R. G. Young	Executive Vice President and Chief Financial Officer ("CFO")
D. C. Findlay	Senior Vice President, General Counsel & Secretary
G. A. Morris	Senior Vice President and President, Global Oilseeds
J. D. Taets	Senior Vice President and President, Global Business Readiness (as of March 19, 2018); Senior Vice President and President, Ag Services (prior to March 19, 2018)

Of the total direct compensation that we consider attributable to 2017 performance, the company's NEOs received, on average, 84% of *actual* total direct compensation in variable pay and 69% of *actual* total direct compensation in equity awards for 2017. Although the Compensation/Succession Committee has not adopted a policy for allocating the various elements of total direct compensation, we do place greater emphasis on variable pay for executives with more significant responsibilities, reflecting their greater capacity to affect the company's performance and results. For these purposes, we consider the base salary paid in 2017, the annual cash incentive earned in 2017 (paid in early 2018), and the award value of equity granted early in 2017 with a look at performance from 2017 to 2019. The equity award value represents the dollar amount of such awards as approved by the Compensation/Succession Committee.

The charts below present the mix of *actual* total direct compensation attributed to 2017 performance.





Individual Compensation Decisions

The Compensation/Succession Committee reviews the total compensation of our NEOs annually. Any changes to base salary, short-term incentives, and long-term incentives are based on competitiveness versus the external market, individual performance, internal equity, and the Committee's informed judgment as described in the Oversight of Executive Compensation Section.

COMPENSATION DISCUSSION AND ANALYSIS

The following tables summarize compensation decisions made by the Compensation/Succession Committee with respect to each of the NEOs. Details regarding our compensation programs and related decisions may be found following the summaries for the executives. Due to the timing of the company's salary adjustments, base salaries presented in the Summary Compensation Table may differ slightly from how we consider annualized salary levels.

MR. LUCIANO

Component	Pay Decisions
Base Salary	• In 2017, Mr. Luciano's base salary remained unchanged.
Annual Cash Incentive	• Mr. Luciano's target annual cash incentive opportunity for 2017 was $2,600,000, or 200% of his base salary. • For 2017, the Compensation/Succession Committee elected to award Mr. Luciano an individual performance percentage of 25%. • Mr. Luciano's actual 2017 cash award was $2,251,600 or 173% of his base salary, paid in Q1 2018. • Key accomplishments included: – Led growth in earnings, improvement in returns, and generation of positive EVA in 2017 in an environment of very challenging industry conditions. – Continued driving transformation of the business portfolio with bolt-on acquisitions in value-added areas and monetization of assets in non-core areas. – Drove Readiness focus on cost and efficiency improvements exceeding cost reduction targets and continued advancing process improvements across the organization. – Strengthened leadership team with key outside hires and expanded responsibilities of existing leaders. – Delivered the single safest three-month period on record for Q4.
Long-Term Incentives(1)	• In February 2017, Mr. Luciano received a LTI grant of $11,500,000. The grant was awarded as 50% PSUs and 50% RSUs at the market equity award level.

MR. YOUNG

Component	Pay Decisions
Base Salary	• In 2017, Mr. Young's base salary remained unchanged.
Annual Cash Incentive	• Mr. Young's target annual cash incentive opportunity for 2017 was $1,064,498, or 129% of his base salary. • For 2017, the Compensation/Succession Committee elected to award Mr. Young an individual performance percentage of 25%. • Mr. Young's actual 2017 cash award was $921,856, or 112% of his base salary, paid in Q1 2018. • Key accomplishments included: – Effective execution of the balanced capital allocation framework while maintaining a strong balance sheet in an environment of weaker earnings. – Successful execution of intervention actions in second half of year in recognition of weaker market conditions, including strong expenditure and cost controls across central staffs. – Exceeded monetization objectives to provide additional liquidity to further strengthen balance sheet and support invested capital management. – Successful deployment of foundational improvements and business transformation ERP modules in certain North American activities.
Long-Term Incentives(1)	• In February 2017, Mr. Young received a LTI grant of $3,925,783. The grant was awarded as 50% PSUs and 50% RSUs at the market equity award level.

MR. FINDLAY

Component	Pay Decisions
Base Salary	• In 2017 Mr. Findlay's salary remained unchanged.
Annual Cash Incentive	• Mr. Findlay's target annual cash incentive opportunity for 2017 was $700,000, or 100% of his base salary. • For 2017, the Compensation/Succession Committee elected to award Mr. Findlay an individual performance percentage of 25%. • Mr. Findlay's actual 2017 cash award was $606,200, or 87% of his base salary, paid in Q1 2018. • Key accomplishments included: – Capably managed ADM's litigation and achieved favorable resolutions for ADM's businesses, and oversaw significant acquisitions and divestitures. – Delivered significant year-on-year cost savings in outside and in-house legal spend, and continued to upgrade internal talent in Legal Department. – Restructured Insurance Department and made changes to ADM's insurance programs, resulting in enhanced coverage and lower costs. – Restructured ADM Cares to align with ADM strategic and reputational goals while reducing costs of programs.
Long-Term Incentives(1)	• In February 2017, Mr. Findlay received a LTI grant of $2,300,000. The grant was awarded as 50% PSUs and 50% RSUs at the market equity award level.

MR. MORRIS

Component	Pay Decisions
Base Salary	• In 2017, Mr. Morris's base salary remained unchanged.
Annual Cash Incentive	• Mr. Morris's target annual cash incentive opportunity for 2017 was $650,000, or 100% of his base salary. • For 2017, the Compensation/Succession Committee elected to award Mr. Morris an individual performance percentage of 20% based on performance against target business plan results. • Mr. Morris's actual 2017 cash award was $530,400, or 82% of his base salary, paid in Q1 2018. • Key accomplishments included: – Grew value added businesses with significant accomplishments across the global refined oils business. – Processed a record annual volume of oilseeds globally to meet an environment of strong global demand. – Implemented aggressive intervention actions in second half of year to address weak industry margin environment. – Developed more robust risk management analysis and capabilities.
Long-Term Incentives(1)	• In February 2017, Mr. Morris received a LTI grant of $2,200,000. The grant was awarded as 50% PSUs and 50% RSUs at the market equity award level.

MR. TAETS

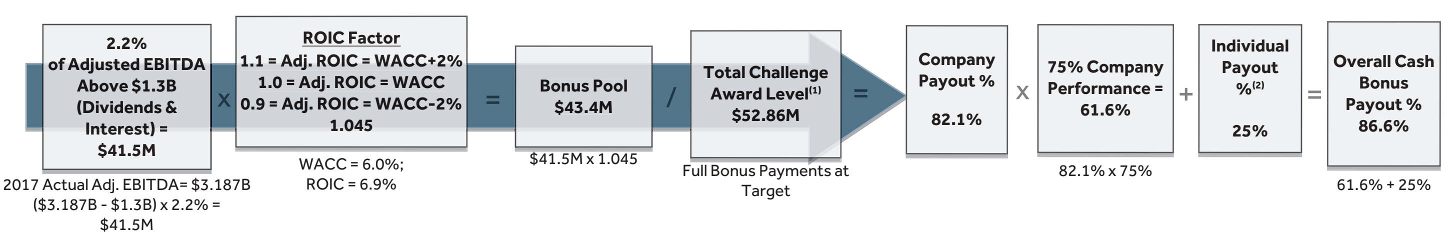
Component	Pay Decisions
Base Salary	• In 2017, Mr. Taets's base salary remained unchanged.
Annual Cash Incentive	• Mr. Taets's target annual cash incentive opportunity for 2017 was $700,000, or 100% of his base salary. • For 2017, the Compensation/Succession Committee elected to award Mr. Taets an individual performance percentage of 20% based on performance against target business plan results. • Mr. Taets's actual 2017 cash award was $571,200, or 82% of his base salary, paid in Q1 2018. • Key accomplishments included: – Grew destination marketing volumes by over 20% through organic and inorganic growth. – Restructured global trade business and turned around profitability in second half of year. – Implemented aggressive intervention actions in second half of year to address weak industry margin environment. – As executive safety champion, drove strategy and actions that resulted in the safest quarter in company's history.
Long-Term Incentives(1)	• In February 2017, Mr. Taets received a LTI grant of $2,800,000. The grant was awarded as 50% PSUs and 50% RSUs at the market equity award level.

(1) The award value of LTI represents the dollar amount of such awards as approved by the Compensation/Succession Committee, and differs from the grant date fair value of such awards as shown in the Grants of Plan-Based Awards Table and the Summary Compensation Table because of timing differences in the valuation methodologies used.

2017 Annual Cash Incentives

Annual cash incentives are determined by the degree to which company financial performance expectations are achieved and the Compensation/Succession Committee's independent assessment of the company's performance as well as the individual performance of the NEO, which makes up 25% of the annual cash bonus target. This outcome may then be adjusted within a range of –25% to +25% based on the Compensation/Succession Committee's assessment of individual and group performance. For 2017 annual cash incentive payout, the Compensation Succession Committee chose to recognize the 2017 retroactive biodiesel blender's tax credit in the year it was earned even though it was not approved by Congress until February 2018. Those values are reflected below for FY2017 Adjusted EBITDA and Adjusted ROIC. The value will be deducted from any performance compensation calculations in 2018. The formula used to calculate an annual cash incentive payout for NEOs can be expressed as follows:

Company Performance Payout Percentage (75%) + Individual Performance Percentage (25%) = Overall Payout Percentage



(1) Total Challenge Award Level is defined as full bonus payments at target.

(2) For illustrative purposes, a 25% individual performance percentage is used. Individual performance varies by NEO by +/- 25% based on the Compensation/Succession Committee's assessment of individual performance and contribution to the company's success.

Individual Performance Components

Based on business results and the economic environment for 2017 performance, the Compensation/Succession Committee elected to award the Chairman and CEO a 25% individual performance percentage based on accomplishments described above. The Compensation/Succession Committee incorporated its and the full board's assessment of the Chairman and CEO's performance and full company performance when approving Mr. Luciano's individual performance percentage. Mr. Findlay and Mr. Young received an individual performance percentage of 25%, and Mr. Taets and Mr. Morris received an individual performance percentage of 20%, in recognition of their performance against individual and company goals described above. Individual performance can range from 0% to 50% based upon performance against goals for the year. The 25% individual performance percentage is used for target performance. Our leaders are responsible for driving performance company-wide and their individual performance rating is a result of their performance for the year.

The Resulting Annual Cash Incentive for Each NEO

The purpose of the annual cash incentive program is to reward performance based on the achievement of company, business, and individual objectives. At the start of each fiscal year, the Compensation/Succession Committee approves minimum, target, and maximum annual cash incentive levels for each NEO. Target annual cash incentive levels are expressed as a percentage of salary. Based on company and individual performance, annual cash incentive payouts can range between 0% and 200% of the target annual cash incentive. Based on the determination of the company and individual performance factors as described above, each NEO, excluding Mr. Taets and Mr. Morris, received an annual cash incentive for 2017, payable in Q1 of 2018, equal to 86.6% (82.1% company performance making up 75% of the total annual cash incentive award plus individual award amounts of 25%) of his target annual cash incentive. Mr. Taets and Mr. Morris received an annual cash incentive equal to 81.6% of their total target based upon 20% individual performance.

Executive	Target Cash Incentive Opportunity (% of Salary)	Minimum Cash Incentive Opportunity	Target Cash Incentive Opportunity	Maximum Cash Incentive Opportunity	Actual FY2017 Cash Award
J. R. Luciano	200%	$0	$2,600,000	$5,200,000	$2,251,600
R. G. Young	129%	$0	$1,064,498	$2,128,996	$921,856
D. C. Findlay	100%	$0	$700,000	$1,400,000	$606,200
G. A. Morris	100%	$0	$650,000	$1,300,000	$530,400
J. D. Taets	100%	$0	$700,000	$1,400,000	$571,200

Equity-Based Long-Term Incentives & How They Were Determined for 2017

The company's LTI Program aligns the interests of executives with those of stockholders by rewarding the achievement of long-term stockholder value, supporting stock ownership, and encouraging long-term service with the company. In the following sections, we discuss the process for determining equity grants delivered under the company's LTI Program.

In terms of grant size and grant form, the company's LTI awards in 2017 transitioned from awards based upon a historical review to awards based upon market competitive LTI that consist of performance share units (PSUs) and restricted stock units (RSUs) with three-year vesting. The overall LTI award value was allocated 50% to PSUs and 50% to RSUs. The transition to the forward-looking LTI program was made to better align our equity program with market practice and strengthen the focus of our equity program on growth and future value creation for shareholders. If this does not occur, there will be no payout for the other metrics. The February 2017 grants appear in the Grants of Plan-Based Awards table and are reflected in the Summary Compensation Table information for FY2017.

	Long-Term Incentive (Granted in February 2017)		
Executive	Minimum Award	Market Equity Award	Actual FY2017 Equity Award
J. R. Luciano	$0	$11,500,000	$11,500,000
R. G. Young	$0	$3,925,783	$3,925,783
D. C. Findlay	$0	$2,300,000	$2,300,000
G. A. Morris	$0	$2,200,000	$2,200,000
J. D. Taets	$0	$2,800,000	$2,800,000

(1) Dollar value of the awards as approved by the Compensation/Succession Committee, which differ from the grant date fair values as discussed previously.

Terms of the company's equity awards granted in February 2017 generally are as follows:

- PSUs with a three-year vest after certain performance criteria are met. Payout can range for 0% to 200% and fluctuate based upon share price. 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 (37.5% weighting), and (iii) the degree to which the company's Adjusted EBITDA exceeds its Adjusted EBITDA during fiscal years 2014–2016 (37.5% weighting). Before the PSU can pay out, the company's Adjusted EBITDA must exceed its Adjusted EBITDA during fiscal years 2014–2016. If this does not occur, there will be no payout for the other metrics.
- RSUs typically vest three years after the date of grant.
- Upon the death of the executive, RSUs granted under the LTI Program vest immediately and PSUs will vest based on actual performance during the truncated performance period and on a pro rata basis based on the target number of units for the year following the truncated performance period. RSUs and PSUs continue to vest if the executive leaves the company because of disability or retirement (age 55 or greater with 10 or more years of service). A detailed description of the change-in-control provisions is contained in Section 8 below. For grants with respect to 2012 and beyond, award agreements include forfeiture and clawback provisions as described in Section 8.

Our Policy for When Grants are Made

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

SECTION 6 — PEER GROUP

The Compensation/Succession Committee utilizes the 98 companies that comprise 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.

3M Company	Cisco Systems, Inc.	International Business Machines Corporation	The Allstate Corporation
AbbVie Inc.	Citigroup Inc.	Johnson & Johnson	The Boeing Company
Accenture plc	Comcast Corporation	Johnson Controls International plc	The Coca-Cola Company
Aetna Inc.	ConocoPhillips	JPMorgan Chase & Co.	The Goldman Sachs Group, Inc.
Alphabet Inc.*	Costco Wholesale Corporation	Lockheed Martin Corporation	The Home Depot, Inc.
Amazon.com, Inc.	CVS Health Corporation	Lowe's Companies, Inc.	The Kraft Heinz Company
American Airlines Group Inc.	Deere & Company	LyondellBasell Industries N.V.	The Kroger Co.
American Express Company	Delta Air Lines, Inc.	Marathon Petroleum Corporation	The Procter & Gamble Company
American International Group, Inc.	DowDuPont Inc.	McKesson Corporation	The Progressive Corporation
AmerisourceBergen Corporation	Exelon Corporation	Medtronic plc	The TJX Companies, Inc.
Andeavor	Express Scripts Holding Company	Merck & Co., Inc.	The Travelers Companies, Inc.
Anthem, Inc.	Exxon Mobil Corporation	MetLife, Inc.	The Walt Disney Company
Apple Inc.	Facebook, Inc.	Microsoft Corporation	Time Warner Inc.
Archer-Daniels-Midland Company†	FedEx Corporation	Morgan Stanley	Twenty-First Century Fox, Inc.*
AT&T Inc.	Ford Motor Company	NIKE, Inc.	Tyson Foods, Inc.
Bank of America Corporation	General Dynamics Corporation	Oracle Corporation	United Continental Holdings, Inc.

Berkshire Hathaway Inc.	General Electric Company	Pepsico, Inc.	United Parcel Service, Inc.
Best Buy Co., Inc.	General Motors Company	Pfizer Inc.	United Technologies Corporation
Cardinal Health, Inc.	Gilead Sciences, Inc.	Philip Morris International Inc.	UnitedHealth Group Incorporated
Caterpillar Inc.	HCA Healthcare, Inc.	Phillips 66	Valero Energy Corporation
Centene Corporation	Hewlett Packard Enterprise Company	Prudential Financial, Inc.	Verizon Communications Inc.
Charter Communications, Inc.	Honeywell International Inc.	Schlumberger Limited	Walgreens Boots Alliance, Inc.
Chevron Corporation	HP Inc.	Sysco Corporation	Wal-Mart Stores, Inc.
Chubb Limited	Humana Inc.	Target Corporation	Wells Fargo & Company
Cigna Corporation	Intel Corporation		

* denotes one of two companies with two classes of stock included in the S&P 100 Industrials Index.

† denotes our company.

SECTION 7 — EMPLOYMENT AGREEMENTS, SEVERANCE, AND CHANGE-IN-CONTROL BENEFITS

No Employment Contracts

None of our NEOs have an employment contract or separation agreement. Consistent with our approach of rewarding performance, employment is not guaranteed, and either ADM or the 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 upon termination of their employment without cause, but the program does not create a contractual right to receive any severance benefits on the part of the employee. The Compensation/Succession Committee generally requires the employee to enter into a non-competition and/or non-solicitation agreement in exchange for receiving severance under the program.

Change-in-Control Provisions

Upon a change in control of the company, NEOs may receive certain protections related to their LTI awards, as described more fully below, and other compensation as 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 Long-Term Incentive 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 onward, if a change-in-control occurs with respect to the company, the equity grants held by the company's executive officers generally will vest immediately in full in the case of RSUs and on a modified pro rata basis for PSUs if the equity award does not continue because it is not assumed or replaced or the award is assumed or replaced, but the executive officer's employment is terminated for reasons other than cause or good reason within 24 months of the change in control (referred to as "double trigger" vesting). The double trigger accelerated vesting had been adopted to provide the 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.

SECTION 8 — GOVERNANCE FEATURES OF OUR EXECUTIVE COMPENSATION PROGRAMS

Clawback Provisions

We have included clawback provisions in the company's long-term incentive award agreements that provide us with the ability to recover long-term incentive compensation for a broad range of reasons. This aggressive approach to recoupment of long-term incentive compensation reflects the company's commitment to protecting stockholder value.

For awards granted in August 2012 and beyond, we have implemented an additional clawback policy for all cash and equity-based long-term incentive awards. Specifically, this policy provides for the recoupment of any cash or equity incentive awards for a period of three years from the date of award. We have the right to clawback incentive payments made to NEOs and certain other members of senior management in the event of a financial restatement or ethical misconduct. In 2015 and in 2017, additional language was added to equity awards which includes post-vesting non-competition and non-solicitation restrictions prohibiting competitive activity and solicitation of ADM customers and employees.

Prohibition on Insider Trading

Pursuant to the company'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, equity swaps or collars, or entering 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 pledging of company securities with the company's General Counsel prior to engaging in such activity.

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

How Recent Revisions to Section 162(m) of the Internal Revenue Code Impact the Company

Section 162(m) of the Internal Revenue Code as in effect prior to the enactment of tax reform legislation in December 2017 generally disallowed a tax deduction to public corporations for compensation paid in excess of $1 million annually to the Chairman and CEO and the three other most highly-compensated executive officers, other than the CFO, unless the compensation in excess of $1 million qualified as "performance-based" compensation. Recent tax reform legislation retained the $1 million deduction limit, but repealed the performance-based compensation exemption from the deduction limit and expanded the definition of "covered employees," effective for taxable years beginning after December 31, 2017. Consequently, compensation paid in 2018 and later years to our NEOs in excess of $1 million will not be deductible unless it qualifies for transitional relief applicable to certain binding, written performance-based compensation arrangements that were in place as of November 2, 2017.

The Compensation/Succession Committee continues to believe that shareholder interests are best served if its discretion and flexibility in structuring and awarding compensation is not restricted, even though some compensation awards may have resulted in the past, and are expected to result in the future, in non-deductible compensation expenses to the Company. 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.

The Company's Evaluation of Its Compensation Programs as They Relate to Risk

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 programs that encourage inappropriate risk taking. We have established a policy under which we engage an outside consultant every other year to review the company's programs and independently assess the risk in them.

In 2017, ADM engaged an outside consultant, The Korn Ferry Hay Group ("Hay"), to assist the Compensation/Succession Committee in evaluating the risk in the company's compensation programs. In conducting an independent assessment, Hay reviewed all of the company's incentive compensation programs and determined there were no compensation programs that encourage 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 2017. The incentive programs were reviewed and found that none of the plan presents significant risk to the organization. Another independent review of the company's incentive programs will be conducted during 2019 and reported to the Compensation/Succession Committee.

The Company's Mindful Approach to Addressing Liabilities Associated with Retirement Programs

The Compensation/Succession Committee is mindful that the 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 the deferred compensation or supplemental retirement plans. However, the deferred compensation plans have "rabbi" trust funding triggers in the event of a potential change in control of the company. This trigger provides 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. In maintaining the non-qualified plans, the Compensation/Succession Committee has duly considered that the federal income tax deduction available to the company occurs at the same time that participants are paid benefits from the applicable plan.

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 its plans at or near a full funding level relative to the accrued benefit obligation.

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
A. L. Boeckmann
P. Dufour
S. F. Harrison
D. T. Shih

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	2017	1,300,008		12,166,416	—	2,251,600	76,179	80,852	15,875,055
	2016	1,283,340	—	5,312,218	5,279,331	1,939,600	49,419	148,708	14,012,616
	2015	1,200,000	—	3,371,859	3,342,408	1,428,420	32,426	53,837	9,428,950
R. G. YOUNG Executive Vice President and CFO	2017	825,048		4,153,349	—	921,856	53,260	25,454	5,978,967
	2016	825,048	—	1,979,220	1,966,968	794,116	32,419	23,152	5,620,923
	2015	820,874	—	2,230,155	2,210,662	838,399	21,167	21,390	6,142,647
D. C. FINDLAY Senior Vice President, General Counsel and Secretary	2017	700,000		2,433,354	—	606,200	36,751	18,309	3,794,614
	2016	700,000		1,115,578	1,108,661	522,200	26,853	18,059	3,491,351
	2015	700,000	—	1,426,415	1,413,959	501,200	20,140	21,737	4,083,451
G. A. MORRIS(6) Senior Vice President and President, Global Oilseeds	2017	650,004	—	2,327,537	—	530,400	393,998	21,132	3,923,071
	2016	650,004	640,000(6)	637,487	633,520	484,900	284,727	15,360	3,345,998
J. D. TAETS Senior Vice President and President, Global Business Readiness(7)	2017	700,008		2,962,263	—	571,200	561,951	27,743	4,823,165
	2016	700,008		796,851	791,901	487,200	480,578	523,219	3,779,757
	2015	666,264	—	1,423,728	779,395	374,110	260,756	1,292,006	4,796,259

(1) Stock awards in 2017 consisted of restricted stock unit (RSU) awards and performance share unit (PSU) awards. The amounts reported in this column represent the aggregate grant date fair value of the RSU awards for fiscal years 2017, 2016, and 2015 and of the target level of the PSU awards for fiscal year 2017. 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, 2017, December 31, 2016, and December 31, 2015. The grant date fair value of the 2017 RSUs and the grant date fair value of the 2017 PSUs if target performance and maximum performance is achieved are as follows:

Name	RSUs	PSUs	
		Target	Maximum
J. R. Luciano	$6,110,000	$6,056,416	$12,112,831
R. G. Young	$2,085,821	$2,067,528	$4,135,057
D. C. Findlay	$1,222,036	$1,211,318	$2,422,637
G. A. Morris	$1,168,894	$1,158,643	$2,317,286
J. D. Taets	$1,487,655	$1,474,608	$2,949,216

(2) The amounts reported in this column represent the aggregate grant date fair value of the option awards for fiscal years 2017, 2016, and 2015, respectively. 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, 2017, December 31, 2016, and December 31, 2015.

(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 2017 represents the aggregate change in actuarial present value of the NEO's accumulated benefit under all defined benefit and actuarial pension plans from December 31, 2016 to December 31, 2017, 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, 2017 were an interest rate of 3.73% for the ADM Retirement Plan, an interest rate of 3.61% 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-2017. The assumptions used to value pension liabilities on December 31, 2016 were an interest rate of 4.10% for the ADM Retirement Plan, an interest rate of 3.90% for the ADM Supplemental Retirement Plan, and mortality determined using the RP2014 mortality table, with a white collar adjustment, projected generationally using Scale MP-2016.

(5) The amounts reported in this column for 2017 include costs for personal use of company aircraft, imputed value of company-provided life insurance, costs for executive healthcare services, company contributions under our 401(k) and Employee Stock Ownership Plan, charitable gifts pursuant to the company's matching charitable gift program which is available to substantially all full-time employees and non-employee directors, and, for Mr. Taets, expenses related to the completion of his overseas assignment. 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	Expatriate Expenses	Imputed Value of Life Insurance	Executive Healthcare Services	Matching Charitable Gifts	401(k) Company Contributions
J. R. Luciano	$30,750		X	X	$30,250	$13,500
R. G. Young			X	X	$6,500	$13,500
D. C. Findlay			X	X		$13,500
G. A. Morris			X	X	$5,100	$13,500
J. D. Taets		$10,946	X	X		$13,500

Mr. Taets' expenses related to the completion of his overseas assignment included $1,833 related to certain expatriate tax services and tax gross ups related thereto as well as $9,113 in relocation expenses.

(6) Mr. Morris first became an NEO in 2016. The additional cash award of $640,000 paid in March of 2017 was in recognition of his efforts in connection with the integration of WFSI during 2015 and 2016.

(7) Mr. Taets' title changed on March 19, 2018. Prior to March 19, 2018, Mr. Taets was our Senior Vice President and President, Ag Services.

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 2017

The following table summarizes the grants of plan-based awards made to our named executive officers during the fiscal year ended December 31, 2017.

		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			2,600,000	5,200,000					
Performance Share Unit Award	2/16/17				0	137,396	274,792		6,056,416
Restricted Stock Unit Award	2/16/17							137,396	6,110,000
R. G. YOUNG									
Annual Cash Incentive Plan Award			1,064,498	2,128,996					
Performance Share Unit Award	2/16/17				0	46,904	93,808		2,067,528
Restricted Stock Unit Award	2/16/17							46,904	2,085,821
D. C. FINDLAY									
Annual Cash Incentive Plan Award			700,000	1,400,000					
Performance Share Unit Award	2/16/17				0	27,480	54,960		1,211,318
Restricted Stock Unit Award	2/16/17							27,480	1,222,036
G. A. MORRIS									
Annual Cash Incentive Plan Award			650,000	1,300,000					
Performance Share Unit Award	2/16/17				0	26,285	52,570		1,158,643
Restricted Stock Unit Award	2/16/17							26,285	1,168,894
J. D. TAETS									
Annual Cash Incentive Plan Award			700,000	1,400,000					
Performance Share Unit Award	2/16/17				0	33,453	66,906		1,474,608
Restricted Stock Unit Award	2/16/17							33,453	1,487,655

(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” 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 (2017–2019). The 2017 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 (37.5% weighting), and (iii) the degree to which the company’s Adjusted EBITDA exceeds its Adjusted EBITDA during fiscal years 2014–2016 (37.5% weighting). Before the PSU can pay out, the company’s Adjusted EBITDA must exceed its Adjusted EBITDA during fiscal years 2014–2016. 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 2017 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 2017 RSU awards will vest in full immediately, and the 2017 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 year following the truncated 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 2017 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, 2017.

		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	186,219	744,880	33.18	2-11-2026				
	2-12-2015	129,928	194,893	46.92	2-12-2025				
	2-13-2014	140,718	93,813	40.65	2-13-2024				
	2-21-2013	41,331	10,333	32.50	2-21-2023				
	8-16-2012	216,585	—	26.25	8-16-2022				
	8-11-2011	194,014	—	26.17	8-11-2021	369,363	14,804,069	137,396	5,506,832
R. G. YOUNG	2-11-2016	69,381	277,527	33.18	2-11-2026				
	2-12-2015	85,934	128,902	46.92	2-12-2025				
	2-13-2014	110,778	73,853	40.65	2-13-2024				
	2-21-2013	25,202	6,301	32.50	2-21-2023				
	8-16-2012	123,763	—	26.25	8-16-2022				
	8-11-2011	80,377	—	26.17	8-11-2021	154,086	6,175,767	46,904	1,879,912
D. C. FINDLAY	2-11-2016	39,106	156,425	33.18	2-11-2026				
	2-12-2015	54,964	82,447	46.92	2-12-2025				
	2-13-2014	62,874	41,917	40.65	2-13-2024				
	7-22-2013	79,602	19,901	36.68	7-22-2023	91,503	3,667,440	27,480	1,101,398
G. A. MORRIS	2-11-2016	22,346	89,386	33.18	2-11-2026				
	2-12-2015	11,218	16,828	46.92	2-12-2025				
	8-16-2012	5,263	—	26.25	8-16-2022				
	8-11-2011	4,491	—	26.17	8-11-2021				
	8-19-2010	3,114	—	30.71	8-19-2020				
	9-10-2009	2,279	—	28.70	9-10-2019	65,881	2,640,510	26,285	1,053,503
J. D. TAETS	2-11-2016	27,933	111,732	33.18	2-11-2026				
	2-12-2015	30,297	45,446	46.92	2-12-2025				
	2-13-2014	42,171	28,114	40.65	2-13-2024				
	2-21-2013	11,088	2,773	32.50	2-21-2023				
	8-16-2012	52,909	—	26.25	8-16-2022				
	8-11-2011	13,305	—	26.17	8-11-2021				
	8-19-2010	6,781	—	30.71	8-19-2020				
	9-10-2009	5,624	—	28.70	9-10-2019	88,405	3,543,272	33,453	1,340,796

(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	2/12/18	10/15/18	2/11/19	2/16/20
J. R. Luciano	71,864	—	160,103	137,396
R. G. Young	47,531	—	59,651	46,904
D. C. Findlay	30,401	—	33,622	27,480
G. A. Morris	6,205	14,178	19,213	26,285
J. D. Taets	16,758	14,178	24,016	33,453

(3) Based on the closing market price of a share of our common stock on the New York Stock Exchange on December 29, 2017, which was $40.08.

(4) The PSUs reported in this column represent 2017 PSU grants that will vest at the end of the three-year performance period beginning January 1, 2017 and ending December 31, 2019. 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 2017 PSU awards.

Option Exercises and Stock Vested During Fiscal Year 2017

The following table summarizes information regarding stock options exercised by the named executive officers during the fiscal year ended December 31, 2017, and restricted stock unit awards to the named executive officers that vested during that same period.

	OPTION AWARDS		STOCK AWARDS	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(1)	Number of Shares Acquired On Vesting (#)	Value Realized on Vesting ($)(2)
J. R. LUCIANO			61,422	2,692,126
R. G. YOUNG			48,354	2,119,356
D. C. FINDLAY			27,444	1,202,871
G. A. MORRIS			8,359	366,375
J. D. TAETS	5,319	67,291	18,407	806,779

(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 exercise date) and the aggregate exercise price of the shares acquired.

(2) Represents the market value of the shares issued in settlement of 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.

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, 2017.

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	7 7	65,902 204,133	0 0
R. G. YOUNG	ADM Retirement Plan ADM Supplemental Retirement Plan	7 7	70,070 138,815	0 0
D. C. FINDLAY	ADM Retirement Plan ADM Supplemental Retirement Plan	5 5	48,175 65,177	0 0
G. A. MORRIS	ADM Retirement Plan ADM Supplemental Retirement Plan	23 23	652,335 766,070	0 0
J. D. TAETS	ADM Retirement Plan ADM Supplemental Retirement Plan	30 30	1,067,937 1,992,818	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, 2017. 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, 2017 were an interest rate of 3.73% for the ADM Retirement Plan and 3.61% for the ADM Supplemental Retirement Plan and mortality was determined under the RP2014 mortality table, with a white collar adjustment, projected generationally using scale MP-2017. 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. Findlay participate in the cash balance formula under those plans. The amounts reported for Mr. Luciano, Mr. Young, and Mr. Findlay are the present value of their respective projected normal retirement benefit under the Retirement and Supplemental Plans at December 31, 2017. The amounts reported are calculated by projecting the balance in the accounts forward to age 65 by applying a 2.88% interest rate, converting to a single-life annuity as of age 65, and then discounting back to December 31, 2017 using the assumptions specified above. The total account balance for Mr. Luciano at December 31, 2017 under the Retirement and Supplemental Plans was $209,730, the total account balance for Mr. Young at December 31, 2017 under the Retirement and Supplemental Plans was $163,104, and the total account balance for Mr. Findlay at December 31, 2017 under the Retirement and Supplemental Plans was $87,180, 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 but less than five years of service 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 Findlay 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, 2017.

Name	Executive Contributions in Last Fiscal Year ($)	Aggregate Earnings in Last Fiscal Year ($)(1)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at 12/31/17 ($)(2)
J. R. LUCIANO	0	0	0	0
R. G. YOUNG	0	0	0	0
D. C. FINDLAY	0	0	0	0
G. A. MORRIS	0	0	0	0
J. D. TAETS	0	61,135	369,697	477,140

(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, 2017 because none of the earnings is considered to be "above market."

(2) Of the amount shown in this column, $674,977 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 the distribution to Mr. Taets of $369,697 during 2017.

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 Employee Stock Ownership Plan. No "make-whole" company credits were made on behalf of the named executive officers for fiscal year 2017.

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 Employee Stock Ownership Plan. 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 2017, 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 2017 Cumulative Return (1/1/17 to 12/31/17)
ADM Galliard Stable Value Fund	1.40%
Dodge & Cox Stock	18.33%
Ironbridge Small Cap	10.43%
PIMCO Total Return — Instl Class	5.13%
Vanguard Institutional Index — Instl Plus Shares	21.82%
Vanguard Morgan Growth — Admiral Shares	29.99%
Vanguard Wellington — Admiral Shares	14.82%
Vanguard International Growth — Admiral Shares	43.16%
T. Rowe Price Institutional Mid-Cap Equity Growth	26.02%
Vanguard Target Retirement 2015 Trust I	11.56%
Vanguard Target Retirement 2020 Trust I	14.18%
Vanguard Target Retirement 2025 Trust I	16.02%
Vanguard Target Retirement 2030 Trust I	17.61%
Vanguard Target Retirement 2035 Trust I	19.22%
Vanguard Target Retirement 2040 Trust I	20.82%
Vanguard Target Retirement 2045 Trust I	21.52%
Vanguard Target Retirement 2050 Trust I	21.48%
Vanguard Target Retirement 2055 Trust I	21.48%
Vanguard Target Retirement 2060 Trust I	21.51%
Vanguard Target Retirement 2065 Trust I	(1)
Vanguard Target Retirement Income Trust I	8.60%

(1) The inception date of the Vanguard Target Retirement 2065 Trust I was July 12, 2017, so no twelve-month cumulative return percentage is available.

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 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 the terms of our pre-2017 time-vested RSU award agreements, vesting accelerates upon a change in control of our company. 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 year following the truncated performance period. 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, 2017.

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	5,217,996	(2)	5,217,996	5,217,996	(5)
	Vesting of nonvested RSU awards	0	0	0	14,804,069	(2)	9,297,238	14,804,069	(5)
	Vesting of nonvested PSU awards	0	0	0	5,506,832	(2)	0	5,506,832	(5)
R. G. Young	Vesting of nonvested stock options	0	0	0	1,962,698	(2)	1,962,698	1,962,698	(5)
	Vesting of nonvested RSU awards	0	0	0	6,175,767	(2)	4,295,855	6,175,767	(5)
	Vesting of nonvested PSU awards	0	0	0	1,879,912	(2)	0	1,879,912	(5)
D. C. Findlay	Vesting of nonvested stock options	0	67,663(6)	0	1,146,996	(2)	1,146,996	1,146,996	(5)
	Vesting of nonvested RSU awards	0	0	0	3,667,440	(2)	2,566,042	3,667,440	(5)
	Vesting of nonvested PSU awards	0	0	0	1,101,398	(2)	0	1,101,398	(5)
G. A. Morris	Vesting of nonvested stock options	0	0	0	616,763	(2)	616,763	616,763	(5)
	Vesting of nonvested RSU awards	0	0	0	2,706,391	(2)	1,587,008	2,706,391	(5)
	Vesting of nonvested PSU awards	0	0	0	1,053,503	(2)	0	1,053,503	(5)
J. D. Taets	Vesting of nonvested stock options	0	0	0	791,970	(2)	791,970	791,970	(5)
	Vesting of nonvested RSU awards	0	0	0	3,543,272	(2)	2,257,428	3,543,272	(5)
	Vesting of nonvested PSU awards	0	0	0	1,340,796	(2)	0	1,340,796	(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 $40.08, the closing sale price of a share of our common stock on the NYSE on December 29, 2017. The amounts shown with respect to stock options were calculated with respect to options that were "in the money" as of December 31, 2017 and were determined by multiplying the number of shares subject to each option as to which accelerated vesting occurs by the difference between $40.08, the closing sale price of a share of our common stock on the NYSE on December 29, 2017, 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 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 PSU awards, assuming the first year of the performance period has been completed and that the Relative TSR as well as the levels of both Adjusted ROIC and Adjusted EBITDA achieved for such one year period equate to a 100% payout of the total number of target shares, was calculated by (i) deeming 33% of the target number of shares earned and entitled to vest and (ii) multiplying the target number of shares by 66.7% of the remaining target share amount and finally (iii) multiplying the sum of (i) and (ii) by $40.08, the closing sale price of a share of our common stock on the NYSE on December 29, 2017.

(2) Pursuant to the terms of the stock option, RSU award and PSU unit 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 and RSU awards 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 excludes the 2017 RSU and PSU awards and only includes unvested pre-2017 RSU awards. The amounts shown with respect to pre-2017 RSU awards were calculated by multiplying the number of units as to which accelerated vesting and settlement occurs by $40.08, the closing sale price of a share of our common stock on the NYSE on December 29, 2017. The amounts shown with respect to stock options were calculated with respect to options that were "in the money" as of December 31, 2017 and were determined by multiplying the number of shares subject to each option as to which accelerated vesting occurs by the difference between $40.08, the closing sale price of a share of our common stock on the NYSE on December 29, 2017, and the exercise price of the applicable stock option.

(4) Pursuant to the terms of the stock option and RSU awards 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, 2017 and were determined by multiplying the number of shares subject to each option as to which accelerated vesting occurs by the difference between $40.08, the closing sale price of a share of our common stock on the NYSE on December 29, 2017, 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 $40.08, the closing sale price of a share of our common stock on the NYSE on December 29, 2017.

(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.

(6) In accordance with commitments made at the time of Mr. Findlay's hiring, his 2013 stock option award is accelerated in full if his employment is terminated by us for reasons other than gross misconduct or by him for good reason. The amount shown was calculated in the manner described in footnote (1) above.

CEO Pay Ratio

The calculation of the pay ratio was based upon the same total compensation as shown for our Chairman and CEO in the Summary Compensation Table to include: (1) salary received in fiscal year 2017, (2) annual incentive payment received for performance in fiscal year 2017, (3) grant date fair value of any awards for fiscal year 2017, (4) change in pension value and nonqualified deferred compensation earnings, and (5) all other compensation as included in the Summary Compensation Table. We determined the median employee 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, 2017. 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, 2017. 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. For purposes of the pay ratio, their compensation is converted to U.S. dollars as of December 31, 2017 exchange rate to determine the median employee. The median employee's annual total compensation for fiscal year 2017 was $57,345.[1] The annual total compensation of our Chairman and CEO, as identified in the Summary Compensation Table for fiscal year 2017 was $15,875,055. The ratio between the Chairman and CEO's annual total compensation to the annual total compensation of our median employee is 276:1.

(1) When we determined the annual total compensation of the median employee in the same manner that we determine the total compensation of our named executive officers for purposes of the Summary Compensation Table, we reasonably determined there were compensation characteristics of the median employee's compensation due to variances in local compensation and benefits practices that would have a significant impact on our CEO pay ratio. As a result, we substituted an alternate employee as our median employee who had substantially similar total cash compensation to the original median employee.

DIRECTOR COMPENSATION FOR FISCAL 2017

For fiscal 2017, our standard compensation for non-employee directors consists of an annual retainer in the amount of $275,000. With respect to the $275,000 annual retainer, $150,000 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 for fiscal year 2017, our Lead Director received a stipend in the amount of $30,000, the chairman of the Audit Committee received a stipend in the amount of $20,000, the chairman of the Compensation/Succession Committee received a stipend in the amount of $20,000, and the chairman of the Nominating/Corporate Governance Committee received a stipend in the amount of $15,000. 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 our 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 2017.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	All Other Compensation ($)(3)	Total ($)
A. L. BOECKMANN	0	275,000	10,000	285,000
M. H. CARTER(4)	0	94,436	—	94,436
T. K. CREWS	145,000	150,000	—	295,000
P. DUFOUR	125,000	150,000	—	275,000
D. E. FELSINGER	35,000	275,000	12,458	322,458
S. F. HARRISON(5)	82,074	98,489	—	180,563
A. MACIEL(4)	62,500	51,510	—	114,010
P. J. MOORE	140,000	150,000	—	290,000
F. J. SANCHEZ	125,000	150,000	—	275,000
D. A. SANDLER	125,000	150,000	10,000	285,000
D. T. SHIH	125,000	150,000	—	275,000
K. R. WESTBROOK	145,000	150,000	7,500	302,500

(1) As described above, $150,000 of the annual retainer of $275,000 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 2017, Mr. Boeckmann and Ms. Carter each elected to receive his or her 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 $68,750 per quarter. The aggregate number of stock units credited to the account of each non-employee director as of December 31, 2017 (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 12/31/17
A. L. Boeckmann	41,629
T. K. Crews	23,764
P. Dufour	24,251
D. E. Felsinger	47,084
S. F. Harrison	1,467
P. J. Moore	51,361
F. J. Sanchez	12,377
D. A. Sandler	4,993
D. T. Shih	18,135
K. R. Westbrook	49,972

(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 and personal aircraft use.

(4) Ms. Carter and Mr. Maciel did not stand for reelection at our 2017 Annual Meeting of Stockholders on May 4, 2017. The annual non-employee director compensation provided to each of them was prorated to reflect that period of service during 2017.

(5) Ms. Harrison was elected to our Board of Directors at our 2017 Annual Meeting of Stockholders on May 4, 2017, and her annual non-employee director compensation was prorated to reflect her period of service during 2017.

DIRECTOR COMPENSATION FOR FISCAL 2018

For fiscal 2018, our standard compensation for non-employee directors will consist 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, which will be credited to the directors' accounts in the same manner described above. 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. We will pay the following stipends in addition to the annual retainer: our Lead Director will receive $30,000, the chairman of the Audit Committee will receive $25,000, the chairman of the Compensation/Succession Committee will receive $20,000, and the chairman of the Nominating/Corporate Governance Committee will receive $15,000. All such stipends are paid in cash. We will continue our practice of not paying fees, but will reimburse out-of-pocket traveling expenses, for attendance at board and committee meetings.

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, which is an increase from our guideline in effect prior to 2017 of not less than three 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 our 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 at December 31, 2017

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	16,386,954(1)	$31.19(2)	7,911,795(3)
Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total	16,386,954(1)	$31.19(2)	7,911,795(3)

(1) Consists of 1,231,851 shares to be issued upon exercise of outstanding options pursuant to our 2002 Incentive Compensation Plan, and 4,790,344 shares to be issued upon vesting of outstanding restricted stock units, 574,260 shares to be issued upon vesting of outstanding performance units, and 9,790,499 shares to be issued upon exercise of outstanding options pursuant to our 2009 Incentive Compensation Plan, all as of December 31, 2017.

(2) Weighted-average exercise price for outstanding stock options under our 2002 Incentive Compensation Plan and 2009 Incentive Compensation Plan. See footnote 1 above with respect to restricted stock units and performance share units granted under our 2009 Incentive Compensation Plan. The weighted-average exercise price does not take these awards into account.

(3) Consists of 7,911,795 shares available for issuance pursuant to our 2009 Incentive Compensation Plan as of December 31, 2017. Benefits which may be granted under the 2009 Incentive Compensation Plan are options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, and cash-based awards.

As of March 23, 2018, other than the Employee Stock Purchase Plan that is subject to approval by our stockholders pursuant to Proposal No. 4 of this proxy statement, 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 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, 2017, the brother of C. 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 General Auditor, including performance appraisals and related base and incentive compensation. The Audit Committee is comprised of five 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 2017.

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, 2018. 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, 2017 for filing with the SEC.

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

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, 2018. 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, our 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 attend the annual 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, 2018. 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, 2017 and December 31, 2016.

Description of Fees	2017	2016
Audit Fees(1)	$15,568,000	$14,757,000
Audit-Related Fees(2)	1,375,000	3,933,000
Tax Fees(3)	1,591,000	583,000
All Other Fees(4)	604,000	1,728,000
Total	$19,138,000	$21,001,000

(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, certain statutory audits, and SEC filings.

(2) Includes fees for accounting and reporting assistance, 1ADM business transformation program assessment, due diligence for mergers and acquisitions which reflects decreased portfolio actions by the company in 2017, and audit-related work in connection with employee benefit plans of our company.

(3) Includes fees related to tax planning advice, tax return preparation, and expatriate tax services.

(4) Includes fees for advisory services related to strategic initiatives.

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 2017 and 2016 were pre-approved by the Audit Committee.

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 our 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 2018:

> 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 our 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 — APPROVAL OF THE ADM EMPLOYEE STOCK PURCHASE PLAN

Introduction

We are asking our stockholders to approve the ADM Employee Stock Purchase Plan (the "Plan"), which is intended to be a qualified employee stock purchase plan under Section 423 of the Internal Revenue Code (the "Code"). The Plan was approved by our Board of Directors on February 8, 2018.

The purpose of the Plan is to provide our employees with a convenient means of purchasing shares of our common stock at a discount to market prices through the use of payroll deductions. The full text of the Plan is contained in Annex B to this proxy statement, and the material features of the Plan are summarized below.

Administration

The Compensation/Succession Committee of our Board of Directors (the "Committee") is authorized to administer the Plan. The Committee has full authority to adopt rules and procedures to administer the Plan, to interpret the provisions of the Plan, to determine the terms and conditions of offerings under the Plan, to designate which of our subsidiaries may participate in the Plan, and to adopt rules, procedures, and sub-plans to permit employees of foreign subsidiaries to participate in the Plan on a basis intended to achieve tax, securities law, or other compliance objectives in locations outside of the United States. All costs and expenses incurred for Plan administration are paid by us.

Securities Subject to the Plan

Up to 4,000,000 shares of our common stock may be purchased by participants under the Plan. The shares are to be made available from authorized but unissued shares of our common stock. Any shares issued under the Plan will reduce, on a one-for-one basis, the number of shares available for subsequent issuance under the Plan. In the event of any change to our outstanding common stock, such as a recapitalization, stock dividend, stock split, or similar event, appropriate adjustments will be made to the number and class of shares available under the Plan, the limit on the number of shares that a participant may purchase during any purchase period, and the number, class, and purchase price of shares subject to purchase under any pending offering.

Eligibility and Participation

With one exception, any individual employed by our company or any participating subsidiary corporation is eligible to participate in the Plan. However, no employee who owns stock possessing 5% or more of the total combined voting power or value of all classes of our stock or the stock of any of our subsidiaries may participate in the Plan. The Committee may, consistent with the requirements of Section 423, impose additional eligibility requirements for individual offerings under the Plan. As of March 12, 2018, we estimate that approximately 18,000 employees, including our nine executive officers, were eligible to participate in the Plan.

Eligible employees may enroll in the Plan and begin participating at the start of any purchase period.

Purchase Periods and Purchase Dates

Shares of common stock will be offered under the Plan through a series of offerings, each of which consists of a single purchase period of six months, or such other duration (up to 27 months) as the Committee may prescribe. If our stockholders approve this proposal, we expect that our shares will be offered under the Plan through a series of successive six-month purchase periods that are expected to commence on July 1, 2018 and on the first day of July and January thereafter. Purchases under the Plan are expected to occur on the last trading day of June and December each year.

Purchase Price

Unless a lesser purchase price is established by the Committee, the purchase price of each of common stock sold pursuant to the Plan will be 95% of the fair market value of a share of common stock on the purchase date at the end of the applicable six-month purchase period. In no event will the purchase price be less than 85% of the fair market value of a share of our common stock on the purchase date.

The fair market value of a share of our common stock on any relevant date under the Plan will be deemed to be equal to the closing sale price per share on such date on the New York Stock Exchange. The closing sale price of our common stock on the New York Stock Exchange on March 12, 2018 was $44.53 per share.

Payroll Deductions and Stock Purchases

Each participant may elect to have a percentage of eligible compensation between 1% and 10% withheld as a payroll deduction per pay period. The accumulated deductions will automatically be applied on each purchase date (the last trading day of a purchase period) to the purchase of shares of our common stock at the purchase price in effect for that purchase date. In connection with specific offerings under the Plan, the Committee may permit participants to make additional contributions other than by payroll deductions during the applicable purchase period. For purposes of the Plan, eligible compensation generally includes cash compensation including wages, salary, commission, and overtime earnings, and excludes bonuses, company 401(k) contributions, amounts deferred to a non-qualified deferred compensation plan, expense reimbursements and allowances, and income with respect to equity-based awards.

Special Limitations

The Plan imposes certain limitations upon a participant's right to purchase our common stock under the Plan, including the following:

- A participant may not be granted rights to purchase more than $25,000 worth of our common stock (valued at the time each purchase right is granted) for each calendar year in which such purchase rights are outstanding.
- No participant may purchase more than 1,000 shares of our common stock (or such other number of shares as the Committee may designate for a specific offering) on any one purchase date.

Changing Contribution Amounts; Withdrawal from Plan

A participant may decrease or increase the amount of his or her payroll deduction contributions effective as of the first day of the next purchase period. A participant may also decrease the amount of his or her payroll deduction contributions during a purchase period. A participant may withdraw from the Plan at any time, and his or her accumulated (but not yet invested) contributions to the Plan will be refunded.

Termination of Employment

A participant's purchase right will immediately terminate upon his or her termination of employment for any reason. Any payroll deductions that the participant may have made for the purchase period in which such termination of employment occurs will be refunded and will not be applied to the purchase of common stock.

Stockholder Rights

No participant will have any stockholder rights with respect to the shares covered by his or her purchase rights under the Plan until the shares are actually purchased on the participant's behalf through the Plan and issued and delivered.

Transferability

No purchase rights under the Plan will be assignable or transferable by the participant, except by will or the laws of inheritance following a participant's death. Unless otherwise provided in connection with a specific offering, shares of common stock purchased through the Plan by a participant may not be sold by the participant prior to the later of two years after the first day of the purchase period in which the shares were acquired or more than one year after the actual purchase date of the shares.

Corporate Transactions

If our company is acquired by merger, consolidation, or other reorganization, or sells all or substantially all its assets, each right to acquire shares on any purchase date scheduled to occur after the date of the consummation of the acquisition transaction shall be continued or assumed or an equivalent right shall be substituted by the surviving or successor corporation or its parent or subsidiary. If those rights are not continued, assumed, or substituted, then our Board of Directors may terminate the Plan or shorten the purchase period then in progress by setting a new purchase date to occur prior to the transaction.

Share Proration

Should the total number of shares of common stock to be purchased pursuant to outstanding purchase rights on any particular purchase date exceed the number of shares remaining available for issuance under the Plan at that time, the Committee will make a pro rata allocation of the available shares on a uniform and nondiscriminatory basis, and the payroll deductions of each participant not used to purchase shares will be refunded.

Amendment and Termination

The Plan may be terminated at any time by the Board of Directors, and will terminate upon the date on which all shares remaining available for issuance under the Plan are sold pursuant to exercised purchase rights.

The Committee may at any time amend or suspend the Plan. However, the Committee may not, without stockholder approval, amend the Plan to (i) increase the number of shares issuable under the Plan, (ii) effect any other change in the Plan that would require stockholder approval under applicable law or the New York Stock Exchange rules, or (iii) effect any other change in the Plan that would require stockholder approval in order to maintain compliance with Code Section 423.

U.S. Federal Income Tax Consequences

The following is a summary of the principal United States federal income tax consequences to the company and to participants subject to U.S. taxation with respect to participation in the Plan. This summary assumes the Plan qualifies as an "employee stock purchase plan" within the meaning of Code Section 423, is not intended to be exhaustive and does not discuss the income tax laws of any city, state or foreign jurisdiction in which a participant may reside.

Under a qualified Code Section 423 arrangement, no taxable income will be recognized by a participant, and no deductions will be allowed to the company, upon either the grant or the exercise of purchase rights under the Plan. Taxable income will not be recognized until either there is a sale or other disposition of the shares acquired under the Plan or in the event the participant dies while still owning the purchased shares.

If a participant sells or otherwise disposes of the purchased shares within two years after the first day of the purchase period in which such shares were acquired, or within one year after the actual purchase date of those shares, then the participant will recognize ordinary income in the year of sale or disposition equal to the amount by which the closing market price of the shares on the purchase date exceeded the purchase price paid for those shares, and the company will be entitled to an income tax deduction, for the taxable year in which such disposition occurs, equal in amount to such excess. The participant also will recognize a capital gain to the extent the amount realized upon the sale of the shares exceeds the sum of the aggregate purchase price for those shares and the ordinary income recognized in connection with their acquisition.

If a participant sells or otherwise disposes of the purchased shares more than two years after the first day of the purchase period in which the shares were acquired and more than one year after the actual purchase date of those shares, the participant will recognize ordinary income in the year of sale or disposition equal to the lower of (i) the amount by which the selling price of the shares on the sale or disposition date exceeded the purchase price paid for those shares or (ii) 5% of the closing market price of the shares on the first day of the purchase period in which the shares were acquired (or such purchase price discount provided by the Committee for the purchase period, not to exceed 15%). Any additional gain upon the disposition will be taxed as a long-term capital gain. The company will not be entitled to an income tax deduction with respect to such disposition.

If a participant still owns the purchased shares at the time of death, his or her estate will recognize ordinary income in the year of death equal to the lower of (i) the amount by which the closing market price of the shares on the date of death exceeds the purchase price or (ii) 5% of the closing market price of the shares on the first day of the purchase period in which those shares were acquired (or such purchase price discount provided by the Committee for the purchase period, not to exceed 15%).

Plan Benefits

The benefits to be received by our officers and employees under the Plan are not determinable because the amounts of future purchases by participants are based on elective participant contributions.

The Board of Directors recommends that you vote FOR the approval of the Plan. Proxies solicited by the Board will be so voted unless stockholders specify a different choice.

PROPOSAL NO. 5 — STOCKHOLDER PROPOSAL REGARDING INDEPENDENT BOARD CHAIRMAN

Text of Stockholder Proposal

Proposal 5 — Independent Board Chairman

Shareholders request our Board of Directors to adopt as policy, and amend our governing documents as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. The Board would have the discretion to phase in this policy for the next CEO transition, implemented so it does not violate any existing agreement.

If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chairman. This proposal requests that all the necessary steps be taken to accomplish the above.

Caterpillar is an example of a company recently changing course and naming an independent board chairman. Caterpillar had strongly opposed a shareholder proposal for an independent board chairman as recently as its 2016 annual meeting. Wells Fargo also changed course and named an independent board chairman in 2016.

It was reported that 53% of the Standard & Poors 1,500 firms separate these 2 positions (2015 report): Chairman and CEO. This proposal topic won 50%-plus support at 5 major U.S. companies in 2013 including 73%-support at Netflix.

This proposal topic won 47% support at our 2014 annual meeting. This 47%-support would have been higher (perhaps 51%) if small shareholders had the same access to corporate governance information as large shareholders. Plus in 2014 our stock was above $50.

Also there was weakness in our board with Directors Kelvin Westbrook and Patrick Moore receiving our highest negative votes by far in 2017. They each had long-tenure which can impair the independence of a director. Independence is a highly valuable attribute in a director.

A number of institutional investors said that a strong, objective board leader can best provide the necessary oversight of management. Thus, the California Public Employees' Retirement System's Global Principles of Accountable Corporate Governance recommends that a company's board should be chaired by an independent director, as does the Council of Institutional Investors. An independent director serving as chairman can help ensure the functioning of an effective board.

Please vote to enhance CEO accountability to shareholders:

Independent Board Chairman — Proposal 5

Recommendation of the Board of Directors AGAINST the Proposal

The Board has carefully considered the above proposal and recommends that stockholders vote against the proposal for the following reasons:

The Company's Lead Director Ensures Strong Independent Board Leadership

Our independent directors elect our Lead Director, who has well-defined responsibilities as set forth in our Corporate Governance Guidelines that ensure our Board provides effective independent oversight of management. The Board expanded these responsibilities since our last annual meeting in the areas of determining performance criteria for evaluating the Chief Executive Officer, evaluating the Board, committees and individual directors, and planning for management succession.

Our Lead Director:

- 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;
- Coordinates the activities of the other independent directors and serves as liaison between the Chairman and the independent directors;
- 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;
- 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;

- Advises the Nominating/Corporate Governance Committee on the selection of members of the Board committees;
- Advises the Board committees on the selection of committee chairs;
- Works with the Chairman and Chief Executive Officer to propose a schedule of major discussion items for the Board;
- Guides the Board's governance processes;
- 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;
- Has the authority to call meetings of the independent directors;
- If requested by major stockholders, ensures that he is available for consultation and direct communication;
- 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;
- Works with the Chair of the Compensation/Succession Committee to guide the Board's discussion of management succession plans;
- 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
- Performs such other duties and responsibilities as the Board may determine.

In addition to having a Lead Director position with significant responsibilities, the Company has a number of governance structures in place to support the independent operation of the Board:

- Ten out of eleven of the current directors — all directors other than Mr. Luciano — are independent under the standards of the New York Stock Exchange;
- The Board's Audit Committee, Compensation/Succession Committee, and Nominating/Corporate Governance Committee are composed solely of independent directors;
- Non-management directors meet privately in executive session presided over by the Lead Director at least quarterly, and if any of the non-management directors are not independent pursuant to the Board's independence determination, at least one executive session each year will include only independent directors;
- Non-management directors determine the performance criteria for evaluating the Chief Executive Officer and perform the annual performance review of the Chief Executive Officer;
- Directors have full and free access to the officers and employees of the Company; and
- The Board and each committee of the Board has the power to retain experts or advisors without consulting or obtaining the approval of any officer of the Company.

The Board Should Continue to Have Flexibility to Determine in its Business Judgment Whether to Separate or Combine the Roles of Chairman and Chief Executive Officer

The Board believes it is important to maintain the flexibility to choose whether to separate the Chairman and Chief Executive Officer roles at the Company. The Board believes the proposed policy would be detrimental to the Company because it would remove the Board's flexibility and narrow the governance arrangements that the Board may consider. The Board believes that, depending on the Company's circumstances at any given point in time, it may not be in the best interests of the Company or its stockholders to have a Chairman who is an independent director for a variety of reasons. Overall, the Board believes it should be allowed to use its business judgment to select the director it believes is best suited to serve as Chairman and to change that determination as facts and circumstances change.

The Board Regularly Reviews and Assesses Board Leadership Structure

The Board regularly reviews its governance processes including its leadership structure, and will make determinations based upon the best interests of the Company and its stockholders at that time. The Board considers, among other things, the changing needs of the Board and the Company and evolving corporate governance best practices (which show, according to the Spencer Stuart U.S. Board Index 2017, that 72% of S&P 500 companies do not have an independent board chairman). The Board also considers current trends and stockholder feedback received through engagement and votes on stockholder proposals (such as the similar proposals voted on by stockholders in 2014 and 2015, neither of which received the support of a majority of the Company's stockholders).

The Current Leadership Structure is the Most Effective for the Company

At present, the independent directors have determined that the Company is well-served by having both Chairman and Chief Executive Officer roles performed by Mr. Luciano, who provides excellent leadership and direction for both management and the Board and who facilitates the flow of business information and communications. This structure allows our Chief Executive Officer to speak for and lead the Company and Board while also providing for effective oversight and governance by an independent Board through the independent Lead Director.

Accordingly, the Board of Directors recommends that stockholders vote AGAINST this stockholder proposal. Proxies solicited by the Board will be so voted unless stockholders specify a different choice.

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 Secretary, Archer-Daniels-Midland Company, 77 West Wacker Drive, Suite 4600, Chicago, Illinois 60601, no later than November 23, 2018, and, in the case of nominations for director, no earlier than October 24, 2018, 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 2, 2019 and March 4, 2019 (or, if the next annual meeting is called for a date that is not within the period from April 3, 2019 to June 2, 2019, 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, Archer-Daniels-Midland Company, 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, Secretary

March 23, 2018

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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 trailing 4-quarter economic value added adjusted for LIFO and other specified items. The Company calculates economic value added by comparing ADM's trailing 4-quarter adjusted returns to its Annual WACC multiplied by adjusted invested capital. Adjusted economic value added is a non-GAAP financial measure and is not intended to replace or be an alternative to GAAP financial measures.

Adjusted ROIC, Adjusted ROIC Earnings, Adjusted Invested Capital, Adjusted EBITDA and Adjusted EPS 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 year ended December 31, 2017.

ADJUSTED EVA(1) CALCULATION (TWELVE MONTHS ENDED DECEMBER 31, 2017)

Adjusted ROIC 6.4% less Annual WACC 6.0% x Adjusted Invested Capital $24,850* = $99*

ADJUSTED ROIC(1) CALCULATION (TWELVE MONTHS ENDED DECEMBER 31, 2017)

Adjusted ROIC Earnings $1,594* ÷ Adjusted Invested Capital $24,850* = 6.4%
Adjusted ROIC Earnings including biodiesel blender's tax credit $1,717* ÷ Adjusted Invested Capital including biodiesel blender's tax credit $24,881* = 6.9%

*in millions

ADJUSTED ROIC EARNINGS(1) (IN MILLIONS)

	Quarter Ended				Four Quarters Ended
	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Dec 31, 2017
Net earnings attributable to ADM	$339	$276	$192	$788	$1,595
Adjustments:					
Interest expense	81	86	79	84	330
LIFO	(13)	9	—	2	(2)
Other specified items	14	20	106	(303)	(163)
Total adjustments	82	115	185	(217)	165
Tax on adjustments	(28)	(13)	(70)	(55)	(166)
Net adjustments	54	102	115	(272)	(1)
Total Adjusted ROIC Earnings	$393	$378	$307	$516	$1,594
Biodiesel blender's tax credit	—	—	—	123	123
Total Adjusted ROIC Earnings including biodiesel blender's tax credit	$393	$378	$307	$639	$1,717

DEFINITION AND RECONCILIATION OF NON-GAAP MEASURES

ADJUSTED INVESTED CAPITAL(1) (IN MILLIONS)	Quarter Ended				Trailing Four Quarter Average
	Mar 31, 2017	**Jun 30, 2017**	**Sep 30, 2017**	**Dec 31, 2017**	**Dec 31, 2017**
Shareholders' Equity(2)	$17,121	$17,411	$17,570	$18,313	$17,604
+ Interest-bearing liabilities(3)	7,207	6,980	7,336	7,493	7,254
+ LIFO adjustment (net of tax)	39	44	44	46	43
+ Other specified items	12	43	66	(326)	(51)
Total Adjusted Invested Capital	$24,379	$24,478	$25,016	$25,526	$24,850
Biodiesel blender's tax credit	—	—	—	123	31
Total Adjusted Invested Capital including biodiesel blender's tax credit	$24,379	$24,478	$25,016	$25,649	$24,881

ADJUSTED EBITDA(1) (IN MILLIONS)	Twelve Months Ended Dec 31, 2017
Earnings before income taxes	$1,609
Interest expense	330
Depreciation and amortization	924
EBITDA	2,863
Adjustments:	
LIFO charge	(2)
Gain on sale of assets	(22)
Asset impairment, restructuring, and settlement charges	214
Loss on debt extinguishment	11
Adjusted EBITDA	$3,064
Biodiesel blender's tax credit	123
Adjusted EBITDA including biodiesel blender's tax credit	$3,187

ADJUSTED EPS(1)	Twelve Months Ended Dec 31, 2017
EPS (fully diluted) as reported	$2.79
Adjustments:	
Loss on sale of assets	0.02
Asset impairment, restructuring, and settlement charges	0.25
Loss on debt extinguishment	0.01
Tax adjustments	(0.64)
Adjusted EPS	$2.43

(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 ROIC 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 several individually insignificant asset impairments and restructuring charges of $10 million ($8 million, after tax, $0.01 per share) and certain discrete tax adjustments of $4 million ($0.01 per share) related to valuation allowances for the quarter ended March 31, 2017; charges related to impairment of certain long-lived assets, restructuring, and a settlement totaling $28 million ($21 million, after tax, $0.04 per share) and net gains of $8 million ($22 million loss, after tax, $0.04 per share) related to the gain on sale of the crop risk business, partially offset by an adjustment of the proceeds of the 2015 sale of the cocoa business for the quarter ended June 30, 2017; asset impairments related to the configuration of the Company's Peoria, Illinois ethanol complex and restructuring charges related to the reduction of certain positions within the Company's global workforce totaling $107 million ($69 million, after tax, $0.12 per share), gains related to an adjustment of the proceeds of the 2015 sale of the cocoa business and the sale of an asset totaling $12 million ($10 million, after tax, $0.02 per share), and a debt extinguishment charge of $11 million ($7 million, after tax, $0.01 per share) related to the early redemption of the $550 million notes due on March 15, 2018 for the quarter ended September 30, 2017; and a legal settlement charge, asset impairments related to the closure of a facility, and several individually insignificant asset impairments and restructuring charges totaling $69 million ($46 million, after tax, $0.08 per share), a gain related to the sale of an asset of $2 million ($2 million, after tax), and a net tax adjustment related to the estimated impact of the Tax Cuts and Jobs Act U.S. tax reform and certain discrete items of $370 million ($0.65 per share) for the quarter ended December 31, 2017.

(c) Biodiesel blender's tax credit of $123 million ($123 million, after tax) is the amount of biodiesel blender's tax credit that the Company earned in 2017 but recorded in 2018 after the Bipartisan Budget Act of 2018 was passed by Congress and signed into law on February 9, 2018, retroactively extending the biodiesel blender's tax credit for 2017.

(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.

(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

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ADM EMPLOYEE STOCK PURCHASE PLAN

ADM EMPLOYEE STOCK PURCHASE PLAN

1. ***Purpose of the Plan****.* The purpose of this ADM Employee Stock Purchase Plan (the "Plan") is to provide the employees of Archer Daniels Midland Company ("ADM") and its participating subsidiaries with a convenient means of purchasing shares of ADM common stock from time to time at a discount to market prices through the use of payroll deductions. ADM intends that the Plan shall qualify as an "employee stock purchase plan" under Code § 423. Accordingly, the Plan will be construed so as to extend and limit Plan participation in any Offering subject to Code § 423 in a uniform and nondiscriminatory basis consistent with the requirements of Code § 423.

2. ***Definitions****.* The terms defined in this section are used (and capitalized) elsewhere in this Plan.

2.1. "*ADM*" means Archer Daniels Midland Company, a Delaware corporation, or any successor corporation.

2.2. "*Affiliate*" means each domestic or foreign entity that is a "parent corporation" or "subsidiary corporation" of ADM, as defined in Code §§ 424(e) and 424(f) or any successor provisions.

2.3. "*Board*" means the Board of Directors of ADM.

2.4. "*Code*" means the Internal Revenue Code of 1986, as amended and in effect from time to time. For purposes of the Plan, references to sections of the Code shall be deemed to include any applicable regulations thereunder and any successor or similar statutory provisions.

2.5. "*Committee*" means the Compensation/Succession Committee of the Board (or such successor committee responsible for executive compensation matters).

2.6. "*Common Stock*" means the common stock of ADM.

2.7. "*Corporate Transaction*" means (i) a merger, consolidation or other reorganization of ADM with or into another corporation, or (ii) the sale of all or substantially all of the assets of ADM.

2.8. "*Designated Affiliate*" means any Affiliate which has been expressly designated by the Committee as a corporation whose Eligible Employees may participate in the Plan.

2.9. "*Eligible Compensation*" shall be defined from time to time by the Committee in its sole discretion with respect to any Offering and Purchase Period. Except as otherwise defined by the Committee from time to time in its sole discretion, (i) Eligible Compensation means the cash compensation (including wages, salary, commission, and overtime earnings) paid by ADM or any Designated Affiliate to a Participant in accordance with the Participant's terms of employment, (ii) Eligible Compensation includes contributions made by the Participant by payroll deduction to any qualified cash or deferred arrangement that forms part of a plan maintained by contributed by ADM or an Affiliate (while it is an Affiliate), or to a cafeteria plan maintained by ADM or an Affiliate (while it is an Affiliate), or under any qualified transportation fringe benefit plan, and (iii) Eligible Compensation shall not include any bonuses, employer contributions to a 401(k) or other retirement plan, amounts deferred to a non-qualified deferred compensation plan, any expense reimbursements or allowances, vacation pay in lieu of time off, coverage provided or amounts paid under any welfare benefit plan (unless provided above), amounts paid by an insurance company, amounts paid in a form other than cash and other fringe benefits, or any income (whether paid in Shares or cash) realized by the Participant as a result of participation in any equity-based compensation plan of ADM or an Affiliate.

2.10. "*Eligible Employee*" means any employee of ADM or a Designated Affiliate, except for any employee who, immediately after a right to purchase is granted under the Plan, would be deemed, for purposes of Code § 423(b)(3), to own stock possessing 5% or more of the total combined voting power or value of all classes of stock of ADM or any Affiliate. Notwithstanding the foregoing, with respect to any Offering, the Committee may provide for the exclusion of certain employees within the limitations described in Treasury Regulations §1.423-2(e)(1), (2) and (3).

2.11. "*Fair Market Value*" of a Share of Common Stock as of any date means the closing sale price for a Share on the principal securities market on which the Shares trade on said date, or, if no sale has been made on such exchange on said date, on the last preceding day on which any sale shall have been made. The determination of Fair Market Value shall be subject to adjustment as provided in Sec. 14.1.

2.12. "*Offering*" means the right provided to Participants to purchase Shares under the Plan with respect to a Purchase Period.

2.13. "*Offering Date*" means the first Trading Day of a Purchase Period.

2.14. "*Participant*" means an Eligible Employee who has elected to participate in the Plan in the manner set forth in Sec. 4 and whose participation has not ended pursuant to Sec. 8.1 or Sec. 9.

2.15. "*Plan*" means this ADM Employee Stock Purchase Plan, as it may be amended from time to time.

2.16. "*Purchase Date*" means the last Trading Day of a Purchase Period.

2.17. "*Purchase Period*" means a period of time during which offers to purchase Common Stock are outstanding under the Plan. The Committee shall determine the length of each Purchase Period, which need not be uniform; provided that no Purchase Period shall exceed twenty-seven (27) months in length. A Purchase Period shall commence on such date as may be established by the Committee. Unless the Committee determines otherwise, the Purchase Period will be six (6) months.

2.18. "*Recordkeeping Account*" means the account maintained in the books and records of ADM (or its agent) recording the amount contributed to the Plan by each Participant through payroll deductions.

2.19. "*Shares*" means shares of Common Stock.

2.20. "*Trading Day*" means a day on which the national stock exchanges in the United States are open for trading.

3. ***Shares Available***. Subject to adjustment as provided in Sec. 14.1, the maximum number of Shares that may be sold by ADM to Eligible Employees under the Plan shall be 4,000,000 Shares. If the purchases by all Participants in an Offering would otherwise cause the aggregate number of Shares to be sold under the Plan to exceed the number specified in this Sec. 3, each Participant in that Offering shall be allocated a ratable portion of the remaining number of Shares which may be sold under the Plan.

4. ***Eligibility and Participation***. To be eligible to participate in the Plan for a given Purchase Period, an employee must be an Eligible Employee on the first day of such Purchase Period.

An Eligible Employee may elect to participate in the Plan by filing an election form with ADM (or its agent) before the Offering Date for a Purchase Period that authorizes regular payroll deductions from Eligible Compensation beginning with the first payday in such Purchase Period and continuing until the Plan is terminated or the Eligible Employee withdraws from the Plan, modifies his or her authorization, or ceases to be an Eligible Employee, as hereinafter provided.

5. ***Amount of Common Stock Each Eligible Employee May Purchase***.

5.1. *Purchase Amounts and Limitations*. Subject to the provisions of this Plan, each Participant shall be offered the right to purchase on the Purchase Date the maximum number of whole Shares that can be purchased with the balance in the Participant's Recordkeeping Account at the per Share price specified in Sec. 5.2. Notwithstanding the foregoing, no Participant shall be entitled to:

(a) the right to purchase Shares under this Plan and all other employee stock purchase plans (within the meaning of Code § 423(b)), if any, of ADM and its Affiliates that accrues at a rate which in the aggregate exceeds $25,000 of Fair Market Value (determined on the Offering Date of a Purchase Period when the right is granted) for each calendar year in which such right is outstanding at any time; or

(b) purchase Shares in excess of 1000 Shares per Offering (or such other maximum Share limit as established by the Committee in its sole discretion), with such limit subject to adjustment from time to time as provided in Sec. 14.1.

5.2. *Purchase Price*. Unless a lesser purchase price is established by the Committee for an Offering prior to the commencement of the applicable Purchase Period, the purchase price of each Share sold pursuant to this Plan will be 95% of the Fair Market Value of such Share on the Purchase Date. In no event shall the purchase price be less than 85% of the Fair Market Value of such Share on the Purchase Date.

6. ***Method of Participation***.

6.1. *Notice and Date of Grant*. ADM shall give notice to each Eligible Employee of the opportunity to purchase Shares pursuant to this Plan and the terms and conditions of such Offering. ADM contemplates that for tax purposes the Offering Date for a Purchase Period will be considered the date of the grant of the right to purchase such Shares.

6.2. *Contribution Elections*. Each Eligible Employee who desires to participate in the Plan for a Purchase Period shall signify his or her election to do so by completing an election with ADM (or its agent) in a manner approved by the Committee. An Eligible Employee may elect to have any whole percent of Eligible Compensation (that is, 1%, 2%, 3%, etc.) withheld as a payroll deduction, but not exceeding 10% per pay period (or such other maximum percentage as the Committee may establish from time to time prior to the commencement of an Offering). An election to participate in the Plan and to authorize payroll deductions as described herein must be made before the Offering Date of a Purchase Period, and shall be effective beginning with the first payday in the Purchase Period immediately following the filing of such election. Any election submitted shall remain in effect until the Plan is terminated or such Participant withdraws from the Plan, modifies his or her authorization, or ceases to be an Eligible Employee, as hereinafter provided.

6.3 *Additional Contributions*. If specifically provided by the Committee in connection with an Offering (including for purposes of complying with applicable local law), in addition to or instead of making contributions by payroll deductions, a Participant may make additional contributions to his or her Recordkeeping Account through the payment by cash or check prior to a Purchase Date. A Participant may make such additional contributions into his or her Recordkeeping Account only if the Participant has not already had the maximum permitted amount withheld during the Offering through payroll deductions, subject to the limitations set forth in Sec. 5.1.

6.4. *Offering Terms and Conditions*. Each Offering shall consist of a single Purchase Period and shall be in such form and shall contain such terms and conditions as the Committee shall deem appropriate, consistent with the terms of the Plan. The Committee may provide for separate Offerings for different Designated Affiliates, and the terms and conditions of the separate Offerings, including the applicable Purchase Period, need not be consistent. Any Offering shall comply with the requirement of Code § 423 that all Participants shall have the same rights and privileges for such Offering. The terms and conditions of any Offering shall be incorporated by reference into the Plan and treated as part of the Plan.

7. ***Recordkeeping Accounts***.

7.1. *Crediting Payroll Deduction Contributions*. ADM (or its agent) shall maintain a Recordkeeping Account for each Participant. Payroll deductions pursuant to Sec. 6 will be credited to such Recordkeeping Accounts on each payday.

7.2. *No Interest Payable*. No interest will be credited to a Participant's Recordkeeping Account (unless required under local law).

7.3. *No Segregation of Accounts*. The Recordkeeping Account is established solely for accounting purposes, and all amounts credited to the Recordkeeping Account will remain part of the general assets of ADM and need not be segregated from other corporate funds (unless required under local law).

7.4. *Additional Contributions*. A Participant may not make any separate cash payment into a Recordkeeping Account, except as may be permitted in accordance with Sec. 6.3, and any such additional contributions will be credited to the Recordkeeping Accounts when received by ADM.

8. ***Right to Adjust Participation; Withdrawals from Recordkeeping Account***.

8.1. *Withdrawal from Plan*. A Participant may at any time withdraw from the Plan. If a Participant withdraws from the Plan, ADM will pay to the Participant in cash the entire balance in such Participant's Recordkeeping Account and no further deductions will be made from the Participant's Eligible Compensation during such Purchase Period. A Participant who withdraws from the Plan will not be eligible to reenter the Plan until the next succeeding Purchase Period, and any such reentry shall be through the enrollment process described in Sec. 6.2.

8.2. *Adjusting Level of Participation*. A Participant may adjust his or her rate of payroll deduction contributions to the Plan as follows:

(a) A Participant may, by written notice, direct ADM to increase or decrease his or her rate of payroll deduction contributions, with such change to be effective as of the first day of the next Purchase Period.

(b) A Participant may, by written notice, direct ADM to decrease his or her rate of payroll deduction contributions for a Purchase Period (including a decrease to 0%) one time during the applicable Purchase Period, with such change to become effective as soon as reasonably practicable. Any Participant who has decreased his or her rate of payroll deductions to 0% and does not increase such rate of payroll deductions from 0% to at least 1% in accordance with Sec. 8.2(a) prior to the start of the next Purchase Period will be withdrawn from the Plan effective as of the first day of that next Purchase Period.

8.3. *Submission of Notices*. Notification of a Participant's election to withdraw from the Plan as provided in Sec. 8.1 or to change his or her rate of payroll deductions as provided in Sec. 8.2 shall be made by completing an updated election with ADM (or its agent) in a manner approved by the Committee. The Committee may promulgate rules regarding the time and manner for submitting any such updated election, which may include a requirement that the election be on file for a reasonable period before it will be effective.

8.4. *Adjustments by ADM*. To the extent necessary to comply with Code § 423(b)(8) or Sec. 5.1, a Participant's payroll deduction contributions to the Plan may be decreased by ADM to 0% at any time during a Purchase Period.

9. ***Termination of Employment***.

9.1. *Refund of Recordkeeping Account.* If the employment of a Participant is terminated for any reason, including death, disability, or retirement, the entire balance in the Participant's Recordkeeping Account will be refunded in cash to the Participant within 30 days after the date of termination of employment. Unless determined otherwise by the Committee in a manner that is permitted by, and in compliance with Code § 423, a Participant whose employment transfers between entities through a termination with an immediate rehire (with no break in service) by ADM or a Designated Affiliate shall not be treated as a termination under the Plan.

9.2. *Designation of Beneficiary.* If permitted by the Committee, a Participant may file a beneficiary designation for who is to receive the Participant's Recordkeeping Account or Share subaccount, if any, following the death of a Participant. If no beneficiary is named, the beneficiary shall be the Participant's spouse or certified domestic partner (as determined by ADM policy), or if none, the Participant's estate. If a Participant is married and the designated beneficiary is not the spouse, consent of the spouse will be required for such designation to be effective. All beneficiary designations will be in such form and manner as the Committee may designate from time to time.

10. ***Purchase of Shares***.

10.1. *Number of Shares Purchased*. As of each Purchase Date, the balance in each Participant's Recordkeeping Account will be used to purchase the maximum number of whole Shares (subject to the limitations of Sec. 5.1) at the purchase price determined in accordance with Sec. 5.2, unless the Participant has filed an appropriate form with ADM in advance of that date to withdraw from the Plan in accordance with Sec. 8.1. Any amount remaining in a Participant's Recordkeeping Account that represents the purchase price for any fractional share will be carried over in the Participant's Recordkeeping Account to the next Purchase Period. Any amount remaining in a Participant's Recordkeeping Account that represents the purchase price for any whole Shares that could not be purchased by reason of the limitations of Sec. 5.1 or under the circumstances described in Sec. 3 will be refunded to the Participant.

10.2. *Conversion of Foreign Currency*. In circumstances where payroll deductions have been taken from a Participant's Eligible Compensation in a currency other than United States dollars, Shares shall be purchased by converting the balance in the Participant's Recordkeeping Account to United States dollars at the exchange rate in effect at the end of the fifth Trading Day preceding the Purchase Date, as published by Bloomberg.com if available or as determined with respect to a particular jurisdiction by the Committee or its delegate for this purpose, and such dollar amount shall be used to purchase Shares as of the Purchase Date.

10.3. *Crediting of Shares*. Promptly after the end of each Purchase Period, the number of Shares purchased by all Participants as of the applicable Purchase Date shall be issued and delivered to an agent selected by ADM. Delivery of the shares to the agent shall be effected by an appropriate book-entry in the stock register maintained by ADM's transfer agent or delivery of a certificate. The agent will hold the Shares for the benefit of all Participants who have purchased Shares and will maintain a Share subaccount for each Participant reflecting the number of Shares credited to each Participant. Each Participant will be entitled to direct the voting by the agent of all Shares credited to such Participant's Share subaccount, and the agent may reinvest any dividends paid on Shares credited to a Participant's Share subaccount in additional Shares in accordance with such rules as the Committee may prescribe.

10.4 *Withdrawal of Shares From Share Subaccount*. Unless otherwise determined by the Committee, a Participant may not withdraw Shares or otherwise transfer Shares from the Participant's Share subaccount until after the Participant has satisfied the minimum holding period requirements established by Code § 423(a)(1). Once this holding period requirements have been satisfied with respect to Shares credited to a Participant's Share subaccount, the Participant may request that the agent transfer any or all of those Shares directly to the Participant or to a brokerage account maintained by the Participant. The agent shall deliver the requested number of whole Shares by the issuance of a stock certificate, the electronic delivery of the Shares to a brokerage account designated by the Participant, or an appropriate book-entry in the stock register maintained by ADM's transfer agent with a notice of issuance provided to the Participant, and will pay the Participant a cash amount representing the Fair Market Value of any applicable fractional Share withdrawn.

11. ***Rights as a Shareholder***. A Participant shall not be entitled to any of the rights or privileges of a shareholder of ADM with respect to Shares offered for purchase under the Plan, including the right to vote or direct the voting or to receive any dividends that may be declared by ADM, until (i) the Participant actually has paid the purchase price for such Shares and (ii) such Shares have been issued and delivered, as provided in Sec. 10.3.

12. ***Rights Not Transferable***. A Participant's rights under this Plan are exercisable only by the Participant during his or her lifetime, and may not be sold, pledged, assigned, transferred or disposed of in any manner other than by will or the laws of descent and distribution. Any attempt to sell, pledge, assign, transfer or dispose of the same shall be void and without effect. The amounts credited to a Recordkeeping Account may not be sold, pledged, assigned, transferred or disposed of in any way, and any attempted sale, pledge, assignment, transfer or other disposition of such amounts will be void and without effect.

13. ***Administration of the Plan***.

13.1. *Authority of the Committee*. This Plan shall be administered by the Committee. Subject to the express provisions of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have full power and authority to:

(a) Determine when each Purchase Period under this Plan shall occur, and the terms and conditions of each related Offering (which need not be identical);

(b) Designate from time to time which Affiliates of ADM shall be eligible to participate in the Plan;

(c) Construe and interpret the Plan and establish, amend and revoke rules, regulations and procedures for the administration of the Plan. The Committee may, in the exercise of this power, correct any defect, omission or inconsistency in the Plan, in such manner and to the extent it may deem necessary, desirable or appropriate to make the Plan fully effective;

(d) Exercise such powers and perform such acts as the Committee may deem necessary, desirable or appropriate to promote the best interests of ADM and its Designated Affiliates and to carry out the intent that the Offerings made under the Plan are treated as qualifying under Code § 423(b);

(e) As more fully described in Sec. 18, to adopt such rules, procedures and sub-plans as may be necessary, desirable or appropriate to permit participation in the Plan by employees who are foreign nationals or employed outside the United States by a non-U.S. Designated Affiliate, and to achieve tax, securities law and other compliance objectives in particular locations outside the United States; and

(f) Adopt and amend, as the Committee deems appropriate, a Plan rule specifying that Shares purchased by a Participant during a Purchase Period may not be sold by the Participant for a specified period of time after the Purchase Date on which the Shares were purchased by the Participant, and establish such procedures as the Committee may deem necessary to implement such rule.

13.2. *Interpretations and Decisions by the Committee*. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all persons, including ADM, any Affiliate, any Participant and any Eligible Employee.

13.3. *Delegation by the Committee*. Subject to the terms of the Plan and applicable law, the Committee may delegate ministerial duties associated with the administration of the Plan to such of ADM's officers, employees or agents as the Committee may determine.

13.4. *Indemnification*. No member of the Board or Committee shall be liable for any action taken or determination made in good faith with respect to the Plan. In addition to such other rights of indemnification as they may have as members of the Board or officers or employees of ADM or a Designated Affiliate, members of the Board and Committee and any officers or employees of the ADM or Designated Affiliate to whom authority to act for the Committee is delegated shall be indemnified by ADM from and against any and all liabilities, costs and expenses incurred by such persons as a result of any act or omission to act in connection with the performance of such person's duties, responsibilities and obligations under the Plan if such person has acted in good faith and in a manner that he or she reasonably believes to be in, or not opposed to, the best interests of ADM.

14. ***Changes in Capitalization and Corporate Transactions***.

14.1. *Adjustments*. In the event of any change in the Common Stock of ADM by reason of a stock dividend, stock split, reverse stock split, corporate separation, recapitalization, merger, consolidation, combination, exchange of shares and the like, the Committee shall make such equitable adjustments as it deems appropriate in the aggregate number and class of Shares or other securities available under this Plan, the Share limitation referred to in Sec. 5.1(b) of the Plan, if any, and the number, class and purchase price of Shares or other securities subject to purchase under any pending Offering.

14.2. *Corporate Transactions*. In the event of a Corporate Transaction, each right to acquire Shares on any Purchase Date that is scheduled to occur after the date of the consummation of the Corporate Transaction may be continued or assumed or an equivalent right may be substituted by the surviving or successor corporation or a parent or subsidiary of such corporation. If such surviving or successor corporation or parent or subsidiary thereof refuses to continue, assume or substitute for such outstanding rights, then the Board may, in its discretion, either terminate the Plan or shorten the Purchase Period then in progress by setting a new Purchase Date for a specified date before the date of the consummation of the Corporate Transaction. Each Participant shall be notified in writing, prior to any new Purchase Date, that the Purchase Date for the existing Offering has been changed to the new Purchase Date and that the Participant's right to acquire Shares will be exercised automatically on the new Purchase Date unless prior to such date the Participant's employment has been terminated or the Participant has withdrawn from the Plan. In the event of a dissolution or liquidation of ADM, any Offering and Purchase Period then in progress will terminate immediately prior to the consummation of such action, unless otherwise provided by the Board.

15. ***Amendment or Suspension of Plan***. The Committee, in its sole discretion, may at any time suspend this Plan or amend it in any respect, but no such amendment may, without shareholder approval, increase the number of shares reserved under this Plan, or effect any other change in the Plan that would require shareholder approval under applicable law or regulations or the rules of any securities exchange on which the Shares may then be listed, or to maintain compliance with Code § 423. No such amendment or suspension shall adversely affect the rights of Participants pursuant to Shares previously acquired under the Plan. During any suspension of the Plan, no new Offering or Purchase Period shall begin and no Eligible Employee shall be offered any new right to purchase Shares under the Plan or any opportunity to elect to participate in the Plan, and any existing payroll deduction authorizations shall be suspended, but any such right to purchase Shares previously granted for a Purchase Period that began prior to the Plan suspension shall remain subject to the other provisions of this Plan and the discretion of the Board and the Committee with respect thereto.

16. ***Effective Date and Term of Plan****.* The Plan will become effective June 15, 2018. No rights to purchase Shares granted under this Plan will be exercised unless and until the Plan has been approved by the shareholders of ADM, which approval must be within 12 months before or after the date the Plan is adopted by the Board. The Plan and all rights of Participants hereunder shall terminate (i) at any time, at the discretion of the Committee, or (ii) upon the completion of any Offering under which the limitation on the total number of Shares to be issued during the entire term of the Plan, as determined in accordance with Sec. 3, has been reached. Except as otherwise determined by the Board, upon termination of this Plan, ADM shall pay to each Participant cash in an amount equal to the entire remaining balance in such Participant's Recordkeeping Account.

17. ***Governmental Regulations and Listing****.* All rights granted or to be granted to Eligible Employees under this Plan are expressly subject to all applicable laws and regulations and to the approval of all governmental authorities required in connection with the authorization, issuance, sale or transfer of the Shares reserved for this Plan, including, without limitation, there being a current registration statement of ADM under the Securities Act of 1933, as amended, covering the Shares purchasable on the Purchase Date applicable to such Shares. If applicable, all such rights hereunder are also similarly subject to effectiveness of an appropriate listing application to a national securities exchange covering the Shares issuable under the Plan upon official notice of issuance.

18. ***Rules for Foreign Jurisdictions***. The Committee may adopt rules, procedures or subplans relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules and procedures regarding handling of payroll deductions, payment of interest, conversion of local currency, payroll tax, the definition of Eligible Compensation, withholding procedures and handling of stock certificates that vary with local requirements.

19. ***Miscellaneous****.*

19.1. *Effect on Employment Status*. This Plan shall not be deemed to constitute a contract of employment between ADM or any Designated Affiliate and any Participant, nor shall it interfere with the right of ADM (or any Affiliate) to terminate the employment of any Participant and treat him or her without regard to the effect that such treatment might have upon him or her under this Plan.

19.2. *Governing Law*. This Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of Illinois.

19.3. *Electronic Documentation and Signatures*. Any reference in the Plan to election or enrollment forms, notices, authorizations or any other document to be provided in writing shall include the provision of any such form, notice, authorization or document by electronic means, including through ADM's intranet or with ADM's agent, and any reference in the Plan to the signing of any document shall include the authentication of any such document provided in electronic form, in each case in accordance with procedures established by the Committee.

19.4. *Book-Entry and Electronic Transfer of Shares.* Any reference in this Plan to the issuance or transfer of a stock certificate evidencing Shares shall be deemed to include, in the Committee's discretion, the issuance or transfer of such Shares in book-entry or electronic form. Uncertificated Shares shall be deemed delivered for all purposes of this Plan when ADM or its agent shall have provided to the recipient of the Shares a notice of issuance or transfer by electronic mail (with proof of receipt) or by United States mail, and have recorded the issuance or transfer in its records.

19.5. *Registration of Share Accounts and Certificates.* Any Share account contemplated by Sec. 10.3 and certificate to be issued to a Participant shall be registered in the name of the Participant, or jointly in the name of the Participant and another person, as the Participant may direct on an appropriate form filed with ADM or the agent.

19.6. *Code § 409A*. The Plan is exempt from the application of Code § 409A and any ambiguities herein will be interpreted to so be exempt from Code § 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Committee determines that an option granted under the Plan may be subject to Code § 409A or that any provision in the Plan would cause an option under the Plan to be subject to Code § 409A, the Committee may amend the terms of the Plan and/or of an outstanding Offering under the Plan, or take such other action as the Committee determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Code § 409A, but only to the extent any such amendments or actions by the Committee would not violate Code § 409A. Notwithstanding the foregoing, ADM and the Committee shall have no liability to a Participant or any other party if the option to purchase Shares under the Plan that is intended to be exempt from or compliant with Code § 409A is not exempt or compliant or for any action taken by the Committee with respect thereto. ADM makes no representations that the option to purchase Shares under the Plan is compliant with Code § 409A.

19.7. *Severability*. If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality or unenforceability shall not affect the remaining parts of the Plan and the Plan shall be construed and enforced as to such jurisdiction or Participant as if the invalid, illegal or unenforceable provision had not been included.

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ADM®

ARCHER DANIELS MIDLAND COMPANY

2017 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**

OR

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

For the fiscal year ended December 31, 2017

Commission file number 1-44

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

Delaware	**41-0129150**
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)
77 West Wacker Drive, Suite 4600 Chicago, Illinois	**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	Name of each exchange on which registered
Common Stock, no par value	**New York Stock Exchange**

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

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

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth comany. See definition 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 ☐	

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--$23.2 billion
(Based on the closing sale price of Common Stock as reported on the New York Stock Exchange
as of June 30, 2017)

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—558,839,277 shares
(February 15, 2018)

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual meeting of stockholders to be held May 3, 2018, are incorporated by reference into Part III of this Form 10-K.

SAFE HARBOR STATEMENT

This Form 10-K contains forward-looking information that is subject to certain risks and uncertainties that could cause actual results to differ materially from those projected, expressed, or implied by such forward-looking information. In some cases, you can identify forward-looking statements by our use of words such as "may", "will", "should", "anticipates", "believes", "expects", "plans", "future", "intends", "could", "estimate", "predict", "potential" or "contingent", the negative of these terms or other similar expressions. The Company's actual results could differ materially from those discussed or implied herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this Form 10-K for the year ended December 31, 2017. Among these risks are legislative acts; changes in the prices of food, feed, and other commodities, including gasoline; and macroeconomic conditions in various parts of the world. To the extent permitted under applicable law, the Company assumes no obligation to update any forward-looking statements as a result of new information or future events.

PART I

Item 1. BUSINESS

Company Overview

Archer-Daniels-Midland Company (the Company) was incorporated in Delaware in 1923, successor to the Daniels Linseed Co. founded in 1902. The Company is one of the world's leading producers of food and beverage ingredients, and other products made from oilseeds, corn, wheat, and other agricultural commodities. The Company's products include natural flavors and colors, health and nutrition products, vegetable oil, corn sweeteners, flour, animal feed, and biofuels. The Company has an extensive global grain elevator and transportation network to procure, store, clean, and transport agricultural commodities, such as oilseeds, corn, wheat, milo, oats, and barley, as well as products derived from those inputs. The Company has significant investments in joint ventures. The Company expects to benefit from these investments, which typically aim to expand or enhance the Company's market for its products or offer other benefits including, but not limited to, geographic or product line expansion.

The Company's vision is to be the most admired global agribusiness and ingredients company while creating value and growing responsibly. The Company's strategy involves expanding the volume and diversity of crops that it merchandises and processes, expanding the global reach of its core model, and expanding its value-added product portfolio. The Company desires to execute this vision and these strategies by conducting its business in accordance with its core values of operating with integrity, treating others with respect, achieving excellence, being resourceful, displaying teamwork, and being responsible.

As the world population grows, so does demand for quality foods, feed ingredients for livestock, alternative fuels, and environmentally friendly alternatives to traditional chemicals. As one of the world's leading agricultural and food ingredient processors, the Company plays a pivotal role in meeting all of these needs in sustainable ways. The Company produces the food ingredients, biofuels, and other products that manufacturers around the world use to provide wholesome food and a better life to millions of people around the globe.

Segment Descriptions

The Company's operations are organized, managed, and classified into four reportable business segments: Agricultural Services, Corn Processing, Oilseeds Processing, and Wild Flavors and Specialty Ingredients. 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."

Agricultural Services

The Agricultural Services segment utilizes its extensive global grain elevator and transportation networks, and port operations to buy, store, clean, and transport agricultural commodities, such as oilseeds, corn, wheat, milo, oats, rice, and barley, and resells these commodities primarily as food and feed ingredients and as raw materials for the agricultural processing industry. The Agricultural Services segment includes international agricultural commodities merchandising and handling activities managed through a global trade desk based in Rolle, Switzerland. Agricultural Services' grain sourcing, handling, and transportation network provides reliable and efficient services to the Company's customers and agricultural processing operations. Agricultural Services' transportation network capabilities include barge, ocean-going vessel, truck, rail, and container freight services. The Agricultural Services segment also includes the activities related to structured trade finance and the processing of wheat into wheat flour. In July 2017, the Company completed the acquisition of a 51% controlling interest in Industries Centers, an Israeli company specializing in the import and distribution of agricultural feed products, which is now known as ADM Israel.

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 held a 19.8% interest in GrainCorp Limited (GrainCorp), a publicly listed company on the Australian Stock Exchange, until its sale in December 2016. GrainCorp is engaged in grain receival and handling, transportation, port operations, oilseed processing, malt processing, flour processing, and grain marketing activities.

Corn Processing

The Company's Corn Processing segment is engaged in corn wet and dry milling and other activities, utilizing its asset base primarily located in the central part of the United States with additional facilities in China, Bulgaria, France, Morocco, Spain, and Turkey. The Corn Processing segment converts corn into sweeteners, starches, and bioproducts. Its products include ingredients used in the food and beverage industry including sweeteners, starch, syrup, glucose, and dextrose. Dextrose and starch are used by the Corn Processing segment as feedstocks for its bioproducts operations. By fermentation of dextrose, the Corn Processing segment produces alcohol, amino acids, 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. Bioproducts also include essential amino acids such as lysine and threonine used in swine and poultry diets to optimize performance. 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. The Corn Processing segment also includes activities related to the processing and distribution of formula feeds and animal health and nutrition products. Other Corn Processing products include citric acids and glycols, all of which are used in various food and industrial products. The Corn Processing segment also included the activities of the Company's Brazilian sugarcane ethanol plant and related operations until the Company completed the sale of these operations in May 2016. In February 2017, the Company acquired Crosswind Industries, Inc., an industry leader in the manufacture of contract and private label pet treats and food, as well as specialty ingredients, and an 89% controlling interest in Biopolis SL, a leading provider of microbial technology with a strong portfolio of novel food ingredients. In June 2017, the Company completed the acquisition of Chamtor SA, a French producer of wheat-based sweeteners and starches.

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

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

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

Oilseeds Processing

The Oilseeds Processing segment includes global activities related to the origination, merchandising, 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 Company include ingredients for the food, feed, energy, and industrial products industries. 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 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. In Europe and South America, the Oilseeds Processing segment includes origination and merchandising activities as adjuncts to its oilseeds processing assets. These activities include a network of grain elevators, port facilities, and transportation assets used to buy, store, clean, and transport grains and oilseeds. The Oilseeds Processing segment is a major supplier of peanuts, tree nuts, and peanut-derived ingredients to both the U.S. and export markets. In North America, cottonseed flour is produced and sold primarily to the pharmaceutical industry and cotton cellulose pulp is manufactured and sold to the chemical, paper, and filter markets. The Oilseeds Processing segment also included activities related to its global chocolate and cocoa businesses until the sale of these businesses in July 2015 and October 2015, respectively.

The Company has an equity interest in Wilmar International Limited (Wilmar), a Singapore publicly listed company. During the year ended December 31, 2017, the Company acquired additional shares in Wilmar, increasing its ownership interest from 23.2% to 24.9% as of December 31, 2017. Wilmar, a leading agribusiness group in Asia, is 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.

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

The Company has a 50% interest in Edible Oils Limited, a joint venture between the Company 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, Czech Republic, Slovakia, Hungary, and Austria.

Olenex Sarl (Olenex), a joint venture between the Company and Wilmar, 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 37.5% ownership interest in this joint venture.

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

Wild Flavors and Specialty Ingredients

The Wild Flavors and Specialty Ingredients (WFSI) segment engages in the manufacturing, sales, 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 WFSI segment also includes the activities related to the procurement, processing, and distribution of edible beans.

Other

Other includes the Company's remaining operations related to futures commission merchant and insurance activities.

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 commodity exchanges and clearing houses in Europe, ADMIS Hong Kong Limited, and ADMIS Singapore Pte. Limited are wholly owned subsidiaries of the Company offering broker services in Europe and Asia.

Insurance activities include Agrinational Insurance Company (Agrinational) and its subsidiaries. Agrinational, a wholly owned subsidiary of the Company, 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 and retained a portion of the crop insurance risk written by ADM Crop Risk Services, a wholly owned subsidiary engaged in the selling and servicing of crop insurance policies to farmers which was sold to Validus Holdings, a global group of insurance and reinsurance companies on May 1, 2017.

Corporate

Compagnie Industrielle et Financiere des Produits Amylaces SA (Luxembourg) and affiliates (CIP), in which the Company has a 43.7% interest, is a joint venture which 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 large numbers 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 account for 10% or more of revenues for the following periods:

	% of Revenues		
	Year Ended December 31		
	2017	**2016**	**2015**
Soybeans	**17%**	17%	16%
Soybean Meal	**13%**	13%	13%
Corn	**10%**	10%	11%

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 Wild Flavors and Specialty Ingredients segment, expand the Company's ability to serve the customers' evolving needs through its offering of natural flavor and ingredient products. The Company does not expect any of its new products to have a significant impact on the Company's revenues in 2018.

Source and Availability of Raw Materials

Substantially all of the Company's raw materials are agricultural commodities. In any single year, the availability and price of these commodities are subject to factors such as 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, 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.

Patents, Trademarks, and Licenses

The Company owns patents, trademarks, and licenses, principally consisting of $222 million of trademarks from the Wild Flavors acquisition in 2014, but does not consider any segment of its business dependent upon any single or group of patents, trademarks or licenses.

Seasonality, Working Capital Needs, and Significant Customers

Since the Company is widely diversified in global agribusiness markets, there are no material seasonal fluctuations in 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 Expenditures

The Company's research and development expenditures are focused on responding to demand from customers' product development or formulation needs, improving processing efficiency, and developing food, feed, fuel, and industrial products from renewable agricultural crops. Research and development expense during the years ended December 31, 2017, 2016, and 2015, net of reimbursements of government grants, was approximately $129 million, $123 million, and $122 million, respectively.

The Company's laboratories and technical centers around the world enhance its ability to interact with customers in Europe, Asia, and South America, 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 Sydney, Australia and Cranbury, New Jersey as well as expanded laboratories in Decatur, Illinois and Singapore.

The Company is working with the U.S. Department of Energy's National Energy Technology Laboratory and other key academic and corporate partners on carbon sequestration projects to reduce carbon dioxide emissions from manufacturing operations. The second carbon sequestration project, the Illinois Industrial Carbon Capture & Sequestration, started carbon dioxide injection in April 2017.

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. The key materials are derived from the Company's starch and oilseed-based feedstocks. Conversion technologies include utilizing expertise in both fermentation and catalysis. The materials pipeline includes the development of chemicals and intermediates that are currently produced from petrochemical resources as well as new-to-the-market bio-based products. The Company's current portfolio includes products that are in the early development phase and those that are close to pilot plant demonstration. The Company's project with DuPont to develop sustainable packaging solutions with improved barrier properties has progressed to the construction of a demonstration semi-works plant. This facility, which will be completed in early 2018, will provide both development samples for customers as well as engineering data for a full scale plant.

The Company is also expanding its human health and nutrition portfolio with the acquisition of an 89% 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 September 2017, the Company announced a collaboration with the Mayo Clinic to study gut microflora with respect to personalized nutrition.

In January 2018, the Company announced a joint development agreement with Vland Biotech to develop and commercialize enzymes for animal feed.

ADM Ventures, which was launched by the Company in October 2016, has made its first selections of high-potential, new-product development projects from its business units. ADM Ventures is also looking at several promising, early-stage start-up companies in which the Company may wish to invest.

Environmental Compliance

During the year ended December 31, 2017, $40 million was spent 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.

Item 1. BUSINESS (Continued)

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 31,300 at December 31, 2017 and 31,800 at December 31, 2016. The net decrease in the number of full-time employees is primarily related to the reduction of certain positions within the Company's global workforce and divestitures, partially offset by acquisitions.

Financial Information About Foreign and U.S. Operations

Item 1A, "Risk Factors," and Item 2, "Properties," include information relating to the Company's foreign and U.S. operations. Geographic financial information is set forth in Note 17 of "Notes to Consolidated Financial Statements" included in Item 8 herein, "Financial Statements and Supplementary Data".

Available Information

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

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

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 public may read and copy any materials filed by the Company with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains 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 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 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 availability and prices of the agricultural commodities and agricultural commodity products the Company procures, transports, stores, processes, and merchandises can be affected by weather conditions, disease, government programs, competition, and various other factors beyond the Company's control and could adversely affect the Company's operating results.

The availability and prices of agricultural commodities are subject to wide fluctuations due to changes in weather conditions, crop disease, 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 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. These commodity trade teams monitor commodity positions against management established limits (including a corporate wide value-at-risk metric), with robust internal reporting to ensure optimized results versus the Company's strategic plans. Additionally, the Company depends globally on agricultural producers to ensure an adequate supply of the agricultural commodities used by the Company in its operations is maintained. These factors have historically caused volatility in the availability and prices of agricultural commodities and, consequently, in the Company's operating results and working capital requirements. Reduced supply of agricultural commodities due to weather-related factors or other reasons could adversely affect the Company's profitability by increasing the cost of raw materials and/or limiting the Company's ability to procure, transport, store, process, and merchandise agricultural commodities in an efficient manner. For example, a drought in North America in 2012 reduced the availability of corn and soybean inventories while prices increased. High and volatile commodity prices can adversely affect the Company's ability to meet its liquidity needs. 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 technology, farming techniques, or 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. 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. Additionally, competitors offer similar products and services, as well as alternative products and services, to the Company's customers. The Company is dependent on being able to generate revenues in excess of cost of products sold in order to obtain margins, profits, and cash flows to meet or exceed its targeted financial performance measures and provide cash for operating, working capital, dividend, or capital expenditure needs. 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. The markets for global commodities are highly price competitive and in many cases the commodities are 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, thereby negatively impacting the competitiveness of the Company's significant origination, processing, and export footprint, and the Company's operating results. Improved yields in different crop growing regions may reduce the reliance on origination territories in which the Company has a significant presence. In addition, continued merger and acquisition activities resulting in further consolidations result in greater cost competitiveness and global scale of certain players in the industry that could impact the relative competitiveness of the Company, 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 share, maintaining a high level of product safety and quality, and working with customers to develop new products and tailored solutions.

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 and could adversely affect the Company's revenues and operating results. 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 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 56 percent of the Company's processing plants and 74 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 (such as Eastern Europe, Asia, portions of South and Central America, the Middle East, and Africa). 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 such as Asia, Eastern Europe, the Middle East, and Africa. Both developed and emerging market areas are subject to impacts of economic downturns, including decreased demand for the Company's products, 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, limitations or regulations affecting trade flows (such as concerning genetically modified organisms), 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, thus reducing the Company's overall market value. The Company mitigates this risk in many ways including country risk analysis, government relations and tax compliance activities, and active 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 170 countries. The Company is required to comply with the numerous and far-reaching laws and regulations administered by United States federal, state, local, and foreign governmental authorities. The Company must comply with other general business regulations covering areas such as 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. In evaluating the exposure associated with various tax filing positions, the Company records reserves for estimates of potential additional tax owed by the Company. As examples, the Company has received large tax assessments from tax authorities in Brazil and Argentina, challenging income tax positions taken by subsidiaries of the Company covering various prior periods. 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.

The production of the Company's products requires the use of materials which can create emissions of certain regulated substances, including greenhouse gas emissions. Although the Company has programs in place throughout the organization globally to ensure compliance with laws and regulations, failure to comply with these laws and regulations 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 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. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies, incentives, foreign exchange rates, and import and export restrictions on agricultural commodities and commodity products, including policies related to genetically modified organisms, traceability standards, product safety and labeling, renewable fuels, and low carbon fuel mandates, can influence the planting of certain crops, the location and size of crop production, whether unprocessed or processed commodity products are traded, the volume and types of imports and exports, the availability and competitiveness of feedstocks as raw materials, the viability and volume of production of certain of the Company's products, and industry profitability. 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 other governmental policies, mandates, regulations, and trade agreements including monetary, fiscal and environmental policies, laws, regulations, acquisition approvals, and other activities of governments, agencies, and similar organizations. These risks include but are not limited to changes in a country's or region's economic or political conditions, local labor conditions and regulations, 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 and could adversely affect the Company's revenues and operating results. 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. Should there be an increase in tariff and restrictive trade activities around the world, the Company could be negatively impacted from its inability to enter certain markets or the price of the products being less competitive in the destination 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 antitrust and competition law, trade restrictions, food safety regulations, sustainability requirements, traceability, and other government regulations and mandates, 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; 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. In addition, negative publicity caused by product liability, food safety, occupational health and safety, and environmental matters may damage the Company's reputation. The Company has a particularly strong capability and culture around occupational health and safety and food safety. However, the occurrence of any of the matters described above could adversely affect the Company's revenues and operating results.

Certain of the Company’s merchandised commodities and finished products are used as ingredients in livestock and poultry feed. The Company is subject to risks associated with 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. An outbreak of disease could adversely affect demand for the Company’s products used as ingredients in livestock and poultry feed. A decrease in demand for ingredients in livestock and poultry feed could adversely affect the Company’s revenues and operating results. 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. A disruption in transportation services could result in difficulties supplying materials to the Company’s facilities and impair the Company’s ability to deliver products to its customers in a timely manner. The Company relies on access to navigable rivers and waterways in order to fulfill its transportation obligations more effectively. If access to these navigable waters is interrupted, the Company’s operating results could be adversely affected. 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, 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, economic adulteration of the Company’s products, or war, natural disasters and severe weather conditions, accidents, explosions, and fires. The potential effects of these conditions could adversely affect the Company’s revenues and operating results. 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 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 which could adversely affect the Company’s operating results. 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.

Item 1A. RISK FACTORS (Continued)

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

The Company's business is affected by fluctuations in agricultural commodity 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 has a Chief Risk Officer and an established commodity merchandising governance process to ensure proper position reporting and monitoring, limit approvals, and execute training on trade compliance, commodity regulatory reporting controls, and other policies. The Company's 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 of these investments. Net sales to unconsolidated affiliates during the year ended December 31, 2017 was $6.0 billion. The Company faces certain risks, including risks related to 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 investment partner. The Company may encounter unanticipated operating issues, financial results, or compliance and reputational risks related to these investments that may impact the Company's revenues and operating results. 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, complying with regulatory, legal or tax requirements, and other processes necessary to manage the business. 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. 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 has put in place security measures to prevent, detect, and mitigate cyber-based attacks and 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 to the highest level of management and to the Board of Directors on the quality of the Company's data security efforts and control environment. 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.

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.	145	6	151	288	79	367
International	109	10	119	94	35	129
	254	16	270	382	114	496

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 44 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 1,800 barges, 12,300 rail cars, 290 trucks, 1,300 trailers, 100 boats, and 10 oceangoing vessels; and leases, under operating leases, approximately 510 barges, 16,000 rail cars, 270 trucks, 130 trailers, 10 boats, and 15 oceangoing vessels.

	Agricultural Services Processing Plants			
	Owned			Leased
	Merchandising & Handling	Milling & Other	Total	Milling & Other
North America				
U.S.*	1	29	30	—
Barbados	—	1	1	—
Belize	—	1	1	—
Canada	—	8	8	—
Grenada	—	1	1	—
Jamaica	—	2	2	—
Total	1	42	43	—
Daily capacity				
Metric tons (in 1,000's)	—	21	21	—
Europe				
United Kingdom	—	3	3	4
Total	—	3	3	4
Daily capacity				
Metric tons (in 1,000's)	—	1	1	1
Grand Total	1	45	46	4
Total daily capacity				
Metric tons (in 1,000's)	—	22	22	1

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

Item 2. PROPERTIES (Continued)

	Agricultural Services Procurement Facilities					
	Owned			Leased		
	Merchandising & Handling	Milling & Other	Total	Merchandising & Handling	Milling & Other	Total
North America						
U.S.*	173	1	174	14	1	15
Canada	1	—	1	—	1	1
Dominican Republic	1	—	1	—	—	—
Total	175	1	176	14	2	16
Storage capacity						
Metric tons (in 1,000's)	14,022	—	14,022	643	68	711
South America						
Argentina	4	—	4	—	—	—
Columbia	—	—	—	10	—	10
Ecuador	—	—	—	2	—	2
Total	4	—	4	12	—	12
Storage capacity						
Metric tons (in 1,000's)	502	—	502	396	—	396
Europe						
Hungary	1	—	1	—	—	—
Ireland	2	—	2	—	—	—
Poland	1	—	1	—	—	—
Romania	10	—	10	2	—	2
Ukraine	7	—	7	—	—	—
United Kingdom	—	—	—	—	5	5
Total	21	—	21	2	5	7
Storage capacity						
Metric tons (in 1,000's)	1,130	—	1,130	20	14	34
Grand Total	200	1	201	28	7	35
Total storage capacity						
Metric tons (in 1,000's)	15,654	—	15,654	1,059	82	1,141

*The U.S. procurement facilities are located in Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Nebraska, New York, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Texas, and Wisconsin.

Item 2. PROPERTIES (Continued)

	Corn Processing				
	Processing Plants				Procurement Facilities
	Owned				Owned
	Wet Milling	Dry Milling	Other	Total	Wet Milling, Dry Milling, & Other
North America					
U.S.*	5	3	28	36	6
Canada	—	—	3	3	—
Puerto Rico	—	—	3	3	—
Trinidad & Tobago	—	—	1	1	—
Total	5	3	35	43	6
Daily/Storage capacity Metric tons (in 1,000's)	43	22	415	480	377
Europe					
Bulgaria	1	—	—	1	—
France	—	—	1	1	—
Spain	—	—	1	1	—
Turkey	1	—	—	1	—
Total	2	—	2	4	—
Daily/Storage capacity Metric tons (in 1,000's)	2	—	1	3	—
Asia					
China	—	—	4	4	—
Total	—	—	4	4	—
Daily/Storage capacity Metric tons (in 1,000's)	—	—	236	236	—
Africa					
Morocco	1	—	—	1	—
Total	1	—	—	1	—
Daily/Storage capacity Metric tons (in 1,000's)	—	—	—	—	—
Grand Total	8	3	41	52	6
Total daily/storage capacity Metric tons (in 1,000's)	45	22	652	719	377

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

* The U.S. procurement facilities are located in Illinois and Minnesota.

	Oilseeds Processing Plants							
	Owned				Leased			
	Crushing & Origination	Refining, Packaging, Biodiesel & Other	Asia	Total	Crushing & Origination	Refining, Packaging, Biodiesel & Other	Asia	Total
North America								
U.S.*	23	36	—	59	—	3	—	3
Canada	3	4	—	7	—	—	—	—
Mexico	1	—	—	1	—	—	—	—
Total	27	40	—	67	—	3	—	3
Daily capacity								
Metric tons (in 1,000's)	57	21	—	78	—	—	—	—
South America								
Argentina	—	1	—	1	—	—	—	—
Bolivia	1	2	—	3	—	—	—	—
Brazil	5	8	—	13	1	—	—	1
Paraguay	1	—	—	1	—	—	—	—
Peru	—	1	—	1	—	—	—	—
Total	7	12	—	19	1	—	—	1
Daily capacity								
Metric tons (in 1,000's)	17	8	—	25	1	—	—	1
Europe								
Belgium	—	1	—	1	—	—	—	—
Czech Republic	1	1	—	2	—	—	—	—
France	—	1	—	1	—	—	—	—
Germany	4	8	—	12	—	—	—	—
Netherlands	1	1	—	2	—	—	—	—
Poland	2	5	—	7	—	—	—	—
Switzerland	—	1	—	1	—	—	—	—
Ukraine	1	—	—	1	—	—	—	—
United Kingdom	1	3	—	4	—	—	—	—
Total	10	21	—	31	—	—	—	—
Daily capacity								
Metric tons (in 1,000's)	36	15	—	51	—	—	—	—
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	—	4	—	4	—	—	—	—
Total	—	4	—	4	—	—	—	—
Daily capacity								
Metric tons (in 1,000's)	—	2	—	2	—	—	—	—
Grand Total	44	77	2	123	1	3	1	5
Total daily capacity								
Metric tons (in 1,000's)	110	46	1	157	1	—	1	2

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

	Oilseeds Procurement Facilities					
	Owned			Leased		
	Crushing & Origination	Refining, Packaging, Biodiesel, & Other	Total	Crushing & Origination	Refining, Packaging, Biodiesel, & Other	Total
North America						
U.S.*	3	86	89	—	64	64
Canada	5	—	5	—	—	—
Mexico	—	—	—	—	1	1
Total	8	86	94	—	65	65
Storage capacity						
Metric tons (in 1,000's)	247	369	616	—	210	210
South America						
Bolivia	5	—	5	—	—	—
Brazil	35	—	35	—	—	—
Chile	—	—	—	1	—	1
Paraguay	13	—	13	2	—	2
Peru	—	—	—	2	—	2
Uruguay	1	—	1	6	—	6
Total	54	—	54	11	—	11
Storage capacity						
Metric tons (in 1,000's)	2,173	—	2,173	354	—	354
Europe						
Germany	3	—	3	—	—	—
Netherlands	1	—	1	—	—	—
Poland	4	—	4	—	—	—
United Kingdom	—	—	—	3	—	3
Total	8	—	8	3	—	3
Storage capacity						
Metric tons (in 1,000's)	596	—	596	6	—	6
Grand Total	70	86	156	14	65	79
Total storage capacity						
Metric tons (in 1,000's)	3,016	369	3,385	360	210	570

*The U.S. procurement facilities are located in Alabama, Florida, Georgia, Iowa, Michigan, Mississippi, North Carolina, Oklahoma, South Carolina, Texas, and Virginia.

Item 2. PROPERTIES (Continued)

	Wild Flavors and Specialty Ingredients		
	Processing Plants		Procurement Facilities
	Owned	Leased	Owned
North America			
U.S.*	20	3	19
Canada	1	—	—
Total	21	3	19
Daily/Storage capacity			
Metric tons (in 1,000's)	992	107	324
South America			
Brazil	3	—	—
Total	3	—	—
Daily/Storage capacity			
Metric tons (in 1,000's)	48	—	—
Europe			
Germany	4	1	—
Netherlands	1	1	—
Poland	1	—	—
Spain	1	—	—
Turkey	—	1	—
Total	7	3	—
Daily/Storage capacity			
Metric tons (in 1,000's)	18	—	—
Asia			
China	2	—	—
India	—	1	—
Total	2	1	—
Daily/Storage capacity			
Metric tons (in 1,000's)	320	200	—
Grand Total	33	7	19
Total storage capacity			
Metric tons (in 1,000's)	1,378	307	324

*The U.S. processing plants are located in Illinois, Iowa, Kentucky, Michigan, Nebraska, North Dakota, Ohio, and Washington.

*The U.S. procurement facilities are located in Idaho, 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 with the applicable government authorities. 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 Prices and Dividends

The Company's common stock is listed and traded on the New York Stock Exchange. The following table sets forth, for the periods indicated, the high and low market prices of the common stock as reported on the New York Stock Exchange and common stock cash dividends declared per share.

	Market Price		Cash Dividends
	High	Low	Per Share
Fiscal Year 2017-Quarter Ended			
December 31	**$ 44.42**	**$ 38.59**	**$ 0.32**
September 30	**44.26**	**40.22**	**0.32**
June 30	**46.26**	**40.40**	**0.32**
March 31	**47.44**	**41.74**	**0.32**
Fiscal Year 2016-Quarter Ended			
December 31	$ 47.88	$ 41.44	$ 0.30
September 30	45.39	41.21	0.30
June 30	44.14	34.55	0.30
March 31	38.96	29.86	0.30

The number of registered stockholders of the Company's common stock at December 31, 2017, was 9,944.

The Company expects to continue its policy of paying regular cash dividends, although there is no assurance as to future dividends because they are dependent on future earnings, capital requirements, and financial condition.

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, 2017 to October 31, 2017	327	$ 43.206	327	15,669,397
November 1, 2017 to November 30, 2017	1,897,867	39.258	1,897,867	13,771,530
December 1, 2017 to December 31, 2017	222	39.886	222	13,771,308
Total	1,898,416	$ 39.259	1,898,416	13,771,308

(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, 2017, there were no shares received as payments for the minimum withholding taxes on vested restricted stock awards and for the exercise price of stock option exercises.

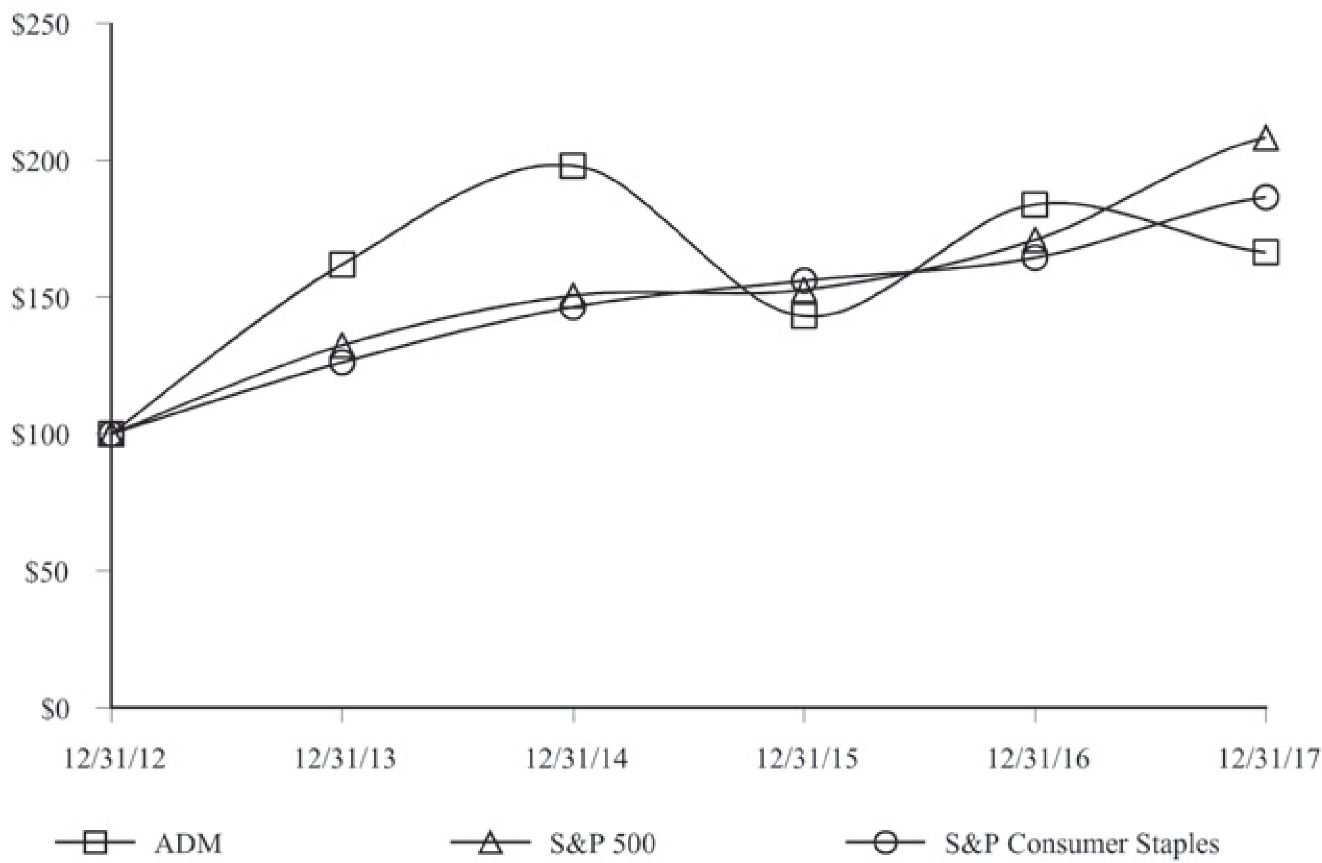
(2) On November 5, 2014, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to 100,000,000 shares of the Company's common stock during the period commencing January 1, 2015 and ending December 31, 2019.

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, 2012 and assumes all dividends have been reinvested through December 31, 2017.

COMPARISON OF 60 MONTH CUMULATIVE TOTAL RETURN

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



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Item 6. SELECTED FINANCIAL DATA

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

	Years Ended December 31				
	2017	2016	2015	2014	2013
Revenues	**$ 60,828**	$ 62,346	$ 67,702	$ 81,201	$ 89,804
Depreciation	**802**	787	799	850	827
Net earnings attributable to controlling interests	**1,595**	1,279	1,849	2,248	1,342
Basic earnings per common share	**2.80**	2.18	2.99	3.44	2.03
Diluted earnings per common share	**2.79**	2.16	2.98	3.43	2.02
Cash dividends	**730**	701	687	624	501
Per common share	**1.28**	1.20	1.12	0.96	0.76
Working capital	**7,355**	7,872	8,324	10,426	12,872
Current ratio	**1.6**	1.6	1.6	1.7	1.8
Inventories	**9,173**	8,831	8,243	9,374	11,441
Net property, plant, and equipment	**10,138**	9,758	9,853	9,851	10,069
Gross additions to property, plant, and equipment	**1,100**	882	1,350	1,357	947
Total assets	**39,963**	39,769	40,157	43,997	43,720
Long-term debt, excluding current maturities	**6,623**	6,504	5,779	5,528	5,315
Shareholders' equity	**18,322**	17,181	17,915	19,630	20,194
Per common share	**32.89**	29.98	30.11	30.82	30.64
Weighted average shares outstanding-basic	**569**	588	618	653	661
Weighted average shares outstanding-diluted	**572**	591	621	656	663

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, 2017 include 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 include 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 include 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.

- Net earnings attributable to controlling interests for the year ended December 31, 2014 include a gain on sale of assets related to the sale of the fertilizer business and other asset of $135 million ($89 million after tax, equal to $0.14 per share); gain of $156 million ($97 million after tax, equal to $0.15 per share) upon the Company's effective dilution in the Pacificor (formerly Kalama Export Company) joint venture resulting from the contribution of additional assets by another member in exchange for new equity units; and loss of $102 million ($63 million after tax, equal to $0.10 per share) on Euro foreign currency derivative contracts entered into to economically hedge the Wild Flavors acquisition; asset impairment charges related to certain fixed assets of $41 million ($26 million after tax, equal to $0.04 per share) and $64 million ($41 million after tax, equal to $0.06 per share) of costs related to the relocation of the global headquarters to Chicago, Illinois, and restructuring charges related to the Wild Flavors acquisition and Toepfer integration following the acquisition of the minority interest and other restructuring charges; a charge of $98 million ($61 million after tax, equal to $0.09 per share) related to pension settlements; and certain discrete tax adjustments of $15 million (equal to $0.02 per share) related to deferred tax re-rates.

- Net earnings attributable to controlling interests for the year ended December 31, 2013 include other-than-temporary impairment charges of $155 million ($155 million after tax, equal to $0.23 per share) on the Company's GrainCorp investment; asset impairment charges of $51 million ($51 million after tax, equal to $0.08 per share) related to the Company's Brazilian sugar milling business; and other impairment charges principally for certain property, plant and equipment assets totaling $53 million ($34 million after tax, equal to $0.05 per share); realized losses on Australian dollar currency hedges of $40 million ($25 million after tax, equal to $0.04 per share) related to the proposed GrainCorp acquisition; valuation allowance on certain deferred tax assets of $82 million (equal to $0.12 per share); income tax benefit recognized in the current period of $55 million (equal to $0.08 per share) related to biodiesel blending credits earned in the prior periods; charges of $54 million ($37 million after tax, equal to $0.06 per share) related to the FCPA settlement; and other charges of $18 million ($12 million after tax, equal to $0.02 per share).

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.

The Company is principally engaged in procuring, transporting, storing, processing, and merchandising agricultural commodities, products, and ingredients. The Company uses its significant global asset base to originate and transport agricultural commodities, connecting to markets in more than 170 countries. The Company also processes corn, oilseeds, and wheat into products for food, animal feed, chemical and energy uses. 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.

The Company's operations are organized, managed, and classified into four reportable business segments: Agricultural Services, Corn Processing, Oilseeds Processing, and Wild Flavors and Specialty Ingredients. 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. See Note 17 of Item 8 for more information about the Company's business segments.

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

- the acquisition in February 2017 of Crosswind Industries, Inc., an industry leader in the manufacture of contract and private label pet treats and foods, as well as specialty ingredients;
- the acquisition in February 2017 of an 89% controlling interest in Biopolis SL, a leading provider of microbial technology with a strong portfolio of novel food ingredients, followed later in the year by a partnership with the Mayo Clinic to explore personalized nutrition applications including the effects of prebiotics and probiotics that may improve digestive health;
- the construction of a new feed-premix facility in Xiangtan, China, which is expected to be completed in 2019;
- the sale in May 2017 of the Company's crop risk services business to Validus Holdings, a global group of insurance and reinsurance companies;
- the completion in May 2017 of a series of major enhancements at the Company's export terminal in Santos, in the Brazilian state of Sao Paulo;
- the construction of a new flour mill in Mendota, Illinois, which is expected to be completed in 2019;
- the expansion of a Golden Peanut and Tree Nuts production facility in Blakely, Georgia, which is expected to be completed in 2018;
- the completion in June 2017 of a new silo located on the Danube River in Silistra, Bulgaria;
- the acquisition in June 2017 of Chamtor, a French producer of wheat-based sweeteners and starches;
- the acquisition in July 2017 of a 51% controlling interest in Industries Centers, an Israeli company specializing in the import and distribution of agricultural feed products, which is now known as ADM Israel;
- the modernization of the flour mill in Enid, Oklahoma, which is expected to be completed in 2018;
- the announcement in December 2017 of the sale of the Company's oilseeds operations in Bolivia to Inversiones Piuranas S.A., which is subject to regulatory approvals and is expected to close in the first half of 2018; and
- the announcement in January 2018 of a joint development agreement and Vland Biotech to develop and commercialize enzymes for animal feed.

As part of the implementation of the Company's strategic plan, the Company continues to evaluate the capital intensity of its operations and portfolio, seeking ways to reduce and redeploy capital in its efforts to reduce volatility of earnings and drive long-term returns.

Operating Performance Indicators

The Company's agricultural services and oilseeds processing operations are principally agricultural commodity-based businesses where changes in selling prices move in relationship to changes in prices of the commodity-based agricultural raw materials. Therefore, changes in agricultural commodity prices have relatively equal impacts on both revenues and cost of products sold. Thus, changes in revenues of these businesses do not necessarily correspond to the changes in margins or gross profit.

The Company's corn processing operations and Wild Flavors and Specialty Ingredients 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. Thus, changes in revenues of these businesses may correspond to changes in margins or gross profit.

The Company has consolidated subsidiaries in more than 80 countries. For the majority of the Company's subsidiaries located outside the United States, the local currency is the functional currency. Revenues and expenses denominated in foreign currencies are translated into U.S. dollars at the weighted average exchange rates for the applicable periods. For the majority of the Company's business activities in Brazil, the functional currency is the U.S. dollar; however, certain transactions, including taxes, occur in local currency and require 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, 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."

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

As an agricultural commodity-based business, the Company is subject to a variety of market factors which affect the Company's operating results. In Agricultural Services, U.S. export competitiveness was strong during the first half of the year but weakened during the second half due to the large crops in South America. Overall low market volatility continued due to surplus in the global market. In Corn Processing, demand and prices for sweeteners and starches remained solid in North America while co-product prices were stable. Ethanol continues to face a challenging environment. 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, U.S. industry ethanol production also remained at high levels which limited margins. Global oilseeds processing volumes remained strong, but ample supply of competing proteins and abundance of Argentine meal and oil in world markets pressured margins. Slow selling by farmers in Brazil continues to depress grain origination margins despite strong export volumes. While demand and margins for refined oil remained solid across all regions, uncertainty surrounding the U.S. biodiesel tax credit has negatively impacted biodiesel margins. Wild Flavors and Specialty Ingredients benefited from strong demand for flavor ingredients and flavor systems, but continued to be adversely affected by start-up costs and margin pressure in certain non-flavor food ingredient markets.

Net earnings attributable to controlling interests increased $0.3 billion to $1.6 billion. Segment operating profit decreased $0.2 billion to $2.5 billion. Included in segment operating profit in the current year was a net charge of $134 million consisting of a net gain on sales of assets and businesses, impairment, restructuring, and settlement charges, and corn hedge timing effects. Included in segment operating profit in the prior year was income of $81 million consisting of a net gain on sales of assets and businesses/revaluation, impairment and restructuring charges, and corn hedge timing effects. Adjusted segment operating profit increased $47 million to $2.7 billion due to solid results in Corn Processing, partially offset by weaker South American origination margins, lower soybean crush margins, and weaker results in some specialty ingredients. Corporate results were a net expense of $927 million in the current year compared to $882 million in the prior year. Corporate results in the current year included a credit of $2 million from the effect of changes in agricultural commodity prices on LIFO inventory valuation reserves, compared to a charge of $19 million in the prior year.

Income taxes decreased $527 million due to lower earnings before income taxes and a lower effective tax rate. The Company's effective tax rate for 2017 decreased to 0.4% compared to 29.3% for 2016 due primarily to the estimated impact of the Tax Cuts and Jobs Act (the "Act"). Excluding the impact of the Act, the Company's effective tax rate for 2017 would have decreased from 29.3% to approximately 24.0% due primarily to the impact of changes in discrete tax items, including the favorable resolution of an uncertain tax position related to a 2014 acquisition and return to provision adjustments in the current year, partially offset by changes in the geographic mix of pre-tax earnings and the expiration of U.S. tax credits, including the biodiesel credit, at the end of 2016 (see Note 13 in Item 8 for more information).

Analysis of Statements of Earnings

Processed volumes by product for the years ended December 31, 2017 and 2016 are as follows (in metric tons):

(In thousands)	2017	2016	Change
Oilseeds	**34,733**	33,788	945
Corn	**22,700**	22,273	427
Total	**57,433**	56,061	1,372

The Company generally operates its production facilities, on an overall basis, at or near capacity, adjusting facilities individually, as needed, to react to the current margin environment and seasonal local supply and demand conditions. Processed volumes of oilseeds increased due to the strong demand environment for soybean meal and canola oil. The overall increase in corn is due to the strong demand environment for ethanol, partially offset by the production disruption in one of the Company's plants due to a water main break in the first quarter and the reconfiguration of the Company's Peoria, Illinois ethanol complex.

Revenues by segment for the years ended December 31, 2017 and 2016 are as follows:

(In millions)	2017	2016	Change
Agricultural Services			
Merchandising and Handling	**$ 23,127**	$ 24,609	$ (1,482)
Milling and Other	**2,910**	3,060	(150)
Transportation	**209**	224	(15)
Total Agricultural Services	**26,246**	27,893	(1,647)
Corn Processing			
Sweeteners and Starches	**4,253**	4,028	225
Bioproducts	**5,099**	5,438	(339)
Total Corn Processing	**9,352**	9,466	(114)
Oilseeds Processing			
Crushing and Origination	**14,091**	13,976	115
Refining, Packaging, Biodiesel, and Other	**8,169**	7,880	289
Asia	**270**	296	(26)
Total Oilseeds Processing	**22,530**	22,152	378
Wild Flavors and Specialty Ingredients	**2,313**	2,427	(114)
Other	**387**	408	(21)
Total	**$ 60,828**	$ 62,346	$ (1,518)

Revenues and cost of products sold in a commodity merchandising and processing business are affected by 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 Oilseeds Processing and Agricultural Services, generally have a relatively equal impact from commodity price changes which generally result in an insignificant impact to gross profit.

Revenues decreased $1.5 billion, or 2%, to $60.8 billion due to lower sales volumes ($1.4 billion) and lower average sales prices ($0.1 billion). The decrease in sales volumes was due principally to a decrease in volumes of unprocessed commodities, in particular volumes of soybeans, corn, rapeseed, and wheat. Agricultural Services revenues decreased 6% to $26.2 billion due to lower sales volumes ($1.5 billion) and lower average sales prices ($0.1 billion). Corn Processing revenues decreased 1% to $9.4 billion due to lower sales volumes ($0.1 billion). Oilseeds Processing revenues increased 2% to $22.5 billion due to higher sales volumes ($0.3 billion). Wild Flavors and Specialty Ingredients revenues decreased 5% to $2.3 billion due to lower sales volumes ($0.1 billion).

Cost of products sold decreased $1.4 billion to $57.3 billion due principally to lower sales volumes. Included in cost of products sold is a credit of $2 million from the effect of changes in agricultural commodity prices on LIFO inventory valuation reserves compared to a charge of $19 million in the prior year. Manufacturing expenses increased $0.1 billion to $5.2 billion due to increased expenses for energy, operating and maintenance supplies, and contracted labor, and higher salaries and benefits.

Gross profit decreased $0.1 billion, or 3%, to $3.5 billion. Lower results in soybean processing ($152 million) and grain origination ($90 million) were partially offset by higher results in canola processing ($41 million), sweeteners and starches ($71 million), and animal nutrition ($53 million). These factors are explained in the segment operating profit discussion on page 31. The effect of changes in agricultural commodity prices on LIFO inventory valuation reserves had a $2 million positive impact on gross profit compared to a negative impact of $19 million in the prior year.

Selling, general, and administrative expenses of $2.0 billion were comparable to the prior year. Current year expenses included increased salaries and benefits cost related to further investments in the Company's business transformation, IT, research and development, and innovation initiatives. Prior year expenses included expenses related to the settlement of a legal matter.

Asset impairment, exit, and restructuring costs increased $118 million to $173 million. Current year charges consisted of $63 million of asset impairments in the Corn Processing segment primarily related to the reconfiguration of the Company's Peoria, Illinois ethanol complex, $20 million of asset impairments in the Wild Flavors and Specialty Ingredients segment primarily related to the closure of a facility, $54 million of restructuring charges in Corporate primarily related to the reduction of certain positions within the Company's global workforce, and $36 million of several individually insignificant asset impairments and restructuring charges. Prior year charges included $11 million of software impairment in Corporate, $6 million of other-than-temporary impairment charges on the Company's investment in two available for sale equity securities in Corporate, and $17 million and $21 million of individually insignificant fixed asset impairment and restructuring charges, respectively.

Interest expense increased $37 million to $330 million primarily due to higher interest rates on short-term debt, the issuance of the $1 billion fixed-rate notes in August 2016, and interest related to an amended foreign income tax from a prior year, partially offset by the retirement of the $261 million bond that matured in April 2017. Interest expense in the prior year also included a credit of $8 million for the revaluation of the mandatorily redeemable 10% interest in Harvest Innovations.

Equity in earnings of unconsolidated affiliates increased $164 million to $456 million primarily due to higher earnings from the Company's investment in Wilmar resulting from the increased ownership stake in and higher results from Wilmar and improved results from the Company's equity investment in CIP, partially offset by losses from a new equity investment and decreased earnings resulting from the disposal of an equity investment.

Other income - net decreased $110 million to $37 million. Prior year income included realized additional consideration related to the sale of the Company's equity investment in Gruma S.A.B. de C.V. in December 2012, recovery of loss provisions and gain related to the sale of the Company's Brazilian sugar ethanol facilities, a gain related to the revaluation of the remaining interest to settlement value in conjunction with the acquisition of Amazon Flavors, and loss on sale of other individually immaterial assets. Current period income 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 full redemption of the Company's $559 million notes due March 15, 2018, and foreign exchange losses.

Segment operating profit, adjusted segment operating profit (a non-GAAP measure), and earnings before income taxes for the year ended December 31, 2017 and 2016 are as follows:

Segment Operating Profit	**2017**	2016	Change
		(In millions)	
Agricultural Services			
Merchandising and Handling	**$ 300**	$ 228	$ 72
Milling and Other	**199**	226	(27)
Transportation	**86**	119	(33)
Total Agricultural Services	**585**	573	12
Corn Processing			
Sweeteners and Starches	**746**	655	91
Bioproducts	**163**	106	57
Total Corn Processing	**909**	761	148
Oilseeds Processing			
Crushing and Origination	**241**	386	(145)
Refining, Packaging, Biodiesel, and Other	**272**	344	(72)
Asia	**328**	150	178
Total Oilseeds Processing	**841**	880	(39)
Wild Flavors and Specialty Ingredients	**284**	275	9
Other	**51**	134	(83)
Specified Items:			
Gains on sales and businesses	**22**	114	(92)
Impairment, restructuring, and settlement charges	**(160)**	(32)	(128)
Hedge timing effects	**4**	(1)	5
Total Specified Items	**(134)**	81	(215)
Total Segment Operating Profit	**$ 2,536**	$ 2,704	$ (168)
Adjusted Segment Operating Profit[1]	**$ 2,670**	$ 2,623	$ 47
Segment Operating Profit	**$ 2,536**	$ 2,704	$ (168)
Corporate	**(927)**	(882)	(45)
Earnings Before Income Taxes	**$ 1,609**	$ 1,822	$ (213)

[1] Adjusted segment operating profit is segment operating profit excluding the above specified items.

Corporate results are as follows:

(In millions)	2017	2016	Change
LIFO credit (charge)	**$ 2**	$ (19)	$ 21
Interest expense - net	**(310)**	(282)	(28)
Unallocated corporate costs	**(470)**	(457)	(13)
Other charges	**(65)**	(52)	(13)
Minority interest and other	**(84)**	(72)	(12)
Total Corporate	**$ (927)**	$ (882)	$ (45)

Agricultural Services operating profit increased 2%. Merchandising and Handling operating results increased due to improved Global Trade execution and strong destination marketing volume growth. Merchandising and Handling results also included a gain related to a confidential legal settlement, and a $42 million net recovery of property damage costs and business interruption losses related to the Company's New Orleans, Louisiana export facility. Milling and Other decreased due to lower volumes and margins. Transportation results decreased due to river conditions and lower barge freight volumes and margins.

Corn Processing operating profit increased 19%. Sweeteners and Starches operating profit increased due to improved domestic demand and higher volumes and margins from the international business. Bioproducts profit increased due to improved lysine margins and higher trading resuts, partially offset by lower volumes caused by a mild winter and slightly lower ethanol margins.

Oilseeds Processing operating profit decreased 4%. Crushing and Origination operating profit decreased from the prior year. Higher softseed results in North America and Europe were more than offset by weaker soybean crush margins due to ample supply of alternative proteins competing with soybean meal. In addition, improved South American soybean crushing results were more than offset by weak grain origination margins throughout the year. Refining, Packaging, Biodiesel, and Other operating profit declined due to weaker biodiesel and specialty oils margins partially offset by higher results in South American packaged oils and the global peanut business. Asia results increased on higher earnings from the Company's investment in Wilmar due to the increased ownership stake in and higher results from Wilmar.

Wild Flavors and Specialty Ingredients (WFSI) operating profit increased 3%. The continuing strong demand for flavor ingredients and flavor systems across all regions were partially offset by lower results in specialty ingredients, due in part to operational start-up costs.

Other operating profit decreased 62% primarily due to losses from the Company's captive insurance operations and lower results from its futures commission brokerage business. Current year results included settlement of insurance claims from the Company's Agricultural Services segment totaling $50 million related to the New Orleans, Louisiana export facility.

Corporate results were a net expense of $927 million in the current year compared to $882 million in the prior year. The effect of changes in agricultural commodity prices on LIFO inventory valuation reserves resulted in a credit of $2 million in the current year compared to a charge of $19 million in the prior year. Interest expense - net increased $28 million due principally to higher interest rates on short-term debt, the issuance of $1 billion fixed-rate debt in August 2016, and interest related to an amended foreign income tax return from a prior year, partially offset by the retirement of the $261 million bond that matured in April 2017 and the absence of the original Harvest Innovation adjustment of buy-out liability in May 2016. Unallocated corporate costs increased $13 million due principally to increased investments in the Company's business transformation, IT, research and development, and innovation initiatives partially offset by the absence of last year's railroad maintenance expense. Other charges in the current year included a charge related to the full redemption of the Company's $559 million notes due on March 15, 2018 and restructuring charges related to the reduction of certain positions within the Company's global workforce. Other charges in the prior year included legal settlement costs and legal fees, a software impairment charge, other-than-temporary impairment charges on the Company's investments in two available for sale equity securities, a loss on the sale of an investment, and other asset impairment and restructuring charges, partially offset by a gain related to a U.S. retiree medical benefit plan curtailment. Minority interest and other expense increased $12 million due principally to lower results 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 Securities and Exchange Commission, 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 certain 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, 2017 and 2016.

	2017		2016	
	In millions	Per share	In millions	Per share
Average number of shares outstanding - diluted	**572**		591	
Net earnings and reported EPS (fully diluted)	**$ 1,595**	**$ 2.79**	$ 1,279	$ 2.16
Adjustments:				
LIFO charge (credit) (net of tax of $1 million in 2017 and $7 million in 2016) [(1)]	**(1)**	**—**	12	0.02
(Gains) Losses on sales and revaluation of assets and businesses (net of tax of $32 million in 2017 and $17 million in 2016) [(2)]	**10**	**0.02**	(92)	(0.15)
Asset impairment, restructuring, and settlement charges (net of tax of $70 million in 2017 and $40 million in 2016) [(2)]	**144**	**0.25**	77	0.13
Post-retirement benefit curtailment (net of tax of $14 million) [(1)]	**—**	**—**	(24)	(0.04)
Loss on debt extinguishment (net of tax of $4 million) [(1)]	**7**	**0.01**	—	—
Tax adjustments [(3)]	**(366)**	**(0.64)**	24	0.04
Adjusted net earnings and adjusted EPS	**$ 1,389**	**$ 2.43**	$ 1,276	$ 2.16

(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 2017 U.S. Tax Cuts and Jobs Act.

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, 2017 and 2016.

(In millions)	2017	2016	Change
Earnings before income taxes	**$ 1,609**	$ 1,822	$ (213)
Interest expense	**330**	293	37
Depreciation and amortization	**924**	900	24
LIFO charge (credit)	**(2)**	19	(21)
Gains on sales and revaluation of assets and businesses	**(22)**	(109)	87
Asset impairment, restructuring, and settlement charges	**214**	117	97
Post-retirement benefit curtailment	**—**	(38)	38
Loss on debt extinguishment	**11**	—	11
Adjusted EBITDA	**$ 3,064**	$ 3,004	$ 60

(In millions)	2017	2016	Change
Agricultural Services	**$ 785**	$ 772	13
Corn Processing	**1,273**	1,114	159
Oilseeds Processing	**1,047**	1,078	(31)
Wild Flavors and Specialty Ingredients	**379**	365	14
Other - Financial	**69**	144	(75)
Corporate	**(489)**	(469)	(20)
Adjusted EBITDA	**$ 3,064**	$ 3,004	$ 60

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

As an agricultural commodity-based business, the Company is subject to a variety of market factors which affect the Company's operating results. Agricultural Services was negatively impacted in the first half of the year 2016 by weak U.S. grain export competitiveness and decreased global merchandising opportunities. Starting in the third quarter, export volumes and margins improved due to the U.S. harvest and weather conditions in South America. In Corn Processing, global demand for sweeteners and starches and U.S. exports, principally to Mexico, continued to grow. In Europe, raw material costs improved, resulting in improved margins. Corn-based ethanol remained a very competitive transportation fuel, and domestic blending was strong as U.S. gasoline demand was up compared to 2015. U.S. ethanol also continued to be one of the cheapest oxygenates in the world, driving strong export volumes throughout 2016. Industry production levels remained high during the year, limiting margins. In Oilseeds Processing, global crushing operations achieved strong capacity utilization, although margins were weaker mainly due to higher supply of soybean meal from Argentina and other protein meal substitutes. Softseed margins improved due to better seed supply and oil demand. Vegetable oils continued to maintain a steady demand from the food industry. Additionally, vegetable oil sales volumes benefited from demand driven by the U.S. 2016 biodiesel blenders credit. The Wild Flavors and Specialty Ingredients business benefited from increased demand for flavor ingredients and flavor systems, specialty proteins, natural health and nutrition products and polyols, but was adversely impacted by soft market conditions in non-flavor food ingredient markets and a strong U.S. dollar, as well as operational issues at the specialty commodities unit.

Net earnings attributable to controlling interests decreased $0.6 billion to $1.3 billion. Segment operating profit decreased $0.6 billion to $2.7 billion, primarily due to the 2015 gain on sale of the global cocoa and chocolate businesses and lower earnings in the year 2016 due to the sale of those businesses, weaker global crushing and origination margins, and lower international merchandising results, partially offset by better ethanol results. Corporate results in the year 2016 included a charge of $19 million from the effect of changes in agricultural commodity prices on LIFO inventory valuation reserves, compared to a credit of $2 million in the prior year and a decrease of approximately $70 million in the Company's share of the results of Compagnie Industrielle et Financiere des Produits Amylaces SA (Luxembourg) (CIP).

Income taxes increased $96 million due to a higher effective tax rate partially offset by lower earnings before income taxes. The Company's effective tax rate for 2016 increased to 29.3% compared to 19.2% for 2015 due primarily to low tax rates on significant gains related to portfolio actions in 2015, a $71 million 2015 discrete tax benefit resulting mainly from the release of a $66 million valuation allowance compared to a $49 million discrete tax expense in 2016, and changes in the geographic mix of pretax earnings (see Note 13 in Item 8 for more information).

Analysis of Statements of Earnings

Processed volumes by product for the years ended December 31, 2016 and 2015 are as follows (in metric tons):

(In thousands)	2016	2015	Change
Oilseeds	**33,788**	33,817	(29)
Corn	**22,273**	23,126	(853)
Total	**56,061**	56,943	(882)

The Company generally operates its production facilities, on an overall basis, at or near capacity, adjusting facilities individually, as needed, to react to current margin environment and and seasonal local supply and demand conditions. The overall decrease in corn relates to the disposal of the sugar ethanol operations in May 2016 partially offset by volumes from the acquisition of Eaststarch C.V. in November 2015.

Revenues by segment for the years ended December 31, 2016 and 2015 are as follows:

(In millions)	2016	2015	Change
Agricultural Services			
Merchandising and Handling	$ 24,609	$ 25,957	$ (1,348)
Milling and Other	3,060	3,479	(419)
Transportation	224	246	(22)
Total Agricultural Services	27,893	29,682	(1,789)
Corn Processing			
Sweeteners and Starches	4,028	3,713	315
Bioproducts	5,438	6,282	(844)
Total Corn Processing	9,466	9,995	(529)
Oilseeds Processing			
Crushing and Origination	13,976	15,597	(1,621)
Refining, Packaging, Biodiesel, and Other	7,880	9,364	(1,484)
Asia	296	256	40
Total Oilseeds Processing	22,152	25,217	(3,065)
Wild Flavors and Specialty Ingredients	2,427	2,407	20
Other	408	401	7
Total	$ 62,346	$ 67,702	$ (5,356)

Revenues and cost of products sold in a commodity merchandising and processing business are affected by 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 Oilseeds Processing and Agricultural Services, generally have a relatively equal impact from commodity price changes which generally result in an insignificant impact to gross profit.

Revenues decreased $5.4 billion, or 8%, to $62.3 billion due to lower average sales prices ($3.5 billion), including $0.6 billion in foreign currency translation impacts, and lower overall sales volumes ($1.9 billion). The decrease in sales prices was due principally to lower underlying agricultural commodity prices, in particular prices of corn, soybeans, and soybean-related products. The decrease in sales volumes was due principally to the sale of the cocoa business and decreased sales volumes of ethanol and South American grain and oilseed origination. Agricultural Services revenues decreased 6% to $27.9 billion due to lower average sales prices ($2.5 billion) partially offset by higher sales volumes ($0.7 billion). Corn Processing revenues decreased 5% to $9.5 billion due to lower sales volumes ($0.5 billion) due principally to ethanol and the sale of the sugar ethanol business partially offset by sales volumes from the acquisition of Eaststarch C.V. Oilseeds Processing revenues decreased 12% to $22.2 billion due to lower average sales prices ($0.8 billion) and lower sales volumes ($2.3 billion) principally due to South American grains and oilseeds and the sale of the cocoa business. WFSI revenues were flat due to lower average sales prices ($0.2 billion) which were offset by higher sales volumes ($0.2 billion).

Cost of products sold decreased $5.0 billion to $58.7 billion due principally to lower average commodity costs, including $0.6 billion in foreign currency translation impacts, and lower manufacturing costs. Included in cost of products sold is a charge of $19 million from the effect of changes in agricultural commodity prices on LIFO inventory valuation reserves compared to a credit of $2 million in the prior year. Manufacturing expenses decreased $0.2 billion to $5.2 billion primarily due to the sale of the cocoa business, lower energy usage and prices, and decreased repairs and maintenance expenses.

Gross profit decreased $0.3 billion, or 9%, to $3.6 billion. The decrease in gross profit consisted principally of lower soy crush margins ($309 million), reduced merchandising results ($95 million) primarily due to Agricultural Services global trade execution and positioning losses, lower volumes and freight rates in barge operations ($24 million), the sale of the cocoa business in 2015 ($78 million), partially offset by contribution of the recent Eaststarch C.V. acquisition ($85 million), and higher results in sweeteners and starches ($169 million). These factors are explained in the segment operating profit discussion on page 38. The effect of changes in agricultural commodity prices on LIFO inventory valuation reserves had a $19 million negative impact on gross profit compared to a positive impact of $2 million in 2015. The decrease in underlying commodity prices did not result in a significant decrease in margins or gross profit as lower underlying commodity prices had a relatively equal impact on revenues and cost of products sold.

Selling, general, and administrative expenses of $2.0 billion were comparable to 2015. Decreased expenses related to the sale of the cocoa business and a U.S. retiree medical benefit plan curtailment gain were offset by legal settlements, costs, and legal fees, increased transaction fees due to increased trading volume from the brokerage business, and expenses for the recently consolidated Eaststarch C.V.

Asset impairment, exit, and restructuring costs decreased $145 million to $55 million. Charges in 2015 included long-lived asset impairments of $129 million related to certain Oilseeds Processing facilities, sugar ethanol facilities in Brazil, a facility in the Corn Processing segment, and capitalized software costs and restructuring and exit costs of $71 million related principally to an international pension plan settlement, sugar ethanol facilities in Brazil, and several individually insignificant restructuring and exit costs. Charges in 2016 included $11 million of software impairment in Corporate, $6 million of other-than-temporary impairment charges on the Company's investment in two available for sale equity securities in Corporate, and $17 million and $21 million of individually insignificant fixed asset impairment and restructuring charges, respectively.

Interest expense declined $15 million to $293 million primarily due to lower interest rates on long-term debt and the $8 million effect of the revaluation of the mandatorily redeemable 10% interest in Harvest Innovations.

Equity in earnings of unconsolidated affiliates decreased $98 million to $292 million primarily due to lower earnings from the Company's investments in Wilmar and CIP and a decrease in equity earnings from Eaststarch C.V. which is now fully consolidated following the acquisition of the remaining interest in November 2015, partially offset by increased earnings from other equity investees.

Other income - net decreased $203 million to $147 million. Income in 2015 consisted primarily of gain on sales of $256 million related primarily to the sale of the cocoa, chocolate, and lactic businesses, a gain of $212 million on the revaluation of the Company's previously held equity investments in North Star Shipping, Minmetal, and Eaststarch C.V. in conjunction with the acquisition of the remaining interests, and a gain of $62 million on the sale of a 50% interest in the Barcarena export terminal facility in Brazil to Glencore plc, partially offset by a $189 million loss on debt extinguishment related to the repurchase of outstanding debt and loss provisions of $45 million related to sugar ethanol facilities in Brazil. Income in 2016 included $48 million of realized additional consideration related to the sale of the Company's equity investment in Gruma S.A.B. de C.V. in December 2012, a $59 million gain, including recovery of loss provisions, related to the sale of the Company's Brazilian sugar ethanol facilities, a $12 million gain related to the revaluation of the remaining interest to settlement value in conjunction with the acquisition of Amazon Flavors, and a $10 million loss on sale of other individually immaterial assets.

Operating profit by segment and earnings before income taxes for the year ended December 31, 2016 and 2015 are as follows:

Segment Operating Profit	2016	2015	Change
		(In millions)	
Agricultural Services			
Merchandising and Handling	$ 228	$ 305	$ (77)
Milling and Other	226	244	(18)
Transportation	119	135	(16)
Total Agricultural Services	573	684	(111)
Corn Processing			
Sweeteners and Starches	655	457	198
Bioproducts	106	149	(43)
Total Corn Processing	761	606	155
Oilseeds Processing			
Crushing and Origination	386	793	(407)
Refining, Packaging, Biodiesel, and Other	344	308	36
Asia	150	188	(38)
Total Oilseeds Processing	880	1,289	(409)
Wild Flavors and Specialty Ingredients	275	289	(14)
Other	134	56	78
Specified Items:			
Gains (losses) on sales and businesses	114	530	(416)
Impairment, restructuring, and exit charges	(32)	(214)	182
Hedge timing effects	(1)	32	(33)
Total Specified Items	81	348	(267)
Total Segment Operating Profit	2,704	3,272	(568)
Adjusted Segment Operating Profit[1]	2,623	2,924	(301)
Segment Operating Profit	2,704	3,272	(568)
Corporate	(882)	(988)	106
Earnings Before Income Taxes	$ 1,822	$ 2,284	$ (462)

Corporate results are as follows:

(In millions)	2016	2015	Change
LIFO credit (charge)	$ (19)	$ 2	$ (21)
Interest expense - net	(282)	(297)	15
Unallocated corporate costs	(457)	(433)	(24)
Other charges	(52)	(242)	190
Minority interest and other	(72)	(18)	(54)
Total Corporate	$ (882)	$ (988)	$ 106

Agricultural Services operating profit decreased 16%. Merchandising and Handling operating results declined primarily due to compressed grain handling margins in the first half of 2016. International merchandising results were down driven by poor execution and low market volatility which limited forward merchandising opportunities partially offset by strong origination results in Argentina and the addition of destination marketing in Egypt through the Company's Medsofts joint venture. Milling and Other results decreased 7% due to lower grain and feed margins. Transportation operating profit declined due to weak barge demand and lower freight rates.

Corn Processing operating profit increased 26%. Sweeteners and Starches operating profit increased as the business continued to perform well with higher volumes and pricing and improved margins from optimizing flex grind in the Company's corn wet mills. The integration of the Eaststarch C.V. and Morocco acquisitions has progressed smoothly, significantly exceeding the Company's earnings accretion target. Bioproducts profit declined as weak ethanol margins continued due to high industry inventory levels.

Oilseeds Processing operating profit decreased 32%. Crushing and Origination operating profit declined driven primarily by lower global soy crush margins which were high in 2015, lower South American grain origination results caused by smaller soybean and corn crops in the region and year-over-year slower farmer-selling, partially offset by strong softseed volumes and margins in North America. Refining, Packaging, Biodiesel, and Other results improved due to good demand and improved margins for refined and packaged oils and improved European biodiesel results. Asia results declined due primarily to equity losses of $48 million from the Company's investment in Wilmar that was recorded in the Company's results in the third quarter of 2016.

Wild Flavors and Specialty Ingredients (WFSI) operating profit decreased 5% due to weaker sales of hydrocolloids and fibers, a short edible beans crop impacting volumes and costs, and operational issues at the specialty commodities unit, partially offset by strong results in flavors and systems, polyols, and natural health and nutrition products.

Other operating profit increased on higher volumes from the Company's futures commission brokerage business and improved results from its captive insurance operations.

Corporate results were a net expense of $882 million in 2016 compared to $988 million in the prior year. The effect of changes in agricultural commodity prices on LIFO inventory valuation reserves resulted in a charge of $19 million in 2016 compared to a credit of $2 million in the prior year. Interest expense - net declined $15 million due principally to lower interest rates on long-term debt and the effect of the revaluation of the mandatorily redeemable 10% interest in Harvest Innovations. Unallocated corporate costs increased $24 million due primarily to increased spending on the Company's ERP program and various strategic business improvement projects. Other charges in 2016 included legal settlement costs and legal fees, a software impairment charge, other-than-temporary impairment charges on the Company's investments in two available for sale equity securities, a loss on the sale of an investment, and other asset impairment and restructuring charges, partially offset by a gain related to a U.S. retiree medical benefit plan curtailment. Other charges in 2015 consisted of the $189 million loss on debt extinguishment related to the repurchase of outstanding debt, restructuring charges of $29 million related principally to an international pension plan settlement, and asset impairment and settlement charges of $24 million. The increase in minority interest and other expense is due to a decrease of approximately $70 million in the Company's share of the results of 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 Securities and Exchange Commission, 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 certain 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, 2016 and 2015.

	2016		2015	
	In millions	Per share	In millions	Per share
Average number of shares outstanding - diluted	591		621	
Net earnings and reported EPS (fully diluted)	$ 1,279	$ 2.16	$ 1,849	$ 2.98
Adjustments:				
LIFO charge (credit) (net of tax of $7 million in 2016 and $1 million in 2015) (1)	12	0.02	(1)	—
Gain on sale and revaluation of assets (net of tax of $17 million in 2016 and $15 million in 2015) (2)	(92)	(0.15)	(515)	(0.83)
Asset impairment, restructuring, exit, and settlement charges (net of tax of $40 million in 2016 and $37 million in 2015) (2)	77	0.13	230	0.37
Post-retirement benefit curtailment (net of tax of $14 million) (1)	(24)	(0.04)	—	—
Loss on debt extinguishment (net of tax of $71 million) (1)	—	—	118	0.19
Certain discrete tax adjustments	24	0.04	(60)	(0.10)
Adjusted net earnings and and adjusted EPS	$ 1,276	$ 2.16	$ 1,621	$ 2.61

(1) Tax effected using the Company's U.S. effective tax rate.
(2) Tax effected using the U.S. and other applicable tax rates.

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, 2016 and 2015.

(In millions)	2016	2015	Change
Earnings before income taxes	$ 1,822	$ 2,284	$ (462)
Interest expense	293	308	(15)
Depreciation and amortization	900	873	27
LIFO charge (credit)	19	(2)	21
Gain on sale and revaluation of assets	(109)	(530)	421
Asset impairment, restructuring, and settlement charges	117	267	(150)
Post-retirement benefit curtailment	(38)	—	(38)
Loss on debt extinguishment	—	189	(189)
Adjusted EBITDA	$ 3,004	$ 3,389	$ (385)

(In millions)	2016	2015	Change
Agricultural Services	772	880	(108)
Corn Processing	1,114	930	184
Oilseeds Processing	1,078	1,532	(454)
Wild Flavors and Specialty Ingredients	365	381	(16)
Other - Financial	144	64	80
Corporate	(469)	(398)	(71)
Adjusted EBITDA	$ 3,004	$ 3,389	$ (385)

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's strategy involves expanding the volume and diversity of crops that it merchandises and processes, expanding the global reach of its core model, and expanding its value-added product portfolio. The Company depends on access to credit markets, which can be impacted by its credit rating and factors outside of the Company's control, to fund its working capital needs and capital expenditures. The primary source of funds to finance the Company'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. 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 provided by operating activities was $2.2 billion for 2017 compared to $1.6 billion in 2016. Working capital changes increased cash by $0.3 billion in the current year compared to a decrease of $0.5 billion in the prior year. Trade receivables decreased $0.1 billion due to lower revenues and higher receivables sold under the accounts receivable securitization programs. Inventories increased $0.1 billion due to higher prices. The Company made a voluntary contribution to the U.S. pension plans of $0.2 billion in 2016. Cash used in investing activities was $0.9 billion this year compared to $1.2 billion last year. Capital expenditures and net assets of businesses acquired were $1.2 billion this year compared to $1.0 billion last year. Proceeds from the sale of businesses and assets of $0.2 billion in the current year were comparable to the prior year. Sales of marketable securities, net of purchases, were $0.4 billion this year compared to $0.3 billion last year. Investments in and advances to affiliates included additional investments in Wilmar of $0.3 billion this year compared to $0.6 billion last year. Cash used in financing activities was $1.0 billion this year compared to $0.6 billion last year. Long-term debt borrowings in the current year related to the $0.5 billion notes issued on September 14, 2017 compared to the prior year's $1.0 billion notes issued on August 11, 2016. Long-term debt payments in the current year of $0.8 billion primarily related to the full redemption of the $559 million notes due in 2018 and the retirement of the $261 million bond that matured in April 2017. The Company issued $0.5 billion notes in the current year for general corporate expenses and to pay down commercial paper borrowings. Commercial paper borrowings in the current year were $0.7 billion compared to $0.1 billion in the prior year. Share repurchases were $0.8 billion in the current year compared to $1.0 billion in the prior year.

At December 31, 2017, the Company had $0.8 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 $5.9 billion of readily marketable commodity inventories. At December 31, 2017, the Company's capital resources included shareholders' equity of $18.3 billion and lines of credit, including the accounts receivable securitization programs described below, totaling $7.7 billion, of which $5.5 billion was unused. The Company's ratio of long-term debt to total capital (the sum of long-term debt and shareholders' equity) was 27% at December 31, 2017 and 2016. The Company uses this ratio as a measure of the Company'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) was 27% at December 31, 2017 and 26% at December 31, 2016. Of the Company's total lines of credit, $5.0 billion support a commercial paper borrowing facility, against which there was $0.7 billion of commercial paper outstanding at December 31, 2017.

As of December 31, 2017, the Company had $0.8 billion of cash and cash equivalents, $0.4 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 $4.5 billion, the Company has asserted that these funds are indefinitely reinvested outside the U.S.

The Tax Cuts and Jobs Act (the "Act"), which was enacted on December 22, 2017, reduces the U.S. federal corporate tax rate from 35% to 21% and provides for a one-time transition tax on untaxed accumulated foreign earnings. As a result, the Company recorded a transition tax liability of $270 million as of December 31, 2017 and expects to pay an estimated $43 million of this amount in 2018 (see contractual obligations and other commitments table in Item 7). In addition, due to the passage of the Act, the Company expects its effective tax rate before discrete item items to be between 20% to 23% in 2018.

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 $1.6 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, 2017, the Company utilized $1.4 billion of its facility under the Programs.

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. The Company has acquired approximately 86.2 million shares under this program as of December 31, 2017.

The Company expects capital expenditures of $0.8 billion during 2018. In 2018, the Company expects additional cash outlays of approximately $0.8 billion in dividends.

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, 2017.

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 $56 million as of December 31, 2017 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.

Contractual Obligations and Other Commitments	Item 8 Note Reference	Total	Payments Due by Period: Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
				(In millions)		
Purchases						
Inventories		$ 8,751	$ 7,934	$ 815	$ 2	$ —
Energy		467	250	172	45	—
Other		313	191	57	11	54
Total purchases		9,531	8,375	1,044	58	54
Short-term debt		857	857	—	—	—
Long-term debt	Note 10	6,636	13	632	678	5,313
Estimated interest payments		5,073	281	547	492	3,753
One-time transition tax		270	43	43	62	122
Operating leases	Note 14	822	217	271	156	178
Estimated pension and other postretirement plan contributions [1]	Note 15	141	40	24	23	54
Total		$ 23,330	$ 9,826	$ 2,561	$ 1,469	$ 9,474

(1) Includes pension contributions of $28 million for fiscal 2018. The Company is unable to estimate the amount of pension contributions beyond fiscal year 2018. For more information concerning the Company's pension and other postretirement plans, see Note 15 in Item 8.

At December 31, 2017, the Company estimates it will spend approximately $1.6 billion through fiscal year 2022 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 $1.2 billion at December 31, 2017 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

Since March 2012, the Company has had an accounts receivable securitization program with certain commercial paper conduit purchasers and committed purchasers. In March 2014, the Company entered into a second accounts receivable securitization program with certain commercial paper conduit purchasers and committed purchasers. See Note 19 of Item 8 for more information about these programs.

Synthetic Leasing Program

The Company is a party to lease agreements under synthetic leasing programs for certain of its U.S. barge and trucking assets for periods ranging from 5 to 7 years. As of December 31, 2017, outstanding lease balances, including the value of the underlying assets of $164 million, were off-balance sheet. These agreements provide the Company with the right to use these assets for specified periods in exchange for an obligation to make rental payments. The agreements are accounted for as operating leases, such that the rent expense is recorded in the consolidated statement of earnings. The future lease payments pertaining to these lease agreements are included in the contractual obligations table in Item 7. These leasing programs are utilized primarily to diversify funding sources and to retain flexibility. The Company recorded $10 million of rent expense pertaining to synthetic lease payments for year ended December 31, 2017 and $5 million for each of the years ended December 31, 2016 and 2015.

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, 2017 are valued at estimated fair values, including $4.9 billion of merchandisable agricultural commodity inventories, $0.4 billion of derivative assets, $0.5 billion of 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 $1.6 billion of assets and $0.1 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 3 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 price of anticipated volumes of commodities to be purchased and processed in a future month, to hedge the purchase price of the Company's anticipated natural gas requirements for certain production facilities, and to hedge the sales price of anticipated volumes of ethanol. These designated hedging programs principally relate to the Company's Corn Processing operating segment. 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. 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 4 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 its income tax positions 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 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. 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 and Argentina, 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 2017, the Company increased valuation allowances by approximately $48 million primarily related to certain foreign capital losses incurred and state tax credit utilization limitations. 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 and the Company's share of the undistributed earnings of affiliated corporate joint venture companies accounted for on the equity method amounting to approximately $9.4 billion at December 31, 2017, are considered to be indefinitely reinvested. The Tax Cuts and Jobs Act, which was enacted on December 22, 2017, reduces the U.S. federal corporate rate from 35% to 21% and provides for a one-time transition tax on untaxed accumulated foreign earnings. As a result, the Company recorded a provisional amount for the one-time transition tax liability of $149 million, net of foreign tax credits and prior year accruals of deferred tax liabilities on unremitted earnings not deemed to be indefinitely reinvested. The one-time transition tax is based on the Company's total post-1986 earnings and profits (E&P) previously deferred from U.S. income taxes. The Company has not yet finalized its calculation of the total post-1986 E&P for these foreign subsidiaries. Further, the transition tax is based in part on the amount of those earnings held in cash and other specified assets. This amount may change when the calculation of post-1986 foreign E&P previously deferred from U.S. federal taxation and the amounts held in cash or other specified assets are finalized and is subject to further refinement if further guidance is issued by federal and state taxing authorities. The Company has elected to pay the one-time transition tax over eight years. No additional income taxes have been provided for any remaining undistributed foreign earnings not subject to the transition tax or any additional outside basis difference inherent in these entities, as these amounts continue to be indefinitely reinvested in foreign operations. 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). The Company is currently refining its estimate of GILTI and will update the estimate for any additional guidance on the accounting for the effects of the GILTI provisions. The Company has not made an accounting policy election at this time.

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, 2017, 2016, and 2015, impairment charges for property, plant, and equipment were $101 million, $17 million, and $108 million, respectively (see Note 18 in Item 8 for additional information).

Business Combinations

The Company's acquisitions are accounted for as purchases in accordance with Accounting Standards Codification (ASC) Topic 805, *Business Combinations,* as amended. Assets acquired and liabilities assumed, based on preliminary purchase price allocations, are recorded at fair values at acquisition date with the remainder of the purchase price, if any, recorded as goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. Critical estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows and discount rates. Although management's estimates of fair value are based upon assumptions believed to be reasonable, actual results may differ.

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 of the assets 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 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. There were no impairment charges recorded for goodwill and intangible assets during the year ended December 31, 2017. The Company recorded an impairment charge for goodwill and intangibles of $11 million and $21 million during the years ended December 31, 2016 and 2015, respectively (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 5 to 30 years for the Company's defined benefit pension plans and from 7 to 24 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, 2017 and 2016 together with the market risk from a hypothetical 10% adverse price change is as follows:

Long/(Short)	December 31, 2017 Fair Value	December 31, 2017 Market Risk	December 31, 2016 Fair Value	December 31, 2016 Market Risk
	(In millions)			
Highest position	**$ 455**	**$ 46**	$ 876	$ 88
Lowest position	**(82)**	**(8)**	(529)	(53)
Average position	**213**	**21**	27	3

The change in fair value of the average position was principally the result of an increase in prices underlying the weekly commodity position and, to a lesser extent, an increase in quantities.

Currencies

The Company has consolidated subsidiaries in more than 80 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 and Brazil where the Euro and U.S. dollar are the functional currencies, respectively. 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 does not use 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 and affiliates and translated into dollars using the year-end exchange rates is $8.2 billion and $7.3 billion ($9.4 billion and $9.3 billion at historical rates) at December 31, 2017 and 2016, respectively. The increase is due to the appreciation of foreign currencies versus the U.S. dollar of $0.8 billion and the increase in retained earnings of the foreign subsidiaries and affiliates of $0.1 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 $820 million and $728 million for December 31, 2017 and 2016, 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, 2017	December 31, 2016
	(In millions)	
Fair value of long-term debt	**$ 7,777**	$ 7,494
Excess of fair value over carrying value	**1,155**	990
Market risk	**384**	317

The increase in fair value of long-term debt at December 31, 2017 is primarily due to decreased interest rates.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Archer-Daniels-Midland Company

Consolidated Statements of Earnings

(In millions, except per share amounts)	Year Ended December 31		
	2017	**2016**	**2015**
Revenues	**$ 60,828**	$ 62,346	$ 67,702
Cost of products sold	**57,322**	58,727	63,736
Gross Profit	**3,506**	3,619	3,966
Selling, general and administrative expenses	**1,993**	1,980	1,985
Asset impairment, exit, and restructuring costs	**173**	55	200
Interest expense	**330**	293	308
Equity in earnings of unconsolidated affiliates	**(456)**	(292)	(390)
Interest income	**(106)**	(92)	(71)
Other (income) expense - net	**(37)**	(147)	(350)
Earnings Before Income Taxes	**1,609**	1,822	2,284
Income tax expense	**7**	534	438
Net Earnings Including Noncontrolling Interests	**1,602**	1,288	1,846
Less: Net earnings (losses) attributable to noncontrolling interests	**7**	9	(3)
Net Earnings Attributable to Controlling Interests	**$ 1,595**	$ 1,279	$ 1,849
Average number of shares outstanding – basic	**569**	588	618
Average number of shares outstanding – diluted	**572**	591	621
Basic earnings per common share	**$ 2.80**	$ 2.18	$ 2.99
Diluted earnings per common share	**$ 2.79**	$ 2.16	$ 2.98

See notes to consolidated financial statements.

Archer-Daniels-Midland Company

Consolidated Statements of Comprehensive Income (Loss)

(In millions)	Year Ended December 31		
	2017	**2016**	**2015**
Net earnings including noncontrolling interests	**$ 1,602**	$ 1,288	$ 1,846
Other comprehensive income (loss):			
Foreign currency translation adjustment	**692**	(467)	(962)
Tax effect	**59**	(10)	(11)
Net of tax amount	**751**	(477)	(973)
Pension and other postretirement benefit liabilities adjustment	**298**	(1)	154
Tax effect	**(98)**	3	(47)
Net of tax amount	**200**	2	107
Deferred gain (loss) on hedging activities	**12**	33	(99)
Tax effect	**(1)**	(12)	37
Net of tax effect	**11**	21	(62)
Unrealized gain (loss) on investments	**(1)**	3	20
Tax effect	**2**	(2)	2
Net of tax effect	**1**	1	22
Other comprehensive income (loss)	**963**	(453)	(906)
Comprehensive income (loss)	**2,565**	835	940
Less: Comprehensive income (loss) attributable to noncontrolling interests	**9**	8	(4)
Comprehensive income (loss) attributable to controlling interests	**$ 2,556**	$ 827	$ 944

See notes to consolidated financial statements.

Archer-Daniels-Midland Company
Consolidated Balance Sheets

(In millions)	December 31, 2017	December 31, 2016
Assets		
Current Assets		
Cash and cash equivalents	**$ 804**	$ 619
Short-term marketable securities	—	296
Segregated cash and investments	**4,826**	5,011
Trade receivables	**1,947**	1,905
Inventories	**9,173**	8,831
Other current assets	**3,175**	4,383
Total Current Assets	**19,925**	21,045
Investments and Other Assets		
Investments in and advances to affiliates	**5,088**	4,497
Long-term marketable securities	**92**	187
Goodwill and other intangible assets	**3,918**	3,703
Other assets	**802**	579
Total Investments and Other Assets	**9,900**	8,966
Property, Plant, and Equipment		
Land	**470**	445
Buildings	**5,043**	4,679
Machinery and equipment	**18,056**	17,160
Construction in progress	**1,224**	1,213
	24,793	23,497
Accumulated depreciation	**(14,655)**	(13,739)
Net Property, Plant, and Equipment	**10,138**	9,758
Total Assets	**$ 39,963**	$ 39,769
Liabilities, Temporary Equity, and Shareholders' Equity		
Current Liabilities		
Short-term debt	**$ 857**	$ 154
Trade payables	**3,894**	3,606
Payables to brokerage customers	**4,973**	5,158
Accrued expenses and other payables	**2,833**	3,982
Current maturities of long-term debt	**13**	273
Total Current Liabilities	**12,570**	13,173
Long-Term Liabilities		
Long-term debt	**6,623**	6,504
Deferred income taxes	**1,053**	1,669
Other	**1,342**	1,218
Total Long-Term Liabilities	**9,018**	9,391
Temporary Equity - Redeemable noncontrolling interest	**53**	24
Shareholders' Equity		
Common stock	**2,398**	2,327
Reinvested earnings	**17,552**	17,444
Accumulated other comprehensive income (loss)	**(1,637)**	(2,598)
Noncontrolling interests	**9**	8
Total Shareholders' Equity	**18,322**	17,181
Total Liabilities, Temporary Equity, and Shareholders' Equity	**$ 39,963**	$ 39,769

See notes to consolidated financial statements.

Archer-Daniels-Midland Company

Consolidated Statements of Cash Flows

(In millions)	Year Ended December 31		
	2017	**2016**	**2015**
Operating Activities			
Net earnings including noncontrolling interests	**$ 1,602**	$ 1,288	$ 1,846
Adjustments to reconcile net earnings to net cash provided by (used in) operating results			
Depreciation and amortization	**924**	900	882
Asset impairment charges	**101**	34	129
Deferred income taxes	**(714)**	56	(7)
Equity in earnings of affiliates, net of dividends	**(210)**	(61)	(50)
Stock compensation expense	**66**	74	79
Pension and postretirement accruals (contributions), net	**16**	(135)	(112)
Loss on debt extinguishment	**11**	—	189
Gain on sale and revaluation of assets	**(80)**	(130)	(572)
Other – net	**179**	34	(152)
Changes in operating assets and liabilities			
Segregated investments	**260**	342	(1,079)
Trade receivables	**73**	(160)	913
Inventories	**(137)**	(654)	872
Other current assets	**676**	(176)	460
Trade payables	**181**	161	(774)
Payables to brokerage customers	**(261)**	87	24
Accrued expenses and other payables	**(476)**	(105)	(943)
Total Operating Activities	**2,211**	1,555	1,705
Investing Activities			
Purchases of property, plant, and equipment	**(1,049)**	(882)	(1,125)
Net assets of businesses acquired	**(187)**	(130)	(479)
Proceeds from sale of business and assets	**195**	195	1,765
Investments in and advances to affiliates	**(280)**	(662)	(226)
Purchases of marketable securities	**(538)**	(1,401)	(1,084)
Proceeds from sales of marketable securities	**985**	1,659	1,119
Other – net	**(12)**	10	9
Total Investing Activities	**(886)**	(1,211)	(21)
Financing Activities			
Long-term debt borrowings	**532**	1,041	1,252
Long-term debt payments	**(835)**	(14)	(994)
Net borrowings (payments) under lines of credit agreements	**685**	61	(18)
Debt repurchase premium and costs	**(11)**	—	(189)
Share repurchases	**(750)**	(1,000)	(2,040)
Cash dividends	**(730)**	(701)	(687)
Other – net	**81**	34	27
Total Financing Activities	**(1,028)**	(579)	(2,649)
Increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents	**297**	(235)	(965)
Cash, cash equivalents, restricted cash, and restricted cash equivalents – beginning of year	**1,561**	1,796	2,761
Cash, cash equivalents, restricted cash, and restricted cash equivalents – end of year	**$ 1,858**	$ 1,561	$ 1,796
Reconciliation of cash, cash equivalents, restricted cash, and restricted cash equivalents to the consolidated balance sheets			
Cash and cash equivalents	**$ 804**	$ 619	$ 910
Restricted cash and restricted cash equivalents included in segregated cash and investments	**1,054**	942	886
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	**$ 1,858**	$ 1,561	$ 1,796
Cash paid for interest and income taxes were as follows:			
Interest	**$ 338**	$ 283	$ 334
Income taxes	**$ 538**	$ 398	$ 602

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, 2014	637	$ 5,115	$ 15,701	$ (1,241)	$ 55	$ 19,630
Comprehensive income						
Net earnings			1,849		(3)	
Other comprehensive income (loss)				(905)	(1)	
Total comprehensive income						940
Cash dividends paid-$1.12 per share			(687)			(687)
Treasury stock purchases	(43)	(2,040)				(2,040)
Stock compensation expense	1	79				79
Other	—	26	2		(35)	(7)
Balance, December 31, 2015	595	$ 3,180	$ 16,865	$ (2,146)	$ 16	$ 17,915
Comprehensive income						
Net earnings			1,279		9	
Other comprehensive income (loss)				(452)	(1)	
Total comprehensive income						835
Cash dividends paid-$1.20 per share			(701)			(701)
Treasury stock purchases	(25)	(1,000)				(1,000)
Stock compensation expense	1	74				74
Other	2	73	1		(16)	58
Balance, December 31, 2016	573	$ 2,327	$ 17,444	$ (2,598)	$ 8	$ 17,181
Impact of ASU 2016-16 (see Note 1)			**(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-$1.28 per share			**(730)**			**(730)**
Share repurchases	**(18)**		**(750)**			**(750)**
Stock compensation expense	**1**	**66**				**66**
Other	**1**	**5**	**—**		**(8)**	**(3)**
Balance, December 31, 2017	**557**	**$ 2,398**	**$ 17,552**	**$ (1,637)**	**$ 9**	**$ 18,322**

See notes to consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

Nature of Business

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

Principles of Consolidation

The consolidated financial statements 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 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

The Company classified $64 million of U.S. futures commission brokerage fees in cost of products sold in the year ended December 31, 2017. Prior period amounts of $65 million and $54 million in the years ended December 31, 2016 and 2015, respectively, have been reclassified from selling, general, and administrative expenses in the consolidated statement of earnings to conform to the current presentation.

The Company began presenting certain specified items separately from the individual business segments, as further described in Note 17. Prior period amounts have been reclassified to separately identify specified items to conform to the current presentation.

In line with the futures brokerage industry practice, the Company classified $1.0 billion of segregated cash and cash equivalents as restricted cash and cash equivalents in its statement of cash flows for the year ended December 31, 2017. Prior period amounts have been restated to conform to the current presentation which resulted in an increase of $80 million and a decrease of $765 million in total cash provided by operating activities for the years ended December 31, 2016 and 2015, respectively, and an increase of $873 million and $793 million in the ending balance of cash, cash equivalents, restricted cash, and restricted cash equivalents as of December 31, 2016 and 2015, respectively.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Receivables

The Company records accounts receivable at net realizable value. This value includes an allowance for estimated uncollectible accounts of $73 million and $72 million at December 31, 2017 and 2016, 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, 2017 and 2016 was $343 million and $232 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, 2017 and 2016.

	December 31, 2017	December 31, 2016
	(In millions)	
LIFO inventories		
FIFO value	**$ 1,056**	$ 1,390
LIFO valuation reserve	**(73)**	(75)
LIFO inventories carrying value	**983**	1,315
FIFO inventories	**2,906**	2,705
Market inventories	**4,886**	4,424
Supplies and other inventories	**398**	387
Total inventories	**$ 9,173**	$ 8,831

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 contract 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 or a cash flow hedge.

Beginning in 2017, for derivative instruments that are designated and qualify as cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive income (AOCI) 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.

Prior to 2017, gain or loss on the derivative instrument that is in excess of the cumulative change in the cash flows of the hedged item, if any (i.e., the ineffective portion) 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)

Marketable Securities

The Company classifies its marketable securities as available-for-sale. Available-for-sale securities are carried at fair value, with the unrealized gains and losses, net of income taxes, reported as a component of AOCI. The Company monitors its investments for impairment periodically, and recognizes an impairment charge when the decline in fair value of an investment is judged to be other-than-temporary. The Company uses the specific identification method when securities are sold or reclassified out of AOCI into earnings. The Company considers marketable securities maturing in less than one year as short-term. All other marketable securities are classified as long-term.

Property, Plant, and Equipment

Property, plant, and equipment is recorded at cost. Repair and maintenance costs are expensed as incurred. The Company generally uses the straight-line method in computing depreciation for financial reporting purposes and generally uses accelerated methods for income tax purposes. The annual provisions for depreciation have been computed principally in accordance with the following ranges of asset lives: buildings - 15 to 40 years; machinery and equipment - 3 to 40 years. The Company capitalized interest on major construction projects in progress of $17 million, $20 million, and $11 million for the years ended December 31, 2017, 2016, and 2015, respectively.

Income Taxes

The Company accounts for its income tax positions in accordance with the applicable accounting standards. The liability method is used in accounting for income taxes. 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 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. There were no impairment charges recorded for goodwill and intangible assets during the year ended December 31, 2017. The Company recorded impairment charges for goodwill and intangibles totaling $11 million related to computer software, and $21 million related to computer software, certain of the Company's international Oilseeds Processing facilities, and a facility in its Corn Processing segment during the years ended December 31, 2016, and 2015, respectively.

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 (a Level 3 measurement under applicable accounting standards). During the years ended December 31, 2017, 2016, and 2015, impairment charges were $101 million, $17 million, and $108 million, respectively (see Note 18 for additional information).

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 sales revenue at the time of delivery of the product and when all of the following have occurred: a sales agreement is in place, pricing is fixed or determinable, and collection is reasonably assured. The Company has sales contracts that allow for pricing to occur after title of the goods has passed to the customer. In these cases, the Company continues to report the goods in inventory until it recognizes the sales revenue once the price has been determined. Freight costs and handling charges related to sales are recorded as a component of cost of products sold.

Net sales to unconsolidated affiliates during the years ended December 31, 2017, 2016, and 2015 were $6.0 billion, $4.2 billion, and $5.0 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 highly subjective assumptions. Measured compensation cost, net of estimated 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 $129 million, $123 million, and $122 million for the years ended December 31, 2017, 2016, and 2015, 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.

Business Combinations

The Company's acquisitions are accounted for as purchases in accordance with ASC Topic 805, *Business Combinations,* as amended. Assets acquired and liabilities assumed, based on preliminary purchase price allocations, are recorded at fair values at acquisition date with the remainder of the consideration, if any, recorded as goodwill. 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 purchase price 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.

Note 1. Summary of Significant Accounting Policies (Continued)

Adoption of New Accounting Standards

Effective January 1, 2017, the Company adopted the amended guidance of ASC Topic 330, *Inventory*, which simplifies the measurement of inventory. The amended guidance requires an entity to measure its cost-based inventory at the lower of cost or net realizable value, where net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Effective January 1, 2017, the Company adopted the amended guidance of ASC Topic 323, *Investments - Equity Method and Joint Ventures*, which simplifies the transition to the equity method of accounting. The amended guidance eliminates the requirement of an investor to adjust the investment, results of operations, and retained earnings retroactively when an investment qualifies for equity method accounting as a result of an increase in the level of ownership interest or degree of influence. The amendments require the investor to add the cost of acquiring the additional interest in the investee to the current basis of the investor's previously held interest and adopt the equity method of accounting as of the date the investment becomes qualified for equity method accounting. The adoption of this amended guidance did not have a significant impact on the Company's financial results.

Effective January 1, 2017, the Company adopted the amended guidance of ASC Topic 810, *Consolidatio*n, which affects reporting entities that are required to evaluate whether they should consolidate a variable interest entity in certain situations involving entities under common control. The amended guidance changes the evaluation of whether a reporting entity is the primary beneficiary of a variable interest entity by changing how a reporting entity that is a single decision maker of a variable interest entity treats indirect interests in the entity held through related parties that are under common control with the reporting entity. The Company was required to adopt the amended guidance using a retrospective transition approach to all periods presented. The adoption of this amended guidance did not result in the deconsolidation of any of its variable interest entities.

Effective January 1, 2017, the Company adopted the amended guidance of ASC Topic 740, *Income Taxes* (ASU 2016-16), which requires entities to recognize the income tax consequences of an intra-entity transfer, other than inventory, when the transfer occurs. Under the previous accounting rules, entities were prohibited from recognizing current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party. The amended guidance does not change the accounting for the pre-tax effects of an intra-entity asset transfer or for an intra-entity transfer of inventory. The Company adopted the amended guidance on a modified retrospective approach basis through a $7 million cumulative effect adjustment to reinvested earnings as of January 1, 2017.

Effective October 1, 2017, the Company adopted the amended guidance of ASC Topic 805, *Business Combinations*, which clarifies the definition of a business. The amended guidance is intended to help companies and other organizations evaluate whether transactions should be accounted for as acquisitions (disposals) of assets or businesses and provides a more robust framework to use in determining when a set of assets and activities is a business. The adoption of this amended guidance did not have an impact on the Company's financial results.

Effective October 1, 2017, the Company adopted the amended guidance of ASC Topic 718, *Compensation - Stock Compensation* (Topic 718), which provides clarity and reduces diversity in practice as well as cost and complexity when applying the guidance in Topic 718 to the modification of the terms and conditions of a share-based payment. The amendments include guidance on determining which changes to the terms and conditions of share-based payment awards require an entity to apply modification accounting. The adoption of this amended guidance did not have a significant impact on the Company's financial results.

Effective October 1, 2017, the Company adopted the amended guidance of ASC Topic 350, *Goodwill and Other*, which simplifies the subsequent measurement of goodwill. The amended guidance removes the second step of the goodwill impairment test and requires the application of a one-step quantitative test where the amount of goodwill impairment is the excess of a reporting unit's carrying amount over its fair value, but not to exceed the total amount of goodwill allocated to the reporting unit. The new guidance does not amend the optional qualitative assessment of goodwill impairment. The adoption of this amended guidance did not have an impact on the Company's financial results.

Note 1. Summary of Significant Accounting Policies (Continued)

Effective October 1, 2017, the Company adopted the amended guidance of ASC Topic 815, *Derivatives and Hedging* (Topic 815), which expands and refines hedge accounting for both non-financial and financial risk components and aligns the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements. The amended guidance also simplifies the application of hedge accounting guidance and eases the administrative burden of hedge documentation requirements and assessing hedge effectiveness. Under the amended guidance, amounts considered ineffective related to effective hedging relationships are now deferred in accumulated other comprehensive income until the hedged item impacts earnings. The Company adopted the amended guidance through an adjustment to reinvested earnings as of January 1, 2017, which was immaterial. This adoption also had no material impact on the reported earnings for earlier quarters of 2017.

Pending Accounting Standards

Effective January 1, 2018, the Company will be required to adopt the amended guidance of ASC Subtopic 825-10, *Financial Instruments - Overall*, which is intended to improve the recognition and measurement of financial instruments. The amended guidance requires an entity to measure equity investments, except those accounted for under the equity method of accounting or those that result in consolidation of the investee, at fair value with changes in fair value recognized in net income and simplify the impairment assessment of equity investments without readily determinable fair values by using a qualitative assessment to identify impairment. The Company does not expect the adoption of this amended guidance to have a significant impact on the Company's financial results.

Effective January 1, 2018, the Company will be required to adopt the new guidance of ASC Topic 606, *Revenue from Contracts with Customers* (Topic 606), which will supersede the revenue recognition requirements in ASC Topic 605, *Revenue Recognition*. Topic 606 requires the Company to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance requires the Company to apply the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, the Company satisfies a performance obligation. The Company will adopt Topic 606 on a modified retrospective basis and will be required to provide additional disclosures of the amount by which each financial statement line item is affected in the current reporting period, as compared to the guidance that was in effect before the change, and an explanation of the reasons for significant changes. The adoption of this new guidance will require expanded disclosures in the Company's consolidated financial statements including separate quantitative disclosure of revenues within the scope of Topic 606 and revenues excluded from the scope of Topic 606. Many of the Company's sales contracts are considered derivatives under ASC Topic 815, *Derivatives and Hedging*, and are therefore excluded from the scope of Topic 606. The Company established a cross-functional implementation team consisting of representatives from all of its business segments. The Company utilized surveys to validate all of its current revenue recognition streams and identify areas of its business where potential differences could result from applying the requirements of the new standard. The Company also conducted workshops and performed contract reviews to gather more information about the nature, magnitude, and frequency of the underlying transactions that drove the survey responses. In the fourth quarter of 2017, the Company completed the final phase of its revenue recognition implementation plan which included quantification of the areas of accounting change, assessment of the financial impact of the new guidance on its consolidated financial statements, and finalization of its revenue recognition accounting policy and position papers. Based on the results of the Company's quantification efforts, the adoption of this new guidance will result in an immaterial cumulative effect adjustment to reinvested earnings as of January 1, 2018. The Company does not expect the adoption of this new guidance to have a significant ongoing impact on the Company's financial results.

Effective January 1, 2018, the Company will be required to adopt the amended guidance of ASC Topic 715, *Compensation - Retirement Benefits*, which requires that an employer reports the service cost component in the same line or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. The adoption of this amended guidance will require expanded disclosures and the reclassification of the other components of net benefit cost from cost of products sold and selling, general, and administrative expenses to other (income) expense - net in the Company's consolidated statements of earnings but will not impact financial results.

Note 1. Summary of Significant Accounting Policies (Continued)

Effective January 1, 2019, the Company will be required to adopt the new guidance of ASC Topic 842, *Leases* (Topic 842), which will supersede ASC Topic 840, *Leases*. Topic 842 requires lessees to recognize assets and liabilities for all leases. The Company expects to adopt Topic 842 using a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The adoption of this new guidance will require expanded disclosures in the Company's consolidated financial statements. The Company has established a cross-functional implementation team consisting of representatives from accounting, legal, procurement, and operations. The Company utilized surveys to centrally gather more information about its existing leases and lease processes and to gather lease contracts. To ensure completeness of the population of lease contracts, the results of the survey will be cross-referenced against other available lease information (i.e., year-end disclosures and general ledger). The Company is also working with a vendor to implement a lease management system which will assist in delivering the required accounting changes and disclosures. The next phase of the implementation plan is the abstraction of the relevant lease contract data points which is expected to be completed in the second half of 2018. The impact of the new standard will be a significant increase to right of use assets and lease liabilities on the Company's consolidated balance sheet, primarily as a result of operating leases currently not recognized on the balance sheet. The Company has not yet completed its assessment of the impact of the new guidance on its consolidated statement of earnings.

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 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. Early adoption will be permitted for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The Company does not expect the adoption of this amended guidance to have a significant impact on the Company's financial results.

Note 2. Acquisitions

Operating results of acquisitions are included in the Company's financial statements from the date of acquisition.

Fiscal Year 2017 acquisitions

During the year ended December 31, 2017, the Company acquired Crosswind Industries, Inc., Chamtor SA, a 51% controlling interest in Industries Centers, and an 89% controlling interest in Biopolis SL for an aggregate consideration of $194 million in cash. The aggregate purchase price of these acquisitions, net of cash acquired of $7 million, was preliminarily allocated as follows:

	(In millions)
Working capital	$ 19
Property, plant, and equipment	116
Goodwill	33
Other intangible assets	47
Other long-term assets	8
Long-term debt	(8)
Other long-term liabilities	(16)
Noncontrolling interest	(12)
Aggregate cash purchase price, net of cash acquired	$ 187

The Company records the remaining 49% in Industries Centers and 11% in Biopolis SL in temporary equity - redeemable noncontrolling interest and noncontrolling interest, respectively.

Note 2. Acquisitions (Continued)

Fiscal Year 2016 acquisitions

During the year ended December 31, 2016, the Company acquired a 90% interest in Harvest Innovations, an industry leader in minimally processed, expeller-pressed soy proteins, oils, and gluten-free ingredients; a 50% interest in Cairo-based Medsofts Group, a joint venture that owns and manages merchandising and supply chain operations; Caterina Foods, a leading toll manufacturer of specialty gluten-free and high-protein pastas; and a Casablanca, Morocco-based corn wet mill that produces glucose and native starch for an aggregate cost of $141 million in cash. The aggregate purchase price of these acquisitions, net of cash acquired of $11 million, was preliminarily allocated as follows:

	(In millions)
Working capital	$ 15
Property, plant, and equipment	23
Goodwill	72
Other intangible assets	41
Other long-term assets	34
Long-term liabilities	(17)
Noncontrolling interest	(38)
Aggregate cash purchase price, net of cash acquired	$ 130

The remaining 10% interest in Harvest Innovations is recorded in other long-term liabilities and accounted for as a mandatorily redeemable interest which the Company has agreed to acquire following two years of operations.

The Company has an option three years from the date of acquisition to acquire the remaining 50% interest in Medsofts Group based on a fixed multiple of earnings before taxes, interest, and depreciation and amortization for the last twelve months of this three-year period. If the Company does not elect to exercise its option, the noncontrolling interest holder has the option to put the 50% interest to the Company on similar, though discounted, terms. The Company records the 50% remaining interest in temporary equity - redeemable noncontrolling interest.

The finalization of the purchase price allocations related to these acquisitions did not result in material adjustments in 2017.

Fiscal Year 2015 acquisitions

On November 2, 2015, the Company completed the acquisition of the remaining 50 percent interest in Eaststarch C.V. The acquisition includes corn wet mills in Bulgaria and Turkey and a 50 percent stake in a wet mill in Hungary enhancing the Company's capabilities to serve customers around the world. The 2015 post acquisition financial results of Eaststarch C.V. are reported in the Corn Processing segment.

During the year ended December 31, 2015, the Company acquired four businesses, including the remaining interest in Eaststarch C.V. described above, for a total cost of $508 million. The purchase price, net of cash acquired of $29 million, plus the acquisition-date fair values of the Company's previously held equity interests of $385 million in Eaststarch C.V. and $64 million in North Star Shipping and Minmetal included in Others below, were preliminarily allocated as follows:

Note 2. Acquisitions (Continued)

(In millions)	Eaststarch C.V.	Others	Total
Trade receivables	$ 27	$ 25	$ 52
Inventories	47	15	62
Other current assets	24	6	30
Investments in and advances to affiliates	193	—	193
Goodwill	132	119	251
Other intangible assets	166	161	327
Property, plant, and equipment	126	73	199
Other assets	—	15	15
Trade payables	(16)	(13)	(29)
Accrued expense and other payables	(24)	(13)	(37)
Long-term debt	—	(43)	(43)
Deferred income taxes	(32)	(38)	(70)
Other liabilities	(22)	—	(22)
Total purchase price, net of cash acquired, plus acquisition date fair values of previously held equity interests	**$ 621**	**$ 307**	**$ 928**

In the year ended December 31, 2015, the Company recognized pre-tax gains of $185 million on the Eaststarch C.V. transaction and $27 million on the North Star Shipping and Minmetal transaction included in Others above, representing the difference between the carrying values and acquisition-date fair values of the Company's previously held equity interests. 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).

Goodwill recorded in connection with the acquisitions is primarily attributable to the synergies expected to arise after the Company's acquisition of the businesses.

The following table sets forth the preliminary fair values and weighted average useful lives of the other intangible assets acquired.

	Weighted Average Useful Life	Eaststarch C.V.	Others	Total
	(In years)		(In millions)	
Intangible assets with indefinite lives:				
Trademarks/brands		$ —	$ 5	$ 5
Intangible assets with finite lives:				
Land rights	33	—	122	122
Customer lists	15	166	31	197
Recipes and other	5	—	3	3
Total other intangible assets acquired		**$ 166**	**$ 161**	**$ 327**

The Company's consolidated statement of earnings for the year ended December 31, 2015 includes the post acquisition results of the acquired businesses which were immaterial.

The 2016 finalization of the purchase price allocation related to the acquisition of Eaststarch C.V. resulted in increases in goodwill and other intangibles of $38 million and $4 million, respectively, with a corresponding decrease in other long-term liabilities. The finalization of the purchase price allocations related to the other acquisitions did not result in material adjustments in 2016.

Note 3. 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, 2017 and 2016.

	Fair Value Measurements at December 31, 2017			
	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	$ —	$ 3,400	$ 1,486	$ 4,886
Unrealized derivative gains:				
Commodity contracts	—	275	111	386
Foreign exchange contracts	—	63	—	63
Cash equivalents	352	—	—	352
Marketable securities	91	1	—	92
Segregated investments	1,733	—	—	1,733
Deferred consideration	—	307	—	307
Total Assets	$ 2,176	$ 4,046	$ 1,597	$ 7,819
Liabilities:				
Unrealized derivative losses:				
Commodity contracts	$ —	$ 268	$ 103	$ 371
Foreign exchange contracts	—	92	—	92
Interest rate contracts	—	1	—	1
Inventory-related payables	—	680	39	719
Total Liabilities	$ —	$ 1,041	$ 142	$ 1,183

Note 3. Fair Value Measurements (Continued)

	Fair Value Measurements at December 31, 2016			
	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	$ —	$ 3,102	$ 1,322	$ 4,424
Unrealized derivative gains:				
Commodity contracts	—	371	140	511
Foreign currency contracts	—	102	—	102
Interest rate contracts	—	11	—	11
Cash equivalents	286	—	—	286
Marketable securities	408	69	—	477
Segregated investments	1,613	—	—	1,613
Deferred consideration	—	540	—	540
Total Assets	$ 2,307	$ 4,195	$ 1,462	$ 7,964
Liabilities:				
Unrealized derivative losses:				
Commodity contracts	$ —	$ 419	$ 142	$ 561
Foreign currency contracts	—	90	—	90
Inventory-related payables	—	491	30	521
Total Liabilities	$ —	$ 1,000	$ 172	$ 1,172

Estimated fair values for inventories carried at market are based on exchange-quoted prices, adjusted for differences in local markets, broker or dealer quotations or market transactions in either listed or over-the-counter (OTC) markets. Market valuations for the Company's inventories are adjusted for location and quality because the exchange-quoted prices represent contracts that have standardized terms for commodity, quantity, future delivery period, delivery location, and commodity quality or grade. 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.

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. These differences are generally determined using inputs from broker or dealer quotations or market transactions in either the listed or OTC markets. When observable inputs are available for substantially the full term of 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.

Note 3. Fair Value Measurements (Continued)

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 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. Payment 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.

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, 2017 and 2016.

	Level 3 Fair Value Assets Measurements at December 31, 2017		
	Inventories Carried at Market	Commodity Derivative Contracts Gains	Total
	(In millions)		
Balance, December 31, 2016	**$ 1,322**	**$ 140**	**$ 1,462**
Total increase (decrease) in net realized/unrealized gains included in cost of products sold[(1)]	**(29)**	**248**	**219**
Purchases	**11,236**	**—**	**11,236**
Sales	**(11,231)**	**—**	**(11,231)**
Settlements	**—**	**(369)**	**(369)**
Transfers into Level 3	**241**	**136**	**377**
Transfers out of Level 3	**(53)**	**(44)**	**(97)**
Ending balance, December 31, 2017	**$ 1,486**	**$ 111**	**$ 1,597**

(1) Includes increase in unrealized gains of $106 million relating to Level 3 assets still held at December 31, 2017.

Note 3. Fair Value Measurements (Continued)

	Level 3 Fair Value Liabilities Measurements at December 31, 2017		
	Inventory-related Payables	Commodity Derivative Contracts Losses	Total
	(In millions)		
Balance, December 31, 2016	**$ 30**	**$ 142**	**$ 172**
Total increase (decrease) in net realized/unrealized losses included in cost of products sold(1)	**(4)**	**257**	**253**
Purchases	**38**	**—**	**38**
Sales	**(25)**	**—**	**(25)**
Settlements	**—**	**(397)**	**(397)**
Transfers into Level 3	**—**	**128**	**128**
Transfers out of Level 3	**—**	**(27)**	**(27)**
Ending balance, December 31, 2017	**$ 39**	**$ 103**	**$ 142**

(1) Includes increase in unrealized losses of $260 million relating to Level 3 liabilities still held at December 31, 2017.

	Level 3 Fair Value Assets Measurements at December 31, 2016		
	Inventories Carried at Market	Commodity Derivative Contracts Gains	Total
	(In millions)		
Balance, December 31, 2015	$ 1,004	$ 243	$ 1,247
Total increase (decrease) in net realized/unrealized gains included in cost of products sold(1)	44	192	236
Purchases	9,900	—	9,900
Sales	(9,567)	—	(9,567)
Settlements	—	(420)	(420)
Transfers into Level 3	70	168	238
Transfers out of Level 3	(129)	(43)	(172)
Ending balance, December 31, 2016	$ 1,322	$ 140	$ 1,462

(1) Includes increase in unrealized gains of $138 million relating to Level 3 assets still held at December 31, 2016.

Note 3. Fair Value Measurements (Continued)

	Level 3 Fair Value Liabilities Measurements at December 31, 2016		
	Inventory-related Payables	Commodity Derivative Contracts Losses	Total
	(In millions)		
Balance, December 31, 2015	$ 16	$ 113	$ 129
Total increase (decrease) in net realized/unrealized losses included in cost of products sold[1]	13	566	579
Purchases	16	—	16
Sales	(15)	—	(15)
Settlements	—	(476)	(476)
Transfers into Level 3	—	158	158
Transfers out of Level 3	—	(219)	(219)
Ending balance, December 31, 2016	$ 30	$ 142	$ 172

[1] Includes increase in unrealized losses of $578 million relating to Level 3 liabilities still held at December 31, 2016.

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.

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 determined 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, 2017 and 2016. 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, 2017 is a weighted average 12.8% of the total price for assets and 99.9% of the total price for liabilities.

	Weighted Average % of Total Price			
	December 31, 2017		December 31, 2016	
Component Type	Assets	Liabilities	Assets	Liabilities
Inventories and Related Payables				
Basis	**12.8%**	**99.9%**	16.5%	67.1%
Transportation cost	**19.2%**	**—%**	8.3%	—%
Commodity Derivative Contracts				
Basis	**24.2%**	**23.0%**	16.9%	27.0%
Transportation cost	**12.5%**	**10.4%**	11.6%	13.4%

Note 3. Fair Value Measurements (Continued)

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 4. 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 commodity inventories and forward cash purchase and sales contracts to reduce price risk caused by market fluctuations in agricultural commodities and foreign currencies. The Company also uses exchange-traded futures and exchange-traded and OTC options contracts as components of merchandising strategies designed to enhance margins. The results of these strategies can be significantly impacted by factors such as the 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 commodities, 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.

The following table sets forth the fair value of derivatives not designated as hedging instruments as of December 31, 2017 and 2016.

	December 31, 2017		December 31, 2016	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	(In millions)			
Foreign Currency Contracts	**$ 63**	**$ 92**	$ 102	$ 90
Commodity Contracts	**386**	**371**	511	561
Total	**$ 449**	**$ 463**	$ 613	$ 651

Note 4. Derivative Instruments & Hedging Activities (Continued)

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, 2017, 2016, and 2015.

(In millions)	Revenues	Cost of goods sold	Other income-net	
For the Year Ended December 31, 2017				
Consolidated Statement of Earnings	**$ 60,828**	**$ 57,322**	**$ 37**	
Pre-tax gains (losses) on:				
Foreign Currency Contracts	**$ (10)**	**$ 58**	**$ 214**	
Commodity Contracts	**—**	**375**	**—**	
Total gain (loss) recognized in earnings	**$ (10)**	**$ 433**	**$ 214**	**$ 637**
For the Year Ended December 31, 2016				
Consolidated Statement of Earnings	$ 62,346	$ 58,727	$ 147	
Pre-tax gains (losses) on:				
Foreign Currency Contracts	$ (35)	$ 291	$ (225)	
Commodity Contracts	—	(383)	—	
Total gain (loss) recognized in earnings	$ (35)	$ (92)	$ (225)	$ (352)
For the Year Ended December 31, 2015				
Consolidated Statement of Earnings	$ 67,702	$ 63,736	$ 350	
Pre-tax gains (losses) on:				
Foreign Currency Contracts	$ 16	$ (185)	$ 8	
Commodity Contracts	—	777	—	
Total gain (loss) recognized in earnings	$ 16	$ 592	$ 8	$ 616

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.

Derivatives Designated as Cash Flow or Fair Value Hedging Strategies

As of December 31, 2017 and 2016, the Company had certain derivatives designated as cash flow and fair value hedges.

The Company uses interest rate swaps designated as fair value hedges to protect the fair value of fixed-rate debt due to changes in interest rates. The changes in the fair value of the interest rate swaps and the underlying fixed-rate debt are recorded in other (income) expense - net. The terms of the interest rate swaps match the terms of the underlying debt. At December 31, 2017, the Company had $1 million in other current liabilities representing the fair value of the interest rate swaps and a corresponding decrease in the underlying debt for the same amount with no impact to earnings.

Note 4. Derivative Instruments & Hedging Activities (Continued)

For each of the commodity 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, 2017, the Company had $8 million of after-tax losses in AOCI related to gains and losses from commodity cash flow hedge transactions. The Company expects to recognize $8 million of these after-tax losses in its consolidated statement of earnings during the next 12 months.

The Company 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 22% and 50% of its monthly anticipated grind. At December 31, 2017, the Company had designated hedges representing between 8% to 86% of its anticipated monthly grind of corn for the next 12 months.

The Company, 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 1 million and 28 million gallons of ethanol sales per month under these programs. At December 31, 2017, the Company had designated hedges representing between 0 to 135 million gallons of ethanol sales per month over the next 6 months.

The following table sets forth the fair value of derivatives designated as hedging instruments as of December 31, 2017 and 2016.

	December 31, 2017		December 31, 2016	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	(In millions)			
Interest Contracts	**$ —**	**$ 1**	$ 11	$ —
Total	**$ —**	**$ 1**	$ 11	$ —

Note 4. Derivative Instruments & Hedging Activities (Continued)

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, 2017, 2016, and 2015.

(In millions)	Revenues	Cost of goods sold	Interest expense	Other income-net	
For the Year Ended December 31, 2017					
Consolidated Statement of Earnings	**$ 60,828**	**$ 57,322**	**$ 330**	**$ 37**	
Effective amounts recognized in earnings					
Pre-tax gains (losses) on:					
Foreign Currency Contracts	**$ —**	**$ —**	**$ —**	**$ (2)**	
Interest Contracts	**—**	**—**	**1**	**—**	
Commodity Contracts	**(1)**	**(45)**	**—**	**—**	
Total gain (loss) recognized in earnings	**$ (1)**	**$ (45)**	**$ 1**	**$ (2)**	**$ (47)**
For the Year Ended December 31, 2016					
Consolidated Statement of Earnings	$ 62,346	$ 58,727	293	$ 147	
Effective amounts recognized in earnings					
Pre-tax gains (losses) on:					
Foreign Currency Contracts	$ —	$ —	$ —	$ (18)	
Interest Contracts	—	—	(2)	—	
Commodity Contracts	(35)	(82)	—	—	
Ineffective amounts recognized in earnings					
Pre-tax gains (losses) on:					
Commodity Contracts	(5)	6	—	—	
Total gain (loss) recognized in earnings	$ (40)	$ (76)	$ (2)	$ (18)	$ (136)
For the Year Ended December 31, 2015					
Consolidated Statement of Earnings	$ 67,702	$ 63,736	$ 308	$ 350	
Effective amounts recognized in earnings					
Pre-tax gains (losses) on:					
Foreign Currency Contracts	$ —	$ —	$ —	$ 29	
Interest Contracts	—	—	1	—	
Commodity Contracts	41	(25)	—	—	
Ineffective amounts recognized in earnings					
Pre-tax gains (losses) on:					
Interest Contracts	—	—	—	1	
Commodity Contracts	6	(12)	—	—	
Total gain (loss) recognized in earnings	$ 47	$ (37)	$ 1	$ 30	$ 41

Note 4. Derivative Instruments & Hedging Activities (Continued)

In 2017, the Company adopted the amended guidance of Topic 815. As a result, hedge ineffectiveness related to effective hedging relationships are now deferred in AOCI until the hedged item impacts earnings. Prior to 2017, gain or loss on the derivative instrument that is in excess of the cumulative change in the cash flows of the hedged item, if any (i.e., the ineffective portion) are recognized in the consolidated statement of earnings during the current period.

Net Investment Hedging Strategies

On June 24, 2015, the Company issued €500 million aggregate principal amount of Floating Rate Notes and €600 million aggregate principal amount of 1.75% Notes (collectively, the "Notes"). The Company has designated €1.1 billion of the Notes as a hedge of its net investment in a foreign subsidiary. As of December 31, 2017, the Company had $59 million of after-tax losses in AOCI related to gains and losses from the net investment hedge transaction. The amount is deferred in AOCI until the underlying investment is divested.

Note 5. Marketable Securities

The following table sets forth items in short-term and long-term investments.

	Cost	Unrealized Gains	Unrealized Losses	Fair Value
		(In millions)		
December 31, 2017				
United States government obligations				
Maturity 1 to 5 years	**$ 92**	**$ —**	**$ (1)**	**$ 91**
Corporate debt securities				
Maturity 1 to 5 years	**1**	**—**	**—**	**1**
	$ 93	**$ —**	**$ (1)**	**$ 92**

	Cost	Unrealized Gains	Unrealized Losses	Fair Value
		(In millions)		
December 31, 2016				
United States government obligations				
Maturity less than 1 year	$ 287	$ —	$ —	$ 287
Maturity 1 to 5 years	121	—	(1)	120
Corporate debt securities				
Maturity less than 1 year	1	—	—	1
Maturity 1 to 5 years	66	—	—	66
Other debt securities				
Maturity less than 1 year	8	—	—	8
Equity securities				
Available-for-sale	1	—	—	1
	$ 484	$ —	$ (1)	$ 483

Note 5. Marketable Securities (Continued)

The $1 million in unrealized losses at December 31, 2017 arose within the last 12 months and is related to the Company's investment in one available-for-sale debt security with a fair value of $37 million. The contractual terms of this investment do not permit the issuer to settle the securities at a price less than the amortized cost basis of the investment. Because the Company does not intend to sell the investment and it is not more likely than not that it will be required to sell the investment before recovery of its amortized cost basis, which may be at maturity, the Company does not consider this investment to be other-than-temporarily impaired at December 31, 2017. For information on other-than temporary impairment charges, see Note 18.

Note 6. Other Current Assets

The following table sets forth the items in other current assets:

	December 31, 2017	December 31, 2016
	(In millions)	
Unrealized gains on derivative contracts	**$ 449**	$ 624
Deferred receivables consideration	**307**	540
Customer omnibus receivable	**477**	521
Financing receivables - net [(1)]	**413**	373
Insurance premiums receivable	**129**	648
Prepaid expenses	**232**	268
Tax receivables	**425**	480
Non-trade receivables [(2)]	**371**	478
Other current assets	**372**	451
	$ 3,175	$ 4,383

[(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 $6 million and $7 million at December 31, 2017 and 2016, respectively. Interest earned on financing receivables of $25 million, $22 million, and $23 million for the years ended December 31, 2017, 2016, and 2015, respectively, is included in interest income in the consolidated statements of earnings.

[(2)] Non-trade receivables included $91 million and $223 million of reinsurance recoverables as of December 31, 2017 and 2016, respectively.

Note 7. Accrued Expenses and Other Payables

The following table sets forth the items in accrued expenses and other payables:

	December 31, 2017	December 31, 2016
	(In millions)	
Unrealized losses on derivative contracts	**$ 464**	$ 651
Reinsurance premiums payable	**111**	479
Insurance claims payable	**268**	373
Deferred income	**789**	1,065
Other accruals and payables	**1,201**	1,414
	$ 2,833	$ 3,982

Note 8. Investments in and Advances to Affiliates

The Company applies the equity method of accounting for investments in investees over which the Company has the ability to exercise significant influence, including the Company's 24.9% and 23.2% share ownership in Wilmar as of December 31, 2017 and 2016, respectively. The Company had 56 and 59 unconsolidated domestic and foreign affiliates as of December 31, 2017 and 2016, respectively. The following table summarizes the combined balance sheets as of December 31, 2017 and 2016, and the combined statements of earnings of the Company's unconsolidated affiliates for the years ended December 31, 2017, 2016, and 2015.

	December 31	
(In millions)	**2017**	2016
Current assets	**$ 28,200**	$ 25,145
Non-current assets	**21,411**	21,347
Current liabilities	**(24,209)**	(20,587)
Non-current liabilities	**(4,250)**	(5,830)
Noncontrolling interests	**(981)**	(943)
Net assets	**$ 20,171**	$ 19,132

	Year Ended December 31		
(In millions)	**2017**	2016	2015
Net Sales	**$ 55,908**	$ 45,296	$ 47,980
Gross profit	**4,687**	4,375	4,530
Net income	**1,800**	1,119	1,428

The Company's share of the undistributed earnings of its unconsolidated affiliates as of December 31, 2017 is $2.1 billion. The Company's investment in Wilmar has a carrying value of $3.8 billion as of December 31, 2017, and a market value of $3.6 billion based on market quoted price converted to U.S. dollars at the applicable exchange rate at December 31, 2017. The investment has been in an unrealized loss position for less than 12 months. The Company evaluated the near-term prospects of the investee in relation to the severity and duration of the impairment. Based on that evaluation, the Company does not consider this investment to be other-than-temporarily impaired at December 31, 2017.

The Company provides credit facilities totaling $78 million to four unconsolidated affiliates. Three facilities that are due on demand and bear interest between 3.74% and 4.74% have a total outstanding balance of $32 million. The other facility has no outstanding balance as of December 31, 2017. The outstanding balance is included in other current assets in the accompanying consolidated balance sheet.

As of December 31, 2017, the Company received a $79 million advance payment from an unconsolidated affiliate for sales contracts expected to be executed in May 2018. The amount, which bears interest at 3.26%, is included in accrued expenses and other payables in the accompanying 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, 2017	December 31, 2016
	(In millions)	
Agricultural Services	**$ 88**	$ 63
Corn Processing	**280**	260
Oilseeds Processing	**132**	92
Wild Flavors and Specialty Ingredients	**1,870**	1,822
Other	**4**	9
Total	**$ 2,374**	$ 2,246

The changes in goodwill during the year ended December 31, 2017 primarily related to foreign currency translation adjustments of $98 million and acquisitions of $33 million (see Note 2) partially offset by a divestiture.

The following table sets forth the other intangible assets:

		December 31, 2017			December 31, 2016		
	Useful Life	Gross Amount	Accumulated Amortization	Net	Gross Amount	Accumulated Amortization	Net
	(In years)	(In millions)					
Intangible assets with indefinite lives:							
Trademarks/brands		**$ 235**	**$ —**	**$ 235**	$ 218	$ —	$ 218
Other		**1**	**—**	**1**	1	—	1
Intangible assets with definite lives:							
Trademarks/brands	20	**28**	**(9)**	**19**	25	(8)	17
Customer lists	3 to 20	**829**	**(183)**	**646**	793	(128)	665
Patents	15 to 20	**54**	**(32)**	**22**	44	(31)	13
Computer software	2 to 8	**389**	**(239)**	**150**	298	(199)	99
Land rights	2 to 50	**147**	**(17)**	**130**	132	(12)	120
Recipes and other	3 to 15	**519**	**(178)**	**341**	467	(143)	324
Total		**$ 2,202**	**$ (658)**	**$ 1,544**	$ 1,978	$ (521)	$ 1,457

The changes in the gross carrying amounts of other intangible assets during the year ended December 31, 2017 primarily related to capitalized software of $81 million, foreign currency translation adjustments of $79 million, and acquisitions (see Note 2).

Aggregate amortization expense was $122 million, $113 million, and $75 million for the years ended December 31, 2017, 2016, and 2015, respectively. The estimated future aggregate amortization expense for the next five years are $109 million, $107 million, $105 million, $100 million, and $95 million.

Note 10. Debt Financing Arrangements

	December 31, 2017	December 31, 2016
	(In millions)	
2.5% Notes $1 billion face amount, due in 2026	**$ 992**	$ 991
1.75% Notes €600 million face amount, due in 2023	**714**	627
Floating Rate Notes €500 million face amount, due in 2019	**599**	526
4.479% Debentures $516 million face amount, due in 2021	**501**	510
3.75% Notes $500 million face amount, due in 2047	**492**	—
5.375% Debentures $470 million face amount, due in 2035	**460**	459
4.016% Debentures $570 million face amount, due in 2043	**383**	380
4.535% Debentures $528 million face amount due in 2042	**379**	377
5.765% Debentures $378 million face amount, due in 2041	**378**	378
5.935% Debentures $383 million face amount, due in 2032	**378**	378
7.0% Debentures $164 million face amount, due in 2031	**163**	163
6.625% Debentures $160 million face amount, due in 2029	**159**	159
6.95% Debentures $159 million face amount, due in 2097	**155**	155
7.5% Debentures $150 million face amount, due in 2027	**150**	149
6.45% Debentures $127 million face amount, due in 2038	**126**	125
6.75% Debentures $118 million face amount, due in 2027	**117**	117
5.45% Notes $559 million face amount, due in 2018	**—**	560
8.375% Debentures $261 million face amount, due in 2017	**—**	260
Other	**490**	463
Total long-term debt including current maturities	**6,636**	6,777
Current maturities	**(13)**	(273)
Total long-term debt	**$ 6,623**	$ 6,504

On September 29, 2017, the Company redeemed $559 million aggregate principal amount of 5.45% notes due on March 15, 2018 and incurred an early extinguishment charge of $11 million in the year ended December 31, 2017.

On September 14, 2017, the Company issued $500 million aggregate principal amount of 3.75% notes due in 2047. Proceeds before expenses were $493 million.

On April 15, 2017, the Company retired $261 million aggregate principal amount of 8.375% notes that matured on April 15, 2017.

On August 11, 2016, the Company issued $1.0 billion aggregate principal amount of 2.5% Notes due in 2026. Proceeds before expenses were $993 million.

Discount amortization expense, net of premium amortization, of $11 million, $9 million, and $8 million for the years ended December 31, 2017, 2016, and 2015, respectively, were included in interest expense related to the Company's long-term debt.

Note 10. Debt Financing Arrangements (Continued)

At December 31, 2017, the fair value of the Company's long-term debt exceeded the carrying value by $1.2 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, 2017, are $13 million, $618 million, $14 million, $670 million, and $8 million, respectively.

At December 31, 2017, the Company had lines of credit, including the accounts receivable securitization programs described below, totaling $7.7 billion, of which $5.5 billion was unused. The weighted average interest rates on short-term borrowings outstanding at December 31, 2017 and 2016, were 2.35% and 5.66%, respectively. Of the Company's total lines of credit, $5.0 billion support a commercial paper borrowing facility, against which there was $0.7 billion of commercial paper outstanding at December 31, 2017.

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, 2017.

The Company had outstanding standby letters of credit and surety bonds at December 31, 2017 and 2016, totaling $1.2 billion and $1.1 billion, respectively.

The Company has accounts receivable securitization programs (the "Programs"). The Programs provide the Company with up to $1.6 billion in funding resulting from the sale of accounts receivable. As of December 31, 2017, 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 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		
	2017	**2016**	**2015**
Dividend yield	**3%**	3%	2%
Risk-free interest rate	**2%**	1%	2%
Stock volatility	**25%**	25%	28%
Average expected life (years)	**6**	6	6

Note 11. Stock Compensation (Continued)

A summary of option activity during 2017 is presented below:

	Shares	Weighted-Average Exercise Price
	(In thousands, except per share amounts)	
Shares under option at December 31, 2016	**11,923**	**$33.03**
Granted[1]	**—**	**—**
Exercised	**(880)**	**30.61**
Forfeited or expired	**(17)**	**28.33**
Shares under option at December 31, 2017	**11,026**	**$33.23**
Exercisable at December 31, 2017	**7,532**	**$30.93**

[1] The number of shares granted during 2017 was immaterial.

The weighted-average remaining contractual term of options outstanding and exercisable at December 31, 2017, is 5 years and 4 years, respectively. The aggregate intrinsic value of options outstanding and exercisable at December 31, 2017, is $82 million and $73 million, respectively. The weighted-average grant-date fair values of options granted during the years ended December 31, 2017, 2016, and 2015, were $7.90, $5.67, and $10.29, respectively. The total intrinsic values of options exercised during the years ended December 31, 2017, 2016, and 2015, were $11 million, $28 million, and $20 million, respectively. Cash proceeds received from options exercised during the years ended December 31, 2017, 2016, and 2015, were $27 million, $62 million, and $28 million, respectively.

At December 31, 2017, there was $13 million of total unrecognized compensation expense related to option grants. Amounts to be recognized as compensation expense during the next three years are $6 million, $4 million, and $3 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 three-year restriction period. The awards for PSUs are made in common stock units and vest at the end of a three-year vesting period 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, 2017, 2016, and 2015, 2.2 million, 1.8 million, and 1.8 million common stock or stock units, respectively, were granted as Restricted Stock Awards and PSUs. At December 31, 2017, there were 7.9 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, 2017, 2016, and 2015 were $44.38, $33.31, and $46.73, respectively.

Note 11. Stock Compensation (Continued)

A summary of Restricted Stock Awards and PSUs activity during 2017 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, 2016	**4,653**	**$40.03**
Granted	**2,176**	**44.38**
Vested	**(1,253)**	**40.74**
Forfeited	**(209)**	**40.89**
Non-vested at December 31, 2017	**5,367**	**$41.60**

At December 31, 2017, there was $82 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 $35 million, $19 million, and $2 million, respectively. The total grant-date fair value of Restricted Stock Awards that vested during the year ended December 31, 2017 was $51 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, 2017, 2016, and 2015 was $66 million, $72 million, and $70 million, respectively.

Note 12. Other (Income) Expense – Net

The following table sets forth the items in other (income) expense:

(In millions)	Year Ended December 31		
	2017	**2016**	**2015**
Gains on sales and revaluation of assets	**$ (80)**	$ (130)	$ (572)
Loss on debt extinguishment	**11**	—	189
Other – net	**32**	(17)	33
	$ (37)	$ (147)	$ (350)

Individually significant items included in the table above are:

Gains on sales and revaluation of assets 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. Gains on sales and revaluation of assets for the year ended December 31, 2016 included realized additional consideration related to the sale of the Company's equity investment in Gruma S.A.B de C.V., recovery of loss provisions and a gain related to the sale of the Company's Brazilian sugar ethanol facilities, and a gain related to the revaluation of the remaining interest to settlement value in conjunction with the acquisition of Amazon Flavors, partially offset by a loss on sale of other individually immaterial assets. Gains on sales and revaluation of assets for the year ended December 31, 2015 included gains related to the sale of the cocoa, chocolate, and lactic businesses, the revaluation of the Company's previously held equity 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.

Note 12. Other (Income) Expense – Net (Continued)

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. Loss on debt extinguishment, including transaction expenses of $7 million, for the year ended December 31, 2015 was related to the cash tender offers and redemption of certain of the Company's outstanding debentures.

Realized gains and losses on sales of available-for-sale marketable securities were immaterial for all periods presented. There were no impairment losses on securities for the years ended December 31, 2017 and 2015. Impairment losses on securities of $6 million for the year ended December 31, 2016 were classified as asset impairment, exit, and restructuring charges in the consolidated statement of earnings (see Note 18 for more information).

Other - net for the year ended December 31, 2017 included provisions for contingent losses related to certain legal settlement items in the Oilseeds Processing and Wild Flavors and Specialty Ingredients segments and foreign exchange losses partially offset by other income. Other - net for the year ended December 31, 2015 included $45 million of loss provisions related to the Company's Brazilian sugar ethanol facilities.

Note 13. Income Taxes

The following table sets forth the geographic split of earnings before income taxes:

(In millions)	Year Ended December 31		
	2017	**2016**	**2015**
United States	**$ 1,104**	$ 1,215	$ 1,155
Foreign	**505**	607	1,129
	$ 1,609	$ 1,822	$ 2,284

Significant components of income taxes are as follows:

(In millions)	Year Ended December 31		
	2017	**2016**	**2015**
Current			
Federal	**$ 541** [1]	$ 327	$ 270
State	**53**	5	17
Foreign	**127**	146	158
Deferred			
Federal	**(645)** [2]	18	17
State	**(6)**	28	9
Foreign	**(63)**	10	(33)
	$ 7	$ 534	$ 438

[1] Includes the impact of the Tax Cuts and Jobs Act as discussed on page 84.
[2] Includes the impact of the Tax Cuts and Jobs Act as discussed on page 83.

Note 13. Income Taxes (Continued)

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

	December 31, 2017	December 31, 2016
	(In millions)	
Deferred tax liabilities		
Property, plant, and equipment	**$ 1,079**	$ 1,612
Equity in earnings of affiliates	**91**	361
Debt exchange	**83**	132
Inventories	**4**	41
Other	**79**	105
	$ 1,336	$ 2,251
Deferred tax assets		
Pension and postretirement benefits	**$ 126**	$ 307
Stock compensation	**52**	81
Foreign tax credit carryforwards	**—**	95
Foreign tax loss carryforwards	**254**	278
Capital loss carryforwards	**64**	57
State tax attributes	**78**	62
Unrealized foreign currency losses	**103**	58
Reserves and other accruals	**17**	—
Other	**40**	18
Gross deferred tax assets	**734**	956
Valuation allowances	**(264)**	(216)
Net deferred tax assets	**$ 470**	$ 740
Net deferred tax liabilities	**$ 866**	$ 1,511
The net deferred tax liabilities are classified as follows:		
Noncurrent assets (foreign)	**$ 187**	$ 158
Noncurrent liabilities	**(934)**	(1,472)
Noncurrent liabilities (foreign)	**(119)**	(197)
	$ (866)	$ (1,511)

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		
	2017	**2016**	**2015**
Statutory rate	**35.0%**	35.0%	35.0%
State income taxes, net of federal tax benefit	**1.7**	1.4	0.8
Foreign earnings taxed at rates other than the U.S. statutory rate	**(4.7)**	(4.4)	(9.9)
Foreign currency effects/remeasurement	**(0.7)**	2.2	(1.8)
Income tax adjustment to filed returns	**(3.0)**	0.8	1.9
Tax benefit on U.S. biodiesel credits	**—**	(3.3)	(1.6)
Tax benefit on U.S. qualified production activity deduction	**(2.2)**	(1.4)	(1.8)
U.S. tax reform	**(23.9)**	—	—
Valuation allowances	**0.3**	0.6	(3.1)
Other	**(2.1)**	(1.6)	(0.3)
Effective income tax rate	**0.4%**	29.3%	19.2%

The reduction from the federal statutory rate related to foreign earnings taxed at lower rates resulted mostly from the Company's foreign 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 59%, 47%, and 51% of its foreign earnings before taxes in fiscal years 2017, 2016, and 2015, respectively.

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 of December 31, 2017, the Company has not yet completed the accounting for the tax effects of the Act; however, as described below, the Company has made a reasonable estimate of the effects on existing deferred tax balances and the one-time transition tax, and recognized a net provisional tax benefit of $379 million, which is included as a component of income tax expense from continuing operations. The Company will continue to refine its estimates and calculations as it completes its analysis of the tax effects of the Act in 2018.

The Company remeasured certain U.S. deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. However, the Company is still analyzing certain aspects of the Act and refining its calculations, which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts. The provisional amount recorded related to the remeasurement of deferred tax balance was a net tax benefit of $528 million.

The Act also contains new provisions related to Global Intangible Low Taxed Income (GILTI). The Company is currently refining its estimate of GILTI and will update the estimate for any additional guidance on the accounting for the effects of the GILTI provisions. The Company has not made an accounting policy election at this time.

Note 13. Income Taxes (Continued)

Undistributed earnings of the Company’s foreign subsidiaries and the Company’s share of the undistributed earnings of affiliated corporate joint venture companies accounted for on the equity method aggregated to approximately $9.4 billion at December 31, 2017. The Company recorded a provisional amount for the one-time transition tax liability of $149 million, net of foreign tax credits and prior year accruals of deferred tax liabilities on unremitted earnings not deemed to be indefinitely reinvested. The one-time transition tax is based on the Company's total post-1986 earnings and profits (E&P) previously deferred from U.S. income taxes. The Company has not yet finalized its calculation of the total post-1986 E&P for these foreign subsidiaries. Further, the transition tax is based in part on the amount of those earnings held in cash and other specified assets. This amount may change when the calculation of post-1986 foreign E&P previously deferred from U.S. federal taxation and the amounts held in cash or other specified assets are finalized and is subject to further refinement if further guidance is issued by federal and state taxing authorities. The Company has elected to pay the one-time transition tax over eight years. No additional income taxes have been provided for any remaining undistributed foreign earnings not subject to the transition tax or any additional outside basis difference inherent in these entities, as these amounts continue to be indefinitely reinvested in foreign operations. 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.

It is likely that additional guidance will be issued providing further clarification on the application of the Act. 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. This 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 $254 million and $278 million of tax assets related to net operating loss carry-forwards of certain international subsidiaries at December 31, 2017 and 2016, respectively. As of December 31, 2017, approximately $151 million of these assets have no expiration date, and the remaining $103 million expire at various times through fiscal 2025. 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 $134 million and $126 million against these tax assets at December 31, 2017 and 2016, respectively, due to the uncertainty of their realization.

The Company had $64 million and $57 million of tax assets related to foreign and domestic capital loss carryforwards at December 31, 2017 and 2016, respectively. The Company has recorded a valuation allowance of $64 million and $41 million against these tax assets at December 31, 2017 and 2016, respectively.

The Company had $0 and $95 million of tax assets related to excess foreign tax credits at December 31, 2017 and 2016, respectively. There was no valuation allowance recorded against these assets at December 31, 2016. The Company had $78 million and $62 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, 2017 and 2016, respectively, which will expire at various times through fiscal 2037. Due to the uncertainty of realization, the Company recorded a valuation allowance of $65 million and $49 million related to state income tax assets net of federal tax benefit as of December 31, 2017 and 2016, respectively.

The Company remains subject to federal examination in the U.S. for the calendar tax years 2016 and 2017.

Note 13. Income Taxes (Continued)

The following table sets forth a rollforward of activity of unrecognized tax benefits for the year ended December 31, 2017 and 2016 as follows:

	Unrecognized Tax Benefits	
	December 31, 2017	**December 31, 2016**
	(In millions)	
Beginning balance	**$ 55**	$ 49
Additions related to current year's tax positions	**—**	1
Additions related to prior years' tax positions	**26**	16
Reductions related to lapse of statute of limitations	**(1)**	(1)
Settlements with tax authorities	**(24)**	(10)
Ending balance	**$ 56**	$ 55

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, 2017 and 2016, the Company had accrued interest and penalties on unrecognized tax benefits of $23 million and $26 million, respectively.

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 $56 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. As of December 31, 2017, these assessments, updated for estimated penalties, interest, and variation in currency exchange rates, totaled approximately $474 million. The statute of limitations for tax years 2005 and 2008 to 2011 has expired. The Company does not expect to receive any additional tax assessments.

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.

Note 13. Income Taxes (Continued)

ADM do Brasil filed an administrative appeal for each of the assessments. The appeal panel found in favor of the BFRS on these assessments and ADM do Brasil filed a second level administrative appeal. The second administrative appeal panel continues to conduct customary procedural activities, including ongoing dialogue with the BFRS auditor. If ADM do Brasil continues to be unsuccessful in the administrative appellate process, the Company intends to file appeals in the Brazilian federal courts. 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 intends to vigorously defend its position against the current assessments and any similar assessments that may be issued for years subsequent to 2011.

The Company's subsidiaries in Argentina have received tax assessments challenging transfer prices used to price grain exports totaling $113 million (inclusive of interest and adjusted for variation in currency exchange rates) for the tax years 2004 through 2010. The Argentine tax authorities have been conducting 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. While the Company believes that it has complied with all Argentine tax laws, it cannot rule out receiving additional assessments challenging transfer prices used to price grain exports for years subsequent to 2010, and estimates that these potential assessments would be approximately $203 million (as of December 31, 2017 and subject to variation in currency exchange rates). 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 2010.

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.

The Company's wholly-owned subsidiary in the Netherlands, ADM Europe B.V., has received a tax assessment totaling $108 million 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. The Company has appealed the assessment and carefully evaluated the underlying transactions and has concluded that the amount of the gain recognized on the reorganization for tax purposes was appropriate. While the Company plans to vigorously defend its position against the assessment, it has accrued an amount it believes would be the likely outcome of the litigation. The Company's defense of the judicial appeal may take an extended period of time, and could result in additional financial impacts of up to the entire amount of this assessment.

Note 14. Leases

The Company leases manufacturing and warehouse facilities, real estate, transportation assets, and other equipment under non-cancelable operating leases, the majority of which expire at various dates through the year 2027. Rent expense for the years ended December 31, 2017, 2016, and 2015 was $249 million, $253 million, and $241 million, respectively. Additional amounts incurred for charges pertaining to time charters of ocean going vessels accounted for as leases for the years ended December 31, 2017, 2016, and 2015 were $81 million, $82 million, and $110 million, respectively. Future minimum rental payments for non-cancelable operating leases with initial or remaining terms in excess of one year are as follows:

	Minimum Rental Payments (In millions)
2018	$ 217
2019	156
2020	115
2021	88
2022	68
Thereafter	178
Total minimum lease payments	$ 822

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.

On July 31, 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.

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 U.S., Canadian, and U.K. 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.

In December 2016, the Company announced a change to the U.S. retiree medical program which affected employees with less than 30 years of service at January 1, 2017. The change resulted in a curtailment gain of $38 million for the year ended December 31, 2016.

Note 15. Employee Benefit Plans (Continued)

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 11 million shares of Company common stock at December 31, 2017, with a market value of $422 million. Cash dividends received on shares of Company common stock by these plans during the year ended December 31, 2017 were $14 million.

	Pension Benefits			Postretirement Benefits		
(In millions)	Year Ended December 31			Year Ended December 31		
	2017	2016	2015	**2017**	2016	2015
Retirement plan expense						
Defined benefit plans:						
Service cost (benefits earned during the period)	**$ 78**	$ 82	$ 92	**$ 2**	$ 3	$ 5
Interest cost	**106**	113	112	**6**	8	8
Expected return on plan assets	**(145)**	(137)	(129)	**—**	—	—
Settlement charges	**—**	(5)	60	**—**	—	—
Curtailments	**—**	—	—	**—**	(38)	—
Amortization of actuarial loss	**65**	56	69	**4**	3	7
Amortization of prior service cost (credit)	**(7)**	2	2	**(13)**	(17)	(17)
Net periodic defined benefit plan expense	**97**	111	206	**(1)**	(41)	3
Defined contribution plans	**57**	57	52	**—**	—	—
Total retirement plan expense	**$ 154**	$ 168	$ 258	**$ (1)**	$ (41)	$ 3

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, 2017 and 2016:

	Pension Benefits		Postretirement Benefits	
	December 31 2017	**December 31 2016**	**December 31 2017**	**December 31 2016**
	(In millions)		(In millions)	
Benefit obligation, beginning	**$ 2,992**	$ 2,880	**$ 171**	$ 199
Service cost	**78**	82	**2**	3
Interest cost	**106**	113	**6**	8
Actuarial loss (gain)	**129**	132	**(4)**	5
Employee contributions	**2**	1	**—**	—
Curtailments	**—**	—	**—**	(38)
Acquisitions	**3**	—	**—**	—
Settlements	**(6)**	(10)	**—**	—
Divestitures	**—**	(8)	**—**	—
Benefits paid	**(86)**	(142)	**(11)**	(9)
Plan amendments	**(180)**	—	**(10)**	3
Actual expenses	**(2)**	(2)	**—**	—
Foreign currency effects	**73**	(54)	**—**	—
Benefit obligation, ending	**$ 3,109**	$ 2,992	**$ 154**	$ 171
Fair value of plan assets, beginning	**$ 2,131**	$ 1,922	**$ —**	$ —
Actual return on plan assets	**340**	232	**—**	—
Employer contributions	**29**	183	**11**	9
Employee contributions	**2**	1	**—**	—
Settlements	**(6)**	(10)	**—**	—
Divestitures	**—**	(2)	**—**	—
Benefits paid	**(86)**	(142)	**(11)**	(9)
Actual expenses	**(2)**	(2)	**—**	—
Foreign currency effects	**40**	(51)	**—**	—
Fair value of plan assets, ending	**$ 2,448**	$ 2,131	**$ —**	$ —
Funded status	**$ (661)**	$ (861)	**$ (154)**	$ (171)
Prepaid benefit cost	**$ 55**	$ 30	**$ —**	$ —
Accrued benefit liability – current	**(17)**	(16)	**(12)**	(13)
Accrued benefit liability – long-term	**(699)**	(875)	**(142)**	(158)
Net amount recognized in the balance sheet	**$ (661)**	$ (861)	**$ (154)**	$ (171)

Included in AOCI for pension benefits at December 31, 2017, are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service credit of $171 million and unrecognized actuarial loss of $706 million. The prior service credit and actuarial loss included in AOCI expected to be recognized in net periodic pension cost during 2018 is $19 million and $60 million, respectively.

Included in AOCI for postretirement benefits at December 31, 2017, are the following amounts that have not yet been recognized in net periodic postretirement benefit cost: unrecognized prior service credit of $46 million and unrecognized actuarial loss of $35 million. Prior service credit of $15 million and actuarial loss of $3 million included in AOCI are expected to be recognized in net periodic benefit cost during 2018.

Note 15. Employee Benefit Plans (Continued)

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

	Pension Benefits		Postretirement Benefits	
	December 31 2017	**December 31 2016**	**December 31 2017**	**December 31 2016**
Discount rate	**3.7%**	4.0%	**3.9%**	4.0%
Expected return on plan assets	**6.8%**	7.1%	**N/A**	N/A
Rate of compensation increase	**4.6%**	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 2017	**December 31 2016**	**December 31 2017**	**December 31 2016**
Discount rate	**3.4%**	3.7%	**3.7%**	3.9%
Rate of compensation increase	**4.7%**	4.6%	**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 $2.7 billion, $2.6 billion, and $2.0 billion, respectively as of December 31, 2017, and $2.7 billion, $2.3 billion, and $1.8 billion, respectively, as of December 31, 2016. 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 $2.7 billion, $2.5 billion, and $1.9 billion, respectively, as of December 31, 2017 and $2.6 billion, $2.3 billion, and $1.7 billion, respectively, as of December 31, 2016. The accumulated benefit obligation for all pension plans as of December 31, 2017 and 2016, was $3.0 billion and $2.7 billion, respectively.

For postretirement benefit measurement purposes, a 7.70% annual rate of increase in the per capita cost of covered health care benefits was assumed for the year ended December 31, 2017. 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	$ (5)

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, 2017 and 2016.

	Fair Value Measurements at December 31, 2017			
	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	**$ 261**	**$ —**	**$ —**	**$ 261**
Mutual funds	**750**	**—**	**—**	**750**
Corporate bonds	**—**	**601**	**—**	**601**
U.S. Treasury instruments	**98**	**—**	**—**	**98**
U.S. government agency, state and local government bonds	**—**	**29**	**—**	**29**
Other	**—**	**19**	**—**	**19**
Total assets	**$ 1,109**	**$ 649**	**$ —**	**$ 1,758**
Common collective trust funds at NAV				
U.S. equity				**327**
International equity				**363**
Total assets at fair value				**$ 2,448**

	Fair Value Measurements at December 31, 2016			
	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	$ 224	$ —	$ —	$ 224
Mutual funds	646	—	—	646
Corporate bonds	—	492	—	492
U.S. Treasury instruments	150	—	—	150
U.S. government agency, state and local government bonds	—	22	—	22
Other	—	4	—	4
Total assets	$ 1,020	$ 518	$ —	$ 1,538
Common collective trust funds at NAV				
U.S. equity				287
International equity				306
Total assets at fair value				$ 2,131

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 2017[(1)(2)]	December 31 2016[(2)]
Equity securities	**58%**	59%
Debt securities	**40%**	40%
Other	**2%**	1%
Total	**100%**	100%

(1) The Company's U.S. pension plans contain approximately 78% 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 securities. 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 56% equity securities, 43% debt securities, and 1% 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, 2017 and 2016 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 $28 million to the pension plans and $12 million to the postretirement benefit plan during 2018. 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)	
2018	$ 105	$ 12
2019	112	12
2020	118	12
2021	125	12
2022	132	11
2023-2027	762	54

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, 2017 and 2016, the Company had approximately 158.7 million shares and 143.2 million shares, respectively, of its common shares in treasury. Treasury stock of $5.5 billion at December 31, 2017 and 2016, is recorded at cost as a reduction of common stock.

At December 31, 2017 and 2016, the foreign currency translation adjustment component of AOCI included $59 million of after-tax losses and $40 million of after-tax gains pertaining to foreign currency-denominated debt designated as a net investment hedge, respectively (see Note 4 for more information).

The following tables set forth the changes in AOCI by component and the reclassifications out of AOCI for the years ended December 31, 2017 and 2016:

	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, 2015	$ (1,626)	$ (15)	$ (523)	$ 18	$ (2,146)
Other comprehensive income before reclassifications	(391)	(104)	(28)	(3)	(526)
Amounts reclassified from AOCI	(75)	137	27	6	95
Tax effect	(10)	(12)	3	(2)	(21)
Net of tax amount	(476)	21	2	1	(452)
Balance at December 31, 2016	$ (2,102)	$ 6	$ (521)	$ 19	$ (2,598)
Other comprehensive income before reclassifications	**690**	**(35)**	**243**	**—**	**898**
Amounts reclassified from AOCI	**—**	**47**	**55**	**(1)**	**101**
Tax effect	**59**	**(1)**	**(98)**	**2**	**(38)**
Net of tax amount	**749**	**11**	**200**	**1**	**961**
Balance at December 31, 2017	**$ (1,353)**	**$ 17**	**$ (321)**	**$ 20**	**$ (1,637)**

Note 16. Shareholders' Equity (Continued)

The change in foreign currency translation adjustment in 2017 is primarily due to the U.S. dollar depreciation, impacting the Euro and British Pound-denominated equities of the Company's foreign subsidiaries while the change in 2016 is primarily due to the U.S. dollar appreciation, impacting the Euro and British pound denominated equities of the Company's foreign subsidiaries.

Details about AOCI components	Amounts reclassified from AOCI Year Ended December 31 2017	2016	2015	Affected line item in the consolidated statement of earnings
	(In millions)			
Foreign currency translation adjustment				
	$ —	$ (75)	$ 23	Other income/expense
	—	—	—	Tax
	$ —	$ (75)	$ 23	Net of tax
Deferred loss (gain) on hedging activities				
	$ 45	$ 82	$ 25	Cost of products sold
	2	18	(29)	Other income/expense
	(1)	2	(1)	Interest expense
	1	35	(41)	Revenues
	47	137	(46)	Total before tax
	(18)	(52)	17	Tax on reclassifications
	$ 29	$ 85	$ (29)	Net of tax
Pension liability adjustment				
Amortization of defined benefit pension items:				
Prior service losses (credit)	**$ (57)**	$ (17)	$ 37	
Actuarial losses	**112**	44	30	
	55	27	67	Total before tax
	(29)	(5)	(44)	Tax on reclassifications
	$ 26	$ 22	$ 23	Net of tax
Unrealized loss (gain) on investments				
	$ (1)	$ —	$ —	Other income/expense
	—	6	—	Asset impairment, exit, and restructuring costs
	—	—	—	Tax on reclassifications
	$ (1)	$ 6	$ —	Net of tax

Note 17. Segment and Geographic Information

The Company is principally engaged in procuring, transporting, storing, processing, and merchandising agricultural commodities, products, and ingredients. The Company's operations are organized, managed, and classified into four reportable business segments: Agricultural Services, Corn Processing, Oilseeds Processing, and Wild Flavors and Specialty Ingredients. 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 Agricultural Services segment utilizes its extensive global grain elevator and transportation networks, and port operations to buy, store, clean, and transport agricultural commodities, such as oilseeds, corn, wheat, milo, oats, rice, and barley, and resells these commodities primarily as food and feed ingredients and as raw materials for the agricultural processing industry. The Agricultural Services segment includes international agricultural commodities merchandising and handling activities managed through a global trade desk based in Rolle, Switzerland. Agricultural Services' grain sourcing, handling, and transportation network provides reliable and efficient services to the Company's customers and agricultural processing operations. Agricultural Services' transportation network capabilities include barge, ocean-going vessel, truck, rail, and container freight services. The Agricultural Services segment also includes the activities related to structured trade finance, the processing of wheat into wheat flour, and the Company's share of the results of its Pacificor (formerly Kalama Export Company LLC) joint venture. The Agricultural Services segment also included returns associated with the Company's 19.8% investment in GrainCorp until its sale in December 2016. In July 2017, the Company completed the acquisition of a 51% controlling interest in Industries Centers, an Israeli company specializing in the import and distribution of agricultural feed products, which is now known as ADM Israel.

The Company's Corn Processing segment is engaged in corn wet and dry milling and other activities, utilizing its asset base primarily located in the central part of the United States with additional facilities in China, Bulgaria, France, Morocco, Spain, and Turkey. The Corn Processing segment converts corn into sweeteners, starches, and bioproducts. Its products include ingredients used in the food and beverage industry including sweeteners, starch, syrup, glucose, and dextrose. Dextrose and starch are used by the Corn Processing segment as feedstocks for its bioproducts operations. By fermentation of dextrose, the Corn Processing segment produces alcohol, amino acids, 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. Bioproducts also include essential amino acids such as lysine and threonine used in swine and poultry diets to optimize performance. 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. The Corn Processing segment also includes activities related to the processing and distribution of formula feeds and animal health and nutrition products. Other Corn Processing products include citric acids and glycols, all of which are used in various food and industrial products. The Corn Processing segment also included the activities of the Company's Brazilian sugarcane ethanol plant and related operations until the Company completed the sale of these operations in May 2016. This segment also includes the Company's share of the results of its equity investments in Almidones Mexicanos S.A., and Red Star Yeast Company LLC. In February 2017, the Company acquired Crosswind Industries, Inc., an industry leader in the manufacture of contract and private label pet treats and foods and an 89% controlling interest in Biopolis SL, a leading provider of microbial technology with a strong portfolio of novel food ingredients. In June 2017, the Company completed the acquisition of Chamtor SA, a French producer of wheat-based sweeteners and starches.

Note 17. Segment and Geographic Information (Continued)

The Oilseeds Processing segment includes global activities related to the origination, merchandising, 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 Company include ingredients for the food, feed, energy, and industrial products industries. 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 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. In Europe and South America, the Oilseeds Processing segment includes origination and merchandising activities as adjuncts to its oilseeds processing assets. These activities include a network of grain elevators, port facilities, and transportation assets used to buy, store, clean, and transport grains and oilseeds. The Oilseeds Processing segment is a major supplier of peanuts, tree nuts, and peanut-derived ingredients to both the U.S. and export markets. In North America, cottonseed flour is produced and sold primarily to the pharmaceutical industry and cotton cellulose pulp is manufactured and sold to the chemical, paper, and filter markets. The Oilseeds Processing segment also included activities related to its global chocolate and cocoa businesses until the sale of these businesses in July 2015 and October 2015, respectively. The Oilseeds Processing segment also includes the Company's share of the results of its equity investment in Wilmar and its share of the results of its Stratas Foods LLC and Edible Oils Limited, and Olenex joint ventures. During the year ended December 31, 2017, the Company acquired additional shares in Wilmar increasing its ownership interest from 23.2% to 24.9%.

The Wild Flavors and Specialty Ingredients (WFSI) segment engages in the manufacturing, sales, 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 WFSI segment also includes the activities related to the procurement, processing, and distribution of edible beans.

Other includes the Company's remaining operations, primarily its 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 segment operating profit 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 Compagnie Industrialle et Financiere des Produits Amylaces SA (Luxembourg) (CIP).

Note 17. Segment and Geographic Information (Continued)

Segment Information

(In millions)	Year Ended December 31		
	2017	2016	2015
Gross revenues			
Agricultural Services	**$ 30,017**	$ 31,656	$ 33,471
Corn Processing	**9,997**	10,314	11,226
Oilseeds Processing	**26,566**	25,433	29,748
Wild Flavors and Specialty Ingredients	**2,352**	2,439	2,419
Other	**387**	408	401
Intersegment elimination	**(8,491)**	(7,904)	(9,563)
Total	**$ 60,828**	$ 62,346	$ 67,702
Intersegment revenues			
Agricultural Services	**$ 3,771**	$ 3,763	$ 3,789
Corn Processing	**645**	848	1,231
Oilseeds Processing	**4,036**	3,281	4,531
Wild Flavors and Specialty Ingredients	**39**	12	12
Total	**$ 8,491**	$ 7,904	$ 9,563
Revenues from external customers			
Agricultural Services			
Merchandising and Handling	**$ 23,127**	$ 24,609	$ 25,957
Milling and Other	**2,910**	3,060	3,479
Transportation	**209**	224	246
Total Agricultural Services	**26,246**	27,893	29,682
Corn Processing			
Sweeteners and Starches	**4,253**	4,028	3,713
Bioproducts	**5,099**	5,438	6,282
Total Corn Processing	**9,352**	9,466	9,995
Oilseeds Processing			
Crushing and Origination	**14,091**	13,976	15,597
Refining, Packaging, Biodiesel, and Other	**8,169**	7,880	9,364
Asia	**270**	296	256
Total Oilseeds Processing	**22,530**	22,152	25,217
Wild Flavors and Specialty Ingredients	**2,313**	2,427	2,407
Other	**387**	408	401
Total	**$ 60,828**	$ 62,346	$ 67,702

Note 17. Segment and Geographic Information (Continued)

(In millions)	Year Ended December 31		
	2017	**2016**	**2015**
Depreciation			
Agricultural Services	**$ 192**	$ 191	$ 188
Corn Processing	**345**	342	335
Oilseeds Processing	**194**	185	187
Wild Flavors and Specialty Ingredients	**36**	37	36
Other	**6**	5	5
Corporate	**29**	27	48
Total	**$ 802**	$ 787	$ 799
Long-lived asset abandonments and write-downs[1]			
Agricultural Services	**$ 11**	$ 3	$ —
Corn Processing	**64**	6	66
Oilseeds Processing	**5**	6	40
Wild Flavors and Specialty Ingredients	**21**	—	1
Corporate	**—**	2	1
Total	**$ 101**	$ 17	$ 108
Interest income			
Agricultural Services	**$ 12**	$ 21	$ 16
Corn Processing	**2**	3	2
Oilseeds Processing	**27**	27	29
Wild Flavors and Specialty Ingredients	**1**	2	1
Other	**57**	35	19
Corporate	**7**	4	4
Total	**$ 106**	$ 92	$ 71
Equity in earnings of affiliates			
Agricultural Services	**$ 24**	$ 16	$ 24
Corn Processing	**86**	91	85
Oilseeds Processing	**370**	211	251
Wild Flavors and Specialty Ingredients	**3**	4	—
Other	**—**	10	(3)
Corporate	**(27)**	(40)	33
Total	**$ 456**	$ 292	$ 390

[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		
	2017	**2016**	**2015**
Segment Operating Profit			
Agricultural Services	**$ 585**	$ 573	$ 684
Corn Processing	**909**	761	606
Oilseeds Processing	**841**	880	1,289
Wild Flavors and Specialty Ingredients	**284**	275	289
Other	**51**	134	56
Specified Items:			
Gains on sales of assets and businesses[1]	**22**	114	530
Impairment, restructuring, exit, and settlement charges[2]	**(160)**	(32)	(214)
Hedge timing effects[3]	**4**	(1)	32
Total segment operating profit	**2,536**	2,704	3,272
Corporate	**(927)**	(882)	(988)
Earnings before income taxes	**$ 1,609**	$ 1,822	$ 2,284

[1] 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. The gains in 2016 primarily related to recovery of loss provisions and gain related to the sale of the Company's Brazilian sugar ethanol facilities, realized contingent consideration on the December 2012 sale of the Company's equity investment in Gruma S.A. de C.V., and revaluation of the remaining interest to settlement value in conjunction with the acquisition of the remaining interest in Amazon Flavors, partially offset by a loss on sale of asset. The gains in 2015 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.

[2] The charges in 2017 consisted of asset impairments related to the closure of a facility in the WFSI segment and the reconfiguration of the Company's Peoria, Illinois ethanol complex in the Corn Processing segment, settlement charges, and several individually insignificant asset impairments and restructuring charges. The charges in 2016 consisted of several individually insignificant asset impairments and restructuring charges. The charges in 2015 consisted of asset impairments related primarily to certain international Oilseeds Processing facilities, asset impairments, loss provisions, and exit charges related to the sugar ethanol facilities in Brazil, goodwill impairment charges, an inventory writedown, 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 2017	December 31 2016
Investments in and advances to affiliates		
Agricultural Services	**$ 366**	$ 367
Corn Processing	**433**	395
Oilseeds Processing	**3,957**	3,413
Wild Flavors and Specialty Ingredients	**3**	3
Other	**4**	4
Corporate	**325**	315
Total	**$ 5,088**	$ 4,497
Identifiable assets		
Agricultural Services	**$ 9,013**	$ 8,380
Corn Processing	**6,306**	6,418
Oilseeds Processing	**11,949**	11,228
Wild Flavors and Specialty Ingredients	**4,688**	4,610
Other	**5,658**	7,211
Corporate	**2,349**	1,922
Total	**$ 39,963**	$ 39,769

(In millions)	December 31 2017	December 31 2016
Gross additions to property, plant, and equipment		
Agricultural Services	**$ 331**	$ 156
Corn Processing	**305**	240
Oilseeds Processing	**265**	266
Wild Flavors and Specialty Ingredients	**124**	139
Other	**12**	20
Corporate	**63**	61
Total	**$ 1,100**	$ 882

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		
	2017	**2016**	**2015**
Revenues			
United States	**$ 27,894**	$ 29,419	$ 31,828
Switzerland	**14,095**	13,413	11,681
Cayman Islands	**4,189**	3,617	4,456
Germany	**2,090**	2,341	3,436
Other Foreign	**12,560**	13,556	16,301
	$ 60,828	$ 62,346	$ 67,702

(In millions)	December 31	
	2017	**2016**
Long-lived assets		
United States	**$ 6,767**	$ 6,763
Foreign	**3,371**	2,995
	$ 10,138	$ 9,758

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		
	2017	**2016**	**2015**
Restructuring and exit costs [(1)]	**$ 72**	$ 21	$ 71
Impairment charge - equity securities[(2)]	**—**	6	—
Impairment charge - goodwill and intangible assets [(3)]	**—**	11	21
Impairment charge - fixed assets [(4)]	**101**	17	108
Total asset impairment, exit, and restructuring costs	**$ 173**	$ 55	$ 200

(1) Restructuring and exit costs recognized in the year ended December 31, 2017 consisted of $54 million of restructuring charges in Corporate primarily related to the reduction of certain positions within the Company's global workforce and several individually insignificant restructuring charges totaling $18 million. Restructuring and exit costs recognized in the year ended December 31, 2016 consisted of several individually insignificant charges. Restructuring and exit costs recognized in the year ended December 31, 2015 consisted primarily of restructuring charges of $29 million related principally to an international pension plan settlement, exit costs of $22 million related to Brazilian sugar ethanol facilities in the Corn Processing segment, and several individually insignificant restructuring and exit costs totaling $20 million.

(2) Impairment charge - equity securities for the fiscal year ended December 31, 2016 consisted of other-than-temporary impairment charges on the Company’s investment in two available for sale equity securities in Corporate.

(3) Impairment charge - goodwill and intangible assets in the year ended December 31, 2016 consisted of software impairment in Corporate. Impairment charge - goodwill and intangible assets in the year ended December 31, 2015 consisted of software impairment of $8 million in Corporate and goodwill impairment charges of $13 million related to a Corn Processing facility and certain of its international Oilseeds Processing facilities.

(4) Impairment charge - fixed assets for the fiscal year ended December 31, 2017 consisted of $63 million of asset impairments in the Corn Processing segment primarily related to the configuration of the Company's Peoria, Illinois ethanol complex, $20 million of asset impairments in the Wild Flavors and Specialty Ingredients segment related to the closure of a facility and several individually insignificant asset charges in the Agricultural Services of $11 million and $7 million in the Oilseeds Processing segment. Impairment charge - fixed assets for the fiscal year ended December 31, 2016 consisted of several individually insignificant fixed asset impairments. Impairment charge - fixed assets for the fiscal year ended December 31, 2015 consisted of asset impairments of $66 million related principally to the Brazilian sugar ethanol business in the Corn Processing segment based on the uncertain outlook of this business at year-end, $40 million of several individually insignificant charges in the Oilseeds Processing segment, $1 million in the Wild Flavors and Specialty Ingredients segment, and $1 million in Corporate.

Note 19. Sale of Accounts Receivable

Since March 2012, the Company has had 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 billion, as amended, and an additional amount upon the collection of the accounts receivable (deferred consideration). The Program terminates on June 22, 2018, unless extended.

Note 19. Sale of Accounts Receivable (Continued)

In March 2014, the Company entered into a second 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 $0.4 billion and an additional amount upon the collection of the accounts receivable (deferred consideration). The Second Program terminates on March 16, 2018, 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, 2017 and 2016, 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, 2017 and 2016, the fair value of trade receivables transferred to the Purchasers under the Programs and derecognized from the Company’s consolidated balance sheet was $1.7 billion and $1.6 billion, respectively. In exchange for the transfer as of December 31, 2017 and 2016, the Company received cash of $1.4 billion and $1.0 billion and recorded a receivable for deferred consideration included in other current assets of $307 million and $540 million, respectively. Cash collections from customers on receivables sold were $33.5 billion, $34.3 billion, and $40.7 billion for the years ended December 31, 2017, 2016, and 2015, respectively. Of this amount, $33.5 billion, $33.8 billion, and $40.3 billion pertain to cash collections on the deferred consideration for the years ended December 31, 2017, 2016, and 2015, 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. Payment 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, 2017, 2016, and 2015 resulted in an expense for the loss on sale of $10 million, $6 million, and $5 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, Guarantees, and Commitments

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 with the applicable government authorities. 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 is 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, Agrisure Viptera and Agrisure Duracade, 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, the Company is a party in a number of purported class actions filed beginning in 2013 by farmers and other parties against Syngenta in federal and state courts, again alleging that Syngenta was negligent in commercializing its products. The federal actions were consolidated for pretrial proceedings in a multidistrict litigation (MDL) proceeding in federal court in Kansas City, Kansas, and some state actions were consolidated for pretrial proceedings in MDL in Minnesota state court. In the fourth quarter of 2015, Syngenta filed third-party claims against the Company and other grain companies in these MDLs seeking contribution in the event Syngenta is held liable in these lawsuits. In September 2017, Syngenta filed similar third-party claims against the Company in Iowa state court. In September 2017, Syngenta and the farmer plaintiffs reached a tentative settlement, subject to court approval, of all claims by those plaintiffs, and as noted above, in December 2017, the Company and Syngenta reached a confidential settlement of all claims. Third, the Company and other grain companies have been named as defendants in numerous individual and purported class action suits filed by farmers and other parties in 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. On September 6, 2016, the court in the Minnesota state MDL dismissed all claims against the Company, and on January 4, 2017, a federal court in the Southern District of Illinois similarly dismissed all of the pending complaints against the Company in Southern Illinois. Some parties are expected to appeal some or all of these dismissals. Currently, the Company remains a defendant only in certain state court actions by farmers and other parties pending in Illinois state court, which the Company has moved to dismiss as well. The Company denies liability in all of the actions in which it has been named as a third-party defendant or defendant and is vigorously defending itself in these cases. All of these actions are in pretrial proceedings. 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.

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, 2017					
Revenues	**$ 14,988**	**$ 14,943**	**$ 14,827**	**$ 16,070**	**$ 60,828**
Gross Profit	**868**	**887**	**812**	**939**	**3,506**
Net Earnings Attributable to Controlling Interests	**339**	**276**	**192**	**788**	**1,595**
Basic Earnings Per Common Share	**0.59**	**0.48**	**0.34**	**1.40**	**2.80**
Diluted Earnings Per Common Share	**0.59**	**0.48**	**0.34**	**1.39**	**2.79**

	Quarter Ended				
	March 31	June 30	September 30	December 31	Year
	(In millions, except per share amounts)				
Fiscal Year Ended December 31, 2016					
Revenues	$ 14,384	$ 15,629	$ 15,832	$ 16,501	$ 62,346
Gross Profit	781	737	1,090	1,011	3,619
Net Earnings Attributable to Controlling Interests	230	284	341	424	1,279
Basic Earnings Per Common Share	0.39	0.48	0.58	0.73	2.18
Diluted Earnings Per Common Share	0.39	0.48	0.58	0.73	2.16

Net earnings attributable to controlling interests for the first quarter of the fiscal year ended December 31, 2017 include after-tax charges of $8 million (equal to $0.01 per share), related to several individually insignificant asset impairments and restructuring charges and certain discrete tax adjustments of $4 million (equal to $0.01 per share), related to valuation allowances.

Net earnings attributable to controlling interests for the second quarter of the fiscal year ended December 31, 2017 include after-tax charges of $21 million (equal to $0.04 per share), related to impairment of certain long-lived assets, restructuring, and a settlement, and after-tax losses of $22 million (equal to $0.04 per share), related to an adjustment of the proceeds of the 2015 sale of the cocoa business partially offset by the gain on sale of the crop risk business.

Net earnings attributable to controlling interests for the third quarter of the fiscal year ended December 31, 2017 include after-tax charges of $69 million (equal to $0.12 per share), for asset impairments related to the reconfiguration of the Company's Peoria, Illinois ethanol complex and restructuring related to the reduction of certain positions within the Company's global workforce; after-tax gains of $10 million (equal to $0.02 per share), related to an adjustment of the proceeds of the 2015 sale of the cocoa business and a gain on sale of asset; and an after-tax debt extinguishment charge of $7 million (equal to $0.01 per share), related to the early redemption of the $559 million notes due on March 15, 2018.

Net earnings attributable to controlling interests for the fourth quarter of the fiscal year ended December 31, 2017 include after-tax charges of $46 million (equal to $0.08 per share), related to a legal settlement, asset impairments primarily related to the closure of a facility and several individually insignificant asset impairments and restructuring charges, and a net tax adjustment of $370 million (equal to $0.65 per share) related to the estimated impact of the Tax Cuts and Jobs Act U.S. tax reform and certain discrete items.

Note 21. Quarterly Financial Data (Unaudited) (Continued)

Net earnings attributable to controlling interests for the first quarter of the fiscal year ended December 31, 2016 include after-tax charges of $8 million (equal to $0.01 per share), primarily related to software impairment and restructuring charges.

Net earnings attributable to controlling interests for the second quarter of the fiscal year ended December 31, 2016 include after-tax gains of $101 million (equal to $0.17 per share), primarily related to a gain, including the recovery of loss provisions, on 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, partially offset by a loss on sale of asset; after-tax charges of $8 million (equal to $0.01 per share) primarily related to impairment of certain long-lived assets and restructuring charges; and certain discrete tax adjustments of $6 million (equal to $0.01 per share) related to valuation allowances.

Net earnings attributable to controlling interests for the third quarter of the fiscal year ended December 31, 2016 include after-tax losses totaling $9 million (equal to $0.02 per share), primarily related to a loss on sale of an equity investment; and after-tax charges of $48 million (equal to $0.08 per share) primarily related to legal fees and settlement, impairment of certain long-lived assets and investments, and restructuring charges.

Net earnings attributable to controlling interests for the fourth quarter of the fiscal year ended December 31, 2016 include after-tax charges of $13 million (equal to $0.03 per share) related to impairment of certain long-lived assets and restructuring charges; an after-tax gain of $24 million (equal to $0.04 per share) related to a U.S. retiree medical benefit plan curtailment; and certain discrete tax adjustments totaling $21 million (equal to $0.03 per share) related to valuation allowances, deferred tax re-rates, and changes in assertion.

Note 22. Subsequent Event

The Bipartisan Budget Act of 2018 was passed by Congress and signed into law on February 9, 2018, retroactively extending the biodiesel blenders tax credit for 2017. As a result, the Company expects to record an estimated net amount of $100 million to $130 million in pre-tax earnings in the first quarter of 2018.

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Archer-Daniels-Midland Company (the Company) as of December 31, 2017 and 2016, 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, 2017, 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 consolidated financial position of the Company at December 31, 2017 and 2016, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, 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, 2017, 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 16, 2018, 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.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1930.

St. Louis, Missouri
February 16, 2018

Report of Independent Registered Public Accounting Firm

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

Opinion on Internal Control over Financial Reporting

We have audited Archer-Daniels-Midland Company's internal control over financial reporting as of December 31, 2017, 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, 2017, based on the COSO criteria.

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, 2017 and 2016, 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, 2017, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2), and our report dated February 16, 2018, 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

St. Louis, Missouri
February 16, 2018

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

None.

Item 9A. CONTROLS AND PROCEDURES

As of December 31, 2017, 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.

The Company is 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. The implementation is expected to occur in phases over the next several years. The Company has currently implemented changes to certain processes in corporate finance, two processing businesses, and in over 200 locations, and will continue to roll-out the ERP system over the next several years. The Company has appropriately considered 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, 2017 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, 2017.

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, 2017. That report is included herein.

/s/ Juan R. Luciano
Juan R. Luciano
Chairman, Chief Executive Officer, and President

/s/ Ray G. Young
Ray G. Young
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, and Board Diversity," "Code of Conduct," "Information Concerning Committees and Meetings – Audit Committee," "Report of the Audit Committee," and "Section 16(a) Beneficial Ownership Reporting Compliance," of the definitive proxy statement for the Company's annual meeting of stockholders to be held on May 3, 2018 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. Ethics and Compliance Counsel, The Coca-Cola Company from 2006 to January 2014.	44
Donald Chen	President, Asia Pacific since July 2017. President, North Asia from January 2016 to July 2017. Vice President, Sadara Chemical Company from February 2012 to December 2015. Regional Business Director of Asia Pacific, Dow Chemical Company from February 2006 to February 2012.	55
Christopher M. Cuddy	Senior Vice President of the Company since May 2015. President, Corn Processing business unit since March 2015. President, Corn Sweeteners and Starches from December 2012 to February 2015. Vice President and General Manager, Corn Processing business unit from February 2011 to November 2012.	44
Michael D'Ambrose	Senior Vice President, Human Resources since October 2006.	60
Pierre Duprat	President, ADM Europe, Middle East, and Africa (EMEA) since June 2016. President, ADM Corn EMEA and Asia since November 2015. Director, International Business Development - Corn from February 2014 to November 2015. CEO of Cereal Transformation Division, Tereos from September 2007 to February 2013.	50
D. Cameron Findlay	Senior Vice President, General Counsel, and Secretary since July 2013. Senior Vice President, General Counsel, and Secretary of Medtronic, Inc. from 2009 to June 2013.	58
Shannon Herzfeld	Vice President of the Company since February 2005, with responsibility for the Company's Government Affairs function.	65
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. Chairman of the Management Board of Alfred C. Toepfer International G.m.b.H. from December 2012 to June 2014. Vice President, Business Growth from August 2011 to December 2012.	49
Patricia L. Logan	Chief Audit Executive since August 2014. Director, Internal Audit from September 2005 to August 2014.	58
Juan R. Luciano	Chairman of the Board of Directors since January 2016. Chief Executive Officer and President since January 2015. President and Chief Operating Officer from February 2014 to December 2014. Executive Vice President and Chief Operating Officer from April 2011 to February 2014.	56
Vikram Luthar	President, Bioactives since February 2017. 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. Vice President, Finance and Treasurer of the Company from August 2010 to January 2012.	51

Vincent F. Macciocchi	Senior Vice President of the Company and President, WILD Flavors and Specialty Ingredients business unit since May 2015. Global President, WILD Flavors from October 2014 until May 2015. Chief Operating Officer for North American entity at WILD Flavors and Specialty Ingredients from June 2012 until October 2014. Senior Vice President of Sales, Givaudan Flavors North America from September 2001 until June 2012.	52
Gregory A. Morris	Senior Vice President of the Company since November 2014. President, Global Oilseeds Processing business unit since May 2015. President, WILD Flavors and Specialty Ingredients business unit from October 2014 to May 2015. President, North American Oilseeds Processing business unit from 2008 to December 2014.	46
Ian Pinner	Chief Growth Officer since July 2017. President, Southeast Asia and Global Destination Marketing from December 2015 to July 2017. President, Global Cocoa from June 2014 to December 2015. Vice President, Corporate Strategic and Financial Planning from February 2014 to June 2014. President, Global Grain Division from January 2012 to February 2014. General Manager, European Softseed Division from January 2008 to January 2014.	45
Stefano Rettore	Chief Risk Officer since September 2017. President, International at CHS, Inc. from September 2014 to February 2017. Senior Vice President and Head of South America at CHS, Inc. from December 2002 to September 2014.	44
Ismael Roig	Senior Vice President of the Company and Chief Strategy Officer since December 2015. 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.	50
John P. Stott	Group Vice President, Finance and Corporate Controller since August 2014. Vice President and Controller of the Company from December 2006 to August 2014.	50
Joseph D. Taets	Senior Vice President of the Company and President, Agricultural Services business unit since August 2011. President, ADM Europe, Middle East, and Africa (EMEA) from August 2013 to June 2016.	52
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. Professor of Law at William Mitchell College of Law from June 2006 to May 2013.	53
Todd Werpy	Senior Vice President and Chief Technology Officer since March 2015. Senior Vice President, Research and Development from August 2012 to October 2013. Vice President, Biofuels and Biochemical Research from June 2007 to August 2012.	55
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.	56

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 2017,” “Outstanding Equity Awards at Fiscal 2017 Year-End,” “Option Exercises and Stock Vested During Fiscal Year 2017,” “Pension Benefits,” “Nonqualified Deferred Compensation,” “Termination of Employment and Change-in-Control Arrangements” and “Director Compensation for Fiscal Year 2017” of the definitive proxy statement for the Company’s annual meeting of stockholders to be held on May 3, 2018, 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, 2017” of the definitive proxy statement for the Company’s annual meeting of stockholders to be held on May 3, 2018, 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 3, 2018, 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 3, 2018, and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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

(a)(2) Financial statement schedules

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

	Balance at Beginning of Year	Additions	Deductions [1]	Other [2]	Balance at End of Year
			(In millions)		
Allowance for doubtful accounts					
December 31, 2015	$ 81	24	(32)	(3)	$ 70
December 31, 2016	$ 70	16	(16)	2	$ 72
December 31, 2017	$ 72	3	(6)	4	$ 73

[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 February 9, 2017 (incorporated by reference to Exhibit 3 to the Company’s Form 8-K filed on February 13, 2017 (File No. 1-44)).

(4) Instruments defining the rights of security holders, including:

(i) 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.

(ii) Indenture, dated as of September 20, 2006, by and between the Company and The Bank of New York Mellon (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, by and 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.

(iii) 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 €500,000,000 – Floating Rate Notes due June 24, 2019,
the $1,000,000,000 – 2.500% Notes due August 11, 2026, and
the $500,000,000 – 3.750% Notes due 2047.

(iv) 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)).

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES (Continued)

(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)).

(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)).

(12) Calculation of Ratio of Earnings to Fixed Charges.

(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.

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 16, 2018

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 16, 2018, 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/ A. L. Boeckmann
A. L. Boeckmann*,
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/ D. T. Shih
D. T. Shih*,
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
Archer Daniels Midland Company 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 at the James R. Randall Research Center, located at 1001 Brush College Road in Decatur, IL, on **Thursday, May 3, 2018, commencing at 8:30 a.m.** Proxies will be requested by Management on or about March 23, 2018, at which time a Notice of Internet Availability of Proxy Materials or, for those who do not receive a Notice, a Proxy Statement, 2017 Annual Report on Form 10-K, and Form of Proxy will be sent to Stockholders.

SAFE HARBOR STATEMENT

The annual report contains forward-looking information that is subject to certain risks and uncertainties that could cause actual results to differ materially from those projected, expressed or implied by such forward-looking information. In some cases, you can identify forward-looking statements by our use of words such as "may," "will," "should," "anticipates," "believes," "expects," "plans," "future," "intends," "could," "estimate," "predicts," "potential," or "contingent," the negative of these terms, or other, similar expressions. The Company's actual results could differ materially from those discussed or implied herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the Company's Form 10-K for the fiscal year ended December 31, 2017, and the Company's other reports on file with the SEC. 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

Archer Daniels Midland Company
77 West Wacker Drive, Suite 4600
Chicago, IL 60601
U.S.A.

800-637-5843

www.adm.com

Archer Daniels Midland Company is an equal opportunity employer.

MIX
Paper from responsible sources
FSC® C132107
FSC
www.fsc.org