ARCHER DANIELS MIDLAND COMPANY

2017 Letter to Stockholders
Proxy Statement
2016 Form 10-K

Dear Stockholders:

In my letter to you one year ago, I wrote:

> *"We believe that … the headwinds we faced in 2015 may extend into 2016. As such, we are pulling the levers within our control. … focus[ing] on managing run-rate costs while reducing invested capital and growing synergies and sales in recently acquired businesses."*

With relatively few exceptions, 2016 unfolded as we expected. The macroeconomic and industry conditions that weighed down our financial results in 2015 — including large global crop supplies, and both low prices and volatility that limited merchandising opportunities — persisted through much of the first half of 2016.

During this period, we implemented operational efficiency projects that, by year's end, resulted in over $300 million in run-rate cost savings. We captured nearly $540 million in incremental revenues from recent investments. And, we monetized nearly $700 million of assets that were no longer strategic for ADM, which allowed us to redeploy this capital toward more productive uses. We anticipate reaching $1 billion in monetized assets by the end of 2017.

When conditions in some of our key businesses began to improve toward the end of the second quarter, we were well-positioned to capitalize. Operating performance in the second half of the year improved significantly compared with the same period in 2015, and we entered 2017 a more efficient, more agile, more confident organization capable of delivering stronger results in what we expect will be a better operating environment.

For calendar year 2016, net earnings were $1.28 billion compared with $1.85 billion in 2015; adjusted earnings per share totaled $2.16 compared with $2.61 in the prior year. Our trailing four-quarter average adjusted return on invested capital was 5.9 percent, 70 basis points below our 6.6 percent weighted average cost of capital. And, we returned $1.7 billion to shareholders in dividends and share repurchases as part of our balanced capital-allocation framework.

Even though we faced headwinds during the year, we were not satisfied with our overall 2016 financial results. However, we hope to see significantly improved results in 2017 as we begin to realize the benefits of the work we've already done to implement our three-part business strategy, outlined below.

Advancing our strategy

Each year, our leadership team carefully assesses the competitive landscape, economic outlook and long-term growth projections for our various markets to ensure that our business strategy remains sound and relevant. In the process, we take into account the major global trends shaping our industry, including increased protein demand driven by a growing global population with higher incomes; soaring consumer interest in foods that promote health and wellness; and the increasing use of technology to drive product innovation and improved customer service.

In 2016, this process of reviewing the overall operating environment reaffirmed my confidence in our three-part strategy, which is to optimize our existing businesses; drive operational excellence to reduce costs and improve efficiency companywide; and grow strategically through the expansion of our customer base, product portfolio, geographic footprint and production volumes.

Following are highlights of our 2016 accomplishments in each of our areas of strategic focus.

1. **Optimize our existing businesses**: Our Ag Services business unit sold our 19.9 percent stake in GrainCorp, making the capital available for more productive uses. And, the team upgraded several North American elevators to handle record U.S. grain exports. The **Corn Processing** business unit completed the divestiture of our sugarcane ethanol operations in Brazil, and the Animal Nutrition team made substantial cost and yield improvements to strengthen the performance of our lysine business.

Our **Oilseeds Processing** team engineered successful turnarounds in our Golden Peanut and Tree Nuts subsidiary, our India operations, and our European specialty oils and fats business. Oilseeds also added switch capacity at more facilities in North America and Europe to enable them to process different feedstocks and capture margins in a variety of operating environments. In **WILD Flavors and Specialty Ingredients**, we drove cost and revenue synergies from recent acquisitions, and we began to restructure and better integrate our specialty commodities business to improve its performance. In addition, our corporate teams did an excellent job of managing costs and supporting our business units in a year of active portfolio-management.

2. **Operational excellence**: Our operations and R&D teams joined forces to reduce our run-rate costs by over $300 million, and we successfully implemented important components of our 1ADM business process-transformation project with a successful deployment in our North American Ag Services business. We will expand this initiative to the rest of the organization over the next few years.

   In addition, early in 2017, we broadened our approach to operational excellence to include our entire organization through an initiative called "Project Readiness." This effort will reduce costs as we standardize solutions to address deviations from accepted processes and practices. Customers will also experience better and more timely service as we increase our use of data, analytics and automation.

3. **Growing strategically**: Our **Ag Services** business unit increased its destination-market activities through, among other things, our acquisition of a 50 percent stake in Egypt's Medsofts Group, which will enable us to offer commodity merchandising, transportation and delivery services to customers in this growing market.

   The **Corn Processing** team continued to grow its Animal Nutrition business, opening a new production facility in Glencoe, Minnesota; announcing the expansion and modernization of plants in Quincy and Effingham, Illinois, and Columbus, Nebraska; and, in early 2017, acquiring Crosswind Industries, a Kansas-based pet treat producer.

   Meanwhile, after acquiring full ownership of Eastern European sweetener producer Eaststarch C.V. in 2015, we announced the expansion of former Eaststarch facilities in Bulgaria and Turkey and acquired an additional sweetener plant in Morocco.

   Our **Oilseeds Processing** business worked with Wilmar International Limited, a leading Asian agribusiness, to turn the Olenex oils and fats marketing partnership into a full-function joint venture, while our Stratas JV with Associated British Foods acquired New Jersey-based Supreme Oil Co., which will significantly strengthen Stratas' northeastern U.S. business. We also increased our ownership stake in Wilmar, which enables us to participate in the growth of food demand in emerging markets, including China.

   WFSI expanded its portfolio and footprint by acquiring Amazon Flavors — Brazil's leading producer of natural extracts, emulsifiers and compounds — and Caterina Foods, a producer of specialty high-protein and gluten-free pastas. The team also opened a customer innovation center in Cranbury, New Jersey.

   Finally, to help accelerate the organic-growth component of our strategy, we established **ADM Ventures** to oversee select high-potential new-product development projects in all four business units; nurture promising, early-stage start-up companies in which ADM may wish to invest; and invest in more mature, proven start-ups with strong growth potential.

We believe the combined impact of these various accomplishments, initiatives and transactions will further our efforts to set the competitive standard in all of our businesses while driving profitable growth.

Safety and sustainability

Our goal is to reduce our recordable- and lost-workday incident rates every year. While 80 percent of ADM's 750 facilities experienced no recordable injuries in 2016, and while our injury rates are less than 15 percent of the U.S. food-manufacturing industry average, the fact that our incident rates did not improve year-over-year has heightened our teams' resolve to make 2017 our safest year ever.

In sustainability, we reached our "15-by-20" goals for 15 percent reductions in energy and water intensity by 2020, and we're on track to meet our emissions and waste goals. We are also advancing work to implement both our Respect for Human Rights Policy and the No-Deforestation Policy covering our soybean and palm supply chains. These achievements underscore our insistence on doing business the ADM Way: safely, responsibly and with integrity.

Our people make us great

Credit for the past year's accomplishments goes to my 32,000 colleagues worldwide, who once again demonstrated their commitment to excellence through their hard work in 2016. We are committed to investing in training and continuing education to develop the skills of our current workforce even as we attract a diverse base of new talent to round out our capabilities and help create a leadership bench for the future.

Looking ahead

In 2017, we will continue working to extend our value chain to capture margins in a variety of ways:

- We will keep getting closer to our customers by further growing Ag Services' destination-marketing business;
- We will increase our processing capacity in regions where demand for our food and feed ingredients is growing;
- We will continue to capture synergies and top-line sales in our WFSI specialty-ingredient business as we increase our capabilities and expand our portfolio.

  This year, we will begin commercialization of products from our two newly built value-added ingredient plants — a soluble-fiber production facility in Tianjin, China, and a specialty proteins complex in Campo Grande, Brazil — as well as some smaller greenfield investments. We believe that together, they will make important contributions to future earnings.

At the same time, we will continue to focus on reducing costs and invested capital, and on driving revenues from new acquisitions and major projects. Specifically, we have targeted an additional $225 million in run-rate cost savings, $300 million in monetized assets, and a $500 million increase in revenues from certain recent investments.

As we continue advancing our strategy, we are encouraged by many of the new U.S. administration's priorities, including regulatory and tax reform and infrastructure investment. We are also optimistic about the potential for modernizing existing free-trade agreements. Today, the U.S. exports more than $130 billion in agricultural products each year. Those exports generate an additional $170 billion in domestic economic activity and support roughly 1.2 million U.S. jobs. So few issues are as critical for our industry as healthy, robust free and fair trade in agriculture.

In summary, we are confident about our prospects for significantly improved financial performance in 2017. Our experience working through the challenges of 2015 and the first half of 2016 made clear that some of the most important drivers of future performance are in our own hands. We will continue to drive efficiencies, cost-savings and customer excellence. We expect increased contributions from new facilities and projects as they ramp up during the year. And we are optimistic that our work to grow and diversify our geographic footprint, manage our business portfolio, expand our product offerings, and add adjacent businesses when appropriate will benefit our customers and shareholders well into the future.

Sincerely yours,

Juan 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.

ARCHER DANIELS MIDLAND COMPANY

2017 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 4, 2017, 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, 2017;

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

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

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

By Order of the Board of Directors

D. C. FINDLAY, SECRETARY

March 24, 2017

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 4, 2017: THE PROXY STATEMENT AND ANNUAL REPORT TO STOCKHOLDERS ARE AVAILABLE AT WWW.EDOCUMENTVIEW.COM/ADM

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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 2016 Annual Report on Form 10-K.

General Information

See pages 4–5

Meeting: Annual Meeting of Stockholders
Date: Thursday, May 4, 2017
Time: 8:30 A.M.
Location: JAMES R. RANDALL RESEARCH CENTER
1001 Brush College Road, Decatur, Illinois
Record Date: March 13, 2017
Stock Symbol: ADM
Exchange: NYSE
Common Stock Outstanding: 570,666,438 as of March 13, 2017
Registrar & Transfer Agent: Hickory Point Bank and Trust, fsb
State of Incorporation: Delaware
Corporate Headquarters: 77 West Wacker Drive, Suite 4600, Chicago, Illinois 60601
Corporate Website: www.adm.com

Executive Compensation

See pages 42–51

CEO: Juan R. Luciano
CEO 2016 TOTAL DIRECT COMPENSATION:
- Salary: $1,283,340
- Non-Equity Incentive Plan Compensation: $1,939,600
- Long-Term Incentives: $10,591,549

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

Other Items to Be Voted On

See pages 57–59

Ratification of Appointment of Independent Registered Public Accounting Firm (Ernst & Young LLP)
Advisory Vote on Executive Compensation
Advisory Vote on Frequency of Advisory Vote on Executive Compensation

Corporate Governance

See pages 13–23

Director Nominees: 11
- Alan L. Boeckmann (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 2016: 9
Standing Board Committees (Meetings in 2016):
- Audit (9)
- Compensation/Succession (6)
- Nominating/Corporate Governance (6)

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.	11 of our 12 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 13.	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 public company boards on which a director can serve.
Holders of 10% or more of our common stock have the ability to call a special meeting of stockholders.	Our bylaws include a "proxy access" provision under which a small group of stockholders who has owned at least 3% of our common stock for at least 3 years may submit nominees for up to 20% of the board seats for inclusion in our proxy statement.

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	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
T. K. Crews		x	x	x		x	
P. Dufour		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. Sanchez		x			x		
D. A. Sandler	x	x		x		x	x
D. 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	57
Proposal No. 3 — Advisory Vote on Executive Compensation	FOR	58
Proposal No. 4 — Advisory Vote on Frequency of Advisory Vote on Executive Compensation	ONE YEAR	59

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 2016 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 have previously 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 24, 2017.

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 approximately $24,000 plus reasonable 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 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 13, 2017, are the only people entitled to notice of the annual meeting and to vote at the meeting. At the close of business on March 13, 2017, we had 570,666,483 outstanding shares of common stock, each share being entitled to one vote on each of the eleven 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 20, 2017, 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, Secretary, 77 West Wacker Drive, Suite 4600, Chicago, Illinois 60601 and received by us by April 20, 2017. 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). Stockholders are asked to provide an advisory vote on whether the advisory vote on the compensation of our named executive officers should be held every one, two or three years. The option among these choices that receives the affirmative vote of the holders of a plurality of the shares present in person or represented by proxy and entitled to vote on the matter will be deemed to have received the advisory approval of stockholders. 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	56,575,742[(1)]	9.87
The Vanguard Group 100 Vanguard Blvd., Malvern, PA 19355	41,725,222[(2)]	7.25
BlackRock, Inc. 55 East 52nd Street, New York, NY 10055	39,497,600[(3)]	6.90
State Street Corporation One Lincoln Street, Boston, MA 02111	34,270,747[(4)]	5.96

(1) Based on a Schedule 13G filed with the SEC on January 23, 2017, 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 281,000 shares.

(2) Based on a Schedule 13G/A filed with the SEC on February 9, 2017, The Vanguard Group has sole voting power with respect to 905,282 shares, sole dispositive power with respect to 40,714,936 shares, shared voting power with respect to 106,153 shares and shared dispositive power with respect to 1,010,286 shares.

(3) Based on a Schedule 13G/A filed with the SEC on January 19, 2017, BlackRock, Inc. has sole voting power with respect to 32,231,342 shares and sole dispositive power with respect to 39,497,600 shares.

(4) Based on a Schedule 13G filed with the SEC on February 9, 2017, State Street Corporation has shared voting and dispositive power with respect to 34,270,747 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. Ms. Carter and Mr. Maciel, both current members of our board of directors, have determined not to stand for re-election. As of March 13, 2017, Ms. Carter beneficially owned 11,581,132 shares of our common stock, consisting of 2,432,349 shares held in a family foundation or owned by or in trust for members of Ms. Carter's family, 74,003 shares held in an individual retirement account, 8,918,000 shares held in a limited partnership and 156,780 stock units allocated under our Stock Unit Plan for Nonemployee Directors, which are deemed to be the equivalent of outstanding shares of common stock, and Mr. Maciel beneficially owned 25,382 shares of our common stock, all of which consisted of stock units allocated under our Stock Unit Plan for Non-employee Directors. Upon the recommendation of the Nominating/Corporate Governance Committee, the board of directors has determined at this time not to fill one of the vacancies that will occur as a result of Ms. Carter's and Mr. Maciel's departures and has, accordingly, fixed the number of director nominees at eleven.

Ten of the eleven nominees proposed for election to our board of directors are currently members of our board and have previously been elected by our stockholders. The new nominee for election is Suzan F. Harrison. Ms. Harrison was identified by the Nominating/Corporate Governance Committee as a potential nominee 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 in the proxy 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 13, 2017, directly or indirectly. Unless otherwise indicated, and subject to community property laws where applicable, we believe that each nominee named in the table below has sole voting and investment power with respect to the shares indicated as beneficially owned. Unless otherwise indicated, all of the nominees have been executive officers of their respective companies or employed as otherwise specified below for at least the last five years.

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

Alan L. Boeckmann

Age: 68
Director since: 2012
Common stock owned: 35,694(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. He has previously served on the boards of BHP Billiton and Burlington-Northern Santa Fe. Mr. Boeckmann has been an outspoken business leader in promoting international standards for business ethics. His extensive board and executive management experience, coupled with his commitment to ethical conduct in international business activities, makes him a valuable addition to our board of directors.

Terrell K. Crews

Age: 61
Director since: 2011
Common stock owned: 21,256(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: 61
Director since: 2010
Common stock owned: 28,668(3)
Percent of class: *
Principal Occupation or Position: Senior Executive Vice President of Air Liquide Group (a leading provider of gases for industry, health and the environment) since 2007.
Directorships of Other Publicly-Owned Companies: Director of Air Liquide S.A. and National Grid plc.

Qualifications and Career Highlights:

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

Donald E. Felsinger

Age: 69
Director since: 2010
Common stock owned: 40,989(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: 59
Director since: –
Common stock owned: 0
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; Vice President and General Manager of Colgate Oral Pharmaceuticals, North America and Europe from 2005 – 2006.

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: 55
Director since: 2015
Common stock owned: 1,510,138(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 effective January 2015, and was named Chairman of the Board effective 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 has also 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: 62
Director since: 2003
Common stock owned: 47,279(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: Director of Energizer Holdings, Inc.; Director of Rentech Inc., Exelis, Inc. and Ralcorp Holdings, Inc. within the past five years.

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: 57
Director since: 2014
Common stock owned: 12,444(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: 57
Director since: 2016
Common stock owned: 2,279(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: 65
Director since: 2012
Common stock owned: 15,033(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: 61
Director since: 2003
Common stock owned: 45,930(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; President and Chief Executive Officer of Millennium Digital Media, L.L.C. from 1997 – 2006.
Directorships of Other Publicly-Owned Companies: Director of Stifel Financial Corp., T-Mobile USA, Inc. and Mosaic Company and 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 numerous high-profile companies, including T-Mobile USA, Inc. and the National Cable Satellite Corporation, better known as C-SPAN. Mr. Westbrook currently serves on the boards of four other public companies and 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 that are deemed to be the equivalent of outstanding shares of common stock for valuation purposes.

(2) Includes 20,496 stock units allocated under our Stock Unit Plan for Nonemployee Directors.

(3) Includes 20,968 stock units allocated under our Stock Unit Plan for Nonemployee Directors.

(4) Includes 275,059 shares held in trust, 238 shares held by a family-owned limited liability company, and 865,478 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 9,444 stock units allocated under our Stock Unit Plan for Nonemployee Directors.

(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.

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

In assessing an individual's qualifications to become a member of the board, the Nominating/Corporate Governance Committee may consider various factors including education, experience, judgment, independence, integrity, availability, and other factors that the 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 recent implementation of a careful and seamless succession plan 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 determined that having Mr. Luciano, our company's Chief Executive Officer, serve as Chairman, effective January 1, 2016, 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 non-management 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. In accordance with our Corporate Governance Guidelines, the Lead Director: (i) presides at all meetings of the board at which the Chairman is not present, including executive sessions of the independent directors, and regularly meets with the Chairman and Chief Executive Officer for discussion of appropriate matters arising from these sessions; (ii) coordinates the activities of the other independent directors and serves as liaison between the Chairman and the independent directors; (iii) consults with the Chairman and approves all meeting agendas, schedules and information provided to the board; (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) coordinates the annual performance review of the chief executive officer; and (xiii) performs such other duties and responsibilities as the board may determine.

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

BOARD ROLE IN RISK OVERSIGHT

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

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

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

Integrated 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

ADM's Board of Directors believes that participation in the political process is important to our business. ADM and its 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 ADM 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 ADM's contributions to individual candidates for public office and candidate committees, ADM also supports 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, ADM has 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 ADM's quarterly LD2 filings.

ADM engages 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.

BOARD LEADERSHIP AND OVERSIGHT

ADM's Board of Directors provides oversight of ADMPAC's and the Company's political activities, political contributions, and compliance with relevant laws. At each quarterly Board meeting, ADM management provides the Board 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 www.adm.com/en-US/company/Pages/USPoliticalContributions.aspx.

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 delivers and discusses individual evaluation results with each director and 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, 2016, 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 eleven of its twelve current members, Messrs. Boeckmann, Crews, Dufour, Felsinger, Maciel, Moore, Sanchez, Shih and Westbrook, Ms. Carter and Ms. Sandler, are independent and that Ms. Harrison, a 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, Sempra Energy sold utility services to our company and BP p.l.c. sold natural gas and fuel to our company, all on an arm's-length basis during the fiscal year ended December 31, 2016. Mr. Boeckmann is a director of Sempra Energy and 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 Ms. Carter is independent, the board considered that, during the fiscal year ended December 31, 2016, the company purchased utility services from Westar Energy Inc. in the ordinary course of business and on an arm's-length basis. Ms. Carter is a director of Westar Energy Inc. The board determined that Ms. Carter does not have a direct or indirect material interest in such utility transactions, and that such utility transactions do not impair Ms. Carter's independence. The board further considered that, Norvell Company, of which Ms. Carter's brother is majority owner, sold certain equipment having an aggregate purchase price less than $1.0 million, to our company, in the ordinary course of business, and on an arm's-length basis. The board determined that Ms. Carter does not have a direct or indirect material interest in such transactions and that such transactions do not impair Ms. Carter'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, sold certain supplies to our company and that Hormel Foods Corporation, of which Mr. Crews is a director, purchased certain commodity products from our company, all on an arm's-length basis during the fiscal year ended December 31, 2016. 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 is Senior Executive Vice President and a director, sold certain supplies and commodity products to our company on an arm's-length basis during the fiscal year ended December 31, 2016. 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 Mr. Maciel is independent, the board considered that, in the ordinary course of business, Marfrig Frigorificos, of which Mr. Maciel is a director, purchased various products from our

company, all on an arm's-length basis during the fiscal year ended December 31, 2016. The board determined that Mr. Maciel does not have a direct or indirect material interest in such transactions and that such transactions do not impair Mr. Maciel's independence.

In determining that Mr. Sanchez is independent, the board considered that, during the fiscal year ended December 31, 2016, the company made a charitable contribution to H. L. Moffitt Cancer Center and Research Institute, of which Mr. Sanchez is a director. The board determined that Mr. Sanchez does not have a direct or indirect material interest in the transaction and that such transaction does not impair Mr. Sanchez'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 various products to our company on an arm's-length basis during the fiscal year ended December 31, 2016. 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.

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, 2016. 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.

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 on written request to the Secretary, Archer-Daniels-Midland Company, 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 2016.

INFORMATION CONCERNING COMMITTEES AND MEETINGS

BOARD MEETINGS AND ATTENDANCE AT ANNUAL MEETINGS OF STOCKHOLDERS

During the last fiscal year, our board of directors held nine 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 5, 2016, attended that meeting.

INFORMATION CONCERNING COMMITTEES AND MEETINGS

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

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, Ms. Carter, Mr. Maciel and Mr. Shih. The Compensation/Succession Committee met six 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.

INFORMATION CONCERNING COMMITTEES AND MEETINGS

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. Carter, Mr. Maciel, Mr. Shih, and Mr. Westbrook. The Nominating/Corporate Governance Committee met six times during the most recent fiscal year. All of the members of the Nominating/Corporate Governance Committee were determined by the board to be independent directors, as that term is defined in our bylaws and in the NYSE listing standards.

The Nominating/Corporate Governance Committee:

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

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 2016 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 and senior management participated in some of 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 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 employees, officers, and directors, 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 on written request to the Secretary, Archer-Daniels-Midland Company, 77 West Wacker Drive, Suite 4600, Chicago, Illinois 60601. Any amendments to certain provisions of the Code of Conduct or waivers of such provisions granted to certain executive officers will be disclosed promptly on our website.

EXECUTIVE STOCK OWNERSHIP

Executive Stock Ownership Policy

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

Executive	Ownership Guideline as a Multiple of Salary
J. R. Luciano	5.0x
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 13, 2017, 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	1,510,138(1)	865,478	*
R. G. YOUNG	740,695(2)	470,682	*
D. C. FINDLAY	375,210(3)	216,645	*
G. A. MORRIS	134,566(4)	47,658	*
J. D. TAETS	330,959(5)	179,526	*

* Less than 1% of outstanding shares

(1) Includes 275,059 shares held in trust, 238 shares held by a family-owned limited liability company, and stock options exercisable within 60 days.

(2) Includes stock options exercisable within 60 days.

(3) Includes stock options exercisable within 60 days.

(4) Includes 557 shares held in our 401(k) and Employee Stock Ownership Plan and stock options exercisable within 60 days

(5) Includes 843 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 13, 2017, by all directors, director nominees and executive officers as a group, numbering 21 persons including those listed above, is 15,633,501 shares representing 2.7% of the outstanding shares, of which 420,274 shares represent stock units allocated under our Stock Unit Plan for Nonemployee Directors, 2,113,677 shares are unissued but are subject to stock options exercisable within 60 days and no shares are subject to pledge.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This Compensation Discussion and Analysis explains the process that the Compensation/Succession Committee uses to determine compensation and benefits for the company's principal executive officer, principal financial officer, and our three other most highly compensated executive officers who were serving as executive officers on December 31, 2016 (collectively, the "named executive officers" or "NEOs") and provides a detailed description of those programs.

This discussion focuses on the compensation provided to the company's NEOs during 2016, who were:

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 and Secretary
J.D. Taets	Senior Vice President and President Ag Services
G.A. Morris	Senior Vice President and President Global Oilseeds

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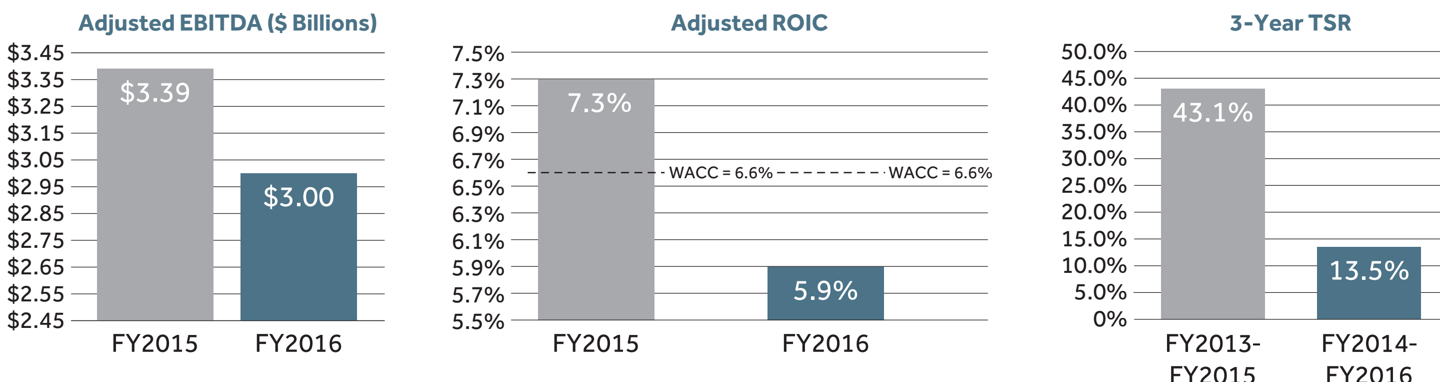
SECTION 1 — EXECUTIVE SUMMARY

Philosophy. The company's business strategy and objectives are the foundation for our compensation programs. We believe, and our compensation programs support, that as an employee's level in the organization or level of responsibility increases, so should the proportion of his or her compensation that is based on the company's performance. As such, the executive compensation programs closely tie pay to performance and will only deliver competitive levels of compensation if we achieve our goals and enhance stockholder value.

Our compensation philosophy is founded on the principle that we reward executives for creating value for our stockholders. We link a significant portion of compensation to multiple performance metrics, as described in Sections 6 and 7. We implement our compensation practices within the framework of pay-for-performance. We do so in a manner that helps us attract and retain the highest quality talent to our executive ranks by rewarding excellence in leadership and success in the implementation of our business strategy.

In 2016, 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." This summary discusses compensation highlights for 2016. We also note in this summary an overview of our recent financial and operating performance, how that performance impacted NEO compensation for 2016, and decisions we have made that affect the 2017 compensation of our NEOs which are relevant to an understanding of 2016 pay.

2016 Financial and Operating Performance[1]



1 Adjusted EBITDA and Adjusted ROIC are both "non-GAAP" financial measures that are defined and reconciled to the most directly comparable amounts reported under GAAP in Annex A, "Definition and Reconciliation of Non-GAAP financial measure and related disclosures about the use of these non-GAAP financial measures.

Balanced Total Compensation Delivery

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.

NEO annual cash incentives are based 75% on company performance and 25% on individual performance. In 2016, we achieved Adjusted EBITDA of $3.0 billion versus our target of $3.4 billion and Adjusted ROIC of 5.9%, 70 basis points below our annual weighted average cost of capital ("WACC") of 6.6%, resulting in company performance at 72.8% of target. Final payouts also reflect the Compensation/Succession Committee's review of each NEO's individual performance, where the 25% individual performance percentage would indicate target. Based on its review of business results and the economic environment for 2016, the Compensation/Succession Committee elected to award the Chairman and CEO an individual performance percentage of 20% (or 80% of target) for his individual performance. The Compensation/Succession Committee incorporated its and the full board's assessment of the Chairman and CEO's individual performance as well as overall company performance when approving Mr. Luciano's individual performance percentage. Due to the performance against business targets, all NEOs received less than target performance individual performance percentages. Mr. Findlay, Mr. Young, and Mr. Morris received individual performance percentages of 20% and Mr. Taets received an individual performance percentage of 15% based on performance against company goals and an assessment of their individual performance. We reduced the individual performance percentages for the NEOs to recognize the role that they played as leaders to drive company performance. Details on individual performance are discussed in Section 6.

In February 2016, the Compensation/Succession Committee granted LTI awards at the base award level based on a review of the company's historic three-year TSR performance versus the S&P 100 Industrials, and portfolio management and strategic plan accomplishments described above.

Compensation Program Changes for 2017

As more fully discussed in Section 7 below, for 2017, the Compensation/Succession Committee approved a number of changes which include:

- Moving towards market-based equity awards providing LTI for 2017 in amounts with a more direct tie to the company's three-year future performance and value creation.
- Grant performance share units that may be earned over a three-year performance period based on the degree to which the company achieves various performance metrics.
- Providing for "double trigger" accelerated vesting in a change of control, revised from prior single trigger change in control.
- Expanding 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.

Results of 2016 Advisory Vote on Executive Compensation

At the 2016 Annual Meeting of Stockholders, we held the company's sixth advisory vote on executive compensation. Approximately 94% 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. The Committee considered this outcome in determining that no substantive changes in executive compensation programs would occur for 2016. In order to continue to align with stockholder interests, significant changes were made to the 2017 compensation programs as detailed in Section 7. At the Annual Meeting of Stockholders to be held in May 2017, 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.

SECTION 2 — COMPENSATION OBJECTIVES

The objectives of the company's executive compensation program are to:

- Attract and retain a strong executive team and motivate them to develop leadership and successors;
- Align the interests of the NEOs with those of the company's stockholders;
- Encourage a culture of pay-for-performance by requiring sufficient financial performance before awards may be earned and directly tying awards to quantifiable performance;
- Encourage and reward current business results through cash salaries and performance-based annual cash incentives;
- Reward sustained performance by granting equity and maintaining ownership guidelines; and
- In the aggregate, provide total compensation opportunities that are competitive with comparator companies and other companies with which we compete for executive talent.

SECTION 3 — COMPONENTS OF EXECUTIVE COMPENSATION

The company's executive compensation program is built on a structure that balances short and long term performance:

- Salaries generally target the median of companies of similar scope, complexity and business environment; salaries are reviewed annually and set based on competitiveness versus the external market, individual performance and internal equity.
- The company's 2016 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. For 2016, in addition to Adjusted EBITDA and Adjusted ROIC performance, the annual cash incentive program was modified to also include achievement of specific goals related to overall company and additional financial performance metrics. Depending on the achievement of the three goals, the percentage of Adjusted EBITDA in excess of a specified threshold amount used to fund the bonus pool could range from 1.8% to 2.4%. As explained more fully in Section 6, the three goals were focused on cost savings, monetization, and revenue.
- For awards granted in 2016, LTI award grant sizes were primarily based on the company's ability to drive stockholder value over a trailing three-year period. The performance-sized awards granted in 2016 used a mix of stock options (50%) and RSUs (50%) to continue the alignment of the interests of the company's NEOs and stockholders.
- Beginning in 2017, to strengthen the performance-orientation of the LTI program the Company discontinued its prior approach to granting LTI awards based on a historical review of the Company's three-year relative TSR in comparison to the S&P 100 industrials and instead granted market competitive LTI awards that consist of performance share units ("PSUs") with vesting dependent on future performance of the Company over a three year performance period (2017–2019).

The following chart summarizes the components and associated objectives of our executive compensation program:

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 and individual performance
	Long-Term	Restricted Stock Units	Align NEOs' interests with stockholders; retain executive talent	Reward for achievement of key drivers of stockholder value as evidenced in our share price
		Stock Options	Increase stock price and align NEOs' interests with stockholders	Reward for achievement of key drivers of stockholder value as evidenced in our share price

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 Adjusted EBITDA and Adjusted ROIC before awards may be earned. Adjusted EBITDA for 2016 was calculated by taking reported EBITDA and excluding the impact of one-time gains, impairment, restructuring, litigation, settlement and debt extinguishment charges as well as a small LIFO credit. 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 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 incorporating perspectives on company and market factors, including relative and absolute stockholder return and strategic, operating, and financial milestones. Typically, this assessment focuses principally on the company's relative three-year TSR performance compared to that of the S&P 100 Industrials.

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.

SECTION 4 — 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
✓ **Stock Ownership and Retention Requirements:** We have stock ownership and retention requirements for our NEOs	✗ **No Hedging:** We prohibit NEOs from engaging in hedging transactions with company common stock
✓ **Annual 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, company provided life insurance and personal security for the Chairman and CEO only
✓ **Pledging Policy:** We require our executives and directors to obtain approval from our General Counsel before pledging company securities, and we prohibit executives from pledging if they have not met stock ownership guidelines	
✓ **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	

Changes for 2017

✓ **Double Trigger:** Double trigger accelerated vesting of equity awards will be applied for a change in control, previously a single trigger was applied	✓ **Forward Looking Equity:** Transition from look-back approach for long term incentive awards to forward looking metrics. Moving forward, NEOs will receive performance share units as part of their annual long time incentive award

SECTION 5 — OVERSIGHT OF EXECUTIVE COMPENSATION

What is the Role of the Compensation/Succession Committee?

The Compensation/Succession Committee is composed solely of independent directors and is responsible to the board of directors and 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 investor relations section of the company's website. 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.

What is the Role of the Board?

The board approves the company's business plan, which is one of the factors used to set financial business objectives for the annual cash incentive plan. The 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.

What is the Role of the Compensation/Succession Committee Consultant?

The Compensation/Succession Committee retained Pay Governance LLC as its independent executive compensation consultant. Pay Governance provides no other services to the company. The independent compensation consultant reports directly to the Compensation/Succession Committee, and provides the Compensation/Succession Committee with objective and expert analyses and independent advice on executive and director compensation, and other matters in support of the Compensation/Succession Committee's responsibilities under its charter. Each Compensation/Succession Committee meeting includes an executive session where the Compensation/Succession Committee meets exclusively with the independent consultant; company management is not included in these 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.

What are the Roles 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.

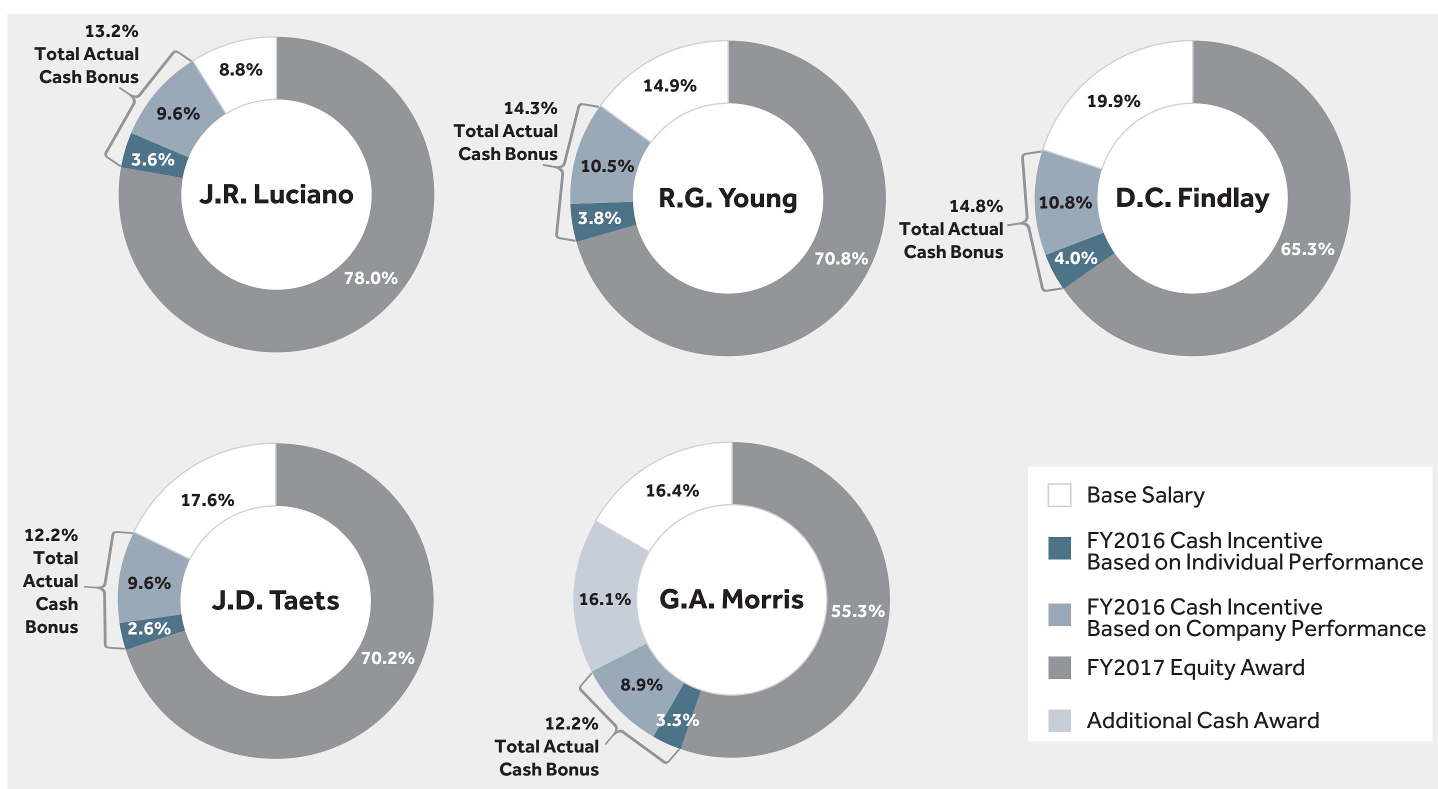
How Do the Committee's Decisions Incorporate the Company's Executive Compensation Objectives?

- ***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. For 2016, on average for the company's NEOs, 70% of total direct compensation reported in the Summary Compensation Table was in the form of equity awards, exclusive of the additional cash award paid to Mr. Morris in March of 2017. These 2016 equity awards were determined primarily based on the company's three-year TSR (2013-2015) compared to the S&P 100 Industrials. RSU awards typically vest three years from the date of grant, and stock options typically vest over five years. We also include a clawback provision in agreements for long-term incentive awards, enabling us to recover awards if the recipient engages in prohibited conduct, including post-vesting non-competition and non-solicitation restrictions, and it makes awards subject to any clawback policy involving the restatement of the company's financial results as described in Section 8.
- ***Enable Us to Attract and Retain Top Executive Talent***. Stockholders are best served when we can attract, retain and motivate talented executives with compensation packages that are competitive and fair. 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. The S&P 100 Industrials companies provide a defined, broad sample of large companies facing business dynamics similar to the company. In 2015, we simplified our approach to evaluating market practices and elected to use only the S&P 100 Industrials Index recognizing that, historically, this was our primary reference for market practices and it is most reflective of the types of companies with which we compete for talent.
- ***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. The Chairman and CEO provides the Compensation/Succession Committee with a recommendation of annual base salary adjustments, individual and group performance factors, and short and long-term incentive award target levels for all officers, other than the Chairman and CEO. The Compensation/Succession Committee takes into consideration the CEO's recommendations, along with information provided by the compensation consultant and management when making annual base salary adjustments, individual and group performance factor adjustments and any adjustments to annual cash incentive award opportunity levels. The annual cash incentive plan for FY2016 targeted awards at 100% to 200% of each NEO's base salary, but actual payouts may range from zero to 200% of the target level depending on performance against the specific goals. Annual cash incentives are paid if, and to the extent that, corporate goals approved by the Compensation/Succession Committee are attained. Equity compensation is assessed in a similar manner and is designed to reward measurable results.

SECTION 6 — 2016 EXECUTIVE COMPENSATION

Of the total direct compensation that we consider attributable to 2016 performance, the company's NEOs received, on average, approximately 84% in variable pay and approximately 70% in equity awards, exclusive of the additional cash award paid to Mr. Morris in March of 2017. For these purposes, we consider the base salary paid in 2016, the annual cash incentive earned in 2016 (and paid early in 2017) and the award value of equity granted early in 2017 to be attributable to 2016 performance. Although, as noted elsewhere, the 2017 equity awards were no longer expressly tied to a historical review of the Company's three-year relative TSR performance, the award decisions were influenced by 2016 performance. The equity award value 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 Summary Compensation Table and the Grants of Plan-Based Awards Table because of timing differences in the valuation methodologies used.

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. The charts below present the mix of total direct compensation attributable to 2016 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 "Oversight of Executive Compensation" in Section 5.

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	• Mr. Luciano received an 8.3% base salary increase in 2016 based on individual performance and market competitiveness. Mr. Luciano's increase was also in recognition of his additional role as Chairman.
Annual Cash Incentive	• Mr. Luciano's target annual cash incentive opportunity for FY2016 was $2,600,000, or 200% of his base salary. • For FY2016, the Compensation/Succession Committee elected to award Mr. Luciano an individual performance percentage of 20% based on lower than expected business results as a result of a challenging operating and economic environment for the year. • Mr. Luciano's actual FY2016 cash award was $1,939,600 or 149% of his base salary, paid in 2017. • Key accomplishments included: – Delivered a run-rate cost savings above target. – Monetized almost $700 million in invested capital through specific transactions not in the normal course of business that enhances asset turnover or frees up capital to redeploy for improved returns or accretion. – Returned $1.7 billion to shareholders in dividends and buybacks in 2016. – Expanded the company's geographic footprint in strategically important regions. – Oversaw significant expansions in the company's product portfolio. – Created robust leadership development programs to enhance strategic capabilities.
Long-Term Incentives[1]	• Mr. Luciano's LTI award granted in February 2016 was awarded at the base award level based primarily on the company's relative TSR performance from January 1, 2013–December 31, 2015 and overall financial performance in the same period. The company's TSR was 43.1% over the performance period which was below median of the S&P 100 Industrials. • The award value of Mr. Luciano's FY2015 LTI, awarded in February 2016, was $10,000,000. • Mr. Luciano's LTI award granted in February 2017 was granted in the form of a market-based award equivalent to the challenge award level of $11,500,000 granted as 50% PSUs and 50% RSUs.

MR. YOUNG

Component	Pay Decisions
Base Salary	• In 2016, Mr. Young's base salary remained unchanged.
Annual Cash Incentive	• Mr. Young's target annual cash incentive opportunity for FY2016 was $1,064,498, or 129% of his base salary. • For FY2016, the Compensation/Succession Committee elected to award Mr. Young an individual performance percentage of 20%. • Mr. Young's actual FY2016 cash award was $794,116, or 96% of his base salary, paid in 2017. • Key accomplishments included: – Successful phased deployments of business transformation ERP modules. – Effective execution of capital allocation framework while maintaining a strong balance sheet in an environment of weaker earnings. – Strong expenditure and cost controls across central staffs. – Supported asset monetization initiatives across the enterprise.
Long-Term Incentives[1]	• Mr. Young's LTI award granted in February 2016 was awarded at the base award level based primarily on the company's relative TSR performance from January 1, 2013–December 31, 2015 and overall financial performance in the same period. • The award value of Mr. Young's FY2015 LTI, awarded in February 2016, was $3,725,783. • Mr. Young's LTI award granted in February 2017 was granted in the form of a market-based award equivalent to the challenge award level of $3,925,783 granted as 50% RSUs and 50% PSUs.

MR. FINDLAY

Component	Pay Decisions
Base Salary	• In 2016 Mr. Findlay's salary remained unchanged.
Annual Cash Incentive	• Mr. Findlay's target annual cash incentive opportunity for FY2016 was $700,000, or 100% of his base salary. • For FY2016, the Compensation/Succession Committee elected to award Mr. Findlay an individual performance percentage of 20%. • Mr. Findlay's actual FY2016 cash award was $522,200, or 75% of his base salary, paid in 2017. • Key accomplishments included: – Successfully satisfied obligations with DOJ and EPA. – Coordinated efforts across ADM departments to enhance ADM's policies and programs on food safety, commodity regulation, and risk management. – Successfully resolved major disputes and arbitrations, and capably handled significant and complex cross-border mergers & acquisitions. – Obtained government policies favorable to ADM in renewable fuels, GMOs, commodity trading, and country-of-origin legislation. – Continued to strictly control outside counsel spending though outside counsel management program, saving ADM millions of dollars.
Long-Term Incentives(1)	• Mr. Findlay's LTI award granted in February 2016 was awarded at the base award level based primarily on the company's relative TSR performance from January 1, 2013–December 31, 2015 and overall financial performance in the same period. • The award value of Mr. Findlay's FY2015 LTI, awarded in February 2016, was $2,100,000. • Mr. Findlay's LTI award granted in February 2017 was awarded in the form of a market-based award equivalent to the challenge award level of $2,300,000 granted as 50% RSUs and 50% PSUs.

MR. TAETS

Component	Pay Decisions
Base Salary	• In 2016, Mr. Taets received a 4.6% base salary increase based on individual performance for FY2015 and market competitiveness.
Annual Cash Incentive	• Mr. Taets's target annual cash incentive opportunity for FY2016 was $700,000, or 100% of his base salary. • For FY2016, the Compensation/Succession Committee elected to award Mr. Taets an individual performance percentage of 15% based on lower than expected business results. • Mr. Taets's actual FY2016 cash award was $487,200, or 70% of his base salary, paid in 2017. • Key accomplishments included: – Successful execution of monetization and operational excellence initiatives in Ag Services. – Demonstrated commitment to excellence in safety with Ag Services business unit having the lowest ever Total Recordable Incident Rate in the history of the company. – Advanced key Ag Services strategy of Destination Marketing, grew by more than 20% in 2016; successfully completed the 50% JV with Medsofts in Egypt. – In June 2016, successfully completed an additional three-year assignment as Geography President for EMEA based in Rolle, Switzerland.
Long-Term Incentives(1)	• Mr. Taets's LTI award granted in February 2016 was awarded at the base award level based primarily on the company's relative TSR performance from January 1, 2013–December 31, 2015 and overall financial performance in the same period. • The award value of Mr. Taets's FY2015 LTI, awarded in February 2016, was $1,500,000. • Mr. Taets's base level LTI award for FY2016 was increased from $1,500,000 to $2,600,000. • Mr. Taets's LTI award granted in February 2017 was awarded in the form of a market-based award equivalent to the challenge award level of $2,800,000 granted as 50% RSUs and 50% PSUs.

MR. MORRIS

Component	Pay Decisions
Base Salary	• In 2016, Mr. Morris received a 8.3% base salary increase based on individual performance for FY2015 and market competitiveness.
Annual Cash Incentive	• Mr. Morris's target annual cash incentive opportunity for FY2016 was $650,000, or 100% of his base salary. • For FY2016, 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 FY2016 cash award was $484,900, or 75% of his base salary, paid in 2017. Mr. Morris received an additional cash award of $640,000 paid in March of 2017 to recognize his efforts in connection with the integration of Wild Flavors & Specialty Ingredients ("WFSI") during 2015 and 2016. • Key accomplishments included: – Improved financial results in several divisions as a result of focused management efforts to optimize and improve performance in those businesses. – Significant projects completed including: capacity expansions at several oilseed crush facilities, formation of the Olenex joint venture with Wilmar, and expansion of the port in Barcarena. – Successful execution of monetization and operational excellence initiatives in Oilseeds.
Long-Term Incentives[1]	• Mr. Morris's LTI award granted in February 2016 was awarded at the base award level based primarily on the company's relative TSR performance from January 1, 2013–December 31, 2015 and overall financial performance in the same period. • The award value of Mr. Morris's FY2015 LTI, awarded in February 2016, was $1,200,000. • Mr. Morris's base level LTI award for FY2016 was increased from $1,200,000 to $2,000,000. • Mr. Morris's LTI award granted in February 2017 was awarded in the form of a market-based award equivalent to the challenge award level of $2,200,000 granted as 50% RSUs and 50% PSUs.

(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.

BASE SALARY

How are Base Salaries Determined?

The Compensation/Succession Committee establishes base salaries based on an NEO'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 INCENTIVES

How Do We Calculate Annual Cash Incentives?

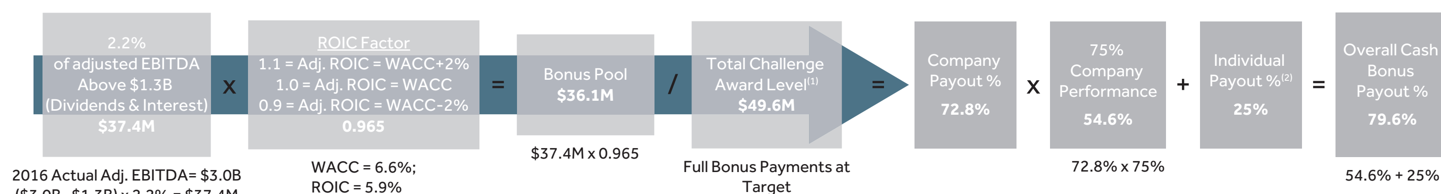
Our annual incentive plan design remained unchanged for FY2016, with the exception of the inclusion of three performance goals to determine the percentage of Adjusted EBITDA in excess of a threshold amount that funds the overall award pool. The three performance goals for 2016 include the following: (i) achieve $275 million in run rate cost savings; (ii) monetize $500 million in invested capital through specific transactions not in the normal course of business that enhances asset turnover or frees up capital to redeploy for improved returns or accretion; and (iii) realize $700 million increase in year-on-year revenue from recent acquisitions and major projects (includes WILD, SCI, Eatem Foods, Harvest Innovations, Tianjin Fibersol, Campo Grande, Tianjin HFCS, EastStarch, & AOR).

The percentage of adjusted EBITDA above threshold EBITDA of $1.3 billion that would be in the annual incentive pool could range from 1.8% to 2.4% based upon achievement of the additional performance goals. In 2016, NEO annual cash incentives were based 75% on company performance and 25% individual performance. Under this program design, executives cannot earn awards if we do not achieve a threshold level of Adjusted EBITDA, at least equal to the amount of the company's dividend payments on a pretax basis and pretax interest

expenses for the year set at $1.3 billion for 2016. Adjustments include LIFO, gain on sale or revaluation of assets, asset impairments and restructurings, and department extinguishment/pension settlement. Under our 2016 annual cash incentive program, once the threshold level of Adjusted EBITDA was earned, 2.2% of Adjusted EBITDA *above that $1.3 billion level* was allocated to fund the annual incentive pool. This was based upon the achievement of two out of three of the performance goals identified above. This value was then subject to adjustment based on Adjusted ROIC performance; if the company's Adjusted ROIC was more than 200 basis points below the company's WACC, the pool was to be reduced by 10%, and if it was more than 200 basis points above the company's WACC, the pool was to be increased by 10%. WACC is set for compensation purposes at the beginning of the year. For 2016, WACC was set at 6.6%. The individual performance percentage for NEOs can be adjusted from 0% to 50% of their cash bonus at target, and is assessed by the Compensation/Succession Committee incorporating elements such as safety, compliance with law, regulation and company policies, and other individual and group factors, including company financial performance, and performance towards the company's business strategy and objectives.

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. The individual portion of the annual cash incentive may be reduced to 0% or increased to 50% of an individual's target bonus opportunity based on the Compensation/Succession Committee's assessment of individual and group performance. 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 vary by NEO by +/- 25% based on the Compensation/Succession Committee's assessment of individual performance and contribution to the company's success.

How is the Individual Performance Component Determined?

For FY2016, based on business results and the economic environment for 2016 performance, the Compensation/Succession Committee elected to award the Chairman and CEO a 20% individual performance percentage. 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, Mr. Young, and Mr. Morris received an individual performance percentage of 20% and Mr. Taets an individual performance percentage of 15%, in recognition of their performance against individual and company goals. The 25% individual performance percentage is used for target performance. Our leaders are responsible for driving performance companywide. In a year that was below target performance, our NEOs received less than the target award of 25% for their individual performance. Our trailing four-quarter average Adjusted ROIC was 5.9%, 70 basis points below our 6.6% WACC.

What is 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, received an annual cash incentive for 2016, payable in 2017, equal to 74.6% (72.8% company performance making up 75% of the total annual cash incentive award plus individual award amounts of 20%) of his or her target annual cash incentive. Mr. Taets received an annual cash incentive equal to 69.6% of his total target based upon 15% individual performance.

Executive	Target Cash Incentive Opportunity (% of Salary)	Minimum Cash Incentive Opportunity	Target Cash Incentive Opportunity	Maximum Cash Incentive Opportunity	Actual FY2016 Cash Award
J.R. Luciano	200%	$0	$2,600,000	$5,200,000	$1,939,600
R.G. Young	129%	$0	$1,064,498	$2,128,996	$794,116
D.C. Findlay	100%	$0	$700,000	$1,400,000	$522,200
J.D. Taets	100%	$0	$700,000	$1,400,000	$487,200
G.A. Morris[(1)]	100%	$0	$650,000	$1,300,000	$484,900

(1) In March 2017, Mr. Morris received an additional cash award of $640,000 for his role in the WFSI integration through December 31, 2016. Payment is not included in the annual incentive cash award as shown above.

Additional Awards Paid

Mr. Morris received an additional cash award of $640,000 paid in March of 2017 to recognize his efforts in connection with the integration of WFSI during 2015 and 2016.

Equity-Based Long-Term Incentives

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 terms of grant size and grant form, the company's LTI awards in 2016 and prior years were generally determined based upon the Compensation/Succession Committee's assessment of performance during the prior three fiscal years. For example, equity grants made in February 2016 reflected the Compensation/Succession Committee's assessment of performance from January 1, 2013 through December 31, 2015. This concept of making grants based on the assessment of prior performance is similar in approach to the company's annual cash incentive plan. As such, the company's equity-based long-term incentive grants are performance-based. The Compensation/Succession Committee's assessment of performance considered the company's TSR performance relative to the S&P 100 Industrials as well as multiple other performance factors and economic conditions, and was not strictly formulaic. The February 2016 grants appear in the Grants of Plan-Based Awards table and are reflected in the Summary Compensation Table information for FY2016 because the SEC requires companies to report equity-based LTI awards for the fiscal year during which they were granted, even if they are based on performance during earlier fiscal years.

At the start of FY2016, the Compensation/Succession Committee established the base, challenge and premium LTI award values for each NEO. Under this structure, NEOs earn competitive grants only if the company's relative TSR over the 2013-2015 performance period is at or above median of the applicable market comparisons reviewed by the Compensation/Succession Committee. The Compensation/Succession Committee may grant "base" awards to maintain the appropriate alignment between management and stockholders through the opportunity to realize future equity value and to provide for necessary retention of the company's key executive talent.

Challenge awards are intended to result in competitive total direct compensation levels when combined with base salaries and annual target cash incentives. The Compensation/Succession Committee also considers the company's one-year, three-year and five-year relative TSR compared to the S&P 100 Industrials.

How Did We Determine LTI Awards Granted in February 2016? (Reflecting 2013-2015 Performance)

LTI awards were granted in February 2016 at the base award level and awarded in February 2016. In determining the award level, the Compensation/Succession Committee reviewed the company's relative three-year (2013-2015) TSR performance of 43.1% which was below the median versus the S&P 100 Industrials, and portfolio management and strategic plan accomplishments as described in Section 1. The total value of the awards were delivered 50% in stock options and 50% in restricted stock units to support our objectives of aligning with stockholders while providing a strong retention device for our executives.

	Long-Term Incentive (Granted in February 2016)				
Executive	Minimum Award	Base Award	Challenge Award	Premium Award	February 2016 Award Value(1)
J.R. Luciano	$0	$10,000,000	$11,500,000	$13,500,000	$10,000,000
R.G. Young	$0	$3,725,783	$3,925,783	$4,625,783	$3,725,783
D.C. Findlay	$0	$2,100,000	$2,300,000	$3,000,000	$2,100,000
J.D. Taets	$0	$1,500,000	$1,560,256	$1,694,156	$1,500,000
G.A. Morris	$0	$1,200,000	$1,254,000	$1,374,000	$1,200,000

(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 2016 generally are as follows:

- Stock options are granted at an exercise price equal to fair market value of the company's common stock at the grant date in accordance with the 2009 Incentive Compensation Plan. The options typically vest incrementally over five years and can be exercised during a ten-year period following the date of grant.
- RSUs typically vest three years after the date of grant.
- Equity awards granted under the LTI Program vest immediately if control of the company changes or upon the death of the executive. Awards 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). For grants with respect to FY2012 and beyond, award agreements include forfeiture and clawback provisions as described in Section 8.

Does the Company Have a 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.

BENEFITS

What Retirement Benefits are Provided?

The company provides the following programs to NEOs to support the attraction, retention and motivation of these employees. With few exceptions, the company's philosophy is to offer the same benefits to all U.S. salaried employees as is 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 $18,000 for 2016. Employees who are 50 years of age or older can elect to make additional contributions of up to $6,000 for 2016. 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)).
ADM Retirement Plan	All salaried employees	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. 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.
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.

What Other Benefits are Provided to NEOs?

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. NEOs have the same benefits package as other employees.

What Perquisites are Provided to NEOs?

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 and the other NEOs, as approved by the company's Chairman and CEO, with limited personal use of company-owned aircraft. The Compensation/Succession Committee requires that our Chairman and CEO 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 7 — CHANGES IN OUR COMPENSATION PROGRAM FOR 2017

To better align with company performance, the annual cash bonus program was revised for 2017 to include a variable percentage of Adjusted EBITDA for Adjusted EBITDA achieved and the achievement of specific strategic goals. The range of percentage EBITDA above threshold EBITDA of $1.3 billion will be 0.8% to 3.4% based upon EBITDA achieved. The Adjusted EBITDA percentage can be increased if we meet our 2017 strategic goals as follows: (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 free up capital to redeploy for improved returns or accretion, and (iii) realize $500 million increase in year-on-year revenue from recent acquisitions and major projects. Each strategic goal can increase the Adjusted EBITDA percentage by 0.2%, making the total range of Adjusted EBITDA 0.8% to 4.0%. With this revised formula, with higher performance comes greater rewards and lower performance comes lower rewards.

To strengthen the performance-orientation of the LTI program, for 2017 the company will discontinue its prior approach to granting LTI awards based on a historical review of the company's three-year relative TSR in comparison to the S&P 100 industrials and instead grant market competitive LTI awards that consist of performance share units (PSUs) whose vesting will be dependent on the degree to which the company achieved specified performance goals over a three year performance period (2017-2019) and restricted stock units (RSUs) with a three year cliff vest. The overall LTI award value will be 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. The 2017 PSU metrics are: (i) the company's relative total shareholder return as compared to the companies in the S&P 100 Industrials Index (25% weighting), (ii) the degree to which the company achieves specified return on capital levels (37.5% weighting), and (iii) the degree to which the company's EBITDA exceeds its EBITDA during fiscal years 2014-2016 (37.5% weighting). Before the PSU can pay out, the company's EBITDA must exceed its EBITDA during fiscal years 2014-2016. If this does not occur, there will be no payout for the other metrics.

The 2017 LTI awards are also different from prior years as they will not be subject to single trigger accelerated vesting upon a change in control. Rather, the 2017 awards contain a double trigger and will be subject to accelerated vesting and payout only if the company's executive officer's employment is terminated without cause, or if the company's executive officer resigns for good reason, 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. This transition to double trigger accelerated vesting has been made because it addresses the retention goals that motivated the single trigger approach, but at the same time avoids providing accelerated benefits to individuals whose employment and awards continue after a change in control.

The 2017 LTI awards also reflect an expansion of the award forfeiture and recovery provisions as compared to prior years. These provisions generally provide that an award will be forfeited and any shares already issued pursuant to the award (or the value thereof at the vesting date) will be recoverable by the company if an NEO is terminated for cause, or if an NEO violates any restrictive covenants (such as non-competition, non-solicitation and confidentiality) during the NEO's employment and for a two-year period after the award vests.

SECTION 8 — EMPLOYMENT AGREEMENTS, SEVERANCE, AND CHANGE-IN-CONTROL BENEFITS

What Employment Agreements are in Place?

None.

What Other Agreements are in Place for NEOs?

While Mr. Findlay does not have an employment agreement, we did commit to certain initial compensation terms at hire. At the time of his hire, we awarded Mr. Findlay equity awards to compensate him for his forfeiture of equity awards at his previous employer, designed to retain his services into the future, and to align his compensation with stockholders. These equity awards are subject to accelerated vesting in the event of death or termination of employment for reasons other than "gross misconduct" or for "good reason" as those terms are defined in the offer letter.

What Other Severance Benefits are Provided to NEOs?

In 2014, the Compensation/Succession Committee revised the company's severance program to align with market practices and eliminate accelerated vesting of equity or payout of unvested equity at termination. This program serves as a guideline for the severance benefits that may be provided to various levels of employees upon termination of their employment without cause or their resignation with good reason, but the program does not create a contractual right to receive any severance benefits on the part of the employee. The guidelines contained in the program for executive officers include the following termination benefits, subject, in all cases, to the discretion of the Compensation/Succession Committee to increase or decrease these benefits:

- cash severance equal to two times then-current base salary and target cash incentive; and
- extension of healthcare coverage following termination.

In addition, the Compensation/Succession Committee generally requires each executive to enter into a non-competition and non-solicitation agreement in exchange for receiving severance under the program.

What Change-in-Control Benefits are Provided?

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 pursuant to the terms of these awards. The single 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.

For awards granted in February 2017 and beyond, the company has implemented a double trigger change in control approach, as discussed in Section 7 above.

SECTION 9 — ADDITIONAL EXECUTIVE COMPENSATION POLICIES AND PRACTICES

Does the Company Have a Clawback Policy?

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. As regulatory requirements regarding recoupment of executive compensation continue to evolve, we will review and update the company's policies to, at the very least, be compliant with all current requirements.

Are There Policies in Place That Restrict Transactions Involving the Company's Stock?

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.

What Role Does Section 162(m) of the Internal Revenue Code Have in the Design of Executive Compensation Programs?

Section 162(m) of the Internal Revenue Code generally disallows 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 qualifies as "performance-based" compensation. Performance-based compensation for these purposes generally does not include salaries, incentive compensation for which the company's stockholders have not approved the business criteria upon which applicable performance goals are based, and incentive compensation (other than stock options and stock appreciation rights) the payment of which is not based on the satisfaction of objective pre-established performance goals or as to which a compensation committee has discretion to increase the amount of the payout. The Compensation/Succession Committee retains the discretion to provide compensation that may not be tax deductible if it feels these actions are in the best interests of the company and its stockholders. The Compensation/Succession Committee 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.

Has the Company Evaluated 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.

During FY2015, ADM engaged an outside consultant, The 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 February 2016. Another independent review of the company's incentive programs will be conducted during FY2017 and reported to the Compensation/Succession Committee.

COMPENSATION DISCUSSION AND ANALYSIS

How Does the Company Address 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
M.H. Carter
A. Maciel
D. 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.

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 ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(3)	All Other Compensation ($)(4)	Total ($)
J. R. LUCIANO Chairman, CEO and President	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
	2014	990,840	—	2,496,804	3,001,997	2,113,884	48,527	529,596	9,181,648
R. G. YOUNG Executive Vice President and CFO	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
	2014	795,837	—	1,965,590	2,363,277	1,374,943	41,708	360,993	6,902,348
D. C. FINDLAY Senior Vice President, General Counsel and Secretary	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
	2014	700,000	—	1,115,599	1,341,325	777,000	21,116	78,547	4,033,587
G. A. MORRIS(5) Senior Vice President and President Ag Services	2016	650,004	640,000(5)	637,487	633,520	484,900	284,727	15,360	3,345,998
J. D. TAETS Senior Vice President and President Global Oilseeds	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
	2014	650,004	—	748,245	899,648	638,250	744,215	1,066,697	4,747,059

(1) The amounts shown for stock and option awards represent the aggregate grant date fair value of the awards for fiscal years 2016, 2015 and 2014, 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, 2016, December 31, 2015, and December 31, 2014.

(2) Represents 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.

(3) Each amount shown for 2016 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, 2015 to December 31, 2016, 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, 2016 were interest rate of 4.10% for the ADM Retirement Plan, 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, and the assumptions used to value pension liabilities on December 31, 2015 were interest rate of 4.30% for the ADM Retirement Plan, interest rate of 4.05% for the ADM Supplemental Retirement Plan and mortality determined using the RP2014 mortality table, with a white collar adjustment, projected generationally using Scale MP-2015.

(4) The amounts shown in this column for 2016 include costs for personal use of company aircraft, relocation expenses, imputed value of company-provided life insurance, executive health services, company contributions under our 401(k) and Employee Stock Ownership Plan, and for Mr. Taets, expenses related to 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	Relocation Expenses	Imputed Value of Life Insurance	Executive Health Services	401(k) Company Contributions	Expatriate Expenses
J. R. Luciano	$128,519		X	X	$13,250	
R. G. Young	X		X	X	$13,250	
D. C. Findlay			X	X	$13,250	
G. A. Morris			X	X	$13,250	
J. D. Taets		$77,011	X	X	$13,250	$429,797

Mr. Taets' expenses related to his overseas assignment included $14,581 for net payment of certain foreign taxes; $146,186 related to certain tax gross ups; and $269,030 payable pursuant to our expatriate policy, which included housing assistance ($125,703), cost of living allowance ($77,593), home leave ($54,832), and other items such as company-owned vehicle, utilities, and tax preparation ($10,902).

(5) Mr. Morris first became a named executive officer 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.

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 tax preparation services, utilities, education assistance, home leave, housing assistance, executive healthcare services and relocation expenses, incremental cost is determined by the amounts paid to third-party providers. Relocation expenses may also include a one-time lump sum payment related to differences in cost of living and loss on sale of a former residence. 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 2016

The following table summarizes the grants of plan-based awards made to our named executive officers during the fiscal year ended December 31, 2016.

Name	Grant Date	Estimated Future Payment Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units(#)	All Other Option Awards: Number of Securities Underlying Options(#)	Exercise or Base Price of Option Awards ($/Sh) (1)	Grant Date Fair Value of Stock and Option Awards ($) (2)
		Threshold ($)	Target ($)	Maximum ($)				
J. LUCIANO		0	2,600,000	5,200,000				
	2/11/16				160,103			5,312,218
	2/11/16					931,099	33.18	5,279,331
R. G. YOUNG		0	1,064,498	2,128,996				
	2/11/16				59,651			1,979,220
	2/11/16					346,908	33.18	1,966,968
D. C. FINDLAY		0	700,000	1,400,000				
	2/11/16				33,622			1,115,578
	2/11/16					195,531	33.18	1,108,661
G. A. MORRIS		0	650,000	1,300,000				
	2/11/16				19,213			637,487
	2/11/16					111,732	33.18	633,520
J. D. TAETS		0	700,000	1,400,000				
	2/11/16				24,016			796,851
	2/11/16					139,665	33.18	791,901

(1) Exercise price was determined by using the closing market price of a share of our common stock on the New York Stock Exchange on the trading day immediately prior to the grant date.

(2) 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.

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.

All of the awards shown in the "All Other Stock Awards" column in the table above are restricted stock unit ("RSU") awards and vest in full three years after the date of the grant. Under the terms of the RSU award agreement pertaining to each of these awards, 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. Vesting of the RSU awards accelerates in full upon the death of the award recipient or a change-in-control of our company, 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, unvested RSUs are forfeited (except as otherwise described below in "Termination of Employment and Change-in-Control Arrangements"). With respect to each of the RSU awards described above, 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 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.

All of the awards shown in the "All Other Option Awards" column in the table above are non-qualified stock option awards, vest and become exercisable in five equal annual installments commencing on the first anniversary of the grant date, and must be exercised within ten years after the grant date. The exercise price may be paid in cash or by delivering shares of our common stock that are already owned by the award recipient. Under the terms of the stock option agreement pertaining to each of these awards, vesting and exercisability accelerate in full 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 other reasons, a recipient forfeits any interest in the unvested portion of any option (except as otherwise described below in "Termination of Employment and Change-in-Control Arrangements"), 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.

The impact of a termination of employment or change-in-control of our company on restricted stock unit, performance share unit and stock option 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 2016 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, 2016.

		OPTION AWARDS				STOCK AWARDS	
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested ($)(7)
J. R. LUCIANO	2-11-2016	—	931,099(1)	33.18	2-11-2026		
	2-12-2015	64,964	259,857(1)	46.92	2-12-2025		
	2-13-2014	93,812	140,719(1)	40.65	2-13-2024		
	2-21-2013	30,998	20,666(1)	32.50	2-21-2023		
	8-16-2012	173,268	43,317(1)	26.25	8-16-2022		
	8-11-2011	194,014	—	26.17	8-11-2021	293,389(2)	13,393,208
R. G. YOUNG	2-11-2016	—	346,908(1)	33.18	2-11-2026		
	2-12-2015	42,967	171,869(1)	46.92	2-12-2025		
	2-13-2014	73,852	110,779(1)	40.65	2-13-2024		
	2-21-2013	18,902	12,601(1)	32.50	2-21-2023		
	8-16-2012	99,010	24,753(1)	26.25	8-16-2022		
	8-11-2011	80,377	—	26.17	8-11-2021	155,536(3)	7,100,218
D. C. FINDLAY	2-11-2016	—	195,531(1)	33.18	2-11-2026		
	2-12-2015	27,482	109,929(1)	46.92	2-12-2025		
	2-13-2014	41,916	62,875(1)	40.65	2-13-2024		
	7-22-2013	59,702	39,801(1)	36.68	7-22-2023	91,467(4)	4,175,469
G. A. MORRIS	2-11-2016	—	111,732	33.18	2-11-2026		
	2-12-2015	5,609	22,437	46.92	2-12-2025		
	8-16-2012	4,210	1,053	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	47,955(5)	2,189,146
J. D. TAETS	2-11-2016	—	139,665(1)	33.18	2-11-2026		
	2-12-2015	15,149	60,594(1)	46.92	2-12-2025		
	2-13-2014	28,114	42,171(1)	40.65	2-13-2024		
	2-21-2013	8,317	5,544(1)	32.50	2-21-2023		
	8-16-2012	42,327	10,582(1)	26.25	8-16-2022		
		13,305	—	26.17	8-11-2021		
		6,781	—	30.71	8-19-2020		
		5,624	—	28.70	9-10-2019		
		5,319	—	34.37	8-3-2017	73,359(6)	3,348,838

(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) Restricted stock unit awards vest as to 61,422 units on February 13, 2017, 71,864 units on February 12, 2018 and 160,103 units on February 11, 2019.

(3) Restricted stock unit awards vest as to 48,354 units on February 13, 2017, 47,531 units on February 12, 2018 and 59,651 units on February 11, 2019.

(4) Restricted stock unit awards vest as to 27,444 units on February 13, 2017, 30,401 units on February 12, 2018 and 33,622 units on February 11, 2019.

(5) Restricted stock unit awards vest as to 8,359 units on February 13, 2017, 6,205 units on February 12, 2018, 14,178 units on October 15, 2018 and 19,213 units on February 11, 2019.

(6) Restricted stock unit awards vest as to 18,407 units on February 13, 2017, 16,758 units on February 12, 2018, 14,178 units on October 15, 2018 and 24,016 units on February 11, 2019.

(7) Calculated by multiplying the closing market price of a share of our common stock on the New York Stock Exchange on December 30, 2016, which was $45.65, by the number of shares or units that have not vested.

Option Exercises and Stock Vested During Fiscal Year 2016

The following table summarizes information regarding stock options exercised by the named executive officers during the fiscal year ended December 31, 2016, 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 ($)(1)	Number of Shares Acquired Upon Vesting (#)	Value Realized on Vesting ($)(2)
J. R. LUCIANO			33,508	1,094,036
R. G. YOUNG			20,432	667,105
D. C. FINDLAY			86,907	3,770,895
G. A. MORRIS			4,904	160,116
J. D. TAETS	3,867	4,602	8,990	293,524

(1) Represents the difference between the market value of the shares acquired upon exercise (calculated using the sale price of the shares on the New York Stock Exchange 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 restricted stock unit awards on the date the awards vested, calculated using the closing sale price reported on the New York Stock Exchange 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, 2016.

Name	Plan Name	Number of Years Credited Service (#)(1)	Present Value of Accumulated Benefit ($)(2)	Payments During Last Fiscal Period ($)
J. R. LUCIANO	ADM Retirement Plan ADM Supplemental Retirement Plan	6 6	48,489 145,367	0 0
R. G. YOUNG	ADM Retirement Plan ADM Supplemental Retirement Plan	6 6	51,994 103,631	0 0
D. C. FINDLAY	ADM Retirement Plan ADM Supplemental Retirement Plan	4 4	33,347 43,254	0 0
G. A. MORRIS	ADM Retirement Plan ADM Supplemental Retirement Plan	22 22	535,227 489,180	0 0
J. D. TAETS	ADM Retirement Plan ADM Supplemental Retirement Plan	29 29	902,721 1,596,083	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, 2016. 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, 2016 were interest of 4.10% for the ADM Retirement Plan and 3.90% for the ADM Supplemental Retirement Plan and mortality determined under the RP2014 mortality table, with a white collar adjustment, projected generationally using scale MP-2016. Mr. Morris and Mr. Teats 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, 2016. The amounts reported are calculated by projecting the balance in the accounts forward to age 65 by applying a 2.50% interest rate and then discounting back to December 31, 2016 using the assumptions specified above. The total account balance for Mr. Luciano at December 31, 2016 under the Retirement and Supplemental Plans was $166,566, the total account balance for Mr. Young at December 31, 2016 under the Retirement and Supplemental Plans was $138,353, and the total account balance for Mr. Findlay at December 31, 2016 under the Retirement and Supplemental Plans was $64,566, 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. Mr. Luciano, Mr. Young and Mr. Findlay participate in the cash balance formula, while Mr. Morris and Mr. 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.

Supplemental Retirement Plan

We also sponsor the ADM Supplemental Retirement Plan (the “Supplemental Plan”), which is a non-qualified 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, 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, 2016.

Name	Executive Contributions in FY 2016 ($)(1)	Aggregate Earnings in FY 2016 ($)(2)	Aggregate Withdrawals/ Distributions in FY 2016 ($)	Aggregate Balance at 12/31/16 ($)(3)
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	74,822	56,703	12,305	785,702

(1) The amount reported in this column is reported as “Salary” in the Summary Compensation Table for the fiscal year ended December 31, 2016.

(2) The amounts reported in this column were not reported in the Summary Compensation Table as part of each individual’s compensation for the fiscal year ended December 31, 2016 because none of the earnings is considered to be “above market.”

(3) Of the amounts shown in this column, the following amounts were previously reported as compensation to the respective individuals in the Summary Compensation Table in previous years:

Name	Amount Reported as Compensation in Previous Years ($)
J. D. Taets	600,155

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, 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 2016.

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 twenty 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 2016, 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 2016 Cumulative Return (1/1/16 to 12/31/16)
ADM Galliard Stable Value Fund	1.87%
Dodge & Cox Stock	21.28%
Ironbridge Small Cap	13.70%
PIMCO Total Return — Instl Class	2.59%
Vanguard Institutional Index — Instl Plus Shares	11.95%
Vanguard Morgan Growth — Admiral Shares	3.35%
Vanguard Wellington — Admiral Shares	11.09%
Vanguard International Growth — Admiral Shares	1.84%
T. Rowe Price Institutional Mid-Cap Equity Growth	6.94%
Vanguard Target Retirement 2010 Trust I	5.31%
Vanguard Target Retirement 2015 Trust I	6.28%
Vanguard Target Retirement 2020 Trust I	7.03%
Vanguard Target Retirement 2025 Trust I	7.55%
Vanguard Target Retirement 2030 Trust I	7.93%
Vanguard Target Retirement 2035 Trust I	8.35%
Vanguard Target Retirement 2040 Trust I	8.80%
Vanguard Target Retirement 2045 Trust I	8.94%
Vanguard Target Retirement 2050 Trust I	8.96%
Vanguard Target Retirement 2055 Trust I	8.98%
Vanguard Target Retirement 2060 Trust I	8.97%
Vanguard Target Retirement Income Trust I	5.26%

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 named executive officers of our company 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 time-vested restricted stock unit award agreements governing awards held by our named executive officers, vesting accelerates upon the death of the award recipient or a change-in-control of our company, 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 the stock option agreements governing awards held by our named executive officers, 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.

At the time Mr. Findlay was hired in July 2013, he was awarded a time-vested RSU award (which vested in 2016) and a non-qualified stock option award. In addition to the terms and conditions summarized in the preceding paragraph, these awards are also subject to a commitment we made in connection with his hiring that these awards would immediately vest in full if his employment were terminated by us for any reason other than gross misconduct, or terminated by Mr. Findlay for good reason. For these purposes, "gross misconduct" is generally defined as the conviction of a crime that is a felony or involves fraud or moral turpitude, or the violation of any law, contract, legal obligation or ADM policy that is materially and demonstrably injurious to our operations or reputation. "Good reason" is generally defined as a material reduction in base salary, a material adverse reduction in the scope or nature of duties and responsibilities, our failure to perform any material commitment made in connection with his hiring or a relocation of more than 25 miles in his primary work location.

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, 2015.

Name	Benefits and Payments upon Termination	Voluntary Termination ($)	Involuntary Termination without Cause ($)	Termination for Cause ($)	Change in Control ($)(1)	Disability ($)	Death ($)(1)	Retirement ($)
J. R. Luciano	Vesting of nonvested stock options	0	0	0	13,426,507	(2)	13,426,507	(3)
	Vesting of nonvested restricted stock unit awards	0	0	0	13,393,208	(2)	13,393,208	(3)
R. G. Young	Vesting of nonvested stock options	0	0	0	5,525,762	(2)	5,525,762	(3)
	Vesting of nonvested restricted stock unit awards	0	0	0	7,100,218	(2)	7,100,218	(3)
D. C. Findlay	Vesting of nonvested stock options	0	0	0	3,109,671	(2)	3,109,671	(3)
	Vesting of nonvested restricted stock unit awards	0	357,024(4)	0	4,175,469	(2)	4,175,469	(3)
G. A. Morris	Vesting of nonvested stock options	0	0	0	1,413,726	(2)	1,413,726	(3)
	Vesting of nonvested restricted stock unit awards	0	0	0	2,189,146	(2)	2,189,146	(3)
J. D. Taets	Vesting of nonvested stock options	0	0	0	2,230,685	(2)	2,230,685	(3)
	Vesting of nonvested restricted stock unit awards	0	0	0	3,348,838	(2)	3,348,838	(3)

(1) Pursuant to the terms of the stock option and restricted stock unit award agreements under the 2002 Incentive Compensation Plan and 2009 Incentive Compensation Plan, vesting and exercisability of these equity awards are accelerated in full upon a change-in-control or death. The amounts shown with respect to stock options were calculated with respect to options that were "in the money" as of December 31, 2016 and were determined by multiplying the number of shares subject to each option as to which accelerated vesting occurs by the difference between $45.65, the closing sale price of a share of our common stock on the NYSE on December 30, 2016, and the exercise price of the applicable stock option. The amount shown with respect to restricted stock units was calculated by multiplying the number of units as to which accelerated vesting and settlement occurs by $45.65, the closing sale price of a share of our common stock on the NYSE on December 30, 2016.

(2) Pursuant to the terms of the stock option and restricted stock unit award agreements under the 2002 Incentive Compensation Plan and 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) 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.

(4) 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 note (1) above.

DIRECTOR COMPENSATION FOR FISCAL 2016

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 2016, 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 New York Stock Exchange 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 2016.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	All Other Compensation ($)(3)	Total ($)
A. BOECKMANN	0	275,000	20,000	295,000
M. H. CARTER	0	275,000	0	275,000
T. K. CREWS	145,000	150,000	2,800	297,800
P. DUFOUR	125,000	150,000	0	275,000
D. E. FELSINGER	30,000	275,000	25,700	330,700
A. MACIEL	125,000	150,000	0	275,000
P. J. MOORE	140,000	150,000	0	290,000
D. SANDLER(4)	81,731	98,077	10,000	189,808
F. SANCHEZ	125,000	150,000	0	275,000
D. SHIH	125,000	150,000	0	275,000
K. R. WESTBROOK	145,000	150,000	10,700	305,700

(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 2016, Mr. Boeckmann, Ms. Carter and Mr. Felsinger 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 New York Stock Exchange 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, 2016 (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 12/31/16
A. Boeckmann	34,179
M. H. Carter	155,265
T. Crews	21,570
P. Dufour	24,415
D. E. Felsinger	48,162
A. Maciel	30,873
P. J. Moore	46,453
D. Sandler	1,452
F. Sanchez	8,618
D. Shih	14,207
K. R. Westbrook	50,239

(3) Consists 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. Sandler was elected to our board of directors on May 5, 2016 and her annual non-employee director compensation was pro-rated to reflect her period of service during 2016.

DIRECTOR COMPENSATION FOR FISCAL YEAR 2016

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 three times cash retainer ownership guidelines.

Equity Compensation Plan Information at December 31, 2016

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	16,684,000(1)	$34.94(2)	9,867,784(3)
Equity Compensation Plans Not Approved by Security Holders	0	0	0
Total	16,684,000(1)	$34.94(2)	9,867,784(3)

(1) Consists of 1,862,551 shares to be issued upon exercise of outstanding options pursuant to the company's 2002 Incentive Compensation Plan; 4,650,871 shares to be issued upon vesting of outstanding restricted stock units, and 10,129,902 shares to be issued upon exercise of outstanding options pursuant to the company's 2009 Incentive Compensation Plan; and 41,636 shares to be issued upon exercise of outstanding options pursuant to the ADM International Limited Savings-Related Share Options Scheme, all as of December 31, 2016. The ADM International Limited Savings-Related Share Option Scheme is a program whereby employees in the United Kingdom can save through payroll deductions and have the option to purchase shares at a predetermined, discounted price at a point in time in the future.

(2) Weighted-average exercise price for outstanding stock options. There is no exercise price associated with outstanding restricted stock units and performance share units.

(3) Consists of 9,867,784 shares available for issuance pursuant to our 2009 Incentive Compensation Plan as of December 31, 2016. 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

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 disclosure of 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, 2016, the brother of C. Cuddy, one of our executive officers, was employed by our company as a biodiesel trader. 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 2016.

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 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, 2017. 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, 2016 for filing with the SEC.

T. K. Crews, Chairman
P. Dufour
P. J. Moore
F. 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, 2017. Ernst & Young LLP, or its predecessor firms, has served as our independent registered public accounting firm for more than 50 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, 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, 2017. 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, 2016 and December 31, 2015.

Description of Fees	FY2016	FY2015
Audit Fees(1)	$14,757,000	$15,096,000
Audit-Related Fees(2)	3,933,000	1,550,000
Tax Fees(3)	583,000	1,046,000
All Other Fees(4)	1,728,000	—
Total	$21,001,000	$17,692,000

(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 increased in 2016 due to a higher amount of portfolio actions by the company, 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 FY2016 and FY2015 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 held in 2017:

> 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 — ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

The following proposal provides our stockholders with an opportunity to vote, on an advisory basis, on the frequency of the stockholders' advisory vote on the compensation of our named executive officers. On the proxy card, stockholders will be able to select one of four options for this proposal: every one year; every two years; every three years; or abstain. Section 14A of the Securities Exchange Act requires our company to hold this advisory stockholder vote on the frequency of the stockholders' advisory vote on executive compensation at least once every six years.

After careful consideration of this proposal, our company's board of directors recommends at this time that an advisory vote on executive compensation occur each year. Our board believes that holding the advisory vote annually will provide the Compensation/Succession Committee and the board of directors with more frequent stockholder feedback on compensation disclosures. You are not voting to approve or disapprove the board of directors' recommendation for an annual vote. Rather, you are being asked to select the frequency of advisory stockholder votes on executive compensation that is preferable to you.

The board of directors will review and expects to take the voting results of this proposal into account in making a determination concerning the frequency of future advisory votes on executive compensation. However, this advisory vote is not binding on our board of directors or our company, and the board of directors may decide in the future to conduct the advisory vote on executive compensation on a less frequent basis.

The Board of Directors recommends at this time that stockholders vote to conduct future advisory votes on the compensation of our company's named executive officers every ONE YEAR. Proxies solicited by the Board will be so voted unless stockholders specify a different choice.

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 24, 2017, and, in the case of nominations for director, no earlier than October 25, 2017, 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 3, 2018 and March 5, 2018 (or, if the next annual meeting is called for a date that is not within the period from April 4, 2018 to June 3, 2018, 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.

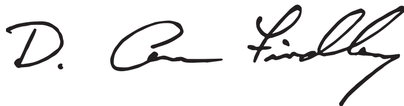
Requests related to householding should be made by writing Investor Relations, Archer-Daniels-Midland Company, 4666 Faries Parkway, Decatur, Illinois 62526-5666 or by calling our Investor Relations at 217-424-5656. If you are a stockholder whose shares are held by a bank, broker or other nominee, you 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 24, 2017

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.

We use Adjusted EBITDA to mean EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) adjusted for specified items. Management believes Adjusted EBITDA is a useful measure of the company's performance because it provides investors additional information about the company's operations allowing better evaluation of underlying business performance and better period-to-period comparability.

Adjusted ROIC, Adjusted ROIC Earnings, Adjusted Invested Capital, and Adjusted EBITDA 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 amounts reported under GAAP; of Adjusted EBITDA to earnings before income taxes, the most directly comparable amount reported under GAAP; and the calculation of Adjusted ROIC for the period ended December 31, 2016.

ADJUSTED ROIC(1) CALCULATION (TWELVE MONTHS ENDED DECEMBER 31, 2016)

Adjusted ROIC Earnings* $1,458 ÷ Adjusted Invested Capital* $24,630 = 5.9%

*in millions

ADJUSTED ROIC EARNINGS(1) (IN MILLIONS)	Quarter Ended				Four Quarters Ended
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Dec 31, 2016
Net earnings attributable to ADM	$230	$284	$341	$424	$1,279
Adjustments					
Interest expense	70	65	78	80	293
LIFO	14	88	(85)	2	19
Other specified items	13	(106)	82	(19)	(30)
Total adjustments	97	47	75	63	282
Tax on adjustments	(40)	(39)	(22)	(2)	(103)
Net adjustments	57	8	53	61	179
Total Adjusted ROIC Earnings	$287	$292	$394	$485	$1,458

ADJUSTED INVESTED CAPITAL(1) (IN MILLIONS)	Quarter Ended				Trailing Four Quarter Average
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Dec 31, 2016
Shareholders' Equity(2)	$17,899	$17,655	$17,538	$17,173	$17,566
+ Interest-bearing liabilities(3)	6,646	7,386	7,073	6,931	7,009
+ LIFO adjustment (net of tax)	44	99	45	47	59
+ Other specified items	5	(87)	57	10	(4)
Total Adjusted Invested Capital	$24,594	$25,053	$24,713	$24,161	$24,630

DEFINITION AND RECONCILIATION OF NON-GAAP MEASURES

ADJUSTED EBITDA(1) (IN MILLIONS)	Twelve Months Ended Dec 31, 2016
Earnings before income taxes	$1,822
Interest expense	293
Depreciation and amortization	900
EBITDA	3,015
Adjustments:	
LIFO charge	19
Gain on sale and revaluation of assets	(109)
Asset impairment, restructuring, and settlement charges	117
Post-benefit retirement curtailment	(38)
Adjusted EBITDA	$3,004

(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 software impairment and restructuring charges of $13 million ($8 million, after tax) and certain discrete tax adjustments of $3 million related to deferred tax re-rates for the quarter ended March 31, 2016; gains of $118 million ($101 million , after tax) 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 December 2012 sale of the company's equity investment in Gruma S.A. de C.V., and the revaluation to settlement value of the remaining interest in conjunction with the acquisition of Amazon Flavors, partially offset by a loss on sale of an asset, charges of $12 million ($8 million, after tax) primarily related to impairment of certain long-lived assets and restructuring charges, and certain discrete tax adjustments of $6 million related to valuation allowances for the quarter ended June 30, 2016; losses primarily related to a loss on sale of an equity investment of $9 million ($9 million, after tax) and legal fees and settlement, impairment of certain long-lived assets and investments, and restructuring charges of $73 million ($48 million, after tax) for the quarter ended September 30, 2016; and impairment of certain long-lived assets and restructuring charges of $19 million ($13 million, after tax), gain related to a U.S. retiree medical benefit plan curtailment of $38 million ($24 million, after tax), and certain discrete tax adjustments of $21 million related to valuation allowances, deferred tax re-rates, and changes in assertion for the quarter ended December 31, 2016.

(c) Adjusted EBITDA is EBITDA 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

ARCHER DANIELS MIDLAND COMPANY

2016 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, 2016

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, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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

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

Common Stock, no par value--$24.4 billion
(Based on the closing sale price of Common Stock as reported on the New York Stock Exchange
as of June 30, 2016)

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—571,080,171 shares
(February 10, 2017)

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual meeting of stockholders to be held May 4, 2017, 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, 2016. Among these risks are legislative acts; changes in the prices of food, feed, and other commodities, including gasoline; and macroeconomic conditions in various parts of the world. To the extent permitted under applicable law, the Company assumes no obligation to update any forward-looking statements as a result of new information or future events.

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PART I

Item 1. BUSINESS

Company Overview

Archer-Daniels-Midland Company (the Company) was incorporated in Delaware in 1923, successor to the Daniels Linseed Co. founded in 1902. The Company is one of the world's leading processors of oilseeds, corn, wheat, and other agricultural commodities and is a leading manufacturer of protein meal, vegetable oil, corn sweeteners, flour, biodiesel, ethanol, and other value-added food and feed ingredients. The Company also 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 processed agricultural commodities. 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 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 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 April 2016, the Company acquired a 50% interest in Cairo, Egypt-based Medsofts Group, a consolidated joint venture that owns and manages merchandising and supply chain operations.

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

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 milling and dry milling activities, utilizing its asset base primarily located in the central part of the United States with additional facilities in China, Bulgaria, Morocco, 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 June 2016, the Company acquired from Tate & Lyle a Casablanca, Morocco-based corn wet mill that produces glucose and native starch. In February 2017, the Company acquired Crosswind Industries, Inc., an industry leader in the manufacture of contract and private label pet treats and foods, as well as specialty ingredients.

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. In November 2016, the Company completed the expansion of Olenex, a 37.5% joint venture with Wilmar International Limited (Wilmar). Olenex owns and operates specialty oils and fats, palm refining, and tropical oils processing plants in Europe.

The Company has an equity interest in Wilmar, a Singapore publicly listed company. The Company acquired additional shares in Wilmar increasing its ownership interest from 19.0% to 20.0% in March 2016, 22.0% in June 2016, 23.2% in September 2016, and 23.9% in January 2017. Wilmar, a leading agribusiness group in Asia, is engaged in the businesses of oil palm cultivation, oilseeds crushing, edible oils refining, 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.

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

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. The Company acquired a 90% controlling stake in Harvest Innovations, an industry leader in minimally processed, expeller-pressed soy proteins, oils, and gluten-free ingredients in February 2016; the remaining 60% interest in Amazon Flavors, a leading Brazilian manufacturer of natural extracts, emulsions and compounds, in May 2016; and Caterina Foods, a leading toll manufacturer of specialty gluten-free and high-protein pastas, in September 2016.

Other

Other includes the Company's remaining operations, primarily its financial business units, related to futures commission 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.

Captive insurance includes 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 retains a portion of the crop insurance risk written by ADM Crop Risk Services, a wholly owned subsidiary. ADM Crop Risk Services is a managing general agent which sells and services crop insurance policies to farmers.

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		
	2016	2015	2014
Soybeans	**17%**	16%	16%
Soybean Meal	**13%**	13%	13%
Corn	**10%**	11%	10%

Status of New Products

The Company continues to expand the size and global reach of its business through the development of new products. Acquisitions, especially in the 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 2017.

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, Europe, Asia, Australia, and Africa, 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 $205 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, sugarcane, 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, 2016, 2015, and 2014, net of reimbursements of government grants, was approximately $123 million, $122 million, and $79 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. A number of these laboratories are being expanded with new capabilities to enhance the Company's ability to develop custom solutions for our customers.

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 first project, Illinois Basin Decatur Project, successfully completed injecting one million tons of CO_2 in the fourth quarter of fiscal year ended December 31, 2014. The second project, the Illinois Industrial Carbon Capture & Sequestration, was completed in the fourth quarter of fiscal year ended December 31, 2015 and is expected to receive authorization to start injection in the first quarter of fiscal year 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. In an effort to further advance the development of bio-based chemical technologies, the Company has partnered with the Center for Environmentally Beneficial Catalysis and has added research capabilities at the University of Kansas. The Company has also engaged in a joint development agreement with DuPont to develop sustainable packaging solutions with improved barrier properties compared to current materials.

In October 2016, the Company launched ADM Ventures to oversee select, high-potential, new-product development projects from its business units; to nurture promising, early-stage start-up companies in which the Company may wish to invest; and to invest in more mature, proven start-ups with strong growth potential.

Environmental Compliance

During the year ended December 31, 2016, $60 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 31,800 at December 31, 2016 and 32,300 at December 31, 2015. The net decrease in the number of full-time employees is primarily related to divestitures.

Financial Information About Foreign and U.S. Operations

Item 1A, "Risk Factors," and Item 2, "Properties," includes 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, 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 our 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 Integrated Risk Management (IRM) 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 IRM 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 IRM Program and as monitored by the IRM program 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 the Company and other agricultural merchandisers.

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 on-line idled capacity, 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 73 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, 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 163 countries. The Company is required to comply with the numerous and far-reaching laws and regulations administered by United States federal, state and local, and foreign governmental authorities. The Company must comply with other general business regulations such as 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, and regulations. 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, and regulations 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 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.

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, and foreign currency exchange rates. The Company monitors position limits 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 $4.5 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, 2016 was $4.2 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, 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 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 interruptions in its ability to manage its operations, loss of valuable data, 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.	147	6	153	287	88	375
International	107	11	118	102	37	139
	254	17	271	389	125	514

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 38 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 our customers around the world, the Company owns approximately 1,900 barges, 13,100 rail cars, 250 trucks, 1,200 trailers, and 10 oceangoing vessels; and leases, under operating leases, approximately 560 barges, 15,500 rail cars, 340 trucks, 120 trailers and 21 oceangoing vessels.

	Agricultural Services Processing Plants			
	Owned			Leased
	Merchandising & Handling	Milling & Other	Total	Milling & Other
North America				
U.S.*	2	28	30	—
Barbados	—	1	1	—
Belize	—	1	1	—
Canada	—	9	9	—
Grenada	—	1	1	—
Jamaica	—	2	2	—
Total	2	42	44	—
Daily capacity				
Metric tons (in 1,000's)	—	15	15	—
Europe				
United Kingdom	—	3	3	4
Total	—	3	3	4
Daily capacity				
Metric tons (in 1,000's)	—	1	1	1
Grand Total	2	45	47	4
Total daily capacity				
Metric tons (in 1,000's)	—	16	16	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	
	Merchandising & Handling	
	Owned	Leased
North America		
U.S.*	171	24
Dominican Republic	1	—
Total	172	24
Storage capacity		
Metric tons (in 1,000's)	13,559	1,178
South America		
Argentina	5	—
Ecuador	—	2
Total	5	2
Storage capacity		
Metric tons (in 1,000's)	502	340
Europe		
Hungary	1	—
Ireland	2	—
Poland	1	—
Romania	11	4
Ukraine	7	—
United Kingdom	—	5
Total	22	9
Storage capacity		
Metric tons (in 1,000's)	1,155	49
Grand Total	199	35
Total storage capacity		
Metric tons (in 1,000's)	15,216	1,567

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

	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	15	80	377
Europe					
Bulgaria	1	—	—	1	—
Turkey	1	—	—	1	—
Total	2	—	—	2	—
Daily/Storage capacity					
Metric tons (in 1,000's)	2	—	—	2	—
Asia					
China	—	—	4	4	—
Total	—	—	4	4	—
Daily/Storage capacity					
Metric tons (in 1,000's)	—	—	—	—	—
Africa					
Morocco	1	—	—	1	—
Total	1	—	—	1	—
Daily/Storage capacity					
Metric tons (in 1,000's)	55	—	—	55	—
Grand Total	8	3	39	50	6
Total daily/storage capacity					
Metric tons (in 1,000's)	100	22	15	137	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.

Item 2. PROPERTIES (Continued)

	Oilseeds Processing Plants						
	Owned				Leased		
	Crushing & Origination	Refining, Packaging, Biodiesel, & Other	Asia	Total	Crushing & Origination	Asia	Total
North America							
U.S.*	24	37	—	61	—	—	—
Canada	3	4	—	7	—	—	—
Mexico	1	—	—	1	—	—	—
Total	28	41	—	69	—	—	—
Daily capacity							
Metric tons (in 1,000's)	59	20	—	79	—	—	—
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	5	—	22	1	—	1
Europe							
Belgium	—	2	—	2	—	—	—
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	22	—	32	—	—	—
Daily capacity							
Metric tons (in 1,000's)	34	16	—	50	—	—	—
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	45	79	2	126	1	1	2
Total daily capacity							
Metric tons (in 1,000's)	110	43	1	154	1	1	2

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

	Oilseeds Processing Procurement Facilities					
	Owned			Leased		
	Crushing & Origination	Refining, Packaging, Biodiesel, & Other	Total	Crushing & Origination	Refining, Packaging, Biodiesel, & Other	Total
North America						
U.S.*	4	87	91	—	64	64
Canada	6	—	6	—	—	—
Mexico	—	—	—	—	1	1
Total	10	87	97	—	65	65
Storage capacity						
Metric tons (in 1,000's)	329	373	702	—	210	210
South America						
Argentina	—	—	—	1	—	1
Bolivia	5	—	5	—	—	—
Brazil	36	—	36	—	—	—
Chile	—	—	—	2	—	2
Colombia	—	—	—	8	—	8
Paraguay	14	—	14	2	—	2
Peru	—	—	—	3	—	3
Uruguay	1	—	1	6	—	6
Total	56	—	56	22	—	22
Storage capacity						
Metric tons (in 1,000's)	1,963	—	1,963	375	—	375
Europe						
Germany	4	—	4	—	—	—
Netherlands	1	—	1	—	—	—
Poland	4	—	4	—	—	—
Slovakia	2	—	2	—	—	—
United Kingdom	—	—	—	3	—	3
Total	11	—	11	3	—	3
Storage capacity						
Metric tons (in 1,000's)	800	—	800	81	—	81
Grand Total	77	87	164	25	65	90
Total storage capacity						
Metric tons (in 1,000's)	3,092	373	3,465	456	210	666

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

	Wild Flavors and Specialty Ingredients		
	Processing Plants		Procurement Facilities
	Owned	Leased	Owned
North America			
U.S.*	20	6	19
Canada	2	—	—
Total	22	6	19
Daily/Storage capacity			
Metric tons (in 1,000's)	—	—	324
South America			
Brazil	2	—	1
Total	2	—	1
Daily/Storage capacity			
Metric tons (in 1,000's)	—	—	—
Europe			
France	1	—	—
Germany	2	1	—
Netherlands	—	1	—
Poland	2	—	—
Spain	1	—	—
Turkey	—	1	—
Total	6	3	—
Daily/Storage capacity			
Metric tons (in 1,000's)	—	—	—
Asia			
India	—	1	—
Japan	1	—	—
Singapore	—	1	—
Total	1	2	—
Daily/Storage capacity			
Metric tons (in 1,000's)	—	—	—
Grand Total	31	11	20
Total storage capacity			
Metric tons (in 1,000's)	—	—	324

*The U.S. processing plants are located in California, Illinois, Iowa, Kentucky, Michigan, Nebraska, New Jersey, 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 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. See Note 20 of 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 High	Market Price Low	Cash Dividends Per Share
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**
Fiscal Year 2015-Quarter Ended			
December 31	$ 47.03	$ 33.84	$ 0.28
September 30	49.50	40.66	0.28
June 30	53.31	47.23	0.28
March 31	52.60	45.15	0.28

The number of registered stockholders of the Company's common stock at December 31, 2016, was 10,381.

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, 2016 to October 31, 2016	2,453,840	$ 42.408	2,453,840	34,524,426
November 1, 2016 to November 30, 2016	1,218,734	43.498	1,218,734	33,305,692
December 1, 2016 to December 31, 2016	1,967,783	45.173	1,967,783	31,337,909
Total	5,640,357	$ 43.608	5,640,357	31,337,909

(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, 2016, 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.

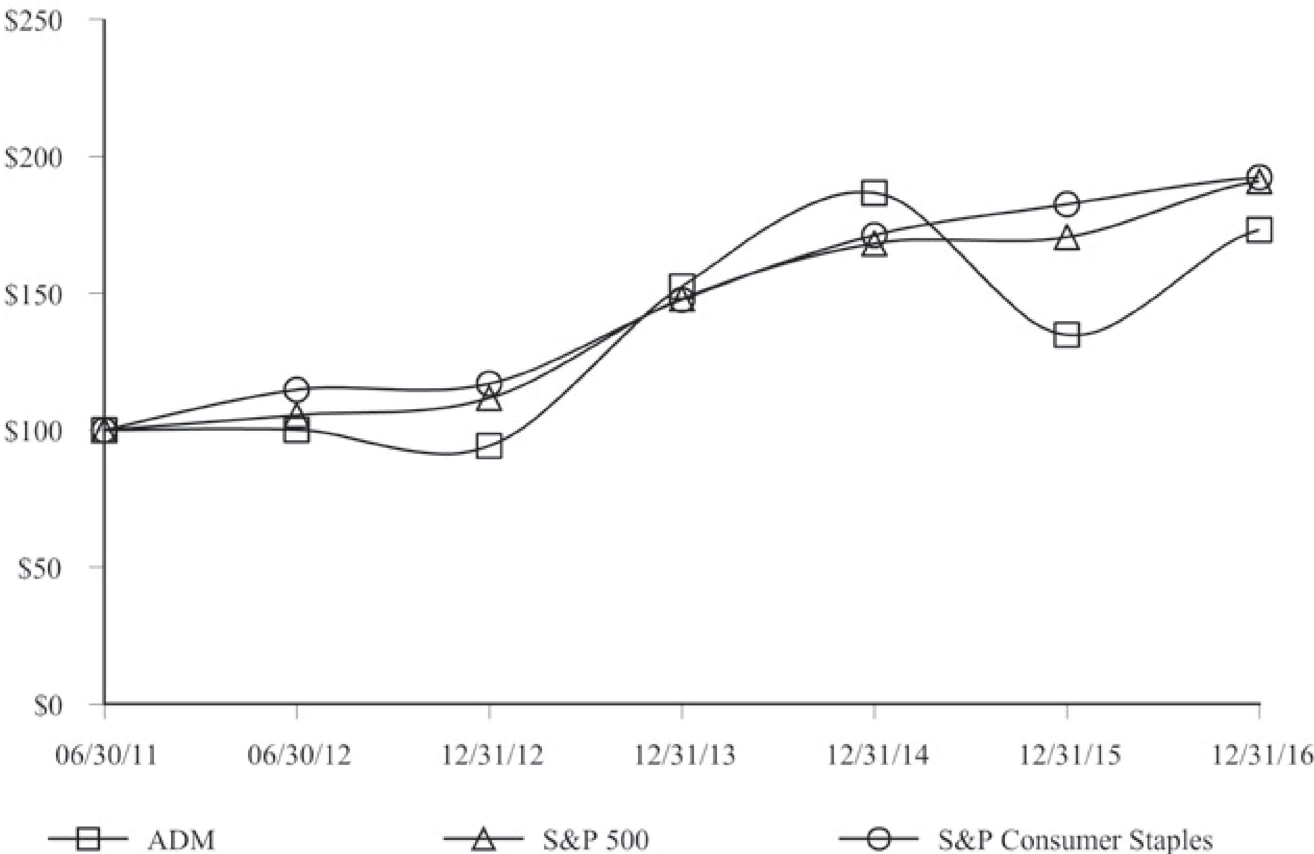
(2) On November 5, 2014, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to 100,000,000 shares of the Company's common stock during the period commencing January 1, 2015 and ending December 31, 2019.

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 June 30, 2011 and assumes all dividends have been reinvested through December 31, 2016.

COMPARISON OF 66 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				Six Months Ended December 31		Fiscal Year Ended June 30
	2016	2015	2014	2013	2012	2011 [1]	2012
Revenues	**$62,346**	$67,702	$81,201	$89,804	$46,729	$45,208	$ 89,038
Depreciation	**787**	799	850	827	396	391	793
Net earnings attributable to controlling interests	**1,279**	1,849	2,248	1,342	692	540	1,223
Basic earnings per common share	**2.18**	2.99	3.44	2.03	1.05	0.81	1.84
Diluted earnings per common share	**2.16**	2.98	3.43	2.02	1.05	0.81	1.84
Cash dividends	**701**	687	624	501	230	224	455
Per common share	**1.20**	1.12	0.96	0.76	0.35	0.335	0.685
Working capital	**7,872**	8,324	10,426	12,872	12,769	12,395	12,328
Current ratio	**1.6**	1.6	1.7	1.8	1.8	1.8	1.8
Inventories	**8,831**	8,243	9,374	11,441	13,836	12,415	12,192
Net property, plant, and equipment	**9,758**	9,853	9,851	10,069	10,097	9,601	9,787
Gross additions to property, plant, and equipment	**882**	1,350	1,357	947	641	1,058	1,719
Total assets	**39,769**	40,157	43,997	43,720	45,100	41,661	41,734
Long-term debt, excluding current maturities	**6,504**	5,779	5,528	5,315	6,420	6,722	6,498
Shareholders' equity	**17,181**	17,915	19,630	20,194	19,131	18,165	18,169
Per common share	**29.98**	30.11	30.82	30.64	29.03	27.44	27.57
Weighted average shares outstanding-basic	**588**	618	653	661	660	669	665
Weighted average shares outstanding-diluted	**591**	621	656	663	661	670	666

[1] Unaudited

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, 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 as discussed in Note 12 in Item 8; 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 as discussed in Note 12 in Item 8; 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 as discussed in Note 12 in Item 8; 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 as discussed in Note 18 in Item 8; 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 as discussed in Note 18 in Item 8; 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 as discussed in Note 12 in Item 8.

- 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, as discussed in Note 12 in Item 8; 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, as discussed in Note 18 in Item 8; 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).

- Net earnings attributable to controlling interests for the six months ended December 31, 2012 include an asset impairment charge of $146 million ($107 million after tax, equal to $0.16 per share) related to the Company's investments associated with Gruma; a gain of $62 million ($49 million after tax, equal to $0.07 per share) related to the Company's interest in GrainCorp; a gain of $39 million ($24 million after tax, equal to $0.04 per share) related to the sale of certain of the Company's exchange membership interests; and charges of $68 million ($44 million after tax, equal to $0.07 per share) related to pension settlements.

- Net earnings attributable to controlling interests for the six months ended December 31, 2011 include exit costs and asset impairment charges of $352 million ($222 million after tax, equal to $0.33 per share) related primarily to the writedown of the Company's Clinton, IA bioplastics facility.

- Net earnings attributable to controlling interests for the year ended June 30, 2012 include exit costs and asset impairment charges of $437 million ($274 million after tax, equal to $0.41 per share) related primarily to the bioplastics facility and global workforce reduction program.

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 and products. The Company uses its significant global asset base to originate and transport agricultural commodities, connecting to markets in 163 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 purchase in February 2016 of a controlling stake in Harvest Innovations, an industry leader in minimally processed, expeller-pressed soy proteins, oils, and gluten-free ingredients;
- the purchase in April 2016 of a 50% interest in Cairo-based Medsofts Group, a consolidated joint venture that owns and manages merchandising and supply chain operations;
- the sale in May 2016 of the sugarcane ethanol operations in Limeira do Oeste in the Brazilian state of Minas Gerais;
- the purchase in May 2016 of the remaining 60% interest in Amazon Flavors, a leading Brazilian manufacturer of natural extracts, emulsions and compounds;
- the acquisition in June 2016 of a Casablanca, Morocco-based corn wet mill that produces glucose and native starch;
- the purchase in September 2016 of Caterina Foods, a leading toll manufacturer of specialty gluten-free and high-protein pastas;
- the expansion in November 2016 of Olenex, a 37.5% joint venture with Wilmar, from a sales and marketing venture to a full function joint venture which owns and operates specialty oils and fats, palm refining, and tropical oils processing plants in Europe;
- the sale in December 2016 of the Company's 19.8% ownership interest in GrainCorp;
- the announcement in January 2017 of the sale of the Company's crop risk services businesses to Validus Holdings, a global group of insurance and reinsurance companies, which is subject to regulatory approval and expected to close in the first half of 2017; and
- 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.

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 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 equal 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 76 countries. For the majority of the Company's subsidiaries located outside the United States, the local currency is the functional currency. Revenues and expenses denominated in foreign currencies are translated into U.S. dollars at the weighted average exchange rates for the applicable periods. For the majority of the Company's business activities in Brazil, the functional currency is the U.S. dollar; however, certain transactions, including taxes, occur in local currency and require conversion to the functional currency. 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, 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, 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 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 the 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 prior year gain on sale of the global cocoa and chocolate businesses and lower earnings in the current year 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 current year include 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 prior year discrete tax benefit resulting mainly from the release of a $66 million valuation allowance compared to a $49 million discrete tax expense in the current year, 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 the current margin environment 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.

Following the sale of the cocoa business in October 2015, the remaining results of Cocoa and Other were combined with the results of Refining, Packaging, Biodiesel, and Other within the Oilseeds Processing segment effective January 1, 2016. Prior period results have been reclassified to conform to the current presentation.

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
Total Wild Flavors and Specialty Ingredients	**2,427**	2,407	20
Other - Financial	**408**	401	7
Total 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 8%, to $3.7 billion. The decrease in gross profit consists 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 the prior period ($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 31. 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 the prior year. 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 the prior year. 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. Prior year charges include 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. Current year charges include $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. Prior year income 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. Current year income includes $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:

(In millions)	2016	2015	Change
Agricultural Services			
Merchandising and Handling	**$ 216**	$ 334	$ (118)
Milling and Other	**274**	244	30
Transportation	**112**	136	(24)
Total Agricultural Services	**602**	714	(112)
Corn Processing			
Sweeteners and Starches	**657**	634	23
Bioproducts	**154**	14	140
Total Corn Processing	**811**	648	163
Oilseeds Processing			
Crushing and Origination	**378**	842	(464)
Refining, Packaging, Biodiesel, and Other	**343**	568	(225)
Asia	**150**	164	(14)
Total Oilseeds Processing	**871**	1,574	(703)
Wild Flavors and Specialty Ingredients	**286**	280	6
Total Wild Flavors and Specialty Ingredients	**286**	280	6
Other - Financial	**134**	56	78
Total Other	**134**	56	78
Total 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. Strong origination results in Argentina and the addition of destination marketing in Egypt through the Company's Medsofts joint venture were partially offset by the absence of a $27 million prior year gain on the revaluation of the Company's previously held investments in North Star Shipping and Minmetal in conjunction with the acquisition of the remaining interest. Milling and Other results increased 12%. Current period results include additional realized consideration related to the sale of the Company's equity investment in Gruma S.A.B de C.V. in December 2012 of $48 million. Transportation operating profit declined due to weak barge demand and lower freight rates.

Corn Processing operating profit increased 25%. 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 recent Eaststarch C.V. and Morocco acquisitions has progressed smoothly, significantly exceeding the Company's earnings accretion target. Bioproducts profit improved due to higher ethanol margins towards the end of the year, a $59 million gain, including recovery of loss provisions, related to the sale of the Company's Brazilian sugar ethanol facilities, and the absence of prior year's restructuring and fixed asset impairment charges of $75 million related to the sugar ethanol business.

Oilseeds Processing operating profit decreased 45%. Crushing and Origination operating profit declined driven primarily by lower global soy crush margins which were high last year, lower South American grain origination results caused by smaller soybean and corn crops in the region and year-over-year slower farmer-selling, absence of a $62 million prior year gain related to the sale of the 50% interest in the Barcarena export terminal facility in Brazil to Glencore plc, partially offset by strong softseed volumes and margins in North America. Refining, Packaging, Biodiesel, and Other results declined due to the gain of $244 million on the sale of the global cocoa and chocolate businesses in October 2015 and lower earnings in the current year due to the sale of these businesses, partially offset by 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 increased 2% due to strong results in flavors and systems, polyols, and natural health and nutrition products and a gain of $12 million related to the acquisition of the remaining interest in Amazon Flavors. These increases were partially offset by weaker sales of hydrocolloids and fibers, a short edible beans crop impacting volumes and costs, and operational issues at the specialty commodities unit.

Other - Financial 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 charge of $882 million in the current year 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 the current year 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 the current 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, other asset impairment and restructuring charges, partially offset by a gain related to a U.S. retiree medical benefit plan curtailment. Other charges in the prior year 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) and adjusted earnings before taxes, interest, and depreciation and amortization (EBITDA), 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.

Management believes that adjusted EPS and adjusted EBITDA 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 and adjusted EBITDA are not intended to replace or be an alternative to diluted EPS and earnings before income taxes, 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, 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 $71 million) [1]	**—**	**—**	118	0.19
Certain discrete tax adjustments	**24**	**0.04**	(60)	(0.10)
Adjusted net earnings and EPS	**$ 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 applicable tax rates.

The table below provides 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	**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)
Agricultural Services			
Earnings before income taxes	**$ 602**	$ 714	$ (112)
Depreciation and amortization	**199**	196	3
Gain on sale and revaluation of assets	**(43)**	(33)	(10)
Asset impairment, restructuring, and settlement charges	**14**	3	11
Agricultural Services Adjusted EBITDA	**772**	880	(108)
Corn Processing			
Earnings before income taxes	**811**	648	163
Depreciation and amortization	**354**	337	17
Gain on sale and revaluation of assets	**(59)**	(191)	132
Asset impairment, restructuring, and settlement charges	**8**	136	(128)
Corn Processing Adjusted EBITDA	**1,114**	930	184
Oilseeds Processing			
Earnings before income taxes	**871**	1,574	(703)
Interest expense	**4**	3	1
Depreciation and amortization	**194**	195	(1)
Gain on sale and revaluation of assets	**—**	(306)	306
Asset impairment, restructuring, and settlement charges	**9**	66	(57)
Oilseeds Processing Adjusted EBITDA	**1,078**	1,532	(454)
Wild Flavors and Specialty Ingredients			
Earnings before income taxes	**286**	280	6
Interest expense	**—**	3	(3)
Depreciation and amortization	**90**	89	1
Gain on sale and revaluation of assets	**(12)**	—	(12)
Asset impairment, restructuring, and settlement charges	**1**	9	(8)
Wild Flavors and Specialty Ingredients Adjusted EBITDA	**365**	381	(16)
Other - Financial			
Earnings before income taxes	**134**	56	78
Interest expense	**3**	1	2
Depreciation and amortization	**7**	7	—
Other - Financial Adjusted EBITDA	**144**	64	80

(In millions)	2016	2015	Change
Corporate			
Earnings before income taxes	**(882)**	(988)	106
Interest expense	**286**	301	(15)
Depreciation and amortization	**56**	49	7
LIFO	**19**	(2)	21
Loss on sale and revaluation of assets	**5**	—	5
Asset impairment, restructuring, and settlement charges	**85**	53	32
Post-retirement benefit curtailment	**(38)**	—	(38)
Loss on debt extinguishment	**—**	189	(189)
Corporate Adjusted EBITDA	**(469)**	(398)	(71)
Total Adjusted EBITDA	**$ 3,004**	$ 3,389	$ (385)

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

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 by the ample global supply of agricultural commodities which limited merchandising opportunities, reduced demand for North American grain exports, and moderated commodity prices throughout the year 2015. The increase in global supply was due to several large harvests which built up world grain stocks to historically high levels. In addition, the U.S. dollar continued to be firm against weakening global currencies, particularly those in major crop growing countries such as Brazil, Argentina, and Ukraine. This resulted in margin pressure and decreased North American export volumes most of 2015, partially offset by higher domestic grain demand. Transportation was also impacted by the decreased North American export volumes as well as lower global freight rates. Demand and prices for sweeteners and starches remained solid while co-product prices weakened. 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. Despite strong demand, ethanol margins were weak due to record-high levels of U.S. industry production for most 2015, leading to excess inventory. Overall demand for global protein meal and vegetable oil remained strong, especially in North America. South American oilseeds saw significantly higher volumes and margins for grain origination and exports due to the significant depreciation of the Brazilian Real against the U.S. dollar. Lower softseed availability affected seed basis, resulting in lower softseed crushing volumes and weaker margins, particularly in Europe. Biodiesel demand resulting from international biofuel standards continued to support demand for crude and refined vegetable oil, although demand for biodiesel was softer throughout 2015 due to weaker economic conditions in certain countries. The Wild Flavors and Specialty Ingredients business continued to focus on cost synergies and new revenue opportunities amid economic uncertainty in many emerging economies and some softening in demand. Customers' interest to develop innovative, healthy, and nutritious food products in response to macro trends in diet and demographics remained strong and continued to grow.

Net earnings attributable to controlling interests decreased $0.4 billion to $1.8 billion. Segment operating profit was down 16%, due primarily to weaker ethanol margins and lower volumes and margins of North American grain exports. Corporate results in 2015 include a charge of $189 million related to the repurchase of outstanding debt, in addition to a credit of $2 million from the effect of decreasing agricultural commodity prices on LIFO inventory valuation reserves, compared to a LIFO credit of $245 million in 2014.

Income taxes decreased from $877 million to $438 million due to lower earnings before income taxes and a decreased effective tax rate. The Company's effective tax rate for 2015 decreased to 19% compared to 28% for 2014 due primarily to low tax rates on significant one-time gains related to portfolio actions, a $70 million favorable impact of discrete items, mainly the release of a $66 million valuation allowance, and changes in the geographic mix of pretax earnings.

Analysis of Statements of Earnings

Processed volumes by product for the years ended December 31, 2015 and 2014 are as follows (in metric tons):

(In thousands)	2015	2014	Change
Oilseeds	**33,817**	32,208	1,609
Corn	**23,126**	23,668	(542)
Total	**56,943**	55,876	1,067

The Company generally operates its production facilities, on an overall basis, at or near capacity, adjusting facilities individually, as needed, to react to current and seasonal local supply and demand conditions. Record volumes of oilseeds were processed during 2015, increased from 2014 as a result of the strong demand environment for soybean meal. Processed volumes of corn decreased in response to high ethanol industry production which outpaced demand throughout the year 2015.

Following the sale of the cocoa business in October 2015, the remaining results of Cocoa and Other were combined with the results of Refining, Packaging, Biodiesel, and Other within the Oilseeds Processing segment effective January 1, 2016. Results prior to January 1, 2016 have been reclassified to conform to the current presentation.

Revenues by segment for the years ended December 31, 2015 and 2014 are as follows:

(In millions)	2015	2014	Change
Agricultural Services			
Merchandising and Handling	$ 25,957	$ 32,208	$ (6,251)
Milling and Other	3,479	3,815	(336)
Transportation	246	265	(19)
Total Agricultural Services	29,682	36,288	(6,606)
Corn Processing			
Sweeteners and Starches	3,713	3,767	(54)
Bioproducts	6,282	8,515	(2,233)
Total Corn Processing	9,995	12,282	(2,287)
Oilseeds Processing			
Crushing and Origination	15,597	18,542	(2,945)
Refining, Packaging, Biodiesel, and Other	9,364	11,937	(2,573)
Asia	256	454	(198)
Total Oilseeds Processing	25,217	30,933	(5,716)
Wild Flavors and Specialty Ingredients	2,407	1,368	1,039
Total Wild Flavors and Specialty Ingredients	2,407	1,368	1,039
Other - Financial	401	330	71
Total Other	401	330	71
Total	$ 67,702	$ 81,201	$ (13,499)

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 17% due principally to lower sales prices ($12.9 billion) and lower sales volumes ($0.6 billion). Sales prices decreased principally due to lower underlying agricultural commodity prices, in particular prices of soybeans, corn, and wheat, and $5.8 billion in foreign currency translation impacts due to the strength of the U.S. dollar. Agricultural Services revenues decreased 18% primarily due to lower sales prices ($5.3 billion) and lower sales volumes ($1.3 billion). Corn Processing revenues decreased 19% due principally to lower sales prices ($1.9 billion) and lower sales volumes ($0.4 billion). Oilseeds Processing revenues decreased 18% due principally to lower sales prices ($5.5 billion) and lower sales volumes ($0.2 billion). Wild Flavors and Specialty Ingredients revenues increased 76% due principally to higher sales volumes resulting from the inclusion of the full year results of Wild Flavors and SCI, which were acquired during the fourth quarter of fiscal 2014 ($1.2 billion), partially offset by lower prices ($0.2 billion).

Cost of products sold decreased $12.8 billion to $63.7 billion due principally to lower average commodity prices, including $5.6 billion from foreign currency translation impacts due to the strength of the U.S. dollar, and lower manufacturing costs. Included in cost of products sold is a credit of $2 million from the effect of decreasing agricultural commodity prices on LIFO inventory valuation reserves compared to a credit of $245 million in 2014. Manufacturing expenses decreased $291 million to $5.5 billion primarily due to lower fuel prices, partially offset by increased employee benefit costs due to the inclusion of the full year costs for WILD Flavors and SCI.

Gross profit decreased $0.7 billion, or 16%, to $4.0 billion due principally to lower ethanol margins ($0.6 billion) and foreign currency translation impacts ($0.2 billion). The inclusion of the full year results of Wild Flavors and SCI was partially offset by lower credit from the effect of decreasing agricultural commodity prices on LIFO valuation reserves. These factors are explained in the segment operating profit discussion on page 38. 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 increased $106 million to $2.0 billion due principally to increased expenses of $219 million related to the inclusion of the full year results of Wild Flavors and SCI in 2015 compared to three-month results in 2014 partially offset by decreased pension expense primarily due to a $98 million one-time pension settlement in 2014.

Asset impairment, exit, and restructuring costs recognized in 2015 of $200 million consisted of 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. Asset impairment, exit, and restructuring costs recognized in 2014 of $105 million consisted of costs associated with the relocation of the Company's global headquarters to Chicago, Illinois of $16 million, restructuring charges related primarily to the Wild Flavors acquisition and to the integration of a subsidiary following the acquisition of the minority interest of $48 million, other-than-temporary investment writedown of $6 million, and several individually insignificant fixed asset impairments of $35 million.

Interest expense declined $29 million to $308 million primarily due to lower interest rates resulting from the issuance of Euro-denominated debt and the repurchase of certain of the Company's U.S. dollar-denominated outstanding debentures.

Equity in earnings of unconsolidated affiliates increased $18 million to $390 million primarily due to higher earnings from the Company's investment in CIP.

Other income increased $77 million from $273 million to $350 million. Other income in the year ended December 31, 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 Start 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 in 2015 and loss provisions of $45 million related to sugar ethanol facilities in Brazil. Other income in the year ended December 31, 2014 consisted primarily of gains of $156 million upon the Company's effective dilution in the Pacificor joint venture and $126 million on the sale of the fertilizer business, partially offset by losses of $102 million on Euro foreign currency derivative contracts entered into to economically hedge the Wild Flavors acquisition.

Operating profit by segment and earnings before income taxes for the year ended December 31, 2015 and 2014 are as follows:

(In millions)	2015	2014	Change
Agricultural Services			
Merchandising and Handling	$ 334	$ 653	$ (319)
Milling and Other	244	203	41
Transportation	136	187	(51)
Total Agricultural Services	714	1,043	(329)
Corn Processing			
Sweeteners and Starches	634	433	201
Bioproducts	14	715	(701)
Total Corn Processing	648	1,148	(500)
Oilseeds Processing			
Crushing and Origination	842	868	(26)
Refining, Packaging, Biodiesel, and Other	568	405	163
Asia	164	167	(3)
Total Oilseeds Processing	1,574	1,440	134
Wild Flavors and Specialty Ingredients	280	205	75
Total Wild Flavors and Specialty Ingredients	280	205	75
Other - Financial	56	79	(23)
Total Other	56	79	(23)
Total Segment Operating Profit	3,272	3,915	(643)
Corporate	(988)	(785)	(203)
Earnings Before Income Taxes	$ 2,284	$ 3,130	$ (846)

Corporate results are as follows:

(In millions)	2015	2014	Change
LIFO credit (charge)	$ 2	$ 245	$ (243)
Interest expense - net	(297)	(318)	21
Unallocated corporate costs	(433)	(414)	(19)
Other charges	(242)	(228)	(14)
Minority interest and other	(18)	(70)	52
Total Corporate	$ (988)	$ (785)	$ (203)

Agricultural Services operating profit decreased 32%. Merchandising and Handling results decreased on fewer merchandising opportunities and lower margins due to ample global supplies of grain, reduced U.S. export competitiveness during the second half of 2015 due to the strong U.S. dollar, and a large South American harvest. Also contributing to the decrease were the absence of a 2014 gain of $17 million related to a partial recovery of a loss provision and a 2014 gain of $156 million from the Company's effective dilution in the Pacificor joint venture, partially offset by a 2015 gain of $27 million on the revaluation of the Company's previously held investments in North Star Shipping and Minmetal in conjunction with the acquisition of the remaining interests. Milling and Other results improved due to higher product margins and strong merchandising results. Transportation results declined due to lower freight rates and volumes driven by reduced U.S. export volumes in the second half of 2015.

Corn Processing operating profit decreased 44%. Included in the 2015 operating profit is approximately $13 million of mark-to-market losses related to hedge timing effects compared to $25 million of gains in 2014. Excluding these items, Sweeteners and Starches operating profit increased $213 million due principally to the $185 million gain from the revaluation of the Company's previously held investment in Eaststarch C.V. in conjunction with the acquisition of the remaining interest in November 2015. Also contributing to the increase were lower raw material costs and good demand relative to supply of products. Excluding hedge timing effects, Bioproducts operating profit declined by $675 million primarily due to lower industry ethanol margins. Strong industry production levels resulted in high industry inventory levels which kept industry margins considerably lower than 2014, despite increased domestic and export demand. Also contributing to the decrease were restructuring and fixed asset impairment charges of $75 million and loss provisions of $45 million related to the sugar ethanol business in Brazil.

Oilseeds Processing operating profit increased 9%. Included in the 2015 operating profit is $45 million of mark-to-market gains related to cocoa hedge timing effects compared to $17 million of losses in 2014. Crushing and Origination operating profit includes a 2015 gain of $62 million related to the sale of assets to the new Barcarena export terminal joint venture in Brazil and a 2014 gain of $126 million related to the sale of the fertilizer business. Excluding these gains, Crushing and Origination operating profit increased $38 million primarily due to strong North American & European soybean crushing volumes and margins through the first half of 2015, driven by strong demand and an ample global bean supply. Starting in the third quarter and continuing in the fourth quarter of 2015, global soybean crush margins declined as the more competitive Argentine meal was anticipated to enter the already well-supplied global markets due to changes in Argentine policies. Softseed margins and volumes were lower, particularly in Europe, resulting from weaker global demand for vegetable oil. Large South American corn and soybean harvests also helped support a significant improvement in South America origination results. Refining, Packaging, Biodiesel, and Other operating profit declined primarily due to lower South American and European results partially offset by improved margins in North American oil refining operations. Excluding hedge timing effects, Cocoa and Other results increased $149 million. The 2015 gain of $244 million on the sale of the global cocoa and chocolate business was partially offset by lower earnings due to the sale of these businesses and lower cocoa press margins and peanut processing results. Asia results declined due principally to long-lived asset and goodwill impairments partially offset by an increase from the Company's share of its results from its equity investee, Wilmar.

Wild Flavors and Specialty Ingredients operating profit increased due primarily to the acquisitions of Wild Flavors and SCI during the fourth quarter of fiscal 2014. Incremental earnings from these acquisitions were partially offset by lower overall results in the other specialty ingredients businesses due to weakness in many emerging economies and a strong U.S. dollar, which reduced volumes and margins across a number of product lines.

Corporate results were a net charge of $988 million in 2015 compared to $785 million in 2014. The effects of changing commodity prices on LIFO inventory valuations resulted in a credit of $2 million in 2015 compared to a credit of $245 million in 2014. Interest expense - net declined due principally to lower interest rates. Unallocated corporate costs increased $19 million due primarily to increased pension expense resulting from the adoption of a new mortality assumption, increased spending on the Company's ERP program and various strategic business improvement projects, partially offset by lower employee compensation expense. Other charges in 2015 consisted of a $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. Other charges in 2014 consisted of a $102 million loss on Euro foreign currency derivative contracts entered into to economically hedge the Wild Flavors acquisition, costs associated with the relocation of the Company's global headquarters to Chicago, Illinois of $16 million, restructuring charges related to the Alfred C. Toepfer International integration and other restructuring charges of $15 million, and pension settlement of $98 million. Minority interest and other expense in 2014 consisted primarily of a $56 million loss related to the Company's equity method investment in CIP.

Non-GAAP Financial Measures

The Company uses adjusted earnings per share (EPS) and adjusted earnings before taxes, interest, and depreciation and amortization (EBITDA), 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.

Management believes that adjusted EPS and adjusted EBITDA 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 and adjusted EBITDA are not intended to replace or be an alternative to diluted EPS and earnings before income taxes, 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, 2015 and 2014.

	2015		2014	
	In millions	Per share	In millions	Per share
Average number of shares outstanding - diluted	621		656	
Net earnings and reported EPS (fully diluted)	$ 1,849	$ 2.98	$ 2,248	$ 3.43
Adjustments:				
LIFO credit (net of tax of $1 million in 2015 and $93 million in 2014) [1]	(1)	—	(152)	(0.23)
Gain on sale and revaluation of assets (net of tax of $15 million in 2015 and $105 million in 2014) [2]	(515)	(0.83)	(186)	(0.29)
Charges related to Wild Flavors (net of tax of $51 million) [1]	—	—	84	0.13
Asset impairment, restructuring, and settlement charges (net of tax of $37 million in 2015 and $62 million in 2014) [2]	230	0.37	107	0.16
Loss on debt extinguishment (net of tax of $71 million) [1]	118	0.19	—	—
Certain discrete tax adjustments	(60)	(0.10)	15	0.03
Total adjustments	(228)	(0.37)	(132)	(0.20)
Adjusted net earnings and EPS	$ 1,621	$ 2.61	$ 2,116	$ 3.23

[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 table below provides a reconciliation of earnings before income taxes to adjusted EBITDA and adjusted EBITDA by segment for the years ended December 31, 2015 and 2014.

(In millions)	2015	2014	Change
Earnings before income taxes	$ 2,284	$ 3,130	$ (846)
Interest expense	308	337	(29)
Depreciation and amortization	873	877	(4)
LIFO	(2)	(245)	243
Gain on sale and revaluation of assets	(530)	(291)	(239)
Charges related to Wild Flavors	—	135	(135)
Asset impairment, restructuring, and settlement charges	267	170	97
Loss on debt extinguishment	189	—	189
Adjusted EBITDA	$ 3,389	$ 4,113	$ (724)
Agricultural Services			
Earnings before income taxes	$ 714	$ 1,043	$ (329)
Interest expense	—	1	(1)
Depreciation and amortization	196	195	1
Gain on sale and revaluation of assets	(33)	(156)	123
Asset impairment, restructuring, and settlement charges	3	14	(11)
Agricultural Services Adjusted EBITDA	880	1,097	(217)
Corn Processing			
Earnings before income taxes	648	1,148	(500)
Depreciation and amortization	337	334	3
Gain on sale and revaluation of assets	(191)	—	(191)
Asset impairment, restructuring, and settlement charges	136	18	118
Corn Processing Adjusted EBITDA	930	1,500	(570)
Oilseeds Processing			
Earnings before income taxes	1,574	1,440	134
Interest expense	3	8	(5)
Depreciation and amortization	195	247	(52)
Gain on sale and revaluation of assets	(306)	(126)	(180)
Asset impairment, restructuring, and settlement charges	66	3	63
Oilseeds Processing Adjusted EBITDA	1,532	1,572	(40)
Wild Flavors and Specialty Ingredients			
Earnings before income taxes	280	205	75
Interest expense	3	7	(4)
Depreciation and amortization	89	41	48
Charges related to Wild Flavors	9	33	(24)
Wild Flavors and Specialty Ingredients Adjusted EBITDA	381	286	95
Other - Financial			
Earnings before income taxes	56	79	(23)
Interest expense	1	1	—
Depreciation and amortization	7	5	2
Other - Financial Adjusted EBITDA	64	85	(21)

(In millions)	2015	2014	Change
Corporate			
Earnings before income taxes	(988)	(785)	(203)
Interest expense	301	320	(19)
Depreciation and amortization	49	55	(6)
LIFO	(2)	(245)	243
Gain on sale and revaluation of assets	—	(9)	9
Asset impairment, restructuring, and settlement charges	53	135	(82)
Charges related to Wild Flavors	—	102	(102)
Loss on debt extinguishment	189	—	189
Corporate Adjusted EBITDA	(398)	(427)	29
Total Adjusted EBITDA	$ 3,389	$ 4,113	$ (724)

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 $1.5 billion for 2016 compared to $2.5 billion in 2015. Working capital changes decreased cash by $0.6 billion in the current year compared to providing cash of $0.2 billion in the prior year. Trade receivables increased $0.2 billion due principally to lower receivables sold under the accounts receivable securitization programs. Inventories increased approximately $0.7 billion at December 31, 2016 compared to December 31, 2015 due to higher inventory quantities and higher prices. The Company made a $0.2 billion voluntary contribution to the U.S. pension plans in 2015 and 2016. Cash used in investing activities was $1.2 billion this year compared to $21 million last year. Capital expenditures and net assets of businesses acquired were $1.0 billion this year compared to $1.6 billion last year. Proceeds from the sale of businesses and assets were $0.2 billion this year compared to $1.8 billion last year. Sales of marketable securities, net of purchases, were $0.3 billion this year compared to $35 million last year. Investments in and advances to affiliates include additional investments in Wilmar of $0.6 billion for the year compared to $0.1 billion last year. Cash used in financing activities was $0.6 billion this year compared to $2.6 billion last year. Long-term debt borrowings in the current year related to the $1.0 billion of new notes issued on August 11, 2016 compared to $1.2 billion in the prior year which related to the €1.1 billion ($1.2 billion) of notes issued on June 24, 2015. Long-term debt payments in the prior year included the purchase of $935 million aggregate principal amount of certain of the Company's outstanding debentures for $1.1 billion pursuant to the cash tender offers and debt redemption. Treasury stock purchases were $1.0 billion in the current year compared to $2.0 billion in last year.

At December 31, 2016, the Company had $0.9 billion of cash, cash equivalents, and short-term marketable securities and a current ratio, defined as current assets divided by current liabilities, of 1.6 to 1. Included in working capital is $5.8 billion of readily marketable commodity inventories. At December 31, 2016, the Company's capital resources included shareholders' equity of $17.2 billion and lines of credit totaling $6.9 billion, of which $5.8 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, 2016 and 24% at December 31, 2015. 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 26% at December 31, 2016 and 20% at December 31, 2015. Of the Company's total lines of credit, $4.0 billion support a commercial paper borrowing facility, against which there was no commercial paper outstanding at December 31, 2016.

As of December 31, 2016, the Company had $0.6 billion of cash and cash equivalents, $0.3 billion of which is cash held by foreign subsidiaries whose undistributed earnings are considered permanently 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 permanently reinvested outside the U.S.

The Company has accounts receivable securitization programs (the "Programs") with certain commercial paper conduit purchasers and committed purchasers. The Programs provide the Company with up to $1.5 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, 2016, the Company utilized $1.0 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 68.7 million shares under this program as of December 31, 2016.

The Company expects capital expenditures of $1.3 billion during 2017. In 2017, the Company expects additional cash outlays of approximately $0.7 billion in dividends and $1.0 billion to $1.5 billion in share repurchases, subject to strategic capital requirements.

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, 2016.

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 $55 million as of December 31, 2016 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	Item 8 Note Reference	Total	Payments Due by Period			
			Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
			(In millions)			
Purchases						
Inventories		$ 9,335	$ 9,196	$ 136	$ 3	$ —
Energy		529	246	194	89	—
Other		699	465	178	7	49
Total purchases		10,563	9,907	508	99	49
Short-term debt		154	154	—	—	—
Long-term debt	Note 10	6,777	273	1,116	689	4,699
Estimated interest payments		4,704	291	508	477	3,428
Operating leases	Note 14	843	220	291	145	187
Estimated pension and other postretirement plan contributions [(1)]	Note 15	148	43	24	24	57
Total		$ 23,189	$ 10,888	$ 2,447	$ 1,434	$ 8,420

(1) Includes pension contributions of $30 million for fiscal 2017. The Company is unable to estimate the amount of pension contributions beyond fiscal year 2017. For more information concerning the Company's pension and other postretirement plans, see Note 15 in Item 8.

At December 31, 2016, the Company estimates it will spend approximately $1.5 billion through fiscal year 2021 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 $1.1 billion at December 31, 2016 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, 2016, outstanding lease balances, including the value of the underlying assets of $170 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 $5 million of rent expense pertaining to synthetic lease payments for each of the years ended December 31, 2016, 2015, and 2014.

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, 2016 are valued at estimated fair values, including $4.4 billion of merchandisable agricultural commodity inventories, $0.6 billion of derivative assets, $0.7 billion of derivative liabilities, and $0.5 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 $1.5 billion of assets and $0.2 billion of liabilities represent fair value estimates where unobservable price components represent 10% or more of the total fair value price. For more information concerning amounts reported as Level 3, see Note 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 fix the purchase price of anticipated volumes of commodities to be purchased and processed in a future month, to fix the purchase price of the Company's anticipated natural gas requirements for certain production facilities, and to fix the sales price of anticipated volumes of ethanol. 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 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 in affiliates are carried at cost plus equity in undistributed earnings and are adjusted, where appropriate, for amortizable basis differences between the investment balance and the underlying net assets of the investee. 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 2016, the Company decreased valuation allowances by approximately $86 million primarily related to the divestiture of an impaired entity. 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 $9.3 billion at December 31, 2016, are considered to be permanently reinvested, and accordingly, no provision for U.S. income taxes has been provided thereon. If the Company were to receive distributions from any of these foreign subsidiaries or affiliates or determine the undistributed earnings of these foreign subsidiaries or affiliates to not be permanently reinvested, the Company could be subject to U.S. tax liabilities which have not been provided for in the consolidated financial statements.

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, 2016, 2015, and 2014, impairment charges for property, plant, and equipment were $17 million, $108 million, and $35 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 ASC Topic 805, *Business Combinations,* as amended. Assets acquired and liabilities assumed, based on preliminary purchase price allocations, are adjusted to 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. 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. 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). There were no impairment charges recorded for goodwill and indefinite-lived intangible assets during the year ended December 31, 2014. 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 eligible U.S. employees who retire under qualifying conditions with access to postretirement health care, at full cost to the retiree (certain employees are "grandfathered" into subsidized coverage while others are provided with 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.

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, 2016 and 2015 together with the market risk from a hypothetical 10% adverse price change is as follows:

Long/(Short)	December 31, 2016		December 31, 2015	
	Fair Value	Market Risk	Fair Value	Market Risk
	(In millions)			
Highest position	**$ 876**	**$ 88**	$ (49)	$ (5)
Lowest position	**(529)**	**(53)**	(1,851)	(185)
Average position	**27**	**3**	(715)	(72)

The change in fair value of the average position was principally the result of a decrease in average quantities underlying the weekly commodity position.

Currencies

The Company has consolidated subsidiaries in 76 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 permanently 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 permanently invested in foreign subsidiaries and affiliates and translated into dollars using the year-end exchange rates is $7.3 billion and $8.0 billion at December 31, 2016 and 2015, respectively. The decrease is due to the depreciation of foreign currencies versus the U.S. dollar of $0.4 billion and the decrease in retained earnings of the foreign subsidiaries and affiliates of $0.3 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 $728 million and $809 million for December 31, 2016 and 2015, 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, 2016	December 31, 2015
	(In millions)	
Fair value of long-term debt	**$ 7,494**	$ 6,718
Excess of fair value over carrying value	**990**	938
Market risk	**317**	307

The fair value of long-term debt increased primarily due to the $1.0 billion new debt issued on August 11, 2016.

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		
	2016	**2015**	**2014**
Revenues	**$ 62,346**	$ 67,702	$ 81,201
Cost of products sold	**58,662**	63,682	76,433
Gross Profit	**3,684**	4,020	4,768
Selling, general and administrative expenses	**2,045**	2,039	1,933
Asset impairment, exit, and restructuring costs	**55**	200	105
Interest expense	**293**	308	337
Equity in earnings of unconsolidated affiliates	**(292)**	(390)	(372)
Interest income	**(92)**	(71)	(92)
Other (income) expense - net	**(147)**	(350)	(273)
Earnings Before Income Taxes	**1,822**	2,284	3,130
Income taxes	**534**	438	877
Net Earnings Including Noncontrolling Interests	**1,288**	1,846	2,253
Less: Net earnings (losses) attributable to noncontrolling interests	**9**	(3)	5
Net Earnings Attributable to Controlling Interests	**$ 1,279**	$ 1,849	$ 2,248
Average number of shares outstanding – basic	**588**	618	653
Average number of shares outstanding – diluted	**591**	621	656
Basic earnings per common share	**$ 2.18**	$ 2.99	$ 3.44
Diluted earnings per common share	**$ 2.16**	$ 2.98	$ 3.43

See notes to consolidated financial statements.

Archer-Daniels-Midland Company

Consolidated Statements of Comprehensive Income (Loss)

(In millions)	Year Ended December 31		
	2016	**2015**	**2014**
Net earnings including noncontrolling interests	**$ 1,288**	$ 1,846	$ 2,253
Other comprehensive income (loss):			
Foreign currency translation adjustment	**(467)**	(962)	(954)
Tax effect	**(10)**	(11)	30
Net of tax amount	**(477)**	(973)	(924)
Pension and other postretirement benefit liabilities adjustment	**(1)**	154	(464)
Tax effect	**3**	(47)	164
Net of tax amount	**2**	107	(300)
Deferred gain (loss) on hedging activities	**33**	(99)	68
Tax effect	**(12)**	37	(26)
Net of tax effect	**21**	(62)	42
Unrealized gain (loss) on investments	**3**	20	(5)
Tax effect	**(2)**	2	2
Net of tax effect	**1**	22	(3)
Other comprehensive income (loss)	**(453)**	(906)	(1,185)
Comprehensive income (loss)	**835**	940	1,068
Less: Comprehensive income (loss) attributable to noncontrolling interests	**8**	(4)	4
Comprehensive income (loss) attributable to controlling interests	**$ 827**	$ 944	$ 1,064

See notes to consolidated financial statements.

Archer-Daniels-Midland Company
Consolidated Balance Sheets

(In millions)	December 31, 2016	December 31, 2015
Assets		
Current Assets		
Cash and cash equivalents	**$ 619**	$ 910
Short-term marketable securities	**296**	438
Segregated cash and investments	**5,011**	5,214
Trade receivables	**1,905**	1,738
Inventories	**8,831**	8,243
Other current assets	**4,383**	5,286
Total Current Assets	**21,045**	21,829
Investments and Other Assets		
Investments in and advances to affiliates	**4,497**	3,901
Long-term marketable securities	**187**	439
Goodwill and other intangible assets	**3,703**	3,688
Other assets	**579**	447
Total Investments and Other Assets	**8,966**	8,475
Property, Plant, and Equipment		
Land	**445**	454
Buildings	**4,679**	4,715
Machinery and equipment	**17,160**	17,159
Construction in progress	**1,213**	946
	23,497	23,274
Accumulated depreciation	**(13,739)**	(13,421)
Net Property, Plant, and Equipment	**9,758**	9,853
Total Assets	**$ 39,769**	$ 40,157
Liabilities and Shareholders' Equity		
Current Liabilities		
Short-term debt	**$ 154**	$ 86
Trade payables	**3,606**	3,474
Payables to brokerage customers	**5,158**	5,820
Accrued expenses and other payables	**3,982**	4,113
Current maturities of long-term debt	**273**	12
Total Current Liabilities	**13,173**	13,505
Long-Term Liabilities		
Long-term debt	**6,504**	5,779
Deferred income taxes	**1,669**	1,563
Other	**1,218**	1,395
Total Long-Term Liabilities	**9,391**	8,737
Temporary Equity - Redeemable noncontrolling interest	**24**	—
Shareholders' Equity		
Common stock	**2,327**	3,180
Reinvested earnings	**17,444**	16,865
Accumulated other comprehensive income (loss)	**(2,598)**	(2,146)
Noncontrolling interests	**8**	16
Total Shareholders' Equity	**17,181**	17,915
Total Liabilities, Temporary Equity, and Shareholders' Equity	**$ 39,769**	$ 40,157

See notes to consolidated financial statements.

Archer-Daniels-Midland Company

Consolidated Statements of Cash Flows

(In millions)	Year Ended December 31		
	2016	**2015**	**2014**
Operating Activities			
Net earnings including noncontrolling interests	**$ 1,288**	$ 1,846	$ 2,253
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities			
Depreciation and amortization	**900**	882	894
Asset impairment charges	**34**	129	41
Deferred income taxes	**56**	(7)	(59)
Equity in earnings of affiliates, net of dividends	**(61)**	(50)	(215)
Stock compensation expense	**74**	79	55
Pension and postretirement accruals (contributions), net	**(135)**	(112)	13
Loss on debt extinguishment	**—**	189	—
Gain on sale and revaluation of assets	**(130)**	(572)	(351)
Other – net	**34**	(152)	71
Changes in operating assets and liabilities			
Segregated cash and investments	**262**	(314)	(954)
Trade receivables	**(160)**	913	425
Inventories	**(654)**	872	1,274
Other current assets	**(176)**	460	220
Trade payables	**161**	(774)	(94)
Payables to brokerage customers	**87**	24	1,167
Accrued expenses and other payables	**(105)**	(943)	203
Total Operating Activities	**1,475**	2,470	4,943
Investing Activities			
Purchases of property, plant, and equipment	**(882)**	(1,125)	(894)
Net assets of businesses acquired	**(130)**	(479)	(2,758)
Proceeds from sale of business and assets	**195**	1,765	414
Cash divested from deconsolidation	**—**	—	(12)
Investments in and advances to affiliates	**(662)**	(226)	(184)
Purchases of marketable securities	**(1,401)**	(1,084)	(1,344)
Proceeds from sales of marketable securities	**1,659**	1,119	1,239
Other – net	**10**	9	132
Total Investing Activities	**(1,211)**	(21)	(3,407)
Financing Activities			
Long-term debt borrowings	**1,041**	1,252	1
Long-term debt payments	**(14)**	(994)	(1,251)
Net borrowings (payments) under lines of credit agreements	**61**	(18)	(458)
Debt repurchase premium and costs	**—**	(189)	—
Purchases of treasury stock	**(1,000)**	(2,040)	(1,183)
Cash dividends	**(701)**	(687)	(624)
Other – net	**34**	27	(62)
Total Financing Activities	**(579)**	(2,649)	(3,577)
Increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents	**(315)**	(200)	(2,041)
Cash, cash equivalents, restricted cash, and restricted cash equivalents – beginning of year	**1,003**	1,203	3,244
Cash, cash equivalents, restricted cash, and restricted cash equivalents – end of year	**$ 688**	$ 1,003	$ 1,203
Reconciliation of cash, cash equivalents, restricted cash, and restricted cash equivalents to the consolidated balance sheets			
Cash and cash equivalents	**$ 619**	$ 910	$ 1,099
Restricted cash and restricted cash equivalents included in segregated cash and investments	**69**	93	104
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	**$ 688**	$ 1,003	$ 1,203
Cash paid for interest and income taxes were as follows:			
Interest	**$ 283**	$ 334	$ 338
Income taxes	**398**	602	720

See notes to consolidated financial statements.

Archer-Daniels-Midland Company

Consolidated Statements of Shareholders' Equity

	Common Stock		Reinvested	Accumulated Other Comprehensive	Noncontrolling	Total Shareholders'
	Shares	Amount	Earnings	Income (Loss)	Interests	Equity
			(In millions)			
Balance, December 31, 2013	659	6,136	14,077	(57)	38	20,194
Comprehensive income						
Net earnings			2,248		5	
Other comprehensive income				(1,184)	(1)	
Total comprehensive income						1,068
Cash dividends paid-$0.96 per share			(624)			(624)
Treasury stock purchases	(25)	(1,183)				(1,183)
Stock compensation expense		55				55
Acquisition of noncontrolling interests		(12)				(12)
Noncontrolling interests from business combinations					19	19
Other	3	119			(6)	113
Balance, December 31, 2014	637	$ 5,115	$ 15,701	$ (1,241)	$ 55	$ 19,630
Comprehensive income						
Net earnings			1,849		(3)	
Other comprehensive income				(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**

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.

Reclassification

The Company classified $71 million of intangible amortization in selling, general, and administrative expenses in the year ended December 31, 2016. Prior period amounts of $29 million and $26 million in the years ended December 31, 2015 and 2014, respectively, have been reclassified from other (income) expense - net in the consolidated statements of earnings and in Note 12 to conform to the current presentation.

Cash Equivalents

The Company considers all non-segregated, highly-liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Segregated Cash and Investments

The Company segregates certain cash and investment balances in accordance with regulatory requirements, commodity exchange requirements, insurance arrangements, and lending arrangements. These segregated balances represent deposits received from customers of the Company's registered futures commission merchant, securities pledged to commodity exchange clearinghouses, and cash and securities pledged as security under certain insurance or lending arrangements. Segregated cash also includes restricted cash held as collateral for various insurance programs of the Company's captive insurance business. Segregated cash and investments primarily consist of cash, United States government securities, and money-market funds.

Receivables

The Company records accounts receivable at net realizable value. This value includes an allowance for estimated uncollectible accounts of $72 million and $70 million at December 31, 2016 and 2015, 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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, 2016 and 2015 was $232 million and $35 million, respectively.

Inventories

Inventories of certain merchandisable agricultural commodities, which include inventories acquired under deferred pricing contracts, are stated at market value. In addition, the Company values certain inventories using the lower of cost, determined by either the first-in, first-out (FIFO) or last-in, first-out (LIFO) methods, or market.

The following table sets forth the Company's inventories as of December 31, 2016 and 2015.

	December 31, 2016	December 31, 2015
	(In millions)	
LIFO inventories		
FIFO value	**$ 1,390**	$ 1,077
LIFO valuation reserve	**(75)**	(56)
LIFO inventories carrying value	**1,315**	1,021
FIFO inventories	**2,705**	2,756
Market inventories	**4,424**	4,066
Supplies and other inventories	**387**	400
Total inventories	**$ 8,831**	$ 8,243

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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

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.

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 $20 million, $11 million, and $18 million for the years ended December 31, 2016, 2015, and 2014, respectively.

Note 1. Summary of Significant Accounting Policies (Continued)

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. 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. There were no impairment charges recorded for goodwill and intangible assets during the year ended December 31, 2014.

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, 2016, 2015, and 2014, impairment charges were $17 million, $108 million, and $35 million, respectively (see Note 18 for additional information).

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 purpose 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, 2016, 2015, and 2014 were $4.2 billion, $5.0 billion, and $5.8 billion, respectively.

Note 1. Summary of Significant Accounting Policies (Continued)

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 $123 million, $122 million, and $79 million for the years ended December 31, 2016, 2015, and 2014, 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 adjusted to fair values at acquisition date with the remainder of the purchase price, if any, recorded as goodwill. During the measurement period, which may take up to one year from the acquisition date, adjustments to the assets acquired and liabilities assumed may be recorded. Upon the conclusion of the measurement period or the final determination of the values of assets acquired and liabilities assumed, whichever comes first, any subsequent adjustments are charged to the consolidated statements of earnings.

Adoption of New Accounting Standards

Effective January 1, 2016, the Company adopted the amended guidance of Accounting Standards Codification (ASC) Topic 805, *Business Combinations*, which simplifies the accounting for adjustments made to provisional amounts recognized in a business combination. The amended guidance requires an acquirer to recognize adjustments to provisional amounts identified during the measurement period in the reporting period in which the adjustment amounts are determined. The effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date, shall be recorded in the same period's financial statements. The amended guidance also requires an entity to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. The adoption of this amended guidance did not have a significant impact on the Company's financial results.

Effective January 1, 2016, the Company adopted Accounting Standards Update 2016-09, which amended the guidance of ASC Topic 718, *Compensation - Stock Compensation*, to simplify the accounting for share-based payment award transactions. The areas of simplification include the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The adoption of this amended guidance did not have a significant impact on the Company's financial results.

Note 1. Summary of Significant Accounting Policies (Continued)

Effective October 1, 2016, the Company adopted the amended guidance of ASC 230, *Statement of Cash Flows* (Topic 230), which is intended to clarify how entities should present restricted cash and restricted cash equivalents in the statement of cash flows and to address diversity in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amended guidance requires entities to show the changes in the total of cash, cash equivalents, restricted cash, and restricted cash equivalents in the statement of cash flows and a reconciliation of the totals in the statement of cash flows to the related captions in the balance sheet either on the face of the statement of cash flows or in the notes to the financial statements. The amendments also provide guidance on the application of the predominance principle and the presentation and classification of debt prepayments or debt extinguishment costs, settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions, and separately identifiable cash flows. The adoption of the amended guidance pertaining to restricted cash and restricted cash equivalents resulted in expanded disclosures, a decrease of $11 million and $19 million in total cash provided by operating activities for the years ended December 31, 2015 and 2014, respectively, an increase of $93 million and $104 million in the ending balances in cash, cash equivalents, restricted cash, and restricted cash equivalents as of December 31, 2015 and 2014, respectively, and a change in the cash flow presentation. The adoption of the other amendments did not have a significant impact on the Company's consolidated statement of cash flows.

Pending Accounting Standards

Effective January 1, 2017, the Company will be required to adopt 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. 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, 2017, the Company will be required to adopt 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 that the investor add the cost of acquiring the additional interest in the investee to the current basis of the investors’ previously held interest and adopt the equity method of accounting as of the date the investment becomes qualified for equity method accounting. 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, 2017, the Company will be required to adopt 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 will be required to adopt the amended guidance using a retrospective transition approach to all periods presented. The Company does not expect the adoption of this amended guidance to result in the deconsolidation of any of its variable interest entities.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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 be required to adopt Topic 606 either on a full retrospective basis to each prior reporting period presented or on a modified retrospective basis with the cumulative effect of initially applying the new guidance recognized at the date of initial application. 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. The Company has established a cross-functional implementation team consisting of representatives from all of its business segments. The Company utilized surveys to gather information and identify areas of its business where potential differences could result in applying the requirements of the new standard to its revenue contracts. The results of the surveys indicate potential differences in the area of control transfer. Initial impact assessment also indicates that the majority of the Company's contracts will continue to be recognized at a point in time and that the number of performance obligations and the accounting for variable consideration are not expected to be significantly different from current practice. 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 is scheduled to conduct workshops to gather more information about the nature, magnitude, and frequency of the underlying transactions that drove the survey responses resulting in the identification of potential issues. These workshops are expected to be completed by the end of first quarter of 2017. The Company expects to further its assessment of the financial impact of the new guidance on its consolidated financial statements by mid 2017.

Effective January 1, 2018, the Company will be required to adopt the amended guidance of ASC Topic 740, *Income Taxes*, which requires entities to recognize the income tax consequences of an intra-entity transfer, other than inventory, when the transfer occurs. Under current accounting rules, entities are 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 will be required to adopt the amended guidance on a modified retrospective approach basis through a cumulative effect adjustment to retained earnings as of the beginning of the period of adoption. Early adoption is permitted as of the beginning of an annual period. 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, 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 with lease terms of more than 12 months. 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 Company has not yet completed the assessment of the impact of the new guidance on its consolidated financial statements.

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 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 to working capital, property, plant, and equipment, goodwill, other intangible assets, other long-term assets, other long-term liabilities, and redeemable noncontrolling interest for $15 million, $23 million, $72 million, $41 million, $34 million, $17 million, and $38 million, respectively.

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.

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 2. Acquisitions (Continued)

Fiscal Year 2014 acquisitions

On October 1, 2014 and November 18, 2014, the Company completed the acquisitions of the WILD Flavors businesses (Wild Flavors) and Specialty Commodities Inc. (SCI), respectively. Both acquisitions are in line with the Company's strategy to increase returns and reduce earnings volatility through the growth of its specialty ingredient offerings. The 2014 post acquisition financial results of Wild Flavors and SCI are reported in the Wild Flavors and Specialty Ingredients segment.

During the year ended December 31, 2014, the Company acquired six businesses, including Wild Flavors and SCI, for a total cost of $3.0 billion. The purchase price net of cash acquired of $280 million was preliminarily allocated as follows:

(In millions)	Wild Flavors	SCI	Others	Total
Trade receivables	$ 176	$ 48	$ 8	$ 232
Inventories	286	72	25	383
Other current assets	64	2	—	66
Goodwill	1,698	59	15	1,772
Other intangible assets	1,103	46	35	1,184
Property, plant, and equipment	423	10	30	463
Other assets	68	6	—	74
Short-term debt	(215)	—	(1)	(216)
Trade payables	(128)	(25)	(1)	(154)
Accrued expenses and other payables	(214)	(14)	(10)	(238)
Long-term debt	(238)	—	(3)	(241)
Deferred income taxes	(378)	(16)	—	(394)
Other liabilities	(173)	—	—	(173)
Total purchase price, net of cash acquired	**$ 2,472**	**$ 188**	**$ 98**	**$ 2,758**

Goodwill recorded in connection with the acquisitions is primarily attributable to the synergies expected to arise after the Company's acquisition of the businesses. Of the $1.8 billion preliminarily allocated to goodwill, $15 million is expected to be deductible for tax purposes.

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

	Weighted Average Useful Life	Wild Flavors	SCI	Others	Total
	(In years)		(In millions)		
Intangible assets with indefinite lives:					
Trademarks/brands		$ 238	$ —	$ 12	$ 250
Intangible assets with finite lives:					
Patents	15	—	3	—	3
Customer lists	15	552	36	21	609
Recipes and other	15	313	7	2	322
Total other intangible assets acquired		**$ 1,103**	**$ 46**	**$ 35**	**$ 1,184**

The Company's consolidated statement of earnings for the year ended December 31, 2014 includes the post acquisition results of Wild Flavors which were immaterial.

Note 2. Acquisitions (Continued)

The 2015 finalization of the purchase price allocation related to the acquisition of Wild Flavors resulted in an increase in goodwill of $123 million with corresponding decreases in other intangibles and other long-term liabilities. The finalization of the purchase price allocations related to the other acquisitions did not result in material adjustments in 2015.

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, 2016 and 2015.

	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 exchange 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 exchange contracts	—	90	—	90
Inventory-related payables	—	491	30	521
Total Liabilities	$ —	$ 1,000	$ 172	$ 1,172

Note 3. Fair Value Measurements (Continued)

	Fair Value Measurements at December 31, 2015			
	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	$ —	$ 3,062	$ 1,004	$ 4,066
Unrealized derivative gains:				
Commodity contracts	—	403	243	646
Foreign exchange contracts	1	92	—	93
Interest rate contracts	—	19	—	19
Cash equivalents	328	—	—	328
Marketable securities	698	175	—	873
Segregated investments	1,938	—	—	1,938
Deferred consideration	—	513	—	513
Total Assets	$ 2,965	$ 4,264	$ 1,247	$ 8,476
Liabilities:				
Unrealized derivative losses:				
Commodity contracts	$ —	$ 306	$ 113	$ 419
Foreign exchange contracts	—	186	—	186
Inventory-related payables	—	705	16	721
Total Liabilities	$ —	$ 1,197	$ 129	$ 1,326

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 option 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. The effective portions of changes in the fair value of derivatives designated as cash flow hedges are recognized in the consolidated balance sheets as a component of accumulated other comprehensive income (loss) 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 equity investments, U.S. Treasury securities, obligations of U.S. government agencies, and other debt securities. Publicly traded equity investments and U.S. Treasury securities are valued using quoted market prices and are classified in Level 1. U.S. government agency obligations and corporate and municipal 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 accumulated other comprehensive income (loss) unless a decline in value is deemed to be other-than-temporary at which point the decline is recorded in earnings.

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 a note receivable from the purchasers under the Programs. This amount is reflected in other current assets on the consolidated balance sheet (see Notes 6 and 19). 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 program 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, 2016 and 2015.

	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 gains of $138 million that are attributable to the change in unrealized gains relating to Level 3 assets still held at December 31, 2016.

Note 3. Fair Value Measurements (Continued)

	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 losses of $578 million that are attributable to the change in unrealized losses relating to Level 3 liabilities still held at December 31, 2016.

	Fair Value Assets Measurements at December 31, 2015		
	Inventories Carried at Market	**Commodity Derivative Contracts Gains**	**Total**
		(In millions)	
Balance, December 31, 2014	$ 1,491	$ 203	$ 1,694
Total increase (decrease) in net realized/unrealized gains included in cost of products sold[(1)]	(320)	265	(55)
Purchases	10,459	—	10,459
Sales	(10,534)	—	(10,534)
Settlements	—	(378)	(378)
Transfers into Level 3	146	195	341
Transfers out of Level 3	(238)	(42)	(280)
Ending balance, December 31, 2015	$ 1,004	$ 243	$ 1,247

[(1)] Includes gains of $297 million that are attributable to the change in unrealized gains relating to Level 3 assets still held at December 31, 2015.

Note 3. Fair Value Measurements (Continued)

	Fair Value Liabilities Measurements at December 31, 2015		
	Inventory-related Payables	Commodity Derivative Contracts Losses	Total
	(In millions)		
Balance, December 31, 2014	$ 40	$ 212	$ 252
Total increase (decrease) in net realized/unrealized losses included in cost of products sold[1]	(10)	315	305
Purchases	17	—	17
Sales	(31)	—	(31)
Settlements	—	(566)	(566)
Transfers into Level 3	—	177	177
Transfers out of Level 3	—	(25)	(25)
Ending balance, December 31, 2015	$ 16	$ 113	$ 129

[1] Includes losses of $328 million that are attributable to the change in unrealized losses relating to Level 3 liabilities still held at December 31, 2015.

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 of 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, 2016 and 2015. 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 is a weighted average 16.5% of the total price for assets and 67.1% for liabilities.

	Weighted Average % of Total Price			
	December 31, 2016		December 31, 2015	
Component Type	Assets	Liabilities	Assets	Liabilities
Inventories				
Basis	**16.5%**	**67.1%**	10.0%	53.5%
Transportation cost	**8.3%**	**—%**	1.8%	—%
Commodity Derivative Contracts				
Basis	**16.9%**	**27.0%**	17.7%	17.9%
Transportation cost	**11.6%**	**13.4%**	6.6%	10.4%

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 percent 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, 2016 and 2015.

	December 31, 2016		December 31, 2015	
	Assets	Liabilities	Assets	Liabilities
	(In millions)			
Foreign Currency Contracts	**$ 102**	**$ 90**	$ 93	$ 186
Commodity Contracts	**511**	**561**	646	419
Total	**$ 613**	**$ 651**	$ 739	$ 605

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, 2016, 2015, and 2014.

(In millions)	Year Ended December 31		
	2016	2015	2014
Foreign Currency Contracts			
Revenues	**$ (35)**	$ 16	$ (1)
Cost of products sold	**291**	(185)	131
Other income (expense) - net	**(225)**	8	(171)
Commodity Contracts			
Cost of products sold	**(383)**	777	(263)
Total gain (loss) recognized in earnings	**$ (352)**	$ 616	$ (304)

During 2014, the Company recognized $102 million of pre-tax foreign exchange hedging losses on Euro foreign currency derivative contracts entered into to economically hedge the Wild Flavors acquisition.

Note 4. Derivative Instruments & Hedging Activities (Continued)

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, 2016 and 2015, the Company had certain derivatives designated as cash flow hedges 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 resulting in no ineffectiveness. At December 31, 2016, the Company had $11 million in other current assets representing the fair value of the interest rate swaps and a corresponding increase in the underlying debt for the same amount with no impact to earnings.

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, cost of products sold, interest expense or other (income) expense – net, as applicable. As of December 31, 2016, the Company had $10 million of after-tax losses in AOCI related to gains and losses from commodity cash flow hedge transactions. The Company expects to recognize $10 million of losses in its consolidated statement of earnings during the next 12 months.

The Company uses futures or options contracts to fix the purchase price of anticipated volumes of corn to be purchased and processed in a future month. The objective of this hedging program is to reduce the variability of cash flows associated with the Company's forecasted purchases of corn. The Company's corn processing plants currently grind approximately 76 million bushels of corn per month. During the past 12 months, the Company hedged between 17% and 62% of its monthly anticipated grind. At December 31, 2016, the Company had designated hedges representing between 15% to 39% 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 fix the sales price of certain ethanol sales contracts. The Company has established hedging programs for ethanol sales contracts that are indexed to unleaded gasoline prices and to various exchange-traded ethanol contracts. The objective of these hedging programs is to reduce the variability of cash flows associated with the Company's sales of ethanol. During the past 12 months, the Company hedged between 0 and 66 million gallons of ethanol sales per month under these programs. At December 31, 2016, the Company had designated hedges representing between 0 to 21 million gallons of ethanol sales per month over the next 12 months.

The following tables set forth the fair value of derivatives designated as hedging instruments as of December 31, 2016 and 2015.

	December 31, 2016		December 31, 2015	
	Assets	Liabilities	Assets	Liabilities
	(In millions)			
Interest Contracts	$ 11	$ —	$ 19	$ —
Total	$ 11	$ —	$ 19	$ —

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, 2016, 2015, and 2014, respectively.

(In millions)	Consolidated Statement of Earnings Locations	Year Ended December 31 2016	2015	2014
Effective amounts recognized in earnings				
FX Contracts	Other income/expense -net	**$ (18)**	$ 29	$ 5
Interest Contracts	Interest expense	**(2)**	1	1
Commodity Contracts	Cost of products sold	**(82)**	(25)	(124)
	Revenues	**(35)**	41	(69)
Ineffective amount recognized in earnings				
Interest contracts	Other income/expense -net	**—**	1	—
Commodity contracts	Cost of products sold	**6**	(12)	(4)
	Revenues	**(5)**	6	(34)
Total amount recognized in earnings		**$ (136)**	$ 41	$ (225)

Hedge ineffectiveness for commodity contracts results when the change in the price of the underlying commodity in a specific cash market differs from the change in the price of the derivative financial instrument used to establish the hedging relationship. As an example, if the change in the price of a corn futures contract is strongly correlated to the change in the cash price paid for corn, the gain or loss on the derivative instrument is deferred and recognized at the time the corn grind occurs. If the change in price of the derivative does not strongly correlate to the change in the cash price of corn, in the same example, some portion or all of the derivative gains or losses may be required to be recognized in earnings prior to the corn grind occurring.

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”) (see Note 10 for more information about 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, 2016, the Company had $40 million of after-tax gains 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, 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**

	Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(In millions)			
December 31, 2015				
United States government obligations				
Maturity less than 1 year	$ 256	$ —	$ —	$ 256
Maturity 1 to 5 years	116	—	—	116
Corporate debt securities				
Maturity 1 to 5 years	26	—	—	26
Other debt securities				
Maturity less than 1 year	182	—	—	182
Maturity 1 to 5 years	3	—	—	3
Equity securities				
Available-for-sale	296	4	(6)	294
	$ 879	$ 4	$ (6)	$ 877

The $1 million in unrealized losses at December 31, 2016 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 $42 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 maturity, the Company does not consider this investment to be other-than-temporarily impaired at December 31, 2016. For information on other-than temporary impairment charges, see Note 18.

In December 2016, the Company sold its 19.8% ownership interest in GrainCorp for A$387 million (US$288 million). This investment was classified as an available-for-sale equity security in the December 31, 2015 table above.

Note 6. Other Current Assets

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

	December 31, 2016	December 31, 2015
	(In millions)	
Unrealized gains on derivative contracts	**$ 624**	$ 758
Deferred receivables consideration	**540**	513
Customer omnibus receivable	**521**	1,148
Financing receivables - net [(1)]	**373**	352
Insurance premiums receivable	**648**	584
Prepaid expenses	**268**	406
Tax receivables	**480**	550
Non-trade receivables [(2)]	**478**	288
Other current assets	**451**	687
	$ 4,383	$ 5,286

[(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 $7 million and $8 million at December 31, 2016 and 2015, respectively. Interest earned on financing receivables of $22 million, $23 million, and $23 million for the years ended December 31, 2016, 2015, and 2014, respectively, is included in interest income in the consolidated statements of earnings.

[(2)] Non-trade receivables include $223 million and $272 million of reinsurance recoverables as of December 31, 2016 and 2015, respectively.

Note 7. Accrued Expenses and Other Payables

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

	December 31, 2016	December 31, 2015
	(In millions)	
Unrealized losses on derivative contracts	**$ 651**	$ 605
Reinsurance premiums payable	**479**	425
Insurance claims payable	**373**	459
Deferred income	**1,065**	1,152
Other accruals and payables	**1,414**	1,472
	$ 3,982	$ 4,113

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 23.2% and 19.0% share ownership in Wilmar as of December 31, 2016 and 2015, respectively. The Company had 59 and 58 unconsolidated domestic and foreign affiliates as of December 31, 2016 and 2015, respectively. The following table summarizes the combined balance sheets as of December 31, 2016 and 2015, and the combined statements of earnings of the Company's unconsolidated affiliates for the years ended December 31, 2016, 2015, and 2014.

	December 31	
(In millions)	**2016**	**2015**
Current assets	**$ 25,145**	$ 25,475
Non-current assets	**21,347**	21,077
Current liabilities	**(20,587)**	(20,362)
Non-current liabilities	**(5,830)**	(8,449)
Noncontrolling interests	**(943)**	(947)
Net assets	**$ 19,132**	$ 16,794

	Year Ended December 31		
(In millions)	**2016**	**2015**	**2014**
Net Sales	**$ 45,296**	$ 47,980	$ 50,591
Gross profit	**4,375**	4,530	4,558
Net income	**1,119**	1,428	1,561

The Company's share of the undistributed earnings of its unconsolidated affiliates as of December 31, 2016, is $1.9 billion. The Company has a direct investment in a foreign equity method investee with a carrying value of $3.2 billion as of December 31, 2016, and a market value of $3.6 billion based on active market quoted prices converted to U.S. dollars at applicable exchange rates at December 31, 2016.

The Company provides credit facilities totaling $90 million to four unconsolidated affiliates. Three facilities that are due on demand and bear interest between 3.25% and 3.75% have a total outstanding balance of $32 million. The other one facility has no outstanding balance as of December 31, 2016. The outstanding balance is included in other current assets in the accompanying consolidated balance sheet.

Note 9. Goodwill and Other Intangible Assets

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

	December 31, 2016	December 31, 2015
	(In millions)	
Agricultural Services	**$ 63**	$ 48
Corn Processing	**260**	225
Oilseeds Processing	**92**	94
Wild Flavors and Specialty Ingredients	**1,822**	1,808
Other	**9**	10
Total	**$ 2,246**	$ 2,185

The changes in goodwill during the year ended December 31, 2016 are primarily related to acquisitions and purchase price allocation adjustments as discussed in Note 2 partially offset by foreign currency translation adjustments of $41 million.

The following table sets forth the other intangible assets:

		December 31, 2016			December 31, 2015		
	Useful Life	Gross Amount	Accumulated Amortization	Net	Gross Amount	Accumulated Amortization	Net
	(In years)	(In millions)					
Intangible assets with indefinite lives:							
Trademarks/brands		**$ 218**	**$ —**	**$ 218**	$ 227	$ —	$ 227
Other		**1**	**—**	**1**	1	—	1
Intangible assets with definite lives:							
Trademarks/brands	20	**25**	**(8)**	**17**	25	(6)	19
Customer lists	3 to 20	**793**	**(128)**	**665**	826	(83)	743
Patents	15 to 20	**44**	**(31)**	**13**	44	(30)	14
Computer software	2 to 8	**298**	**(199)**	**99**	230	(128)	102
Land rights	2 to 50	**132**	**(12)**	**120**	137	(8)	129
Recipes and other	3 to 15	**467**	**(143)**	**324**	459	(191)	268
Total		**$ 1,978**	**$ (521)**	**$ 1,457**	$ 1,949	$ (446)	$ 1,503

The changes in the gross carrying amounts of other intangible assets during the year ended December 31, 2016 are primarily related to acquisitions and purchase price allocation adjustments as discussed in Note 2 and reclassifications, partially offset by an impairment as discussed in Note 18 and foreign currency translation adjustments of $40 million.

Aggregate amortization expense was $113 million, $75 million, and $27 million for the years ended December 31, 2016, 2015, and 2014, respectively. The estimated future aggregate amortization expense for the next five years are $106 million, $99 million, $96 million, $93 million, and $85 million.

Note 10. Debt Financing Arrangements

	December 31, 2016	December 31, 2015
	(In millions)	
2.5% Notes $1 billion, due in 2026	**$ 991**	$ —
1.75% Notes €600 million, due in 2023	**627**	644
5.45% Notes $562 million face amount, due in 2018	**560**	561
Floating Rate Notes €500 million, due in 2019	**526**	541
4.479% Debentures $516 million face amount, due in 2021	**510**	516
5.375% Debentures $470 million face amount, due in 2035	**459**	459
5.765% Debentures $378 million face amount, due in 2041	**378**	378
5.935% Debentures $383 million face amount, due in 2032	**378**	377
4.016% Debentures $570 million face amount, due in 2043	**380**	377
4.535% Debentures $528 million face amount due in 2042	**377**	374
8.375% Debentures $261 million face amount, due in 2017	**260**	260
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	**149**	149
6.45% Debentures $127 million face amount, due in 2038	**125**	125
6.75% Debentures $118 million face amount, due in 2027	**117**	117
Other	**463**	436
Total long-term debt including current maturities	**6,777**	5,791
Current maturities	**(273)**	(12)
Total long-term debt	**$ 6,504**	$ 5,779

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.

On June 24, 2015, the Company issued €500 million ($563 million) aggregate principal amount of Floating Rate Notes due in 2019 and €600 million ($675 million) aggregate principal amount of 1.75% Notes due in 2023. Proceeds before expenses were €499 million ($562 million) and €594 million ($669 million) from the Floating Rate Notes and the 1.75% Notes, respectively. At December 31, 2016, the Company designated €1.1 billion of these Notes as a hedge of its net investment in a foreign subsidiary.

On July 1, 2015, the Company accepted for repurchase $794 million aggregate principal amount of certain of its outstanding debentures (the “Debentures”) validly tendered and not withdrawn. Pursuant to the terms of its previously announced cash tender offers, the Company paid aggregate total consideration of $961 million for the Debentures accepted for repurchase. In September 2015, the Company redeemed $141 million of its 5.45% outstanding debentures for $156 million. These cash tender offers and the debt redemption were financed by the Euro-denominated debt issued on June 24, 2015. The Company recognized a debt extinguishment charge of $189 million, including transaction expenses of $7 million, in the quarter ended September 30, 2015 pertaining to these transactions.

Note 10. Debt Financing Arrangements (Continued)

The debt issuance and the debt repurchase transactions in 2015 as discussed above resulted in a net increase in long-term debt of $0.3 billion.

Discount amortization expense, net of premium amortization, of $9 million, $8 million, and $11 million for the years ended December 31, 2016, 2015, and 2014, respectively, were included in interest expense related to the Company's long-term debt.

At December 31, 2016, the fair value of the Company's long-term debt exceeded the carrying value by $1.0 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, 2016, are $273 million, $574 million, $542 million, $12 million, and $677 million, respectively.

At December 31, 2016, the Company had lines of credit, including the accounts receivable securitization programs described below, totaling $6.9 billion, of which $5.8 billion was unused. The weighted average interest rates on short-term borrowings outstanding at December 31, 2016 and 2015, were 5.66% and 5.50%, respectively. Of the Company's total lines of credit, $4.0 billion support a commercial paper borrowing facility, against which there was no commercial paper outstanding at December 31, 2016.

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, 2016.

The Company had outstanding standby letters of credit and surety bonds at December 31, 2016 and 2015, totaling $1.1 billion and $0.8 billion, respectively.

The Company has accounts receivable securitization programs (the "Programs"). The Programs provide the Company with up to $1.5 billion in funding resulting from the sale of accounts receivable. As of December 31, 2016, the Company utilized $1.0 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 2002 and 2009 Incentive Compensation Plans. 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		
	2016	**2015**	**2014**
Dividend yield	**3%**	2%	2%
Risk-free interest rate	**1%**	2%	2%
Stock volatility	**25%**	28%	37%
Average expected life (years)	**6**	6	6

Note 11. Stock Compensation (Continued)

A summary of option activity during 2016 is presented below:

	Shares	Weighted-Average Exercise Price
	(In thousands, except per share amounts)	
Shares under option at December 31, 2015	**11,653**	**$32.52**
Granted	**2,336**	**33.18**
Exercised	**(2,031)**	**30.37**
Forfeited or expired	**(35)**	**28.89**
Shares under option at December 31, 2016	**11,923**	**$33.03**
Exercisable at December 31, 2016	**6,784**	**$29.92**

The weighted-average remaining contractual term of options outstanding and exercisable at December 31, 2016, is 6 years and 4 years, respectively. The aggregate intrinsic value of options outstanding and exercisable at December 31, 2016, is $149 million and $106 million, respectively. The weighted-average grant-date fair values of options granted during the years ended December 31, 2016, 2015, and 2014, were $5.67, $10.29, and $12.80, respectively. The total intrinsic values of options exercised during the years ended December 31, 2016, 2015, and 2014, were $28 million, $20 million, and $66 million, respectively. Cash proceeds received from options exercised during the years ended December 31, 2016, 2015, and 2014, were $62 million, $28 million, and $93 million, respectively.

At December 31, 2016, there was $19 million of total unrecognized compensation expense related to option grants. Amounts to be recognized as compensation expense during the next four years are $7 million, $6 million, $4 million, and $2 million, respectively.

The Company's 2002 and 2009 Incentive Compensation Plans provide for the granting of restricted stock and restricted stock units (Restricted Stock Awards) at no cost to certain officers and key employees. In addition, the Company's 2002 and 2009 Incentive Compensation Plans also provide for the granting of performance stock units (PSUs) at no cost to certain officers and key employees. Restricted Stock Awards are made in common stock or stock units with equivalent rights and vest at the end of a three-year restriction period. The awards for PSUs are made in common stock units and vest at the end of a three-year vesting period subject to the attainment of certain future performance criteria based on the Company's adjusted return on invested capital compared to the weighted average cost of capital. During the years ended December 31, 2016, 2015, and 2014, 1.8 million, 1.8 million, and 1.4 million common stock or stock units, respectively, were granted as Restricted Stock Awards and PSUs. At December 31, 2016, there were 9.9 million shares available for future grants pursuant to the 2009 plan.

The fair value of Restricted Stock Awards and PSUs is determined based on the market value of the Company's shares on the grant date. The weighted-average grant-date fair values of awards granted during the years ended December 31, 2016, 2015, and 2014 were $33.31, $46.73, and $40.78, respectively.

A summary of Restricted Stock Awards and PSUs activity during 2016 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, 2015	**4,020**	**$40.99**
Granted	**1,818**	**33.31**
Vested	**(1,010)**	**31.89**
Forfeited	**(175)**	**39.00**
Non-vested at December 31, 2016	**4,653**	**$40.03**

Note 11. Stock Compensation (Continued)

At December 31, 2016, there was $53 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 $33 million, $18 million, and $2 million, respectively. The total grant-date fair value of Restricted Stock Awards that vested during the year ended December 31, 2016 was $32 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, 2016, 2015, and 2014 was $72 million, $70 million, and $55 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		
	2016	**2015**	**2014**
Gains on sales and revaluation of assets	**$ (130)**	$ (572)	$ (351)
Loss on debt extinguishment	**—**	189	—
Loss on derivatives	**—**	—	102
Other – net	**(17)**	33	(24)
	$ (147)	$ (350)	$ (273)

Individually significant items included in the table above are:

Gains on sales of assets and revaluation of assets for the year ended December 31, 2016 include realized additional consideration of $48 million related to the sale of the Company's equity investment in Gruma S.A.B de C.V., a $59 million gain, including recovery of loss provisions, 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 of $12 million, partially offset by a $10 million loss on sale of other individually immaterial assets. Gains on sales and revaluation of assets for the year ended December 31, 2015 includes a gain 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. Gains on sales and revaluation of assets for the year ended December 31, 2014 includes a gain of $156 million upon the Company's effective dilution in the Pacificor (formerly Kalama Export Company) resulting from the contribution of additional assets by another member in exchange for new equity units and a gain of $126 million on the sale of the fertilizer business.

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.

Loss on derivatives for the year ended December 31, 2014 was due to losses on Euro foreign currency derivative contracts entered into to economically hedge the Wild Flavors acquisition.

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

Realized gains and losses on sales of available-for-sale marketable securities were immaterial for all periods presented. Impairment losses on securities of $6 million for the years ended December 31, 2016 and 2014 were classified as asset impairment, exit, and restructuring charges in the consolidated statements of earnings (see Note 18 for more information). There were no impairment losses on securities for the year ended December 31, 2015.

Other - net for the year ended December 31, 2015 includes $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		
	2016	**2015**	**2014**
United States	**$ 1,215**	$ 1,155	$ 2,224
Foreign	**607**	1,129	906
	$ 1,822	$ 2,284	$ 3,130

Significant components of income taxes are as follows:

(In millions)	Year Ended December 31		
	2016	**2015**	**2014**
Current			
Federal	**$ 327**	$ 270	$ 641
State	**5**	17	57
Foreign	**146**	158	235
Deferred			
Federal	**18**	17	(29)
State	**28**	9	28
Foreign	**10**	(33)	(55)
	$ 534	$ 438	$ 877

Note 13. Income Taxes (Continued)

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

	December 31, 2016	December 31, 2015
	(In millions)	
Deferred tax liabilities		
Property, plant, and equipment	**$ 1,612**	$ 1,651
Equity in earnings of affiliates	**361**	306
Debt exchange	**132**	133
Inventories	**41**	18
Other	**105**	109
	$ 2,251	$ 2,217
Deferred tax assets		
Pension and postretirement benefits	**$ 307**	$ 374
Stock compensation	**81**	70
Foreign tax credit carryforwards	**95**	90
Foreign tax loss carryforwards	**278**	301
Capital loss carryforwards	**57**	22
State tax attributes	**62**	62
Unrealized foreign currency losses	**58**	71
Reserves and other accruals	**—**	26
Other	**18**	125
Gross deferred tax assets	**956**	1,141
Valuation allowances	**(216)**	(302)
Net deferred tax assets	**$ 740**	$ 839
Net deferred tax liabilities	**$ 1,511**	$ 1,378
The net deferred tax liabilities are classified as follows:		
Noncurrent assets (foreign)	**$ 158**	$ 185
Noncurrent liabilities	**(1,472)**	(1,394)
Noncurrent liabilities (foreign)	**(197)**	(169)
	$ (1,511)	$ (1,378)

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		
	2016	**2015**	**2014**
Statutory rate	**35.0%**	35.0%	35.0%
State income taxes, net of federal tax benefit	**1.4**	0.8	2.1
Foreign earnings taxed at rates other than the U.S. statutory rate	**(4.4)**	(9.9)	(4.8)
Foreign currency effects/remeasurement	**2.2**	(1.8)	0.1
Income tax adjustment to filed returns	**0.8**	1.9	(2.5)
Tax benefit on U.S. biodiesel credits	**(3.3)**	(1.6)	(1.1)
Tax benefit on U.S. qualified production activity deduction	**(1.4)**	(1.8)	(1.8)
Valuation allowances	**0.6**	(3.1)	—
Other	**(1.6)**	(0.3)	1.0
Effective income tax rate	**29.3%**	19.2%	28.0%

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 47%, 51%, and 47% of its foreign earnings before taxes in fiscal years 2016, 2015, and 2014, respectively.

The Company had $278 million and $301 million of tax assets related to net operating loss carry-forwards of certain international subsidiaries at December 31, 2016 and 2015, respectively. As of December 31, 2016, approximately $200 million of these assets have no expiration date, and the remaining $78 million expire at various times through fiscal 2035. 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 $126 million and $127 million against these tax assets at December 31, 2016 and 2015, respectively, due to the uncertainty of their realization.

The Company had $57 million and $22 million of tax assets related to foreign and domestic capital loss carryforwards at December 31, 2016 and 2015, respectively. The Company has recorded a valuation allowance of $41 million and $22 million against these tax assets at December 31, 2016 and 2015, respectively.

The Company had $95 million and $90 million of tax assets related to excess foreign tax credits at December 31, 2016 and 2015, respectively, which begin to expire in 2017. Due to the uncertainty of realization, the Company recorded a valuation allowance of $8 million against these assets at December 31, 2015. There was no valuation allowance recorded against these assets at December 31, 2016. The Company had $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, 2016 and 2015, which will expire at various times through fiscal 2036. Due to the uncertainty of realization, the Company recorded a valuation allowance of $49 million and $47 million related to state income tax assets net of federal tax benefit as of December 31, 2016 and 2015, respectively.

The Company remains subject to federal examination in the U.S. for the calendar tax years 2014, 2015 and 2016.

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 aggregating to approximately $9.3 billion at December 31, 2016, are considered to be permanently reinvested, and accordingly, no provision for U.S. income taxes has been provided thereon. It is not practicable to determine the deferred tax liability for temporary differences related to these undistributed earnings.

Note 13. Income Taxes (Continued)

The following table sets forth a rollforward of activity of unrecognized tax benefits for the year ended December 31, 2016 and 2015 as follows:

	Unrecognized Tax Benefits	
	December 31, 2016	**December 31, 2015**
	(In millions)	
Beginning balance	**$ 49**	$ 72
Additions related to current year's tax positions	**1**	1
Additions related to prior years' tax positions	**16**	17
Additions related to acquisitions	**—**	7
Reductions related to prior years' tax positions	**—**	(19)
Reductions related to lapse of statute of limitations	**(1)**	(6)
Settlements with tax authorities	**(10)**	(23)
Ending balance	**$ 55**	$ 49

The additions and reductions in unrecognized tax benefits shown in the table include 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, 2016 and 2015, the Company had accrued interest and penalties on unrecognized tax benefits of $26 million and $20 million, respectively.

The Company is subject to income taxation in many jurisdictions around the world. Resolution of the related tax positions, through negotiations with relevant tax authorities or through litigation, may take years to complete. Therefore, it is difficult to predict the timing for resolution of tax positions. However, the Company does not anticipate that the total amount of unrecognized tax benefits will increase or decrease significantly in the next twelve months. Given the long periods of time involved in resolving tax positions, the Company does not expect that the recognition of unrecognized tax benefits will have a material impact on the Company's effective income tax rate in any given period. If the total amount of unrecognized tax benefits were recognized by the Company at one time, there would be a reduction of $51 million on the tax expense for that period.

The Company is subject to routine examination by domestic and foreign tax authorities 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 tax jurisdictions. Resolution of the related tax positions, through negotiation 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. In its routine evaluations of the exposure associated with various tax filing positions, the Company recognizes a liability, when necessary, for estimated potential additional tax owed by the Company in accordance with the applicable accounting standard. However, the Company cannot predict or provide assurance as to the ultimate outcome of these ongoing or future examinations.

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, 2016, these assessments, updated for estimated penalties, interest, and variation in currency exchange rates, totaled approximately $463 million. The statute of limitations for 2005 and 2008 to 2011 has expired. The Company does not expect to receive any additional tax assessments.

Note 13. Income Taxes (Continued)

ADM do Brasil enters into commodity hedging transactions that can result in gains, which are included in ADM do Brasil's calculation of taxable income in Brazil, and losses, which ADM do Brasil deducts from its taxable income in Brazil. The Company has evaluated its tax position regarding these hedging transactions and concluded, based upon advice from Brazilian legal counsel, that it was appropriate to recognize both gains and losses resulting from hedging transactions when determining its Brazilian income tax expense. Therefore, the Company has continued to recognize the tax benefit from hedging losses in its financial statements and has not recorded any tax liability for the amounts assessed by the BFRS.

ADM do Brasil filed an administrative appeal for each of the assessments. 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 $126 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 $204 million (as of December 31, 2016 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 $95 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 2025. Rent expense for the years ended December 31, 2016, 2015, and 2014 was $253 million, $241 million, and $224 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, 2016, 2015, and 2014 were $82 million, $110 million, and $136 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)
2017	$ 220
2018	170
2019	121
2020	83
2021	62
Thereafter	187
Total minimum lease payments	$ 843

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 eligible U.S. employees who retire under qualifying conditions with access to postretirement health care, at full cost to the retiree (certain employees are "grandfathered" into subsidized coverage while others are provided with Health Care Reimbursement Accounts). 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.

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 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, 2016, with a market value of $503 million. Cash dividends received on shares of Company common stock by these plans during the year ended December 31, 2016 were $14 million.

	Pension Benefits			Postretirement Benefits		
(In millions)	Year Ended December 31			Year Ended December 31		
	2016	**2015**	**2014**	**2016**	**2015**	**2014**
Retirement plan expense						
Defined benefit plans:						
Service cost (benefits earned during the period)	**$ 82**	$ 92	$ 71	**$ 3**	$ 5	$ 4
Interest cost	**113**	112	126	**8**	8	8
Expected return on plan assets	**(137)**	(129)	(155)	**—**	—	—
Settlement charges	**(5)**	60	95	**—**	—	—
Curtailments	**—**	—	—	**(38)**	—	—
Amortization of actuarial loss	**56**	69	36	**3**	7	2
Amortization of prior service cost (credit)	**2**	2	3	**(17)**	(17)	(18)
Net periodic defined benefit plan expense	**111**	206	176	**(41)**	3	(4)
Defined contribution plans	**57**	52	50	**—**	—	—
Total retirement plan expense	**$ 168**	$ 258	$ 226	**$ (41)**	$ 3	$ (4)

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, 2016 and 2015:

	Pension Benefits		Postretirement Benefits	
	December 31 2016	December 31 2015	December 31 2016	December 31 2015
	(In millions)		(In millions)	
Benefit obligation, beginning	**$ 2,880**	$ 3,305	**$ 199**	$ 231
Service cost	**82**	92	**3**	5
Interest cost	**113**	112	**8**	8
Actuarial loss (gain)	**132**	(117)	**5**	(32)
Employee contributions	**1**	2	**—**	—
Curtailments	**—**	(2)	**(38)**	—
Settlements	**(10)**	(323)	**—**	—
Divestitures	**(8)**	(1)	**—**	(1)
Benefits paid	**(142)**	(91)	**(9)**	(11)
Plan amendments	**—**	(1)	**3**	—
Actual expenses	**(2)**	(2)	**—**	—
Foreign currency effects	**(54)**	(94)	**—**	(1)
Benefit obligation, ending	**$ 2,992**	$ 2,880	**$ 171**	$ 199
Fair value of plan assets, beginning	**$ 1,922**	$ 2,194	**$ —**	$ —
Actual return on plan assets	**232**	(7)	**—**	—
Employer contributions	**183**	222	**9**	11
Employee contributions	**1**	2	**—**	—
Settlements	**(10)**	(328)	**—**	—
Divestitures	**(2)**	(1)	**—**	—
Benefits paid	**(142)**	(91)	**(9)**	(11)
Actual expenses	**(2)**	(2)	**—**	—
Foreign currency effects	**(51)**	(67)	**—**	—
Fair value of plan assets, ending	**$ 2,131**	$ 1,922	**$ —**	$ —
Funded status	**$ (861)**	$ (958)	**$ (171)**	$ (199)
Prepaid benefit cost	**$ 30**	$ 32	**$ —**	$ —
Accrued benefit liability – current	**(16)**	(16)	**(13)**	(13)
Accrued benefit liability – long-term	**(875)**	(974)	**(158)**	(186)
Net amount recognized in the balance sheet	**$ (861)**	$ (958)	**$ (171)**	$ (199)

Included in AOCI for pension benefits at December 31, 2016, are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service cost of $2 million and unrecognized actuarial loss of $824 million. The prior service cost and actuarial loss included in AOCI expected to be recognized in net periodic pension cost during 2017 is $1 million and $62 million, respectively.

Included in AOCI for postretirement benefits at December 31, 2016, are the following amounts that have not yet been recognized in net periodic postretirement benefit cost: unrecognized prior service credit of $48 million and unrecognized actuarial loss of $42 million. Prior service credit of $13 million and actuarial loss of $4 million included in AOCI are expected to be recognized in net periodic benefit cost during 2017.

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 2016	December 31 2015	December 31 2016	December 31 2015
Discount rate	**4.0%**	3.5%	**4.0%**	3.8%
Expected return on plan assets	**7.1%**	6.3%	**N/A**	N/A
Rate of compensation increase	**4.7%**	3.8%	**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 2016	December 31 2015	December 31 2016	December 31 2015
Discount rate	**3.7%**	4.0%	**3.9%**	4.0%
Rate of compensation increase	**4.6%**	4.7%	**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, $2.3 billion, and $1.8 billion, respectively as of December 31, 2016, and $2.5 billion, $2.2 billion, and $1.5 billion, respectively, as of December 31, 2015. 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 $2.6 billion, $2.3 billion, and $1.7 billion, respectively, as of December 31, 2016 and $2.5 billion, $2.2 billion, and $1.5 billion, respectively, as of December 31, 2015. The accumulated benefit obligation for all pension plans as of December 31, 2016 and 2015, was $2.7 billion and $2.6 billion, respectively.

For postretirement benefit measurement purposes, a 7.05% annual rate of increase in the per capita cost of covered health care benefits was assumed for the year ended December 31, 2016. The rate was assumed to decrease gradually to 4.6% by 2025 and remain at that level thereafter. The credits used to fund certain retirees with Health Reimbursement Accounts are indexed up to a maximum of 2% per year.

A 1% change in assumed health care cost trend rates would have the following effects:

	1% Increase	1% Decrease
	(In millions)	
Effect on accumulated postretirement benefit obligations	$ 5	$ (4)

The effect on combined service and interest cost components is immaterial.

Note 15. Employee Benefit Plans (Continued)

Plan Assets

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

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

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

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

Corporate debt instruments:
Corporate debt instruments are valued 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, 2016 and 2015.

	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				
U.S. companies	$ 222	$ —	$ —	$ 222
International companies	2	—	—	2
Equity mutual funds				
Emerging markets	82	—	—	82
International	117	—	—	117
Large cap U.S.	447	—	—	447
Common collective trust funds				
International equity	—	306	—	306
Large cap U.S. equity	—	47	—	47
Fixed income	—	190	—	190
Other	—	50	—	50
Debt instruments				
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 at fair value	$ 1,020	$ 1,111	$ —	$ 2,131

Note 15. Employee Benefit Plans (Continued)

	Fair Value Measurements at December 31, 2015			
	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				
U.S. companies	$ 196	$ —	$ —	$ 196
International companies	8	—	—	8
Equity mutual funds				
Emerging markets	58	—	—	58
International	105	—	—	105
Large cap U.S.	409	—	—	409
Common collective trust funds				
International equity	—	278	—	278
Large cap U.S. equity	—	45	—	45
Fixed income	—	193	—	193
Other	—	47	—	47
Debt instruments				
Corporate bonds	—	457	—	457
U.S. Treasury instruments	99	—	—	99
U.S. government agency, state and local government bonds	—	24	—	24
Other	—	3	—	3
Total assets at fair value	$ 875	$ 1,047	$ —	$ 1,922

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 2016[1][2]	December 31 2015[2]
Equity securities	**59%**	58%
Debt securities	**40%**	40%
Other	**1%**	2%
Total	**100%**	100%

(1) The Company's U.S. pension plans contain approximately 79% 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 54% equity securities, 41% debt securities, and 5% 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, 2016 and 2015 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 $30 million to the pension plans and $13 million to the postretirement benefit plan during 2017. 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)	
2017	$ 94	$ 13
2018	100	12
2019	107	12
2020	113	12
2021	121	12
2022 – 2026	709	57

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, 2016 and 2015, the Company had approximately 143.2 million shares and 120.8 million shares, respectively, of its common shares in treasury. Treasury stock of $5.5 billion and $4.7 billion at December 31, 2016 and 2015, respectively, is recorded at cost as a reduction of common stock.

At December 31, 2016 and 2015, the foreign currency translation adjustment component of AOCI included income, net of tax, of $40 million and $19 million 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, 2016 and 2015:

	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, 2014	$ (654)	$ 47	$ (630)	$ (4)	$ (1,241)
Other comprehensive income before reclassifications	(984)	(53)	87	20	(930)
Amounts reclassified from AOCI	23	(46)	67	—	44
Tax effect	(11)	37	(47)	2	(19)
Net of tax amount	(972)	(62)	107	22	(905)
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)**

Note 16. Shareholders' Equity (Continued)

The change in foreign currency translation adjustment 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 while the change in 2015 is primarily due to the U.S. dollar appreciation, mainly impacting the Euro-denominated equity of the Company's foreign subsidiaries.

Details about AOCI components	Amounts reclassified from AOCI Year Ended December 31			Affected line item in the consolidated statement of earnings
	2016	**2015**	**2014**	
	(In millions)			
Foreign currency translation adjustment				
	$ (75)	$ 23	$ —	Other income/expense
	—	—	—	Tax
	$ (75)	$ 23	$ —	Net of tax
Deferred loss (gain) on hedging activities				
	$ 82	$ 25	$ 124	Cost of products sold
	18	(29)	(5)	Other income/expense
	2	(1)	(1)	Interest expense
	35	(41)	69	Revenues
	137	(46)	187	Total before tax
	(52)	17	(70)	Tax on reclassifications
	$ 85	$ (29)	$ 117	Net of tax
Pension liability adjustment				
Amortization of defined benefit pension items:				
Prior service losses (credit)	**$ (17)**	$ 37	$ (15)	
Actuarial losses	**44**	30	36	
	27	67	21	Total before tax
	(5)	(44)	(7)	Tax on reclassifications
	$ 22	$ 23	$ 14	Net of tax
Unrealized loss on investments				
	6	—	6	Asset impairment, exit, and restructuring costs
	—	—	(2)	Tax on reclassifications
	$ 6	$ —	$ 4	Net of tax

Note 17. Segment and Geographic Information

The Company is principally engaged in procuring, transporting, storing, processing, and merchandising agricultural commodities and products. The Company's operations are 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 32.2% 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 April 2016, the Company acquired a 50% interest in Cairo, Egypt-based Medsofts Group, a consolidated joint venture that owns and manages merchandising and supply chain operations.

The Company's Corn Processing segment is engaged in corn wet milling and dry milling activities, utilizing its asset base primarily located in the central part of the United States with additional facilities in China, Bulgaria, Morocco, 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 June 2016, the Company acquired from Tate & Lyle a Casablanca, Morocco-based corn wet mill that produces glucose and native starch.

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 International Limited (Wilmar) and its share of results for its Stratas Foods LLC and Edible Oils Limited joint ventures. The Company acquired additional shares in Wilmar increasing its ownership interest from 19% to 20% in March 2016, 22% in June 2016, and 23.2% in September 2016. In November 2016, the Company completed the expansion of Olenex, a 37.5% joint venture with Wilmar. Olenex owns and operates specialty oils and fats, palm refining, and tropical oils processing plants in Europe.

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. The Company acquired a 90% controlling stake in Harvest Innovations, an industry leader in minimally processed, expeller-pressed soy proteins, oils, and gluten-free ingredients in February 2016; the remaining 60% interest in Amazon Flavors, a leading Brazilian manufacturer of natural extracts, emulsions and compounds, in May 2016; and Caterina Foods, a leading toll manufacturer of specialty gluten-free and high-protein pastas, in September 2016.

Other includes the Company's remaining operations, primarily its financial business units, related to futures commission and insurance activities.

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. Certain Corporate items are not allocated to the Company's reportable business segments. Corporate results principally include the impact of LIFO-related adjustments, unallocated corporate expenses, other charges including legal settlements, costs, and legal fees, interest cost net of investment income, and the Company's share of the results of an equity investment.

Following the sale of the cocoa business in October 2015, the remaining results of Cocoa and Other were combined with the results of Refining, Packaging, Biodiesel, and Other within the Oilseeds Processing segment effective January 1, 2016. Prior period results have been reclassified to conform to the current presentation.

Note 17. Segment and Geographic Information (Continued)

Segment Information

(In millions)	Year Ended December 31		
	2016	**2015**	**2014**
Gross revenues			
Agricultural Services	**$ 30,241**	$ 33,658	$ 40,120
Corn Processing	**9,512**	10,051	12,377
Oilseeds Processing	**27,305**	29,393	33,591
Wild Flavors and Specialty Ingredients	**2,447**	2,423	1,380
Other	**585**	634	573
Intersegment elimination	**(7,744)**	(8,457)	(6,840)
Total	**$ 62,346**	$ 67,702	$ 81,201
Intersegment revenues			
Agricultural Services	**$ 2,348**	$ 3,976	$ 3,832
Corn Processing	**46**	56	95
Oilseeds Processing	**5,153**	4,176	2,658
Wild Flavors and Specialty Ingredients	**20**	16	12
Other	**177**	233	243
Total	**$ 7,744**	$ 8,457	$ 6,840
Revenues from external customers			
Agricultural Services			
Merchandising and Handling	**$ 24,609**	$ 25,957	$ 32,208
Milling and Other	**3,060**	3,479	3,815
Transportation	**224**	246	265
Total Agricultural Services	**27,893**	29,682	36,288
Corn Processing			
Sweeteners and Starches	**4,028**	3,713	3,767
Bioproducts	**5,438**	6,282	8,515
Total Corn Processing	**9,466**	9,995	12,282
Oilseeds Processing			
Crushing and Origination	**13,976**	15,597	18,542
Refining, Packaging, Biodiesel, and Other	**7,880**	9,364	11,937
Asia	**296**	256	454
Total Oilseeds Processing	**22,152**	25,217	30,933
Wild Flavors and Specialty Ingredients	**2,427**	2,407	1,368
Total Wild Flavors and Specialty Ingredients	**2,427**	2,407	1,368
Other			
Financial	**408**	401	330
Total Other	**408**	401	330
Total	**$ 62,346**	$ 67,702	$ 81,201

Note 17. Segment and Geographic Information (Continued)

(In millions)	Year Ended December 31		
	2016	**2015**	**2014**
Depreciation			
Agricultural Services	**$ 191**	$ 188	$ 189
Corn Processing	**342**	335	332
Oilseeds Processing	**185**	187	235
Wild Flavors and Specialty Ingredients	**37**	36	37
Other	**5**	5	3
Corporate	**27**	48	54
Total	**$ 787**	$ 799	$ 850
Long-lived asset abandonments and write-downs[1]			
Agricultural Services	**$ 3**	$ —	$ 17
Corn Processing	**6**	66	15
Oilseeds Processing	**6**	40	3
Wild Flavors and Specialty Ingredients	**—**	1	—
Corporate	**2**	1	—
Total	**$ 17**	$ 108	$ 35
Interest income			
Agricultural Services	**$ 21**	$ 16	$ 31
Corn Processing	**3**	2	10
Oilseeds Processing	**27**	29	30
Wild Flavors and Specialty Ingredients	**2**	1	1
Other	**35**	19	13
Corporate	**4**	4	7
Total	**$ 92**	$ 71	$ 92
Equity in earnings of affiliates			
Agricultural Services	**$ 16**	$ 24	$ 41
Corn Processing	**91**	85	113
Oilseeds Processing	**211**	251	236
Wild Flavors and Specialty Ingredients	**4**	—	—
Other	**10**	(3)	10
Corporate	**(40)**	33	(28)
Total	**$ 292**	$ 390	$ 372

[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		
	2016	2015	2014
Operating Profit			
Agricultural Services	**$ 602**	$ 714	$ 1,043
Corn Processing	**811**	648	1,148
Oilseeds Processing	**871**	1,574	1,440
Wild Flavors and Specialty Ingredients	**286**	280	205
Other	**134**	56	79
Total operating profit	**2,704**	3,272	3,915
Corporate	**(882)**	(988)	(785)
Earnings before income taxes	**$ 1,822**	$ 2,284	$ 3,130

(In millions)	December 31	
	2016	2015
Investments in and advances to affiliates		
Agricultural Services	**$ 367**	$ 384
Corn Processing	**395**	368
Oilseeds Processing	**3,413**	2,743
Wild Flavors and Specialty Ingredients	**3**	—
Other	**4**	39
Corporate	**315**	367
Total	**$ 4,497**	$ 3,901
Identifiable assets		
Agricultural Services	**$ 8,380**	$ 8,715
Corn Processing	**6,418**	6,450
Oilseeds Processing	**11,228**	10,794
Wild Flavors and Specialty Ingredients	**4,610**	4,570
Other	**7,211**	7,902
Corporate	**1,922**	1,726
Total	**$ 39,769**	$ 40,157

(In millions)	December 31	
	2016	2015
Gross additions to property, plant, and equipment		
Agricultural Services	**$ 156**	$ 229
Corn Processing	**240**	427
Oilseeds Processing	**266**	404
Wild Flavors and Specialty Ingredients	**139**	167
Other	**20**	15
Corporate	**61**	108
Total	**$ 882**	$ 1,350

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		
	2016	**2015**	**2014**
Revenues			
United States	**$ 29,419**	$ 31,828	$ 39,609
Switzerland	**13,413**	11,681	10,118
Cayman Islands	**3,617**	4,456	5,213
Germany	**2,341**	3,436	7,174
Other Foreign	**13,556**	16,301	19,087
	$ 62,346	$ 67,702	$ 81,201

(In millions)	December 31	
	2016	**2015**
Long-lived assets		
United States	**$ 6,763**	$ 6,877
Foreign	**2,995**	2,976
	$ 9,758	$ 9,853

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		
	2016	**2015**	**2014**
Restructuring and exit costs [1]	**$ 21**	$ 71	$ 64
Impairment charge - equity securities[2]	**6**	—	6
Impairment charge - goodwill and intangible assets [3]	**11**	21	—
Impairment charge - fixed assets [4]	**17**	108	35
Total asset impairment, exit, and restructuring costs	**$ 55**	$ 200	$ 105

(1) 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. Restructuring and exit costs recognized in the year ended December 31, 2014 consisted of costs associated with the relocation of the Company's global headquarters to Chicago, Illinois, of $16 million and restructuring charges related to the Wild Flavors acquisition and Toepfer integration following the acquisition of the minority interest and other restructuring charges of $48 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. Impairment charge - equity securities for the fiscal year ended December 31, 2014 consisted of other-than-temporary investment writedowns of available for sale 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, 2016 consisted of several individually insignificant fixed asset impairments. Impairment charge - fixed assets for the fiscal year ended December 31, 2015 consisted of property, plant, and equipment 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. Impairment charge - fixed assets for the fiscal year ended December 31, 2014 consisted of property, plant, and equipment asset impairments of $17 million in the Agricultural Services segment, $15 million in the Corn Processing segment, and $3 million in the Oilseeds Processing segment.

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 $1.2 billion, as amended, and an additional amount upon the collection of the accounts receivable (deferred consideration). The Program terminates on June 23, 2017, 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 $0.3 billion and an additional amount upon the collection of the accounts receivable (deferred consideration). The Second Program terminates on March 17, 2017, 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 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, 2016 and 2015, 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, 2016 and 2015, the fair value of trade receivables transferred to the Purchasers under the Programs and derecognized from the Company's consolidated balance sheet was $1.6 billion and $1.7 billion, respectively. In exchange for the transfer as of December 31, 2016 and 2015, the Company received cash of $1.0 billion and $1.2 billion and recorded a receivable for deferred consideration included in other current assets $540 million and $513 million, respectively. Cash collections from customers on receivables sold were $34.3 billion, $40.7 billion, and $36.4 billion for the years ended December 31, 2016, 2015, and 2014, respectively. Of this amount, $33.8 billion, $40.3 billion, and $35.1 billion pertain to cash collections on the deferred consideration for the years ended December 31, 2016, 2015, and 2014, 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 Program.

The Company's risk of loss following the transfer of accounts receivable under the Program 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 program which have historically been insignificant.

Transfers of receivables under the Program during the years ended December 31, 2016, 2015, and 2014 resulted in an expense for the loss on sale of $6 million, $5 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 Program 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.

Beginning in 2011, approximately 45 farmers in the U.S. brought suit in a Missouri state court against the Company and one of its employees to recover alleged losses from a Ponzi scheme orchestrated by a third-party grain handler, Cathy Gieseker, who was convicted in 2010 of felony fraud charges and is currently serving time in federal prison. The farmers alleged that the Company knew or should have known of Ms. Gieseker's Ponzi scheme but did not stop it, that Ms. Gieseker was effectively acting as the Company's agent, and that the Company defrauded or otherwise wronged them. Attorneys for these farmers claimed to represent more than 100 additional farmers with similar claims. Collectively, all of the farmers sought more than $250 million in alleged economic losses, an unspecified amount for alleged mental pain and suffering, and an unspecified amount of punitive damages. On August 24, 2016, the Company and the farmers entered into a comprehensive confidential settlement of the matter, in which the Company did not admit wrongdoing, and this matter is now at an end. The Company recorded the settlement and related costs and fees pertaining to this matter during 2016.

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 that Syngenta was negligent in commercializing its products before the products were approved in China. Second, the Company is a putative class member in a number of purported class actions filed beginning in 2013 by farmers and other parties against Syngenta in federal courts and consolidated for pretrial proceedings in a multidistrict litigation (MDL) proceeding in federal court in Kansas City, Kansas, again alleging that Syngenta was negligent in commercializing its products. In the fourth quarter of 2015, Syngenta filed third-party claims against the Company and other grain companies seeking contribution in the event that Syngenta is held liable in these lawsuits; the courts dismissed these third-party claims on April 4, 2016, and the Company is therefore no longer a third-party defendant in the MDL. Third, the Company and other grain companies have been named as a defendant 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 that 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 proceedings granted the Company's motion to dismiss the complaints against the Company in those actions, and on January 4, 2017, a federal court in the Southern District of Illinois similarly dismissed all of the pending complaints against the Company there. 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 it will not have a material adverse effect on its financial condition, results of operations, or cash flows.

Note 20. Legal Proceedings, Guarantees, and Commitments (Continued)

The Company has entered into agreements, primarily debt guarantee agreements related to equity-method investees, which could obligate the Company to make future payments if the primary entity fails to perform its contractual obligations. The Company has not recorded a liability for payment of these contingent obligations, as the Company believes the fair value of these contingent obligations is immaterial. The Company has collateral for a portion of these contingent obligations.

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, 2016					
Revenues	**$ 14,384**	**$ 15,629**	**$ 15,832**	**$ 16,501**	**$ 62,346**
Gross Profit	**796**	**757**	**1,105**	**1,026**	**3,684**
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**

	Quarter Ended				
	March 31	**June 30**	**September 30**	**December 31**	**Year**
	(In millions, except per share amounts)				
Fiscal Year Ended December 31, 2015					
Revenues	$ 17,506	$ 17,186	$ 16,565	$ 16,445	$ 67,702
Gross Profit	1,102	964	1,089	865	4,020
Net Earnings Attributable to Controlling Interests	493	386	252	718	1,849
Basic Earnings Per Common Share	0.78	0.62	0.41	1.20	2.99
Diluted Earnings Per Common Share	0.77	0.62	0.41	1.19	2.98

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; 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 totalling $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.

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

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.

Net earnings attributable to controlling interests for the second quarter of the fiscal year ended December 31, 2015 include after-tax gains totaling $71 million (equal to $0.11 per share) related to the revaluation of the Company's previously held investments in North Star Shipping and Minmetal in conjunction with the acquisition of the remaining interests, the sale of a 50% interest in the Barcarena export terminal facility in Brazil to Glencore plc, and sale of the lactic business as discussed in Note 12; after-tax charges of $28 million (equal to $0.04 per share) primarily related to impairment of certain long-lived assets as discussed in Note 18; and certain discrete tax adjustments of $13 million (equal to $0.02 per share) related to valuation allowances.

Net earnings attributable to controlling interests for the third quarter of the fiscal year ended December 31, 2015 include a gain on the sale of the global chocolate business of $23 million after tax (equal to $0.04 per share) as discussed in Note 12; fixed asset impairment charges related primarily to sugar ethanol facilities in Brazil in the Corn Processing segment of $35 million after tax (equal to $0.06 per share) as discussed in Note 18; restructuring charges related to an international pension plan settlement of $26 million after tax (equal to $0.04 per share) as discussed on Note 18; and an after-tax loss on debt extinguishment of $118 million (equal to $0.19 per share) related to the cash tender offers and redemption of certain of the Company's outstanding debentures as discussed in Note 12.

Net earnings attributable to controlling interests for the fourth quarter of the fiscal year ended December 31, 2015 include after-tax gains totaling $421 million (equal to $0.70 per share) related primarily to the sale of the chocolate and cocoa businesses, and the revaluation of the Company's previously held investment in Eaststarch C.V. in conjunction with the acquisition of the remaining interest as discussed in Note 12; after-tax restructuring and exit costs totaling $33 million (equal to $0.06 per share) related to sugar ethanol facilities in Brazil, and other restructuring charges as discussed in Note 18; after-tax loss provisions, settlement charges, and inventory writedown totaling $58 million (equal to $0.10 per share); after-tax goodwill, intangible and property, plant, and equipment asset impairments totaling $50 million (equal to $0.08 per share) as discussed in Note 18; and certain discrete tax adjustments totaling $73 million (equal to $0.12 per share) related to valuation allowances and deferred tax re-rates.

Note 22. Subsequent Events

On January 16, 2017, the Company acquired additional shares in Wilmar, increasing its ownership interest from 23.2% to 23.9% .

On January 30, 2017, the Company announced the sale of its crop risk services businesses to Validus Holdings, a global group of insurance and reinsurance companies. The sale, which is subject to regulatory approval, is expected to close in the first half of 2017.

On February 1, 2017, the Company completed the acquisition of Crosswind Industries, Inc., an industry leader in the manufacture of contract and private label pet treats and foods, as well as specialty ingredients, for $81 million, subject to working capital adjustments.

Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying consolidated balance sheets of Archer-Daniels-Midland Company (the Company) as of December 31, 2016 and 2015, 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, 2016. Our audits also included the financial statement schedule listed in the Index at Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Archer-Daniels-Midland Company at December 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Archer-Daniels-Midland Company's internal control over financial reporting as of December 31, 2016, 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 17, 2017, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

St. Louis, Missouri
February 17, 2017

Report of Independent Registered Public Accounting Firm

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

We have audited Archer-Daniels-Midland Company's (the Company) internal control over financial reporting as of December 31, 2016, 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). Archer-Daniels-Midland Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, Archer-Daniels-Midland Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Archer-Daniels-Midland Company as of December 31, 2016 and 2015, 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, 2016, of Archer-Daniels-Midland Company, and our report dated February 17, 2017, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

St. Louis, Missouri
February 17, 2017

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

None.

Item 9A. CONTROLS AND PROCEDURES

As of December 31, 2016, 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 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 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 the 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 (ADM's) management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). ADM's internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

Under the supervision and with the participation of management, including its Chief Executive Officer and Chief Financial Officer, ADM's management assessed the design and operating effectiveness of internal control over financial reporting as of December 31, 2016 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 ADM's internal control over financial reporting was effective as of December 31, 2016.

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, 2016. 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," "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 4, 2017 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
Ben I. Bard	Global Chief Compliance Officer since January 2014. Ethics and Compliance Counsel, Coca-Cola Company from 2006 to January 2014.	43
Mark A. Bemis	Senior Vice President of the Company since December 2010. Chief Risk Officer since May 2015. President, North America since March 2015. President, Corn Processing business unit from December 2010 to March 2015.	56
Donald Chen	President, North Asia since January 2016. 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.	54
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.	43
Michael D'Ambrose	Senior Vice President, Human Resources since October 2006.	59
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.	49
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.	57
Scott Fredericksen	President, South America since February 2016. President, Transportation from March 2012 to March 2016. President, Transportation - Rail, Container, and Supply Chain from September 2007 to March 2012.	54
Stuart E. Funderburg	Assistant Secretary and Chief Corporate and Securities Counsel since August 2014. Assistant Secretary and Associate General Counsel from November 2012 to August 2014. Assistant Secretary and Assistant General Counsel from November 2008 to November 2012.	53
Shannon Herzfeld	Vice President of the Company since February 2005, with responsibility for the Company's Government Affairs function.	64
Patricia L. Logan	Chief Audit Executive since August 2014. Director, Internal Audit from September 2005 to August 2014.	57
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.	55

Vikram Luthar	President, Enzymes since December 2015. CFO, Corn Processing business unit since March 2014. 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.	50
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.	51
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.	45
Ian Pinner	President, Southeast Asia and Global Destination Marketing since December 2015. 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.	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. Vice President and Executive Director, Asia-Pacific from July 2010 to August 2011.	49
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.	49
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. Vice President of the Company from September 2009 to August 2011. President, ADM Grain from December 2010 to August 2011.	51
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.	52
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.	54
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.	55

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 2016,” “Outstanding Equity Awards at Fiscal 2016 Year-End,” “Option Exercises and Stock Vested During Fiscal 2016,” “Pension Benefits,” “Nonqualified Deferred Compensation,” “Termination of Employment and Change-in-Control Arrangements” and “Director Compensation for Fiscal 2016” of the definitive proxy statement for the Company’s annual meeting of stockholders to be held on May 4, 2017, and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information responsive to this Item is set forth in “Principal Holders of Voting Securities,” “Proposal No. 1 - Election of Directors for a One-year Term,” “Executive Officer Stock Ownership,” and “Equity Compensation Plan Information” of the definitive proxy statement for the Company’s annual meeting of stockholders to be held on May 4, 2017, 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 4, 2017, 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 4, 2017, 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, 2014	$ 81	37	(32)	(5)	$ 81
December 31, 2015	$ 81	24	(32)	(3)	$ 70
December 31, 2016	$ 70	16	(16)	2	$ 72

[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 June 1, 1986, 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 Registration Statement No. 336721), and Supplemental Indenture dated as of August 1, 1989 between the registrant 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 Registration Statement No. 33-6721), relating to:

the $300,000,000 – 8 3/8% Debentures due April 15, 2017,
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 September 20, 2006, 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 Registration Statement on Form S-3, Registration No. 333-137541), First Supplemental Indenture dated as of June 3, 2008 between the registrant and The Bank of New York Mellon (formerly known as The Bank of New York) (incorporated by reference to Exhibit 4.6 to Form 8-K (File No. 1-44) filed on June 3, 2008), Second Supplemental Indenture, dated as of November 29, 2010 between the registrant and The Bank of New York Mellon (incorporated by reference to Exhibit 4.3 to Form 8-K (File No. 1-44) filed on November 30, 2010), and Third Supplemental Indenture, dated as of April 4, 2011, between the registrant and The Bank of New York Mellon (incorporated by reference to Exhibit 4.4 to 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 $700,000,000 – 5.45% Notes due March 15, 2018,
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 October 16, 2012, between the Company and The Bank of New York Mellon, as Trustee (incorporated by reference to Exhibit 4.1 to 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% Note due June 23, 2023,
the €500,000,000 Floating Rate Note due June 24, 2019, and
the $1,000,000,000 2.500% Notes due August 11, 2026.

(iv) Copies of constituent instruments defining rights of holders of long-term debt of the Company and Subsidiaries, other than the Indentures specified herein, are not filed herewith, pursuant to Instruction (b)(4)(iii)(A) to Item 601 of Regulation S-K, because the total amount of securities authorized under any such instrument does not exceed 10% of the total assets of the Company and Subsidiaries on a consolidated basis. The Registrant hereby agrees that it will, upon request by the SEC, furnish to the SEC a copy of each such instrument.

(10) Material Contracts - Copies of the Company's equity compensation plans, deferred compensation plans and agreements with executive officers, pursuant to Instruction (b)(10)(iii)(A) to Item 601 of Regulation S-K, each of which is a management contract or compensation plan or arrangement required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K, are incorporated herein by reference as follows:

(i) 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 (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.

(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) 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)).

(viii) Form of Stock Option Agreement for non-NEO employees (U.S.) (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)).

(ix) Form of Restricted Stock Unit Award Agreement for non-NEO employees (U.S.) (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)).

(x) Form of Stock Option Agreement for NEOs (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)).

(xi) Form of Restricted Stock Unit Award Agreement for NEOs (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)).

(xii) Form of Stock Option Agreement for international employees (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)).

(xiii) Form of Restricted Stock Unit Award Agreement for international employees (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 1-44)).

(xiv) Form of Performance Share Unit Award Agreement (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)).

(xv) Form of Performance Share Unit Award Agreement 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)).

(xvi) Form of Nonqualified Stock Option Award for Executive Officers (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)).

(xvii) Form of Nonqualified Stock Option Award for U.S. Employees (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)).

(xviii) Form of Restricted Stock Unit Award for Executive Officers (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)).

(xix) Form of Restricted Stock Unit Award for U.S. Employees (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)).

(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.

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES (Continued)

(31.1) Certification of Chief Executive Officer pursuant to Rule 13a–14(a) and Rule 15d–14(a) of the Securities Exchange Act, as amended.

(31.2) Certification of Chief Financial Officer pursuant to Rule 13a–14(a) and Rule 15d–14(a) of the Securities Exchange Act, as amended.

(32.1) Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(32.2) Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(101) Interactive Data File.

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 17, 2017

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 17, 2017, 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/ M. H. Carter
M. H. Carter*,
Director

/s/ T. K. Crews
T. K. Crews*,
Director

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

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

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

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

/s/ F. Sanchez
F. Sanchez*,
Director

/s/ D. A. Sandler
D. A. Sandler*,
Director

/s/ D. Shih
D. 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.

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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
1099 W. Wood St., Suite G
Decatur, IL 62522
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 4, 2017, commencing at 8:30 a.m.** Proxies will be requested by Management on or about March 24, 2017, at which time a Notice of Internet Availability of Proxy Materials or, for those who do not receive a Notice, a Proxy Statement, 2016 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, 2016, 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.