ARCHER DANIELS NYSE-ADM

RECENT PRICE **27.91** | P/E RATIO **8.8** (Trailing: 8.9 Median: 14.0) | RELATIVE P/E RATIO **0.63** | DIV'D YLD **2.3%** | VALUE LINE **1902**

TIMELINESS 3 Lowered 10/14/11
SAFETY 2 Raised 7/30/10
TECHNICAL 3 Lowered 8/12/11
BETA .90 (1.00 = Market)

2014-16 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+185%)	*31%*
Low	60	(+115%)	*22%*

Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	3
Options	2	1	10	1	1	0	0	0	0
to Sell	0	0	13	1	0	3	0	0	1

Institutional Decisions

	4Q2010	1Q2011	2Q2011
to Buy	290	301	335
to Sell	294	287	279
Hld's(000)	440494	456722	474818

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
High:	14.5	15.8	14.9	15.2	22.5	25.5	46.7	47.3	48.9	33.0	34.0	38.0								
Low:	7.8	10.2	10.0	10.5	14.9	17.5	24.0	30.2	13.5	23.1	24.2	23.7								
	17.76	18.20	21.42	24.52	21.14	19.40	30.27	36.08	47.62	55.55	55.25	55.81	68.40	108.37	107.80	96.08	125.66	*130.25*	Sales per sh [A]	*143.75*
	1.65	1.49	1.55	1.48	1.28	1.36	1.44	1.58	1.68	2.20	2.44	3.00	3.51	3.97	4.21	4.47	4.54	*4.70*	"Cash Flow" per sh	*6.10*
	1.10	.95	.80	.65	.41	.45	.58	.70	.68	1.16	1.40	2.00	2.38	2.84	3.06	3.06	3.13	*3.30*	Earnings per sh [B]	*4.70*
	.07	.12	.16	.17	.17	.18	.19	.20	.24	.27	.32	.37	.43	.49	.54	.58	.62	*.66*	Div'ds Decl'd per sh [C]	*.80*
	.78	1.03	1.21	1.07	.99	.65	.41	.54	.65	.78	.96	1.16	1.86	2.76	2.96	2.50	1.94	*2.35*	Cap'l Spending per sh	*1.95*
	8.20	8.40	9.36	9.90	9.24	9.20	9.56	10.39	10.96	11.83	12.96	14.96	17.48	20.94	21.03	22.79	29.34	*31.79*	Book Value per sh [F]	*41.70*
	713.62	731.44	646.65	657.09	675.61	663.91	662.38	649.99	644.86	650.75	650.53	655.69	643.59	644.27	642.00	642.00	642.00	*640.00*	Common Shs Outst'g [D]	*640.00*
	11.9	13.9	19.2	27.6	33.9	24.1	19.7	19.6	17.8	13.1	14.3	14.6	15.3	13.7	8.5	9.5	10.3		Avg Ann'l P/E Ratio	*15.0*
	.80	.87	1.11	1.44	1.93	1.57	1.01	1.07	1.01	.69	.76	.79	.81	.82	.57	.60	.63		Relative P/E Ratio	*1.00*
	.5%	.9%	1.1%	1.0%	1.2%	1.7%	1.7%	1.5%	2.0%	1.8%	1.6%	1.3%	1.2%	1.3%	2.1%	2.0%	1.9%		Avg Ann'l Div'd Yield	*1.1%*
	20051	23454	30708	36151	35944	36596	44018	69816	69207	61682	80676	*84000*	Sales ($mill) [A] [E]	*92000*
	6.3%	6.1%	4.6%	4.7%	5.6%	6.6%	6.2%	4.6%	5.3%	5.5%	4.4%	*4.6%*	Operating Margin	*6.0%*
	572.4	566.6	643.6	685.6	664.7	656.7	701.0	721.0	730.0	912.0	877.0	*885*	Depreciation ($mill)	*900*
	383.3	458.6	438.1	744.7	921.7	1312.1	1561.0	1834.0	1970.0	1959.0	2036.0	*2130*	Net Profit ($mill)	*3005*
	26.6%	31.2%	29.1%	23.1%	32.1%	29.3%	31.0%	31.5%	30.0%	25.4%	33.1%	*30.0%*	Income Tax Rate	*30.0%*
	1.9%	2.0%	1.4%	2.1%	2.6%	3.6%	3.5%	2.6%	2.8%	3.2%	2.5%	*2.5%*	Net Profit Margin	*3.3%*
	2283.3	2643.9	3274.4	3588.8	4343.8	5661.5	7254.0	10834	10523	9561.0	14286	*12415*	Working Cap'l ($mill)	*13145*
	3351.1	3111.3	3872.3	3739.9	3530.1	4050.3	4752.0	7690.0	7800.0	6830.0	8266.0	*7335*	Long-Term Debt ($mill)	*6735*
	6331.7	6754.8	7069.2	7698.2	8433.5	9806.9	11253	13490	13499	14631	18838	*20343*	Shr. Equity ($mill)	*26695*
	5.3%	5.9%	5.3%	7.7%	8.8%	10.5%	11.1%	9.4%	10.2%	10.0%	8.2%	*8.5%*	Return on Total Cap'l	*9.5%*
	6.1%	6.8%	6.2%	9.7%	10.9%	13.4%	13.9%	13.6%	14.6%	13.4%	10.8%	*10.5%*	Return on Shr. Equity	*11.5%*
	4.1%	4.9%	4.0%	7.4%	8.4%	10.9%	11.4%	11.3%	12.0%	10.8%	8.7%	*8.5%*	Retained to Com Eq	*9.5%*
	33%	28%	36%	23%	23%	18%	18%	17%	18%	19%	19%	*20%*	All Div'ds to Net Prof	*17%*

CAPITAL STRUCTURE as of 6/30/11
Total Debt $10,141 mill. **Due in 5 Yrs** $3,123 mill.
LT Debt $8,266 mill. **LT Interest** $348 mill.
(LT interest earned: 11.6x; total int. coverage: 6.7x)
(30% of Cap'l)

Leases, Uncapitalized Annual rentals $224 mill.
Pension Assets - 6/11 $2.1 bill.
Oblig. $2.4 bill.

Pfd Stock None
Common Stock 675,797,974 shs.

MARKET CAP: $18.9 billion (Large Cap)

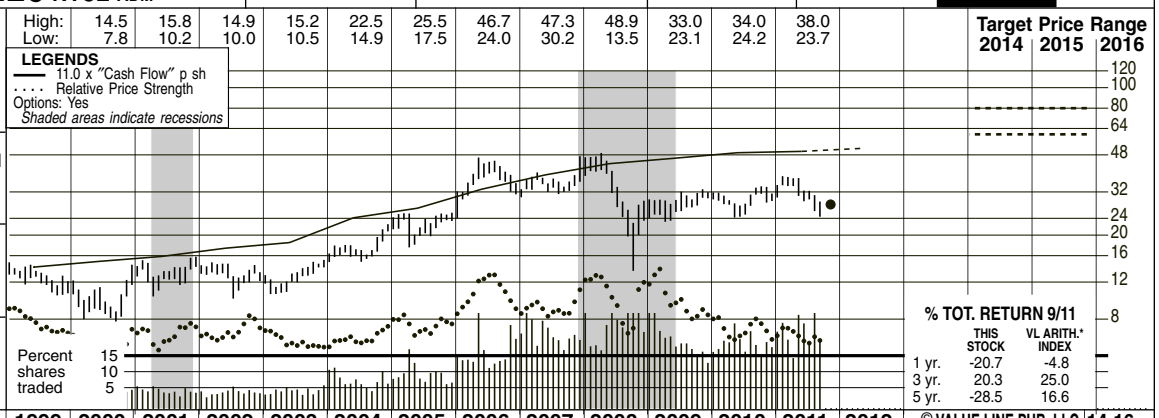
CURRENT POSITION ($MILL.)	2009	2010	6/30/11
Cash Assets	1555	1440	615
Receivables	7311	6122	9816
Inventory (LIFO)	7782	7611	12055
Other	2760	2961	5018
Current Assets	19408	18134	27504
Accts Payable	5786	5538	7550
Debt Due	404	718	1875
Other	2695	2317	3793
Current Liab.	8885	8573	13218

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '14-'16
Sales [E]	16.5%	14.5%	*4.0%*
"Cash Flow"	12.5%	11.5%	*6.5%*
Earnings	20.5%	15.0%	*8.0%*
Dividends	12.5%	12.5%	*7.0%*
Book Value	10.0%	13.0%	*11.0%*

Fiscal Year Ends	QUARTERLY SALES ($ mill.) [A] [E] Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2008	12828	16496	18708	21784	69816
2009	21160	16673	14842	16532	69207
2010	14921	15913	15145	15703	61682
2011	16799	20930	20077	22870	80676
2012	*18330*	*21350*	*21600*	*22720*	*84000*

Fiscal Year Ends	EARNINGS PER SHARE [A] [B] Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2008	.71	.75	.80	.58	2.84
2009	1.61	.91	.34	.20	3.06
2010	.77	.88	.72	.69	3.06
2011	.54	1.14	.86	.58	3.13
2012	*.80*	*.90*	*.90*	*.70*	*3.30*

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	.115	.115	.115	.115	.46
2008	.13	.13	.13	.13	.52
2009	.14	.14	.14	.14	.56
2010	.15	.15	.15	.15	.60
2011	.16	.16	.16		



BUSINESS: Archer Daniels Midland Co. is in the business of procuring, transporting, storing, processing, and merchandising agricultural commodities & products. It is one of the world's largest processors of oilseeds, corn, and wheat. Mix of revenues (and oper. profits) at 6/30/11: oilseed processing, 50%; corn processing, 35%; ag. services, 33%; other prods., 17%. Fiscal 2011 foreign sales: 47% of total; deprec. rate: 4.6%. Has about 30,700 employees. Officers/directors own less than 1% of stock; State Farm Auto Insurance Co., 8.9% (9/10 proxy). Chairman: G. Allen Andreas. President/CEO: Patricia Woertz. Incorporated: Delaware. Address: 4666 Faries Parkway, Box 1470, Decatur, IL 62525. Tel.: 217-424-5200. Internet: www.adm.com.

Archer Daniels Midland recently reported its full-year results. (Fiscal 2011 ended June 30th). The company posted healthy top-line growth, but the bottom line was largely unexciting. Indeed, the agricultural commodities processor had a myriad of factors keeping bottom-line growth at bay, including soft demand for soybean meal, and the rising cost of corn, which is currently increasing faster than the selling prices of sweeteners and starches. Archer was also hit with a higher-than-expected tax rate in the fourth quarter, digging further into its profits.

Top-line growth was good for the company in fiscal 2011, and higher sales are on the horizon. Sweeteners continue to be a driver for success and, if the global economy picks up, exporting will surely help augment revenues. The company is looking for oilseed to bring in strong growth in fiscal 2012. This crop accounted for nice profits in the June quarter, and the USDA is projecting global demand to rise even further in the coming year. On the downside, there is some uncertainty regarding the sizes of U.S. corn and soybean crops. Right now, supplies are tight, and small yields could drive prices even higher.

Archer Daniels has added a number of projects to its plate, including the acquisition of Cattleman's Choice Loomix, a liquid animal feed supplement business. This marks the company's entrance into the business, and is a solid addition to its portfolio of offerings. Archer is also expanding abroad. It opened a feed premix plant in Tianjin, China to cater to increasing demand for animal feed products. Archer also opened a new plant in South America.

We have lowered our 2012 targets. Archer does not offer guidance, and it is hard to get clarity on what fiscal 2012 might look like for the company. Given the likelihood of tight crop supplies, we will be keeping our estimates on the conservative side, and lowering our share-net call to $3.30 for the year.

Archer shares are still a good buy for patient, long-term investors. The stock recently bounced off its 52-week low, but remains an attractive selection for those with a 3- to 5-year horizon.

Colleen Reynolds *October 28, 2011*

(A) Fiscal year ends June 30th. **(B)** Diluted earnings. Excludes nonrecurring gain (loss): '97, (30¢); '98, (7¢); '99, 10¢; '02, 8¢; '03, 2¢; '04, (40¢); '05, 19¢. Next earnings report due Early November. **(C)** Dividend historically paid in early Mar., June, Sep., Dec. Plus annual stock div'd.: '89-'01: 5%. **(D)** In millions, adjusted for stock split & stock div'd. **(E)** ADM began reporting revenue gross as a principal versus net as an agent in fiscal 2001. **(F)** Includes intangibles. In 2011: $602.0 million, $0.94/sh.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	70
Earnings Predictability	70

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