

ARCHER DANIELS MIDLAND CO

Form DEF 14A

September 22, 2005

OMB APPROVAL

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

ARCHER-DANIELS-MIDLAND COMPANY

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

SEC 1913 (02-02)

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ARCHER-DANIELS-MIDLAND COMPANY
4666 Faries Parkway, Decatur, Illinois 62526-5666

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, 1001 BRUSH COLLEGE ROAD, DECATUR, ILLINOIS, on Thursday, November 3, 2005, at 11:00 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) If properly presented, to consider and act upon the Stockholders proposal set forth in the accompanying Proxy Statement; and
- (3) To transact such other business as may properly come before the meeting.

By Order of the Board of Directors

D. J. Smith, Secretary

September 22, 2005

ARCHER-DANIELS-MIDLAND COMPANY
4666 Faries Parkway, Decatur, Illinois 62526-5666
September 22, 2005

PROXY STATEMENT

General Matters

The accompanying proxy is SOLICITED BY THE BOARD OF DIRECTORS of Archer-Daniels-Midland Company (the Company) for the Annual Meeting of Stockholders of the Company to be held at the JAMES R. RANDALL RESEARCH CENTER, 1001 BRUSH COLLEGE ROAD, DECATUR, ILLINOIS, on Thursday, November 3, 2005 at 11:00 A.M. This Proxy Statement and the enclosed form of proxy are first being mailed to Stockholders on or about September 22, 2005.

The cost of solicitation of proxies will be borne by the Company. Georgeson Shareholder Communications Inc. has been retained by the Company to assist in solicitation of proxies at a fee of \$21,000, plus reasonable out-of-pocket expenses. Solicitation other than by mail may be made by officers or by other employees of the Company or by employees of Georgeson Shareholder Communications Inc. by personal, telephone, mail or internet solicitation, the cost of which is expected to be nominal. The Company will reimburse brokerage firms and other securities custodians for their reasonable expenses in forwarding proxy materials to their principals.

As a matter of policy, the Company keeps confidential proxies, ballots and voting tabulations that identify individual Stockholders. Such documents are available for examination only by the inspectors of election, the Company's transfer agent and certain employees who are associated with processing proxy cards and tabulating the vote. The vote of any Stockholder is not disclosed except in a contested proxy solicitation or as may be necessary to meet legal requirements.

Only holders of shares of Common Stock of record at the close of business on September 16, 2005 will be entitled to notice of and to vote at the meeting and at all adjournments thereof. At the close of business on September 16, 2005, the Company had 653,235,293 outstanding shares of Common Stock, each share being entitled to one vote.

Admittance to the Annual Meeting will be limited to Stockholders. 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 Annual Meeting. The number of people admitted 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 principal executive offices at: Archer-Daniels-Midland Company, Shareholder Relations, 4666 Faries Parkway, Decatur, IL 62526-5666. Evidence of your stock ownership, which you can obtain from your broker, bank or nominee, must accompany your letter. Stockholders who are not pre-registered will only be admitted to the meeting upon verification of stock ownership. The number of tickets sent will be determined by the manner in which shares are registered. If your request is received by October 20, 2005, an admission ticket will be mailed to you. All other admission tickets can be obtained at the registration table located at the James R. Randall Research Center lobby beginning at 9:30 A.M. on the day of the Annual Meeting.

Shares represented by proxies in the form enclosed, properly executed, will be voted. Proxies may be revoked at any time prior to being voted by delivering written notice or a proxy bearing a later date to the Secretary of the Company or by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not, by itself, revoke a proxy.

With the exception of the election of directors, the affirmative vote of the holders of a majority of the outstanding shares of Common Stock present in person or represented by proxy at the meeting and entitled to vote is required for approval of each proposal presented in the Proxy Statement. A plurality of the votes of outstanding shares of Common Stock of the Company present in person or represented by proxy at the meeting and entitled to vote on the election of directors is required for the election of directors. For the election of directors, withheld votes do not affect whether a nominee has received sufficient votes to be elected. For purposes of determining whether the Stockholders have approved matters other than the election of directors, abstentions are treated as shares present or represented and voting and have the same effect as negative votes. Broker non-votes 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

The following Stockholders are known to the Company to be beneficial owners of more than 5% of the outstanding Common Stock of the Company (based upon filings with the Securities and Exchange Commission):

| Name and Address of Beneficial Owner | Amount | Percent of Class |
|---|---------------|------------------|
| Barclays Global Investors, NA and Related Entities 45 Fremont St., 17th Floor San Francisco, CA 94105 | 69,132,190(1) | 10.58 |
| State Farm Mutual Automobile Insurance Company and Related Entities One State Farm Plaza Bloomington, Illinois 61701 | 56,777,213(2) | 8.69 |

- (1) Based on a Schedule 13G filed with the Securities and Exchange Commission on July 11, 2005, Barclays Global Investors, NA and related entities have sole dispositive power with respect to 69,132,190 shares and sole voting power with respect to 55,801,467 shares.
- (2) Based on a Schedule 13G filed with the Securities and Exchange Commission on January 13, 2005, State Farm Mutual Automobile Insurance Company and related entities have shared dispositive power with respect to 244,921 shares, sole dispositive power with respect to 56,532,292 shares, shared voting power with respect to 244,921 shares and sole voting power with respect to 56,532,292 shares.

Election of Directors

The Board of Directors has fixed the size of the Board at nine (9). It is intended that proxies solicited by the Board of Directors will, unless otherwise directed, be voted to elect the nominees named below. The nominees proposed for election to the Board of Directors are all presently members of the Board.

The proxies (unless otherwise directed) will be voted for the election of the nominees named herein as Directors to hold office until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified. In the event any nominee for Director becomes unable to serve as a Director, it is intended that the persons named in the proxy may vote for a substitute who will be designated by the Board of Directors. The Board has no reason to believe that any nominee will be unable to serve as a Director. All present members of the Board have served continuously as Directors from the year stated in the table below.

The nominees, their age, position with the Company, principal occupation, directorships of other publicly-owned companies, the year in which each first became a Director, and the number of shares of Common Stock of the Company beneficially owned as of September 1, 2005, directly or indirectly, by each are shown in the following table. Unless otherwise indicated in the footnotes to the following table, and subject to community property laws where applicable, the Company believes that each of the nominees named in the following table 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.

| Name, Age, Principal Occupation or Position, Directorships of Other Publicly-Owned Companies | Year First Elected as Director | Common Stock Owned | Percent of Class |
|---|---------------------------------------|---------------------------|-------------------------|
| G. Allen Andreas, 62 Chairman of the Board and Chief Executive of the Company | 1997 | 5,779,507(1)(3) | * |
| Alan L. Boeckmann, 57 Chairman and Chief Executive Officer of Fluor Corporation (an engineering and construction firm) since February, 2002, Chief Operating Officer of Fluor Corporation from December, 2000 - February, 2002, Chief Executive Officer of Fluor Daniel Engineers & Constructors from March, 1999 - December, 2000, Director of Burlington Northern Santa Fe Corporation | 2004 | 5,065(2) | * |
| Mollie Hale Carter, 43 Chairman, Chief Executive Officer and President, Sunflower Bank and Vice President, Star A, Inc. (a farming and ranching operation), Director of Westar Energy | 1996 | 11,687,428(2)(4) | 1.79 |
| Roger S. Joslin, 69 Former Vice Chairman of the Board of State Farm Mutual Automobile Insurance Company, Director of Amlin PLC | 2001 | 38,833(2) | * |
| Patrick J. Moore, 51 Chairman, President and Chief Executive Officer of Smurfit-Stone Container Corporation (a producer of paperboard and paper-based packaging products) | 2003 | 17,979(2) | * |
| M. Brian Mulroney, 66 Senior Partner in the law firm of Ogilvy Renault, Director of Barrick Gold Corporation, Trizec Properties Inc., Cendant Corporation, Quebecor Inc. and Quebecor World, Inc. | 1993 | 71,610(2) | * |
| Thomas F. O'Neill, 58 Principal, Sandler O'Neill & Partners, L.P. (an investment banking firm), Director of The Nasdaq Stock Market, Inc. and Misonix, Inc. | 2004 | 2,876(2) | * |
| O. G. Webb, 69 | 1991 | 37,231(2) | * |

Farmer. Former Chairman of the Board and President,
GROWMARK, Inc. (a farmer-owned cooperative)

| | | | |
|--|------|-----------|---|
| Kelvin R. Westbrook, 50 | 2003 | 13,922(2) | * |
| President and Chief Executive Officer of Millennium Digital Media, L.L.C. (a broadband services company), Director of Angelica Corporation | | | |

* Less than 1% of outstanding shares

(1) Includes shares allocated as a beneficiary under the Company's Tax Reduction Act Stock Ownership Plan (TRASOP) and ADM Employee Stock Ownership Plan (ESOP).

- (2) Includes stock units allocated under the Company's Stock Unit Plan for Nonemployee Directors that are deemed to be the equivalent of outstanding shares of Common Stock for accounting and valuation purposes.
- (3) Includes 2,901,617 shares, in which Mr. Andreas disclaims any beneficial interest, in trust for members of his family of which he is a trustee or has sole or shared voting power. Includes 1,263,370 shares that are unissued but are subject to stock options exercisable within 60 days from the date of this Proxy Statement.
- (4) Includes 4,865,687 shares owned by or in trust for members of Ms. Carter's family in which Ms. Carter disclaims beneficial interest in 526,679 shares. Includes 6,645,882 shares held in family corporations with respect to which Ms. Carter disclaims any beneficial interest in 6,047,753 shares.

Executive Stock Ownership Policy

The Board of Directors believes that it is important for each member of the Company's senior management to acquire and maintain a significant ownership position in shares of Common Stock of the Company to further align the interests of senior management with those of the Stockholders. Accordingly, the Company has adopted a policy regarding ownership of shares of Company Common Stock by senior management. Such policy calls for members of Company senior management to own shares of Common Stock with a fair market value within a range of one to three times that individual's base salary, depending on such individual's level of responsibility with the Company.

Executive Officer Stock Ownership

The following table shows the number of shares of Common Stock of the Company beneficially owned as of September 1, 2005, directly or indirectly, by each of the Executive Officers, other than the Chief Executive, named in the Summary Compensation Table on page 8.

| Name | Common Stock Owned(1) | Options | Percent of Class |
|-----------------|-----------------------------|----------------------------------|---------------------|
| | | Exercisable Within 60 Days | |
| P. B. Mulhollem | 692,297 | 43,146 | * |
| D. J. Smith | 314,460 | 136,953 | * |
| W. H. Camp | 319,542 | 31,613 | * |
| J. D. Rice | 267,311 | 25,432 | * |

* Less than 1% of outstanding shares

- (1) Includes shares allocated under the Company's ESOP and 401(k).

Common Stock beneficially owned by all Directors and Executive Officers as a group, numbering 39 persons including those listed above, is 22,768,729 shares representing 3.49% of the outstanding shares, of which 2,188,889 shares are unissued but are subject to stock options exercisable within 60 days from the date of this Proxy Statement.

Independence of Directors

The listing standards of the New York Stock Exchange (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 not be independent if (1) the director or a member of the director's immediate family is, or in the past three years has been, an executive officer of the Company or, in the case of the director, an employee of the Company; (2) the director or a member of the director's immediate family has received more than \$100,000 per year in direct compensation from the Company other than for service as a director, provided that compensation received by an immediate family member for service as an employee of the Company is not, under the NYSE standards, considered in determining independence; (3) the director is employed by the Company's

independent auditors, a member of the director's immediate family is employed by the Company's independent auditors in a specified capacity, or the director or a member of the director's immediate family was within the last three years (but is no longer) an employee of the Company's independent auditors and personally worked on the Company's audit; (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 an executive officer of the Company serves 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, the Company in an amount which, in any twelve-month period during the past three years, exceeds the greater of \$1 million or two percent of such other company's consolidated gross revenues.

The Company's Bylaws also provide that a majority of the Board of Directors be comprised of independent directors. Under the Company's Bylaws, an independent director means a director who (a) is not a current employee or a former member of senior management of the Company or an affiliate of the Company, (b) is not employed by a provider of professional services to the Company, (c) does not have any business relationship with the Company, either personally or through a company of which the director is an officer or a controlling shareholder, that is material to the Company or to the director, (d) does not have a close family relationship, by blood, marriage or otherwise with any member of senior management of the Company or an affiliate of the Company, (e) is not an officer of a company of which the Company's chairman or chief executive is also a board member, (f) is not personally receiving compensation from the Company in any capacity other than as a director, and (g) does not personally receive or is not an employee of a foundation, university, or other institution that receives grants or endowments from the Company, that are material to the Company or to either the recipient and/or the foundation, university or institution.

The Board of Directors has reviewed business and charitable relationships between the Company and each non-employee Director and Director nominee to determine compliance with the NYSE and Bylaw standards described above 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 seven of its nine current members are independent. Mr. Andreas is not independent under the NYSE or Bylaw standards because of his employment with the Company. Mr. Mulrone is not independent under the Company's Bylaw standards because he is the senior partner of a law firm that provides professional services to the Company.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines that govern the structure and functioning of the Board and set out the Board's policies on governance issues. The Guidelines, along with the written charters of each of the committees of the Board, are posted on the Company's internet site, www.admworld.com, and are available free of charge on written request to Secretary, Archer-Daniels-Midland Company, 4666 Faries Parkway, Decatur, Illinois, 62526-5666.

Executive Sessions

In accordance with the Company's Corporate Governance Guidelines, the non-management Directors meet in executive session at least annually. 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 Vice Chairman of the Board, or in his or her absence, the Chairman of the Nominating/ Corporate Governance Committee, presides at such meetings.

Board Meetings and Attendance at Annual Meetings of Stockholders

During the last fiscal year, the Board of Directors of the Company held five regularly scheduled meetings. All incumbent Directors attended 75% or more of the combined total meetings of the Board and the committees on which they served during the last fiscal year. The Company expects all nominees to

serve as a Director to attend the Annual Meeting of Stockholders. All Director nominees standing for election at the Company's last Annual Meeting of Stockholders held on November 4, 2004 attended that meeting.

Information Concerning Committees and Meetings

The Board's committee structure consists of Audit, Compensation/ Succession, Nominating/ Corporate Governance, and Executive Committees. Each of such Committees operates pursuant to a written charter adopted by the Board.

The Audit Committee consists of Mr. Joslin, Chairperson, Messrs. Moore, O'Neill and Westbrook, and Ms. Carter. The Audit Committee met eleven times during the 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 the Company's Bylaws and in the applicable listing standards of the NYSE. 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 the (1) overall plan of the annual independent audit, (2) financial statements, (3) scope of audit procedures, (4) performance of the Company's independent auditors and internal auditors, (5) auditors' evaluation of internal controls, and (6) matters of legal compliance.

The Compensation/ Succession Committee consists of Mr. Webb, Chairperson, Ms. Carter, and Messrs. Boeckmann and Moore. The Compensation/ Succession Committee met five times during the 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 the Company's Bylaws and in the applicable listing standards of the NYSE. The Compensation/ Succession Committee (1) establishes and administers a compensation policy for senior management, (2) reviews and approves the compensation policy for all employees of the Company and its subsidiaries other than senior management, (3) reviews and monitors the Company's financial performance as it affects the compensation policies of the Company or the administration of such policies, (4) establishes and reviews a compensation policy for non-employee Directors, and (5) reviews and monitors the Company's succession plans. All of its actions are either reported to the Board or submitted to the Board for ratification.

The Nominating/ Corporate Governance Committee consists of Ms. Carter, Chairperson, and Messrs. Joslin, O'Neill, Webb and Westbrook. The Nominating/ Corporate Governance Committee met four times during the 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 the Company's Bylaws and in the applicable listing standards of the NYSE. 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 the Bylaws of the Company, (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. 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 such other factors as the Nominating/ Corporate Governance Committee deems appropriate. The Nominating/ Corporate Governance Committee strives to recommend candidates that compliment the current members of the Board 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. The Nominating/ Corporate Governance Committee will consider nominees recommended by a Stockholder provided the Stockholder submits the nominee's name in a written notice delivered to the Secretary of the Company at the principal executive offices of the Company not less than sixty nor more than ninety days prior to the anniversary date of the immediately preceding Annual Meeting of Stockholders; provided that, in the event that the Annual Meeting is called for a date that is not within thirty days before or after

such anniversary date, the notice must be so received 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 there is no public announcement by the Company naming all of the nominees or specifying the size of the increased Board at least one hundred days prior to the first anniversary of the preceding year's Annual Meeting). Any such notice must set forth the information required by Section 1.4(c) of the Company's Bylaws, and must be accompanied by the written consent of the proposed nominee to being named as a nominee and to serve as a Director if elected. All candidates, regardless of the source of their recommendation, are evaluated using the same criteria.

The Executive Committee consists of Mr. Andreas, Chairperson, Ms. Carter and Messrs. Mulrone and Webb. The Executive Committee did not meet during the 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 meeting of the Board but should not be postponed until the next scheduled meeting of the Board. The Executive Committee exercises all the power and authority of the Board in the management and direction of the business and affairs of the Company except for those matters which are expressly delegated to another Committee of the Board and matters which, under applicable law, or the Company's Certificate of Incorporation or Bylaws, cannot be delegated by the Board.

Communications with Directors

The Company has approved procedures for Stockholders to send communications to individual Directors or the non-employee Directors as a group. All such communications should be in writing and addressed to the applicable Director or Directors in care of the Secretary, Archer-Daniels-Midland Company, P.O. Box 1470, Decatur, Illinois, 62525-1820. All correspondence will be forwarded to the intended recipient(s).

Code of Conduct

The Board of Directors has adopted a Business Code of Conduct and Ethics that sets forth standards regarding, among other things, honest and ethical conduct, compliance with law, and full, fair, accurate and timely disclosure in reports and documents that the Company files with the Securities and Exchange Commission and in other public communications. The Business Code of Conduct and Ethics applies to all employees, officers and directors of the Company, including the Company's principal executive officer, principal financial officer and principal accounting officer. The Business Code of Conduct and Ethics is available on the Company's internet site, www.admworld.com and is available free of charge on written request to Secretary, Archer-Daniels-Midland Company, 4666 Faries Parkway, Decatur, Illinois 62526-5666. Any amendments to certain provisions of the Business Code of Conduct and Ethics or waivers of such provisions granted to certain executive officers will be promptly disclosed on this internet site.

Executive Compensation

The following table sets forth information concerning the Company's Chief Executive and the four other most highly-compensated Executive Officers of the Company.

Summary Compensation Table

| Name and Principal Position | Fiscal Year | Annual Compensation | | | Long Term Compensation | | |
|--|----------------|---------------------|---------------|---|---------------------------------------|---|---|
| | | Salary (\$) | Bonus (\$) | Other Annual Compensation (\$) | Restricted Stock Awards (\$) | Securities Underlying Options (#)(1) | All Other Compensation (\$)(2) |
| G. A. Andreas | 2005 | 2,960,005 | 0 | 105,907(3) | 8,000,000(4) | 474,430 | 10,500 |
| Chairman and Chief Executive | 2004 | 2,901,667 | 0 | 119,658(3) | 2,749,219(5) | 290,650 | 10,000 |
| | 2003 | 2,795,833 | 0 | 153,909(3) | 2,314,761(6) | 288,866 | 10,000 |
| P. B. Mulhollem | 2005 | 1,667,042 | 0 | | 4,749,088(4) | 127,665 | 10,500 |
| President and Chief Operating Officer(7) | 2004 | 1,593,227 | 0 | | 1,499,575(5) | 158,537 | 10,000 |
| | 2003 | 1,528,206 | 0 | | 1,262,595(6) | 157,563 | 12,226(8) |
| D. J. Smith | 2005 | 813,294 | 0 | | 1,769,296(4) | 65,228 | 10,500 |
| Executive Vice President, Secretary and General Counsel | 2004 | 770,833 | 0 | | 540,717(5) | 57,165 | 10,000 |
| | 2003 | 691,667 | 0 | | 410,339(6) | 51,208 | 10,000 |
| W. H. Camp | 2005 | 776,063 | 0 | | 1,658,512(4) | 49,680 | 10,500 |
| Executive Vice President | 2004 | 720,833 | 0 | | 504,668(5) | 53,354 | 10,000 |
| | 2003 | 670,833 | 0 | | 410,339(6) | 51,208 | 10,000 |
| J. D. Rice | 2005 | 760,221 | 0 | | 1,603,344(4) | 55,416 | 10,500 |
| Executive Vice President | 2004 | 697,583 | 0 | | 488,807(5) | 51,677 | 10,000 |
| | 2003 | 661,667 | 0 | | 410,339(6) | 51,208 | 10,000 |

- (1) Number of options granted in fiscal year indicated and adjusted for all stock dividends paid and stock splits effected to date.
- (2) Except with respect to Mr. Mulhollem in 2003, these amounts represent only the Company's matching contribution under the Company's Employee Stock Ownership and 401(k) plans in calendar years 2005, 2004 and 2003.
- (3) Includes \$62,540, \$58,533 and \$92,473 for personal use of company-owned aircraft in 2005, 2004 and 2003, respectively; and \$35,552 and \$35,513 for personal use of company-owned vehicle in 2005 and 2004, respectively. Amounts for Other Annual Compensation are reported on a calendar year basis.

- (4) On August 19, 2004, Mr. Andreas was granted a restricted stock award in the amount of 500,000 shares valued at \$8,000,000 on the date of grant; Mr. Mulhollem was granted a restricted stock award in the amount of 296,818 shares valued at \$4,749,088 on the date of grant; Mr. Smith was granted a restricted stock award in the amount of 110,581 shares valued at \$1,769,296 on the date of grant; Mr. Camp was granted a restricted stock award in the amount of 103,657 shares valued at \$1,658,512 on the date of grant; and Mr. Rice was granted a restricted stock award in the amount of 100,209 shares valued at \$1,603,344 on the date of grant. Such restricted stock vests on August 19, 2007. Each of such grantees is entitled to vote, and to receive all dividends paid with respect to, such restricted stock.

The number and value of holdings of restricted stock at the end of the Company's fiscal year (based on the closing price of the Company's Common Stock on June 30, 2005) were as follows:

| Name | Number | Value |
|-----------------|---------|---------------|
| G. A. Andreas | 903,218 | \$ 19,310,801 |
| P. B. Mulhollem | 516,755 | \$ 11,048,221 |
| D. J. Smith | 185,969 | \$ 3,976,017 |
| W. H. Camp | 176,404 | \$ 3,771,518 |
| J. D. Rice | 171,794 | \$ 3,672,955 |

- (5) On October 14, 2003, Mr. Andreas was granted a restricted stock award in the amount of 201,408 shares valued at \$2,749,219 on the date of grant; Mr. Mulhollem was granted a restricted stock award in the amount of 109,859 shares valued at \$1,499,575 on the date of grant; Mr. Smith was granted a restricted stock award in the amount of 39,613 shares valued at \$540,717 on the date of grant; Mr. Camp was granted a restricted stock award in the amount of 36,972 shares valued at \$504,668 on the date of the grant; and Mr. Rice was granted a restricted stock award in the amount of 35,810 shares valued at \$488,807 on the date of grant. Such restricted stock vests on October 14, 2006. Each of such grantees is entitled to vote, and to receive all dividends paid with respect to, such restricted stock.
- (6) On August 8, 2002, Mr. Andreas was granted a restricted stock award in the amount of 201,810 shares valued at \$2,314,761 on the date of grant; Mr. Mulhollem was granted a restricted stock award in the amount of 110,078 shares valued at \$1,262,595 on the date of grant; and Messrs. Smith, Camp and Rice were each granted a restricted stock award in the amount of 35,775 shares valued at \$410,339 on the date of grant. Such restricted stock vested on August 8, 2005. Each of such grantees is entitled to vote, and to receive all dividends paid with respect to, such restricted stock.
- (7) Mr. Mulhollem retired from the Company effective September 15, 2005.
- (8) Includes \$2,226 paid pursuant to the Company's program for expatriates relating primarily to reimbursement of amounts paid with respect to foreign taxes; also includes \$10,000 for the Company's matching contribution under the Company's Employee Stock Ownership and 401(k) plans.

During the last fiscal year, compensation for nonemployee Directors consisted of an annual retainer of \$200,000, at least one-half of which is paid in stock units pursuant to the Company's Stock Unit Plan for Nonemployee Directors. The remaining one-half of such retainer is paid in cash, stock units or a combination of cash and stock units, at the election of each nonemployee Director.

Stock Option Grants in Last Fiscal Year

| Individual Grants | | | Potential Realizable |
|--|--|---------------------------------|--|
| Number of Securities Underlying Options Granted | Percent of Total Options Granted to | Exercise or Base Price | Value at Assumed Annual Rates of Stock Price Appreciation for Option Term |
| | | | Expiration |

| Name | (#)(1) | Employees in | | Date | 5%\$(2) | 10%\$(2) |
|-----------------|---------|-----------------|---------|------------|-----------|------------|
| | | Fiscal Year | (\$/Sh) | | | |
| G. A. Andreas | 474,430 | 15.45 | 15.73 | 08/19/2014 | 4,847,864 | 12,139,865 |
| P. B. Mulhollem | 127,665 | 4.16 | 15.73 | 08/19/2014 | 1,304,518 | 3,266,733 |
| D. J. Smith | 65,228 | 2.12 | 15.73 | 08/19/2014 | 666,519 | 1,669,075 |
| W. H. Camp | 49,680 | 1.62 | 15.73 | 08/19/2014 | 507,645 | 1,271,228 |
| J. D. Rice | 55,416 | 1.80 | 15.73 | 08/19/2014 | 566,257 | 1,418,002 |

(1) For the period July 1, 2004 through June 30, 2005, the executive officers named above were granted non-qualified stock options which become exercisable in five equal annual installments commencing on the first anniversary of the grant date of such options. The options are subject to certain forfeiture

provisions. The exercise price may be paid in cash or by delivering shares of Company Common Stock which are already owned by the optionee and have been held for at least six months. Tax withholding obligations resulting from the exercise may be paid by surrendering a portion of the shares being acquired, subject to certain conditions. All options not already exercisable will become exercisable (i) upon the death of the optionee, or (ii) upon a change of control of the Company, as defined in the applicable stock option agreement.

- (2) The hypothetical potential appreciation shown in these columns reflects the required calculations at annual rates of 5% and 10% set by the Securities and Exchange Commission, and is not intended to represent either historical appreciation or anticipated future appreciation of the Company's Common Stock price.

Aggregated Option Exercises in Fiscal Year and Fiscal Year-End Option Values(1)

| Name | Shares Acquired on Exercise(#) | Value Realized(\$) | Number of Securities Underlying Unexercised Options at Fiscal Year-End(#) | | Value of Unexercised In-the-Money Options at Fiscal Year-End(\$) | |
|-----------------|---|-----------------------|--|---------------|--|---------------|
| | | | Exercisable | Unexercisable | Exercisable | Unexercisable |
| G. A. Andreas | 42,209 | 203,958 | 966,099 | 1,421,945 | 9,201,101 | 11,053,886 |
| P. B. Mulhollem | 132,008 | 1,008,159 | 17,774 | 494,784 | 171,576 | 3,993,041 |
| D. J. Smith | 76,737 | 927,503 | 88,243 | 238,252 | 896,837 | 1,894,018 |
| W. H. Camp | 127,579 | 1,182,880 | 11,843 | 190,103 | 93,650 | 1,522,160 |
| J. D. Rice | 127,209 | 1,024,110 | 18,480 | 232,409 | 177,083 | 1,875,904 |

- (1) Table reflects adjustments for stock dividends paid and stock splits effected to date.

Equity Compensation Plan Information

| 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 | 11,011,887(1) | \$ 13.26 | 23,448,785(2) |
| Equity Compensation Plans Not Approved By Security Holders | 0 | 0 | 0 |
| Total | 11,011,887(1) | \$ 13.26 | 23,448,785(2) |

- (1) Consists of 257,853 shares to be issued upon exercise of outstanding options pursuant to the Company's 1991 Stock Option Plan, 2,075,945 shares to be issued upon exercise of outstanding options pursuant to the Company's 1996 Stock Option Plan, 4,360,774 shares to be issued upon exercise of outstanding options pursuant to the Company's 1999 Incentive Compensation Plan, 3,828,201 shares to be issued upon exercise of outstanding options pursuant to the Company's 2002 Incentive Compensation Plan and 489,114 shares to be issued upon exercise of outstanding options pursuant to the ADM International Limited Savings-Related Share Option Scheme, all as of June 30, 2005.
- (2) Consists of 894,003 shares available for issuance pursuant to the Company's 1999 Incentive Compensation Plan; 17,644,154 shares available for issuance pursuant to the Company's 2002 Incentive Compensation Plan; 370,650 shares available for issuance pursuant to the Company's 1996 Stock Option Plan, and 4,539,978 shares available for issuance pursuant to the ADM International Limited Savings-Related Share Option Scheme, all as of June 30, 2005. Benefits which may be granted under the 1999 Incentive Compensation Plan and 2002 Incentive Compensation Plan are options, stock appreciation rights, restricted stock, performance shares, performance units and cash-

based awards. Only options can currently be granted under the 1996 Stock Option Plan and the ADM International Limited Savings-Related Share Option Scheme.

The Company does not have any equity compensation plans that have not been approved by the Stockholders.

Pension Plan Table

The Company has a Retirement Plan for Salaried Employees (the Retirement Plan). The Company made a contribution to the Retirement Plan for calendar and Retirement Plan year 2004 in excess of the required minimum ERISA contribution. The following table shows the estimated annual benefits payable as a life annuity, upon normal retirement, to persons in specified salary and years-of-service classifications:

For Years of Credited Service Shown Below

| 5 Year Average Base Compensation | 10 | 15 | 20 | 25 | 30 | 35 |
|----------------------------------|---------|---------|-----------|-----------|-----------|-----------|
| \$ 600,000 | 102,322 | 153,483 | 204,643 | 255,804 | 306,965 | 321,965 |
| 800,000 | 137,322 | 205,983 | 274,643 | 343,304 | 411,965 | 431,965 |
| 1,000,000 | 172,322 | 258,483 | 344,643 | 430,804 | 516,965 | 541,965 |
| 1,200,000 | 207,322 | 310,983 | 414,643 | 518,304 | 621,965 | 651,965 |
| 1,400,000 | 242,322 | 363,483 | 484,643 | 605,804 | 726,965 | 761,965 |
| 1,600,000 | 277,322 | 415,983 | 554,643 | 693,304 | 831,965 | 871,965 |
| 1,800,000 | 312,322 | 468,483 | 624,643 | 780,804 | 936,965 | 981,965 |
| 2,000,000 | 347,322 | 520,983 | 694,643 | 868,304 | 1,041,965 | 1,091,965 |
| 2,200,000 | 382,322 | 573,483 | 764,643 | 955,804 | 1,146,965 | 1,201,965 |
| 2,400,000 | 417,322 | 625,983 | 834,643 | 1,043,304 | 1,251,965 | 1,311,965 |
| 2,600,000 | 452,322 | 678,483 | 904,643 | 1,130,804 | 1,356,965 | 1,421,965 |
| 2,800,000 | 487,322 | 730,983 | 974,643 | 1,218,304 | 1,461,965 | 1,531,965 |
| 3,000,000 | 522,322 | 783,483 | 1,044,643 | 1,305,804 | 1,566,965 | 1,641,965 |
| 3,200,000 | 557,322 | 835,983 | 1,114,643 | 1,393,304 | 1,671,965 | 1,751,965 |
| 3,400,000 | 592,322 | 888,483 | 1,184,643 | 1,480,804 | 1,776,965 | 1,861,965 |
| 3,600,000 | 627,322 | 940,983 | 1,254,643 | 1,568,304 | 1,881,965 | 1,971,965 |

The pension amount is based on the final average monthly compensation (average of the 60 consecutive months of the last 180 months which produce the highest average). For purposes of the Retirement Plan, the term compensation is defined as base compensation (Salary as shown in the Summary Compensation Table) paid during the Retirement Plan year. The pension amount is calculated as follows: final average monthly compensation times 36% plus 16.5% of final average compensation in excess of Social Security covered compensation for the first 30 years of service plus 0.5% of final average compensation for each year in excess of 30 years of service and additional early retirement reduction when the pension commences prior to age 65. The Retirement Plan does not include a Social Security offset. The normal retirement age under the Retirement Plan is age 65 with 5 years of service. The 5 year average compensation for purposes of the Retirement Plan of each of the five highest paid Executive Officers of the Company and the number of years of service rounded to the nearest year and credited to each of them under the Retirement Plan was as follows: G. A. Andreas \$2,720,667 (32 years); P. B. Mulhollem \$1,305,944 (13 years); D. J. Smith \$667,563 (24 years); W. H. Camp \$625,588 (28 years); and J. D. Rice \$662,696 (29 years).

Various provisions of the Internal Revenue Code of 1986, as amended, limit the amount of benefits payable under a qualified pension plan. When these limits operate to reduce a pension benefit payable under the Retirement Plan, the Company will provide additional amounts so that the total annual pension will be as provided in the Retirement Plan.

Report of the Compensation/ Succession Committee

The Committee reviews and establishes the compensation of the officers of the Company, approves annual compensation to any employee in the amount of \$250,000 or more, approves awards to employees pursuant to the incentive compensation plans of the Company, and approves modifications in the employee benefit plans with respect to the benefits salaried employees receive under such plans. The Committee is comprised of four independent directors. The actions of the Committee are reported to the Board of Directors and, where appropriate, submitted to the Board of Directors for ratification.

The objective of the Company's compensation program is to provide annual and long-term incentive compensation to the officers and other employees of the Company that is competitive with that for comparable employment, responsibilities and performance. The Committee defines competitiveness as the fiftieth percentile level of compensation offered by a peer group of companies selected by the Committee. The Committee, whose members are investors and business leaders, familiarize themselves with these compensation packages through periodic consultations with compensation experts from nationally-recognized firms and by reviewing publicly-filed documents. In addition, in the case of all individuals except the Chief Executive, the Committee considers the recommendations of management and the individual's supervisor(s) in establishing each such person's compensation. The non-management directors evaluate the performance of the Chief Executive which is considered by the Committee in establishing the compensation for the Chief Executive. The Company does not pay cash bonuses except in limited situations. No officer of the Company receives a cash bonus. The reportable compensation of all employees is adjusted to reflect the personal use, if any, of Company property.

During fiscal year 2004, based upon a study of the compensation program of the Company conducted by the Committee with the assistance of an outside compensation expert, the Committee adopted a new long-term incentive compensation program designed to address a deficiency in long-term incentive compensation and better align the interests of the officers and participating employees with the Stockholders by linking awards largely to the future performance of the Company. Under this program, officers and certain employees of the Company have the opportunity to receive annual incentive compensation awards in the form of stock options and restricted stock. The stock option awards are based upon each participant reaching annual individual performance objectives as determined by the person's supervisor(s) or, in the case of the Chief Executive, by the non-management directors. The restricted stock awards are based on the Company achieving target levels of total business return, based on change in equity value calculated as a multiple of EBITDA (earnings before interest, taxes, depreciation and amortization) less debt, plus dividends, measured on a three-year rolling average. The amount of these awards is based on a combination of the participant's position within the Company and base salary. The stock options are granted at the market price on the date granted, vest over five years and are exercisable over a period of ten years. The awards of restricted stock have time-based restrictions for a period of three years.

The compensation for the Chief Executive was established by the Committee considering all of the factors previously described in this Report. The Committee proposed and the Board of Directors approved an annual salary for the Chief Executive of \$2,960,000, granted stock options to him for 474,430 shares of Company stock and awarded 500,000 shares of restricted stock pursuant to the long-term incentive compensation program.

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public corporations for compensation paid in excess of \$1,000,000 annually to each of the Company's Chief Executive and four other most highly-compensated executive officers except for qualifying performance-based compensation. A portion of the compensation paid to certain of the Company's executive officers will be subject to the deduction limitation. In order to retain the flexibility to compensate its executive officers in a competitive environment in accordance with the principles discussed above, the Committee believes that it would be inadvisable to adopt a strict policy of compliance with the performance-based compensation exception to Section 162(m). The awards of stock options and restricted stock pursuant to the long-term incentive compensation program qualify as performance-based compensation and is fully-deductible. The Committee will continue to consider future opportunities for compliance with this exception to Section 162(m) that it feels are in the best interests of the Company and its stockholders. The 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.

O. G. Webb, *Chairman*

A. L. Boeckmann

M. H. Carter

P. J. Moore

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COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN*
AMONG ARCHER-DANIELS-MIDLAND COMPANY (ADM),
THE S&P PACKAGED FOODS & MEATS INDEX
AND THE S&P 500 INDEX

* \$100 invested on 06/30/00 in stock or index including reinvestment of dividends. Fiscal year ended June 30. Graph produced in accordance with SEC regulations by Research Data Group, Inc.

Certain Relationships and Related Transactions

During the fiscal year ended June 30, 2005, the Company retained the services of the law firm of Ogilvy Renault of which M. Brian Mulrone, a Director of the Company, is the senior partner. The Company may continue to retain the services of, and refer specific matters to, this firm during the next fiscal year.

During the last fiscal year, a member of the immediate family of O. G. Webb, a Director of the Company, was indebted to Hickory Point Bank & Trust, fsb (HPB), a wholly-owned subsidiary of the Company, pursuant to a home loan and a home equity line of credit and J. Kevin Burgard, an executive officer of the Company, was indebted to HPB pursuant to a commercial loan and a home loan. Each of the loans described in this paragraph was made in the ordinary course of HPB's business on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with wholly-unrelated parties and did not involve an unacceptable risk of collectibility.

The son and son-in-law of O. G. Webb, a Director of the Company, and the brother and brother-in-law of M. H. Carter, a Director of the Company, are employed by the Company in non-executive officer positions. The son of William H. Camp, an executive officer of the Company and the son of Kenneth A. Robinson, an executive officer of the Company, are employed by the Company in non-executive officer positions. The brother-in-law of Craig A. Fischer, an executive officer of the Company, is employed by the Company in a non-executive officer position. The annual salary of each of the employees described in this paragraph is between \$60,000 and \$250,000.

During the portion of the last fiscal year prior to October 31, 2004, HPB retained the services of the investment banking firm of Sandler O'Neill & Partners, L.P. of which Thomas F. O'Neill, a Director of the Company, is a principal. HPB did not retain the services of this firm for periods beginning after October 31, 2004.

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 financial statements and the financial reporting process, preparation of the financial reports and other financial information provided by the Company to any governmental or regulatory body, the systems of internal accounting and financial controls, the internal audit function, the annual independent audit of the Company's financial statements, and the legal compliance and ethics programs as established by management and the Board. The Audit Committee assures that the corporate information gathering 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 and oversight of the independent auditors. The Audit Committee is comprised of five (5) independent directors, all of whom are financially literate and three of whom, R. S. Joslin, the Chairman of the Audit Committee, P. J. Moore, and T. F. O'Neill have been determined by the Board of Directors to be financial experts as that term has been defined by the Securities and Exchange Commission.

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 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 with the independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles and the effectiveness of the Company's internal control over financial reporting, their judgment as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards. In addition, the Audit Committee has discussed with the independent auditors the auditors' independence from management and the Company including the matters in the written disclosures required by Independence Standards Board Standard No. 1. The Audit Committee adopted an Audit and Non-audit Services Pre-Approval Policy and considered the compatibility of non-audit services with the independent auditors' independence. The Audit Committee recommended to the Board of Directors (and the Board has approved) a hiring policy related to current and former employees of the independent auditor. The Audit Committee appointed Ernst & Young LLP as independent auditor for the fiscal year ending June 30, 2006.

The Audit Committee discussed with the Company's internal and independent auditors the overall scope and plans for their respective audits. The Audit Committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's accounting and financial controls, and the overall quality of the Company's financial reporting. The Audit Committee held eleven meetings during fiscal year 2005.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Annual Report on Form 10-K for the year ended June 30, 2005 for filing with the Securities and Exchange Commission.

R. S. Joslin, *Chairman*
M. H. Carter
P. J. Moore
T. F. O Neill
K. R. Westbrook

Auditors

The Audit Committee has engaged the services of Ernst & Young LLP, independent registered public accounting firm, for the fiscal year ending June 30, 2006. Under the Sarbanes-Oxley Act of 2002 and related rulemaking, the Audit Committee is required to appoint and directly oversee the Company's independent auditors. In light of these requirements, the Audit Committee has determined not to submit the appointment of Ernst & Young LLP to the Stockholders for ratification. 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.

Fees Paid to Independent Auditors

The following table shows the aggregate fees billed to the Company by Ernst & Young LLP for services rendered during the fiscal years ended June 30, 2005 and 2004:

| Description of Fees | Amount(\$) | |
|-----------------------|----------------------|----------------------|
| | 2005 | 2004 |
| Audit Fees(1) | \$ 12,925,000 | \$ 7,309,000 |
| Audit-Related Fees(2) | 122,000 | 204,000 |
| Tax Fees(3) | 1,915,000 | 3,945,000 |
| All Other Fees | | |
| Total | \$ 14,962,000 | \$ 11,458,000 |

- (1) Includes fees for audit of annual financial statements, reviews of the related quarterly financial statements, certain statutory audits, SEC filings and assistance related to compliance with Section 404 of the Sarbanes-Oxley Act of 2002.
- (2) Includes fees for accounting and reporting assistance and audit-related work in connection with employee benefit plans of the Company.
- (3) Includes fees related to tax planning advice, tax return preparation, and expatriate tax services.

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 performed by Ernst & Young LLP for the Company during the last fiscal year were pre-approved by the Audit Committee.

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 its 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. The son and son-in-law of O. G. Webb, Chairman of the Compensation/ Succession Committee, and the brother and brother-in-law of M. H. Carter, a member of the Compensation/ Succession Committee, are employed by the Company in non-executive officer positions at annual salaries between \$60,000 and \$250,000. A member of the immediate family of O. G. Webb is indebted to HPB pursuant to a home loan and a home equity line of credit. Each of such loans was made in the ordinary course of HPB's business on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with wholly-unrelated parties and did not involve an unacceptable risk of collectibility.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely upon a review of copies of reports furnished to the Company during the fiscal year ended June 30, 2005, the following persons filed the number of late reports or failed to file reports representing the number of transactions set forth after his name: L. W. Batchelder, 2 reports/ 5 transactions; W. H. Camp, 1 report/ 1 transaction; and V. Luthar, 1 report/ 1 transaction.

STOCKHOLDER S PROPOSAL NO. 1

The Community of the Sisters of St. Dominic of Caldwell, New Jersey, 52 Old Swartswood Station Road, Newton, New Jersey 07860, beneficial owners of 2,293 shares of Common Stock of the Company, as primary filers, in conjunction with The Sisters of Saint Ursula, 50 Linwood Road, Rhinebeck, New York 12572, beneficial owners of 5,200 shares of Common Stock of the Company, The Maryknoll Sisters of St. Dominic, Inc., P.O. Box 311, Maryknoll, New York 10545, beneficial owners of 100 shares of Common Stock of the Company, The School Sisters of Notre Dame Cooperative Investment Fund, 336 East Ripa Avenue, St. Louis, Missouri 63125, beneficial owner of 207 shares of Common Stock of the Company, The Ursuline Sisters of the Roman Union, Eastern Province, 323 East 198th Street, Bronx, New York 10458, beneficial owners of at least \$2,000 of Common Stock of the Company and The General Board of Pension and Health Benefits of The United Methodist Church, 1201 Davis Street, Evanston, Illinois 60201, beneficial owner of 83,798 shares of Common Stock of the Company have notified the Company that they intend to present the following resolution at the annual meeting. The Board of Directors and the Company accept no responsibility for the proposed resolution and supporting statement. **The Board of Directors recommends a vote AGAINST this stockholder proposal. As required by Securities and Exchange Commission rules, the resolution and supporting statement are printed below.**

**Report on Impacts of Genetically Engineered Products
2005**

Archer Daniels Midland

RESOLVED: Shareholders request that an independent committee of the Board review Company policies and procedures for monitoring genetically engineered (GE) products and report (at reasonable cost and omitting proprietary information) to shareholders within six months of the annual meeting on the results of the review, including:

the scope of the Company's food products derived from or containing GE ingredients;

a contingency plan for sourcing non-GE food ingredients should circumstances so require.

Supporting Statement

Disclosure of material information is a fundamental principle of our capital markets. Investors, their confidence in corporate bookkeeping shaken, are starting to scrutinize other possible off-balance sheet liabilities, such as risks associated with activities harmful to human health and the environment, that can impact long-term shareholder value.

SEC reporting requirements include disclosure of trends and uncertainties that the company reasonably expects will have a material impact on revenues. Company directors and officers must proactively identify and assess trends or uncertainties that may adversely impact their revenues and disclose the information to shareholders.

Between 2001 and 2004, approximately 15,000 hectares (150 square kilometers) in four US states were planted with an unapproved variety of GE seed corn, resulting in about 133 million kilograms of the unapproved corn in the food chain. (New Scientist 3/23/05; Nature 3/22/05)

StarLink corn, not approved for human consumption, has been detected in US Food Aid (12/04) as well as in a U.S. corn shipment to Japan (12/02). StarLink first contaminated U.S. corn supplies in September 2000, triggering a recall of 300 products.

Producers of GE-seeds are merely encouraged to have voluntary safety consultations with the FDA. The FDA does not issue assurances as to the safety of these products.

According to *Safety of Genetically Engineered Foods: Approaches to Assessing Unintended Health Effects* (National Academy of Sciences [NAS] 7/2004): ...there remain sizable gaps in our ability to identify compositional changes that result from genetic modification of organisms intended for food; to determine the biological relevance of such changes to human health; to devise appropriate scientific methods to predict and assess unintended adverse effects on human health. (p. 15)

USDA (APHIS) does not have the authority under current regulations to impose conditions on the use of biotech crops once they have been deregulated and cannot require biotech developers to monitor those crops' impact on the environment post-approval. (*Issues in the Regulation of Genetically Engineered Plants and Animals*, Pew Initiative on Food and Biotechnology (April, 2004))

Weed resistance to herbicides used widely by farmers who plant genetically engineered herbicide resistant crops, is increasing. (Agriculture Research Service 8/24/04)

Gone to Seed (Union of Concerned Scientists) reports that genetically engineered DNA is contaminating the U.S. traditional seed stocks, of corn, soybeans and canola ... if left unchecked could disrupt agricultural trade, unfairly burden the organic foods industry, and allow hazardous materials into the food supply.

Resistance to GE foods continues in markets such as the European Union.

We believe such a report will disclose information material to the company's future.

Recommendation of the Board of Directors Against the Proposal

The United States Food and Drug Administration (the FDA) is the federal agency primarily responsible for insuring the safety of food and food ingredients. These products are also regulated by the United States Department of Agriculture (USDA) and the Environmental Protection Agency (EPA). The FDA, USDA and EPA have analyzed biotechnology based upon sound scientific principles. The Board is not aware that the FDA, USDA, EPA or any other regulatory agency has found or believes that food and food ingredients developed by these techniques, as a class, present any different or greater safety concerns than food and food ingredients developed from traditional sources.

The Board does not believe the report requested by the Stockholder proposal can be accurately prepared, given the current practices of multi-vendor sourcing prevalent in the United States food distribution system. The Company produces and markets thousands of different products, and uses large volumes of various raw materials. We believe it would be difficult and costly, if not impossible in the absence of federal laws and regulations, for the Company to require its numerous suppliers to identify crops and raw materials derived from modern biotechnology. The Company also believes that the report would necessarily include confidential information about its products, and the publication of the information would put the Company at a competitive disadvantage. Further, while the Company is able to obtain limited quantities of non-genetically engineered crops, we believe it would be impractical and financially irresponsible for a company of Archer-Daniels-Midland Company's size and complexity to discontinue merchandising and processing genetically modified crops.

Archer-Daniels-Midland Company believes that issues relating to biotechnology should be resolved uniformly by the FDA, USDA and other appropriate governmental regulatory agencies. These regulatory agencies can evaluate all aspects of the issues in a balanced and fully-informed manner, and on the basis of sound science.

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

Deadline for Submission of Stockholder Proposals

Proposals of Stockholders intended to be presented at the next Annual Meeting and desired to be included in the Company's Proxy Statement for that meeting must be received by the Secretary, Archer-Daniels-Midland Company, 4666 Faries Parkway, Decatur, Illinois, 62526-5666, no later than May 25, 2006, in order to be included in such Proxy Statement. Generally, if written notice of any Stockholder proposal intended to be presented at the next Annual Meeting, and not included in the Company's Proxy Statement for that meeting, is not delivered to the Secretary at the above address between August 5, 2006 and September 4, 2006 (or, if the next Annual Meeting is called for a date that is not within the period from October 4, 2006 to December 3, 2006, 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 the Company's 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 Company Stockholders may elect to household the mailing of the Proxy Statement and the Company's 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. The Company 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 the Company to send separate

annual reports and Proxy Statements in the future, or to send a single copy in the future if the Company is currently sending multiple copies to the same address.

Requests related to householding should be made by writing Shareholder Relations, Archer-Daniels-Midland Company, P.O. Box 1470, Decatur, Illinois 62525 or by calling the Company's Shareholder 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 the Company.

By Order of the Board of Directors
ARCHER-DANIELS-MIDLAND COMPANY
D. J. Smith, *Secretary*

September 22, 2005

Annual Meeting of Stockholders

Thursday, November 3, 2005

11:00 a.m. C.S.T.

James R. Randall Research Center

1001 Brush College Road

Decatur, IL 62526

2005 ANNUAL MEETING

ADMISSION TICKET

Please present this ticket for admittance of the stockholder(s) named above. Admittance will be based upon availability of seating.

Instructions for Voting Your Proxy

This proxy covers all Archer-Daniels-Midland Company shares you own in any of the following ways (provided the registrations are identical):

Shares held of record

ADM Dividend Reinvestment Plan

ADM 401(k) Plan for Hourly Employees

ADM Employee Stock Ownership Plan for Salaried Employees

ADM Stock Purchase Plan for Salaried Employees-Canada

ADM Employee Stock Ownership Plan for Hourly Employees

ADM Stock Purchase Plan for Hourly Employees-Canada

ADM 401(k) Plan for Salaried Employees

ADM Stock Purchase Plan

We are now offering stockholders three alternative ways of voting this proxy:

By Telephone (using a touch tone telephone)

Through the Internet (using a browser)

By Mail (traditional method)

Your telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you had returned your proxy card. We encourage you to use these cost effective and convenient ways of voting, 24 hours a day, 7 days a week.

TELEPHONE VOTING Available only until 5:00 p.m. Eastern time on November 2, 2005

This method of voting is available for residents of the U.S. and Canada

On a touch tone telephone, call **TOLL FREE**

1-800-850-5909, 24 hours a day, 7 days a week

You will be asked to enter **ONLY** the CONTROL NUMBER shown below

Have your proxy card ready, then follow the prerecorded instructions

Your vote will be confirmed and cast as you directed

INTERNET VOTING Available only until 5:00 p.m. Eastern time on November 2, 2005
 Visit the Internet voting website at <http://proxy.georgeson.com>

Enter the COMPANY NUMBER and CONTROL NUMBER shown below and follow the instructions on your screen

You will incur only your usual Internet charges

VOTING BY MAIL Simply mark, sign and date your proxy card and return it in the postage-paid envelope
 If you are voting by telephone or the Internet, please do not mail your proxy card

COMPANY NUMBER

CONTROL NUMBER

TO VOTE BY MAIL, PLEASE DETACH PROXY CARD HERE

x **Please mark
 votes as in this
 example.**

This proxy, when properly executed, will be voted in the manner directed below. If no direction is made, this proxy will be voted FOR Item 1 and AGAINST Item 2.

Archer-Daniels-Midland Company's Board of Directors recommends a vote FOR Item 1.

Archer-Daniels-Midland Company's Board of Directors recommends a vote AGAINST Item 2.

1. Election of Directors

| | |
|---|-------------------------------|
| FOR | WITHHOLD AUTHORITY |
| all nominees listed (except as indicated) | to vote all nominees listed |
| o | o |

G.A. Andreas, A.L. Boeckmann, M.H. Carter, R.S. Joslin, P.J. Moore, M.B. Mulroney, T.F. O'Neill, O.G. Webb, K.R. Westbrook

(INSTRUCTIONS: To withhold authority to vote for any individual nominee strike a line through the nominee's name in the list above.)

Householding Option:

Mark FOR to enroll this account to receive future Annual Meeting documents in a single package per household. Mark AGAINST if you do not want to participate.

| | |
|------------|----------------|
| FOR | AGAINST |
| o | o |

2. Adopt Stockholder's Proposal No. 1 (Report on Impacts of Genetically Engineered Food.)

| | | |
|------------|----------------|----------------|
| FOR | AGAINST | ABSTAIN |
| o | o | o |

3. In their discretion, upon any other business that may properly come before the meeting.

DATE:

, 2005

SIGNATURE(S)

IMPORTANT: Please sign exactly as your name(s) appear(s) below. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

PLEASE DETACH PROXY CARD HERE

ARCHER-DANIELS-MIDLAND COMPANY

**This Proxy is Solicited on Behalf of the Board of Directors
for the Annual Meeting of Stockholders on November 3, 2005**

**P
R
O
X
Y**

This proxy when properly executed will be voted in the manner directed herein by the undersigned Stockholder. If no direction is made, this Proxy will be voted FOR Item 1 and AGAINST Item 2. The undersigned hereby appoints G. A. Andreas, M. H. Carter, and O.G. Webb as Proxies, with the power of substitution, to represent and to vote, as designated below, all the shares of the undersigned held of record on September 16, 2005, at the Annual Meeting of Stockholders to be held on November 3, 2005 and any adjournments thereof.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ITEM 1
AND AGAINST ITEM 2.**

(Important To be signed and dated on reverse side)