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EDITED TRANSCRIPT

ADM - Archer Daniels Midland Company at Morgan Stanley Global Chemicals and Agriculture Conference

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Vincent Andrews *Morgan Stanley - Analyst*

PRESENTATION

Vincent Andrews - *Morgan Stanley - Analyst*

Okay, we're going to get started again with Archer Daniels Midland and we're pleased to have Pat Woertz, Ray Young and Case McGee with us today. ADM is going to do -- we're going to have a little bit of a fireside chat here, ex the fireplace, but lots of chat. And certainly we can have Q&A from the audience. And I think what we're just going to do is we're going to have -- Pat's going to make some sort of opening comments about ADM and sort of where it's positioned and how you're thinking about things, and then we'll go from there.

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

Thank you, Vincent. Well first of all thank your interest in ADM. I know some of you are very familiar with our company and some of you are rather new, so I'll just take a few minutes to briefly touch some high points about who we are, what we do and what our focus is.

We're a 112 year old company, $90 billion in sales. We operate in 130 countries. We have a whole value chain of agribusiness from the origination, from where the crops are grown in the world, through a large network in transportation to 270 processing plants, then ultimately to dozens and dozens of products that are made from those agricultural crops.

We're focused on shareholder value, and we think there are 3 things that particularly drive shareholder value. In our case, the first is return on invested capital. The second is earnings growth. And the third is a compelling strategy.

We think at this point in our life and in our cycle, it's very important to focus on returns. Our returns have been low and not at our targets for the last several years, particularly due to 2 years of underproduction of crops in North America, and particularly the 2012 drought, which we're still working our way through. We expect that to turn here as we talk about the harvest and the crop production for this 2014 cycle. But the focus on improving our returns, both enumerator and the denominator, is something we'll spend a little time on, it's a big focus.

Earnings, we had found ourselves plateauing at about $3.00 per share, particularly in these years, as I've mentioned, in the recent past, so our focus on earnings growth and how we can currently improve both returns and earnings, we talk about the three Cs, cost, cash and capital, and we'll spend a little time on that today if you're interested.

Our strategy is to do some investment for growth outside the US. It is where markets are growing as well as where origination or crop regions are growing. So the investment we are making, and we're keeping caps on that capital investment, is in those growing regions and market regions.

Our strengths are in logistics, they're in operations, in risk management, and in working with customers. We can spend some time on that. We have three major units, oilseeds, corn processing and ag services. We make dozens of products again in many of those streams. And as we turn towards 2014 we're quite optimistic that both our earnings power and our ability to get to our returns target is improving. So maybe that's an opening for you, Vincent.

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QUESTIONS AND ANSWERS

Vincent Andrews - *Morgan Stanley - Analyst*

Okay. You know I think the best place to start probably is on -- you know we have had, as you noted, three years of very difficult conditions in terms of, not just in the US but also over time, over the three years, South America had difficult crops as well, and we appear to be finally coming out of that. I think we saw the USDA last week, the yield to about 160 bushels, and if you go back three years ago I think we had, or four years ago, maybe we had 164.

So it's kind of hard to think about what the world should look like for ADM next year because we haven't really seen this type of environment in several years, and some things have changed. You've made some capital investments, sort of on the smaller side. And so how should we be thinking about -- I guess when I think about having a big crop obviously means the reversal of last year's poor capacity utilization, so that's clearly a plus.

But then I also think about, you know there's going to be a lot of corn around in US, there's a lot of corn around in South America, there's a lot of corn around in Eastern Europe, so it feels like we're going to have good supplies everywhere. What does that mean in terms of your ability to get a nice spread in the different parts of your business on the corn side?

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

Sure. Well first of all we do expect a record US corn crop. I think the number should be close to 14 billion bushels. The last record was about 13.1, just slightly over that. Having large crops and good demand, think about that as the sweet spot for an ADM. So having this large volume of crops, we're able to utilize our assets, as you mentioned. These include origination assets, storage, drying capacity, logistics, transportation logistics, which can include barges, rail, ships, trucks. The utilization, we're built for scale in our agricultural services areas, so this large corn crop gives us the opportunity to touch a lot of corn. Soybeans also, if you think about ag services and movement of crops in general, should also have a good crop year.

And you're right that the world has seen greater crop production in wheat and oilseeds and corn. We are a global company that moves from where crops are grown to where the products are needed. So again, these large crops and large demands should bode well for ADM in this future period.

If you think about the harvest as allowing both full utilization, also think about it as lower input costs for our processing operations. So obviously lower corn means our corn processing assets have a lower start with those inputs. And while some of those products you move through and can pass on some of those, some of the margins are based on lower costs, also it makes the end product more competitive when you have alternative products. So some of our products compete with some alternatives that don't have a basis of low corn. That's an advantage for us going forward as well.

Vincent Andrews - *Morgan Stanley - Analyst*

Okay. And so when we think about going into next year, and we think about -- you know we're kind of in this transition period in the fourth quarter now where we've started getting rid of the old crop and you're starting to move into the new crop. Is there sort of a lag effect of when, you know is it really not going to be in the first half of next year until we really feel the new crop working its way through the P&L? Or how should we think about the transition out of old crop into new crop [for you] into '14?

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

Sure. I think conditions are unfolding that are described, as I described earlier, that should provide good opportunities for us.

But to be specific, the third quarter in oilseeds, the US had a lot of exports in the third quarter, maybe unlike other third quarters in the past because the world kind of looked to the US for that reliability of supply and that consistent supply. Going into the fourth quarter, you probably will see somewhat lower margins associated with oilseed exports, but you'll see higher volumes.

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So I would imagine the third quarter would look very similar to the -- the fourth quarter would look very similar to the third quarter in oilseeds, maybe slightly better. Again, the math is higher volumes, potentially lower margins. Moving into 2014, staying with oilseeds, it could be a stronger 2014 first and second quarter as we continue to see the rest of this crop play out and strong utilization rates for those oilseeds assets.

In corn, sweetener and starches should be pretty stable as we have steady demand. I think ethanol, which is a piece of the corn processing area --

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Vincent Andrews - *Morgan Stanley - Analyst*

We're talking 4Q here still are we?

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

4Q, 4Q. Ethanol, probably we'll see some volatility. We've already seen margins come down somewhat since the third quarter. They're still in the positive range but more production will probably come on stream in the fourth quarter.

Moving into 2014 for corn, I think that's when you'll see farmers sell more. Today we're probably selling but for deliveries not in the fourth quarter for corn, but in the first and second quarter. So I think you'll see some improvement going forward in corn.

Then lastly in ag services, again trying to think about the fourth quarter, and to your question, transition to the new year. It's a quarter that the harvest is continuing to build. Again we'll probably see more sales of soybeans in this quarter and more sales of corn in the first and second quarter of next year.

You think about the fourth quarter in SG&A or overhead costs, I see them as probably pretty similar to the third quarter as we still have some project costs underway.

Vincent Andrews - *Morgan Stanley - Analyst*

Okay. And then you know if we sort of think about -- because I think this is part of what the debate is out there right now, is that we've come off these difficult operating years where the diversification of the business has allowed you to maintain a fairly steady earnings stream even though it's been a tough environment and now we're going to come out of that into a better operating environment.

And so how should we be thinking about sort of what is the normal level of earnings that we're going to be approaching in '14? And should we be considering the crop environment of '14 a normal year, because unfortunately, as we look out, if we think about '15, '16, we've got to start wondering about well what's South America going to harvest this spring, what's the US going to plant this spring and harvest next fall?

So how do we want to try to reconcile sort of the difficulty of the last few years with what should be a very good opportunity for '14, and then think about what the right trend and trajectory is for growth from there?

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

So if you think about my opening comments of improvements on returns and growing earnings, certainly when you grow earnings, and if you do so not at the expense of a lot of additional capital invested, that should also improve returns.

So when we look at moving into 2014, I think, because we have plateaued at about $3.00 a share in these last several years, we think this is the time to show the earnings power that we are creating. Even in down years we've been working on costs, on cash, on capital. Having a more normalized crop, having more ability to execute on that improvement that we've made, we see 2014 as the ability to really break through, as we have intended to do, through that $3.00 a share and beyond.

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Some of the investments we're making for the longer term, our strategy, again, is to invest in areas outside the US that have the ability to grow, and grow at potentially a higher margin and a higher return than even the balance of our business. So going forward, I see it also as great opportunity all the way through 2014 and beyond.

Vincent Andrews - *Morgan Stanley - Analyst*

Okay. If we shift gears to ethanol, that I selfishly was hoping that EPA was going to come out with whatever it is they were going to come out with by now, as I thought what better opportunity to discuss the ramifications of that than today would have been. But they obviously haven't done that so we'll have to speak in the hypothetical once again.

So I guess maybe to start with, right, the document that was out there earlier, and this got talked about a little bit on the third quarter call as well, right, was for reduction. And we don't know what's going to actually happen and our take has been that the blending economics are so compelling for ethanol that even if you reduce it, it's probably not going to change ethanol demand for 2014 a whole a lot. It's probably not going to change ethanol economics a whole lot.

But we've already seen, I think as you pointed out when you talked about when you talked about the fourth quarter, we've already seen as corn prices have come down, and blending margins have gone up, we've seen some plants come back on line and that's probably going to give us lower margins for a period of time.

So how do we think about sort of the trajectory of what could happen? I mean obviously if EPA keeps the mandate status quo, then we're on a path towards E15 in a shorter period of time. If they go with something closer to the leaked document, economics will have to drive us to E15. The economics are there but it will take longer.

So how do we think about the sort of range of outcomes? How is it going to impact you in '14? How's it going to impact your medium to longer term view on how you operate the ethanol business?

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

Good, lots of questions in there.

Vincent Andrews - *Morgan Stanley - Analyst*

Yes.

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

So first of all we consider ourselves a very low cost producer of ethanol. We have wet mills, which means ethanol is just one product out of many products that we create out of our corn wet milling starch stream.

As a low cost producer, we can weather, and do weather this volatility, and work daily on reducing costs of our plants, of our energy efficiency, of our transportation, et cetera. So we find ourselves in sort of the very top quartile, the superior quartile for cost performance in the ethanol business.

You ask about the range of outcomes for 2014 on the renewable fuels standard, and while the EPA has not announced a standard recommendation, of which there will still be a comment period before it would become final, that hasn't happened yet. I understand a note was issued from the EPA today that it's not imminent, but maybe check tomorrow or check later on in the week. So we expect that their recommendation will be soon.

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Regardless of what their recommendation is, we think it will be driven by economics, to your point. The economics of lower corn will help a company like ADM, which having again strong plants, strong operating capacity, lower cost, to efficiently produce ethanol and get it into the market.

Keep in mind that the industry produced 14 billion gallons before, even though the mandate was only 12.8, back in 2011. So it could be another example of the industry producing to meet market demand, whether that be export demand, the current demand for say E10, which takes you to about '13, or a little more than '13. There will be additional E85 come on line, and some additional E15, albeit potentially slow, but you could find yourself in that 14 billion gallon range just from the economics, both the production and have that much demand.

So sort of regardless of where the RFS comes through we see it as a period where you can have positive margins and where an ADM, as a producer is a very low cost producer, and we'll get through that.

Vincent Andrews - *Morgan Stanley - Analyst*

And what about the opportunity outside of the US? I mean if we just look today, the corn based ethanol you can buy at almost $1.00 cheaper than the ARBOB gasoline base. And so what is the export opportunity? Obviously there's a cost of transport. So with that big spread and assuming we're going to have this type of corn price for a while, and oil prices stay about where they are, you know we haven't had this level of spread on what could be a consistent basis in a long time. So does that open up opportunities that you didn't think were there, 1, 3, 5 years ago, that maybe are worth going after now?

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

Sure. Well as you mentioned, ethanol is, corn based ethanol from the US is the cheapest transportation fuel in the world. And depending on where you compare it, by a lot in some places. Our team told me that our landed at New Orleans, versus landed at Santos, Brazil, you have a $0.50 spread.

So the opportunity for export, I think the estimate is between 500 million and 1 billion gallons next year of exports. The opportunity is to grow those, particularly in countries like Brazil, Canada, some to Europe. There's even some going to Asia and the Middle East. So exports will grow because of economics, but they'll also grow from additional outreach and marketing of US based ethanol to some of these export customers.

Vincent Andrews - *Morgan Stanley - Analyst*

And what about maybe just to think about the E15 opportunity? You know let's assume we wind up in a world with a reduced mandate, but the economics are still there. What do you think -- who needs to take the leadership role in order to get the infrastructure where it needs to be to have E15 blending? Clearly a part of it is just the auto fleet has to turn over and so forth, and I guess there's more testing that EPA is doing. But what would that path be like in a lowered a RFS world?

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

So you make a very good point that the fleet, every year the fleet gets newer, right. So many people are buying newer and newer vehicles that more will accept, in their warranty manuals, the E15. And there are more flex fuel vehicles out there all the time, so even those accepting and understanding that their vehicles can take E85, or can take a flexible blend of anything in between.

So I think there's the opportunity to have E15, and I said slowly. I think it's come on more slowly than we thought. There's been the rules that had to be followed from the state, after of course the EPA certified it, so to speak, for the 2001 and newer vehicles. And the states needed to go through their exercise. And then some of the actual retail outlets had to make a decision. If they have three tanks, for example, which one or two would be blended with E15 and how would that happen, and how would those economics work for them.

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As again these lower and cheaper ethanol cost prices will allow I think more retail outlets to see the economic opportunity for them to do it, maybe not on a one by one basis, but maybe larger numbers. So some of these independent retailers may do 10 sites at a time, or 20 sites at a time. So that's our -- you know you ask about leadership, I think it's a combination of setting the environment correctly and then having some of these retailers really come on in greater numbers.

Vincent Andrews - *Morgan Stanley - Analyst*

Okay. Maybe if we shift a little bit to your sweeteners and starches business. You mentioned I think in your prepared comments, talking about that obviously lower corn prices are lower input into that business. I think there's an expectation, and there was a Reuters article out earlier this week that probably some of that's going to get passed on to the customers. And one of your competitors actually believes that lower sweetener prices might lead to greater demand.

So I guess the question is how should we be thinking about sort of how that gets passed through and the ability to maintain your margin level? And I guess, I know I keep asking you so many questions at once, but it's all interrelated. So there's obviously this other issue going on in Mexico with the potential tax on the soft drinks, and then there's sort of been a narrowing of the sugar price there with the HFCS price. So how do all those things, I know we're early in the contract season, but how should we be thinking about all those things?

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

Right. So it's about the time of the year when we begin and are into our annual contracting season. We don't usually talk about the outcome of that until February or so when we do our fourth quarter earnings call. So it is underway.

Obviously with lower corn prices, as I said, that maybe some of the product pricing coming through here will be more competitive with its alternatives. Sweetener is a great example of that, that while sugar prices are down, which is a competitor product, they're down about 10% year-on-year, sweetener prices are down about -- sugar's down about 10% but corn, which is a basis for the sweetener business, is down 30%. So the feed stock, if you will, associated with some of those alternatives, we think fructose has great competitive advantage.

So I think it's stable. It's stable in North America. You ask about Mexico specifically. Mexico has passed, their Congress has passed a 1 peso per liter tax on sweetened beverages. And this is part of a comprehensive tax reform that they're trying to undertake. It's probably a little early to tell if that will impact volume, or impact consumption to any significant degree. Probably not to a significant degree, but again it's a little bit too early to tell.

Generally speaking the beverage industry has priced such that they try to maintain their volumes, maintain their margins, so we'll see how some of the price flow through happens. But we haven't seen a lot of switching in Mexico. In fact, if anything, we've seen some of our customers switch to fructose from sugar. It's easier to use. It's, once they have the installation of the equipment and the experience with fructose, they seem to stay with it. So I think it's stable and steady is how I'd kind of summarize it, whether it's Mexico or North America, but too early to tell on the final negotiations with annual customers until early next year.

Vincent Andrews - *Morgan Stanley - Analyst*

Okay. You know maybe we shift to your 3 Cs, your cost, cash and capital. You know I know there's been ongoing process internally to get costs out of the business, and you've been hitting your targets there. So maybe you can get everybody up to speed on where you've come from in that regard and where you'd like to go.

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

Well we do talk about the 3 Cs, cost, cash and capital. In cost we had a goal, which we reached last year, of $150 million in cost savings on an annual run rate basis. Most of that was SG&A related. We had several areas of both contractor savings, labor savings, other SG&A savings.

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We have a new target, which is another $200 million in annual run rate savings by the end of 2014. And these areas are more in the operational side, so it's benchmarking and standardization of practices across many plants. Its energy cost savings. It's procurement cost savings. About a half of that $200 million we already have the initiatives underway and being executed to gain that $200 million in savings. So half of it would be $100 million, it's not quite on the books, but the initiatives are underway. So we think we're a little ahead of schedule in even that additional $200 million. So cost on track and good solid run rate savings.

Cash, we had an initiative referred to as the billion dollar challenge where we asked our team to look for ways to unlock the cash in the balance sheet that was potentially hidden or wasn't being put to use in the best manner. And we were able to unlock not only the first billion, but a little over $2 billion by earlier this year.

So on the cash side, again part of that training, part of that effort of our team was in what does it take to improve returns, and how does my job, or your job, relate to that. So it's both enumerator and the denominator, so I need to get higher returns on whatever the invested capital is. And if my job was inventory or was on a piece of the working capital, that's how the cash effort was undertaken. So cost well underway and on track.

Cash, now we've completed the $2.5 billion. I think there's probably still some improvement in inventory and so forth, but as we get into the harvest, at this time of the year you can probably imagine we'd have even a little more working capital as we build some inventory.

And capital, we've reduced our capital spending and we've improved our processes for capital allocation. So in the reduction in spending, we were running at about $2 billion a year of CapEx before acquisitions, and we reduced that to about $1 billion a year here in 2013. When we look forward to 2014, while we're still putting our business plan together and finalizing some of that with respect to capital structure, et cetera, we expect 2014 to be under $1.5 billion. And included in that is probably $100 million to $200 million on an ERP project, something we call 1ADM. So we're still keeping a bit of a lid on capital.

The process for improving capital, I may ask Ray to comment on because we have a process where we look at projects strategically first with a filter, then look through the ones that have the highest return, the earliest accretion, and we target hurdle rates that get to our objective of even more than 200 basis points over WACC. Because today our returns or our WACC is running at a lower rate, obviously low interest rates. If WACC increases, which we expect it will with higher interest rates, we need to target those returns well above what we might see as a future WACC, so double digit kind of rates of return.

Ray, maybe you want to comment a little bit on the capital process too.

Ray Young - *Archer Daniels Midland Company - SVP and CFO*

Yeah, sure. We've done a lot of work over the past couple of years standardizing our project evaluation process in order to make sure that every project's evaluated using the same criteria. We've got standardized metrics right now in terms of looking at every project, you know whether it be ROIC, IRR, accretion, MPVs. We go through a standard process evaluation. And as Pat indicated, you know we go through a capital allocation process whereby we're targeting projects into certain areas, certain geographies, so that we're actually purposeful in terms of capital spending. And I think that's done a lot in terms of helping us really direct where we're going to grow this company into the future.

And again, I think a lot of work's been done. I'd say there's still some more work to do, but I think we can feel pretty good about where we are in that process right now.

Vincent Andrews - *Morgan Stanley - Analyst*

Okay. You know, maybe Ray, while you're warming up there, if we talk about the balance sheet and sort of you guys have always held firm to having that sort of A1/P1 rating and it being important from a strategic perspective and allows you to be opportunistic in a lot of ways.

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But we've talked about you know you're probably going to have a higher level of earnings in '14, knock on wood, given the change in the environment. You're doing a better job of generating cash flow. You've had a big working capital reversal. So how we should think about all the cash that's on the balance sheet and the cash that's going to come in? You know you're finishing your share repurchase program that's largely meant to offset the dilution from the unit offering in '08. So what should shareholders expect over the next 12, 24 months?

Ray Young - *Archer Daniels Midland Company - SVP and CFO*

No, it's true. I think through what Pat described as the 3 C initiatives, we really unlocked a lot of cash, and that's being reflected on our balance sheet right now. That in combination with lower commodity prices has resulted in a significant working capital release. On our balance sheet, I think the first 9 months of the year, about a $4 billion release in working capital. So that's resulted in really a net debt level of fairly low right now.

And as we move through the fourth quarter, my expectation is, even with the North American harvest, you know we'll build up some working capital but it's not going to be that dramatic, especially with the subdued commodity prices.

So when you look into 2014, a couple of comments. I mean there will be some additional uses of cash. As Pat indicated, you know we'll have some CapEx, incremental CapEx next year, over and above our D&A rate. And the way you're going to think about it is our D&A rate is probably going to be about $1 billion a year or so, to the extent that we spend something a little bit south of $1.5 billion. I mean there's going to be some incremental cash required over and above our earnings there.

But because of the fact that we've brought down our net debt levels, as we improve earnings, we can see our debt to EBITDA ratio significantly improve from where we are right now. As you know, one of the key credit metrics that [rating] agencies used to look at is the debt to EBITDA ratio. We've been suffering on that ratio over the past year, due to the fact that we had weak earnings caused by the 2012 drought.

So as I kind of think through a more normal North American harvest earnings recovery next year, I expect that particular ratio to improve. Our balance sheet leverage itself is pretty low right now. So assuming that we have good earnings, assuming we have a subdued commodity price environment next year, we should actually be able to generate quite a bit of cash. And then the question becomes, how we're going to deploy that cash.

And so as you indicated, Vince, I mean we are going to complete the share repurchase to offset the equity unit conversion. And that was like 44 million shares that we issued associated with a convert that got converted back in June 2011. We've got 11 million more shares to repurchase. You know we think that we can probably get that done next year.

And then beyond that, clearly, based upon what we're seeing, I think we're going to have quite a bit of flexibility to determine what else we're going to do with that cash. Historically we've paid dividends. Historically we've increased dividends every year. I think the last 12 years we've increased dividends. We've historically had a dividend payout ratio of 20% to 25% of earnings.

As we kind of work through our business plan right now, and take a look at our earnings power, take a look at our earnings variability and volatility, I mean again one of the alternatives is to relook at the dividend rate, and look at the dividend payout ratios to see whether it makes sense for us to increase that or not. So that's something that we're going to examine.

And then over and beyond that, clearly share repurchases, to the extent that we've excess capital on the balance sheet, given the fact that we are focused on ROIC and achieving ROIC in excess of WACC of 200 basis points, to the extent you have excess capital on the balance sheet clearly we're going to look at additional return of capital alternatives for the shareholders.

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Vincent Andrews - *Morgan Stanley - Analyst*

And this is actually probably a pretty good transition to turn to GrainCorp and M&A in general. There's been a lot more selling than buying other than GrainCorp recently, or in many years past. So maybe could you just give us an update on where that -- if I have the latest episode in this, I don't believe you're quite over the finish line there yet in terms of getting the transaction approved.

So where are we on that? What do you think the timing of it is to the extent that you know? And then how should we be thinking of that transaction impacting your financials? And then what other types of opportunities are you interested in broadly?

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

So with respect to the GrainCorp transaction, as you might recall we have 7 of 9 required approvals. The 2 we are awaiting are Mofcom in China and the Foreign Investment Review Board in Australia. The Australian treasurer announced what's called an interim order, which means they will make a decision by December 17th. And since we're in this sort of sensitive period leading up to that December 17th, it probably wouldn't be appropriate for me to comment any further on timing.

Vincent Andrews - *Morgan Stanley - Analyst*

Okay.

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

As to the other opportunities that might be in front of us, again if you think about the growth outside the US, we have a very strong footprint in the US. We've grown our export capabilities here. But our interest is in areas that are growing regions. We've talked about South America, the Black Sea region. We have a strategy to sort of grow along the Danube River in what you might call a necklace strategy in the Black Sea and the Danube for export for agricultural services growth outside the US.

Still Asia is a focus of course of where exports go, so growth of imports into China, for example. We continue to be a very strong supporter of both meal soybeans, corn into China, whether that be from South America or from North America. So yeah, that's sort of the list. I wouldn't say there's -- we would talk about anything of a major strategic nature here, but the $1.5 billion we talked about for next year is excluding anything major in an acquisition type.

Vincent Andrews - *Morgan Stanley - Analyst*

Do we want to see if there are any questions out there in the audience? Anyone have a question?

Maybe go back to ag services and going into next year. I think one of the things that's kind of unique finally is that we have some carryback in the market, after having to manage through multiple years of inverse and decline, you know how much of a tailwind is that relative to the headwind of the last couple of years sort of in all your businesses, you know whether it's in the ag services piece or trying to manage the sweeteners business?

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

Well I think there's -- you know this is things we're really good at, is risk management and managing through a [carry], so we understand where there's opportunities and where there are not. I think it's great to have the opportunity again to be able to have a significant size harvest, be able to use the assets, but also use our intellectual capital, so to speak, in managing some of that risk and taking some opportunities associated with that.

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Vincent Andrews - *Morgan Stanley - Analyst*

Okay. If there's nothing else, we'll leave it there. Thanks Pat and Ray and Case.

Pat Woertz - *Archer Daniels Midland Company - Chairman, President and CEO*

Very good. Thanks for your interest.

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