

REFINITIV STREETEVENTS

# EDITED TRANSCRIPT

ADM.N - Q1 2021 Archer-Daniels-Midland Co Earnings Call

EVENT DATE/TIME: APRIL 27, 2021 / 1:00PM GMT

**OVERVIEW:**

Co. reported 1Q21 adjusted EPS of \$1.39.

## CORPORATE PARTICIPANTS

**Juan Ricardo Luciano** *Archer-Daniels-Midland Company - Chairman, CEO & President*

**Ray Guy Young** *Archer-Daniels-Midland Company - Executive VP & CFO*

**Victoria de la Huerga** *Archer-Daniels-Midland Company - VP of IR & ADM Ventures*

## CONFERENCE CALL PARTICIPANTS

**Adam L. Samuelson** *Goldman Sachs Group, Inc., Research Division - Equity Analyst*

**Benjamin M. Theurer** *Barclays Bank PLC, Research Division - Head of the Mexico Equity Research & Director*

**Benjamin Shelton Bienvenu** *Stephens Inc., Research Division - MD & Analyst*

**Eric Jon Larson** *Seaport Global Securities LLC, Research Division - Research Analyst*

**Kenneth Bryan Zaslow** *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

**Luke Emerson Washer** *BofA Securities, Research Division - Research Analyst*

**Michael Leith Piken** *Cleveland Research Company - Equity Analyst*

**Robert Bain Moskow** *Crédit Suisse AG, Research Division - Research Analyst*

**Thomas Marc Alfred Simonitsch** *JPMorgan Chase & Co, Research Division - Analyst*

**Vincent Stephen Andrews** *Morgan Stanley, Research Division - MD*

## PRESENTATION

### Operator

Good morning. Welcome to the ADM First Quarter 2021 Earnings Conference Call. (Operator Instructions) As a reminder, this conference call is being recorded.

I would now like to introduce your host for today's call, Victoria de la Huerga, Vice President, Investor Relations for ADM. Ms. De la Huerga, you may begin.

---

**Victoria de la Huerga** - *Archer-Daniels-Midland Company - VP of IR & ADM Ventures*

Thank you, Chris. Good morning, and welcome to ADM's First Quarter Earnings Webcast. Starting tomorrow, a replay of today's webcast will be available at [adm.com](http://adm.com). For those following the presentation, please turn to Slide 2, the company's safe harbor statement, which says that some of our comments and materials constitute forward-looking statements that reflect management's current views and estimates of future economic circumstances, industry conditions, company performance and financial results.

These statements and materials are based on many assumptions and factors that are subject to risks and uncertainties. ADM has provided additional information in its reports on file with the SEC concerning assumptions and factors that could cause actual results to differ materially from those in this presentation, and you should carefully review the assumptions and factors in our SEC reports. To the extent permitted under applicable law, ADM assumes no obligation to update any forward-looking statements as a result of new information or future events.

On today's webcast, our Chairman and Chief Executive Officer, Juan Luciano, will provide an overview of the quarter and highlight some of our accomplishments. Our Chief Financial Officer, Ray Young, will review the drivers of our performance as well as corporate results and financial highlights. Then Juan will make some final comments, after which they will take your questions.

Please turn to Slide 3. I will now turn the call over to Juan.

**Juan Ricardo Luciano** - Archer-Daniels-Midland Company - Chairman, CEO & President

Thank you, Victoria. This morning, I'm pleased to share with you results that demonstrate an outstanding start to 2021, building on our momentum from a record 2020. We reported first quarter adjusted earnings per share of \$1.39, more than double the year ago period. Adjusted segment operating profit was \$1.2 billion, 86% higher than the first quarter of 2020 and our sixth consecutive quarter of year-over-year adjusted OP growth.

Our trailing fourth quarter average adjusted ROIC was 9%, 375 basis points higher than our 2021 annual WACC and significantly higher than the 7.6% in the year ago period. And our trailing fourth quarter adjusted EBITDA was about \$4.2 billion, 19% higher than the prior year period. I'm proud of our team, and they continue to deliver sustained strong growth, powered by their continued advancement of the strategic transformation of our business, outstanding execution and excellent risk management and commitment to serving the evolving needs of our customers in new and innovative ways. I'd like to take a moment now to highlight some of the trends, developments and accomplishments from the first quarter.

Turn to Slide 4, please. First, we are encouraged by many of the demand indicators we are seeing. From a geographic perspective, China was one of the first countries to emerge from COVID-related restrictions, and we are continuing to see significant export demand driven by its economic recovery.

In the U.S. meat production is strong as exports and retail sales remain robust and restaurant dining expands. Vaccine rollout has been slower in EMEA but is accelerating now. And so we're optimistic that demand will recover there as the year progresses. Of course, some countries like Brazil and India are still in the midst of the pandemic and demand there may be slower to come back.

From a product perspective, expectation of a progressive recovery in global foodservice will support demand for sweeteners, flour and other ingredients in 2021. And we are seeing a strong demand for beverages, alternative proteins and nutritional supplements, including expected sales growth of 12% for plant protein ingredients this year.

In summary, recovery from COVID and demand improvements are occurring at varying paces depending on geography and products. Complete recovery will extend over multiple years, but we are seeing clear trends that are favorable for our broad portfolio.

Please turn to Slide 5. Another area in which we are seeing positive demand indications is ethanol in the U.S. About a year ago, we made the difficult decision to idle ethanol production at our dry mills in Cedar Rapids, Iowa and Columbus, Nebraska. We committed that we will not restart those facilities until we saw economic and market factors that would point to a sustainable recovery.

As we move through the winter and into spring, we saw industry inventories falling almost 10% during the quarter, ending almost 20% lower year-over-year on March 31. Mobility and driving miles increasing as COVID-related restrictions eased with recent gasoline consumption getting closer to pre-pandemic levels. Support from the EPA for the renewable fuel standard. And China resuming purchases of U.S. ethanol in the first half of 2021. With all of these factors supporting demand growth and improving industry margins, we decided to restart production. At the same time, we are continuing to work with interested parties to complete the monetization of our dry mill ethanol assets.

From a portfolio management perspective, we're still committed to reducing our exposure to vehicle fuel ethanol. And as demand continues to grow for the wide range of innovative alternative products that can come from natural sources like corn, we expect to see additional interest from other parties in both in biomaterials and sustainable aviation fuel.

Slide 6, please. One of the ways we are meeting growing and evolving demand is by introducing new technologies and innovations across our value chain. In Q1, Our Covantis joint venture celebrated the commercial launch of its revolutionary blockchain platform to modernize the global agriculture ocean shipping industry. Similarly, in the U.S. we've led an effort with industry partners to launch the barge digital transformation project, which uses new technologies to replace outdated, inefficient processes on our inland water ways.

We're also innovating to meet the demand for sustainable solutions. Over the last year, as growth of e-commerce drove demand for packaging, our biosolutions team worked proactively with customers to apply our corn-based native and modified starches to help increase the number of times cardboard boxes can be recycled. In Europe, our animal nutrition teams are using life cycle analysis of the complete supply chain from crops and ingredients to final animal products like milk, eggs and meat to help develop new feed supplements that improve animal health and reduce environmental impact, including greenhouse gas emissions.

We're also continuing to innovate to improve the customer experience. Last year, as travel was restricted, we launched new technologies designed to take our customers on collaborative virtual journeys that allowed us to share consumer insights, emerging trends and product solution opportunities, including real-time tasting.

Now as parts of the world reopen, we are continuing to expand our innovating customer capabilities. In March, we opened our completely renovated customer innovation center in Beijing, expanding our ability to support technical innovation and creation. And earlier this month, we were proud to celebrate the opening of the new cutting-edge, plant-based customer innovation lab at our research hub in Singapore. These new facilities will propel our abilities to work with customers to create tailor-made solutions to meet evolving and growing consumer needs in the region.

Slide 7, please. Finally, I want to speak about the very important issue of sustainability. Our commitment to sustainability expands our value chain. It includes our work with growers to implement responsible farming practices, including the 13 million acres we've enrolled in sustainable farming programs globally in recent years. It encompasses our Strive 35 goals to reduce the environmental impact of our processing operations, exemplified by the recent announcement of our partnership to help advance the proposed revolutionary zero emission power facility, utilizing our carbon capture and storage facility adjacent to our operations in Decatur, IL.

Sustainability is a key driver of our expanding portfolio of environmentally responsible plant-derived products and our efforts to reduce hunger and support the communities in which we live and work.

One critical pillar of our sustainability work for us and our customers is increasing the traceability of our supply chain. We joined the Brazilian soy moratorium in 2006. And in 2015, we introduced our first comprehensive no deforestation policy. Since then, we made impressive progress, including achieving 99% traceability to mill in our palm supply chain and full traceability to farm for direct suppliers in 25 key municipalities in the Brazilian Cerrado.

Now we are taking our efforts to a new level. Last month, we announced our new policy to protect forests, biodiversity and communities. As part of this ambitious plan, we aim to achieve full traceability throughout our direct and indirect South American soy supply chains by 2022 and have deforestation-free supply chains around the world by 2030.

I'm proud of the work our team is doing to deliver on our sustainability commitments and capabilities. We know they are a key driver of consumer decisions and business success. But more importantly, they are one of the ways in which we are living up to our purpose and enriching the quality of life around the world.

I'll come back later to talk about the next steps in our journey and our strategy. But now I'd like to turn the call over to Ray, who will take us through our business performance. Ray?

---

**Ray Guy Young** - Archer-Daniels-Midland Company - Executive VP & CFO

Yes. Thanks, Juan. Good morning, everyone. Slide 8, please. The Ag Services and Oilseeds team delivered an outstanding quarter with operating profit of \$777 million, representing a record for a first quarter.

Ag Services results were substantially higher year-over-year. Results were driven by a record Q1 for our North American origination team, which executed extremely well to capitalize on strong Chinese demand. As expected, results in South America were significantly lower versus the prior year period. Farmer selling was lower versus the extremely aggressive pace in the year ago quarter. Lower margins, including the impacts from

the slightly delayed harvest and higher freight costs also affected South American results. Results for the quarter were affected by about \$75 million in negative timing related to ocean freight positions. Those impacts will reverse as contracts execute in the coming quarters.

Crushing delivered its best quarter ever as the business leverage its global footprint and diversified capabilities to capture strong execution margins in both soybean and softseed crushing, driven by robust vegetable oil demand and tight soybean stocks. Net timing impacts for the quarter in crush were minimal.

Refined products and other results were higher year-over-year. While overall volumes were down due to pandemic impacts, margins were stronger in both North America and EMEA, refined oils. Global biodiesel results were lower year-over-year. Equity earnings from Wilmar were lower versus the prior year period.

Looking ahead, we now expect full year calendar year results for Ag Services and Oilseeds to be higher than the record 2020, with a particularly strong fourth quarter, driven by potentially record global demand for North American agricultural products.

For the second quarter, we expect results to be slightly stronger than the second quarter of 2020, but significantly lower than the record first quarter of 2021 with stronger Crushing and RPO expectations compared to the second quarter of 2020, offsetting seasonably lower Ag Service results.

Slide 9, please. The Carbohydrate Solutions team again delivered significant year-over-year profit growth. Our Starches and Sweeteners subsegment, which includes the wet mill ethanol production, achieved significantly higher results versus the first quarter of 2020. The business managed risks exceptionally well, capitalizing on rising prices in the ethanol complex and favorable coal product values in an industry environment of improving margins and falling inventories. Corn oil results were significantly higher than the previous year, which have been impacted by substantial mark-to-market effects.

In general, though demand for sweeteners and flour by the food service sector remained below the prior year, there were signs of acceleration in the month of March. Starch sales volumes remained solid on demand from industrial applications like packaging materials.

Vantage Corn Processor results were substantially higher, driven by improved margins on the distribution of fuel ethanol and strong performance in USP-grade industrial alcohol.

Looking ahead, second quarter results for Carbohydrate Solutions are expected to be in line with this first quarter of 2021, which would represent a significant year-over-year profit growth driven by the improved ethanol market environment, including the restart of our 2 VCP dry mills and the recovery of the foodservice segment.

Slide 10, please. The Nutrition team delivered 5% revenue growth on a constant currency basis and solid year-over-year operating profit growth. Human Nutrition results were significantly higher than the prior year quarter. Flavors had an exceptional quarter, driven by strong sales across various market segments, especially beverages. Favorable product mix in North America, improved margins in EMEA and accelerated income from a customer agreement also contributed results, partially offset by certain specific expenses.

Specialty Ingredients results were lower, primarily driven by demand factors, including the effect of pantry loading in the previous year quarter and shifts in demand for texturants.

Health and Wellness had a strong start to the year, with robust demand for nutritional products, driving higher results in probiotics and fibers. Animal Nutrition results were lower versus the first quarter of 2020, driven primarily by lower demand and higher input costs as a result of pandemic effects, primarily in South America. This was partially offset by favorable results in amino acids, driven by improved product mix.

Looking ahead, we expect continued strong demand for flavors and proteins and improving demand for our animal nutrition products as restrictions ease to drive second quarter results that will be significantly higher than the prior year quarter, supporting the 15% per annum trend growth rate for the calendar year.

Slide 11, please. Let me finish up with a few observations from the Other segment as well as some of the corporate line items. Other business results were lower than the prior year quarter, driven by lower captive insurance underwriting results, partially offset by more favorable ADM investor services earnings. For the quarter, there were about \$0.17 per share of adjusted items for EPS purposes, which are referenced in Slide 24 in the appendix.

These adjustment items included: One, the settlement of the class action lawsuit against Golden Peanut to avoid the rising cost of a prolonged litigation, in a case in which we did not believe we violate any laws; two, impairments and restructuring costs related to the exit of certain noncore product lines and inefficient assets in nutrition; and three, mark-to-market on the embedded option in the Wilmar exchangeable bond.

In the corporate lines, unallocated corporate costs of about \$200 million were slightly higher year-over-year, due primarily to our continued investments in IT and business transformation and transfers of costs from the business segments into the centralized centers of expertise in supply chain and operations. We are still on track for calendar year corporate unallocated costs to be overall similar to 2020.

As expected, net interest expense for the quarter decreased from the year-over-year period on lower interest rates and the favorable liability management actions taken in the prior year. The effective tax rate for the first quarter of 2020 was -- first quarter of 2021 was approximately 16% compared to the benefit of 4% in the prior year. We still anticipate our calendar year effective tax rate to be in the range of 14% to 16%.

Our balance sheet remains solid despite the higher commodity price environment with a net debt-to-total capital ratio of about 33% and available liquidity of \$7.7 billion. As part of our active management for pension liabilities, we did close on another U.S. pension liability transfer transaction on April 1 with about \$0.7 billion of liabilities transferred to the U.S. insurance market. This effectively reduces our U.S. pension liabilities by close to 40% and will result in the U.S. pension plans more or less fully funded from a projected benefit obligation perspective.

With that, I'll turn it back to Juan.

---

**Juan Ricardo Luciano** - Archer-Daniels-Midland Company - Chairman, CEO & President

Thank you, Ray. Slide 12, please. I'm proud of the team for our great start to 2021. And I'm even more proud of the strategic work we have done to transform our company and enable our growing success. We began in 2011 by committing to specific strategic goals and financial metrics focused on what we call the 3 Cs: capital discipline, cost reduction and cash generation.

We launched new initiatives like our \$1 billion challenge with prioritized operational excellence, and we focused on returns as our primary financial metric. We call that getting fit for the journey. Once we were fit, we launch the next part of our strategy, focusing on 3 core pillars to enhance returns, deliver more predictable growth and strengthen our ability to control our results.

During this time, our team has done a great job optimizing business performance, realigning our portfolio and building a global leader in nutrition, driving efficiencies through our operational excellence initiatives and expanding through organic growth investments, M&A and the broadening of our customer base and product offerings.

Now we're moving into the next phase of our strategic transformation by sharpening our focus on 2 strategic pillars: productivity and innovation. Our productivity efforts will take many actions that were part of our optimized and drive focuses and boost them to the next level. The productivity pillar will include: advancing the roles of our centers of excellence or COEs in procurement, supply chain and operations to deliver additional efficiencies across the enterprise; the continued rollout of our One ADM business transformation program and implementation of improved standardized business processes; and increasing our use of technology, analytics and automation at our production facilities in our offices and with our customers.

Our innovation activities will help us accelerate growth and profitability, not just for the near term, but importantly, for the long term. We'll expand and invest in improving the customer experience, including leveraging our producer relationships and enhancing our use of state-of-the-art digital technology to help our customers grow; sustainability-driven innovation, which encompasses the full range of our products, solutions, capabilities

and commitments to serve our customers' needs; and growth initiatives, including organic growth to support additional capacity and meet growing demand, opportunistic M&A and increased leveraging of our very successful venture capital portfolio.

We'll support both pillars with investments in technology, which include expanding our digital capabilities and investing further in product research and development. And of course, all of our efforts will continue to be strengthened by our ongoing commitment to revenues.

As I look at our long-term plans and this evolution of our strategy, I'm very excited about the value creation opportunities ahead of us. Our teams are continuing to perform at the high level and doing a great job serving our customers. The demand outlook for our products is strong, driven by the pre and during global trends of food security, health and well-being and sustainability. And we are delivering on our potential and our promise. That is why we are even more optimistic in our 2021 outlook today than we were 3 months ago, with expectations for significantly higher full year operating profit and EPS versus our record 2020.

And as we look beyond 2021, we expect that our sharpened focus on productivity and innovation, combined with continuing demand expansion driven by the fundamental needs and evolving demands of our global customers and the multiyear COVID recovery, will deliver sustained growth in earnings in the years to come.

With that, Chris, please open the line for questions.

---

## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) The first question comes from Ken Zaslow of Bank of Montreal.

---

**Kenneth Bryan Zaslow** - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

Just want to touch base. You kind of -- your comment was -- which was actually really interesting, that you expect growth, sustainable growth for years to come. So with that, just a couple of points. One is, do you look at 2021 or 2020 as the base year from which you can grow? And then second, What are the key demand drivers that you see beyond 2021 that will continue to propel you? Or is it more internal actions that would create the growth?

---

**Juan Ricardo Luciano** - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. Thank you, Ken. Listen, as I was referring in my remarks, we see the future with a lot of optimism. I mean we think that fundamentally, we have, as you know, a strong agenda of both now productivity and innovation where there are things that we can control, that we drive under our control. And we've been executing a similar plan. So now you're going to see it strengthen. And it has a more longer horizon reach, if you will, that's where we like about this sharpening.

But all this is in the -- as supported by these 3 strong trends that we see in food security, health and well-being and sustainability. So let me give you a little bit of flavor there. We continue to see strong demand. You see food security, of course, as the global population grows. Protein demand continues to grow around the world as people increase their standards of living.

And as countries come back from the pandemic on this demand that was, to a certain degree, suppressed. We see that in China, we see that in the U.S. And we believe that given the uneven vaccine recovery of vaccine rollout, this will take several years. So that's in an environment, Ken, as you know, a very tight supply/demand balances. So we expect an environment of good profits for the following years.

Then when we look at health and well-being, that's propelling our Nutrition division and many of our other offerings in which we continue to see strong growth even exacerbated, if you will, with pandemics or other events. And we continue to see more demand for products made based on plants that what we call biosolutions. So products that actually replace industrial products made from resources that are not renewable. We have a long list of interested parties in doing more of that and we continue to develop solutions for that.

So again, when we see the trends, when we see the strong demand environment in a tight supply/demand environment, plus the agenda of productivity and innovation, we feel very strong about our ability to deliver earnings growth from where we are today.

---

**Kenneth Bryan Zaslow** - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

So 2020 or 2021, would you say, is your year from which we could start thinking about growth?

---

**Juan Ricardo Luciano** - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. I think that we -- 2021, we're going to grow significantly versus 2020. So in 2021, we are establishing this sharpening again. So if you will, maybe we can reset to that level to 2021, and we start from here. We have a rolling 5-year plan, as you know, Ken, that we constantly update. And we constantly make it more robust, so we can deliver earnings growth year-over-year.

---

**Operator**

Your next question comes from Adam Samuelson of Goldman Sachs.

---

**Adam L. Samuelson** - *Goldman Sachs Group, Inc., Research Division - Equity Analyst*

So I guess my first question, really just trying to think about the market environment a little bit, and obviously, a lot of crop currents happening at the moment. Specifically, I want to think about on the Oilseeds franchise and the expansion of renewable diesel.

And as we think about, one, you can sort of see it already in the soybean oil market and what that's doing to crush margins. But as we think about the second half of the year into next year as some of the bigger capacities start to come on, how do we think about the earnings leverage, both in your Crushing franchise, but also in the edible oils business with the refining that we -- a business that never really got that much attention, hasn't grown much for a number of years given the move away from trans-fat, but would seem to be kind of very strategic for a bunch of refiners who don't have pretreatment over the next couple of years? And then I got a capital allocation question afterwards.

---

**Juan Ricardo Luciano** - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Adam, listen, we said it before, we feel very strongly about the future of our Oilseeds business. It's a business that was built traditionally in one leg, if you will, from the meal supporting all this, and we were always waiting for the oil story. The oil story, I mean, you can see that right now playing up, oil values that reach record levels, softseed margins that been the best in the last 8 years, if you will. So they are supporting very good soy crush margins and great softseed margins.

We invested in this many years ago, remember, with all the switch capacity. We have about, give or take, 15% of our total crush capacity that can be switched from soybeans to softseed. So that's an advantage for us. And now all of a sudden, we are having this new demand that is coming because of all the sustainability trends that we discussed before with this in the form of renewable green diesel. So it just comes to strengthen our belief into this business that is very strategic for us.

And to be honest, very proud of the way the business is executing. These are not easy markets to navigate with a lot of volatility, with very big values, and they are having touch wood an impeccable run. And they've done very well, given their sophistication and knowledge of -- and to be

honest, also the visibility that being a full value chain supplier and a global supplier gives us. So continue to work very close with our food and fuel customers and staying close to them to make sure we can read what's coming down the pipe. But again, Adam, very, very encouraged by all these developments and very happy for our strategic Oilseeds business.

---

**Adam L. Samuelson** - *Goldman Sachs Group, Inc., Research Division - Equity Analyst*

Okay. That's really helpful, Juan. And my second question is really on the balance sheet. Maybe this is more for Ray. And I'm just trying to think about kind of cash capital deployment from here. Obviously, you have to be very sensitive to the increase in commodity prices and the impact that has on readily marketable inventories. But I mean impressively, your credit capacity has actually gone up on a year-on-year basis despite the rising in RMIs.

And so I'm just trying to think about what would it take to see cash return to shareholders or more aggressive or offensive M&A moving forward? It seems like there's a lot of underlying cash generation in the business, and it doesn't seem like we've got a clear kind of target of where it's going at the moment?

---

**Ray Guy Young** - *Archer-Daniels-Midland Company - Executive VP & CFO*

Well, Adam, first of all, the balance sheet is what I consider one of the greatest assets of ADM. And while inventories have actually increased 50% compared to March of last year, we still have significant available credit capacity to undertake actions, right?

And so I think the first priority is continue to fund the working capital needs. It's not a surprise. Commodity prices continue to go up right now. And so therefore, we will use our balance sheet to kind of fund additional working capital requirements. And -- but secondly, we have flexibility to do whatever we need to do from a strategic perspective. As you know, in prior periods, during higher commodity prices, there are distressed assets in the marketplace.

And so to the extent that there are distressed assets that makes sense for us to acquire in order to consolidate, we'll look at those. That's one of the big advantages of our ADM balance sheet.

So -- but we all know eventually commodity prices will come down, and that will free up additional capital on the balance sheet. And then we can look at additional incremental returns on capital to our shareholders at that point in time. But again, the dividend, we've increased the dividend. That's an important element of return on capital to our shareholders. But I'm convinced that our balance sheet -- because we all know prices go through cycles, there will be a release of working capital at some juncture that will again free up significant capacity for us to take additional return of capital actions.

---

**Operator**

Your next question comes from Tom Simonitsch of JPMorgan.

---

**Thomas Marc Alfred Simonitsch** - *JPMorgan Chase & Co, Research Division - Analyst*

Could you give us some more color around your -- how you're managing your crush assets this year compared to any other? To what extent are you locking in crush capacity for the next few quarters? And on the oil side, how are you approaching negotiations with potential renewable diesel customers versus your more traditional food customers?

**Juan Ricardo Luciano** - Archer-Daniels-Midland Company - Chairman, CEO & President

Yes. So I can say we have a reasonable visibility on the Q2 for Oilseeds as we have a book built. And we stay a little bit more open for the Q3 and Q4. That's probably to the extent that I will disclose.

In terms of food versus oil customers, listen, we're staying close to both. Of course, we provide -- we have long-term relationships with our food customers that -- we've been working with them through all this and educating them on this new demand that is coming. And we are forging new relationships with customers from renewable green diesel that, of course, the big issue for that industry is feedstock availability. So we're having a lot of discussions that range from the tactical to the strategic discussions with some of them as they decide on their future investments. So that's what I will describe the relationship.

---

**Thomas Marc Alfred Simonitsch** - JPMorgan Chase & Co, Research Division - Analyst

And then just a question on Nutrition. I think you mentioned a shift in demand for texturants. Can you provide some more color there?

---

**Juan Ricardo Luciano** - Archer-Daniels-Midland Company - Chairman, CEO & President

Yes. We've seen some softness in some of those segments. But I would say this is a little bit of a transition time in -- Nutrition goes to so many applications, and depending on the geography, food services in some parts are coming back, and in some other parts, that's still delayed. So I would say, in general, and I'm very pleased actually, Nutrition surpassed my own expectations this quarter by growing profitability by around 9% and revenue 5%.

It was -- the demand recovery from COVID and the impact of that in different markets is very uneven around the world as the world is getting access to vaccination at different rates. So we are seeing that. So as I said, this was a quarter of, remember, investment in Nutrition. So we were expecting results similar to last year. We end up delivering results that are 9% better than last year, so very happy with this.

We had some specific pockets of softness, maybe some chewing gum kind of softness, some softness in some places in animal nutrition. But overall, very strong flavors, beverages, supplements, fibers, probiotics, specialty proteins. So the main trends remain there.

---

**Thomas Marc Alfred Simonitsch** - JPMorgan Chase & Co, Research Division - Analyst

And maybe just one more question from me. If you wouldn't mind, could you share your house view of U.S. planted acres of corn versus beans?

---

**Juan Ricardo Luciano** - Archer-Daniels-Midland Company - Chairman, CEO & President

Yes. I would say, in our view, given the early planting, the start that we have in the U.S., I think we have corn about 17%, and soybeans at about 8% at the moment. We believe that there's probably upside to the USDA numbers. So we believe that by the next time USDA will report acres, we're probably going to find maybe 5 more million acres combined between soy and corn kind of evenly split, if you will, give or take between the 2.

---

**Operator**

Your next question comes from Luke Washer, Bank of America.

---

**Luke Emerson Washer** - BofA Securities, Research Division - Research Analyst

So I wanted to touch on soybean oil a little bit. I know you've talked a little bit about renewable diesel trend. But have you seen soybean oil demand ramp this quarter relative to your expectations, perhaps at the beginning of this quarter? And is this largely driven by renewable diesel demand? Or are you also seeing increased demand for edible oils? And is there any disruption that's happening with the prices where they are?

---

**Juan Ricardo Luciano** - Archer-Daniels-Midland Company - Chairman, CEO & President

Yes. Listen, we continue to see strong demand. I think that as some restaurants and some places are reopening, we started to see food service coming back a little bit. To be honest, we saw that across the company, not only in soybean oil. I would say March orders were significantly better than January and February. And I think we see that continuing in April. So again, an uneven recovery, but we can see that.

I would say, of course, we knew when green diesel customers are starting to show in demand. So we see that increased demand. So in general, we see a strong demand.

In terms of disruption of demand, we haven't seen that to any degree. Probably the only example I can pinpoint is Brazil with biodiesel that reduced from B13 to B10. That's probably the only thing you can say. Things have become expensive, at least. And Brazil, as I made -- as I've mentioned in my onset remarks, Brazil is having a very difficult time with COVID. So I think the overall economy is suffering. And I think the government is trying to alleviate some -- to alleviate a little bit the pressure on inflation there. So -- but that's probably the only example I can pinpoint to at this point of demand disruption.

---

**Luke Emerson Washer** - BofA Securities, Research Division - Research Analyst

And then maybe one more on Nutrition. Can you talk about what's driving your confidence in the 15% CAGR that you expect this year? What are the ways that you're driving operating profit margins higher? Is this simply growing in higher-margin businesses? Or are you doing cross-selling or any other actions you're taking? Maybe just some of the puts and takes for this year.

---

**Juan Ricardo Luciano** - Archer-Daniels-Midland Company - Chairman, CEO & President

Yes. Yes, absolutely. Listen, remember that the 15% came from -- we put together the 5-year plan. And when we see us achieving our target of \$1 billion OP basically by 2024, give or take, in order to get there, we need to grow 15%. So we were planning to start this -- and this year, it's not an exception to that. We plan 15%. When we started the year, we were planning to start the year, as I said, kind of flattish versus -- and the business continue to show strength.

How that strength come part is revenue growth.

Part of my confidence is given by the pipeline. We have a strong pipeline. We are very -- the team is very disciplined and religious in looking at the pipeline and looking at customer by customer and the projects. And that pipeline continues to grow, and our win rate continues to grow. So those are very positive indicators that your value proposition is very appreciated by your customers.

Certainly, another thing that we do is that the team manage the product mix very well. And that allows us to increase profitability, even in excess of the revenue growth that we see. And there are different parts, well, for example, for flavors and for plant-based proteins and certainly for probiotics is much more a revenue growth story.

For parts like Animal Nutrition, it's more like a margin recovery story. And so we have different ways to manage this portfolio that we call Nutrition, but it's a very complex portfolio. But that complexity also brings a lot of growth opportunities. And that's why we would have the confidence that It's a very balanced business from an opportunity perspective, supported by a very strong pipeline.

---

**Operator**

Your next question comes from Robert Moskow of Credit Suisse.

---

**Robert Bain Moskow** - *Crédit Suisse AG, Research Division - Research Analyst*

Congratulations. I have a question about the crush margins in the quarter. I mean such an outstanding result. And I think you've mentioned that risk management or just execution played a role. If you look at spot margins during the quarter, just looking at board prices, they weren't nearly this good. But I've heard that you and others have been delivering results much better than that. So I guess my question is, can you explain why it's so different from what we see in the spot markets? And is this sustainable into 2Q? Or are there some unusual aspects of first quarter that we should know about?

---

**Juan Ricardo Luciano** - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. No, listen, it was a very clean quarter. There's nothing that you should know about other than cash crush margins remain very healthy. We have a strong product demand from both meal and specialty oil. And these margins remain considerably stronger than what board crush indicates, particularly in North America and Europe. If you look at board crush in North America or Europe per month is about \$25 per ton, and then we see margins on a cash basis of around \$40 per ton. So there is a significant difference there.

I would say we see -- as I said before, we have reasonable visibility into Q2 given the book of business we have. So we shouldn't see any surprises there, and we are expecting another good quarter of crush over there. So I mentioned before, we have our switch capacity. Softseed margins have been good. They moderated a little bit since Q1, but they continue to be very good. So oil values continue to be strong. And demand for our customers in meal in North America, our customers are enjoying good margins at this point in time. So they are trying to produce as much as they can. So we see strong demand from both lanes of the crush. So we feel good about it at the moment.

---

**Operator**

Your next question comes from Ben Bienvenu of Stephens.

---

**Benjamin Shelton Bienvenu** - *Stephens Inc., Research Division - MD & Analyst*

I want to focus on -- with 2 questions on the Carbohydrate Solutions business, which was really, really solid in the quarter. And focusing first on those Starches and the Sweeteners business. To the extent you can, can you disaggregate the contribution from your ethanol production out of your wet mills versus the kind of core Starches and Sweeteners business?

And on that Starches and Sweeteners business, were net corn cost a tailwind for you guys? I know you favorably hedged your gross corn costs in 4Q. So I'm wondering kind of what the relationship between that hedged corn versus the strong co-product values delivered as it relates to your realized net corn costs?

---

**Ray Guy Young** - *Archer-Daniels-Midland Company - Executive VP & CFO*

Yes, Ben. So let me do a reverse order. So net corn cost was a tailwind for us. I mean clearly, as we pointed out in the last earnings call, we actually procured a lot of our requirements at a very attractive price last year. And hence, we benefit from basically a very good procurement. And hence, net corn was a tailwind for us despite the fact that when you look at the board, corn costs are higher right now.

With respect to the question on that disaggregating Starches and Sweeteners from ethanol. My only comment is one of the big improvements in Starches and Sweeteners in the quarter compared to last quarter -- last year's first quarter was the fact that we didn't have the corn oil mark-to-market impact. If you recall last year, we had about a \$50 million negative impact due to the corn oil divergence from soybean oil. We didn't have it this year. So that was clearly a tailwind in terms of our results.

From a volume perspective, when you look at the Starches and Sweeteners business right now, we're still -- I'm looking at corn -- high fructose corn syrup. And corn syrup is still down versus last year. So we are suffering from the impact of the pandemic and because the food service sector is not fully recovered. We indicated that we're starting to see elements of recovery in the month of March.

But from a volume perspective, in the first quarter, total sweetener volumes are still down versus last year, right? So therefore, that's kind of like a headwind. But we expect that to progressively recover as we move through the year.

So I guess, overall, I mean, we've been actually pretty pleased in terms of the performance. Given this particular headwind we had in the first quarter, we were very pleased in terms of how we manage the business, favorable net corn procurement, favorable risk management. And frankly, even with the cold weather impacts that we had in the first quarter, we were able to keep on delivering to our customers, which is very, very important.

---

**Benjamin Shelton Bienvenu** - *Stephens Inc., Research Division - MD & Analyst*

Very good. Okay. Great. My second question is on VCP and your decision to restart your dry mills. We're seeing improving driving demand, gasoline demand off of kind of low this year and last year. I'm curious, though, we've seen production in the weekly EIA numbers come out that have been a little bit lagging, I think, what might be expected when thinking about your facilities coming back online. Can you help us think about your outlook for as much visibility as you have as it relates to ethanol S&D?

And when you think about the velocity of restarting your mills, what is your focus there? Are you worried about that disrupting the S&D in ethanol? To the extent you can give us any color on that, that would be helpful.

---

**Ray Guy Young** - *Archer-Daniels-Midland Company - Executive VP & CFO*

What's interesting is when we announced the restart of the dry mills at the beginning of April, the margin environment in the industry actually continued to hold steady and frankly, improve. So therefore, I think the market is expecting that driving miles and gasoline consumption is going to go up and there will be a need for ethanol in order to support the general demand environment for the future. When you take a look at the ethanol demand this year, we're expecting domestic demand for ethanol to basically get back to pre-pandemic levels. So that was back in 2019, about 14.4 billion gallons of ethanol demand. So we're expecting to get back to those levels there.

And so therefore, it is going to be a solid demand environment we're anticipating. Again, it's going to be progressive as we kind of move through the months. I mentioned that -- or Juan mentioned that driving miles, I mean, the most recent statistics in terms of gasoline demand is actually getting very, very close to pre-pandemic levels again. There are ethanol mills that are still down. Some of them will remain permanently down. I mean some of the announcements of idling are more permanent in nature as supposed to temporary as certain companies reconfigure their product portfolio. You will see some others kind of come back online. But our anticipation is we'll need that capacity, frankly, to meet the demand. And so we actually do have a fairly constructive outlook on ethanol margins over the next several quarters.

---

**Benjamin Shelton Bienvenu** - *Stephens Inc., Research Division - MD & Analyst*

Okay. Congratulations and good luck with the rest of the year.

**Operator**

Your next question comes from Vincent Andrews of Morgan Stanley.

---

**Vincent Stephen Andrews** - *Morgan Stanley, Research Division - MD*

I would love to get your thoughts on what you see happening in China. I mean I see in your slides that the crush margins have declined. And I guess there's an issue maybe with the second wave of ASF there, different points of view on that, depending on what you read. And then I guess maybe you could just help us understand where you think they are in terms of rebuilding their inventories from an export perspective and how those 2 dynamics are going to play out over the course of the year to your best estimation?

---

**Juan Ricardo Luciano** - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. No. Of course, the recovery of Chinese demand for all agricultural products is an important driver in all these cycle as we've seen. The ASF, we see the rebuild of the curve is progressing and continues, although maybe a bit delayed during the -- because of the recent resurgence in the North. But we think that probably that delay is -- maybe it took a couple of quarters of delays, but nothing has changed. So we may get to the full herd by some time in 2022. I think that it's something that, of course, the industry is monitoring. There are a lot of measures that have been taken in China, including some of the parceling of the region, so to make sure that the disease doesn't contaminate the whole country. And I think that we will be watching what happened with the Southern provinces now in the summer very closely.

But I will say, in general, the recovery continues unabated, and you can see that on the demand. Demand in China continues to be strong. You see that they have grown in the first 3 months of the year. There are import of proteins that's up like 20%. And they continue to have very strong forecast for the importation of grains to feed animals. So that's what we're seeing.

Of course, corn prices have been expensive in China. And so China has been taking as much as wheat as they can from Europe to try to make a little bit of substitution. But they also don't have infinite wheat reserves. And during this year, we think that both corn reserves and wheat reserves needs to be replenished at one point in time. We don't think that that's happening now. Nobody is replenishing inventories in the face of an inverse. But we think that, that may happen later in the year.

---

**Vincent Stephen Andrews** - *Morgan Stanley, Research Division - MD*

Okay. And one, if I could just ask you a follow-up about your comments on sort of bio-based products that you made during your prepared remarks. Were you just referring to sort of the existing initiatives around FDME in carb sol and Spiber and acrylic acid or are there new things that you're looking at? Or going back to some of the old stuff like PHA or just -- what did you want to tell us about that, anything incremental?

---

**Juan Ricardo Luciano** - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. I think that there is a portfolio of things. Some of the ones you mentioned, we are not going back to PHA. But there are some more in areas like construction or pharma or personal care. We continue to find customers that have application development capabilities, but they want to change their input. And instead of being natural gas or oil, they want it plant-based. And for that, listen, we have -- we stand on a great source of sugar, that is the carb solution business.

We have fermentation technologies, and we have a good cost position here in the U.S. and as we have the capability, the critical mass. So I think that we are an attractive partner that everybody that is brainstorming or looking for a solution to match their sustainability targets is having discussions with our team. So there are some things that we cannot unveil right now, but we may unveil it over the course of the year.

**Operator**

Your next question comes from Michael Piken of Cleveland Research.

---

**Michael Leith Piken** - *Cleveland Research Company - Equity Analyst*

I just wanted to talk a little bit about South America. Maybe we could start with Brazil and just -- it seems like there's been some weather issues with the safrinha crop. And just trying to understand how you see kind of your volumes and business shaping out in South America over the next couple of quarters? And if net-net, at this point, do we -- are we cheering for a bigger South American crop or a smaller South American crop with respect to your overall global footprint?

---

**Juan Ricardo Luciano** - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. Thank you, Michael. Yes. South America, the weather in South America, of course, delayed a little bit the crop, and certainly, it's hurting a little bit the safrinha. We still expect -- traditionally, April and May are dry weather months in Brazil. So that's not great for this, and that's what putting a little bit of the premium in -- the weather premium on corn. So we expect that crop to be a little bit smaller. And Brazil exports about 35% of their corn production. So that is an impact in the market.

What are we rooting for? We are rooting for larger crops. We like to move crops. So the soy crop is expected to be a good one, maybe 135 million, 136 million tons. So that's in check. And I think what Brazil is doing at the moment is maybe getting a little bit of corn from Argentina. Certainly, it's getting wheat to try to replace some of the corn in feeding. Because adjusted, as I said before, the B13 biodiesel to B10.

So it's a year in which Brazil needs to navigate with -- on very tight stocks. And so it's going to be a difficult year and a year of heavy management for the Brazilian, the crush and the grain side of things.

---

**Michael Leith Piken** - *Cleveland Research Company - Equity Analyst*

Great. And then as a follow-up, just thinking ahead to 2022 with the projected growth in renewable biodiesel combined with a very -- or a tightening corn market. I mean how do you sort of see the acreage playing out in the U.S. for 2022 between corn and soybeans to meet this demand? And I guess from your perspective, I know you guys have some swing capacity, but the -- it seems like there's other crushing capacity up in Canada. softseed, 3 of their competitors have announced expansions. How do you see kind of the margin environment working out if we need to plant more corn next year?

---

**Juan Ricardo Luciano** - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. I think that, of course, the farmer reacts to pricing. And although this may be too late to shift a lot of acres to corn given how late we are already, I think, first of all, they will try to plant as much as possible next year as well, given prices will continue to be elevated. I think, listen, as it gets tied, the market, that's an advantage of our value chain. Our procurement, our long value chain, the fact that we have such a good coverage of everywhere.

In a tight market, that's where our footprint shines and we get the competitive advantage, if you will. So we like to have more crops. But in periods in which crops are going to be tight, we have a good system to make sure we get our hands into the crops. And because of sometimes basis go up. But to be honest, given the strong demand and the good profitability of our customers, I think we will be able to price those in. So I think that we are looking constructively about in terms of margins for the future.

---

**Michael Leith Piken** - *Cleveland Research Company - Equity Analyst*

And your thoughts on the acreage shift?

---

**Juan Ricardo Luciano** - Archer-Daniels-Midland Company - Chairman, CEO & President

It's too early to tell. And there are too many factors. I mean we are still trying to plant -- we haven't planted like 10% of our this crop, it's difficult to speculate about the 2022 crop.

---

**Operator**

Your next question comes from Ben Theurer of Barclays.

---

**Benjamin M. Theurer** - Barclays Bank PLC, Research Division - Head of the Mexico Equity Research & Director

Congrats on the results. Two quick ones. So first of all, you gave a little bit of guidance into the different segments, but Could you elaborate first on the Ag Service piece within AS&O, how you think about that turning into 2Q and particularly in light what we're seeing in your appendix on the cumulative crush deferred timing gains?

Because I remember last call, you said the vast majority of the close to \$300 million is likely to reverse within the first half. And we haven't seen much in 1Q. So how do we think -- shall we think about those timing gains? And how shall we think about the underlying business within Ag Service in particular over the second quarter?

---

**Ray Guy Young** - Archer-Daniels-Midland Company - Executive VP & CFO

Yes. For Ag Services, seasonally, Q2 will be lower than Q1, right? I mean that's what happens. I mean North America, we had a very strong Q1 in terms of North American exports. Again, partly as Juan indicated, a delayed South American harvest. It allowed the export window in North America to really benefit. And then we just had significant demand pull, which resulted in very strong elevation margins in the first quarter. So second quarter for Ag Services, it will revert back to more of a normal level here. The demand environment is still good, but it's not going to be as stellar as what we saw in the first quarter.

On your question on timing differences, remember, this is Crushing, right? I mentioned in my prepared remarks that there's about \$75 million related to global trade and ocean freight. That will reverse over the course of the year. In the appendix, the timing effects referred to in the appendix are related to crush.

And just a reminder, in the first quarter, we didn't see much of a reversal in the first quarter despite the fact that we had, at the end of 2020, about \$295 million in timing effects. And the reason being is that while we're seeing some reversals occurring, we're also building up new timing effects. Because as you know, cash crush remains extremely strong. So some of the new contracts we're putting on, we're actually creating new timing effects.

And so I just want to just kind of caution people that in this type of environment, even though there's about like \$265 million of timing effects yet to unwind because of new timing effects that will likely occur over the course of the year, we may not see the full unwind occur this year. So that's just my only caution I want to provide listeners to the call on these timing effects.

---

**Benjamin M. Theurer** - Barclays Bank PLC, Research Division - Head of the Mexico Equity Research & Director

Okay. And then just, Ray, not pushing much here, but how do you think about the Ag Service on a year-over-year basis, not on a sequential basis, just compared to second quarter of last year because there was obviously a lot of things going on and some structure and some of the plans, just trying to understand how we should put the second quarter of '21 into context with the second quarter of '20?

**Ray Guy Young** - Archer-Daniels-Midland Company - Executive VP & CFO

Yes. So in my prepared remarks, I did say that we'll likely going to have lower Ag Service results this year second quarter compared to last year, right? So I mean -- and don't forget, remember, last year, we were benefiting a lot from South America farmer selling, right? And that was extremely strong last year first quarter, but particularly second quarter. So we're not going to see that impact this year. So that's going to be the primary driver as to why Ag Services this year Q2 will be lower than last year's Q2.

---

**Operator**

Your next question comes from Eric Larson of Seaport Global Securities.

---

**Eric Jon Larson** - Seaport Global Securities LLC, Research Division - Research Analyst

Congratulations, everyone. I'll make it really quick. I have a couple of questions that -- one is a real near-term question, kind of exports over the next couple of quarters. The USDA is way behind, I think, in what they're giving China credit for, for corn exports through the year, something like 6 million or 7 million metric tons. And yet we're seeing the cash markets' futures are strong, but the cash markets are nothing short of astonishing.

So are we trying to fill some of those on price, maybe China contracts from U.S. farmers? Are they just holding back? I guess how tight really is the U.S. corn market? And we know the oil markets are really tight. Canada is importing rapeseed from the Ukraine. So we know that the North American oilseed markets are tight, but how tight is the U.S. corn market right now given cash prices?

---

**Juan Ricardo Luciano** - Archer-Daniels-Midland Company - Chairman, CEO & President

Yes, Eric, listen, we think, as I said before, that the U.S. continues to be competitive in the second quarter for corn exports. So we're going to see some of those exports. As Ray was saying before, Ag Services probably elevation margin will not be the same because we won't have the same program of soybean on top of that. China continues to be buying everything they can. They are buying corn, but they're buying wheat, as I said before, from several places.

And we have certain weather spots in the world. Canada and France are too cold and too dry. That has put some pressure on wheat with all this demand. Australia's infrastructure is trying to recover from the cyclone. So the exportability of wheat there is also a little bit limited for loading, that has created some pressure. So for the moment, corn continues to be competitive. The U.S. is exporting corn. But pretty soon, it will become landed in China, a little bit more expensive than wheat. But then wheat is getting tighter because of the bad weather. So we are looking at all those dynamics. So it's very difficult to answer the spot question specifically, but that's what our team does all day, is looking at all those dynamics and making sure we alter our product flows to fit the best origin.

---

**Eric Jon Larson** - Seaport Global Securities LLC, Research Division - Research Analyst

Okay. Yes. Okay. Well, China is buying every bushel of barley and sorghum and I think they're around the world everywhere.

---

**Juan Ricardo Luciano** - Archer-Daniels-Midland Company - Chairman, CEO & President

Absolutely.

---

**Eric Jon Larson** - Seaport Global Securities LLC, Research Division - Research Analyst

So the final question is a longer-term question that I'm really somewhat concerned about. We've seen the Biden administration now talk about a 30% conservation plan, meaning they want to put 30% of U.S. -- of all U.S. land and 30% of all water into conservation programs. At the same time,

increase the CRP program. Does that mean that we're in a land grab here? I know we're in early stages. Does the Fed buy land? Do we encourage people to put it aside? Does it take more farmland out of production, now at a time when we really actually need the production? How do you -- what are your initial reads of the Biden's recently announced conservation plans?

---

**Juan Ricardo Luciano** - Archer-Daniels-Midland Company - Chairman, CEO & President

Yes. Listen, I think the administration has shown from the beginning that, of course, fighting climate change was going to be one of their priorities, which we support, and we have a strong sustainability program. I think that we need to start working, and it's important to work very closely with the farmers to try to listen, to -- the farmer understand the responsibility. We have, at the moment, maybe 25% of acres doing precision agriculture, which I think will increase yield without needing more land.

And I think that there will be a discussion with the administration, and it will be a pressure between environmental long-term goals and short-term feeding needs of the world. The world needs the U.S. capacity as they need the Brazilian capacity. So these prices show that we need those acres. So I think that this cannot be automatic. It's something that we will have to work out, balancing all the stakeholders, people that need the food with the long-term needs for conserving the planet.

---

**Operator**

That was our final question for today. I will now return the call to Ms. de la Hueraga for final remarks.

---

**Victoria de la Hueraga** - Archer-Daniels-Midland Company - VP of IR & ADM Ventures

Thank you, Chris. Slide 13 notes upcoming investor events in which we will be participating. Before we close, I wanted to note that I will be transitioning to a new position as President of our Sweet Foods and Dairy Products group in ADM's Human Nutrition business. I will be transitioning my Investor Relations role to Vikram Luthar, who will also continue to be the CFO for our Nutrition business.

I'd like to thank our analysts and shareholders for all their insight and support over the past 3 years. And as always, please feel free to follow-up with me if you have any questions. Have a good day, and thanks for your time and interest in ADM.

---

**Operator**

Thank you for your participation. This concludes today's conference call. You may now disconnect.

---

**DISCLAIMER**

Refinitiv reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2021, Refinitiv. All Rights Reserved.