

HD ADM Profit Falls on Charges, Slow Corn Selling -- Update**BY** By Jacob Bunge and Tess Stynes**WC** 558 words**PD** 5 February 2014**ET** 02:31**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

Archer Daniels Midland Co.'s fourth-quarter earnings fell 27% on charges related to its blocked **purchase** of GrainCorp Ltd., while farmers' reluctance to sell corn at cheap prices hit ADM's grain-trading revenue.

A record U.S. corn harvest last autumn prompted farmers to store corn rather than to sell it at sharply lower prices, pushing ADM's grain-trading profits down by one-third in the quarter, the **company** reported Tuesday. Many U.S. farmers have increased grain-storage capacity in recent years, giving them more flexibility around when to sell corn.

TD

"Our ag services business was impacted by the slow U.S. farmer selling of corn and challenges in our international merchandising," ADM Chief Executive Patricia Woertz said on a post-earnings conference call.

On a positive note, last year's bumper corn and soybean crops reduced costs for ADM's corn-processing businesses, improving margins for ethanol production. Earnings for the unit surged in the fourth quarter to \$279 **million**, versus \$3 **million** in the prior-year period.

The ethanol industry faces challenges, however, as the U.S. government considers a reduced requirement this year for blending ethanol into gasoline, which could **lead** to lower domestic consumption and trigger increased competition to export the corn-based biofuel.

ADM, one of the world's largest grain and oilseed processors, plans "aggressive actions" to improve results in its grain-trading unit, particularly in South America, Chief Operating Officer Juan Luciano told analysts on the conference call. "We fumbled and we will correct that," he said.

The **company** said earnings from grain merchandising and handling dropped to \$84 **million** in the fourth quarter from \$129 **million** a year earlier.

ADM also is considering its next steps in Asia, where its proposed 3 **billion** Australian dollar (US\$2.7 **billion**) **purchase** of Sydney-based grain merchant GrainCorp Ltd. failed after the Australian government blocked it over fears of ceding too much control to a foreign-based entity. The November ruling dealt a blow to ADM's plans to sell more grain and commodities into **China** and other rapidly expanding Asian economies.

The failed deal with GrainCorp, in which ADM maintains a 19.9% **stake**, drove \$155 **million** worth of impairment charges in ADM's fourth quarter, the **company** said.

Overall, ADM reported a profit of \$374 **million**, or 56 cents a share, down from \$510 **million**, or 77 cents a share, a year earlier. Excluding items such as charges related to GrainCorp, adjusted earnings rose to 95 cents from 60 cents.

Revenue decreased 3.1% to \$24.14 **billion**.

Analysts polled by Thomson Reuters expected per-share profit of 85 cents and revenue of \$24.7 **billion**.

ADM in December said it plans to move its headquarters from Decatur, Ill., to Chicago.

Write to Jacob Bunge at jacob.bunge@wsj.com and Tess Stynes at tess.stynes@wsj.com

Order free Annual Report for GrainCorp Ltd.

Visit <http://djinweurope.ar.wilink.com/?ticker=AU000000GNC9> or call +44 (0)208 391 6028

Order free Annual Report for Archer Daniels Midland Co.

Visit <http://djinweurope.ar.wilink.com/?ticker=US0394831020> or call +44 (0)208 391 6028

(END) Dow Jones Newswires

February 04, 2014 10:31 ET (15:31 GMT)

CO arch : Archer Daniels Midland Company | grncrp : GrainCorp Ltd

IN i01001 : Farming | i0100132 : Oilseed/Grain Farming | i41 : Food/Beverages/Tobacco | ifood : Food Products | i010013205 : Corn Farming | i0 : Agriculture | icnp : Consumer Goods | i416 : Flour/Malt Products

NS c151 : Earnings | ccat : Corporate/Industrial News | mcorn : Corn Markets | mveoil : Vegetable Oil Markets | ncmac : Commodities Asset Class News | neqac : Equities Asset Class News | nfiac : Fixed Income Asset Class News | ntop : Top Wire News | nttwn : Today's Top Wire News | c15 : Performance | m14 : Commodity Markets | m141 : Agricultural Commodity Markets | mcat : Commodity/Financial Market News | medoil : Edible Oils Markets | mgrain : Grain Markets | mgroil : Grains/Edible Oils Markets | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfce : FC&E Exclusion Filter | nfcpin : FC&E Industry News Filter | redit : Selection of Top Stories/Trends/Analysis

RE austr : Australia | usa : United States | usil : Illinois | apacz : Asia Pacific | ausnz : Australia/Oceania | namz : North America | usc : Midwest U.S.

PUB Dow Jones & Company, Inc.

AN Document DJDN000020140204ea24002hv

Search Summary

Text	((chin* or hong kong)) and (((residential or site or commercial) and (casino resort or island or hotel or apartment or park or estate or property) and (group or firm or company or board or entitys) and (transaction* or purchase* or sale or sold or buy)) or ((uranium or wind or gold or solar or ore or copper or energy or alumina or iron or lead or coal or oil) and (bonds or acquisition or merge or purchase or sale or stake or equity) and (million* or billion* or B or M) and (operations or mining or firm or company)) or ((dairy or cheese or butter or milk or bread or wine) and (sold or buy or sale or equity or stake or merge or acquire) and (brand or company or business or group or firm or board) and (million* or billion* or B or M))) not (terrorism or war or navy or stock market or share market or Wall St or Wall Street or Forex or Stock Exchange or rst=asxtex) and re=austr
Date	01/01/2014 to 30/04/2014
Source	All Sources
Author	All Authors
Company	All Companies
Subject	All Subjects
Industry	All Industries
Region	All Regions
Language	English
Results Found	2,564
Timestamp	29 August 2018 1:38