

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-44



ARCHER-DANIELS-MIDLAND COMPANY
(Exact name of registrant as specified in its charter)

DE

(State or other jurisdiction of incorporation or organization)

41-0129150

(I. R. S. Employer Identification No.)

77 West Wacker Drive, Suite 4600

Chicago, IL

(Address of principal executive offices)

60601

(Zip Code)

(312) 634-8100

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, no par value
1.000% Notes due 2025

Trading Symbol(s)
ADM

Name of each exchange on which registered
NYSE
NYSE

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒
No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated Filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant’s most recently completed second fiscal quarter.

Common Stock, no par value—\$33.7 billion
(Based on the closing sale price of Common Stock as reported on the New York Stock Exchange
as of June 30, 2021)

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date.

Common Stock, no par value—562,166,572 shares
(February 16, 2022)

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant’s definitive proxy statement relating to its 2022 annual meeting of stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. Such proxy statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

SAFE HARBOR STATEMENT

This Annual Report on Form 10-K contains forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995 that is subject to certain risks and uncertainties that could cause actual results to differ materially from those projected, expressed, or implied by such forward-looking information. Risks and uncertainties that could cause or contribute to such differences include, but are not limited to, those discussed in Item 1A, "Risk Factors" included in this Annual Report on Form 10-K, as may be updated in our subsequent Quarterly Reports on Form 10-Q. To the extent permitted under applicable law, Archer-Daniels-Midland Company assumes no obligation to update any forward-looking statements as a result of new information or future events.

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PART I

Item 1. BUSINESS

Company Overview

Archer-Daniels-Midland Company (the Company or ADM) unlocks the power of nature to provide access to nutrition worldwide. The Company is a global leader in sustainable human and animal nutrition, one of the world's premier agricultural origination and processing companies, and an innovator in creating sustainable solutions in agriculture, energy, and bio-based alternatives to materials and fuels currently produced from petroleum products. ADM's breadth, depth, insights, facilities and logistical expertise give the Company unparalleled capabilities to meet needs for food, beverages, health and wellness, and more. From the seed of the idea to the outcome of the solution, ADM enriches the quality of life the world over.

The Company is one of the world's leading producers of ingredients for human and animal nutrition, and other products made from nature. ADM transforms natural products into staple foods, sustainable and renewable industrial products, renewable fuels, and an expansive pantry of food and beverage ingredients and solutions for foods and beverages, supplements, nutrition for pets and livestock and more. ADM also has significant investments and joint ventures that aim to expand or enhance the market for its products or offer other benefits including, but not limited to, geographic or product-line expansion. With an array of unparalleled capabilities across every part of the global food chain, ADM gives its customers an edge in solving global challenges of today and tomorrow.

At ADM, sustainable practices and a focus on environmental responsibility are not separate from its primary business: they are integral to the growth strategy of the Company and to the work the Company does every day to serve customers and create value for shareholders. ADM's board of directors actively oversees the Company's sustainability strategy through a board-level Sustainability and Corporate Responsibility Committee (Sustainability Committee), and ADM's Chief Sustainability Officer is part of the core strategy team who reports to the Chief Strategy Officer. Utilizing ADM's unique position in the agricultural value chain, its extensive global grain elevator and transportation network, and its production facilities, ADM is driving sustainability into every aspect of the agriculture value chain. The Company is actively working to improve the efficiency of its facilities and vehicles, finding alternative uses for waste, reusing and recycling water, and sequestering carbon at its onsite capture and storage facility. ADM works with growers, supporting them with personalized services and innovative technologies; partnering with them to develop and enhance sustainable practices; and transforming their bounty into products for consumers around the globe. ADM does the same with animal nutrition products. Today, more people want to feed their pets the same kind of clean, healthy products they eat themselves and consumers expect livestock and poultry to be fed and raised humanely and sustainably. The Company's environmental goals, collectively called "Strive 35" – an ambitious plan to, by 2035, reduce from a 2019 baseline absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 25 percent, reduce absolute Scope 3 emissions by 25 percent, reduce energy intensity by 15 percent, reduce water intensity by 10 percent, and achieve a 90 percent landfill diversion rate – are part of an aggressive plan to continue to reduce the Company's environmental footprint.

From plant-based proteins to probiotics, the Company is growing nutrition trends, working closely with customers to create custom, delicious solutions from nature to meet consumer preferences. The Company's innovation and expertise are helping people live healthier lives. Around the world, ADM's food scientists, flavorists, and chefs offer innovative solutions for consumers seeking foods, beverages and supplements to support health and wellness. The Company's global footprint combines with local insights to give ADM the capabilities few other companies have – ensuring that it gets the very best ingredients from around the globe to its customers, wherever they may be.

Segment Descriptions

The Company's operations are organized, managed, and classified into three reportable business segments: Ag Services and Oilseeds, Carbohydrate Solutions, and Nutrition. Each of these segments is organized based upon the nature of products and services offered. The Company's remaining operations are not reportable business segments, as defined by the applicable accounting standard, and are classified as Other Business. Financial information with respect to the Company's reportable business segments is set forth in Note 17 of "Notes to Consolidated Financial Statements" included in Item 8 herein, "Financial Statements and Supplementary Data" (Item 8).

Item 1. BUSINESS (Continued)

Ag Services and Oilseeds

The Ag Services and Oilseeds segment includes global activities related to the origination, merchandising, transportation, and storage of agricultural raw materials, and the crushing and further processing of oilseeds such as soybeans and soft seeds (cottonseed, sunflower seed, canola, rapeseed, and flaxseed) into vegetable oils and protein meals. Oilseeds products produced and marketed by the segment include ingredients for food, feed, energy, and industrial customers. Crude vegetable oils produced by the segment's crushing activities are sold "as is" to manufacturers of renewable green diesel and other customers or are further processed by refining, blending, bleaching, and deodorizing into salad oils. Salad oils are sold "as is" or are further processed by hydrogenating and/or interesterifying into margarine, shortening, and other food products. Partially refined oils are used to produce biodiesel and glycols or are sold to other manufacturers for use in chemicals, paints, and other industrial products. Oilseed protein meals are principally sold to third parties to be used as ingredients in commercial livestock and poultry feeds. The Ag Services and Oilseeds segment is also a major supplier of peanuts and peanut-derived ingredients to both the U.S. and export markets. In North America, cotton cellulose pulp is manufactured and sold to the chemical, paper, and other industrial markets. The Ag Services and Oilseeds segment's grain sourcing, handling, and transportation network (including barge, ocean-going vessel, truck, rail, and container freight services) provides reliable and efficient services to the Company's customers and agricultural processing operations. The Ag Services and Oilseeds segment also includes agricultural commodity and feed product import, export, and global distribution, and structured trade finance activities. Structured trade finance's activities include programs under which ADM prepays financial institutions, on a discounted basis, U.S. dollar-denominated letters of credit based on underlying commodity trade flows. In December 2021, the Company entered into a joint venture with Marathon Petroleum Corp. for the production of soybean oil to supply rapidly growing demand for renewable diesel fuel.

The Company has a **32.2% interest in Pacifcor**. Pacifcor owns and operates grain export elevators in Kalama, Washington and Portland, Oregon.

The Company has a **22.3% equity interest in Wilmar International Limited (Wilmar)**, a Singapore publicly listed company. Wilmar is a leading global agribusiness group headquartered in Asia engaged in the businesses of packaged oils and packaged foods, oil palm cultivation, oilseeds crushing, edible oils refining, sugar milling and refining, specialty fats, oleo chemicals, biodiesel and fertilizers manufacturing, and grains processing.

The Company has a **50.0% interest in Stratas Foods LLC**, a joint venture between ADM and ACH Jupiter, LLC, a subsidiary of Associated British Foods, that procures, packages, and sells edible oils in North America.

The Company has a **50.0% interest in Edible Oils Limited**, a joint venture between ADM and Princes Limited to procure, package, and sell edible oils in the United Kingdom. The Company also formed a joint venture with Princes Limited in Poland to procure, package, and sell edible oils in Poland, the Czech Republic, Slovakia, Hungary, and Austria.

The Company has a **37.5% interest in Olenex Sarl (Olenex)**, a joint venture between ADM and Wilmar that produces and sells a comprehensive portfolio of edible oils and fats to customers around the globe. In addition, Olenex markets refined oils and fats from the Company's plants in the Czech Republic, Germany, the Netherlands, Poland, and the U.K.

The Company has a **50.0% interest in SoyVen**, a joint venture between ADM and Cargill to provide soybean meal and oil for customers in Egypt.

The Company is a supplier of raw materials to Wilmar, Stratas Foods LLC, Edible Oils Limited, SoyVen, and Olenex.

Item 1. BUSINESS (Continued)

Carbohydrate Solutions

The Carbohydrate Solutions segment is engaged in corn and wheat wet and dry milling and other activities. The Carbohydrate Solutions segment converts corn and wheat into products and ingredients used in the food and beverage industry including sweeteners, corn and wheat starches, syrup, glucose, wheat flour, and dextrose. Dextrose and starch are used by the Carbohydrate Solutions segment as feedstocks in other downstream processes. By fermentation of dextrose, the Carbohydrate Solutions segment produces alcohol and other food and animal feed ingredients. Ethyl alcohol is produced by the Company for industrial use in products such as hand sanitizers and ethanol for use in gasoline due to its ability to increase octane as an extender and oxygenate. Corn gluten feed and meal, as well as distillers' grains, are produced for use as animal feed ingredients. Corn germ, a by-product of the wet milling process, is further processed into vegetable oil and protein meal. Other Carbohydrate Solutions products include citric acids which are used in various food and industrial products. The Carbohydrate Solutions segment has announced various memorandums of understanding with potential strategic partners leveraging our core production capabilities and carbon sequestration experience to facilitate the production of low carbon, bio-based products such as sustainable aviation fuel and innovative renewable chemicals. In November 2021, the Company sold its ethanol production complex in Peoria, Illinois.

The Company has a 50.0% interest in Hungrana Ltd. which operates a wet corn milling plant in Hungary.

The Company has a 50.0% interest in Almidones Mexicanos S.A. which operates a wet corn milling plant in Mexico.

The Company has a 40.0% interest in Red Star Yeast Company, LLC, a joint venture between ADM and Lesaffre that produces and sells fresh and dry yeast in the United States and Canada.

The Company has a 50.0% interest in Aston Foods and Food Ingredients, a Russian-based sweeteners and starches business.

Nutrition

The Nutrition segment serves various end markets including food, beverages, nutritional supplements, and feed and premix for livestock, aquaculture, and pet food. The segment engages in the manufacturing, sale, and distribution of a wide array of ingredients and solutions including plant-based proteins, natural flavors, flavor systems, natural colors, emulsifiers, soluble fiber, polyols, hydrocolloids, probiotics, prebiotics, enzymes, botanical extracts, and other specialty food and feed ingredients. The Nutrition segment includes the activities related to the procurement, processing, and distribution of edible beans. The segment also includes activities related to the processing and distribution of formula feeds and animal health and nutrition products and the manufacture of contract and private label pet treats and foods. ADM acquired Golden Farm Production & Commerce Company Limited in April 2021; a 75% majority stake in PetDine, Pedigree Ovens, The Pound Bakery, and NutraDine (collectively, "P4"), premier providers of private label pet treats and supplements, in September 2021; U.S.-based Deerland Probiotics & Enzymes ("Deerland"), a leader in probiotic, prebiotic, and enzyme technology, in November 2021; Sojaprotein, a leading European provider of non-GMO soy ingredients, in November 2021; and Flavor Infusion International, S.A., a full-range provider of flavor and specialty ingredient solutions for customers across Latin America and the Caribbean, in December 2021.

Other Business

Other Business includes the Company's remaining operations as described below.

ADM Investor Services, Inc., a wholly owned subsidiary of the Company, is a registered futures commission merchant and a clearing member of all principal commodities exchanges in the U.S. ADM Investor Services International Limited, a member of several derivative and commodity exchanges and clearing houses in Europe, ADMIS Singapore Pte. Limited, a clearing member of the Singapore exchange, and ADMIS Hong Kong Limited, are wholly owned subsidiaries of ADM offering brokerage services in Europe and Asia.

Insurance activities include Agrinational Insurance Company (Agrinational) and its subsidiaries. Agrinational, a wholly owned subsidiary of ADM, provides insurance coverage for certain property, casualty, marine, credit, and other miscellaneous risks of the Company. Agrinational also participates in certain third-party reinsurance arrangements.

Item 1. BUSINESS (Continued)*Corporate*

Corporate includes the results of early-stage start-up companies within ADM Ventures, which was launched by the Company in 2016. In addition to identifying companies to invest in, ADM Ventures also works on select high-potential, new product development projects and alternative business models. Prior to 2020, Corporate also included the Company's share of the results of its 43.7% equity interest in Compagnie Industrielle et Financiere des Produits Amylaces SA (Luxembourg) and affiliates (CIP), a joint venture that targets investments in food, feed ingredients, and bioproducts businesses, which was sold in December 2019.

Methods of Distribution

The Company's products are distributed mainly in bulk from processing plants or storage facilities directly to customers' facilities. The Company has developed a comprehensive transportation capability to efficiently move both commodities and processed products virtually anywhere in the world. The Company owns or leases a significant portion of the trucks, trailers, railroad tank and hopper cars, river barges, towboats, and ocean-going vessels used to transport the Company's products to its customers.

Concentration of Revenues by Product

The following products accounted for 10% or more of revenues for the following periods:

	% of Revenues		
	Year Ended December 31		
	2021	2020	2019
Soybeans	18%	18%	16%
Corn	14%	12%	12%
Soybean Meal	12%	14%	13%

Status of New Products

The Company continues to expand the size and global reach of its business through the development of new products. Acquisitions, especially in the Nutrition segment, expand the Company's ability to unlock the potential of nature and serve customers' evolving and expanding nutritional needs through its offering of natural flavor and ingredient products. The Company does not expect any individual new product to have a significant impact on the Company's revenues in 2022.

Source and Availability of Raw Materials

A significant majority of the Company's raw materials are agricultural commodities. In addition, the Company sources specific fruits, vegetables, and nuts for extracts to make flavors and colors. In any single year, the availability and price of these commodities are subject to factors such as changes in weather conditions, plantings, government programs and policies, competition, changes in global demand, changes in standards of living, and global production of similar and competitive crops. The Company's raw materials are procured from thousands of growers, grain elevators, and wholesale merchants in North America, South America, Europe, Middle East, and Africa (EMEA), Asia, and Australia, pursuant primarily to short-term (less than one year) agreements or on a spot basis. The Company is not dependent upon any particular grower, elevator, or merchant as a source for its raw materials.

Some of the principal crops that ADM sources and processes present specific climate change risks. For example, South American soy and global palm present risks of deforestation due to their proximity to the forest and other high-carbon-value landscapes. In addition, row crops such as corn, soy, wheat, and canola present environmental risks when not managed appropriately, such as water quality impairment, erosion, soil degradation, and GHG emissions. However, these crops also present an opportunity to combat climate change through their ability to sequester carbon in the soil using regenerative agricultural practices. ADM has engaged over 13 million acres in sustainable agriculture practices globally.

Item 1. BUSINESS (Continued)

Under the stewardship of ADM's board of directors, the Company has established several key social and environmental policies that collectively outline expectations for its employees, business partners and contractors, and the Company as a whole with respect to its sourcing operations. These policies set the standards that govern the Company's approach to environmental stewardship, employee conduct, and raw material sourcing, among other areas, and outline ADM's positions on issues of widespread public interest. These standards are included in, among others, the Company's Code of Conduct, Environment, Health, and Safety Policy, Human Rights Policy, Commitment to Protect Forests, Biodiversity, and Communities, Statement on Genetically Modified Organisms, Statement on Animal Testing, Commitment to Anti-Corruption Compliance, Protocol for Managing Supplier Non-Compliance and ADM Supplier Expectations, all of which are available on the Company's website (see Item 1, Business - Available Information).

In addition to policies, a portion of the Company's commodity sourcing is conducted using third-party certification programs including ADM Responsible Soy, Biomass Biofuel Sustainability Voluntary Scheme, Round Table for Responsible Soy, International Sustainability and Carbon Certification, Round Table on Sustainable Palm Oil, and U.S. Soy Sustainability Assurance Protocol. These programs have standards that are established to provide transparency on specific sustainability-related criteria. ADM procures canola, soybeans, and palm under these programs.

The Company aims to achieve full traceability of direct and indirect soy suppliers in South America by the end of 2022 and aims to eliminate all deforestation in its supply chain by the end of 2030.

Trademarks, Brands, Recipes, and other Intellectual Property

The Company owns trademarks, brands, recipes, and other intellectual property including patents, with a net book value of \$841 million as of December 31, 2021. The Company does not consider any segment of its business to be dependent upon any single or group of trademarks, brands, recipes, or other intellectual property.

Seasonality, Working Capital Needs, and Significant Customers

Since the Company is widely diversified in global agribusiness markets, there are no material seasonal fluctuations in overall global processing volumes and the sale and distribution of its products and services. There is a degree of seasonality in the growing cycles, procurement, and transportation of the Company's principal raw materials: oilseeds, corn, wheat, and other grains.

The prices of agricultural commodities, which may fluctuate significantly and change quickly, directly affect the Company's working capital requirements. Because the Company has a higher portion of its operations in the northern hemisphere, principally North America and Europe, relative to the southern hemisphere, primarily South America, inventory levels typically peak after the northern hemisphere fall harvest and are generally lower during the northern hemisphere summer months. Working capital requirements have historically trended with inventory levels. No material part of the Company's business is dependent upon a single customer or very few customers. The Company has seasonal financing arrangements with farmers in certain countries around the world. Typically, advances on these financing arrangements occur during the planting season and are repaid at harvest.

Competition

The Company has significant competition in the markets in which it operates based principally on price, foreign exchange rates, quality, global supply, and alternative products, some of which are made from different raw materials than those utilized by the Company. Given the commodity-based nature of many of its businesses, the Company, on an ongoing basis, focuses on managing unit costs and improving efficiency through technology improvements, productivity enhancements, and regular evaluation of the Company's asset portfolio.

Research and Development

Research and development expense during the year ended December 31, 2021, net of reimbursements of government grants, was \$171 million.

Item 1. BUSINESS (Continued)

The Company's laboratories and technical innovation centers around the world enhance its ability to interact with customers globally, not only to provide flavors, but also to support the sales of other food ingredients. Since the acquisition of Wild Flavors in 2014, additional laboratories have been added, including food & beverages applications laboratories in Fort Collins, Colorado, and Bergamo, Italy and expanded laboratories in Decatur, Illinois, Davis, California, Rolle, Switzerland, and Shanghai, China. In 2021, the Company also opened a plant-based innovation laboratory in ADM's Biopolis research hub in Singapore to develop nutritious products to meet the growing food and beverage demand in the Asia-Pacific region.

The Company expanded its human health and nutrition portfolio in 2017 with the acquisition of a controlling interest in Biopolis SL (Biopolis), a leading provider of probiotics and genomic services. Biopolis provides genomic sequencing capabilities for the Company's customers as well as for its internal use. Biopolis also has high through-put biological functionality testing capabilities that can be used to discover new probiotics and nutraceuticals. In January 2018, the Company announced a joint development agreement with Vland Biotech to develop and commercialize enzymes for animal feed. In April 2018, the Company opened its new enzyme development laboratory in Davis, California to advance the research and development of feed enzyme as well as enzymes for internal use. In August 2018, the Company further expanded its probiotics business with the acquisition of Probiotics International Limited. In October 2021, the Company announced an agreement with Qingdao Vland Biotech Group Co., Ltd., a leading producer of enzymes and probiotics, to form a joint venture to manufacture and sell human probiotics to serve the growing Chinese demand.

With the acquisition of Neovia in early 2019, ADM further expanded its research and development capabilities in Animal Nutrition, globally. In December 2019, the Company opened a new Animal Nutrition technology center in Decatur, Illinois, to further expand its animal nutrition capabilities to support customer innovation in pet and aqua food production in North America. In November 2021, the Company opened a new animal nutrition laboratory in Rolle, Switzerland to support the development of science-based feed additives to meet worldwide customer needs for pet food, aquaculture, and livestock species.

ADM Ventures continues to select high-potential, new product development projects in partnership with the business units. The distribution platform that was launched by the team for ADM to sell several of its ingredients has been successful for revenue growth and market and consumer insights. ADM Ventures further expanded its equity investments and now has early-stage start-up companies in its portfolio which are focused on developing products for human and animal nutrition, and is looking at several others in which ADM may choose to invest. These investments also allow for strategic insights as well as collaboration opportunities for which the team is aggressively pursuing. ADM Ventures portfolio of investments are primarily accounted for at cost and recorded in Other Assets in the Company's consolidated balance sheets.

The Company is continuing to invest in research to develop a broad range of key intermediate materials that serve as a platform for producing a variety of sustainable packaging products. Conversion technologies include utilizing expertise in fermentation, process chemistry, and catalysis. The Company's current portfolio includes products that are in the early development phase and those that are close to pilot plant demonstration. In September 2021, the Company announced a memorandum of understanding (MOU) with LG Chem, a leading global diversified chemical company, to explore US-based production of lactic acid to meet growing demand for a wide variety of plant-based products, including bioplastics, through the creation of two joint ventures. In October 2021, the Company announced making an equity investment in Acies Bio, a Slovenia-based biotechnology company specializing in R&D and manufacturing services for developing and scaling synthetic biology and precision fermentation technologies for food, agriculture and industrial applications. In October 2021, the Company announced a MOU with Gevo, Inc., a pioneer in transforming renewable energy into low carbon, energy-dense liquid hydrocarbons, to support the production of up to 500 million gallons of sustainable aviation fuel and other low carbon-footprint hydrocarbon fuel. In November 2021, the Company announced an agreement to form a 50-50 joint venture with Asia Sustainable Foods Platform, a wholly-owned company of Temasek, to provide technology development and precision fermentation for companies serving the growing consumer demand for a wide variety of bio-based products, including alternative protein, in Singapore and the wider Asia-Pacific region. The Company has a MOU with P2 Science to evaluate product opportunities in plant-based, renewable chemicals and materials.

Item 1. BUSINESS (Continued)

In October 2020, the Company announced a long-term agreement with Spiber, Inc. (Spiber) to expand the production of Spiber's innovative brewed protein polymers for use in apparel and other consumer products. The Company also announced in 2020 its plans to collaborate with InnovaFeed on the construction and operation of the world's largest insect protein production site, collocated with ADM's corn processing complex in Decatur, Illinois.

Environmental, Social, and Governance (ESG)

The Company knows that the health of our natural resources is critical to our future, and that its commitments to sustainable practices will result in a stronger ADM and a better world. ADM is committed to being a force for change in developing innovative, sustainable solutions in agriculture, food and nutrition, energy, and packaging materials while pursuing ways to continually improve the Company's efforts in both protecting the environment and enhancing environmental sustainability. The United Nations Development Programme created the Sustainable Development Goals (SDG) blueprint as a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity. ADM focuses its efforts toward goals that align with its business objectives and allow the Company to make the greatest contribution towards the achievement of the SDG, specifically Zero Hunger, Clean Water and Sanitation, Decent Work and Economic Growth, Climate Action, and Life On Land.

Governance

The Sustainability Committee of the Board actively oversees the Company's objectives, goals, strategies, and activities relating to sustainability and corporate responsibility matters. The Sustainability Committee also oversees the Company's compliance with sustainability and corporate responsibility laws and regulations, assesses performance relating to industry benchmarks, and assists the Board of Directors in ensuring that the Company operates as a sustainable organization and responsible corporate citizen in order to enhance shareholder value and protect ADM's reputation. The Company's Chief Sustainability Officer works with the Chairman of the Sustainability Committee to set the agendas for the meetings and also attends the meetings. As for ADM management, the Executive Council of ADM, the Company's highest strategic and operational body, provides close supervision of the Company's ESG efforts and an in-depth review of sustainability issues. Because the Company considers sustainability critical to its strategic planning and mergers and acquisitions efforts, the Chief Sustainability Officer reports to the Chief Strategy Officer and is an important part of the strategy team. Furthermore, regional sustainability teams, along with the corporate sustainability team, support the Chief Sustainability Officer to drive sustainability efforts in the Company's facilities and supply chains around the world. ADM's sustainability efforts are also supported by the Centers of Excellence (CoE) that drive efficiency programs in their areas of focus such as the Utilities CoE, Diversity, Equity and Inclusion CoE, and Environmental, Health and Safety (EHS) CoE.

Strategy

The Company aims to mitigate climate change through renewable product and process innovations, supply chain commitments, and a strategic approach to operational excellence with a focus on enhancing the efficiency of ADM's production plants throughout its global operations.

ADM believes sustainability is critical to its future growth strategy. ADM's strategic plan of sustainable growth leverages the trends and technologies in sustainability to help the Company grow and create value for its stakeholders. Ag Services and Oilseeds is focused on traceability of sourcing and differentiation and working with growers on low carbon agricultural products. Carbohydrate Solutions is focused on decarbonization as a business, and biosolutions and biomaterials, including fuel solutions from agricultural products to replace petroleum-based products. Nutrition is focused on developing alternative proteins that can reduce the amount of animal-based proteins that are sources of methane and GHG emissions. The growth of these projects and businesses will be integral to supporting the objective of helping the planet limit total global warming to the 1.5°C threshold indicated by the United Nations.

Moreover, ADM has a large industrial footprint and believes it is important to reduce GHG emissions related to its business activities and the entire agricultural supply chain. The Company continues to use internal and external resources to identify opportunities and take action to reduce its GHG emissions globally to meet its continued commitment to mitigate the effects of climate change.

Item 1. BUSINESS (Continued)

In 2020, ADM announced its environmental stewardship goals, collectively called “Strive 35” – an ambitious plan to, by 2035, reduce absolute Scope 1 and 2 GHG emissions by 25 percent from a 2019 baseline, reduce energy intensity by 15 percent, reduce water intensity by 10 percent, and achieve a 90 percent landfill diversion rate. To support the Company's Strive 35 environmental goals, ADM developed a feasibility study with a leading engineering professional services firm that provides the technology pathway for absolute reduction of GHG by 2035. The Company has also committed to develop a global strategy focused on improving community wellbeing in priority watersheds, including water-stressed areas, by 2025.

In 2021, ADM added 5-year interim targets to ensure the Company stays on track to meet its 2035 goals. By 2025, the Company aims to reduce absolute GHG emissions by 1.5%, reduce energy intensity and water intensity by 6% and 5%, respectively, and achieve 87% of its waste diverted from landfill.

In 2021, ADM announced its Scope 3 GHG reduction goal, focused upon the five most material Scope 3 categories for the Company: purchased goods and services; fuel and energy related emissions; upstream transportation and distribution; waste; and processing of solid products/goods. ADM aims to reduce its absolute Scope 3 emissions by 25% from a 2019 baseline by 2035.

The Company anticipates spending between \$170 million to \$300 million on capital projects to achieve the Strive 35 targets. In 2021, \$15 million was spent on projects in support of these goals.

During the year ended December 31, 2021, the Company spent \$57 million specifically to improve equipment, facilities, and programs for pollution control and compliance with the requirements of various environmental agencies.

There have been no material effects upon the earnings and competitive position of the Company resulting from compliance with applicable laws or regulations enacted or adopted relating to the protection of the environment.

ADM's corporate social investment program, ADM Cares, aligns the Company's corporate giving with its business strategies and sustainability objectives. Through the program, ADM works to sustain and strengthen its commitment to communities where ADM colleagues work, live, and operate by directing funding to initiatives and organizations driving meaningful social, economic, and environmental progress. The ADM Cares team evaluates potential projects submitted for funding to ensure they meet eligibility criteria, such as initiatives that support education, food security and hunger relief, or safe, responsible, and environmentally sound agricultural practices in critical growing regions around the world.

Risk Management

See Item 1A, “Risk Factors” for the discussion of climate-related risks.

Metrics and Targets

Metrics and targets are available in ADM's Corporate Sustainability Report which can be accessed through its website at <http://www.adm.com>.

References to the Company's website address in this report are provided as a convenience and are not incorporated by reference. See Available Information on page 15 for more information.

Scenario Analysis

In line with the recommendations of the Task Force on Climate-Related Disclosures, ADM conducted an analysis using three scenarios: 1.5°C (based on IPCC SSP1), 2°C (based on IEA WEO 450 Scenario), and 2.6°C (based on IEA INDC Scenario). The first scenario assumes a rapid transition to a low carbon world in the next decade, limiting temperature increase to 1.5°C. This involves a high degree of transformation across the economy. Under this scenario, the worst anticipated physical impacts of climate change are avoided. The second scenario involves ambitious actions to mitigate climate change, limiting temperature increase to 2°C. This scenario requires greater policy action; however, there is still an increase in physical climate-related impacts. The third scenario is based on the current status quo with no changes to policies or actions and an anticipated increase in global temperature by 2.6°C resulting in increased physical impacts of climate change. ADM used these scenarios as written by the sources, except in the case of the third, status quo scenario, where transition risks were evaluated based on the Company's existing commitments: Strive 35.

Item 1. BUSINESS (Continued)

In each of the scenarios, the Company identified potential sourcing shifts and limitations, operational changes, physical impacts, and opportunities. The primary risks identified fall into two categories: physical and transition. Key opportunities are related to products and services offerings.

Physical Risks	<ul style="list-style-type: none">• Increased severity and frequency of extreme weather events such as hurricanes/cyclones and floods could lead to increased direct costs from the disruption of supply chains and impair the Company's ability to deliver products to customers in a timely manner.• Increased severity and frequency of extreme weather events such as hurricanes/cyclones and floods could lead to increased sourcing costs due to limited availability of agricultural commodities and impact ADM's ability to produce goods, which would directly affect revenues.
Transition Risks	<ul style="list-style-type: none">• Emerging regulation and carbon pricing mechanisms could result in increased operational costs and/or tax liabilities in the short to medium term.• Market demand has a direct effect on production, as well as sustainable sourcing initiatives. Changes in consumer demands could result in additional cost of implementation that may not be overcome by product sales.• ADM uses coal-fired cogeneration technology to meet a sizeable portion of its energy demand. The Company is working to reduce the carbon footprint of its operations and making capital investments in its facilities and new technologies.
Products and Services Opportunities	<ul style="list-style-type: none">• Development and expansion of low-emission goods and services could lead to increased revenues resulting from increased demand. As various renewable fuel standards are implemented around the world, ADM has an opportunity to capitalize on the increased demand through the production and sale of ethanol, biodiesel, and renewable green diesel.• As more businesses and consumers look to renewable products, development of new products or services could lead to increased revenues through access to new and emerging markets.

The Company reviewed the results of the scenario analysis with a cross-functional team of individuals from finance, strategy, sustainability, operations, legal, and risk management. As part of the Company's Enterprise Risk Management (ERM) process, the risks identified from the scenario analysis have been reviewed by the ERM team for mitigation actions.

Human Capital and Diversity and Inclusion

ADM's purpose of unlocking the power of nature to enrich the quality of life highlights the significant role ADM plays within an essential industry and the critical job each employee has within the Company.

ADM has long maintained its Code of Conduct to help the Company achieve the right results, the right way. The code establishes high standards of honesty and integrity for all ADM colleagues and business partners and sets forth specific policies to help ensure that the Company always conducts business fairly and ethically everywhere it operates.

The Company's culture is focused on Integrity, Performance, Innovation, Diversity, Equity, and Inclusion. ADM is a truly global company of approximately 41,000 employees working together to achieve extraordinary results. Talented colleagues can be found in a wide variety of roles – from front-line production workers, supply chain experts who deliver to customers all over the world, engineering teams who continuously improve the Company's operations, sales and commercial teams who work closely with customers, finance professionals, and so many more. ADM continues to develop its workforce to remain relevant and deliver on the Company's growth aspirations with a strong focus on sustainability.

Item 1. BUSINESS (Continued)

The following tables set forth information about the Company's employees as of December 31, 2021.

Number of Employees by Contract and Region

	Salaried	Hourly	Part-Time/ Seasonal	Total
North America	8,708	10,427	269	19,404
EMEA	5,652	4,428	571	10,651
South America	2,535	4,511	641	7,687
Asia Pacific	1,823	710	32	2,565
Central America/Caribbean	256	168	8	432
Total	18,974	20,244	1,521	40,739

Number of Employees by Type and Gender

	Male	%	Female	%	Total	%
Full-time	30,339	77 %	8,879	23 %	39,218	100 %
Part-time	649	43 %	872	57 %	1,521	100 %
Total	30,988	76 %	9,751	24 %	40,739	100 %

Percentage of Employees by Level and Gender

	Percentage					
	2021			2020		
	Male	Female	Total	Male	Female	Total
Executive Council	72 %	28 %	100 %	72 %	28 %	100 %
Senior Leadership	74 %	26 %	100 %	73 %	27 %	100 %
Salaried Colleagues	63 %	37 %	100 %	64 %	36 %	100 %

Part of ADM's vision is to promote a diverse workplace with equitable opportunities for all its employees within an inclusive culture to make sure all colleagues globally feel they belong and make meaningful contributions to the success of each other and the Company. ADM brings together colleagues with many different backgrounds, perspectives, and experiences. These global teams drive innovative thinking, creating growth opportunities through diversity of thought. The Company's comprehensive diversity, equity, and inclusion (DE&I) strategy includes four focus areas: Leadership Engagement & Communication, Recruitment, Advancement & Retention, and Networks & Sponsorships. In order to ensure that the Company's global DE&I strategy aligns with its business strategy, ADM reinstalled a global DE&I council with strong presence in four regions of the world. ADM has made a commitment through Paradigm for Parity® to achieve gender parity in its senior leadership team by 2030. Since making this commitment in 2018, the Company has improved its gender diversity from 21% to currently 26%. ADM is proud of its achievements to date, and the Company will continue to strengthen diversity within middle management and entry-level hiring so the progress at the senior leadership level is sustainable over the long-term. This is a key cultural strategic priority that will continue to strengthen our ability to innovate and drive profitable growth. At the industry level, ADM has been a key partner in the establishment of Together We Grow, a consortium of agricultural industry leaders united in a shared belief that American agriculture's best days are yet to come. Emphasizing diversity and inclusion, Together We Grow works to build a modern workforce with the skills, experience, and capabilities needed to keep pace with the growing world.

The Nominating and Corporate Governance Committee has worked hard to recommend nominees who have skills and experiences relevant to ADM's strategy and operations and who reflect the diversity of the world around us. As of December 31, 2021, 58% of ADM's twelve board members are diverse – six are African-American, Hispanic or Asian, and three are women. Detailed information with respect to the Board's composition is set forth in "Proxy Summary– Director Nominee Diversity, Age, Tenure, and Independence" of the definitive proxy statement for the Company's annual meeting of stockholders to be filed on or before April 30, 2022 and is incorporated herein by reference.

Item 1. BUSINESS (Continued)

The Company believes diversity, equity, and inclusion are key business priorities that will enable ADM to continue innovating, driving growth through customer focus, and delivering outstanding performance for shareholders.

In 2021, ADM launched the first of its Employee Resource Groups (ERGs) focused on women as part of the Company's DE&I vision and strategy. The ERGs, also known as Affinity Groups, are voluntary, employee-led groups where colleagues with shared experiences, interests or goals can come together in a safe space to provide support, build a sense of community, and promote personal and professional development.

ADM also held the Global Women's Leadership Summit – a two-day virtual event aimed at inspiring and motivating the Company's women leaders, as well as providing them with tools to help navigate career development to advance more women into senior leadership roles. The summit, which took place in March 2021, featured motivational speakers and roundtable discussions with members of ADM's top leadership, Executive Committee, and members of the Board of Directors, as well as a representative from Paradigm for Parity®, a coalition of business leaders dedicated to addressing the leadership gender gap in corporate America.

Compensation and Benefits

ADM offers market-competitive pay, benefits, and services that help meet the needs of its employees. The Company's global rewards package includes base pay, short-term incentive plans, long-term equity grants, paid time-off, employee assistance programs, and benefits that meet the country-specific competitive markets in which ADM operates. ADM's global bonus plan has clearly defined metrics and objectives which are the same for all eligible employees – creating a strong team spirit and fostering collaboration among colleagues.

Employee Development

All ADM employees participate annually in training and development that further increases knowledge, skills, and awareness on current and important topics. In addition, ADM offers many voluntary training opportunities that have largely moved to virtual and on-demand learning.

ADM prides itself in offering equitable career opportunities that include global assignments for its high potential talent, internal career growth for those who wish to learn more, and experiential learning through projects, mentorships, and on-the-job development.

ADM's annual voluntary employee turnover rate in 2021 of 11.3% was up from the turnover rate in 2020 of 7.9%.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Average Years of Service	8.4	8.4
Annual Voluntary Attrition	11.3 %	7.9 %

Workplace Safety

ADM is committed to providing a safe working environment for all of its employees and contractors. For the last several years, the Company has been on a journey to a goal of zero injuries – building a safety culture so everyone will go home safely to their families and the things that are most important to them.

In 2021, about 80% of ADM's sites completed the year without recordable injuries, and about 90% without lost workday injuries. The Company's Total Recordable Incident Rate decreased from 0.77 in 2020 to 0.73 in 2021 while its Lost Workday Incident Rate increased from 0.17 in 2020 to 0.21 in 2021.

Item 1. BUSINESS (Continued)

ADM finished 2021 with no fatalities and a 50% reduction in serious injuries. The Company continues to take steps to further enhance the safety of its workplaces and maintains a goal of zero fatalities. Through the guidance of the Environmental, Health, and Safety CoE, the operations teams focused on three programs to reduce the most serious injuries:

- “Take Control” program, which identified over 65,000 machine access and guarding opportunities globally;
- Near-miss Reporting and Investigation; and
- New Colleague Integration program.

Through continued application of these programs, ADM aims to achieve a 14% reduction in recordable injuries in 2022 compared to 2021.

Available Information

The Company’s website is <http://www.adm.com>. ADM’s annual reports on Form 10-K; quarterly reports on Form 10-Q; current reports on Form 8-K; directors’ and officers’ Forms 3, 4, and 5; and amendments to those reports, if any, are available, free of charge, through its website, as soon as reasonably practicable after electronically filing such materials with, or furnishing them to, the Securities and Exchange Commission (SEC).

The Company’s Code of Conduct, Corporate Governance Guidelines, and the written charters of the Audit, Compensation and Succession, Nominating and Corporate Governance, Sustainability and Corporate Responsibility, and Executive Committees are also available through its website.

References to the Company’s website address in this report are provided as a convenience and do not constitute, and should not be viewed as, an incorporation by reference of the information contained on, or available through, the website. Therefore, such information should not be considered part of this report.

The SEC maintains a website which contains reports, proxy and information statements, and other information regarding issuers that file information electronically with the SEC. The SEC’s website is <http://www.sec.gov>.

Item 1A. RISK FACTORS

The Company faces risks in the normal course of business as it executes its strategy while demonstrating strong corporate responsibility. Global, regional, and local events could have an adverse impact on its reputation, operations, and financial performance.

Management directs a Company-wide ERM Program, with oversight from the Company’s Board of Directors. The Company’s Audit Committee has the delegated risk management oversight responsibility and receives updates on the risk management processes and key risk factors on a quarterly basis.

The Company, through its business unit, functional, and corporate teams, continually updates, assesses, monitors, and mitigates these and other business and compliance risks in accordance with the ERM Program as monitored by the ERM Program team and Chief Risk Officer.

The risk factors that follow are the main risks that the ERM Program focuses on to protect and enhance shareholder value and promote socially responsible behaviors through intentional risk mitigation plans based on management-defined risk limits. The areas of risk mitigation emphasis include operational efficiencies, cyber threat prevention, strategy, environmental, social, and governance solutions, economic factors, and food safety.

Item 1A. RISK FACTORS (Continued)

Global Operations Risks

Human capital requirements may not be sufficient to effectively support global operations.

ADM's global operations function with trained individuals necessary for the processing, warehousing, and shipping of raw materials for products used in other areas of manufacturing or sold as inputs or products to third-party customers. The availability of skilled trade and production workers has been a specific focus for the United States manufacturing industry. The pandemic has put further strain on manufacturing labor amid fears of the pandemic, childcare challenges, along with the re-allocation friction resulting in some of the workforce shifts from manufacturing positions. The Company has various methods and tactics to mitigate potential shortfalls. The inability to properly staff manufacturing facilities with skilled trades and hourly labor due to a limited number of qualified resources could negatively impact operations.

The Company's information technology (IT) systems, processes, and sites may suffer cyber security breaches, interruptions, or failures which may affect the Company's ability to conduct its business.

The Company's operations rely on certain key IT systems, some of which are dependent on services provided by third parties, to provide critical data connectivity, information, and services for internal and external users. These interactions include, but are not limited to: ordering and managing materials from suppliers; risk management activities; converting raw materials to finished products; inventory management; shipping products to customers; processing transactions; summarizing and reporting financial results of operations; human resources benefits and payroll management; and complying with regulatory, legal or tax requirements. The Company is implementing a new enterprise resource planning (ERP) system and integrating it with various third party service providers on a worldwide basis as part of its ongoing business transformation program, which is expected to improve the efficiency and effectiveness of certain financial and business transaction processes and the underlying systems environment. This will help the Company in mitigating the risk of instability in aging legacy systems and manual processes. Increased IT security and social engineering threats and more sophisticated computer crime, including advanced persistent threats, pose a potential risk to the security of the Company's IT systems, networks, and services, as well as the confidentiality, availability, and integrity of the Company's third party data. The Company is subject to a variety of laws and regulations in the United States and other jurisdictions regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data. Compliance with and interpretation of various data privacy regulations continue to evolve and any violation could subject the Company to legal claims, regulatory penalties, and damage to its reputation. The Company has put in place security measures to prevent, detect, and mitigate cyber-based attacks, and has instituted control procedures for cybersecurity incident responses and disaster recovery plans for its critical systems. In addition, the Company monitors this risk on an ongoing basis to detect and correct any breaches, and reports metrics on the quality of the Company's data security efforts and control environment to the highest level of management and to the Board of Directors. However, if the Company's IT systems are breached, damaged, or cease to function properly due to any number of causes, such as catastrophic events, power outages, security breaches, or cyber-based attacks, and the Company's disaster recovery plans do not effectively mitigate the risks on a timely basis, the Company may suffer significant interruptions in its ability to manage its operations, loss of valuable data, actual or threatened legal actions, and damage to its reputation, which may adversely impact the Company's revenues, operating results, and financial condition.

The Company may be impacted by carbon emission regulations in multiple regions throughout the globe.

A number of jurisdictions where the Company has operations have implemented or are in the process of implementing carbon pricing programs or regulations to reduce GHG emissions including, but not limited to, the United States, Canada, Mexico, the European Union and its member states, and China. In particular, the State of Illinois recently enacted legislation intended to eliminate carbon emissions by 2050. The Company's operations located in countries with effective and applicable carbon pricing and regulatory programs, currently meet their obligations in this regard with no significant impact on the earnings and competitive position of the Company. It is difficult at this time to estimate the likelihood of passage, or predict the potential impact, of any additional legislation, regulations or agreements. Potential consequences of new obligations could include increased energy, transportation, raw material, and administrative costs, and may require the Company to make additional investments in its facilities and equipment. The Company has programs and policies in place to expand responsible practices while reducing its environmental footprint and to help ensure compliance with laws and regulations.

Item 1A. RISK FACTORS (Continued)

The Company faces risks related to health epidemics, pandemics, and similar outbreaks.

While ADM has effectively managed through the risks arising from the ongoing pandemic caused by the novel coronavirus (COVID-19), and has implemented mitigation actions across global operations that has had a positive impact on its customers, employees, local communities, and other stakeholders, the Company could be materially impacted in the future if a more severe variant would arise causing disruptions far more severe than the Company has recently experienced. In such circumstances, ADM may be unable to perform fully on its contractual obligations, critical global supply chain and logistical networks may be affected, and costs and working capital needs may increase. These cost increases may not be fully recoverable or adequately covered by insurance. In addition, demand for certain products that ADM produces, particularly biofuels and ingredients that go into food and beverages that support the food services channels, could be materially impacted from a prolonged COVID-19 variant outbreak or significant local resurgences of the virus, leading to additional government-imposed lockdowns, quarantines, or other restrictions.

The Company is exposed to potential business disruption including, but not limited to, disruption of transportation services, disruption in the supply of non-commodity raw materials used in its processing operations, and other impacts resulting from acts of terrorism or war, natural disasters, pandemics, severe weather conditions, accidents, or other planned disruptions, which could adversely affect the Company's operating results.

The Company's operations rely on dependable and efficient transportation services the disruption of which could result in difficulties supplying materials to the Company's facilities and impair the Company's ability to deliver products to its customers in a timely manner. The Company relies on access to navigable rivers and waterways in order to fulfill its transportation obligations more effectively. In addition, if certain non-agricultural commodity raw materials, such as water or certain chemicals used in the Company's processing operations, are not available, the Company's business could be disrupted. Any major lack of available water for use in certain of the Company's processing operations could have a material adverse impact on operating results. Certain factors which may impact the availability of non-agricultural commodity raw materials are out of the Company's control including, but not limited to, disruptions resulting from weather, high or low river water conditions, economic conditions, manufacturing delays or disruptions at suppliers, shortage of materials, interruption of energy supply, and unavailable or poor supplier credit conditions.

The assets and operations of the Company could be subject to extensive property damage and business disruption from various events which include, but are not limited to, acts of terrorism (for example, purposeful adulteration of the Company's products), war, natural disasters, pandemics, severe weather conditions, accidents, explosions, fires, or other outages. The Company is continuing to enhance and deploy additional food safety and security procedures and controls to appropriately mitigate the risks of any adulteration of the Company's products in the supply chain and finished products in production and distribution networks. In addition, the Company conforms to management systems, such as International Organization for Standardization (ISO) or other recognized global standards.

The Company's risk management strategies may not be effective.

The Company has a Chief Risk Officer who oversees the ERM Program and regularly reports to the Board of Directors on the myriad of risks facing the Company and the Company's strategies for mitigating those risks. The Company's business is affected by fluctuations in agricultural commodity cash prices and derivative prices, transportation costs, energy prices, interest rates, foreign currency exchange rates, and equity markets. The Company monitors position limits and counterparty risks and engages in other strategies and controls to manage these risks. The Company regularly reports its aggregate commodity risk exposures to the Board of Directors through the ERM process. The Company has an established commodity merchandising governance process that ensures proper position reporting and monitoring, limits approvals, and executes training on trade compliance, commodity regulatory reporting controls, and other policies. The Company's risk monitoring efforts may not be successful at detecting a significant risk exposure. If these controls and strategies are not successful in mitigating the Company's exposure to these fluctuations, it could adversely affect the Company's operating results.

Item 1A. RISK FACTORS (Continued)

Legal Regulations and Compliance Risks

The Company is subject to numerous laws, regulations, and mandates globally which could adversely affect the Company's operating results and forward strategy.

The Company does business globally, connecting crops and markets in over 190 countries, and is required to comply with laws and regulations administered by the United States federal government as well as state, local, and non-U.S. governmental authorities in numerous areas including: accounting and income taxes, anti-corruption, anti-bribery, global trade, trade sanctions, environmental, product safety, and handling and production of regulated substances. The Company frequently faces challenges from U.S. and foreign tax authorities regarding the amount of taxes due including questions regarding the timing, amount of deductions, the allocation of income among various tax jurisdictions, and further risks related to changing tax laws domestically and globally. Any failure to comply with applicable laws and regulations or appropriately resolve these challenges could subject the Company to administrative, civil, and criminal remedies, including fines, penalties, disgorgement, injunctions, and recalls of its products, and damage to its reputation.

The production of the Company's products uses materials that can create emissions of certain regulated substances, including GHG emissions. The Company has programs and policies in place (e.g., Corporate Sustainability Program, Commitment to Protecting Forests, Biodiversity and Communities, Environmental Policy, Strive 35 environmental goals, etc.) to expand responsible practices while reducing its environmental footprint and to help ensure compliance with laws and regulations. Implementation of these programs and policies sometimes requires the acquisition of technology or capital investments at a cost to the Company. Failure to comply with the laws and regulations can have serious consequences, including civil, administrative, and criminal penalties as well as a negative impact on the Company's reputation, business, cash flows, and results of operations.

In addition, changes to regulations or implementation of additional regulations - for example, the imposition of regulatory restrictions on greenhouse gases or regulatory modernization of food safety laws - may require the Company to modify existing processing facilities and/or processes which could significantly increase operating costs and adversely affect operating results.

Government policies, mandates, and regulations specifically affecting the agricultural sector and related industries; regulatory policies or matters that affect a variety of businesses; taxation policies; and political instability could adversely affect the Company's operating results.

Agricultural production and trade flows are subject to government policies, mandates, regulations, and trade agreements, including taxes, tariffs, duties, subsidies, incentives, foreign exchange rates, and import and export restrictions, including policies related to genetically modified organisms, traceability standards, sustainable practices, product safety and labeling, renewable fuels, and low carbon fuel mandates. These policies can influence the planting of certain crops; the location and size of crop production; whether unprocessed or processed commodity products are traded; the volume and types of imports and exports; the availability and competitiveness of feedstocks as raw materials; the viability and volume of production of certain of the Company's products; and industry profitability. For example, changes in government policies or regulations of ethanol and biodiesel including, but not limited to, changes in the Renewable Fuel Standard program under the Energy Independence and Security Act of 2007 in the United States, including the treatment of small refinery exemptions, can have an impact on the Company's operating results. International trade regulations can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Regulations of financial markets and instruments, including the Dodd-Frank Act, Consumer Protection Act, and the European Market Infrastructure Regulation, create uncertainty and may lead to additional risks and costs, and could adversely affect the Company's futures commission merchant business and its agricultural commodity risk management practices. Future government policies may adversely affect the supply of, demand for, and prices of the Company's products; adversely affect the Company's ability to deploy adequate hedging programs; restrict the Company's ability to do business in its existing and target markets; and adversely affect the Company's revenues and operating results.

Item 1A. RISK FACTORS (Continued)

The Company's operating results could be affected by political instability and by changes in monetary, fiscal, trade, and environmental policies, laws, regulations, and acquisition approvals, creating risks including, but not limited to: changes in a country's or region's economic or political conditions, local labor conditions and regulations, and safety and environmental regulations; reduced protection of intellectual property rights; changes in the regulatory or legal environment; restrictions on currency exchange activities; currency exchange fluctuations; burdensome taxes and tariffs; enforceability of legal agreements and judgments; adverse tax, administrative agency or judicial outcomes; and regulation or taxation of greenhouse gases. International risks and uncertainties, including changing social and economic conditions as well as terrorism, political hostilities, and war, could limit the Company's ability to transact business in these markets. The Company has historically benefited from the free flow of agricultural and food and feed ingredient products from the U.S. and other sources to markets around the world. Increases in tariff and restrictive trade activities around the world (e.g., the U.S.-China trade relations dispute, Iran sanctions) could negatively impact the Company's ability to enter certain markets or the price of products may become less competitive in those markets.

The Company's strategy involves expanding the volume and diversity of crops it merchandises and processes, expanding the global reach of its core model, expanding its value-added product portfolio, and expanding the sustainable agriculture programs and partnerships it participates in. Government policies including, but not limited to, antitrust and competition law, trade restrictions, food safety regulations, sustainability requirements, and traceability, can impact the Company's ability to execute this strategy successfully.

Credit and Liquidity Risk - The Company's business is capital-intensive in nature and the Company relies on cash generated from its operations and external financing to fund its growth and ongoing capital needs. Limitations on access to external financing could adversely affect the Company's operating results.

The Company requires significant capital, including continuing access to credit markets, to operate its current business and fund its growth strategy. The Company's working capital requirements, including margin requirements on open positions on futures exchanges, are directly affected by the price of agricultural commodities, which may fluctuate significantly and change quickly. The Company also requires substantial capital to maintain and upgrade its extensive network of storage facilities, processing plants, refineries, mills, ports, transportation assets, and other facilities to keep pace with competitive developments, technological advances, regulations, and changing safety standards in the industry. Moreover, the expansion of the Company's business and pursuit of acquisitions or other business opportunities may require significant amounts of capital. Access to credit markets and pricing of the Company's capital is dependent upon maintaining sufficient credit ratings from credit rating agencies. Sufficient credit ratings allow the Company to access cost competitive tier one commercial paper markets. If the Company is unable to maintain sufficiently high credit ratings, access to these commercial paper and other debt markets and costs of borrowings could be adversely affected. If the Company is unable to generate sufficient cash flow or maintain access to adequate external financing, including as a result of significant disruptions in the global credit markets, it could restrict the Company's current operations and its growth opportunities. The Company manages this risk with constant monitoring of credit/liquidity metrics, cash forecasting, and routine communications with credit rating agencies regarding risk management practices.

LIBOR (London Interbank Offered rate) has been the subject of recent proposals for international reform and it is anticipated LIBOR will be discontinued or modified by June 2023. The Company's variable rate debt, credit facilities, certain derivative agreements, and commercial agreements may use LIBOR as a benchmark for establishing interest rates. Although the Company does not expect that a transition from LIBOR will have a material adverse impact on its financing costs, the Company continues to monitor developments.

Item 1A. RISK FACTORS (Continued)

Business Environment and Competition Risks

The availability and prices of the agricultural commodities and agricultural commodity products the Company procures, transports, stores, processes, and merchandises can be affected by climate change, weather conditions, disease, government programs, competition, and various other factors beyond the Company's control and could adversely affect the Company's operating results.

The availability and prices of agricultural commodities are subject to wide fluctuations, including impacts from factors outside the Company's control such as changes in weather conditions, climate change, rising sea levels, crop disease, plantings, government programs and policies, competition, and changes in global demand, which could adversely affect the Company's operating results. The Company uses a global network of procurement, processing, and transportation assets, as well as robust communications between global commodity merchandiser teams, to continually assess price and basis opportunities. Management-established limits (including a corporate wide value-at-risk metric), with robust internal reporting, help to manage risks in pursuit of driving performance. Additionally, the Company depends globally on agricultural producers to ensure an adequate supply of the agricultural commodities.

Reduced supply of agricultural commodities could adversely affect the Company's profitability by increasing the cost of raw materials and/or limiting the Company's ability to procure, transport, store, process, and merchandise agricultural commodities in an efficient manner. High and volatile commodity prices can place more pressures on short-term working capital funding. Conversely, if supplies are abundant and crop production globally outpaces demand for more than one or two crop cycles, price volatility is somewhat diminished. This could result in reduced operating results due to the lack of supply chain dislocations and reduced market spread and basis opportunities.

The Company has certain finished products, such as ethanol and biodiesel, which are closely related to, or may be substituted for, petroleum products, or in the case of ethanol, blended into gasoline to increase octane content. Therefore, the selling prices of ethanol and biodiesel can be impacted by the selling prices of gasoline, diesel fuel, and other octane enhancers. A significant decrease in the price of gasoline, diesel fuel, or other octane enhancers could result in a significant decrease in the selling price of the Company's ethanol and biodiesel. The Company uses derivative contracts as anticipatory hedges for both purchases of commodity inputs and sales of energy-based products in order to protect itself in the near term against these price trends and to protect and maximize processing margins.

Advances in technology, such as seed and crop protection, farming techniques, storage and logistics, and speed of information flow, may reduce the significance of dislocations and arbitrage opportunities in the agricultural global markets, which may reduce the earnings potential of agricultural merchandisers and processors.

The Company has significant competition in the markets in which it operates.

The Company faces significant competition in each of its businesses and has numerous competitors, who can be different depending upon each of the business segments in which it participates. The Company competes for the acquisition of inputs such as raw materials, transportation services, and other materials and supplies, as well as for workforce and talent. Competition impacts the Company's ability to generate and increase its gross profit as a result of the following factors: Pricing of the Company's products is partly dependent upon industry processing capacity, which is impacted by competitor actions to bring idled capacity on-line, build new production capacity or execute aggressive consolidation; many of the products bought and sold by the Company are global commodities or are derived from global commodities that are highly price competitive and, in many cases, subject to substitution; significant changes in exchange rates of foreign currencies versus the U.S. dollar, particularly the currencies of major crop growing countries, could also make goods and products of these countries more competitive than U.S. products; improved yields in different crop growing regions may reduce the reliance on origination territories in which the Company has a significant presence; and continued merger and acquisition activities resulting in further consolidations could result in greater cost competitiveness and global scale of certain players in the industry, especially when acquirers are state-owned and/or backed by public funds and have profit and return objectives that may differ from publicly traded enterprises. To compete effectively, the Company focuses on safely improving efficiency in its production and distribution operations, developing and maintaining appropriate market presence, maintaining a high level of product safety and quality, supporting socially responsible and sustainable practices, promoting environmental responsibility, and working with customers to develop new products and tailored solutions.

Item 1A. RISK FACTORS (Continued)

In the case of the nutrition business, while maintaining efficient and cost-effective operations are important, the ability to drive innovation and develop quality nutritional and wellness solutions for human and animal needs are key factors to remain competitive in the nutrition market.

Fluctuations in energy prices could adversely affect the Company's operating results.

The Company's operating costs and the selling prices of certain finished products are sensitive to changes in energy prices. The Company's processing plants are powered principally by electricity, natural gas, and coal. The Company's transportation operations are dependent upon diesel fuel and other petroleum-based products. Significant increases in the cost of these items, including any consequences of regulation or taxation of greenhouse gases, could adversely affect the Company's production costs and operating results. The Company continues to use internal and external resources to identify opportunities and take action to reduce its energy intensity globally to meet its continued commitment to mitigate the effects of climate change.

The Company is subject to economic downturns and regional economic volatilities, which could adversely affect the Company's operating results.

The Company conducts its business and has substantial assets located in many countries and geographic areas. While 62 percent of the Company's long-lived assets are located in the United States, the Company also has significant operations in both developed areas (such as Western Europe, Canada, and Brazil) and emerging market areas. One of the Company's strategies is to expand the global reach of its core model, which may include expanding or developing its business in emerging market areas. Both developed and emerging market areas are subject to impacts of economic downturns, including decreased demand for the Company's products, and reduced availability of credit, or declining credit quality of the Company's suppliers, customers, and other counterparties. In addition, emerging market areas could be subject to more volatile operating conditions including, but not limited to, logistics limitations or delays, labor-related challenges, epidemic outbreaks and economic recovery, limitations or regulations affecting trade flows, local currency concerns, and other economic and political instability. Political fiscal instability could generate intrusive regulations in emerging markets, potentially creating unanticipated assessments of taxes, fees, increased risks of corruption, etc. Economic downturns and volatile market conditions could adversely affect the Company's operating results and ability to execute its long-term business strategies, although the nature of many of the Company's products (i.e. food and feed ingredients) is less sensitive to demand reductions in any economic downcycles. The Company mitigates this risk in many ways, including country risk and exposure analysis, government relations and tax compliance activities, and robust ethics compliance training requirements.

The Company may fail to realize the benefits of or experience delays in the execution of its growth strategy, which encompasses organic and inorganic initiatives, including those outside the U.S. and in businesses where the Company does not currently have a large presence.

As the Company executes its growth strategy, through both organic and inorganic growth, it may encounter risks which could result in increased costs, decreased revenues, and delayed synergies. Growth in new geographies outside the U.S. can expose the Company to volatile economic, political, and regulatory risks that may negatively impact its operations and ability to achieve its growth strategy. Expanding businesses where the Company has limited presence may expose the Company to risks related to the inability to identify an appropriate partner or target and favorable terms, inability to retain/hire strategic talent, or integration risks that may require significant management resources that would have otherwise been available for ongoing growth or operational initiatives. Acquisitions may involve unanticipated delays, costs, and other problems. Due diligence performed prior to an acquisition may not identify a material liability or issue that could impact the Company's reputation or adversely affect results of operations resulting in a reduction of the anticipated acquisition benefits. Additionally, acquisitions may involve integration risks such as: internal control effectiveness, system integration risks, the risk of impairment charges related to goodwill and other intangibles, ability to retain acquired employees, and other unanticipated risks.

Item 1A. RISK FACTORS (Continued)

The Company is subject to industry-specific risks which could adversely affect the Company's operating results.

The Company is subject to industry-specific risks which include, but are not limited to, product safety and quality; launch of new products by other industries that can replace the functionalities of the Company's production; shifting consumer preferences; federal, state, and local regulations on manufacturing or labeling; socially acceptable and sustainable farming practices; environmental, health, and safety regulations; and customer product liability claims. The liability which could result from certain of these risks may not always be covered by, or could exceed liability insurance related to product liability and food safety matters maintained by the Company. The Company has a particularly strong capability and culture around occupational health and safety and food safety; however, risks to the Company's reputation may exist due to potential negative publicity caused by product liability, food safety, occupational health and safety, workforce diversity, and environmental matters.

Certain of the Company's merchandised commodities and finished products are used as ingredients in livestock and poultry feed. The Company is subject to risks associated with economic, product quality, feed safety or other factors which may adversely affect the livestock and poultry businesses, including the outbreak of disease in livestock and poultry, for example African swine fever, which could adversely affect demand for the Company's products used as ingredients in feed. In addition, as the Company increases its investment in flavors and ingredients businesses, it is exposed to increased risks related to rapidly changing consumer preferences and the impacts these changes could have on the success of certain of the Company's customers.

The Company has limited control over and may not realize the expected benefits of its equity investments and joint ventures and may not be able to monetize the investments at an attractive value when the Company decides to exit the investments.

The Company has \$5.3 billion invested in or advanced to joint ventures and investments over which the Company has limited control as to governance and management activities. Net sales to unconsolidated affiliates during the year ended December 31, 2021 were \$6.6 billion. Risks related to these investments may include: the financial strength of the investment partner; loss of revenues and cash flows to the investment partner and related gross profit; the inability to implement beneficial management strategies, including risk management and compliance monitoring, with respect to the investment's activities; and the risk that the Company may not be able to resolve disputes with the partners. The Company may encounter unanticipated operating issues, financial results, or compliance and reputational risks related to these investments. The Company mitigates this risk using controls and policies related to joint venture formation, governance (including board of directors' representation), merger and acquisition integration management, and harmonization of joint venture policies with the Company's policies and controls.

Item 1B. UNRESOLVED STAFF COMMENTS

The Company has no unresolved staff comments.

Item 2. PROPERTIES

The Company's operations are such that most products are efficiently processed near the source of raw materials. Consequently, the Company has many plants strategically located in agricultural commodity producing areas. The annual volume of commodities processed will vary depending upon availability of raw materials and demand for finished products. The Company also owns approximately 160 warehouses and terminals primarily used as bulk storage facilities and has 59 innovation centers. Processing plants and procurement facilities owned or leased by unconsolidated joint ventures are not included in the tables below.

To enhance the efficiency of transporting large quantities of raw materials and finished products between the Company's procurement facilities and processing plants and also the final delivery of products to its customers around the world, the Company owns approximately 1,800 barges, 11,300 rail cars, 310 trucks, 1,300 trailers, 120 boats, and 3 oceangoing vessels; and leases, under operating leases, approximately 780 barges, 17,500 rail cars, 290 trucks, 370 trailers, 30 boats, and 28 oceangoing vessels.

Item 2. PROPERTIES (Continued)

The daily capacities of the processing plants and storage capacities of the procurement facilities that the Company owns or leases, under operating leases, are as follows:

Ag Services and Oilseeds Processing Facilities (in 1,000's metric tons)								
Owned					Leased			
Ag Services	Crushing	Refined Products and Other	Total		Ag Services	Crushing	Refined Products and Other	Total
North America	2	60	21	83	—	—	—	—
South America	—	22	10	32	—	1	—	1
Europe	—	36	14	50	—	—	—	—
Asia	—	—	—	—	—	—	1	1
Total daily capacity	2	118	45	165	—	1	1	2

Ag Services and Oilseeds Procurement Facilities (in 1,000's metric tons)								
Owned					Leased			
Ag Services	Crushing	Refined Products and Other	Total		Ag Services	Crushing	Refined Products and Other	Total
North America	12,483	283	830	13,596	813	—	182	995
South America	2,391	60	—	2,451	1,065	—	—	1,065
Europe	1,317	288	—	1,605	170	—	—	170
Asia	—	—	—	—	305	81	—	386
Total storage capacity	16,191	631	830	17,652	2,353	81	182	2,616

Carbohydrate Solutions Processing Plants (in 1,000's metric tons)				
Owned			Leased	
Starches & Sweeteners	Vantage Corn Processors	Total	Starches & Sweeteners	
North America	70	17	87	—
Europe	6	—	6	1
Total daily capacity	76	17	93	1

Carbohydrate Solutions Procurement Facilities (in 1,000's metric tons)				
Owned			Leased	
Starches & Sweeteners	Vantage Corn Processors	Total	Starches & Sweeteners	
North America	588	—	588	86
Europe	—	—	—	18
Total storage capacity	588	—	588	104

Item 2. PROPERTIES (Continued)

Nutrition Processing Plants (in 1,000's metric tons)						
	Owned			Leased		
	Human Nutrition	Animal Nutrition	Total	Human Nutrition	Animal Nutrition	Total
North America	80	10	90	25	49	74
South America	—	4	4	2	—	2
Europe	4	8	12	1	—	1
Asia	—	3	3	—	10	10
Total daily capacity	84	25	109	28	59	87

Nutrition Procurement Facilities (in 1,000's metric tons)						
	Owned			Leased		
	Human Nutrition	Animal Nutrition	Total	Human Nutrition	Animal Nutrition	Total
North America	316	28	344	2	—	2
Total storage capacity	316	28	344	2	—	2

Item 3. LEGAL PROCEEDINGS

The Company is routinely involved in a number of actual or threatened legal actions, including those involving alleged personal injuries, employment law, product liability, intellectual property, environmental issues, alleged tax liability (see Note 13 in Item 8 for information on income tax matters), and class actions. The Company also routinely receives inquiries from regulators and other government authorities relating to various aspects of its business, and at any given time, the Company has matters at various stages of resolution. The outcomes of these matters are not within the Company's complete control and may not be known for prolonged periods of time. In some actions, claimants seek damages, as well as other relief, including injunctive relief, that could require significant expenditures or result in lost revenues. In accordance with applicable accounting standards, the Company records a liability in its consolidated financial statements for material loss contingencies when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a material loss contingency is reasonably possible but not known or probable, and can be reasonably estimated, the estimated loss or range of loss is disclosed in the notes to the consolidated financial statements. When determining the estimated loss or range of loss, significant judgment is required to estimate the amount and timing of a loss to be recorded. Estimates of probable losses resulting from litigation and governmental proceedings involving the Company are inherently difficult to predict, particularly when the matters are in early procedural stages, with incomplete facts or legal discovery; involve unsubstantiated or indeterminate claims for damages; potentially involve penalties, fines, disgorgement, or punitive damages; or could result in a change in business practice. See Note 20 in Item 8 for information on the Company's legal proceedings.

Item 4. MINE SAFETY DISCLOSURES

None.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock Market

The Company's common stock is listed and traded on the New York Stock Exchange under the trading symbol "ADM".

The number of registered stockholders of the Company's common stock at December 31, 2021, was 8,501.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program (2)	Number of Shares Remaining to be Purchased Under the Program (2)
October 1, 2021 to October 31, 2021	—	\$ —	—	104,505,703
November 1, 2021 to November 30, 2021	—	—	—	104,505,703
December 1, 2021 to December 31, 2021	—	—	—	104,505,703
Total	—	\$ —	—	104,505,703

(1) Total shares purchased represent those shares purchased in the open market as part of the Company's publicly announced stock repurchase program described below, shares received as payment for the exercise price of stock option exercises, and shares received as payment for the withholding taxes on vested restricted stock awards. During the three-month period ended December 31, 2021, there were no shares purchased in the open market or shares received as payments for the exercise price of stock option exercises and withholding taxes on vested restricted stock awards.

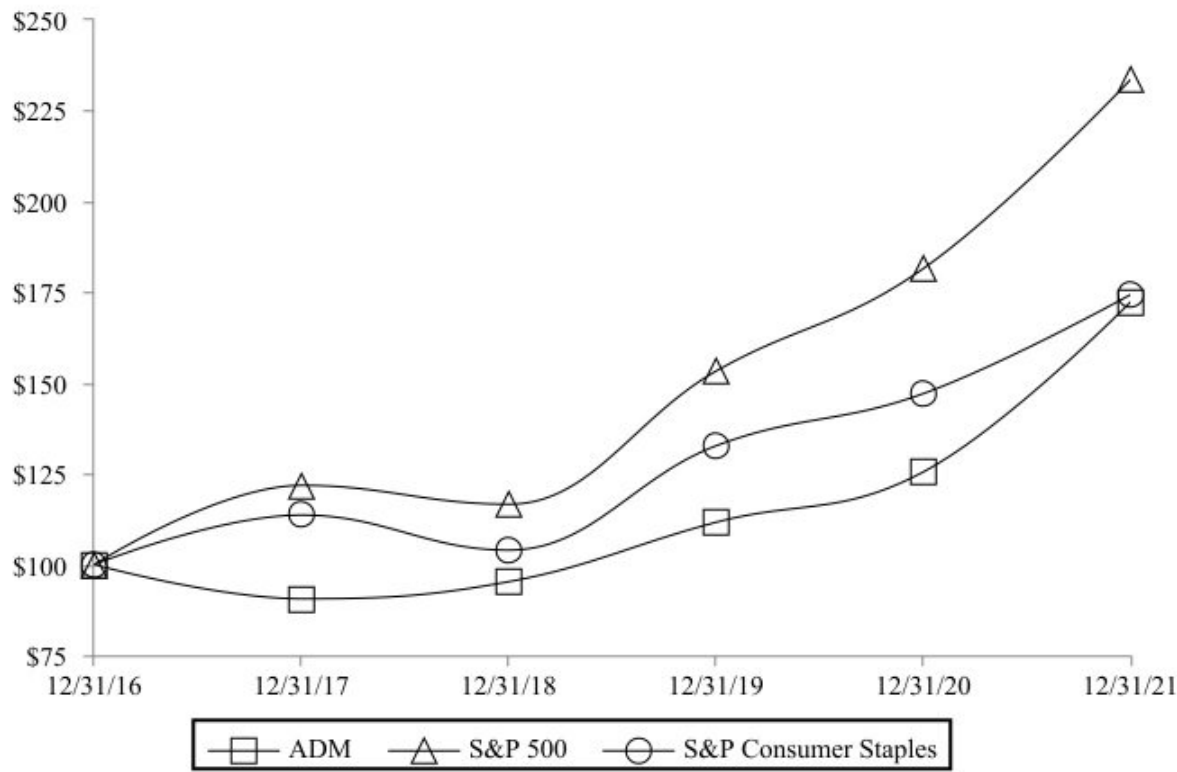
(2) On November 5, 2014, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to 100,000,000 shares of the Company's common stock during the period commencing January 1, 2015 and ending December 31, 2019. On August 7, 2019, the Company's Board of Directors approved the extension of the stock repurchase program through December 31, 2024 and the repurchase of up to an additional 100,000,000 shares under the extended program.

Item 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES (Continued)

Performance Graph

The graph below compares the Company’s common stock with those of the S&P 500 Index and the S&P Consumer Staples Index. The graph assumes an initial investment of \$100 on December 31, 2016 and assumes all dividends have been reinvested through December 31, 2021.

COMPARISON OF 60 MONTH CUMULATIVE TOTAL RETURN
Among Archer Daniels Midland Company (ADM), the S&P 500 Index, and the S&P Consumer Staples Index



Index Data: Copyright Standard and Poor’s, Inc. Used with permission. All rights reserved.

Item 6. [RESERVED]

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This MD&A should be read in conjunction with the accompanying consolidated financial statements.

The Company's recent significant portfolio actions and announcements include:

- the announcement in March 2021 of a new ADM policy to protect forests, biodiversity and communities, furthering the Company's commitment to sustainable, ethical, and responsible production;
- the announcement in April 2021 of the resumption of dry mill ethanol production;
- the acquisition in April 2021 of Golden Farm Production & Commerce Company Limited;
- the announcement in May 2021 of ADM's participation as a signatory to the German Charter for Diversity in the Workplace which aims to advance the recognition and inclusion of diversity in companies;
- the announcement in May 2021 of a plan to build a dedicated soybean crushing plant and refinery in North Dakota to meet fast-growing demand from food, feed, industrial and biofuel customers, including producers of renewable diesel, which is expected to be open in 2023;
- the announcement in June 2021 of ADM Ventures, the corporate venture capital arm of ADM, joining the Genesis Consortium, a global alliance of venture capital firms and corporations dedicated to supporting startups that leverage biology to promote human and planetary health;
- the acquisition in September 2021 of a 75% majority stake in P4, premier providers of private label pet treats and supplements;
- the announcement in September 2021 of a memorandum of understanding with LG Chem, a leading global diversified chemical company, to explore US-based production of lactic acid to meet growing demand for a wide variety of plant-based products, including bioplastics, through the creation of two joint ventures;
- the unveiling in September 2021 of a state-of-the-art, fully automated flavor production facility situated in Pinghu, Zhejiang Province, China;
- the announcement in October 2021 of an agreement with Qingdao Vland Biotech Group Co., Ltd., a leading producer of enzymes and probiotics, to form a joint venture, subject to regulatory approval, to manufacture and sell human probiotics to serve growing Chinese demand;
- the announcement in October 2021 of an equity investment in Acies Bio, a Slovenia-based biotechnology company specializing in research and development and manufacturing services for developing and scaling synthetic biology and precision fermentation technologies for food, agriculture, and industrial applications;
- the announcement in October 2021 of a memorandum of understanding with Gevo, Inc., a pioneer in transforming renewable energy into low carbon, energy-dense liquid hydrocarbons, to support the production of up to 500 million gallons of sustainable aviation fuel and other low carbon-footprint hydrocarbon fuels;
- the announcement in November 2021 of an agreement to form a 50-50 joint venture with Asia Sustainable Foods Platform, a wholly-owned company of Temasek, to provide technology development and precision fermentation for companies serving the growing consumer demand for a wide variety of bio-based products, including alternative protein, in Singapore and the wider Asia-Pacific region;
- the announcement in November 2021 of an equity investment in Farmers Business Network, a global farmer-to-farmer network and AgTech company, and a letter of intent to expand the existing relationship through a wide range of potential future areas of cooperation;
- the acquisition in November 2021 of Deerland, a leader in probiotic, prebiotic, and enzyme technology;
- the acquisition in November 2021 of Sojaprotein, a leading European provider of non-GMO soy ingredients;
- the sale in November 2021 of the Company's ethanol production complex in Peoria, Illinois to BioUrja Group;
- the formation in December 2021 of a joint venture with Marathon Petroleum Corp. for the production of soybean oil to supply rapidly growing demand for renewable diesel fuel;
- the acquisition in December 2021 of Flavor Infusion International, S.A., a full-range provider of flavor and specialty ingredient solutions for customers across Latin America and the Caribbean; and
- the acquisition in February 2022 of Comhan, a leading South African flavour distributor.

Sustainability is a key driver of ADM's expanding portfolio of environmentally responsible, plant-derived products. Consumers today increasingly expect their food and drink to come from sustainable ingredients, produced by companies that share their values and ADM is continually finding new ways to meet those needs through its portfolio actions.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

The next phase of the Company's strategic transformation is focused on two strategic pillars: Productivity and Innovation.

The Productivity pillar includes (1) advancing the roles of the Company's Centers of Excellence in procurement, supply chain, and operations to deliver additional efficiencies across the enterprise; (2) continued roll out of the IADM business transformation program and implementation of improved standardized business processes; and (3) increased use of technology, analytics, and automation at production facilities, in offices, and with customers.

Innovation activities include expansions and investments in (1) improving the customer experience, including leveraging producer relationships and enhancing the use of state-of-the-art digital technology to help customers grow; (2) sustainability-driven innovation, which encompasses the full range of products, solutions, capabilities, and commitments to serve customers' needs; and (3) growth initiatives, including organic growth to support additional capacity and meet growing demand, and mergers and acquisitions opportunities.

ADM will support both pillars with investments in technology, which include expanding digital capabilities and investing further in product research and development. All of these efforts will continue to be strengthened by the Company's ongoing commitment to Readiness.

Operating Performance Indicators

The Company's Ag Services and Oilseeds operations are principally agricultural commodity-based businesses where changes in selling prices move in relationship to changes in prices of the commodity-based agricultural raw materials. As a result, changes in agricultural commodity prices have relatively equal impacts on both revenues and cost of products sold. Therefore, changes in revenues of these businesses do not necessarily correspond to the changes in margins or gross profit. Thus, gross margins per volume or metric ton are more meaningful than gross margins as percentage of revenues.

The Company's Carbohydrate Solutions operations and Nutrition businesses also utilize agricultural commodities (or products derived from agricultural commodities) as raw materials. However, in these operations, agricultural commodity market price changes do not necessarily correlate to changes in cost of products sold. Therefore, changes in revenues of these businesses may correspond to changes in margins or gross profit. Thus, gross margin rates are more meaningful as a performance indicator in these businesses.

The Company has consolidated subsidiaries in more than 70 countries. For the majority of the Company's subsidiaries located outside the United States, the local currency is the functional currency except certain significant subsidiaries in Switzerland where Euro is the functional currency, and Brazil and Argentina where U.S. dollar is the functional currency. Revenues and expenses denominated in foreign currencies are translated into U.S. dollars at the weighted average exchange rates for the applicable periods. For the majority of the Company's business activities in Brazil and Argentina, the functional currency is the U.S. dollar; however, certain transactions, including taxes, occur in local currency and require remeasurement to the functional currency. Changes in revenues are expected to be correlated to changes in expenses reported by the Company caused by fluctuations in the exchange rates of foreign currencies, primarily the Euro, British pound, Canadian dollar, and Brazilian real, as compared to the U.S. dollar.

The Company measures its performance using key financial metrics including net earnings, gross margins, segment operating profit, return on invested capital, earnings before taxes, interest, and depreciation and amortization (EBITDA), economic value added, manufacturing expenses, and selling, general, and administrative expenses. The Company's financial results can vary significantly due to changes in factors such as fluctuations in energy prices, weather conditions, crop plantings, government programs and policies, trade policies, changes in global demand, general global economic conditions, changes in standards of living, and global production of similar and competitive crops. Due to these unpredictable factors, the Company undertakes no responsibility for updating any forward-looking information contained within "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

This section of the Form 10-K generally discusses 2021 and 2020 items and year-to-year comparisons between 2021 and 2020. Discussions of 2019 items and year-to-year comparisons between 2020 and 2019 are not included in this Form 10-K, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Market Factors Influencing Operations or Results in the Twelve Months Ended December 31, 2021

The Company is subject to a variety of market factors which affect the Company's operating results. In Ag Services and Oilseeds, North American origination volumes benefited from strong export demand throughout the year while South American origination volumes were impacted by a delayed harvest and low farmer selling activity. Crushing margins benefited from strong demand and tight soybean and canola/rapeseed stocks. Demand for refined oils was strong, driven by the regional lifting of COVID-19 restrictions in the U.S. and demand for renewable green diesel. In Carbohydrate Solutions, margins in starches and sweeteners were solid despite softer sweetener demand early in the year due to continued COVID-19 restrictions. Starch demand continued to be robust. Co-product prices were strong. Ethanol demand returned closer to pre-pandemic levels. For most of year, ethanol margins were volatile initially supported by improving domestic demand, then challenged in the summer months prior to harvest due to limited availability of corn. Ethanol inventory levels were at a five-year low for the majority of the fourth quarter due to strong domestic demand and some supply chain bottlenecks resulting in elevated margins for the industry late in the year. Nutrition benefited from overall strong demand in various product categories. In Human Nutrition, demand for flavors, flavor systems, specialty proteins, bioactives, and fibers were strong. In Animal Nutrition, weak demand and higher input costs as a result of COVID-19 in South America and Asia were partially offset by the growing demand in complete food for petfood. Amino acids pricing and margins improved due to a tighter global supply environment.

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

Net earnings attributable to controlling interests increased 53% or \$0.9 billion, to \$2.7 billion. Segment operating profit increased 34% or \$1.2 billion, to \$4.6 billion, and included a net charge of \$136 million consisting of asset impairment, restructuring, and settlement charges of \$213 million, partially offset by gains on the sale of certain assets of \$77 million. Included in segment operating profit in the prior year was net income of \$7 million consisting of gains on the sale of a portion of the Company's shares in Wilmar and certain other assets, partially offset by asset impairment, restructuring, and settlement charges. Adjusted segment operating profit increased \$1.3 billion to \$4.8 billion due primarily to higher results in most businesses except in Ag Services and Other Business. Corporate results in the current year were a net charge of \$1.3 billion and included a pension settlement charge of \$83 million, loss on debt extinguishment of \$36 million, a mark-to-market gain of \$19 million on the conversion option of the exchangeable bonds issued in August 2020, acquisition-related expenses of \$7 million, and a restructuring charge of \$4 million. Corporate results in the prior year were a net charge of \$1.6 billion and included early debt retirement charges of \$409 million, a mark-to-market loss of \$17 million on the conversion option of the exchangeable bonds issued in August 2020, impairment and restructuring charges of \$16 million, acquisition-related expenses of \$4 million, gains on the sale of certain assets of \$7 million, and a credit of \$91 million from the elimination of the last-in, first-out (LIFO) reserve in connection with the accounting change effective January 1, 2020.

Income taxes of \$578 million increased \$477 million. The Company's effective tax rate for 2021 was 17.4% compared to 5.4% for 2020. The increase in rate for 2021 was due primarily to changes in the geographic mix of earnings and current year discrete tax items, including valuation allowance and return to provision adjustments. The 2020 tax rate also included the impact of U.S. tax credits signed into law in December 2019, including a \$73 million discrete tax benefit related to 45G railroad tax credits recognized in the quarter ended March 31, 2020. The 45G railroad tax credits had an offsetting impact in cost of products sold.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Analysis of Statements of Earnings

Processed volumes by product for the years ended December 31, 2021 and 2020 are as follows (in metric tons):

(In thousands)	2021	2020	Change
Oilseeds	35,125	36,565	(1,440)
Corn	19,126	17,885	1,241
Total	54,251	54,450	(199)

The Company generally operates its production facilities, on an overall basis, at or near capacity, adjusting facilities individually, as needed, to react to the current margin environment and seasonal local supply and demand conditions. The overall decrease in oilseeds processed volumes was due to cold weather and natural gas curtailments in North America, delays in soybean harvest in South America, and some production challenges in certain North American oilseeds processing plants. The overall increase in corn processed volumes was primarily related to the idling of two dry mill facilities in the second quarter of 2020. The Company restarted these idled facilities in April 2021.

Revenues by segment for the years ended December 31, 2021 and 2020 are as follows:

(In millions)	2021	2020	Change
Ag Services and Oilseeds			
Ag Services	\$ 45,017	\$ 32,726	\$ 12,291
Crushing	11,368	9,593	1,775
Refined Products and Other	10,662	7,397	3,265
Total Ag Services and Oilseeds	67,047	49,716	17,331
Carbohydrate Solutions			
Starches and Sweeteners	7,611	6,387	1,224
Vantage Corn Processors	3,499	2,085	1,414
Total Carbohydrate Solutions	11,110	8,472	2,638
Nutrition			
Human Nutrition	3,189	2,812	377
Animal Nutrition	3,523	2,988	535
Total Nutrition	6,712	5,800	912
Other Business	380	367	13
Total Other Business	380	367	13
Total	\$ 85,249	\$ 64,355	\$ 20,894

Revenues and cost of products sold in agricultural merchandising and processing businesses are significantly correlated to the underlying commodity prices and volumes. In periods of significant changes in market prices, the underlying performance of the Company is better evaluated by looking at margins since both revenues and cost of products sold, particularly in Ag Services and Oilseeds, generally have a relatively equal impact from market price changes which generally result in an insignificant impact to gross profit.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Revenues increased \$20.9 billion to \$85.2 billion due to higher sales prices (\$21.0 billion), partially offset by lower sales volumes (\$0.1 billion). Higher sales prices of oils, soybeans, corn, meal, animal feed, alcohol, biodiesel, wheat, and flavors and higher sales volumes of wheat and processed cotton, were partially offset by lower sales volumes of soybeans and oils. Ag Services and Oilseeds revenues increased 35% to \$67.0 billion due to higher sales prices (\$17.3 billion). Carbohydrate Solutions revenues increased 31% to \$11.1 billion due to higher sales prices (\$2.6 billion). Nutrition revenues increased 16% to \$6.7 billion due to higher sales prices (\$1.0 billion), partially offset by lower sales volumes of (\$0.1 billion).

Cost of products sold increased \$19.4 billion to \$79.3 billion due principally to higher average commodity costs. Included in cost of products sold in the prior year was a credit of \$91 million from the effect of the elimination of the LIFO reserve in connection with the accounting change effective January 1, 2020. Manufacturing expenses increased \$0.5 billion to \$6.1 billion due principally to higher maintenance and energy costs and salaries and benefits, partially offset by lower railroad maintenance expenses.

Foreign currency translation impacts increased revenues by \$0.9 billion and cost of products sold by \$0.8 billion.

Gross profit increased \$1.5 billion or 34%, to \$6.0 billion due to higher results in Ag Services and Oilseeds (\$737 million), Carbohydrate Solutions (\$577 million), Nutrition (\$199 million), and Other (\$47 million). These factors are explained in the segment operating profit discussion on page 33. In Corporate, the elimination of the LIFO reserve in connection with the accounting change effective January 1, 2020 had a positive impact on gross profit of \$91 million in the prior year.

Selling, general, and administrative expenses increased 11% to \$3.0 billion due principally to higher salaries and benefits, performance-based compensation accruals, IT expenses, and a legal settlement.

Asset impairment, exit, and restructuring costs increased \$84 million to \$164 million. Charges in the current year consisted of \$125 million of impairments related to certain long-lived assets, goodwill, and other intangible assets and \$35 million of restructuring charges, presented as specified items within segment operating profit, and \$4 million of restructuring charges in Corporate. Charges in the prior year consisted primarily of \$47 million of impairments related to certain intangible and other long-lived assets and \$17 million of individually insignificant restructuring charges presented as specified items within segment operating profit, \$7 million of individually insignificant impairments and \$9 million of individually insignificant restructuring charges in Corporate.

Interest expense decreased \$74 million to \$265 million due to lower interest rates and the favorable liability management actions taken in the prior year. Interest expense in the current year also included a \$19 million mark-to-market gain adjustment related to the conversion option of the Wilmar exchangeable bonds issued in August 2020 compared to a \$17 million mark-to-market loss adjustment in the prior period.

Equity in earnings of unconsolidated affiliates increased \$16 million to \$595 million due to higher earnings from the Company's investment in Stratas Foods LLC, partially offset by lower earnings from the Company's investments in SoyVen, Hungrana Ltd., and Almidones Mexicanos S.A.

Loss on debt extinguishment in the current year of \$36 million was related to the early redemption of \$500 million aggregate principal amount of 2.750% notes due in March 2025. Loss on debt extinguishment of \$409 million in the prior year related to multiple early debt redemptions including the \$0.7 billion debt tender in September 2020.

Investment income decreased \$15 million to \$96 million due to lower interest rates on segregated funds in the Company's futures commission and brokerage business and lower interest earned on financing receivables, partially offset by a \$49 million investment revaluation gain in the current year compared to a \$23 million investment revaluation gain in the prior year.

Other income - net of \$94 million decreased \$161 million. Current year income included gains on the sale of certain ethanol and other assets and disposals of individually insignificant assets in the ordinary course of business, foreign exchange gains, the non-service components of net pension benefit income, and other income, partially offset by a non-cash pension settlement charge related to the purchase of group annuity contracts that irrevocably transferred the future benefit obligations and annuity administration for certain salaried and hourly retirees and terminated vested participants under the Company's ADM Retirement Plan and ADM Pension Plan for Hourly-Wage Employees. Prior year income included gains related to the sale of a portion of the Company's shares in Wilmar and certain other assets, the non-service components of net pension benefit income, foreign exchange gains, and other income.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Segment operating profit, adjusted segment operating profit (a non-GAAP measure), and earnings before income taxes for the years ended December 31, 2021 and 2020 are as follows:

Segment Operating Profit	2021	2020	Change
	(In millions)		
Ag Services and Oilseeds			
Ag Services	\$ 770	\$ 828	\$ (58)
Crushing	975	466	509
Refined Products and Other	652	439	213
Wilmar	378	372	6
Total Ag Services and Oilseeds	<u>2,775</u>	<u>2,105</u>	<u>670</u>
Carbohydrate Solutions			
Starches and Sweeteners	913	762	151
Vantage Corn Processors	370	(45)	415
Total Carbohydrate Solutions	<u>1,283</u>	<u>717</u>	<u>566</u>
Nutrition			
Human Nutrition	537	462	75
Animal Nutrition	154	112	42
Total Nutrition	<u>691</u>	<u>574</u>	<u>117</u>
Other Business	25	52	(27)
Total Other	<u>25</u>	<u>52</u>	<u>(27)</u>
Specified Items:			
Gain on sales of assets	77	83	(6)
Impairment, restructuring, and settlement charges	<u>(213)</u>	<u>(76)</u>	<u>(137)</u>
Total Specified Items	<u>(136)</u>	<u>7</u>	<u>(143)</u>
Total Segment Operating Profit	\$ 4,638	\$ 3,455	\$ 1,183
Adjusted Segment Operating Profit ⁽¹⁾	\$ 4,774	\$ 3,448	\$ 1,326
Segment Operating Profit	\$ 4,638	\$ 3,455	\$ 1,183
Corporate	<u>(1,325)</u>	<u>(1,572)</u>	<u>247</u>
Earnings Before Income Taxes	<u>\$ 3,313</u>	<u>\$ 1,883</u>	<u>\$ 1,430</u>

⁽¹⁾ Adjusted segment operating profit is segment operating profit excluding the listed specified items.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Ag Services and Oilseeds operating profit increased 32%. Ag Services results were lower than the prior year. In North America, strong Chinese demand and favorable positions in a dynamic pricing environment delivered significantly higher results. South American origination results were significantly lower due to decreased farmer selling activity versus the prior year and the effects from a slightly delayed harvest and higher freight costs. Global Trade results were impacted by lower margins in structured trade finance and negative timing effects related to ocean freight positions which are expected to reverse in the coming quarters. Crushing results were significantly higher. In North America and Europe, tight supplies and strong demand that drove higher crush margins were partially offset by results in South America which were impacted by slower farmer selling and higher cost of beans. Refined Products and Other results were higher year-over-year on stronger margins in North America and Europe, Middle East, Africa, and India (EMEAI), partially offset by impacts related to the reduction in Brazilian biodiesel mandates. Equity earnings from Wilmar were higher versus the prior year.

Carbohydrate Solutions operating profit increased 79%. Starches and Sweeteners results, including ethanol production from the wet mills, were significantly higher than the prior year. The business capitalized on rising prices in the ethanol complex and favorable co-product values in an industry environment of improving margins, falling inventories, and higher input costs. Corn oil results significantly improved from the prior year, which had been impacted by significant mark-to-market effects. Current year results benefited from strong risk management gains that enhanced margins and trading opportunities. Demand for flour by the foodservice sector remained below the prior year. Vantage Corn Processors results were substantially higher, driven by improved margins on the distribution of fuel ethanol and strong performance in USP-grade alcohol and the resumption of production at the two dry mills.

Nutrition operating profit increased 20%. Human Nutrition results were higher than the prior year. Flavors results were up, driven by strong sales across various market segments. In North America and EMEAI, the flavors business delivered strong volumes and improved product mix, particularly in the beverage segment. Specialty Ingredients delivered sales growth in specialty proteins and improved pricing and product mix, though results were negatively impacted by the effects of higher production costs, normalization of prices in the wholesale ingredients business, and COVID-related shifts in demand across the portfolio. Health and Wellness results were strong, with robust demand driving strong results in probiotics and fibers. Animal Nutrition results were higher on favorable results in amino acids, driven by improved margins and product mix, partially offset by lower demand and higher input costs as a result of pandemic effects in South America and Asia.

Other Business operating profit decreased 52% primarily due to lower underwriting results from the captive insurance operations, most of which were offset by corresponding recoveries in other business segments.

Corporate results are as follows:

(In millions)	2021	2020	Change
LIFO credit (charge)	\$ —	\$ 91	\$ (91)
Interest expense - net	(277)	(313)	36
Unallocated corporate costs	(957)	(857)	(100)
Gain (loss) on sale of assets	—	7	(7)
Expenses related to acquisitions	(7)	(4)	(3)
Loss on debt extinguishment	(36)	(409)	373
Gain (loss) on debt conversion option	19	(17)	36
Impairment, restructuring, and settlement charges	(87)	(16)	(71)
Other charges	20	(54)	74
Total Corporate	<u>\$ (1,325)</u>	<u>\$ (1,572)</u>	<u>\$ 247</u>

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Corporate results were a net charge of \$1.3 billion in the current year compared to \$1.6 billion in the prior year. The elimination of the LIFO reserve in connection with the accounting change effective January 1, 2020 resulted in a credit of \$91 million in the prior year. Interest expense-net decreased \$36 million due principally to lower interest rates and the favorable liability management actions taken in the prior year. Unallocated corporate costs increased \$100 million due primarily to higher variable performance-related compensation expense accruals, the continued cost centralization in procurement, supply chain, and operations, and additional investments in IT and related projects. Loss on debt extinguishment in the current year related to the early redemption of \$500 million aggregate principal amount of 2.750% notes due in March 2025. Loss on debt extinguishment in the prior year related to multiple early debt redemptions. Gain (loss) on debt conversion option was related to the mark-to-market adjustment of the conversion option of the exchangeable bonds issued in August 2020. Impairment, restructuring, and settlement charges in the current year included a non-cash pension settlement charge of \$83 million related to the purchase of group annuity contracts that irrevocably transferred the future benefit obligations and annuity administration for certain salaried and hourly retirees and terminated vested participants under the Company's ADM Retirement Plan and ADM Pension Plan for Hourly-Wage Employees to independent third parties, and individually insignificant restructuring charges. Impairment, restructuring, and settlement charges in the prior year were related to impairment of certain assets and individually insignificant restructuring charges. Other charges in the current year included railroad maintenance expenses of \$67 million partially offset by the non-service components of net pension benefit income of \$16 million and an investment revaluation gain of \$49 million. Other charges in the prior year included railroad maintenance expenses of \$138 million, partially offset by foreign exchange gains, an investment revaluation gain of \$23 million, and the non-service components of net pension benefit income of \$33 million.

Non-GAAP Financial Measures

The Company uses adjusted earnings per share (EPS), adjusted EBITDA, and adjusted segment operating profit, non-GAAP financial measures as defined by the SEC, to evaluate the Company's financial performance. These performance measures are not defined by accounting principles generally accepted in the United States and should be considered in addition to, and not in lieu of, GAAP financial measures.

Adjusted EPS is defined as diluted EPS adjusted for the effects on reported diluted EPS of specified items. Adjusted EBITDA is defined as earnings before taxes, interest, and depreciation and amortization, adjusted for specified items. The Company calculates adjusted EBITDA by removing the impact of specified items and adding back the amounts of interest expense and depreciation and amortization to earnings before income taxes. Adjusted segment operating profit is segment operating profit adjusted, where applicable, for specified items.

Management believes that adjusted EPS, adjusted EBITDA, and adjusted segment operating profit are useful measures of the Company's performance because they provide investors additional information about the Company's operations allowing better evaluation of underlying business performance and better period-to-period comparability. Adjusted EPS, adjusted EBITDA, and adjusted segment operating profit are not intended to replace or be an alternative to diluted EPS, earnings before income taxes, and segment operating profit, respectively, the most directly comparable amounts reported under GAAP.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

The table below provides a reconciliation of diluted EPS to adjusted EPS for the years ended December 31, 2021 and 2020.

	2021		2020	
	In millions	Per share	In millions	Per share
Average number of shares outstanding - diluted	566		563	
Net earnings and reported EPS (fully diluted)	\$ 2,709	\$ 4.79	\$ 1,772	\$ 3.15
Adjustments:				
LIFO charge (credit) (net of tax of \$22 million in 2020) ⁽¹⁾	—	—	(69)	(0.12)
(Gain) loss on sales of assets (net of tax of \$20 million in 2021 and \$10 million in 2020) ⁽²⁾	(57)	(0.10)	(80)	(0.14)
Asset impairment, restructuring, and settlement charges (net of tax of \$63 million in 2021 and \$23 million in 2020) ⁽²⁾	237	0.42	69	0.12
Expenses related to acquisitions (net of tax of \$2 million in 2021 and \$1 million in 2020) ⁽²⁾	5	0.01	3	0.01
Loss on debt extinguishment (net of tax of \$9 million in 2021 and \$99 million in 2020) ⁽²⁾	27	0.05	310	0.55
(Gain) loss on debt conversion option (net of tax of \$0) ⁽²⁾	(19)	(0.03)	17	0.03
Tax adjustments	33	0.05	(3)	(0.01)
Adjusted net earnings and adjusted EPS	<u><u>\$ 2,935</u></u>	<u><u>\$ 5.19</u></u>	<u><u>\$ 2,019</u></u>	<u><u>\$ 3.59</u></u>

⁽¹⁾ Tax effected using the Company's U.S. tax rate. LIFO accounting was discontinued effective January 1, 2020.

⁽²⁾ Tax effected using the applicable tax rates.

The tables below provide a reconciliation of earnings before income taxes to adjusted EBITDA and adjusted EBITDA by segment for the years ended December 31, 2021 and 2020.

(In millions)	2021	2020	Change
Earnings before income taxes	\$ 3,313	\$ 1,883	\$ 1,430
Interest expense	265	339	(74)
Depreciation and amortization	996	976	20
LIFO charge (credit)	—	(91)	91
(Gain) loss on sales of assets	(77)	(90)	13
Asset impairment, restructuring, and settlement charges	300	92	208
Railroad maintenance expense	67	138	(71)
Expenses related to acquisitions	7	4	3
Loss on debt extinguishment	36	409	(373)
Adjusted EBITDA	<u><u>\$ 4,907</u></u>	<u><u>\$ 3,660</u></u>	<u><u>\$ 1,247</u></u>

(In millions)	2021	2020	Change
Ag Services and Oilseeds	\$ 3,145	\$ 2,469	676
Carbohydrate Solutions	1,616	1,029	587
Nutrition	912	802	110
Other Business	32	61	(29)
Corporate	(798)	(701)	(97)
Adjusted EBITDA	<u><u>\$ 4,907</u></u>	<u><u>\$ 3,660</u></u>	<u><u>\$ 1,247</u></u>

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Liquidity and Capital Resources

A Company objective is to have sufficient liquidity, balance sheet strength, and financial flexibility to fund the operating and capital requirements of a capital intensive agricultural commodity-based business. The Company depends on access to credit markets, which can be impacted by its credit rating and factors outside of ADM's control, to fund its working capital needs and capital expenditures. The primary source of funds to finance ADM's operations, capital expenditures, and advancement of its growth strategy is cash generated by operations and lines of credit, including a commercial paper borrowing facility and accounts receivable securitization programs. In addition, the Company believes it has access to funds from public and private equity and debt capital markets in both U.S. and international markets.

Cash provided by operating activities was \$6.6 billion in 2021 compared to a use of \$2.4 billion in 2020. Working capital changes as described below increased cash by \$2.7 billion in the current year compared to a decrease of \$5.5 billion in the prior year which included the impact of deferred consideration. During 2020, the Company restructured its accounts receivable securitization programs from a deferred purchase price to a pledge structure. As a result, operating cash flows in the current year no longer include the impact of deferred consideration in securitized receivables which decreased operating cash flows in previous years.

Trade receivables increased \$0.6 billion primarily due to higher revenues. Inventories increased \$2.8 billion primarily due to higher inventory prices and, to a lesser extent, higher volumes. Other current assets decreased \$1.3 billion primarily due to decreases in contracts and futures gains. Trade payables increased \$1.9 billion due principally to increased grain purchases. Payables to brokerage customers increased \$2.5 billion due to increased customer trading activity in the Company's futures commission and brokerage business.

Deferred consideration in securitized receivables of \$4.6 billion in 2020 was offset by the same amount of net consideration received for beneficial interest obtained for selling trade receivables.

Cash used in investing activities was \$2.7 billion this year compared to cash provided of \$4.5 billion last year. Capital expenditures in the current year were \$1.2 billion compared to \$0.8 billion in the prior year. Net assets of businesses acquired were \$1.6 billion this year compared to \$15 million last year primarily due to the acquisitions of P4, Sojaprotein, and Deerland in 2021. Proceeds from sales of businesses and assets of \$0.2 billion in the current year related to the sale of the ethanol production complex in Peoria, Illinois and certain other assets compared to \$0.7 billion in the prior year which related to the sale of a portion of the Company shares in Wilmar and certain other assets. Net consideration received for beneficial interest obtained for selling trade receivables was \$4.6 billion in 2020.

Cash used in financing activities was \$1.1 billion this year compared to \$0.4 billion last year. Long-term debt borrowings in the current year of \$1.3 billion consisted of the \$750 million aggregate principal amount of 2.700% Notes due 2051 issued on September 10, 2021 and the €0.5 billion aggregate principal amount of Fixed-to-Floating Rate Senior Notes due 2022 issued in a private placement on March 25, 2021. Long-term debt borrowings in the prior year of \$1.8 billion consisted of \$0.5 billion and \$1.0 billion aggregate principal amounts of 2.75% Notes due in 2025 and 3.25% Notes due in 2030, respectively, issued on March 27, 2020 and the \$0.3 billion aggregate principal amount of zero coupon exchangeable bonds due in 2023 issued on August 26, 2020. Proceeds from the borrowings in 2021 and 2020 were used to redeem debt and for general corporate purposes. Commercial paper net payments were \$1.1 billion in the current year compared to net borrowings of \$0.8 billion in the prior year. Long-term debt payments in the current year of \$0.5 billion consisted of the early redemption of the \$500 million aggregate principal amount of 2.750% notes due 2025 in September 2021. Long-term debt payments in the prior year of \$2.1 billion related primarily to the early redemption of the \$0.5 billion and \$0.4 billion aggregate principal amounts of 4.479% debentures due in 2021 and 3.375% debentures due in 2022, respectively, the repurchase of \$0.7 billion aggregate principal amount of certain outstanding notes and debentures, and the redemption of \$0.2 billion aggregate principal amount of private placement notes due in 2021 and 2024. Share repurchases in the current year were insignificant compared to \$0.1 billion in the prior year. Dividends paid in the current year of \$0.8 billion were comparable to the prior year.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

At December 31, 2021, ADM had \$0.9 billion of cash, cash equivalents, and short-term marketable securities and a current ratio, defined as current assets divided by current liabilities, of 1.5 to 1. Included in working capital is \$9.8 billion of readily marketable commodity inventories. At December 31, 2021, the Company's capital resources included shareholders' equity of \$22.5 billion and lines of credit, including the accounts receivable securitization programs described below, totaling \$11.2 billion, of which \$8.1 billion was unused. ADM's ratio of long-term debt to total capital (the sum of long-term debt and shareholders' equity) was 26% and 28% at December 31, 2021 and 2020, respectively. The Company uses this ratio as a measure of ADM's long-term indebtedness and an indicator of financial flexibility. The Company's ratio of net debt (the sum of short-term debt, current maturities of long-term debt, and long-term debt less the sum of cash and cash equivalents and short-term marketable securities) to capital (the sum of net debt and shareholders' equity) was 28% and 32% at December 31, 2021 and 2020, respectively. Of the Company's total lines of credit, \$5.0 billion supported the commercial paper borrowing programs, against which there was \$0.8 billion of commercial paper outstanding at December 31, 2021.

During the second half of 2020, the global credit market stabilized with corporate credit spreads below pre-pandemic levels. Continued actions by central banks provided additional support in both the short-term and long-term funding markets further stabilizing corporate credit markets. Low benchmark yields and favorable credit spreads coupled with continued strong cash flow generation during the second half of 2020 presented opportunities for ADM to re-balance the company's liability portfolio to pre-pandemic levels. Starting in June 2020, ADM began a series of liability management transactions including multiple early debt redemptions to capitalize on all-time low interest rates.

As of December 31, 2021, the Company had \$0.9 billion of cash and cash equivalents, \$0.5 billion of which is cash held by foreign subsidiaries whose undistributed earnings are considered indefinitely reinvested. Based on the Company's historical ability to generate sufficient cash flows from its U.S. operations and unused and available U.S. credit capacity of \$5.2 billion, the Company has asserted that these funds are indefinitely reinvested outside the U.S.

The Company has accounts receivable securitization programs (the "Programs") with certain commercial paper conduit purchasers and committed purchasers. The Programs provide the Company with up to \$2.3 billion in funding against accounts receivable transferred into the Programs and expand the Company's access to liquidity through efficient use of its balance sheet assets (see Note 19 in Item 8 for more information and disclosures on the Programs). As of December 31, 2021, the Company utilized \$2.2 billion of its facility under the Programs.

On November 5, 2014, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to 100,000,000 shares of the Company's common stock during the period commencing January 1, 2015 and ending December 31, 2019. On August 7, 2019, the Company's Board of Directors approved the extension of the stock repurchase program through December 31, 2024 and the repurchase of up to an additional 100,000,000 shares under the extended program. The Company has acquired approximately 95.5 million shares under this program as of December 31, 2021.

In 2022, the Company expects capital expenditures of \$1.3 billion and additional cash outlays of approximately \$0.9 billion in dividends and up to \$150 million in share repurchases, subject to other strategic uses of capital and the evolution of operating cash flows and the working capital position throughout the year.

The Company's purchase obligations as of December 31, 2021 and 2020 were \$18.6 billion and \$19.7 billion, respectively. The decrease is primarily related to obligations to purchase lower quantities of agricultural commodity inventories. As of December 31, 2021, the Company expects to make payments related to purchase obligations of \$15.8 billion within the next twelve months. The Company's other material cash requirements within the next 12 months include commercial paper outstanding of \$0.8 billion, current maturities of long-term debt of \$570 million, interest payments of \$305 million, operating lease payments of \$310 million, transition tax liability of \$20 million, and pension and other postretirement plan contributions of \$100 million. The Company expects to make payments related to purchase obligations and other material cash requirements beyond the next twelve months of \$18.2 billion.

The Company's credit facilities and certain debentures require the Company to comply with specified financial and non-financial covenants including maintenance of minimum tangible net worth as well as limitations related to incurring liens, secured debt, and certain other financing arrangements. The Company was in compliance with these covenants as of December 31, 2021.

The three major credit rating agencies have maintained the Company's credit ratings at solid investment grade levels with stable outlooks.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Critical Accounting Policies

The process of preparing financial statements requires management to make estimates and judgments that affect the carrying values of the Company's assets and liabilities as well as the recognition of revenues and expenses. These estimates and judgments are based on the Company's historical experience and management's knowledge and understanding of current facts and circumstances. Certain of the Company's accounting policies are considered critical, as these policies are important to the depiction of the Company's financial statements and require significant or complex judgment by management. Management has discussed with the Company's Audit Committee the development, selection, disclosure, and application of these critical accounting policies. Following are the accounting policies management considers critical to the Company's financial statements.

Fair Value Measurements - Inventories and Commodity Derivatives

Certain of the Company's inventory and commodity derivative assets and liabilities as of December 31, 2021 are valued at estimated fair values, including \$9.8 billion of merchandisable agricultural commodity inventories, \$1.4 billion of commodity derivative assets, \$1.8 billion of commodity derivative liabilities, and \$1.0 billion of inventory-related payables. Commodity derivative assets and liabilities include forward purchase and sales contracts for agricultural commodities. Merchandisable agricultural commodities are freely traded, have quoted market prices, and may be sold without significant additional processing. Management estimates fair value for its commodity-related assets and liabilities based on exchange-quoted prices, adjusted for differences in local markets. The Company's inventory and derivative commodity fair value measurements are mainly based on observable market quotations without significant adjustments and are therefore reported as Level 2 within the fair value hierarchy. Level 3 fair value measurements of approximately \$3.5 billion of assets and \$0.9 billion of liabilities represent fair value estimates where unobservable price components represent 10% or more of the total fair value price. For more information concerning amounts reported as Level 3, see Note 4 in Item 8. Changes in the market values of these inventories and commodity contracts are recognized in the statement of earnings as a component of cost of products sold. If management used different methods or factors to estimate market value, amounts reported as inventories and cost of products sold could differ materially. Additionally, if market conditions change subsequent to year-end, amounts reported in future periods as inventories and cost of products sold could differ materially.

Derivatives – Designated Hedging Activities

The Company, from time to time, uses derivative contracts designated as cash flow hedges to hedge the purchase or sales price of anticipated volumes of commodities to be purchased and processed in a future month. Assuming normal market conditions, the change in the market value of such derivative contracts has historically been, and is expected to continue to be, highly effective at offsetting changes in price movements of the hedged item. Gains and losses arising from open and closed hedging transactions are deferred in accumulated other comprehensive income, net of applicable income taxes, and recognized as a component of cost of products sold and revenues in the statement of earnings when the hedged item is recognized in earnings. If it is determined that the derivative instruments used are no longer effective at offsetting changes in the price of the hedged item, then the changes in the market value of these exchange-traded futures and exchange-traded and over-the-counter option contracts would be recorded immediately in the statement of earnings as a component of revenues and/or cost of products sold. See Note 5 in Item 8 for additional information.

Investments in Affiliates

The Company applies the equity method of accounting for investments over which the Company has the ability to exercise significant influence. These investments are carried at cost plus equity in undistributed earnings and are adjusted, where appropriate, for amortizable basis differences between the investment balance and the underlying net assets of the investee. Generally, the minimum ownership threshold for asserting significant influence is 20% ownership of the investee. However, the Company considers all relevant factors in determining its ability to assert significant influence including, but not limited to, ownership percentage, board membership, customer and vendor relationships, and other arrangements.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Income Taxes

The Company accounts for income taxes in accordance with the applicable accounting standards. These standards prescribe a minimum threshold a tax position is required to meet before being recognized in the consolidated financial statements. The Company recognizes in its consolidated financial statements tax positions determined more likely than not to be sustained upon examination, based on the technical merits of the position. The Company faces challenges from U.S. and foreign tax authorities regarding the amount of taxes due. These challenges include questions regarding the timing and amount of deductions and the allocation of income among various tax jurisdictions. In evaluating the exposure associated with various tax filing positions, the Company records reserves for estimates of potential additional tax owed by the Company. For example, the Company has received tax assessments from tax authorities in Argentina and the Netherlands, challenging income tax positions taken by subsidiaries of the Company. The Company evaluated its tax positions for these matters and concluded, based in part upon advice from legal counsel, that it was appropriate to recognize the tax benefits of these positions (see Note 13 in Item 8 for additional information).

Deferred tax assets represent items to be used as tax deductions or credits in future tax returns where the related tax benefit has already been recognized in the Company's income statement. The realization of the Company's deferred tax assets is dependent upon future taxable income in specific tax jurisdictions, the timing and amount of which are uncertain. The Company evaluates all available positive and negative evidence including estimated future reversals of existing temporary differences, projected future taxable income, tax planning strategies, and recent financial results. Valuation allowances related to these deferred tax assets have been established to the extent the realization of the tax benefit is not likely. During 2021, the Company decreased valuation allowances by \$52 million primarily related to expired state attributes. To the extent the Company were to favorably resolve matters for which valuation allowances have been established or is unable to realize amounts in excess of the aforementioned valuation allowances, the Company's effective tax rate in a given financial statement period may be impacted.

Undistributed earnings of the Company's foreign subsidiaries and corporate joint ventures amounting to approximately \$12.7 billion at December 31, 2021, are considered to be indefinitely reinvested.

The Company has a responsibility to ensure that all ADM businesses within the Company follow responsible tax practices. ADM manages its tax affairs based upon the following key principles:

- a commitment to paying tax in compliance with all applicable laws and regulations in the jurisdictions in which the Company operates;
- a commitment to the effective, sustainable, and active management of the Company's tax affairs; and
- developing and sustaining open and honest relationships with the governments and jurisdictions in which the Company operates regarding the formulation of tax laws.

Property, Plant, and Equipment and Asset Abandonments and Write-Downs

The Company is principally engaged in the business of procuring, transporting, storing, processing, and merchandising agricultural commodities and products. This business is global in nature and is highly capital-intensive. Both the availability of the Company's raw materials and the demand for the Company's finished products are driven by factors such as weather, plantings, government programs and policies, changes in global demand, changes in standards of living, and global production of similar and competitive crops. These aforementioned factors may cause a shift in the supply/demand dynamics for the Company's raw materials and finished products. Any such shift will cause management to evaluate the efficiency and cash flows of the Company's assets in terms of geographic location, size, and age of its facilities. The Company, from time to time, will also invest in equipment, technology, and companies related to new, value-added products produced from agricultural commodities and products. These new products are not always successful from either a commercial production or marketing perspective. Management evaluates the Company's property, plant, and equipment for impairment whenever indicators of impairment exist. In addition, assets are written down to fair value after consideration of the ability to utilize the assets for their intended purpose or to employ the assets in alternative uses or sell the assets to recover the carrying value. If management used different estimates and assumptions in its evaluation of these assets, then the Company could recognize different amounts of expense over future periods. During the years ended December 31, 2021, 2020, and 2019, asset abandonment and impairment charges for property, plant, and equipment were \$73 million, \$28 million, and \$131 million, respectively.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Business Combinations

The Company's acquisitions are accounted for in accordance with Accounting Standards Codification (ASC) Topic 805, *Business Combinations*, as amended. The consideration transferred is allocated to various assets acquired and liabilities assumed at their estimated fair values as of the acquisition date with the residual allocated to goodwill. Fair values allocated to assets acquired and liabilities assumed in business combinations require management to make significant judgments, estimates, and assumptions, especially with respect to intangible assets. Management makes estimates of fair values based upon assumptions it believes to be reasonable. These estimates are based upon historical experience and information obtained from the management of the acquired companies and are inherently uncertain. The estimated fair values related to intangible assets primarily consist of customer relationships, trademarks, and developed technology which are determined primarily using discounted cash flow models. Estimates in the discounted cash flow models include, but are not limited to, certain assumptions that form the basis of the forecasted results (e.g. revenue growth rates, customer attrition rates, and royalty rates). These significant assumptions are forward looking and could be affected by future economic and market conditions. During the measurement period, which may take up to one year from the acquisition date, adjustments due to changes in the estimated fair value of assets acquired and liabilities assumed may be recorded as adjustments to the consideration transferred and related allocations. Upon the conclusion of the measurement period or the final determination of the values of assets acquired and liabilities assumed, whichever comes first, any such adjustments are charged to the consolidated statements of earnings. The Company accounts for any redeemable noncontrolling interest in temporary equity - redeemable noncontrolling interest at redemption value with periodic changes recorded in retained earnings.

Goodwill and Other Intangible Assets

Goodwill and intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. The Company evaluates goodwill for impairment at the reporting unit level annually on October 1 or whenever there are indicators that the carrying value may not be fully recoverable. The Company has seven reporting units identified at one level below the operating segment using the criteria in ASC 350, *Intangibles - Goodwill and Other* (Topic 350). The Company adopted the provisions of Topic 350, which permits, but does not require, a company to qualitatively assess indicators of a reporting unit's fair value. If after completing the qualitative assessment, a company believes it is likely that a reporting unit is impaired, a discounted cash flow analysis is prepared to estimate fair value. Critical estimates in the determination of the fair value of each reporting unit include, but are not limited to, future expected cash flows, revenue growth, and discount rates. During the year ended December 31, 2021, the Company evaluated goodwill for impairment using a qualitative assessment in six reporting units and using a quantitative assessment in one reporting unit. The estimated fair value of the reporting unit evaluated for impairment using a quantitative assessment was substantially in excess of its carrying value. Definite-lived intangible assets, including capitalized expenses related to the Company's IADM program such as third-party configuration costs and internal labor, are amortized over their estimated useful lives of 1 to 50 years and are reviewed for impairment whenever there are indicators that the carrying values may not be fully recoverable. The Company recorded impairment charges totaling \$52 million related to goodwill and other intangibles, \$26 million related to customer lists, and \$11 million related goodwill and other intangibles during the years ended December 31, 2021, 2020, and 2019, respectively (see Note 18 in Item 8 for more information). If management used different estimates and assumptions in its impairment tests, then the Company could recognize different amounts of expense over future periods.

Employee Benefit Plans

The Company provides substantially all U.S. employees and employees at certain international subsidiaries with retirement benefits including defined benefit pension plans and defined contribution plans. The Company provides certain eligible U.S. employees who retire under qualifying conditions with subsidized postretirement health care coverage or Health Care Reimbursement Accounts.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

In order to measure the expense and funded status of these employee benefit plans, management makes several estimates and assumptions, including interest rates used to discount certain liabilities, rates of return on assets set aside to fund these plans, rates of compensation increases, employee turnover rates, anticipated mortality rates, and anticipated future health care costs. These estimates and assumptions are based on the Company's historical experience combined with management's knowledge and understanding of current facts and circumstances. Management also uses third-party actuaries to assist in measuring the expense and funded status of these employee benefit plans. If management used different estimates and assumptions regarding these plans, the funded status of the plans could vary significantly, and the Company could recognize different amounts of expense over future periods. A 25 basis point increase in the discount rate assumption would result in a \$90 million decrease to the Company's pension benefit obligation improving the funded status by the same amount while a 25 basis point decrease in the expected return on plan assets assumption would increase the Company's pension expense by \$4 million.

The Company uses the corridor approach when amortizing actuarial losses. Under the corridor approach, net unrecognized actuarial losses in excess of 10% of the greater of the projected benefit obligation or the market related value of plan assets are amortized over future periods. For plans with little to no active participants, the amortization period is the remaining average life expectancy of the participants. For plans with active participants, the amortization period is the remaining average service period of the active participants. The amortization periods range from 2 to 28 years for the Company's defined benefit pension plans and from 6 to 21 years for the Company's postretirement benefit plans.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk inherent in the Company's market risk sensitive instruments and positions is the potential loss arising from adverse changes in: commodity market prices as they relate to the Company's net commodity position, foreign currency exchange rates, and interest rates as described below.

Commodities

The availability and prices of agricultural commodities are subject to wide fluctuations due to factors such as changes in weather conditions, crop disease, plantings, government programs and policies, competition, changes in global demand, changes in customer preferences and standards of living, and global production of similar and competitive crops.

The Company manages its exposure to adverse price movements of agricultural commodities used for, and produced in, its business operations, by entering into derivative and non-derivative contracts which reduce the Company's overall short or long commodity position. Additionally, the Company uses exchange-traded futures and exchange-traded and over-the-counter option contracts as components of merchandising strategies designed to enhance margins. The results of these strategies can be significantly impacted by factors such as the correlation between the value of exchange-traded commodities futures contracts and the cash prices of the underlying commodities, counterparty contract defaults, and volatility of freight markets. In addition, the Company, from time-to-time, enters into derivative contracts which are designated as hedges of specific volumes of commodities that will be purchased and processed, or sold, in a future month. The changes in the market value of such futures contracts have historically been, and are expected to continue to be, highly effective at offsetting changes in price movements of the hedged item. Gains and losses arising from open and closed designated hedging transactions are deferred in other comprehensive income, net of applicable taxes, and recognized as a component of cost of products sold or revenues in the statement of earnings when the hedged item is recognized.

The Company's commodity position consists of merchandisable agricultural commodity inventories, related purchase and sales contracts, energy and freight contracts, and exchange-traded futures and exchange-traded and over-the-counter option contracts including contracts used to hedge anticipated transactions.

The fair value of the Company's commodity position is a summation of the fair values calculated for each commodity by valuing all of the commodity positions at quoted market prices for the period, where available, or utilizing a close proxy. The Company has established metrics to monitor the amount of market risk exposure, which consist of volumetric limits, and value-at-risk (VaR) limits. VaR measures the potential loss, at a 95% confidence level, that could be incurred over a one year period. Volumetric limits are monitored daily and VaR calculations and sensitivity analysis are monitored weekly.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK (Continued)

In addition to measuring the hypothetical loss resulting from an adverse two standard deviation move in market prices (assuming no correlations) over a one year period using VaR, sensitivity analysis is performed measuring the potential loss in fair value resulting from a hypothetical 10% adverse change in market prices. The highest, lowest, and average weekly position for the years ended December 31, 2021 and 2020 together with the market risk from a hypothetical 10% adverse price change is as follows:

Long/(Short)	December 31, 2021		December 31, 2020	
	Fair Value	Market Risk	Fair Value	Market Risk
	(In millions)			
Highest position	\$ 1,426	\$ 143	\$ 966	\$ 97
Lowest position	(98)	(10)	(842)	(84)
Average position	671	67	111	11

The change in fair value of the average position was due to the increase in average quantities and prices of the underlying commodities.

Currencies

The Company has consolidated subsidiaries in more than 70 countries. For the majority of the Company's subsidiaries located outside the United States, the local currency is the functional currency except certain significant subsidiaries in Switzerland where Euro is the functional currency, and Brazil and Argentina where U.S. dollar is the functional currency. To reduce the risks associated with foreign currency exchange rate fluctuations, the Company enters into currency exchange contracts to minimize its foreign currency position related to transactions denominated primarily in Euro, British pound, Canadian dollar, and Brazilian real currencies. These currencies represent the major functional or local currencies in which recurring business transactions occur. The Company also uses currency exchange contracts as hedges against amounts indefinitely invested in foreign subsidiaries and affiliates. The currency exchange contracts used are forward contracts, swaps with banks, exchange-traded futures contracts, and over-the-counter options. The changes in market value of such contracts have a high correlation to the price changes in the currency of the related transactions. The potential loss in fair value for such net currency position resulting from a hypothetical 10% adverse change in foreign currency exchange rates is not material.

The amount the Company considers indefinitely invested in foreign subsidiaries and corporate joint ventures translated into dollars using the year-end exchange rates is \$10.6 billion and \$10.5 billion (\$12.7 billion and \$12.5 billion at historical rates) at December 31, 2021 and 2020, respectively. The increase is due to the increase in retained earnings of the foreign subsidiaries of \$0.2 billion partially offset by the depreciation of foreign currencies versus the U.S. dollar of \$0.1 billion. The potential loss in fair value, which would principally be recognized in Other Comprehensive Income, resulting from a hypothetical 10% adverse change in quoted foreign currency exchange rates is \$1.3 billion for December 31, 2021 and 2020, respectively. Actual results may differ.

Interest

The fair value of the Company's long-term debt is estimated using quoted market prices, where available, and discounted future cash flows based on the Company's current incremental borrowing rates for similar types of borrowing arrangements. Such fair value exceeded the long-term debt carrying value. Market risk is estimated as the potential increase in fair value resulting from a hypothetical 50 basis points decrease in interest rates. Actual results may differ.

	December 31, 2021		December 31, 2020	
	(In millions)			
Fair value of long-term debt	\$	9,512	\$	9,487
Excess of fair value over carrying value		1,500		1,602
Market risk		490		441

The increase in the fair value of long-term debt at December 31, 2021 is primarily due to increased borrowings.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Archer-Daniels-Midland Company
Consolidated Statements of Earnings

(In millions, except per share amounts)	Year Ended December 31		
	2021	2020	2019
Revenues	\$ 85,249	\$ 64,355	\$ 64,656
Cost of products sold	<u>79,262</u>	<u>59,902</u>	<u>60,509</u>
Gross Profit	5,987	4,453	4,147
Selling, general and administrative expenses	2,994	2,687	2,493
Asset impairment, exit, and restructuring costs	164	80	303
Interest expense	265	339	402
Equity in earnings of unconsolidated affiliates	(595)	(579)	(454)
Loss on debt extinguishment	36	409	—
Investment income	(96)	(111)	(196)
Other (income) expense - net	<u>(94)</u>	<u>(255)</u>	<u>11</u>
Earnings Before Income Taxes	3,313	1,883	1,588
Income tax expense	<u>578</u>	<u>101</u>	<u>209</u>
Net Earnings Including Noncontrolling Interests	2,735	1,782	1,379
Less: Net earnings (losses) attributable to noncontrolling interests	<u>26</u>	<u>10</u>	<u>—</u>
Net Earnings Attributable to Controlling Interests	\$ 2,709	\$ 1,772	\$ 1,379
Average number of shares outstanding – basic	564	561	563
Average number of shares outstanding – diluted	566	565	565
Basic earnings per common share	\$ 4.80	\$ 3.16	\$ 2.45
Diluted earnings per common share	\$ 4.79	\$ 3.15	\$ 2.44

See notes to consolidated financial statements.

Archer-Daniels-Midland Company
Consolidated Statements of Comprehensive Income (Loss)

(In millions)	Year Ended December 31		
	2021	2020	2019
Net earnings including noncontrolling interests	\$ 2,735	\$ 1,782	\$ 1,379
Other comprehensive income (loss):			
Foreign currency translation adjustment	279	(362)	(176)
Tax effect	(103)	97	(12)
Net of tax amount	176	(265)	(188)
Pension and other postretirement benefit liabilities adjustment	289	(113)	(98)
Tax effect	(71)	16	50
Net of tax amount	218	(97)	(48)
Deferred gain (loss) on hedging activities	33	254	(91)
Tax effect	7	(57)	18
Net of tax effect	40	197	(73)
Unrealized gain (loss) on investments	(2)	(27)	13
Tax effect	—	—	(1)
Net of tax effect	(2)	(27)	12
Other comprehensive income (loss)	432	(192)	(297)
Comprehensive income (loss)	3,167	1,590	1,082
Less: Comprehensive income (loss) attributable to noncontrolling interests	26	17	2
Comprehensive income (loss) attributable to controlling interests	\$ 3,141	\$ 1,573	\$ 1,080

See notes to consolidated financial statements.

Archer-Daniels-Midland Company
Consolidated Balance Sheets

(In millions)	December 31, 2021	December 31, 2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 943	\$ 666
Segregated cash and investments	8,016	5,890
Trade receivables - net	3,311	2,793
Inventories	14,481	11,713
Other current assets	5,158	6,224
Total Current Assets	31,909	27,286
Investments and Other Assets		
Investments in and advances to affiliates	5,285	4,913
Goodwill and other intangible assets	6,747	5,585
Right-of-use assets	1,023	1,102
Other assets	1,369	1,054
Total Investments and Other Assets	14,424	12,654
Property, Plant, and Equipment		
Land and land improvements	554	545
Buildings	5,597	5,522
Machinery and equipment	19,112	19,154
Construction in progress	960	946
	26,223	26,167
Accumulated depreciation	(16,420)	(16,388)
Net Property, Plant, and Equipment	9,803	9,779
Total Assets	\$ 56,136	\$ 49,719
Liabilities, Temporary Equity, and Shareholders' Equity		
Current Liabilities		
Short-term debt	\$ 958	\$ 2,042
Trade payables	6,388	4,474
Payables to brokerage customers	8,965	6,460
Current lease liabilities	277	261
Accrued expenses and other payables	4,790	4,943
Current maturities of long-term debt	570	2
Total Current Liabilities	21,948	18,182
Long-Term Liabilities		
Long-term debt	8,011	7,885
Deferred income taxes	1,412	1,302
Non-current lease liabilities	765	863
Other	1,233	1,391
Total Long-Term Liabilities	11,421	11,441
Temporary Equity - Redeemable noncontrolling interest	259	74
Shareholders' Equity		
Common stock	2,994	2,824
Reinvested earnings	21,655	19,780
Accumulated other comprehensive income (loss)	(2,172)	(2,604)
Noncontrolling interests	31	22
Total Shareholders' Equity	22,508	20,022
Total Liabilities, Temporary Equity, and Shareholders' Equity	\$ 56,136	\$ 49,719

See notes to consolidated financial statements.

Archer-Daniels-Midland Company
Consolidated Statements of Cash Flows

(In millions)	Year Ended December 31		
	2021	2020	2019
Operating Activities			
Net earnings including noncontrolling interests	\$ 2,735	\$ 1,782	\$ 1,379
Adjustments to reconcile net earnings to net cash provided by (used in) operating results			
Depreciation and amortization	996	976	993
Asset impairment charges	125	54	142
Deferred income taxes	(129)	75	21
Equity in earnings of affiliates, net of dividends	(177)	(298)	(213)
Stock compensation expense	161	151	89
Deferred cash flow hedges	34	254	(91)
Loss on debt extinguishment	36	409	—
(Gain) loss on sales of assets and businesses/investment revaluation	(149)	(161)	39
Other – net	309	(113)	(73)
Changes in operating assets and liabilities, net of acquisitions and dispositions			
Segregated investments	400	408	278
Trade receivables	(578)	(149)	287
Inventories	(2,839)	(2,426)	(21)
Deferred consideration in securitized receivables	—	(4,603)	(7,681)
Other current assets	1,298	(2,126)	(1,449)
Trade payables	1,919	694	(64)
Payables to brokerage customers	2,527	1,400	347
Accrued expenses and other payables	(73)	1,287	565
Total Operating Activities	<u>6,595</u>	<u>(2,386)</u>	<u>(5,452)</u>
Investing Activities			
Capital expenditures	(1,169)	(823)	(828)
Net assets of businesses acquired	(1,564)	(15)	(1,946)
Proceeds from sales of assets and businesses	245	728	293
Investments in and advances to affiliates	(34)	(5)	(13)
Investments in retained interest in securitized receivables	—	(2,121)	(5,398)
Proceeds from retained interest in securitized receivables	—	6,724	13,079
Purchases of marketable securities	—	(2)	(27)
Proceeds from sales of marketable securities	1	6	104
Other – net	(148)	(27)	(5)
Total Investing Activities	<u>(2,669)</u>	<u>4,465</u>	<u>5,259</u>
Financing Activities			
Long-term debt borrowings	1,329	1,791	8
Long-term debt payments	(534)	(2,136)	(626)
Net borrowings (payments) under lines of credit agreements	(1,085)	837	919
Share repurchases	—	(133)	(150)
Cash dividends	(834)	(809)	(789)
Other – net	6	27	(22)
Total Financing Activities	<u>(1,118)</u>	<u>(423)</u>	<u>(660)</u>
Increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents	<u>2,808</u>	<u>1,656</u>	<u>(853)</u>
Cash, cash equivalents, restricted cash, and restricted cash equivalents – beginning of year	<u>4,646</u>	<u>2,990</u>	<u>3,843</u>
Cash, cash equivalents, restricted cash, and restricted cash equivalents – end of year	<u>\$ 7,454</u>	<u>\$ 4,646</u>	<u>\$ 2,990</u>
Reconciliation of cash, cash equivalents, restricted cash, and restricted cash equivalents to the consolidated balance sheets			
Cash and cash equivalents	\$ 943	\$ 666	\$ 852
Restricted cash and restricted cash equivalents included in segregated cash and investments	<u>6,511</u>	<u>3,980</u>	<u>2,138</u>
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	<u>\$ 7,454</u>	<u>\$ 4,646</u>	<u>\$ 2,990</u>
Cash paid for interest and income taxes were as follows:			
Interest	\$ 276	\$ 345	\$ 388
Income taxes	\$ 553	\$ 195	\$ 268
Supplemental Disclosure of Noncash Investing Activity:			
Retained interest in securitized receivables	\$ —	\$ 4,656	\$ 7,751
See notes to consolidated financial statements.			

Archer-Daniels-Midland Company

Consolidated Statements of Shareholders' Equity

	Common Stock		Reinvested Earnings	Accumulated Other	Noncontrolling Interests	Total Shareholders’ Equity
	Shares	Amount		Comprehensive Income (Loss)		
	(In millions)					
Balance, December 31, 2018	559	\$ 2,560	\$ 18,527	\$ (2,106)	\$ 15	\$ 18,996
Comprehensive income						
Net earnings			1,379		—	
Other comprehensive income (loss)				(299)	2	
Total comprehensive income						1,082
Cash dividends paid-\$1.40 per share			(789)			(789)
Share repurchases	(4)		(150)			(150)
Stock compensation expense	2	89				89
Other	—	6	(9)		—	(3)
Balance, December 31, 2019	557	\$ 2,655	\$ 18,958	\$ (2,405)	\$ 17	\$ 19,225
Impact of ASC 326 (see Note 1)			(8)			(8)
Balance, January 1, 2020	557	\$ 2,655	\$ 18,950	\$ (2,405)	\$ 17	\$ 19,217
Comprehensive income						
Net earnings			1,772		10	
Other comprehensive income (loss)				(199)	7	
Total comprehensive income						1,590
Cash dividends paid-\$1.44 per share			(809)			(809)
Share repurchases	(4)		(133)			(133)
Stock compensation expense	2	151				151
Other	1	18	—		(12)	6
Balance, December 31, 2020	556	\$ 2,824	\$ 19,780	\$ (2,604)	\$ 22	\$ 20,022
Comprehensive income						
Net earnings			2,709		26	
Other comprehensive income (loss)				432	—	
Total comprehensive income						3,167
Cash dividends paid-\$1.48 per share			(834)			(834)
Stock compensation expense	3	161				161
Other	1	9	—		(17)	(8)
Balance, December 31, 2021	560	\$ 2,994	\$ 21,655	\$ (2,172)	\$ 31	\$ 22,508

See notes to consolidated financial statements.

Archer-Daniels-Midland Company
Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Business

ADM unlocks the power of nature to provide access to nutrition worldwide. The Company is a global leader in human and animal nutrition and the world's premier agricultural origination and processing company. ADM's breadth, depth, insights, facilities and logistical expertise give the Company unparalleled capabilities to meet needs for food, beverages, health and wellness, and more. From the seed of the idea to the outcome of the solution, ADM enriches the quality of life the world over.

The Company transforms natural products into staple foods, sustainable, renewable industrial products, and an expansive pantry of food and beverage ingredients and solutions for foods and beverages, supplements, nutrition for pets and livestock and more. And with an array of unparalleled capabilities across every part of the global food chain, ADM gives its customers an edge in solving global challenges of today and tomorrow. At ADM, sustainable practices and a focus on environmental responsibility are not separate from its primary business: they are integral to the work the Company does every day to serve customers and create value for shareholders. The Company is one of the world's leading producers of ingredients for human and animal nutrition, and other products made from nature.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated. The Company consolidates all entities, including variable interest entities (VIEs), in which it has a controlling financial interest. For VIEs, the Company assesses whether it is the primary beneficiary as defined under the applicable accounting standard. Investments in affiliates, including VIEs through which the Company exercises significant influence but does not control the investee and is not the primary beneficiary of the investee's activities, are carried at cost plus equity in undistributed earnings since acquisition and are adjusted, where appropriate, for basis differences between the investment balance and the underlying net assets of the investee. The Company's portion of the results of certain affiliates and results of certain VIEs are included using the most recent available financial statements. In each case, the financial statements are within 93 days of the Company's year-end and are consistent from period to period.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect amounts reported in its consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

During the year ended December 31, 2021, the Company recorded revaluation gains on cost method investments of \$49 million in connection with observable third-party transactions in investment income (previously interest income) in the consolidated statements of earnings. Revaluation gains previously recorded in other (income) expense - net of \$23 million and \$4 million in the years ended December 31, 2020 and 2019, respectively, were reclassified to conform to the current presentation.

Effective December 31, 2021, the Company reported \$87 million of intangible assets in process in goodwill and other intangible assets in the consolidated balance sheets. Intangible assets in process previously reported in construction in progress in property, plant, and equipment of \$172 million as of December 31, 2020 were reclassified to conform to the current presentation.

Cash Equivalents

The Company considers all non-segregated, highly-liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Segregated Cash and Investments

The Company segregates certain cash, cash equivalents, and investment balances in accordance with regulatory requirements, commodity exchange requirements, and insurance arrangements. These balances represent deposits received from customers of the Company's registered futures commission merchant and commodity brokerage services, cash margins and securities pledged to commodity exchange clearinghouses, and cash pledged as security under certain insurance arrangements. Segregated cash and investments also include restricted cash collateral for the various insurance programs of the Company's captive insurance business. To the degree these segregated balances are comprised of cash and cash equivalents, they are considered restricted cash and cash equivalents on the statement of cash flows.

Receivables

The Company records accounts receivable at net realizable value. This value includes an allowance for estimated uncollectible accounts of \$122 million and \$100 million at December 31, 2021 and 2020, respectively, to reflect any loss anticipated on the accounts receivable balances including any accrued interest receivables thereon. Long-term receivables recorded in other assets were not material to the Company's overall receivables portfolio.

Effective January 1, 2020, the Company adopted Accounting Standards Codification (ASC) Topic 326, Financial Instruments - Credit Losses (Topic 326), and developed a new methodology for estimating uncollectible accounts. Under this methodology, receivables are pooled according to type, region, credit risk rating, and age. Each pool is assigned an expected loss co-efficient to arrive at a general reserve based on historical write-offs adjusted, as needed, for regional, economic, and other forward-looking factors. The Company minimizes credit risk due to the large and diversified nature of its worldwide customer base. ADM manages its exposure to counter-party credit risk through credit analysis and approvals, credit limits, and monitoring procedures. The Company recorded a cumulative effect adjustment to retained earnings at January 1, 2020 of \$8 million as a result of the adoption of Topic 326.

The Company recorded bad debt expense in selling, general, and administrative expenses of \$32 million, \$47 million, and \$23 million in the years ended December 31, 2021, 2020, and 2019, respectively.

Inventories

Inventories of certain merchandisable agricultural commodities, which include inventories acquired under deferred pricing contracts, are stated at market value. In addition, the Company values certain inventories using the first-in, first-out (FIFO) method at the lower of cost or net realizable value. Prior to January 1, 2020, the Company also valued certain of its agricultural commodity inventories using the last-in, first-out (LIFO) method at the lower of cost or net realizable value.

Effective January 1, 2020, the Company changed the method of accounting for certain of its agricultural commodity inventories from the LIFO method to market value in the Ag Services and Oilseeds segment. The Company believes market value is preferable because it: (i) conforms to the inventory valuation methodology used for the majority of ADM's agricultural commodity inventories; (ii) enhances the matching of inventory costs with revenues and better reflects the current cost of inventory on the Company's balance sheet; and (iii) provides better comparability with the Company's peers.

The Company concluded that the accounting change did not have a material effect on prior periods' financial statements and elected not to apply the change on a retrospective basis. As a result, the Company recorded a reduction in cost of products sold of \$91 million (\$69 million after tax, equal to \$0.12 per diluted share) for the cumulative effect of the change in the year ended December 31, 2020 with no impact to the statement of cash flows. The change did not have a material impact on the Company's results for the year ended December 31, 2020.

If the Company had not made the accounting change, the effect of LIFO valuation on ADM's operating results would have been an increase in cost of goods sold of \$147 million (\$113 million after tax, equal to \$0.20 per diluted share) in the year ended December 31, 2020, with no impact to the consolidated statement of cash flows.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

The following table sets forth the Company's inventories as of December 31, 2021 and 2020.

	December 31, 2021	December 31, 2020
	(In millions)	
FIFO inventories	\$ 4,260	\$ 3,310
Market inventories	9,769	7,941
Supplies and other inventories	452	462
Total inventories	<u>\$ 14,481</u>	<u>\$ 11,713</u>

Fair Value Measurements

The Company determines fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses the market approach valuation technique to measure the majority of its assets and liabilities carried at fair value. Three levels are established within the fair value hierarchy that may be used to report fair value: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2: Observable inputs, including Level 1 prices that have been adjusted; quoted prices for similar assets or liabilities; quoted prices in markets that are less active than traded exchanges; and other inputs that are observable or can be substantially corroborated by observable market data. Level 3: Unobservable inputs that are supported by little or no market activity and that are a significant component of the fair value of the assets or liabilities. In evaluating the significance of fair value inputs, the Company generally classifies assets or liabilities as Level 3 when their fair value is determined using unobservable inputs that individually or when aggregated with other unobservable inputs, represent more than 10% of the fair value of the assets or liabilities. Judgment is required in evaluating both quantitative and qualitative factors in the determination of significance for purposes of fair value level classification. Level 3 amounts can include assets and liabilities whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as assets and liabilities for which the determination of fair value requires significant management judgment or estimation.

Based on historical experience with the Company's suppliers and customers, the Company's own credit risk and knowledge of current market conditions, the Company does not view nonperformance risk to be a significant input to fair value for the majority of its forward commodity purchase and sale contracts. However, in certain cases, if the Company believes the nonperformance risk to be a significant input, the Company records estimated fair value adjustments, and classifies the measurement in Level 3.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of input that is a significant component of the fair value measurement determines the placement of the entire fair value measurement in the hierarchy. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the classification of fair value assets and liabilities within the fair value hierarchy levels.

The Company's policy regarding the timing of transfers between levels, including both transfers into and transfers out of Level 3, is to measure and record the transfers at the end of the reporting period.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Derivatives

The Company recognizes all of its derivative instruments as either assets or liabilities at fair value in its consolidated balance sheet. Unrealized gains are reported as other current assets and unrealized losses are reported as accrued expenses and other payables. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and on the type of hedging relationship. The majority of the Company's derivatives have not been designated as hedging instruments, and as such, changes in fair value of these derivatives are recognized in earnings immediately. For those derivative instruments that are designated and qualify as hedging instruments, the Company designates the hedging instrument, based upon the exposure being hedged, as a cash flow hedge or a net investment hedge.

For derivative instruments that are designated and qualify as highly-effective cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive income (loss) (AOCI) and as an operating activity in the statement of cash flows and reclassified into earnings in the same line item affected by the hedged transaction and in the same period or periods during which the hedged transaction affects earnings. Hedge components excluded from the assessment of effectiveness and gains and losses related to discontinued hedges are recognized in the consolidated statement of earnings during the current period.

For derivative instruments that are designated and qualify as net investment hedges, foreign exchange gains and losses related to changes in foreign currency exchange rates are deferred in AOCI until the underlying investment is divested.

Cost Method Investments

Cost method investments of \$297 million and \$178 million as of December 31, 2021 and 2020, respectively, are included in Other Assets in the Company's consolidated balance sheets. Revaluation gains of \$49 million, \$23 million, and \$4 million for the years ended December 31, 2021, 2020, and 2019, respectively, in connection with observable third-party transactions, are recorded in investment income in the Company's consolidated statements of earnings.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost. Repair and maintenance costs are expensed as incurred. The Company generally uses the straight-line method in computing depreciation for financial reporting purposes and generally uses accelerated methods for income tax purposes. The annual provisions for depreciation have been computed principally in accordance with the following ranges of asset lives: buildings - 15 to 40 years; machinery and equipment - 3 to 40 years. The Company capitalized interest on major construction projects in progress of \$17 million, \$14 million, and \$15 million for the years ended December 31, 2021, 2020, and 2019, respectively.

Income Taxes

The Company accounts for income taxes in accordance with the liability method. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and reported amounts in the consolidated financial statements using statutory rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recorded in the results of operations in the period that includes the enactment date under the law. Applicable accounting standards prescribe a minimum threshold a tax position is required to meet before being recognized in the consolidated financial statements. The Company recognizes in its consolidated financial statements tax positions determined more likely than not to be sustained upon examination, based on the technical merits of the position.

The Company classifies interest on income tax-related balances as interest expense and classifies tax-related penalties as selling, general, and administrative expenses.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Goodwill and other intangible assets

Goodwill and other intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. Definite-lived intangible assets, including capitalized expenses related to the Company's IADM program such as third-party configuration costs and internal labor, are amortized over their estimated useful lives of 1 to 50 years and are reviewed for impairment whenever there are indicators that the carrying value of the assets may not be fully recoverable. The Company's accounting policy is to evaluate goodwill and other intangible assets with indefinite lives for impairment on October 1 of each fiscal year or whenever there are indicators that the carrying value of the assets may not be fully recoverable. The Company recorded impairment charges totaling \$52 million related to goodwill and other intangibles, \$26 million related to customer lists, and \$11 million related goodwill and other intangibles during the years ended December 31, 2021, 2020, and 2019, respectively (see Note 9 for additional information).

Asset Abandonments and Write-Downs

The Company evaluates long-lived assets for impairment whenever indicators of impairment exist. In addition, assets are written down to fair value after consideration of the Company's ability to utilize the assets for their intended purpose, employ the assets in alternative uses, or sell the assets to recover the carrying value. Fair value is generally based on discounted cash flow analysis which relies on management's estimate of market participant assumptions or estimated selling price for assets considered held for sale (a Level 3 measurement under applicable accounting standards). During 2020, the Company temporarily idled certain of its corn processing assets where ethanol is produced and performed a quantitative impairment assessment of those assets, resulting in no impairment charges. The Company restarted these idled facilities in April 2021. The total carrying value of the temporarily idled assets as of December 31, 2020 was immaterial. During the years ended December 31, 2021, 2020, and 2019, asset abandonment and impairment charges were \$73 million, \$28 million, and \$131 million, respectively.

Payables to Brokerage Customers

Payables to brokerage customers represent the total of customer accounts at the Company's futures commission merchant with credit or positive balances. Customer accounts are used primarily in connection with commodity transactions and include gains and losses on open commodity trades as well as securities and other deposits made for margins or other purposes as required by the Company or the exchange-clearing organizations or counterparties. Payables to brokerage customers have a corresponding balance in segregated cash and investments and customer omnibus receivable in other current assets.

Revenues

The Company follows a policy of recognizing revenue at a single point in time when it satisfies its performance obligation by transferring control over a product or service to a customer. For transportation service contracts, the Company recognizes revenue over time as the barge, ocean-going vessel, truck, rail, or container freight moves towards its destination in accordance with the transfer of control guidance of ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606"). For physically settled derivative sales contracts that are outside the scope of Topic 606, the Company recognizes revenue when control of the inventory is transferred within the meaning of Topic 606 as required by ASC 610-20, *Gains and Losses from the Derecognition of Nonfinancial Assets* ("Topic 610-20").

Stock Compensation

The Company recognizes expense for its stock compensation based on the fair value of the awards that are granted. The Company's stock compensation plans provide for the granting of restricted stock, restricted stock units, performance stock units, and stock options. The fair values of stock options and performance stock units are estimated at the date of grant using the Black-Scholes option valuation model and a lattice valuation model, respectively. These valuation models require the input of subjective assumptions. Measured compensation cost, net of forfeitures, is recognized ratably over the vesting period of the related stock compensation award.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Research and Development

Costs associated with research and development are expensed as incurred. Such costs incurred, net of expenditures subsequently reimbursed by government grants, were \$171 million, \$160 million, and \$154 million for the years ended December 31, 2021, 2020, and 2019, respectively.

Per Share Data

Basic earnings per common share are determined by dividing net earnings attributable to controlling interests by the weighted average number of common shares outstanding. In computing diluted earnings per share, average number of common shares outstanding is increased by common stock options outstanding with exercise prices lower than the average market price of common shares using the treasury share method.

Business Combinations

The Company's acquisitions are accounted for in accordance with ASC Topic 805, *Business Combinations*, as amended. The consideration transferred is allocated to various assets acquired and liabilities assumed at their estimated fair values as of the acquisition date with the residual allocated to goodwill. Fair values allocated to assets acquired and liabilities assumed in business combinations require management to make significant judgments, estimates, and assumptions, especially with respect to intangible assets. Management makes estimates of fair values based upon assumptions it believes to be reasonable. These estimates are based upon historical experience and information obtained from the management of the acquired companies and are inherently uncertain. The estimated fair values related to intangible assets primarily consist of customer relationships, trademarks, and developed technology which are determined primarily using discounted cash flow models. Estimates in the discounted cash flow models include, but are not limited to, certain assumptions that form the basis of the forecasted results (e.g. revenue growth rates, customer attrition rates, and royalty rates). These significant assumptions are forward looking and could be affected by future economic and market conditions. During the measurement period, which may take up to one year from the acquisition date, adjustments due to changes in the estimated fair value of assets acquired and liabilities assumed may be recorded as adjustments to the consideration transferred and the related allocations. Upon the conclusion of the measurement period or the final determination of the values of assets acquired and liabilities assumed, whichever comes first, any such adjustments are charged to the consolidated statements of earnings. The Company accounts for any redeemable noncontrolling interest in temporary equity - redeemable noncontrolling interest at redemption value with periodic changes recorded in retained earnings.

Adoption of New Accounting Standards

Effective January 1, 2021, the Company adopted the amended guidance of ASC Topic 740, *Income Taxes* (Topic 740), which simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also simplify and improve consistent application of other areas of Topic 740. The adoption of the amended guidance did not have a significant impact on the Company's consolidated financial statements.

Pending Accounting Standards

Through December 31, 2022, the Company has the option to adopt the amended guidance of ASC Topic 848, *Reference Rate Reform*, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by the amended guidance do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for hedging relationships existing as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. The Company plans to adopt the expedients and exceptions provided by the amended guidance before the December 31, 2022 expiry date and does not expect the adoption of the amended guidance to have an impact on the consolidated financial statements.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Effective January 1, 2023, the Company will be required to adopt the amended guidance of ASC Topic 805, *Business Combinations*, which improves comparability for both the recognition and measurement of acquired revenue contracts with customers at the date of and after a business combination. The amended guidance requires an entity (acquirer) to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. Early adoption is permitted. The Company does not expect the adoption of this amended guidance to have a significant impact on its consolidated financial statements.

Note 2. Revenues

Revenue Recognition

The Company principally generates revenue from merchandising and transporting agricultural commodities, and manufacturing products for use in food, beverages, feed, energy, and industrial applications, and ingredients and solutions for human and animal nutrition. Revenue is measured based on the consideration specified in the contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company follows a policy of recognizing revenue at a single point in time when it satisfies its performance obligation by transferring control over a product or service to a customer. The majority of the Company's contracts with customers have one performance obligation and a contract duration of one year or less. The Company applies the practical expedient in paragraph 10-50-14 of Topic 606 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. For transportation service contracts, the Company recognizes revenue over time as the barge, ocean-going vessel, truck, rail, or container freight moves towards its destination in accordance with the transfer of control guidance of Topic 606. The Company recognized revenue from transportation service contracts of \$606 million, \$423 million, and \$515 million for the years ended December 31, 2021, 2020, and 2019, respectively. For physically settled derivative sales contracts that are outside the scope of Topic 606, the Company recognizes revenue when control of the inventory is transferred within the meaning of Topic 606 as required by ASC 610-20.

Shipping and Handling Costs

Shipping and handling costs related to contracts with customers for the sale of goods are accounted for as a fulfillment activity and are included in cost of products sold. Accordingly, amounts billed to customers for such costs are included as a component of revenues.

Taxes Collected from Customers and Remitted to Governmental Authorities

The Company does not include taxes assessed by governmental authorities that are (i) imposed on and concurrent with a specific revenue-producing transaction and (ii) collected from customers, in the measurement of transactions prices or as a component of revenues and cost of products sold.

Contract Liabilities

Contract liabilities relate to advance payments from customers for goods and services that the Company has yet to provide. Contract liabilities of \$581 million and \$626 million as of December 31, 2021 and 2020, respectively, were recorded in accrued expenses and other payables in the consolidated balance sheet. Contract liabilities recognized as revenues for the years ended December 31, 2021 and 2020 were \$626 million and \$604 million, respectively.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 2. Revenues (Continued)

Disaggregation of Revenues

The following tables present revenue disaggregated by timing of recognition and major product lines for the years ended December 31, 2021, 2020, and 2019.

	Year Ended December 31, 2021					
	Topic 606 Revenue			Topic 815 ⁽¹⁾ Revenue	Total Revenues	
	Point in Time	Over Time	Total			
	(In millions)					
Ag Services and Oilseeds						
Ag Services	\$ 2,831	\$ 606	\$ 3,437	\$ 41,580	\$ 45,017	
Crushing	441	—	441	10,927	11,368	
Refined Products and Other	2,458	—	2,458	8,204	10,662	
Total Ag Services and Oilseeds	5,730	606	6,336	60,711	67,047	
Carbohydrate Solutions						
Starches and Sweeteners	5,866	—	5,866	1,745	7,611	
Vantage Corn Processors	3,499	—	3,499	—	3,499	
Total Carbohydrate Solutions	9,365	—	9,365	1,745	11,110	
Nutrition						
Human Nutrition	3,189	—	3,189	—	3,189	
Animal Nutrition	3,523	—	3,523	—	3,523	
Total Nutrition	6,712	—	6,712	—	6,712	
Other Business	380	—	380	—	380	
Total Revenues	\$ 22,187	\$ 606	\$ 22,793	\$ 62,456	\$ 85,249	

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 2. Revenues (Continued)

	Year Ended December 31, 2020					
	Topic 606 Revenue			Topic 815 ⁽¹⁾ Revenue	Total Revenues	
	Point in Time	Over Time	Total			
	(In millions)					
Ag Services and Oilseeds						
Ag Services	\$ 3,108	\$ 423	\$ 3,531	\$ 29,195	\$	32,726
Crushing	467	—	467	9,126		9,593
Refined Products and Other	2,095	—	2,095	5,302		7,397
Total Ag Services and Oilseeds	5,670	423	6,093	43,623		49,716
Carbohydrate Solutions						
Starches and Sweeteners	4,756	—	4,756	1,631		6,387
Vantage Corn Processors	2,085	—	2,085	—		2,085
Total Carbohydrate Solutions	6,841	—	6,841	1,631		8,472
Nutrition						
Human Nutrition	2,812	—	2,812	—		2,812
Animal Nutrition	2,988	—	2,988	—		2,988
Total Nutrition	5,800	—	5,800	—		5,800
Other Business	367	—	367	—		367
Total Revenues	\$ 18,678	\$ 423	\$ 19,101	\$ 45,254	\$	64,355

	Year Ended December 31, 2019					
	Topic 606 Revenue			Topic 815 ⁽¹⁾ Revenue	Total Revenues	
	Point in Time	Over Time	Total			
	(In millions)					
Ag Services and Oilseeds						
Ag Services	\$ 4,693	\$ 515	\$ 5,208	\$ 26,497	\$	31,705
Crushing	736	—	736	8,743		9,479
Refined Products and Other	2,230	—	2,230	5,327		7,557
Total Ag Services and Oilseeds	7,659	515	8,174	40,567		48,741
Carbohydrate Solutions						
Starches and Sweeteners	5,154	—	5,154	1,700		6,854
Vantage Corn Processors	3,032	—	3,032	—		3,032
Total Carbohydrate Solutions	8,186	—	8,186	1,700		9,886
Nutrition						
Human Nutrition	2,745	—	2,745	—		2,745
Animal Nutrition	2,932	—	2,932	—		2,932
Total Nutrition	5,677	—	5,677	—		5,677
Other Business	352	—	352	—		352
Total Revenues	\$ 21,874	\$ 515	\$ 22,389	\$ 42,267	\$	64,656

⁽¹⁾ Topic 815 revenue relates to the physical delivery or the settlement of the Company's sales contracts that are accounted for as derivatives and are outside the scope of Topic 606.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 2. Revenues (Continued)

Ag Services and Oilseeds

The Ag Services and Oilseeds segment generates revenue from the sale of commodities, from service fees for the transportation of goods, from the sale of products manufactured in its global processing facilities, and from its structured trade finance activities. Revenue is measured based on the consideration specified in the contract and excludes any sales incentives and amounts collected on behalf of third parties. Revenue is recognized when a performance obligation is satisfied by transferring control over a product or providing service to a customer. For transportation service contracts, the Company recognizes revenue over time as the barge, ocean-going vessel, truck, rail, or container freight moves towards its destination in accordance with the transfer of control guidance of Topic 606. The amount of revenue recognized follows the contractually specified price which may include freight or other contractually specified cost components. For physically settled derivative sales contracts that are outside the scope of Topic 606, the Company recognizes revenue when control of the inventory is transferred within the meaning of Topic 606 as required by Topic 610-20.

Carbohydrate Solutions

The Carbohydrate Solutions segment generates revenue from the sale of products manufactured at the Company's global corn and wheat milling facilities around the world. Revenue is recognized when control over products is transferred to the customer. Products are shipped to customers from the Company's various facilities and from its network of storage terminals. The amount of revenue recognized is based on the consideration specified in the contract which could include freight and other costs depending on the specific shipping terms of each contract. For physically settled derivative sales contracts that are outside the scope of Topic 606, the Company recognizes revenue when control of the inventory is transferred within the meaning of Topic 606 as required by Topic 610-20.

Nutrition

The Nutrition segment sells ingredients and solutions including plant-based proteins, natural flavors, flavor systems, natural colors, emulsifiers, soluble fiber, polyols, hydrocolloids, probiotics, prebiotics, enzymes, botanical extracts, edible beans, formula feeds, animal health and nutrition products, pet food and treats, and other specialty food and feed ingredients. Revenue is recognized when control over products is transferred to the customer. The amount of revenue recognized follows the contracted price or the mutually agreed price of the product. Freight and shipping are recognized as a component of revenue at the same time control transfers to the customer.

Other Business

Other Business includes the Company's futures commission business whose primary sources of revenue are commissions and brokerage income generated from executing orders and clearing futures contracts and options on futures contracts on behalf of its customers. Commissions and brokerage revenue are recognized on the date the transaction is executed. Other Business also includes the Company's captive insurance business which generates third party revenue through its proportionate share of premiums from third-party reinsurance pools. Reinsurance premiums are recognized on a straight-line basis over the period underlying the policy.

Note 3. Acquisitions

Operating results of acquisitions are included in the Company's financial statements from the date of acquisition and were not significant for the year ended December 31, 2021. Goodwill allocated in connection with the acquisitions is primarily attributable to synergies expected to arise after the Company's acquisition of the businesses.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 3. Acquisitions (Continued)

Fiscal year 2021 acquisitions

During the year ended December 31, 2021, the Company's Nutrition segment acquired five businesses including, a 75% majority stake in U.S.-based PetDine, Pedigree Ovens, The Pound Bakery, and NutraDine (collectively, "P4"), premier providers of private label pet treats and supplements; Deerland Probiotics & Enzymes ("Deerland"), a leader in probiotic, prebiotic, and enzyme technology; and Sojaprotein, a leading European provider of non-GMO soy ingredients, for an aggregate consideration of \$1.6 billion using cash on hand. The aggregate cash consideration of these acquisitions, net of \$21 million in cash acquired, was preliminarily allocated as follows. The Company expects these purchase price allocations to change once valuations and measurement period adjustments are final.

(In millions)	P4	Deerland	Sojaprotein	Others	Total
Working capital	\$ 11	\$ 28	\$ 71	\$ 6	\$ 116
Property, plant, and equipment	73	48	83	8	212
Goodwill	313	353	153	41	860
Other intangible assets	249	258	51	11	569
Other long-term assets	—	—	—	2	2
Long-term liabilities	—	(43)	(2)	—	(45)
Temporary equity - redeemable noncontrolling interest	(150)	—	—	—	(150)
Aggregate cash consideration	<u>\$ 496</u>	<u>\$ 644</u>	<u>\$ 356</u>	<u>\$ 68</u>	<u>\$ 1,564</u>

The Company has the option to acquire the remaining 25% interest in P4 from December 31, 2023 to March 31, 2025, based on a fixed multiple of earnings before interest, taxes, depreciation, and amortization for the twelve months prior to the exercise of this option. The noncontrolling interest holders also have the option to put the 25% interest to the Company on the same terms. The Company records the 25% remaining interest in temporary equity - redeemable noncontrolling interest.

Of the \$860 million allocated to goodwill, \$313 million is expected to be deductible for tax purposes.

The 2021 acquisitions advance ADM's growth strategy by expanding the Company's capabilities in pet treat and supplements and the fast-growing global demand for plant-based proteins as well as capabilities in the high-value flavor segment and the fast growing demand for food, beverages, and supplements. The post-acquisition financial results of these acquisitions are reported in the Nutrition segment.

The following table sets forth the fair values and the useful lives of the other intangible assets acquired.

	Useful Lives (In years)	P4	Deerland	Sojaprotein	Others	Total
				(In millions)		
Intangible assets with finite lives:						
Trademarks/brands	7 to 15	\$ 9	\$ 49	\$ 6	\$ 3	\$ 67
Customer lists	15 to 20	224	174	45	5	448
Recipes	7	16	—	—	—	16
Other intellectual property	7 to 10	—	35	—	3	38
Total other intangible assets acquired		<u>\$ 249</u>	<u>\$ 258</u>	<u>\$ 51</u>	<u>\$ 11</u>	<u>\$ 569</u>

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 3. Acquisitions (Continued)

Fiscal year 2020 acquisitions

During the year ended December 31, 2020, the Company acquired Yerbalatina and the remaining 70% interest in Anco Animal Nutrition Competence GmbH (“Anco”) for an aggregate cash consideration of \$15 million. The aggregate cash consideration of these acquisitions plus the \$3 million acquisition-date value of the Company’s previously held equity interest in Anco, were allocated as follows:

	(In millions)	
Working capital	\$	16
Property, plant, and equipment		1
Goodwill		2
Long-term liabilities		(1)
Aggregate cash consideration plus acquisition-date fair value of previously held equity interest	\$	18

The Company recognized a pre-tax gain of \$2 million on the Anco transaction, representing the difference between the carrying value and acquisition-date fair value of the Company’s previously held equity interest. The acquisition-date fair value was determined based on a discounted cash flow analysis using market participant assumptions (a Level 3 measurement under applicable accounting standards).

Fiscal year 2019 acquisitions

During the year ended December 31, 2019, the Company acquired Neovia SAS (“Neovia”), Florida Chemical Company (“FCC”), The Ziegler Group (“Ziegler”), and the remaining 50% interest in Gleadell Agriculture Ltd (“Gleadell”), for an aggregate cash consideration of \$2.0 billion. The aggregate cash consideration of these acquisitions, net of \$95 million in cash acquired, plus the \$15 million acquisition-date value of the Company’s previously held equity interest in Gleadell, was allocated as follows:

(In millions)	Neovia		FCC		Ziegler		Gleadell		Total
Working capital	\$	108	\$	31	\$	18	\$	(6)	\$ 151
Property, plant, and equipment		384		17		3		13	417
Goodwill		773		94		23		10	900
Other intangible assets		669		29		35		—	733
Other long-term assets		83		—		—		9	92
Long-term liabilities		(325)		(1)		(10)		(11)	(347)
Aggregate cash consideration, net of cash acquired, plus acquisition-date fair value of previously held equity interest	\$	1,692	\$	170	\$	69	\$	15	\$ 1,946

Of the \$900 million allocated to goodwill, \$94 million is expected to be deductible for tax purposes.

The Company recognized a pre-tax gain of \$4 million on the Gleadell transaction, representing the difference between the carrying value and acquisition-date fair value of the Company’s previously held equity interest. The acquisition-date fair value was determined based on a discounted cash flow analysis using market participant assumptions (a Level 3 measurement under applicable accounting standards).

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 3. Acquisitions (Continued)

The following table sets forth the fair values and the useful lives of the other intangible assets acquired.

	Useful Lives			Neovia	FCC	Ziegler	Total
	(In years)			(In millions)			
Intangible assets with indefinite lives:							
Trademarks/brands				\$ 194	\$ —	\$ —	\$ 194
Intangible assets with finite lives:							
Trademarks/brands	5	to	15	12	—	4	16
Customer lists	10	to	20	304	15	5	324
Other intellectual property	6	to	10	159	14	26	199
Total other intangible assets acquired				<u>\$ 669</u>	<u>\$ 29</u>	<u>\$ 35</u>	<u>\$ 733</u>

The Neovia, FCC, and Ziegler acquisitions are in line with the Company's strategy to become one of the world's leading nutrition companies. The post-acquisition financial results of these acquisitions are reported in the Nutrition segment.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 4. Fair Value Measurements

The following tables set forth, by level, the Company's assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2021 and 2020.

Fair Value Measurements at December 31, 2021				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In millions)			
Assets:				
Inventories carried at market	\$ —	\$ 6,765	\$ 3,004	\$ 9,769
Unrealized derivative gains:				
Commodity contracts	—	902	460	1,362
Foreign exchange contracts	—	238	—	238
Interest rate contracts	—	46	—	46
Cash equivalents	448	—	—	448
Segregated investments	1,338	—	—	1,338
Total Assets	\$ 1,786	\$ 7,951	\$ 3,464	\$ 13,201
Liabilities:				
Unrealized derivative losses:				
Commodity contracts	\$ —	\$ 944	\$ 815	\$ 1,759
Foreign exchange contracts	—	191	—	191
Debt conversion option	—	—	15	15
Inventory-related payables	—	859	106	965
Total Liabilities	\$ —	\$ 1,994	\$ 936	\$ 2,930

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 4. Fair Value Measurements (Continued)

Fair Value Measurements at December 31, 2020				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In millions)			
Assets:				
Inventories carried at market	\$ —	\$ 5,758	\$ 2,183	\$ 7,941
Unrealized derivative gains:				
Commodity contracts	—	1,905	859	2,764
Foreign currency contracts	—	283	—	283
Interest rate contracts	—	61	—	61
Cash equivalents	297	—	—	297
Marketable securities	1	—	—	1
Segregated investments	1,067	—	—	1,067
Total Assets	\$ 1,365	\$ 8,007	\$ 3,042	\$ 12,414
Liabilities:				
Unrealized derivative losses:				
Commodity contracts	\$ —	\$ 1,116	\$ 918	\$ 2,034
Foreign currency contracts	—	535	—	535
Interest rate contracts	—	15	—	15
Debt conversion option	—	—	34	34
Inventory-related payables	—	498	11	509
Total Liabilities	\$ —	\$ 2,164	\$ 963	\$ 3,127

Estimated fair values for inventories and inventory-related payables carried at market are based on exchange-quoted prices, adjusted for differences in local markets and quality, referred to as basis. Market valuations for the Company's inventories are adjusted for location and quality (basis) because the exchange-quoted prices represent contracts that have standardized terms for commodity, quantity, future delivery period, delivery location, and commodity quality or grade. The basis adjustments are generally determined using inputs from competitor and broker quotations or market transactions in either the listed or over the counter (OTC) markets and are considered observable. In some cases, the basis adjustments are unobservable because they are supported by little to no market activity. When unobservable inputs have a significant impact (more than 10%) on the measurement of fair value, the inventory is classified in Level 3. Changes in the fair value of inventories are recognized in the consolidated statements of earnings as a component of cost of products sold.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 4. Fair Value Measurements (Continued)

Derivative contracts include exchange-traded commodity futures and options contracts, forward commodity purchase and sale contracts, and OTC instruments related primarily to agricultural commodities, energy, interest rates, and foreign currencies. Exchange-traded futures and options contracts are valued based on unadjusted quoted prices in active markets and are classified in Level 1. The majority of the Company's exchange-traded futures and options contracts are cash-settled on a daily basis and, therefore, are not included in these tables. Fair value for forward commodity purchase and sale contracts is estimated based on exchange-quoted prices adjusted for differences in local markets. Market valuations for the Company's forward commodity purchase and sale contracts are adjusted for location (basis) because the exchange-quoted prices represent contracts that have standardized terms for commodity, quantity, future delivery period, delivery location, and commodity quality or grade. The basis adjustments are generally determined using inputs from competitor and broker quotations or market transactions in either the listed or OTC markets and are considered observable. In some cases, the basis adjustments are unobservable because they are supported by little to no market activity. When observable inputs are available for substantially the full term of the contract, it is classified in Level 2. When unobservable inputs have a significant impact (more than 10%) on the measurement of fair value, the contract is classified in Level 3. Except for certain derivatives designated as cash flow hedges, changes in the fair value of commodity-related derivatives are recognized in the consolidated statements of earnings as a component of cost of products sold. Changes in the fair value of foreign currency-related derivatives are recognized in the consolidated statements of earnings as a component of revenues, cost of products sold, and other (income) expense - net, depending upon the purpose of the contract. The changes in the fair value of derivatives designated as effective cash flow hedges are recognized in the consolidated balance sheets as a component of accumulated other comprehensive income (loss) (AOCI) until the hedged items are recorded in earnings or it is probable the hedged transaction will no longer occur.

The Company's cash equivalents are comprised of money market funds valued using quoted market prices and are classified as Level 1.

The Company's segregated investments are comprised of U.S. Treasury securities. U.S. Treasury securities are valued using quoted market prices and are classified in Level 1.

The debt conversion option is the equity linked embedded derivative related to the exchangeable bonds described in Note 10. The fair value of the embedded derivative is included in long-term debt, with changes in fair value recognized as interest, and is valued with the assistance of a third-party pricing service (a level 3 measurement).

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 4. Fair Value Measurements (Continued)

The following tables present a rollforward of the activity of all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2021 and 2020.

Level 3 Fair Value Assets Measurements at December 31, 2021				
	Inventories Carried at Market	Commodity Derivative Contracts Gains		Total
	(In millions)			
Balance, December 31, 2020	\$ 2,183	\$ 859	\$	3,042
Total increase (decrease) in net realized/unrealized gains included in cost of products sold	1,131	1,071		2,202
Purchases	30,357	—		30,357
Sales	(30,471)	—		(30,471)
Settlements	—	(1,437)		(1,437)
Transfers into Level 3	1,200	103		1,303
Transfers out of Level 3	(1,396)	(136)		(1,532)
Ending balance, December 31, 2021 ⁽¹⁾	<u>\$ 3,004</u>	<u>\$ 460</u>	<u>\$</u>	<u>3,464</u>

⁽¹⁾ Includes increase in unrealized gains of \$2.2 billion relating to Level 3 assets still held at December 31, 2021.

Level 3 Fair Value Liabilities Measurements at December 31, 2021				
	Inventory- related Payables	Commodity Derivative Contracts Losses	Debt Conversion Option	Total
	(In millions)			
Balance, December 31, 2020	\$ 11	\$ 918	\$ 34	\$ 963
Total increase (decrease) in net realized/unrealized losses included in cost of products sold and interest expense	2	1,992	(19)	1,975
Purchases	123	—	—	123
Sales	(30)	—	—	(30)
Settlements	—	(2,191)	—	(2,191)
Transfers into Level 3	—	324	—	324
Transfers out of Level 3	—	(228)	—	(228)
Ending balance, December 31, 2021 ⁽¹⁾	<u>\$ 106</u>	<u>\$ 815</u>	<u>\$ 15</u>	<u>\$ 936</u>

⁽¹⁾ Includes increase in unrealized losses of \$0.8 billion relating to Level 3 liabilities still held at December 31, 2021.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 4. Fair Value Measurements (Continued)

Level 3 Fair Value Assets Measurements at December 31, 2020				
	Inventories Carried at Market		Commodity Derivative Contracts Gains	Total
		(In millions)		
Balance, December 31, 2019	\$ 1,477	\$	201	\$ 1,678
Total increase (decrease) in net realized/unrealized gains included in cost of products sold	146		938	1,084
Purchases	14,185		—	14,185
Sales	(13,852)		—	(13,852)
Settlements	—		(257)	(257)
Transfers into Level 3	290		70	360
Transfers out of Level 3	(63)		(93)	(156)
Ending balance, December 31, 2020 ⁽¹⁾	<u>\$ 2,183</u>	<u>\$</u>	<u>859</u>	<u>\$ 3,042</u>

⁽¹⁾ Includes increase in unrealized gains of \$1.7 billion relating to Level 3 assets still held at December 31, 2020.

	Level 3 Fair Value Liabilities Measurements at December 31, 2020			
	Inventory- related Payables	Commodity Derivative Contracts Losses	Debt Conversion Option	Total
				(In millions)
Balance, December 31, 2019	\$ 27	\$ 199	\$ —	\$ 226
Total increase (decrease) in net realized/unrealized losses included in cost of products sold and interest expense	—	1,729	17	1,746
Purchases/Issuance of debt conversion option	20	—	17	37
Sales	(36)	—	—	(36)
Settlements	—	(1,059)	—	(1,059)
Transfers into Level 3	—	112	—	112
Transfers out of Level 3	—	(63)	—	(63)
Ending balance, December 31, 2020 ⁽¹⁾	\$ 11	\$ 918	\$ 34	\$ 963

⁽¹⁾ Includes increase in unrealized losses of \$0.9 billion relating to Level 3 liabilities still held at December 31, 2020.

Transfers into Level 3 of assets and liabilities previously classified in Level 2 were due to the relative value of unobservable inputs to the total fair value measurement of certain products and derivative contracts rising above the 10% threshold. Transfers out of Level 3 were primarily due to the relative value of unobservable inputs to the total fair value measurement of certain products and derivative contracts falling below the 10% threshold and thus permitting reclassification to Level 2.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 4. Fair Value Measurements (Continued)

In some cases, the price components that result in differences between exchange-traded prices and local prices for inventories and commodity purchase and sale contracts are observable based upon available quotations for these pricing components, and in some cases, the differences are unobservable. These price components primarily include transportation costs and other adjustments required due to location, quality, or other contract terms. In the table below, these other adjustments are referred to as basis. The changes in unobservable price components are impacted by specific local supply and demand characteristics at each facility and the overall market. Factors such as substitute products, weather, fuel costs, contract terms, and futures prices also impact the movement of these unobservable price components.

The following table sets forth the weighted average percentage of the unobservable price components included in the Company's Level 3 valuations as of December 31, 2021 and 2020. The Company's Level 3 measurements may include basis only, transportation cost only, or both price components. As an example, for Level 3 inventories with basis, the unobservable component as of December 31, 2021 is a weighted average 28.7% of the total price for assets and 13.1% of the total price for liabilities.

Component Type	Weighted Average % of Total Price			
	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Inventories and Related Payables				
Basis	28.7%	13.1%	4.3%	13.7%
Transportation cost	13.0%	—%	10.6%	—%
Commodity Derivative Contracts				
Basis	30.0%	27.1%	28.3%	0.7%
Transportation cost	8.1%	0.7%	1.9%	1.3%

In certain of the Company's principal markets, the Company relies on price quotes from third parties to value its inventories and physical commodity purchase and sale contracts. These price quotes are generally not further adjusted by the Company in determining the applicable market price. In some cases, availability of third-party quotes is limited to only one or two independent sources. In these situations, absent other corroborating evidence, the Company considers these price quotes as 100% unobservable and, therefore, the fair value of these items is reported in Level 3.

Note 5. Derivative Instruments & Hedging Activities

Derivatives Not Designated as Hedging Instruments

The majority of the Company's derivative instruments have not been designated as hedging instruments. The Company uses exchange-traded futures and exchange-traded and OTC options contracts to manage its net position of merchandisable agricultural product inventories and forward cash purchase and sales contracts to reduce price risk caused by market fluctuations in agricultural commodities and foreign currencies. The Company also uses exchange-traded futures and exchange-traded and OTC options contracts as components of merchandising strategies designed to enhance margins. The results of these strategies can be significantly impacted by factors such as the correlation between the value of exchange-traded commodities futures contracts and the value of the underlying commodities, counterparty contract defaults, and volatility of freight markets. Derivatives, including exchange traded contracts and forward commodity purchase or sale contracts, and inventories of certain merchandisable agricultural products, which include amounts acquired under deferred pricing contracts, are stated at fair value or market value. Inventory is not a derivative and therefore fair values of and changes in fair values of inventories are not included in the tables below.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 5. Derivative Instruments & Hedging Activities (Continued)

The following table sets forth the fair value of derivatives not designated as hedging instruments as of December 31, 2021 and 2020.

	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
	(In millions)			
Foreign Currency Contracts	\$ 217	\$ 116	\$ 283	\$ 270
Commodity Contracts	1,276	1,759	2,764	2,034
Debt Conversion Option	—	15	—	34
Total	<u>\$ 1,493</u>	<u>\$ 1,890</u>	<u>\$ 3,047</u>	<u>\$ 2,338</u>

The following table sets forth the pre-tax gains (losses) on derivatives not designated as hedging instruments that have been included in the consolidated statements of earnings for the years ended December 31, 2021, 2020, and 2019.

(In millions)	Revenues	Cost of products sold	Other expense (income) - net	Interest Expense	
For the Year Ended December 31, 2021					
Consolidated Statement of Earnings	\$ 85,249	\$ 79,262	\$ (94)	\$ 265	
Pre-tax gains (losses) on:					
Foreign Currency Contracts	\$ 3	\$ (140)	\$ 189	\$ —	
Commodity Contracts	—	(1,606)	—		
Debt Conversion Option	—	—	—	19	
Total gain (loss) recognized in earnings	<u>\$ 3</u>	<u>\$ (1,746)</u>	<u>\$ 189</u>	<u>\$ 19</u>	<u>\$ (1,535)</u>
For the Year Ended December 31, 2020					
Consolidated Statement of Earnings	\$ 64,355	\$ 59,902	\$ (255)	\$ 339	
Pre-tax gains (losses) on:					
Foreign Currency Contracts	\$ 28	\$ (496)	\$ (153)	\$ —	
Commodity Contracts	—	(68)	—	—	
Debt Conversion Option	—	—	—	(17)	
Total gain (loss) recognized in earnings	<u>\$ 28</u>	<u>\$ (564)</u>	<u>\$ (153)</u>	<u>\$ (17)</u>	<u>\$ (706)</u>
For the Year Ended December 31, 2019					
Consolidated Statement of Earnings	\$ 64,656	\$ 60,509	\$ 11	\$ 402	
Pre-tax gains (losses) on:					
Foreign Currency Contracts	\$ 9	\$ 32	\$ (21)	\$ —	
Commodity Contracts	—	24	—	—	
Total gain (loss) recognized in earnings	<u>\$ 9</u>	<u>\$ 56</u>	<u>\$ (21)</u>	<u>\$ —</u>	<u>\$ 44</u>

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 5. Derivative Instruments & Hedging Activities (Continued)

Changes in the market value of inventories of certain merchandisable agricultural commodities, forward cash purchase and sales contracts, exchange-traded futures, and exchange-traded and OTC options contracts are recognized in earnings immediately as a component of cost of products sold.

Changes in the fair value of foreign currency-related derivatives are recognized in the consolidated statements of earnings as a component of revenues, cost of products sold, and other (income) expense - net depending on the purpose of the contract.

Derivatives Designated as Cash Flow or Net Investment Hedging Strategies

The Company had certain derivatives designated as cash flow and net investment hedges as of December 31, 2021 and 2020.

For derivative instruments that are designated and qualify as net investment hedges, foreign exchange gains and losses related to changes in foreign currency exchange rates are deferred in AOCI until the underlying investment is divested.

The Company uses cross-currency swaps and foreign exchange forwards designated as net investment hedges to protect the Company's investment in a foreign subsidiary against changes in foreign currency exchange rates. The Company executed USD-fixed to Euro-fixed cross-currency swaps with an aggregate notional amount of \$1.2 billion and \$1.3 billion as of December 31, 2021 and 2020, respectively, and foreign exchange forwards with an aggregate notional amount of \$2.6 billion and \$1.8 billion as of December 31, 2021 and 2020, respectively.

As of December 31, 2021 and 2020, the Company had after-tax losses of \$44 million and \$202 million in AOCI, respectively, related to foreign exchange gains and losses from the net investment hedge transactions. The amount is deferred in AOCI until the underlying investment is divested.

For derivative instruments that are designated and qualify as highly-effective cash flow hedges (i.e., hedging the exposure to variability in expected future cash flow that is attributable to a particular risk), the gain or loss on the derivative instrument is reported as a component of AOCI and as an operating activity in the statement of cash flows and reclassified into earnings in the same line item affected by the hedged transaction and in the same period or periods during which the hedged transaction affects earnings. Hedge components excluded from the assessment of effectiveness and gains and losses related to discontinued hedges are recognized in the consolidated statement of earnings during the current period.

The Company's structured trade finance programs use interest rate swaps designated as cash flow hedges to hedge the forecasted interest payments on certain letters of credit from banks. The terms of the interest rate swaps match the terms of the forecasted interest payments. The deferred gains and losses are recognized in revenues over the period in which the related interest payments are paid to the banks. The amounts are recorded in revenues as the related results are also recorded in revenues. As of December 31, 2021 and 2020, the Company had interest rate swaps maturing on various dates with aggregate notional amounts of \$1.0 billion and \$3.3 billion, respectively.

The Company also uses swap locks designated as cash flow hedges to hedge the changes in the forecasted interest payments due to changes in the benchmark rate leading up to future bond issuance dates. The terms of the swap locks match the terms of the forecasted interest payments. The deferred gains and losses will be recognized in interest expense over the period in which the related interest payments will be paid. As of December 31, 2021 and 2020, the Company executed swap locks maturing on various dates with an aggregate notional amount of \$400 million and \$550 million, respectively.

At December 31, 2021 and 2020, the Company had after-tax gains of \$35 million and \$31 million in AOCI, respectively, related to the interest rate swaps and swap locks. The Company expects to recognize amounts deferred in AOCI in its consolidated statement of earnings during the life of the instruments.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 5. Derivative Instruments & Hedging Activities (Continued)

For each of the hedge programs described below, the derivatives are designated as cash flow hedges. The changes in the market value of such derivative contracts have historically been, and are expected to continue to be, highly effective at offsetting changes in price movements of the hedged item. Once the hedged item is recognized in earnings, the gains and losses arising from the hedge are reclassified from AOCI to either revenues or cost of products sold, as applicable. As of December 31, 2021 and 2020, the Company had after-tax gains of \$161 million and \$133 million in AOCI, respectively, related to gains and losses from these programs. The Company expects to recognize \$161 million of the 2021 after-tax gains in its consolidated statement of earnings during the next 12 months.

The Company uses futures or options contracts to hedge the purchase price of anticipated volumes of corn to be purchased and processed in a future month. The objective of this hedging program is to reduce the variability of cash flows associated with the Company's forecasted purchases of corn. Prior to April 2020, the Company's corn processing plants were grinding approximately 72 million bushels of corn per month. From April 2020 to March 2021, the Company temporarily idled dry mill assets and as a result, was grinding approximately 56 million bushels of corn per month. In April 2021, the Company resumed ethanol production at its two corn dry mill facilities. In November 2021, the Company sold its ethanol production complex in Peoria, Illinois, which reduced normal grinding at its corn processing plants to approximately 65 million bushels per month. During the past 12 months, the Company hedged between 23% and 33% of its monthly grind. At December 31, 2021, the Company had designated hedges representing between 11% to 26% of its anticipated monthly grind of corn for the next 12 months.

The Company, from time to time, also uses futures, options, and swaps to hedge the sales price of certain ethanol sales contracts. The Company has established hedging programs for ethanol sales contracts that are indexed to unleaded gasoline prices and to various exchange-traded ethanol contracts. The objective of these hedging programs is to reduce the variability of cash flows associated with the Company's sales of ethanol. During the past 12 months and as of December 31, 2021, the Company had no hedges related to ethanol sales.

The Company uses futures and options contracts to hedge the purchase price of anticipated volumes of soybeans to be purchased and processed in a future month for certain of its U.S. soybean crush facilities, subject to certain program limits. The Company also uses futures or options contracts to hedge the sales prices of anticipated soybean meal and soybean oil sales proportionate to the soybean crushing process at these facilities, subject to certain program limits. During the past 12 months, the Company hedged between 57% and 100% of the anticipated monthly soybean crush for soybean purchases and soybean meal and oil sales at the designated facilities. At December 31, 2021, the Company had designated hedges representing between 0% and 100% of the anticipated monthly soybean crush for soybean purchases and soybean meal and oil sales at the designated facilities over the next 12 months.

The Company uses futures and OTC swaps to hedge the purchase price of anticipated volumes of natural gas consumption in a future month for certain of its facilities in North America and Europe, subject to certain program limits. During the past 12 months, the Company hedged between 23% and 96% of the anticipated monthly natural gas consumption at the designated facilities. At December 31, 2021, the Company had designated hedges representing between 21% and 100% of the anticipated monthly natural gas consumption over the next 12 months.

The following table sets forth the fair value of derivatives designated as hedging instruments as of December 31, 2021 and 2020.

	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
	(In millions)			
Foreign Currency Contracts	\$ 21	\$ 75	\$ —	\$ 265
Commodity Contracts	86	—	—	—
Interest Rate Contracts	46	—	61	15
Total	<u>\$ 153</u>	<u>\$ 75</u>	<u>\$ 61</u>	<u>\$ 280</u>

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 5. Derivative Instruments & Hedging Activities (Continued)

The following table sets forth the pre-tax gains (losses) on derivatives designated as hedging instruments that have been included in the consolidated statement of earnings for the years ended December 31, 2021, 2020, and 2019.

(In millions)	Revenues	Cost of products sold	Interest expense	Other expense (income) - net	
For the Year Ended December 31, 2021					
Consolidated Statement of Earnings	\$ 85,249	\$ 79,262	\$ 265	\$ (94)	
Effective amounts recognized in earnings					
Pre-tax gains (losses) on:					
Interest Contracts	\$ (16)	\$ —	\$ —	\$ —	
Commodity Contracts	—	490	—	—	
Total gain (loss) recognized in earnings	<u>\$ (16)</u>	<u>\$ 490</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 474</u>
For the Year Ended December 31, 2020					
Consolidated Statement of Earnings	\$ 64,355	\$ 59,902	339	\$ (255)	
Effective amounts recognized in earnings					
Pre-tax gains (losses) on:					
Interest Rate Contracts	\$ (75)	\$ —	\$ (2)	\$ —	
Commodity Contracts	7	27	—	(2)	
Total gain (loss) recognized in earnings	<u>\$ (68)</u>	<u>\$ 27</u>	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ (45)</u>
For the Year Ended December 31, 2019					
Consolidated Statement of Earnings	\$ 64,656	\$ 60,509	\$ 402	\$ 11	
Effective amounts recognized in earnings					
Pre-tax gains (losses) on:					
Interest Rate Contracts	\$ (46)	\$ —	\$ 1	\$ —	
Commodity Contracts	(44)	(11)	—	—	
Total gain (loss) recognized in earnings	<u>\$ (90)</u>	<u>\$ (11)</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ (100)</u>

Other Net Investment Hedging Strategies

The Company has designated €1.8 billion and €1.5 billion of its outstanding long-term debt and commercial paper borrowings at December 31, 2021 and 2020, respectively, as hedges of its net investment in a foreign subsidiary. As of December 31, 2021 and 2020, the Company had after-tax gains of \$55 million and after-tax losses of \$87 million in AOCI, respectively, related to foreign exchange gains and losses from these net investment hedge transactions. The amount is deferred in AOCI until the underlying investment is divested.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 6. Other Current Assets

The following table sets forth the items in other current assets:

	December 31, 2021	December 31, 2020
	(In millions)	
Unrealized gains on derivative contracts	\$ 1,646	\$ 3,108
Margin deposits and grain accounts	600	500
Customer omnibus receivable	1,179	860
Financing receivables - net ⁽¹⁾	189	297
Insurance premiums receivable	20	35
Prepaid expenses	370	290
Biodiesel tax credit	79	101
Tax receivables	708	680
Non-trade receivables ⁽²⁾	285	218
Other current assets	82	135
	<u>\$ 5,158</u>	<u>\$ 6,224</u>

⁽¹⁾ The Company provides financing to suppliers, primarily Brazilian farmers, to finance a portion of the suppliers' production costs. The amounts are reported net of allowances of \$4 million at December 31, 2021 and 2020. Interest earned on financing receivables of \$11 million, \$20 million, and \$27 million for the years ended December 31, 2021, 2020, and 2019, respectively, is included in interest income in the consolidated statements of earnings.

⁽²⁾ Non-trade receivables included \$27 million and \$40 million of reinsurance recoverables as of December 31, 2021 and 2020, respectively.

Note 7. Accrued Expenses and Other Payables

The following table sets forth the items in accrued expenses and other payables:

	December 31, 2021	December 31, 2020
	(In millions)	
Unrealized losses on derivative contracts	\$ 1,950	\$ 2,584
Accrued compensation	445	396
Income tax payable	132	41
Other taxes payable	168	127
Insurance claims payable	220	238
Contract liability	581	626
Other accruals and payables	1,294	931
	<u>\$ 4,790</u>	<u>\$ 4,943</u>

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 8. Investments in and Advances to Affiliates

The Company applies the equity method of accounting for investments in investees over which ADM has the ability to exercise significant influence, including the Company's 22.3% and 22.2% share ownership in Wilmar as of December 31, 2021 and 2020, respectively. As of December 31, 2021, the Company also holds equity method investments in Pacificor (32.2%), Stratas Foods LLC (50.0%), Edible Oils Limited (50.0%), Olenex (37.5%), SoyVen (50.0%), Hungrana Ltd (50.0%), Almidones Mexicanos S.A. (50.0%), Red Star Yeast Company, LLC (40.0%), and Aston Foods and Food Ingredients (50.0%). The Company had 63 and 60 unconsolidated domestic and foreign affiliates as of December 31, 2021 and 2020, respectively. The following table summarizes the combined balance sheets as of December 31, 2021 and 2020, and the combined statements of earnings of the Company's unconsolidated affiliates for the years ended December 31, 2021, 2020, and 2019.

(In millions)	December 31		
	2021	2020	
Current assets	\$ 34,955	\$ 29,508	
Non-current assets	27,938	23,853	
Current liabilities	(30,002)	(25,969)	
Non-current liabilities	(8,362)	(7,191)	
Noncontrolling interests	(2,630)	(1,075)	
Net assets	<u>\$ 21,899</u>	<u>\$ 19,126</u>	

(In millions)	Year Ended December 31		
	2021	2020	2019
Revenues	\$ 87,528	\$ 59,195	\$ 50,596
Gross profit	7,719	5,070	5,334
Net income	2,315	2,093	1,455

The Company's share of the undistributed earnings of its unconsolidated affiliates as of December 31, 2021 is \$2.8 billion. The Company's investment in Wilmar has a carrying value of \$4.0 billion as of December 31, 2021, and a market value of \$4.3 billion based on quoted market price converted to U.S. dollars at the applicable exchange rate at December 31, 2021.

The Company provides credit facilities totaling \$106 million to five unconsolidated affiliates. Two facilities that bear interest between 0.00% and 2.67% have a total outstanding balance of \$32 million. The other three facilities have no outstanding balance as of December 31, 2021. The outstanding balance is included in other current assets in the accompanying consolidated balance sheet.

Net sales to unconsolidated affiliates during the years ended December 31, 2021, 2020, and 2019 were \$6.6 billion, \$4.7 billion, and \$4.9 billion, respectively.

Accounts receivable due from unconsolidated affiliates as of December 31, 2021 and 2020 was \$274 million and \$197 million, respectively.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 9. Goodwill and Other Intangible Assets

Goodwill balances attributable to consolidated businesses, by segment, are set forth in the following table.

	December 31, 2021	December 31, 2020
	(In millions)	
Ag Services and Oilseeds	\$ 204	\$ 212
Carbohydrate Solutions	240	263
Nutrition	3,734	2,972
Other Business	4	4
Total	<u>\$ 4,182</u>	<u>\$ 3,451</u>

The changes in goodwill during the year ended December 31, 2021 were primarily related to acquisitions (see Note 3) and foreign currency translation losses of \$122 million.

The following table sets forth the other intangible assets:

		December 31, 2021				December 31, 2020		
	Useful Life	Gross Amount	Accumulated Amortization	Net		Gross Amount	Accumulated Amortization	Net
	(In years)							
Intangible assets with indefinite lives:								
Trademarks/brands		\$ 409	\$ —	\$ 409		\$ 429	\$ —	\$ 429
Other		—	—	—		1	—	1
Intangible assets with definite lives:								
Trademarks/brands	5 to 20	105	(20)	85		39	(16)	23
Customer lists	5 to 30	1,580	(454)	1,126		1,196	(390)	806
Capitalized software and related costs	1 to 8	714	(383)	331		464	(354)	110
Land rights	2 to 50	122	(28)	94		177	(35)	142
Other intellectual property	6 to 20	276	(100)	176		241	(79)	162
Recipes and other	3 to 35	487	(230)	257		489	(200)	289
Intangible assets in process		87	—	87		172	—	172
Total		<u>\$ 3,780</u>	<u>\$ (1,215)</u>	<u>\$ 2,565</u>		<u>\$ 3,208</u>	<u>\$ (1,074)</u>	<u>\$ 2,134</u>

The changes in the gross amounts during the year ended December 31, 2021 were related to acquisitions (see Note 3), foreign currency translation losses of \$116 million, and impairments. The changes in accumulated amortization during the year ended December 31, 2021 were related to amortization expense, foreign currency translation losses of \$34 million, and impairments. Aggregate amortization expense was \$177 million, \$173 million, and \$165 million for the years ended December 31, 2021, 2020, and 2019, respectively. The estimated future aggregate amortization expense for the next five years is \$225 million, \$232 million, \$223 million, \$202 million, and \$194 million, respectively.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 10. Debt Financing Arrangements

The Company's long-term debt consisted of the following:

Debt Instrument				
Interest Rate	Face Amount	Due Date	December 31, 2021	December 31, 2020
			(In millions)	
2.5% Notes	\$1 billion	2026	\$ 996	\$ 995
3.25% Notes	\$1 billion	2030	988	987
1% Notes	€650 million	2025	735	789
2.700% Notes	\$750 million	2051	730	—
1.75% Notes	€600 million	2023	681	731
4.5% Notes	\$600 million	2049	588	588
Fixed to Floating Rate Notes	€500 million	2022	569	—
5.375% Debentures	\$432 million	2035	425	424
3.75% Notes	\$408 million	2047	402	402
5.935% Debentures	\$336 million	2032	333	333
0% Bonds	\$300 million	2023	310	330
5.765% Debentures	\$297 million	2041	297	297
4.535% Debentures	\$383 million	2042	283	281
4.016% Debentures	\$371 million	2043	258	255
7% Debentures	\$160 million	2031	159	159
6.95% Debentures	\$157 million	2097	154	154
7.5% Debentures	\$147 million	2027	147	146
6.625% Debentures	\$144 million	2029	144	144
6.75% Debentures	\$103 million	2027	103	103
6.45% Debentures	\$103 million	2038	102	102
2.75% Notes	\$500 million	2025	—	493
Other			177	174
Total long-term debt including current maturities			8,581	7,887
Current maturities			(570)	(2)
Total long-term debt			\$ 8,011	\$ 7,885

On September 10, 2021, the Company issued \$750 million aggregate principal amount of 2.700% Notes due September 15, 2051 (the "Notes"). Net proceeds before expenses were \$732 million.

In September 2021, the Company used the proceeds of the Notes to redeem \$500 million aggregate principal amount of 2.750% notes due March 27, 2025 and recognized a debt extinguishment charge of \$36 million in the year ended December 31, 2021.

On March 25, 2021, the Company issued, in a private placement transaction, €500 million aggregate principal amount of Fixed-to-Floating Rate Senior Notes due September 25, 2022.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 10. Debt Financing Arrangements (Continued)

On August 26, 2020, ADM Ag issued \$300 million aggregate principal amount of zero coupon exchangeable bonds (the “Bonds”) due in 2023 to non-U.S. persons outside of the U.S. Subject to and upon compliance with the terms and conditions of the Bonds and any conditions, procedures, and certifications prescribed thereunder, the Bonds will be exchangeable for ordinary shares of Wilmar International Limited (“Wilmar”) currently held by the Company’s consolidated subsidiaries. Effective September 7, 2021, holders of the Bonds will be entitled to receive 52,840.6571 Wilmar shares (the “Exchange Property per Bond”) for each \$200,000 principal amount of the Bonds, on the exercise of their exchange rights, subject to dividend adjustments. Effective February 26, 2022, ADM Ag has the option to call the outstanding Bonds at their principal amount if the value of the Exchange Property per Bond exceeds 120% of the principal amount for 20 consecutive trading days. The Company accounts for the Bond’s exchange feature as an equity-linked embedded derivative that is not clearly and closely related to the host debt instrument since it is indexed to Wilmar’s stock. The Company unconditionally and irrevocably guarantees the payment of all sums payable and the performance of all of ADM Ag’s other obligations under the Bonds. In contemplation of the issuance of the Bonds, Archer Daniels Midland Asia-Pacific Limited, the Company’s wholly-owned subsidiary that holds shares in Wilmar, entered into a stock borrowing and lending agreement with a financial institution.

Discount amortization expense, net of premium amortization, of \$10 million, \$13 million, and \$12 million for the years ended December 31, 2021, 2020, and 2019, respectively, are included in interest expense related to the Company’s long-term debt.

At December 31, 2021, the fair value of the Company’s long-term debt exceeded the carrying value by \$1.5 billion, as estimated using quoted market prices (a Level 2 measurement under applicable accounting standards).

The aggregate maturities of long-term debt for the five years after December 31, 2021, are \$570 million, \$992 million, \$1 million, \$736 million, and \$997 million, respectively.

At December 31, 2021, the Company had lines of credit, including the accounts receivable securitization programs described below, totaling \$11.2 billion, of which \$8.1 billion was unused. The weighted average interest rates on short-term borrowings outstanding at December 31, 2021 and 2020, were 1.23% and 0.45%, respectively. Of the Company’s total lines of credit, \$5.0 billion supported the commercial paper borrowing programs, against which there was \$0.8 billion of commercial paper outstanding at December 31, 2021.

The Company’s credit facilities and certain debentures require the Company to comply with specified financial and non-financial covenants including maintenance of minimum tangible net worth as well as limitations related to incurring liens, secured debt, and certain other financing arrangements. The Company is in compliance with these covenants as of December 31, 2021.

The Company had outstanding standby letters of credit and surety bonds at December 31, 2021 and 2020, totaling \$1.2 billion.

The Company has accounts receivable securitization programs (the “Programs”). The Programs provide the Company with up to \$2.3 billion in funding resulting from the sale of accounts receivable. As of December 31, 2021, the Company utilized \$2.2 billion of its facility under the Programs (see Note 19 for more information on the Programs).

Note 11. Stock Compensation

The Company’s employee stock compensation plans provide for the granting of options to employees to purchase common stock of the Company pursuant to the Company’s 2020 Incentive Compensation Plan. These options are issued at market value on the date of grant, vest incrementally over one year to five years, and expire ten years after the date of grant.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 11. Stock Compensation (Continued)

The fair value of each option grant is estimated as of the date of grant using the Black-Scholes single option pricing model. The volatility assumption used in the Black-Scholes single option pricing model is based on the historical volatility of the Company's stock. The volatility of the Company's stock was calculated based upon the monthly closing price of the Company's stock for the period immediately prior to the date of grant corresponding to the average expected life of the grant. The average expected life represents the period of time that option grants are expected to be outstanding. The risk-free rate is based on the rate of U.S. Treasury zero-coupon issues with a remaining term equal to the expected life of option grants. The assumptions used in the Black-Scholes single option pricing model for 2019 were as follows. No options were granted in 2021 and 2020.

	Year Ended December 31		
	2021	2020	2019
Dividend yield	—%	—%	3%
Risk-free interest rate	—%	—%	2%
Stock volatility	—%	—%	22%
Average expected life (years)	0	0	6

A summary of option activity during 2021 is presented below:

	Shares	Weighted-Average Exercise Price
	(In thousands, except per share amounts)	
Shares under option at December 31, 2020	6,269	\$37.40
Granted	—	0.00
Exercised	(1,683)	37.98
Forfeited or expired	(2)	27.65
Shares under option at December 31, 2021	4,584	\$37.20
Exercisable at December 31, 2021	4,584	\$37.20

The weighted-average remaining contractual term of options outstanding and exercisable at December 31, 2021, is 3 years and 3 years, respectively. The aggregate intrinsic value of options outstanding and exercisable at December 31, 2021, is \$126 million and \$126 million, respectively. The weighted-average grant-date fair values of options granted during the year ended December 31, 2019 was \$7.88. The total intrinsic values of options exercised during the years ended December 31, 2021, 2020, and 2019, were \$37 million, \$32 million, and \$15 million, respectively. Cash proceeds received from options exercised during the years ended December 31, 2021, 2020, and 2019, were \$64 million, \$49 million, and \$27 million, respectively.

At December 31, 2021, unrecognized compensation expense related to option grants to be recognized as compensation expense during the next year was immaterial.

The Company's 2020 Incentive Compensation Plan provides for the granting of restricted stock and restricted stock units (Restricted Stock Awards) at no cost to certain officers and key employees. In addition, the Company's 2020 Incentive Compensation Plan also provides for the granting of performance stock units (PSUs) at no cost to certain officers and key employees. Restricted Stock Awards are made in common stock or stock units with equivalent rights and vest at the end of a restriction period of three years. The awards for PSUs are made in common stock units and vest at the end of a vesting period of three years subject to the attainment of certain future service and performance criteria based on the Company's adjusted return on invested capital (ROIC), adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA), and total shareholder return (TSR). During the years ended December 31, 2021, 2020, and 2019, 2.7 million, 2.7 million, and 2.6 million common stock or stock units, respectively, were granted as Restricted Stock Awards and PSUs. At December 31, 2021, there were 16.8 million shares available for future grants pursuant to the 2020 plan.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 11. Stock Compensation (Continued)

The fair value of Restricted Stock Awards is determined based on the market value of the Company's shares on the grant date. The fair value of PSUs is based on the weighted-average values of adjusted ROIC, adjusted EBITDA, and TSR. The adjusted ROIC and adjusted EBITDA fair value is determined based on the market value of the Company's shares on the grant date while the TSR fair value is determined using the Monte Carlo simulation. The weighted-average grant-date fair values of awards granted during the years ended December 31, 2021, 2020, and 2019 were \$53.28, \$45.59, and \$42.11, respectively.

A summary of Restricted Stock Awards and PSUs activity during 2021 is presented below:

	Restricted Stock Awards and PSUs	Weighted Average Grant-Date Fair Value
	(In thousands, except per share amounts)	
Non-vested at December 31, 2020	7,372	\$43.56
Granted	2,730	53.28
Vested	(2,798)	43.09
Forfeited	(169)	52.17
Non-vested at December 31, 2021	<u>7,135</u>	<u>\$47.27</u>

At December 31, 2021, there was \$99 million of total unrecognized compensation expense related to Restricted Stock Awards and PSUs. Amounts to be recognized as compensation expense during the next three years are \$65 million, \$31 million, and \$3 million, respectively. The total grant-date fair value of Restricted Stock Awards that vested during the year ended December 31, 2021 was \$121 million.

Compensation expense for option grants, Restricted Stock Awards, and PSUs granted to employees is generally recognized on a straight-line basis during the service period of the respective grant. Certain of the Company's option grants, Restricted Stock Awards, and PSUs continue to vest upon the recipient's retirement from the Company and compensation expense related to option grants and Restricted Stock Awards granted to retirement-eligible employees is recognized in earnings on the date of grant. Compensation expense for PSUs is based on the probability of meeting the performance criteria. The Company recognizes forfeitures as they occur.

Total compensation expense for option grants, Restricted Stock Awards, and PSUs recognized during the years ended December 31, 2021, 2020, and 2019 was \$161 million, \$151 million, and \$89 million, respectively. Changes in incentive compensation expense are primarily caused by the level of attainment of the PSU performance criteria described above.

Note 12. Other (Income) Expense – Net

The following table sets forth the items in other (income) expense:

(In millions)	Year Ended December 31		
	2021	2020	2019
(Gain) loss on sales of assets and businesses	\$ (100)	\$ (138)	\$ 39
Pension settlement	83	—	—
Other – net	(77)	(117)	(28)
	<u>\$ (94)</u>	<u>\$ (255)</u>	<u>\$ 11</u>

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 12. Other (Income) Expense – Net (Continued)

Individually significant items included in the table above are:

Gains on sales of assets for the year ended December 31, 2021 consisted of gains on the sale of the Company's ethanol production complex in Peoria, Illinois of \$22 million, the sale of certain other assets, and disposals of individually insignificant assets in the ordinary course of business. Gain on sales of assets for the year ended December 31, 2020 included a gain on the sale of a portion of the Company's shares in Wilmar and net gains on the sale of certain other assets and disposals of individually insignificant assets in the ordinary course of business. Gain (loss) on sales of assets for the year ended December 31, 2019 included a loss on the sale of the Company's equity investment in CIP, partially offset by gains on the sale of certain other assets, and step-up gains on equity investments. Pension settlement for the year ended December 31, 2021 was related to the purchase of group annuity contracts that irrevocably transferred the future benefit obligations and annuity administration for certain salaried and hourly retirees and terminated vested participants under the Company's ADM Retirement Plan and ADM Pension Plan for Hourly-Wage Employees to independent third parties.

Realized gains and losses on sales of available-for-sale marketable securities were immaterial for all periods presented.

Other - net for the year ended December 31, 2021 included the non-service components of net pension benefit income of \$16 million, foreign exchange gains, and other income. Other - net for the year ended December 31, 2020 included the non-service components of net pension benefit income of \$33 million, foreign exchange gains, and other income. Other - net for the year ended December 31, 2019 included the non-service components of net pension benefit income of \$15 million and other income, partially offset by foreign exchange losses.

Note 13. Income Taxes

The following table sets forth the geographic split of earnings before income taxes:

(In millions)	Year Ended December 31		
	2021	2020	2019
United States	\$ 2,140	\$ 442	\$ 756
Foreign	1,173	1,441	832
	<u>\$ 3,313</u>	<u>\$ 1,883</u>	<u>\$ 1,588</u>

Significant components of income taxes are as follows:

(In millions)	Year Ended December 31		
	2021	2020	2019
Current			
Federal	\$ 404	\$ (164)	\$ 37
State	79	4	11
Foreign	224	186	181
Deferred			
Federal	(59)	41	47
State	(12)	(10)	1
Foreign	(58)	44	(68)
	<u>\$ 578</u>	<u>\$ 101</u>	<u>\$ 209</u>

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 13. Income Taxes (Continued)

Significant components of deferred tax liabilities and assets are as follows:

	December 31, 2021	December 31, 2020
	(In millions)	
Deferred tax liabilities		
Property, plant, and equipment	\$ 875	\$ 903
Intangibles	403	334
Right of use assets	214	223
Equity in earnings of affiliates	153	64
Inventory reserves	29	25
Debt exchange	53	53
Reserves and other accruals	65	195
Other	185	173
	<u>\$ 1,977</u>	<u>\$ 1,970</u>
Deferred tax assets		
Pension and postretirement benefits	\$ 137	\$ 163
Lease liabilities	220	227
Stock compensation	53	80
Foreign tax loss carryforwards	465	470
Capital loss carryforwards	74	70
State tax attributes	21	79
Reserves and other accruals	158	42
Other	44	136
Gross deferred tax assets	<u>1,172</u>	<u>1,267</u>
Valuation allowances	<u>(281)</u>	<u>(339)</u>
Net deferred tax assets	<u>\$ 891</u>	<u>\$ 928</u>
Net deferred tax liabilities	\$ 1,086	\$ 1,042
The net deferred tax liabilities are classified as follows:		
Noncurrent assets	\$ 27	\$ —
Noncurrent assets (foreign)	299	260
Noncurrent liabilities	(1,079)	(957)
Noncurrent liabilities (foreign)	(333)	(345)
	<u>\$ (1,086)</u>	<u>\$ (1,042)</u>

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 13. Income Taxes (Continued)

Reconciliation of the statutory federal income tax rate to the Company's effective income tax rate on earnings is as follows:

	Year Ended December 31		
	2021	2020	2019
Statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal tax benefit	1.5	(0.3)	0.6
Foreign earnings taxed at rates other than the U.S. statutory rate	(3.9)	(4.5)	(0.9)
Foreign currency effects/remasurement	—	(1.1)	0.7
Income tax adjustment to filed returns	0.7	(0.4)	0.2
Tax benefit on U.S. biodiesel credits	(1.9)	(3.3)	(7.5)
Tax benefit on U.S. railroad credits	(2.0)	(8.0)	(3.6)
Tax on Global Intangible Low Taxed Income (GILTI)	1.1	2.9	1.4
Tax benefit on Foreign Derived Intangible Income Deduction (FDII)	(0.5)	(0.1)	—
Valuation allowances	0.7	—	—
Other	0.7	(0.8)	1.3
Effective income tax rate	17.4 %	5.4 %	13.2 %

The effective tax rates for 2021, 2020, and 2019 were impacted by the geographic mix of earnings and U.S. tax credits, including the biodiesel tax credit and the railroad maintenance tax credit.

The foreign rate differential was primarily due to lower tax rates from the Company's operations in Switzerland, Asia, and the Caribbean. The Company's foreign earnings, which were taxed at rates lower than the U.S. rate and generated from these jurisdictions, were 64%, 59%, and 61% of its foreign earnings before taxes in fiscal years 2021, 2020, and 2019, respectively.

Undistributed earnings of the Company's foreign subsidiaries and corporate joint ventures were approximately \$12.7 billion at December 31, 2021. Because these undistributed earnings continue to be indefinitely reinvested in foreign operations, no income taxes, other than the transition tax, the U.S. tax on undistributed Subpart F, and the minimum tax on GILTI, have been provided after the Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. It is not practicable to determine the amount of unrecognized deferred tax liability related to any remaining undistributed earnings of foreign subsidiaries and corporate joint ventures not subject to the transition tax.

The Company has elected to pay the one-time transition tax on accumulated foreign earnings over eight years. As of December 31, 2021, the Company's remaining transition tax liability was \$140 million, which will be paid in installments through 2025.

The Company incurred U.S. taxable income of \$244 million, \$259 million, and \$105 million related to GILTI and deducted \$87 million, \$12 million, and \$1 million related to FDII in fiscal years 2021, 2020, and 2019 respectively. The Company made an accounting policy election to treat GILTI as a period cost. The Company has recorded and will continue to record the impact of tax reform items as U.S. tax authorities issue Treasury Regulations and other guidance addressing tax reform-related changes. The additional guidance, along with the potential for additional global tax legislation changes, may affect significant deductions and income inclusions and could have a material adverse effect on the Company's net income or cash flow.

The Company had \$465 million and \$470 million of tax assets related to net operating loss carry-forwards of certain international subsidiaries at December 31, 2021 and 2020, respectively. As of December 31, 2021, approximately \$359 million of these assets have no expiration date, and the remaining \$106 million expire at various times through fiscal 2031. The annual usage of certain of these assets is limited to a percentage of taxable income of the respective foreign subsidiary for the year. The Company has recorded a valuation allowance of \$200 million and \$197 million against these tax assets at December 31, 2021 and 2020, respectively, due to the uncertainty of their realization.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 13. Income Taxes (Continued)

The Company had \$74 million and \$70 million of tax assets related to foreign capital loss carryforwards at December 31, 2021 and 2020, respectively. The Company has recorded a valuation allowance of \$74 million and \$70 million against these tax assets at December 31, 2021 and 2020, respectively.

The Company had \$21 million and \$79 million of tax assets related to state income tax attributes (incentive credits and net operating loss carryforwards), net of federal tax benefit, at December 31, 2021 and 2020, the majority of which will expire between 2022 and 2026. Due to the uncertainty of realization, the Company recorded a valuation allowance of \$13 million and \$72 million related to state income tax assets net of federal tax benefit as of December 31, 2021 and 2020, respectively. The change in the valuation allowance was related to the expiration of certain state income tax attributes which were fully reserved in prior years.

The Company remains subject to federal examination in the U.S. for the calendar tax years 2016 through 2021.

The following table sets forth a rollforward of activity of unrecognized tax benefits for the year ended December 31, 2021 and 2020 as follows:

	Unrecognized Tax Benefits	
	December 31, 2021	December 31, 2020
	(In millions)	
Beginning balance	\$ 151	\$ 130
Additions related to current year's tax positions	7	2
Additions related to prior years' tax positions	15	37
Additions (adjustments) related to acquisitions	—	(1)
Reductions related to prior years' tax positions	—	(3)
Reductions related to lapse of statute of limitations	(9)	(9)
Settlements with tax authorities	(7)	(5)
Ending balance	<u>\$ 157</u>	<u>\$ 151</u>

The additions and reductions in unrecognized tax benefits shown in the table included effects related to net income and shareholders' equity. The changes in unrecognized tax benefits did not have a material effect on the Company's net income or cash flow. At December 31, 2021 and 2020, the Company had accrued interest and penalties on unrecognized tax benefits of \$39 million and \$33 million, respectively.

The Company is subject to income taxation and routine examinations in many jurisdictions around the world and frequently faces challenges regarding the amount of taxes due. These challenges include positions taken by the Company related to the timing, nature, and amount of deductions and the allocation of income among various jurisdictions. In its routine evaluations of the exposure associated with various tax filing positions, the Company recognizes a liability, when necessary, for estimated potential tax owed by the Company in accordance with applicable accounting standards. Resolution of the related tax positions, through negotiations with relevant tax authorities or through litigation, may take years to complete. Therefore, it is difficult to predict the timing for resolution of tax positions and the Company cannot predict or provide assurance as to the ultimate outcome of these ongoing or future examinations. However, the Company does not anticipate that the total amount of unrecognized tax benefits will increase or decrease significantly in the next twelve months. Given the long periods of time involved in resolving tax positions, the Company does not expect that the recognition of unrecognized tax benefits will have a material impact on the Company's effective income tax rate in any given period. If the total amount of unrecognized tax benefits were recognized by the Company at one time, there would be a reduction of \$157 million on the tax expense for that period.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 13. Income Taxes (Continued)

The Company's subsidiary in Argentina, ADM Agro SRL (formerly ADM Argentina SA and Alfred C. Toepfer Argentina SRL), received tax assessments challenging transfer prices used to price grain exports for the tax years 1999 through 2011 and 2014. As of December 31, 2021, these assessments totaled \$8 million in tax and up to \$38 million in interest (adjusted for variation in currency exchange rates). The Argentine tax authorities conducted a review of income and other taxes paid by large exporters and processors of cereals and other agricultural commodities resulting in allegations of income tax evasion. The Company strongly believes that it has complied with all Argentine tax laws. To date, the Company has not received assessments for closed years subsequent to 2014. While the statute of limitations has expired for tax years 2012 and 2013, the Company cannot rule out receiving additional assessments challenging transfer prices used to price grain exports for years subsequent to 2013, and estimates that these potential assessments could be approximately \$60 million in tax and \$40 million in interest (adjusted for variation in currency exchange rates as of December 31, 2021). The Company believes that it has appropriately evaluated the transactions underlying these assessments, and has concluded, based on Argentine tax law, that its tax position would be sustained, and accordingly, has not recorded a tax liability for these assessments. In accordance with the accounting requirements for uncertain tax positions, the Company has not recorded an unrecognized tax liability for this assessment because it has concluded that it is more likely than not to prevail on the matter based upon its technical merits and because the taxing jurisdiction's process does not provide a mechanism for settling at less than the full amount of the assessment. The Company intends to vigorously defend its position against the current assessments and any similar assessments that may be issued for years subsequent to 2013.

In 2014, the Company's wholly-owned subsidiary in the Netherlands, ADM Europe B.V., received a tax assessment from the Netherlands tax authority challenging the transfer pricing aspects of a 2009 business reorganization, which involved two of its subsidiary companies in the Netherlands. As of December 31, 2021, this assessment was \$92 million in tax and \$33 million in interest (adjusted for variation in currency exchange rates). On April 23, 2020, the court issued an unfavorable ruling and in October 2020, assigned a third party expert to establish a valuation by early 2021. During the second quarter of 2021, the third party expert issued a final valuation. The Company expects the court to issue a ruling on this matter in the second quarter of 2022. Subsequent appeals may take an extended period of time and could result in additional financial impacts of up to the entire amount of the assessment. The Company has carefully evaluated the underlying transactions and has concluded that the amount of gain recognized on the reorganization for tax purposes was appropriate. As of December 31, 2021, the Company has accrued its best estimate of what it believes will be the likely outcome of the litigation and will vigorously defend its position against the assessment.

Note 14. Leases

Lessee Accounting

The Company leases certain transportation equipment, plant equipment, office equipment, land, buildings, and storage facilities. Most leases include options to renew, with renewal terms that can extend the lease term from 1 month to 49 years. The renewal options are not included in the measurement of the right of use assets and lease liabilities unless the Company is reasonably certain to exercise the optional renewal periods. Certain leases also include index and non-index escalation clauses and options to purchase the leased property. Leases accounted for as finance leases were immaterial at December 31, 2021.

As an accounting policy election, the Company does not apply the recognition requirements of Topic 842 to short-term leases in all of its underlying asset categories. The Company recognizes short-term lease payments in earnings on a straight-line basis over the lease term, and variable lease payments in the period in which the obligation for those payments is incurred. The Company also combines lease and non-lease contract components in all of its underlying asset categories as an accounting policy election.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 14. Leases (Continued)

The following table sets forth the amounts relating to the Company's total lease cost and other information.

	Year Ended	
	December 31, 2021	December 31, 2020
	(In millions)	
Lease cost:		
Operating lease cost	\$ 336	\$ 315
Short-term lease cost	117	101
Total lease cost	<u>\$ 453</u>	<u>\$ 416</u>
Other information:		
Operating lease liability principal payments	\$ 325	\$ 302
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 197	\$ 314
	December 31, 2021	December 31, 2020
Weighted-average remaining lease term - operating leases (in years)	6	7
Weighted average discount rate - operating leases	3.8 %	4.2 %

Below is a tabular disclosure of the future annual undiscounted cash flows for operating lease liabilities as of December 31, 2021.

	Undiscounted Cash Flows
	(In millions)
2022	\$ 310
2023	259
2024	194
2025	126
2026	68
Thereafter	225
Total	<u>1,182</u>
Less interest ⁽¹⁾	<u>(140)</u>
Lease liability	\$ 1,042

⁽¹⁾ Calculated using the implicit rate of the lease, if available, or the incremental borrowing rate that is appropriate for the tenor and geography of the lease.

Note 15. Employee Benefit Plans

The Company provides substantially all U.S. employees and employees at certain foreign subsidiaries with retirement benefits including defined benefit pension plans and defined contribution plans. The Company provides certain eligible U.S. employees who retire under qualifying conditions with subsidized postretirement health care coverage or Health Care Reimbursement Accounts.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 15. Employee Benefit Plans (Continued)

In 2021, the Company amended the ADM Retirement Plan and the ADM Pension Plan for Hourly-Wage Employees (collectively, the “Plans”) and entered into two binding agreements to purchase: (1) a group annuity contract from Principal Life Insurance Company (“Principal”) and (2) two group annuity contracts, separately from American General Life Insurance Company (“AGL”) and from AGL’s affiliate, The United States Life Insurance Company in the City of New York (“USL”), irrevocably transferring the future benefit obligations and annuity administration for approximately 6,000 retirees and terminated vested participants from the Plans to Principal, AGL, and USL. The purchase of the group annuity contracts was funded directly by the Plans’ assets and reduced the Company’s pension obligations by approximately \$0.7 billion. As a result of the transactions, the Company recognized a non-cash pretax pension settlement charge of \$83 million for the year ended December 31, 2021.

In April 2019, the Company announced an enhanced early retirement program for some eligible employees in the U.S. and Canada. As a result, the Company recognized a pension remeasurement charge of \$48 million in the second quarter of 2019. Employees electing to retire early were also given the option to receive their benefit in the form of a lump sum payment which resulted in a pension settlement charge of \$51 million during the second half of 2019.

On July 31, 2017, the Company announced that all participants in the Company’s U.S. salaried pension plan and the Supplemental Executive Retirement Plan (SERP) will begin accruing benefits under the cash balance formula effective January 1, 2022. Benefits for participants who were accruing under the final average pay formula were frozen as of December 31, 2021, including pay and service through that date.

The Company maintains 401(k) plans covering substantially all U.S. employees. The Company contributes cash to the plans to match qualifying employee contributions, and also provides a non-matching employer contribution of 1% of pay to eligible participants. Under an employee stock ownership component of the 401(k) plans, employees may choose to invest in the Company’s stock as part of their own investment elections. The employer contributions are expensed when paid. Assets of the Company’s 401(k) plans consist primarily of listed common stocks and pooled funds. The Company’s 401(k) plans held 6.5 million shares of Company common stock at December 31, 2021, with a market value of \$441 million. Cash dividends received on shares of Company common stock by these plans during the year ended December 31, 2021 were \$10 million.

The following table sets forth the components of retirement plan expense for the years ended December 31, 2021, 2020, and 2019:

(In millions)	Pension Benefits			Postretirement Benefits		
	Year Ended December 31			Year Ended December 31		
	2021	2020	2019	2021	2020	2019
Retirement plan expense						
Defined benefit plans:						
Service cost (benefits earned during the period)	\$ 64	\$ 61	\$ 58	\$ 1	\$ 1	\$ 2
Interest cost	48	70	82	2	4	5
Expected return on plan assets	(95)	(126)	(115)	—	—	—
Settlement charges	83	—	96	—	—	3
Amortization of actuarial loss	33	38	26	6	6	4
Amortization of prior service cost (credit)	(20)	(19)	(19)	(2)	(13)	(15)
Net periodic defined benefit plan expense	113	24	128	7	(2)	(1)
Defined contribution plans	61	54	58	—	—	—
Total retirement plan expense	\$ 174	\$ 78	\$ 186	\$ 7	\$ (2)	\$ (1)

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 15. Employee Benefit Plans (Continued)

The following tables set forth changes in the defined benefit obligation and the fair value of defined benefit plan assets for the years ended December 31, 2021 and 2020:

	Pension Benefits		Postretirement Benefits	
	December 31 2021	December 31 2020	December 31 2021	December 31 2020
	(In millions)		(In millions)	
Benefit obligation, beginning	\$ 3,014	\$ 2,650	\$ 173	\$ 167
Service cost	64	61	1	1
Interest cost	48	70	2	4
Actuarial loss (gain)	(152)	285	(5)	17
Employee contributions	2	2	—	—
Settlements	(715)	(17)	—	—
Benefits paid	(51)	(84)	(17)	(14)
Foreign currency effects	(32)	47	—	(2)
Benefit obligation, ending	<u>\$ 2,178</u>	<u>\$ 3,014</u>	<u>\$ 154</u>	<u>\$ 173</u>
Fair value of plan assets, beginning	\$ 2,337	\$ 2,018	\$ —	\$ —
Actual return on plan assets	146	317	—	—
Employer contributions	30	85	17	14
Employee contributions	2	2	—	—
Settlements	(715)	(18)	—	—
Benefits paid	(51)	(84)	(17)	(14)
Foreign currency effects	(7)	17	—	—
Fair value of plan assets, ending	<u>\$ 1,742</u>	<u>\$ 2,337</u>	<u>\$ —</u>	<u>\$ —</u>
Funded status	<u>\$ (436)</u>	<u>\$ (677)</u>	<u>\$ (154)</u>	<u>\$ (173)</u>
Prepaid benefit cost	\$ 121	\$ 29	\$ —	\$ —
Accrued benefit liability – current	(18)	(19)	(15)	(16)
Accrued benefit liability – long-term	(539)	(687)	(139)	(157)
Net amount recognized in the balance sheet	<u>\$ (436)</u>	<u>\$ (677)</u>	<u>\$ (154)</u>	<u>\$ (173)</u>

The actuarial gain in the pension plans in 2021 is primarily due to increases in the global bond yields while the actuarial loss in the pension plans in 2020 is primarily due to declines in the global bond yields.

The Company uses the corridor approach when amortizing actuarial losses. Under the corridor approach, net unrecognized actuarial losses in excess of 10% of the greater of the projected benefit obligation or the market related value of plan assets are amortized over future periods. For plans with little to no active participants, the amortization period is the remaining average life expectancy of the participants. For plans with active participants, the amortization period is the remaining average service period of the active participants. The amortization periods range from 2 to 28 years for the Company's defined benefit pension plans and from 6 to 21 years for the Company's postretirement benefit plans.

Included in AOCI for pension benefits at December 31, 2021, are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service credit of \$94 million and unrecognized actuarial loss of \$314 million.

Included in AOCI for postretirement benefits at December 31, 2021, are the following amounts that have not yet been recognized in net periodic postretirement benefit cost: unrecognized prior service cost of \$1 million and unrecognized actuarial loss of \$46 million.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 15. Employee Benefit Plans (Continued)

The following table sets forth the principal assumptions used in developing net periodic benefit cost:

	Pension Benefits		Postretirement Benefits	
	December 31 2021	December 31 2020	December 31 2021	December 31 2020
Discount rate	2.3%	2.9%	2.3%	3.2%
Expected return on plan assets	6.0%	6.6%	N/A	N/A
Rate of compensation increase	4.8%	4.9%	N/A	N/A
Interest crediting rate	2.0%	2.2%	N/A	N/A

The following table sets forth the principal assumptions used in developing the year-end actuarial present value of the projected benefit obligations:

	Pension Benefits		Postretirement Benefits	
	December 31 2021	December 31 2020	December 31 2021	December 31 2020
Discount rate	2.5 %	2.3 %	2.7%	2.3%
Rate of compensation increase	4.2 %	4.8 %	N/A	N/A
Interest crediting rate	1.9 %	2.0 %	N/A	N/A

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plans with projected benefit obligations in excess of plan assets were \$1.7 billion, \$1.6 billion, and \$1.2 billion, respectively, as of December 31, 2021, and \$2.6 billion, \$2.5 billion, and \$1.9 billion, respectively, as of December 31, 2020. The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were \$1.7 billion, \$1.6 billion, and \$1.2 billion, respectively, as of December 31, 2021 and \$2.6 billion, \$2.5 billion, and \$1.9 billion, respectively, as of December 31, 2020. The accumulated benefit obligation for all pension plans as of December 31, 2021 and 2020, was \$2.1 billion and \$2.9 billion, respectively.

For postretirement benefit measurement purposes, a 6.1% annual rate of increase in the per capita cost of covered health care benefits was assumed for the year ended December 31, 2021. The rate was assumed to decrease gradually to 4.5% by 2031 and remain at that level thereafter.

Plan Assets

The Company's employee benefit plan assets are principally comprised of the following types of investments:

Common stock:

Equity securities are valued based on quoted exchange prices and are classified within Level 1 of the valuation hierarchy.

Mutual funds:

Mutual funds are valued at the closing price reported on the active market on which they are traded and are classified within Level 1 of the valuation hierarchy.

Common collective trust (CCT) funds:

The fair values of the CCTs are valued using net asset value (NAV). The investments in CCTs are comprised of U.S. and international equity, fixed income, and other securities. The investments are valued at NAV provided by administrators of the funds.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 15. Employee Benefit Plans (Continued)

Corporate debt instruments:

Corporate debt instruments are valued using third-party pricing services and are classified within Level 2 of the valuation hierarchy.

U.S. Treasury instruments:

U.S. Treasury instruments are valued at the closing price reported on the active market on which they are traded and are classified within Level 1 of the valuation hierarchy.

U.S. government agency, state, and local government bonds:

U.S. government agency obligations and state and municipal debt securities are valued using third-party pricing services and are classified within Level 2 of the valuation hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants' methods, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level within the fair value hierarchy, the fair value of plan assets as of December 31, 2021 and 2020.

Fair Value Measurements at December 31, 2021				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In millions)			
Common stock	\$ 135	\$ —	\$ —	\$ 135
Mutual funds	426	—	—	426
Corporate bonds	—	304	—	304
U.S. Treasury instruments	226	—	—	226
U.S. government agency, state and local government bonds	—	3	—	3
Other	—	8	—	8
Total assets	<u>\$ 787</u>	<u>\$ 315</u>	<u>\$ —</u>	<u>\$ 1,102</u>
Common collective trust funds at NAV				
U.S. equity				34
International equity				193
Fixed income				285
Other				128
Total assets at fair value				<u><u>\$ 1,742</u></u>

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 15. Employee Benefit Plans (Continued)

Fair Value Measurements at December 31, 2020				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In millions)			
Common stock	\$ 251	\$ —	\$ —	\$ 251
Mutual funds	666	—	—	666
Corporate bonds	—	328	—	328
U.S. Treasury instruments	345	—	—	345
U.S. government agency, state and local government bonds	—	4	—	4
Other	—	9	—	9
Total assets	\$ 1,262	\$ 341	\$ —	\$ 1,603
Common collective trust funds at NAV				
U.S. equity				23
International equity				316
Fixed income				245
Other				150
Total assets at fair value				<u>\$ 2,337</u>

Level 3 Gains and Losses:

There are no Plan assets classified as Level 3 in the fair value hierarchy; therefore there are no gains or losses associated with Level 3 assets.

The following table sets forth the actual asset allocation for the Company's global pension plan assets as of the measurement date:

	December 31 2021 ⁽¹⁾⁽²⁾	December 31 2020 ⁽²⁾
Equity securities	47%	54%
Debt securities	44%	35%
Other	9%	11%
Total	<u>100%</u>	<u>100%</u>

⁽¹⁾ The Company's U.S. pension plans contain approximately 64% of the Company's global pension plan assets. The actual asset allocation for the Company's U.S. pension plans as of the measurement date consists of 50% equity securities and 50% debt securities. The target asset allocation for the Company's U.S. pension plans is approximately the same as the actual asset allocation. The actual asset allocation for the Company's foreign pension plans as of the measurement date consists of 41% equity securities, 17% debt securities, and 42% other. The target asset allocation for the Company's foreign pension plans is approximately the same as the actual asset allocation.

⁽²⁾ The Company's pension plans did not directly hold any shares of Company common stock as of the December 31, 2021 and 2020 measurement dates.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 15. Employee Benefit Plans (Continued)

Investment objectives for the Company's plan assets are to:

- Optimize the long-term return on plan assets at an acceptable level of risk.
- Maintain a broad diversification across asset classes and among investment managers.
- Maintain careful control of the risk level within each asset class.

Asset allocation targets promote optimal expected return and volatility characteristics given the long-term time horizon for fulfilling the obligations of the pension plans. Selection of the targeted asset allocation for plan assets was based upon a review of the expected return and risk characteristics of each asset class, as well as the correlation of returns among asset classes. The U.S. pension plans target asset allocation is also based on an asset and liability study that is updated periodically.

Investment guidelines are established with each investment manager. These guidelines provide the parameters within which the investment managers agree to operate, including criteria that determine eligible and ineligible securities, diversification requirements, and credit quality standards, where applicable. In some countries, derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of underlying investments.

The Company uses external consultants to assist in monitoring the investment strategy and asset mix for the Company's plan assets. To develop the Company's expected long-term rate of return assumption on plan assets, the Company generally uses long-term historical return information for the targeted asset mix identified in asset and liability studies. Adjustments are made to the expected long-term rate of return assumption when deemed necessary based upon revised expectations of future investment performance of the overall investment markets.

Contributions and Expected Future Benefit Payments

Based on actuarial calculations, the Company expects to contribute \$28 million to the pension plans and \$15 million to the postretirement benefit plan during 2022. The Company may elect to make additional discretionary contributions during this period.

The following benefit payments, which reflect expected future service, are expected to be paid by the benefit plans:

	Pension Benefits		Postretirement Benefits
		(In millions)	
2022	\$	57	\$ 15
2023		62	14
2024		67	13
2025		73	13
2026		80	11
2027-2031		474	46

Note 16. Shareholders' Equity

The Company has authorized one billion shares of common stock and 500,000 shares of preferred stock, each with zero par value. No preferred stock has been issued. At December 31, 2021 and 2020, the Company had approximately 156.6 million shares and 160.0 million shares, respectively, of its common shares in treasury. Treasury stock of \$5.1 billion and \$5.2 billion at December 31, 2021 and 2020, respectively, is recorded at cost as a reduction of common stock, and treasury stock of \$0.3 billion at December 31, 2021 and 2020 is recorded at cost as a reduction of retained earnings.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 16. Shareholders' Equity (Continued)

The following tables set forth the changes in AOCI by component and the reclassifications out of AOCI for the years ended December 31, 2021 and 2020:

	Foreign Currency Translation Adjustment	Deferred Gain (Loss) on Hedging Activities	Pension and Other Postretirement Benefit Liabilities Adjustment	Unrealized Gain (Loss) on Investments	Accumulated Other Comprehensive Income (Loss)
	(In millions)				
Balance at December 31, 2019	\$ (2,152)	\$ (12)	\$ (268)	\$ 27	\$ (2,405)
Other comprehensive income before reclassifications	29	209	(120)	(27)	91
Gain (loss) on net investment hedges	(398)	—	—	—	(398)
Amounts reclassified from AOCI	—	45	7	—	52
Tax effect	97	(57)	16	—	56
Net of tax amount	(272)	197	(97)	(27)	(199)
Balance at December 31, 2020	\$ (2,424)	\$ 185	\$ (365)	\$ —	\$ (2,604)
Other comprehensive income before reclassifications	(119)	507	190	(2)	576
Gain (loss) on net investment hedges	398	—	—	—	398
Amounts reclassified from AOCI	—	(474)	99	—	(375)
Tax effect	(103)	7	(71)	—	(167)
Net of tax amount	176	40	218	(2)	432
Balance at December 31, 2021	\$ (2,248)	\$ 225	\$ (147)	\$ (2)	\$ (2,172)

The change in foreign currency translation adjustment in 2021 and 2020 is primarily due to net investment hedges as discussed in Note 5.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 16. Shareholders' Equity (Continued)

Details about AOCI components	Amounts reclassified from AOCI Year Ended December 31			Affected line item in the consolidated statement of earnings
	2021	2020	2019	
	(In millions)			
<u>Foreign currency translation adjustment</u>	\$ —	\$ —	\$ 7	Other income/expense
	—	—	—	Tax
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 7</u>	Net of tax
 <u>Deferred loss (gain) on hedging activities</u>				
	\$ (490)	\$ (27)	\$ 11	Cost of products sold
	—	2	46	Other income/expense
	—	2	(1)	Interest expense
	<u>16</u>	<u>68</u>	<u>44</u>	Revenues
	<u>(474)</u>	<u>45</u>	<u>100</u>	Total before tax
	<u>118</u>	<u>7</u>	<u>(13)</u>	Tax on reclassifications
	<u>\$ (356)</u>	<u>\$ 52</u>	<u>\$ 87</u>	Net of tax
 <u>Pension liability adjustment</u>				
Amortization of defined benefit pension items:				
Prior service losses (credit)	\$ (77)	\$ (32)	\$ (26)	Other (income) expense - net
Actuarial losses	<u>176</u>	<u>39</u>	<u>17</u>	Other (income) expense - net
	<u>99</u>	<u>7</u>	<u>(9)</u>	Total before tax
	<u>(26)</u>	<u>(11)</u>	<u>18</u>	Tax on reclassifications
	<u>\$ 73</u>	<u>\$ (4)</u>	<u>\$ 9</u>	Net of tax
 <u>Unrealized loss (gain) on investments</u>				
	\$ —	\$ —	\$ (1)	Other income/expense
	—	—	—	Tax on reclassifications
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (1)</u>	Net of tax

The Company's accounting policy is to release the income tax effects from AOCI when the individual units of account are sold, terminated, or extinguished.

Note 17. Segment and Geographic Information

The Company's operations are organized, managed, and classified into three reportable business segments: Ag Services and Oilseeds, Carbohydrate Solutions, and Nutrition. Each of these segments is organized based upon the nature of products and services offered. The Company's remaining operations are not reportable segments, as defined by the applicable accounting standard, and are classified as Other Business.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 17. Segment and Geographic Information (Continued)

The Ag Services and Oilseeds segment includes global activities related to the origination, merchandising, transportation, and storage of agricultural raw materials, and the crushing and further processing of oilseeds such as soybeans and soft seeds (cottonseed, sunflower seed, canola, rapeseed, and flaxseed) into vegetable oils and protein meals. Oilseeds products produced and marketed by the segment include ingredients for food, feed, energy, and industrial customers. Crude vegetable oils produced by the segment's crushing activities are sold "as is" to manufacturers of renewable green diesel and other customers or are further processed by refining, blending, bleaching, and deodorizing into salad oils. Salad oils are sold "as is" or are further processed by hydrogenating and/or interesterifying into margarine, shortening, and other food products. Partially refined oils are used to produce biodiesel and glycols or are sold to other manufacturers for use in chemicals, paints, and other industrial products. Oilseed protein meals are principally sold to third parties to be used as ingredients in commercial livestock and poultry feeds. The Ag Services and Oilseeds segment is also a major supplier of peanuts and peanut-derived ingredients to both the U.S. and export markets. In North America, cotton cellulose pulp is manufactured and sold to the chemical, paper, and other industrial markets. The Ag Services and Oilseeds segment's grain sourcing, handling, and transportation network (including barge, ocean-going vessel, truck, rail, and container freight services) provides reliable and efficient services to the Company's customers and agricultural processing operations. The Ag Services and Oilseeds segment also includes agricultural commodity and feed product import, export, and global distribution, and structured trade finance activities. Structured trade finance's activities include programs under which ADM prepays financial institutions, on a discounted basis, U.S. dollar-denominated letters of credit based on underlying commodity trade flows. This segment also includes the Company's share of the results of its equity investment in Wilmar and its share of the results of its Pacificor, Stratas Foods LLC, Edible Oils Limited, Olenex, and SoyVen joint ventures. In December 2021, the Company entered into a joint venture with Marathon Petroleum Corp. for the production of soybean oil to supply rapidly growing demand for renewable diesel fuel.

The Carbohydrate Solutions segment is engaged in corn and wheat wet and dry milling and other activities. The Carbohydrate Solutions segment converts corn and wheat into products and ingredients used in the food and beverage industry including sweeteners, corn and wheat starches, syrup, glucose, wheat flour, and dextrose. Dextrose and starch are used by the Carbohydrate Solutions segment as feedstocks in other downstream processes. By fermentation of dextrose, the Carbohydrate Solutions segment produces alcohol and other food and animal feed ingredients. Ethyl alcohol is produced by the Company for industrial use in products such as hand sanitizers and ethanol for use in gasoline due to its ability to increase octane as an extender and oxygenate. Corn gluten feed and meal, as well as distillers' grains, are produced for use as animal feed ingredients. Corn germ, a by-product of the wet milling process, is further processed into vegetable oil and protein meal. Other Carbohydrate Solutions products include citric acids which are used in various food and industrial products. The Carbohydrate Solutions segment has announced various memorandums of understanding with potential strategic partners leveraging our core production capabilities and carbon sequestration experience to facilitate the production of low carbon, bio-based products such as sustainable aviation fuel and innovative renewable chemicals. This segment also includes the Company's share of the results of its equity investments in Hungrana Ltd., Almidones Mexicanos S.A., Red Star Yeast Company, LLC, and Aston Foods and Food Ingredients. In November 2021, the Company sold its ethanol production complex in Peoria, Illinois.

The Nutrition segment serves various end markets including food, beverages, nutritional supplements, and feed and premix for livestock, aquaculture, and pet food. The segment engages in the manufacturing, sale, and distribution of a wide array of ingredients and solutions including plant-based proteins, natural flavors, flavor systems, natural colors, emulsifiers, soluble fiber, polyols, hydrocolloids, probiotics, prebiotics, enzymes, botanical extracts, and other specialty food and feed ingredients. The Nutrition segment includes the activities related to the procurement, processing, and distribution of edible beans. The segment also includes activities related to the processing and distribution of formula feeds and animal health and nutrition products and the manufacture of contract and private label pet treats and foods. ADM acquired Golden Farm Production & Commerce Company Limited in April 2021, a 75% majority stake in PetDine, Pedigree Ovens, The Pound Bakery, and NutraDine (collectively, "P4"), premier providers of private label pet treats and supplements, in September 2021, U.S.-based Deerland Probiotics & Enzymes, a leader in probiotic, prebiotic, and enzyme technology, in November 2021, Sojaprotein, a leading European provider of non-GMO soy ingredients, in November 2021, and Flavor Infusion International, S.A., a full-range provider of flavor and specialty ingredient solutions for customers across Latin America and the Caribbean, in December 2021.

Other Business includes the Company's financial business units related to futures commission and insurance activities.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 17. Segment and Geographic Information (Continued)

Intersegment sales have been recorded at amounts approximating market. Operating profit for each segment is based on net sales less identifiable operating expenses. Also included in operating profit for each segment is equity in earnings of affiliates based on the equity method of accounting. Specified items included in total segment operating profit and certain corporate items are not allocated to the Company's individual business segments because operating performance of each business segment is evaluated by management exclusive of these items. Corporate results principally include the impact of LIFO-related adjustments, unallocated corporate expenses, interest cost net of interest income, revaluation gains and losses on cost method investments and the share of the results of equity investments in early-stage start-up companies that ADM Ventures has investments in, and the Company's share of the results of its equity investment in CIP, which was sold in December 2019.

Segment Information

(In millions)	Year Ended December 31		
	2021	2020	2019
Gross revenues			
Ag Services and Oilseeds	\$ 70,455	\$ 55,667	\$ 54,633
Carbohydrate Solutions	12,672	9,423	11,154
Nutrition	6,933	5,959	5,786
Other	380	367	352
Intersegment elimination	(5,191)	(7,061)	(7,269)
Total	<u>\$ 85,249</u>	<u>\$ 64,355</u>	<u>\$ 64,656</u>
Intersegment revenues			
Ag Services and Oilseeds	\$ 3,408	\$ 5,951	\$ 5,892
Carbohydrate Solutions	1,562	951	1,268
Nutrition	221	159	109
Total	<u>\$ 5,191</u>	<u>\$ 7,061</u>	<u>\$ 7,269</u>
Revenues from external customers			
Ag Services and Oilseeds			
Ag Services	\$ 45,017	\$ 32,726	\$ 31,705
Crushing	11,368	9,593	9,479
Refined Products and Other	10,662	7,397	7,557
Total Ag Services and Oilseeds	<u>67,047</u>	<u>49,716</u>	<u>48,741</u>
Carbohydrate Solutions			
Starches and Sweeteners	7,611	6,387	6,854
Vantage Corn Processors	3,499	2,085	3,032
Total Carbohydrate Solutions	<u>11,110</u>	<u>8,472</u>	<u>9,886</u>
Nutrition			
Human Nutrition	3,189	2,812	2,745
Animal Nutrition	3,523	2,988	2,932
Total Nutrition	<u>6,712</u>	<u>5,800</u>	<u>5,677</u>
Other	380	367	352
Total	<u>\$ 85,249</u>	<u>\$ 64,355</u>	<u>\$ 64,656</u>

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 17. Segment and Geographic Information (Continued)

(In millions)	Year Ended December 31		
	2021	2020	2019
Depreciation			
Ag Services and Oilseeds	\$ 349	\$ 351	\$ 361
Carbohydrate Solutions	322	305	320
Nutrition	101	114	113
Other	8	6	6
Corporate	27	24	23
Total	<u>\$ 807</u>	<u>\$ 800</u>	<u>\$ 823</u>
Long-lived asset abandonments and write-downs ⁽¹⁾			
Ag Services and Oilseeds	\$ 10	\$ 8	\$ 130
Carbohydrate Solutions	13	—	1
Nutrition	50	13	—
Corporate	—	7	—
Total	<u>\$ 73</u>	<u>\$ 28</u>	<u>\$ 131</u>
Investment income			
Ag Services and Oilseeds	\$ 27	\$ 39	\$ 51
Nutrition	1	2	1
Other	16	40	125
Corporate	52	30	19
Total	<u>\$ 96</u>	<u>\$ 111</u>	<u>\$ 196</u>
Equity in earnings of affiliates			
Ag Services and Oilseeds	\$ 500	\$ 475	\$ 378
Carbohydrate Solutions	70	81	60
Nutrition	24	22	17
Corporate	1	1	(1)
Total	<u>\$ 595</u>	<u>\$ 579</u>	<u>\$ 454</u>

⁽¹⁾ See Note 18 for total asset impairment, exit, and restructuring costs.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 17. Segment and Geographic Information (Continued)

(In millions)	Year Ended December 31		
	2021	2020	2019
Segment Operating Profit			
Ag Services and Oilseeds	\$ 2,775	\$ 2,105	\$ 1,935
Carbohydrate Solutions	1,283	717	644
Nutrition	691	574	418
Other	25	52	85
Specified Items:			
Gains on sales of assets and businesses ⁽¹⁾	77	83	12
Impairment, restructuring, exit, and settlement charges ⁽²⁾	(213)	(76)	(146)
Total segment operating profit	4,638	3,455	2,948
Corporate	(1,325)	(1,572)	(1,360)
Earnings before income taxes	\$ 3,313	\$ 1,883	\$ 1,588

⁽¹⁾ The gains in 2021 were related to the sale of certain ethanol and other assets. The gains in 2020 were related to the sale of a portion of the Company's shares in Wilmar and certain other assets. The gains in 2019 were related to the sale of certain assets and a step-up gain on an equity investment.

⁽²⁾ The charges in 2021 were related to the impairment of certain long-lived assets, goodwill, and other intangibles, restructuring, and a legal settlement. The charges in 2020 were related to the impairment of certain assets, restructuring, and settlement. The charges in 2019 were primarily related to the impairment of certain assets.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 17. Segment and Geographic Information (Continued)

(In millions)	December 31	
	2021	2020
Investments in and advances to affiliates		
Ag Services and Oilseeds	\$ 4,826	\$ 4,402
Carbohydrate Solutions	358	392
Nutrition	56	102
Corporate	45	17
Total	<u>\$ 5,285</u>	<u>\$ 4,913</u>
Identifiable assets		
Ag Services and Oilseeds	\$ 25,976	\$ 24,792
Carbohydrate Solutions	6,238	5,963
Nutrition	10,142	8,652
Other	9,235	7,152
Corporate	4,545	3,160
Total	<u>\$ 56,136</u>	<u>\$ 49,719</u>
(In millions)	Year Ended December 31	
	2021	2020
Gross additions to property, plant, and equipment		
Ag Services and Oilseeds	\$ 451	\$ 261
Carbohydrate Solutions	260	251
Nutrition	242	149
Other	7	8
Corporate	45	30
Total	<u>\$ 1,005</u>	<u>\$ 699</u>

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 17. Segment and Geographic Information (Continued)

Geographic information: The following geographic data include revenues attributed to the countries based on the location of the subsidiary making the sale and long-lived assets based on physical location. Long-lived assets represent the net book value of property, plant, and equipment.

(In millions)	Year Ended December 31		
	2021	2020	2019
Revenues			
United States	\$ 35,396	\$ 25,986	\$ 27,509
Switzerland	18,453	13,819	13,016
Cayman Islands	5,515	3,958	4,374
Brazil	3,213	2,357	2,381
Mexico	2,934	2,244	2,068
United Kingdom	1,848	1,519	1,563
Other Foreign	17,890	14,472	13,745
	<u>\$ 85,249</u>	<u>\$ 64,355</u>	<u>\$ 64,656</u>

(In millions)	December 31	
	2021	2020
Long-lived assets		
United States	\$ 6,098	\$ 6,157
Brazil	760	781
Other Foreign	2,945	2,841
	<u>\$ 9,803</u>	<u>\$ 9,779</u>

Note 18. Asset Impairment, Exit, and Restructuring Costs

The following table sets forth the charges included in asset impairment, exit, and restructuring costs.

(In millions)	Year Ended December 31		
	2021	2020	2019
Restructuring and exit costs ⁽¹⁾	\$ 39	\$ 26	\$ 161
Impairment charge - goodwill and other intangible assets ⁽²⁾	52	26	11
Impairment charge - other long-lived assets ⁽³⁾	73	28	131
Total asset impairment, exit, and restructuring costs	<u>\$ 164</u>	<u>\$ 80</u>	<u>\$ 303</u>

⁽¹⁾ Restructuring and exit costs for the year ended December 31, 2021 consisted of several individually insignificant restructuring charges totaling \$35 million presented as specified items within segment operating profit and \$4 million in Corporate. Restructuring and exit costs for the year ended December 31, 2020 consisted of several individually insignificant restructuring charges totaling \$17 million presented as specified items within segment operating profit and \$9 million in Corporate. Restructuring and exit costs for the year ended December 31, 2019 consisted of restructuring and pension settlement and remeasurement charges of \$159 million in Corporate primarily related to early retirement and reorganization initiatives and several individually insignificant restructuring charges presented as specified items within segment operating profit.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 18. Asset Impairment, Exit, and Restructuring Costs (Continued)

- (2) Impairment charge - goodwill and other intangible assets for the year ended December 31, 2021 consisted of goodwill impairment of \$5 million and land rights impairment of \$42 million in Ag Services and Oilseeds and goodwill impairment of \$1 million and customer list impairment of \$4 million in Nutrition, presented as specified items within segment operating profit. Impairment charge - goodwill and other intangible assets for the year ended December 31, 2020 consisted of other intangible asset impairments presented as specified items within segment operating profit. Impairment charge - goodwill and other intangible assets for the year ended December 31, 2019 consisted of goodwill and other intangible asset impairments presented as specified items within segment operating profit.
- (3) Impairment charge - other long-lived assets for the year ended December 31, 2021 consisted of impairments related to certain long-lived assets in Ag Services and Oilseeds, Carbohydrate Solutions, and Nutrition of \$10 million, \$13 million, and \$50 million, respectively, presented as specified items within segment operating profit. Impairment charge - other long-lived assets for the year ended December 31, 2020 consisted of impairments related to certain long-lived assets in Ag Services and Oilseeds and Nutrition of \$8 million and \$13 million, respectively, presented as specified items within segment operating profit, and \$7 million of impairments related to certain assets in Corporate. Impairment charge - other long-lived assets for the year ended December 31, 2019 consisted of \$130 million of asset impairments related to certain facilities, vessels, and other long-lived assets in Ag Services and Oilseeds and \$1 million of asset impairments related to certain long-lived assets in Carbohydrate Solutions presented as specified items within segment operating profit.

Note 19. Sale of Accounts Receivable

The Company has an accounts receivable securitization program (the “Program”) with certain commercial paper conduit purchasers and committed purchasers (collectively, the “First Purchasers”). Under the Program, certain U.S.-originated trade accounts receivable are sold to a wholly-owned bankruptcy-remote entity, ADM Receivables, LLC (“ADM Receivables”). Prior to October 1, 2020, ADM Receivables transferred such purchased accounts receivable in their entirety to the First Purchasers pursuant to a receivables purchase agreement. In exchange for the transfer of the accounts receivable, ADM Receivables received a cash payment up to a certain amount and an additional amount upon the collection of the accounts receivable (deferred consideration). On October 1, 2020, the Company restructured the First Program from a deferred purchase price to a pledge structure. Under the new structure, ADM Receivables transfers certain of the purchased accounts receivable to each of the First Purchasers together with a security interest in all of its right, title, and interest in the remaining purchased accounts receivable. In exchange, ADM Receivables receives a cash payment of up to \$1.6 billion, an increase from \$1.2 billion, as of December 31, 2020 for the accounts receivable transferred. The First Program terminates on May 18, 2022, unless extended. for the accounts receivables transferred.

The Company also has an accounts receivable securitization program (the “Second Program”) with certain commercial paper conduit purchasers and committed purchasers (collectively, the “Second Purchasers”). Under the Second Program, certain non-U.S.-originated trade accounts receivable are sold to a wholly-owned bankruptcy-remote entity, ADM Ireland Receivables Company (ADM Ireland Receivables). Prior to April 1, 2020, ADM Ireland Receivables transferred such purchased accounts receivable in their entirety to the Second Purchasers pursuant to a receivables purchase agreement. In exchange for the transfer of the accounts receivable, ADM Ireland Receivables received a cash payment up to a certain amount and an additional amount upon the collection of the accounts receivable (deferred consideration). On April 1, 2020, the Company restructured the Second Program from a deferred purchase price to a pledge structure. Under the new structure, ADM Ireland Receivables transfers certain of the purchased accounts receivable to each of the Second Purchasers together with a security interest in all of its right, title, and interest in the remaining purchased accounts receivable. In exchange, ADM Ireland Receivables receives a cash payment of up to \$0.7 billion (€0.6 billion) for the accounts receivables transferred. The Second Program terminates on February 16, 2023, unless extended.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 19. Sale of Accounts Receivable (Continued)

Under the First and Second Programs (collectively, the “Programs”), ADM Receivables and ADM Ireland Receivables use the cash proceeds from the transfer of receivables to the First Purchasers and Second Purchasers (collectively, the “Purchasers”) and other consideration, as applicable, to finance the purchase of receivables from the Company and the ADM subsidiaries originating the receivables. The Company accounts for these transfers as sales. The Company acts as a servicer for the transferred receivables. At December 31, 2021 and 2020, the Company did not record a servicing asset or liability related to its retained responsibility, based on its assessment of the servicing fee, market values for similar transactions, and its cost of servicing the receivables sold.

As of December 31, 2021 and 2020, the fair value of trade receivables transferred to the Purchasers under the Programs and derecognized from the Company’s consolidated balance sheet was \$2.2 billion and \$1.6 billion, respectively. Total receivables sold were \$50.3 billion, \$35.0 billion, and \$34.5 billion for the years ended December 31, 2021, 2020, and 2019, respectively. Cash collections from customers on receivables sold were \$47.3 billion, \$34.2 billion, and \$33.8 billion for the years ended December 31, 2021, 2020, and 2019, respectively. Of the amounts in 2020 and 2019, \$6.7 billion and \$13.1 billion were cash collections on the deferred consideration reflected as cash inflows from investing activities for the years ended December 31, 2020, and 2019, respectively. Receivables pledged as collateral to the Purchasers were \$0.5 billion and \$0.4 billion as of December 31, 2021 and 2020, respectively.

Transfers of receivables under the Programs during the years ended December 31, 2021, 2020, and 2019 resulted in an expense for the loss on sale of \$11 million, \$9 million, and \$18 million, respectively, which is classified as selling, general, and administrative expenses in the consolidated statements of earnings.

In accordance with the amended guidance of Topic 230, the Company reflects cash flows related to the deferred receivables consideration as investing activities in its consolidated statements of cash flows. All other cash flows are classified as operating activities because the cash received from the Purchasers upon both the sale and collection of the receivables is not subject to significant interest rate risk given the short-term nature of the Company’s trade receivables.

Note 20. Legal Proceedings

The Company is routinely involved in a number of actual or threatened legal actions, including those involving alleged personal injuries, employment law, product liability, intellectual property, environmental issues, alleged tax liability (see Note 13 for information on income tax matters), and class actions. The Company also routinely receives inquiries from regulators and other government authorities relating to various aspects of our business, and at any given time, the Company has matters at various stages of resolution. The outcomes of these matters are not within our complete control and may not be known for prolonged periods of time. In some actions, claimants seek damages, as well as other relief including injunctive relief, that could require significant expenditures or result in lost revenues. In accordance with applicable accounting standards, the Company records a liability in its consolidated financial statements for material loss contingencies when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a material loss contingency is reasonably possible but not known or probable, and can be reasonably estimated, the estimated loss or range of loss is disclosed in the notes to the consolidated financial statements. When determining the estimated loss or range of loss, significant judgment is required to estimate the amount and timing of a loss to be recorded. Estimates of probable losses resulting from litigation and governmental proceedings involving the Company are inherently difficult to predict, particularly when the matters are in early procedural stages, with incomplete facts or legal discovery; involve unsubstantiated or indeterminate claims for damages; potentially involve penalties, fines, disgorgement, or punitive damages; or could result in a change in business practice.

Archer-Daniels-Midland Company

Notes to Consolidated Financial Statements (Continued)

Note 20. Legal Proceedings (Continued)

On September 4, 2019, AOT Holding AG (“AOT”) filed a putative class action under the U.S. Commodities Exchange Act in federal district court in Urbana, Illinois, alleging that the Company sought to manipulate the benchmark price used to price and settle ethanol derivatives traded on futures exchanges. On March 16, 2021, AOT filed an amended complaint adding a second named plaintiff Maize Capital Group, LLC (“Maize”). AOT and Maize allege that members of the putative class suffered “hundreds of millions of dollars in damages” as a result of the Company’s alleged actions. On July 14, 2020, Green Plains Inc. and its related entities (“GP”) filed a putative class action lawsuit, alleging substantially the same operative facts, in federal court in Nebraska, seeking to represent sellers of ethanol. On July 23, 2020, Midwest Renewable Energy, LLC (“MRE”) filed a putative class action in federal court in Illinois alleging substantially the same operative facts and asserting claims under the Sherman Act. On November 11, 2020, United Wisconsin Grain Producers LLC (“UWGP”) and five other ethanol producers filed a lawsuit in federal court in Illinois alleging substantially the same facts and asserting claims under the Sherman Act and Illinois, Iowa, and Wisconsin law. The court granted ADM’s motion to dismiss the MRE and UWGP complaints without prejudice on August 9, 2021 and September 28, 2021, respectively. On August 16, 2021, the court granted ADM’s motion to dismiss the GP complaint, dismissing one claim with prejudice and declining jurisdiction over the remaining state law claim. MRE filed an amended complaint on August 30, 2021, which ADM moved to dismiss on September 27, 2021. UWGP filed an amended complaint on October 19, 2021, which ADM moved to dismiss on December 9, 2021. On October 26, 2021, GP filed a new complaint in Nebraska federal district court, alleging substantially the same facts and asserting a claim for tortious interference with contractual relations. The Company denies liability, and is vigorously defending itself in these actions. As these actions are in pretrial proceedings, the Company is unable at this time to predict the final outcome with any reasonable degree of certainty, but believes the outcome will not have a material adverse effect on its financial condition, results of operations, or cash flows.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Archer-Daniels-Midland Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Archer-Daniels-Midland Company (the Company) as of December 31, 2021 and 2020, the related consolidated statements of earnings, comprehensive income (loss), shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated February 17, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fair Value Measurements over Certain Merchandisable Agricultural Inventory and Commodity Contracts

Description of the Matter

As explained in Notes 1 and 4 to the consolidated financial statements, certain merchandisable agricultural commodity inventory and inventory-related payables held by the Company are stated at fair value. The Company also enters into forward commodity purchase and sales contracts that qualify as derivative instruments which are stated at fair value. The merchandisable agricultural commodity inventory, inventory-related payables, and forward commodity purchase and sales contracts are considered level 2 and 3 fair value instruments. As of December 31, 2021, the fair values for certain merchandisable agricultural commodity inventories, inventory-related payables, forward commodity contracts in an asset position, and forward commodity contracts in a liability position were \$9,769 million, \$965 million, \$1,362 million, and \$1,759 million, respectively.

Auditing the estimated fair values for merchandisable agricultural commodity inventories, inventory-related payables, and forward commodity purchase and sale contracts is complex due to the judgment involved in determining fair value, specifically related to determining the estimated basis adjustments, which represent the adjustment made to exchange quoted prices to arrive at the fair values for certain merchandisable agricultural commodity inventories, inventory-related payables, and forward commodity purchase and sales contracts. The basis adjustments are impacted by specific local supply and demand characteristics at each facility and the overall market. Factors such as substitute products, weather, fuel costs, contract terms, and futures prices also impact the basis adjustment.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's determination of the estimated fair values for certain merchandisable agricultural commodity inventories, inventory-related payables, and forward commodity purchase and sale contracts. Our tests included controls over the estimation process supporting the basis adjustments.

To test the estimated fair values of certain merchandisable agricultural commodity inventories, inventory-related payables, and forward commodity purchase and sale contracts, our audit procedures included, among others, evaluating (i) the Company's selection of the principal market, (ii) the inputs for the basis adjustments, and (iii) the completeness and accuracy of the underlying data supporting the basis adjustments. For example, we evaluated management's methodology for determining the basis adjustment including assessing the principal market identified and sources utilized by management to support the basis adjustment. Specifically, we compared the basis adjustments used by management to competitor and broker quotations, trade publications, and/or recently executed transactions. Further, we investigated, to the extent necessary, basis adjustments that were inconsistent with third party available information. Finally, we evaluated the adequacy of the Company's financial statement disclosures related to the estimated fair values of certain merchandisable agricultural inventories, inventory-related payables, and forward commodity purchase and sale contracts.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1930.

Saint Louis, Missouri
February 17, 2022

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Archer-Daniels-Midland Company

Opinion on Internal Control over Financial Reporting

We have audited Archer-Daniels-Midland Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). In our opinion, Archer-Daniels-Midland Company (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Pedigree Ovens, Inc., PetDine, LLC, The Pound Bakery, LLC, and NutraDine, LLC (P4); Deerland Holdings, Inc. (Deerland); and Sojaprotein D.O.O. Bečej (Sojaprotein), which are included in the 2021 consolidated financial statements of the Company and constituted 3% and 7% of total assets and shareholders' equity, respectively, as of December 31, 2021 and 0% and 1% of revenues and net earnings attributable to controlling interests, respectively, for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of P4, Deerland and Sojaprotein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Archer-Daniels-Midland Company as of December 31, 2021 and 2020, the related consolidated statements of earnings, comprehensive income (loss), shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2), and our report dated February 17, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Saint Louis, Missouri
February 17, 2022

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

As of December 31, 2021, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based on that evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

In 2018, the Company launched Readiness to drive new efficiencies and improve the customer experience in the Company's existing businesses through a combination of data analytics, process simplification and standardization, and behavioral and cultural change, building upon its earlier IADM and operational excellence programs. As part of this transformation, the Company is implementing a new enterprise resource planning ("ERP") system on a worldwide basis, which is expected to occur in phases over the next several years. The first phase of the ERP system implementation occurred in October 2021 to a limited pilot scope of legal entities. The Company continues to consider these changes in its design of and testing for effectiveness of internal controls over financial reporting and concluded, as part of the evaluation described in the above paragraph, that the implementation of the new ERP in these circumstances has not materially affected its internal control over financial reporting.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Archer-Daniels-Midland Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). The Company's internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

Under the supervision and with the participation of management, including its Chief Executive Officer and Chief Financial Officer, the Company's management assessed the design and operating effectiveness of internal control over financial reporting as of December 31, 2021 based on the framework set forth in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on this assessment, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2021.

Management's assessment of the effectiveness of the Company's internal control over financial reporting did not include the internal controls of P4, Deerland, and Sojaprotein, which were acquired in 2021. In accordance with the SEC guidance regarding the reporting of internal control over financial reporting in connection with an acquisition, management may omit an assessment of an acquired business' internal control over financial reporting from management's assessment of internal control over financial reporting for a period not to exceed one year from the date of acquisition. P4, Deerland, and Sojaprotein are included in the Company's consolidated financial statements and constituted 3% and 7% of total assets and shareholders' equity, respectively, as of December 31, 2021, and 0% and 1% of revenues and net earnings attributable to controlling interests, respectively, for the year then ended.

Ernst & Young LLP, an independent registered public accounting firm, has issued an attestation report on the Company's internal control over financial reporting as of December 31, 2021. That report is included herein.

/s/ Juan R. Luciano
Juan R. Luciano
Chairman, Chief Executive Officer, and President

/s/ Ray G. Young
Ray G. Young
Executive Vice President and Chief Financial Officer

Item 9B. OTHER INFORMATION

None.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III**Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Information with respect to directors, code of conduct, audit committee and audit committee financial experts of the Company, and Section 16(a) beneficial ownership reporting compliance is set forth in “Proposal No. 1 - Election of Directors for a One-Year Term,” “Code of Conduct,” “Information Concerning Committees and Meetings – Audit Committee,” “Report of the Audit Committee,” and “Director Evaluations; Delinquent Section 16(a) Reports,” of the definitive proxy statement for the Company’s annual meeting of stockholders to be filed on or before April 30, 2022 and is incorporated herein by reference.

Officers of the Company are elected by the Board of Directors for terms of one year and until their successors are duly elected and qualified.

Information with respect to executive officers and certain significant employees of the Company is set forth below. Except as otherwise indicated, all positions are with the Company.

Name	Titles	Age
Benjamin I. Bard	Vice President and Chief Audit Executive since June 2021. Global Chief Compliance Officer since January 2014.	48
Camille Batiste	Senior Vice President, Global Supply Chain and Procurement since May 2021. President, Global Supply Chain from January 2020 to May 2021. President, Nutrition Optimization from June 2019 to May 2021. Vice President, Global Procurement from March 2017 to June 2019. Vice President, Sourcing Operations & Compliance at Honeywell Aerospace from March 2015 to March 2017.	50
Veronica L. Braker	Senior Vice President, Global Operations since April 2019. Executive Champion of Global Safety since January 2020. Vice President of Operations - Performance Materials at BASF from April 2017 to March 2019. Head of Operations for North America - Performance Materials at BASF from January 2014 to April 2017.	54
Christopher M. Cuddy	Senior Vice President of the Company since May 2015. President, Carbohydrate Solutions business unit since March 2015.	48
Pierre-Christophe Duprat	President, Animal Nutrition since August 2018. President, ADM Europe, Middle East, and Africa (EMEA) from June 2016 to August 2018. President, ADM Corn EMEA and Asia since November 2015.	54
D. Cameron Findlay	Senior Vice President, General Counsel, and Secretary since July 2013.	62
Kristy Folkwein	Senior Vice President of the Company since March 2018. Chief Technology Officer since January 2020. Chief Information Officer from March 2018 to January 2020. Vice President and Chief Information Officer from June 2016 to March 2018.	59
Molly Strader Fruit	Vice President, Corporate Controller since March 2021. Vice President, Global Financial Services from May 2019 to March 2021. Controller, Carbohydrate Solutions from August 2018 to May 2019. Vice President, Global Credit from April 2016 to June 2019. Controller, Americas for Agricultural Services from June 2015 to August 2018.	43
Leticia Goncalves	President, Global Specialty Ingredients since January 2020. Senior Vice President and U.S. Division Head at Bayer from September 2018 to January 2020. President, Europe and Middle East at Monsanto from August 2014 to August 2018.	47

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE (Continued)

Domingo Lastra	President, South America since July 2017. Vice President, Integration and Strategy from March 2016 to July 2017.	53
Juan R. Luciano	Chairman of the Board of Directors since January 2016. Chief Executive Officer and President since January 2015.	60
Vikram Luthar	Senior Vice President of the Company since March 2015. Head of Investor Relations since June 2021. Chief Financial Officer, Nutrition since January 2020. President, Health & Wellness from March 2018 to January 2020. President, Bioactives from February 2017 to March 2018. President, Enzymes from December 2015 to February 2017. CFO, Corn Processing business unit from March 2014 to February 2017.	55
Vincent F. Macciocchi	Senior Vice President of the Company and President, Nutrition business unit since May 2015. Chief Sales and Marketing Officer since January 2020.	56
Gregory A. Morris	Senior Vice President of the Company since November 2014. President, Ag Services & Oilseeds business unit since July 2019. President, Global Oilseeds Processing business unit from May 2015 to June 2019.	50
Ian Pinner	Senior Vice President of the Company since January 2020. Chief Strategy and Innovation Officer since January 2020. President, Health and Wellness from January 2020 to March 2021. Vice President, Growth and Strategy from August 2018 to January 2020. Chief Growth Officer from July 2017 to August 2018. President, Southeast Asia and Global Destination Marketing from December 2015 to July 2017.	49
Ismael Roig	Senior Vice President of the Company since December 2015. President, ADM Europe, Middle East, and Africa (EMEA) since August 2018. Chief Strategy Officer from December 2015 to August 2018. Chief Sustainability Officer from May 2015 to March 2017.	54
John P. Stott	Group Vice President, Finance, Corporate Treasurer, and CFO, Global Technology since March 2021. Group Vice President, Finance and Corporate Controller from August 2014 to March 2021.	54
Joseph D. Taets	Senior Vice President of the Company since August 2011. President, Asia Pacific since May 2021. Executive Champion for Quality and Food Safety from January 2020 to May 2021. President, Global Business Readiness from March 2018 to May 2021. President, Agricultural business unit from August 2011 to March 2018.	56
Thuy-Nga T. Vo	Chief Counsel, Corporate, Securities, and Mergers and Acquisitions and Assistant Secretary since January 2017. Chief Counsel, Mergers and Acquisitions from May 2013 to January 2017.	57
Jennifer L. Weber	Senior Vice President and Chief Human Resources Officer since August 2020. Executive Vice President - Human Resources at Lowe's Companies, Inc. from March 2016 to April 2020.	55
Todd Werpy	Senior Vice President and Chief Science Officer since January 2020. Senior Vice President and Chief Technology Officer from March 2015 to January 2020.	59
Ray G. Young	Executive Vice President of the Company since March 2015. Chief Financial Officer since December 2010.	60

Item 11. EXECUTIVE COMPENSATION

Information responsive to this Item is set forth in “Compensation Discussion and Analysis,” “Executive Compensation,” and “Director Compensation” of the definitive proxy statement for the Company’s annual meeting of stockholders to be filed on or before April 30, 2022, and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information responsive to this Item is set forth in “Principal Holders of Voting Securities,” “Proposal No. 1 - Election of Directors for a One-Year Term,” “Executive Officer Stock Ownership,” and “Equity Compensation Plan Information at December 31, 2021” of the definitive proxy statement for the Company’s annual meeting of stockholders to be filed on or before April 30, 2022, and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information responsive to this Item is set forth in “Certain Relationships and Related Transactions,” “Review and Approval of Certain Relationships and Related Transactions,” and “Independence of Directors” of the definitive proxy statement for the Company’s annual meeting of stockholders to be filed on or before April 30, 2022, and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information responsive to this Item is set forth in “Fees Paid to Independent Auditors” and “Audit Committee Pre-Approval Policies” of the definitive proxy statement for the Company’s annual meeting of stockholders to be filed on or before April 30, 2022, and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) See Item 8, “Financial Statements and Supplementary Data,” for a list of financial statements.

(a)(2) Financial statement schedules

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

(In millions)	Beginning of Year Balance	Additions	Deductions ⁽¹⁾	Other ⁽²⁾	End of Year Balance
Allowance for doubtful accounts					
December 31, 2019	\$ 84	23	(19)	22	\$ 110
December 31, 2020	\$ 110	47	(66)	9	\$ 100
December 31, 2021	\$ 100	32	(28)	18	\$ 122

⁽¹⁾ Uncollectible accounts written off

⁽²⁾ Impact of reclassifications, foreign exchange translation, and other adjustments

All other schedules are either not required, not applicable, or the information is otherwise included.

(a)(3) List of exhibits

(3i) [Composite Certificate of Incorporation, as amended \(incorporated by reference to Exhibit \(3\)\(i\) to the Company’s Form 10-Q for the quarter ended September 30, 2001\).](#)

(3ii) [Bylaws, as amended through May 1, 2019 \(incorporated by reference to Exhibit 3.ii to the Company’s Form 8-K filed on May 7, 2019\).](#)

(4) Instruments defining the rights of security holders, including:

(i) [Description of Securities of Registrant](#)

(ii) Indenture, dated as of June 1, 1986, by and between the Company and The Bank of New York Mellon (successor to JPMorgan Chase, The Chase Manhattan Bank, Chemical Bank, and Manufacturers Hanover Trust Company), as Trustee (incorporated by reference to Exhibit 4(a) to the Company’s Registration Statement on Form S-3 (File No. 33-6721)), as amended and supplemented by Supplemental Indenture, dated as of August 1, 1989, by and between the Company and The Bank of New York Mellon (successor to JPMorgan Chase, The Chase Manhattan Bank, Chemical Bank and Manufacturers Hanover Trust Company), as Trustee (incorporated by reference to Exhibit 4(c) to Post Effective Amendment No. 3 to the Company’s Registration Statement on Form S-3 (No. 33-6721)), relating to:

the \$350,000,000 – 7 1/2% Debentures due March 15, 2027,
the \$200,000,000 – 6 3/4% Debentures due December 15, 2027,
the \$300,000,000 – 6 5/8% Debentures due May 1, 2029,
the \$400,000,000 – 7% Debentures due February 1, 2031,
the \$500,000,000 – 5.935% Debentures due October 1, 2032,
the \$600,000,000 – 5.375% Debentures due September 15, 2035, and
the \$250,000,000 – 6.95% Debentures due December 15, 2097.

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES (Continued)

- (iii) [Indenture, dated as of September 20, 2006, by and between the Company and The Bank of New York Mellon, as successor to JPMorgan Chase Bank, N.A., as Trustee \(incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-3\), as amended and supplemented by First Supplemental Indenture, dated as of June 3, 2008, by and between the Company and The Bank of New York Mellon \(formerly known as The Bank of New York\) \(incorporated by reference to Exhibit 4.6 to the Company's Current Report on Form 8-K filed on June 3, 2008\), Second Supplemental Indenture, dated as of November 29, 2010, by and between the Company and The Bank of New York Mellon \(incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on November 30, 2010\), and Third Supplemental Indenture, dated as of April 4, 2011, between the Company and The Bank of New York Mellon \(incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on April 8, 2011\), relating to:](#)
 - the \$500,000,000 – 6.45% Debentures due January 15, 2038,
 - the \$750,000,000 – 4.479% Notes due March 1, 2021,
 - the \$1,000,000,000 – 5.765% Debentures due March 1, 2041, and
 - the \$527,688,000 – 4.535% Debentures due March 26, 2042.
 - (iv) [Indenture, dated as of October 16, 2012, by and between the Company and The Bank of New York Mellon, as Trustee \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 17, 2012\), relating to:](#)
 - the \$570,425,000 – 4.016% Debentures due April 16, 2043,
 - the €600,000,000 – 1.750% Notes due June 23, 2023,
 - the \$1,000,000,000 – 2.500% Notes due August 11, 2026,
 - the \$500,000,000 – 3.750% Notes due September 15, 2047,
 - the €650,000,000 – 1.00% Notes due September 12, 2025,
 - the \$400,000,000 – 3.375% Notes due March 15, 2022,
 - the \$600,000,000 – 4.500% Notes due March 15, 2049,
 - the \$1,000,000,000 – 3.250% Notes due March 27, 2030, and
 - the \$750,000,000 – 3.250% Notes due September 15, 2051.
 - (v) Copies of constituent instruments defining rights of holders of long-term debt of the Company and its Subsidiaries, other than the indentures specified herein, are not filed herewith, pursuant to Instruction (b)(4)(iii)(A) to Item 601 of Regulation S-K, because the total amount of securities authorized under any such instrument does not exceed 10% of the total assets of the Company and Subsidiaries on a consolidated basis. The Company hereby agrees that it will, upon request by the SEC, furnish to the SEC a copy of each such instrument.
- (10) Copies of the Company's equity compensation plans, deferred compensation plans and agreements with executive officers are incorporated herein by reference pursuant to Instruction (b)(10)(iii)(A) to Item 601 of Regulation S-K, each of which is a management contract or compensation plan or arrangement required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K, as follows:
- (i) [The Archer-Daniels-Midland Company Deferred Compensation Plan for Selected Management Employees I, as amended \(incorporated by reference to Exhibit 10\(iii\) to the Company's Annual Report on Form 10-K for the year ended June 30, 2010\).](#)
 - (ii) [The Archer-Daniels-Midland Company Deferred Compensation Plan for Selected Management Employees II, as amended and restated \(incorporated by reference to Exhibit 10\(ii\) to the Company's Annual Report on Form 10-K for the year ended December 31, 2013\).](#)
 - (iii) [The Archer-Daniels-Midland Company Supplemental Retirement Plan, as amended and restated \(incorporated by reference to Exhibit 10\(vi\) to the Company's Annual Report on Form 10-K for the year ended June 30, 2010\).](#)

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES (Continued)

- (iv) [Second Amendment to ADM Supplemental Retirement Plan \(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2010\).](#)
- (v) [The Archer-Daniels-Midland Company Amended and Restated Stock Unit Plan for Nonemployee Directors, as amended \(incorporated by reference to Exhibit 10\(v\) to the Company's Annual Report on Form 10-K for the year ended December 31, 2016\).](#)
- (vi) [The Archer-Daniels-Midland 2002 Incentive Compensation Plan \(incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement filed on September 25, 2002\).](#)
- (vii) [Form of Stock Option Agreement under the Company's 2002 Incentive Compensation Plan \(incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005\).](#)
- (viii) [Form of Restricted Stock Agreement under the Company's 2002 Incentive Compensation Plan \(incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005\).](#)
- (ix) [Form of Performance Share Unit Award Agreement under the Company's 2002 Incentive Compensative Plan \(incorporated by reference to Exhibit 10\(xii\) to the Company's Annual Report on Form 10-K for the year ended June 30, 2010\).](#)
- (x) [Form of Restricted Stock Unit Award Agreement under the Company's 2002 Incentive Compensation Plan \(incorporated by reference to Exhibit 10\(xiii\) to the Company's Annual Report on Form 10-K for the year ended June 30, 2010\).](#)
- (xi) [The Archer-Daniels-Midland Company 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement filed on September 25, 2009\).](#)
- (xii) [Form of Stock Option Agreement for U.S. Employees under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10\(i\) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013\).](#)
- (xiii) [Form of Restricted Stock Unit Award Agreement for U.S. Employees under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10\(ii\) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013\).](#)
- (xiv) [Form of Stock Option Agreement for Named Executive Officers under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10\(iii\) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013\).](#)
- (xv) [Form of Restricted Stock Unit Award Agreement for Named Executive Officers under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10\(iv\) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013\).](#)
- (xvi) [Form of Stock Option Agreement for International Employees under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10\(v\) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013\).](#)
- (xvii) [Form of Restricted Stock Unit Award Agreement for International Employees under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10\(vi\) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013\).](#)

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES (Continued)

- (xviii) [Form of Performance Share Unit Award Agreement under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10\(vii\) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013\).](#)
- (xix) [Form of Performance Share Unit Award Agreement under the Company's 2009 Incentive Compensation Plan for grant to J. Luciano \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 25, 2011\).](#)
- (xx) [Form of Nonqualified Stock Option Award Agreement for Executive Officers under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016\).](#)
- (xxi) [Form of Nonqualified Stock Option Award Agreement for U.S. Employees under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016\).](#)
- (xxii) [Form of Restricted Stock Unit Award Agreement for Executive Officers under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016\).](#)
- (xxiii) [Form of Restricted Stock Unit Award Agreement for U.S. Employees under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016\).](#)
- (xxiv) [Form of Restricted Stock Unit Award Agreement under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017\).](#)
- (xxv) [Form of Performance Share Unit Award Agreement under the Company's 2009 Incentive Compensation Plan \(incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017\).](#)
- (xxvi) [ADM Employee Stock Purchase Plan \(incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-8 filed on May 15, 2018\).](#)
- (xxvii) [Archer-Daniels-Midland Company 2020 Incentive Compensation Plan \(incorporated by reference to Annex B to the Company's Definitive Proxy Statement filed on March 25, 2020\).](#)
- (xxviii) [Form of Performance Share Unit Award Agreement under the Company's 2020 Incentive Plan \(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020\).](#)
- (xxix) [Form of Restricted Stock Unit Award Agreement under the Company's 2020 Incentive Plan \(incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020\).](#)
- (21) [Subsidiaries of the Company.](#)
- (23) [Consent of Independent Registered Public Accounting Firm.](#)
- (24) [Powers of Attorney.](#)

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES (Continued)

- (31.1) [Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) and Rule 15d-14\(a\) of the Securities Exchange Act of 1934, as amended.](#)
- (31.2) [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) and Rule 15d-14\(a\) of the Securities Exchange Act of 1934, as amended.](#)
- (32.1) [Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- (32.2) [Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- (101) Interactive Data File.
- (104) Cover Page Interactive Data File (formatted as Inline XBRL and incorporated by reference to Exhibit 101).

Item 16. Form 10-K Summary

Not Applicable.

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 17, 2022

ARCHER-DANIELS-MIDLAND COMPANY

By: /s/ D. C. Findlay
D. C. Findlay
Senior Vice President, General Counsel
and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on February 17, 2022, by the following persons on behalf of the Registrant and in the capacities indicated.

/s/ J. R. Luciano
J. R. Luciano,
Chairman, Chief Executive Officer,
President, and Director
(Principal Executive Officer)

/s/ R. G. Young
R. G. Young
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/ M. S. Fruit
M. S. Fruit
Vice President, Corporate Controller
(Principal Accounting Officer)

/s/ M.S. Burke
M. S. Burke*,
Director

/s/ T. Colbert
T. Colbert*,
Director

/s/ T. K. Crews
T. K. Crews*,
Director

/s/ P. Dufour
P. Dufour*,
Director

/s/ D. E. Felsing
D. E. Felsing*,
Director

/s/ S. F. Harrison
S. F. Harrison*,
Director

/s/ P. J. Moore
P. J. Moore*,
Director

/s/ F. J. Sanchez
F. J. Sanchez*,
Director

/s/ D. A. Sandler
D. A. Sandler*,
Director

/s/ L. Z. Schlitz
L. Z. Schlitz*,
Director

/s/ K. R. Westbrook
K. R. Westbrook*,
Director

/s/ D. C. Findlay
D. C. Findlay
Attorney-in-Fact

*Powers of Attorney authorizing R. G. Young, M.S. Fruit, and D. C. Findlay, and each of them, to sign the Form 10-K on behalf of the above-named officers and directors of the Company, copies of which are being filed with the Securities and Exchange Commission.

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

Archer-Daniels-Midland Company (the "Company") has two classes of securities registered under Section 12(b) of the Securities Exchange Act of 1934 and listed on The New York Stock Exchange: (i) common stock, no par value, and (ii) 1.000% Notes due 2025.

DESCRIPTION OF COMMON STOCK

The summary of the general terms and provisions of the capital stock of the Company set forth below does not purport to be complete and is subject to and qualified by reference to the Company's Certificate of Incorporation, as amended (the "Certificate"), and the Bylaws, as amended (the "Bylaws," and together with the Certificate, the "Charter Documents"), each of which is incorporated herein by reference and attached as an exhibit to the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission. For additional information, please read the Company's Charter Documents and the applicable provisions of the Delaware General Corporation Law (the "DGCL").

Authorized Capital Stock

The Company's board of directors (the "Board") has authorized capital stock consisting of 1,000,000,000 shares of common stock and 500,000 shares of preferred stock, all without par value. The outstanding shares of common stock are fully paid and nonassessable.

Common Stock

Voting Rights

Each holder of common stock is entitled to one vote for each share held on all matters to be voted upon by the stockholders.

No Cumulative Voting

No holder of capital stock, or of any class or classes or of a series or series thereof, is entitled to cumulate votes for the election of directors of the Company.

No Preemptive Rights

Holders of common stock do not have any preemptive right to become subscribers or purchasers of additional shares of any class of the Company's capital stock.

Dividends

The Board may declare, out of any funds legally available therefor, dividends upon the then outstanding shares of common stock, subject to the rights, if any, of preferred stockholders.

Right to Receive Liquidation Distributions

Upon the liquidation, dissolution or winding-up of the Company, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preferences of any preferred stock.

Subject to Preferred Stock

The rights, preferences and privileges of holders of common stock are subject to, and may be injured by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

The Company has no shares of preferred stock outstanding. The Board can fix the rights, preferences and privileges of the shares of each series and any qualifications, limitations or restrictions on these shares.

The Board may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of common stock. If the Company issues preferred stock, it may have the effect of delaying, deferring or preventing a change of control.

Potential Anti-Takeover Effects

Some provisions of our Charter Documents may have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from attempting to acquire control of the Company. This could limit the price that certain investors might be willing to pay in the future for our common stock.

Among other things, our Charter Documents allow the Company to:

- issue preferred stock without any vote or further action by our stockholders;
- eliminate the right of stockholders to act by written consent without a meeting; and
- specify procedures for director nominations by stockholders and submission of other proposals for consideration at stockholder meetings.

The Company is subject to provisions of Delaware law that could also delay or make more difficult a merger, tender offer or proxy contest involving the Company. In particular, Section 203 of the DGCL prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years from such interested stockholder's acquisition (together with affiliates or associates) of 15% of more of our voting stock unless the transaction meets certain conditions.

The possible issuance of preferred stock, the procedures required for director nominations and stockholder proposals and Delaware law could have the effect of delaying, deferring or preventing a change in control of the Company, including without limitation discouraging a proxy contest or making more difficult the acquisition of a substantial block of the Company's common stock.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare.

Listing

The Company's Common Stock is listed on The New York Stock Exchange under the trading symbol "ADM."

DESCRIPTION OF DEBT SECURITIES

The following description of the Company's 1.000% Notes due 2025 (the "Notes") is a summary and does not purport to be complete. This description is qualified in its entirety by reference to Indenture, dated as of October 16, 2012, by and between the Company and The Bank of New York Mellon, as Trustee (the "Indenture"). References in this section to the "Company," "us," "we" and "our" are solely to Archer-Daniels-Midland Company and not to any of its subsidiaries, unless the context requires otherwise.

The Notes were issued under the Indenture, which provides that debt securities may be issued under the Indenture from time to time in one or more series. The Indenture and the Notes are governed by, and construed in accordance with, the laws of the State of New York. The Notes will initially be limited to €650,000,000 aggregate principal amount, however, the Indenture does not limit the amount of debt securities that we may issue under that Indenture. We may, without the consent of the holders of the debt securities of any series, issue additional debt securities ranking equally with, and otherwise similar in all respects to, the debt securities of the series (except for the issue date and, in some cases, the public offering price, the initial interest accrual date, and the initial interest payment date) so that those additional debt securities will be consolidated and form a single series with the debt securities of the series previously offered and sold.

The 2025 Notes

We issued €650,000,000 aggregate principal amount of the Notes on September 5, 2018. The maturity date of the Notes is September 12, 2025, and interest at a rate of 1.000% per annum is paid annually in arrears on September 12 of each year, beginning on September 12, 2019, and on the maturity date. As of December 31, 2019, €650,000,000 aggregate principal amount of the Notes was outstanding.

Ranking

The Notes are our senior unsecured obligations and rank equally in right of payment with all of our other senior unsecured obligations from time to time outstanding. The Notes are not secured by any of our assets. Any future claims of secured lenders with respect to assets securing their loans will be prior to any claim of the holders of the Notes with respect to those assets. The Notes will be effectively subordinated to all liabilities of our subsidiaries, including trade payables. Since we conduct many of our operations through our subsidiaries, our right to participate in any distribution of the assets of a subsidiary when it winds up its business is subject to the prior claims of the creditors of the subsidiary.

Payment on the Notes

All payments of principal of, and premium, if any, and interest on, the Notes, and additional amounts, if any, including any payments made upon any applicable redemption of the Notes will be made in euro. If euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or the euro is no longer used by the member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions within the international banking community, then all payments in respect of the Notes will be made in U.S. dollars until the euro is again available to us or so used.

Payment of Additional Amounts

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied by the United States or any taxing authority thereof or therein, unless such withholding or deduction is required by law.

In the event such withholding or deduction is required by law, we will pay such additional amounts on the Notes as are necessary in order that the net payment of the principal of, and premium, if any, and interest on, the Notes, after such withholding or deduction will not be less than the amount provided in the Notes to be then due and payable. We will not be required, however, to make any payment of additional amounts for or on account of:

- (1) any tax, assessment or other governmental charge that would not have been imposed but for the holder, or a fiduciary, settlor, beneficiary, member or shareholder of the holder if the holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as: (a) being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States or having or having had a qualified business unit which has the United States dollar as its functional currency; (b) having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of the Notes, the receipt of any payment or the enforcement of any rights thereunder) or being considered as having such relationship, including being or having been a citizen or resident of the United States; (c) being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation for United States income tax purposes or a foreign personal holding company that has accumulated earnings to avoid United States federal income tax; (d) being or having been a “10-percent shareholder” of the Company as defined in section 871(h)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations thereunder or any successor provision; or (e) being a bank described in section 881(c)(3)(A) of the Code;
 - (2) any holder that is not the sole beneficial owner of the Notes, or a portion of the Notes, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;
 - (3) any tax, assessment or other governmental charge that would not have been imposed but for the failure of the holder or any other person to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;
 - (4) any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal or premium, if any, or interest on any Note if that payment can be made without withholding by any other paying agent;
 - (5) any tax, assessment or other governmental charge that would not have been imposed but for a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;
 - (6) to any estate, inheritance, gift, sales, excise, transfer, wealth, capital gains or personal property tax or similar tax, assessment or other governmental charge;
 - (7) to any withholding or deduction that is imposed on a payment to an individual and that is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, any European Council Directive on the taxation of savings;
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- (8) to any tax, assessment or other governmental charge required to be withheld by the London Paying Agent from any payment of principal of, or premium, if any, or interest on such note, if such payment can be made without such withholding by at least one other paying agent;
- (9) to any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of such note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
- (10) to any withholding or deduction that is imposed on a payment pursuant to Sections 1471 through 1474 of the Code, the Foreign Account Tax Compliance Act, and related treasury regulations and pronouncements, or any successor provisions and any regulations or official law, agreement or interpretations thereof implementing an intergovernmental approach thereto; or
- (11) in the case of any combination of items listed above.

The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable to the Notes. Except under certain circumstances, we will not be required to make any payment for any tax, duty, assessment or governmental charge of whatever nature imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States (or any taxing authority thereof or therein), or any change in, or amendments to, an official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after the date of the prospectus supplement, we become or, based upon a written opinion of independent counsel selected by us, will become obligated to pay additional amounts with respect to the Notes, then we may at any time at our option, having given not less than 30 nor more than 60 days prior notice to holders, redeem, in whole, but not in part, the Notes at a redemption price equal to 100% of the principal amount of the Notes, together with accrued and unpaid interest on the Notes to, but excluding, the date fixed for redemption.

Sinking Fund

The Notes will not be entitled to any sinking fund.

Optional Redemption

We may redeem the Notes at our option, either in whole at any time or in part from time to time prior to June 12, 2025 (three months prior to the maturity date of the Notes, the “Par Call Date”), at a redemption price for the Notes to be redeemed on any redemption date equal to the greater of the following amounts:

- 100% of the principal amount of the Notes being redeemed on the redemption date; or
- the sum of the present values of the remaining scheduled payments of principal and interest that would have been payable if the Notes being redeemed on that redemption date matured on the Par Call Date (excluding interest accrued to the redemption date), determined by discounting to the redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below), plus 15 basis points;

plus, in each case, accrued and unpaid interest on the Notes being redeemed to, but excluding, the redemption date.

In addition, we may redeem all or part of the Notes at any time or from time to time on and after the Par Call Date, at our option, at a redemption price equal to 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest on the Notes being redeemed to, but excluding, the redemption date.

Notwithstanding the foregoing, installments of interest on the Notes that are due and payable on an interest payment date falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the Notes and the Indenture.

“Comparable Government Bond” means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an Independent Investment Banker, a German government bond whose maturity is closest to the maturity of the Notes (assuming, for this purpose, that the Notes matured on the Par Call Date), or if such Independent Investment Banker in its discretion determines that such similar bond is not in issue, such other German government bond as such Independent Investment Banker may, with the advice of the Reference Bond Dealers, determine to be appropriate for determining the Comparable Government Bond Rate.

“Comparable Government Bond Rate” means the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the Notes to be redeemed, if they were to be purchased at such price on the third business day prior to the date fixed for redemption, would be equal to the gross redemption yield on such business day of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by the Independent Investment Banker.

“Independent Investment Banker” means one of the Reference Bond Dealers that we appoint as the Independent Investment Banker from time to time.

“Reference Bond Dealer” means each of Barclays Bank PLC, BNP Paribas and MUFG Securities EMEA plc, and their respective successors.

Covenants

The following definitions describe certain covenants contained in the Indenture.

“Attributable Debt” means:

- the balance sheet liability amount in respect of capital leases, plus
- the amount of future minimum operating lease payments, less any amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges, discounted using the methodology used to calculate the present value of operating lease payments in our most recent Annual Report to Stockholders reflecting that calculation.

The amount of Attributable Debt relating to an operating lease that can be terminated by the lessee with the payment of a penalty will be calculated based on the lesser of:

- the aggregate amount of lease payments required to be made until the first date the lease can be terminated by the lessee plus the amount of the penalty, or
- the aggregate amount of lease payments required to be made during the remaining term of the lease.

“Consolidated Net Tangible Assets” means the total amount of our assets, minus applicable reserves and other properly deductible items, minus

- all current liabilities, excluding Funded Debt classified as such by reason of being renewable or extendible, and
- all goodwill, trade names, patents, unamortized debt discount and expense, and other similar intangibles to the extent not deducted as reserves and deductible items set forth above, all as set forth on our most recent consolidated balance sheet.

“Funded Debt” means:

- Indebtedness that matures more than 12 months after the time of the computation of the amount thereof or that is extendible or renewable to a time more than 12 months after the time of the computation of the amount thereof;
- all guarantees of any such Indebtedness or of dividends, other than any guarantee in connection with the sale or discount by us or any Restricted Subsidiary of accounts receivable, trade acceptances and other paper arising in the ordinary course of business; and
- all preferred stock of any Subsidiary, taken at the greater of its voluntary or involuntary liquidation price at the time of any calculation hereunder, but exclusive of accrued dividends, if any.

Funded Debt does not, however, include any amount in respect of obligations under leases, or guarantees of obligations, whether or not such obligations or guarantees would be included as liabilities on a balance sheet.

“Indebtedness” means:

- all items of indebtedness or liability, except capital and surplus, that would be included in total liabilities on the liability side of a balance sheet as of the date that indebtedness is being determined; and
- guarantees, endorsements (other than for purposes of collection) and other contingent obligations relating to, or to purchase or otherwise acquire, indebtedness of others, unless the amount is included in the preceding bullet point.

Indebtedness does not, however, include any obligations or guarantees of obligations relating to lease rentals, even if the obligations or guarantees of obligations relating to lease rentals would be included as liabilities on the consolidated balance sheet of us and our Restricted Subsidiaries.

“Principal Domestic Manufacturing Property” means any building, structure or other facility, together with the land on which it is erected and fixtures that are part of such building, located in the United States that is used by us or our Subsidiaries primarily for manufacturing, processing or warehousing, the gross book value of which exceeds 1% of our Consolidated Net Tangible Assets, other than any such building,

- that is financed by obligations issued by a state, territory or possession of the United States, or any of their political subdivisions, the interest on which is excludable from gross income of the holders pursuant to Section 103(a)(1) of the Internal Revenue Code of 1986, or
 - that is not of material importance to the total business conducted by us and our Subsidiaries, taken as a whole.
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A “Restricted Subsidiary” is any Subsidiary of ours, but does not include a Subsidiary (i) that does not transact any substantial portion of its business in the United States and does not regularly maintain any substantial portion of its fixed assets in the United States, or (ii) that is engaged primarily in financing our operations or the operations of our Subsidiaries, or both.

“Secured Funded Debt” means Funded Debt which is secured by a mortgage, lien or other similar encumbrance upon any of our assets or those of our Restricted Subsidiaries.

A “Subsidiary” is a corporation or other entity in which we, or one or more of our other Subsidiaries, directly or indirectly, own more than 50% of the outstanding voting equity interests.

“Wholly-owned Restricted Subsidiary” means any Restricted Subsidiary in which we and our other Wholly-owned Restricted Subsidiaries own all of the outstanding Funded Debt and capital stock (other than directors’ qualifying shares).

Restrictions on Secured Funded Debt

The Indenture limits the amount of Secured Funded Debt that we and our Restricted Subsidiaries may incur or otherwise create, including by guarantee. Neither we nor our Restricted Subsidiaries may incur or otherwise create any new Secured Funded Debt unless immediately after the incurrence or creation:

- the sum of:
 - the aggregate principal amount of all of our outstanding Secured Funded Debt and that of our Restricted Subsidiaries (other than certain categories of Secured Funded Debt discussed below), plus
 - the aggregate amount of our Attributable Debt and that of our Restricted Subsidiaries relating to sale and leaseback transactions,
- does not exceed 15% of our Consolidated Net Tangible Assets.

This limitation does not apply if the outstanding debt securities are secured equally and ratably with or prior to the new Secured Funded Debt.

The following categories of Secured Funded Debt will not be considered in determining whether we are in compliance with the covenant described in the first paragraph under the heading “Restrictions on Secured Funded Debt”:

- Secured Funded Debt of a Restricted Subsidiary owing to us or to one of our Wholly-owned Restricted Subsidiaries;
- Secured Funded Debt resulting from a mortgage, lien or other similar encumbrance in favor of the U.S. government or any state or any instrumentality thereof to secure certain payments;
- Secured Funded Debt resulting from a mortgage, lien or other similar encumbrance on property, shares of stock or Indebtedness of any company existing at the time that the company becomes one of our Subsidiaries;

- Secured Funded Debt resulting from a mortgage, lien or other similar encumbrance on property, shares of stock or Indebtedness which (1) exists at the time that the property, shares of stock or Indebtedness is acquired by us or one of our Restricted Subsidiaries, including acquisitions by merger or consolidation, (2) secures the payment of any part of the purchase price of or construction cost for the property, shares of stock or Indebtedness or (3) secures any Indebtedness incurred prior to, at the time of, or within 120 days after, the acquisition of the property, shares of stock or Indebtedness or the completion of any construction of the property for the purpose of financing all or a part of the purchase price or construction cost of the property, shares of stock or Indebtedness, provided that, in all cases, we continue to comply with the covenant relating to mergers and consolidations discussed under the heading “Restrictions on Mergers and Sales of Assets” below;
- Secured Funded Debt resulting from a mortgage, lien or other similar encumbrance in connection with the issuance of revenue bonds on which the interest is exempt from federal income tax under the Internal Revenue Code; and any extension, renewal or refunding of (1) any Secured Funded Debt permitted under the first paragraph under the heading “Restrictions on Secured Funded Debt” or (2) any Secured Funded Debt outstanding as of the date of the Indenture.

Restrictions on Sale and Leaseback Transactions

Under the Indenture, neither we nor any Restricted Subsidiary may enter into any sale and leaseback transaction involving a Principal Domestic Manufacturing Property, except a sale by a Restricted Subsidiary to us or another Restricted Subsidiary or a lease not exceeding three years, by the end of which we intend to discontinue use of the property, and except for any transaction with a local or state authority that provides financial or tax benefits, unless:

- the net proceeds of the sale are at least equal to the fair market value of the property; and
- within 120 days of the transfer, or two years if we hold the net proceeds of the sale in cash or cash equivalents, we purchase and retire debt securities and/or repay Funded Debt and/or make expenditures for the expansion, construction or acquisition of a Principal Domestic Manufacturing Property at least equal to the net proceeds of the sale.

In addition, the restriction does not apply if the sum of the aggregate fair market value of the property transferred in a sale and leaseback transaction and all Secured Funded Debt (other than the categories of Secured Funded Debt discussed above as not being included in the consideration of the covenant restricting Secured Funded Debt) does not exceed 15% of our Consolidated Net Tangible Assets.

Restrictions on Mergers and Sales of Assets

The Indenture generally permits a consolidation or merger between us and another entity. It also permits the sale or transfer by us of all or substantially all of our property and assets. These transactions are permitted so long as:

- the resulting or acquiring entity, if other than us, is organized and existing under the laws of a United States jurisdiction and assumes responsibility for the payment of all amounts due on the debt securities and performance of the covenants in the Indenture;
 - immediately after giving effect to the transaction, no event of default under the Indenture exists;
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- steps have been taken to secure the debt securities equally and ratably with all indebtedness secured by a mortgage, lien or other similar encumbrance if as a result of such transaction, our properties or assets or Restricted Subsidiaries' properties or assets would become subject to such mortgage, lien or other similar encumbrance not permitted pursuant to the provisions discussed above under the heading "Restrictions on Secured Funded Debt" without equally and ratably securing the debt securities; and
- we have delivered to the trustee an officers' certificate and an opinion of counsel, each stating that the transaction and, if a supplemental indenture is required in connection with the transaction, the supplemental indenture comply with the Indenture and that all conditions precedent to the transaction contained in the Indenture have been satisfied. If we consolidate or merge with or into any other entity or sell or lease all or substantially all of our assets according to the terms and conditions of the Indenture, the resulting or acquiring entity will be substituted for us in the Indenture with the same effect as if it had been an original party to the Indenture. As a result, such successor entity may exercise our rights and powers under the Indenture, in our name and, except in the case of a lease, we will be released from all obligations and covenants under the Indenture and under the debt securities and coupons.

Notwithstanding the foregoing provisions, we may transfer all of our property and assets to another corporation if, immediately after giving effect to the transfer, such corporation is our Wholly-owned Restricted Subsidiary and we would be permitted to become liable for an additional amount of Secured Funded Debt.

Event of Default

Each of the following events are defined in the Indenture as an "Event of Default" (whatever the reason for such event of default and whether or not it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) with respect to the debt securities of any series:

- failure to pay interest on any debt security of that series for 30 days after the payment is due;
 - failure to pay the principal of, or any premium on, any debt security of that series when due;
 - failure to deposit any sinking fund payment on debt securities of that series when due;
 - failure to perform any other covenant in the Indenture that applies to debt securities of that series for 90 days after we have received written notice of the failure to perform in the manner specified in the indenture;
 - default in respect of any Indebtedness for money borrowed by us or any consolidated Subsidiary, or under any mortgage, indenture or instrument under which such Indebtedness is issued or secured, including a default with respect to debt securities of any other series, which default results in the acceleration of Indebtedness with an aggregate outstanding principal amount in excess of \$50,000,000, unless the acceleration is rescinded, or such debt is paid or waived within 10 days after we have received written notice of the default in the manner specified in the Indenture;
 - certain events in bankruptcy, insolvency or reorganization; or
 - any other Event of Default that may be specified for the debt securities of that series when that series is created.
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- If an Event of Default for any series of debt securities occurs and continues, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of the series may declare the entire principal of all the debt securities of that series to be due and payable immediately, except that, if the Event of Default is caused by certain events in bankruptcy, insolvency or reorganization, the entire principal of all of the debt securities of the series will become due and payable immediately without any act on the part of the trustee or holders of the debt securities.

If such a declaration occurs, the holders of a majority of the aggregate principal amount of the outstanding debt securities of that series can, subject to conditions, rescind the declaration. The prospectus supplement relating to a series of debt securities which are original issue discount securities will describe the particular provisions that relate to the acceleration of maturity of a portion of the principal amount of the series when an Event of Default occurs and continues.

Modification and Waiver

Under the Indenture, certain of our rights and obligations and certain of the rights of the holders of the debt securities may be modified or amended with the consent of the holders of a majority of the total principal amount of the outstanding debt securities of all series of debt securities affected by the modification or amendment, acting together as a class. However, the following modifications and amendments will not be effective against any holder without its consent:

- a change in the stated maturity date of any payment of principal or interest;
- a reduction in the principal amount of, or rate of interest on, any debt security or any change in the interest rate or method of calculating the interest rate applicable to any debt security;
- a reduction in the premium payable upon redemption of any debt security;
- a reduction in the amount of principal of an original issue discount debt security due and payable upon acceleration of the maturity of such debt security;
- a change in place of payment where, or the currency in which, any payment on the debt securities is payable;
- an impairment of a holder's right to sue us for the enforcement of payments due on the debt securities; or
- a reduction in the percentage of outstanding debt securities of any series required to consent to a modification or amendment of the Indenture or required to consent to a waiver of compliance with certain provisions of the Indenture or certain defaults under the Indenture.

Under the Indenture, the holders of at least a majority of the total principal amount of the outstanding debt securities of any series of debt securities may waive compliance by us with certain restrictive provisions of the Indenture, on behalf of all holders of all series of debt securities to which such restrictive provision applies.

Under the Indenture, the holders of at least a majority of the total principal amount of the outstanding debt securities may, on behalf of all holders of such series of debt securities, waive any past default under the Indenture, except:

- a default in the payment of the principal of, or any premium or interest on, any debt securities of that series; or
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- a default under any provision of the Indenture which itself cannot be modified or amended without the consent of the holders of each outstanding debt security of that series.

Defeasance

Upon satisfaction of the following conditions, the Company shall be discharged from all of its obligations under the Notes, except for its obligations under certain sections of the Indenture (referred to below as a “Defeasance”):

- The Company shall irrevocably have deposited or caused to be deposited with the Trustee in trust for the holders of the notes (A) money in an amount, or (B) U.S. Government Obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms, and with no further reinvestment, will provide, not later than one day before the due date of any payment, lawful money of the United States in an amount, or (C) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge the principal of (and premium, if any) and interest on the Notes at or before the stated maturity date thereof (and to redeem any sinking fund Securities required to be redeemed prior to such payment and discharge) in accordance with the Indenture and the Notes.
 - The Company shall have delivered to the Trustee an opinion of counsel stating that the holders of the Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit or Defeasance and will be subject to Federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit or Defeasance had not occurred, which opinion of counsel shall be based upon (and accompanied by a copy of) a ruling of the Internal Revenue Service to the same effect unless there has been a change in applicable Federal income tax law after the original issue date of the Notes such that a ruling is no longer required or a ruling directed to the Trustee received from the Internal Revenue Service to the same effect as the aforementioned opinion of counsel.
 - The Company shall have delivered to the Trustee an officers’ certificate to the effect that the Notes, if then listed on any securities exchange or quoted on an automatic quotation system, will not be delisted or cease to be quoted as a result of such deposit.
 - No Event of Default or event which with notice or lapse of time or both would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit.
 - Such deposit or Defeasance shall not result in a violation of, or constitute a default under, any other agreement or instrument to which the Company is a party or by which it is bound.
 - Such Defeasance shall not result in the trust arising from such deposit constituting an investment company as defined in the Investment Company Act of 1940 or such trust shall be qualified under such act or exempt from regulation thereunder.
 - Such Defeasance shall not cause the Trustee to have a conflicting interest under the Trust Indenture Act with respect to any Securities of the Company or any guarantor.
 - The Company shall have delivered to the Trustee (i) an officers’ certificate stating that all conditions precedent provided for relating to such Defeasance or deposit have been complied with, and (ii) an opinion of counsel stating that all conditions precedent provided for relating to such Defeasance or deposit have been complied with.
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All money and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee pursuant to the above in respect of the Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of the Notes and the Indenture, to the payment, either directly or through any paying agent (including the Company acting as its own paying agent) as the Trustee may determine, to the holders of the Notes, of all sums due and to become due thereon in respect of principal and any premium and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay (in addition to any U.S. Government Obligations deposited pursuant to the above, and indemnify the Trustee against, any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to the above or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the holders of the Notes for which such deposit is made.

Anything in this section to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon request of the Company any money or U.S. Government Obligations held by it as provided above which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect an equivalent Defeasance.

“U.S. Government Obligations” means direct obligations of the United States for the payment of which its full faith and credit is pledged, or obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States and the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any such U.S. Government Obligations or a specific payment of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

Book-Entry Delivery and Settlement

The Notes were issued in book-entry form and are represented by global notes deposited with, or on behalf of, a common depository on behalf of Euroclear and Clearstream, and are registered in the name of the common depository or its nominee. Except as described herein, certificated notes will not be issued in exchange for beneficial interests in the global notes.

Exchange of Global Notes for Certificates Notes

Subject to certain conditions, the Notes represented by the global notes are exchangeable for certificated notes in definitive form of like tenor in minimum denominations of €100,000 principal amount and multiples of €1,000 in excess thereof if:

- we have been notified that both Clearstream and Euroclear have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available;
 - we, at our option, notify the trustee in writing that we elect to cause the issuance of certificated notes; or
 - there has occurred and is continuing an event of default with respect to the Notes.
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In all cases, certificated notes delivered in exchange for any global note or beneficial interest therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of Euroclear or Clearstream (in accordance with their customary procedures).

Payments (including principal, premium and interest) with respect to Notes in certificated form may be made at the office or agency maintained for such purpose in London (initially the corporate trust office of the London paying agent) or, at our option, by check mailed to the holders thereof at the respective addresses set forth in the register of holders of the Notes, *provided* that all payments (including principal, premium and interest) on notes in certificated form, for which the holders thereof have given wire transfer instructions to the London paying agent at least ten business days prior to the applicable payment date, will be required to be made by wire transfer of immediately available funds to the accounts specified by the holders thereof, subject, in each case, to surrender of the Notes to the London Paying Agent in the case of payments of principal or premium. No service charge will be made for any registration of transfer, but payment of a sum sufficient to cover any tax or governmental charge payable in connection with that registration may be required.

SUBSIDIARIES OF THE REGISTRANT

Archer-Daniels-Midland Company
 Subsidiaries of the Registrant
 December 31, 2021

The following is a list of the Company's subsidiaries as of December 31, 2021, which may not include certain subsidiaries that, considered in the aggregate as a single subsidiary, would not constitute a "significant subsidiary" as defined in Regulation S-X of the United States Securities and Exchange Commission (17 CFR 210.1-02 (w)).

Entity Name	Country	Domestic Jurisdiction
ACT Exportação Ltda.	Brazil	Brazil
ADGENE LABORATOIRE	France	France
ADM (Dalian) Animal Health & Nutrition Co. Ltd.	China	China
ADM (Shanghai) Management Co., Ltd.	China	China
ADM (Thailand) Ltd.	Thailand	Thailand
ADM Ag Holding Limited	British Virgin Islands	British Virgin Islands
ADM Agri Services Greece MEPE	Greece	Greece
ADM Agricultural Commodities Trading (Tianjin) Co., Ltd.	China	China
ADM Agriculture Limited	United Kingdom	UK
ADM Agri-Industries Company	Canada	Nova Scotia
ADM Agro Iberica S.L.U.	Spain	Spain
ADM Agro Industries India Private Limited	India	India
ADM Agro Industries Kota & Akola Private Limited	India	India
ADM Agro Industries Latur & Vizag Private Limited	India	India
ADM AGRO S.R.L.	Argentina	Argentina
ADM Agroinvestimentos Ltda.	Brazil	Brazil
ADM Alliance Nutrition of Puerto Rico, LLC	United States	Puerto Rico
ADM Americas S. de R.L.	Panama	Panama
ADM Andina Peru S.R.L.	Peru	Peru
ADM Animal Health & Nutrition (Nanjing) Co., Ltd.	China	China
ADM Animal Nutrition (Cambodia) Co., Ltd.	Cambodia	Phnom Penh Municipality
ADM Animal Nutrition (Xiangtan) Co., Ltd.	China	China
ADM Animal Nutrition (Zhangzhou) Co., Ltd.	China	China
ADM ANTWERP NV	Belgium	Belgium
ADM Arkady Ireland Limited	Ireland	Ireland
ADM Armazéns Gerais Ltda.	Brazil	Brazil
ADM Asia-Pacific Trading Pte. Ltd.	Singapore	Singapore
ADM Australia Holdings I Pty Limited	Australia	Australia
ADM Australia Pty. Limited	Australia	Australia
ADM Bazancourt SASU	France	France
ADM Besin ve Tarim Anonim Sirketi	Turkey	Turkey
ADM Bio-Productos, S.A. de C.V.	Mexico	Mexico
ADM Bio-Science & Technology (Tianjin) Co., Ltd.	China	China
ADM Bulgaria Trading EOOD	Bulgaria	Bulgaria
ADM CARIBBEAN INC.	St. Lucia	St. Lucia
ADM Chile Comercial Limitada	Chile	Santiago
ADM Clinton BioProcessing, Inc.	United States	Delaware

ADM Czernin S.A.	Poland	Poland
ADM Direct Polska Sp. z o.o.	Poland	Poland
ADM DO BRASIL LTDA.	Brazil	Brazil
ADM Dominican Holdings, Inc.	United States	Delaware
ADM Dominicana S.A.	Dominican Republic	Dominican Republic
ADM Edible Bean Specialties, Inc.	United States	Michigan
ADM Egypt LLC	Egypt	Egypt
ADM El Salvador, Ltda. de C.V.	El Salvador	El Salvador
ADM EMEA Corporate Services GmbH	Germany	Germany
ADM Europe Holdco, S.L.	Spain	Spain
ADM European Management Holding B.V. & Co. KG	Germany	Germany
ADM Expatriate Services, Inc.	United States	Delaware
ADM Export Co.	United States	Delaware
ADM Food Technology (Beijing) Co., Ltd.	China	China
ADM Food Technology (Pinghu) Co., Ltd.	China	China
ADM France	France	France
ADM Fuels Company	United States	Delaware
ADM German Holdings B.V.	Netherlands	NL
ADM Germany GmbH	Germany	Germany
ADM Grain Costa Rica S.R.L.	Costa Rica	Costa Rica
ADM Grain de Venezuela, C.A.	Venezuela	Venezuela
ADM Grain River System, Inc.	United States	Delaware
ADM Guatemala Limitada	Guatemala	Guatemala
ADM Hamburg Aktiengesellschaft	Germany	Germany
ADM Holding (Thailand) Ltd.	Thailand	Thailand
ADM Holdings LLC	United States	Delaware
ADM Honduras S.de R.L.	Honduras	Honduras
ADM Inca S.A.C.	Peru	Peru
ADM Industries Centers Ltd	Israel	Israel
ADM INGREDIENTS S.R.L.	Argentina	Argentina
ADM International Holdings, Inc.	United States	Delaware
ADM International Sàrl	Switzerland	Switzerland
ADM Investments Limited	Cayman Islands	Cayman Islands
ADM Investor Services International Limited	United Kingdom	UK
ADM Investor Services, Inc.	United States	Delaware
ADM Ireland Receivables Company Limited	Ireland	Ireland
ADM Italia S.r.l.	Italy	Italy
ADM Japan Ltd.	Japan	Japan
ADM Latin America, Inc.	United States	Delaware
ADM Logistics, Inc.	United States	Delaware
ADM Mainz GmbH	Germany	Germany
ADM Malbork S.A.	Poland	Poland
ADM MANAGEMENT LTD.	Cayman Islands	Cayman Islands
ADM Medsofts Sarl	Switzerland	Switzerland
ADM Mexico S.A. de C.V.	Mexico	Mexico
ADM Mexico, Inc.	United States	Delaware
ADM Milling Co.	United States	Minnesota
ADM Milling Limited	United Kingdom	UK
ADM MOROCCO S.A.	Morocco	Morocco

ADM Myanmar Company Limited	Myanmar	Myanmar
ADM New Zealand Limited	New Zealand	New Zealand
ADM Nicaragua SA	Nicaragua	Nicaragua
ADM Nutrition Holding d.o.o. Beograd	Serbia	Becej Industria
ADM Olomouc s.r.o.	Czech Republic	Czech Republic
ADM Panama S. De R.L.	Panama	Panama
ADM Paraguay S.R.L.	Paraguay	Paraguay
ADM Participações Ltda.	Brazil	Brazil
ADM Poland Sp. z o.o.	Poland	Poland
ADM PORTUGAL, SA	Portugal	Portugal
ADM Protexin Limited	United Kingdom	England
ADM Protexin, Inc.	United States	Delaware
ADM Pura Limited	United Kingdom	UK
ADM Razgrad EAD	Bulgaria	Bulgaria
ADM Receivables, LLC	United States	Delaware
ADM Rice, Inc.	United States	Delaware
ADM Ringaskiddy Unlimited Company	Ireland	Ireland
ADM Services B.V.	Netherlands	NL
ADM SERVICIOS, S.A. DE C.V.	Mexico	Mexico
ADM Slovakia, s.r.o.	Slovakia (Slovak Republic)	Slovakia (Slovak Republic)
ADM Specialty Ingredients (Europe) B.V.	Netherlands	NL
ADM Spyck GmbH	Germany	Germany
ADM STF DMCC	United Arab Emirates	Dubai
ADM STF Pte. Ltd.	Singapore	Singapore
ADM STF Switzerland Sarl	Switzerland	Switzerland
ADM Sweden AB	Sweden	Sweden
ADM Szamotuly Sp. z o.o.	Poland	Poland
ADM Trading (UK) Limited	United Kingdom	England
ADM Trading Australia Pty. Ltd.	Australia	Australia
ADM Trading Company	United States	Delaware
ADM Trading Cote D'Ivoire	Cote D'Ivoire	Abidjan
ADM Transportation Company	United States	Delaware
ADM Trucking, Inc.	United States	Delaware
ADM Unterstutzungskasse GmbH	Germany	Germany
ADM Uruguay SCA	Uruguay	Uruguay
ADM Ventures Investment Corp.	United States	Delaware
ADM WILD Europe GmbH & Co. KG	Germany	Germany
ADM Wild Gida Sanayi ve Ticaret Limited Sirketi	Turkey	Turkey
ADM WILD Nauen GmbH	Germany	Germany
ADM WILD Netherlands B.V.	Netherlands	Netherlands
ADM WILD SEE Kft	Hungary	Hungary
ADM Wild UK Limited	United Kingdom	England
ADM WILD Valencia SAU	Spain	Spain
ADM Worldwide Holdings L.P.	Cayman Islands	Cayman Islands
ADMEcuador CIA. Ltda.	Ecuador	Ecuador
ADMIS Holding Company, Inc.	United States	Delaware
ADMIS Hong Kong Limited	Hong Kong	Hong Kong
ADMIS SINGAPORE PTE. LIMITED	Singapore	Singapore

AGRANIX	France	France
Agri Port Services Brasil Ltda.	Brazil	Brazil
Agri Port Services Investments Ltd.	Cayman Islands	Cayman Islands
Agri Port Services, LLC	United States	Delaware
Agrícolas Madagascar SARLU	Madagascar	Madagascar
Agrinational Insurance Company	United States	Vermont
Agrograin Ltd. Sucursal Uruguay	Uruguay	Uruguay
Agrograin, Ltd.	Cayman Islands	Cayman Islands
AIC Seguros SRL	Paraguay	Paraguay
Alfrebro, LLC	United States	Ohio
Alfred C. Toepfer International Exportação e Importação Ltda.	Brazil	Brazil
Alfred C. Toepfer International Netherlands B.V.	Netherlands	NL
Alimentos Texo SA de CV	Mexico	Mexico
American River Transportation Co., LLC	United States	Delaware
AMT West LLC	United States	Delaware
Anco Animal Nutrition Competence GmbH	Austria	Austria
Archer Daniels Midland (UK) Limited	United Kingdom	England
Archer Daniels Midland Asia-Pacific Limited	Hong Kong	Hong Kong
Archer Daniels Midland Company South Africa (Pty) Ltd.	South Africa	South Africa
Archer Daniels Midland Erith Limited	United Kingdom	England
Archer Daniels Midland Europe B.V.	Netherlands	NL
Archer Daniels Midland Europoort B.V.	Netherlands	NL
Archer Daniels Midland Korea LLC	Korea, Republic Of	South Korea
Archer Daniels Midland Nederland B.V.	Netherlands	NL
Archer Daniels Midland Singapore, Pte. Ltd.	Singapore	Singapore
Archer Daniels Midland Vietnam Company Limited	Viet Nam	Vietnam
Archer Daniels Midland Wild Nigeria Ltd.	Nigeria	Nigeria
Archer Financial Services, Inc.	United States	Delaware
Archer-Daniels-Midland Philippines, Inc.	Philippines	Philippines
Arinos Unlimited	Trinidad And Tobago	Trinidad
AT Holdings II Company	United States	Delaware
Balanceados Nova S.A. Balnova	Ecuador	Ecuador
Balto Holdco, LLC	United States	Delaware
Barbados Mills Limited	Barbados	Barbados
Bela Vista Bio Etanol Participações Ltda.	Brazil	Brazil
Belize Mills Limited	Belize	Belize
Belwood Company S.A.	Uruguay	Uruguay
Benson-Quinn Commodities, Inc.	United States	Minnesota
Bern Aqua	Belgium	Belgium
Bifodan, Inc.	United States	Delaware
BIOPOLIS, S.L.	Spain	Spain
BQ Railroad Company	United States	North Dakota
BTECH Tecnologias Agropecuárias e Comércio Ltda.	Brazil	Brazil
Caribbean Agro-Industries Limited	Grenada	Grenada
CI ADM Colombia Ltda.	Colombia	Colombia
Columbia & Willamette Maritime Services, Inc.	United States	Delaware
Compania ADM, S.A. de C.V.	Mexico	Mexico
CONTROLADORA ADM, S.A. DE C.V.	Mexico	Mexico
Crosswind Petfoods, Inc.	United States	Kansas

Daavision B.V.	Netherlands	Netherlands
DE Holdings LLC	United States	Georgia
Deerland Europe ApS	Denmark	Denmark
Deerland Holdings, Inc.	United States	Delaware
Deerland Ireland R&D Limited	Ireland	Ireland
Deerland Probiotics & Enzymes A/S	Denmark	Denmark
Deerland Probiotics & Enzymes, Inc.	United States	Delaware
DP Holdings LLC	United States	Georgia
Eatem Corporation	United States	New Jersey
Empresa de Transporte La Estrella S.R.L.	Paraguay	Paraguay
Epicore Bionetworks Inc.	Canada	Alberta
Epicore Ecuador S.A.	Ecuador	Ecuador
Epicore Networks (U.S.A.), Inc.	United States	New Jersey
Erich Ziegler GmbH	Germany	Germany
Evialis (Shandong) Co., Ltd.	China	Shandong
EVIALIS FRANCE	France	France
Evialis Galicia S.A.	Spain	Spain
Evialis India Limited	India	Mumbai
Federation Sahanala Vanille	Madagascar	Madagascar
FILOZOO SRL	Italy	Italy
FINANCIERE FRANCO MAGYAR POUR LA NUTRITION ANIMALE - FFMNA	France	France
FISA Andina S.A.S.	Colombia	Colombia
FISA Aromas, S.A.S.	Colombia	Colombia
Flavor Infusion International, S.A.	Panama	Panama
Florida Chemical Company, LLC	United States	Delaware
Flotek Flavor & Fragrance, LLC	United States	Delaware
GLOBAL COCOA HOLDINGS LTD.	Cayman Islands	Cayman Islands
Golden Farm Production & Commerce Company Limited	Viet Nam	Vietnam
Golden Peanut and Tree Nut Seed SA (Pty) Ltd.	South Africa	South Africa
Golden Peanut and Tree Nuts S.A.	Argentina	Argentina
Golden Peanut Company, LLC	United States	Georgia
GP Blanching, Inc.	United States	Georgia
GPC Trucking, Inc.	United States	Delaware
Green Bison Soy Processing, LLC	United States	Delaware
GROUPE PILARDIERE	France	France
GUYOKRMA, spol. s.r.o.	Czech Republic	Czech Republic
Guyomarc'h - VCN Company Limited	Viet Nam	Hanoi
Guyomarc'h Vietnam Co., Ltd.	Viet Nam	Vietnam
Guyovital PT	Indonesia	Jakarta
HFR Shipping Company Ltd.	The Republic of the Marshall Islands	The Republic of the Marshall Islands
HI-NUTRIENTS INTERNATIONAL LIMITED	Nigeria	Nigeria
Holding P & A Asia Company Limited	Thailand	Bangkok
HRA Shipping Company Ltd.	The Republic of the Marshall Islands	The Republic of the Marshall Islands
HTI Shipping Company Ltd.	The Republic of the Marshall Islands	The Republic of the Marshall Islands
Industries Centers EOD Trade 2005 Ltd.	Israel	Israel

Invivo NSA Algeria	Algeria	Algeria
Invivo NSA Sanpo (Tianjin) Pet Products Co., Ltd	China	Tianjin
Jamaica Flour Mills Limited	Jamaica	Jamaica
Jamaica Rice Milling Company Limited	Jamaica	Jamaica
JDS Sarl	Madagascar	Madagascar
LANCENTER S.C.A.	Uruguay	Uruguay
Logus Bar Ashdod Port Ltd.	Israel	Israel
Malta Industries S.A. de C.V.	Mexico	Mexico
Malta Texo De Mexico S.A. de C.V.	Mexico	Mexico
Maniobras Y Servicios Del Interior, S.A. de C.V.	Mexico	Mexico
Master Mix of Trinidad Unlimited	Trinidad And Tobago	Trinidad
Medsofts Company LLC	Egypt	Egypt
Medsofts for Import Co.	Egypt	Egypt
Medsofts for Investment LLC	Egypt	Egypt
Medsofts for Trade LLC (Medsofts Trading)	Egypt	Egypt
Mepla Comércio e Navegação Ltda.	Brazil	Brazil
Mezclas Biomix S.A.S.	Colombia	Colombia
Monti Foods (Pty) Ltd.	South Africa	South Africa
Mundo Logistics S.R.L.	Uruguay	Uruguay
National Enzyme Company, LLC	United States	Missouri
Naviera Chaco S.R.L.	Paraguay	Paraguay
NEC Facilities, LLC	United States	Delaware
NEOVIA	France	France
Neovia Algeria SPA	Algeria	Algeria
Neovia Nutrição e Saúde Animal Ltda.	Brazil	Brazil
Neovia Philippines Inc.	Philippines	Philippines
North Star Shipping S.R.L.	Romania	Romania
NutraDine, LLC	United States	Colorado
NUTRILAC	France	France
NutriMix Feed Company, Inc.	United States	Puerto Rico
Olenex C.V.	Netherlands	Netherlands
P & A Marketing SA	Switzerland	Switzerland
Pancosma & Associates Marketing (Thailand) Co., Ltd.	Thailand	Thailand
Pancosma (Jiangsu) Feed Additive Co. Ltd.	China	Zhangjiagang
Pancosma (Shanghai) Feed Additives Co. Ltd.	China	Shanghai
Pancosma Canada Inc.	Canada	Quebec
PANCOSMA FRANCE S.A.S	France	France
Pancosma Mexico S.A. de C.V.	Mexico	Mexico
Pancosma North America, Inc.	United States	Illinois
Pancosma SA	Switzerland	Switzerland
Pedigree Ovens, LLC	United States	Delaware
PetDine, LLC	United States	Colorado
PJSC ADM Illichivsk	Ukraine	Ukraine
Premiere Agri Technologies Asia, Inc.	United States	Delaware
Premiere Agri Technologies of Mexico, Inc.	United States	Delaware
Proservicios Potencial Humano, S.A. de C.V.	Mexico	Mexico
Provit Sp. z o.o.	Poland	Poland
PT ADM Indonesia Trading and Logistics	Indonesia	Indonesia
Pura Foods Limited	United Kingdom	UK
Rodelle Inc.	United States	Colorado

SANICOOPA	France	France
Sartco Ltda.	Brazil	Brazil
SDJ Sarl	Madagascar	Madagascar
Sermix	France	France
Servad S.R.L	Uruguay	Uruguay
Setna Nutricion S.A.	Spain	Spain
Silo P. Kruse Betriebs-GmbH & Co. KG	Germany	Germany
Silo-Betriebsgesellschaft mbH	Germany	Germany
Societe Industrielle des Oleagineux-SIO	France	France
SojaProtein d.o.o. Becej	Serbia	Becej Industria
SORA Laboratories, LLC	United States	Missouri
Southern Cellulose Products, Inc.	United States	Tennessee
Soy Investors, LLC	United States	Iowa
Specialty Commodities, LLC	United States	North Dakota
Sul Mineira Alimentos Ltda.	Brazil	Brazil
Szabadegyhazai Szolgaltato es Vagyonkezeklo KFT	Hungary	Hungary
Terminal Stevedores, Inc.	United States	Louisiana
Terminales De Cargas Especializadas, S.A. De C.V.	Mexico	Mexico
The Pound Bakery, LLC	United States	Illinois
Toepfer International Trading (Shanghai) Co., Ltd.	China	China
UPSCIENCE	France	France
UPSCIENCE ITALIA S.R.L.	Italy	Italy
Vantage Corn Processors LLC	United States	Delaware
Wild Amazon Flavors Concentrados e Corantes para Bebidas Ltda.	Brazil	Brazil
Wild Flavors (Canada) Inc.	Canada	Ontario
Wild Flavors Austria GmbH	Austria	Austria
Wild Flavors International GmbH	Switzerland	Switzerland
Wild Flavors Kenya Limited	Kenya	Kenya
Wild Flavors Middle East FZE	United Arab Emirates	Jebel Ali
Wild Flavors Polska Sp. z o.o.	Poland	Poland
Wild Flavors S.A. de C.V.	Mexico	Mexico
Wild Flavors, Inc.	United States	Delaware
Wild Intermare GmbH	Germany	Germany
Wild Polska Sp. z o.o.	Poland	Poland
WILD RUSSIA LLC	Russian Federation	Russia
Wild Tunesia Sarl	Tunisia	Tunisia
Wisium SA (Pty) Ltd.	South Africa	South Africa
Yerbalatina Ltda.	Brazil	Brazil

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements of Archer-Daniels-Midland Company and in the related prospectuses of our reports dated February 17, 2022, with respect to the consolidated financial statements of Archer-Daniels-Midland Company, and the effectiveness of internal control over financial reporting of Archer-Daniels-Midland Company, included in this Annual Report (Form 10-K) for the year ended December 31, 2021.

Registration Statement No. 333-51381 on Form S-8, dated April 30, 1998, relating to the Archer-Daniels-Midland Company 1996 Stock Option Plan.

Registration Statement No. 333-75073 on Form S-8, dated March 26, 1999, relating to the ADM Employee Stock Ownership Plan for Salaried Employees and the ADM Employee Stock Ownership Plan for Hourly Employees.

Registration Statement No. 333-37690 on Form S-8, dated May 24, 2000, relating to the Archer-Daniels-Midland Company Incentive Compensation Plan.

Registration Statement No. 333-37694 on Form S-8, dated May 24, 2000, relating to the ADM Employee Stock Ownership Plan for Salaried Employees and the ADM Employee Stock Ownership Plan for Hourly Employees.

Registration Statement No. 333-42612 on Form S-8, dated July 31, 2000, as amended by Post-Effective Amendment No. 1 dated August 8, 2000, relating to the ADM 401(k) Plan for Salaried Employees and the ADM 401(k) Plan for Hourly Employees.

Registration Statement No. 333-67962 on Form S-8, dated August 20, 2001, relating to the ADM Deferred Compensation Plan for Selected Management Employees.

Registration Statement No. 333-86344 on Form S-8, dated April 16, 2002, relating to the ADM Voluntary Employee Payroll Deduction Stock Purchase Plan.

Registration Statement No. 333-117206 on Form S-8, dated July 7, 2004, relating to the Archer-Daniels-Midland Company 2002 Incentive Compensation Plan.

Registration Statement No. 333-121616 on Form S-8, dated December 23, 2004, relating to the ADM Deferred Compensation Plan for Selected Management Employees I.

Registration Statement No. 333-121631 on Form S-8, dated December 23, 2004, relating to the ADM Deferred Compensation Plan for Selected Management Employees II.

Registration Statement No. 333-169133 on Form S-8, dated August 31, 2010, as amended by Post-Effective Amendment No. 1 dated July 2, 2020, relating to the Archer-Daniels-Midland 2009 Incentive Compensation Plan.

Registration Statement No. 333-224944 on Form S-8, dated May 15, 2018 relating to the Archer-Daniels-Midland Employee Stock Purchase Plan.

Registration Statement No. 333-239653 on Form S-8, dated July 2, 2020 relating to the Archer-Daniels-Midland 2020 Incentive Compensation Plan.

Registration Statement No. 333-240250 on Form S-3, dated July 31, 2020, relating to debt securities, warrants to purchase debt securities, preferred stock, common stock, warrants to purchase common stock, stock purchase contracts and stock purchase units of Archer-Daniels-Midland Company.

/s/ Ernst & Young LLP

Saint Louis, Missouri
February 17, 2022

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

The undersigned, a director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute, and appoint R. G. YOUNG, M. L. STRADER FRUIT, and D. C. FINDLAY, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place, and stead, to sign and affix the undersigned's name as a director of said company to the Form 10-K for the fiscal year ended December 31, 2021, and all amendments thereto, to be filed by said company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

The undersigned has hereunto set the undersigned's hand as of this 2nd day of February, 2022.

/s/ M. S. Burke
M. S. Burke

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

The undersigned, a director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute, and appoint R. G. YOUNG, M. L. STRADER FRUIT, and D. C. FINDLAY, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place, and stead, to sign and affix the undersigned's name as a director of said company to the Form 10-K for the fiscal year ended December 31, 2021, and all amendments thereto, to be filed by said company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

The undersigned has hereunto set the undersigned's hand as of this 2nd day of February, 2022.

/s/ T. Colbert

T. Colbert

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

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The undersigned has hereunto set the undersigned's hand as of this 2nd day of February, 2021.

/s/ T. K. Crews

T. K. Crews

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

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The undersigned has hereunto set the undersigned's hand as of this 2nd day of February, 2022.

/s/ P. Dufour

P. Dufour

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

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The undersigned has hereunto set the undersigned's hand as of this 2nd day of February, 2022.

/s/ D. E. Felsinger

D. E. Felsinger

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

The undersigned, a director of ARCHER-DANIELS-MIDLAND COMPANY, a Delaware corporation, does hereby make, constitute, and appoint R. G. YOUNG, M. L. STRADER FRUIT, and D. C. FINDLAY, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place, and stead, to sign and affix the undersigned's name as a director of said company to the Form 10-K for the fiscal year ended December 31, 2021, and all amendments thereto, to be filed by said company with the Securities and Exchange Commission, Washington, D.C., and to file the same, with all exhibits thereto and other supporting documents, with said Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers therein expressly granted.

The undersigned has hereunto set the undersigned's hand as of this 2nd day of February, 2022.

/s/ S. F. Harrison

S. F. Harrison

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

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The undersigned has hereunto set the undersigned's hand as of this 2nd day of February, 2022.

/s/ J. R. Luciano

J. R. Luciano

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

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The undersigned has hereunto set the undersigned's hand as of this 2nd day of February, 2022.

/s/ P. J. Moore

P. J. Moore

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

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The undersigned has hereunto set the undersigned's hand as of this 2nd day of February, 2022.

/s/ F. J. Sanchez

F. J. Sanchez

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

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The undersigned has hereunto set the undersigned's hand as of this 2nd day of February, 2022.

/s/ D. A. Sandler

D. A. Sandler

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

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The undersigned has hereunto set the undersigned's hand as of this 2nd day of February, 2022.

/s/ L. Z. Schlitz

L. Z. Schlitz

ARCHER-DANIELS-MIDLAND COMPANY

Power of Attorney of Director

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The undersigned has hereunto set the undersigned's hand as of this 2nd day of February, 2022.

/s/ K. R. Westbrook

K. R. Westbrook

RULE 13a – 14(a)/15d-14(a) CERTIFICATION

I, J. R. Luciano, certify that:

1. I have reviewed this annual report on Form 10-K of Archer-Daniels-Midland Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 17, 2022

/s/ J. R. Luciano
 J. R. Luciano
 Chairman, Chief Executive Officer, and President

RULE 13a – 14(a)/15d-14(a) CERTIFICATION

I, R. G. Young, certify that:

1. I have reviewed this annual report on Form 10-K of Archer-Daniels-Midland Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 17, 2022

/s/ R. G. Young
R. G. Young
Executive Vice President and Chief Financial Officer

SECTION 1350 CERTIFICATION

In connection with the Annual Report of Archer-Daniels-Midland Company (the “Company”) on Form 10-K for the fiscal year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, J. R. Luciano, Chairman, Chief Executive Officer, and President of the Company, certify that:

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 17, 2022

/s/ J. R. Luciano
J. R. Luciano
Chairman, Chief Executive Officer, and President

SECTION 1350 CERTIFICATION

In connection with the Annual Report of Archer-Daniels-Midland Company (the “Company”) on Form 10-K for the fiscal year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, R. G. Young, Executive Vice President and Chief Financial Officer of the Company, certify that:

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 17, 2022

/s/ R. G. Young
R. G. Young
Executive Vice President and Chief Financial Officer