

ARCHER DANIELS MIDLAND CO  
Form 11-K  
June 25, 2009

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549

FORM 11-K

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

For the fiscal year ended December 31, 2008

OR

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

For the transition period \_\_\_\_\_ To \_\_\_\_\_

Commission file number 1-44

ARCHER-DANIELS-MIDLAND COMPANY

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees

B. Name of the issuer of the securities held pursuant to the Plan and the address of its principal executive office:

Archer-Daniels-Midland Company  
4666 Faries Parkway  
PO Box 1470  
Decatur, Illinois 62525

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ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees  
Years Ended December 31, 2008 and 2007  
With Report of Independent Registered Public Accounting Firm

ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees

Audited Financial Statements and Schedule

Years Ended December 31, 2008 and 2007

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Report of Independent Registered Public Accounting Firm

The Benefit Plans Committee  
ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees

We have audited the accompanying statements of net assets available for benefits of the ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees as of December 31, 2008 and 2007, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2008 and 2007, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2008, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

St. Louis, Missouri  
June 10, 2009

## ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees

## Statements of Net Assets Available for Benefits

	December 31	
	2008	2007
Assets		
Interest in Master Trust at fair value	\$ 717,489,996	\$ 1,039,851,828
Accrued investment income	1,245,159	16,327,925
Participant loans receivable	15,856,806	5,461,405
Contributions receivable from employer	1,603,553	1,548,107
Net assets available for benefits at fair value	736,195,514	1,063,189,265
Adjustment from fair value to contract value for fully responsive investment contract	10,261,804	837,830
Net assets available for benefits	\$ 746,457,318	\$ 1,064,027,095

See accompanying notes.

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## ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees

## Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2008	2007
Additions:		
Contributions from employer	\$ 19,927,468	\$ 19,014,392
Contributions from employees	36,241,281	35,715,548
Transfers	1,080,526	11,415,398
Dividend and interest income	21,400,981	36,193,644
	78,650,256	102,338,982
Deductions:		
Withdrawals	73,367,228	57,606,329
Plan expenses	178,742	146,770
	73,545,970	57,753,099
Net realized and unrealized appreciation (depreciation) in fair value of investments	(322,674,063)	184,871,775
Net increase (decrease)	(317,569,777)	229,457,658
Net assets available for benefits at beginning of year	1,064,027,095	834,569,437
Net assets available for benefits at end of year	\$ 746,457,318	\$ 1,064,027,095

See accompanying notes.

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ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees

Notes to Financial Statements (continued)

December 31, 2008

1. Description of the Plan

General

The ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees (the Plan) is a defined contribution plan available to all eligible salaried employees of Archer-Daniels-Midland Company (ADM or the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Participants should refer to the plan document and the prospectus for a more complete description of the Plan's provisions.

Employees are eligible to enroll in the Plan on the first day of employment with a participating employer. Employees are eligible to receive Company matching contributions after completing six months of continuous employment with a participating employer. Effective January 1, 2009, employees of a participating employer are eligible to receive Company matching contributions immediately. At least 1,000 hours and one year of continuous service are required for part-time, temporary or seasonal employees to be eligible for participation in the Plan.

Arrangement With Related Party

All plan assets are held by Hickory Point Bank & Trust, FSB, a wholly owned subsidiary of ADM, through a master trust agreement (the Master Trust) established for the Plan and the ADM 401(k) and Employee Stock Ownership Plan for Hourly Employees.

Contributions

Under the terms of the Plan, employees electing to participate can contribute from 1% up to as much as 50% of their compensation to the Plan, subject to certain Internal Revenue Service (IRS) limitations. Participants age 50 or older can make additional "catch-up" contributions, up to the limits allowed under the tax law.

Until December 31, 2008, the Company matched participant contributions to the Plan with ADM common stock. The Company matched 100% of the first 4% of compensation contributed and 50% of the next 2% of compensation contributed. The participant and Company contributions vested immediately to the participant. Effective January 1, 2009, ADM's matching contributions are made in cash. In addition, starting January 1, 2009, the Company will also make a non-elective contribution of 1% to all eligible employees' accounts and revised the match formula to match 100% of the first 2% of compensation contributed and 50% of the next 4% of compensation contributed. For participants hired after January 1, 2009, the Company match and non-elective contributions will vest over a two year period.

ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Investment Options

Participants may invest their contributions in one or more of the investment options offered by the Plan and in ADM common stock.

Participants can elect at any time to convert all or any number of the shares of ADM common stock acquired through participant contributions and Company match to cash and have the cash transferred within the Plan to be invested in the investment options available under the Plan.

Participant Loans

On January 1, 2008, the criteria to obtain a participant loan changed. Loans are allowed for general purposes, educational or medical expenses, purchase of a primary residence, funeral or burial expenses, to prevent eviction or foreclosure and for casualty repair to a home or auto. General purpose, educational or medical expense loans are available for terms of up to five years and home purchase loans are available for terms of up to ten years. The terms of the other loans vary by situation.

Eligible participants may borrow from their fund accounts a minimum of \$1,000 or the amount available to the participant up to the lesser of \$50,000, 50% of their participant account balance or 100% of their loan eligible fund accounts. A "loan-eligible plan account" for this purpose is any plan account except an account reflecting "Roth" contributions (including Roth 401(k) contributions and Roth account rollovers) and earnings thereon. A maximum of one loan may be outstanding to a participant at any time.

The loans are secured by the balance in the participant's account and bear interest at a rate equal to the prime rate at the time of the loan's issuance plus 1%. Principal and interest are repaid ratably through payroll deductions, with payments taken from each paycheck.

Participant Accounts

Each participant's account contains the participant's contributions, roll-over or transferred accounts from other qualified plans, the Company's matching contributions and investment earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.



ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Withdrawal

The fully vested value of an employee's account is payable following termination of employment. Withdrawals by active employees are permitted upon reaching age 59 1/2 or for specific hardship circumstances (only after receiving a loan available to the participant under the loan program).

2. Significant Accounting Policies

Basis of Accounting

The accounting records of the Plan are maintained on the accrual basis.

Investment Valuation and Income Recognition

Investments in the Master Trust are carried at fair value. Common stocks are valued at the quoted market price on the last business day of the plan year. Investments in mutual funds are stated at the reported net asset value on the last business day of the plan year. The fair value of the participation units in the fully responsive investment contracts is based on quoted redemption value on the last business day of the plan year. Unallocated funds are invested in a short-term money market account. Participant loans are valued at cost, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the shareholder record date as declared by the related investment.

ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

As described in Financial Accounting Standards Board Staff Position (FSP) AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (the FSP), investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Master Trust investment in the Galliard Stable Value Fund (the Fund) is considered a synthetic guaranteed investment contract. The Fund replaced the Invesco Stable Value Fund effective February 1, 2008. As required by the FSP, the statement of net assets available for benefits presents the fair value of the investment in the Fund as well as the adjustment from fair value to contract value for fully benefit-responsive investment contracts. The fair value of the Fund is based on information reported by Galliard at the last business day of the plan year. The contract value of the Fund represents contributions plus earnings, less participant withdrawals and administrative expenses.

Use of Estimates

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

Reclassification

Certain items in prior year financial statements have been reclassified to conform to the current year's presentation.

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ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees

Notes to Financial Statements (continued)

3. Fair Value Measurements

Effective January 1, 2008, the Plan adopted Statement of Financial Accounting Standard No. 157, Fair Value Measurements (SFAS 157). SFAS 157 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels are described below:

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.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. 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. Valuation techniques used are generally required to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

ADM and other common stock:

ADM and other common stocks are valued at the closing price reported on the New York Stock Exchange and are classified within level 1 of the valuation hierarchy.

Mutual funds:

Mutual funds are valued at the closing price reported on the NASDAQ and are classified within level 1 of the valuation hierarchy.

ADM 401(k) and Employee Stock Ownership Plan for Salaried Employees

Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

Stable Value Fund:

The security backed contract is created through the Fund's investments in wrapper contracts associated with its investments in common collective trusts. The fair value of a wrapper contract provided by a security-backed contract issuer is the present value of the difference between the current wrapper fee and the contracted wrapper fee. The fees and discount rate are directly observable inputs. The fair values of the common collective trusts are based on the cumulative net asset value of their underlying investments, which are primarily U.S. government and agency securities, municipal bonds, and corporate notes and bonds. The fair value of these underlying investments are generally determined by quotes from a quotation reporting system, established market makers, or pricing services.

Participant Loans:

Loans to plan participants are valued at cost plus accrued interest, which approximates fair value and are classified within level 3 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 Plan 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 table sets forth by level within the fair value hierarchy the investments included in the Master Trust at fair value as at December 31, 2008.

Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
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