



Archer Daniels Midland Company
4666 Faries Parkway
Decatur, IL 62526
T 217.424.5200

December 12, 2011

Office of the Secretary
PCAOB
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 37 – *Concept Release on Auditor Independence and Audit Firm Rotation*.

Dear Mr. Secretary,

Archer-Daniels-Midland Company (ADM) appreciates being given the opportunity to comment upon the Concept Release on Auditor Independence and Audit Firm Rotation.

ADM is one of the world's largest agricultural processing companies. For more than a century, the people of ADM have transformed crops into products that serve vital needs. Today, approximately 30,000 ADM employees around the globe convert oilseeds, corn, wheat, and cocoa into products for food, animal feed, chemical, and energy uses. With more than 265 processing plants, 400 crop procurement facilities, and the world's premier crop transportation network, ADM helps connect the harvest to the home in more than 160 countries. ADM is a large accelerated SEC filer with many global subsidiaries and revenues of over \$80 billion for the fiscal year ended June 30, 2011.

In Summary

ADM agrees completely with the PCAOB's objective of ensuring continuing auditor independence and the maintenance by audit firms of high-quality auditing standards, reliable objectivity and professional skepticism.

We have carefully reviewed the points raised in the Concept Release, both for and against mandatory periodic auditor rotation, and discussed the issues with ADM's Audit Committee. We do not believe mandatory auditor rotation is necessary, nor would it accomplish the objectives stated in the Concept Release or enhance auditor independence for reasons described in detail below.

In addition, we believe current standards and governance mechanisms, in particular the mandatory audit partner rotation; the strengthening of the role of audit committees; limits on an auditor's ability to perform non-audit services; and the establishing of the PCAOB itself, which resulted from the passage of the Sarbanes-Oxley Act of 2002, are adequate to protect investors from failures of auditor independence and/or lack of professional skepticism.

Finally, we believe the introduction of mandatory periodic auditor rotation would increase the cost of our audit and tax compliance work, lead to significant additional process disruption and increased risk of failed audits, particularly in the first one or two years of a new auditors' relationship with the client.

Business Complexity and Audit Effectiveness

As a large multi-national public company, the effort, knowledge and wide range of expertise required to effectively and efficiently design and execute our audit are significant. Without an extensive understanding of our business model, processing systems, internal control environment, accounting policies and procedures, management and legal structures built up over a number of years, an audit is more likely to fail and it is less likely an auditor will be equipped with the requisite knowledge to identify potential financial reporting or internal control risks and to maintain high standards of professional skepticism.

For perspective, our audit work is globally coordinated by a central team with a very detailed knowledge of ADM's business, accounting, and controls environment built up over at least the last 10 years. The global integrated audit engagement team is comprised of more than 500 professional staff, including 125 experienced engagement executives, located in more than 25 countries.

Business Disruption, Cost and Audit Risk

A forced auditor rotation process will be a distraction and unnecessary waste of management and audit committee member's valuable time and shareholders money. We believe mandatory firm rotation would shift the predominance of training new audit engagement teams to management, rather than the passing of institutional knowledge by more experienced auditors to new audit engagement team members. As a result, we believe it is more likely we would face greater overall cost in return for a lower quality product.

Independence of Audit Firms

In the ordinary course of business, ADM often engages two, three, or even all of the "Big 4" global accounting firms in audit or various consulting capacities making it much harder for the Company to manage auditor independence considerations if we were required to periodically rotate audit firms. Therefore, rotation of the audit engagement to achieve greater independence may work in theory, but is unlikely to work in practice for large companies and large audit firms.

Causes of Past Audit Failures, the Role of Audit Committees and the PCAOB

Mandatory audit firm rotation is not a new idea and has been rejected several times in prior years. We are not aware of any reliable evidence which proves a clear link between extended audit firm/client relationships and major audit failures. Further, we understand that the PCAOB has not found any correlation between issues it uncovers during its audit firm inspections and auditor

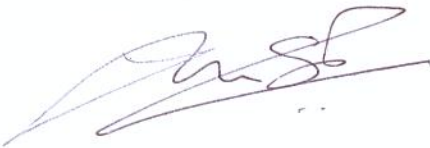
tenure. We believe it is far clearer that investigations into past audit failures have revealed that problems were likely caused instead by the level of independence or competence of individual audit team members, the design of audit procedures, or the actual execution of audit work.

We believe current regulations which mandate that independent audit committees are responsible for the appointment, compensation, and oversight of the independent audit firm sufficiently protect investors from potential "coziness" amongst management and audit firms.

Finally, we acknowledge and respect the role of the PCAOB to maintain and improve audit quality, and prevent audit failures through its registration, inspection and enforcement powers over public accounting firms. We believe oversight of audit firms by the PCAOB has already been instrumental in driving significant improvements in audit quality in recent years. We also recognize that further improvements in audit quality may indeed be achievable, but believe other measures such as increased interaction between the PCAOB and audit committees should be considered instead of mandatory audit firm rotation.

Thank you for consideration of our views. We would be pleased to discuss any of our views or ideas expressed in this letter with the PCAOB or its staff.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Stott", with a long horizontal flourish extending to the left.

John P. Stott
Vice-President & Controller