

# STOCK TRADERS PRESS

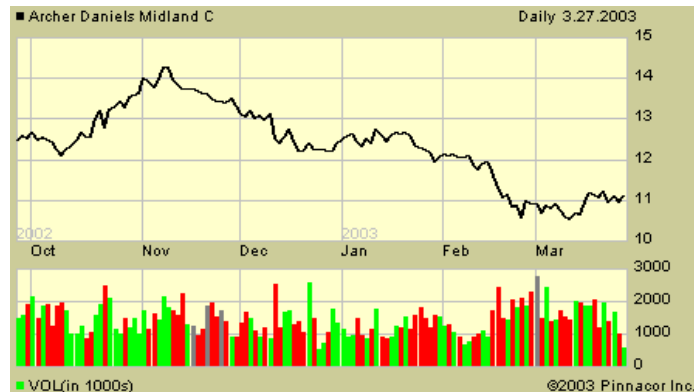
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**Long-Term Report** **March 27, 2003**

## Update – Strong Buy

**Archer Daniels Midland (NYSE) ADM \$11.15**

### Company Data

|                    |              |
|--------------------|--------------|
| 52-Week Range      | \$10-\$16    |
| Market Cap         | \$8.54B      |
| Shares Outstanding | 646.7M       |
| Book Value         | \$10.41      |
| Price/Book         | 1.10         |
| Average Daily Vol. | 1.45 M       |
| Dividend/Yield     | \$0.24/1.82% |
| Target Price       | \$18.00      |
| Target Percentage  | 52.0%        |



**Archer Daniels Midland** is one of the world's largest diversified agricultural companies. ADM is.....

- **the #1 producer of pasta in the United States**
- **the #2 processor of soybean and soybean products in the United States.**
- **the largest producer of corn sweetener products and ethanol in the U.S.**
- **the largest operator of inland waterway barges in the U.S.**

The two major drivers for growth over the near term will be the two major products derived from corn: food and beverage sweeteners, and ethanol, which is used in gasoline for environmental purposes. Growth in the sweetener market has improved over the past several months as new markets have opened, particularly in Asia.

**With respect to ethanol, the outlook continues to be very positive.** During 2002, Archer Daniels has increased ethanol production capacity about 12%-16%. Despite this increase in capacity, the company is operating near 98% of capacity. In 2003, California will be the first of several states to substitute ethanol for MBTE as the environmental fuel additive.

Over the past year the company has been rationalizing parts of its grain processing operations. Specifically, **Archer Daniel** has shut down 2 soybean plants and a grain elevator in Baltimore, MD. **These actions should further improve profit margins.**

We anticipate **Archer Daniels** to earn about \$.73 per share for fiscal 2003 and about \$.91 per share in fiscal 2004. At its current price of \$11.14 per share the stock is selling at a P/E of 13 times. **We believe this valuation to be very low for a company, which should grow at an estimated 20%-25% per year.**