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Former Archer Daniels Midland CEO Dwayne Andreas dies at 98

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Dwayne Andreas, the farmer's son and college dropout who turned the grain-processing company Archer Daniels Midland into "the supermarket to the world," then saw it rocked by a price-fixing scandal, has died. He was 98.

Archer Daniels Midland spokeswoman Jackie Anderson on Wednesday confirmed Andreas' death. The company did not immediately provide additional details on a cause of death or where he died.

Under Andreas' guidance, the Decatur, Illinois-based company changed the agricultural world. Andreas used his influence and friendships with politicians including former House Speaker Tip O'Neill, former Sen. Bob Dole and former Soviet leader Mikhail Gorbachev to encourage federal subsidies for corn and grain farmers, maintain huge overseas markets and help turn ADM products, including high fructose corn syrup, into staples of the American diet.

Andreas sometimes tried to downplay his influence and his company's. But in a 1990 Fortune magazine story, he said, "How the hell could you run a business like mine if you didn't have communications with the people who make the big decisions?"

Andreas, who became CEO of ADM in 1970, stepped down in 1997, the year after the company pleaded guilty to price fixing charges and agreed to pay \$100 million in fines. The scandal also sent three men, including his only son, to prison. Andreas left the chairman of the board post in 1999.

The price-fixing scheme was recounted in Kurt Eichenwald's 2000 best-seller "The Informant" and was turned into a 2009 film starring Matt Damon.

ADM was a sleepy regional agricultural processing company when Andreas became CEO. His use of political clout — and his aggressive acquisition of smaller companies and expansion into new markets — built ADM into one of the world's largest agricultural processing, marketing and distributing companies.

The company produces soybean oil, ethanol, animal feed, cocoa products and Vitamin E, in addition to the corn syrup sweetener that's widely used in soft drinks and other foods. Its sales

pushed toward \$20 billion a year during Andreas' last years in charge and by 2010 topped \$60 billion.

Andreas raised millions of dollars for both Democratic and Republican candidates from relatives, friends and ADM executives. ADM employees and Andreas' family members donated hundreds of thousands of dollars to lobbying efforts that preserved a longstanding federal subsidy for ethanol. After Andreas' retirement the corn-based fuel additive became a major business for ADM.

When his close friend Hubert Humphrey ran for president in 1972, Andreas gave him \$75,000 but donated an equal amount of money to Humphrey opponent Richard Nixon.

Playing the game included cultivating personal relationships beyond those donations.

President Harry S. Truman sent Andreas to Argentina to cut a deal with President Juan Peron, and his wife, Eva Peron. Andreas took Cuba's Fidel Castro to dinner in New York, rode on Air Force One with President Bill Clinton to Nixon's funeral, sold Dole a condominium in Florida and helped broker a meeting between Gorbachev and Ronald Reagan.

When O'Neill was introduced to Gorbachev in Moscow, Gorbachev reportedly told him, "I hear you know my friend Dwayne Andreas."

Andreas' clout and how he used it also drew harsh criticism.

The left-leaning Mother Jones magazine once declared that "Dwayne Orville Andreas runs the world." The conservative National Review called him a "modern robber baron." The libertarian Cato Institute labeled him the United States' "most prominent recipient of corporate welfare."

Andreas also came under criticism from shareholders and others for his iron-fisted control of ADM, which included putting close friends and relatives on the board of directors and in top jobs. Some shareholders said the board was too cozy with management to prevent the price-fixing scandal that erupted in 1995 when FBI agents raided ADM's Decatur headquarters.

In October 1996, ADM pleaded guilty to two criminal charges and agreed to pay \$100 million — then the largest criminal antitrust fine in history — for fixing prices for the feed additive lysine and for citric acid, an additive for food and detergents.

Two years later, Andreas' son, Michael; Terrance Wilson, retired president of ADM's corn-growing division; and Mark Whitacre, a former executive-turned FBI whistleblower, were found guilty of plotting with foreign competitors to fix the price and worldwide sales volumes of lysine.

Even Whitacre, who strongly criticized Andreas after his own arrest, years later called him a visionary.

"He really could see the future; he globalized the company," Whitacre said, describing Andreas as a good listener who made quick decisions that were usually right. "I think that mistake

overshadowed the thousands of good things that he did, for the community of Decatur and for the company."

Dwayne Andreas was born in 1918 near Worthington, Minnesota, to Mennonite farmers Reuben and Lydia Andreas. He dropped out of Wheaton College in Wheaton, Illinois, to help his father and older brothers take over a bankrupt grain and feed business in Cedar Rapids, Iowa. The company, Honeymead, prospered, and in 1945 the family sold most of its assets to Cargill, a Minneapolis commodities firm that's now one of ADM's biggest competitors.

In 1965, the family bought 100,000 shares in what was then Minneapolis-based Archer Daniels Midland. Dwayne Andreas became a director in 1966. Three years later, he moved the company's headquarters to Decatur.