

FARM FUTURES[®]

Dwayne Andreas, Who Made ADM World's Supermarket, Dies at 98

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Dwayne Andreas, who spent 27 years building Archer-Daniels-Midland Co. into the world's largest processor of agricultural products, then stepped aside after the company pleaded guilty to price-fixing commodities, has died. He was 98.

His death was confirmed by a statement from the Chicago-based company. No other details were provided.

"We were deeply saddened to learn of Mr. Andreas' passing," Juan Luciano, chief executive officer of the company, said in the statement. "Under his many years of leadership, our company became a global leader in agricultural processing."

Under Andreas's tenure as CEO from 1970 to 1997, ADM promoted itself as the "supermarket to the world," a slogan meant to convey its reach, product range and customer base of corporations and nations.

He made ADM a leading producer of cooking oils and animal feed; ethanol, a biofuel; citric acid, a flavoring and preservative used in many foods; and high-fructose corn syrup, which by the mid-1980s had replaced sugar as the sweetener of choice for makers of processed food and soda, according to E.J. Kahn's 1999 biography "Supermarketer to the World."

Revenue Soared

When Andreas became CEO, ADM was a regional maker of farm and chemical products with annual sales of about \$425 million. By the time he retired, the company had about 250 processing plants, about as many grain elevators and more than 2,000 barges to deliver its goods, according to a 1997 Securities and Exchange Commission filing. Revenue that year was \$13.9 billion, with net income \$377 million.

Cargill Inc., a competitor based in Minneapolis, now has higher revenue.

One key to Andreas's success was viewing the world as a global marketplace earlier than his peers. ADM acquired oilseed processing plants in Europe and South America in the 1970s, then

brokered grain sales to the Soviet Union and expanded into Japan. By the early 1990s, ADM was operating in Singapore and China, according to its website.

The Andreas family dominated the company for four decades, starting in the mid-1960s when Dwayne and his brother, Lowell, sold their business to ADM. Lowell Andreas was an ADM board member and its president from 1968 to 1972. Dwayne's son, Michael Andreas, rose to vice chairman. His nephew, Martin Andreas, was a senior vice president who persuaded the board to add high-fructose corn syrup to its product roster. Another nephew, G. Allen Andreas, succeeded his uncle Dwayne as CEO.

'Visionary' Executive

"Dwayne was the visionary, and my specialty was management, so our styles fit well together," Lowell Andreas said, according to a 2002 interview in *Connect Business*, a magazine covering southern Minnesota.

Andreas also turned ADM into "a political force," according to a 1997 *New York Times* article. "With hefty contributions to both Republicans and Democrats, the company helped form the nation's agricultural policies."

ADM and members of the Andreas family gave more than \$4 million to both political parties between 1979 and 1996, making them "one of the nation's largest sources of political cash," according to the *Times*.

Some donations courted controversy. Andreas's \$25,000 cash donation to President Richard Nixon's 1972 re-election campaign wound up in a Watergate burglar's bank account.

ADM benefited from U.S. corn and ethanol subsidies and limits on domestic sugar production boosted its fructose sales. Almost half of the company's 1995 profit of about \$750 million came from corn sweeteners and ethanol, according to a report by James Bovard, a policy analyst at the Cato Institute, a Washington research organization.

Strategic Relationships

"When it comes to agriculture, there's no such thing as a free market," Andreas told a U.S. Senate Agriculture subcommittee in 1995, the *Times* reported.

Andreas was his firm's most powerful advocate, forging personal relationships with politicians.

Bob Dole, a Republican senator from Kansas from 1969 to 1996 who backed ethanol subsidies, flew on ADM's corporate jet so often it became a campaign issue when he ran for president in 1996. Hubert Humphrey, a Democratic senator from Minnesota and vice president under Lyndon Johnson, was godfather to Andreas's son, Michael, and attended the wedding of Lowell Andreas's daughter.

Robert Strauss, a counselor to presidents of both parties who served as U.S. ambassador to the Soviet Union in the 1990s, was an ADM board member. In 1984, President Ronald Reagan visited the company's headquarters, as did former Soviet President Mikhail Gorbachev, in 1992.

‘Political Influence’

“For more than two decades, Mr. Andreas has reigned as the prince of political influence,” the Wall Street Journal reported in a 1995 article.

ADM was embroiled in scandal during the final years of Andreas’s leadership. In 1995, Federal Bureau of Investigation agents raided the company’s headquarters, acting on wiretaps and recordings made by Mark Whitacre, an ADM manager.

The surveillance showed top executives colluded with foreign companies to rig commodity prices. Among those involved was Andreas’s son, Michael, who had been groomed to replace his father as CEO.

The following year, the company pleaded guilty to fixing the price of citric acid and lysine, an animal feed additive, and paid a \$100 million fine.

Legal fallout

In 1999, Michael Andreas, and two colleagues were sentenced to prison terms ranging from 24 to 36 months. Dwayne Andreas, who then owned about 4 percent of ADM’s stock, according to Forbes magazine, resigned as chairman.

Dwayne Orville Andreas was born March 4, 1918, to Reuben and Lydia Andreas, Mennonite farmers in Worthington, Minnesota, and grew up in Iowa. His father bought a grain elevator and made animal feed and in 1939 built a soybean processing plant in Cedar Rapids, Lowell Andreas said, according to the Connect magazine interview.

“The Andreas family didn’t discuss sports, the latest radio show or politics, like most American families would,” said Lowell, who died in 2009. “We talked about grain, hedging, and weather.”

Dwayne Andreas attended Wheaton College in Illinois, and worked for his father’s company. In the mid-1940s, the family sold most of its assets to Cargill.

When the family’s remaining soy processing plant burned down, the Andreas brothers rebuilt it as the nation’s largest such facility, selling it in the mid-1960s and moving on to ADM. In 1999, Andreas stepped down as ADM’s chairman and two years later resigned from the board.

Andreas and the former Bertha Benedict had a daughter, Sandra Andreas McMurtrie, before divorcing. He married Dorothy Inez Andreas, who died in 2012. The couple, who lived in Bal Harbour, Florida, had two children: Terry Lynn and Michael, according to Marquis Who’s Who.