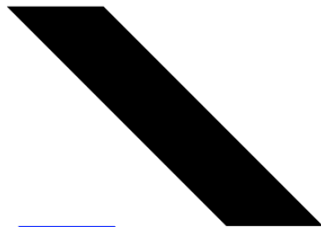
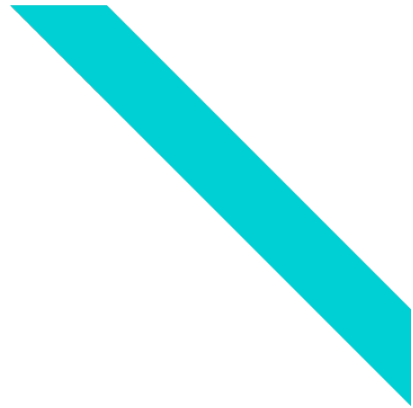


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- **Juan Luciano** Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer
- **Ismael Roig** Archer-Daniels-Midland Co - Interim Chief Financial Officer

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- **Operator**
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- **Thomas Palmer** Citigroup Inc. - Analyst
- **Heather Jones** Heather Jones Research LLC - Analyst
- **Adam Samuelson** Goldman Sachs Group, Inc. - Analyst
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- **Salvator Tiano** BofA Securities - Analyst
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- **Steven Kyle Haynes** Morgan Stanley & Co LLC. - Analyst

PRESENTATION

Operator

Good morning, and welcome to the ADM's second quarter 2024 earnings conference call. (Operator Instructions) I'd now like to introduce your host for today's call, Megan Britt, Vice President, Investor Relations for ADM. Mr. Britt you may begin.

Megan Britt Archer-Daniels-Midland Co - Investor Relations

Thank you, Eliot. Hello and welcome to the Second Quarter Earnings Webcast for ADM. Starting tomorrow a replay of this webcast will be available on our Investor Relations website.

Please turn to slide 2. Some of our comments and materials may constitute forward-looking statements that reflect management's current views and estimates of future economic circumstances, industry conditions, company performance, and financial results.

These statements and materials are based on many assumptions and factors that are subject to risk and uncertainties. ADM has provided additional information in its reports on file with the SEC concerning assumptions and factors that could cause actual results to differ materially from those in this presentation.

To the extent permitted under applicable law, ADM assumes no obligation to update any forward-looking statements as a result of new information or future events.

On today's webcast, our Chairman and Chief Executive Officer, Juan Luciano will discuss our second quarter results and share recent accomplishment on our strategic priority. Our Chief Financial Officer, Ismael Roig will review segment level performance and provide an update on our cash generation and capital allocation action. Juan will have some closing remarks and then he and Ismael will take your questions.

Please turn to slide 4. I'll now turn the call over to Juan.

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

Thank you, Megan, and good morning to all of whom have joined for today's call. Today, ADM report its second quarter adjusted earnings per share of \$1.03 with an adjusted segment operating profit of \$1 billion. Our trailing four quarter average adjusted ROIC was 9.7%.

We delivered a strong cash flow from operations before working capital at \$1.7 billion. Year to date, this equates to an adjusted earnings per share of \$2.49 and an adjusted segment operating profit of \$2.3 billion. Our team delivered solid results in challenging market conditions, highlighting the efforts of our teams across the business to manage through the commodity down cycle while putting our nutrition business on a path to recovery.

Additionally, we saw signs of improving fundamentals within crush and ethanol later in the quarter, positioning us for a strong second half. We're also flexing our capital allocation strategy to return cash to shareholders, completing our planned share repurchases for the quarter and delivering our 370 consecutive quarterly dividend.

Next slide, please. Let's start by reviewing the top-line results of our business units alongside our efforts to manage the cycle through productivity and innovation. AG service analysis results are significantly lower than the record results of prior years due to the ongoing rebalancing of the supply and demand environment and overall lower farmer selling.

In anticipation of this year's challenges, we focus on driving stronger production volumes and actively leveraging our footprint to match supply to demand around the globe. We've also focused on differentiation opportunities, extending margins and growing volumes by more than 20% year-over-year in areas like destination marketing, achieving our targeted run rate in our Green Bison JV for renewable green diesel feedstocks, and bringing new solutions to our customers through innovations such as our recent EUDR-compliant fully traceable soybean program and the expansion of our regenerative agriculture partnerships and acreage.

These Regen Ag programs highlight our leadership in this space. ADM was named the finalist in Fast Company's world changing ideas in May. And just last week we released our second annual Regen Ag report detailing the data backed results we are achieving across our global operations.

Carbohydrate Solutions have continued the solid performance trajectory driven by strong margins for sweeteners, starches, and flour with higher volumes year-over-year. Ethanol margins also strengthened as industry production tried to keep pace with robust export and domestic demand.

Along with this performance, we are continuing to drive innovation-based growth through the sustainability centered evolution of the business. We have delivered 7% year-to-date volume expansion across our Bio Solutions platform, increased starch capacity in our Marshall, Minnesota facility to meet growing demand from food, beverage, and industrial customers, and in a milestone for our strategic partnership, [Solugen] recently broke ground on a 500,000 square foot biomanufacturing facility that will use ADM source dextrose for applications in water treatment, agriculture, energy, and home and personal care.

Within our productivity agenda, the drive for execution excellence is continuing to deliver simplification and cost-saving opportunities across the enterprise. In Q2, we advance hundreds of projects that put us clearly on the path to the plan \$500 million in cost reduction over the next two years.

We are accelerating these efforts and expect to see a significant portion of these savings by the end of 2024. Our focus on returning nutrition to its growth trajectory is also taking hold, and we are seeing sequential top-line improvement as compared to our previous two quarters.

While we are experiencing some downward pressure with texture and some protein demand, we draw strong growth in health and wellness sales, along with flavor sales growth, and excellent contributions from our recent acquisitions. In our targeted areas of focus, we are continuing to make progress. We continue to improve demand fulfillment for Flavors in our EMEA region, following the implementation of 1ADM.

We're optimizing cost across the Animal Nutrition portfolio, building the foundation to drive continued sequential improvement across the core of the segment.

The use of our refined M&A playbook with our recent flavor acquisitions has proven to be an important accelerator to integration and the ongoing growth of our leading global Flavors business. And our innovation agenda is paying off, driving Human Nutrition revenues up 6% year-to-date, driven by flavors and our science-backed health and wellness portfolio.

Our capital allocation efforts continued through the second quarter as we completed our planned shared repurchases and announced our most recent dividend. We have already returned \$2.8 billion of capital to shareholders to date.

The second quarter marked an important point in our efforts to manage through the market realities of 2024 and deliver on our priorities. Across all three businesses, we are evolving to drive new pockets of growth in the near term while positioning ADM to take full advantage of macro trends of sustainability, health and well-being, and food security in the longer term.

As we continue to drive operational excellence and make progress on our key priorities, we have confidence in our full year expectations despite uncertainties in the external environment.

Before I hand over to Ismael for a detailed review of our second quarter results, I would like to first thank him for his leadership and guidance as Interim CFO through the first half of the year. It's the hallmark of ADM leaders to step up when our organization asks for their support, and Ismael has shown that his experience, passion, and knowledge of our business set him apart as one of our best.

We are excited to be welcoming Monish Patolawala to ADM as our new CFO in August, and know Ismael has important work to do as he returns to lead EMEA and Animal Nutrition's continued growth. Ismael, over to you.

Ismael Roig Archer-Daniels-Midland Co - Interim Chief Financial Officer

Thank you, Juan. Let me begin by sharing my own thanks and congratulations for what our finance team has accomplished over the first six months of this year. As a 20-plus year employee of the company, I have seen amazing things our colleagues can accomplish when we work collectively to achieve them.

And this was, again, the reality as I stepped in as Interim CFO. I'm proud to have served the company in this capacity over the last several months, and I'm excited to welcome and support Monish as he joins the team.

For the second quarter ended June 30, 2024, earnings per share on a GAAP basis were \$0.98. Segment operating profit on a GAAP basis was \$1 billion and included charges of \$7 million, or approximately \$0.01 per share related to impairments. Adjusted segment operating profit was \$1 billion for the second quarter, a 37% decrease versus the prior year period.

Adjusted earnings per share were \$1.03. Lower pricing and execution margins led to a decline of \$1.03 per share versus the prior year period, largely reflecting the impact of lower crush and origination margins. Volume improvement represented a \$0.19 per share increase versus the prior year period, primarily reflecting higher volumes in AS&O and Carbohydrate Solutions.

Higher costs of \$0.07 per share were primarily related to \$0.06 per share of unplanned downtime at Decatur East. Share repurchases represented a \$0.10 per share increase versus the prior year. During the quarter, there was approximately a \$0.02 per share negative impact from mark-to-market timing in the AS&O segment.

Please turn to slide 7. For the second quarter, the Ag Services & Oilseeds Team delivered \$459 million in operating profit, reflecting on a challenging operating environment compared to the prior year. On a year-over-year basis, mark-to-market timing for the segment was relatively muted.

As Juan mentioned, strong supplies out of South America have led to a rebalancing of the supply and demand environment, while also shifting export market competitiveness from North America to South America. These ample supplies have also pressured commodity prices compared to the past two years, resulting in slower-than-expected farmer selling relative to last year and the five year averages.

From the demand side, inclusion rates for meal continue to be robust, supporting domestic and export demand. Oil values were pressured during the quarter as imports of used cooking oil as a feedstock for renewable diesel continue to grow.

Ag Services results were lower than the prior year, primarily driven by lower results in South American origination, as lower farmers selling due to a smaller-than-expected crop in Mato Grosso and higher logistic costs related to industry take or pay contracts led to lower margins.

North America origination saw lower volumes and margins as strong crop yields out of both Brazil and Argentina led to a shift in export competitiveness to South America, as well as limited carries and trading opportunities.

As we began the quarter, global demand for both meal and oil remained strong. However, the return of Argentinian crush combined with the increased imports of used cooking oil also weighed on crush margins. As we progress later in the quarter, slower farmers selling in Argentina brought tighter S&D dynamics, driving an improvement in board crush.

The team performed well in this environment, leading to an executed soy crush margin of approximately \$45 per metric ton for the quarter. While fundamentals supported improving crush margins as we expected, the more balanced S&D environment led to lower margins versus the prior year, translating to lower results.

During the quarter, there were approximately \$15 million of negative timing impacts versus negative timing impacts of approximately \$195 million in the comparable period. In refined products and other, results were lowered due primarily to the reversal of prior positive mark-to-market timing impacts.

In North America, increased pretreatment capacity at renewable diesel plants and higher imports of used cooking oil caused refining margins to ease relative to the record levels of last year. The biodiesel margin structure has also come off of record levels versus the prior year as a result of lower LCFS credits and RIN values.

During the quarter, there were approximately \$90 million of negative timing impacts versus positive timing impacts of approximately \$90 million in the comparable period. Equity earnings from Wilmar of \$60 million were lower compared to the prior year quarter.

Moving to slide 8 The Carbohydrate Solutions team executed well, delivering \$357 million in operating profit for the second quarter, which was higher versus the prior year. Industry fundamentals in the Starches & Sweeteners space continue to be supported by strong sweetener demand and an improving starch market.

Within ethanol, markets became more constructive as we advanced later in the quarter and stocks moved lower, firming up both domestic and export margins. Demand for ethanol remained robust, supported by summer driving season in the US, solid domestic blending rates and export demand.

The Starches & Sweeteners subsegment results were higher year-over-year as strong margins and volumes in North America were partially upset by lower margins in the EMEA region as they came off historically high levels. And our operational excellence efforts have helped streamline our processes and overall efficiencies, leading to improved cost positions.

In the Vantage Corn Processing subsegment, strong export demand for ethanol supported solid ethanol margins, leading to higher year-over-year results.

Moving to slide 9. Nutrition revenues were \$1.9 billion for the second quarter, up 3% on a year-over-year basis and sequentially improved from the first quarter. Our Human Nutrition subsegment grew 10% year-over-year, as strong M&A revenue contributions as well as improved volumes and mix and flavors, combined with strong growth in our health and wellness business, more than upset headwinds from lower pricing in the texturants market and lower plant-based protein demand.

Our Animal Nutrition subsegment had lower revenues versus the prior year, as lower pricing and mix was partially upset by improved volumes in the base business.

Please turn to slide 10. The second quarter marked another quarter of progress with sequential improvement in operating profit for the Nutrition business. When comparing to the prior year quarter, Human Nutrition results were lower, primarily driven by unplanned downtime at Decatur East and lower texturants pricing in the specialty ingredients business. Within Flavors, we have continued to improve operations, which has led to higher shipments sequentially.

In Animal Nutrition, results were higher versus the prior year, as improved execution in the base business has led to higher volumes, and cost-optimization actions and lower commodity prices helped support margins, partially upset by lower pet solutions performance in North America and Brazil.

Turning to slide 11. For the second quarter, Other segment operating profit was \$96 million, up 12% compared to the prior year period, supported by higher captive insurance results due to lower claim activity. ADM investor services results decreased on lower interest income. In Corporate for the second quarter, unallocated corporate costs increased on higher global technology investments to support digital transformation efforts, increased legal fees, and increased securitization fees.

Turning to our balance sheet and cash flows on slide 12 Through the second quarter, the company has continued to generate healthy cash flows with \$1.7 billion of operating cash flow before working capital. Our current leverage ratio is now within our

targeted range, reflecting our disciplined approach to balance sheet management and robust cash flow generation. With robust financial flexibility, we have been able to support both strategic initiatives to support long-term growth and also leverage excess cash for enhanced shareholder returns.

During the quarter, we repurchased over 16 million shares through our open market repurchase program, returning approximately \$1 billion of capital, thus making the completion of our targeted \$2.3 billion of share repurchases for the year.

In total, we have returned \$2.8 billion of capital to shareholders through repurchases and dividends so far in 2024. We also continue to invest in the business with an enhanced focus on the reliability of our asset performance, allocating \$700 million to capital expenditures.

Now breaking down our expectations for the third quarter by segment on slide 13, in AS&O we anticipate the third quarter to be lower versus the prior year, but improved from the cyclical low margin environment from the second quarter.

We anticipate demand for both meal and oil to remain robust and support crush margins, however, likely lower than the levels in the prior year. We anticipate improved process volumes in the third quarter as we enhance our focus on operational excellence across our network, and as our Green Bison JV achieves full run rates.

It is also important to note the prior year period also included a \$48 million insurance recovery related to damages from Hurricane Ida.

In Carbohydrate Solutions, we anticipate a strong third quarter, but lower than the prior year as wheat milling margins moderate off elevated levels. Network optimization and operational excellence will continue to support strong earnings in the second half. We anticipate solid demand for ethanol both domestically and in the export markets, and upside opportunities could be presented if fundamentals hold.

In Nutrition, we expect the third quarter to be higher than the prior year period. The team is systematically optimizing the organizational and operational structure across both Human and Animal Nutrition, which are expected to continue to yield cost benefits throughout the year. Coupling this with our efforts to convert pipeline opportunities and drive improved volumes, we anticipate to see continued sequential improvement in the Nutrition business throughout the year.

Turning to slide 14 to discuss our full year guidance assumptions. We anticipated increased crop production in South America would lead to lower margins across the AS&O segment in 2024. And the global soybean crush margins would likely be in the range of \$35 per metric ton to \$60 per metric ton for the year, with performance around the midpoint determined by the strength of soybean meal and oil demand.

Though the larger crop production in South America did materialize, we experienced slower than average farmers selling in that region, as well as fewer merchandising opportunities in North America through the first half, which weighed negatively on margins in AG services.

We expect these dynamics to continue to pressure margins in our third quarter. On soybean crush margins, we continue to see robust soybean meal demand based on solid livestock margins and some supply tightness among competing feedstuffs.

From the soybean oil side, we expect that as renewable diesel production continues to grow in the second half, the demand for vegetable oil will remain well supported. And with the prospects of a large crop in North America, we perceive increased opportunities for our interior elevator network and processing plants within Oilseeds and Carbohydrates Solutions in the second half.

Taking this all together, our expected crush margin remains unchanged from \$35 per metric ton to \$60 per metric ton, with recent fundamentals supporting margins above the midpoint. With the first half results largely in line and balancing an improving crush environment with less opportunities and merchandising in the second half, our 2024 earnings per share range remains unchanged. Looking at the other metrics included in our total consolidated guidance, our full year 2024 indications remain unchanged. Back to you, Juan.

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

Thank you Ismael. As we think about the rest of 2024 and the lead up to 2025, we remain optimistic about ADM's ability to execute against our priorities while remaining agile in an evolving environment. The pressures of the current commodity cycle do not seem to be demand-driven as we see continued robust demand for meal and oil. We will continue to focus on how we can actively manage our global footprint to best match these realities moving through the remainder of the year.

Our processing capacities are improving through the year across our production operations, including the ramp-up of green Bison to full capacity and growing production in Ukraine. And our forward order book indicates that ADM is well positioned to drive value through improved margin opportunities as we move into the back half of the year.

Ethanol results have remained robust, and we expect solid demand through 2024. Assuming fundamentals hold, we have an opportunity for upsizing this part of the business through the year. Our initiatives to manage through the current cycle are expanding additional margin opportunities and opening up new channels to our customers, whether in the growth of destination marketing, the expansion of digital technologies focused on farmer needs, the extension of our Regen Ag programs and partnerships or the growth of our bio solutions platform.

So as market conditions improve, ADM has even more exciting platforms for growth and differentiation. As noted, we expect to see a significant portion of the planned \$500 million cost savings driven by the drive for execution excellence to be realized by the end of this initial year of the program setting up for potential upside in 2025 as more projects are identified and executing.

Our nutrition business has moved beyond green shoots of positive momentum. We now see cyclical improvement across the broader portfolio, flavors, health, and wellness animal nutrition. As this continue through year end, we expect a return to growth that will continue and expand in 2025.

In short, progress against our priorities, along with our experience team's ability to pivot in response to an ever-changing external environment give us confidence in a solid close to the year and set the ADM up well for the continued growth trajectory for our full business in 2025.

Thank you. Operator, please open the line for questions.

QUESTIONS AND ANSWERS

Operator

Thank you. (Operator Instructions)

Andrew Strelzik, BMO.

Andrew Strelzik BMO Capital Markets Equity Research - Analyst

Hi, good morning. Thanks for taking the questions. I guess I wanted to ask about the guidance. It seems like you tempered a little bit the language on the AS&O side. And nothing else really was changed, and you kept the EPS guidance.

And so I guess I'm curious if there are kind of any other underlying offsets, or if you're thinking about kind of the range differently at all. And maybe, as we've seen more crush margin strength materialized through the year, how much visibility you have to that?

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

Yes, thank you, Andrew. Listen, as you know, we have three businesses. Ag Services and Oilseeds I know it is in this, what we call a transition year, if you will, a rebalancing year from tight supplies to more comfortable S&D. So we expected to have a Q2 that was facing challenging conditions, which we did. And I think we navigated well.

As we look at the rest of the year and the improvements we have over the quarter in terms of crush margins, we are executing at this point in time, even outside the range of \$35 to \$60 per metric ton that we gave so.

But of course, when you think about our forecast for Ag Services & Oilseeds was heavily weighted on Q4. So to a certain degree, until we can put more businesses into Q4, it's probably that we have the same kind of visibility we had before. That's why we decided not to touch the range.

On the other hand, Carb Solutions continue to be improving. And I think that as Ismael said in his remarks, if current ethanol margins that have improved over the quarter continue to stay that way, we could have an upside there.

And certainly Nutrition continues to make significant improvements year-over-year now versus just being sequential before. So we're optimistic about the second half. We just didn't want to change the guidance at this point in time since it's heavily loaded towards Q4.

Operator

Tom Palmer, Citi.

Thomas Palmer *Citigroup Inc. - Analyst*

Good morning and thanks for the question. I wanted to ask on the nutrition side, you reiterated the outlook for segment profit to increase year-over-year for the full year. I first just wanted to confirm that this is after adding back the write-down in the fourth quarter. So off, I think kind of a \$495 billion base.

And then second, I wondered if you could elaborate a bit on the key drivers of these improvements over the next couple of quarters, the implication would seem to be that 3Q is up year-over-year and sorry, the implication of 3Q being up year-over-year. Would it seem to imply like a pretty meaningful increase between 2Q and 3Q?

I think historically we've seen the opposite where 2Q is a bit more seasonally strong. So just any help on that sequential improvement and then off just the base that we're looking to grow as we look at this year?

Thank you.

Juan Luciano *Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer*

Yes Thom. The base is what you described, you're correct in your assumption there. Let me give you some feel here. The sequential improvement continues in the business, as we said, and that when we started looking at Q3, it looks like it's going to be year-over-year improvement, which marks a significant improvement in Q3 versus Q2.

If I go through the different end segments, if you will, flavors continues to do well. I think the business is up in sales, 6%, excluding M&A. Of course, still reeling with some higher costs because of you know all the demand fulfillment improvements we need to make, but demand is coming back to normal recovering after the destocking period.

So we feel good about our pipeline there, we feel good about our prospects for flavors. Specialty Ingredients continue to have a challenge in time. Demand is soft and we are working through our plant issues. Also we have the issue of textaurants or more specifically emulsifiers in that area are coming down after significant record prices last year, if you will.

Health and wellness continue to be very strong. Biotic sales growth is up to 22%. And I think that the pipeline there and the prospects continue to be very strong. When you think about Animal sector, in Animal Nutrition, excluding pet, improvement continues.

And based on a strong self-help plan, so it's pretty much under our control, so we feel good about that. Pet Solutions is finding mixed results around the globe. If, I would say, Brazil market conditions continue to be challenging, North America, specifically the US, is still having some demand fulfillment issues.

But we are looking good in terms of the improvements we are making towards Q3. And Mexico, our B2C business continues to be very strong. So I would say, overall, with the exception of specialty ingredients, which is the weak part, the rest of the business is looking good. So we expect significant improvements sequentially and to start making improvements year-over-year.

Operator

Heather Jones, Heather Jones Research.

Heather Jones *Heather Jones Research LLC - Analyst*

Good morning, thanks for the question. I was just wanted to ask about oilseeds processed volumes. They were up 1% for the quarter, but in Q1 they were up nearly 9%. And you remarked that utilization of Spiritwood was full for the quarter. So just wondering if there were one-time issues during the quarter and if so, have it's been rectified in order to reach of mid to high single digits growth outlook for the year.

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

Yes, thank you, Heather. As you said, yes, Spiritwood is performing very well, so is coming up in volumes. Traditionally, I would say in North America, when we have our low part of the cycle in North America, where South America has all the capacity, we take shutdowns in anticipation of demand not being very strong and we want to have our plants ready for the harvest.

So, I think that's a traditional seasonal slowdown that we do. So, nothing unusual in that regard.

Operator

Adam Samuelson, Goldman Sachs.

Adam Samuelson Goldman Sachs Group, Inc. - Analyst

Yes, thank you. Good morning, everyone. I was hoping to maybe drill in on some of the cost and productivity initiatives that you have underway right now. And I think, Juan, there's a target of \$500 million savings by the end of 2025, kind of split between the two years.

Can you maybe provide an update on what you've realized to date in 2024. What the 2024 savings kind of are expected to be on a net basis and maybe any additional color in terms of where within the portfolio those are actually hitting the P&L? I really appreciate it. Thank you.

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

Yes, thank you Adam for the question. Yes, we're very proud of how this initiative that we put together at the beginning of the year has continued to accelerate. So far, we are on track. If you think about \$500 million in over two years, that's about \$125 million per half. We delivered about \$127 million in the first half.

So we're pretty much on track there. But this group of activities and projects and ideas continue to accelerate. So that's not going to be linear. It's going to be an accelerated bringing up to the P&L and to the bottom line. So we feel very good about it. We are very confident that our forecast shows that we're going to deliver on the \$500 million way before the two year mark.

With regard to what's the distribution of that, of course, sometimes when you have more bigger manufacturing units or bigger energy consumption, like in Carb Solutions, you have more opportunities to bring that. So I would say, if I were to name a ranking today.

Initially, out of the gate, we see more in Carb Solutions and Nutrition because of some of the improvements we needed to make in demand fulfillment, and maybe Ag Services & Oilseeds having to pick a momentum during the second half, so we will see that.

So -- but overall, I think good distribution of projects around the four geographies and the three businesses, and again, catching momentum when you have a big organization that you need to promote all these activities, so not everybody starts at the same time. So we feel very good by being on track, and again, we think ahead of schedule for our \$500 million over two years.

Operator

Ben Theurer, Barclays.

Benjamin Theurer Barclays Bank PLC - Analyst

Hi, yes, good morning, Juan, Ismael. Thanks for taking my question. Wanted to go back to the Nutrition business and just understand a little bit what your cadence is into the back half as the Decatur East plan is going to come back in.

You've selected the \$25 million higher fixed cost observation. We just wanted to understand how immediately are you going to be able to gain this back, so as we move into the ramp-up of this, the East part of Decatur, how should we think about those cost headwinds that we've seen over the past?

Is that to be recovered in '24, or is that more of the '25 thing? Thank you.

Ismael Roig Archer-Daniels-Midland Co - Interim Chief Financial Officer

Yes, thank you for the question. From the point of view of plant protein, we do expect the plant to come online again in Q4, so we will see some of that recovery coming in. I think as we look at the second half, we significantly pulled quite a bit of volume out in 2023 as a result, obviously, of the Decatur East facility, but also, we had in demand fulfillment.

So I did report -- we did report 3% revenue growth, as we look into the second half, we are seeing an acceleration of that, and we expect to grow, to be on track to deliver roughly in the mid-single digit growth when we bring back some of these facilities and demand fulfillment capabilities that we had lost in the second half of '23.

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

(multiple speakers) I would say that maybe complimenting Ismael, I think its a '25 impact not very much '24 impact given in the Q4 so.

Operator

Manav Gupta, UBS.

Manav Gupta UBS Investment Bank - Analyst

Hi. A quick question. We are seeing a very strong rebound in ethanol margins, and it's just seasonal. Is it what's else going out there? Do you think this sustains itself in the second half, and then how does that position you well in the Sweeteners and Starches business across in the second half? Thank you.

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

Yes, thank you, Manav, for the question. We have been seeing for a while that exports have been increasing year-over-year, so ethanol continues to be one of the cheapest alkoxyates out there, and it's very competitive with gasoline in many parts of the world. So we have seen a strong domestic demand because of miles driven in the US, especially now with the summer. We have been seeing good blending in the US. I think the price of ethanol is very competitive to encourage blending. And we have seen exports at levels that we've never seen before, probably north of 1.7, maybe even 1.9 billion gallons per year.

So I think that was a very logical kind of when you see that the strong demand was very logical, that prices will rebound. And, again, we don't see any change for now. It will depend on how much the US produces, of course, of ethanol. But at this point in time, margins are holding, and we think that it bodes well for a strong Q3.

In terms of Sweeteners and Starches, that business continues to have very robust volumes and very good margins. If anything, you can see a little bit of a pullback of the energy complex, if you will. That bodes well for manufacturing costs, because these are big facilities that consume a lot of energy. So natural gas prices being close to \$2 is a little bit of a tailwind for us. So, Carb Solution is having a very good year so, and we expect that to continue.

Ismael Roig Archer-Daniels-Midland Co - Interim Chief Financial Officer

I'd like to compliment on the Sweeteners & Starches side, as you know, there's been a fairly low corn crop in Mexico, and that has certainly helped with exports of sweetener and starches products into Mexico. So it's created a demand pool into Mexico that has helped the overall margin structure for our business in North America.

Operator

(Operator Instructions)

Salvator Tiano, Bank of America.

Salvator Tiano BofA Securities - Analyst

Thank you very much. I just wanted to clarify a little bit on the crush margins. So again, I think you made in your prepared remarks a comment that soybean crush margins were \$45 per ton in Q2, and at least based on the report, EBIT, I don't know if I'm missing something, and I may not be fully comparable, but it looks like your crush margins per ton were much, much lower than that. So what am I missing here? Are you easier, I guess, benchmarked the way you're presenting the \$35 to \$60 materially different from what we would see, for example, on Bloomberg synthetic margin?

And you made also the comment that you recently executed the trades, I guess, above the top end of the range, above \$60. So can you elaborate a little bit on that? Are we talking about just one of trades, or is it something that you're actually consistently generating so far in Q3 ?

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

Sure. Let me clarify for you. First of all, the \$45 per ton is the \$45 per ton we made this year. So we can work offline to walk you through the arithmetic, if you will, but there's nothing strange on that. If I go around the world, if you will, on crush margins, at this point between \$60 to \$70 in the US, that's where we are making businesses, about similar margins for soy in Europe, Brazil may be something between \$10 and \$50 depending on their domestic plants or export plants, China, \$20 to \$25, that kind of the margin environment.

I would say when we started the quarter, we were doing margins in the low end of our range and as maybe Argentine farmers did not sell, as maybe the industry was expecting, we saw more demand for soybean meal coming into North America that make an improvement in our crush margins, so we finished the quarter a little bit better than maybe we thought, about the \$45 per ton.

We are selling, we said before that we were relatively open going out. We have some of the Q3 sold, what we don't have sold, we are selling at about \$60 to \$70 per ton. So that's the crush realities at this point in time.

So I think that then we're going to leap into Q4 where we have hopefully a very large crop here in the US. Crops look terrific so far in the US, so we expect to have plenty of raw materials in that. And demand for soybean meal continues to be strong around the world and I think low prices have incentivized demand.

Demand is driven a lot by poultry, as you know, and soybean meal has been increasing in the rations. And then on the oil side, we continue to see a little bit more RDG plants coming on the stream on the second half, so that will bode well as well. So we are positive about crush margins for the rest of the year for North America.

Operator

Dushyant Ailani, Jefferies.

Dushyant Ailani Jefferies Financial Group Inc. - Analyst

Hi. Can you hear me? Yes. Thank you for taking my question. I just want to talk on the CapEx guide. I think it's improved or it's increased by about \$300 million. I just wanted to see what's driving that.

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

Yes. I think CapEx is always, the prioritization of CapEx is always NDE, so maintenance and safety and quality we do first. So whatever the plants need at any point in time. So that's a bottom up, roll up of their respective needs.

Then we fill it up with cost projects, which the execution excellence challenge that we have to deliver \$500 million and bring in more ideas, some of those ideas require CapEx. So you can see that growing and then there are growth projects around the world.

So I would say nothing specifically is a little bit of everybody else executing on their plans. So I would say nothing. There is a little bit of CapEx inflation as well in our numbers because things are a little bit more expensive than maybe they were two years ago.

Operator

Steven Haynes, Morgan Stanley.

Steven Kyle Haynes Morgan Stanley & Co LLC. - Analyst

Hey, good morning. Thanks for taking my question. I wanted to come back to Argentina. You mentioned it's kind of been a bit of a tailwind kind of towards the end of the second quarter on some slower than expected farmer selling.

So how are you kind of thinking about how that evolves over the balance of the year and what's you kind of helps us think about the risk Argentina kind of coming back into the market in a more meaningful way going forward? Thank you.

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

Yes. So what happened in Argentina, there was a big expectation for the unification of the exchange rate. And of course that hasn't happened so far. On the contrary, the gap has increased to about 50% or 55%. So at this point in time, when you combine low commodity prices because of all the abundant production and then the exchange rate, it's not very favorable for the farmer to sell.

So the farmer in Argentina is selling a little bit more corn but trying to hold the beans. Will the government, so the question is, will the government be able to unify the exchange rate? I think the government's priorities right now is to fight inflation. And that was the whole plan.

So they don't have a lot of room to maneuver to change something because the moment you divide, you change the exchange rate, everything is translated into prices. And the priority right now is to control prices. So I think this is for the good of Argentina long-term as a country, but I think short term will present a problem for the farmer to sell.

So I think the farmer will hold as much as possible unless there is a special program that the government rolls out that they don't seem to have a lot of latitude to do so at this point in time. So I think we need to be cautious about the thinking that a lot of the crop will come as a glut to Argentina. It hasn't happened so far.

Operator

Heather Jones, Heather Jones Research.

Heather Jones Heather Jones Research LLC - Analyst

Thanks for taking the follow up. I wanted to ask about the Chinese UCO into the US. situation. So our understanding is those are slow some and then there is an expectation that with Europe imposing anti-dumping duties on Chinese biodiesel that China may shift more of their UCO to that market and not as much as the US. And just wondering what you all are seeing there and how you are expecting that to evolve throughout the year?

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

Yes, thank you, Heather. So of course there was a lot of noise by the industry about the prospects of maybe some adulterated or not quite truly UCO coming into the US and checking for that. So we have seen some significant moderation of that coming.

I don't want to pinpoint a particular reason, but part of that what you mentioned maybe in Europe is true as well. Europe will not allow row crops to be part of that. So as they start to build SAF, they will have to use more UCO. So it's naturally that some of those flows would move to Europe.

The current North American feedstock market is better balanced after the situation we have in Q1. So I think also we saw palm oil going up in prices. So I think that it's bodes better for soybean oil going forward for the US.

Operator

Salvator Tiano, Bank of America.

Salvator Tiano BofA Securities - Analyst

Yes. Thank you very much. I just want to ask about the ethanol outlook, and I know you talked about a lot of factors here, but clearly your commentary on the starches and sweeteners, which include, I guess, the wet mills, was more negative, saying about lower ethanol margins year-on-year, whereas VCP, being the dry mills, it was much, much higher year-on-year.

So can you discuss a little bit the differentiation there, and it seems like a lot of the delta is from the export side. So essentially, are you seeing different pricing, different margins from the exports, and as they become a much more important part of the ethanol mix, which we weren't used to in the past, is this something that besides being a driver of demand and operating rates, is it something that's margin accretive, or do the netbacks tend to be lower for export ethanol?

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

Yes, there are several factors, Salvator, here in place. So first of all, the ethanol margins are the ethanol margins, and they are better right now. They are probably twice as big as they were at the beginning of the quarter.

There are some particular export markets where we can export as a premium, and we're taking advantage on that. I don't have top of my head where we export those from in terms of plants. But at this point in time, I would say the challenge, not the challenge, but maybe the activity has been on the logistics side to make sure that we can fulfill all the exports and we can get the materials to the ports, because, as you said, and I said before, demand has been very strong, and margins are very good, so we need to take advantage on that.

Plants are running well. As I said, costs are coming a little bit lower, so this all bodes well for the forecast. And there's no reason for demand to change significantly outside of the world. We have a basket of countries where we are exporting is very well balanced. So at this point in time, we're looking at Q3 with optimism.

Operator

Andrew Strelzik, BMO.

Andrew Strelzik BMO Capital Markets Equity Research - Analyst

Great. Thank you. I wanted to just get your perspective on broader biofuels policy. As we get deeper into the back part of the year here, we're getting close to some upcoming changes obviously the PTC maybe decisions around the RVO import export dynamic so just was curious for some updated thoughts about how those policy shifts will impact your business and whether you think there's risk on the timing of some of those things getting done.

It feels like some of the timing around biofuels policy has been a moving target in a number of different ways. So just curious for how you're thinking about that progressing and impacting your business from here? Thanks.

Juan Luciano Archer-Daniels-Midland Co - Chairman of the Board, President, Chief Executive Officer

Yes. I think all these regulatory framework creates movements and uncertainty, the more clarity the industry can have of course the better. I think you have to think about the message around biodiesel blenders credit to a producer credit is, at the end of the day we still have a higher mandate for 2025 and a real deficit in 2024.

So I think that you have to think that vegetable oil will be part of the solution to filling that mandate, ultimately the pie is getting bigger here and not the vegetable oil should be gaining on the low CI products especially now that California's CFS credits have come down a little bit.

So I think that the problem with these are the short terms gyrations of that is very difficult to know what's going to happen Q4 so maybe we have accelerated buying in Q4 maybe we have a little bit of a slowdown in Q1. But I think overall as we look at that overall policy is constructive for all these and we see more demand and the pie getting bigger.

So I think it's all positive for crush margins in the medium or long term calling it by quarter is more difficult.

Operator

We have no further questions, so I'll now hand back to Megan Britt for closing remarks.

Megan Britt Archer-Daniels-Midland Co - Investor Relations

Thank you for joining us today. Please feel free to follow up with me if you have additional questions. Have a good day and thanks for your time and interest in ADM.

Operator

Ladies and gentlemen, today's call is now concluded. We'd like to thank you for your participation. You may now disconnect your lines.

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