

# ADM's price-fixing spotlights need for nation-serving agribusiness

by Marcia Merry Baker

On Feb. 26, 1999, Michael Andreas is scheduled to be sentenced for criminal price fixing. Andreas is the former top executive of Archer Daniels Midland (ADM), the Decatur, Illinois-headquartered global food-processing and trade company, which advertises itself as "Supermarket to the World," and the son of ADM Chairman Dwayne Andreas. Also due for sentencing is former ADM top official Terrence Wilson. Andreas and Wilson were convicted in 1997 of fixing prices of corn-derived commodities.

No happenstance case of executives who somehow "went rotten" when they reached the top, the ADM practices and criminal record are an extreme version of what generally characterizes the century's rise of global cartels of commodity companies that act above and beyond the interests of citizens and nations. *EIR* has previously documented the scope of these cartels, and the profiles of the companies, showing in particular the interconnections with London and British Commonwealth-based financial and political interests ("Food Control As a Strategic Policy," *EIR*, Dec. 8, 1995).

A short list of key dates in the history of ADM accompanies this article. For example, Dwayne Andreas is on the board of the Hollinger Corp., the Canadian-based company that owns over 400 U.S. and Canadian newspapers, as well as the *Jerusalem Post*; Hollinger is the outgrowth of the British intelligence front company, Argus Corp., set up for special operations in World War II.

The case of ADM spotlights the question: How should agribusiness operate in the public interest? This is an urgent question, given that the U.S. agriculture sector is in unprecedented crisis, and the world financial system is in breakdown.

But, at the same time, we face a strategic opportunity to forge a pathway for economic development, if the United States can be moved to respond properly to the historic opportunity presented by the Russian government's newly announced commitment to *rebuild* its agriculture sector.

## The Agribusiness Council

In the interview below, the case of ADM, and the larger issues of agriculture and food system security are discussed by Nicholas E. Hollis, President and CEO of the Agribusiness Council, Inc. (ABC), based in Washington, D.C.

ABC was founded in 1967 at a White House meeting between President Lyndon B. Johnson and Henry Heinz II,

chairman of the Heinz Food Company, and is financed by companies, organizations, and individuals interested in improved private enterprise action programs for world food security. The Council has received grants for project work from the U.S. Departments of Agriculture and Energy; from the State Department's Agency for International Development (AID), and from the Overseas Private Investment Corp. ABC works to advance small and medium-sized companies and agro-entrepreneurs, encourages state and local agribusiness organizations, and interlinks with counterparts abroad. ABC is modelled on its international parent organization, the Agri-Energy Roundtable (AER).

Council activities include trade missions to Russia, Poland, Hungary, Bulgaria, Jamaica, Kenya, and Botswana; as well as biennial conferences, e.g., in 1992 on U.S. foreign cooperation programs for agribusiness. Hollis himself attended the World Food Summit (Rome 1996) and has been involved in furthering agribusiness efforts in Russia, Ukraine, Poland, and elsewhere.

## ADM price-fixing case

The convictions of Andreas and Williams stem from charges arising out of the 1990s' actions of ADM to fix prices for two corn-derived commodities, lysine (a livestock feed supplement) and citric acid. Until he was formally charged, Michael Andreas was the heir-apparent to Dwayne Andreas, himself infamous for his blatant, monied interventions into politics and business. Michael Andreas headed the powerful Töpfer Corp., the old commodities trading company of Europe that ADM acquired in the 1990s. Terrence Wilson was head of ADM's corn-processing division, the world's largest.

In October 1996, Andreas and Wilson resigned from the company in a move to control the damage to ADM's image, around the same time that ADM and the Justice Department reached a deal in which ADM agreed to a plea on criminal anti-trust charges of price-fixing of lysine and citric acid; ADM paid fines of \$100 million—peanuts for the company, but the largest fine in Federal anti-trust history.

Subsequently, Michael Andreas and Wilson were indicted and convicted for their role. At present, grand juries are still taking testimony on price-fixing of other commodities, in which ADM is involved, as our chronology and interview detail below.