

DUPONT E I DE NEMOURS & CO  
Form 11-K  
June 29, 2001

=====

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 11-K

ANNUAL REPORT  
PURSUANT TO SECTION 15(D) OF THE  
SECURITIES AND EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

OPTIMUM QUALITY GRAINS, LLC RETIREMENT AND SAVINGS PLAN  
(FULL TITLE OF THE PLAN)

E. I. DU PONT DE NEMOURS AND COMPANY  
1007 MARKET STREET WILMINGTON,  
DELAWARE 19898

(NAME AND ADDRESS OF PRINCIPAL EXECUTIVE OFFICE OF ISSUER)

=====

Signatures

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Administrative Committee formed under the Optimum Quality Grains, LLC Retirement and Savings Plan has duly caused the Annual Report to be signed by the undersigned hereunto duly authorized.

Optimum Quality Grains LLC  
Retirement and Savings Plan

Dated: June 29, 2001

By: /s/ Nancy Betz

-----  
Nancy Betz  
Director of Human Resources

Optimum Quality Grains, LLC  
Retirement and Savings Plan  
Index to Financial Statements and Supplemental Schedule

-----

Report of Independent Accountants

Financial Statements:

Statements of Net Assets Available for Benefits at December 31, 2000 and 1999

Statements of Changes in Net Assets Available for Benefits for the Years Ended

Edgar Filing: DUPONT E I DE NEMOURS & CO - Form 11-K

December 31, 2000 and 1999

Notes to Financial Statements

Supplemental Schedule\*:  
Schedule of Assets (Held at End of Year)

\* Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Report of Independent Accountants

To the Administrator and Participants  
of the Optimum Quality Grains, LLC  
Retirement and Savings Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Optimum Quality Grains, LLC Retirement and Savings Plan (the "Plan") at December 31, 2000 and 1999 and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

June 22, 2001

Optimum Quality Grains, LLC  
Retirement and Savings Plan  
Statements of Net Assets Available for Benefits

Edgar Filing: DUPONT E I DE NEMOURS & CO - Form 11-K

December 31, 2000 and 1999

	2000	1999
Assets:		
Investments:		
Plan interest in DuPont and Related Companies		
Defined Contribution Plan Master Trust	\$ 2,624,076	\$ 2,126,313
Company stock funds	818,533	820,708
Mutual funds	5,961,891	5,977,294
Common/collective trust funds	1,295,340	2,072,631
Short-term investments and cash	10	788
Participant loans	134,976	142,983
	-----	-----
Total investments	10,834,826	11,140,617
	-----	-----
Receivables:		
Participants' contributions	32,896	32,554
Employer's contributions	10,922	44,640
Investment income	5,851	4,685
Investment securities sold	24,616	-
	-----	-----
Total receivables	74,285	81,879
	-----	-----
Net assets available for benefits	\$ 10,909,111	\$ 11,222,496
	=====	=====

The accompanying notes are an integral part of these financial statements.

-2-

Optimum Quality Grains, LLC  
Retirement and Savings Plan  
Statements of Changes in Net Assets Available for Benefits  
For the Years Ended December 31, 2000 and 1999

	2000	1999
Additions:		
Investment income:		
Net (depreciation) appreciation in fair value of investments	\$(1,504,881)	\$ 1,852,553
Interest and dividend income	572,560	472,230
	-----	-----
	(932,321)	2,324,783
	-----	-----
Contributions:		
Participant	727,341	677,602
Employer	553,257	791,806
Other	-	10
	-----	-----
	1,280,598	1,469,418

Edgar Filing: DUPONT E I DE NEMOURS & CO - Form 11-K

Total additions	348,277	3,794,201
Deductions:		
Benefits paid to participants	(661,662)	(1,153,479)
Net (decrease) increase	(313,385)	2,640,722
Net assets available for benefits:		
Beginning of year	11,222,496	8,581,774
End of year	\$10,909,111	\$ 11,222,496

The accompanying notes are an integral part of these financial statements.

-3-

Optimum Quality Grains, LLC  
 Retirement and Savings Plan  
 Notes to Financial Statements  
 December 31, 2000 and 1999

1. Description of the Plan

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Optimum Quality Grains, LLC (the "Company"), a wholly-owned subsidiary of E.I. du Pont de Nemours and Company ("DuPont"). The Plan was established on January 1, 1998 through asset transfers of \$3,612,684 from the Savings and Investment Plan of E.I. du Pont de Nemours and Company and \$2,827,047 from the Pioneer Hi-bred International Retirement Plan. The Plan is subject to the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code ("IRC").

Contributions

Participants authorize payroll deductions which are contributed to the Plan and credited to their individual accounts. Participant contributions are limited to a maximum of 16% of a participant's earnings, as defined. Participants may also contribute amounts representing rollovers from other qualified retirement plans.

The Company makes matching contributions in the amount of 50% of all participant contributions up to 6% of the participant's earnings, as defined. Company contributions are invested in accordance with the participant's investment elections. The Company also makes a discretionary

## Edgar Filing: DUPONT E I DE NEMOURS & CO - Form 11-K

monthly profit sharing contribution to participants in an amount equal to 6% of a participant's earnings, as defined. There were no discretionary profit sharing contributions for the year ended December 31, 2000. For the year ended December 31, 1999, discretionary profit sharing contributions were \$581,306.

### Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of the Company's contributions and Plan earnings. Allocations are based on account balances as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

-4-

Optimum Quality Grains, LLC  
Retirement and Savings Plan  
Notes to Financial Statements  
December 31, 2000 and 1999

---

### Eligibility and Vesting

Employees are eligible to participate in the plan on the first day of the month following the date on which they have completed at least 1,000 hours of service in a 12-consecutive-month period and are qualified employees, as defined. Participants are 100% vested in their contributions. Participants are 100% vested in all of their accounts, including Company contributions and profit sharing contributions, if they retire from Optimum after reaching age 65 or if their employment terminates because of death or disability. If participants leave Optimum under any other circumstances, they are entitled to the vested percentage of their company contributions, profit sharing contributions and earnings on those contributions as follows:

Years of Service	Vested Percent
1 - 2	20%
2 - 3	40%
3 - 4	60%
4 - 5	80%
5 or more	100%

### Participant Loans

Participants may borrow from their accounts, a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms shall not exceed 5 years, unless the loan is for the purchase of a primary residence, then it shall not exceed 10 years. The loans are collateralized by the balance in the participant's account and bear interest at the average rate for secured personal loans in effect at five banks on the last working day of the month preceding the date on which the loan application was made. Principal and interest are paid ratably through payroll deductions.

### Payment of Benefits

## Edgar Filing: DUPONT E I DE NEMOURS & CO - Form 11-K

A participant may make three withdrawals in a calendar year, withdrawing all or a portion of his or her account balance, except the portion attributable to pre-tax contributions allocated to the participant's loan account. If a participant is under age 59 1/2, a withdrawal may be made from the participant's pre-tax contributions and earnings account without penalty only if a financial hardship is demonstrated.

If a participant's employment terminates due to the participant's death, total and permanent disability or retirement, the participant or the participant's beneficiary is entitled to receive the vested balance of the participant's accounts in a single lump-sum distribution.

-5-

Optimum Quality Grains, LLC  
Retirement and Savings Plan  
Notes to Financial Statements  
December 31, 2000 and 1999

---

### Administrative Expenses

Reasonable expenses of administering the Plan, at the election of the Plan Committee, may be paid by the Plan. For the years ended December 31, 2000 and 1999, the Company paid all administrative expenses of the Plan. Brokerage fees, transfer taxes, investment fees and other expenses incident to the purchase and sale of securities and investment shall be included in the cost of such securities or investments or deducted from the sales proceeds.

### Forfeited Accounts

At December 31, 1999 and 2000, forfeited nonvested accounts totaled \$19,377 and \$7,481, respectively. These accounts can be used to reduce future employer contributions. Also, in 2000 and 1999, employer contributions were reduced by \$30,832 and \$7,194, respectively, from forfeited nonvested accounts.

## 2. Significant Accounting Policies

### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

### Investment Valuation and Income Recognition

The investments of the Plan are carried at fair value, except for the Plan's interest in the DuPont and Related Companies Defined Contribution Plan Master Trust ("Master Trust"). The Plan's interest in the Master Trust relating to investment contracts, is based upon its beginning value plus actual contributions and allocated investment income less actual distributions (see Note 4). The Master Trust's investment contracts are fully benefit responsive and thus, are stated at contract value. Shares of the asset allocation portfolios, included in the Master Trust are valued at net unit value as determined by the trustee at year end. Shares of registered investment companies (mutual funds) are valued at quoted market

## Edgar Filing: DUPONT E I DE NEMOURS & CO - Form 11-K

prices which represent the net asset value of shares held by the Plan at year end. Share of common/collective trust funds are valued at net unit value as determined by the trustee at year end. Company stock funds are valued at net unit values based upon the quoted market price of shares at year end. Participant loans and short-term investments are valued at cost which approximates fair value.

Purchases and sales of investments are recorded on the trade-date. Dividend income is recorded on the ex-dividend date. Interest income is accrued when earned.

Payment of Benefits Benefits are recorded when paid.

### Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

-6-

Optimum Quality Grains, LLC  
Retirement and Savings Plan  
Notes to Financial Statements  
December 31, 2000 and 1999

---

### 3. Investments

Investments that represent more than 5% of the net assets available for benefits as of December 31, 2000 and 1999 were as follows:

	2000	1999
DuPont Company Stock Fund	\$ 789,756	\$ 777,427
Aggressive Asset Allocation Portfolio	-	735,200
Franklin Small Cap Growth Fund Class I	624,512	768,261
Janus Mercury Fund	849,061	1,043,444
Merrill Lynch Equity Index Trust Tier 6	892,143	884,201
Plan interest in DuPont and Related Companies Defined Contribution Plan Master Trust	2,624,076	2,126,313

During the years ended December 31, 2000 and 1999, the Plan's investments appreciated (depreciated) (including realized gains and losses) in value as follows:

	2000	1999
Company stock funds	\$ (196,689)	\$ 208,047
Mutual funds	(1,276,269)	1,321,441
Common/collective trust funds	(104,033)	323,065
Master Trust	72,110	--
	-----	-----
Net appreciation (depreciation)	\$ (1,504,881)	\$ 1,852,553
	-----	-----

## Edgar Filing: DUPONT E I DE NEMOURS & CO - Form 11-K

### 4. DuPont and Related Companies Defined Contribution Plan Master Trust

On April 1, 1999, the Company and certain affiliates (as employers) entered into a Master Trust Agreement with Merrill Lynch Trust Company of America ("Trustee") to establish a master trust to allow participants from affiliated plans to invest in a Stable Value Fund and three different Asset Allocation Funds: the Conservative, the Moderate and the Aggressive. Prior to April 1, 1999, the Stable Value Fund and Asset Allocation Funds were separate investment options of the Plan. To participate in the Master Trust, affiliates who sponsor qualified savings plans and who have adopted the Master Trust Agreement are required to make monthly payments to the Trustee of designated portions of employees' savings and other payments to the Trustee of designated portions of employees' savings and other contributions by the affiliate. The Plan's undivided interest in the Master Trust was .038% and .053% as of December 31, 2000 and 1999, respectively. Investment income relating to the Master Trust is allocated proportionately, by investment fund, to the plans within the Master Trust based on the plan's interest to the total fair value of the Master Trust.

-7-

Optimum Quality Grains, LLC  
Retirement and Savings Plan  
Notes to Financial Statements  
December 31, 2000 and 1999

---

The Stable Value Fund is invested in guaranteed investment contracts, separate account portfolios, synthetic guaranteed investment contracts and money market funds. The interest rates on investment contracts ranged from 5.83% to 8.50% and 5.41% to 9.60% for the years ended December 31, 2000 and 1999, respectively. The blended rate of return was 6.72% in 2000 and 7.05% in 1999.

The interest rates for certain investment contracts are reset annually and are based on the market value of the underlying portfolio of assets backing these contracts. Inputs used to determine the crediting rate include each contract's portfolio market value, current yield-to-maturity, duration (i.e., weighted average life) and market value relative to contract value. All contracts have a guaranteed rate of 0% or higher with respect to interest rate resets.

A synthetic guaranteed investment contract provides for a guaranteed return on principle over a specified period of time through the use of underlying assets and a benefit responsive wrapper contract issued by a third party. Included in the contract value of synthetic guaranteed investment contracts is \$(61,031,076) and \$60,029,739 at December 31, 2000 and 1999, respectively, attributable to wrapper contract providers representing the amounts by which the value of contracts are greater than or (less than) the value of the underlying assets.

The Asset Allocation Funds invest in money market funds, common/collective trust funds and Stable Value Fund assets.

Assets of the Master Trust include:

December 31,

-----  
2000

-----  
1999



Edgar Filing: DUPONT E I DE NEMOURS & CO - Form 11-K

Investment Contracts	\$ 5,134,555,882	\$ 5,569,282,564
Common/Collective Trust Funds	25,007,540	-
Money Market Funds	31,437,135	45,408,849
	-----	-----
Total	\$ 5,191,000,557	\$ 5,614,691,413
	-----	-----

-8-

Optimum Quality Grains, LLC  
 Retirement and Savings Plan  
 Notes to Financial Statements  
 December 31, 2000 and 1999

Investments of the Master Trust that represent more than 5% of the assets of the Master Trust were as follows:

	December 31,	
	----- 2000	1999 -----
Investment Contracts:		
Bankers Trust	\$ -	\$ 323,423,566
Aetna Life and Annuity	356,648,682	335,052,829
Peoples Security	301,118,125	282,136,014
CDC Financial	336,220,628	313,990,127
Deutsche Bank (DUP-1)	330,341,799	309,537,018
Deutsche Bank (PIM-DUP-1)	273,816,467	328,679,231
Deutsche Bank (PIM-DUP-2)	347,269,727	-
JP Morgan (95-04)	320,535,834	301,786,966
JP Morgan (95-12)	353,745,646	332,976,797
Metropolitan Life	412,600,954	387,590,206
Union Bank of Switzerland	416,151,942	389,800,804
Peoples Security (BDA-0063-TR)	-	334,215,802
Principal Life	280,402,889	-
Monumental Life Insurance Co.	356,840,431	-

At December 31, 2000 and 1999, the total assets of the Master Trust of \$5,191,000,557 include participant investments in the Stable Value Fund of \$5,144,944,410 and participant investments of \$46,056,147 held by the Conservative, Moderate and Aggressive Allocation Funds. At December 31, 1999, the total Master Trust value of \$5,614,691,413 included participant investments in the Stable Value Fund of \$5,573,930,424 and participant investments of \$40,760,989 in the Conservative, Moderate and Aggressive Allocation Funds.

Total investment income of the Master Trust for the years ended December 31, 2000 and 1999 was \$353,329,080 and \$366,044,652, respectively.

New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). SFAS No. 133 requires that an entity recognize all derivatives and measure those instruments at fair value.

SFAS No. 133 is effective for fiscal years beginning after June 15, 2000.

## Edgar Filing: DUPONT E I DE NEMOURS & CO - Form 11-K

Pursuant to SFAS No. 137, the Master Trust is required to adopt SFAS No. 133 effective January 1, 2001. Management has not yet been able to determine the impact of SFAS No. 133 on the Master Trust's financial statements due to an inconsistency in accounting literature between SFAS No. 133, requiring derivatives to be measured at fair value, and the AICPA Audit and Accounting Guide on "Audits of Employee Benefit

-9-

Optimum Quality Grains, LLC  
Retirement and Savings Plan  
Notes to Financial Statements  
December 31, 2000 and 1999

---

Plans" and Statement of Position 94-4, "Reporting of Investment Contracts Held by Health and Welfare Benefits Plans and Defined Contribution Pension Plans," requiring benefit responsive investment contracts (including syntheti guaranteed investment contracts) to be measures at contract value. Until this inconsistency is resolved, management is unable to determine the impact that SFAS No. 133 will have on the financial statements. The carrying value of those instruments is \$4,001,503,657 and \$3,994,653,926 at December 31, 2000 and 1999, respectively.

The impact on the Master Trust's net assets available for benefits of adopting SFAS No. 133 will be determined based on the derivative positions at the date of adoption.

### 5. Tax Status

The Plan is currently in the process of applying for a tax determination letter from the Internal Revenue Service. The Plan's administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in accordance with the applicable requirements of the Internal Revenue Code. Accordingly, no provision has been made for federal income taxes in the accompanying financial statements.

### 6. Related Party Transactions

Certain Plan investments are shares of mutual funds and units of collective trust funds managed by Merrill Lynch, the Trustee of the Plan. In addition, the Plan offers a Company Stock Fund investment option. The Master Trust is managed by DuPont Capital Management and the Trustee. Therefore, transactions in these investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules of ERISA.

### 7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in the employer contributions.

-10-

Optimum Quality Grains, LLC  
Retirement and Savings Plan  
Schedule of Assets (Held at End of Year)  
Form 5500, Schedule H, Part IV, Line I

Exhibit I

## Edgar Filing: DUPONT E I DE NEMOURS & CO - Form 11-K

At December 31, 1999

---

Identity of Issue	Description of Investment
Franklin Small Capital Growth Fund Class I	Registered Investment Company
Janus Enterprise Fund	Registered Investment Company
Janus Mercury Fund	Registered Investment Company
Mercury HW International Value Fund Class I	Registered Investment Company
Fidelity Low Priced Stock	Registered Investment Company
MFS Total Return Fund	Registered Investment Company
Mercury Global Holdings Fund Class I	Registered Investment Company
Templeton Growth Fund	Registered Investment Company
AIM Value Fund	Registered Investment Company
Fidelity Growth & Income Fund Class A	Registered Investment Company
*Merrill Lynch Growth Fund Class A	Registered Investment Company
AIM Equity Constellation Fund	Registered Investment Company
Franklin Balance Sheet	Registered Investment Company
Templeton Foreign Fund	Registered Investment Company
Fidelity Magellan Fund	Registered Investment Company
Fidelity Fund PV1	Registered Investment Company
Fidelity Equity Income Fund	Registered Investment Company
Franklin Custom Fund Income Growth	Registered Investment Company
MFS Total Return Fund	Registered Investment Company
*Merrill Lynch Balanced Capital Fund Class A	Registered Investment Company
*Merrill Lynch Basic Value Fund Class A	Registered Investment Company
Barclays 3-Way	Common/Collective Trusts
*Merrill Lynch SM Capital Index CT Tier 2	Common/Collective Trusts
*Merrill Lynch Equity Index TR Tier 6	Common/Collective Trusts
*Merrill Lynch Index CT Tier 2	Common/Collective Trusts
Conoco Stock	Company Stock
*DuPont Stock	Company Stock
Plan interest in the DuPont and Related Companies Defined Contribution Plan Master Trust ("Master Trust")	Master Trust
Participant loans	8.5% to 9.0%
Cash	

\* Party-in-interest