

CORPORATE profile...

Following the philosophy that diversification is vital to a business with seasonal demand, Summers Fertilizer has an eye for sound integration opportunities

“DOES THE AREA need us? Do we save the consumer money? Is the profit commensurate with the risk?” These are the three criteria which must receive affirmative answers before the Summers Fertilizer Co. will commit itself to a new venture, declares James E. Totman, Summers’ president. The latest result of this philosophy is a plan by Northern Chemical Industries to build the first anhydrous ammonia plant in the northeastern U. S. to go on stream at Searsport, Me., early in 1956.

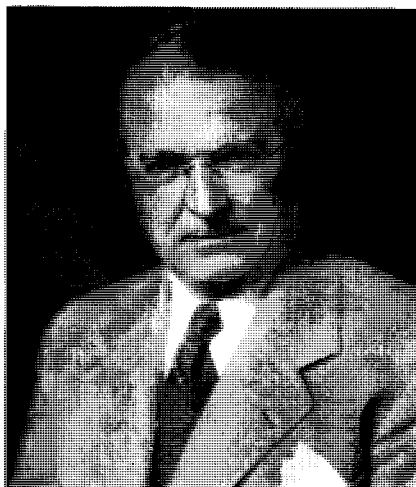
Summers Fertilizer was founded in 1922, when Totman joined up with two old-timers in the fertilizer business, Walter P. Summers and Willis R. Dresser. With Summers as president, Totman as vice president, and Dresser as secretary-treasurer, the company opened a small dry-mixing plant in Baltimore. Summers Fertilizer aimed to offer improved service in mixed fertilizer distribution to the eastern Atlantic States north of the Potomac. Only two months after incorporation, Summers unexpectedly died and Totman became president.

First Expansion

In 1924 Summers made the transition from dry mixer to acidulator with the purchase of Hubberd Fertilizer’s Baltimore plant. This was closely followed by destruction of Summers’ original mixing plant by fire. It was replaced with a modern fireproof dual crane unit.

The next few years were among the hardest ever faced by the fertilizer industry. Summers was among the pioneers in manufacture and sale of concentrated fertilizer. Totman and Dresser were both natives of Maine; both felt that that area presented the best opportunities for further development. Maine, in the twenties was substantially a cash area; margins were more attractive than elsewhere in the country. In 1930 Summers organized Island Fertilizer Co.; built a mixing plant at Charlottetown, Prince Edward Island, Canada. In

rapid succession followed acquisition of a dry-mixing plant at St. Stephens, N. B., a factory at Bowdoinham, Me., and storage and pier facilities at Searsport. Summers became one of the largest producers among the “independent manufacturers.”



The President . . .

James E. Totman

Growth and Diversification

With the depression of the thirties, about \$450 million of the public’s money was written off in fertilizer stocks; 16 out of 31 fertilizer companies in Baltimore survived. Summers retrenched, sold outlying plants, leased its Baltimore plant to the cooperative GLF Exchange, operated it jointly. This arrangement lasted for almost a decade.

Effort was concentrated in the most profitable areas. While other plants were being closed, the Searsport facilities were being enlarged. In 1935 the Penobscot Warehousing Co. was formed to handle and store imported cargoes of fertilizer raw materials at Searsport and interior points. A chain of potato storage warehouses was set up by the new subsidiary to protect credit extensions in the con-

centrated potato area of Aroostook County. In 1936 Dresser retired, leaving Totman the only original incorporator.

Potato Shippers

The Maine potato crop was growing larger every year; by 1938 Maine farmers badly needed new markets, better transportation for their crop. No economical water shipping facilities were available, so Summers stepped into the breach with Winterport Terminals, Inc. A deep water pier at Winterport, Me., was backed up with a modern potato storage warehouse. Potatoes could be trucked directly from the farms to the ship’s side, could be marketed profitably in southern and gulf ports. Hundreds of millions of pounds of potatoes were shipped every year through Winterport; Summers also purchased a potato shipping business, organized it into A. E. Mooers Co., Inc.

With World War II came the need for large quantities of dehydrated potatoes for military use. Summers developed a special fertilizer formula, designed to raise potatoes especially suitable for dehydration. The company also went directly into dehydrating, installing a plant in the Winterport terminal, closed by the war. Maine Food Processors was organized in 1942 to run the dehydration plant. Two years later, fire destroyed the plant.

Wartime needs led to an effort to double Maine potato production. Fertilizer demand led to fulfillment of one of Totman’s favorite projects, construction of a sulfuric acid and superphosphate plant at Searsport. Northern Chemical Industries, Inc., was organized to run this business; production began in 1944.

Further expansion took place in Maine in 1946, with the purchase of two dry-mixing plants in Aroostook County. The Baltimore facilities which had been under joint operation were sold; Summers then purchased the Griffith & Boyd Fertilizer Co., with a plant at Locust Point, Baltimore. Also in 1946, Maine Food Processors purchased the fish meal plant of the Globe Canning Co. at Eastport, Me. Maine Food Processors, dormant since fire destroyed the Winterport plant, made improvements in the Globe plant, became producers of sardine meal, a concentrated protein feed, and fertilizer raw material.

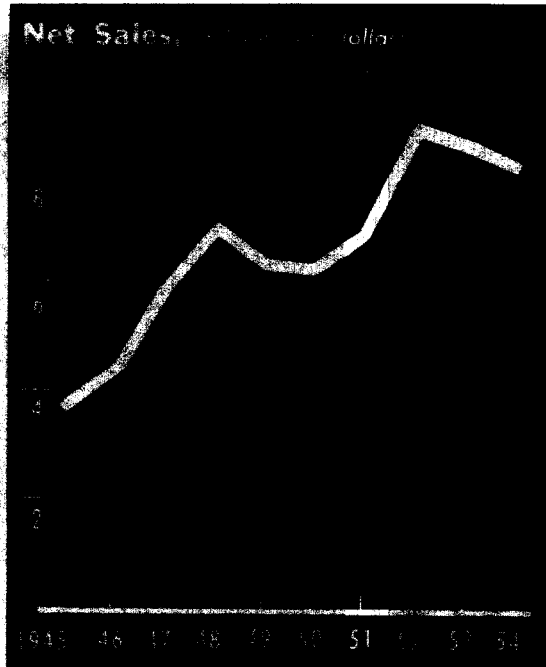
By 1946, Northern Chemical Industries squeezed all Summers mixing operations out of Searsport; they were transferred to a plant purchased by Penobscot Warehousing a short distance away. In 1948, Summers purchased Morison Brothers, dry mixers of Bangor, Me.

Since the war, North Dakota had become a leading producer of certified seed potatoes. Demand for potato fertilizer had become heavy; Summers was supplying the area from its Baltimore plant. In 1948 a 40-acre site on the

SUMMERS FERTILIZER CO.

Its Subsidiaries and Affiliates

Summers' growing list of products has built this sales curve: mixed fertilizers, superphosphate, sulfuric acid, ammonium sulfate, aluminum sulfate, sardine meal and oil, soluble proteins, pesticides. For the future: anhydrous ammonia, nitric acid, nitrogen solutions



After the Korean emergency, Totman returned to another long-cherished project, an anhydrous ammonia plant in the Maine "nitrogen island." Northern Chemical Industries had been prospering; to the original sulfuric acid and superphosphate had been added ammonium sulfate in 1950, liquid alum in 1953. Now Totman proposes to add 125 tons of ammonia per day plus facilities for nitric acid and nitrogen solutions. Nitrophosphate plans have not been forgotten; the certificate of necessity has been kept alive.

In 1953 Summers built a dry mixing plant at Sioux Falls, S. D., and acquired the Kelley Agricultural Product Co., of McKeesport, Pa. Kelley manufactures specialty fertilizers, insecticides, and other pesticides. It has become the Kepco Division of Summers. Sagadahoc Fertilizer Co. has been partly owned by Totman since the thirties and it, in turn, owns 7% of Northern Chemical Industries.

"Diversification is vital to a business tied in with a seasonal demand," declares Totman. He hopes to build up industrial markets for ammonia in Maine; consumption is now estimated at 19,500 tons per year. Sulfite pulping is the most important outlet, should show important gains when ammonia becomes available locally.

outskirts of Grand Forks, N. D., was purchased for a dry mixing plant.

Totman foresaw a huge growth in fertilizer demand in the Midwest, planned to build a string of five mixing plants strategically placed around the perimeter of the rich "Breadbasket," backed

up with a nitrophosphate plant. Summers was the first company to obtain a certificate of necessity for a nitrophosphate plant, but the Korean war, plus the large scale invasion of the fertilizer industry by petrochemical companies, led to deferment of the scheme.

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