

# profile...

**Owner of a vast industrial empire, W. R. Grace Co. characterizes itself as a growth company, physically and psychologically. Nearly 15% of its business is in the manufacture and sales of agricultural chemicals**

**F**OUNDED IN South America a century ago when William Russell Grace, an Irish immigrant, became a partner in a ship chandlery in Peru, Grace has been in business in the United States for about 90 years. During the first half of its operations in this country, Grace became firmly established in ocean shipping, trading, and finance on the Atlantic Coast. On the Pacific Coast it had interest in the lumber trade as well as ocean shipping. In the South, Grace manufactured and sold fertilizers.

Attuned to the business philosophy of its founder, the W. R. Grace Co. through the years has followed a program of diversification of enterprises.

Following World War II, Grace made an analysis of the industrial fields in the U. S. which appeared to offer the most promising growth potential. From the results of this study, the decision was made to concentrate expansion efforts in the chemical industry.

Grace management has had long acquaintance with chemistry. The company's original activities in Chile, for example, consisted chiefly in the production of nitrate of soda. Also, early in its South American adventures, Grace was the world's largest producer of iodine. This, together with its Peruvian guano trade lead Grace into the U. S. fertilizer business in the early 1900's.

## Domestic Expansion

Since deciding to expand domestically in the chemical field, Grace has taken several important steps.

1. Organized the Grace Chemical Co. in September 1952. Recently the company completed an anhydrous ammonia-urea plant to serve primarily the agricultural and industrial interests of the mid-South. Some nation-wide marketing is also contemplated.

2. Acquired the Thurston Chemical Co. in October 1953, a leading manufacturer and distributor of mixed fertilizers and superphosphates in the Midwest.

3. Merged with the Davison Chemical Co. in May 1954. Nearly 50% of

Davison's sales are in fertilizers, superphosphates, and phosphate rock.

4. Completed in November 1954, a merger with Dewey & Almy Co., a well established manufacturer of chemical specialty products.

5. Established in May 1955, the Grace Chemical Research and Develop-



Board Chairman . . .

**Charles E. Wilson**

First chairman outside Grace family

ment Co. Division to spearhead Grace's anticipated further expansion in the chemical manufacturing and processing fields.

## Grace Chemical

Grace Chemical Co., a wholly owned domestic subsidiary of Grace, was formed in September 1952. Recently, it completed the construction of its first manufacturing plant at Memphis,

Tenn. Capable of producing 250 tons of anhydrous ammonia and 150 tons of urea per day, the new facility was constructed at a cost of \$20 million.

Ammonia production commenced in December 1954. The urea plant went "on stream" in May of this year. Most of the chemicals manufactured will be used for agricultural products, but some will be diverted for other industrial uses.

Ammonia will be used in mixed fertilizers and for direct injection into the soil. Urea will be sold in prill form as a fertilizer and in microprill form as a ruminant feed. Most of Grace's ammonia will be marketed in the mid-South region and the lower corn belt area. Urea will be sold nation-wide and exported.

## Davison Chemical Division

Much of the Grace enterprise agricultural chemical interest is handled by the Davison Chemical Division. Composed of what formerly were the businesses of the Davison Chemical Co., Thurston Chemical Co., and Grace's own fertilizer manufacturing business, Naco Chemical, Davison produces three categories of agricultural chemicals: mixed fertilizers, superphosphates, and triple superphosphates.

Davison's commercial fertilizer operations are carried out at 19 plants and distributed in almost all the states east of the Mississippi, as well as in 10 states west of the big river. Distribution of the company's products is through local merchants, agents, and farmer co-operatives.

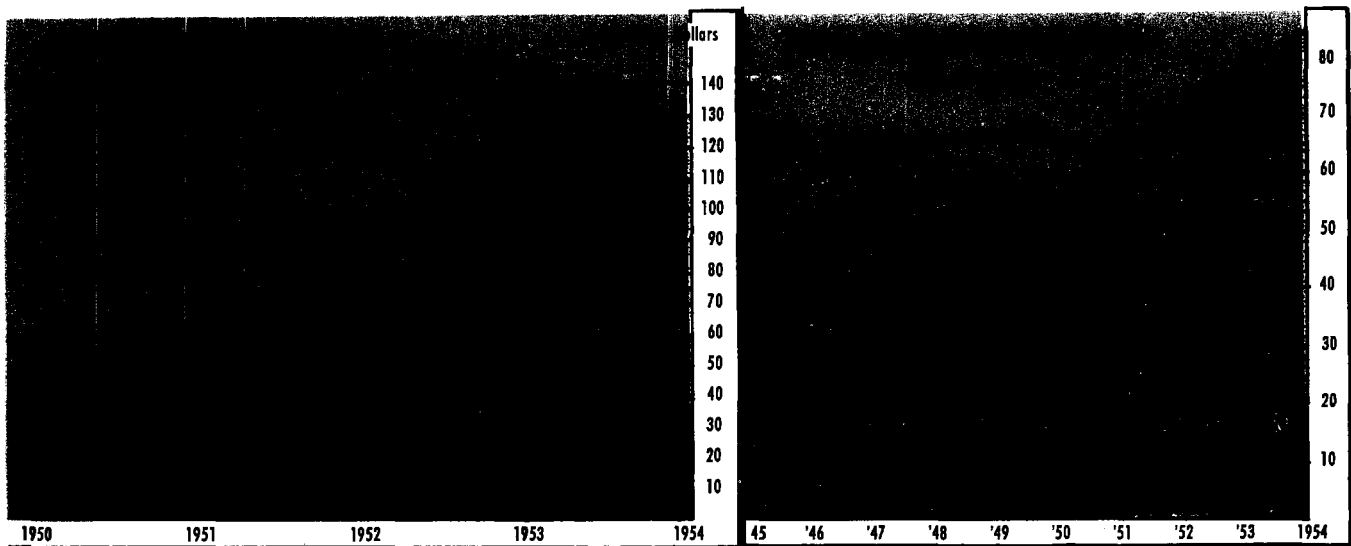
Through its technological research, Davison has developed a process known as granulation by which it produces superphosphates and mixed fertilizers in the form of granules or pellets. Recently this process has been improved to make possible the production of homogeneous, granulated mixed fertilizers. In these mixes, each granule or pellet contains all the plant nutrients—phosphate, potash, nitrogen—in the desired proportions.

The aggregate annual plant capacities of the division is approximately 840,000 tons of mixed fertilizers, 980,000 tons of superphosphates, and 235,000 tons of triple superphosphates. Most of the superphosphate manufactured by Davison is consumed in the manufacture of its own mixed fertilizers.

## Chemical Products of W. R. Grace & Co.

	1950	1951	1952	1953	1954
Sales (in millions)	\$78.3	\$96.9	\$104.1	\$117.1	\$131.1
	%	%	%	%	%
Agricultural chemicals	51.0	48.8	51.8	47.3	44.8
Industrial chemicals <sup>a</sup>	20.3	20.8	19.9	22.9	22.2
Chemical specialties	28.7	30.4	28.3	29.8	33.0
	100.0	100.0	100.0	100.0	100.0

<sup>a</sup> Includes sales of phosphate rock to industrial chemical manufacturers.



Davison also maintains an important service to citrus growers and farmers in many areas of the South. This is the blending of insecticides and fungicides into fertilizers. This operation is carried out at 6 plants.

Phosphate rock is mined and processed at Davison's own reserves located in Polk County, Fla. The annual production is about 900,000 tons, most of which is used for manufacture of superphosphates and triple superphosphates. The remainder is sold to agricultural and chemical processors.

With the acquisition of Davison, Grace obtained an important chemical company, well established in the production of commercial fertilizers. In addition to agricultural chemicals, Davison has been, for many years, a substantial producer of sulfuric acid, synthetic cracking catalysts, silica gel, and silicofluorides.

#### Dewey and Almy Division

Merger with the Dewey and Almy Co. in 1954, provided Grace with a diversified line of chemical specialties. Principal products include Cryovac bags, sealing compounds, organic chemicals, and battery separators. Products are sold in competition with the rubber, chemical adhesives, pharmaceutical, paper impregnating, and artificial leather industries.

Dewey and Almy operates 7 plants in the U. S. and several foreign subsidiaries.

#### Research and Development Co. Division

Established in May of this year, the Grace Chemical Research and Development Co. Division will study new opportunities in the chemical industry. The division will be responsible for many chemical projects now in the study and planning stages. Among these are projects on acetylene derivatives, organic intermediates, and urea derivatives.

#### Growing Company


Today, W. R. Grace Co. in addition to chemical interest encompasses such important fields as air transportation, banking, importing and exporting, merchandising, ocean shipping, paper making, textile manufacture, sugar production, and others.

Sales from these endeavors amounted to \$413 million last year. For comparison, sales in 1950 were \$200 million. About 32% of Grace's sales and operating revenues in 1954 came from chemical

products. Chemicals for agriculture accounted for about 45% of this total or 15% of the Company's business. It should be pointed out that Grace Chemical has only been producing since last December. Hence, its contribution to the total company business will not be felt until the end of 1955.

Responsibility for this continued growth now rests with C. E. Wilson, chairman of the board, and J. P. Grace as president.

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