# CORPORATE DOOTIDE 000

# J. R. Simplot Co. is the largest fertilizer producer in Idaho, but has its fingers in many other pies too

R. SIMPLOT Co. is a fertilizer manufacturer in Idaho-the largest in the state. But the company is a good deal more than that. It is engaged in mining, lumbering, dredging. real estate development, cattle and sheep raising, farming, agricultural chemicals distribution, and food processing. And it all started with the humble potato. In 1929 Jack R. Simplot, who was then 19 years old, began his career as a produce commission merchant in Burley, Idaho. By 1941 he had become the largest shipper of onions and potatoes in Idaho, and had acquired a number of farms and packing warehouses in the southern part of the state.

It was at about that time that Simplot moved into the onion and potato dehydrating field; by the end of the war his production of dehydrated potatoes for the government averaged 33 million pounds annually. Since the war, the firm has added canning and freezing to its food processing activities, and now operates one of the world's largest potato freezing and dehydrating plants at Caldwell, Idaho.

Other expansions followed naturally -lumbering to provide boxes for overseas shipment of dehydrated potatoes; sawmills to utilize timber that was of too high quality for boxes; real estate to provide housing in areas of shortage; and, of course, fertilizer for the potatoes.

### **Phosphate Fertilizers**

In 1944, Simplot began production of single superphosphate at Pocatello, Idaho, using phosphate rock purchased from the Conda Mine of Anaconda Copper Co. As sales increased, the company began a search for its own phosphate deposits and eventually acquired large reserves in southwestern Idaho. In June of 1946 the first shipment of phosphate rock was made to Pocatello from the Gav Mine (named for Jack Simplot's daughter) on the Fort Hall Indian Reservation.

This mine is still the major source of raw material for the Pocatello fertilizer plant. Present reserves are estimated at 15 million tons of phosphatic shales (sold under long term contract to Westvaco Division of Food Machinery & Chemical for the production of elemental phosphorus), 20 million tons of shales that can be beneficiated, and 5 million tons of high grade phosphate rock. This rock, from one of the highest-grade large deposits known, runs some 32% P<sub>2</sub>O<sub>5</sub>.

The company has additional reserves in the Centennial Mine on the Idaho-Montana border near Yellowstone National Park. At present this mine is worked only to a limited extent during the summer for the production of phosphate rock which is sold as such.

Another phase of the mining activity of the fertilizer division was the acquisition in 1947 of a barite deposit in the Sawtooth Mountains near Hailey, Idaho. Although barite can hardly be classed as an agricultural chemical-it is sold primarily to the petroleum industry for use in highdensity drilling muds-its mining, processing, and sale are handled by the fertilizer division at Pocatello.

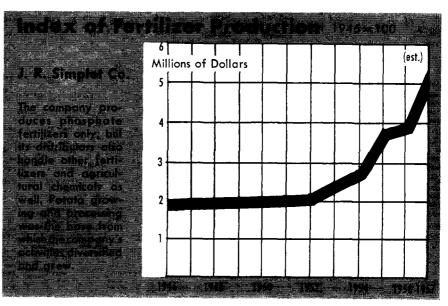
The next major move came in 1954 when Simplot started production of triple superphosphate at Pocatello. Phosphoric acid is made here by the controlled addition of sulfuric acid to ground phosphate rock in a series of agitator-equipped reactors. The gypsum formed is filtered off and sold as a soil conditioner. The phosphoric acid is concentrated by evaporation, and is used to treat additional ground rock to produce triple superphosphate.

Single superphosphate is produced by controlled reaction of ground rock with sulfuric acid. Surplus phosphoric acid above plant requirements is sold to be applied as a liquid phosphate fertilizer, but the bulk of it is used for the production of triple superphosphate by reaction with phosphate rock. The present capacity of the Pocatello plant for all phosphoruscontaining products is 120,000 tons per year.

Thus, at present, Simplot is a major producer of fertilizers—but phosphate fertilizers only. Does it have plans to branch out into nitrogen fertilizers as well? The company says only that it is watching the trends and considering future growth, but so far there are no definite plans for additional products.

#### **Distribution Organization**

Simplot is unique, or at least unusual, among fertilizer manufacturers in being active at two levels of distribution simultaneously, in addition to its regular marketing role as a producer. In 1946, when production of single superphosphate was well under



way at Pocatello, there were comparatively few fertilizer distributors and dealers in the company's logical marketing area. There were fewer still who had the equipment and



#### The President . . .

## J. R. Simplot

It All Started with the Potato

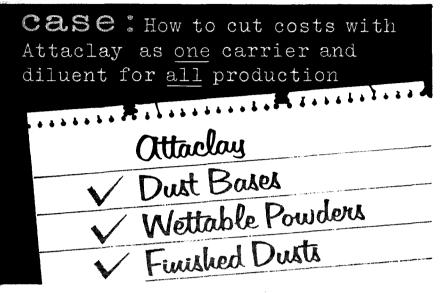
knowledge to be of real assistance to the grower.

The need for qualified dealers was met by the establishment of Simplot Soilbuilder units, centrally located in each of the growing areas that could be served economically by the Pocatello plant. There are now eight Soilbuilder units and 14 sub-units at strategic spots in Idaho, Washington, Oregon, Colorado, Nebraska, and Wyoming. Each of the units has been set up as a separate company which can, with its associated sub-units, efficiently serve a local area.

Products handled by the Soilbuilder units are not confined to Simplot fertilizers. The units are equipped to provide warehousing facilities, bulk spreading services, and mixing and blending equipment for all types of fertilizers that are used in their areas. In addition they offer agronomic service on a local basis, and act as dealers in insecticides and weed killers.

Outside of the Simplot Soilbuilders set-up and paralleling it in some respects is a conventional sales organization with sales representatives selling to fertilizer mixers and dealers. Administration is handled through sales supervisors in Ogden, Utah; Salem, Ore.; and Greeley, Colo. This sales force is active principally in those areas in which there are adequate existing fertilizer distribution facilities and therefore no need to set up Soilbuilder units.





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