

# profile...

## A 75-year veteran in the mixed fertilizer industry, Federal Chemical attributes much of its success to its firm policy of concentrating all efforts in just one field—mixed fertilizers

**I**N Louisville, Ky., Federal Chemical Co. is making plans for an auspicious event coming up next year—celebration of its 75th year in business. The event might be compared to a married couple's diamond anniversary; for 75 years Federal has been wedded to the commercial fertilizer industry.

But unlike most spouses married for 75 years, Federal has lost none of its original vigor and strength over the years. If anything it is healthier than ever before, and looks with optimism to the next 75 years.

### From One Mill To Six Plants

From a modern office in Louisville, president J. D. Stewart speaks of "way back when" the business consisted of a small bone mill in a shed. Stewart speaks from hearsay since the company is far older than he. "We made crude fertilizer from bone, packed it in wooden barrels or 200-pound jute bags, and shipped by river boat and wagon to a few hundred customers. Today, the company can claim six plants which supply high analysis mixed fertilizers to users in nine states.

Age, of course, is not Federal's only source of pride. Through the years the firm has tenaciously clung to a single purpose—to make and sell mixed fertilizers. While other companies integrate up, down, or sideways, Federal holds to just one product line. "It's surprising," says Stewart, "that we are one of the few remaining firms that offer only dry, mixed goods."

Stewart does not believe that expansion into other lines is always a sign of progress. "Except for Mickey

Mantle," he observes, "a switch hitter usually isn't as good as one who concentrates on one thing. We don't try to be specialists in several different fields, and thus, I think we do a better job at making fertilizers."



The President . . .  
**Jefferson D. Stewart, Jr.**  
Close Ties with Dealers

Federal finances all expansion out of earnings. This policy rules out any big mergers or acquisitions. To make its own nitrogen or phosphoric acid would be a logical move for Federal. But for the present the company is sticking to dry fertilizers, and wouldn't be interested in becoming more basic in raw materials unless it had captive outlets for all production. Right now it doesn't.

A company tied so closely to the

ups and downs of farm production might seem to be on unsteady ground. However, Federal can back up its philosophy with a steady earnings rate and sound financial structure. Stewart notes that since the present corporation was set up in 1901, Federal has shown a profit in all but four years. The firm is fairly closely held, with only 800 stockholders, even though the stock is traded over the counter in Louisville.

### Bone Fertilizers

Eight men founded the company in 1884 under the name of Globe Fertilizer Co. Until the turn of the century Globe made only bone fertilizers, a popular item at the time. The company grew. By 1901 Globe had 20 stockholders, and branched out by merging with the Tennessee Phosphate Co., the only merger in its history.

This move gave the company a new name plus a phosphate rock mine in Tennessee. Federal immediately started to build an acidulation plant at Nashville, and the following year it entered the acid phosphate business. Since then Federal has progressed along with the industry, adding new and better products as they became available. Plants at Louisville and Nashville still remain, although much improved, and the company has added four others: Columbus, Ohio; Humboldt in western Tennessee; Butler in northern Indiana; and Danville, Ill. Combined storage capacity of the six plants is 84,000 tons of finished goods.

### \$1 Million for Granulating Equipment

Federal puts emphasis on high quality granular fertilizers, and in recent years has invested over \$1 million in granulating equipment at Columbus, Danville, and Nashville. It uses the TVA-type continuous ammoniator. Year-around employees number about 300, with peak season workers swelling the total to about 600.

The company's main analytical lab is at Nashville, and until continuous processes were added it served all of Federal's plants. But now the firm needs quick answers on analysis, and has a separate control lab at each continuous plant. An agronomy department, something often lacking in a mixed fertilizer company, is an important part of Federal's operations. It acts as a clearing house to give dealers data and recommendations from the agricultural schools.

Federal is strong on advertising which will help its dealers sell. Money spent for promotion has been increased six fold in the last 10 years.

