

# profile...

## Aggressive management, close attention to trends, and emphasis on research keep Smith-Douglass a front runner

FOR A COMPARATIVE NEWCOMER to the farm chemicals field, Smith-Douglass, Norfolk, Va., behaves more like a 90-year-old "statesman" than a youngster with 31 years behind it. Today it stands among the leaders in fertilizers and agricultural chemicals. Not by chance, though. President W. R. Ashburn's words—"keep up with the trends"—aptly epitomize the reasons for S-D's success (\$40 million net sales in fiscal 1958, about four times the level of 1944).

It was awareness of trends that made the firm one of the pioneers in granular and high analysis fertilizer. Now its fertilizer products, such as Pelleform, Nutro, Orange, and Big Fruiter, are about as well known to farm folk as Tennessee Ernie Ford and Grand Ol' Opry. Equally famous in another agricultural line—phosphate feed supplements—are S-D's Dikal and CDP.

Personalities, too, have been vitally important in the Smith-Douglass success story, beginning with "... Oscar F. Smith's ability to see opportunity ... possibilities ... the future, with unerring accuracy, to lead and inspire men ... augmented and complemented by the superb sales ability ... conservatism of Ralph B. Douglass."

Smith-Douglass, as such, started in 1927 when Ralph B. Douglass, now board chairman, bought an interest in a firm owned by Smith. The company got its present name then. But the foundation had been laid in 1919 when Smith resigned as general superintendent of a Norfolk fertilizer firm to risk small capital on a plant of his own. The plant processed leather scrap and other organic waste into nitrogenous tankage.

R. B. Rowland joined him as a minority partner and lent his name to

the new company, then called Smith-Rowland. In 1921, Rowland dropped out as partner, and the firm incorporated as Smith Reduction. (Rowland later rejoined the venture, and the Smith-Rowland Co., now a division of S-D, still makes tankage.) Smith Re-



The President . . .

**W. R. Ashburn**

**Keep up with the Trends**

duction started making complete fertilizers containing nitrogen, phosphorus, potash, calcium, sulfur, magnesium, and several minor and trace elements. This was its principal business when Douglass bought into the firm in 1927.

From 1927 on, S-D has been working under a full head of steam that even the depression years could not slow down. In the process, it has moved from simple mixing operations to complex chemical production.

In 1929 it built a mixing plant at Danville, Va., and it added another at Kingston, N. C., the following year. At about the time Franklin D. Roosevelt was settling into the White House, the Smith-Rowland nitrogenous tankage division expanded with a new plant in Granite City, Ill., close to the St. Louis area shoe industry where leather waste was plentiful.

Two years later, S-D was making superphosphate at Norfolk with sulfuric acid from the outside. But in 1938, it began making its own acid at Norfolk, the first step in its movement toward integrated operation. Until just before the end of World War II, the company, except for its Granite City plant, was strictly an eastern operation. But the war landed S-D in the Midwest at Streator, Ill. The reason: Midwestern farmers, trying to supply food for the home front, the U. S. armed forces, and our allies, were turning to increased use of fertilizer to get higher crop yields. S-D, always keeping up on the trends, decided to make its move.

But wartime building priorities didn't provide for fertilizer plants. Yet the company found an answer; it purchased the Streator Clay Products plant, revamped it for superphosphate manufacture, storage, and shipping. To get the necessary machinery, especially hard to come by during the war, the company dismantled its Washington, N. C., and Murfreesboro, N. C., plants and shipped the needed equipment to Streator.

### Minnesota Mixing Plant

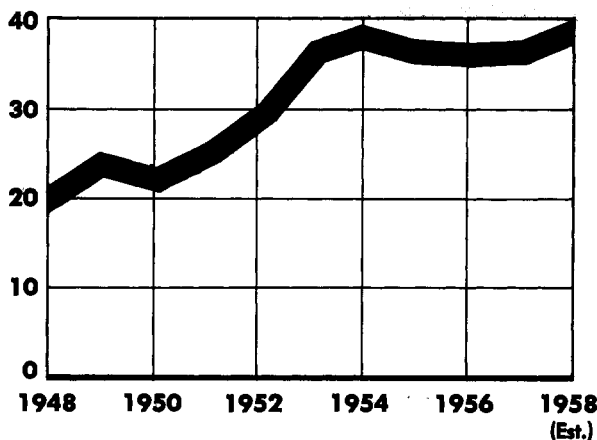
S-D continued to strengthen its toehold in the Midwest. Three years after setting up operations at Streator, it put a mixing plant on stream at Albert Lea, Minn. A sulfuric acid plant followed at Streator, giving S-D its second integrated unit. At the same site it completed, in 1954, a wet process phosphoric acid plant—the first in the country designed to use the Prayon process, licensed from its Belgian developers.

A couple of years earlier, S-D had chalked up another big expansion by acquiring 100% of the outstanding stock of the Coronet Phosphate Co., which had big rock reserves near Plant City, Fla. Now a Smith-Douglass division, Coronet supplies rock to other plants in and out of the company, and makes Coronet defluorinated phosphate (CDP), an animal feed supplement.

Much of the phosphate rock goes to Texas City Chemicals, which S-D acquired in 1957 and which Coronet manages. Texas City had built a large dicalcium phosphate plant in 1953,

## SMITH-DOUGLASS CO., INC.

Net Sales (Millions of Dollars)



The sales record was achieved by expansion into new geographical and technical areas

with units for making sulfuric and phosphoric acids. When the company ran into financial trouble and suspended operations in 1956, creditors were at the door. S-D stepped in, petitioned the U. S. District Court in southern Texas to permit it to reorganize the company and reopen the plant. The court and the creditors agreed, and Texas City, now a wholly owned subsidiary, turns out Dikal,

another phosphate feed supplement, plus the two acids and high analysis fertilizer. (While Streator uses the Prayon phosphoric acid process, Texas City uses the domestic Dorr-Oliver method.)

Even before S-D went to Texas City, it had acquired a Texas accent. In 1953, it absorbed the San Jacinto Chemical Corp., near Houston. Acquisition of San Jacinto, which makes

anhydrous ammonia, put Smith-Douglass in a strong nitrogen position, complementing its already strong place in phosphorus.

And the company's management is now considering still another merger, this one with Wilson & Toomer Co. The latter firm has six plants in Florida and Georgia, and produces pesticides as well as fertilizers. Stockholders of the companies have not yet voted on the merger question.

Until 1952, there were no Smith-Douglass "stockholders" to consult on such questions, since the company was privately controlled. In November of that year, 370,000 of its 940,000 shares went out to the public. At the same time, the Securities and Exchange Commission approved the company's stock for listing, and it appeared on the Big Board in New York.

In the past two years, S-D has been concentrating on foreign markets, particularly in Central America. This is a natural bent, the company says, since many of its plants are on deep water, close to shipping. While export expansion is the only kind getting a special push now, S-D's history of growth, research emphasis (fiscal 1957 research expenditures: \$202,000), and aggressive management policy give assurance that the company will let no grass grow under foot.

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