History of Archer-Daniels-Midland Company

RELIANCE on science marks the success story that is Archer-Daniels-Midland Company. Because the operators of a small linseed oil mill in Minneapolis boldly utilized chemistry to alter the basic structure of America's harvests, the company has grown in a little more than half a century to one of the nation's most diversified industrial enterprises.

Many years of experience, too, have provided a firm foundation for that growth. John W. Daniels, who came to Minneapolis to establish the Daniels Linseed Company in 1902, had been processing flaxseed in Ohio since 1878. George A. Archer, who came from a family that had been in the flaxseed crushing business since the 1830's, joined the company in 1903.

Although they had little capital, they had a big idea. They believed in "year-around production at low margins." Their profits were small during the first year, but they never finished a business year in the red.

For several years the Archer-Daniels Linseed Company processed flaxseed by means of hydraulic presses. Their linseed oil was essentially the same as that used by the ancient Egyptians.

Then in the early 1920's the Daniels and the Archers made a decision which was destined to lift the young firm from the ranks of small industry to leadership in the vegetable oil-processing field. They decided to use science to alter the basic chemical structure of linseed oil.

From this decision, a startling one then, came the slogan: "Creating New Values from America's Harvest." Starting with a small but aggressive research and product development program, the company now has extensive research facilities that have led it into many fields undreamed of by the founders.

When ADM started business in 1902, it had only one plant and made only three products: raw linseed oil, boiled linseed oil, and linseed cake or meal. Today the company manufactures more than 1,000 standard products that are used directly or indirectly by every major manufacturing industry in the country. It operates 156 plants, elevators, and mines in the United States and Canada, has interests in several foreign plants, and sells its products around the world.

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Instead of relying on a single commodity, flaxseed, ADM processes many fats and oils of vegetable, animal, and marine origin. This great diversity of activities and the company's emphasis on research as the basis for new products are summed up in the title of the official ADM history: "From Land, Sea, and Test Tube." The same research pattern that proved so successful with flaxseed was repeated with soybeans. Through it ADM was instrumental in converting soybean oil so that it could be used in paints and helped to make it America's leading edible oil.

ALTHOUGH ADM has been diversified into many new fields, it still is the largest producer of linseed oil. At the same time the company also has attained leadership in many of its newer lines. As a processor of soybeans, ADM manufactures edible and industrial soybean oils and flours, also isolated soy proteins. It is a major producer of dehydrated alfalfa for formula feeds. From flax straw ADM makes fiber for use in cigaret paper, fine papers, and U.S. currency, also flax shives for wallboard, livestock feeds, and various industrial purposes. Among the largest flour millers in the country, ADM produces wheat flour chiefly for the bakery and macaroni industries.

The company's grain-trading operations girdle the globe and include terminal and subterminal elevators with 80 million bushels of storage capacity as well as a line of country elevators. The largest producer of core oils and other additives for the foundry industry, ADM also mines and processes bentonite. More than 300 resins and chemically modified oils are manufactured by ADM for the protective-coatings industry. It produces plasticizers and also makes plastic systems for the repair of freight-car interiors.

Among ADM's products are many for the chemical industry, including fatty acids, fatty alcohols, and hydrogenated oils. Specialty cereal flours are used in boxboard, paper, building materials, dynamite, wallboard adhesives, foundry core binders, soaps, ore flotation, and oil well-drilling muds. Only four of the company's products are in the consumer class. They are Archer Booster feeds for livestock and poultry; family flour marketed in the south; Pol-mer-ik Linseed Oil; Crosby Cruisers, Fiberglas pleasure craft manufactured by Crosby Aeromarine Company, an ADM subsidiary.

Among the company's latest expansion moves are the establishment of manufacturing operations in Europe and Latin America. In cooperation with financial interests in the various countries, ADM now operates three formula feed plants in Mexico; plasticizer and resin plants in the Netherlands and West Germany; chemical plants in Belgium and Spain. A subsidiary that trades in fats and oils is located in The Netherlands. In Peru, ADM and a group of Peruvians operate a land-based whaling station and a fleet of whaling vessels. The Minneapolis concern is and long has been the world's largest processor of sperm whale oil.

ADM also is looking to the time when radiation chemistry may open new methods of chemical processing and food preservation. It owns an interest in Applied Radiation Corporation, a manufacturer of linear electron accelerators.

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