History of Anderson, Clayton and Company

ANDERSON, CLAYTON AND COMPANY encompasses a rather broad field of industrial operations located in seven countries of the Western Hemisphere and in Egypt.

Since its founding in 1904 ACCO has gained a reputation as the largest and one of the most respected merchandisers of cotton in the world. As early as 1906 however the founders recognized the wisdom of integration and expansion when they entered the cottonseed milling business. Since that time this policy of integration and expansion in the industrial field has continued on an orderly basis. Today almost 50% of the gross sales come from such industrial operations and coffee merchandising.

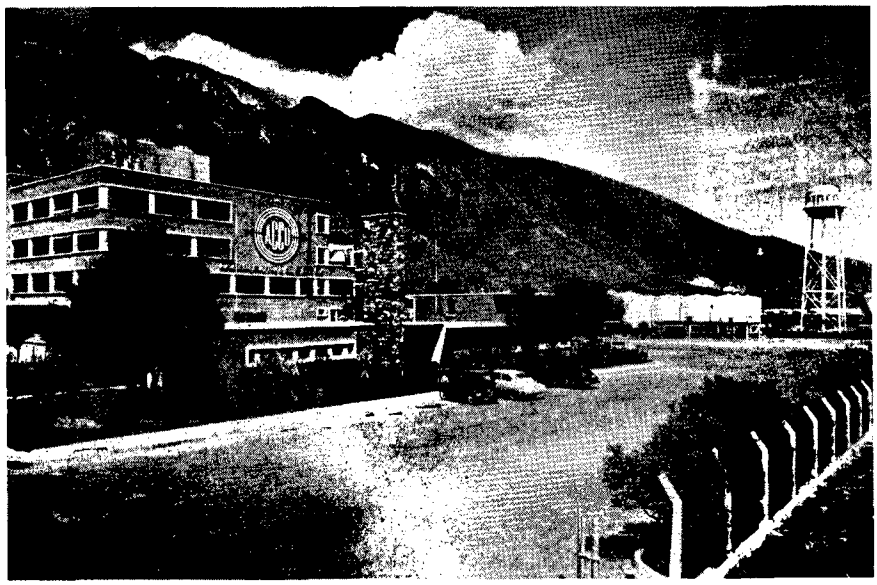
Since 1920 the cotton production of the far Western United States has developed rapidly. Major factors have been irrigation and mechanization, the hot, dry climate of the area, development of superior planting seed, improved cultivation and fertilization practices, and better insect control. Through this combination the fertile lands of the San Joaquin and Imperial valleys of California have been developed by thousands of progressive farmers into some of the world's highest-yielding cotton farms.

In Arizona cotton has become the state's Number-One industry by following the practices outlined above. Production averages almost two bales to the acre, one of the highest per-acre yields of any state in the country.

ACCO provides extensive services to the producers of the above areas including crop production loans, technical service in the highly specialized fields of irrigation, fertilization, insect control, and mechanization of crop production. ACCO's Vista de Llano Farms Division near Fresno, Calif., grows cotton and grain in rotation on 28,000 acres of company-owned land and 24,700 acres of leased land. This commercial farming operation also serves to further the experimental work with and development of production methods for the area.

ACCO's Southwestern Division with headquarters in Abilene, Tex., extends from Cochise County in Arizona through the cotton-growing area of New Mexico, Texas, Oklahoma, Louisiana, and Mississippi. The operations include cotton gins, four of which are for long-staple cotton, oil mills, refineries, formula-feed plants, poultry-processing plant, and experimental and seed-breeding farm. The Lubbock, Tex., mill is one of the most modern cottonseed oil mills in the world. It serves the south plains of Texas, an area that produces 10 to 12½% of the cotton grown in the United States.

Anderson, Clayton and Company Foods Division was established in 1952 through a merger with Mrs. Tucker's Foods Inc., Sherman, Tex. This plant has been enlarged and modernized to keep pace with expanding developments. In 1953 a second ultra-modern, multimillion-dollar plant was completed at Jacksonville, Ill., to process oil from soybeans grown in that area and the meat fats freely available nearby. The Foods Division produces a full line of fat and oil products under the ACCO brands for the household, commercial, and institutional user. At its Sherman plant the Foods Division maintains a Research and Development Department, including a pilot-plant and test kitchens where technical experts work in close cooperation with customers to develop and test formulas for special purposes.



The ACCO plant in Monterrey, Mexico, is one of the most modern of its kind in the world.

OPERATIONS similar to those in the United States are carried on in Mexico, Brazil, Peru, and to a lesser extent in Argentina, Paraguay, and Egypt.

In 1921 ACCO opened a Mexican selling agency. A little later a Mexican subsidiary company was incorporated, and during the intervening years, as cotton production expanded, the subsidiary company has constructed and acquired gins and oil mills, organized crop financing, finished-products plants, insecticide and fertilizer production units, and formula-feed plants along with experimental farms in various agricultural areas in Mexico. The picture on this page shows the modern food-processing plant located at Monterrey, Mexico. The plant is located on a 30-acre site just outside the city at the foot of the Sierra Madre range.

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• A.O.C.S. Commentary

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Our many visitors from all over the world always speak of it as the prettiest plant site they have ever seen.

ACCOSA's Monterrey plant has brought to Mexico the world's finest methods of producing and packaging vegetable fat for consumer use. Modern merchandising methods, including cooking demonstrations, experimental bake-shop for the industrial user, sampling, recipe promotions, and advertising, have developed sales that have taxed the production capacity of the plant and necessitated almost continuous expansion since the plant opened.

Our South American subsidiaries have always taken a leading position in the merchandising of cotton. Cotton conditions in Brazil, Argentina, Peru, and Paraguay were affected by the London Economic Conference in 1933. After the United States declined to negotiate tariff revisions, it embarked upon a policy of curtailing agricultural production and holding American cotton prices above world prices. This stimulated cotton production in the four South American countries where the farmers sold their cotton in the seed. There were not enough gins or mills to handle the increasing crops so the buyers without gins could not compete.

Mills were also needed to provide an outlet for seed, not only from our own gins but from those independents and growers who furnished us with cotton. With the building of needed gins and mills these later in turn assured us of supplies of cottonseed and cottonseed oil. In Brazil particularly we had to step up building in order to keep pace with the rapid expansion of cotton westward in the State of Sao Paulo.

Increasing development of the market for cooking oils in Brazil placed a distinct handicap on oil mills without facilities to convert into finished products. Accordingly in 1937 a plant for the production of salad oil and cooking oil was constructed and since that time has been enlarged and modernized until today it is one of the largest and most modern in South America. Today this finished products plant produces the same high quality of finished products that characterize ACCO plants of this nature in other parts of the world. The demand for these products is so great that it provides a steady outlet for all the production of our Brazilian oil mills, and we are constantly looking for ways and means of obtaining additional vegetable oil raw materials. It would appear now that a strain of soybeans has been developed which will give the Brazilian farmer satisfactory acreage yield so we are looking forward to this as a raw material, which means expansion of our milling operations to handle soybeans.

IN RECENT YEARS ACCO has started a coffee-merchandising business and is one of the largest coffee merchants in the world, doing business in every major coffee-growing-and-consuming country. The company buys green coffee produced in Brazil, Colombia, Peru, Mexico, Salvador, Guatemala, Venezuela, and Africa. ACCO is the largest individual exporter of Brazilian coffee and one of the major exporters from Colombia and Peru. It is among the largest importers from Central America, Mexico, and Africa. In Brazil we include special service to planters on much the same basis as cotton.

The company neither produces nor roasts coffee, but it does provide a dependable market for the coffee grower and a responsible party to whom the roaster or secondary merchant can look for sound market opinions and dependable shipments of the type and quality of coffee he requires.

The growth of Anderson, Clayton and Company in the countries in which it operates, we believe, can be traced to the extensive services the company provides for the producers in these areas. Anderson, Clayton and Company is looking forward to expansion in all of the countries in which it operates through the development of new products and the acquisition of well-known brands of companion foods items.

WILLIAM ARGUE