

Introduction

Corn has played a significant role in the agricultural history of the United States. It has been referred to as the most "economically important crop in American agriculture" during the latter part of the nineteenth and the early part of the twentieth centuries. James Wilson, then Secretary of Agriculture, made the following observation in 1908:

The value of this crop almost surpasses belief. It is \$1,615,000,000. This wealth that has grown out of the soil in four months of rain and sunshine, and some drought, too, is enough to cancel the interest-bearing debt of the United States and to pay for the Panama Canal and fifty battle ships.

As the economic importance of corn became widely recognized, farmers, bankers, researchers, government agencies and the universities got involved in its development. Several major universities and a number of government experiment stations began research to develop new strains of corn. The University of Illinois was among the early pioneers in corn research.

Many individuals were responsible for the early development of corn seed which began in 1878. Two of the best known pioneers in corn research during this period were Edward M. East and W. J. Beal. In 1896 Cyril G. Hopkins and Claude C. Chapman of the University of Illinois set aside a plot of prairie ground and began experiments on the first large-scale corn breeding plot. Their objective was to improve the nutritional value of corn crops. They experienced some success in 1899 and they were able to improve corn seed throughout their careers. A few researchers also experimented with a new corn breeding process called hybridization which produced a higher quality product. Individuals exploring hybridization included George Shull, E. G. Montgomery, R.A. Emerson, T.A. Kiesselbach, and dozens of other dedicated researchers spread throughout the corn belt. The first commercial "crossing field" for the production of hybrid seed took place in 1921 in Connecticut. Ten bushels of hybrid corn seed were sold for production in 1922. Researchers and growers had also worked for approximately thirty years without success in search of a corn strain that would grow well in the northern regions of the United States. It was not until Tom Roberts, Sr. and Charles L. Gunn began their work that a breakthrough was achieved.

Tom Roberts, Sr. the first general manager of The DeKalb Agricultural Association, Inc. believed in hybrid corn. So strong was his belief that he pursued it with his associate, C. L. Gunn, through ten years of experimentation before he was able to offer the first hybrid corn seeds to the market in northern Illinois. Richard Crabb, in chronicling the history of hybrid corn, writes:

Roberts' unquestioning faith in the value of hybrid corn to corn-belt farmers, his determination to let nothing stand in the way of bringing the new corn to just as many farmers just as soon as possible was, from the first season in 1934 without a close parallel anywhere in the history of hybrid corn.

While many individuals across several states played significant roles in the invention and development of hybridization, few men contributed as much to product innovation or product distribution as did Roberts. Further, it was his managerial acumen that resulted in the explosive growth of his organization into the world's largest hybrid corn producer. He successfully exploited the research, production, marketing, and finance functions so as to produce remarkable results for his company.

Roberts played a pioneering role in the founding of two major agricultural organizations. He was an important force in the establishment of the DeKalb County Agricultural Association (the name was later changed to DeKalb Ag Research, Inc.) and in the early development of the DeKalb County Farm Bureau, which was the model upon which most of America's farm bureaus are based. At that time the Farm Bureau was an organization dedicated to the dual tasks of agriculture education and commercial enterprise. This dual orientation may have been, in part, a reflection of Roberts' business philosophy. He believed in serving the needs of the farmer at a profit to the firm. Profit was not the only motive. At the age of 93, Gunn was asked in an interview why he and Roberts worked so hard for so many years, he replied : "We did it to improve agriculture."

The DeKalb County Soil Improvement Association is Formed

In 1912 a group of "forward-thinking" farmers in DeKalb County, Illinois established the first Farm Bureau in Illinois. Some authorities consider it to be the first farm bureau in the world. Local bankers, newspapermen,

and prominent farmers collapsed their separate organizations into the new DeKalb County Soil Improvement Association. Their purpose was to act together in ways to improve farming. This included agricultural education, soil improvement, and developing ways to improve the quality of agricultural resources for their membership. Their immediate purpose was to improve the quality of local soil which was deteriorating because of the prevailing farming practices. They also wanted higher quality clover seeds for use in soil improvement.

Recognizing the unhappy position of the local farmers, the newly formed DeKalb County Soil Improvement Association created the position of the Farm Adviser. At that time the Legislature of the State of Illinois, in contrast to nearby states, did not regulate the quality of seeds sold in the state. Illinois had therefore become the dumping ground for the unregulated, poor quality seed. An important responsibility of the Farm Adviser was to procure good quality seed from other states for use in the DeKalb county. After looking around the state, the Board of Directors selected William G. Eckhardt (1879 - 1959), a University of Illinois agriculture teacher and soils expert. Eckhardt was offered a salary of \$4,000 a year which was double of what he was receiving from the university. At the encouragement of the President of the University of Illinois, Eckhardt accepted the position.

For the next several years Eckhardt attended statewide agricultural meetings, started demonstration plots, encouraged crop rotation, bought seeds from out of state for county farmers, advocated the use of fertilizer, and generally acted as a farm consultant to DeKalb County Soil Improvement Association members. In 1917 Eckhardt hired C. L. Gunn to work on research to improve seed corn for the benefit of DeKalb county farmers. That was the same year that the DeKalb County Soil Improvement Association elected Thomas H. Roberts, Sr. as Secretary / Treasurer of the organization.

Tom Roberts, Sr.: Early Years

Tom Roberts Sr. was born in 1892. After graduation from High School, he attended Iowa State College where he majored in accounting. He returned to Waterman after finishing college and ran his family farm for several years. Always, interested in the ideas of others, always believing that a number of people working toward a goal was better than one person alone, Tom became active in local business and farm affairs.

In 1917 William Eckhardt began to devote a large amount of his time to the First World War farm effort. Eckhardt's effort was targeted at insuring that the supply of food for the troops was adequate during the war years. He was also appointed as the Seed Director for the State of Illinois. These additional responsibilities, considerably reduced the amount of work he was able to do for DeKalb County. Eckhardt himself reported that he was able to only complete a third of the farm adviser activities in 1918. After the war, Eckhardt kept his interest in statewide activities. On May 1, 1920 Eckhardt was appointed head of the Grain Marketing Department of the Illinois Agricultural Association. On July 1, 1920 he was asked to make this a full time position. In 1920 Tom Roberts was appointed as the Farm Adviser after serving one year as an Assistant..

The DeKalb County Agricultural Association is Established

In 1917 The DeKalb County Soil Improvement Association evolved into The DeKalb County Agricultural Association, Inc. It was a multipurpose organization -- a farm bureau conducting a significant amount of business for the benefit of its members. As such, the Association's activities combined both farm-based business operations and agricultural education pursuits. Because the Association's organizational model conflicted with the format that was being evolved by the universities, the business portion of the Association was separated from the educational endeavors. A new company was formed with the purpose of engaging in business pursuits. It kept the name of The DeKalb County Agricultural Association, while the agricultural education endeavors were carried on under the name of The DeKalb County Farm Bureau. This took several years to accomplish and was the source of some friction between the DeKalb County Agricultural Association founders and the University of Illinois.

The Development of DeKalb Ag Hybrid Corn

In Northern Illinois the growing season and harvesting season for corn was too late for the crop to be very profitable. According to Eckhardt:

Our average killing frost comes October 6th or 7th. Seed corn gets dry enough to pick by September 25th to October 15th, depending on the season. So serious is this matter, that no commercial seed corn growers exist in northern Illinois.

To attack this problem Eckhardt hired Charlie Gunn to help find seed corns that would improve the quality and delay the season for the corn crop. Gunn traveled West and North looking for possible seeds. Gunn had prior experience in corn breeding too, and began to experiment with the local corn seed. In addition to looking for a climatized corn he also searched for a corn that was insect and disease resistant. He developed a high yielding, quality corn from the Western Plowman strain which became known as Gunn's Western Plowman.

In 1923 Roberts was searching for the ideal guest speaker for the Farm Bureau's summer picnic. It occurred to him that the new Secretary of Agriculture was from Iowa and he would occasionally have to travel between Washington and his home in Iowa. Roberts surmised that the Secretary probably had to travel through DeKalb on the Northwestern Railroad. Roberts, "...whose friends insist that he was never known to lack resourcefulness,..." wrote to the Secretary, Henry C. Wallace, inviting him to be the guest speaker. Wallace accepted.

After the Wallace speech at the picnic, Gunn, and Roberts spoke to him about some of the prize winning corn being produced in DeKalb County. Wallace admired the corn, but also said he had access to a new kind of corn, a hybrid corn, that would eventually out produce anything anyone had ever seen. Roberts and Gunn remembered the conversation.

In 1924 Roberts and Gunn decided to begin experiments to develop a program for breeding hybrid corn. They kept this as a secret from the Board of Directors of The DeKalb County Agricultural Association for several years. They knew some of the Directors would consider their work a waste of time and money. They did most of the work on their own time with their own resources. The Board was notified in 1928, as soon as it was evident that success was achievable.

In May, 1925 Charlie Gunn planted his first hybrid corn breeding plot in a farm near DeKalb. After much trial and error, the first hybrid corn for farmers was produced in 1934. Although drouth had dried up most of the crop that year, there were sufficient indications that the hybrid seed was an important advancement. Roberts and Gunn had unsuccessfully tried to save that crop, personally carting water to dying fields, day after day, week after week. They failed to save the crop and suffered considerable financial loss. Fortunately, they were able to save Gunn's breeding stock.

After the failure of 1934 most men would have proceeded with caution in the following year. Roberts instead proceeded to expand the seed planting from 75 acres to 310 acres in 1935. To get some idea of the scale of Roberts' strategy, a USDA researcher, seeing the planting field, said it was the largest hybrid production field he had ever seen.

In the next year Roberts and Gunn were able to market 14,500 bushels of seed corn which met with a resounding success. The new hybrid significantly increased farmers' corn production by approximately twenty-five percent. Roberts was now able to add a superior product to his skills in marketing, management, finance, and his commitment to research. The future of The DeKalb Agricultural Association was assured.
Tom Roberts as a Business Leader

The authors believe that Roberts' success as a business leader may have been the result of certain personal traits, education and prior experiences. He did not become successful by chance, but by the combination of hard work and his own abilities. Roberts had a strong background in farming and agriculture that came from his family history. His college training in accounting was a necessary prerequisite to put him into the position of Secretary / Treasurer of the Association which later became his company. Also, he was a great believer in the value of research and development in agriculture which he maintained throughout his tenure with the company. Roberts was blessed with good communication skills which he used to convince others to believe in him and his work with hybrids. He also had a firm grasp of the business principles which he was able to successfully apply to agriculture. He had a particular flair for marketing, promotion, selling, and channels of distribution. He had the ability to recognize the value of ideas proposed by others, to use those ideas, to expand upon them, and to give credit where it was due. Finally, he had the capacity to generate his own

original and unique ideas to fit the situation.

Innovations in Marketing

The "flying corn" symbol was invented by Roberts in 1934. It quickly became popular and began to be utilized in the company stationary, brochures and signs. It became the company logo. It was based on a marketing strategy using symbolic imagery. In the 1930s, farmers looked for a basic crop or product to cover the fixed costs of their farming operation. The crop was referred to as the "mortgage lifter." The mortgage lifter most often chosen by farmers during this period was hogs and not a seed crop. Roberts' understanding of the farmers' basic needs led him to "position" hybrid corn as the new "mortgage lifter." This was, of course, symbolized by the wings attached to the ear of a corn. The winged ear has undergone minor modifications since, but the concept has not been significantly altered. Commenting on the value of the mortgage lifting role of hybrid corn, one author says:

Mr. Roberts showed considerable foresight. Not only did hybrid corn become the farmers mortgage lifter, it has become the basis for what is now the region's largest industry.

Robert's Success with Promotion Fuels More Research

Few companies have enjoyed the same level of success for their first advertisement as did Roberts for The DeKalb Agricultural Association. A bumper crop of 14,500 bushels of hybrid seed became available for sale in 1936. This was a larger crop than could be sold in DeKalb County. Roberts decided to place an advertisement in the *Prairie Farmer*, a magazine reaching farmers in Illinois and Indiana. This small, single color advertisement announced the availability of a hybrid corn seed for sale and asked the farmers to send their orders through the mail. The response to this advertisement was beyond expectations. Hundreds of farmers sent in their order with checks or cash enclosed. Seventy percent of the orders came from farmers who lived in areas where the DeKalb hybrid was not suitable for planting. The company staff spent several days writing letters of apology and returning the money to the farmers.

From this experience Roberts became convinced that the company needed to broaden the hybrid corn seed development program to meet the needs of different geographic areas within the corn belt. In 1937 R. R. St. John was hired by Roberts to develop hybrid corn seed for farms lying south of the northern sector of the corn belt. Charles Gunn was responsible for the northern sector. Roberts continued the corn research expansion, this time for western corn growing country, hiring Ralph Gunn, the son of Charles Gunn, to head up this research effort in 1942.

Advertising's Expanding Role

The importance of advertising was so well established in the company as a result of this experience that a 1947 sales manual lists the following advantages of advertising:

- 1.-- Advertising acquaints millions of farmers with the name "DEKALB".
- 2.--It establishes the fact that DEKALB is a reputable,high quality product.
- 3.--It tells a DEFINITE and logical sales story in each ad.
- 4.--It explains the vital part which you, as a DEKALB Dealer, play in helping the farmer get the right corn and make more from his farming operation.

DeKalb Ag took an early lead in hybrid corn advertising. The company is recognized as the first hybrid corn company to place a full page advertisement, use four color inserts and four color advertisements.

Sales Promotion

As early as the 1930s DeKalb Ag was embarking on the use of a full range of promotional techniques. These included sales manuals, dealer publications, full page farm paper ads, radio advertising, extensive use of field signs with the flying corn logo, participation in major agricultural events, and sponsorship of picking and plowing contests. One particularly successful promotional approach was the "Husking Kings Sweepstakes" in 1937 where former national champions competed against each other in hand corn husking. Repeated in 1938, approximately 40,000 spectators came to this promotional event.

The first four color variety booklet for farmers (a promotional device for selling seed) *Acres of Gold*, was published by DeKalb Ag in 1941. The booklet was successful and soon developed into a magazine-like

publication whose content was adapted for each separate region of the corn belt.

DeKalb Ag was among the pioneers who invited farmers to inspect test plots of their hybrids. Although positioned as an information sharing activity, harking back to the education extension events learned by Roberts while director of the farm bureau, these were also promotional in character. The test plot event was successful and was expanded to include conferences and other educational events, all of which had a promotional side to them.

Farmer - Dealers

Tom Roberts' understanding of marketing became apparent when the new company was faced with the organization of its extended sales channel. Originally, Roberts had set up a system of respected local farmers selling to their neighbors as the best method of selling corn seed. Sales were confined at this time to the DeKalb County area. The farmers were responsible for selling the first large seed corn harvest of 14,500 bushels (grown in 1935, sold in 1936). Many of the persons who sold the seed were Board members of the DeKalb County Agricultural Association and performed with "almost evangelical zeal." Questions arose about this organization when Roberts argued, in January of 1937, the company should expand to include a much larger portion of the corn belt.

Several stockholders felt that grain elevator operators were a better choice for the marketing channel than farmer-salesmen. Since the established sales channel for seed at the time was either direct mail or grain elevator operators, they felt farmer customers would be reluctant to change their established buying habits. Also, many grain elevator operators were part of a local farmers' cooperative. Buying outside the cooperative would be considered antisocial by other members of a co-op.

On the other hand, two important factors argued for the use of farmer-dealers. First, if respected farmers were chosen, their persuasive capabilities would be far greater than a grain elevator operator or a mail order catalog. Second, grain elevator operators carried a number of different kinds of corn seeds and would be unlikely to care which brand was sold, as long as the purchase was made from the grain elevator.

It was agreed that setting up a farmer-dealer network would be a much more difficult task -- the estimated number of sales managers needed for this approach was daunting (1 for every 60 farmer - dealers), as was the estimate of 5,000 farmer-dealers to cover the entire market. Nevertheless, Roberts' view prevailed and the nation-wide network was begun. The success of this network was the proof of Roberts marketing skill. The concept of "farmer selling to farmer" is one of the significant contributors to the success of DeKalb Ag. Commenting on the importance of the dealer organization, one writer states:

One of the outstanding features contributing to DeKalb's success has been its dealer organization. Tom Roberts idea from the first was that the dealer should be a farmer, who made direct calls on his neighbors rather than a seed store or elevator operator who waited for customers to call on him. Another innovation was making sales calls well in advance of planting time, starting always earlier to beat competition until most seed was sold in August and September. That these two ideas were sound was shown by the fact that by 1940, DeKalb led all competitors in sales and has been at the top ever since.

Word of Mouth

DeKalb Ag recognized the importance of word-of-mouth promotion early in their existence and utilized it effectively. The Corn Husking contest brought thousands of farmers together to see DeKalb products and discuss them among themselves. The Farmer-Dealer sales concept was a word of mouth strategy and the Farmer Dealers encouraged their customers to talk to each other about DeKalb's successful seeds. Visits to experimental plots also generated extensive word of mouth promotion.

Business Philosophy and Marketing Strategy

Indications of the Success of Roberts' business philosophy and marketing strategy can be found in the following excerpt from the company's sales literature of 1947:

1 -- "More Farmers Plant DEKALB Than Any Other hybrid Corn".

- 2 -- DeKalb is a "Great Yielding Corn". (This point is PROVED by actual DeKalb Corn Growing Contest Records).
- 3 -- "DeKalb makes Seed Corn their Business -- not just a side-line".
- 4 -- DeKalb Controls its whole business of producing Quality Hybrid Seed.
- 5 -- Corn Belt-Wide Seed Service means security of seed supply. Its processing assures accurate grading and modern, effective seed treatment.
- 6 -- "Good Seed Corn Costs So Little and Means So Much". (Free seed would be costly with a loss of only 2 bushels of yield).
- 7 -- DeKalb Research is never-ending. It produces the finest seed and proves it in a closely supervised testing program.
- 8 -- The DeKalb dealer is "A man it will pay you to know", because he KNOWS Corn -- knows the Farmers Problems.
- 9 -- The DeKalb corn Growing Contest is in a class by itself. It definitely proves DeKalb's ability to come through with consistent yields, year after year. No guesswork about it -- no baloney. Actual records PROVE DeKalb's ability to come through and do the job.
- 10 -- DeKalb is an organization of Farmers -- for Farmers. It is dedicated to producing highest quality seed at reasonable cost to users.

The above selling points are not substantially different from Tom Roberts' first marketing strategy. Each of them can be seen as the result of the initial actions he took in structuring the company from the beginning.

Entrepreneurial Drive

Tom Roberts consistently acted to make his company grow whenever a favorable circumstance created an opportunity. When there was a successful crop, Roberts sought the opportunity to market it outside DeKalb county. He used the Prairie Farmer advertisement to communicate his message. When the Prairie Farmer advertisement proved demand for hybrids existed outside the northern corn belt, he initiated research to develop seed corn for regions with different climates and hired additional researchers for this purpose. He was also closely involved in early development of the Farm Bureau's Oil Cooperative Distributors who sold oil products to farmers. He was one of the forces in the development of the Co-op insurance company, which eventually began to sell policies on a statewide basis. Realizing that farmers' needs for improved seed corn also suggested needs for other genetic improvements, he expanded his company's research efforts beyond corn to poultry, wheat, cotton, and sorghum. He also played an important role in the company's later expansion into the oil industry in the early 1940s as a financial strategy. Some of Tom's entrepreneurial drive and his ability to drive others can be partly seen in a letter to a customer, dated September 10, 1929:

Dear Patron:

We are glad to announce that at the end of our second year's business the demand for our oil service is continuing to increase. During the last year it has practically doubled and we have been able to adjust our service so as to meet the demands of our patrons with prompt service. Considering the fact that during the first five months of last year there was practically no profit in the oil business, we feel highly pleased that the year wound up in such shape that we can send you a patronage refund.

We are enclosing the payment for the patronage refund and trust that you will help yourself by helping us to sell to your neighbor or friend as this increased volume tends to cut our expenses and make larger patronage dividends.

We would appreciate it if you would go to your neighbor now and see if you cannot land him as one of our oil patrons.

Please cash this check immediately.

Very Truly yours

DEKALB COUNTY AGRICULTURAL ASSOCIATION

BY: Thos. H Roberts

THR:IK Inspirational Leadership

Tom Roberts has been described as an inspiring leader. He was successful in bringing together persons of diverse skills to work together to advance his organization. He made a special effort to recruit highly trained researchers from universities and colleges. He also attracted farmers, agriculturists, innovators and inventors. It was because of his inspirational leadership that he was able to manage and grow the diverse group into the largest firm in the industry.

It is often said that great leaders have a clear vision and they are able to convince others of it. Leo Golden's interview with Charles L. Gunn came directly to this point. Golden asks Charlie Gunn to describe the nature of the relationship between the Board of Directors of the DeKalb Agricultural Association and Tom Roberts. Was it joint motivation? Was the Board the driving force? Or, was Roberts the impetus to action? Gunn was direct. He said that Tom had to sell the Board on most everything.

Tenacity

Entrepreneurs, perhaps by definition, are tenacious. Robert's tenacity was illustrated when the University of Illinois decided that the farm bureau system should conform to its format. Dean Mumford at Illinois had decided that the educational role of a farm bureau was paramount and exclusive of business activities. The DeKalb Agricultural Association had been founded in 1912 with the idea that, in part, it would act to buy and sell for farmers. Illinois voiced its displeasure, centering in on the fact that Roberts was both Farm Adviser and Secretary / Treasurer of the Agricultural Association. After repeated requests that Roberts resign one post or the other the University of Illinois severed its ties with the DeKalb Association in 1927. After two years the Association was allowed to reaffiliate, on condition that Roberts would hold only one position. In 1931 this was finally accomplished and the farm bureau became an entity separate from The DeKalb Agricultural Association.

Robert's was also tenacious in supporting Charlie Gunn's hybrid research. The nine years spent working on the first successful hybrid seeds must have been a long time to wait, experiment, and hope. Numerous other examples of Robert's tenacity are apparent throughout this article and the written record of the early years of the company.

Recruiting Successful People

In many ways Roberts' vision of the future, along with those special leadership qualities may have been responsible for his success in identifying and recruiting talented people to his organization. Some of the people he was able to recruit and manage included Russel Rasmusen, R.R. St. John, G. H. Stringfield and Leo Olson.

Russel Rasmusen, a graduate of the University of Illinois and a former agriculture teacher, was recruited in late 1936 to work as a sales manager for the new DeKalb Hybrid Corn. Rasmusen was successful in organizing the company into twenty sales districts initially, and was able to manage the company's geographic expansion to almost one hundred by 1960.

R.R. St. John, who had done outstanding work in hybrids at the Indiana Experimental Station was recruited by Roberts in 1937 to expand the DeKalb hybrid to warmer regions of the corn belt. He was an Associate Agronomist and corn breeder for USDA at Purdue University for thirteen years. St. John was able to make an important and immediate contribution to DeKalb Ag research in the south eastern and central areas of the corn belt. "The Saint" also was a source of motivation and encouragement to the sales force.

G.H. Stringfield, an experienced researcher was recruited in 1959. He had thirty years of experience in hybrid corn development in Ohio and served as the corn research specialist for the USDA and Ohio Agricultural Experiment Station. "String" served as the coordinator of many different research programs. He also brought new approaches and methodologies of corn breeding to DeKalb Ag.

Leo B. Olsen, a World War II veteran, was a DeKalb native. He graduated from Northern State Teachers

college, became a faculty assistant, then a school teacher for four years. After showing great organizational and promotion skill he became the Advertising Manager for DeKalb Ag.

Many other researchers, marketers and managers were recruited by Tom Roberts, Sr. He was able to forge a partnership between the researchers, marketers, managers and operations personnel so as to provide for the continued growth of the organization. He maintained a strong personal relationship with many of his staff.

Product Innovation

The history of DeKalb Ag is the history of hybridization in Agriculture. Starting from the early beginning when Roberts and Gunn began their hybrid corn research until the time of Tom's death, DeKalb Ag pioneered the development of new ideas, new businesses, new products, and new techniques.

Although his hands-on research experience may have been limited to working with Gunn on their first hybrid, Robert's innovation in new product development was accomplished by his ability to foresee the importance of hybridization in corn, and then in other product lines. Robert's research division used methodology similar to Edison's. This included experimentation, trial, testing and retesting across large numbers of alternative solutions to develop different varieties of corn hybrids, wheat hybrids, poultry hybrids, sorghum hybrids, and cotton hybrids. All of these but cotton were successful product entries. These successes took years to accomplish and would have been impossible had Tom not recognized their importance and provided both organizational and financial support and patience.

Innovative Approaches To Finance

In 1936 - 37, when The DeKalb Agricultural Association was poised for rapid expansion, its capital was primarily in inventory, accounts receivable, and fixed assets. Most of the current stockholders at that time were unable to invest more money in the company but they also did not wish to issue more shares in fear of losing control of the company. Issuance of bonds and preferred stock was not considered desirable due to the current earnings situation. Further, the banks, recognizing the inventory risks inherent in the seed business, had limited short-term credit to notes secured by warehouse receipts. Roberts was not deterred and found an innovative approach for handling the problem. He developed a system such that the farmers had to make an advance deposit for the hybrid seeds they ordered. The previous year's corn crop had been so successful in the field that farmers were willing to do this and the company's entire 1937 seed supply of 80,000 bushels was ordered with deposits by December of 1936.

Roberts utilized a unique approach for financing the purchase of hybrid seed corn from the supplier farmers. In this way the company was able to minimize its need for credit during the fall and winter months. Financing of seed purchase at that time represented a major cost for DeKalb Ag. The farmers were typically paid by DeKalb Ag (at a premium over the price of regular seed) upon delivery in the month of October. The price of seed was determined by the prevailing Chicago prices at the time of delivery. Roberts allowed the farmers to choose any delivery date that met their needs. He knew that farmers preferred delaying the sale of their crop as long as possible hoping for higher prices. In fact, they often delivered and collected for seed in January, February, and March. This strategy worked like a charm and Roberts was able to reduce his dependence for external credit in the fall and winter months. Customer-farmers paid an early deposit for future seed. Supplier-farmers delayed their request for payment, holding out for higher prices at the end of the possible delivery dates. The company's improved financial situation made it possible for Roberts to make the necessary plant expansion from retained earnings.

Development of DeKalb Ag to 1967

Roberts also took DeKalb Ag into the business of oil production. Tom and his managers decided to buy oil rich land in the 1940s when they needed a way to reduce their excess profits tax burden. By 1954 daily production was 4000 barrels.

Roberts was also intimately involved in the company's success in each of the milestones of the company listed below.

Milestones: DeKalb Ag Under the Leadership of Tom Roberts, Sr.

1917 - The DeKalb County Agricultural Association (predecessor to DeKalb Ag) was Incorporated. Roberts identified as secretary / treasurer.

1924 - Hybrid Corn research was started by Gunn and Roberts

1934 - First Hybrid Corn was sold

1944 - Poultry research was initiated. Eventually became the DeKalb Chix Project

1948 - DeKalb Chix placed on the market for the first time.

1948 - DeKalb seeds sold internationally for the first time.

1949 - Research in sorghum hybrids begun in Texas

1956 - Three hundred twenty five Chix Hatcheries franchised.

1956 - First commercial sale of sorghum

1959 - Hybrid wheat research began

1959 - DeKalb Chix exported to Europe

1967 - DeKalb seed sales and chix sales double over the past five years, the greatest expansion of the company in its history.

1967 - Tom Roberts, Sr. passes away

Tom Roberts' Legacy and Message for Future Leaders

Tom Roberts, Sr. turned his education, background, and ability to understand others into the largest company in his industry. In *The Winged Ear*, the company's newsletter to its dealers, Roberts wrote a column for almost every edition. What he told his dealers about their customers may have been the company's overall key to success -- and may be Tom's best message to business executives who wish to follow in his footsteps in any business. In the March, 1948 edition *Tom Roberts, Sr.* wrote:

"Whoever you are, and wherever you may be, there is one person who is the center of your business --- the farmer. At this time when you are concerned with meeting your obligations to him, there are several things about the farmer, as a customer, it is well to keep in mind.

First, the farmer, as a customer, is not dependent upon you; rather, you are dependent on him.

He is not an interruption of your work --- he is the purpose of it. You are not doing him a favor by giving him service --- but, he is doing you a favor by giving you the opportunity to do so.

He is not apart from your business, he is it. Around and in him your business functions.

The farmer, as a customer, is not just another person, He is a human being with feelings and emotions like your own --- with prejudices and biases --- even though he may be lacking certain qualities you think important.

He is not someone to argue with or match wits against. No one has ever won an argument with a customer even though he may have thought so. Hence the saying, "The customer is always right."

The farmer, as a customer, is a person who brings you his wants. If you have sufficient imagination you will try to meet those wants and handle them in a manner profitable to him and to yourself.

Adding up these points, you will find that the farmer, as a customer, is your business, and to make that business successful you will have to operate on his terms. remember always, the farmer, as a customer, is the important person --- around him your business centers, and through him your business functions."

--- Thos. H. Roberts.

Tom's legacy is The DeKalb Ag Research, Inc. and the innovations and management techniques he brought to agriculture. His message for future leaders lies in our understanding that Tom believed almost everyone he met should be treated as though he were Tom's own customer.

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