

The 23rd Annual California Family Business Award Nominated Family Information Form 2012

FAMILY BUSINESS INFORMATION:

Company Name: J.D. Heiskell & Co.

Mailing Address: P.O. Box 1379

Local Address: 1939 Hillman Street

City: Tulare

State: CA

Zip: 93274

Phone: 559.685.6100

Website: www.heiskell.com

Brief description of your organization and its principal product or service:

J.D. Heiskell & Co. is among the oldest business in the area, having celebrated its 125th anniversary in 2011. From modest beginnings and a steady local and regional focus, the company has grown exponentially since 2000 and is now the fourth-largest feed manufacturing company by volume in the country. Another large component of JDHCo's business is its grain and commodity trading business. JDHCo maintains operations in nine states in the western US. It also exports grains and commodities to Mexico, the Pacific Rim and the Far East.

1. Family History

- Longevity- JDHCo has been family owned for 125 years and is currently led by its fourth generation. The company was founded by Jefferson Davis Heiskell in 1886. After his death in 1926, his son, John Tyler Heiskell took over as president of the company. John's daughter, Pat Heiskell married Dale Hillman, who joined the business in 1955. Upon John's death in 1972, Dale Hillman became president of JDHCo where he served until his retirement in 1991, when he was succeeded by his son Scot, who became General Manager. Scot became President in 1991 and is now Chairman of the Board.
- Obstacles overcome- Family generational transitions; expansion difficulties i.e. acquiring a business over three times our current size in 2000; melding cultures (from businesses we've acquired) with our own; and the difficulties presented by dairy business/agriculture down cycles.
- Secret of success- Consistency of vision; empowerment of employees; incentive based compensation structures; a culture of integrity, family values and consistent camaraderie among employees.

2. Innovative Strategy

- Competitive advantage-Originator of commodities, which allows us to buy directly from the farmers; scale and scope of our business; diversification of our business.

- Major strategic adjustments- Over the past decade, JDHCo changed its focus from being a manufacturing business to becoming a trading business. Now, JDHCo is trading the core commodities that it used to purchase. Another strategic adjustment would be the transition from solely being managed by family to bringing in professional management in 2001.
- Growth and development- 2000: JDHCo purchased O.H. Kruse, which was three times the size of its business. 2001: Changed to a professional management team. 2004: Partnered with Simplot to build the world's largest grain rolling facility in Mountain Home, ID. 2005: Commodity and trading businesses relocated to new office facility in Elkhorn, NE 2005: Purchase of feed manufacturing facility and grain elevator in Portales, New Mexico. 2007: Completed Construction of 10,000 ton storage barn in Bliss, Idaho. 2007: Construction completed on 16,000 ton commodity barn, Friona, TX. 2009 Acquired mill from Land O' Lakes in Gooding, Idaho and Twin Falls, Idaho. 2010: Construction completed on new 40,000 ton commodity barn in Friona, TX. 2010: Joint venture with Land O' Lakes to create Golden State Feed and Grain. Jan. 2011: Purchased Hawkeye Gold, LLC, a trading business staffed by 23 people. October 2011: Opened Hawkeye Gold west coast office in Portland, OR. December 2011: opened JDHCo regional office in Windsor, CO.

3. Incorporating family into the business

- Family values and beliefs- Our culture statement really exemplifies the family's belief system that has been carried through the 125 years in business: "The Culture We Live: Integrity, Professionalism, Excellence, Innovation, Accountability, Safety...and have fun doing it."
- Family involvement- Scot Hillman, great grandson of founder Jefferson Davis Heiskell is the Chairman of the Board and managing partner. Honorable Bret Hillman served as the company's legal counsel until his appointment to the bench of the Superior Court in Tulare County in 2010. He, along with his mother Pat Hillman and aunt Eleanor Heiskell, serve on the company's board of directors. Pat Heiskell Hillman also serves as the company historian.
- Family governance-See above. Board of Directors has four outside members.

4. Succession issues

- Succession plan in place-Yes, one that has been clearly communicated.
- Clear objectives for the future- JDHCo continues to expand its operations throughout the United States, and currently has several prospective new locations targeted, as well as different ways to diversify the business.
- Degree of preparedness for emergencies- We believe we are equipped to handle a major catastrophe, whether physical or financial.

5. Contributions

- Community- J.D. Heiskell and Co. has long made a practice of supporting the community in any way possible. Active in Rotary, Dale Hillman has been a member since 1963 and Scot since 1989, both having served as president. JDHCo has a charitable committee which meets monthly to give to local charities in need. The company and its employees have been involved in hands-on work with Habitat for Humanity, Relay for Life, and numerous coat, toy, blood and food drives. JDHCo, through a Charitable Committee comprised of employees from all parts of the company, supports the Tulare County Symphony, World Ag Expo, Tulare County Fair, Tulare Public Library and many other deserving organizations.
- Professional associations- American Feed Industry Association, National Grain and Feed Association, Transportation, Elevator and Grain Merchant's Association.
- Industry- CEO Butch Fischer has served as NGFA President. Scot Hillman, Chairman of the Board, has served over a dozen aggregate years on both the NGFA and AFIA boards. Both Fischer and Hillman have served on the CGFA Board and one year as president of that industry organization.