Minnesota and the packaged food revolution

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Economics Ideas Seminar
CSB|SJU

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The big picture

- Trends in American economy
  - Evolution of Euro-American agriculture
  - Processing and production
  - Product differentiation
  - Grocery stores

- Minnesota’s role
  - James Ford Bell and General Mills
  - Applying Bell’s recipe
Evolution of Euro-American Agriculture

- Frontier agriculture: Self-sufficiency and “vent for surplus”
- Commercial agriculture
Frontier agriculture: Self-sufficiency and “vent for surplus”

- 40-60 acres
- Raise animals for home consumption
- Garden and orchard
- Raise wheat for home use and sale
Commercial agriculture: General case

• 160 acres and larger
• Diversification for market sales
  • Crops
  • Livestock (including dairy)
• Home production BUT increased purchases from outside the home
Commercial agriculture: Minnesota

• From King Wheat to corn, oats, flax, soybeans, fruit, vegetables

• Livestock (cattle, hogs) and poultry (chickens, turkeys)

• Dairy and egg production
From commodity processing to food production

- Pillsbury and Washburn Crosby develop high-volume flour milling
- Part of national trend
  - HJ Heinz in batch production
  - Swift and Armour in meat packing
  - Pabst in brewing
Evolution from commodity processing to food production

- Problem: need to maintain demand and stable prices
- Solution: product differentiation
Product differentiation

- Branding and advertising
- Research and development
Grocery stores before World War I

- Originally sell bulk products and generic canned goods
- Move into branded products (e.g. Campbell’s Soup)
- Example: A&P
Grocery stores after World War I

- Move to self-service and cash-and-carry
- Increasingly urban and suburban locations
- Emphasis on convenience
Packaged food revolution in Minnesota

- Flour millers
James Ford Bell’s recipe

• Branding and marketing
AMERICA'S GREATEST FLOUR

WASHBURN-CROSBY CO.

VIEW OF THE WORLD'S FINEST MILLING PLANT, MINNEAPOLIS, MINN.

THE FIRST IN THE FIELD
THE LAST TO LEAVE IT.

DAILY CAPACITY 40,000 BARRELS.

COOK BOOK COUPON

WASHBURN-CROSBY CO.

MERCHANT MILLERS
MINNEAPOLIS, MINN.

Address: WASHBURN-CROSBY CO., Minneapolis, Minn.

WRITE YOUR NAME AND ADDRESS PLAINLY.

Name
Street and Number
City and State
(Over.)

ALL RIGHTS SECURED
James Ford Bell’s recipe

- Branding and marketing
- Research and development
GOLD MEDAL
WHEATIES
(WHOLE WHEAT FLAKES)

This Trade Mark
WASHBURN'S

IS YOUR GUARANTEE

IF you are not entirely satisfied
with any of WASHBURN'S
GOLD MEDAL Foods, notify
your grocer. He is instructed to
refund your money cheerfully and
without question.

"No sale is complete until
our customer is satisfied"

WASHBURN'S
GOLD MEDAL FOODS

WHEATIES
(Whole Wheat Flakes)

WHEATIES provide the vital food
elements in a delightful ready-to-eat
form—crisp and tasty. Serve at any
meal with milk or cream and sugar
if desired.

GOLD MEDAL Cake Flour
GOLD MEDAL FLOUR
and
WASHBURN'S
Pancake Flour

Washburn Crosby Company
General Offices
Minneapolis, Minnesota

ALL THE BRAN

DELECTIBLY FLAVORED WITH SUGAR, MALT SYRUP AND SALT

Made by the Millers of
GOLD MEDAL FLOUR
WASHBURN CROSBY COMPANY
MINNEAPOLIS, MINNESOTA

REG. U.S. PAT. OFF. COPYRIGHT 1923 BY WASHBURN CROSBY COMPANY, MINNEAPOLIS, MINN., U.S.A.
James Ford Bell’s recipe

• Branding and marketing
• Research and development
• Connections with consumers
James Ford Bell’s recipe

- Branding and marketing
- Research and development
- Connections with consumers
- Professional management
Commodity processing to food production

- Flour millers
- Meat packers
HORMEL ANNOUNCES SPAM

NEW DELICIOUS YEAR ’ROUND MEAT TREAT HITS THE SPOT FOR BREAKFAST, LUNCHEON, DINNER!

You’ve never known a meat like SPAM. Hormel’s new miracle meat is easy to prepare, quick to cook, and nutritious. It’s perfect for sandwiches, salads, soups, and more.

You’ll like Hormel Chri Con Carne or Double your money back!

WHAT’S THE TREAT FOR DINNER?

SPAM

WHAT MEAT NEEDS NO REFRIGERATION?

SPAM

MAD’S RIGHT OUT! WHAT SHALL WE EAT?

SPAM

As Nationally Advertised
Commodity processing to food production

- Flour millers
- Meat packers
- Dairies
Churned from SWEET (not sour) CREAM

From the LAND O' LAKES come America's Finest Dairy Products.

There's a world of meaning in that headline—for LAND O' LAKES is churned from sweet cream, instead of sour cream. What a difference this sweet cream butter makes in your favorite cream soups and on all the commonplace vegetables—and piping hot. You see, there's a more cream flavor—richer body, and a creamier after-taste. Just try it on hot toast—where the taste is so noticeably improved you'll detect the same superior appeal that seems children in just ordinary foods. You know, of course, how quickly children will like or dislike a food—because of the most delicate sense of taste. That's why we suggest you try LAND O' LAKES Sweet Cream Butter. You'll agree with the trade mark, and you'll agree that it's worth the extra—because it is. LAND O' LAKES Creameries, Inc., Minneapolis, Minn.
Commodity processing to food production

- Flour millers
- Meat packers
- Dairies
- Canning
The Green Giant
and how he’s grown

1928  1930  1936  1960  1976
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Thanks for your attention and participation!