The Alfred P. Sloan Foundation ("Sloan Foundation") began establishing industry study centers at major U.S. universities in the early 1990s. The goal was to change the way academics approach the study of economic competitiveness and productivity in individual industries. They granted substantial sums of money to establish centers so faculty and graduate students could visit and interview key people in the firms they were studying, in order to become familiar with how the firms in the industry operated before they applied their academic discipline and models to studying the firms and the industry’s performance.

Each center was funded to study a separate industry (Automobiles, Pharmaceuticals, and Industrial Performance at MIT; Textiles at Harvard; Financial Services at the Wharton School at the University of Pennsylvania; Computers at Stanford; Semiconductors at Berkeley; Powder Metallurgy at Worcester Polytechnic Institute). The goals of the Sloan Foundation include producing insight through research that will be helpful to the individual industry and producing a number of graduate students that will go on to either work in the industry or apply their knowledge in future academic positions.
THE RETAIL FOOD INDUSTRY CENTER IS CREATED

In January 1995 The Sloan Foundation made its first grant of $1.63 million to establish The Retail Food Industry Center (TRFIC) which later became The Food Industry Center (TFIC) in 2001. Ultimately, 26 Sloan-funded centers were in existence. This Center and its mandate were seen as a natural fit for the Applied Economics Department whose expertise in agricultural economics, industries, and consumer food behavior were well established. And, the mandate to approach research from the problems and issues of the industry were consistent with the long established approach of agricultural and applied economists.

This Center provided them, along with others at the University of Minnesota, the chance to establish expertise in the middle of the food supply chain, that is, the food manufacturers, wholesalers, distributors, retailers, and food service establishments. It helped the faculty and students to grow and establish their knowledge in the growing part of the food chain, simultaneously as it was happening in the real world, and helped to make them leaders in the profession in the economics and operations of food and agricultural industries.

A number of activities designed to link university faculty with industry leaders were held and the center attended a number of industry meetings to build its relationships during the Center’s early years.

JEAN KINSEY APPOINTED DIRECTOR

Dr. Jean Kinsey became the Director of The Retail Food Industry Center in 1995. Further grants of $1.5 million and $1.2 million were awarded in 1998 and 2001, respectively. The funding was used for faculty research and graduate student training. Much of this research involved industry participation.

Jean Kinsey

Far left: Jon Seltzer, Ben Senauer, Rob King, and Jean Kinsey (l-r)
Left: Jean Kinsey and Dr. Ron Larson, assistant director, at Food Marketing Institute (1998)

Jean Kinsey and doctoral student Sara Ashman (1999)
FORMATION OF STEERING COMMITTEE

An internal Steering Committee was formed in 1995 to help make executive decisions about what projects to fund, what site visits to make, and how to interact with the industry. The initial Steering Committee was made up of Jean Kinsey, James Houck, Ben Senauer, Rob King (Applied Economics), Frank Busta (Food Science and Nutrition), Alfred Marcus, Andy Van de Ven and Mike Houston (Carlson School of Management), and Craig Streich (CUB Foods). Later Ted Labuza (Food Science and Nutrition), K.K. Sinha, Akshay Rao, and Daniel (Dan) Forbes (Carlson School of Management), Craig Streich and Paul Poliachik (SUPervalU) and Susan Kujava (General Mills) were added. Also meeting with the Steering Committee were Elaine Jacobson (Research Associate), Mavis Sievert (Executive Secretary), and Jonathan (Jon) Seltzer (Industry Consultant and Project Manager of the Supermarket Panel).

CLARITY OF FOOD SERVICE VS. RETAIL FOOD INDUSTRY

The semantics and meaning of the retail food industry generated considerable discussion among the Steering Committee members and, later, at the Board of Advisors meetings. It turned out that “Retail Food” is known, in the industry, as the grocery industry. Foodservice is separate and refers to both commercial and non-commercial food establishments that serve ready-to-eat food. And the food manufacturers do not consider themselves to be part of the retail food industry. Thus, the Center redefined the fact that its focus was on the food industry system.
BOARD OF INDUSTRY ADVISORS FORMED

An outside Board of Advisors was formed in 1996 to provide industry contacts and advice. Michael Wright, CEO and President of SUPERVALU, agreed to be the Chair of the Board, and invited several of his business acquaintances to join him on the Board. As a result, the Board consisted of many CEO’s of major food companies, leaders of Trade Associations, and some well- known academics. This Board met once a year to discuss researchable issues and learn about the progress of the Center. Dale Riley, COO of Kowalski’s, took over as chair in 2000.

RETAIL SUPERMARKET PANEL IS LAUNCHED

The core research project and product was the Supermarket Panel. It took three years to launch this data collection project and achieve the first full annual report and analysis of the data collected from a random, representative, sample of grocery stores around the country. The design was to collect data from the same stores each year in order to track their performance and link it to technology adoption, management practices, food handling, labor practices, and quality of customer service. Subsequent panels were conducted with the most recent one being done in 2012.

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THE CENTER IS SUPPORTED BY INDUSTRY AFTER 2004

As the Sloan funds ended and the center moved to a self-supporting model, increased collaboration occurred with industry, including CHS, General Mills, Kelloggs, Land O’Lakes, Midwest Dairy Association, NPD, Old Dutch, Sun Opta, and SuperValu. This included additional education programs, competitive federal grants, and industry fee-for-service education programs. A program leadership board was created to help provide input into the center’s programming.

In addition, a large collection of academic and trade literature about the food industry is housed in the Waite Library. A complete set of research outputs can be found in the department’s Waite Library.
(http://foodindustrycenter.umn.edu/Research/WaiteLibrary/index.htm)

LEADERSHIP CHANGES OVER TIME

Ben Senauer became Co-Director in 2001 focusing on research. Lisa Jore was hired shortly thereafter as program manager and worked for almost ten years and was an invaluable part of the center team.

In 2009, Rob King became center director upon Jean’s retirement and Tim Beatty was appointed research director.
The Center today is still working and expanding on the original mission created during its early years. Today, research by the center includes a wide variety of research topics related to nutrition, industry structure, and health. The Department of Applied Economics is considered one of the leading research institutions in this area. Graduate education still is a big part of what we do with three students placed in teaching and research faculty positions in academia. The Center has developed a relationship with the U.S. Department of Agriculture’s Economic Research Service to cooperate on joint food industry research. Undergraduate student activities include the National Grocer Association activities including their annual food industry marketing plan competition which includes students from more than 15 universities. Plant visits and a monthly industry speaker series have been developed. The Center continues to engage with its other Sloan Foundation centers through the Industry Studies Association annual meeting. New faculty members have been hired to work in the food industry economics including Michael Boland (current center director), Marin Bozic and Metin Çakır. A Minnesota Food Producers Luncheon was launched as an activity prior to the prestigious Siehl Prize in 2013 with a focus on the relationships food firms have with producers.