

Lauren Fay Carlson | Sunday, March 26, 2017

Potatoes, Pop, and JIFFY Corn Muffins: Michigan's agri-businesses thrive and reinvest

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Michigan is a proud agricultural state, known for its sugar beets, milk, beans, apples, potatoes, grapes, and for [producing more blueberries](#) than any other state in the nation.

More than 300 different types of food and agricultural products grow from the Thumb to the Upper Peninsula on over 10 million acres of farmland, which means Michigan's producers easily compete at the national level when it comes to quantity and quality of its farm and food products.

Agri-businesses, those that rely on agricultural produce or farming, thrive throughout the state. Many are over 100 years old, and companies that got their start with just a few products have gone on to dominate the market with items that are well-recognized across the country. Whether farming, milling, boxing or bottling, Michigan's agri-businesses are integral to the state's economy and they continue to invest in their communities. Food processing companies alone generate nearly \$25 billion in economic activity.

Many of the state's agri-businesses are family-owned farms that grow everything from wheat to apples. In Three Rivers, one third-generation farm has grown from 80 acres to 8,000 since its beginnings in 1946. Specializing in potatoes, [Walther Farms](#) began in Clio, Mich., and was started by Leonard Walther Sr. and his wife, Regina. With more than 150 employees and production in six states, the Walther family continues to grow the business 70 years later.

Part of this success is its connection to the community in the form of frequent volunteerism. Walther Farms invested in the creation of [Paw Pack](#), a program that provides weekend meals for schoolchildren in need, and Walther employees regularly volunteer to pack the meals. In a [269 Magazine article](#) about the program, Nancy Poynter, Walther's accounting assistant, said, "Feeding people. It's what we do...Farmers make an impact on the community."





In the town of Chelsea, another family business celebrates decades of success and national renown. Located in a town of just under 5,000 people, the company now operates under the fourth-generation of the Holmes family. Established in 1901, [Chelsea Milling Company](#) was one of 400 flour mills throughout the state at the time. Now one of only four milling companies left in Michigan, Chelsea Milling is the proud producer of the famous blue and white boxed "JIFFY" baking mixes, a product that continues to dominate the market and that can be seen everywhere from your friendly neighborhood market to big box grocery stores.

After over 100 years in business, Chelsea Milling Company hasn't forgotten the source of its success — Michigan and the Midwest. The company sources its flour from Michigan's Thumb from which it purchases over 2.5 million bushels of wheat per year. It obtains its sugar from the Bay City area and purchases more than 11 million tons of cornmeal per year from an Indiana farm.

But how does a small flour mill in a tiny Michigan town achieve these kinds of numbers? It all started with the little blue box. Operating as a simple flour mill for almost 30 years, Chelsea Milling Company made its mark with the introduction of a unique product in April 1930, when the grandmother of the current President and CEO Howard S. Holmes "invented the very first mix item ever," he says.



Impressed with a local single father's ambition to bake homemade biscuits for his sons, Grandma Mabel thought, "Wouldn't it be great to invent something that would save people time in the kitchen and would be so easy even a man could do it?" The idea for a box of pre-measured ingredients was born.

This concept quickly took off, and as the business grew, Holmes and his predecessors hung onto their simple, and now recognizable retro packaging and low price. "We feel that the working class American deserves the highest quality product and the best price," Holmes says.

The company keeps the price down by cutting out the middleman — milling its own flour, storing the grain, mixing, packaging, making its own boxes and refusing to advertise. With this strategy, Chelsea Milling's aim is to "take away all the funny business in selling," says Holmes. And it's working. With 92 percent market share in corn muffin mixes, 65 percent market share in all muffin mixes and the No. 1 selling product in dry grocery in the United States the little blue box marked "JIFFY" practically sells itself.



To keep up with demand, the company sends out 1.6 million boxes a day across the nation and to 32 countries. The company continues to grow, and will this year finish a [\\$35 million expansion](#) that includes a new mixing tower and packaging lines for institutional and foodservice customers.

Faygo has come a long way since the days when it started with three flavors.

Food and agriculture businesses add \$101.2 billion to the state's economy each year, and one more contributor is another Michigan company that's made a splash in the national market. Founded in 1907 by two Russian immigrant brothers, Bene and Perry Feigenson, [Faygo](#), the Detroit-based soda company, is this year celebrating its 110th anniversary.

The product [began humbly](#) with a few flavors adapted from familiar cake frosting recipes created by the brothers who got their start in business as bakers. In the beginning, the sodas were highly perishable so they were generally purchased and consumed in the same place (think: local diners and soda fountains). The company learned how to overcome the shelf-life conundrum in the late 1950s. Updating its recipe to compete with soda giants Coca-Cola and Pepsi and eventually becoming the first company to sell its product directly to grocery store warehouses for easy distribution, Faygo went on to become a competitive player in the U.S. soda market.



Besides well-known favorites like Red Pop, Moon Mist and Rock & Rye (the top Michigan soft drink), Faygo would introduce lightly flavored sparkling waters in 1990 to capture 40 percent market share in Michigan.

Though its success is nationwide, Faygo remains rooted in its hometown of Detroit. "We have been producing in Detroit for 110 years and don't plan on going anywhere!" says Marketing Manager Dawn Burch. In addition to an emphasis on local hires, the company is also highly involved in community events. "We love working with the community and make it a point to be out interacting and engaging with our consumers (especially every weekend in the spring and summer) at a variety of charity events, fundraisers and family festivals," says Burch.

Some Michigan agri-businesses you've heard of. Some may fly in under your radar, successfully growing and selling their products year after year. Despite differences in approaches and in what they produce, each maintains their loyalty to the Mitten State, reinvesting in their communities with dollars as they grow.

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