The food product I have chosen to study is Ben and Jerry’s Half Baked Ice Cream. It is a mixture of chocolate and vanilla ice cream with fudge brownie chunks and gobs of chocolate chip cookie dough. The market channel I will follow is the milk market channel. Almost every Ben and Jerry’s product contains milk products.

Ben Cohen and Jerry Greenfield opened the doors of the first Ben and Jerry’s shop on May 5, 1978. This shop was located in a renovated gas station in Burlington, Vermont. The two men had been friends since seventh grade. After both attempted college degrees and careers in other areas, without much success, Ben and Jerry were looking for a new way to make a living. With some consternation and discussion, the two decided on a career making their favorite food; ice cream. To learn about the industry, the friends pooled their money to take a correspondence course on ice cream making form Pennsylvania State University. Having passed with flying colors, the men were qualified to make ice cream. Business boomed in the little gas station in Vermont. The two eventually hired more employees and moved out of the little gas station. Since then the company has grown and changed (Cohen, Greenfield, and Stevens).

On August 3, 2000, Ben and Jerry’s was bought by the larger conglomerate, Unilever. At the time, Ben and Jerry’s was a publicly traded company. Unilever bought the company for forty-three dollars and sixty cents per share. Now, Ben and Jerry’s is a “wholly-owned subsidiary of Unilever” (Ben and Jerry’s a). Though Ben and Jerry’s itself is no longer a publicly traded company, Unilever is a multinational publicly traded business. Founded in the 1890’s by William Hesketh Lever, Unilever was originally called Lever Brothers. Mr. Lever’s mission was to make personal hygiene a priority during the Victorian Era in England (Unilever a). In 1930, the company’s name changed to Unilever. Currently the company has 400 brands in 14 categories of home, personal, and food products. Hellmann’s Mayonnaise, Wishbone Salad
Dressing, Lipton Tea, and Dove Soap are among the many brands sold. It employs 179,000 people in 100 different countries Unilever b).

Ben and Jerry’s ice cream comes in many different flavors. These are constantly changing with the addition of new mixes and some old favorites being retired to the flavor graveyard. Dublin Mudslide is one popular flavor with Irish Cream Liqueur ice cream with chocolate chips and coffee fudge swirls. Though Ben and Jerry’s is most famous for its ice cream, the company produces other cold dairy treats. Sorbet, such as Strawberry Kiwi Swirl made with chunky strawberries swirled with kiwi sorbet is sold in pint sized containers. Ice cream bars, such as Cherry Garcia ice cream with sweet dark cherries and a fudge coating are wrapped and sold as well (Ben and Jerry’s b).

Ben and Jerry’s started in New England, but the popularity of the delicious ice cream novelties has since spread across the country and around the globe. The famous pint containers of ice cream and other frozen novelties are sold in supermarkets nationwide. Having Ben and Jerry’s ice cream hand dipped and served in a cone at one of the Scoop shops is a unique experience. There are over four hundred thirty Scoop Shops in the United States and one hundred fifty internationally. Ben and Jerry’s overseas sales began in the United Kingdom in 1995. Now it is found in fifteen different countries (Ben and Jerry’s a). The Ben and Jerry’s company operates all North American sales. Unilever operates global sales and sales in Israel are managed by a third party licensee. While the ice cream is served around the globe, there are only a few manufacturing locations. The central offices for Ben and Jerry’s are located in South Burlington, Vermont. There are two factories also in Vermont, one in St. Albans and one in Waterbury. The Waterbury site also offers factory tours. The frozen novelties are manufactured by Rhino Foods in South Burlington, VT and Unilever in Hagerstown, Maryland and Sikeston, Missouri. For the Canadian market, Unilever operates a Ben and Jerry’s plant in Simcoe, Ontario. The European market has a manufacturing facility in Hellendoorn, the Netherlands (Ben and Jerry’s a).
As of 2004, Ben and Jerry’s sold an average of eighteen million gallons of ice cream per year. The company’s major competitors are other super premium ice cream brands such as Haagen-Daz, Dreamery, and Godiva. A 2005 company social audit reported Ben and Jerry’s employs five hundred five people worldwide. The Global Reporting Initiative indicated Ben and Jerry’s revenue in 2005 was between $200 and $500 million (Ben and Jerry’s a).

At the first economic stage is the Ag Input Supplier. For a dairy farm there are many such suppliers. One example could be Poulin Grain a Vermont and New York family feed company. Top Dress Rumensin Lactating Pellet is one of its popular dairy feeds. This adds form value to the final milk product. Poulin Grain is sold at St. Albans Cooperative Store to many Vermont Diary farmers. This adds form value to the final milk product. Poulin Grain provides the proper nutrients to the cows to help maintain high milk production levels (St. Albans a). Another input supplier might be Dairymaster Swiftflow Milking Systems. This system also adds form value by safely efficiently milking cows. Because it takes the milk out of the cow and puts it into a tank, to be easily transported the milking system adds value to the milk.

At the next stage, the producer, who in this case is a dairy farmer, raises cows for the purpose of producing milk. This farmer lives in Vermont and is a member of St. Albans Cooperative Creamery. The producer adds time value to the milk commodity because he must build his herd to a milk producing age and continue the daily care required to maintain a healthy herd of milking cows. Also, this farmer has the milking parlor to get the milk out of his cows and into a holding tank. Then, the milk is ready to be transported to the creamery. The milking process adds form value to the milk.

The third economic stage is the assembly stage. St. Albans Cooperative Creamery is the assembler for all of the milk products Ben and Jerry’s uses in its Vermont manufacturing plants. Ben and Jerry’s is dedicated to supporting the small scale family farms of Vermont, which make up the membership of the co-op. The creamery adds place value to the commodity by transporting the milk
from the farms to larger holding tanks. Storing the milk at the co-op until it is needed, adds time value to the commodity. St. Albans is also the initial commodity processor. At the co-op, St. Albans separates the milk, processes cream, skim milk, skim condensed milk, and dry milk to powder (St. Albans b). Ben and Jerry’s uses both cream and skim milk in its ice cream. This adds form value to the commodity.

The Ben and Jerry’s factories, such as the one in Waterbury, VT, act as the food product processor and the manufacturer. At the factory, the cream and milk is processed in order to make the ice cream. Two different mixes are made: a sweet cream mix and a chocolate mix. These mixes are then pasteurized and homogenized. Now, the mixes can be flavored and other ingredients are added in the manufacturing process. For Half Baked ice cream, the flavored mix is frozen into ice cream and then the fudge brownie and chocolate chip cookie dough chunks are mixed in. Ben and Jerry’s packages the ice cream into the pint containers so it is ready to go to the consumer. All of this adds to the form value, by changing the milk products into ice cream, mixing in yummy ingredients and packaging the final product (Ben and Jerry’s c).

Because Meijer is a grocery wholesaler and a retailer, these economic steps are combined. The wholesaler adds place value to the ice cream by transporting the Ben and Jerry’s Half Baked ice cream from Vermont to a Michigan Meijer warehouse and then to the Meijer store. This Meijer store is the retailer which adds possession value to the ice cream product. Finally, it is the retailer who puts the final product into the hands of the consumer.

The very last economic stage is the consumer: the hungry MSU student, cramming for exams. The consumer does not add value, but must pay for all of the value added to the product in every economic from the ag input supplier to the carton at Meijer. Because the student has taken Agri-Business Management 100, she now understands why the pint container of Ben and Jerry’s Half Baked Ice Cream costs around four dollars and fifty cents.
List of References


Picture on title page is a copy of original Ben and Jerry’s factory tour ticket.
Milk in the Agri-Food System

- Ag Input Supplier: Poulin Grain Company
- Producer: Vermont Dairy Farmer (member of St. Albans Co-op)
- Assembler and Initial Commodity Processor: St. Albans Cooperative Creamery
- Food Processor and Manufacturer: Ben and Jerry's Factory
- Grocery Wholesaler and Retail Store: Meijer
- Consumer: MSU student cramming for exams