

# Peavey: Integral supplier to ConAgra

The handling, storage, trading and exporting of grain have all been associated with the Peavey name almost since farmers first began plowing furrows across the rich farmlands of the upper Midwest. In the late 1880s, Frank Peavey expanded his business, move-for-move, against his

competitors by adding line and terminal elevators across Iowa, Minnesota and North Dakota to capture the bountiful harvests that built his empire.



The Port's Past  
By Patrick Lapinski

The Peavey company has a long and interesting history in the Twin Ports, beginning in the mid 1880s when Frank Peavey served on the board of directors of the Duluth Elevator Company, an elevator system operating in Superior. In 1896, Peavey purchased the financially strapped

Belt Line Elevator Company, also in Superior, and took direct control of the Duluth Elevator Company. The two elevator systems gave him a combined storage capacity of 8.5 million bushels at Superior. To operate the elevators, Peavey formed the Globe Elevator Company, a name that later became synonymous with the Peavey operations in the Twin Ports.

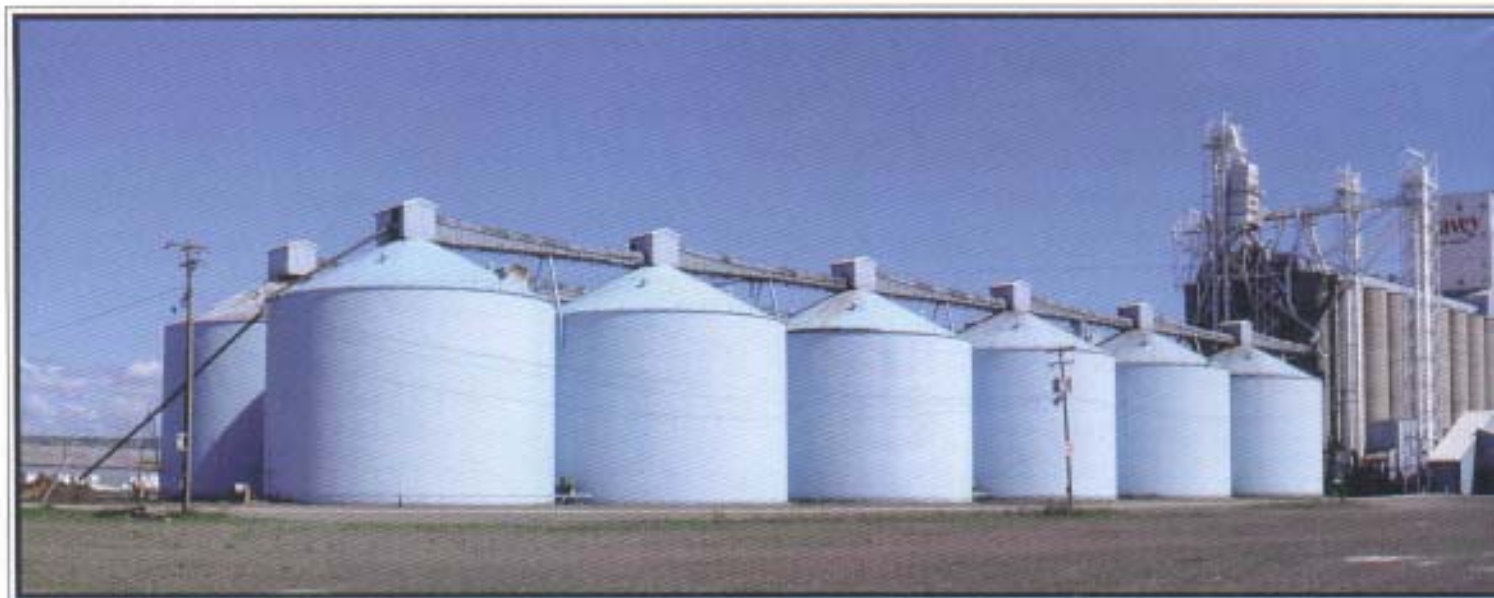
Peavey also invested heavily on the Duluth side of the harbor, constructing the Peavey-Duluth Terminal in 1900. Peavey pioneered the use of concrete in North America as a fireproof method of storing grain, building the first concrete grain silo in North America, in 1899, in Minneapolis. That silo still stands today.

At Duluth, Peavey constructed the first concrete terminal in Duluth, Peavey-Duluth Terminal, between 1900 and 1901. At a time critical to the development of concrete as a construction material for grain storage, the Duluth silos were

put to the test when the adjacent wood-framed Peavey work house burned to the waterline on February 17, 1906. The concrete silos survived the fire, proving their worth, and as a result the Peavey work house became the last wood-framed elevator built in the Twin Ports. Peavey continued to operate on both sides of the harbor for many years.

ConAgra Foods, one of the largest packaged food companies in the world, is the successor to the Peavey legacy, acquiring the Peavey Company in 1982. With the acquisition, ConAgra became the largest U.S. flour miller and the largest publicly held grain merchandiser.

The ConAgra Foods story has a humble beginning, and like the origins of nearly all of its rivals in the food industry, it is a story founded on the dreams of a determined individual. ConAgra Foods sold its first bag of flour in 1867, and in 1919, Alva Kinney was instrumental in



*The Peavey story in the Twin Ports goes back to the 1880s.*

four Nebraska flour mills, combining their resources to form Nebraska Consolidated Mills (NCM).

NCM became a recognized name in the flour milling industry, and in the 1950s, as a way to increase sales for its flour products, created a buzz in the consumer world with the introduction of the Duncan Hines cake mix, which was later sold. By 1971, NCM changed its name to ConAgra, a Latin derivative meaning "with" and "land." The company was now poised to make a giant leap to become one of the dominant players in the food industry.

After being acquired by ConAgra, Peavey began consolidating its Twin Ports grain shipping operations. The first big move came with the purchase of the Connors Point elevator from the Chicago Northwestern Railroad. The acquisition of the Connors Point elevator would put an end to the reliance on the durable old Globe elevator for vessel loading. The Connors Point elevator was built in 1966 by the Chicago & Northwestern Railroad

and had previously been operated on a long-term lease by Continental Grain.

The 8.3 million bushel Connors Point elevator uses a combination of concrete silos, steel storage tanks and flat storage for grain storage and handling, and it is active throughout the shipping season, loading both Great Lakes vessels and deep-water ocean vessels. It ships by shuttle trains during the winter months. In addition to the Connors Point facility, ConAgra Foods also operates Elevator M, a 3.2-million-bushel elevator used primarily for loading grain into railcars.

In 2000, ConAgra changed its name to ConAgra Foods to make clear the company's focus on the food business. Today, ConAgra Foods is one of America's leading packaged food companies, focused on branded and value-added food products. Well-known ConAgra Foods retail brands include Butterball, Chef Boyardee, Healthy Choice and Hunt's. ConAgra Foods foodservice products are found in restaurants, hotels and institutions around the world. In the company's ingredients business, the grain that Peavey's system provides is integral to ConAgra Food Ingredients in manufacturing its line of specialty flours, which are custom-made to CFI and customer specifications.

While the Peavey grain elevators are a vital part of the Twin Ports waterfront, they are only a part of the larger ConAgra Foods network that employs approximately 40,000 people worldwide. The next time you shop at your local grocery store or eat at your favorite restaurant, the chances are good that you'll come in contact with a product from ConAgra Foods.

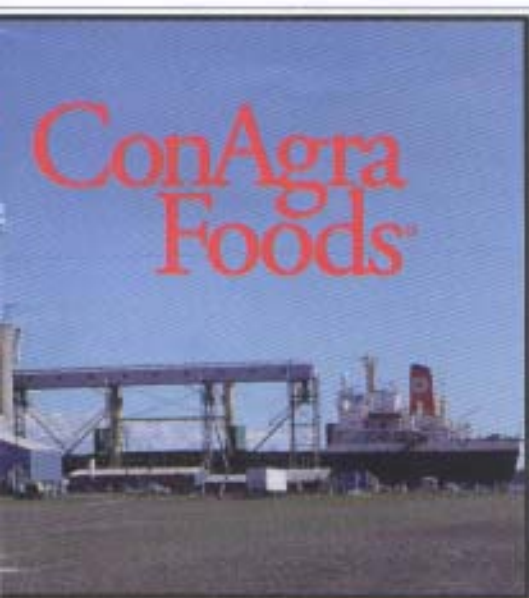


Photo by Pat Lapinski

## Peavey Timeline

- 1887 Frank Peavey becomes member of board of directors of Duluth Elevator Co.
- 1894 Globe Elevator Company formed. Operates the Globe Elevator at Superior.
- 1896 Peavey purchases the Belt Line Elevator Company at Superior. Opens Elevator M, Annex N
- 1899 Peavey builds the first concrete grain tank in Minneapolis.
- 1900 Peavey-Duluth Terminal constructed.
- 1900 Part 1 of concrete storage annex constructed at Duluth.
- 1901 Part 2 of concrete storage annex constructed at Duluth.
- 1906 Feb. 5, 1906. Duluth wood frame workhouse destroyed by fire.
- 1907 New workhouse constructed at Duluth, built of ceramic tile.
- 1914 Peavey sells Elevator M & N (Belt Line) to Cargill.
- 1915 Globe Elevator now officially called F. H. Peavey Co.
- 1930 F. H. Peavey expands Duluth terminal with concrete silos.
- 1935 Globe Elevator Company dissolved.
- 1960 Peavey Company takes control of Occident Elevator at Duluth. (Peavey purchased Russell-Miller Milling in 1954).
- 1970 Peavey sells the Peavey-Duluth Terminal and Occident Elevator to Cargill.
- 1977 ConAgra purchases Elevator M from McMillan, operated by Burdick Grain.
- 1982 Operation of Elevator M given to ConAgra's Peavey Elevator Division.
- 1986 ConAgra purchases the Continental Grain Elevator from the C & NW.
- 1986 ConAgra Elevator M workhouse destroyed by fire (October 27.)
- 1988 ConAgra closes the Globe Elevator in Superior.
- 1994 ConAgra sells Globe Elevator property to Jensen Construction for demolition.
- 1999 Port Authority lets contract for razing of Occident and Peavey elevators.