THE BOOGAART FOOD CHAIN: A STUDY IN KANSAS BUSINESS HISTORY

Commit Committee Committee

A Thesis Presented to the Faculty of the Division of Social Sciences Kansas State Teachers College

> In Partial Fulfillment of the Requirements for the Degree Master of Science

by James Edward Douglass August 1964

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CHAPTER I

INTRODUCTION

Problem of the thesis. Kansas and Nebraska have witnessed the growth of the Boogaart Food Chain, which has greatly stimulated the economy and promoted competition in the areas in which its stores are located. Printed material on the development of the food chain itself is nonexistent. The purpose of this thesis is threefold: (1) to record in a single historical document the facts pertaining to the background, growth, and development of an industry that has affected the economic well-being of two states; (2) to record, while the last member of the immigrant Boogaart family is living, the success story of one who made use of the opportunities provided him in the free enterprise system; and (3) to record for future use the history of a predominantly Kansas business concern.

Review of previous studies. No study has been made pertaining to the Boogaart Food Chain. A handwritten history by Miss Jane Boogaart, the last living member of the Boogaart family who emigrated from The Netherlands to the United States in 1886, proved to be invaluable to the writer in obtaining information concerning the background and early family life of Marinus Boogaart, the founder of the food chain. A few newspaper articles, especially the store advertisements, related sketches of information about the early business endeavors of Marinus Boogaart. The <u>Prairie</u> <u>View News</u> carried the opening day ad of the Boogaart Brothers Hardware Store, and the <u>Concordia Blade-Empire</u> was useful in obtaining prices charged for items in the early days of the Concordia grocery store. The <u>Dallas Morning News</u> and a magazine, the <u>Saturday Evening Post</u>, provided information about Richard Boogaart's work with the International Basic Economy Corporation's super market activities in Europe and South America. Richard, the son of Marinus Boogaart, is one of the major stockholders in the Boogaart organization.

<u>Method of procedure</u>. The study of the Boogaart Food Ohain begins with a discussion of the family life of Marinus Boogaart, founder of the Boogaart Company. Chapter II records the family life of the Boogaarts in The Netherlands and depicts the childhood and the adolescent years of Marinus after the family had emigrated to the United States and finally settled in Kansas. As Chapter II was written with the aid of one resource, a handwritten history of the Boogaart family by Miss Jane Boogaart, the last living member of the immigrant family, the complete chapter is authenticated with one footnote at the end of the chapter.

Chapter III recounts the early business endeavors of Marinus Boogaart starting with the Baker medicine wagon he

operated when leaving the farm at the age of twenty-one. The chapter discusses the successive business endeavors from the hardware store at Frairie View, Kansas, several general stores in north central Kansas, and finally the opening in 1933 of a large super market in Concordia, Kansas. The company expanded in the 1930's and 1940's and the remainder of Chapter III discusses the growth to 1949 of five super markets and a wholesale grocery business.

Chapter IV portrays the wholesale operation of the Boogaart concern as it expanded after the formation of the Boogaart Supply Company, Incorporated, to a dealer in dry groceries, a produce warehouse, an ice-cream plant, a milk distributorship, a bakery, a health and beauty aid and housewares division, and a wholesale meat distributorship. Material for the two latter wholesale divisions was gained by interview with the department manager and except for a few cases authentication is by a single footnote at the end of the section. The Boogaart wholesale operation services seventy stores, including eighteen of its own.

The retail phase from 1949 to the present is discussed in Ohapter V. During this time the number of Boogaart owned retail stores has grown from five to eighteen. General information about the stores is related, including the method of financing and various aspects peculiar to Boogaarts.

Chapter VI is an analysis of Boogaart's success, presented mainly from the employee viewpoint. Questionnaires were sent to both management and hourly employees to determine their attitude toward the company.

Chapter VII digresses from the immediate subject to a discussion of the activities of Richard Boogaart, son of the founder of the Boogaart organization, and presently in the employ of the International Basic Economy Corporation, a Rockefeller concern, which has established super markets in Europe and South America. This chapter is included for general interest and to portray the qualities of a man who had much to do with the growth of the present Boogaart organization.

Chapter VIII briefly summarizes the material presented in this thesis and casts a glance at the Boogsart future.

The total result of these chapters is the study of a penniless immigrant family and the contribution of the youngest member of this family to the economic well-being of Kansas and Nebraska.

<u>Studies of materials used</u>. This study reflects the use of material from various sources. Material used includes: a handwritten history of the Boogaart family; newspaper clippings; personal interviews; various company records; magazines; pictures; judicial decisions; and questionnaires sent to employees of the concern.

A handwritten history of the Boogaart family and a number of valuable pictures and newspaper clippings were loaned to the writer through the courtesy of Mr. and Mrs. J. Milton Sorem.

The company was most cooperative in opening all necessary records to the writer and many persons gave much time to help him obtain the information for this thesis. The following men took many hours from their busy schedules to assist the writer in obtaining information: Mr. J. Milton Sorem, president of the Boogaart Supply Company, Incorporated; Mr. Leland Perry, general manager; Mr. James Foster, comptroller and financial advisor; Mr. James Haist, office manager; Mr. George Hicks, manager of Mini-max Provisions, Incorporated, of Smith Center, Kansas; Mr. William Fitzgerald, manager of Concordia Drugs and Housewares, Incorporated; and Mr. Ronnell Derusseau, manager of Boogaart Meat Products, Incorporated. The writer was privileged to spend a short time with Richard Boogaart, son of the founder and a major stockholder in the Boogaart organization. Mr. Boogaart, who is presently employed in Argentina, was in Concordia on business.

Also providing much information via interview were Mrs. J. Milton (Wanda) Sorem, daughter of Marinus Boogaart, the founder of the organization, and Miss Jane Boogaart, older sister of Boogaart.

Rounding out the sources of information were various company records, including financial statements and corporation minutes, newspaper clippings, a record of judicial decisions, and questionnaires.

The files of the <u>Concordia Blade-Empire</u> were helpful in obtaining newspaper information. A newspaper clipping from the <u>Dallas Morning News</u> was obtained from the traveling grocery and produce supervisor, Mr. Marion Collins of Concordia, Kansas. The <u>Kansas Reports</u> of 1958, decisions of the Kansas Supreme Court, was loaned to the writer by the law offices of Mr. Kenneth Peery, attorney-at-law, Concordia, Kansas. Questionnaires received from approximately one hundred employees completed the quest for information.

CHAPTER II

THE FAMILY HISTORY AND FORMATIVE YEARS OF MARINUS BOOGAART

The Netherlands, 1880's. Marinus Leendert Bartel Boogaart was born on August 11, 1881, the youngest of ten children, in Portvliet, Holland. His father, Leendert W. Boogaart, and his mother, Cornelia Van Daalen, had married in 1867 and established a home in Portvliet. Here they lived until seven children were born. The family's livelihood was earned on a small piece of land; the total number of livestock consisted of one horse and two cows. By 1875 the family had grown to nine and the small piece of land could no longer support them, so a farm was rented and equipment purchased by use of a mortgage.

They were unsuccessful on the rented farm, losing all the inheritance from their parents' estates in attempting to develop it. A depression had caused the bottom to drop out of the farm market at a time when the Boogaarts were heavily in debt. After eleven years of farming and three more children, including Marinus, the mortgage was foreclosed and the money gained from a farm sale was used to pay outstanding debts and the back rent on the farm.

In 1880 the entire family with the exception of the two youngest children, Jane and Edward, contracted typhoid fever. That year the crops spoiled in the fields as the rains were extreme, and not one bushel of grain was harvested. It was necessary to hire help to care for the cattle and horses. The doctor had to be paid and medicine had to be purchased. In addition to these difficulties, the mother was afflicted with appendicitis from which she was all winter recovering. At one time eight of the eleven members of the family were sick in bed.

The trip to the United States and life at Lodie, <u>New Jersey</u>. After the mortgage was foreclosed in 1885 Pieter Van Daalen, brother of Mrs. Boogaart, offered to pay the family's expenses to the United States where they could begin anew. The family was grateful for this assistance so on April 22, 1886, they sailed from Antwerp on a class three fare. One member of the family, Neeltye, the oldest child and a twin, elected to stay in Holland.

They arrived in New York on the evening of May 6th, although they did not leave the ship until early the following morning. They were met by a friend of Pieter Van Daalen's and the minister of the Dutch Reformed Church of Lodie, New Jersey, the city in which they were going to locate. After establishing a household the major task was to locate jobs for the family. This was a challenge of major proportion as the family did not speak English. However, in due time, and with the help of their newly-found friends, all except



FIGURE 1

This Boogaart family photograph was taken shortly after they emigrated to the United States. Pictured from the left in the front row are Nellie, Jane, Mrs. Cornelia Boogaart, Marinus, Mr. Leendert Boogaart and Adrian. In the back row are Cornelia, John, Henry, Pieter and Willie. One member of the family, Neeltye, chose to remain in The Netherlands.

one of the boys of working age found employment in the textile factories of New Jersey. One son, Pieter, found work with a truck farmer. When the first pay check came home the mother said, "Thank God, I spent my last cent for food this morning!"

The boys would depart for work at 6:30 a.m. and arrive home at 9:30 p.m. They worked in temperatures in excess of 115 degrees for a salary of \$9.50 a week. Nellie, the twin who came to the new world, worked eleven hours a day in a small factory for \$6.00 a week. All had found work in the new land.

The Dutch family, accustomed to an outdoor life, could not adapt to the rigors of the factory life. By 1892 most of the family were sickly and John, the eldest son, had contracted tuberculosis and was unable to work. The doctor ordered the family to move west to protect its health.

The move to Kansas. With the help of a friend the family had known in Holland, who was now living in Nebraska, a farm was rented in Norton County, near Almena, Kansas. The family arrived in Almena on May 3, 1893, after a long train ride from New Jersey. They rented a four room house in town as it was too late to start farming that summer. The boys had difficulty getting work as they were sickly, but

finally they managed to locate farm jobs in the area. Pieter, the sixth child of the family and twenty years of age, also contracted tuberculosis and died in September. John, the eldest son, miraculously recovered from this disease after arriving in Kansas.

The first rented farm. The family struggled throughout the winter and finally moved to the farm, consisting of a half-section, on March 1, 1894. All equipment, including tools, horses and grain was purchased on credit. The crops failed, and the family was left with debts and no money with which to pay them. To sustain the family the boys worked part-time for seventy-five cents a day; some corn fodder was sold for four dollars a ton; and a little sugar cane was traded at a sorghum mill for flour. The food during the fall and early part of the winter of 1894 consisted of bread made from the flour, and rabbits which were in abundance that year.

The only fuel that could be obtained as the winter progressed was prairie coal, otherwise known as cow chips. The steam from the burning cow chips caused ice to form on the ceiling of their little four-room frame house. The supply of prairie coal was soon exhausted. A neighbor allowed the boys to chop wood on shares, but the wood was so green it would not burn for some time.

In February, 1895, the county started a welfare program and although it hurt the proud Boogaart family they sought assistance. At two-week intervals, for the remainder of the winter, they received fifty pounds of flour, twenty pounds of fat salt pork, fifteen pounds of rice, fifteen pounds of beans and some corn meal. In the spring of 1895, a cow with calf was purchased for thirteen dollars and butter was made and sold to procure a few groceries. The county discontinued the welfare program in April.

The butter was sold for nine cents a pound and a few eggs at eight cents a dozen. When the price of eggs dropped to three cents a dozen the owner of the local general store agreed to sell the Boogaarts groceries on credit. When fall arrived a forty dollar grocery bill had to be paid and the family was sorely in need of additional clothing. A good crop was harvested in 1895, but corn sold for nine cents a bushel so the boys hired out during the corn harvest for seventy-five cents a day plus their noon meal. One girl, Nellie, worked for less than two dollars a week. The family was ashamed of having had to accept charity from the county so this account, along with the store bill for groceries, was the first to be paid. The Boogaarts were the only family to repay the county for assistance given that winter.

<u>A farm is purchased</u>. In the spring of 1896 the family purchased a section of land five miles west and a mile and a half south of Prairie View, Kansas. The only house on the place was a sod house built into the side of a hill. As nearly as can be determined several children, including the youngest son, Marinus, moved to the new farm while the remainder of the family continued to live on the rented half-section. The heat in the home would draw snakes through the walls, and Marinus, now fifteen years old and deathly afraid of snakes, found one in bed with him on more than one occasion as his bed was against the wall. Two rattlesnakes, one with ten rattles, were killed during the stay in the sod house.

<u>A new home is built</u>. A happy day arrived in the spring of 1900 when a new house was begun on the recently purchased farm. Nature was good that summer and fine crops were harvested. The home was built by the family throughout the summer and fall and on December 13, 1900, they moved into their first decent home since arriving in Kansas some seven years before. This home remained in the Boogaart family until it was destroyed by a tormado in 1947.

The mother and father lived on the farm until 1908 when they moved to Prairie View to enjoy their retirement years. The father moved back to the farm to join the two



FIGURE 2

This Boogaart homestead built in 1900 near Prairie View, Kansas, was destroyed by a tornado in 1947.

single children, John and Jane, when Mrs. Boogaart passed away in 1918. He remained on the farm until his death in 1928. In 1935 John had a heart attack and the Boogaart farming days were over. The farm was rented and John and Jane moved to the home that had been built for their parents in Prairie View. John died in 1948 and the only living member of the family, Jane, lives to this day in the house in Prairie View.¹

2.1

¹The material in this chapter was obtained from a handwritten history of the Boogaart family written by Miss Jane Boogaart, the last living member of the immigrant family. It was clarified by a personal interview with the author and by an interview with Mr. and Mrs. J. Milton Sorem. Mrs. Sorem (Wanda) is the daughter of Marinus Boogaart, the founder of the Boogaart Food Chain.

CHAPTER III

MARINUS BOOGAART'S EARLY BUSINESS ENDEAVORS AND THE FORMATION OF THE BOOGAART FOOD CHAIN

The medicine wagon. Marinus Boogaart never enjoyed the farm and he vowed that he would leave when he became of age. To the disappointment of his parents, he started to sell Baker remedies on a wagon route at the approximate age of twenty-one.¹ He was ill-prepared to compete in many types of work as his education had been halted in the grades when the family moved onto the farm in 1894. Included in his wares were Baker's Pain Relief, spices, vanilla, other extracts and flavorings. He traveled from farm to farm, visiting villages along the way. He would travel for a week at a time and seek lodging wherever he happened to be. If possible he paid for his board and lodging with Baker remedies.²

At the beginning of his medicine wagon experience, Marinus' trouser legs and sleeves of his suit had been lengthened with material taken from the tail of his coat. After the first week of business he purchased a complete

¹Interview, Miss Jane Boogaart, May, 1964.

²Interview, Mr. Jack Mebius, May, 1964. Mr. Mebius was a business associate and a favorite nephew of Marinus Boogaart.



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Marinus Boogaart in his early twenties. He was selling Baker remedies on a wagon route at this time. new outfit; his business improved considerably after the purchase.³

Boogaart Brothers Hardware. In the fall of 1906 he discontinued his wagon route and in partnership with his brothers, Henry and William, purchased the Rhodes hardware business and another small hardware store in Prairie View.4 Included in the products sold were various buggies and wagons, windmills, cream separators, stoves and ranges, manure spreaders, feed grinders, clocks, lamps, and many other items.⁵ During the first three days of the opening celebration, feed grinders were demonstrated. Wheat was ground and pancakes made from the wheatmeal were served to the customers. Families would come to the store to eat their meals as pancakes were served from 10 a.m. to 10 p.m. During the first three days of operation a carload (36) of feed grinders and six buggies were sold.6 The hardware store, although a success at the beginning, began to fail because of the amount of credit that was extended. This severely limited the amount of working capital needed to operate

³Interview, J. Milton and Wanda Sorem. Milton Sorem is the president of the Boogaart Supply Company, Incorporated. ⁴Interview, Mr. Jack Mebius, May, 1964.

⁵Prairie View News, November 29, 1906. The opening day ad was in this newspaper.

⁶Interview, Miss Jane Boogaart, May, 1964.



FIGURE 4

The opening day newspaper advertisement of the Boogaart Brothers Hardware Store of Prairie View in 1906. the business. During these four years, William had contracted tuberculosis and, on orders from his doctor, had moved to Arizona. The disease took its toll and William died on September 27, 1908.7

<u>General Store, Prairie View, Kansas.</u> Selling out the hardware business in 1910, brothers Marinus and Henry purchased a grocery and general merchandise store in Prairie View. This they operated until another general store in Randall, Kansas, was purchased. The store in Prairie View, which was sold to the original owners, had shared in the pre-war prosperity of the area. The Boogaart brothers had enjoyed their first successful business endeavor.⁸

General Store, Randall, Kansas. The store in Randall, Kansas, was a success, but a disagreement arose between the partners and at approximately the time the armistice to World War I was signed the Randall store discontinued business. The partnership was dissolved and Marinus took his half-share and purchased a general store dealing in groceries, dry goods and shoes in Jewell, Kansas. Henry purchased a farm near Randall and left the retail business.⁹

> 7_{Interview}, Mr. J. Milton Sorem, May, 1964. ⁸<u>Ibid</u>.

⁹Interview, Mr. Jack Mebius, May, 1964.

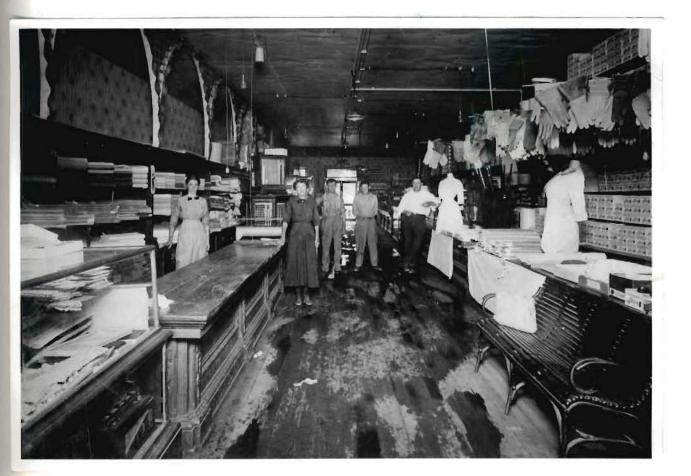


FIGURE 5

The inside of the Randall, Kansas, store prior to World War I. Pictured from the left are Miss Nellie Swarty, who was the first woman employee, an unidentified customer, Henry Boogaart, an unidentified customer, and Marinus Boogaart.

General Store, Jewell, Kansas. The Jewell store opened for business in July, 1919.10 Marinus asked his naphew Jack Mebius, then living near Adams, Nebraska, to assist him in the store.11 The store experienced a fire in 1922, after which any merchandise of value was closed out with a fire sale. Following the fire sale, Marinus and Jack opened a small grocery store on a 50-50 basis. They operated successfully for sixty days, before deciding to go back into the general merchandising business. Marinus contributed additional money so it became a 75-25 partnership with him holding the larger interest in the venture. After a successful six years, Marinus sold fifty per cent of his interest in the Jewell store to his brother Henry. twenty-five per cent to Jack Mebius and retained twentyfive per cent himself. Marinus now searched for another business pursuit and left the Jewell store for his brother Henry, and his nephew Jack Mebius to operate.12

General Store, Clyde, Kansas. The same year in which he left the Jewell store, 1925, Marinus Boogaart purchased

10 Ibid.

¹¹Jack Mebius is the son of an older sister of Marinus, Nellie, and Klaas Mebius. He was born in a one room sod house in February, 1896, in the Prairie View area.

12 Interview, Mr. Jack Mebius, May, 1964.

a general merchandise store in Clyde, Kansas. The store carried groceries and a limited amount of meat, shoes, ladies' ready to wear, and many sundry items usually found in a general store. Since the business at Clyde was a larger store, Boogaart hired Mr. Lloyd Odgers to manage the grocery department and Miss Wilma White to manage the ladies' ready to wear department.¹³ The son of Marinus Boogaart, Richard was in high school at this time and also assisted in the store after school hours and on Saturdays.¹⁴

While in Clyde, Marinus' store activities were limited because of Meniere's disease which caused him to become dizzy and to lose his sense of balance. This disease is centered in the inner ear. Two operations in 1933 corrected the trouble but left him extremely hard of hearing. He regained reasonably good health with the exception of his hearing problem.¹⁵

¹³Interview, Mr. J. Milton Sorem, May, 1964. Miss White, the present Mrs. Edward Duffy, remained with the store for eight years.

14No mention has been made of the marriage of Marinus Boogaart. He married Ida Lee Altman, the daughter of Samuel and Isa Altman, a farm family from Almena, Kansas, on May 14, 1907, in Prairie View, Kansas. A daughter Wanda, was born in 1911 and a son Richard, in 1912. Mr. and Mrs. Boogaart were divorced in 1925.

15 Interview, Mrs. J. Milton Sorem, May, 1964. Although not bedfast, Marinus experienced poor health the last several years of his life and he employed a private nurse to care for him. He experienced several blood clots of the brain and died in June, 1957, as a result of a thrombosis of a main artory.



FIGURE 6

May 14, 1907 was the wedding day for Marinus Boogaart and his bride, the former Miss Ida Lee Altman of Almena, Kansas. In 1933 he discontinued the dry goods department and sold the store in Clyde, Kansas, to his grocery manager, Mr. Lloyd Odgers. By this time Marinus had accumulated twenty to twenty-five thousand dollars in cash plus his interest in the Jewell store.¹⁶ This was a crucial point in his life; he had a little working capital. How could he best invest it?

The first Concordia store. On June 24, 1933, the largest store that Marinus Boogaart had operated to date had its grand opening in the Sutherland Building on the southwest corner of Washington and Fifth Streets in Concordia, Kansas. The floor space of the building was approximately 5,000 square feet, and compared favorably in size with the two largest grocery stores in town, those of Safeway and the Great Atlantic and Pacific Tea Company. The comparison ended here as the furnishings of the new Boogaart store were homemade; the produce cases and even the checkout stand were constructed of orange crates. The store carried a full line of groceries and produce, some cured meats and cheeses, but no fresh meats.¹⁷ The opening day ad in the <u>Concordia</u> <u>Blade-Empire</u> listed Bliss Coffee at twenty-four cents a pound, bananas at fifteen cents a dozen, weiners at nine

16 Interview, Mr. J. Milton Sorem, May, 1964. 17 Interview, Mr. J. Milton Sorem, May, 1964.

cents a pound, and a large box of corn flakes at nine cents.¹⁸ An ad three days later carried the notation, "We buy eggs and cream at our side entrance."¹⁹ The new Boogaart store was one of approximately twenty-two grocery stores in Concordia.²⁰ Concordia was a city with a population of 5,370 in 1933.²¹

Operating the store with Marinus Boogaart were his son Richard and his son-in-law J. Milton Sorem,²² Richard and Milton began working for twenty-five dollars a week plus twenty-five per cent of the profit for each of them,²³

During one of the early years of the Concordia store, twenty-seven carloads of Idaho Russet potatoes were sold at ninety-eight cents a hundred pounds. The cost to the store, including transportation, was ninety-two cents a hundred

18 Concordia Blade-Empire, June 23, 1933.

19 Concordia Blade-Empire, June 27, 1933.

²⁰Interview, Mr. Leland Perry, May, 1964. Mr. Perry is the general manager of Boogaart Supply Company, Incorporated, the parent company of the Boogaart organization. The figure quoted has been passed on by word of mouth. No actual listing of the stores is available.

²¹This information obtained from the office of the County Clerk, Cloud County, Kansas.

²²Sorem had married Wanda Boogaart, daughter of Marinus, on August 8, 1932. He had been a coach in the public schools of Colby, Kansas, before beginning work with his father-inlaw in 1933.

²³Interview, Mr. J. Milton Sorem, May, 1964.

pounds.²⁴ The merchandising philosophy of high volume, low cost merchandise (developed by Marinus Boogaart in 1933) has been a continued policy of the company to the present day. This philosophy has been furthered by a cash and carry basis.²⁵

The major source of supply for the Boogaart store was the Rasse Wholesale Company of Fairbury, Nebraska. Purchases were made in as large a quantity as possible to facilitate the low cost, high volume turnover. The synthesis of this idea, along with the new trend toward larger supermarkets which had begun in the early thirties, contributed greatly to the success of the endeavor.²⁶

<u>Boogaarts of Clifton</u>. In 1935 Marinus Boogaart purchased the Farmer's Cooperative Grocery Store in Clifton, Kansas, and his son Richard was sent to manage this store.²⁷ As the Boogaart enterprise was now beginning to expand, it attempted to purchase merchandise direct from the manufacturers, but was refused because its operation was too small. The

24 Interview, Mr. J. Milton Sorem, May, 1964.

²⁵A survey of food prices in competing stores on the perimeter of the Boogaart area will reveal consistantly higher priced merchandise.

²⁶Interview, Mr. J. Milton Sorem, May, 1964.

27While in Clifton, Richard married Marge Danielson in 1935.

standard requirement a company had to meet before merchandise could be bought direct was to have in operation four stores and a warehouse.²⁸

DESCRIPTION OF TRADE ADD. ALL

<u>Boogaarts of Blue Rapids</u>. A building was leased in Blue Rapids, Kansas, and a new Boogaart store was opened in 1938, with Richard moving from Clifton to manage the new store. Mr. Bert Sorem, brother of Milton, was hired to manage the Clifton store vacated by Richard. The company was now operating three stores, but the Clifton venture proved to be too small for successful operation with a hired manager. The company began to look to larger communities in which to establish stores.²⁹

The Concordia store moves. Also in 1938 the Boogaart store in Concordia was moved across the street to the northeast corner of Washington and Fifth Streets, to the more spacious Gibbons Building, the present site of Regnier Automotive Parts. This location is referred to by Boogaart old timers as "the dirty corner."³⁰ This term, coined at a later date, reflected the difference between this and successive stores. In addition to the retail grocery store

²⁸Interview, Mr. J. Milton Sorem, May, 1964.
²⁹Interview, Mr. J. Milton Sorem, May, 1964.
³⁰Interview, Mr. Leland Perry, May, 1964.

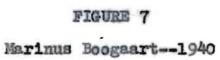
the new building also housed the newly-formed Boogaart wholesale business. The wholesale section operated as a buying service and purchased merchandise for the three Boogaart stores of Concordia, Clifton, and Blue Rapids.³¹

Larger stores are established. In 1939 the company leased a building in Clay Center, Kansas, and liquidated the smaller Clifton store. The manager at Clifton, Mr. Bert Sorem, moved to the new store which was large enough to support a manager. The trend to bigger stores continued and in 1941 the Blue Rapids store was liquidated and a larger supermarket had its grand opening in December in Marysville, Kansas. The Boogaart Company now consisted of three relatively large stores, in addition to a wholesale operation.³² The Boogaart stores, now located in Concordia, Chay Center, and Marysville, Kansas, were evidences of the grocery trend of the thirties.-the trend toward larger supermarkets.

The Boogaart Supply Company, a partnership. In the meantime, Boogaart Supply Company, a partnership, was proposed in 1939 by Mr. Marinus Boogaart to his son, Richard, and to his son-in-law, J. Milton Sorem. It was agreed upon that

³¹ Interview, Mr. J. Milton Sorem, May, 1964. 32 Ibid.





the three would share equally in the partnership. The two young men signed a note for their share of the initial capital to be paid from the future profits due them.³³

In 1941 the Boogaart Supply Company entered into a partnership agreement with Mr. Jack Mebius, nephew of Marinus Boogaart, to open a new store in Beloit, Kansas. The company and Mr. Mebius were equal partners in this venture. When this store opened both Marinus Boogaart and Jack Mebius sold their interest in the Jewell store to Henry Boogaart. They had held this interest in the Jewell store since 1925, when Marinus left Jewell to open a store in Clyde, Kansas.³⁴

The Boogaart Company now consisted of four stores and a warehouse--the minimum qualifications needed to buy merchandise direct from the manufacturers. They also operated their own truck, a twenty-eight foot Chevrolet, which was used to deliver merchandise to the various stores they serviced and to haul produce which was purchased from L. Yukon and Company, A. A. Reich and Son, and Garrett-Holmes, all of Kansas City, Missouri. The major manufacturers still refused to sell directly to the Boogaart Company, so they began dealing with smaller companies such as the Brown and Williamson Tobacco Company and the United States Tobacco Company, and

33 Ibid.

34 Interview, Mr. Jack Mebius, May, 1964.

with Skinner's Raisin Bran, and Maltomeal, both dealers in breakfast cereal.³⁵ After the company began direct buying with the smaller manufacturers, they approached the larger companies again. By 1944 they were buying direct from the major companies.³⁶

The present Concordia store, located at the corner of Washington and Seventh Streets, was opened in May of 1948, this being the third location in Concordia. Land was purchased from the Concordia Public Schools and the old home economics building³⁷ (a house) was removed to construct the 8000 square foot building. The Gibbons building was retained and continued to serve as a warehouse,³⁸

Early in 1949 another store was opened in Washington, Kansas, bringing the total number of stores either wholly or partially owned by the Boogaart Supply Company to five.³⁹

35_{Interview, Mr. Leland Perry, May, 1964.} 36_{Thid.}

³⁷The building was no longer in use by the high school as a new high school started operating at 436 West Tenth, in September, 1930.

38 Interview, Mr. Leland Perry, May, 1964. 39 Ibid.

CHAPTER IV

THE WHOLESALE OPERATION OF THE BOOGAART ENTERPRISE

<u>Boogaart Supply Company</u>, <u>Incorporated</u>. In 1949 the partnership was continued and a new phase of the Boogaart organization was established. The Boogaart Supply Company was incorporated by the state of Kansas on June 23, 1949, as a wholesale merchandising business to replace the wholesale operations of the Boogaart Supply Company, a partnership. The partnership retained the four stores it owned and its interest in a fifth store in Beloit. The incorporators of the new corporation were Marinus Boogaart, Richard Boogaart, and J. Milton Sorem.¹ Boogaart Supply Company, Incorporated, became the parent company for the present Boogaart organization of eighteen stores and the varied wholesale activities. The general offices for the company are located at 126 East Fifth Street, Concordia, Kansas.

On August 7, 1948, the company purchased the Concordia Mercantile Company for \$125,000 including \$65,000 worth of merchandise.² When this warehouse, consisting of twentyseven thousand square feet was acquired at 107-11 East

¹This information was obtained from the Corporation Minute Book of the Boogaart Supply Company, located in the files of the company office at Concordia, Kansas.

²Interview, Mr. J. Milton Sorem, May, 1964.

Fifth Street, the company relinquished the Gibbons Building at Fifth and Washington Streets which they had been using as a warehouse. The Concordia Mercantile Company had serviced seventeen Clover Farm Stores in the north central Kansas area. These seventeen stores turned to the Boogaart Supply Company as their source of merchandise; therefore as of 1949 the company was servicing twenty-two stores including five of their own.³

The buying service established when the Concordia Mercantile Company was purchased was renamed the Mini-max /minimum price, maximum quality/ Buying Service. The cost plus system of pricing merchandise was established. Member stores would buy merchandise at three per cent over cost plus one per cent for delivery, making a total of four per cent above cost. In addition, a service charge of five dollars per week was charged each store. In 1955 the charge for delivery was raised to one and one-half per cent. In 1962, for those stores doing over \$7,500 a week in dry groceries, the company lowered its rate to cost plus two and three-quarter plus one and one-half per cent. For those stores doing over \$17,000 a week in dry groceries, merchandise could be purchased from Mini-max for two and one-half plus

3 Ibid.

one and one-half per cent.⁴ When the new pricing system went into effect in 1962, the service charge was raised to a maximum of \$7.50 per week per store. Highly competitive items such as soaps, coffee, sugar, cleomargarine and canned milk are marked down by three per cent under cost in the Mini-max catalogue, thus allowing the retailers to be more competitive on their prices. There is no markup in the cost price of cigarettes.⁵

The facilities of the grocery warehouse were extremely inconvenient when purchased by Boogaarts. It was a threestory warehouse with only an elevator to transport merchandise from floor to floor. Two wheeled dollies were the only means of moving merchandise around the building. In July of 1949 a Rapistan gravity flow conveyor system was installed at a cost of \$17,000.⁶ The system was so designed that merchandise could be moved in and out of the building, up or down to any part via the conveyor system. This was a necessity as the Mini-max Buying Service began expanding.⁷

⁴One store in the Mini-max Buying Service, Weeks of Salina, qualifies for the lower rate offered to high-volume stores.

⁵Interview, Mr. Leland Perry, May, 1964.

⁶Interview, Mr. James Foster, May, 1964. Mr. Foster is comptroller of the Boogaart Supply Company, Inc. and works closely with management in financial affairs.

7 Interview, Mr. Leland Perry, May, 1964.

The first major addition to the warehouse was constructed in the spring of 1955. It provided 12,000 additional square feet of storage space at a cost of \$55,000. The second major addition, which was completed in 1961 at a cost of \$45,000, added 13,000 square feet of floor space to the warehouse. The warehouse, now consisting of 55,000 square feet, has again become inadequate. Therefore, a third major addition of 49,000 square feet on two levels is being planned. Contracts for this addition will be let as soon as the rights to railway-owned land can be acquired. The cost, based on recent construction figures, will be approximately \$160,000 plus an additional \$60,000 for equipment.⁸

The Boogaart Company began using a nationally shared label on merchandise in 1950. The Su-Mar /Sure Mark of quality/ label was exclusive in north central Kansas with Boogaarts; however it was sold by dealers in other sections of the country. It was purchased through the Garrell Brokerage Company of Kansas City and appeared on various canned goods. In 1955 business had expanded to the point where Boogaarts could adopt their own exclusive label. Food Brands, Incorporated, was established and the Bestyet label was

8 Ibid.

registered as Boogaarts' exclusive brand.⁹ The Bestyet products are obtained through the Garrell Brokerage Company and are packaged by the major food companies. Bestyet brand has proven to be the major seller in the stores serviced by Mini-max.¹⁰

The average weekly turnover in the warehouse is approximately 1,200,000 pounds of dry groceries. During an average week fifteen railroad cars unload at the warehouse which accounts for 450,000 pounds of merchandise. Boogaart trucks pick up another 125,000 pounds each week in Kansas City and Wichita. The remainder is shipped by common carrier or by the truck lines operated by the various food distributors. The stock in the grocery warehouse will turn over nineteen times a year.¹¹

Mini-max Provisions, Incorporated. As the Boogaart enterprise grew, supply problems presented themselves in various areas. In 1951 a new retail store was opened in Mankato, Kansas, and one hour before the opening the produce bins were still being filled. The produce supplier had

11 Ibid.

⁹The name Bestyet was not new to the Boogaart organization. Gillan's Bakery of Concordia had been baking a ten cent loaf of Bestyet Bread since approximately 1939.

¹⁰ Interview, Mr. Leland Perry, May, 1964.

experienced difficulty in delivering the merchandise. As a result, the store nearly opened with an empty produce department.¹²

It was this incident that triggered the thinking toward a produce and frozen foods warehouse to service the Boogaart and affiliated stores. In 1952, Mr. Marinus Boogaart and his son-in-law, J. Milton Sorem, investigated the facilities of the Seymour Packing Company of Smith Center which had discontinued business. Seymour had handled chickens, eggs and limited produce. The Boogaart organization decided to purchase the building, which was located at 325 South Main Street, and in February of 1952, Mini-max Provisions, Incorporated, was organized to operate a frozen food and perishable grocery division of the Boogaart wholesale business.¹³

Mini-max Provisions, Incorporated, soon began to handle a complete line of fresh and frozen fruits and vegetables. Included in the Smith Center plant is a citrus room, a banana-ripening room, and a tomato-ripening room, which was the latest addition, being installed in March of 1963. The various rooms are controlled as to temperature and humidity. The banana-ripening room is kept at a relatively

12<u>Ibid</u>. 13<u>Ibid</u>.

constant fifty-eight degrees; at this temperature green bananas will ripen in approximately two days. Green tomatoes will ripen in one to two weeks. Since the installation of the tomato-ripening room, the company has been able to furnish ripe tomatoes on a year-round basis at a reasonable cost.¹⁴ Approximately 350,000 pounds of produce and frozen foods are sold each week from Mini-max Provisions.¹⁵

Bestyet Ice Grean, Incorporated. The wholesale business was to be extended further and the building in Smith Center was to see increased activities. In order to offer a more competitive price on quality merchandise, Bestyet Ice Crean, Incorporated, was organized in December of 1952 to manufacture and distribute ice crean, ice milk and sherbert. Until the time that Bestyet Ice Crean was established, Fairmont Foods of Concordia had been supplying ice crean products to the Boogaart organization.¹⁶

Bestyet Ice Cream manufactures an average of ten thousand gallons of ice cream products a week. Ice cream mix is furnished to the company by the Nemaha Co-operative Creamery Association of Sabetha, Kansas. Bestyet Ice Cream

16 Tbid.

21

¹⁴Interview, Mr. George Hicks, February, 1964. Mr. Hicks is manager of Mini-max Provisions, Incorporated. 15Interview, Mr. Leland Perry, May, 1964.

has two, 2,000 gallon tanks in which the ice cream mix is stored; the mix will double in volume as the ice cream is frozen.¹⁷ The corporation has two ice cream freezers, each capable of freezing eighty gallons per hour and one recently installed freezer capable of freezing 500 gallons of ice cream per hour.¹⁸ A variety of flavors are produced. These sell in the retail stores for sixty-five to seventynine cents a half gallon; ice milk sells for forty-nine cents a half-gallon.

<u>Mini-max Dairies</u>, <u>Incorporated</u>. The wholesale trend was continued in Smith Center when in November of 1953, Minimax Dairies, Incorporated, was established to engage in wholesale milk and dairy products. This segment of the company has acted as a wholesale distributor of milk since its conception. Milk is packaged in Bestyet cartons by the Nemaha Co-operative Greamery Association and is transported daily in Boogaart refrigerated trucks to Smith Center. An average of 17,500 gallons of milk per week is distributed from the Smith Center plant.¹⁹ In addition to milk, Mini-max Dairies distribute such items as butter, cottage cheese, and eggs.²⁰

17 Ibid.

18Interview, Mr. George Hicks, February, 1964.
19Interview, Mr. Leland Perry, May, 1964.
20Mini-max Dairies, Incorporated, weekly order sheet.

Mini-max Bakeries, Incorporated. The wholesale business again expanded when Mini-max Bakeries, Incorporated, was established in September of 1954 to manufacture and distribute bakery products.²¹ A 7,200 square foot building costing \$48,000 was constructed at the Smith Center site to house the new bakery.²² In 1958 the business expanded to include angel food cakes, donuts, and buns. Sixty thousand pounds of bread²³ are produced each week at the bakery, plus 3,500 angel food cakes, 2,500 dozen donuts, and 8,000 buns.²⁴

<u>Bestyet Eggs</u>, <u>Incorporated</u>. To continue the Smith Center marrative, a story of a failure must be recorded. A 7,500 square foot addition to the Smith Center plant was remodeled at a cost of \$18,000 in April of 1957 and in July, 1957, Bestyet Eggs was incorporated to engage in the distribution of eggs at wholesale.²⁵ Richard Boogaart had been considering various ideas designed to improve the economy of Kansas agriculture. There was talk at one time of

21 Interview, Mr. Leland Perry, May, 1964.

22 Interview, Mr. James Foster, May, 1964.

²³This is a little short of 60,000 loaves. Some bread is packaged in twenty ounce loaves.

24Weekly tonnage report, Mini-max Bakeries, Incorporated. These reports are on file in the general offices of Boogaart Supply Co., Incorporated in Concordia, Kansas.

25 Interview, Mr. James Foster, May, 1964.

providing an outlet for popcorn which could be grown in Kansas.²⁶

It was believed by the company that they could guarantee the farmer a constant price for his eggs, thus stimulating the agricultural economy and providing member stores and other accounts with eggs at the same time. Contracts to provide eggs were obtained from various local stores and from the Milgram Food Stores of Kansas Oity, Missouri, and the International Basic Economy Corporation which had established supermarkets in Venezuela and Argentina.²⁷

The company made the mistake of attempting to service too large a territory at once. Equipped to handle 500 cases of eggs per week, they were handling 3,500 cases weekly during peak periods. This volume contributed greatly to inefficient operation.²⁸

The source of supply was a constant problem. As the price of eggs would vary, so would the supply. When the price of eggs was high and farmers could get more for them than Boogaarts pre-established price, they had to be purchased from other outlets.

28 Ibid.

²⁶ Interview, Mr. Leland Perry, May, 1964.

²⁷<u>Ibid.</u> Boogaart trucks would deliver eggs to New Orleans which were bound for South America. On the return trip to Smith Center they would haul bananas imported from Ecuador.

Problems also presented themselves in the non-uniformity of eggs. As eggs were obtained from many farmers, it was impossible to control the conditions in which eggs were produced. Even the length of time the eggs remained in the nest affected their quality.²⁹

The company experienced a net loss in excess of \$57,000 the first year of operation and during the next six years only three showed a net profit.³⁰ Bestyet Eggs, Incorporated, operated until November 6, 1963, when the corporation was dissolved.³¹

<u>Concordia Drugs and Housewares</u>, <u>Incorporated</u>. The idea for a business venture such as the Concordia Drugs and Housewares division of the Boogaart enterprise was conceived in the mind of Richard Boogaart. Noticing that health and beauty aids were being sold in limited quantities by some grocery stores in 1956, Richard and his neighbor, William Fitzgerald, owner and operator of Fitzgerald's Hardware Store of Concordia, began discussing the possibilities of establishing a wholesale business dealing in health and beauty aids and housewares. As a result of this idea some

29 Ibid.

³⁰Consolidated Income Statements. Certified audits by Kennedy and Coe, certified public accountants, dated September 30, each year.

31 Corporation Minute Book, Bestyet Eggs, Incorporated.

of the Mini-max stores began purchasing a small amount of these commodities from a Topeka jobber. Realizing that this could possibly be a new trend in the grocery business, Richard Boogaart expanded his idea and Concordia Drugs and Housewares, Incorporated, began operation at 514 Broadway, Concordia, Kansas, with a floor space of 7,000 square feet. This location is now the present site of the Concordia Chamber of Commerce. Mr. William Fitzgerald was hired as manager of the new division of the Boogaart enterprise.

It was evident at this time that the trend was returning to the old general store idea of selling nonfoods and groceries in the same store. In February, 1957, the first shipment of health and beauty aids reached the warehouse, and one month later the first order of housewares arrived. At this time the warehouse stocked 350 separate houseware items such as kitchen gadgets and tools, pots and pans, and small plastic ware such as coffee mugs, dishpans and cereal bowls. They did not handle appliances which today are an item of major proportion. In addition to the houseware items there were 400 items in the health and beauty aid department, including medicines and all types of toiletries. This was a total of 750 items as compared to 3,200 items offered at the present time.

Although today Boogaarts instill in the public mind the discount store image, especially in the drug and

houseware line, this was not the case at the genesis of the corporation when everything was sold at the manufacturer's suggested retail price. Because a Kansas fair trade law was in existence when the corporation was begun, although it was a weak one and was being violated, the policy of charging the manufacturer's suggested price continued until 1961. It was in January of 1958 that the Kansas Supreme Court declared that the Kansas Fair Trade Act as applied to non-signers of contracts was a price fixing statute to insure control of retail price maintenance and was "therefore unconstitutional and void, being in violation of Art. 2, S. 1 of the Constitution of Kansas."³² This test case had to come eventually because of the many discount centers appearing in the metropolitan areas which were selling merchandise at a price considerably under the fair trade price.

By 1960 approximately 1,700 mon-food items were offered to grocery stores, and storage space at the warehouse was of major concern. In the spring of 1961 the decision was made to move to a building recently purchased at a cost of \$15,000 from Rounds and Porter Company, a wholesale wire and roofing distributor, who had moved their business to Salina, Kansas. The building at Third and Gedar Streets contained 11,000 square feet and was located on

32 Kansas Reports, Vol. OLXXXII, p. 488.

land owned by the Union Pacific Railroad, but under long term lease. Boogaarts remodeled the building by constructing a series of offices, insulating the roof, and installing a new lighting system, and a conveyor system to expedite the movement of merchandise in the warehouse.

Probably the most important decision made in the short history of Concordia Drugs and Housewares involved a complete change in the method of pricing merchandise. Until July of 1961 retailers were charged 30 per cent under the manufacturer's suggested list price on any given health or beauty aid and 33 1/3 per cent under the list price on housewares. At that time the cost-plus system of pricing merchandise was established. The ratio was eight plus two, meaning that retailers would pay eight per cent over the actual buying cost of the wholesaler plus an additional two per cent for delivery. Boogaart trucks deliver all merchandise so the retailer pays ten per cent over warehouse price. Such a system is dependent on high-turnover, low-cost operation. One factor in keeping overhead down is the fact that drug and houseware items are trucked each day to the foods warehouse in Concordia and placed on food trucks going to the various stores, thus shipping foods and non-foods on the same vehicle.

After adopting the cost-plus system for pricing merchandise, the goal of the Boogaart organization was to

create the discount image on non-foods in their stores. Within the past two years several competing food chains have begun to discount health and beauty aids and housewares, although in some chains it is on an experimental basis. The theory followed by Boogaarts is to lower the prices on all items to compete with the discount stores.

During the first year of the cost-plus system sales increased by twenty-five per cent, reflecting progress in promoting the discount image. It took almost a year to realize any profit from the new system as each sale represented a much lower gross profit. Individual merchants, unfamiliar with discounting, experienced the problem of displaying and moving greater quantities of merchandise. In 1963 the overall sales increased by another twenty-five per cent thus proving that the public will buy discounted merchandise if given the opportunity. Concordia Drugs and Housewares now operates on a gross profit of three per cent of sales. The increased business necessitated adding to the present facilities; therefore an additional 5,000 square feet of floor space was added in 1963 at a cost of \$20,000, making a total of 16,000 square feet.

Several unique services are offered to merchants, including the pre-pricing of merchandise, which was initiated at the outset of the venture. A competitive price is determined through subscription to newspapers from areas of

competition in Kansas and Nebraska and through actual visitation of competitors' stores by a traveling supervisor. This price is then marked on each item of merchandise that enters the warehouse. The pre-pricing service allows a retailer to stock his shelves immediately, but he is encouraged to change the retail price if necessary to meet local competition.

Items are sold to retailers by units which are designed to fit on his shelves but not fill his storeroom. Gase lots are broken into usable units, such as six cans of hair spray or six bottles of aspirin to a unit. This encourages a dealer to keep his shelves filled as he can order a small quantity of any item when he so desires. In addition to customer appeal which full shelves promote, the dealer is always assured of new and attractive merchandise in the latest packaging.

All damage claims are handled for the retail stores by Concordia Drugs and Housewares. Any damaged or unsatisfactory merchandise is returned to the warehouse for full credit, thus the retailer has no problem of a shrinking inventory except for pilferage.

The warehouse also cooperates with the major stores they serve in the special promotional activities of nationally advertised merchandise. If an item is to be promoted nationwide by any one of the communication media, Concordia Drugs

and Housewares promote and correlate this activity in each major store they serve. Promotional activity is divided between stores classified as "A" and "B." "A" stores are larger and have floor space for promotional activities and "B" stores are limited to promotion that can actually be placed on the shelves. Currently there are thirty stores on the "A" list. These receive all promotional activities. This service insures that stores are always in line with national advertising.

Merchandise is shipped from the Concordia warehouse Mondays through Thursdays. All merchandise is received at the warehouse in the forenoon; ninety per cent is delivered by common carrier and the remainder by rail. Most items are purchased in less than carload lots. A rapid turnover is deemed advantageous in the constantly changing field of wholesale merchandising because packaging and products change continuously. Items, such as shot gun shells, lawn furniture and other merchandise in which freight is of major consideration are purchased in carload lots. The turnover in health and beauty aids is approximately twelve times a year and in housewares about eight times yearly. Approximately 200 separate shipments are received each week at the warehouse. The cost of an average week's shipment is approximately \$25,000 and the value of the merchandise in the warehouse at any given time is approximately \$150,000.

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A special problem presents itself to the management of the company in the myriad number of items from which to choose, including the new ones which are continually arriving. Salesmen call on Tuesdays and Mednesdays, the buying days. It has become the policy of the company never to purchase merchandise at the first showing but to weigh the matter and in some cases place samples of the merchandise with customers to determine public acceptance. Storage or display space is often a factor in accepting or rejecting a new piece of merchandise both at the wholesale warehouse and at the retail level. In some cases an established item that is selling well would have to be removed to make adequate space for the new item. As an example of this, at the present time the warehouse carries twenty-two brands of hair spray and could carry five or six more if space permitted. This is a common problem with growing concerns such as Boogaarts and remodeling is constantly being completed. Much credit is given to the manager of Concordia Drugs and Housewares, Mr. William Fitzgerald, in that he seems to have that peculiar knack necessary to purchase an item that will sell and reject one that will not please the public.33

The warehouse employs three full-time men and three full-time women whose duties are to receive, price and store

33 Interview, Mr. Richard Boogaart, April, 1964.

merchandise, and pack orders. Merchandise, as it is received at the warehouse, is channeled into various pricing lanes via conveyors and is priced before it is stored on the shelf. Special easy-to-use dollies, manufactured to Boogaart's specifications, have the loading level raised to a convenient height for women employees. A yellow tag is placed on all health and beauty aids and a white tag on all housewares, thus enabling the cashier in the retail store to tell at a glance on which departmental key to ring the merchandise. The tag contains two prices; the upper price is the list price and the lower price is "our price," which is the discounted one.

In addition to the warehouse employees, the office employs two full-time women and the manager of Concordia Drugs and Housewares. One traveling supervisor, Mr. Keith Edwards, is on the road at all times to correlate the warehouse with the various retail outlets.

Concordia Drugs and Housewares is only one faction of a relatively small company that is expanding at a tremendous rate and is adding to the economic well-being of two states.³⁴

³⁴The material in this section, except where indicated, was gained from a personal interview with Mr. William Fitzgerald, manager of Concordia Drugs and Housewares, Incorporated, in April, 1964.

<u>Boogaart Meat Products, Incorporated</u>. Boogaart Meat Products, Incorporated, is a relatively recent addition to the Boogaart enterprise. Incorporated on October 8, 1959, it was created to operate a fresh meat and poultry processing plant and to provide for the wholesale distribution of meat and meat products. The corporation, which actually began business in April, 1960, was created to better serve the needs of the rapidly growing Boogaart organization.

Prior to 1960 an attempt was made at centralized buying for the various Boogaart and associate stores. The present manager of Boogaart Meat Products, Incorporated, Mr. Ronnell Derusseau, was the market supervisor from 1953 to 1959. He would buy for the various stores, establish the price to be charged to the consumer, and determine the items to be advertised as specials each week. This system did not operate satisfactorily because the stores were spread over a wide area in two states. They ranged from Goodland, Kansas in the west to Marysville, Kansas in the east, to Lindsborg, Kansas in the south, and to Kearney, Nebraska, in the north. Each store received an average of thirteen shipments of meat each week, and this played havoc in devising an efficient operating schedule. For these reasons and for the fact that the company planned to expand as rapidly as possible, Boogaart Meat Products was established.

The headquarters for the corporation are located at 133 East Fifth Street, Concordia, Kansas, in an 82 by 132 foot building built in 1960 at a cost of \$136,500.³⁵ It was built onto the present building housing the grocery warehouse of Boogaart Supply Company, Incorporated. The land, including the houses on it, was purchased for \$19,400.³⁶ This included an area for an adjacent parking lot.

The handling of frozen meat and poultry was removed from Mini-max Provisions, Incorporated, of Smith Center, Kansas, and became the responsibility of Boogaart Meat Products. This move enabled all merchandise handled in meat markets serviced by the Boogaart organization to be centralized in the one location, thus greatly facilitating its moving of merchandise. No fresh meat is stored in the warehouse as only a fresh meat buying service is offered by the organization. However, the average inventory at any given time of frozen meats, butter, oleomargarine, cheese and lunch meats is approximately \$80,000.

The seventy stores serviced by Boogaart Meat Products may order twice a week. Orders received by Thursday morning are delivered on Monday and Tuesday, and orders received by Monday morning are delivered on Thursday and Friday. The

³⁵Fixed Asset Record, Boogaart Supply Company, Incorporated. ³⁶Thid.

orders are then assembled after they arrive at the warehouse and are telephoned either to Swift or Armour Packing Companies in St. Joseph, Missouri, Wilson Packing Company in Kansas City, or Cudahy Packing Company in Wichita. The orders are then picked up on Tuesdays and Fridays by one of the four Boogaart refrigerated trucks assigned to the meat division. The trucks, having completed their runs to the retail stores, continue to the packing houses for a new supply of meat. The truck that completes its run at Marysville, Kansas, continues to St. Joseph; the truck ending at Clay Center, Kansas, continues to Kansas City; and the truck finishing at Lindsborg, Kansas, continues to Wichita. The meat is then delivered to the warehouse in Concordia on Wednesdays and Saturdays, ready to meet the Thursday and Monday delivery schedule. The delivery schedule is organized in order for the larger stores to receive their merchandise on Monday and Thursday and the smaller stores on Tuesday and Friday. This allows the bigger stores adequate time to cut and wrap the larger quantities of meat they sell each week.

The best quality meats available are handled by Boogaarts, thus carrying out the overall company policy of providing the best quality merchandise at the lowest possible price. Certain lower quality competitive items, such as cheaper bacon, are handled.

The warehouse handles approximately 550,000 pounds of meat weekly as each piece is handled twice, once going in and once going out of the warehouse. Thus about 250,000 pounds of merchandise are sold from the Concordia warehouse each week, which represents an average cash price of \$110,000.

As a service to the retail stores, all cheese is cut and packaged and all lunchmeat is sliced and wrapped in packages of six or eight ounces or one pound. They are pre-priced and thus are ready for the meat case when they arrive at the store. Also small steak patties are processed at the warehouse and hamburger meat is boned out as a service to the stores. Between 25,000 and 30,000 pounds of lunch meat are sliced and packaged each week as are 3,500 pounds of cheese.

As the price of meat will vary greatly, Boogaart Meat Products do not operate on a percentage of profit basis but on a pound basis, adding about two and one half cents per pound on most items sold to the retail stores and about one cent on advertised specials. The percentage of profit for the first four months of 1964 was running at about six and one-half per cent of sales which was a little higher than usual because the price of meat had dropped. Whatever the price of meat, the profit figure is constant since the operation is based on a price per pound markup.

Boogaart Meat Products employs two office personnel in addition to the supervisor, Mr. Ronnell Derusseau, twenty workers in the warehouse, including men and women, and one road supervisor, Mr. A. J. Derusseau. An office is provided for a United States Department of Agriculture Inspector who must, by law, be at the plant at all times it is in operation. The fruition of the idea behind Boogaart Meat Products,

Incorporated, is another step in the development of a rapidly growing business concern.³⁷

<u>Transportation</u>. The transportation system of the Boogaart enterprise is a part of Boogaart Supply Company, Incorporated. The trucking system has expanded from the one twenty-eight foot Chevrolet truck in 1938 to a modern fleet of twenty-four International trucks and trailers.

In 1949, shortly after the wholesale business was expanded, the company owned three trucks. The first semitrailer had been purchased in 1946. All trailers are thirty-five feet long with the exception of one which is forty feet; eighteen are refrigerated. The trucks travel in excess of 27,000 miles a week at an operating cost of 31.62 cents a mile per truck. This figure includes all

³⁷The material in this section, except where indicated, was gained from a personal interview with Mr. Ronnell Derusseau, manager of Boogaart Meat Products, Incorporated, in April, 1964.

Boogaart Meat Products employs two office personnel in addition to the supervisor, Mr. Ronnell Derusseau, twenty workers in the warehouse, including men and women, and one road supervisor, Mr. A. J. Derusseau. An office is provided for a United States Department of Agriculture Inspector who must, by law, be at the plant at all times it is in operation.

The fruition of the idea behind Boogaart Meat Products, Incorporated, is another step in the development of a rapidly growing business concern.³⁷

<u>Transportation</u>. The transportation system of the Boogaart enterprise is a part of Boogaart Supply Company, Incorporated. The trucking system has expanded from the one twenty-eight foot Chevrolet truck in 1938 to a modern fleet of twenty-four International trucks and trailers.

In 1949, shortly after the wholesale business was expanded, the company owned three trucks. The first semitrailer had been purchased in 1946. All trailers are thirty-five feet long with the exception of one which is forty feet; eighteen are refrigerated. The trucks travel in excess of 27,000 miles a week at an operating cost of 31.62 cents a mile per truck. This figure includes all

³⁷ The material in this section, except where indicated, was gained from a personal interview with Mr. Ronnell Derusseau, manager of Boogaart Meat Products, Incorporated, in April, 1964.

expenses--depreciation, repairs, and the salary of the driver, which averages eleven cents a mile. The average cab is driven about 250,000 miles with a major overhaul occurring at 100,000 miles and each 75,000 miles thereafter. Twelve trucks operate from the Smith Center warehouse and twelve from Concordia. This transportation system is necessary to keep pace with the growing Boogaart concern.³⁸ A service station was built adjacent to the Smith Center plant in 1959 to do service and minor repair work on the trucks.

<u>General Information</u>, wholesale phase. The wholesale phase of the Boogaart organization employs 146 persons with a base weekly pay of \$14,750.³⁹ The positions in the wholesale operation are divided into the following job categories:⁴⁰

> Hourly Employees Warehousemen Truck drivers Bookkeepers I.B.M. operators Secretaries

³⁸Interview, Mr. Leland Perry, May, 1964.
 ³⁹Interview, Mr. James Foster, May, 1964.
 ⁴⁰Interview, Mr. Leland Perry, May, 1964.

<u>Management Personnel</u> Advertising Engineering Supervision Office Purchasing Transportation

The wholesale operation of the Boogaart organization services seventy stores at the present which includes eighteen Boogaart stores.⁴¹ They are located in north central and western Kansas as well as in southern and central Nebraska. The stores are serviced on a regular delivery schedule with the larger stores receiving their shipments earlier in the week so they can prepare for the weekend business.

Inventory control is handled through the use of IBM equipment. An IBM card is kept for every item of merchandise in stock in a device referred to as a "tub file." The card contains the name of the item and the location in the warehouse. As the orders enter the warehouse the cards are pulled from the "tub file" and placed in the IBM equipment. The equipment automatically sorts the cards and prints the request in the correct order for it to be picked up in the warehouse. An IBM inventory is taken each Thursday by simply recording the number of cards for each item of merchandise.⁴²

41 See appendix for a complete list of stores serviced by Boogaarts.

42 Interview, Mr. Leland Perry, May, 1964.

The greater portion of the customer's dollar is used to stock the wholesale warehouses. The following chart depicts the manner in which the customer dollar was used in the fiscal year ending on September 28, 1963:⁴³

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⁴⁵Consolidated Income Statement, September 28, 1964, Kennedy and Coe, Certified public accountants, Concordia, Kansas.

CHAPTER V

THE RETAIL OPERATION OF THE BOOGAART ENTERPRISE FROM 1949 TO 1964

<u>New stores</u>. The retail operation of the company began to expand at an increased rate in 1949. At that time the company's five stores, all in Kansas, were located at Beloit (owned in partnership with Mr. Jack Mebius), Marysville, Clay Center, Washington, and Concordia. The following list shows the increase in the number of retail stores and the year in which they were opened. An asterisk after the name indicates that the building is owned by the company. The number in parenthesis indicates the number of times the store has been remodeled.¹

> 1950 Boogaart Super Market Minneapolis, Kansas (2)

1951 Boogaart Super Market[®] Mankato, Kansas (2)

1952 Boogaart Super Market Phillipsburg, Kansas (1)

Matson-Boogaart Super Market (partnership) Smith Center, Kansas (3)

¹ Interview, Mr. Leland Perry, May, 1964.

1954 Mini-max Super Market* Kearney, Nebraska (1)

Mini-max Super Market Lindsborg, Kansas (2)

Boogaart Super Market" Goodland, Kansas (2)

1956 Boogaart Super Market Wakeeney, Kansas (1)

Boogaart Super Market Russell, Kansas

1959 J & O Super Market (partnership) Ellsworth, Kansas (2)

1962 Boogaart Super Market^{*} Hays, Kansas

1964 Boogaart Super Market Great Bend, Kansas

Boogaart Super Market" Beatrice, Nebraska (to be opened November 1, 1964)

Financing the new stores. The new stores are financed in various ways. Herbert V. Jones and Company, investment brokers of Kansas City, Missouri, arranged for the Equitable Life Insurance Company of Iowa to assume mortgages on the Boogaart stores as they have been built. They have loaned the organization approximately sixty-six per cent of the real estate and building costs. The company also issued



FIGURE 8

The Concordia store after it was remodeled and enlarged during the spring of 1964.

debenture notes on two occasions--\$90,000 at eight per cent in 1954, which have been recalled, and \$250,000 at six per cent issued in 1955, which are still outstanding.² Other construction costs and the cost of stock and equipment have been paid out of company earnings. The total cost of land and construction for two of the newer stores in the organization was \$140,000 at Hays, Kansas, and \$165,000 at Goodland, Kansas. The opening of an average store requires an expenditure of \$80,000 in merchandise and \$80,000 in equipment.³ Although the company has experienced rapid growth, the problem of financing hinders any large scale expansion. The next logical step would be to sell stock on the open market. This has been discussed by management but to date no decision has been made.⁴

The mystery special. An interesting sidelight of the retail operation is the "mystery special" offered each week at the various stores. This sales incentive has been in use since 1961, when Mr. Leland Perry, general manager of the Boogaart Supply Company, and Mr. A. J. Derusseau, traveling supervisor of Boogaart Meat Products, adopted the idea after

4Ibid.

²Interview, Mr. James Foster, May, 1964.

³Interview, Mr. Leland Perry, May, 1964. The Goodland store moved into a new building in December, 1963.

attending a meat workshop in Chicago. Each week the price of the "mystery special" is advertised in the newspaper but the item is not disclosed. "Mystery specials" have included a pound of sausage for nineteen cents, a package of buns for fifteen cents, and a loaf of bread for five cents. Management believes that this promotional device arouses the curiosity of the consumer and will often draw him to the Boogaart store.⁵

General information, retail phase. The home store at Concordia has recently undergone extensive remodeling. This was done to bring the store into perspective with the newer stores of the Boogaart chain. It now has a floor space of 13,000 square feet and carries a complete line of non-food products as supplied by Concordia Drugs and Housewares, Incorporated. Included in the non-food items are health and beauty aids, housewares, soft goods, hardware, auto accessories, paints, and sporting goods. Also new to the Concordia store is the self-service "sneaker shop," in which tennis shoes and other casual shoes are sold.

Boogaart stores in Hays, Great Bend and Kearney carry a complete line of shoes in their shoe departments. The two main suppliers are the General Shoe Company, Nashville, Tennessee, and the Consolidated Shoe Company of Lynchburg, Virginia.

5 Ibid.



FIGURE 9

The inside of the Concordia store during its grand opening in 1948.



FIGURE 10

The inside of the Concordia store after it was remodeled in 1964.

The shoe departments in each store average \$1000 weekly in sales and the smaller "sneaker shops" in Concordia, Goodland and Marysville average \$350 a week.⁶

The theory behind the retail business is to provide service to the customer and to make his grocery shopping a pleasant experience. All stores are air-conditioned and background music is played throughout the store. The customer is encouraged to return any unacceptable merchandise for a full refund. If a store is sold out of an advertized sale item the customer may ask for an oversold slip entitling him to the sale price when the item is in stock. All personnel are encouraged to take a personal interest in the customer.⁷ These ideas are consistent with the Boogaart theory that a satisfied customer will be a repeat customer.

Job categories. The retail phase of the Boogaart organization employs 288 people with a weekly base pay of \$15,900.⁸ The job categories are as follows:

> <u>Managers</u> Grocery Manager Meat Manager Produce Manager

6 Ibid.

⁷Interview, Mr. Leland Perry, May, 1964. ⁸Interview, Mr. James Foster, May, 1964.

Department Heads Dairy Department Head Grocery Department Head Non-foods Department Head

<u>Hourly Employees</u> Stockers Wrappers Meat Cutters Checkers Saturday Boys

The average Boogaart store sells 30,000 pounds of dry groceries a week. The weekly sales of the various stores range from \$14,000 to \$30,000 depending upon the size of the business.⁹

The sales dollar. The sales dollar received at the eighteen retail stores is spent by the consumer in the following manner:10

The corporations. The retail stores have been incorporated individually on advice of Kennedy and Coe, company auditors. They had been owned by the Boogaart Supply Company, a partnership, until the time of incorporation. The Boogaart Company partnership closed its books in

⁹Interview, Mr. Leland Perry, May, 1964. ¹⁰Ibid. 1958 and company business was then transacted through corporations. The dates of incorporation for each store or series of stores are as follows:11

¹¹ This information was obtained from corporation minute books located in the files of the Boogaart Supply Company at Concordia, Kansas.

¹²The Wymore store failed and closed its books in September, 1963.

Modern in every respect, the Boogaart stores are promoting a public image of low cost quality food, as well as a discount price on over 3,000 non-food items. The growth of the company is a testimonial to the fact that the consumer is accepting and propagating this image.

CHAPTER VI

AN AMALYSIS OF BOOGAART SUCCESS

<u>General information</u>. Management and hourly employees were polled through the use of questionnaires concerning their attitude toward the Boogaart organization.¹ As compiled from the questionnaires, the average years of service in the Boogaart organization is eleven for management personnel and six for the hourly employees. A company policy is to advance present personnel into management positions whenever possible.² The original positions held by thirty-five management personnel are as follows:³

¹Seventy-five management and 111 hourly employee questionnaires were mailed. Fifty-two and sixty-one responses were returned. It is believed that valid information was obtained from the questionnaires for the following reasons: (1) A cover letter from the general manager, Mr. Leland Perry, sent with each questionnaire encouraged honest answers from all employees. (2) Each questionnaire was to be kept confidential by the writer. (3) The responses were sent directly to the home of the writer. (4) The responses were anonymous. (5) Some responses reflected much thought as extra pages were enclosed defining the employee's attitude more clearly than could be done on the printed questionnaire.

²Interview, Mr. Leland Perry, May, 1964.

³Thirty-five of the fifty-two questionnaires received clearly stated the first position with the company.

Office Manager	1
Part time help	2
Sack boy	8
Truck driver	
Checker	1
Produce manager	1
Assistant manager	
Warehouse worker	
Produce warehouse foreman	
Meat market manager	

As a group both management and hourly employees are well satisfied with their pay. With the exception of a few hourly paid employees, all questioned believe that pay advances are adequate. Management commented favorably on the bonus they receive each quarter which is based on the condition of the current business. Meat and store managers receive a bonus of twenty per cent of their departmental profit.⁴

The vast majority of the employees questioned indicated that they enjoy working for Boogaarts. They stressed that there is a sense of understanding between supervisors and subordinates, and the average employee feels that the company has his interest at heart. They are confident that they are working for a growing organization and assert that there is ample opportunity for advancement. Pleasant working conditions and associations with friendly people were cited assets of the company. Most people

⁴Interview, Mr. Leland Perry, May, 1964.

questioned indicated that they would start again with Boogaarts if given another choice. The general attitude of the employee is that the Boogaart organization is small enough to be flexible, but large enough to compete in today's market.

Management personnel, in comparing the Boogaart stores with other grocery outlets in their areas, rated Boogaarts as competitive in price, average to excellent in service to the customer, usually higher in volume of business, and definitely best in employee benefits. Among the benefits mentioned were health and accident insurance of which the company pays fifty per cent of the premium, key employee life insurance of \$12,000 and key employee income insurance of \$300 per month. The premiums for the latter two insurances are paid by the company.⁵

<u>Profit sharing plan</u>. Most employees stated the profit sharing plan as the outstanding benefit offered by the company. This plan, started for the wholesale employees during the fiscal year of 1960, was modified to include the retail employees in 1961. The plan is non-contributory on the part of the employees and the employer's contribution is ten per cent of the consolidated net profit before taxes.⁶

> ⁵Interview, Mr. James Foster, May, 1964. 6<u>Ibid</u>.

Employees have stated that they feel the prosperity of the company is more directly related to their own prosperity because of this plan. An employee who is twenty-one years of age on or before the last day of the fiscal year and who has been with the company continuously for twenty-one months is entitled to participate in the plan. To receive payment an employee must retire, leave the company, or attain the age of sixty. Years of service, as indicated below, determines the per cent of vested rights due him.⁷

The plan is administered by five trustees selected from key employees of the company. Money is invested in various ways and the earnings are added to the employee accounts. As of September 28, 1963, which ended the last fiscal year, the profit sharing savings account showed a

⁷Letter, dated October 11, 1961, to the District Director of Internal Revenue from Kennedy and Berkly Law Offices, Salina, Kansas. A carbon copy of this letter is on file in the Boogaart Supply Company offices, Concordia, Kansas.

balance in excess of \$192,000; of this \$98,000 was on time deposit and loans of \$94,000 had been made from the fund.⁸

Vacation and sick leave policy. Questionnaires revealed that the employees were dissatisfied with the vacation and sick leave policy of the organization. The company had no written policy on the matter, but it was understood that they were allotted six days non-accumulative sick leave. Employees felt that the sick leave should be accumulative or added to vacation time. In May of 1964 the company issued a new policy including thirty days accumulative sick leave at five days per year, 9 and an improved vacation policy, including one week's paid vacation after one year of service, two weeks after two years and three weeks after fifteen years. 10 The three weeks vacation is an addition to the previous unwritten policy. This new step correlated with the employee's feeling that the company is interested in his welfare.

The study of this organization indicates that there is mutual understanding and respect between employer and employee. The writer believes that this is a significant fact in the amazing growth and success of the organization.

⁸Interview, Mr. James Foster, May, 1964.

⁹Brochure--Group Insurance and Sick Pay Company Policies. ¹⁰Brochure--Vacations and Paid Holidays Company Policies.

CHAPTER VII

RICHARD BOOGAART

<u>Two men head the organization</u>. By 1946 Marinus Boogaart, because of poor health, was taking a less active part in the organization. At this time his son Richard and his son-in-law J. Milton Sorem began assuming the responsibilities of the business. The first major endeavor encouraged and administered by Richard Boogaart and J. Milton Sorem was the building of a modern super market in Concordia in 1948, shortly before purchasing the Concordia Mercantile Company. Under the leadership of these two men the Boogaart Supply Company, Incorporated, was organized as the parent company and the enterprise expanded as recorded in this thesis.¹ The story of Richard Boogaart since 1946 has been an interesting one.

<u>Richard Boogaart's activities</u>. While Sorem as president of the Boogaart Supply Company, Incorporated, has been actively operating the Boogaart concern,² Richard Boogaart

lInterview, Mr. Leland Perry, May, 1964. Boogaart and Sorem are the two major stockholders in the organization. A few key employees are minor stockholders.

²In addition to heading the Boogaart Supply Company, Incorporated, Sorem is well known in the state of Kansas for both his business and civic activities. He is a director of the Hays National Bank at Hays, Kansas. His most recent honor was his election to the Western Light and Telephone



FIGURE 11 Mr. Richard Boogaart

has been establishing super markets in various areas of the world. In 1946 he was approached by Mr. Jamie Garcia of Mexico to establish super markets in his country. It was to be a chain operation under the name Super Mercados. Late in 1946 Boogaart went to Mexico and stayed until 1948. During this time he was instrumental in establishing nine flourishing super markets in that country.³

He worked with the Boogaart Supply Company in Concordia from late 1948 to 1950. He was then approached by a representative of the International Basic Economy Corporation, a Rockefeller concern which operated an unsuccessful wholesale grocery business in Venezuela.⁴ Knowing of Boogaarts success in Mexico and with his own chain in Kansas, I.B.E.C. asked him to go to Venezuela and survey the situation. Spending three months in Venezuela, Boogaart analyzed the operation and recommended that I.B.E.C. close the wholesale operation and establish a chain of retail super markets.

JInterview, Mr. J. Milton Sorem, May, 1964. 4<u>Ibid</u>.

Company board of directors in July, 1964. Prominent in civic affairs, he is immediate past district governor of Rotary International 567th District; a member of World Service and Finance Commission of the Central Kansas Conference of the Methodist Church; member of the executive board of Coronado Council of Boy Scouts; area chairman of the Kansas University's Greater University Fund; a member of the Concordia City Planning Commission and a member of Elks and Masonic Lodges.



FIGURE 12

Mr. J. Milton Sorem, President of Boogaart Supply Company, Incorporated.

This was done and today there are twenty thriving I.E.E.C. markets in Venezuela,⁵

I.B.E.C. asked Boogaart to study the possibility of such stores in Western Europe. After this study he suggested Milan, Italy, as a starting point for the operation. Boogaart went to Italy early in 1957 and established such a successful operation that the mayor of Florence and officials of other Italian cities requested super markets in their areas.⁶ Today there are approximately thirteen I.B.E.C. markets in Italy.⁷

In the meantime I.B.E.C. has started a thriving poultry operation in Argentina. Since the government encouraged new industry, Boogaart was sent to Argentina in 1961 to establish I.B.E.C. super markets. To date there have been six Mini-max super markets established in Buenos Aires.⁸ Each store serves more than 70,000 customers a week⁹ and prospers on a one per cent profit of sales.¹⁰

> ⁵Dallas <u>Morning News</u>, February 7, 1963. ⁶<u>Ibid</u>.

7 Interview, Mr. Leland Perry, June, 1964.

⁸The Mini-max name was used with permission of the Kansas Boogaart Concern but has no further connection.

⁹Richard Armstrong, "A Crisis for Capitalism," <u>The</u> <u>Saturday Evening Post</u>, 237:17, March 21, 1964.

10 Dallas Morning News, February 7, 1963.

Each store operates three eight-hour shifts to receive and stock merchandise.¹¹ Argentina beef is sold for fifteen cents a pound and milk for eight cents a quart. This is about half the cost of the same products in the old style Argentina general store.¹²

The hub of the Argentina operation is a modern warehouse which supplies all the super markets. When the company can more readily meet the demands of the Mini-max markets it probably will turn its attention to supplying merchandise to other stores.¹³

Under Boogaart's direction the idea of high volumelow cost sales is catching hold in Argentina.¹⁴ It will doubtless promote competition which will raise the living standard of the Latin Americans.

The writer has digressed from the Boogaart story long enough to familiarize the reader with the activities of Richard Boogaart who, in cooperation with J. Milton Sorem, has been instrumental in the Boogaart success story.

11 Ibid.

¹²Armstrong, <u>loc. cit.</u>
¹³Dallas <u>Morning News</u>, February 7, 1964.
¹⁴<u>Ibid</u>.

CHAPTER VIII

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SUMMARY

The Boosseris lives in their ore hope for

<u>Restatement</u>. Marinus Boogaart, the youngest of ten children, was born of farm parents on August 11, 1881, in Portvliet, Holland. His parents, the victims of a depression, lost all their personal property. With the help of Mrs. Boogaart's brother, Pieter Van Daalen, they sailed for the United States to begin a new life.

They arrived in New York on May 6, 1886, and settled in the near-by town of Lodie, New Jersey. Although none could speak English most of the boys found jobs in the textile factories. It was not long before the long hours in the factory took their toll on the Dutch family that was accustomed to outdoor farm life. When the family became sickly and the eldest boy John contracted tuberculosis, the doctor ordered the family to move west to protect their health.

The Boogaarts arrived in Almena, Kansas, on May 3, 1893. As it was too late to start farming that year, they rented a house and the boys and the father obtained farm jobs in the area. The next spring they rented a farm on which the crops failed. After struggling through a hard winter and receiving relief from the county, they planted crops and reaped a bountiful harvest in the summer of 1895. In 1896, the family purchased a section of land southwest of Prairie View and in 1900 built a house on the new farm. The Boogaarts lived in their own home for the first time since arriving in the United States.

As a young man, Marinus vowed he would leave the farm when he became of age; so at twenty-one he started to sell Baker products on a wagon route. Traveling from farm to farm and village to village he sought lodging wherever he happened to be and, if possible, paid for his board and room with Baker products.

Marinus discontinued the wagon route in the fall of 1906 and in partnership with his brothers Henry and William, purchased the Rhodes Hardware Store and another small hardware store in Prairie View. During the first three days of operation they sold thirty-six feed grinders and six buggies. The business, although a success at first, failed due to the amount of credit that was extended which limited the amount of working capital needed to operate the business. William soon contracted tuberculosis and died in Arizona on September 27, 1908.

Marinus and Henry sold the hardware business in 1910 and purchased a grocery and general merchandise store in Prairie View. They successfully operated this store for several years and shared in the pre-war prosperity of the area. After selling out the store in Prairie View they

purchased a store in Randall, Kansas. This store was a success, but a disagreement arose between the brothers so in November of 1918 it was closed, the partnership was dissolved, and Martnus took his half-share and purchased a general store in Jewell, Kansas. Henry purchased a farm near Randall and left the retail store business.

Marinus opened the Jewell store in July, 1919, with one helper, his neyhew Jack Mebius, of Adams, Nebraska. The store experienced a fire in 1922, after which Marinus and Jack Mebius opened a grocery store on a 50-50 basis. They soon again expanded into the general merchandising business so Marinus contributed additional money and entered into a 75-25 partnership with Mebius. After a successful six years, Marinus sold fifty per cent of his interest in the store to his brother Henry, twenty-five per cent to Jack Mebius and he retained twenty-five per cent himself.

Marinus started his sixth major business endeavor when he purchased a general merchandise store in Clyde, Kansas, in 1925. As this was the largest store he had owned, he hired a grocery manager and a ladies' ready to wear manager. Richard Boogaart, Marinus' son, began working for his father in the Clyde store while in high school. At this time Marinus contracted Meniere's disease causing him to become inactive in his work. Two operations corrected the difficulty which was centered in his inner ear, but it left him hard of

hearing. Having accumulated some twenty-five thousand dollars by 1933, he sold the Clyde store and in June, 1933, opened the largest store of his career--a super market in Concordia, Kansas.

The Concordia store had a floor space of approximately 5,000 square feet and compared favorably in size with the two largest super markets in town which were owned by Safeway and the Great Atlantic and Pacific Tea Company. The Boogaart store was furnished with crude equipment--the produce cases and the check out stand were made from orange crates. Richard Boogaart and Marinus' son-in-law J. Milton Sorem, worked in the store for twenty-five dollars a week and twenty-five per cent of the profit for each of them. Boogaart developed a merchandising philosophy of high volume, low cost merchandise. The market was following the trend to larger super markets that began in the early thirties.

In 1935 Marinus purchased the Farmer's Cooperative Grocery Store in Clifton, Kansas, and his son Richard was sent to manage this store. The Boogaart stores had expanded to two and they tried to purchase merchandise direct from the manufacturers but learned that they were too small to do so.

Three years later a building was leased in Blue Rapids, Kansas, and Richard moved from Clifton to manage the new store. Mr. Bert Sorem, brother of Milton, was hired

to manage the Clifton store. The company was now operating three stores but the Clifton store proved to be too small for a hired manager. The Boogaart company began to look to larger towns in which to establish stores. In addition to opening the Blue Rapids store in 1938 the Concordia store moved across the street where there was space for a warehouse as well as a super market. The warehouse serviced the stores in Clifton, Blue Rapids and Concordia.

In 1939 the company liquidated the small Clifton store and leased a larger building in Clay Center, Kansas, to house a super market. Mr. Bert Sorem was moved to this store as manager. In 1941 the trend was continued and the Blue Rapids store was liquidated and a new market was opened in Marysville, Kansas. The Boogaart chain now consisted of three large stores located in Concordia, Clay Center and Marysville, Kansas.

In the meantime Boogaart Supply Company, a partnership, was proposed in 1939 by Mr. Marinus Boogaart to his son Richard and his son-in-law J. Milton Sorem. These three shared equally in the partnership although the initial capital contributed by the two younger men was to be taken out of future profits. In 1941 the Boogaart Supply Company entered into an agreement with Mr. Jack Mebius to open a store in Beloit, Kansas. The company was now of sufficient size to purchase merchandise direct from the manufacturers.

The larger manufacturers refused to sell to them so the Boogaart organization bought from smaller companies, although by 1944 they were buying direct from the major manufacturers.

The present Concordia store, located at the corner of Washington and Seventh Streets, was opened in May of 1948. Early in 1949, a store was opened in Washington, Kansas, bringing the total number of Boogaart stores owned or partially owned by the Boogaart Supply Company to five.

In 1949 the wholesale operation of the company assumed new proportions. The Boogaart Supply Company, Incorporated, was organized in June as a wholesale merchandising business to replace the wholesale operation of the Boogaart Supply Company, a partnership. In August of 1948 the company had purchased the Concordia Mercantile Company. This company had serviced seventeen Clover Farm stores in North Central Kansas; these stores then turned to the Boogaart Supply Company for service. The company had established the Minimax Buying Service and now serviced these seventeen stores in addition to the five Boogaart stores. The warehouse was extremely inconvenient for the expanding business, so a new Rapistan gravity flow conveyor system was installed in July of 1949. Additions were built onto the warehouse in 1955 and 1961 and a third addition is planned for the very near future.

The Boogaart Supply Company carries its own "Bestyet" label on much of its food which is packed by the major packers and furnished to the Boogaart organization by the Garrell Brokerage Company of Kansas City.

In 1952 the wholesale organization grew when Mini-max. Provisions, Incorporated, was established in Smith Center, Kansas, to operate a produce and frozen food plant. The wholesale trend continued as Bestyet Ice Gream, Incorporated, was formulated in 1952; Mini-max Dairies, Incorporated, in 1953; Mini-max Bakeries, Incorporated, in 1954; and Bestyet Eggs, Incorporated, in 1957. The attempt at wholesaling eggs proved to be a failure and Bestyet Eggs, Incorporated, closed its books in November, 1963.

In the meantime the company was investigating the possibility of selling health and beauty aids and housewares in its grocery stores. They purchased some of this merchandise from a Topeka jobber and discovered it sold well; thus the Boogaart organization went into the wholesale business. In February of 1957 the first shipment of health and beauty aids arrived at the newly formed Concordia Drugs and Housewares warehouse. The first order of housewares arrived in March and Boogaarts were operating a thriving non-food business.

The most recent addition to the wholesale operation, Boogaart Meat Products, Incorporated, was formed in October

of 1959. This facet of the company operates a buying service for the seventy stores serviced by the Boogaart organization. Fresh meat is purchased semiweekly from the major packers of St. Joseph, Kansas City and Wichita and distributed to the stores serviced by Boogaarts. The operations of the meat division are housed in a building which was erected in Concordia in 1960. In addition to fresh meat, the company also handles lunch meats and cheese, poultry, and various frozen goods.

The wholesale phase of the Boogaart organization employs 146 workers with a base weekly pay of \$14,750. Eighteen Boogaart stores are included in the seventy stores serviced by the organization.

During the year 1949 plans were made to expand the retail operation of the company. The company's five stores, all in Kansas, were located in Beloit, Marysville, Clay Center, Washington, and Concordia. Between 1950 and 1964 the company has established Kansas stores in Minneapolis, Mankato, Phillipsburg, Smith Center, Lindsborg, Goodland, Wakeeney, Russell, Ellsworth, Hays and Great Bend. In Nebraska stores were established in Kearney and Wymore, and a new store will be opened in Beatrice in November of 1964. The new stores have been financed from company earnings, the sale of debenture notes, and from loans obtained from the Equitable Life Insurance Company of Iowa.

An interesting sidelight of the retail phase is a sales incentive known as the "mystery special." The price of an item is advertized in the newspaper each week but its identity remains a secret. The price is much lower than normal and management feels that this promotional device draws customers to the stores.

Some Boogaart stores carry a complete line of nonfoods as supplied by Concordia Drugs and Housewares and several stores have a complete self-service shoe department. The shoe departments average \$1,000 a week in sales per store.

The retail phase of the Boogaart organization employs 288 people with a weekly base pay of \$15,900. The average Boogaart store sells 30,000 pounds of dry groceries a week and will average a business of \$25,000 per week.

The stores have been incorporated individually in advice of Kennedy & Coe, company auditors. The Boogaart Supply Company, a partnership which was started in 1939, closed its books in 1958 and the company business was then transacted through corporations.

A survey of Boogaart employees revealed that the vast majority indicate that they enjoy working for Boogaarts and are confident that they are a part of a growing concern where there is opportunity for advancement. It is company policy to advance present personnel into management positions whenever possible. The many employee benefits include liberal sick leave and vacation time, group insurance plans and a profit sharing plan. The study of the Boogaart organization revealed to the writer a sense of mutual understanding and respect between employer and employee -- a significant fact in the growth and development of the organization.

Marinus Boogaart was inactive after 1945 as his health failed and he died in 1954. Under the leadership of J. Milton Sorem and Richard Boogaart the present organization has been built. Sorem has been president of the Boogaart Supply Company, Incorporated, the parent company of the concern, since its conception in 1949. He and Richard Boogaart are the major stockholders in the organization. Boogaart has spent several years since 1950 in the employ of the Rockefeller owned International Basic Economy Corporation, which has been establishing super markets in Europe and South America. He has used his exceptional ability to organize food chains in Italy and Venezuela and at the present time is establishing I.B.E.O. super markets in Argentina.

<u>A look to the future</u>. Present plans, which are projected two years in advance, forecast the Boogaart organization to grow as rapidly as possible. In addition to remodeling and enlarging several stores the company tentatively plans to build three new stores on the perimeter

of the present Boogaart area by 1966 although the locations have not been selected. A major addition to the warehouse of the Boogaart Supply Company, Incorporated, will be built as soon as rights to railway land can be obtained. These plans advance the Boogaart policy of providing more and better service for their customers.

Contribution of this thesis. There has been no written material pertaining to the growth and development of the Boogaart Food Chain, an industry that has developed into a major economic force in various Kansas and Nebraska communities. One member of the original Boogaart family who emigrated to the United States is still living, and her recollections concerning the family background and early business endeavors of her brother Marinus, need to be recorded. Since only this one link to the original family is living, the writer deems it important to record the history of the family and the man who began the organization. The compilation of material relating to the growth and development of the Boogaart Food Chain into this history has been the contribution of this thesis.

A. T. STAND

the Madmillanian, June 23, 1932.

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BIELIOGRAPHY

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BIBLIOGRAPHY

A. NEWSPAPERS

Concordia Blade-Empire, June 23, 1933.

This newspaper carried the opening day advertisement of the Boogaart Super Market of Concordia. It is on file in the offices of the Concordia Blade-Empire.

Concordia Blade-Empire, June 27, 1933.

The advertisement in this paper noted the fact that the Boogaart Super Market would buy eggs and cream from the local farmers. The paper is on file in the offices of the Concordia Blade-Empire.

Prairie View News, November 29, 1906.

The opening day advertisement of the Boogaart Brothers Hardware Store of Prairie View was carried in this paper. It listed various items sold by the store. This advertisement is in a personal scrapbook belonging to Mrs. J. Milton Sorem.

Dallas Morning News, February 7, 1963.

This newspaper contains an article describing the activities of Richard Boogaart as he has been establishing super markets in Europe and South America for the Rockefeller owned International Basic Economy Corporation. The clipping was obtained for the writer by Mr. Marion Collins, traveling supervisor for the Boogaart concern.

B. PERSONAL INTERVIEWS

Boogaart, Jane, May, 1964.

Miss Boogaart is the only member still living of the original Boogaart family that emigrated to the United States in 1886. She was very helpful in providing much background information about the Boogaart family and early business endeavors of Marinus Boogaart. Boogaart, Richard, April, 1964.

The writer was privileged to spend only a few minutes with Mr. Boogaart, a major stockholder in the concern and currently employed by the International Basic Economy Corporation which is establishing super markets in Venezuela. Mr. Boogaart reflected on the operations of Concordia Drugs and Housewares, Incorporated.

Derusseau, Ronnell, April, 1964.

Mr. Derusseau, the manager of Boogaart Meat Products, Incorporated, provided the information about the operation of the meat plant in Concordia, Kansas.

Fitzgerald, William, April, 1964.

Mr. Fitzgerald, as manager of Concordia Drugs and Housewares, Incorporated, provided much helpful information as to the origination and the operation of Concordia Drugs and Housewares, Incorporated.

Foster, James, May, 1964.

Mr. Foster, as comptroller of the Boogaart concern, provided many of the financial figures and other statistics quoted in this thesis.

Hicks, George, February, 1964.

Mr. Hicks, the manager of Mini-max Provisions, Incorporated, of Smith Center, Kansas, conducted a tour of the Smith Center plant for the writer and provided much information about the operations there.

Mebius, Jack, May, 1964.

Mr. Mebius is a nephew of Marinus Boogaart and was closely associated with him in business. He provided helpful information about the early business endeavors of Marinus Boogaart.

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Perry, Leland, May, 1964.

Mr. Perry is the general manager of the Boogaart Supply Company, Incorporated. He spent many hours with the writer describing the present operation of the Boogaart concern and conducting various tours for the writer's benefit.

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Sorem, J. Milton, May, 1964.

Mr. Sorem, the president of the Boogaart Supply Company, Incorporated, provided much helpful information about the early history of the company.

Sorem, Mrs. J. Milton, May, 1964.

Mrs. Sorem is the daughter of Marinus Boogaart. She provided much helpful information about her father and loaned the writer priceless pictures and newspaper clippings.

C. BOOKS AND PERIODICALS

1 1. C. BOLD CLUBSING KEEDING

Armstrong, Richard. "A Crisis for Capitalism," The Saturday Evening Post, 237:17-28, March 21, 1964.

This article depicts the problems United States private enterprise is facing in Latin America. One of the companies discussed is the International Basic Economy Corporation, which is building super markets under the direction of Richard Boogaart, a major stockholder in the Boogaart enterprise.

Dumars, William A. (official reporter). Kansas Reports. Volume CLXXXII. Topeka: State Printing Plant, 1958.

This book, obtained from Mr. Kenneth Peery, attorneyat-law, Concordia, Kansas, provided information about the Quality Oil Company <u>vs</u>. DuPont and Company case in which the Kansas Supreme Court declared the Kansas Fair Trade Act unconstitutional and void as applied to nonsigners of contracts.

D. MISCELLANEOUS

Boogaart, Jane. Handwritten history of the Boogaart family, 1961. This short informal history provided much background information about the Boogaart family. Brochure, Group Insurance and Sick Pay Company Policies.

This brochure issued in May, 1964, contains the new company policy pertaining to insurance and sick pay. Copies are on file in the offices of the Boogaart Supply Company, Incorporated.

Brochure, Vacations and Paid Holidays Company Policies.

This brochure issued in May, 1964, contains the new company policy pertaining to vacations and paid holidays. Copies are on file in the offices of the Boogaart Supply Company, Incorporated.

Consolidated Income Statements, 1958-1963.

These statements by Kennedy and Coe, certified public accountants of Concordia, Kansas, provided information as to corporation profits and assets. Copies of these statements are on file in the offices of the Boogaart Supply Company, Incorporated.

Corporation Minute Book, Bestyet Eggs, Incorporated.

This book records corporation information and also notes when the corporation closed its books and ceased to exist. It is on file in the offices of the Boogaart Supply Company, Incorporated.

Corporation Minute Book, Boogaart Supply Company, Incorporated.

This book provided background information and enabled the writer to gain specific information about corporation data.

Corporation Minute Books, the various Boogaart Corporations.

These minute books provided the date of incorporation for all the separate Boogaart companies. They are on file in the offices of the Boogaart Supply Company, Incorporated.

Fixed Asset Record, Boogaart Supply Company, Incorporated.

This record provided information as to various building and remodeling costs. It is on file in the offices of the Boogaart Supply Company, Incorporated. Letter. Kennedy and Berkley Law Offices, Salina, Kansas, to the District Director of Internal Revenue, October 11, 1961.

This letter explains the operation of the profit sharing plan. A copy is on file in the offices of the Boogaart Supply Company, Incorporated.

Population Records, County Clerk's Office, Cloud County, Kansas.

This office provided the writer with the population of Concordia in 1933.

Profit Sharing Record Book, Boogaart Supply Company, Incorporated.

This book provided information as to the operation of the profit sharing plan adopted by the company in 1960. It is on file in the offices of the Boogaart Supply Company, Incorporated.

Weekly Order Sheet, Mini-max Dairies, Incorporated

This order sheet provided information as to the various products sold by the Mini-max Dairies.

Weekly Tonnage Reports, Mini-max Bakeries, Incorporated.

These reports provided information as to the merchandise sold from the bakery at Smith Center. They are on file in the offices of the Boogaart Supply Company, Incorporated. 10.000

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APPENDIX A

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APPENDIX A

This questionnaire was sent to hourly employees to obtain their feelings toward the company.

This questionnaire is being sent to various employees selected at random in the Boogaart organization. The information obtained is to be kept <u>confidential</u> as to the individual contributors and used to formulate a general employee attitude concerning the organization. This attitude will be incorporated in my thesis being done for Kansas State Teachers College, Emporia, which will be on the history of the Boogaart enterprise. Please complete this questionnaire within the next ten

Please complete this questionnaire within the next ten days and return to my home address: 411 West 9th., Concordia, Kansas.

Sincerely,

Jim Douglass

- 1. What is your job?
- How long have you worked for Boogaarts? Trace your job advancement from your first assignment at Boogaarts to present and length of time in each.
- 3. What is your weekly pay?
- 4. Do you feel your pay is as good or better than competing companies? Are your pay advances adequate?
- 5. Do you feel there is a good relationship between yourself and your supervisor? Why or why not?
- 6. Is there opportunity for advancement in the Boogaart enterprise?
- 7. Do you enjoy working for Boogaarts? Why or why not?
- If you could start over would you work for Boogaarts or seek employment somewhere else? Why?
- Please list any complaints concerning Boogaarts that you may not have mentioned previously.

- 10. Please list any outstanding good points of Boogaarts not previously mentioned.
- 11. Do you have any other comments you feel might be useful in my research?

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This questionnaire was sent to management personnel to obtain their feelings toward the company.

This questionnaire is being sent to all management personnel in the Boogaart organization. The information obtained is to be kept confidential as to the individual contributors and used to formulate a general management attitude concerning the organization. This attitude will be incorporated in my thesis being done for Kansas State Teachers College, Emporia, which will be on the history of the Boogaart enterprise.

Please complete this questionnaire within the next ten days and return to my home address: 411 West 9th., Concordia, Kansas.

Sincerely,

Jim Douglass

- 1. Your position: (job title)
- 2. Trace job advancement from first assignment at Boogaarts to present and length of time in each.
- 3. Do you feel your pay is as good or better than competing companies? Are the pay advancements adequate?
- 4. Do you enjoy working with Boogaarts? Why or why not?
- 5. Over how many people do you supervise?
- 6. (Retail Stores answer) How do you feel Boogaart compares with the other markets in your area in prices, service to customers, volume of business, employee benefits, and any other comparison you could make?
- If you could start over would you work for Boogaarts or seek employment somewhere else? Why?
- Do you feel there is a good management-employee relationship within your organization?
- 9. Please list any complaints concerning Boogaarts you might have that have not been previously mentioned.

- 10. Please list any outstanding good points of Boogaarts not previously mentioned.
- 11. Are there any other comments you feel might be useful in my research?

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APPENDIX B

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APPENDIX B

The following stores are serviced by the Mini-max Buying Service. the wholesale operation of the Boogaart enterprise.

Abilene, Kansas Agenda, Kansas Almena, Kansas Assaria, Kansas Atwood, Kansas Barnes, Kansas Belleville, Kansas Beloit, Kansas Bird City. Kansas Blue Hill, Nebraska Cawker City, Kansas Chester, Nebraska Clay Center, Kansas Clifton, Kansas Clyde, Kansas Colby, Kansas Concordia, Kansas Concordia, Kansas Courtland, Kansas Cuba, Kansas Ellis, Kansas Ellsworth, Kansas Fairbury, Nebraska Franklin, Nebraska Geneva, Nebraska Goodland, Kansas Great Bend, Kansas Guide Rock, Nebraska Hays, Kansas Hebron, Nebraska Hill City, Kansas Hoisington, Kansas Jamestown, Kansas Jewell, Kansas Junction City, Kansas Kearney, Nebraska Kensington, Kansas Lebanon, Kansas Lincoln, Kansas Lindsborg, Kansas Linn, Kansas Logan, Kansas Manhattan, Kansas

alligst's Fina Monda Viela & Son Anderson's Grocery Casey's Food Store Assaria Super Market Williams Brothers Nanninga's Mini-Max Food Mart Boogaart Super Market Fisher's Market Courtright's Market Wood's Exchange Navis Store "Boogaart Super Market Bob's Bestyet Store Ideal Market Colby Super Market *Boogaart Super Market Gallagher's Market Dickie's Market Cuba Cash Nelson's Market J & O Super Market Paul's Market Gartin's Foodliner Ideal Market Boogaart Super Market Don's Market Glenn's Market Boogaart Super Market Central Market Kelling's Fine Foods Town & Country Hutchinson's Market Jack's Mini-Max Johnson's Drive Inn Mini-Max Super Market Hank Kusel Market Flynn's Super Market Lincoln Grocery Mini-Max Super Market Linn Store Donahey Grocery Keller's Grocery

WITCH PROS DONNET

Mankato, Kansas Marysville, Kansas Miltonvale, Kansas Minneapolis, Kansas Morrowville, Kansas Nelson, Nebraska Norton, Kansas Oakley, Kansas Oberlin, Kansas Osborne, Kansas Palmer, Kansas Phillipsburg, Kansas Red Cloud, Nebraska Russell, Kansas Salina, Kansas Salina, Kansas Solomon, Kansas Smith Center, Kansas St. Francis, Kansas Stockton, Kansas Superior, Nebraska Washington, Kansas Waterville, Kansas Wakeeney, Kansas Wilson, Kansas Woodston, Kansas Great Bend, Kansas

Boogaart Super Market Boogaart Super Market Turner's Market *Boogaart Super Market Synovec's Grocery Nelson Food Center Kelling's Fine Foods Trader's Grocery Don's Market MacFarland's Market Riteway Market Boogaart Super Market *Boogaart Super Market Week's Super Market Al's Food Store Hi-Way Market "Matson-Boogaart Super Market Ideal Super Market Webster's Peter Pan Ideal Market Boogaart Super Market Elliot's Self Service Boogaart Super Market Shaw's Grocery Murphy-Paynter *Boogaart Super Market

*Indicates Boogaart owned stores.

APPENDIX C

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APPENDIX C

Following are the total assets, including current assets, fixed assets, investments, and other assets, of the Boogaart Supply Company, Incorporated, and Subsidiaries from 1955 to 1963. This material was taken from the certified audits of Kennedy and Coe, Concordia, Kansas, dated September 28, each year.

1955	076.90
1956 2,390,	344.70
1957 2,567,	228,62
1958 2,928,	590.87
1959	567.77
1960	522.23
1961 4,175,	924.93
1962 4,782,	061.00
1963 5,438,	726.57