

## **Entrepreneurship Evolution of Peanut Butter**

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This paper covers the entrepreneurship evolution of peanut butter, reflecting upon the transition from manual processing, intermediate mechanization to large scale factory-type processing. Various global and Africa-wide survival strategies are shared for wider critique and possible modification. The future prospects are also tabled for further scrutiny. The guiding entrepreneurship theories included: resource-based (peanuts), innovations, economic and opportunity-based inspirations into entrepreneurship.

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### **I. Introduction**

Peanuts as a whole originated from South America. It really began to spread and become popular as the New World was being founded by Spanish Explorers. It made its way to North America around the 1700's through ships that held slaves(Biswas, et al., 2022). The peanut began to really grow in the 1700 and 1800's by peanut farms that were made. In the early nineteenth century during the Civil War time is when peanut oil, peanut butter, and roasted peanuts became very popular. Peanut butter was first made by a man named John Harvey Kellogg in 1895. He developed it for those who were older and needed nutrients through food such as protein but couldn't chew meat. Peanut butter made its very first appearance publicly sold in 1904 at the St. Louis World Fair(Biswas, et al., 2022).



### **II. Evolution of peanut butter**

North Americans weren't the first to grind peanuts. The Inca were the first by a hundred years but peanut butter reappeared in the modern world because of an American, a doctor, nutritionist and cereal pioneer John Harvey Kellogg, who filed a patent for a proto-peanut butter in 1895. The ancient Incas first used peanuts butter like pasty substitute. In old time production of peanut butter, people used roasted peanuts. Then they used a knife to chop dry roasted peanuts, then put in a bowl, use stone and crush peanuts until they become like powder and then add some olive oil mixture. Some seasoning was then added to the paste. After few years, explorers used this product to trade in Spain(Demirhan & Demirhan, 2022).

Kellogg's "food compound" involved boiling nuts and grinding them into an easily digestible paste for patients at the Battle Creek Sanitarium, a spa for all kinds of ailments. Joseph Lambert, an employee at Kellogg's sanitarium was the first person to make the doctor's peanut butter, invented machinery to roast and grind peanuts on a larger scale.

Manufacturers sold tubs of peanut butter to local grocers, and advised them to stir frequently with a wooden paddle since without regular effort, the oil would separate out and spoil. In 1921, a Joseph Rosefield filed a patent for applying a chemical process called partial hydrogenation to peanut butter, a method by which the main naturally occurring oil in peanut butter, which is liquid at room temperature, is converted into an oil that is solid or semisolid at room temperature and thus remains blended. This more stable spread could be shipped across the country, stocked in warehouses and left on shelves, clearing the way for the national brands well known today. The invention of sliced bread in 1920 cemented the invention of peanut butter in the hearts of consumers as they could now enjoy peanut butter sandwiches. Rosefield went on to found Skippy, which debuted crunchy peanut butter and wide-mouth jars in the 1930s. In 2020, Skippy and Jif released their latest peanut butter innovation, the squeezable tubes.

### III. Guiding Entrepreneurship Theory:

*Resource-based theory:* this relates to entrepreneurship whose origin are a commodity like peanuts which are then value-added into products that are commercialized globally

*Innovation-based theory:* this relates to research and development (R&D) outputs, in this case value-added products used in the confectionary industry and marketed globally

*Opportunity-based theory:* this relates to the supply of value-added products to meet protein needed for various clientele, besides protein from meat products. Wider commercialization entail setting up of processing factories and development of World-wide brands

*Economic-based theory:* this relates the deliberate pursuit of market opportunities for value-added peanuts and butter within the confectionary sector.

### IV. Current peanut butter varieties

Among the types of peanut butter are

- conventional peanut butter - which consists of up to 10% salt, sugars, and hydrogenated vegetable oil.
- crunchy peanut butter – which contains some coarsely-ground peanut fragments included to give extra texture.
- smooth peanut butter- ground uniformly, possibly with the addition of corn syrup and vegetable oil, to create a thick, creamy texture like butter.

### V. Market share for peanut butter

The global peanut butter market size was valued at USD 5.70 billion in 2021 and is expected to grow at a compound annual growth rate (CAGR) of 6.9% from 2022 to 2028. The market growth is significantly bolstered by the increasing health awareness across the globe. The rising trend of health consciousness and increasing demand for high protein food products among youth and millennials are driving the demand for peanut butter across the globe. On the other hand, as consumers become more worried about their health as a result of rising chronic conditions such as high blood pressure and heart disease, new opportunities for the peanut butter business will emerge. Changing lifestyles with an increased preference for convenient food is also facilitating the growth of the global market

#### Changes in Packaging

The packaging changed from use of packets to use of plastic and glass jars.



## **VI. Operating Environment for peanuts**

In a roundabout way, the debate over crunchy-versus-smooth peanut butter helped bring about the Prison Litigation Reform Act of 1995. The increasing concern with institutional reform has caused an uproar over frivolous civil rights lawsuits brought by inmates, coming to a head with inmates suing for "rights" such as the enforcement of a preference for creamy instead of chunky peanut butter. Proponents of the PLRA praised it as the necessary cure for the increasing number of frivolous civil rights lawsuits brought by inmates, and claimed that this Act would further the goals of institutional reform. However, the problems with the PLRA, its enactment, and its effects reach much farther than a debate about peanut butter (Ton, et al., 2022).

Although there is little legislative history concerning the PLRA, the Congressional Record shows that the proponents of the PLRA proposed and supported it hoping that it would curb abuses in inmate litigation. Senator Dole, who introduced the PLRA as a bill to the Senate on May 25, 1995, claimed that the PLRA was necessary "to provide for appropriate remedies for prison condition lawsuits, to discourage frivolous and abusive prison lawsuits, and for other purposes."

Supporters such as Senator Dole also felt that the PLRA, by limiting the availability of caps on prison population as a remedy to civil rights claims, would avoid putting criminals back on the street. Dole further asserted that the PLRA would solve the problem of the "revolving prison door" by requiring federal courts to meet and decide the issue before a prison cap order is issued. The proponents of the PLRA stressed that their main concern was with the frivolity of lawsuits brought by inmates. Senator Dole claimed that the time and money which the State expends defending against frivolous lawsuits could be used instead to fight crime (Taylor, et al., 2022). Senator Orrin Hatch also supported the PLRA, stating that "jailhouse lawyers with little else to do are tying our courts in knots with an endless flood of frivolous litigation."

On the other hand, new awareness of sensitivity to peanuts and the disastrous effects of eating peanuts or even breathing peanut fumes or touching peanuts has drawn more attention to these severe allergic sensitivities. So far, no one has tried to prohibit selling peanuts although at least one parent is afraid to take her children to food courts (Sithole, et al., 2022).

While airlines and schools have recently begun efforts to accommodate this condition, courts have not yet clearly resolved what the requirements of disability discrimination law are with respect to this issue. An August 12, 1998 Department of Transportation (DOT) order to airlines over which it has jurisdiction mandated that they create peanut-free zones to accommodate passengers who have peanut allergies. While not requiring that airlines ban peanuts entirely, they are banned in the rows in front of and behind the passenger making the request. The DOT effort to comply with the Air Carrier Access Act, however, has met with criticism from some members of Congress, and reconsideration of the policy is in progress (Scott & Chang, 2022).

Furthermore, in Zimbabwe there is been a steady increase in demand of peanut butter with many players coming into market. Besides commercial and registered players, small farmers also entered the market by producing much affordable peanut butter than that of big companies although with lesser quality. This trend has not been affected by COVID-19 pandemic (Sithole, et al., 2022).

## **VII. Peanut Butter Market Dynamics**

This section deals with understanding the market drivers, advantages, opportunities, restraints and challenges.

### Drivers

#### *Rising incidences of obesity:*

The rise in incidences of obesity will flourish the market's growth rate. Consumers all over the world are switching to healthier breakfast and snack options as obesity rates rise.

#### *Emergence of food-on-the-go trend:*

The industry is predicted to rise due to the emergence of food-on-the-go trend. The current population exhibits a lack of cooking skills and a higher level of technology literacy, leading people to seek readily available nutritious food products on the market. This has been attributed to the current trend of "food-on-the-go" and is the primary priority of customers while purchasing food goods. Furthermore, rising urbanization, and increasing level of disposable income will drive market value growth. Also, growing prevalence of chronic diseases such as heart problems and blood pressure will cushion the growth rate of peanut butter market. Another significant factor influencing the market's growth rate is the increasing awareness about the health benefits of peanut oil.

### Opportunities

Increasing number of government initiatives

The rise in number of government initiatives to spread awareness about healthy awareness will create new market opportunities during the forecast period.

Moreover, rise in strategic collaborations and emerging new markets will act as market drivers and further boost beneficial opportunities for the market's growth rate.

### Restraints/ Challenges Global Peanut Butter Market

On the other hand, the market is projected to be hampered by a lack of awareness among people in developing nations. The impact of COVID-19 on supply chain will hinder the market's growth rate. The high cost of peanut oil production and lack of awareness will act as market restraint and further challenge the market growth rate.

### **VIII. COVID-19 Impact on Peanut Butter Market**

The COVID-19 pandemic had a significant influence on the market for peanut butter. Growing number of cases around the world has resulted in a global lockdown and supply chain disruption. The industries' operations and manufacturing units were shut down. The industrial activity were ceased, and output was halted as a result. The outbreak had a profound impact on the market for peanut butter. Globally, it had a significant impact on the market's sales sector. Due to lockdown restrictions, deliveries to distribution channels such as supermarkets, retail stores, and specialized stores were halted. These establishments were even shuttered for an extended period of time. As a result, the market suffered a significant revenue loss. These variables majorly influenced the peanut butter market size.

### **IX. Survival of Peanut Butter**

The survival of peanut butter in Zimbabwe and the globe can be attributed to its cost efficiency in farming peanuts. Growing peanuts is cheaper compared to other legumes that might require special treatment and attention. Any individual can engage in growing of peanuts for commercial or subsistence use(Sithole, et al., 2022). Furthermore, the survival of peanut butter as product can also be attributed to availability of peanut butter making machines and equipment. Machines used to turn peanuts into peanut butter are readily available in the market at an affordable price. This has prompted subsistence farmers to be able to produce their own peanut butter products right from their homes. Moreover, this created competition with large commercial producers of peanut butter thereby the prices of the product have been decreasing ever since. Moreover, in the context of Zimbabwe and Africa at large, there are many edible products that can be made from peanut butter such as mixture with vegetable relish to eat along with sadza(Sithole, et al., 2022).

### **X. The future of peanut butter**

There are five determinants of demand which will affect the demand for peanut butter:

1. *Commodity price*: If peanut butter price rises, its demand falls, and the movement along the demand curve will occur.
2. *Income*: If the consumer's income rises, the demand for peanut butter will rise, and the demand curve will shift towards the right.
3. *Price of substitute goods*: Substitute goods are used in place of each other. If the price of its substitute rises, the demand for peanut butter will rise, and the demand curve will shift towards the right.
4. *Price of complementary goods*: Complementary goods are those which are used together. If the price of its complementary good rises, the demand for peanut butter will fall, and the demand curve will shift towards the left.
5. *Expectation of future price*: If it is expected that in future, the price of peanut butter will fall, then consumers will decrease the demand for peanut butter currently to buy the same at low prices in future and thus, the demand curve will shift towards left.
6. *Consumption preferences*: Health benefits associated with plant-based proteins (as opposed to meat-based proteins) will likely drive consumption trends among infants and the elderly who will be diet conscious.

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