**U.S. Small Business Administration** 



## SUCCESS STORY Portland District Office

## **Portlander's slippery fame turns 40** Entrepreneur Robert Gregg first sold tubs of margarine in 1966

It's a strange day at the office when you find yourself Googling the history of margarine.

It gets stranger still when you learn that a Frenchman -- from savory Provence, no less -- invented the buttery-hued schmear; that during the crusty course of its history some U.S. states banned it; Congress taxed it; laws prohibited coloring it yellow; and that 40 years ago a Portland entrepreneur was the first to start swirling it into the 1-pound plastic tubs so ubiquitous today.

Yes, here in the land of such edible treasures as Chinook salmon and chanterelles, hazelnuts and huckleberries, margarine -- oft maligned by dairy-centric food snobs -- made culinary history.

The year was 1966, and Robert M. Gregg, son of a North Plains mayonnaise maker, concocted a recipe, dreamed up a catchy name and started pumping out Gregg's Gold-n-Soft Margarine. By the following year, it accounted for 40 percent of his food company's business. It has persisted on supermarket shelves across the West ever since, selling better with Portlanders, incidentally, than with Seattlites.

Mike Gregg of Vancouver had recently seen new billboards promoting Gold-n-Soft and he'd noticed an uptick in TV ads for it. But it hadn't occurred to him that the ads signaled a milestone -- that 40 years had passed since his dad came up with "the biggest and best idea he ever had."

Margarine had been around since 1870. According to the National Association of Margarine Manufacturers, the French Emperor Louis Napoleon III hungered for a satisfactory butter substitute and offered a prize to whomever devised one. A fellow named Hippolyte Mege-Mouriez did just that, using margaric acid and coining the term margarine.

A New York company began manufacturing artificial butter the next year and within a decade was churning out several million pounds annually.

Butter makers balked. Long before consumers knew about saturated fat or had even heard of trans fat, the butter vs. margarine battle was on.

The margarine manufacturers' online history dubs butter activists "dairy militants," and describes how they pushed Congress to pass the Margarine Act of 1886, imposing a tax requiring margarine manufacturers, wholesalers and retailers to obtain expensive licenses. States outlawed the manufacturing and sale of colored margarine. The Armed Forces and federal agencies weren't allowed to use it except for cooking.

But by the 1940s, margarine makers had some grease of their own in Washington. Restrictions began to melt and after President Truman signed the Margarine Act of 1950, the federal margarine tax got the ax.

Back then, Robert Gregg had returned to Oregon after serving as a Navy pilot in World War II. He'd joined his father's food business, then taken it over. He mortgaged his house and took out a Small Business Administration loan to buy the most efficient machinery he could find for manufacturing mayonnaise, creating private-label brands for such grocers as Fred Meyer and Albertsons.

To streamline the operation and maximize profits, Gregg bought entire rail tanker cars filled with vegetable oil, stocking up when the price was low and selling when the price climbed.

When Gregg discovered he could convert a machine designed for filling cottage-cheese and sourcream containers into a margarine maker, Gold-n-Soft was born. Other products he tried, from Cinnamon Swirl spread to Poke-a-Pops fruit drinks, never found the commercial success that the tub margarine did. On the heels of its success, Gregg took his company public in 1972 and retired a couple years later. He died in 1991, at 68, of congestive heart failure.

The company he nurtured, however, now owned by Ventura Foods, employs 80 people and continues to produce more than 1 million pounds of margarine a month at its plant near Portland International Airport.

At one point, the name Gregg's disappeared from the yellow margarine tubs. "But they got so many calls from faithful consumers," said Mike Gregg, "that they brought the name back."