

# Granola makers grow one organic step at a time

By Lisa Holbrook

Aaron Anker is from a family of self-employed people and had wanted to own a business since he was a child. He considered a restaurant, but decided on a wholesale product because it wouldn't tie him down to one location.

"I loved granola as a kid," said Anker, who now lives in Cape Elizabeth and co-owns GrandyOats, a maker of granola and other products. "I grew up hiking and eating trail mix. Maybe I was destined. I was always the guy in the yellow VW bus, even when I wore pinstripes to work in the corporate world."

Nat Peirce graduated from Scarborough High School in 1989. In 1994 he received his degree in hotel and restaurant management from the University of New Hampshire. After deciding not to join the corporate world, he opened The Bountiful Berry, an organic cafe and bakery in Bridgton. He bought GrandyOats Granola in 1997, and ran it for three years by himself until he was joined by Anker, who also graduated from UNH.

Anker worked for Stouffer Hotels & Resorts in Baltimore before realizing the corporate hotel world was not his element. He moved to As-



*Aaron Anker, left, of Cape Elizabeth, and Nat Peirce, of Scarborough, hope to grow their company, GrandyOats, while maintaining their corporate ideals.*

pen, Colo., to manage a vegan bistro and three years later moved back to Portland to work for Fresh Samantha Juice Co.

"We're not hippies, we're granolas," Anker said. "Granola is not generational. You can be 10 or 60 years old. Granolas are concerned about the environment and healthy food and having a healthy body."

Classic granola is GrandyOats' No. 1 seller. The line includes six other varieties, from Low Fat Cranberry Chew to Mainely Maple, and the new Chocolate Peanut Crisp ("We all like chocolate and have our indulgences," Anker said). Other products include trail mixes and roasted nuts.

And business is booming. GrandyOats sales grew by 60 percent in 2004 to more than \$700,000, and sales are already up 85 percent in 2005. The company is on target to do \$1.1 million in sales this year. “We attribute our success to a great product. The recipes have been around since 1979,” Anker said. GrandyOats was started in Farmington in 1979 by Sarah Carpenter and Penny Hood, who sold the business to Peirce.

“People are realizing that organic products are good for you and the planet. Also, we have a great partnership. Nat deals with production and accounting. I enjoy marketing and sales. It’s a great marriage. Nat’s wife calls me ‘the other wife,’ Anker said.

“Organic has been a powerful tool to differentiate our company from the mass of products out there,” Anker said.

But going 100 percent organic isn’t easy. It took Anker and Peirce four years to complete conversion of their entire line.

As a small business, GrandyOats faced the challenge of finding affordable organic raw ingredients for all of their products. The ingredients were either not available in the quantities they wanted, or were prohibitively priced.

They were able to overcome this through cooperative purchasing partnerships with other small businesses and acquisition of a competing brand (Uncle Roy’s) to increase their purchasing power and gain economies of scale, as well as by networking and conducting intense agriculture research.

By diversifying to include sales of bulk items to retailers, essentially the individual components of their granola blends sold in bulk bins, they gained even greater ingredient quantities and lower prices that they can pass on to customers.

“Our new focus on bulk ingredients is a throw-

back to the roots of granola, and its very popular, especially with independent health-food stores,” Anker said.

There are many opportunities to grow the business even faster by mass producing or outsourcing or using big machines, but the GrandyOats partners have chosen to stay true to their ideals and work at a pace that works for them.

The company has 11 full-time employees and five part-timers. “We are a family of good people making a good product. And it is not just the 16 of us, but a family of friends who helped us get where we are at,” Anker said, citing friends who worked on Web-page design and others who painted the 100-year-old Brownfield barn where the company operates. Anker and Peirce want to put solar panels on the roof and use other renewable resources like wind power.

They try to balance productivity with flexibility to allow their employees to pursue personal interests and live a balanced life. “One of our best reps has a new baby. Telecommuting allows him to work one day at home,” Anker said.

Being environmentally responsible is also important. GrandyOats recycles as much as possible, and throws away no more than three bags of trash in a week – an impressive amount since the company produces five tons of product weekly.

“When we did our packaging, we didn’t want to do a plastic bag, but there was nothing out there to keep the product fresh without plastic. So we have the thinnest bag possible with the best possible barrier to keep the product fresh, and it breaks down easily. You have to compromise, of course,” Anker said.

Peirce and Anker have been actively supporting environmental organizations for years, and

with the launch of their Organic Trails line of trail mixes, they kicked off “Keep the Trails Alive,” a program supporting national and local trails groups such as the American Hiking Society, Maine Island Trails Association and Portland Trails. They also donate Organic Trails mixes to volunteers who help at local trail clean-ups.

The partners work with as many Maine businesses as possible, and have been trying to get oats grown in Maine. When researching public relations companies, they had quotes from one in California and another in Connecticut. “We would have been happy with either one,” Anker said, but they have been very satisfied with their choice, Planet Friendly PR, a company based in Newcastle.

About trends and fads, Anker said, “Five years ago everything was soy – milk, nuts or bars. Then the fad was energy bars. Then came the low-carb thing. And friends said, ‘You should do it. You should produce a soy granola, or a granola energy bar.’”

They didn’t do it though, because “the product and the ingredients you understand don’t have trends behind it,” Anker said. “Good food is not a trend. Those fads died.”

Now everyone is saying “whole grains,” which makes it a fortuitous time to be in the granola business.

Anker said Stonyfield Farm of Concord, N.H., and Tom’s of Maine in Kennebunk are companies he admires. “Both staked their business on keeping their integrity. A lot don’t. Gaining more capital and markets can steer a company away from their ideals,” he said.

“Ben & Jerry’s makes a fantastic product, but they were taken over. When you become a public company, you have to answer to shareholders. They still make a great product. They did amazing things, including getting milk

from Vermont. They were one of the first to understand being both profitable and socially responsible.”

GrandyOats products are made by hand in small batches and often delivered to stores within 24 hours. Production is still done by hand in small batches; four people run two product lines. “Five years ago I ran one production line by myself,” Peirce said. “We’re adapting all the time because of our growth.”

Anker said their goals are to continue to have a good family of people working with the company, to continue to expand distribution, and to be a company that stands for doing business right.

GrandyOats products are sold locally at the Whole Grocer, Wild Oats, the Green Grocer and Maine’s Pantry in the Public Market in Portland; Royal River Natural Foods in Freeport; Lois’ Natural Foods in Scarborough; IGA in Cape Elizabeth and at Hannaford stores.

*Lisa Holbrook can be reached at [lhobrook@theforecaster.net](mailto:lhobrook@theforecaster.net).*