

Living

PAMPHLET

B 1 (all)
#4
SANTA CRUZ PUBLIC LIBRARY APR 1 4 1984
 Travel..... 10-11
 Spotlight..... 12-13
 Television..... 14

B

Sunday, March 25, 1984 — Santa Cruz Sentinel

Yellow brick road leads to big bucks

 By DON MILLER
 Sentinel Staff Writer

THE YELLOW Brick Road in Santa Cruz County might not be on any map, nor is it, in all probability, yellow or paved with bricks. The path to wealth, success and the greater good of all begins at a common hub — natural foods. But as the Road branches outward like a multi-headed, rainbow-colored phantasm — making its wondrous claims of a brighter, better tomorrow; buying, selling, distributing, above all GROWING, exploring new markets, traveling to China, raising capital — it's as straight and unyielding as the foods and supplements these chieftans of the new age are putting in their capsules, plastic bottles, and shrink-wrapped cartons. Yellow bricks? The road to health is paved with cold, hard cash.

Fmali Herb Co.

A PILGRIM visiting the vast concrete warehouse within which the Fmali Herb company stores its herbs and spices could not help but fall to silence before the utter exoticism of the place. The company just moved into its new 42,000 square foot facility on Almar Avenue in Santa Cruz, and already the buildings are filling up with burlap sacks stuffed with orange petals, boxes of encapsulated ginseng roots, row upon row of vegetable gourd loofas, drums of bee pollen from China, sacks of fennel seed, herbal cigarettes, bee and flower soap ...

Ben Zaricor started Fmali with his wife in 1972, selling ginseng out of the back of his station wagon to local health food stores. He started down the Road with \$500 working capital. Today, Zaricor presides over a \$4 million a year business selling in all 50 states. Fmali buys its cornucopia of folk remedies, scents and tonics from most of the corners and distant tramps of the globe.

"We got caught up in the whole natural foods movement," says Zaricor. The movement put them on the Road, and the road often goes to China. "We first started trading with China in 1976," says Zaricor, describing Fmali's successful lawsuit against the U.S. Food and Drug Administration which allowed Fmali and other companies to import and sell Chinese herbal products in the United States.

Zaricor is very excited about a ginseng-royal jelly blend with the Chinese name of Renshenfengwang-jiang (pronounced "ginseng-royal jelly blend — please" ...) Ginseng comes in red and white roots; it's a tonic. Royal jelly is the food produced by bees to feed a colony's queen. While the herbal products can be sold in the U.S., stressed Zaricor, they are still regulated for safety.

Fmali sells to, among others, Lipton and Celestial Seasonings tea companies. It manufactures, packages

Making it big ... naturally

Ben Zaricor, Fmali Herb Co.

were attempting to raise a few dollars to keep the band going. They didn't know about the Road.

Now, says Steltenpohl, 29-years-old and a Stanford graduate, Odwalla is a \$250,000 investment paying off at about \$70-80,000 a month. That's a lot of oranges.

Which brings up the "Desire for Pulp," and several other, fresh squeezed, daily, subjects: One hundred boxes of oranges are fed into the juice hopper every morning, 350-oranges-per-minute. Fifty boxes of grapefruit, 50 pounds of carrots. Odwalla makes

Sunkist juicer with which the members of the band started down the Road, four gallons a day ... "It doesn't take any longer to bottle thousands of gallons today," says Steltenpohl, with a satisfied laugh.

Clearway tofu

OR THOSE uninitiated souls who in ignorance

Foods, Inc., which is, according to manager Bud Hamel, Santa Cruz's only manufacturer of the soy curds.

Clearway, like its much bigger cousins in the natural food arena, Fmali and Odwalla, has just moved to a new facility, on Soquel Avenue next to the Arana Center. The company has been making tofu for three years.

"There's a lot of competition in Santa Cruz," says Hamel who says the company is working toward Bay

and sells, in all, over 100 herbs and spices to a network of distributors around the country.

"It was a high growth market in the early '70s," says Zaricor. "It's getting away from the health food image to the natural food image to the mass markets." Fmali, he says, has increased its business by 25 percent over the past two years. He sees "no problems" with Fmali's location in a smaller town.

Fmali is currently promoting orange peel. The company is, says Zaricor, "the only California company to have a domestic source of orange peel."

Odwalla Juice

AT THE Odwalla Juice plant in Davenport, one of the sources for Fmali's orange peel, the facility is much smaller, 6,000 square feet, but the view is something to look upon. Outside the windows of this tile-floored, stainless steel juicer's paradise, the Pacific Ocean billows and spits sprays of white mist that sift the sunlight ... well, like one of the Odwalla juice machines as it peels, washes, scrapes, pulps, and bottles one of the cheery elixirs of carrot juice, grapefruit juice or the big seller, fresh, daily sweet, orange juice.

Odwalla just moved to Davenport from Santa Cruz, a fortuitous event that put the four-year-old company right on the Road. There are four partners: Greg Steltenpohl, Ron Smith, Jerry Percy and Bonnie Bassett. Steltenpohl and Percy started in 1980 squeezing oranges by hand and selling the juice to local restaurants. The two played in a band together and

juice for two hours — from 5 until 7 a.m. And then, "It takes all day to clean up the mess," says Smith, the man in charge of carrot juice.

Odwalla produces 500 gallons of o.j. a day and about 100 gallons each of carrot and grapefruit juices.

"We plan on making production 2-3 times what it is," says Steltenpohl. Odwalla now sells its juice as far south as Monterey and as far north (and east) as Palo Alto. The next market, he says, is San Francisco. Just a refrigerated truck up the Road. "So many markets have such a huge potential, it's frightening," says Steltenpohl. Sales, he says, have doubled every four years.

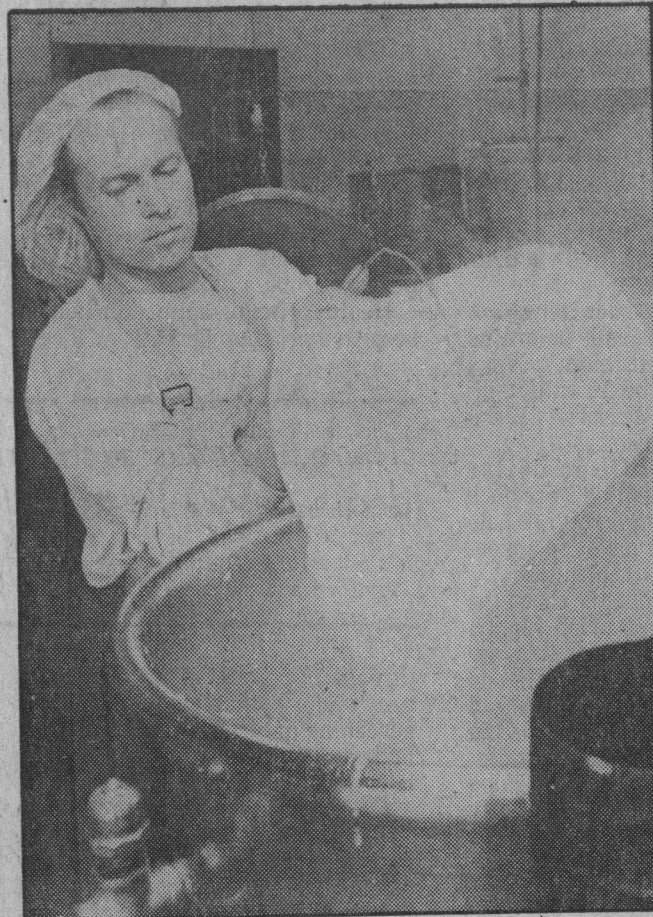
The company does its own delivery and stocking of its juices. Smith and Steltenpohl contrast the ecstasies of their juice to what they scornfully describe as "conglomerate juices" — those dehydrated and sugared concentrates that millions quaff every morning with their Cap'n Crunch.

"We try to tamper with the juice as little as possible," the two juice magnates enthuse. And? "And, the idea is to get more people drinking it — not to make it something exclusive."

Odwalla juice has a five-day shelf life, but even that span is a little short for some of the huge supermarket chains Odwalla would like to penetrate. Nevertheless, the company's juices can be found on the shelves of most local supermarkets, including the regionally-based Nob Hill supermarkets. Odwalla professes an attractive credo for the mass merchandisers — they'll buy back any unsold juice left on a grocer's shelves.

"We want to have enough capital to advertise competitively against Knudsen and the other big boys," says Steltenpohl. He's standing by the old hand-crank

I believe tofu to be a combination of Kung Fu and toad ambrosia, the reality of this bland-looking, protein-rich food comes somewhat as a surprise. Tofu is soybeans and soybeans is tofu and there the Road does meet — at Clearway Soy



Manager Bul Hamel adds some hair-curdling soybeans to the tofu pot, above.

Odwalla juice staff at left, left to right: Jerry Percy, Ron Smith, Bonnie Bassett, Greg Steltenpohl.

Dennis Marc, Steve Willis, Janice Marc and Howard Frankl have a monkey — no, an orangutan — by the tail, right.

Photos by Dan Coyro

Hamel who says the company's immediate plans are to supply the local market freshly."

Clearway sells to restaurants, delicatessens and health food stores. It sells about 3,000 pounds of tofu a week at 70 cents a pound. Business, says Hamel, has remained "stable — we peaked out a year ago with what the market is in Santa Cruz."

Like his counterparts, Hamel believes in his product, especially in the "subtlety" of the tofu taste experience. The shelf life of tofu, with refrigeration, is three to four days.

Tofu As Art: The yellow soybeans are soaked, ground, cooked and boiled; then put into a press from which gushes soy milk. The pulp is sold to farmers to be used for animal feed. The soy milk then has a curdling agent added to it, sits for 15 minutes and then is ladled into settling boxes that press out any excess whey. The solid block of tofu that comes out is cooled, packed and the next day is sliding into mouths all over the county.

"We're going to grow real fast, I know we are," says Hamel. "My main concern is to go out of the area with my marketing so more capital will come in to meet our overhead." Spoken like a true citizen of the Road.

Resurrection Labs.

RESURRECTION Laboratories, the manufacturers of Orangutan Amino (acid) capsules, is operated from a home in Santa Cruz by four true believers. The name, Resurrection, seems apt.

"We were looking for a change in our lives," says president Dennis Marc, who with his wife Janice (advertising), brother Steve Willis (production) and Howard Frankl (sales) started the lab 2½ years ago.

Frankl says the first 15 months were spent on research and development: "We gave away thousands and thousands of dollars worth of prototype formulas

Please see Page 2



Making it ... naturally

Continued from Page 1

to find out which (amino acid formula) was comparable to a good multi-vitamin and mineral." Frankl says that Resurrection was the "first in the world to have an amino acid capsule out on the market."

The company began selling, 1½ years ago, with no distributors. Now, says Frankl, Orangutan Amino High is sold in every state, in health food stores and pharmacies, and in such outlets as Sears and Safeway. Resurrection manufactures the product in Palo Alto and sells to distributors (shipping from the Santa Cruz house by UPS).

The name 'Orangutan' and the reddish-orange primate that graces the Amino

High bottles was a calculated marketing decision, according to Marc. "We wanted to have a name people remembered," he says.

The company did between \$100-200,000 sales in 1983. "We'll do a lot better this year," says Marc.

The size of Resurrection in an industry (vitamins and food supplements) dominated by giant companies doesn't faze Marc. "It's like 20 years ago when they isolated vitamins and minerals - now there're thousands of companies. We're one of the original people — we're finding the big chains are interested in doing business with us."

The company is now working with a California-based pro football team which has invited Frankl and Marc to its training camp to talk to players about the product. Athletes like the amino acid capsules for their purported benefits in healing, stamina and muscle-building.

The same spiritual cachet defines the Resurrection enterprise as has hovered about the fringes of the other Santa Cruz natural foods businesses. It's worth noting that the Resurrection people talked to a priest and a monk before naming their journey down the Road.

"I always wanted to make an honest living," laughs Frankl.