
SNAPSHOT SERIES: TRANSITIONING TO VALUE ADDED ENTERPRISES

STELLA CADENTE – BOONVILLE, CA

Award-Winning Extra Virgin and Flavored Olive Oils

 WALLACE CENTER
WINROCK INTERNATIONAL

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The Wallace Center supports entrepreneurs and communities as they build a new, 21st century food system that is healthier for people, the environment, and the economy. The Center builds and strengthens links in the emerging chain of businesses and civic efforts focused on making good food – healthy, green, fair, affordable food – an everyday reality in every community. Winrock International is a nonprofit organization that works with people in the United States and around the world to increase economic opportunity, sustain natural resources, and protect the environment, implementing projects in more than 65 countries across the globe.


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The Snapshot Series examines how traditionally direct marketing farmers are using value added enterprises to supplement and expand their agri-businesses, reaching new markets and consumers through the development of new products. This effort was funded in partnership with the Risk Management Agency as part of a multi-year initiative to develop and distribute risk mitigation resources for the direct marketing community.

More information on the series can be found online at www.wallacecenter.org.

AT A GLANCE: STELLA CADENTE

Sue Ellery and Tom Hunter, the husband and wife team behind Stella Cadente (which means “shooting star” in Italian), produce oil from 6.5 acres of olives in Boonville, California. In addition to their internationally award-winning extra virgin olive oil, they also produce several varieties of flavored oils, as well as lavender soap. Their products are sold online, in independent specialty stores throughout the United States and Canada, and at self-serve “olive oil bars” in cafés, wineries, and other retail locations.

BACKGROUND

Husband and wife farmers and olive oil producers Sue Ellery and Tom Hunter grew up in farm families on opposite sides of the Atlantic- Sue in rural England and Tom in central Illinois. Both worked in the high-tech sector in the Silicon Valley for over twenty years – Sue in marketing and business development and Tom in sales – before settling in Boonville, California to start their olive groves and olive oil business. Roughly a two hour drive north of San Francisco, Boonville is a small town nestled in the pristine Anderson Valley region of Northern California’s Mendocino County. Home to grapes, apples, pears, figs, olives, sheep farming and organic produce, Mendocino County is one of two GMO-free counties in California and has the largest percentage of organic grape growers in California. Tom and Sue were actively involved with the movement to establish Mendocino as a GMO-free county from the beginning, and note that GMO contamination is of special concern for olive trees because they are pollinated by wind.

The couple’s journey to founding their olive oil company, Stella Cadente (which means “shooting star” in Italian), began in 1995 after Sue had purchased 27 acres in the Anderson Valley, a wine region known for pinot noirs and sparkling wines. Sue says that farming started out as a hobby for both her and Tom, and that getting back to working the land was a way to escape the business world, which they see as “the antithesis of farming.”

Through classes at University of California at Davis, well known for its agriculture programs and research, they learned about olive farming – the growing methods for and harvesting of olives – in 1994. Planting 200 olive trees with Tom, Sue says she was inspired to have an olive grove by memories of visits to Italy while growing up in England and by her father, who had spent time living in Italy. Many had told the couple that their olive trees wouldn’t survive in the cool climate of Anderson Valley, which is the northern-most part of California that can accommodate grape growing. But Tom and Sue chose olive varieties from Italy that were more cold and fog tolerant and could better handle the conditions found in Mendocino. These first trees didn’t survive, however—not so much because of climate conditions, but because of animals like wild pigs and deer that destroyed the trees. In 1998, Sue and Tom replanted a larger group of olive trees, about 1,200. The couple planted 3.5 acres of trees themselves, and got help from a local viticulture service to plant the remaining acres. After four years, the grove produced its first successful harvest of a half ton of olives.

Italian varieties predominate at Stella Cadente and most of the trees on the property come from four varieties: Leccino, Pendolino, Frantoio, and Coratina. In addition to olives, Stella Cadente raises apples, pears and plums for personal consumption. Stella Cadente also holds a test plot containing 12 varieties that UC Davis can monitor for their own research purposes. These varieties include Mission, Leccino, Frantoio, Pendolino, Maurino, Coratina, Cayan, Koreneki, Arbequina, Luques, Barouni and Picholene.

Though not certified organic, the farm is pesticide/herbicide-free and uses organic production methods that Sue and Tom learned from fellow farmers and on their own. Although they haven't had to use fertilizer in the past five years, whenever they have in the past, they have used an organic fertilizer they learned about from UC Davis.

Sue and Tom are the sole owners, operators and managers of the farm – no other staff are involved with their farm, other than during the harvest season, which runs from November through December. In the beginning, Sue and Tom recruited friends to help hand-pick the olives. These harvest times became celebratory gatherings where they would share a meal with friends after the picking was completed. As the olive trees became larger and more mature, however, Sue and Tom began to recruit professional pickers to help with the harvest.

VALUE ADDING

Stella Cadente produces one extra virgin olive oil named L'Autunno, along with five flavored olive oils: Meyer lemon, Persian lime, blood orange, basil and rosemary. With the goal of making the "best possible olive oils," Sue and Tom took "sensory evaluation of olive oil" classes at UC Davis. Through these classes, Sue and Tom learned to identify defects in olive oils and learned about the characteristics that make good oils. Sue says that renowned olive and olive oil expert and UC Davis Extension Educator Paul Vossen was instrumental in helping her and Tom understand what goes into the production of good quality olive oil. Sue and Tom supplemented their olive growing and olive oil education with trips to France and Italy, where they visited olive groves and olive oil producers.

Sue says that the company deliberately chose to focus on making olive oils, rather than making a broad range of value-added products such as oils, food items or cosmetics, because she'd seen other companies run into trouble and go out of business by over-diversifying their product line. The one olive oil derived product that Stella Cadente makes is lavender soap using the remnants from storage containers and homegrown lavender. In developing their product line, Stella Cadente solicited feedback from customers and chefs and looked at what foods would pair well with their oils.

"Start locally, and make a really good product, then branch out from there." – Sue and Tom

Sue and Tom use olives from their own farm, and from others they contract with, for extra virgin olive oil production. They partnered with Lewis Johnson of Butte View Olive Company, who farms 140 acres of organically grown olives in Butte County, California to supply mission olives for Stella Cadente's flavored oils. As Sue and Tom explain, mission olives are good for making their citrus flavored oils because they're picked later, making their flavor less pungent and more suitable for blending. California farmers provide the citrus fruits used for the Meyer lemon, blood orange and Persian lime-flavored lines.

Tom explains that the harvest for extra virgin olive oil is from November through early December, while the harvest for Mission olives used in citrus oil production is picked from January through early February. A large percentage of the olives for the extra virgin oil are picked by hand, while the olives for the flavored oils from Butte View Olive Company are picked with a shaker. Within 24 to 48 hours of being picked, the olives go directly to the frantoio (mill). The pressing of the olives has to occur soon after picking because olives that are bruised degrade quickly. Pressing the olives for extra virgin oil takes about two hours, after which the oil is stored in stainless steel containers for a couple of months before being bottled in late January.

THE FIRST YEAR

Sue and Tom launched their olive oil business in 1999, while still working full-time in the high tech sector. At first they intended to sell only at farmers markets. They began selling at the Boonville farmers market in 2000. The high tech bubble began to burst around that time, and the two began to think about devoting all of their attention to Stella Cadente, especially as its olive oils became an increasingly popular local favorite. Despite the popularity of their product, Sue says that they chose to grow their business “slowly, from the ground up” and to maintain ownership of the company by self-financing all aspects of the business.

The first thing they focused on was figuring out what labels and bottles to use. Because olive oil is sensitive to heat and light, it was important for them to choose bottles that would protect the oil from these elements. They chose slender, dark glass bottles from Italy that were “costly” for their products and took about four months to find; most of them are produced in Italy. Bottling for the oils is provided by Butte View Olive Company. Stella Cadente’s labels, which feature a simple drawing of an olive branch bearing leaves and fruit, were designed by Barbara Vick Design in San Francisco and took about nine months to finalize.

Stella Cadente also uses mason jars for bottling, an idea borrowed from Italy that is much less expensive than the dark bottles they typically use—a great option for customers that use a lot of oil. Depending on the venue, Stella Cadente olive oil can also be bottled by customers using their own containers. For example, in 2003 the Healdsburg farmers market allowed Stella Cadente to give customers a self-bottling option.

Because of their business background, training and experience in farming, and the relative ease with which olives can be grown, Sue and Tom say that they didn’t encounter many challenges when they started their company. The permitting process of setting up an LLC and obtaining the necessary permits with the County of Mendocino and other entities was not difficult, but did take some time. Sue says that farming was a fairly straightforward endeavor since they chose olive varieties that worked well in their soil and climate and since Anderson Valley is relatively free of olive fruit flies. The challenging part was working out the logistics of packaging and transporting their product, especially since the Anderson Valley lacks a local olive press. Tom says that Stella Cadente initially chose to contract with different pressing operations rather than own and operate its own press. He explains that different types of presses yield different results and Stella Cadente has been able to experiment with different flavor profiles to suit customers’ palates.

While they once tried paid advertising, it turned out to be the least successful way to get the word out about its products; the variety of specialty food and olive oil competition awards they’ve won generate plenty of free publicity. And because they focused on creating the best product, Stella Cadente has twice won the top olive oil award in the United States.

CUSTOMERS

According to Tom, Stella Cadente customers are people “who are concerned about what they eat, where it comes from, and what the process is.” Tom and Sue find that a lot of people in northern CA, where the bulk of their customers come from, have a good understanding of and concern for all-natural, organic and artisanal foods. He credits a large part of their success to the expanding organic movement and to farmers markets, which are “really, really good for helping [customers] understand why they’re buying a product.”

In addition to individuals who are health conscious, and those who value organic and local ingredients, Stella Cadente’s customers also include restaurants and wineries. Within California, Stella Cadente supplies a number of restaurants, including such notables as Boulevard in San Francisco and the MacCallum House Inn and Restaurant in Mendocino. Several California wineries, including Navarro, Handley and Hyde Cunningham, are also Stella Cadente customers.

MARKETING

At the time that Sue and Tom started their business, California had a nascent olive oil market and around nine olive oil companies; today there are 300. Having backgrounds in business and marketing, the husband and wife team found that building their business came naturally, and they began test marketing Stella Cadente olive oils at farmers markets and among chefs. With internet savvy and a strong knowledge of olive oils and olive oil marketing from travels and extension courses, Sue and Tom market Stella Cadente olive oils through a variety of outlets. In addition to online and farmers market sales, Stella Cadente products are sold at events, olive oil bars, specialty shops, and at gourmet retail stores, with retail stores and olive oil bars generating the most sales. The top selling products are Meyer Lemon, Basil, and L'Autunno Extra Virgin Olive Oils. Stella Cadente also collaborates with a few retailers, the majority of which are wineries, to allow Stella Cadente olive oils to be privately labeled.

Stella Cadente's olive oil bars began in 2003. Tom says that the olive oil bar—where customers can buy oil in bulk using their own containers or pre-arranged generic containers—is an idea they came across in Italy in 2002. In both the small hill towns and larger cities of Italy, this was the predominant means of selling olive oil. Tom says that the idea has been very popular in Anderson Valley where they launched their first bar in a local café; the concept has since expanded to other locations, including wineries. The bars, in addition to giving Stella Cadente products more exposure, have also helped reduce costs—both to the company and to consumers. Stella Cadente cuts out the expenses they would normally incur for bottling and labeling, and customers save nearly 50 percent.

Another way of encouraging sales is through Club Stella. Three times a year, Club Stella members receive a discounted selection of oils; sign up for Club Stella is available on their website. Sue says that they receive lot of business over the internet, with some 15 percent of sales last year coming from their online store. In addition to serving as an online market, Stella Cadente's website is a resource for olive oil fans and customers to find out the latest about Stella Cadente products events and resources related to olive oil. To keep in touch with customers and others, Stella Cadente sends out its newsletter, "Fresh Pressings," by email. The website also has a "Chef's Corner," where recipes from customers and chefs highlighting Stella Cadente olive oils are posted. The pair feel lucky that they've been able to count many chefs as devoted fans.

Besides conducting outreach through its website, Stella Cadente's Director of Sales and Marketing, Julia Conway, connects magazines and other media through press releases. All of Stella Cadente's press coverage is free – mostly articles and mentions by food writers and others in national publications such as *Sunset Living*, the *New York Times*, and *Fortune* magazine. Following such publications, there's "always . . . an up-tick in sales." When Stella Cadente was first being sold at farmers markets, very little effort was spent on advertising because few advertising funds were available. While they once tried paid advertising, it turned out to be the least successful way to get the word out about its products. And the variety of specialty food and olive oil competition awards they've won generate plenty of free publicity. Because they focused on creating the best product, Stella Cadente has twice won the top olive oil award in the United States, and has won multiple awards as far away as Italy and Germany. And in 2002, *Slow Food* in Italy rated Stella Cadente as the number one California Extra Virgin Olive Oil.

Events have proven to be a great way to connect to people and bring good exposure to their products; Stella Cadente participates in several festivals, trade shows and specialty food shows each year. The majority of these are in northern California, such as the Sonoma Olive Festival and the Yolo County Fair. However, Stella Cadente also participates in National Association for Specialty Food Trade shows, and travels to other states to participate in holiday food shows. They've also participated in a number of *Slow Food* events over the years, with their Director of Sales and Marketing, Julia Conway, now heading Mendocino's *Slow Food* chapter.

GROWTH AND RECOGNITION

Initially, Stella Cadente produced about 90 gallons of olive oil, and their products were sold at three farmers markets (in Mendocino, Boonville and Healdsburg) and 40 local stores located within a 50 to 100 mile radius of the farm. After garnering top olive oil awards in 2003, media attention and publicity increased, and brought along with it increased sales. And as coverage of the business expanded beyond local, so did their customer base. Knowing that they couldn't continue to expand on their own, Sue began to look for resellers and distributors.

They contracted with their first reseller in 2004, who provided distribution for the entire state of California. Later that year, they expanded sales through the same reseller to include Nevada and Arizona. By 2005, Stella Cadente picked up another reseller that expanded their reach to the Pacific Northwest, parts of southern Canada, Utah, Idaho and Colorado. In 2005 and 2006 they expanded their olive oil bars to the Midwest—in Illinois and Wisconsin—and East—in Virginia. Although Stella Cadente considered expanding to east coast specialty stores, a tight east coast market controlled by importers and high shipping costs curbed expansion plans. Today, Stella Cadente produces around 2,000 gallons of olive oil and sells its products in 22 Western and Midwestern states, an Eastern state, and Canada. Products are not sold in chain stores, a deliberate decision that was made in order for Stella Cadente to maintain its commitment to high quality and its world-class reputation.

ADVICE

Sue and Tom say that they stuck to marketing basics: “Start locally, and make a really good product, then branch out from there.” But they also emphasize the importance of not getting “too far removed from what you're doing.” Being focused on select products (or, in this case, variations on a select product) has been key. Finally, while they found that farmers markets were a great way to get the word out, they note that “[continuing to find] new avenues for product,” was critical to expanding sales and growth.

LESSONS LEARNED:

- Focus on making the best product you can and limit the number and types of products you make.
- Find out the best resources and teachers for your product and learn as much as you can from them.
- Look to producers outside of your area – whether in another state or another country – for ideas about product development and marketing.
- Participate in events and competitions to publicize your company and product, to get feedback from the public, and to keep the focus on producing the highest quality product possible. Being visible and in constant contact ensures lots of cooperation and success.
- Remember that choosing the right reseller takes time; picking one that will best represent your product and company is very important. This may involve having programs that increase the motivation of the reseller's sales force, such as providing product training.
- Creating an accurate and timely accounting system is vital to your success.
- Contract with a variety of processors to create your product, to cut costs on purchasing and maintaining equipment and facilities, and to reduce risk.
- Collaborate with other farmers to create your product and with other businesses – such as wineries – to sell your product.

RESOURCES:

UC Davis Extension <http://extension.ucdavis.edu/index.asp>

NASFT Fancy Food Show <http://www.specialtyfood.com>

Los Angeles International Extra Virgin Olive Oil Competition www.laoliveoilcomp.com

California Olive Oil Council www.cooc.com

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