

Anchin, Block & Anchin LLP  
Accountants & Advisors  
1375 Broadway New York, NY 10018  
212 840-3456  
[www.anchin.com](http://www.anchin.com)

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## **Food Executives Whet Appetite for Growth**

**For further information:**

**Kayte Steinert-Threlkeld**

**212.840.3456**

[Kayte.steinert-threlkeld@anchin.com](mailto:Kayte.steinert-threlkeld@anchin.com)

The cream of the crop of New York's food and beverage industry gathered recently to digest the results of Anchin's annual survey, network with other top executives, and listen to commentary from an expert panel of leading entrepreneurs and innovators. The premier meeting for food industry executives in the tri-state area, this year's 5th annual event was titled "Food for Thought: State of the Food and Beverage Industry" and drew over 100 attendees to Manhattan's Club 101 on May 19, 2011.

The event included a presentation of the 2011 survey results by Greg Wank, partner and chair of Anchin's Food and Beverage Services Group (see related story); an economic overview by Greg David, Director of the Business and Economics Reporting Program at CUNY's Graduate School of Journalism and former editorial director of Crain's New York; and comments from three food company executives.

Citing the "Great Recession that wasn't," David noted that the recent recession was the city's shortest and mildest in the modern era, lasting only 17 months and losing only 140,000 jobs, a 3% loss vs. 6% nationally. David listed a number of factors contributing to the relative mildness of the recession, including:

- The infusion of \$200 billion in TARP money flowing into the city's financial institutions;
- Continued growth in tourism (accounting for more than 300,000 jobs) helped by a weak dollar brought Europeans to the city;
- Reduced rates at hotels, theatres and airlines; and
- An on-going shift in the city's economy away from manufacturing to the recession-resistant health and education sectors.



David said the economic comeback is broad-based, with the exception of the construction and public sectors which continue to be weak. The city's economy is growing at almost twice the rate of the rest of the country and has regained half the private sector jobs lost in the recession, while the country as a whole has not even gained back 20%. David predicted that New York City will have recovered all the ground lost by early next year.

Here are highlights from this year's industry executives:



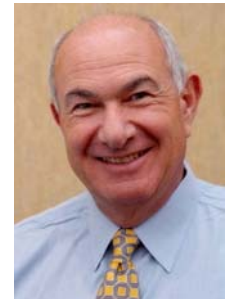
**Lucky Lee**, Founding Partner, Lucky's Real Tomatoes, a purveyor of American, field-grown, sun-ripened tomatoes

- Business is good: sales were up 12% in first quarter of 2011.
- The company is focused on retaining its existing customer base; its top 50 customers have been with the company for 25 years.
- The company created a "Lucky's for Less" product in order to stay competitive and still deliver quality to customers.
- Lucky's expanded its product line from 4 to 15 types of tomatoes: "It's easier to increase sales with our existing customers by adding new product lines than obtaining new customers."



**Jay M. Rosengarten**, President, Olisur, Inc., Chilean olive oil importer making inroads in the North American market

- Olisur is a unique product that uses "2-hours-fresh" olives. This means that olives used in the oil never sit for more than 2 hours ensuring acidity levels less than 0.2%, unrivaled in the market
- Completely vertically integrated and with zero-carbon footprint, Rosengarten envisions Olisur as the largest estate-grown olive oil producer in the next 2 years.
- Challenges faced by the company include:
  - o Its entry into a popular product category that is highly competitive;
  - o Prime shelf-placement in a cluttered category ("if you want your product promoted, you pay for it," he said);
  - o A consumer shift in buying to vegetable and lower-priced oils in the downturned economy.
- His goal is to "redefine the olive oil consumer." Olisur created new branding and category to reposition its product as a luxury brand at a reasonable price.
- Changing consumer buying habits indicate a strong future: current generation is more savvy about their food sources and more interested in what they're eating.
- "The healthy, good-for-you, interesting, quality-driven part of market will expand significantly," says Rosengarten, himself a 30 year food industry veteran.



**Brendan Synnott**, Founder, Revelry Brands and Bear Naked, focused on premium healthy snack foods

- Revelry Brands looks for underdeveloped categories to develop premium brands around lifestyles and is built around transparency in supply, production and ingredients. There are "no secret sauces" in products promoted by Revelry.
- Middle- to high-income consumers spend a relatively small percentage of income on food; they see food as part of a healthy lifestyle and premium foods as an affordable luxury.
- Hedging can be effective from a purchasing standpoint, but the best way to address costs is through educating consumers and communicating the value and quality of inputs so they understand price increases.
- A strong brand can better insulate you from price shocks.
- "We try not to compete," says Synnott. "We try to build new products and categories that focus on differentiation and allow us to not have to compete."



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