

Happy in the Red

How Fruit d'Or married organics with innovative processing methods to build Quebec's cranberry king

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When pork producer Martin Le Moine started cranberry farming in 1993, he and his partners saw it as a mere pastime that would keep them busy in retirement. The ardent environmentalist also decided to go organic before it was in vogue, in the process becoming North America's first large-scale organic cranberry producer. "I wanted to do something good," says Le Moine, "not just grow cranberries for the sake of growing cranberries."

His decisions have paid off big. Now the president of cranberry and blueberry processor Fruit d'Or is riding a cranberry wave powered by frequent media reports of the red berry's health benefits. In fact, Le Moine's hobby farm now sells to his own company, which is the continent's largest processor of organic cranberry products. Organics make up 30% of sales at Fruit d'Or, whose heavy investment in a high-tech processing plant permits it to outproduce its rivals by far.

Fruit d'Or supplies dried and frozen cranberries and blueberries to food processors, which use them in everything from trail and drink mixes to cereals, granola and nutrition bars. It also supplies fresh fruit, concentrates and a full range of dried, sweetened products. Exports, half of them to the U.S., generated 76% of the firm's 2005 revenue of \$19.7 million.

It helps that 90% of sales come from cranberries, whose sales have more than doubled in the U.S. over the past 25 years, and that dried cranberries are easily exportable and last two years without losing quality. But far more than luck explains Fruit d'Or's spectacular growth of 19,501% over the past five years. From the outset, the company's principals decided to set up shop close to home in Notre-Dame-de-Lourdes, a small town in the cranberry-growing region of central Quebec, where the climate is ideal for the cold-loving fruit. This, combined with moderate labour costs, thanks to highly mechanized harvests, makes cranberries one of the few Quebec-grown fruits able to compete globally.

Fruit d'Or added to these advantages by investing in research to develop energy-saving thermal pumps used in its all-natural, preservative-free drying process. It also spent \$5 million to upgrade its processing facilities last year, which allowed Fruit d'Or not only to boost output, but also to offset the soaring loonie's squeeze on exports. "It has given us really big gains in productivity," says Le Moine. "If we had the same productivity that we had three years ago, we would have disappeared."

Fruit d'Or aims to boost production a further 25% by 2008 as local farmers ramp up output. Le Moine says that will easily allow it to reach \$35 million in sales and continue to operate in the black while sailing in a sea of red.