

[Email this article](#)
[Print this article](#)
Most popular pages

[Click to send](#)
Choose File Print or Ctrl P or Apple P
Today | [This Week](#)

Frozen-food attracts investment fund

Jane Larson

The Arizona Republic
Oct. 10, 2006 12:00 AM

SCOTTSDALE - When a California investment fund went fishing for companies that matched its environmentally conscious philosophy, it netted a Scottsdale doctor and her new line of organic frozen meals.

Laryn Callaway, a naturopathic physician and founder of Callaway Consumer Products LLC, last month landed investment funding from Sea Change Investment Fund LLC in San Francisco.

The funds will go to developing new products and expanding sales of Callaway's Organic Bistro Whole Life Meals in grocery stores across the West.

Sea Change, founded in 2005, seeks to promote an environmentally conscious seafood industry. Callaway is the second investment for the \$20 million fund, which invested last year in a New Hampshire seafood distribution and products business.

Callaway and Sea Change declined to specify the amount of investment. Jason Winship, managing principal of Sea Change, said the fund plans to split its \$20 million among seven to 15 investments over its life.

The Scottsdale company's first three products came to market in June. The wild-salmon dish includes cranberry pilaf and broccoli, and the two chicken meals include quinoa and soybeans or vegetables and almond pilaf.

Next year, Callaway hopes to expand the product line to up to a dozen meals.

The investment funds also will go into sales and marketing to stores in the Northwest, Rocky Mountain states, California, Nevada and Texas over the next three or four years. An online store also is planned.

"The strategy is to slowly and strategically roll out from Arizona," Callaway said.

Callaway started the company three years ago to research and develop filling meals that contain lean protein, organic flavoring, plenty of vegetables and the right amount of healthy fats.

Other products focus on what is not in the food, she said, while Organic Bistro focuses on what people should be getting from their food.

"This line was born out of necessity, out of watching patients struggle to do healthy diets," she said.

She brought in two former Dial Corp. executives to help develop the company. Chief Operating Officer Mark Whitehouse and Vice President of Sales and Marketing Mark Preston brought valuable expertise, Callaway said.

They found a Seattle-area company that assembles and produces the frozen meals. They approached frozen-food buyers at natural-foods chains and took the line to selected trade shows.

AJ's Fine Foods, Henry's Farmers Market, Sprouts Farmers Market, Sunflower Market, Whole Foods Market and Wild Oats stores in the Valley and Tucson now carry Organic Bistro meals, which retail for \$5.99 each. The line also is being sold in Colorado, and other retailers have since sought it out, Callaway said.

Winship said the fund looks for companies in the seafood industry that have, or will agree to implement, better environmental practices than peers.

"We like Callaway, and Callaway's space, because we think there is a lot of growth opportunity in the frozen-meal segment of the market, particularly for seafood," he said.

Frozen dinners and entrees generated \$5.9 billion in sales in the 52 weeks ending Sept. 10, up 4.1 percent from the year before, according to Information Resources Inc., a Chicago market research firm.

Weight Watchers, Stouffers Lean Cuisine and Healthy Choice were among the top five brands in the \$3.6 billion single-serving

category, the firm said.

Winship called Callaway's management team "one of the strongest we've ever seen" for a small company. On top of that, the products "taste great, they're made with the best ingredients, and they're made with a philosophy that very much matches our own."

The next steps are for Callaway to expand into as many distribution channels as possible, Winship said.

He complimented Callaway's systematic approach to expanding: "They're starting in a local market, learning what works and what sells well, and they're going to use that knowledge to expand out from there."

Email this article

Print this article

Most popular pages

Click to send

Choose File Print or Ctrl P or Apple P

Today | This Week