



BY JANET POVEROMO

Barlean's

4936 Lake Terrell Rd.
 Ferndale, WA 98248
 (800) 445-3529
 Website: www.barleans.com
 E-mail: orders@barleans.com

Barlean's Key Executives:

Bruce Barlean, Owner
Jade Beutler, CEO
Jim Springer, Executive Vice President
Andreas Koch, Marketing Director
Stuart Hutchinson, Sales Director

During each of the past three years, the VR editorial staff has weighed which manufacturers would deserve the magazine's highest honor—Manufacturer of the Year. We seek out the companies that stand apart in several key areas

(including quality, leadership in science and innovation, respect for the environment and dedication to retailers and the industry as a whole). Several names come up and the staff hashes out that tough decision. This year, when Barlean was mentioned during those discussions, the VR staff enthusiastically and unanimously agreed.

Barlean's list of accomplishments just within the past year have been impressive:

- The 2008 ConsumerLab.com Survey of Vitamin and Supplement Users rated Barlean's the No. 1 Health Food Store Brand for Consumer Satisfaction
- Barlean's has donated generously to Vitamin Angels as well as Nourish America
- Jade Beutler, Barlean's CEO, was the first winner of the

Ramazanov Foundation Science Award

• Omega Swirl has won numerous accolades in consumer magazines and industry trade publications including VR's Best New Product of the Year (December 2008)

• Barlean's was selected as one of America's 100 Eco-Friendly Companies, making The Green Patriot Green 100 list due to its sustainability efforts

It is endeavors such as these that caught the attention of VR's team and earned Barlean's the title of 2009 Manufacturer of the Year.

The Homestead

Barlean's Organic Oils: *From Our Family To Yours*. Not merely a marketing catch phrase, the Barlean's company is truly a close, family-run operation. Known by employees as The Homestead, Owner Bruce Barlean's mother and father, Barb and Dave, live in their original home about 100

Bruce Barlean



“This company really walks the walk. All the principals—Jade, Jim and Andreas, in particular—are brimming with health; they’re passionate about what they do, they are not motivated primarily by money and they truly care about their products being the best. They are very committed to education and to making a difference in the health of the country. I’m extremely impressed with their honesty, integrity and passion for what they do. They take great pride in their products, and that pride is well-deserved.”

— JONNY BOWDEN, PHD, CNS, NUTRITIONIST AND AUTHOR

yards from the Barlean’s facility on a 12 acre farm in Ferndale, WA, the base station of the family’s fishing enterprise. “Barb loves being there,” explained Jade Beutler, company CEO. “We call her the hugger. They like being there in the thick of it.”

It is Bruce Barlean’s intention to keep the business in the family as much as possible. His sister Karen Martin is CFO, sister Joanne Barlean works in production and sister Cindy Smith, along with her husband Ronan Smith, run the family’s fishing operation located on-site. Also recruited to work for the company are numerous aunts, uncles and cousins.

Bruce Barlean did move from the farm but only about six miles away and he and his sisters have lunch every day at their mom’s house. Visitors to Barlean’s facility can expect to be served a bowl of whiskey crab soup at Barb’s kitchen table before receiving a tour of the plant.

A “Fresh” Beginning

Since 1972, the Barlean’s fishery, located on San Juan Island off the Puget

Sound, has offered fresh fish to community residents. A commercial salmon fisherman, Dave Barlean developed a way to offer fish to consumers within hours of off-loading his fishing boat. He built a system with pontoon boats where after catching, fish could be held live in storage tanks; endangered species of fish could be pulled from the catch and thrown back in the water. “Everybody switched to those boats after that,”

said Bruce Barlean. “This type of fishing is only done in our area of the world.” A network of telephone clerks would alert consumers as to when the catch was being brought in and the location where they could pick up their orders.

In his early 20s, Bruce Barlean, at the prodding of his parents, had gone to work for a newly formed flax company and quickly worked his way up to



The Homestead

pressing manager. “I fell in love with pressing flax—that was my calling in life,” he said. He had researched the product and told his parents about the benefits of omega-3s. Soon, however, the flax company dissolved. It was the 1980s and the fish business was declining. Dave Barlean offered his son \$125,000—his life savings—to start a flax oil company. The original plan was to sell four barrels each month and make enough money for Bruce to live on.

The two discussed problems involved in pressing flaxseed and Dave Barlean, a metal worker and inventor, set out to develop a process that would yield a natural, fresh taste. While his father worked on flax oil processing technology, Bruce Barlean went to Germany to meet with Dr. Johanna Budwig, a world authority on the health benefits of flax seed oil. Budwig soon endorsed the Barlean’s product and gave the company the rights to reprint all of her books in the US.

Don Bodenbach, an independent sales representative with Solaray, had learned about Barlean’s flax oil when his



Salmon Fishing



mother developed cancer. He had contacted Budwig about omega-3s and the doctor suggested he try the company's new product. Bodenbach was soon converted and came on board to help educate retailers and consumers with newsletters, books, tapes and other materials backed by Budwig.

Since then, the biggest hurdle for the success of Barlean's was growth, said Bruce Barlean. "That was an obstacle. We had 40 percent a year growth throughout the 1990s—there was 10 years with that much." Even so, he only made \$300 a month for the first couple years because most of the profits were put back into the business.

At first, father and son weren't totally convinced of the success of the company. In fact, the first company building they constructed was fitted with 15-foot tall sliding doors. "That was plan B. If the flax business didn't work out we could fix semi-trailer trucks in there," Bruce Barlean recalled.

Now the company employs 75 peo-

ple in production, 10 in management and has about 65 independent sales reps. "Our philosophy at the plant is to automate as much as possible," Bruce Barlean explained, noting that companies the size of Barlean's normally employ about 150-250 for production. "With about 75 I can take care of the people we have very well. Per employee our profit margins are really good. After 20 years we can still give raises every year," he said, boasting that once hired, employees rarely leave the company and many have worked with Barlean's for more than a decade.

Though the Barlean's name was originally associated with the fishing industry, Bruce Barlean admits they were late bloomers to enter the omega-3 fish oil market. "We couldn't find a source that was fresh enough for us. It took us three years to figure it out," he said, adding that the fish used for omega-3 oils are often caught in South America and then refined in Norway, and could often sit for up to one to four years. That wasn't good enough for a company lauded for its steadfast commitment to freshness.

Science Meets Quality Products

At the SupplySide West tradeshow held in October last year, Beutler received the first Science Award by the Ramazanov Foundation.

According to the foundation's president, Leonid Ber, MD: "The board of directors took the choice of the first award recipient very seriously because it sets the tone and the direction of the

foundation. While there is plenty of good quality science being presented and developed on the supply side of the industry, not always does it get translated into quality consumer products. Jade Beutler deserves to be the first Ramazanov Award recipient because he is an example of how such 'translation' can be done in an ethical way without

A Green Patriot

With competitors producing flax with little or no flavor, the Barlean's team had a dilemma: how to keep its flax flavors consistent. Keeping processing minimal, the solution offered a good opportunity to reuse. Barlean's built metering devices and blended the varieties of flaxseed that are stored in railroad train cars salvaged from scrap heaps. The junkyard train cars were reconfigured with special non-reactive liners that are GMP compliant. There are currently seven train cars on the Barlean's compound.

Also recyclable are Barlean's bottles and in-box packing materials. "We went to special plastic air bags for packing," said Bruce Barlean. "They can be popped after use, then the tiny bit of plastic left is recyclable." Virtually everything can be recycled.

The company also supports organic farmers by consistently paying them fair prices for their crops. "The farmers know we take care of them. We know we'll get good seed year after year," Bruce Barlean said.

The company's efforts haven't gone unnoticed—recently Barlean's was listed online as one of 100 green companies.

Environmentalist and journalist David Steinman, president of the Green Patriot Working Group, said, "We selected Barlean's Organic Oils as one of the Green Patriot Green 100 companies because of their demonstrated respect for the environment over the last 37 years. Barlean's purchases all of its organic flax from North American farmers instead of importing from overseas, and it guarantees stable prices every year to its organic flax farmers. The company harvests all its fish oils from wild-caught fish, not fish farms. The Barlean's Fishery has carefully developed practices to protect and preserve endangered sea life. Barlean's also uses biodegradable and recyclable packing materials in every shipment. I have personally visited the Barlean's flax processing center and the Barlean's fishery, and its respect for nature and commitment to environmental values were clearly evident."



The Barlean's Team

Nourish America. "Children throughout the United States have benefited with their essential fatty acid products making great improvement in their academic performances in school and in Head Start programs throughout the nation."

Beginning in 2006, Barlean's began donating supplements to Vitamin Angels allowing the organi-

sacrificing integrity and bending science for the sake of profit."

Winning the award "was a surprise to me," said Beutler, adding that the award recognizes scientific due diligence while making a product commercially viable. The foundation took note of the success of the Omega Swirl, "the latest and greatest idea here at Barlean's," Beutler said, and his work on Brevail, a concentrated flax lignan extract being used in a study by the National Cancer Institute. It is the first all natural breast health product to address the maintenance of orderly cellular division and the preservation of healthy breast tissue.

Charitable Missions

In their community, the Barlean's are known for philanthropic outreach, according to Andreas Koch, the compa-

ny's marketing director. Bruce Barlean said half of his income is donated to schools, scholarships and church. "We were fishermen. We get it. We were poor, although I didn't know it at the time. God's been extremely generous to us." Dave and Barb Barlean also set aside a half million dollars in scholarship funds for schools not only in the US but also in Vietnam.

Along with other charities, they provided money to build a local church while supporting their local chapter of Big Brothers/Big Sisters, where Karen Martin is president.

The company also supports industry-related charities. "Barlean's has been a very generous supporter of Nourish America by providing high quality products for the populations we serve," said Michael Morton, executive director of

zation to reach thousands more in need. "Barlean's commitment to making the world a better place runs deep. Their support for Vitamin Angels' work has been significant and very much appreciated," said Vitamin Angels Founder and President Howard Schiffer. To date, the organization has received, and consequently placed with a variety of beneficiary distribution partners, nearly \$800,000 in supplements from Barlean's.

"There's a lot to be done," Bruce Barlean added. "We want to make a difference in a lot of people's lives."

To Come

For Beutler, the good news for Barlean's future success is great competition within the natural products industry. "Our industry is far more competitive and professional and the level of the playing field has been raised. We have to stay on the cutting edge and be on top of what the next big thing is, not just hop on the bandwagon."

Since the company expanded from omega-3 oils to olive leaf complexes and green foods, will it move on to other types of products? "Those spoke closely enough to what we do at Barlean's," said Beutler. "We plan to stay as close to our core as we possibly can, but never say never."

He added that satisfying a demanding consumer is a priority; however, "We have to stay true to our beliefs. The success of the company is about products that work."

Bruce Barlean agreed, "We want to be a company that can do it with integrity and make a difference in this world. I don't look at the competition or base things on competition. I do the best I can and move forward." **VR**

FRESH EXPRESS

It is the company's philosophy that natural food products such as flaxseed oil must be manufactured and delivered to market as fresh as possible, said Andreas Koch, Barlean's marketing director. With this in mind, Barlean's offers Fresh ExPress. It's the way the company presses and ships oils to market: **MAD = Made-to-order, Air delivered and Dated for freshness.**

The product is fresh pressed and packaged the very day retailers place their Barlean's orders. The product is

then two-day shipped via UPS Air by which it arrives to local stores just days after pressing. Since there are no minimum orders, retailers order more frequently, ensuring that Barlean's is the freshest flax oil on their shelves.

As part of its commitment to offering the freshest products, Barlean's products are stamped with a six-month freshness date compared to other products that are stamped with as much as a one-year shelf life. "At Barlean's we call this 'The Dating Game,'" said Koch.

"Make no mistake, our competitors' products are no more shelf-stable than ours, it's just that Barlean's has made the commitment to providing the freshest products on the store shelf. The use of third-party distributors by our competitors impedes rapid delivery and minimal expiration dating.

"Think about it, would you consider eating a year-old apple, banana, egg or dairy product?" he asked. "Could we date our oil products for year expiration dates? Sure. Will we? No. When it comes to health, fresh is best."