

Annie's profits from organic goodness

For John Foraker, image is everything. He has helped Annie's Homegrown cultivate an appealing, healthy brand with consumers—and they've responded by buying his products with increasing fervor.

Annie Withey co-founded the firm in 1989 when she developed its flagship mac-and-cheese recipe. Foraker has served as Annie's CEO since 1999, when it generated about \$6 million in sales.

Since 2008, Foraker has led Annie's to grow sales by about 17% a year with annual sales now approaching \$240 million. He credits the emergence of organic food as a "mainstream idea."

But Foraker also understands the importance of branding. He wants consumers to associate Annie's with healthy living—and the company uses multiple channels to educate the public about the natural goodness of its products.

Annie's produces videos portraying family farmers who supply its ingredients. It also chooses funky names and colorful packaging ("Organic Peace Pasta & Parmesan") to differentiate it from competitors.

Ironically, Annie's mac-and-cheese contains roughly the same amounts of calories, saturated fat, sodium and cholesterol as Kraft's more popular offering. But because Foraker has carefully crafted Annie's reputation as a natural, organic brand, he can demand much higher prices for his product line.

When the company moved its headquarters from California's Napa Valley to Berkeley in 2011, Foraker sought to recruit the same type of people who might otherwise work for Bay Area tech firms. He figured that he could draw from a well-educated pool of Silicon Valley techies who value organic food.

"We really do compete for the same kind of people" as Apple, Foraker says.

— Adapted from "[Leveraging Wholesome Mac-and-Cheese Into Prosperity](#)," Dale Buss.

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