

Would you pay more for a sustainable product that tastes great?

Sustainability is the buzzword these days: Vancouver Island Salt Co. and Southbrook Winery in Niagara on the Lake are discovering that you can command a good price for a sustainable product that is high quality



It started out as a gauntlet thrown down by a brash young chef living in British Columbia's Cowichan Valley. Although sea salt is traditionally produced in warmer climes, Andrew Shepherd bet a friend that the pristine waterways of the province could be leveraged to do the same.

"He said there wouldn't be any salt in the pot and I said there'd be enough to do something with," recalls Mr. Shepherd who stayed up all night boiling sea water over a fire. By morning, five pounds of salt made him a winner, but more important, set him on a path of entrepreneurship.

In the five years since that wager, Mr. Shepherd's Vancouver Island Salt Co. has established itself as an artisan sea salt producer to be reckoned with. With strong sales in Ontario and B.C., its chief executive is now looking to the global market, believing Canada deserves an international spotlight. "Canada has remarkably clean water, rich in minerals," said Mr. Shepherd, whose salt is unrefined ensuring minerals remain intact.

Committed to environmentally sustainable production, Mr. Shepherd bought a diesel fire boiler for the dehydration process and converted it to run 100% on recycled vegetable oil. “We’re not going to destroy the earth to make sea salt,” he said of the investment that keeps the company at carbon neutral and has other payoffs.

That environmental approach helped Vancouver Island Salt Co. recently win \$100,000 in the Challenge, a national contest for small businesses sponsored by Telus. “We believe that it’s important for businesses to do good in their communities and this philosophy includes sustainable business practices,” said Suzanne Trusdale, vice-president of Telus Small Business Solutions. “Andrew’s decision to invest heavily in changing the production process to use biofuel demonstrates the lengths he will go to produce a product that customers can feel good about.”

Sustainability is the buzzword these days, with companies seemingly cropping up everywhere touting products with environmental and social benefits. But values shouldn’t be the only driver behind their approach. “Sustainability is not a sacrifice,” says speaker and author Bob Willard whose latest book is titled, *The New Sustainability Advantage*. Sustainable products can offer very real financial rewards. In a 2014 Nielsen report, *Doing Well by Doing Good*, 55% of respondents said they would pay extra for products and services from companies committed to positive social and environmental impact, an increase from 50% in 2012 and 45% in 2011.

That’s good news for Mr. Shepherd whose product necessitates a costly process and premium price tag. Although primarily found on shelves of high-end shops, he is noticing an evolving consumer base. University students, for example, are more focused on eating well and supporting local food. “We’re growing an average of 20% a year,” said Mr. Shepard, noting the company recently became profitable.

He hopes to double his business in the next 18 months with the help of the grant, and take a bigger bite of the gourmet artisan sea salt market, expected to reach \$1.3-billion by 2019. Having already received praise in Europe, Mr. Shepherd is eyeing Japan, with sustainability an important differentiator.



That may be the case today but it will become the new normal, Mr. Willard predicts. “Soon there won’t be products that aren’t sustainable. Out of necessity, we’re going to have to collectively clean up our act as a human race because it’s not working, especially on climate change.”

That suits Bill Redelmeier, owner of award-winning Southbrook Vineyards in Niagara-on-the-Lake, which produces organic and biodynamic wines. Mr. Redelmeier is a self-described farmer with a passion for all things local. When he and his wife purchased the vineyard in Ontario’s wine region, sustainable viticulture was central to their vision. By 2008, they launched the first wine estate in Canada to earn both organic and biodynamic certification and to receive the Gold level of LEED.

The green venture was a bold move for the entrepreneur. “I was told for years that you can’t grow organic wine in Ontario,” Mr. Redelmeier said. “But you can — and it’s better wine.” To wit: in 2012 two out of 519 wineries in Canada were certified biodynamic (one being Southbrook) and both won winery of the year in Canadian competitions.

Demand is on the rise too. While in 2007, the total production in Ontario of organic wine was 2,000 cases, last year it was closer to 40,000, Mr. Redelmeier said. “And our sales are 2.5 times what they were three years ago.”

Interest outside of Canada also received a boost, with Britain’s Marks & Spencer putting in their first order last year for a thousand cases. To justify the costs of meeting the request, Mr. Redelmeier asked for more than double of what was offered. Without hesitation, the company agreed. “That felt good,” he affirms. Since launching there in July, sales have been good, even with Southbrook’s price tag of £15 a bottle (Australian wines sell for about £5, while New Zealand wines run about £6).

For the past two years, Mr. Redelmeier has also been busy selling Bioflavia, a by-product of red wine that turns organic grape skins into a powder boasting a high concentration of health benefits. “It’s another advantage of being organic,” he says of the innovative product which is selling in 300 health food stores and most Loblaws in Canada, as well as in stores in the U.S., Britain and Singapore and soon in India.

“It’s the only way to do business,” Mr. Redelmeier said. An increasing number of entrepreneurs would agree, Mr. Willard said in a phone call from Vermont where he’s attending a conference for B Corps, businesses certified as having met rigorous standards of social and environmental performance. With over 1,000 B Corps across 33 countries today and 105 in Canada, the movement is a good barometer for the rising interest in sustainability.

Just ask Adam Pesce of Reunion Island Coffee, an Oakville, Ont.-based B Corp whose sustainable efforts include investing in renewable energy, planting 300,000 trees and supporting literacy and HIV programs in farming communities around the world. Up to 65% of the coffee purchased by Reunion Island is either certified as Fair Trade, Rainforest Alliance, organic or a combination of all three.

Sustainability is a holistic approach, impacting the entire supply chain, Mr. Pesce said, explaining it’s not enough for a company to buy Fair Trade coffee without upholding fair labour practices. It’s why Reunion Island became a certified B Corp last year. “It shows we’re walking the walk.” As consumers become more educated and suspicious of claims — the same Nielsen survey found 52% of respondents check labels before buying — certifications also build trust and offer a competitive advantage. “It’s about saying, ‘here’s our proof, what can they show you?’” Mr. Pesce said.

No better proof, perhaps, than success. The company witnessed double-digit growth in the past three years, is in every major market in North America and achieved global traction too. “We’re the sustainable high-end option for our distributors,” Mr. Pesce said. And recently Reunion won Roast Magazine’s coveted Roaster of the Year. “We wouldn’t have gotten a sniff without those sustainability projects,” Mr. Pesce said. They’re such a huge part of who we are.”

Of course, sustainability won’t sell itself. “It opens doors but doesn’t close deals,” he added. If quality is lacking, you won’t get very far. “You can’t expect the world to embrace you with open arms just because you have a sustainable product,” Mr. Willard echoed. To achieve success, he added these tips: make sure your claims are credible, don’t price yourself out of the market and be smart about innovation.

Mr. Shepherd may want to add another: When you produce an unexpected product using technology no one thought possible, be ready to work extra hard to get to the global stage. This foodie is betting on success yet again — only this time the stakes are just a bit higher.



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