

How one Ontario tobacco farmer's shift to kale sprouted a booming business

Mary Teresa Bitti | July 10, 2015



Chris Oliver Adrian Quinn and his wife converted 10 acres of former tobacco fields into kale production in 2009.

What happens to farmers when consumer tastes shift? Like any other entrepreneur, they change business models, says Jim Todd, a transition crop specialist with the Ontario Ministry of Agriculture, Food and Rural Affairs.

“Farmers are no different than any other entrepreneur. They are well aware of what will sell and where and they are ready to change their business model to make the most of new markets.”

That’s exactly what happened in Ontario’s Northumberland County where crops such as ginseng, lavender, hops (to accommodate the growing craft brewery industry) alongside potatoes and sweet potatoes are filling the void left by diminishing tobacco crops.



Matt Quinn Kale harvest at Brandneu Foods Kale farm, in Castleton, Ontario.

Husband and wife entrepreneurs Draupadi and Adrian Quinn are adding kale to the list of nutrient-filled crops taking over the area. Armed with Adrian’s background in marketing and Draupadi’s health conscious recipe for kale chips, the couple converted 10 acres of former tobacco fields into kale production in 2009.

In November 2014, their farm, Kayley’s Acres, which grows organic kale and produces kale chips onsite, earned a Premier’s Award for Agri-Food Innovation Excellence. Since then, they’ve launched their second brand of kale chips — Kaley’s Kale Chips — targeting the mainstream consumer market.

They've also moved into a bigger facility and installed the largest kale dryer in the world, allowing them to speed up production to meet growing demand both here in Canada, where the chips are available in 1,000 stores across the country, and more recently, the United States.

"Buyers are calling us looking for our product information. We have an on trend product. It's our fifth year making kale chips, but initially our market was health food stores. We've grown organically based on consumer demand and we're building on that by launching a mainstream brand," Adrian Quinn said.



Chris Oliver Brandneu Foods Canada's Kaley's Kale Chips.

Attaining and sustaining a customer base is one of the hardest things in business. The companies that survive and flourish are the ones who recognize who their core customers are and evolve to serve them, said Brad Cherniak, partner with Toronto-based business advisory firm Sapient Capital Partners.

"It sounds obvious but it's often ignored. It's even more critical today because of technological change, which can vaporize business models across industries. That's one big wave and no one knows where it will end or how customers will be identified and served. At the same time, the crushing slow growth environment has made existing pools of customers smaller, harder to retain and grow. This combination has required many companies to change their business models."

The Quinns have found their customer base and are embarking on their next stage of growth to serve them. They have the largest organic kale farm in Ontario and possibly Canada. Their company, Brandneu Foods Canada Inc., is vertically integrated and expanding into a 20,000 sq. ft. facility employing 19 people in skilled jobs a number that is on track to triple in the next 18 months. The entrepreneurs are hearing from potential investors and they are looking at a public listing later this year to raise funds to start exporting to the U.S.

“We’ve gone from a small organic farm to on-farm processing to a mid-sized Ontario-based processor that has the opportunity to expand rapidly and create value for the community and province,” Quinn said.

“Consumers are looking for healthy options as are buyers and we’re providing that option.”

Reasons to change your business model

Brad Cherniak of Toronto-based Sapien Capital Partners breaks down why it may be time to change your business model:

To pursue continued growth

The economic slowdown and technological change forced IBM to switch from selling hardware to offering cloud-based services to meet the needs of the current market and remain a growth company. LinkedIn realized that business networking wasn’t going to be enough to grow and moved into the recruiting space.

To improve competitiveness

This comes down to deciding which parts of the business are most likely to thrive and which should be shut down. These decisions aren’t happening because of poor performance necessarily, but rather a scarcity of resources. For example, Bioniche had an animal health unit and a pharmaceuticals business and realized it couldn’t afford to be both, so it sold animal health and focused on the pharmaceutical side of the business.

To deal with a scarcity of customers

Zinga was an online gaming company that burst out of the gate, went public but soon realized there weren’t enough paying customers to be a real business. It added online gambling to supplement the original business model.



Chris Oliver Brandneu Foods Canada Inc.'s kale production area of their plant in Cobourg, ON. The Quinns are looking to expand their kale-focused business to the U.S., Britain, Europe and Dubai.

The Quinns have been test marketing in the U.S., Britain, Europe and Dubai. “We are working towards sending out container loads of our kale chips from Cobourg, Ont., worldwide,” Quinn said. “In the next 18 months we will have five times the capacity we have in place now.”

To that end Kayley’s Acres launched the 1,000 acres of Kale project, which will provide several million kilograms of kale to support the exporting model and translate into \$100 million retail value of kale chips.

“It’s a substantial opportunity in a very recessed area of tobacco farms,” Quinn said. “We are collaborating with other tobacco farmers who will share in those earnings. Everything is lining up well for growth.”