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News



Jon (left) and Dan Levy have enjoyed rising success with their Buffalo Peanut, which is covered in brown sugar and cayenne pepper.

Buffalo Peanut goes nuts for Warren company

By Brent Snavelly

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Dan and Jon Levy are launching more new products and services lately than they have in their small company's 19-year history.

The brothers got their start roasting cinnamon almonds in 1988 while in college. They were immediately hooked on the smell and taste of the snack and thought the product would become a mainstream, everyday snack.

It didn't.

For years their Warren-based **Fresh Roasted Almond Co.** did fine, but wasn't growing.

Then in 2005, the brothers cooked up a peanut with cayenne pepper and sugar, called it a Buffalo Peanut, and had a winner.

Now sold in more than 1,000 grocery and convenience stores, the Buffalo Peanut has become their company's No. 1 product.

The Buffalo Peanut was born when a customer asked the brothers to copy a similar product originally produced as a spicy cashew.

"Jonny mixed it up and we both tasted it and looked at each other and said, 'peanut,' " Dan Levy said. "We met with the customer and we just said, 'We've got a better idea.' "

The product works, the brothers said, because it captures two big demographics — peanut lovers and those who like spicy food.

“Everybody pretty much knows what buffalo sauce is,” Jon Levy said. “People who like heat will try it.”

This year, Fresh Roasted Almond Co. is expecting sales to exceed \$3.8 million, up from \$2 million last year. In 2006, the Buffalo Peanut accounted for about 40 percent of company sales.

The Buffalo Peanut also is part of a wave of new nut products in the U.S. market, according to Chicago-based industry research firm **Mintel International Corp. Ltd.**

Mintel's study found more new launches of nuts and nut-related products in 2006 than at any time in the past six years. And according to Mintel, nuts and dried fruit products are part of a \$4.5 billion industry that has grown 50 percent from \$3 billion in 2001.

Nick Nicolay, president of **Kar Nut Products Co.** in Madison Heights, said the Atkins diet and the popularity of other low-carb diets helped boost sales of his company's nut products for several years, but said that craze has thinned out in recent years.

Kar Nut expects annual sales to hit \$45 million this year, up from \$43 million last year, he said.

Nicolay said that while Fresh Roasted Almond sometimes sells its products in the same store areas as Kar Nut, Fresh Almond primarily makes different versions of coated and flavored nuts while Kar Nut simply sells nuts.

“They are not a direct competitor on cinnamon-coated almonds and candy coatings in general. That's not something that we do. But as we both branch out, we might bump into each other more often,” Nicolay said.

Avi Brandvain, director of nuts and confections at **Lipari Foods Inc.** in Warren, said the Levy brothers always seem willing to adapt to meet requests from the retail stores Lipari serves.

“Most manufacturers are so rigid in their ways ... but here it's really nice because of the tailoring and customizing,” Brandvain said.

Lipari is a distributor of deli, bakery and packaged goods to grocery retailers.

“They are only one mile from our warehouse and if we are out of a product they will rush it here immediately,” Brandvain said.

In addition to its coated-nut business, the company also started a wholesale packaging division in December 2005, became a certified manufacturer of organic granola and muesli in May, and recently landed a wholesale bulk nut distribution contract with a major Midwest grocery retailer.

The bulk distribution contract is part of a pilot program being tested at one store, but is expected to be expanded to two additional stores next month and could eventually include as many as 50 stores, Dan Levy said.

Terms of the agreement bar the company from disclosing the name of the retailer.

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A nutty review

Taquitos.net, a Boston-based Web site that reviews snack foods, had this to say about

Buffalo Peanuts:

"These seasoned peanuts looked kind of like mini-chicken nuggets, with a rough, irregular texture covering almost the entire peanut, with the same orange color as Buffalo wings. Upon first biting in, there was mostly the sugary taste of honey-roasted peanuts, but a hotter Buffalo sauce taste followed ... But most of those people actually liked the taste once they took the plunge and tried them."