

Gluten-free competition grows

Wheat allergy sufferer's food company on track to \$1M in annual sales

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Most people's big problem with a gluten-free diet is that they want the chewy baked goods everyone else is having.

From that fact, Yvonne Gifford and her daughter Jessica Hale have fashioned a fast-growing food company that generated a half-million dollars in sales last year, and is on track to double that in 2008.

Glutenfreeda Foods Inc. does just one thing: make gluten-free foods that it claims taste as good as anything else on supermarket shelves.

Gluten is a protein found in wheat and several other grains. It gives bagels and pizzas their chewy texture but can spark allergic reactions and an autoimmune disorder called celiac.

The Northwest already is a center of companies making gluten-free products, including Ener-G Foods Inc., Mona's Gluten Free, Arico Foods and Bob's Red Mill. U.S. sales of gluten-free products hit \$1.7 billion in 2007, up 20 percent from the year before, according to the National Foundation for Celiac Awareness.

Glutenfreeda's frozen cookie doughs, in traditional flavors including chocolate chip and peanut butter, came directly out of Gifford's own disappointment in the quality of the baked goods available to her, when she was diagnosed as gluten-intolerant in 1999. To her, most other companies' attempts to

make products without gluten tasted flat.

"Our goal was to develop food products that people could just buy, that were convenient, that people could just heat up, but tasted actually authentic," said Gifford, the CEO.

In a post-internet twist, Gifford and her daughter made money on their website before they ever started offering products anyone could eat. They started offering gluten-free recipes through their online cooking magazine called Glutenfreeda. In 2006, they opened a factory in the Skagit County town of Burlington, in a former vegetable-freezing facility, to make and package their cookies.

This month, their cookies are rolling into East Coast mainstream stores, after successfully selling nationwide through Whole Foods, Gifford said. The cookies also are carried by Fred Meyer and

other regional food chains.

This fall, Gifford plans to roll out two new product lines at the Natural Products Expo East food show: a hot cereal and a prepared lunch product about which she would say little, citing competition.

She's also seeking another \$5 million to \$10 million from angel investors for further expansion.

"Even though we are in a niche market, we're still competing with everyone," she said. "I'm fighting for shelf space with General Mills, basically."



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