



Newman's Own Organic Growth Feature Interview with Nell Newman

by: *Russell Wasendorf, Sr.*

Protecting and preserving our environment can be delicious. Paul Newman's daughter, Nell, talks about sustainable agriculture and profitable companies.

You can find Paul Newman's line of tasty food items such as spaghetti sauce, salad dressing and pretzels under the label "Newman's Own," in nearly every big grocery store these days, and most people are aware that part of the proceeds are donated to charity — at least \$200 million so far has been given to various progressive causes. But did you know that Paul Newman and Joanne Woodward's daughter, Nell, has her own line of products, all of which are organic? Nell Newman founded the company in 1993 as a division of Newman's Own, and it became a separate company in 2001. (That's her pictured on the label, next to "Pa" Newman.) She is responsible for product development and marketing.

The ingredients of Newman's Own Organics products—which include cookies, chocolate bars, pretzels, balsamic vinegar, dried fruit and coffee—have been grown on farms that have not used artificial fertilizers or pesticides for three years or more.

The company's website defines organic agriculture as "a holistic system with the primary goal of optimizing the health and productivity of interdependent communities of soil life, plants, animals and people." Organic agriculture is designed to restore and maintain ecological harmony on the farm and ultimately the planet. It seeks to reduce or eliminate farming practices that harm soil life or deplete nonrenewable resources or that endanger water and air quality. It uses practices designed to keep the soil healthy, including a combination of crop rotation, rotational grazing of livestock, intercropping, recycling of plant wastes and tillage. It attempts to maintain biological diversity of crops and provide proper health care for farm animals, and to look at the long term social and economic impact of new farming technologies.

Nell Newman has been an advocate for the environment from a young age. She helped tend the family garden as a child and she later worked at the Ventana Wilderness Sanctuary to reestablish the bald eagle in central California. After two and a half years there, she left to begin fundraising for the Santa Cruz Predatory Bird Research Group. She has been dedicated to sustainable agriculture for many years now.

RW: In addition to publishing SFO Magazine, I am the founder and CEO of a much larger

group of companies called Peregrine Financial Group, Inc. I named the company Peregrine because there is an expression in our business that you are 'either predator or prey.' And I thought if you are going to be an investor, you are far better off to be predator than prey. You and I share a passion for these beautiful falcons. You were a falconer when you were young – are you still today?

NN: I was when I was very young. Somebody gave me a Kestrel when I was eight. I was fascinated by birds of prey when I was little. I met a very famous falconer, Morley Nelson, in Boise, Idaho when I was thirteen and I did a little documentary with him. John Denver did the music, called "Eagle and the Hawk." When I moved out here to California, I became a falconer again, because I worked at the University of Santa Cruz. I was at the Predatory Bird Research Group, which was doing a captive breeding project with Peregrine falcons in the state of California. But it's very time-consuming. I told my business partner that during the fall and winter I can't go anywhere because it's falconry season. You are flying your bird and they're like little athletes and you can't take a week. You have to do it every day.

RW: I know Morley Nelson—I'm on the board of the Peregrine Fund.

NN: Oh, you're kidding! I sat on the board of the Peregrine Fund when I was in college. I was the first woman they had on the board, I think.

RW: There are a number of women on the board right now.

NN: It was funny. I was so out of my league. There I was with all of the big oil companies' top execs, and I was there with Henry Paulson, who is now Secretary of the Treasury. I was 26 years old! I don't think I talked to him much. I had a wonderful time. It was a great learning experience.

RW: The most current thing the Fund is doing is that they've just discovered an extinct bird in Madagascar. They discovered a duck thought to have been extinct for years. And they found it with ducklings, so it's coming back.

NN: That's wonderful! I sit on one board at a time. I didn't sit on any board for ten years and then I joined The Roots of Change Fund, which is an organization here in California. It's a group of non-profits and foundations involved in the making the state of California sustainable. I just can't do more than one. I just don't have enough time. Having run an organization, there's nothing I hate more than a lame board member who doesn't pull their own weight! It's just terrible! I don't want to be that, having sat on both sides of it.

RW: As you went from falconer and student to organic food supplier...it wasn't just a leap, was it? More of a transition?

NN: The catalyst for me was being a budding ornithologist. Around the age of ten or eleven, I discovered that the Peregrine falcon was extinct east of the Mississippi River. One

of my favorite birds was extinct due to the hand of man. It was a very strange awakening at a young age. I knew what passenger pigeons were and I knew what the Carolina parakeet was and the Dodo bird, but this particular extinction was happening in my lifetime. And from what? Pesticides. How strange and innocuous sounding.

RW: And humans are feeling the effects of those pesticides.

NN: Absolutely.

RW: Would you describe your professional life as a food manufacturer with a conscience?

NN: How I really started was as a frustrated fundraiser for a small non-profit. I went from working at the Ventana Wilderness Sanctuary, which was trying to reestablish the bald eagle on the central coast, to fundraising for the Predatory Bird Research Group at the University of Santa Cruz. They were doing all the peregrine work in the state of California. Brian Walton had spent ten or fifteen years on a captive breeding project, releasing 890 birds, establishing 120 pairs. That reached the official Wildlife and Games goal, and 75 percent of our funding dried up! This was at the critical time when the population is being reestablished, yet you don't quite know what's going to happen over the long term.

I thought, this is ridiculous — the foundation said, “Well, you've reached your goal.” But the biologists said we were at a critical point. That's when I looked at what dad was doing [with Newman's Own products] and thought, why not do something like that only do it differently — use organic ingredients, support worthy organizations and see if it works!

RW: Our own family foundation, Peregrine Charities, helps fund research into childhood diseases that are under-funded. What I've discovered is that the Internal Revenue Service becomes a real adversary to what you are trying to accomplish. Have you had that same type of experience?

NN: My dad has! But then he was also on Nixon's hate list. That also didn't help. He was very proud of it. But immediately thereafter he got audited for about ten years. Dad's least favorite check is paying taxes on his charitable giving.

RW: It's counterintuitive that we would penalize people that are trying to do good, particularly if that organization is sponsored by a profitable organization; then both organizations are affected.

NN: We're different, because I'm not an actor with a separate income. That's why we pay a royalty to dad and he allows us to designate money to charity. It's like a legal pyramid; we are allowed to make recommendations. The lawyers get very nit-picky about that. I don't think we've ever been turned down on something we've recommended, but legally speaking, it drives dad crazy. He's never taken a salary. Yes, the money supports an office with people, but that's small potatoes compared to more than 200 million dollars that has been donated to charity.

RW: The more I read about your background, the more I was impressed with the general sense that you approach things logically. It's impossible for us in our current society to be totally organic. You can't walk into someone's house who is fixing a dinner and ask, "Is that organic?"

NN: You've got to be a flexitarian.

RW: So how did you convince your father to get involved in an organic food company?

NN: I had to cook something really good for him. His idea of organic was tainted by my mother's early health food efforts in the 1970s. She used to make these things called atomic muffins. They were just awful and you couldn't eat them unless you had tons of butter and jam. They were made with nutritional yeast and molasses, and there were nutmeg with yeast gravy that was just ghastly. And most likely none of it was even organic! But that is what my father thought of as health food.

I moved out here from Maine where I hadn't seen much fresh produce. I went to Chez Panisse in Berkeley. That's organic, but you certainly don't walk out of there saying, "That was the best health food meal I've ever had." You just think, that's an incredibly delicious meal. It's mainly because of the produce; everything is so fresh, so local. I wanted to show him that organic could be something tasty. The family chef was always doing the holiday dinners when I was home, so I flew home and made his usual Thanksgiving dinner, bringing with me what I couldn't find, like good salad greens from Connecticut. So when he was finished wiping his plate clean of turkey with stuffing, peas and salad, I asked him, "How did you like your organic Thanksgiving dinner?" And he realized that his perception was wrong. That's why our motto is, "Great tasting products that happen to be organic."

RW: You chose the pretzel to be your first product?

NN: We chose pretzels for a couple of reasons. One reason was that carbohydrates were booming back in the early '90s. Pretzels were easy to make and it was my dad's favorite snack when I was growing up, so I knew that it would be easy if I could just find someone to make a good pretzel. It had a lot of things going for it. It's funny that back then, carbs were in.

RW: And you were able to make the company profitable within that one year?

NN: Yes.

RW: I'm sitting here looking at quite a number of products that you have.

NN: And this is not all of them. We've got pretzels, chocolate, chocolate chip cookies, Fig Newmans, Newman-O's, Ginger-O's. We have a whole line of dried fruit that has just come out, alphabet cookies, pet food, mints, so it's a pretty broad base.

RW: What's the plan for the future?

NN: Can't tell you. Basically in the food industry it's a sort of eat or die, grow or die philosophy. You always have to keep trying to come up with new products. But it's a lot harder now. It used to be that you could look at an area and say, "Gee, that snack food segment really needs some help." The cookie area was another one. It's very hard to find a segment now that doesn't already have a great line of organic products in it. Breads, salad dressing, produce, pet food, mints, candies; it's very hard to find an area that hasn't already been transformed. But we are always working on it.

RW: You've created your own competition by drawing people's attention to this being a viable, popular product.

NN: I suppose. Even when we started, in 1993-94, organics had double digit growth for ten years. It's now headed for twenty years, and there are very few areas in groceries with double digit growth. It's certainly grown since we've been in it, but it's always had that kind of growth.

RW: Is it difficult to grow the company with the thought in mind that by using the money, the profits that you are making, you must decide between financing growth or using the money for charity?

NN: No, because if you don't have a successful company, you won't have money to give away.

RW: I don't think any country has a government that is willing to contribute to all the things that need to be funded.

NN: I don't know what the most recent numbers are with organics, but I know in '93, just one tenth of one percent of the USDA's budget went to organic research, and you are talking in the billions of dollars. I know it's gone up since then, but not much. It's the same thing with the charity's work. When people say, "Well, organic will never feed the world," my response is always, "Give me equal funding over equal time." But until that happens you can't tell what is possible.

RW: Tell me the relationship between what you call sustainable agriculture and organic farming?

NN: I see them as one and the same. I tend to equate sustainable with organic. I don't think conventional agriculture is sustainable in terms of soil quality and environmental effects. Are we going to use Methomyl [a pesticide] for another ten years because we can't get it together, because we can't figure out how to grow strawberries without it, even though Jim Cochran right up the coast has been doing it for some time? At the Rodale Institute they have done fifteen years of comparing organic versus conventional agriculture, looking at

yields, and they've discovered that organic has the same yields in many crops as conventional. And in times of drought it has higher yields, because the soil has more body and holds more moisture and more nutrients.

RW: I know from growing up in Iowa that we used to produce corn organically because we didn't have enough money for fertilizer, other than what came from our livestock.

NN: Due to government policies, we have a heck of a lot of corn and we over-produce single items. Farm subsidies are a vicious cycle. What do we do with all of that corn?

RW: We make ethanol out of it.

NN: Yeah, I'll be interested in seeing if that ends up being a solution or if it ends up costing more to produce than is worth it for the energy it puts out. That's one recent solution to the overproduction of corn, but I think corn syrup is another important issue. We put corn syrup in everything. Even dad puts it in his lemonade. We couldn't make Fig Newman's without it, because we couldn't get anything sweet enough. But I don't think the mono-cropping across the United States is a direction to be heading in.

RW: Well, again, the farmers are forced into that.

NN: No, that's what I mean. I just finished reading Michael Pollen's *The Omnivore's Dilemma* and it's really fascinating to see how things changed from the family farm, where you can only produce what your cattle could support on the farm, to the bigger farm, to "What are we going to do with all of this corn?" I think who is really making out on it is our friends at ADM.

RW: Ultimately the economy takes care of itself as long as you don't have federal government intervention. The traditional problem in the United States is intervention to sustain agricultural over-production. I think that is beginning to diminish. What it's really going to take is that more people like you who are supporting both organic farming by producing and promoting these products, and supporting charitable work with the profits from the company.

NN: I think it's twofold. I could be just making conventional products and making more money and donating more money, but to me I'm doubling my support of issues by doing things organically and using organic ingredients. I don't have to worry about supporting a non-profit that's attempting to clean up the environment, because I'm already doing that with the ingredients I use. So I do consider it to be doing good in two different ways. It's very gratifying.

RW: Who's doing what you are doing? Are there other companies that you admire?

NN: Patagonia. Yvon Chouinard's Patagonia

RW: Tell me about them.

NN: I have two books that I could have brought: The Omnivore's Dilemma and Yvon Chouinard's book Patagonia. He just wrote a book called Let My People Go Surfing. He started climbing and then he made climbing gear. He was a blacksmith from Canada. His family came to this country and he wanted to make enough money to go climbing. He ended up making a company out of it, and now he has a huge company that started Patagonia Outdoor Clothing.

About eight years ago, he decided that anything cotton was going to be organic. One of the first items of clothing he brought over from England was the rugby shirt; he made them popular in this country, because they were so well made. You could climb without wearing holes in it. He decided to use nothing but organic cotton and then realized how difficult that was going to be. It was a difficult transition and it cost the company a lot of money. But that's what they do now. Everything they make that's cotton is organic. He supports radical environmental groups because he says, "If there's no planet left, you won't have any people to save." He also donates most of his own money. He drives an old car and he wears Patagonia clothes.

And he just wrote a book called Let My People Go Surfing that I wrote a little blurb for on the back. It's about how you shouldn't work so hard that you are unable to enjoy life. He's a very interesting man and he's been incredibly philanthropic. I'm trying to think of who else is along those lines. There's a paper company called Newleaf. We use it. They are also really philanthropic. There are a lot of smaller companies. Patagonia started another program called, "One Percent for the Environment." Its companies that agree to donate one percent of their gross for the environment. There is a long list of companies that are a part of it.

But it's a hard thing to do. People will call my business partner Pete and say, "You know, I would really love to do what you are doing," and Pete would jokingly say, "Well, come back when you've found a celebrity that's going to do your PR." It's a difficult thing to do. Dad told me when I started that you don't have to give your profits away if you don't want to. You've got to make a living, you are not an actress, you don't have a separate stream of income, and that actually made me very angry because I thought, "That's not why I want to do it!" I was following in his footsteps. It's a hard thing to do and really the best way to do it is to be a successful company who takes really good care of your employees. Then when you've done that, you can afford to do something in your community and to support your community. You really have to be good at what you do first. Be profitable.

RW: That's the key, and I appreciate you making a comment on Patagonia. But, boy, that's going to be hard to sell on Wall Street, the concept that the Wall Street firms would support environmental groups. That's just not going to happen. Because that same environmental group might be the one standing down in the lobby protesting.

NN: Yvon Chouinard has done very well; the public loves him. He has huge support. I

don't think he cares what Wall Street thinks.

RW: I don't think you do either. But your approach is much more, as I said when I started, logical. You recognize what you want to accomplish, but at the same time you do it in a way that it gets solid acceptance.

NN: I don't want to make it sound like Chouinard is out there blowing his horn. The last thing in the world that you'll hear is that he's in the public eye. I remember when he switched to organic cotton, because he sat on the Peregrine Fund board back when I did. That's how I met him. Then he realized the damage that cotton did to the environment, what a toxic crop it is. It's the highest non-food use of pesticide; tonnage wise, it's mind-boggling. Mixed with a little dioxin to defoliate at the end of the process, and he said, my god, we've got to be able to do this a different way. He really believed that in his business model, once he knew about this, he couldn't with a clear conscience continue to use conventional cotton. So he did it. It's going to be more expensive, but you've got to look at the costs here. My clothes are going to be a little bit more expensive. I remember when they did organic cotton, they just listed in the back about what goes into organic cotton and why they converted it, so it's an educational piece. He educates the public that way. It's not loud and in your face. It's really based on education. I think with organics you have a more educated consumer now. The ones that aren't overwhelmed and confused about all the information out there are learning more and are concerned about what goes into their food and their clothes.

RW: Some have opposition to any form of change.

NN: It's a mindset. The things that are happening politically in terms of the environment are pretty scary. I'm amazed what bad gas mileage my Subaru gets. I'm amazed by what great gas mileage when I go over to England and go spend time with my in-laws in Wales. You can get these fast little 1.2 liter cars that get great gas mileage that we don't have over here. It's a different mindset because there, gas is expensive. You don't see a whole lot of giant, big trucks over there.

RW: We've destroyed a lot of that, too – trains for instance. There are a few of us who still love trains.

NN: You're talking to one of them! I grew up going back and forth on trains because my mother hated flying. When I moved out here, I read Cadillac Desert by Marc Reisner, which is a book on the history of the state of California and specifically how it pertains to water rights. It's a fascinating book. I didn't know that the reason the transportation is the way it is in Southern California is that the tire companies and the automobile companies bought up all the train tracks in the 1910-20s and pulled them up so they could put in cars. I grew up taking the train, Boston to Connecticut to New York and up and down the east coast, and I loved it.

RW: What's your greatest success?

NN: In terms of a product?

RW: No, in terms of anything you've done.

NN: I think the fact that we are successful has been our greatest success! I know my dad's first business partner was just hoping that we'd go off and start a farm. It surprised them that we have been so successful.

RW: Whom do you most admire?

NN: I really admire my dad with what he did with this company. His first year, when he did the salad dressing, he did it sort of on a whim and as a challenge. For a couple of reasons: first, because he had made salad dressing as gifts and for Christmas. People loved it and wanted more. Someone said, "You should manufacture that." When he first started asking about manufacturing it, the first thing he heard was that celebrity products fail. He took that as a challenge, and I think the manufacturer said the minimum run he could do was thirty thousand cases. So they did thirty thousand cases, and at the end of the year dad had eight hundred and seventy thousand dollars unexpectedly. And he said, "I was at the peak of my career and I didn't think this was ever going to work, so I decided to give it away." He didn't have to do that. He could have just kept it. He always bases it on luck. His real philosophy is, not to be crude, it's the luck of where the sperm meets the egg in what country. He said, "I could have been born in Yugoslavia or my eyes could have been brown. Then where would I have been?" It really just is this strange mix of luck. Would he have made it had his eyes been brown? To get out of Cleveland Heights and make it as far as he did — he thought he should return some of that.

Even the first couple of years, he didn't have anything on the label, and I was the one that talked him into it. I said, "Pop, you should let people know you give the money away." He said, "Nah, I don't want to do that." I said, "You might sell more and you can give more away." I think in the second or third year he decided to put something on there and it was the smallest print on the bottle, a tiny little label that said, "All profits to charity." I admire him number one for doing it and number two doing the way he did it to. Not for making a name for himself for it. He really just did it because he thought he should return something. He didn't want his name on anything. He didn't want his name on a building.

When he turned 75, he burned his tuxedo on the front lawn and he decided he wasn't going to receive any more awards. Unfortunately, his secretary started sending them all to me. Someone would call me and say we are giving you an award in New York next week. I say I can't do it or I'm not there. I'm too shy. I was actually really shy growing up. It was very difficult for me to go from someone who had avoided the press like the plague to do what I do now! It was a big transition.

RW: This might be a misquote, but you have said you're involved in self-promotion for the cause?

NN: Somebody made that up. That's not an exact quote.

RW: What would you have said?

NN: I wouldn't be doing it if it was for a profit company. I've said no to a couple of big boards. I said no to the Whole Foods board. I said that's great and I really appreciate it, but I'm only sitting on one board at a time and I'm already sitting on a board. It didn't appeal to me in any shape. A non-profit board is something completely different. Number one, I would have been completely out of my element. It would look good for them, but I didn't really see the benefit for me. Even though Newman's Own is a for-profit company I don't really perceive it the same way as your traditional for-profit company. My work has always been in the non-profit world. It is self-promotion to a certain extent, but it is with a cause. I certainly wouldn't be doing it otherwise. I'd be working for a non-profit somewhere, fund raising for the Peregrine Fund.

RW: If so much of your advertising message depends on the name, and using the name gets people to do something that's better for them and supports sustainable agriculture, aren't you almost required to put yourself out there?

NN: I managed to do a really good job without traveling very far. You guys came here, right? Although I do like Chicago a lot. I could spend my whole time public speaking and accepting awards! It definitely serves a purpose but you also have to have a life, is what it boils down to. I missed an opportunity to meet Prince Charles because my peach tree is ripe in July and I don't go anywhere. I have a White Babcock that puts off about 50 to a 100 beautiful White Babcock peaches and it's a very short season. I just sent him a thank you very much and I'm very sorry, I can't make it in July. By the time I go to England and back, they'll all be gone! There's nothing worse than coming home and seeing all of that rotted fruit. So one has to have a life apart from one's business.

RW: Do you still surf?

NN: I do! When I'm not working that much, I do. That balancing out the life and work thing.

RW: I'm absolutely delighted to have had the chance to speak with you on behalf of the readers of SFO. Thank you.