

= Odwalla =

Odwalla Inc . / o??dw??l? / is an American food product company that sells fruit juice , smoothies and food bars . It was founded in Santa Cruz , California , in 1980 and is headquartered in Half Moon Bay , California .

The company experienced strong growth after its incorporation in 1985 , expanding its distribution network from California to most of North America , and went public in 1993 . A period of decline occurred as a result of a fatal outbreak of E.coli @-@ H7 in 1996 that was caused by using bruised fruit that had been contaminated . Odwalla originally sold unpasteurized juices , claiming that the process of pasteurization altered the flavor of the juice . Following the E.coli outbreak , Odwalla adopted flash pasteurization and other sanitization procedures . Odwalla recalled its juices and experienced a ninety @-@ percent reduction in sales following the event . The company gradually recovered and the following year became profitable again .

In 2001 , Odwalla was acquired by The Coca @-@ Cola Company for US \$ 181 million and became a wholly owned subsidiary .

Odwalla 's range of products includes juices , smoothies , soy milk , bottled water , organic beverages , and several types of energy bars , known as " food bars " .

= = History = =

= = = Origin = = =

Odwalla was founded in Santa Cruz , California , in 1980 by Greg Steltenpohl , Gerry Percy , and Bonnie Bassett . Odwalla 's production facility is in Dinuba , California . The trio took the idea of selling fruit juices from a business guidebook , and they began by squeezing orange juice with a secondhand juicer in a shed in Steltenpohl 's backyard . They sold their product from the back of a Volkswagen van to local restaurants , employing slogans such as " soil to soul , people to planet and nourishing the body whole " .

The name for their start @-@ up , " Odwalla " , was taken from that of a character who guided " the people of the sun " out of the " gray haze " in the song @-@ poem " Illistrum " , a favorite of the founders , which was composed by Roscoe Mitchell and performed by the Art Ensemble of Chicago jazz group , of which Mitchell was a member . Steltenpohl , Percy , and Bassett related this to their products , which they believe " help humans break free from the dull mass of over @-@ processed foods so prevalent today " .

= = = Incorporation ? 1996 = = =

Odwalla was incorporated in September 1985 after five years of growth and expanded to sell products in San Francisco in 1988 . Hambrecht & Quist Inc . , a venture capital firm in San Francisco , was one of Odwalla 's main investors at the time , investing several million dollars in the company . By 1992 , the company employed 80 people at its company headquarters in Davenport , California , and sold around 20 different flavors of juice for between \$ 1 @.@ 50 and \$ 2 @.@ 00 a pint . Odwalla went public in December 1993 (NASDAQ : ODWA) ; the company had 35 delivery trucks , almost 200 employees , and made about \$ 13 million a year . Soon afterwards , Odwalla expanded into new markets when it bought two companies in the Pacific Northwest and Colorado .

Odwalla built a new production facility located in Dinuba , California , in 1994 in order to better meet production demands . The following year , the company moved its headquarters to Half Moon Bay , California .

Continual growth and outside investments during these years allowed the company to expand and grow : Odwalla 's revenue tripled from 1994 to 1995 , and in 1996 they made more than \$ 59 million in sales , their highest ever . This constant growth made Odwalla one of the largest fresh @-@ juice companies in America by 1996 , when the company was selling its products to stores in seven

states and parts of Canada . It was estimated that they would reach \$ 100 million in sales by 1999 . Much of this growth resulted from the perception that Odwalla 's products were healthier than regular juice because of unpasteurization .

= = = From 1996 = = =

On October 7 , 1996 , Odwalla made a batch of apple juice using blemished fruit , resulting in one death and 66 sickened customers . Odwalla made and marketed unpasteurized fruit juices for the health segment of the juice market . This batch was contaminated with E. coli .

Despite a net loss for most of 1997 , Odwalla worked to rehabilitate its brand name . In addition to advertising its new safety procedures , Odwalla released its line of food bars (its first solid food product line) and entered the \$ 900 million fruit bar market . Another new product was the Future Shake , a " liquid lunch " aimed at younger consumers . Because of these efforts , Odwalla was again profitable by the end of 1997 , reporting a profit of \$ 140 @,@ 000 for the third quarter .

Having recovered , the company worked to expand geographically into markets like Philadelphia and Washington , D.C. , and by the end of 1998 reported that revenue had surpassed pre @-@ crisis levels . Growth continued over subsequent years , in part through the \$ 29 million acquisition of Fresh Samantha , a large juice company based in Saco , Maine , in 2000 . This allowed Odwalla to expand into additional East Coast markets , but incurred high transportation costs as products had to be shipped across the United States from California . To address this problem the company announced plans to build a second production facility in Palm Beach County , Florida . However , facing difficulties in obtaining building permits and allocating sufficient funds , the project was first delayed and eventually cancelled . Odwalla produced and sold products under both its own and the Fresh Samantha brand names for a few years ; however , in 2003 , the company decided to stop selling juice under the Fresh Samantha name and to only sell Odwalla @-@ brand juice .

Odwalla was purchased by The Coca @-@ Cola Company in 2001 for \$ 15 @.@ 25 a share , a deal which totalled \$ 181 million and was unanimously approved by the Odwalla board of directors . Under the terms of the merger , Odwalla 's management stayed on as heads of the company , and it was " folded " into Coca @-@ Cola 's Minute Maid department . The acquisition was one of several similar mergers which were aimed at expanding Coca @-@ Cola 's product line to include non @-@ carbonated drinks . Odwalla benefited by obtaining up to a 124 @.@ 3 percent premium on shares of the company , as well as from the stability and strength that ownership by The Coca @-@ Cola Company offered . Odwalla also was able to expand into new markets because of Coca @-@ Cola 's well @-@ established distribution network .

Odwalla continued to grow following the acquisition . This growth resulted in part from new product releases , which included a line of PomaGrand pomegranate juice (released at the 2006 Sundance Film Festival) , two flavors of energy drinks , and three flavors of " Soy Smart " drinks , which contain soy protein , omega @-@ 3 fatty acids , and calcium .

Coca @-@ Cola promoted Odwalla products in 2006 when the company aimed at removing carbonated soda products in schools . Odwalla continued to have good growth in 2007 , when Coca @-@ Cola , squeezed by poor growth in its North American markets , issued a company @-@ wide hiring freeze ; Odwalla , because of its good performance , was one of the few exceptions to the rule .

= = Production = =

Odwalla uses what it characterizes as " fresh @-@ sourced " produce (fruits and vegetables that have recently been harvested) to make many of its products , as well as organic oats for food bars and certain tropical fruits in a frozen purée form , purchased from an outside source and blended with fruit juice . Because Odwalla uses fresh produce , some juices are seasonal . Fruit availability and price is also affected by adverse weather , disease , and natural disasters . Throughout the year , Odwalla juice colors and flavors change slightly because different types of fruit are used .

After the E. coli outbreak , Odwalla improved the safety of several of its production processes .

Before the fruit enters the factory , it is washed , sorted and sanitized . Once it has reached the plant , the apples , carrots , and citrus fruits are separated and washed again . The fruit is pressed to get the juice , which is then flash pasteurized and bottled . A sample undergoes quality testing , and , if it passes , the batch is shipped in refrigerated trucks to various distribution centers in the United States . Odwalla juice has a relatively short shelf life compared to other beverages and thus must be refrigerated . However , after the introduction of flash pasteurization in 1996 and a new plastic bottle in 2001 , the shelf life has been considerably extended . Generally , Odwalla products are sold in special Odwalla @-@ brand displays at grocery and convenience stores , instead of being intermixed with other products .

= = Products = =

= = = Drinks = = =

Odwalla Inc. produces many flavors of fruit and vegetable drinks , as well as dairy @-@ free soy milk (marketed under the " Soy Smart " name) , " PomaGrand " pomegranate juice , " Serious Energy " caffeinated fruit juice , bottled spring water , and Odwalla 's Superfood smoothie line of products (see green smoothie) , which are viewed as the core products of the company and are made of various fruit purées , wheat grass , and barley grass . These products accounted for roughly 95 percent of Odwalla 's revenue in 2001 . Odwalla juice is sold in individual 12 fl oz (formerly 450 millilitre or 15 @.@ 4 US fl oz) bottles made of plant @-@ based recyclable HDPE plastic , as well as larger 64 US fluid ounce (1 @.@ 9 litre) containers . Odwalla 's juice , because of production costs , is " typically sold at prices higher than most other juice products " , and the price of the juice can vary over time because of weather or disease affecting the supply of fruit and vegetables .

Throughout its history , Odwalla has produced and subsequently withdrawn various juice flavors due to their lower popularity , including the Odwalla Superfood Amazing Purple , Soy Vanilla , and Pomegranate Mango drinks .

= = = Food bars = = =

In September 1998 , Odwalla began to sell energy bars made with fruit and grains , named food bars , as an alternative to its drinks in an attempt to raise revenue following the 1996 E. coli outbreak . The first three flavors released were Cranberry Citrus , Organic Carrot & Raisin , and Peach Crunch , all three of which are now discontinued . Within eight weeks of their release , the Odwalla Bar was one of the top @-@ selling energy bar brands in the market . The bars come in a variety of flavors , and weigh 2 ounces (56 grams) per bar . As of 2001 , before Odwalla was acquired by Coca @-@ Cola , food bars accounted for less than five percent of Odwalla 's revenue .