

Herbal remedies spur firm's growth



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Ferndale's Botanical Laboratories acquires the well-known Zand product line

Botanical Laboratories Inc. of Ferndale has expanded into the market for herbal remedies by acquiring the widely distributed Zand line of products for an undisclosed price.

The deal should help Botanical Laboratories lift its revenues by 60 percent to about \$20 million this year, said president and CEO Jim Coyne.

Privately owned Botanical purchased the assets of McZand Corp., a Boulder, Colo., manufacturer of herbal products and supplements. Botanical has specialized in homeopathic remedies, while McZand's strength is herbs and combinations of herbs.

Botanical will continue manufacture Zand products under that well-known brand name.

"Homeopathy is narrow, but nutritional and herbal embraces a broader consumer group," said Coyne. "We will be able to embrace a broader band of consumers."

Zand and Botanical are both among the top brands in the United States, said Barbara Lalibertie, category manager for supplements for United Natural Foods in Dayville, Conn., a distributor of hundreds of brands of natural supplements. Together they will be "a great fit," she said. "You have two very good companies with good people."

Riding the surge of interest in healthier lifestyles, Botanical has been growing rapidly in recent years. When it relocated in 1988 from California to Ferndale, outside Bellingham, it took a 13,000-square-foot facility. It now occupies 60,000 square feet of rented manufacturing and administrative space, and Coyne said he's planning to build an additional 30,000 square feet.

Last year the company's revenues rose 16 percent to \$12 million, Coyne said.

Currently about 45 percent of the company's production is sold under its own brands, while the rest is private-label product prepared for other companies. But Coyne would like to increase the percentage of his own brands, another reason why he bought the Zand assets.

"The strategic move is to secure more branded business. That was the motivation for myself to invest in the market, and be able to find a brand like Zand," he said.

The newly enlarged company will be riding a booming market for natural supplements and herbs, Lalibertie said.

"The market is increasing every year, as more and more people become more educated about the possibilities of herbal medication," she said.