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Hummingbird Wholesale mixes sales with sustainability

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Charlie and Julie Tilt have the fortitude to build a small business into a multimillion-dollar, multistate operation.

The owners of Hummingbird Wholesale — an organic bulk foods distributor — have proved they understand business and marketing in the seven years since they bought the Eugene-based venture, formerly Honey Heaven.

But it's the moxie they've exhibited in pursuit of environmental ideals that they hold for their company that's winning them local, state and international recognition.

The couple pays eight Willamette Valley farmers to grow bean, grain and seed crops, so — if the weather is good and the harvest succeeds — Hummingbird has local staples to sell to their customers.

Julie Tilt put her company on the line to save an 860-acre valley grass seed farm by testifying in a bankruptcy proceeding that Hummingbird Wholesale would buy a crop of beans and grains the farmer planned to grow as a Hail Mary pass.

“We’re taking the risk with the farmer,” she said. “It’s not just on them.”

She’s earned the gratitude of third-generation grass seed farmer Clint Lindsey of A2R Farm outside Corvallis, which now grows yellow eye beans, garbanzo beans, pinto beans, sunflowers and flax.

“She bent over backwards helping us,” he said. “I can’t thank her enough for doing that. She barely knew who we were, but she believed in what we were trying to do.”

In the past year, Hummingbird Wholesale has been featured in such divergent publications as the West Coast agricultural newspaper Capital Press and the environmentalist publication High Country News.

In June, the company placed 11th of the state’s top 100 “best green companies to work for” ranked by Oregon Business magazine.

In July, it was the recipient of Mayor Kitty Piercy's Bold Steps Sustainability Award for the company's attention to the triple bottom line — people, planet and profit.

Outgrowing second location

Charlie and Julie Tilt say they are an unlikely pair of entrepreneurs.

When they decided to buy the business, she was a homemaker and he was a fine-furniture maker who had worked alone, for himself, most of his life.

The Tilts wanted to make a living; growth was not a goal, they said.

But from the start at Hummingbird, the orders, the traffic, the business pushed them to be ever larger.

Charlie, for example, gulped when he had to order his first \$16,000 pallet of almonds.

“The scale of the numbers was a boggle. I was used to thinking in tens of dollars, not thousands of dollars. ... We're constantly evolving past our abilities and trying to learn enough to keep from getting in trouble.”

The scale of food distribution business is naturally big, said Alan Turanski, operations manager at GloryBee Foods, a much larger Eugene-based distributor and a competitor of Hummingbird Wholesale. Food safety regulations push the growth, he said.

“You've kind of got to grow to deal with those regulations — grow in your staffing, grow in your resources and grow in your quality assurance,” Turanski said. “There's a pressure to make all that work and upping the level of performance.”

Hummingbird Wholesale averages 20 percent growth a year. It has outgrown two locations and will move this fall into a third.

Annual sales are more than \$3 million, the Tilts said.

Hummingbird distributes food to retailers in Ashland, Portland and Eugene every week and to Seattle and San Francisco every other week.

Occasionally, the demand for operating capital has outstripped Hummingbird's cash flow, Charlie said, and last year the Tilts borrowed \$100,000 against their house to keep the food moving.

Keeping work force small

The business employs 16 full-time workers and five part time and plans to hire at least two more as soon as possible.

“We already need them. We just don't have the room,” Julie said, in an interview in a tiny conference room over a cramped warehouse in the Whiteaker neighborhood.

So the Tilts are in negotiations to buy the 24,000-square-foot Down To Earth warehouse on Shelton-McMurphey Boulevard. Down To Earth is moving to a larger space. The Tilts hope to close in August, start renovations in November and move in early in 2011.

The couple are taking out a U.S. Small Business Administration loan to meet the \$1.4 million purchase price, and they plan to spend \$625,000 on renovations, including changes that will allow them to rent out half of the warehouse to another business.

The Tilts say they want the extra space so they can store more of the local farmers' beans, grains and seeds — and maybe set up some food processing.

Otherwise, they say they're wary of growth.

"We've talked about scale a lot. Getting big is kind of the American Dream version for business," Charlie said.

"Often in the natural food industry, a business gets successful, grows and gets sold to a larger corporation — a Nestle or a Heinz or a whatever," he said.

But the Tilts say they don't want to work 60 hours a week. They each strive to take one day off each week. "We basically want to prioritize our raising of children," Charlie said.

The Tilts also say they want to keep their work force small enough so that they can know each one of their employees. "We think about them and care about them," Julie said.

Employees say they appreciate that.

A link with the farmers

Jimmy Brougher, who calls himself "granola master," said the Tilts notice if he's feeling down, ask after his family and even offer child rearing or marital advice.

At workplace birthday parties, the workers go around the room and each say what they appreciate about the celebrating employee.

"It's still work, and there's still drudgery in doing the daily things you do every day," Brougher said, "but the spoonful of sugar that makes it all go down is that everyone seems to care about each other. And that's an atmosphere cultivated from the top down."

Employees reach out to business partners and customers as well. Hummingbird supports the Resurrected Refuse Action Team, a Eugene-based group that salvages business wastes.

But the most remarkable link is that forged between the Tilts and grass seed farmers.

For decades, farmers have been at odds with Eugene's environmental activists, who have sought to ban the grass-seed industry's field burning.

After years of lobbying by Eugene area groups, state lawmakers largely banned the controversial field-cleaning practice effective this summer. But that history hasn't come between the farmers and the Tilts.

"Julie is one of the friendliest people I met in this business or ever, really," farmer Clint Lindsey said. "Approaching her and talking to her, it never felt as if we were coming from two different worlds. We were like-minded right from the get-go."

Hummingbird puts effort into sustainable business practices.

They're so thorough that Chef Adam Bernstein at Adam's Sustainable Table in downtown Eugene — recently named the nation's No. 1 most sustainable full service restaurant — admitted on his blog that Hummingbird is greener still.

Hummingbird does all its Eugene deliveries by bicycle. Charlie Tilt designed an electric push cart to help the riders with heavier loads.

The company pays a premium for its electricity to support green power projects.

The company strives for zero waste. Two employees studied to become certified master recyclers. The company retrieves, washes and reuses plastic buckets, jugs and jars — keeping 15,000 pounds a year out of the landfill, Tilt said.

With all the reuse and recycling efforts, the company produces no more than one family-size can of garbage per month.

Local food, local buyers

The company's biggest potential impact may be in its efforts to remake the local food system by helping farmers to grow food instead of grass seed. That could reduce the miles that food travels from farm to table — now often measured in the thousands — and save the greenhouse gases produced in food transportation.

Twice, Hummingbird sponsored local crops that failed. But the Tilts continue to plow money into their ideal.

“What we decided was to take our financial success and use that as a capitalizing agent for work in other areas where the economics of doing it are much more questionable,” Charlie Tilt said.

The company has joined with a Junction City farmer and they plan to establish a grain mill on Awbrey Lane — which will allow more farmers to grow wheat, mill the wheat and sell the flour locally.

This year, Hummingbird hired James Henderson, an Oregon State University-trained farming expert. His job is to find local buyers for locally grown foods — and find farmers to raise the crops that local buyers want.

For example, he surveyed 40 bakeries to find out what kind of flour they use and whether they'd be interested in buying locally produced flour, even if it costs a little more.

Hummingbird already is supplying the Hideaway Bakery and the Bread Stop, both in Eugene.

Hiring Henderson was a risk, Tilt said. “We've hired this person for \$15 an hour without any idea of how we're going to compensate him for his work,” he said. “We don't know as yet how well it's going to work.”

Henderson helped establish contracts for thousands of pounds of beans, grains and seeds that Hummingbird Wholesale hopes to sell in the fall and winter.

“If they all come to fruition, and we sell them, then his salary is covered,” Julie Tilt said.

“We’re taking the risk with the farmer. It’s not just on them.”

— JULIE TILT, HUMMINGBIRD WHOLESALÉ

HUMMINGBIRD WHOLESALÉ

Owners: Julie and Charlie Tilt, a couple in their late 40s, and their daughters Ariel, 19, and Azara, 11

Products: Distributes organic foods, including grains, granola, honey and herbal products to locations in three states.

Employees: 16 full time, 5 part time

Annual sales: More than \$3 million

Website: www.hummingbirdwholesale.com

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