

Big Plans for the Big Silo



Thomas Lee

Wheat Montana isn't going anywhere, but, with some outside help, the Three Forks staple does hope to grow into a national brand

BY NICOLE ROSENLEAF RITTER

Let's get one thing straight. The rumors about Wheat Montana are true. They're also false.

Yes, the Folkvord family recently completed a deal to sell off some of their equity to strategic investors from outside of Montana and even outside of the United States. (The family now owns less than 50 percent and more than 25 percent, according to co-founder Dean Folkvord.) And yes, Dean Folkvord is no longer the president and CEO.

But that doesn't mean that much else has changed. Wheat still needs to be planted. Flour still needs to be ground. Bread still needs to be baked. Delis still need to make sandwiches and coffee.

And perhaps most importantly to the local business community, Three Forks still needs to be the center of the operation. Montana wheat and grains

are still, quite literally, the company's bread and butter.

THE RIGHT GROUP AT THE RIGHT TIME

In his flagship deli in Three Forks, Wheat Montana co-founder Dean Folkvord is in his element. He stops to shake hands and chat with some businessmen on their way to Missoula. He has shoulder-claps and pleasantries for the quartet of middle-aged farmer types eating pastries and drinking coffee. The employees at the counter joke easily with him, and only the ramrod-straight posture and intensity of his eyes, looking out from under his Wheat Montana baseball cap, betrays how seriously he takes his business.

Businesses, really. As he explains, Wheat Montana is not your ordinary enterprise.

"There's really five businesses in one," he says. "We've got production agriculture, flour milling, baking, delis, and specialty grains all under one company."

In part for that reason, it's taken a long time for the family-owned company to feel ready to let anyone in. Moreover, although Wheat Montana has generated interest among outside investors for some time — mostly "tire kickers," Folkvord says — most of them weren't willing or able to consider a business with so many different cores.

"They would always complain it was too complicated," he says.

That is, until about a year ago.

"Some people showed up here about a year ago who were very interested in it as a complete unit, and they really felt that having the farm connected to the company and the business was great," Folkvord relates. "And it's taken about seven months but we've developed a relationship with these equity investors who are familiar with the food business and have been very successful in the food business."

The end result has meant a somewhat altered role for Folkvord and his family in the company that they created — Folkvord is no longer the president and CEO, having ceded the company's leadership to a three-person executive management board of which he is a member — but he says he doesn't feel like it's made much difference in his daily life.

"We're all still going to work everyday, and my dad (Wheat Montana co-founder Dale Folkvord) is still doing the farming, and my mom's still working and my wife, Hope, is still working in the business office. And I'm still on the job," he confirms. "Nothing's really changed that much."

MAKING IT BIG

That assurance may be a shot in the arm for the Montana business community, which

for months has swirled with rumors of a Wheat Montana takeover. It's that part of the rumor that is wrong, Folkvord says.

"Our company had gotten fairly complicated, and we'd grown to the point that we were very comfortable and very satisfied, but yet we could see great potential for this company, for the five businesses," he explains. "In order to really operate it and manage it efficiently, we felt like it was necessary to expand and grow and continue to grow. So when we found the right partners and they were interested and excited about Wheat Montana, they formed an investment group to be partners with us and hopefully to take us to a different level."

The composition of the group is varied and international. Two of the investors are from Colorado. Two are from Canada. The other two are from Atlanta, Georgia; and South Africa. The investment group is brought together by experience and interest in Wheat Montana's mission.

"Not only do they bring equity to the company, they bring expertise," Folkvord says of the investment group. "They also bring the ability for us to plug into the financial resources that are necessary for us to become a large company."

Part of that expertise comes in the form of Matthias Pippig, a new member of the company's executive management team and an old hand in the baking industry. He commutes to Montana from California each week, bringing with him experience in taking regionally successful bakery products into the national mainstream.

Pippig, who has been a part of the business since last November, says that the company appealed to him because of its potential.

"Wheat Montana is one of those businesses that is absolutely unique in how well it functions as a family business and in what a great work atmosphere it is," Pippig said in a phone interview from his home in Los Angeles. "The thing that to me is the most appealing aspect of the business is that it is absolutely authentic... It's such a great foundation to continue building on."

Building is just what he would like to do. "The outlook (for growing Wheat Montana) is very positive," Pippig says. "We've got a product that is unequalled in its quality and a brand that really stands for things consumers care about: sustainable agriculture, chemical-free grain, and we're making inroads toward making all of our products 100 percent natural."

SHARING THE WEALTH

Good growth, as Folkvord describes it, means staying true to the company's roots while creating new opportunities not only for his own company but for other Montana businesses as

well.

"We're aggressively moving toward expanding our fresh bread distribution," he says by way of example. "We're taking fresh bread baked in Three Forks to Spokane every day, and we'll probably be working on opportunities to get fresh bread into some other western states."

Wheat Montana deli franchises are also on the expansion menu. "We hope to expand on the eight current delis that we have in Montana to places outside of Montana, because we think the Wheat Montana deli quick casual concept is well positioned to do some business in some larger markets," Folkvord says. To that end, the company is planning within "the next few months" to have delis operating in the Spokane area.

"That will be our first true test outside of Montana," he notes.

The whole-grain retail flour business is also one of the primary growth drivers. Wal-Mart is already Wheat Montana's largest retail flour customer, a relationship that is spurring growth of Wheat Montana's flours, Folkvord explains, by driving sales through improved distribution.

The growth of these three business sectors has been enough to mean that Wheat Montana's more than 13,000 acres of production land cannot meet the demand, which is where other Montana farmers will come in.

"We'd like to continue to grow the farm, but we also are looking for ways to associate ourselves with other farmers so that they can become actual Wheat Montana producers. In order to do that, they have to produce the grain in a chemical-free manner," he says.

"As we move forward and need more and more grain...we really want to build relationships with reliable and trustworthy farmers in Montana who are willing to produce for us. I think it can be a win-win situation for them and for us," Folkvord maintains.

It's emblematic of the Folkvords' continued commitment to Three Forks and to Montana.

"Our plans are to continue to anchor ourselves right here," Dean Folkvord stresses. "This farm is our mother ship. We have to source our ingredients here, and that really ties us to the geography of the state. If we get away from that, we're going to suffer."

In the end, he says, Wheat Montana needed to take this step to make progress: "While we may dream big, sometimes just dreaming doesn't get it done. You have to put people in place to get things done."