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Francisco Marquez, left, and Daniel Rodriguez package the Piccolo brand Sante Fe Pimento spread at Tellory Foods Inc. The Lafayette-based company's all-natural Piccolo brand products have a 30- to 60-day shelf life.

# Tellory's all-natural brand takes off

## *Piccolo's dips, spreads allows Lafayette firm to compete*

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LAFAYETTE – After launching a new brand of preservative-free pestos, dips, spreads and tapenades, Tellory Foods Inc. is growing its business by creating new flavors for its Piccolo Foods brand and selling it nationwide.

Lafayette-based Tellory Foods began offering the all-natural, artisanal Piccolo brand last December. The new brand, available in 20 varieties, includes spinach feta dip, green chile smoked Gouda spread and kalamata artichoke tapenade.

The company has been exclusively selling the Ciolo Foods line since 2006 to Whole Foods Market. Ciolo has differ-

ent flavors than Piccolo and comes in 30 varieties. One of the reasons for launching the Piccolo brand was to continue giving Whole Foods the exclusivity with Ciolo and having a brand to sell elsewhere.

Mallory Kates, and Curt Tellam, Tellory Foods' co-founders, worked on the Piccolo brand for six months before introducing the product. They developed the flavors and reci-

pes in house and continually are introducing new flavors.

"It takes a lot of research and development to get the taste right," Kates said. "Then we need to make sure the delicious product has a shelf life."

Piccolo's products have a shelf life of 30 to 60 days. Kates said their products are stored in the refrigerator, but best eaten at room temperature. Both Piccolo and Ciolo brands range in price from \$5.49 to \$6.99 for a 7-ounce biodegradable plastic container. Tellory Foods has a companywide recycling program where all cardboard containers, paper and cans are recycled.

Kates and Tellam face a number of challenges in the fresh-food business. In the manufacturing area in their Lafayette facility, the company has to be careful about the temperature, the way ingredients are washed and dried and extreme levels of sanitation in the plant.

"There is a steady high-quality supply of goods and learning and implementing all the best practices surrounding proper handling of fresh products without preservatives," Kates said. "Retailers want a long shelf life, but they don't want preservatives. A company like ours has to master a lot of food chemistry."

Nick Gulizia, store manager at Lucky's Market in Boulder, said his company started carrying the Piccolo brand in March. The most popular flavors are the

green chile smoked Gouda spread as well as the artichoke and basil pestos.

"They have been competing with the CIBO (CIBO Naturals) brand and Piccolo started to pull ahead," Gulizia said. "People are intrigued with a local company. They like the natural ingredients and the fact it's a freshly made product. I imagine it will gain in popularity."

When the company was founded in 2006, it was known as Chello Foods. A trademark issue prompted the name to change to Tellory Foods. When starting out with the Ciolo line, the co-founders looked at what wasn't available in dips and spreads on the market.

"A high-quality product that was preservative free and fresh didn't seem to exist," Kates said. "The decision makers at Whole Foods agreed."

There are now 13 full-time employees compared to four in 2006. They work in food preparation and packaging and have one office manager. Kates said she anticipates growing a lot, but won't need to hire more people. The current staff can handle the extra growth.

"Our growth is really all about Piccolo," she said. "And increasing our presence in other divisions of Whole Foods."

The staff produces 15,000 package units of both brands per week during a five-day production schedule. This is an increase over the 6,000 packages per week in March 2007. Kates said her

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## FINDING PICCOLO

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Piccolo is found in more than 40 King Soopers stores, Lucky's Market in Boulder and in some select Vitamin Cottage stores. The brand is sold to more than 250 stores nationwide. In New York City, Fairway, Zabar's, Westside Markets, Amish Markets and Zaytuna Market carry the product. It's also found in Kings Markets in New Jersey and Eldorado Supermarket in New Mexico.

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company showed a profit during the first six to eight months in business, but she declined to discuss any revenue figures. Tellory Foods has added 2,000 square feet to its Lafayette facility since opening in 2006.

At the end of last year, Kates said friends and family investors raised almost \$500,000. Kates and Tellam originally invested \$185,000 of their own funds for startup costs.

Aaron Kennedy, an adviser to Tellory Foods and founder of Broomfield-based Noodles & Company, said he thinks the wide range of flavors and offerings help the company beat the competition.

"No one offers the breadth of products in a broad line of high-quality dips, spreads and tapenades the way Tellory and Piccolo Foods have," he said. "Other manufacturers might do one thing, but not a broad offering of higher-quality natural ingredients. You begin to trust the brand because everything is good across the line."