



## Overview

LiDestri Foods Inc., formerly known as Cantisano Foods, was founded 30 years ago and today is a multimillion-dollar spaghetti-sauce and salsa business.

LiDestri is a critical part of Rochester's food and beverage industry — one of the leading clusters in this region's economy.

Located in Fairport, the company makes sauces and salsas under its proprietary brands, Francesco Rinaldi and Sante Fe Chili Co., as well as products under various private labels, including the Newman's Own brand.

Francesco Rinaldi products are distributed across 30 percent of the United States, mostly in the Northeast, Chicago area, and the West Coast. As for the company's private-label products, President and CEO Giovanni LiDestri says chances are good if you buy a private-label spaghetti sauce or salsa anywhere in the U.S., it's a LiDestri Foods product.

Projected revenues for 2004 total \$210 million. Approximately 20 percent of LiDestri's business falls under the company's proprietary labels; another 20 percent falls under its private-label brands; while the remaining 60 percent involves contract packing for other food companies.

The company currently employs 500 workers. Approximately 400 of them work at LiDestri's headquarters facility in Fairport, while 100 work at a new, \$12 million plant in Fresno, Calif. LiDestri recently consolidated operations from Selma, Calif., where it had been operating since 1992, to Fresno.

In the Rochester area, employees at the company's 350,000-square-foot Fairport facility work round the clock in three shifts. Two of the company's three assembly lines operate 24 hours a day, seven days a week. The recently installed, \$6 million third line operates 24 hours a day, five days a week.

LiDestri is broadening its products beyond spaghetti sauces and salsas. It recently expanded into cream-based sauces, such as alfredo and vodka sauces, as well as chili sauces and cheese dips.

It also plans to test-market a new line of Francesco Rinaldi-brand finishing sauces this summer.

## History

LiDestri Foods was founded in 1974 as a cheese-processing company in Spencerport.

Former owner Ralph Cantisano and his partners, including LiDestri, started the company after Cantisano in 1970 sold his Ragu Foods to Chesebrough Ponds, now a subsidiary of

Unilever. Ragu, which started as a door-to-door operation in 1937, had grown into one of the biggest brands in the category.

At the time of the acquisition, Chesebrough Ponds had no interest in the cheese side of the Ragu business, so Cantisano and his partners bought it and started their own company.

Cantisano Foods later switched from cheese to spaghetti sauces, returning to the business the company knew best. In the late 1970s, the company moved from Spencerport to a plant on Lyell Avenue in the city.



In 1980, current LiDestri COO Edward P. Salzano joined Cantisano Foods, bringing with him the Francesco Rinaldi name. It was the first of big break for the company. A second break came a couple of years later when the company landed the Newman's Own business.

Cantisano Foods eventually outgrew its Lyell Avenue location, and in the early 1990s moved to Fairport. At the time, the facility was too big, but company leaders took a chance that the business would grow into it.

The move "opened the flood gates," LiDestri recalls, as national companies began to come calling, wanting their products made in the company's ultra-modern facilities.

A few years later, in 1998, Cantisano retired, and the LiDestri family took on an ever-increasing role within the management of the company. Cantisano Foods was bought out by current CEO John LiDestri in September 2002, who changed the company's name to reflect its new ownership.

### **Situation Analysis**

LiDestri Foods today continues to increase revenues and employees at a steady rate. Revenues for 2004 are projected to be 3 to 5 percent higher than last year's, while the number of workers at its Fairport facility is up 2 to 3 percent, or 10 to 15 employees, over last year.



The company is expanding once again, and is scheduled to break ground this summer on a \$2.5 million, 20,000-25,000-square-foot addition to the front of its West Whitney Road site. The addition will include a new employee cafeteria, new locker rooms and offices.

While LiDestri Foods is expanding those areas, it is not quite ready to expand its warehouse and storage space. The company recently consolidated its refrigeration and freezer storage to another local location.

LiDestri also is getting ready to launch a new line of products — five varieties of Francesco Rinaldi finishing sauces. Sauce flavors, to be sold in 16-ounce jars, include Hollandaise, Garlic Scampi and Citrus Ginger.

The company plans to test-market its new finishing sauces in Chicago and Washington, D.C., within the next several months. LiDestri's initial test-market will be in Chicago, where some 2.5 million Sunday product inserts will be circulated through local newspapers in early summer. A response rate of 0.25 percent — or 5,000 responses — would be considered a success.

Sauces also will be available on the Internet, through the company's Web site, [www.francescorinaldi.com](http://www.francescorinaldi.com)

## **Conclusion**

LiDestri Foods is just one of the reasons why Rochester is considered a leader in the food and beverage industry. The presence of wine giant Constellation Brands, frozen foods leader Bird's Eye Foods, and the country's largest canned-vegetable supplier, Seneca Foods, are just some of the others.

With more than 100 firms and 4,000 employees, there is no question the food and beverage industry is a vital — and successful — part of the Rochester/Finger Lakes regional economy.

LiDestri Foods may have expanded and consolidated operations to a 64-acre site in Fresno, Calif., but the CEO says he will do his best to keep the company in Rochester.

LiDestri gets inquiries every week regarding the sale or acquisition of the company. He has no current plans to sell, saying he's well beyond the pure monetary aspect of the business.

The CEO is committed not only to the region, but most of all to his employees. To that end, in order to help ensure succession and continuity of the company in the region, Stephani LiDestri, Giovanni's daughter, recently joined the company as manager of contract packing.

In that light, prospects are good that LiDestri will remain an integral part of the economy in the years to come.