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LiDestri expands, rebrands

By ANDREA DECKERT - 9/23/2016



<http://www.rbj.net!/userfiles/image/lidestri1.jpg>

(Photos by Kimberly Simpson)

<http://www.rbj.net/userfiles/image/lidestri2.jpg>

A couple of months into a new generation of family leadership, LiDestri Food and Drink has rebranded its business and expanded its reach, including partnering for the first time with another local business to sell craft whiskey across the United States.

The Fairport-based LiDestri announced this summer a partnership with Iron Smoke Whiskey, a craft whiskey agribusiness also based in Fairport. It is a strategic partnership, which includes significant investment by LiDestri, officials said.

It is one of several initiatives the food and beverage manufacturer has undertaken recently that focuses on product and process innovation, as well as natural foods.

The push comes roughly around the same time LiDestri's founder, Giovanni LiDestri, has taken a step back from the business, handing day-to-day leadership duties to his children, Stefani and John LiDestri, who became co-presidents in July.

Giovanni LiDestri will remain CEO for the foreseeable future and continue to oversee manufacturing operations, the company said.

LiDestri Food and Drink is a private label and contract manufacturer of food, beverages and spirits, supplying over 40 million cases of product each year. The company has some 1,000 workers, of which 700 are based locally. It has manufacturing facilities in Fairport, Rochester, California, Pennsylvania and New Jersey.

It ranked as the area's second-largest food and beverage manufacturer in the most recent Rochester Business Journal list.

While LiDestri has a large spirits portfolio, it is interested in entering the craft whiskey market, Stefani LiDestri said. Part of that interest comes from the alcoholic beverage's growth. Craft whiskey is growing 30 percent annually, the American Distilling Institute reports.

Since aging is an important part of the bourbon-making process, the company was interested in partnering with a business already making the product.

Iron Smoke is a natural fit, given its experience and successful track record in the industry, LiDestri said. It helped that she knows Tommy Brunett, a well-known Rochester rock musician who founded Iron Smoke with his partner, Steve Brown.

The deal, a first for LiDestri, allows the firm to enter the white-hot craft whiskey market with a product already generating buzz, she said.

"I knew the company and loved the product and its branding," Stefani LiDestri said. "This (deal) fills a void on both sides."

Founded in 2010, Iron Smoke uses locally sourced four-grain bourbon mash to produce its Apple Wood Smoked Whiskey.

Its products include its namesake, Iron Smoke, a bourbon whiskey that is aged 18 to 20 months in virgin American oak barrels, as well as Rattlesnake Rosie's Apple Pie Whiskey. All production, distilling, barrel aging, branding, design, bottling and grinding of grains takes place on site.

Iron Smoke's products have received accolades and are in demand, making it a challenge for the small business to fill the need, Brunett explained.



In addition to sales at liquor stores, bars and restaurants, Iron Smoke whiskey is being used by local firms in their own products. For example, the Cub Room offers whiskey-infused doughnuts and McCann's Local Meats uses the whiskey to flavor ham and bacon.

LiDestri's involvement with Iron Smoke will help the company ramp up production of its whiskey, Brunett said.

Iron Smoke plans to rapidly increase production from the current 1,000 cases a month to 2,000 cases a month by the end of the year and up to 4,000 cases a month in 2017.

At that point, the distillery will be just below the threshold of what it means to be craft: 52,000 cases or fewer per year, according to the American Distilling Institute.

LiDestri is looking to grow Iron Smoke's distribution efforts, using its experience and reputation in the industry as a way to help the craft whiskey business expand. Plans are underway to distribute the whiskey in Connecticut, Florida and Missouri. Additional states will follow, officials said.

In addition to the fired up production and distribution efforts, Iron Whiskey plans to add a tasting room to its Fairport location. Both will mean hiring additional workers, Brunett said.

"We're excited to create jobs and support the local economy," Brunett said.

Since its inception, Iron Smoke has been committed to the community.

It works with area agribusinesses, including Smith Family Farms LLC in Clyde, Wayne County.

The farm supplies hundreds of thousands of pounds of corn and thousands of pounds of wheat annually to Iron Smoke for its whiskey-making process.

Stephen Britt, whose family owns Smith Family Farms, said the deal allows two local businesses the opportunity to grow together.

Working with other local firms was a draw for Stefani LiDestri as well.

She noted Iron Smoke buys all its grain from New York farmers, many of whom recycle the spent mash into animal feed. It also uses apple cider from Red Jacket Orchards in Geneva for its Rattlesnake Rosie's Apple Pie Whiskey.

"The opportunity to partner with another homegrown company was just too good to pass up," she said.

John LiDestri said the family business has found a number of ways to help LiDestri grow and serve its customers. That includes strategic partnerships, such as the one with Iron Smoke.

Other opportunities are coming from supplier relationships, including one with an organic tomato grower in California that plants and harvests 1.5 million pounds of a tomato varietal for Newman's Own, one of LiDestri's longest-standing customers.

LiDestri is also beginning trials to grow and harvest its own basil in a climate-controlled hydroponic warehouse farm.

"The production of fresh basil, craft whiskey and organic tomatoes are all new projects we've chosen to assume at LiDestri so we can produce the finest, and most successful, products possible," he said.

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