

Cold standard

SnoTemp expands to keep pace with growing food industry

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SnoTemp, which provides cold storage for local producers of ice cream and other frozen desserts, wine and craft beer, is embarking on a major expansion. It will be adding 70,000 square feet of deep-freeze warehouse. General Manager Justin Lafferty walks through their current deep-freeze area. (Kevin Clark/The Register-Guard)



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A huge high-speed door slides open and SnoTemp General Manager Jason Lafferty passes through a cloud of fog and steps into the deep-freeze warehouse — part of SnoTemp's 165,000-square-foot cold storage facility in west Eugene.

Pallets full of pints of ice cream and boxes of frozen desserts are stacked high in the cavernous warehouse, which is kept at a frosty minus 20 degrees.

But the 43,000-square-foot deep freezer just isn't big enough to accommodate the growth of SnoTemp's customers, Lafferty said. They include local frozen dessert manufacturers Oregon Ice Cream Co., Ciao Bella Gelato, Luna & Larry's Coconut Bliss, and Turtle Mountain, maker of So Delicious dairy-free products.

SnoTemp also needs more cold storage for other customers, such as the rapidly growing local craft breweries Ninkasi Brewing Co. and Oakshire Brewing, he said.

So this summer, SnoTemp embarked on its first expansion in a quartercentury at its 30-acre site at South Seneca Road and West Fifth Avenue. Just west of its other warehouses, SnoTemp broke ground on Aug. 1 on a 94,280-square-foot addition, which will include 70,000 square feet of space with energy-efficient features to stay at 20 below.

When the addition is completed, which is expected in April, some of the existing deep freezer will be converted to cold storage at minus 5 degrees, Lafferty said.

"It's exciting," he said. "After years of wondering how we were going to fill up our warehouse, it's nice to manage the other side of how do we stay ahead" of our customers.

Lane County's food and beverage manufacturing sector has been growing steadily. It was one of the few industries in the county that managed to add jobs during the Great Recession. Nondurable goods manufacturers — mostly food and beverage manufacturers — employed nearly 4,000 people in Lane County in August, according to the latest figures from the state Employment Department.

SnoTemp's own employment has doubled to 50 people since 2007, and the company plans to hire seven or eight employees within a year of opening the deep-freeze addition, Lafferty said.

Lafferty's grandfather, Paul, founded the company, then known as Eugene Freezing & Storage, in 1957, to service mostly fruit and vegetable processors in the southern Willamette Valley.

Today, the company offers customers much more than just cold storage, including around-the-clock online access to their inventory and shipping data; container handling; rail logistics; and repacking of products, such as seasonal beer samplers.

"We are an extension of" our customers, Lafferty said.

For Oregon Ice Cream, maker of Julie's Organic and other brands, that has meant storing ingredients, as well storing and shipping out finished product, over the past decade.

"They do a substantial amount of our storage and distribution of our product during the peak season," said Tom Gleason, who owns Oregon Ice Cream with his wife, Julie.

“Instead of adding on to our own freezer, we’ve been able to utilize their services,” he said.

The same truck can drop off finished ice cream and pick up ingredients to take back to Oregon Ice Cream’s plant in west Eugene, Gleason said.

“We’re over there between seven and 10 times a day, or more,” he said.

Another SnoTemp customer, Oakshire, has been able to boost its production of beer without fretting about where to store it.

In 2011, SnoTemp became an Oregon Liquor Control Commission licensed and bonded warehouse, allowing it to handle local craft beers and wines.

“They have the capacity we need, which is great,” Oakshire co-founder Jeff Althouse said. “We don’t have to worry about having our own coolers.”

Now with 27 full-time equivalent employees, Oakshire’s sales have grown an average of 55 percent a year for the past three years, he said.

About half of the beer produced at Oakshire’s Eugene brewery is distributed through Bigfoot Beverages in the Eugene-Springfield area, the Oregon Coast, Central Oregon and as far south as Roseburg. The other half goes through SnoTemp to customers farther south than Roseburg, and north to the Portland metro area, Washington, Idaho and Alaska, Althouse said.

SnoTemp “is fantastic,” he said “Great company. Locally owned. They’ve got great people working over there.”

Part of “food community”

SnoTemp and Springfield Creamery, local maker of Nancy’s yogurt, kefir and other dairy products, go way back.

“We’ve been using SnoTemp for at least 25 years, mostly to store frozen fruit that we use in our products,” said Sue Kesey, co-founder of the creamery.

“They’re essential to our survival,” she said. “They are an integral part of our food community, and they’re such nice people besides and a pleasure to work with.

“As they continue to offer more service, I think there is no question that it will enable this wonderful food community we have here to continue to grow.”

SnoTemp “provides key infrastructure that allows local food and beverage manufacturers to stay local” said Sarah Mizejewski, Lane County Economic Development supervisor, who has been involved with the county’s Regional Food Consortium.

The company is “very forward thinking in knowing that this industry is a growing industry in Lane County and they’re going to need that capacity,” she said.

The additional freezer space is just part of a broader master plan for growth at SnoTemp.

The company received city approval to build an entrance off West Fifth Avenue on the southern end of its property. That entrance was completed in September and will become operational when construction on West Fifth is finished.

After reacquiring land that the state Department of Transportation bought years ago for the West Eugene Parkway Project — which ODOT later abandoned — SnoTemp has space on about 15 acres to build several more warehouses and food processing facilities, totaling nearly 200,000 square feet.

Processors eyed for site

SnoTemp is interested ultimately in having small to medium food processors co-locate on its site, Lafferty said.

SnoTemp is “tapping into a growing trend” among companies in the temperature-controlled food processing and distribution business, said Tim Fitzpatrick, vice president of operations and logistics at Ciao Bella Gelato, whose products are packed at Oregon Ice Cream and shipped out of SnoTemp.

Co-locating with a cold storage partner offers a lot of convenience to a food manufacturer, and SnoTemp has “an attractive footprint for that type of relationship,” he said.

“You’re ... an expert in manufacturing your product, but you choose to use a third party to be the resident expert in warehousing and the front end of distribution that’s managing those inventories,” Fitzpatrick said. “Prepping everything for shipment and making sure (everything is) correct is something (SnoTemp has) become very proficient at,” he said. “They’ve invested in the tools, appropriate software systems, and hired and trained the right kind of people.”

The deep-freeze addition is SnoTemp’s first expansion since 1989. In 1995, a major client, frozen soup maker Chef Francisco, pulled out of Eugene and moved its production to Pennsylvania.

Then in the late ’90s, SnoTemp lost another major longtime customer, Agripac, which processed carrots, beans, corn and other vegetables downtown where the new federal courthouse stands today. That work eventually was consolidated in Salem.

“It’s taken a long time to bounce back,” Lafferty said. “We’re committed to providing space so our customers can grow, and we need to stay ahead of that curve. If you don’t have the space, you can’t really take anyone else on.”

He declined to say how much the company is spending on the addition. Permits filed with the city of Eugene list a value of \$7.3 million to build a bridge for the entrance to SnoTemp’s property and construction of the 94,280-square-foot addition, which will include dock, office and engine room space, as well as the 70,000-square-foot deep-freeze warehouse.

SnoTemp obtained financing from its longtime lender Northwest Farm Credit and has applied for an enterprise-zone property-tax exemption for the project, but it is too early to say how much the exemption might be worth, Lafferty said.

Headquarters: 310 S. Seneca Road, Eugene

Business: Providing freezer and cooler space for Lane County area’s food and beverage manufacturing industry; other services including packaging and rail logistics