

Loop Cold Storage expands cooler space with rise in traffic from Mexico

By CHIP CARTER

For the third straight year and the 10th time since 1981, Loop Cold Storage Co. and Loop Fresh Produce LP in McAllen, TX, are expanding their facilities.

The move is a result of the increased volume of Mexican product making its way across the Texas border.

In 2005, Mexico started rebuilding federal Highway 40. Now, a gleaming, new multi-billion-peso thoroughfare stretches from Matamoros to Mazatlan — almost.

When the last link in the highway — the 1,280-foot-high Baluarte Bridge, the highest cable-stayed bridge in the world and the third-highest of any type — is completed sometime in 2012, it will at last link eastern and western Mexico via a modern transportation sys-



tem and will open new segments of the U.S. market for Mexican producers.

Completion of the highway alone has increased traffic through McAllen to the point that Loop saw the need to expand yet again, according to John McGuire, vice president of business development.

When the Baluarte Bridge is completed, growers will be able to ship from western Mexico through McAllen to service the eastern United States.

"Previous expansions were made primarily in conjunction with growth in food exports from central Mexico," said Mr. McGuire. "The motivation



behind expansion has always been growth in import business from existing customers. We will continue to support those customers' growth and now hope to expand relationships with some growers in

western Mexico. Loop Fresh hopes to continue to grow with existing customers and form relationships with a few shippers from west Mexico."

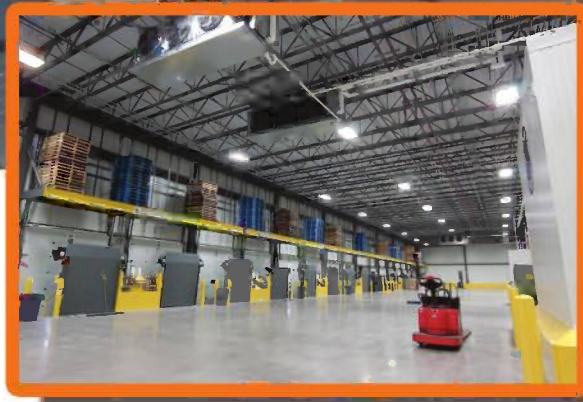
Primus Builders Inc., based in Atlanta, has been chosen to manage construction of Loop's new 50,000-square-foot distribution facility. Construction is scheduled to begin in March and be completed by October.

The new facility is contiguous to the company's existing operations at 4001 W. Ursula Ave., and when complete, it will give Loop 150,000 square feet of cooler space and 300,000 square feet of freezer storage space.

The project includes additional office space that will be available for customers with operations at Loop. Mr. McGuire believes that the extra space will come in handy when growers from west Mexico begin to see the benefit of shipping through McAllen.

"Shippers from west Mexico should benefit from third-party logistics services on offer in the Rio Grande Valley," he said. "Cold storage facilities have a high fixed cost to maintain and operate. When shippers contract with a cold storage services provider such as Loop, they gain some flexibility by turning their distribution expenses into a variable cost. This is important in the agriculture sector due to the sometimes-unpredictable nature of weather and markets. We handle products from different regions of Mexico, allowing us to somewhat diversify this risk."

Mr. McGuire does not expect this to be Loop's last expansion. In fact, "in the future, we see the opportunity to convert additional freezer space to cooler space for handling additional fresh produce, like we did in 2009 and 2010, converting a total of 58,000 square feet of freezer space into cooler space. The cost of converting freezer storage to cooler space is much less costly than building new Greenfield cooler space, and the construction process can be completed more quickly."



Primus Builders is a Design/Build firm specializing in construction for the food processing and distribution industries. Our projects vary in size and scope, and include new construction, renovation and expansion.

Our experienced staff continues to help our clients gain an edge over their competition by applying industry-leading technologies to improve energy efficiency and reduce maintenance costs.

Primus's up-front design services allow our project teams to deliver quality, speed and value to our clients.

Contact us today and let us build you a better building.

Services Offered

- Site Evaluation & Selection
- Master Planning
- In-House Architecture & Engineering
- In-House Thermal Construction
- Material Handling, Automation & Packaging Systems
- Food Safety & Sanitation Planning
- Construction Management

For more information, contact:

Matthew Hirsch, Vice President of Sales
(404) 567-1492
mhirsch@primusbldrs.com
www.primusbldrs.com



primus builders, inc.
building better buildings