From Port to Line: ACME plant growing faster than projected

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ACME Smoked Fish may make a bigger splash than expected.

Six months after opening, the ACME plant at Pender Commerce Park is poised to hit its five-year commitment of 120 jobs yet this year and may substantially exceed expectations for its long-term impact.

When production resumes on Aug. 10 after one week of downtime for maintenance, the 100,000-square-foot facility will move into second gear, boosting manpower from 60 employees at opening to a workforce of 110 to 125 for “as much production-wise as we can get out of here in preparation for the holidays,” said Richard Nordt, vice president of engineering and manufacturing for the New York-based company.

The plant that Nordt (below) manages – the largest cold-smoked salmon factory in the U.S., according to ACME – opened on Feb. 2 and was built to initially produce 10 million pounds of product per year. By early July it was handling 25,000 pounds of salmon daily, or 65 percent of annualized capacity.

With production ramping up and ACME now eyeing the transfer of a production line from New York this year or in early 2016, the job count could escalate to 155 or 160, Nordt said, exceeding the company’s 120-job commitment.

Already, ACME has surpassed two economic benchmarks.

In an analysis prepared for Wilmington Business Development (WBD), the company’s initial capital investment projection, $28.5 million, stood at $32.2 million at March 31, said William “Woody” Hall, then the senior economist at University of North Carolina Wilmington’s Cameron School of Business, and the average annual salary had reached $37,739 versus a commitment of $33,308.

The biggest impact may be yet to come.

Prior to groundbreaking, ACME said the plant could double in size and increase its workforce to 250 by 2017. That prospect appears to be accelerating.

“Their plans at that time included room for anticipated growth, and it appears that additional capacity could soon
be needed,” said Scott Satterfield, WBD’s chief executive officer, in an email statement.

On July 8, Nordt said that ACME was considering two buildouts on the north and south sides of the plant – each 50,000 square feet – to create added capacity for current brands or for products that emerge from research and development.

“Another 20 acres have been discussed,” said David Williams, chairman of Pender County’s board of commissioners.

Food safety focus

As ACME increases output, it says it won’t do so at the expense of food safety, a key issue for consumers and regulators. Its months-old operations at the commerce park and at Puerto Montt, Chile, emphasize production standards designed to ward off pathogens that could enter the supply chain, harm consumers and damage the company’s reputation.

“Our industry is under a lot of pressure,” noted Gabriel Viteri, ACME’s vice president of strategy and business development, who helped the company transition from buying salmon in Chile to farming it there directly. The listeria bacteria, Viteri said, represents “the cause of most recalls in our industry.”

There were some “nervous times” after the Calbuco volcano erupted outside Puerto Montt in April, Nordt recalls, just as the company’s fish farm was opening. But unlike other farms ACME did not lose any supply, and three or four refrigerated containers of salmon now arrive each week at the Port of Wilmington, Viteri said.

The briners, smokers, cutters and packagers who work with the imported fish at the Pender plant must adhere to rigorous hygienic standards as they produce smoked salmon that varies by taste, weight and client preference, Nordt said during a tour.

To avoid cross-contamination, new hires are warned about what types of food they can bring from home. Employees must wash their hands and don gloves and uniforms several times a day and must also navigate a motorized walkway that cleans the soles and sides of footwear.

A study in extremes, the plant incorporates five ovens that smoke salmon at up to 90 degrees Fahrenheit, a blast freezer set at minus 40 degrees and a manufacturing floor that maintains a steady 38-40 degrees.

State-of-the-art technology has shortened ACME’s production cycle, notes Nordt, who earlier opened nine plants for Dean Foods and PepsiCo and seems to know every employee by name.

The overall goal, he said, is for ACME to be known as “the premier specialty seafood provider, domestically and globally” via products sold under its Acme, Blue Hill Bay, Ruby Bay and Great American labels at supermarkets, delicatessens, specialty grocers and warehouse clubs.

Growing impact

With hiring and production on the upswing, Hall’s estimate of an annual $55.8 million impact on area GDP may prove conservative.

ACME’s logistical needs are driving some of those benefits.

At the Port of Wilmington, the company’s decision to locate in North Carolina meant more revenue.

Before the opening, the bulk of ACME’s raw materials came into New York. But with the decision to develop operations at the commerce park and in Chile, logistics shifted.
Rather than use one or more out-of-state ports as some Tar Heel businesses do, “The plan is to only send to Wilmington for product produced in North Carolina,” Viteri said.

Officials at the N.C. State Ports Authority saw ACME’s arrival as an opportunity, and Jimmy Yokeley, its director for community and economic development, thought the time was right to capture some new business.

Pairing ACME’s need for refrigerated imports with the needs of an in-state textile account, the authority persuaded Maersk-SeaLand to schedule new calls in Wilmington. In May, Maersk inaugurated a final domestic call to pick up yarn for shipment to Central America and a separate call to deliver the finished apparel as well as ACME’s shipments from Chile.

ACME also expects to move supply from Norway through the port next year, Viteri said.

If that occurs, it would represent an opportunity to bring the first refrigerated North Atlantic service to Wilmington, Yokeley stated.

Further, the company sees a need to outsource some cold-storage capacity to supplement its in-plant refrigeration.

With “lights on” projected for March, Chuck Schoninger, founder of USA InvestCo, thinks the new cold-storage facility at the port is ACME’s best bet.

“We talked to ACME a few times … Hopefully, they’ll be a strong client of ours,” he said.

“It all boils down to cost,” said Nordt, who added that ACME has also identified a second potential vendor.

Meantime, two trucking firms, MCO Transport and Carolina Transport, have begun delivering short- and long-haul loads of finished product from the new plant.

Pam Horne, secretary-treasurer at Carolina Transport, said her firm is delivering one or two loads per week to ACME’s distribution centers in New York and Pompano Beach, Florida.

Nordt foresees ACME adding more distribution points along the East Coast as production increases.

“I’m looking forward to hiring more drivers,” Horne said.

“ACME has impressed us with its visible commitment to the region and its business community,” Satterfield remarked.

**Return on park investment**

For Pender County, ACME’s arrival is validating its investment in the 450 acres that it purchased in 2006.

“It was a huge leap of faith and a huge gamble,” remembers Williams.

A second tenant, Empire Distributors, now plans to leave Castle Hayne and expand its workforce at the commerce park by year-end.

Others may be coming, and Williams believes that Nordt will help seal some deals. “He knows a lot of people in the food and beverage business … Richard Nordt is one of our best salesmen,” Williams asserts.

Also, on June 8, New Hanover and Pender commissioners inked an agreement that allows ACME and other future tenants to deposit waste in New Hanover’s landfill.

While New Hanover Board of Commissioners vice chairwoman Beth Dawson had expressed concern about rapid utilization of the site, use by ACME “seemed to be in the best interest of all involved,” she said recently.

Going forward, all businesses at the park will be eligible to haul waste into New Hanover within specified limits, Dawson said.

The agreement is “very significant” because ACME and others will not have to fund the cost of shipping waste all the way to Sampson County, whose landfill Pender County would have utilized, Satterfield explained.
The shop on Gem Street

As ACME mulls the details of moving a manufacturing line out of New York, the skyline surrounding its headquarters is changing.

Once an industrial center, the Greenpoint section of Brooklyn has gentrified due to rezoning, with luxury condos and bistros popping up, altering the neighborhood’s character as ACME operates from a quaint 61-year-old building.

“Long-term, that was another reason to move things out,” Viteri said. “We definitely don’t have room to expand.”

“Does somebody want a fish-smoking plant next to a restaurant? The answer is no,” said Nordt wryly.

The company is looking into reworking its “Fish Fridays”, a deep-discount event held inside the Brooklyn plant frequented by patrons who snatch up ACME’s salmon, herring, whitefish and other fare. ACME may convert the five-hour event into a larger, permanent retail shop as production heads south.

Whatever comes his way, Nordt is ready. After three years of commuting, ACME’s not-so-new man in town picked his wife up at the airport recently for some house hunting.

With his plant growing quickly, “The vision is starting to become a reality,” he said.

About ACME Smoked Fish Corp.

**Headquarters:** Brooklyn, New York

**Early start:** 1905, when Russian immigrant Harry Brownstein starts delivering fish from smokehouses in Brooklyn to stores from his horse-drawn wagon

**Namesake:** When Brownstein opens a smoked fish plant with his sons, he picks the name ACME as a translation of “best in the business” – and also so it will appear first in the phone book.

**Family affair:** Now nationally distributed with several product lines and over 300 items, ACME has continued as a fourth-generation family business.

**Local introduction:** In 2013, officials announce plans to open a seafood processing plant in Pender Commerce Park.

**Growth mode:** The plant, which received state and local incentives, projected hiring 120 jobs by the end of 2017. The 100,000-square-foot plant that opened in February might exceed that job count by next year.