

St. Clair Expands In Rough Economy

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ERIC SMITH | The Daily News

When Oscar Edmonds III bought St. Clair Foods in 1976, the company employed two people and manufactured four salad dressings in an 1,800-square-foot space off Highland Avenue.

Fast forward to 2008: Through steady growth orchestrated by Edmonds and his management team, St. Clair Foods now employs 220 people and manufactures more than 90 food products in its 120,000-square-foot building in Whitehaven's Bellbrook Industrial Park.

St. Clair's product line now ranges from dips to desserts, pasta salad to potato salad, side dishes to main dishes. And St. Clair now has its eye on increasing and streamlining production of those foods as the company embarks on a multimillion-dollar expansion and renovation of its food processing facility at 3100 Bellbrook Drive.

The changes come with hopes of cashing in on the success of the past decade.

"We've had double-digit growth every year for the past 10 years," said Edmonds, company president and CEO. "As the numbers get bigger, it's tougher to beat. If we're keeping it at a true 7 to 8 percent growth – not inflation-adjusted – that would be fantastic."

Building on the momentum

St. Clair sells its myriad food products mostly to institutional customers, although it operates a retail brand through Sam's Club and Schnucks, and it also produces some private-label foods as well as some Sysco-brand products.

The company's delivery footprint extends from West Texas to the East Coast, from Ohio to Central Florida, Edmonds said, and the forthcoming expansion will allow it to stretch farther and reach new markets.

St. Clair's existing facility, built in 1965, sits on 9.85 acres near the intersection of East Brooks Road and Interstate 55. The Shelby County Assessor of Property's 2008 appraisal is \$1.5 million.

Recently, St. Clair claimed an additional 33,000 square feet in the building following the departure of Goodyear's retread plant. And Edmonds' real estate entity, York Properties LLC, the legal owner of the property, filed a \$2.5 million construction loan through Cadence Bank NA for a multiphase, multiyear overhaul to the entire space.



HIGH VOLUME: An employee at St. Clair Foods prepares pimento cheese at the company's facility at 31 Bellbrook Drive in Whitehaven. The longtime food processing business, owned by Oscar Edmonds III, is embarking on a multimillion-dollar expansion to accommodate growth. -- PHOTO BY ERIC SMITH

Phase I will see the build-out of the 33,000 square feet for food processing and sanitation areas. The first phase also calls for 5,400 square feet of freezer space, plus refrigerated- and dry-food receiving areas and warehouse storage.

Edmonds said the improvements are being made to enhance the company's quality control, and they should begin within a few months and be completed by March.

Phase II will entail a complete interior remodeling, which should take a couple of years, Edmonds said. The architect is finalizing plans for the remodeling, and St. Clair hasn't yet selected a general contractor for the work.

Guarding investments

The company's capital improvements come at a time when the national economy is reeling. Edmonds said that while St. Clair is hardly immune to the slowdown, it has been able to weather the storm fairly well.

For one, food costs – ingredients and packaging – are typically passed on to the customer, Edmonds said. But shipping is another issue, and while the company's in-house transportation model has taken some bite out of the fuel pinch, it's still a burden.

"That's a tough one," Edmonds admitted. "But we run our own trucks, so we're back-hauling everything we can and that helps a lot on the cost side."

St. Clair has nine tractor-trailers running between Memphis and points throughout the region, accounting for about 80 percent of its transportation. Contract carriers comprise the remaining 20 percent of shipping.

Another feature of St. Clair's business model is that it's a family affair, with Edmonds' son, Brian, serving as the company's vice president of operations and handling day-to-day duties, while daughter Lauren leads product development.

One of her assignments has been selling St. Clair products on the QVC television network. She travels to Philadelphia regularly throughout the fall and winter to pitch St. Clair products on air as part of QVC's "southern comfort" and holiday food lines. The elder Edmonds said the sales volume from QVC has been good, yet another reason to increase productivity and enhance quality control. The question now is will the investment into expansion enable more growth and prepare St. Clair for the next 30-plus years.

"It better," Edmonds said with a laugh. "We've got to pay for it."