

## PENDLETON &amp; HERMISTON

# WHERE THE SAUSAGE IS MADE

Hill Meat plans expansion, upgrades near Pendleton airport

BY PHIL WRIGHT  
EO MEDIA GROUP

The whiff of smoked pork drifts from Hill Meat Co. atop Airport Hill in Pendleton, hinting at the hot dogs, sausages and bacon curing inside. The family-owned and operated business has been making filler-free pork goods since 1947, but the focus is on the future.

Jim Cheney has the title of Hill Meat CEO, but he said his daughter, Nicole Sorensen, is the president and real show runner. They revealed Tuesday the company is in the engineering phases to add 20,000 square feet of manufacturing space to the plant, and to give the 60-plus-year-old building a big makeover, including lowering the ceilings and removing walls, installing better lighting and improved refrigeration.

The project will cost millions, they said, but the engineers predict the larger plant will use less energy than today, and more space will make it easier to add new production lines.

"It seems like we're bursting at the seams all the time," Sorensen said.

The renovation also will eliminate maintenance problems with the aging structure, she said, and her father pointed out it means Hill Meat can stay well above federal inspection standards.

"We want to be on the top side, not barely hanging on," Cheney said.



E.J. HARRIS PHOTO

Employees make kielbasa on Wednesday at the Hill Meat Company in Pendleton.

The company, which now has about 80 employees, was on the brink of financial ruin, Cheney said, when he assumed ownership in 2001. Right away, Cheney made changes. For one, Hill Meat stopped selling products out the front door. Cheney said that made no sense when the company also wanted goods in grocery stores.

And he said Hill Meat used to handle its own distribution, sending delivery trucks to 40 or 50 places over two- or three-day trips. That was a lot of miles and bills of sale. So Cheney said he built partnerships with distribution warehouses that also once viewed Hill Meat as competition. The move cut deliveries

to two or three stops in a day, while getting more Hill Meat products out there.

Hill Meat for several years sold most of its goods through the food service industry, distributors such as Sysco, or through restaurant and hotel chains, including McMenamins brew pubs and Red Lion hotels. Sorensen said that in the past couple of years the company has worked hard to get products into grocery stores, and has had success with independently owned stores such as Roth's Fresh Markets, Red Apple and Albertson's. The company brought a marketing specialist to gain better representation in the independent grocery market, and today, she

said, Hill Meat has about a 50-50 split between retail and food service.

Hill Meat also has been able to sell products into corporate grocers, such as Safeway, but those have more red tape before a product can hit the shelves. Cheney said Albertson's buying Safeway stores last year likely will benefit Hill Meat early this year.

Developing the retail market also came about because of a \$10 million investment the company made a few years ago in equipment to maintain and improve consistency. Quality is subjective, Cheney said, but consistency matters.

Sorensen said Hill Meat

also revamped packaging and a logo to reflect that its products contain quality protein, lack fillers and preservatives and are gluten- and allergen-free. Most Hill Meat goods have been that way for years, she said, but customers want to see that on the label.

Sorensen said late 2013 was the last time Hill Meat made a product that contained unlabeled allergens, such as soy or peanut dust. Unlabeled allergens are the No. 1 cause of food recalls in the U.S. for goods that fall under the eye of the U.S. Food and Drug Administration. Why would any company want that kind of headache, Sorensen said.

Social media is another new arena Hill Meat entered

in late 2014 with a Facebook page. So far, there's just 445 likes. And it goes dog-in-bun with a new company website.

Hill Meat's growth and innovation, though, have roots in the old-fashioned notion of keeping business partners happy. That sometimes means sticking another company's name on a Hill Meat product.

"We feel it is a partnership," Sorensen said. "If we can help them grow their business, it will help us."

And sometimes it means literally going the distance.

Cheney recalled a company on the Mexico border ran out of Hill Meat bacon, so he drove 18 hours to make the delivery.

## Shearer's expansion creates more opportunities

\$4M project brings more jobs in Hermiston

BY SEAN HART  
EO MEDIA GROUP

A new expansion brought new employees and new growth at Shearer's Foods in Hermiston in 2014.

On Jan. 15, 2014, the potato and tortilla chip manufacturer began a \$4 million expansion to be able to make cooked corn tortilla chips and created the first batch May 25, Plant Manager Paul Chapman said.

The plant was already creating tortilla chips from corn flour, but the expansion provided the opportunity to cater to new manufacturing customers who wanted chips prepared in a more traditional style, he said. By adding cooking kettles and soaking kettles, Shearer's can now cook, soak and mill raw corn, he said.

"A key part here has been being able to go out and bring in business, significant customers that want that kind of product," Chapman said. "It has increased the business, and it has also increased our potential for more business."

He said Shearer's is a co-manufacturer that creates chips for a variety of brands,



EO MEDIA GROUP FILE PHOTO

A worker at the Shearer's Foods processing plant outside Hermiston inspects potato chips before they are packaged for distribution. The business completed a \$4 million expansion in 2014, which will allow it to serve more customers this year.

including store labels. With the new capability, Chapman said the company has attracted new customers because they can get all of their desired products from one plant.

"We have a significant brand new customer that's going to be starting up in a month," he said. "They're very big in the Pacific Northwest. They're going to get potato chips and cooked corn tortilla chips."

The plant increased its production volume last year and plans to further increase it by 15 percent this year, he said. The additional volume has allowed the plant to run the tortilla chip production lines closer to their maximum capacity, increasing efficiency and requiring additional employees, Chapman said.

"Obviously, from a manufacturing point of view, you want to utilize your assets

24/7," he said. "Being able to do cooked corn tortilla chips has allowed us to run the lines during days that we had capacity that we did not have the business. We have brought in about an additional 30 to 35 new associates on top of where we were."

Prior to the expansion, Chapman said Shearer's employed about 310 people, and employee numbers will probably grow to 350 or more

as business continues to increase. He said the plant still has about 20 percent more capacity it could fill in its tortilla chip lines.

"We are looking for good people," he said. "Most people come in and start as packers, but I have two supervisors here that started as packers. They came off the street at a low level and worked hard."

Chapman said Shearer's, which began in Ohio, increased from five to eight plants in 2014 with plans for continued growth. People can apply at shearers.com.

Although the ConAgra Lamb Weston facility in Hermiston and Hermiston Foods did not expand in 2014, both made infrastructure updates, representatives said.

"We had no line expansions or added jobs in 2014, but our facility in Hermiston is an integral part of our operation, and we continued to invest in the facility in 2014, making infrastructure updates to the plant," ConAgra

spokesman Shelby Stoolman said in an email.

Hermiston Foods General Manager Trent Waldern said the business celebrated its 25th year in operation in 2014, which through the years "has necessitated replacement and upgrades in our plant equipment and infrastructure."

He said 2014 was an average year, but the weather was better than 2013, helping local growers achieve the yields necessary to meet projected sales volumes. He said Hermiston Foods has significant staff turnover each year and, like other local seasonal employers, is "finding it progressively more difficult to attract new employees."

Waldern did, however, commend local growers for adapting with the company.

"Our local contract growers have done a good job of working with us to meet our crop needs and adapt to changes in those needs," Waldern said.



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