

# West Liberty Foods A Slice Of The Future

*West Liberty Foods new plant in Mount Pleasant, Iowa, takes food safety up another notch, or two.* by Terrence O'Keefe

**S**eparating the raw and cooked sides of a further processing plant is one of the best ways to reduce the possibility of contaminating cooked products with potential pathogens like listeria. This can be accomplished by doing things like installing separate air handling systems for the two sides of the plant and having sepa-



**Ken Rutledge**  
president  
and CEO

rate employee welfare facilities for the raw and cooked sides of the plant. Today, the industry routinely builds cooking facilities away from slaughter plants to eliminate the risk of product contamination stemming from particles in the air or from foot or vehicular traffic coming from the live receiving and holding areas. West Liberty Foods has taken this separation strategy another step and built a cooked log slicing facility that does not have any raw product in it or near it at all. The Mount Pleasant, Iowa, plant opened in April of this year, and *WATT PoultryUSA* visited

the 55,000-square-foot facility two weeks after it opened to see what other steps West Liberty Foods has taken to make its sliced meat products as safe as they can be.

Ken Rutledge, president and CEO of West Liberty Foods, boasted, "The Mount Pleasant plant is the ultimate in terms of food safety." There are several factors in the design of the facility that back up Rutledge's statement. Putting the slicing operation in a separate facility away from the slaughter, raw fabrication and cooking operations reduces the amount of bird-borne pathogens in the air and

*Mount Pleasant Foods*

on the ground around the plant. This separation also reduces the risk that employees could track pathogens on the raw meat from one part of the plant to the other. Three, of the eventual 14, slicing lines were installed and running during the visit. Each of the lines is in a separate room, and each room is set up to be a plant unto itself with the possibility of having its own USDA plant number. All slicing rooms have their own filtered air make-up, water make-up, positive air pressure and drain systems. The drains are even designed so that they can be cleaned as individual clean-in-place systems. Employees put on coveralls, hoods, facemasks, boots and gloves prior to entering the slicing rooms. Employees then walk through automatic boot washers and rinse gloved hands with alcohol as they go through the automatically opened door to the hallway leading to the slicing rooms. Each slicing room has its own maintenance tools, so that the tools are not moved from room to room.

Logs arrive at the plant precooked, chilled and in impermeable casings. The casing of each log is sanitized upon arrival and before the logs are brought into the slicing room. Some of the rooms are equipped with oil fryers, which are used to brown the outside of the logs. (Subway's sliced turkey breast product is oil-browned prior to slicing.) All of the logs go through a Unitherm infrared pasteurization tunnel to kill pathogens on the outside surfaces after the sanitized casings have been stripped off. The logs then pass through a cooling tower to temper or crust the logs to insure proper temperature for slicing. After thermal conditioning the logs are transferred to the slicers. Each of these transfers is done mechanically.



Mechanical transfers reduce the risk of contamination of the product and save labor. Automation at the Mount Pleasant plant allows a six-person slicing crew to produce the same amount of product that it used to take a 13-person crew to produce.

Programmable slicers are used to slice the logs, and the slices can be packaged in a variety of ways. Subway turkey breast product and a pork ham product were being sliced at the facility when it opened. West Liberty also packs sliced product for retail and foodservice sales at its two other plants. Products produced for retail sale can be packaged in flexible or semi-rigid packaging. The company also has zipper lock packaging capability for variety pack or shingled products. Foodservice sliced products are bulk packed, vacuum packaged or gas flushed. Rutledge reports that the company plans on continuing its other slicing operations and filling the Mount Pleasant plant by growing its slicing business.

Initial capacity of the Mount Pleasant plant is 20 million pounds of sliced product per year, and just over 100 employees will work at the facility. When all of the lines are installed and fully utilized, the plant will be able to slice 70 million pounds per year and will employ around 250 people. Because of the separation of the

slicing rooms into individual plants and because of the overall cleanliness of the process, the potential exists to operate the facility virtually around the clock seven days per week. The plant is already working seven days per week now. West Liberty Foods slaughters turkeys at its West Liberty, Iowa, plant, but the company also cooks beef, pork, chicken and turkey meat at the West Liberty and Sigourney, Iowa, plants. The Mount Pleasant plant is now slicing logs cooked at the West Liberty and Sigourney plants, but the potential exists for other companies' logs to be brought in and sliced. Rutledge reports that West Liberty Foods has already had discussions about bringing in other people's logs and doing slicing for them.

The building in Mt. Pleasant was built on the speculation of attracting new industry to the rural community in Southeastern Iowa. Mount Pleasant is about 50 miles from both West Liberty and Sigourney, and according to Rutledge, the location was close enough for economical transport of product, yet was far enough away so that the plants do not draw employees from the same labor markets. The Mount Pleasant building was the right size and shape for West Liberty Foods' needs, and since the walls and ceiling were already up, the company was able quickly install the utilities needed.

The most sophisticated food safety systems are only as good as the training that employees receive. West Liberty Foods starts food safety training before employees are even hired. Potential employees for the Mount Pleasant plant receive food safety training and must pass an examination in order to be considered for employment. Rutledge reports that thus far enough interested people have taken the course and passed the exam to

provide a pool of applicants even for the night and weekend shifts.

## Strategy For Deverticalization

"Our future is not in branding product, but it is in being available to produce product and allow companies to deverticalize. West Liberty Foods is not trying to brand product.



**Above: Oil-browned sliced turkey being boxed for Subway at the Mt. Pleasant plant.**

We are a co-manufacturer of product, and we service the foodservice industry," Rutledge said. He explained that deverticalization at the corporate level means a company invests in its brand and brand marketing and not in producing product. Rutledge described a theoretical poultry industry example of deverticalization by saying, "A company may say that we don't have to grow them, we don't have to process them, we just have to market them." According to Rutledge, the classic example for deverticalization is Nike. "The Nike model, they don't manufacture anything. They market their brand. They can be the model of how to look at your company differently. When I hear deverticalization that is what I think about not that we are going to keep the plants, but we aren't going to own

the turkeys anymore. How do we get supply guaranteed to us so that we can market our brand," he said.

Rutledge explained how West Liberty Foods can fit into this new business environment. "It is a lot easier to talk about investment in your brand and how your brand and your margins are increasing than it is to go to your investors and talk about brick and mortar. Investors are not interested in brick and mortar; they are interested in return on investment. We have a different viewpoint, we are farmers, and it doesn't take as much of a return to keep us happy as it does a corporate shareholder. If we can provide a major corporation



product at a reasonable cost, then they don't have to worry about floods, tornadoes and birds dying in the field. I think that there is a good story to be told for companies like ours having a fairly bright future," Rutledge said. About 90 percent of product of West Liberty Foods' production is co-packed for other processors or foodservice clients, and 10 percent is sold as West Liberty Foods brand product locally in Iowa.

The future may indeed be bright for West Liberty Foods, but the company had to endure some really hard times when it began just a few years ago. Early in 1996, Kraft Foods Oscar

Meyer division informed the growers supplying the West Liberty plant that they would be closing the facility in December of that year and would concurrently double-shift the slaughter and deboning operations at its Newberry, S.C., plant. Some of the growers had operated for years as independent growers supplying the plant, and others were contract growers with Oscar Meyer. (Kraft Foods Oscar Meyer division turkey operation is sometimes called by its brand name, Louis Rich.) There were no other plants for the growers to ship the turkeys to, so they investigated borrowing money and buying the plant.

Forty-seven growers got together to form the Iowa Turkey Growers Cooperative (ITGC) in May of 1996. Growers worked with USDA-REA, the State of Iowa, Muscatine County and the City of West Liberty to get a financing package together. The Cooperative also received support from the Iowa Turkey Federation, whose members include two competitors in the industry. In December of 1996, the Cooperative took over the plant. "It was certainly a bumpy start in January of 1997 when the cooperative started processing. The turkey market was oversupplied and markets went to historical lows. Now, here we are, a start-up company, historically low markets, and only a portion of the production is pre-sold. We had to convince customers not only to buy our products but also that we would survive the low markets," Rutledge said. Growers were asked to provide more equity twice, and the company almost didn't make it. The growers were determined to continue. After one and a half years, the markets rebounded. Three turkey deboning plants ceased operation in the second half of 1998, and this improved the market for deboned meat. At the end of 1998, Sara Lee began using WLF as

a co-packer, and this business helped to put West Liberty Foods on a firmer financial footing.

The company is named West Liberty Foods and not West Liberty Turkeys because the company produces cooked beef, pork and chicken products in addition to slaughtering and cooking turkeys. West Liberty Foods is the single largest supplier of cooked sliced sandwich meat to Subway producing over 1 million pounds per week of turkey breast, roast beef and cold-cut combo meats. In 2001, West Liberty Foods was named by Subway as its supplier of the year. West Liberty Foods has also received Hormel's spirit of excellence award five years running. The company is Arby's largest supplier of sliced turkey for its new Market Fresh sandwiches. West Liberty Foods' annual sales have increased from \$65 million in 1997 to \$200 million this year.

## Building On A Heritage

West Liberty Foods, the company, has only been around since the end of 1996, but turkeys have been processed at the West Liberty plant since 1949. The facility is the original Louis Rich plant and began life as a tomato canning plant in 1943 when the Rock Island Produce Company was moved to West Liberty. Today, the plant processes 19,000 tom turkeys per day on one shift on two, single-inspector evisceration lines. The plant has 270,000 square feet under roof. All of the toms are deboned by hand. Drumsticks and thighs are deboned with knives while still attached to the carcass. Plant personnel report that this method gives both high meat yields and good meat quality. Very few trimmers are required to trim the



**Logs exit cooling tower ready for automatic transfer to slicers.**

thighs because no bones are broken in the deboning process. The toms are processed at two target live weights, 36 and 40 pounds. Breast lobes from the 40-pound toms go into the Arby's Market Fresh product. The company is exploring the possibility of switching to a single target-weight program and mechanically sizing breast lobes to meet specific customer requirements. This plant employs around 1,100 in a town of less than 3,000 people, so the plant must draw many of its employees from other towns and counties. The average tenure for all West Liberty Foods employees is over nine years.

The plant operates its further processing departments on two full shifts. It has segregated cooked and raw product employee entrances and employee welfare areas. There is complete segregation of raw and cooked processing areas. Rutledge reports that the plant has the capability of slaughtering a full second-shift's worth of birds, but the company has no plans to do so. West Liberty now buys an average of five loads of breast meat per week for use in the company's cooked products. "Over the last few years you were probably better off buying some portion of your meat; it has worked out well for us," he said.

In 2000, West Liberty Foods ac-

quired a cooking facility in Sigourney, Iowa. The plant was purchased from Pinnacle Foods and has 49,000 square feet and 170 employees. The combined cooking capacity of the West Liberty Foods' plants is 2.8 million pounds per week. West Liberty Foods has many large food-service customers, and these customers put a lot of time and effort into investigating their suppliers. Rutledge said, "We are probably audited more from a food safety standpoint than just about any plant in the country. It is not unusual for us to be audited on a monthly basis."

## Cooperative Behind West Liberty

The grower members of ITGC are the owners of West Liberty Foods. Growers have one vote per 100,000 turkeys produced annually. ITGC's board has 11 directors and it is the policy-making body for the Cooperative. The board is comprised of members from all areas of the state where the cooperative raises birds and has growers with large and small operations.

Prior to the formation of ITGC, some of the growers had grown on contract for Kraft Foods Oscar Meyer division, and some had been independent producers who sold birds to the plant on market-related contracts. For the contract producers, becoming a part of the cooperative meant providing capital for the purchase of the plant and beginning to pay directly for feed and poults. ITGC purchased the Oscar Meyer feed mill in Ellsworth, Iowa, which had been servicing many of the growers in that area. The feed mill now is owned by Ag Partners, which is a joint venture between Albert City Elevator, Cargill and grow-

ers in the Ellsworth area. There are several feed mills located in Southeastern Iowa, and the growers in the Washington and Wayland areas contract with them for feed. ITGC does not have field service people. The growers handle the management of the farms and the growing and feeding of the birds, and West Liberty Foods takes over when it picks up the birds on the farm.

Corn is still king in Iowa, and the average farm is large. The density of poultry houses per mile is less than is typical for the poultry growing regions of the Southeastern USA. Donnie Daufeldt, board member of ITGC, farms 1,900 acres of cropland with his sons just outside of West Liberty. His turkey barns are typical of ITGC's newer houses. The turkeys are raised as a three-age, two-stage operation. The brooder house is 76 feet wide and 280 feet long, and the house is cleaned out each flock and rebedded with pine shavings. Twenty-one thousand tom poultlets are placed at one

square foot per bird on an 8.5-week cycle. All of the houses are curtain sided and utilize natural ventilation. The houses are metal truss houses, which do not have drop ceilings, but the roofs are insulated and the roof peak has a ridge vent that opens the length of the house. The two finishing houses are each over 800 feet long and house the birds from the time they are moved at five to six weeks of age until they go to market at 18 to 19 weeks of age.



Crops raised on the farm are used at a local mill to feed the birds.

More corn is raised than the birds can eat, even though the farm produces more than 4 million live pounds of turkeys per year. Growers and integrators on the east and west coasts of the USA can only dream of having zero inbound freight cost on grain at their mills.

It started with a group of growers who wouldn't give up when they lost shackle time for their birds. ITGC was formed, and it worked with federal, state and local governments along with the Iowa Turkey Federation to pull together financing and start processing. Today, West Liberty Foods sliced products are served from coast to coast in tens of thousands of restaurants and sub shops. Next time you are in a Subway or Arby's and order a turkey sandwich, you will be helping out some Iowa farmers who decided that it was n't time to quit.

*When all of the lines are installed and fully utilized, the plant will be able to slice 70 million pounds per year.*

