

PECO FOODS BUILDS NEW POCAHONTAS, ARKANSAS PLANT FROM SCRATCH

Peco Foods has been in business for 80+ years and today they are the 9th largest integrated poultry processor in the United States. As a premier jumbo bird company, Peco supplies many kinds of boneless products to national restaurant chains, regional food service distributors, and retail grocers.

Peco Foods, founded by John Herman Hickman, has had large poultry complexes in Alabama and Mississippi for many years. In 2011, Peco expanded into Independence County, Arkansas, with the acquisition of the former Townsends facilities in Batesville and a feed mill in Newark.

“We realized immediately that Arkansas is an excellent place to do business,” said Peco CEO Mark Hickman, “and we developed strong working relationships with Governor Mike Beebe, the Arkansas Economic Development Commission, the Northeast Arkansas Intermodal Authority, and other state and local officials. Based on our strategic growth plans and our successful experience in Arkansas, we began the site selection process in 2012.” Hickman said, “The abundance of a highly skilled, hard-working labor force was a primary driver behind the decision to locate in Northeast Arkansas.”

“A strong work ethic is a way of life in the region, and we found the assets in the area to be directly in line with our strategic goals. Another important factor in our selection of the site is the abundance of chicken growers and grain farmers in the area who share our company’s commitment to quality,” he added.

Peco selected the location in Northeast Arkansas on the basis of

geography, access to pristine natural resources, and proximity to its national customer base. “We were extremely fortunate to find the perfect parcels of property to build on, so new construction was our only option – and it met Peco Foods’ needs perfectly,” Hickman added. Peco acquired the property in Randolph and Clay Counties in 2013, and announced Project Pocahontas in Governor Beebe’s office at the Capitol in Little Rock on March 10, 2014.

The facility, constructed for Peco by JESCO, Inc. Construction, is a 318,000 square feet pre-cast concrete structure with an additional 82,000 square feet of ancillary and second floor structures. The processing plant is designed with the capability of processing 1.5 million 10-pound birds per week from live receiving, deboning, further processing, freezers, coolers, and shipping. Site work included preparation for and concrete paving of more than 600,000 square feet of parking.

“In considering our construction partner, our selection criteria were stringent,” Hickman said. “We were looking for a construction firm that shares our commitment to quality and on-time completion. Our goal was to choose an industry leader with a proven reputation for excellence in large-scale corporate projects and an understanding and appreciation for the

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poultry industry and Southeast region. JESCO was the ideal choice,” he emphasized.

“Poultry is a unique industry, and it is important for a contractor to understand some of the unique challenges and requirements that poultry faces on both the live bird and processing side”, said Jerry Maxcy, president of JESCO, Inc. Construction. JESCO’s experience in poultry industry dates back to its founding 75 years ago. **Today, JESCO’s Agri-Industrial Division completes many projects on the live bird side of the business: designing, constructing, and installing bulk storage facilities, conveying systems, feed mills, and process equipment.** JESCO’s Construction-Engineering Division has knowledge and a focus on the processing side of the poultry industry. **“Poultry has been a focus of our company for 75 years,”** Maxcy added.

JESCO project manager Kelly Martin said one of the major challenges in this project included the weather. Site preparation was complex and demanding. Early in the process, Mother Nature threw some curves with an unusual amount of wet, cold weather. High winds and wind-driven hail caused damage in the later stages of construction. JESCO’s experienced team and in-house capabilities, including construction-engineering,

mechanical-electrical, millwright and steel fabrication, allowed the company to self-perform the plumbing, mechanical, electrical and fire alarm systems; allowing them to overcome these challenges and maintain the schedule. After those hurdles were overcome, construction proceeded like clockwork and Peco was able to meet its timeline.

“Our timeline was ambitious,” Hickman noted. “We formally announced Project Pocahontas in the spring of 2014 and we opened the doors two years later.”

“We had daily interface with Peco’s on-site representatives,” said

Martin. “We coordinated with Peco’s project engineering/design team and facilitated and documented the owner, engineer and contractor meetings and correspondence,” he added. Martin noted a key to project management is having a proactive approach to address changes and coordination among multiple trades.

“As with any construction project of this magnitude there were many challenges, some anticipated and others developed during some phases of construction. These challenges required some deviations or modifications to make sure everything fit and achieved a workable solution for all





companies involved. The construction superintendent for JESCO, Mr. Bill Howell, projected a quality job when the plant and supporting structures were completed. Bill more than fulfilled his promise of high quality structures and did so meeting our timelines for operational start up. I would highly recommend JESCO for any construction requirements for any company in our industry," stated Benny Bishop, COO for Peco Foods.

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"The JESCO team was an excellent partner. The outcome of this large-scale construction project affirmed the value of choosing the best of the best to help us reach our goals," Hickman noted.

Hickman said a key advantage of building a new complex from the ground up is the opportunity to incorporate state-of-the-art technology in all aspects of design and construction. This is reflected throughout the Pocahontas complex.

Among the numerous innovations Peco boasts of are the wastewater treatment and protein conversion facilities, which represent the cutting edge in the poultry industry. In keeping with their longstanding commitment to protect the environment, Peco believes these new systems will be a model for the industry.

Design and engineering for

the plant was by Charles N. Clark Associates, LTD, of Laurel, Miss. Firm principal and building design manager Kenneth Hester said original contact with his firm came in 2010 when PECO was considering various sites, and then in 2013 when they began to focus on the selected site. "We performed preliminary design drawings to be certain that the building would fit on the site," Hester said. "The design of the building and civil engineering took place over a 10 month period. The plant is larger than many of the projects that we design due in large part to the further processing operations that include custom cuts, marination, breading, par-fry, and flash freezing."

Asked about challenges, Hester noted, "The project is in a seismic zone requiring a lot of structural lateral forces design. The site contained delineated wetlands requiring special permitting and mitigation. The water service to the facility is furnished from on-site wells and treated in an on-site treatment facility, so the greatest challenges were permitting and design coordination."

Process Engineer Brent Cole is a 25-year veteran working with complex projects. "I began my work as a processing engineer in 1991, and have been involved in many projects in the poultry industry since that time. I have been fortunate to be a part of several green field collaborations but this particular one, done for Peco Foods Pocahontas, was altogether different from any other green field experience I've encountered. Peco Management's plan for this project

was a format that I was familiar with, but is not normally used in the industry. Their plan began with the concept process drawing and then a structure design which would accommodate that process. Once construction was substantially completed, the process equipment installation was done. It was a bit of a surprise and a very pleasant experience to install the equipment in an area where the construction was 99% complete, instead of the usual practice of beginning process engineering, installation and start-up of equipment, all while construction was under way.

"Peco Foods Management worked with the General Contractor, JESCO, Inc. Construction, in such a way as to ensure that they were able to carry out their responsibilities to allow for the process equipment installation to be completed under the best possible conditions. So, in answer to any challenges I faced on this undertaking, there simply were none on the process side.

"It was, indeed, an honor to be given the opportunity, by Charlie Peacock and Peco's management team, to design the cut up and debone areas of the Pocahontas green field project. It was an enjoyable experience, and quite frankly the best since 1991," Cole said.

Project Pocahontas represents a major financial investment for Peco. The new complex is bringing 1,000 jobs to Northeast Arkansas, in addition to business relationships with more than 90 poultry farmers and dozens of grain farmers in the area. Estimated grain usage will be in the range of 339,000 bushels of corn and 2,400 tons of soymeal per week. Using a conservative multiplier, experts at the University of Arkansas estimate that the new Peco complex will have an economic impact of more than \$800 million over the next five years.

Peco Foods has a highly experienced management team that knows the international poultry industry from all vantage points. The success of Project Pocahontas reminded all of them that it is essential to work with others who share their commitment to high quality, maximum efficiency, and fiscal integrity.

Hickman noted, "Keep a positive attitude, remember the value of strong and consistent two-way communication, and don't second-guess Mother Nature."