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New distribution site in city

Fruit, vegetable supplier brings major facility

By: **Murray McNeill**

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WAYNE GLOWACKI / WINNIPEG FREE PRESS [Enlarge Image](#)

Star Produce's Greg Kennedy in the new 34,000-square-foot facility on Bannister Road. He says the firm wants to grow its business in this region.

Winnipeg is about to gain a new regional distribution centre.

Star Produce Ltd., a Burnaby-based firm that supplies fresh fruit and vegetables and ready-to-serve fruit

and vegetable platters to retailers and wholesalers in Western Canada, is opening a new 34,000-square-foot distribution and fresh-cut facility in northwest Winnipeg.

The Bannister Road facility is expected to begin shipping out product early next month, and it won't be to just Star Produce customers in Manitoba and northwestern Ontario.

Company president and CEO David Karwacki and Greg Kennedy, manager of the company's new Winnipeg division, said the centre will also handle some fruit and vegetable shipments from the eastern United States, Mexico and South Africa that are destined for the other three western provinces.

Karwacki said Winnipeg's central location and its close proximity to the U.S. border makes it an ideal place to route shipments through.

"Winnipeg is a great staging area for fresh food... It can be distributed more efficiently into Western Canada out of there."

He said trucking firms like delivering to Winnipeg because their drivers can drop off a load here, then skip across the border to Grand Forks to pick up a load there for delivery somewhere in the United States.

They said it also makes good business sense to have a distribution/fresh-cut facility here because it takes some of the pressure off the company's distribution centres in Saskatoon, where Star Produce got its start in 1989, and Calgary, which is home base for its fresh-cut division, called Fresh Direct Foods.

Up until now, those two facilities have been supplying fresh produce and fresh-cut trays and platters for customers in Manitoba and northwestern Ontario. But Kennedy said the company is keen to grow its business in the region, and having a local distribution/fresh-cut facility will make it much easier to do that.

"Fresh-cut is definitely a large function of the company and it is a growing part of our business. It's all about convenience and it's about the perceived lack of waste because you tend to eat everything you buy (on a platter)."

Karwacki said having a fresh-cut facility here also means the platters shoppers get in the stores will be fresher and will have a longer shelf life.

"We could cut it up in the morning and deliver it in the afternoon. So it might even be on the (store) shelves by that evening."

Karwacki said Star Produce officials were also impressed with the city itself.

"It's a city that is really starting to come to life. On a recent visit I saw cranes and scaffolding everywhere. And when you go downtown, you see lots of interesting things happening there," he said.

"And when you see an NHL team returning, people take notice of that and (they) take notice that you have a sold-out arena. It's exciting and it's fun and people want to be part of that."

The building Star Produce has leased for a minimum of five years was built two years ago by Winnipeg's Crystal Developers Ltd. Star Produce is spending about \$1 million to develop the interior to suit its needs, and has had construction crews working on it since early in the new year.

The building, at 71 Bannister Rd., was Crystal's first new industrial project in the city in 20 years, and was built without a tenant signed in advance.

Company president Rubin Spletzer said it took longer than expected to find a tenant, especially given the city's low industrial vacancy rate -- 2.1 per cent, according to the latest issue of the twice-yearly

Johnson Report.

He said in the future, the company will wait until it has an anchor tenant signed before proceeding with a new project. But that may not be for a while, he said.

"The problem is that right now, new industrial land is not available and the prices have just skyrocketed to the point where you don't want to build... But if I find a good piece of land at a good price, I would do another one."

In the meantime, Crystal will continue to focus on building apartment blocks. Spletzer said the company hopes to begin construction this year of Phase II of its Grand Lyon Terrace luxury apartment development on Paget Street. And work is also expected to get underway this year on its 25-storey Heritage Landing apartment complex on Assiniboine Avenue in downtown Winnipeg.

Know of any newsworthy or interesting trends or developments in the local office, retail, or industrial real estate sectors? Let real estate reporter Murray McNeill know at the email address below, or at 697-7254.

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The goods on Star Produce Ltd.

Started by three entrepreneurs in Saskatoon in 1989. The group included businessman David Karwacki, who is president and CEO of the company and a former leader of the Liberal Party of Saskatchewan.

Supplies fresh fruit and vegetables from around the globe to retail, club and food-service customers in Canada and the United States.

Operates warehouse/repack/distribution facilities in Burnaby, B.C., Calgary and Saskatoon. Will be opening a regional distribution/fresh-cut facility next month in Winnipeg.

A member of the Star Group of companies, which also includes Nova Produce, Consolidated Fruit Packers, B.C. Hot House Foods Inc. and Fresh Direct Goods.

-- source: Star Produce Ltd.

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