

Washington Manufacturing Alert

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Newsire: Port of Shelton gets grant, loan for forest-products company project; purchasing managers indexes turn south; GM Nameplate opens China facility; PicoBrew launches Kickstarter campaign for new product; manufacturing calendar of events; plus other news items.

Page 4

Our Next Issue:
June 4

Workboat Contracts Keep State's Shipyards Afloat

Through the ups and downs of sectors like yachts and fishing vessels, the workboat category has proven to be a steady and reliable performer for Washington builders.

A series of recent contract announcements and deliveries indicates there's still some room to run for companies that produce ferries, excursion and tour boats, law enforcement and military craft and similar vessels.

Bremerton-based Inventech Marine Solutions, which markets products under the Life Proof Boats brand, delivered a 40-foot

(Continued on page 3)

Chilling Out: Auburn Company Grows By Finding Things To Keep Cool

BY BILL VIRGIN
Editor/Publisher

Milk comes from the cow warm, but that's not a good temperature for storing and shipping the liquid.

A 28-year-old Auburn company has built a niche for itself by designing and manufacturing the equipment dairies need to cool milk quickly and in bulk to proper temperatures.

It turns out that the technology and expertise Pro Refrigeration Systems Inc. has developed over nearly three decades works well for other liquids, including beer. That has fueled growth of the company to 80 employees and two production plants, the other in North Carolina.

More growth could be coming. Pro Refrigeration's next promising sector is oil extracted from cannabis leaves as an ingredient. "There are definitely challenges," says Chief Executive Jim VanderGiessen. "It's not an easy market. [Cannabis oil] requires colder temperatures than what are used" for other liquids.

But such is the potential in cannabis, he adds, that the market could wind up being Pro Refrigeration's biggest segment yet.

In addition to finding new applications for its technology, Pro Refrigeration is applying new technology to its products. At a recent craft-beer-industry trade show, Pro Refrigeration unveiled one of its Pro Chiller units (example pictured below, photo courtesy of the company) outfitted with wireless communications capability to allow remote monitoring — in other words, the industrial Internet of Things married to a refrigeration unit.

The idea of an IIoT-connected cooling unit came about from a chance meeting VanderGiessen had with an employee with Amazon Web Services. Pro Refrigeration already had measurement and monitoring sensors built into its chillers. Getting that data remotely, though, required hooking up an Ethernet cable, and many customers never bothered to. The partnership with Amazon, he says, gives it access to development tools and protocols, while data analytics will help customers with preventive maintenance. Another Washington company, T-Mobile, is the partner providing the wireless link.

Pro Refrigeration was started by VanderGiessen and his father in 1990, but its roots in the business go much deeper than that VanderGiessen's father and grandfather owned a refrigeration sales and installation company in Lynden, serving the area's dairies.

In the 1980s the federal government embarked on a program to buy out dairy farmers and herds in order to boost milk prices. "Half of their business went away," the younger VanderGiessen says.

His father sold that company and went to work for Pro Sales, an Auburn food-processing equipment company, heading up the

(Continued on page 2)



Pro Refrigeration: Milk, Beer, Wine — And Now Cannabis Oil

(Continued from page 1)

refrigeration division. The younger VanderGiessen joined his father at Pro Sales, working in the fabrication section where the two worked designed, built and installed chilling systems.

When Pro Sales went through an ownership restructuring, the VanderGiessens bought the refrigeration division. (Another company to emerge from that restructuring was Thermaline, an Auburn maker of heat exchangers.)

“Our grandiose plans were to sell one system a month,” he says. “It has grown significantly into a lot more than that today.” For many years Pro Refrigeration had an arrangement for producing private-label cooling systems for one food-equipment company; it now also sells directly to the market. Dairy and craft-brewing systems currently account for 70 percent of the units Pro Refrigeration sells.

Two reasons account for the company’s growth. First, Pro Refrigeration figured out a solution to a problem dairies were facing. The conventional way of cooling milk was in a bulk milk tank outfitted with cooling jackets. With consolidation of dairy farms, resulting in fewer but larger operations, milk couldn’t be cooled fast or sufficiently enough.

The solution was instant cooling, as the milk was pumped from milking parlors. Today, he says, it’s rare for very large farms to cool the storage tanks themselves; some don’t even bother with storage, pumping milk directly into tanker trucks. “We started by buying and modifying other manufacturers’ equipment, but eventually it got to where we were building everything from the ground up.”

The other contributor to growth was finding new applications. “We had a narrow view of what we were trying to accomplish, but we were in the right place at right time” to capitalize on the emergence of the craft-beer market. “We were approached by a company asking ‘hey, will these milk cooling chillers work for beer?’ We said ‘absolutely,’ not really knowing what we were getting into. We made plenty of mistakes, but we had enough stubbornness and

fortitude to stick with it. Now we’re leaders in both those markets.”

From that, Pro Refrigeration moved on to cider, spirits and the latest hot beverage that needs cooling, kombucha. The company says its chillers can be used for non-food and beverage applications, including machine cooling and plastic-injection molding.

Such growth in demand presented Pro Refrigeration with a problem: not enough production capacity. At the urging of a craft brewing customer, the company leased a 34,000-square-foot building in North Carolina (Auburn has 25,000 square feet of space), and quickly maxed that out. It has since moved into a 70,000-square-foot plant with 10 acres of developable land around it.

VanderGiessen says 65 percent of the company’s shipments were going to the East, and 80 percent of suppliers were within six hours of the current production plant near Winston-Salem, N.C. “With transportation costs where they’ve gone, it’s a huge advantage to have facilities on each coast,” he says..

Auburn, he adds, will continue as the center of product innovation and testing, as well as producing 25 to 30 percent of the company’s products for sales in the West.

Pro Refrigeration will need to keep up with research and development because competition is increasing. At one time the craft-brewing segment wasn’t big enough for the giants like Carrier or Trane to bother with, VanderGiessen says. Now when he goes to trade shows he sees more makers of refrigeration equipment trying to break in.

He’s also on the lookout for new markets and applications. The craft-brewing sector’s growth is softening. “It’s always good to diversify,” he says.

Mostly, though, the challenge is handling opportunities in ways that don’t overwhelm a comparatively small company. “We’ve always got a lot of plates spinning,” he says. “Our job is trying to manage the resources we have available.”

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