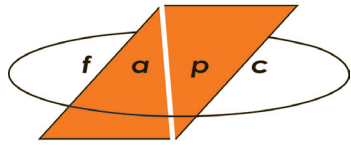


# Food and Agricultural Products Center



## FLASH!!

OKLAHOMA STATE UNIVERSITY™

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## Oklahoma-Based Company is a Leader in the Food Industry

STILLWATER, Okla. – Millions have consumed food products from Lopez Foods Inc., but few have realized it.

Recently recognized in the April issue of *Meat Marketing and Technology*, this Oklahoma-based company provides 15 percent of the beef, 35 percent of the pork sausage and 60 percent of the Canadian bacon to McDonald's restaurants in North America. They also provide products for Wal-Mart and its subsidiary Sam's Club.

“We value greatly the economic importance of companies like Lopez Foods,” said Chuck Willoughby, business planning and marketing associate for the Food & Agricultural Products Center. “In short, our mission is to assist our state's food manufacturers with their research or technical needs – whatever it takes to keep value-added jobs and income here at home.”

John C. Lopez bought Normac Foods in Oklahoma City 12 years ago after McDonald's approached him to become part of the fast-food company's supply chain. McDonald's was looking for a supplier who shared the company's ideals and would maintain the corporate character.

Once established in Oklahoma City, Lopez changed the name to Lopez Foods. He renovated and expanded the plant over time from 120,000 square feet to 188,000 square feet.

The first thing Lopez said he had to address was understanding the technology, equipment and processes that go into making a hamburger patty for companies like McDonald's and Wal-Mart. Next, he focused on

bringing the plant up-to-date with the new technology available in the field.

“Today, virtually every piece of equipment is computer controlled,” said J.R. McComas, analytical lab lead person for Lopez Foods. “Having this control is a critical step in producing a consistent and high quality product. Our customer's product specifications are very demanding.”

In 1991, the plant had 12 computer workstations versus its current use of 180 workstations. The implementation of computer control for consistency and accuracy has also increased the company's productivity.

Lopez Foods sales revenues were \$143 million in 1992 and \$347 million in 2001. The company experienced a 97 percent growth increase due to diversification and internally generated operational practices.

“The goal of Lopez Foods is to get more output from their process each year,” McComas said. “This is achieved by utilizing the latest innovations and technologies available. As higher capacity and more efficient equipment becomes available, we install it, and sometimes we develop it ourselves.”

With an eye toward diversification, Lopez released a private-label brand called Country Cousins in 1998. This is a fully cooked original flavor sausage patty available in Wal-Mart Supercenters. In 1999, Lopez Foods was selected by Wal-Mart to produce pre-cooked, frozen, pork sausage flavored with seasoning to replicate Mexican-style breakfast sausage. This product was named Lopez Pork Chorizo.

“We have strong vendor relationships with McDonald’s, but in order to meet our growth objectives and continue to provide competitive prices to our core customers, we need to diversify,” Lopez said.

Lopez’s entrepreneurial spirit has brought him national recognition. His company is ranked 13<sup>th</sup> in sales revenue in *Hispanic Business* magazine’s “Hispanic Business 500.” *Hispanic Business* recognized the company as the nation’s top Latino-owned meat manufacturing company. Lopez Foods was also recognized as “Manufacturer of the Year” for 2002 by the national magazine.

“Our employees take pride in their workplace and in the products they produce for some of the biggest companies in the world,” Lopez said.

McComas attributes his preparedness for his work at Lopez Foods to the valuable work experience he had at the FAPC. He worked as a graduate assistant and quality assurance specialist for more than three years at the FAPC and is a 2002 graduate of Oklahoma State University.

“The knowledge I acquired from the experienced faculty and staff at the FAPC was extremely beneficial,” he said. “I was very fortunate to have the opportunity to work at the FAPC.”

McComas said the laboratory and quality control experience he received prepared him for the analytical lab jobs he now performs. His lab tests samples, representing almost 1 million pounds of product produced daily, is in compliance with USDA regulations and meets the customers’ expectations.

“Providing well trained graduates to Oklahoma’s food industry is another way the FAPC accomplishes its mission,” Willoughby concluded.

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