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GR Fresh poised for growth

By

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With the opening of a new 62,000-square-foot, state-of-the-art cold storage, distribution and office facility in McAllen, TX, earlier this year, GR Fresh is poised for solid growth in the coming years.

In fact, Executive Vice President Antonio Villalobos said plans are already on the drawing board to add an additional 50,000 square feet of storage by 2023. “This is only the first phase of the project,” he said. “We expect to start the second phase by the end of 2022... and we can add a third and fourth phase after that.”

Villalobos, who is the grandson of founder Juan Gonzales Reyes, revealed that since the opening of the facility in late May, GR Fresh has realized the efficiency gains it was anticipating. Previously, he said the company was operating out of several different facilities in the Rio Grande Valley. “We consolidated our facilities and moved our team into the 12,000 square feet of office space,” he said. “We are much more efficient.”

He noted that the company is allocating about 65 percent of the cold storage space to its own products and also has third-party clients utilizing the rest of the space. The facility also has about 10,000 square feet of repacking space with state-of-the-art machinery.

GR Fresh operates three divisions, which consists of its logistics, cold storage and produce marketing operations. The company has been firmly rooted in the fresh produce industry since it was originally founded by Juan Gonzales Reyes in the 1940s in Mexico. Villalobos said his 90-year-old grandfather is still actively involved in the growing operations in Mexico and comes into the office every day.

The product line consists of the core Mexican vegetables including tomatoes, bell peppers, hot peppers, squashes, cucumbers, tomatillos eggplant and avocados. The list of commodities also includes a line of western veg items, onions, iceberg lettuce, romaine and carrots, which were added to the list two years ago.

Villalobos noted that the company focuses most heavily on direct retail and foodservice customers with a geographic reach from the Midwest to the East Coast and into Canada. Vice President of Sales & Marketing Tony Incaviglia revealed that four of the top 10 retailers in the United States do business with GR Fresh. He added that the new facility helps bring GR Fresh to the next level and allows it to continue to move forward on its promise to be a sustainable company for its customers, employees, and the environment.

Speaking during the first week of November, Villalobos said the McAllen facility was gearing up for the beginning of Mexico’s winter vegetable season. Of course, GR Fresh has product all year long from various growing regions in Mexico, but November typically marks the beginning of the voluminous West Mexico winter vegetable deal. “We are transitioning right now from what we call our

summer program to our winter program,” he said. “There have been no major weather issues, though we did have a couple of close calls with two hurricanes. We are expecting good volume from all of our commodities.”

On this November day, GR Fresh, like other iceberg lettuce producers, was enjoying the \$50 lettuce market that was currently garnering attention across the country. The lettuce, like almost all of GR Fresh’s production, comes into the United States through McAllen, though the company does cross some production into Nogales during the winter season.

GR Fresh controls the transportation of its production into the United States and also has a fleet of six trucks stationed in McAllen that allows it to offer direct service to some of its customers in the U.S. market.

Both Incaviglia and Villalobos noted that rising costs are an issue. Everything from fuel prices to the cost of pallets has taken a big jump in the past year. “What do you do with rising costs?” asked Incaviglia. “At some point, and as a last resort, we are going to have to do what is always done and pass them on to the consumer.”

He also noted that labor is an issue as there is a shortage of workers, although he did say that more people are applying for jobs than they were six months ago.

Speaking of the buyer community, Incaviglia said pre-pandemic patterns are beginning to emerge again. Foodservice buyers are coming back as their business ramps up and retailers are settling in to normal promotional buys and orders that existed before the coronavirus altered business practices. He said the previous 18 months resulted in a high level of “organized chaos,” but calmer days are returning.

Photo: GR Fresh's new 62,000-square-foot, state-of-the-art cold storage, distribution and office facility in McAllen, TX.

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