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Leading Industry closes deal on facility

Firm seeks to increase productionLarger site, climate lead container manufacturer to set up shop in Oxnard

By Jenni Mintz, jmintz@VenturaCountyStar.com
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Leading Industry Inc. lacks brand name recognition, but it makes many recognizable products, including the plastic strawberry containers found at many grocery stores.

The Oxnard company manufactures 1 million plastic containers daily for retail, medical and food industries, and about 200 million during the strawberry growing season.

With its recent expansion, Leading has purchased more thermoforming machines to increase production.

The company doubled its production space when it moved in July 2005 to 1151 and 1135 Pacific Ave. It since has acquired the 194,277-square-foot industrial facility for \$13.4 million. The deal closed July 31.

"We outgrew our old facilities," said Joshua Yun, the company's controller.

The new facility, which was built in 2005, spans 10 acres in the Channel Islands Business Center, and has a large production area where the roar from four thermoforming machines is constant.

Thermoforming is the process of taking a sheet of plastic and heating it, then forming it with vacuum pressure and finally trimming the product.

Since relocating, Leading Industry has been doing business as Pinnacle Plastic Containers, which better illustrates what the company produces, said President Sam Hong.

Most of the firm's customers are major growers and food processors on the West Coast.

Seeing good growth

Hong said the company has had about a 25 percent annual increase in revenue for the past few years and needed the extra space to accommodate its steady upswing. He declined to reveal actual figures.

The company's growth has matched the produce industry's increasing demand for more plastic packaging in retail stores, Hong said. More fruits and vegetables, such as mushrooms, blueberries, tomatoes, pears and apples are packaged in clamshell packaging, a clear, plastic protectant, which Hong says prolongs shelf life better than the conventional method of tossing the fruit in a bin.

"The retail industry is growing, and we should grow with it," Hong said.

Leading Industry also produces consumer products: stationery supply packaging for writing utensils and packaging for cosmetics such as nail polish.

The materials to make such products are purchased from recycling centers as flakes, which are made from recyclables such as water and soda bottles that are washed and ground into tiny chips.

On a daily basis, Leading Industry processes 120,000 pounds of flakes into plastic sheets.

The plastics industry has evolved to be more environmentally sound since 1981, when Hong and his brother, Dale Hong, founded the company in San Fernando. Manufacturers are seeking more eco-friendly products. The nature of the business is also more competitive, Yun added, as more imported products from Asian countries are available.

Hong said the company doesn't have any competitors in Ventura County. Leading Industry moved to the area in 1991 in search of purchasing a larger facility in a cooler climate.

"Our operation here is a heat-generating process," Hong said. "In the valley, it was quite hot. It's 10 to 15 degrees cooler in Oxnard. Climate was a main factor in our choice to move."

The company's more recent move has been in the works for a few years. Leading Industry signed a lease agreement with Triliad Development of Thousand Oaks in March 2004, with the option to purchase one year after moving.

Mitch Conlee of GVA Daum represented Leading Industry, while Robert Flink and Robert Shafer with Lee & Associates represented the seller, Pegh Investments LLC.

The company decided to purchase rather than continue leasing because "the interest rate is still attractive," Yun said. The company relocated from its Oxnard facility at 900 Del Norte Blvd. The move took more than three months, while the company maintained the same level of production capacity at its former facility to minimize disruption, Yun said. In February, Leading Industry sold its two previous buildings, totaling 90,000 square feet, for about \$8 million.

"This is better for our management," Yun said. "Instead of managing three different locations, we just have two different buildings combined, right next to each other."

The company has about 200 employees, and is looking to hire about 30 more within the next few months, Yun said. Mostly machine operators are needed. Pay ranges from \$7 to \$20, depending on skill level, he said.

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