

THE WORLD GROUP OUTLOOK

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Keeping Products on the Move

Whether it's establishing relationships with trucking, rail or freight companies, inventory control, or mixing and consolidation, the World Group members continue to meet and exceed customer's needs for inbound and outbound transportation coordination and management.



American Cold Storage has been very active in forming alliances with the railroad industry. Recently ACS had the opportunity to work with Norfolk & Southern, Union Pacific and Unilever to help strengthen the Unilever business at the Boonville, IN warehouse.

Mike Windley from Union Pacific and Susan Barkley from Norfolk & Southern, worked with the operations and sales team to reduce cost and improve service into the Boonville warehouse. All three logistics companies involved were able to reevaluate cost and pricing to support the needs of Unilever. Glenda Wira, Warehouse Manager at Boonville and Dave Collins, Director of Marketing and Sales, visited the Atlanta CYO Headquarters of Norfolk & Southern Railroad to further maintain the partnership that has been formed. American Cold Storage believes its long-term success is closely related to the performance of its partner railroads and has placed a high priority on interfacing with them.



HCS provides consolidated warehousing and distribution for a number of customers at the Scranton, PA operation. Teaming up with Kane Freight Lines, Inc., HCS offers cost effective transportation of LTL products to retail, foodservice, and manufacturers in the

northeast part of the country. One of Henningsen's customers, Diamond of California, consolidates product at Scranton from the west coast and HCS case picks the orders and provides inventory service for Diamond customers, with nearly all orders being less than truckload. Not only does this service consolidate multiple warehouses in the northeast into one facility, it gives Diamond the benefit of consolidating their outbound LTL freight with other HCS Scranton customers who use Kane for product delivery. It's the Henningsen/Kane team in Scranton that gets the job done for Diamond.



Is Merchants a warehousing company or a logistics company? While MTC does have the most public space in Maryland — 13,000,000 cubic feet — their core responsibility is handling customer's product as if it were their own, making Merchants not only a warehousing department, but also a traffic, information services, and inventory control department. Merchants Terminal is an extension of their customers — their eyes and ears. In many cases, Merchants arranges for

delivery of customer's product and interacts with their customers. For example, Merchants teamed with Union Pacific Distribution Services and CSX (www.upds.com/produce) to provide cross country rail, warehousing and delivery to consignees on the east coast. Once the shipper loads the rail car, Merchants tracks the car across the country, contacts the shippers' customers to schedule appointments and then cross-docks the product to awaiting trailers for delivery. Merchants' employees are the people speaking to their customers' customer and this responsibility is taken very seriously.

Years ago, a truckload of product would come in, sit in the warehouse for a few months and then go out. Now, customers forward position product for replenishment of the major foodservice and retail distribution centers on the east coast, including C&S Wholesale, Giant Food (Ahold), Marriott, Sodexo, Sysco, US Foodservice, and Walmart.

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Trenton Cold Storage Opens Western Canada Facility



The doors to Trenton's new Edmonton facility in western Canada, containing 55,000 square feet of space for frozen, cooler and ambient products, were opened in early August. A true winter wonderland, Edmonton is presently the fastest growing city in Canada and is becoming home to many new and growing food manufacturers. TCS is helping to increase the growth by presently working with the local authorities to improve the Agri-Food presence in Edmonton. TCS has thirteen acres of property for future expansion for both warehouse and manufacturing opportunities.

TCS plans to operate western Canada's only freight consolidation program from this facility. The program will be integrated with freight already on route to western Canada from Trenton's Ontario, Canada locations.

TCS has partnered with two long-standing freight carriers in Edmonton; Porter Transport and Byers Transport. Established in Seattle and Minneapolis, Porter Transport will provide many customers access to Midwestern and West Coast business, while Byers Transport will be making regular service to many of the Northern centers and as far up as Alaska.

Bruce Macdougall will manage the new Edmonton facility. Bruce's strong management experience, which includes 15 years managing a Freightliner parts supply warehouse, will help the Edmonton operation move along smoothly.

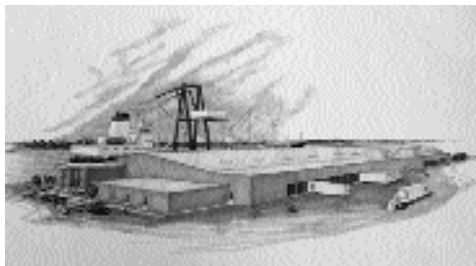
INTERNATIONAL EXPERTISE: NOCS is an Industry Leader in Import /Export

NOCS has multiple port locations (New Orleans; Charleston, SC; and Houston [LaPorte], TX), enabling customers to utilize different ports for varied export and import needs relative to the markets they serve. Customers can employ their resources and assets in various parts of the country simultaneously, while NOCS coordinates those related services at the ports closest to their processing plants or shipping points. By being located in major port cities in the east, south and south-west, NOCS customers have the added flexibility to load in containers and take advantage of great liner service as well as loading breakbulk on chartered vessels. Multiple port locations also enable customers to sell to their customers who are chartering breakbulk vessels.

NOCS offers transportation from customers' plants or other storage locations to NOCS facilities, or direct to breakbulk vessels. NOCS can also dray the product from the warehouse to the terminals for vessels loading. Container drayage enables NOCS to better control the flow of product for import and export, and gives customer the assurance that the timing and logistics of the shipments are optimized, thus reducing their costs and concerns.

As a true "One-Stop Logistics Provider," NOCS performs all of the services needed for export by utilizing transportation expertise, blast freezing and warehousing services, plus performance of all certification and documentation services, and even the actual stevedoring services (loading of the breakbulk vessels) required in the export process.

NOCS is one of the few warehouses in the country to have the certification capability and approval to handle pork for export to Russia. Twenty hour blast freezing capability is second to none in the industry, and NOCS has the



A depiction of NOCS' new 160,000 square foot dockside facility currently under construction in the Port of New Orleans

capability to freeze approximately 250 loads per week, system-wide, or approximately 10,000,000 lbs. of fresh poultry and related items per week.

A new NOCS facility is currently under construction at the Port of New Orleans Jourdan Road Wharf that will give NOCS its first dockside location. The other two warehouses NOCS presently operates near the waterfront do not have a ship berth. By moving to the Jourdan Road terminal on the Mississippi River-Gulf Outlet, the company will avoid having to truck frozen cargo between its warehouses and a dock, allowing NOCS to be more competitive with other companies performing similar services in the Gulf and Atlantic seaports. The new facility will bring NOCS' total capacity in New Orleans to over 270,000 square feet of refrigerated storage space. The additional 20 blast cells at the Jourdan Road location, with the capacity to freeze 800,000 pounds of product in any given day, will increase the overall NOCS blast freezing capability in the Crescent City to over 1.2 million pounds per day. With more space and a better location, the new facility will enable NOCS to land more frozen chicken exports and possibly attract fruit and vegetable business from Central and South America.



Established: 1886

Number of Employees: 150

Headquarters: New Orleans, Louisiana

5 facilities: Charleston, South Carolina; Houston, Texas; and 3 in the Port of New Orleans, Louisiana

Storage Capacity: More than 7.6 million cubic feet of refrigerated and frozen space

Temperature Range: -40°F to 60°F

Number of Dock Doors: 58 Truck, 13 Car Rail Siding, 40 ft. wide refrigerated dock

Export Capabilities/Geographical Regions Served: North, Central & South American markets, Europe, Russia, the Middle-East and the Far East

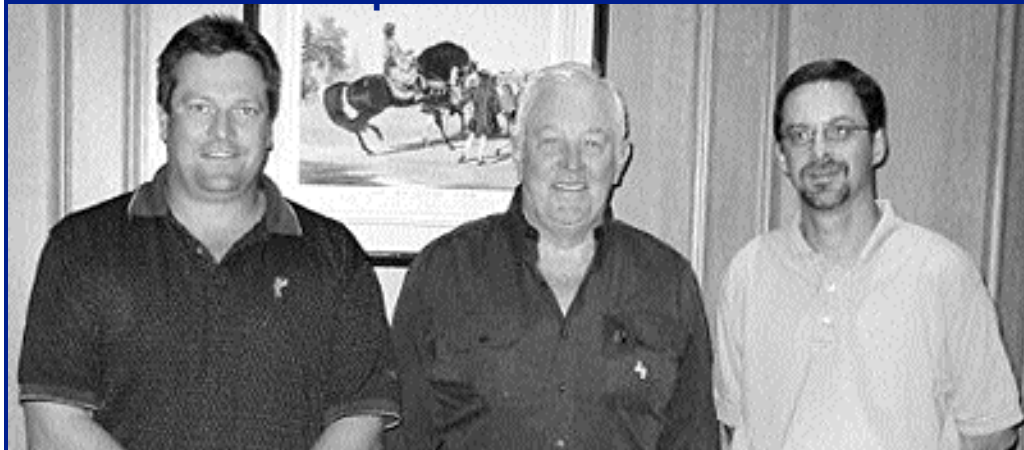
Services Offered: Frozen and chilled warehousing, blast freezing to 0°F within 24 hours, USDA inspection facilities & NFFA inspection certified, container drayage, inland transportation, stevedoring and ocean vessel loading management

Transportation Offered: Container drayage, truckload and LTL transportation, steamship, containerized and full ocean going breakbulk refrigerated shipments

Type of Companies Served: Processors, manufacturers, retail and wholesale distributors, importers and exporters

Management Staff:
Lawrence J. Molony, Sr. – Chairman of the Board
Gary Escoffier – President & CEO
Mark Blanchard – Executive V.P.
Lawrence Molony, Jr. – Vice President Finance

New World Group Board Members Announced



Congratulations go out to the newly elected World Group board members. For the next two years, Sam Bradshaw of American Cold Storage will hold the title of President, Craig Kitchner of Trenton Cold Storage will serve as Vice President and Merchants Terminal's Ken Johnson will act as Treasurer.

From left to right, Craig Kitchner (Trenton Cold Storage), Sam Bradshaw (American Cold Storage) and Ken Johnson (Merchants Terminal)

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Today, most inbound shipments are brought in with many SKU's and ship out in small quantities of even more SKU's. The warehouses are laid out to efficiently pick the product, warehouse management systems are state-of-the art and warehouse labor and management teams have more than 15 years experience, making deliveries accurate and on time.

Merchants now supplies inventory visibility over the Internet (www.merchantsterminal.com), allowing customers to monitor shelf life and inventory levels. All of these services are integrated to allow Merchants to build spiral pallets, arrange for delivery, and often times integrate drop trailer programs to make distribution even more cost effective.

Merchants three facilities, all located on I-95, also play a major role in the movement of product. The Baltimore and Jessup distribution centers are 5 and 20 minutes respectively of the Port of Baltimore (MPA), which offers weekly service to China, Japan, and Russia. Merchants had the foresight 15 years ago to construct the State's only import inspection station, which allowed the MPA and Merchants to attract the Australia-New Zealand and South America trade as well. Merchants prepares all export documentation and provides drayage to the Port with all services invoiced on one bill for easier administration. The facility locations are also within a three-hour drive of the major poultry processors in Delaware, Maryland, Pennsylvania and Virginia.

In summary, Merchants is more of a logistics company than a public refrigerated warehouse.



With the Russian exporting situation as it has been the past few months, namely the ban on US poultry to Russia, NOCS has had to pay strict attention to

the volatility of the market, especially coordination and timing, working extremely close with processors, traders, freight forwarders, stevedores and transportation companies. NOCS has not only been loading ships with tighter sailing time frames under the 3rd Russian ban, but has been working more diligently with USDA, customer's offices and warehouse personnel to execute the proper shipping documents within the current guidelines imposed for exports around the world.

The diversity of services that NOCS offers has been a tremendous help to customers attempting to satisfy sales needs. NOCS has been moving product relative to the specified steamship destinations and trade routes through its three ports; New Orleans, LA, Houston, TX and Charleston, SC. In order to facilitate the steady flow of inbound product, which does not stop when there is a ban in place, NOCS has been carefully balancing the inbound and outbound movement of product. NOCS has been working at reducing the amount of blast loads taken per day, rather than shutting down blast operations of fresh chicken completely due to lack of warehouse space. NOCS has had to become accustomed to loading containers more expeditiously and without much lead time in order to satisfy the drastically altered shipping schedules and revised parameters with which customers have been faced.

On the domestic side, NOCS has made various schedule adjustments to extend receiving hours for shrimp and crawfish customers who need to keep the flow of product moving to a refrigerated environment. Seafood customer's days are dictated by the amount of catch and current weather conditions. NOCS works hard to adjust receiving hours, keeping the product moving in and through production facility and in to the NOCS freezers. The accommodating hours are vital to a customer's success, as they seldom have the capability to store more than a small amount of product in holding areas of their own.

Coordination of sales, customer service, warehouse and transportation personnel is required to affectively move product in and through

the warehouse. NOCS plays a dynamic and important role with their involvement in making many of those necessary steps as smooth and cost-effective as possible for customers, whether it is a box of Louisiana shrimp that finds it's way to a restaurant table in New York City, or chicken leg quarters sold at a grocery market in downtown Moscow.



Over twenty years ago, Trenton Cold Storage recognized the importance of the relationship between the warehouse and the carriers. With this in mind, TCS began forming partnerships with carriers that would not only bring value to customers, but would add value to the operations and services of both the warehouse and the trucking companies. The relationships that TCS established have proven to be successful for all those involved.

Through Trenton's transportation program, customers have realized savings not only in freight costs, but in administrative expenses as well. Prior to Trenton's program, many customers had several employees in a freight administration capacity. Today, many companies have been able to eliminate those positions. Customers now rely on Trenton's one-stop service to carry out the task and responsibility of moving products.

As for inbound controls, TCS works with carriers and customers to utilize the need for backhaul to the facility. In doing so, the cost for customers is minimized. Properly planned inbounds coinciding with outbound consolidation loads, reduces the carriers empty miles.

TCS is also currently working on a project that will take inbound one step further into a supply chain. Not only will TCS control and organize inbound freight, but will be working with customers to manage inventory, deploying product through production.



U. S. GROWERS COLD STORAGE INC.

Since 1950, U.S. Growers Cold Storage, Inc. has been providing customers with various receiving and distribution programs and services for handling product from point A to point B in the quickest and most cost effective method. Offering customers mixing and consolidation, inbound capabilities and a transportation department that handles all outbound shipments, have benefited customers by eliminating a third party, keeping the process of receiving, handling, storing and transportation to one company.

The mixing and consolidation service provides customers with maximum efficiency and cost effectiveness by acting as a focal point in all outbound shipments. Products are picked up from several locations by local delivery trucks and brought to U.S. Growers Cold Storage, Inc. where they are then mixed and consolidated.

Inbound capabilities include seventy-four truck and seven railcar doors. The railcar access allows customers to save money on shipping because the cost per pound is much less by rail than if shipped by truck. The seventy-four truck doors allows for the handling of more trucks at one time, keeping drivers from waiting.

Having a transportation department and the ability to transport product from our own warehouse as opposed to hiring a third party has been extremely cost effective for customers. Mario Monge, manager of the transportation department for the past three years, is a vital part of the success. Coordinating local as well as cross-country shipments, Mario has revitalized the transportation department and has added value to the way U.S. Growers does business.

World Wrap



From left to right, Darryl Kawano, Representative on IARW Board, Larry Rauch, Chairman of the IARW, Val Nunes, 2002 Chairman of the South Pacific Chapter, Bill Hudson, President and CEO of the IARW, Brent Larson, 2003 Chairman of the South Pacific Chapter, Ken Sauls, 2003 Vice Chairman, Vinny Perricone (U.S. Growers), 2003 Secretary/Treasurer.

IARW South Pacific Chapter Meeting Recently Held in California The International Association of Refrigerated Warehouse South Pacific Chapter Meeting was held August 14-18 at the Sonoma Mission Inn in Sonoma, California. The event speakers, which included Foster Farms, Safeway, Red Bull, Flemings and the Wheelchair Foundation, focused on the importance of customer service, rather than price, and the little things that can be done to make all of the difference.

Henningsen's Mike Henningsen, Jr. (WFLO Chairman), Paul Henningsen, Tony Lucarelli and John Schrecongost all attended and participated in the IARW Annual Assembly of Committees meeting in Washington DC in July.

Henningsen's Tony Lucarelli & his family, along with John Schrecongost met with United States Senator Gordon Smith (R - Oregon) while in Washington DC.

Merchants Terminal Names Ernie Ferguson Vice President of Sales Harry Halpert, President of Merchants Terminal Corporation (MTC), recently announced the appointment of Ernie Ferguson as Vice President of Sales. Ferguson is responsible for national sales and business development of the company's logistics services. A graduate of Clemson University, Ferguson joins MTC with over fifteen years of experience in logistics, including positions with public refrigerated warehouse, trucking and class 1 rail companies.



American Cold Storage Announces Recent Promotions

Jerry Rice has recently assumed the duties of Director of Operations for American Cold Storage. Jerry, who has a long history of successful senior management roles in the food processing, distribution and logistics industries, is responsible for the Tennessee, Kentucky and Indiana divisions.

Bob Neth has been promoted to Assistant Director of Operations and will assist Jerry in managing the day-to-day operations of the three divisions. Bob and his family will be relocating from Boonville, IN, where he was Regional Operations Manager, to Louisville, KY.

Glenda Wira has been recently promoted to Warehouse Manager for the Boonville, IN location. Glenda was the Administrative Supervisor at Boonville prior to her promotion. Glenda has five years with American Cold Storage.

Henningsen Cold Storage Co.

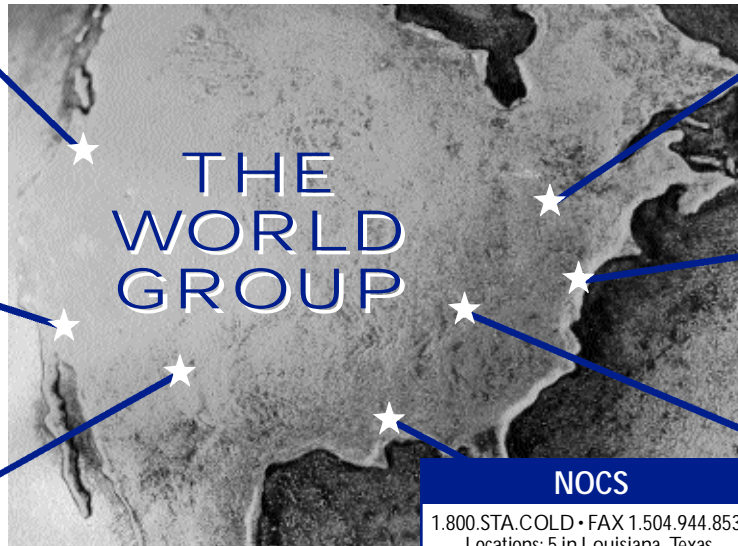
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