

The World Group Outlook

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Dallas Texas Exes Honor American Cold Storage's Sam Bradshaw



Sam C. Bradshaw, Chairman and Chief Executive Officer of American Cold Storage, is the Dallas Texas Exes Outstanding Ex for the year 2002. Sam was recently honored at a banquet held November 21 at the Hotel Adolphus.

Proceeds from ticket sales for the event raised money for the scholarship fund of the Dallas chapter of the University of Texas at Austin Ex-Students' Association.

"Mr. Bradshaw was instrumental in setting up the Dallas Texas Exes Scholarship Fund as an endowment and was a co-founder of the scholarship banquet," said Colleen Leake, president of Dallas Texas Exes. "Sam has been a generous contributor and adviser to our alumni organization for the past 20 years," she said. "From the original \$10,000 raised at the first dinner in 1982, the fund has grown to more than \$1 million and has benefited more than 300 students," Ms. Leake said. For 2002-03, the fund awarded 30 scholarships worth \$52,500.

ACS Names New President and COO

American Cold Storage has named Ron Buford, President and COO. Ron has been in the PRW industry for 27 years serving in various senior management positions with United States Cold Storage and as President and CEO of Texas Cold Storage in Fort Worth, Texas. Ron will be responsible for all functional areas to include operations, marketing & sales, and administrative sales.

NOCS Lands New Fresh Express

Officials at NOCS recently announced that the company has won a new contract with Fresh Express to warehouse and forward the company's growing line of honeydews, cantaloupes and watermelons imported from Central and South America. NOCS is providing value-added services for the container shipments imported to News Orleans, held for quarantine and reshipped to several production plants throughout the US for cutting up into fruit cups and fruit salads.



Fresh Express, based in Salinas, Calif., is the category leader in the approximately \$6 billion fresh-cut produce industry. Fresh Express pioneered the retail packaged salad category in 1989 with the introduction of fresh value-added salads and has since grown to generate annual sales of more than \$600 million. In addition, Fresh Express is a leader in providing controlled atmosphere technology and packaging of perishable produce to ensure product freshness. Fresh Express today markets a diverse line with over 100 products to most major supermarkets nationwide and a large number of foodservice operators.

Logistics Leaders



We caught up with Tony Alleman, Sales Service Manager, National Frozen Foods and asked him a few questions about his professional and personal life.

Professional:

What is your professional goal? To provide customers with the very best service. If we can make our service appear invisible to customers, then we've succeeded. I also want to secure value in the traffic/logistics area. That is, to get the best for reasonable prices.

Biggest break professionally? In 1978 when I was able to become part of the National team.

Education: A BS degree in Business Administration (Management) from San Jose State University - San Jose, CA 1974.

What's in your briefcase? 8 business cards, Tums, one Band-Aid, pens, paper clips, a front door key, a penny, a calculator, phone numbers and Frequent Flier cards.

Personal:

What is your favorite meal? BBQ steak, a baked potato and green salad. Yum.

Best advice you could offer someone? Never compromise your integrity...ever. Work hard to get ahead, give value to your employer, but do it the right way. Honesty, integrity, and ethical behavior are values that must never change.

What are your hobbies? My number one hobby is golf.

What did you want to be when you "grew up"? A locomotive engineer.

Who is your hero? Why? I have three: my father, my uncle Charles Comer and our company's former President Art McCaffray. They all taught me about honesty, integrity and ethics.

Last book read? FISH! by Lundin, Paul & Christensen.

Merchants Terminal Corporation: Where Customer Service and Technology Meet



Merchants Terminal Corporation uses customer friendly processes, employee commitment to the customer, and an on-going dialog with the customers to provide the best possible customer service. The company continues to make investments in state-of-the-art computer technology, but it recognizes that its most valuable assets are its employees. Merchants stresses the low-tech approach to customer service - "talking" to the customer to better understand their business and to help them grow. The company then uses its technology to augment this and to impose the disciplines created through personal communication.

Family owned since its inception in 1928, Merchants is able to provide consistently high and efficient service levels due to its ability to hire and retain the most qualified people. Marrying modern technology with an experienced work force allows the company to provide the highest quality service. The current average tenure of employment is 15 years. Measured investments in plant and equipment are made to ensure the facilities maintain their edge in building, computer, and refrigeration technology. Approaching its business in this manner allows Merchants to tailor its services to its customer's individual needs.

Merchants operates three facilities totaling 13 million cubic feet on I-95 in the Baltimore Washington corridor.

Merchants stresses the low-tech approach to customer service - "talking" to the customer to better understand their business and to help them grow.

The proximity of these plants, coupled with its advanced inventory control system, allows the company to meet inventory surges any of its customers may experience. The investments the company has made in information technology makes all information relevant to a particular account accessible to Merchants' customer service representatives.

"We recognized that a paper memo usually found its way to a filing cabinet and stayed there, but utilizing the Internet and database technology all correspondence and memorandums are now instantly accessible," commented Harry Halpert. Without losing a seconds worth of time, a manager while on the phone with a customer can see all letters or notes of communication between the customer and Merchants." The company has taken this "online filing cabinet" a step further by creating an "Information Center" where it posts company policies, administrative manuals, HAACP plans, and ticket schedules for the Orioles and Ravens.

Merchants' high level of customer service, combined with their state-of-the-art web based visibility, position the company to continue to be a significant player in the temperature control distribution arena well into the 21st century.

Established: 1928

Number of Employees: 92

Number of Facilities:
3 (all in Maryland)

Storage Capacity:
over 13,000,000 cu.ft

Temperature Range:
-20°F to 45°F

Processing Capabilities:
Blast freezing, USDA import/export inspection, ammonia refrigeration

Services Offered:
Refrigerated, frozen warehousing, national and international rail, fleet truck, container transportation services, transloading perishable/nonperishable cargo, cross-docking (short term hold), regional and local case pick intensive distribution, design/operate tampering rooms

Geographic Region Served:
Entire US, plus import/export to Russia, Europe, Japan, Spain and the Canary Islands

Type of Companies Served: Wholesalers, retailers, food processors and manufacturers, importers and exporters

Management Staff:

Harry D. Halpert, President

Kenneth W. Johnson
Vice President of Operations

Ernie Ferguson
Vice President of Sales

David L. Eden
Vice President of Administration

John M. Cronin
Director of Sales



The Year That Was; The Year That Will Be.

Two World Group Members Reflect on the Trials and Tribulations of 2002 and 2003.

Metaphor for this past year: "Merchants turns industry Bear into Bull Market." By expanding product offerings Merchants Terminal Corporation was able to turn what was a "Bear Market" in the PRW industry during 2002 into a "Bull Market" for the company. With the financial, retail and manufacturing markets feeling the full effects from the September 11th tragedy, the PRW industry faced many challenges. Merchants continued to move forward with an aggressive plan to increase the company's value to its existing and potential customers.



*Ernie Ferguson,
Vice President of
Sales, Merchants
Terminal*

By partnering with the Union Pacific and CSX Railroads, Merchants helped develop the Express Lane rail to truck transload program. Merchants has been able to successfully deliver this service to customers in the Northeast and Mid-Atlanta states providing consistent transit and valued pricing for perishable commodities. The success of the Express Lane has helped retail and foodservice customers expand their market share while improving margins in these markets.

Additionally, during 2002, Merchants unveiled their highly successful state-of-the-art web-based visibility technology. Through this new technology Merchants customers have reaped the benefits of truly user-friendly web-based access to their inventory.

Looking ahead - My crystal ball tells me that customers will continue to look for value from their logistics partners but will move closer to companies that provide superior service and present opportunities to improve the bottom-line.

Primary outside agencies affecting our business - continued uncertainty of the export markets and consolidations within the food retail, manufacturing and foodservice industries.

What is your professional goal for the year?
To continue to expand Merchants' services and make Merchants Terminal Corporation a world class logistics organization.

What is your personal goal for the year?
Volunteer more time within my community.

Metaphor for your past year - "A giant roller coaster ride". This roller coaster ride included a number of issues which faced the poultry industry and those cold storage companies that serviced them. Three separate deadlines imposed by Russia ceased U.S. poultry shipments to them. There were other issues which slowed or stopped poultry shipments to Mexico and other major U.S. export markets. Additionally, Brazil came on to the scene as a major competitor in export markets which have historically been dominated by U.S. poultry exports. Our roller coaster ride took NOCS to peaks of joy and excitement with the announcing of our largest expansion in our 117 year history - a new 3.5 million cubic foot cold storage facility, immediately dockside in New Orleans. This facility is currently under construction and is scheduled for completion in early May, 2003. NOCS will move its corporate headquarters to this site. On the downside, the Louisiana shrimp industry counted one of the worst shrimp seasons in decades which dramatically affected business at one of our cold storage facilities in New Orleans. Another high point in the roller coaster ride was the support that our customers have given us in the announcement of our new expansion. Again, on the down slope were increases in power costs, health insurance and general insurance which resulted in all of us having to be better managers.



*Mark Blanchard, Vice
President of Sales and
Marketing, NOCS*

Looking ahead - My crystal ball tells me that with rising costs in a number of expense categories, particularly health insurance and general insurance, we will need to find new ways to continue to provide adequate coverage for our facilities and our employees and continue to look for ways to reduce overall costs. We optimistically look forward to the opening of our new facility which we hope will bring added revenues to our company. Additionally, we are in hopes that this new facility will give us new opportunities with existing and new customers. Primary outside influences which are affecting our business, in my opinion, would be insurance and power costs.

Professional goal for the year - to provide unparalleled customer service through all of our facilities and to fill our new warehouse, be a better boss and continue to meet the growing needs of our customers.

Personal goal for the year - to get into better physical shape, improve my golf game or abandon it totally.

Henningesen Wins National Family Business Award

Michael E. Henningesen, Jr.,
Chairman and President of
Henningesen Cold Storage,
recently accepted a national
family business of the year
award at the Oregon State
University's Austin Family

Business Day
awards
ceremony in



Portland, Oregon. To qualify,
companies must have been in
business for at least 25 years,
be a U.S. or Puerto Rican for-
profit company, have had at
least two generations working
in the business, have a
succession plan for the next
generation and have a great
story about overcoming adversity.

The World Group Remembers Trenton's Babe James



Mawnan F (Babe) James died at home during early hours, December 23rd. He was 72.

Babe James is being described as a man who contributed to his community, a person who was loyal to friends and family and a mechanical genius with an astute business sense.

Babe's brother, Eben James II paid an emotional tribute to his brother at the Trenton Cold Storage 100th anniversary celebration dinner held in November. Babe James had been with the company since 1949. Citing his "wonderful understanding of machinery and equipment," and his extensive community service in Kiwanis, the Shrine Club and hospital board among others, Eben II described Babe this way: "My brother, friend and partner ... our trip has been both rewarding and challenging."

Eben James II described his brother as one of the nicest people he had the pleasure of knowing. "Babe was one of God's gentleman," said Eben II.

Babe was a Vice President with Trenton Cold Storage Group and oversaw the construction in 1972 of the Produce Processors plant built on land purchased from the estate of Senator W.A. Fraser. Equipment was still being installed as the first load of peas for processing arrived. Eben James III said constructing the plant was one of his uncle's great accomplishments. "It was like fitting together the pieces of a jigsaw puzzle – the plant did what it was intended to do. One of my uncle's greatest strengths was the ability to put things together." Eben also added, "He was a significant participant in the TCS group's ability to remain in business for 100 years."

Not only was he actively involved in the community, Babe loved music. He put his mechanical skills to good use by rebuilding a Wurlitzer organ.

Babe never went anywhere without putting a smile on the faces of those within his presence, and that is how he is being remembered.

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