

# The World Group Outlook

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## WE CAN HANDLE IT



*The frozen food industry is truly a remarkable food chain, where the freshness of the fields is captured at harvest time to be enjoyed throughout the year. That said, the once-leisurely pace of the cold storage business has been usurped by a quick-turn, precision pipeline designed to handle inventory with tender-loving-out-the-door-you-go-care. Handling, sorting, mixing, repack, and shipping services range from carts to containers; World Group members handle it all day in, day out.*



### American Cold Storage: Case Pick In Point.

American Cold Storage stores and ships products for a major retail grocery chain at our Louisville, KY location. Our Louisville distribution center handles more than 2,000 SKUs consisting of frozen and ice cream products for this customer. American Cold Storage provides the service and expertise necessary to support this high volume direct store drop (DSD) operation for a significant number of our customer's stores.

Products are received during the day and must be entered into the

warehouse management system prior to the evening pick. Orders are queued up by 6:00 PM day of ship at our distribution center. Initial pick documents are out no later than 7:00 PM and picking begins on that day's shipments. The majority of pick line replenishment is accomplished on third shift after all direct store drop orders have been shipped.

Direct store shipments for this customer vary between nine and forty stores per shipping day. American Cold Storage prints the customer bill of lading on site and they are shipped with the loads. 42,000 cases are shipped per week, which are 99% case pick. Our customer requires accuracy no less than 99.8%.



### Great Lakes Cold Storage:

**Handled With Pride.** "Great Lakes Cold Storage is a full service frozen food distribution center," states William Sus, their executive vice president. "Our staff of seasoned professionals is ready to meet any of our customer's needs as it relates to out-

bound order preparation and loading. We receive orders via telephone, fax, EDI, and the Internet. Usually the original orders are submitted to us the workday prior to shipment, but it is not uncommon to receive day of shipment changes and/or orders. We truly run the gamut when it comes to accommodating special handling and shipping requests. Our warehouse has racked, selection line areas specifically laid out for customized case picking. We currently are selecting daily store door orders for a route operation for a major national frozen food manufacturer. Another customer has us loading their out-bound multi-stop truckloads on a 'drop & hook' trailer program. Additionally, we separate by production code date and assemble for onsite detailed quality control sampling all raw ingredients used by another frozen food manufacturer. We also assemble 'rainbow' type mixed pallets for unitized modular sales programs by another customer.

"In order to remain a viable and preferred alternative to the privatizing of warehousing, we must continually be prepared to accommodate our customer's needs. We take great pride in our operational flexibility and creativity starting with our full two shift daily operation down to customized programs for individual accounts. Our entire operational team understands that we must continue to provide our customers these value added services to remain a necessary part of their product distribution."

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# COOL SERVICE

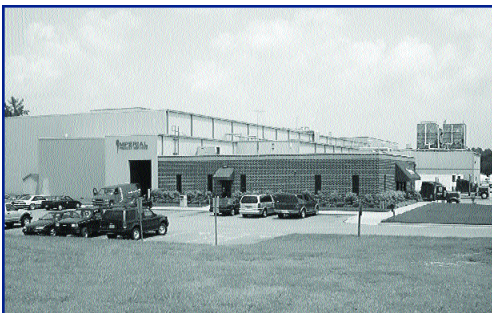
## FOR THE FROZEN FOODS INDUSTRY

# Imperial Freezer



Imperial Freezer Services is Central North Carolina's most modern refrigerated warehouse, providing total-service for all of your cold storage needs. Established in November of 1996, we have increased our storage capacity to more than 3 million cubic feet of frozen and refrigerated space.

Imperial's staff has more than 25 years of experience in the public refrigerated warehouse business. We understand the rigorous demands of food safety, product quality and customer service that are an intrinsic part of the industry.



Imperial is a locally-owned company that is committed to treating all of our customer relationships as partnerships. We achieve this alliance by striving for 100% accuracy, 100% of the time. We combine our responsibility to precision and our commitment to customer service in order to handle products and our customer's customers with the highest level of expertise.

Imperial offers a full array of professional warehouse services. Our inventory and refrigeration technology is entirely computerized. In order to protect the quality and

integrity of our inventory, our warehouse facilities are monitored 24 hours a day. We offer product storage between -10° and 35°F, depending on your specific long or short-term needs.

Food retailers utilize Imperial Freezer Services as their primary cold storage partner. Our strategic location on US 421 in the center of the state is ideal for retailers, food-service and transloading exports as we are in close proximity to all major markets, including Greensboro, Winston-Salem, Raleigh and Charlotte.

We also offer several methods of blast cell freezing, including in-rack freezing, 48-hour blast freezing and 24-hour blast freezing in our advanced Super Cells. With this technology, products delivered at 30°F or lower will be available for shipment at 0°F or below within 24 hours.

Another important aspect of our total-service capabilities is USDA exporting. Imperial has a USDA inspector on site in order to handle all expert documentation, stamping and labeling requirements internally. We ship by truck, train, or container. Cross docking is also available from truck or rail car to container, or from inventory to container loading.

We are committed to service, and encourage new customers to call and discuss their public warehousing requirements. Imperial is ready to put our pledge to customer commitment and superior service to work.



Established: 1996

Facility Location:  
Sanford, NC

Storage Capacity:  
Over 3,500,000 cu. ft.  
13,894 pallet positions

Temperature Range:  
-10° F to 35° F

Number of Dock Doors:  
Truck: 21  
Rail: 2

Services Offered: 24 hour blast freezing, USDA import and export services, Container and Railcar loading and unloading, Cross-docking, Order picking, Slip-sheeting, Russian approved for pork and poultry, A.I.B. inspected, Fully racked facility, Internet inventory management.

Geographic Region Served:  
United States with exporting services to Asia, Caribbean, Canada, Mexico, and Europe

Types of Companies Served:  
Poultry, Pork, and Beef Processors, Retail Distributors and Grocery Stores, Food Brokers, Exporters, and Governmental Agencies

Management Staff:  
Samuel J. Wornom, III  
Partner

Chuck McCarthy  
Vice President of Operations/Partner

Brian Davis  
Vice President of Finance/Partner

Clayton Brown  
Operations Manager

Raul Lujan  
Plant Engineer

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**U. S. GROWERS COLD STORAGE inc.**

US Growers: **Mix and Match:** At U.S. Growers Cold Storage, Inc. we are continually looking for the best cost effective methods to meet and exceed the needs of our customers both today and into the future. More and more of our customers are shipping small and large orders all over the world. To address the high volume of outgoing shipments, U.S. Growers Cold Storage, Inc. has developed a freight consolidation program to increase our level of service and to lower costs to our customer.

Our consolidation program allows us to utilize economies of scale by combining multiple orders together onto one truck, thus creating more cost savings to our customer. For example, we have several customers on a daily basis who have orders that are destined throughout California. Rather than charging our customer a rate for a full truckload, we are able to use a rate that is represented by the weight and destination for their order.

Each order is checked before it is loaded onto a truck. We then create tags that notify the driver where the product is going as well as how many pallets and cases are to be included in the shipment. This allows us to be more accurate on each delivery and eliminates any need to try and figure out which pallet goes with which order, since there can be a number of separate orders on one truck.

We know that our consolidation program and our ongoing development of new programs will lead to better, more timely service and a better bottom line for both U.S. Growers and our customers.



**NOCS: International Mix and Match.** NOCS is very deep in the international movement of raw

materials and finished goods. All have to be coordinated when loading into a break-bulk vessel or containers. Meat, poultry and other products going to different destinations must be loaded in the right order and location in a break-bulk vessel to accommodate multiple port discharges. The same holds true for containers, which generally have several different products in them, unloading in different ports for different customers with varying destinations.

There are a myriad of details for receiving fresh product from different suppliers who are selling to various entities and shipping to several different countries, all of which have specific separate requirements for export. Products exported have to be stamped relative to the requirements of the destination country, in the language of that country and according to the guidelines of that country. All of the documentation must be accurate, of course, and inventories must match the amount our customer sold to their customers. Consider that there could be numerous transfers in storage to numerous other customers, in various



Photo courtesy of HCS

parts of the world, all with their own shipping requirements and dates, and different steamship lines and booking numbers and sailing schedules — it's really a science.

We also receive imported products for our customers that have to be segregated, inventoried, selected and shipped to various locations throughout the US. These are often scheduled for processing into other value-added products, and may include a combination of various products sourced from around the world.



**HCS: Mix and Match is Our Middle Name.** “At our

Scranton, Pennsylvania facility, mixing and matching represents more than over 60% of our activity,” says Tony Lucarelli, HCS Executive Vice President. “We do many specialized services including the building of rainbow pallets for Sam’s and other club stores. One project this past year involved taking 30 containers of imported candy products and re-packaging every case into 3-pack variety packs for club stores in the east. At our Portland, Oregon facility, we’re providing repackaging of refrigerated milk products for WestFarm Foods. In this program, we take master cases of three different flavored milk products, break them apart, take three individual bottles, shrink wrap them, then recase them for eventual shipments to Costco Wholesale.”



**Merchants: Staying Ahead of The Curve.** As the temperature controlled logistics market has changed from mostly full pallet, full truckload

movement to high intensity, order picked, less than truckload shipments, Merchants Terminal Corporation has evolved with the industry. These changes have facilitated capital expenditures such as racking older distribution centers that were built to handle full truckload movement, implementation of sophisticated warehouse management systems and innovative designs of new facilities to maximize the investment and provide efficient product handling.

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## WORLD GROUP HOLDS ANNUAL MEETING

Representatives from The World Group gathered at the Westin Galleria in Dallas, Texas for the 2004 World Group Marketing Meeting. Hosted by American Cold Storage, this year's annual meeting provided the forum for planning upcoming marketing efforts of group's regional and global expertise to the frozen food industry.



*Mark Blanchard, NOCS;  
Angelo Antoci, USGCS;  
Dave Collins, ACS;  
Ron Buford, ACS;  
Chuck McCarthy, Imperial  
Freezers*



*Chuck McCarthy & Sam  
Wornom, Imperial Freezers;  
Sam Bradshaw, ACS (World  
Group President)*



*Harry Halpert, MTC;  
Tony Lucarelli, HCS;  
Ernie Ferguson, MTC;  
Vinny Perricone, USGCS;  
Brian Davis, Imperial Freezers*

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Merchants currently manages programs providing order selection that include building of rainbow/spiral pallets, individual case selection and assembly of store specific pallets.

For a major retailer, Merchants handles inbound shipments of full pallets with over 200 SKUs, picks individual rainbow/spiral pallets for individual stores. The numbers are impressive with over 60 turns per year and 175,000 cases picked per week.

Additionally, Merchants manages a direct store door delivery program from their Jessup, MD distribution center, receiving inbound full truckload shipments and picks orders for individual route truck distribution. Each order is picked in sequence for multiple stop route delivery.

On the international front, Merchants receives inbound containers of frozen seafood through the port of Baltimore, manages the transportation from the port to their Baltimore distribution center, unloads the container and palletize the product for storage. The outbound orders are picked and pallets assembled for distribution to over fifty distribution centers for a major retailer.

All of these programs are supported by MVision, Merchants proprietary web based inventory control system. Its customers, whether sitting in Europe, the Middle East, or the States have all their essential product information at their finger tips with the ability to easily transmit the vital data to their own systems for further analysis.

In September Merchants is launching a frozen consolidated distribution program that will pool less-than-truckload orders from their three distribution centers and offer national coverage with emphasis on the Eastern United States. Merchants' unique location in the Mid-Atlantic region allows customers to provide cost effective distribution to the entire Eastern United States.

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FAX 1.502.634.4757  
Locations: 5 in Kentucky,  
Tennessee, Indiana and Oklahoma  
Contact: Dave Collins  
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### **Great Lakes Cold Storage**

1.888.248.9600  
FAX 1.440.248.3950  
Location: Ohio  
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info@glcsinc.com

### **Henningsen Cold Storage Co.**

1.800.791.2653(COLD)  
FAX 1.503.531.5410  
Locations: 8 in Idaho, North Dakota,  
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Pennsylvania  
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### **Trenton Cold Storage, Ltd.**

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