

## Merchants Facility Awarded: AIB Superior Rating

On May 20, 2004 Merchants Terminal Corporation's Jessup, Maryland distribution center received the Superior rating for their completion of the prestigious American Institute of Baking's (AIB) Food Safety Audit. The AIB food safety audit is widely regarded as the food industry's most comprehensive audit of a distribution center and reflects Merchants' commitment to excellence in the food logistics arena.

The American Institute of Baking is a not-for-profit corporation, founded by the North American wholesale and retail baking industries in 1919 as a technology transfer center for bakers and food processors. AIB auditors are involved in every step of the food supply chain, and are regarded as the gold standard for food safety audits.

### World Group Members Attend the AFFI Logistics & Distribution Conference In San Diego

A good time was had by all at the annual AFFI Logistics & Distribution Conference in San Diego, California the week of June 14th.

Representatives from Henningsen, Merchants, American Cold and US Growers were in attendance for the 3 day meeting. There was great networking, great guest speakers and of course the warm California sunshine.

One of the cool things about this year's conference was the World Group sponsored room keys. The colorful room keys featured all the World Group members on the front and on the back a place for your business card to be laminated and used as a bag tag. If you attended the conference and didn't get your World Group bag tag, please contact Bill Daniel at Henningsen. Just send a quick e-mail to [bill.daniel@henningsen.com](mailto:bill.daniel@henningsen.com) and one will be sent to you. Remember to include your name and address in the e-mail.



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## What Comes In... Must Go Out

**What is high quality warehousing? Is it 100%, 100% out? Is it top-notch export documentation. Rapid blast freezing? Mixing and consolidation... or all of the above? World Group warehouse and logistics members share their thoughts on what goes on behind their doors.**

### Merchants — Leading the Way

Successful retail and foodservice companies need to keep inventory levels to a minimum to make optimum use of available distribution center space. Where 10 years ago a company might have maintained 30 days of inventory for a 1000 items, they now maintain less than 14 days of inventory for 2000 items. Some companies have been successful in converting a large portion of their distribution operations into a true cross-dock environment eliminating any warehouse.

To accomplish this increased velocity in the supply chain, retail and food service companies continue to rely on partners like Merchants Terminal Corporation to warehouse product for manufacturers and provide frequent deliveries to their distribution centers. For many customers, Merchants' receives inbound product via rail, truck and ocean container, warehouses the product and picks orders building and labeling pallets with multiple items for distribution to the retail store level. This allows the retailer to reduce labor at its distribution center and order more frequent smaller quantities

Increased complexity of shipments requires real time data access. Merchants' customers can access their account through Merchant's web-visibility solution, MVision® and have secure, real-time access to their inventory twenty-four hours a day, seven days a week anywhere they have an internet connection.

Merchants MVision® is regarded as one of the most user-friendly systems in the industry. MVision® provides exceptional functionality allowing customers to manipulate data in a Windows environment. Merchants' customers can easily place orders and download reports in a Microsoft Excel spreadsheet format. Orders can be transmitted directly from the customers system or using conventional EDI. MVision® provides event-



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messaging capabilities where, customers can set target levels for specific SKUs and have email messages automatically triggered to the customer when inventory for a specific SKU reaches the preset threshold.

To further meet the increasing complex demands of its customers, Merchants' MLogistics® transportation subsidiary provides LTL consolidation and full truckload management. MLogistics® pool program currently serves 20 states and will provide service to all of the lower 48 states by the end of 2004. Merchants' customers are reaping the benefits of significant savings and weekly scheduled on-time deliveries all with the convenience of making one call to their MTC representative for their warehousing and transportation needs.

### NOCS — The Export Freezing Machine

The ship loading dock can service two to three break bulk vessels simultaneously, depending on their length. The building also houses the warehouse offices and is 160,000 square feet total, with 3.5 million cubic feet of warehouse space. The overall storage capacity is 55 million pounds.



There are 10 "Super Blast" cells at Jourdan Road, capable of freezing 20 truckloads of fresh poultry, or approximately 800,000 pounds per 24-hour period.

NOCS primarily receives fresh poultry between 35 to 40 degrees F from the regional poultry processors, blast freezes the product to below 0 degrees F in 20 hours, stores it and ships it out either by loading it on breakbulk vessels, or loading ocean-going containers bound for various destinations around the world.

Blast freezing product at the port facility is one of the keys to a seamless logistics strategy, enabling NOCS to provide their customers with a decided advantage in the international shipping arena. By freezing and storing at the port facility, the product is already in position to be loaded, with no handling or additional trucking required. NOCS simply moves the product out of the freezer and stages it shipside, before swinging it palletized into the vessel. The result is both significantly reduced warehousing costs as well as good business logistics sense. This tight-knit management further assures the quality and integrity of the product for NOCS' customers and the users at the ultimate destination.



NOCS has moved into their new corporate offices at 3411 Jourdan Road Terminal, New Orleans. Grand Opening date is set for July 28th, 2004.

The Alvar street warehouse, within 2 miles of the Jourdan complex, has a storage capacity of 12 million pounds, and can blast freeze 320,000 pounds of per day. Some of that product ships via container, and some is moved over to the Jourdan facility for breakbulk loading with cargo already at the Jourdan warehouse.

The Airline Drive facility in the New Orleans suburb of Metairie, LA remains active with domestic items, including local shrimp, crab, and oysters, in addition to handling and storing various other specialty seafood, imported fresh fruit from Central and South America, and export of numerous other items stored there from other non-poultry accounts. The Airline facility is a service hub for many of the finest in the Greater New Orleans area, with a varied mix of raw products, main ingredients, and finished/prepared, value-added items.

NOCS, with its roots in the New Orleans area since 1896, also has warehouse locations in Charleston, SC and LaPorte, TX where they perform similar warehousing and logistics services as in New Orleans. NOCS Transport, the transportation arm of NOCS, offers local and long-haul drayage services for port-specific moves at all locations, as well as nationwide and local truckload and LTL delivery, with 48 state authority.

### USGrowers — From Ship to Shore

Due to the fact that we handle hundreds of different types of customers, we must offer several types of services to fulfill our customers' needs. For example:

#### For our retail customers:

We have a fairly sophisticated picking system to fulfill orders for each individual store. As product is ordered out and deleted from our inventory, our retail customers send product back to our warehouses either by truck, rail or container to replenish the low stock items. Furthermore, some of the incoming product comes in fresh and must be blast frozen.

#### For our cruise line customers:

Similar to our retail operations, cruise line lots are smaller quantities and consist of frozen bulk items such as beef, poultry and seafood (vs. frozen prepared foods). Furthermore, our cruise line customers require USDA and USDC inspections which are done at our facilities.

#### For our other customers:

Diversity is key; you name it, we do it. We have customers who are straight in/straight out. We also offer consolidation services for a number of customers who bring in small and large lot sizes, which we consolidate and ship on either our trucks or theirs.

## Trenton Cold Storage Pedaling Penguins Raise \$11,000 For Heart & Stroke!



*Twenty-two of TCS's most dedicated employees got up bright and early on Saturday, May 25th, climbed aboard The Big Red Bike and raised a whopping \$11,000 for the Heart and Stroke Foundation of Canada.*

*The old, the young, the not quite infirm and the somewhat maimed peddled their hearts out, huffing and puffing through and around downtown Trenton to the encouraging waves and horns of passers-by.*

*When all was said and done, the team had raised an incredible \$11,000 for a very worthy cause - the largest amount raised by any one team in all of east-central Ontario. A special congratulations to Gord Wightman, who individually raised more than \$1200!!*

### Great Lakes Cold Storage — Growing Relationships

Great Lakes Cold Storage prides itself on having attracted a diverse customer base. We offer shipping and receiving on a multiple shift operation via truck and/or rail. While the large share of our day-to-day operation is in the area of what would be considered normal handling and warehousing of finished goods, we also provide specialized handling of sizeable raw ingredient inventories for local major food manufacturers. This involves isolating and quarantining product, PCD segregation and sampling, as well as special inbound quality control inspections. All of which has to occur prior to moving these ingredients forward from our warehouse to the manufacturer's production line. Additionally, we have an onsite quality control inspection room for our customers for inbound sampling of the raw ingredients. On another front, we oversee the frozen food retail route operation of a national frozen food company, including daily mooring and charging all their associated route trucks.

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While the PRW industry, including Great Lakes Cold Storage, appears to be pretty straightforward and basic in nature, we all find ourselves more and more going the extra mile at our customer's request. More need for integration and deeper involvement with the manufacturer daily is forming these new partnering relationships. We know we must offer services that go beyond basic food warehousing. We see ourselves in many areas as an operational extension of our customers' own private warehouse. Our flexibility in accommodating our customer's needs at the operational level is what continues to make our warehouse stand out with value added services. As Great Lakes Cold Storage moves forward, our dedication to the manufacturer's needs is foremost and key to our company's continued good health and solid performance.

### Johnson Appointed to WFLO Board of Governors

Alexandria, VA – The World Food Logistics Organization (WFLO), has announced the appointment of Ken Johnson as Treasurer of the WFLO's Board of Governors. Johnson is a 13 year veteran of the Public Refrigerated Warehouse industry and is Vice President of Operations for Merchants Terminal Corporation. He has served as a member of the WFLO Board of Governors for the past two years. Johnson will serve three consecutive terms with the final year as Chairman.

