



At a Glance:

Industry:

Food

Business Profile:

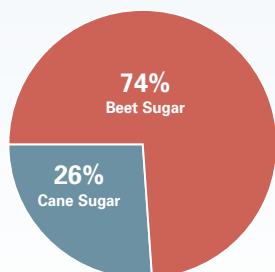
The largest marketer of industrial and consumer sugar in the United States, United Sugars Corporation supplies more than five billion pounds of refined sugar per year—that's more than 28 percent of the country's total demand.

United Sugars is a marketing cooperative of three leading beet and sugar cane producers:

- American Crystal Sugar Company (based in Moorhead, MN)
- Minn-Dak Farmers Cooperative (based in Wahpeton, ND)
- United States Sugar Corporation (based in Clewiston, FL)

Sales Breakdown:

- 26% cane sugar
- 74% beet sugar



Partnership Delivers Solutions

Saddle Creek's flexibility and services give co-op competitive advantage

When you're selling a commodity item, it's critical to find a way to distinguish your company from competitors. For United Sugars Corporation, the differentiator is warehousing and distribution.

"What we're really competing on is quality and service," says Ray Smith, Facilities and Quality Systems Director at United Sugars. "We want to be the company customers come to for product within quality standards and specs – when and where they need it. We rely on third-party warehouses and transfer stations to handle that critical part of our business. That's where Saddle Creek is key for us."

The Business Challenge

Providing that top-notch service is no simple matter. United Sugars is the country's second largest sugar supplier, producing 28 percent of all domestically sold sugar, primarily east of the Mississippi River. The company does not have warehouse space of its own and can keep only one- to two-days' capacity at the plants, so it must rely on direct shipment from the plant to the customer or inventory the sugar.

Saddle Creek Corporation handles warehousing and inbound transportation for United Sugars' consumer and industrial granulated packaged products in the Southeast – an average of 13,000 inbound and outbound truckloads annually. Order picking and shipping, mix-and-match loads, inbound rail, special customer requirements such as labeling and stamping, and more fall under Saddle Creek's domain.

This comprehensive service level is a long way from the basic transportation solution first envisioned when the companies began working together more than six years ago. A change in plant location and United Sugars' addition of packaging production lines – combined with Saddle Creek's commitment to service excellence – prompted the original 100,000 square feet of warehouse space and 10 trucks in and out each day to quickly mushroom into a full-service distribution center.

The growth is due to Saddle Creek's ability to ensure accurate and on-time deliveries, handle significant product volume, and accommodate dramatic seasonal fluctuations, but even more important is the working relationship between the two companies.

"The team at Saddle Creek is interested in a great partnership, not just a supplier/vendor relationship," Smith explains. "It has allowed us to look at opportunities together, as well as find ways to resolve issues. You don't find that in a lot of places."



Saddle Creek gives United Sugars warehousing and distribution flexibility.

United Sugars Chooses Saddle Creek Solutions

United Sugars continues to choose Saddle Creek for a number of reasons, according to Smith. "In a commodity-driven market," he explains, "we have to continually raise the bar – perform more efficiently, develop new ideas, find ways to keep costs down, improve service – so we can basically blow the socks off our competition. Saddle Creek helps us do that." He cites three key characteristics that make it work:

Flexibility.

The trick is to handle the seasonal fluctuations from both the harvesting and retail sides. "One of the biggest challenges for us is our pattern of business. It's very up and down," Smith says. "We produce a lot of sugar in a short period of time and stuff it into the warehouse. It's very subject to the market."

Since space is limited at the plants during the fall harvesting season, sugar must be moved out each day, so more can be produced the next day. An inventory of sugar is also needed for times when demand exceeds supply – holidays, retail ads, etc.

"Many warehouses can't handle such an unpredictable business pattern," says Smith. "It's very important to have a warehouse like Saddle Creek where they understand our business and are able to adapt and embrace it. It's not for the faint-hearted."

Saddle Creek's extensive resources give United Sugars the flexibility needed to accommodate its daily and weekly inbound and outbound volume fluctuations.

Good communications.

United Sugars and Saddle Creek work hard together to ensure on-time, accurate deliveries. In fact, customers regularly rate United Sugars #1 for service.

But it's how well the companies work together when things get tough that means the most to Smith. "Things can't always run perfectly," he admits, citing situations from the periodic production snafu to natural disasters such as hurricanes or snowstorms. "When there are glitches, the key for us is communications. We need to respond quickly, alert our staff and customers and find alternative solutions. I can count on Saddle Creek to communicate with us immediately."

Saddle Creek's ability to provide real-time information plays an important part in the communications process. Smith also values its impact on planning. The company can analyze inventory, identify what needs to be produced, what's in transit, when another shipment should head out, and more.

Solutions focus.

"When someone is providing a product or service, it's very important to me to know how their process is set up to deal with problems – response time, breadth of knowledge, their concern for the issue, how they interact with our folks, how all that works together," Smith says. "Saddle Creek really has it figured out."

Saddle Creek helped to establish a space management report with more up-to-date planning information about upcoming needs. It helps Saddle Creek know what to expect and gives the company time to react and adjust, thereby improving service. "I'm glad they let us know when there are ways that we can help them help us," Smith says.

Saddle Creek's food industry experience also proves valuable when it comes to providing excellent service. "I come from a Quality background," Smith says. "I look at everything from the physical structure of the building and how it's maintained to the quality of care I see given to not only our products but other products in warehouse. They do lots of repackaging work, and they know the finer points of handling food. They really understand our business."

The Next Step for United Sugars

Moving forward, Smith expects that United Sugars will continue to find additional business opportunities with Saddle Creek. This year, for example, the company plans to have more sugar to sell than last year. "The first place I'm going to go is Saddle Creek," Smith says. "They're our partner because they've done a great job. It makes sense to offer them the chance to double our warehouse space rather than look for alternative places. It just strengthens our relationship."



Integrated Logistics Solutions, One Provider — Nationwide

Based in Lakeland, Fla., Saddle Creek Corporation is a privately held third-party logistics services company that provides a full array of warehousing, transportation, packaging, and integrated logistics services nationwide.

3010 Saddle Creek Road
Lakeland, Florida 33801
863-665-0966 • 888-878-1177
www.saddlecreek.com