

September 2015, Issue 5



SafeSourcing

Trivia! Contest

Congratulations to our Trivia!

Contest winners and thank you to everyone who participated!

Keep watching for our next

Trivia! Contest and you could be a winner too! Have comments,

questions, or suggestions?

Contact us at the following:

events@safesourcing.com

Trivia!

What does CEM mean?

www.safesourcing.com

Industry News

Ice Cream Recall

Blue Bell Creameries LP is gearing up for their ice cream production after recall. It appears Blue Bell failed to comply with practices outlined by government and industry groups that may have prevented listeria contamination at all three of their major plants.

“It’s really been a wake-up call for the food industry, and not just for dairy but for other companies as well who thought they were in good shape but are now asking, could this happen to me, said Joe Stout, a food-safety consultant who was previously a senior manager at Kraft Foods.”

Blue Bell Creameries recall came as a result of three deaths at a Kansas City Hospital at the start of 2014. Inspection reports from the FDA showed problems as early as 2009. Blue Bell repeatedly found listeria in the Broken Arrow, Oklahoma facility including floors, a drain, and the equipment that filled half-gallon containers of ice cream.

This recall threatened to close down the 108-year old company. It had been the third largest ice cream producer in the U.S. in 23 states. In May, the company laid off 37% of its 3,900 workers. In July Blue Bell secured up to a \$125M loan from Texas billionaire Sid Bass that could give the Bass family one third of the company. After conducting a successful run in the Sylacauga, Alabama facility, the company is producing ice cream for sale. “A spokesman for the company said it wouldn’t release any product from its inventory until Blue Bell, the FDA and Alabama regulators are comfortable it is safe to eat.”

[Jesse Newman Wall Street Journal 8/5/2015](#)

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| Sept. | Answer to our Trivia! |
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Recent Savings

Citrus Fruits

Savings were 25.9%, providing \$3,267,321 savings. ■

Dry Beans

Savings were 23%, providing \$2,060,634 savings. ■

Rice

Savings were 8.86%, providing \$922,887 savings. ■

*Please [contact SafeSourcing](#) to schedule your RISK FREE event today.

Package Food Giant Merger

July 2015, 3G Capital Management LP and Warren Buffett's Berkshire Hathaway, Inc. announced the \$50 billion merger of packaged food giants Kraft Foods Group Inc. and H. J. Heinz Co." Kraft-Heinz is now the fifth largest food company in the world with labels such as Oscar Mayer cold cuts, Jell-O desserts and Ore-Ida Bagel Bites, in addition to their cheese and ketchup products.

The new management team of Kraft Heinz is made up mostly of executives connected with 3G Management (a Brazilian private-equity firm). Plans to trim waste by combining the companies as one should result in \$1.5 billion in savings by the end of 2017. Specific cuts have been to move Kraft headquarters from the Chicago suburbs to a downtown office roughly one-quarter the size, as well as strict spending guidelines to employees such as double-sided printing to less free Kraft snack products offerings workers.

"Bernardo Hees, Kraft Heinz chief executive and partner at 3G said Monday that Kraft Heinz 'is focused on the difficult and challenging process of integrating our two businesses.' As consumers shift their focus to less processed foods and fresher and healthy products, both companies experienced sales declines. 3G has a record of pulling products that are under performing and putting money where products are making profits. Jell-O has been underperforming. One wonders that life might be like without J E L L – O! [Annie Gasparro and Maria](#)

[Armental Wall Street Journal 8/10/2015](#)

QUESTIONS AND ANSWERS

Q: How can I subscribe or unsubscribe to these newsletters?

A: You can subscribe or unsubscribe to these free newsletters by simply going to our [website](#), and clicking the option "e-Newsletter" or by contacting us directly at events@safesourcing.com

Q: I have run events in the past, is there any chance I could be saving more?

A: Yes. No matter when your past event ran, the team at SafeSourcing can find ways for your company to save.

Q: I want to know more about what SafeSourcing does. Who can I talk to about this?

A: You can contact a customer services representative who can help you with any further questions by calling us at 1-888-261-9070 or by going to our [website](#) and trying our "Risk Free Trial" offer today.

Farming is a High Tech Business

Mark Bryant runs a 12,000 acre farm in Ohio that produces corn, soybeans, and soft red winter wheat. He doesn't spend much time on a tractor anymore as he relies on dashboards filled with information from iPhones and iPads from his employees in real time from a Google-funded startup company called Granular. "Data gathered from aircraft, self-driving tractors and other forms of automated and remote sensors—for yield, moisture and soil quality—are also essential to how he does his work." Before Granular came along everything had been done on a Microsoft Excel spreadsheet.

In order for farmers to remain competitive, this is how farming must be done. It is anticipated that the population will grow by another 2 billion by the middle of the century. This radically increases the demand for meat and energy-dense foods. Farmers will have to produce 70% more calories by 2050 on much less land.

Our agricultural system is dependent on both water and fossil fuel. "People also are divided over GMOs vs. organic, and grass-fed vs. factory-farmed." In addition, the U.S. loses 3,000 acres every day to development. Forty percent of the U.S. acreage is devoted to farming - the U.S. is the biggest exporter of grain in the world. Farmers need to understand everything happening on their farms down to single days, square meters, and even individual plants. Granular and aerial surveillance startup Drone-Deploy have the capability to tap into all the farming machinery to run farms as efficiently as Google runs data centers.

[Christopher Mims Wall Street Journal 8/10/15](#)

Trivia! From August 2015 Issue

What is VMI?

ANSWER: Vendor Managed Inventory

www.safesourcing.com

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