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**Stephen Cunliffe**  
Nestlé Prepared Foods Co.



**Steve Sanger**  
General Mills Inc.



**Peter Reijula**  
McCain Snack Foods

# The TOP 150 FOOD PROCESSORS

Includes View from the Top Executive Perspectives



**Gregg Engles**  
Dean Foods Company



**Jeff DeLapp**  
ConAgra Foodservice Specialty Potato Products



**Richard Bond**  
Tyson Foods Inc.

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February, 2004

Dear **R&FF** Readers:

On the occasion of our 35th anniversary, USC Consulting Group is proud to sponsor the February issue of *Refrigerated & Frozen Foods* spotlighting the top 150 food processing companies. This is especially fitting given that at one time or another we have worked with many of the companies being recognized in this issue of a magazine well-known for promoting ways of helping its subscribers improve their operations.

Although nearly half of the top food companies in North America have availed themselves of our services, many of those on a regular basis, others among you may not be familiar with us. I invite you to visit our website at [www.usccg.com/food](http://www.usccg.com/food) to get an overview of our company and particularly our food practice.

The introduction to our food practice is narrated by its head, Executive Vice President David Gustovich, who also authored the article on the "Common Traits of Uncommonly Good Companies" appearing in this issue of *R&FF*. It features an account of a recent engagement and a testimonial to give you a better sense of how we work and the types of results we are capable of producing.

I hope you'll take the time to visit our website and get acquainted with us. As we enter our 36th year we look forward to the possibility of assisting more of you.



Cordially,

Ron Walker  
President & CEO

# The TOP 150 Report

## EYES ON THE PRIZE

By Bob Garrison

**R**eady for a game of word association? What's the first thing that comes to mind when you hear the word, "prize?"

Of course there's something larger than life, like the prized Holy Grail. Then there's the prize at the bottom of a popcorn or cereal box. Chances are most food company executives would settle for something in between.

After slogging through two years of a weak economy, most executives are simply focused on a period of sustained, real growth. The good news in Refrigerated & Frozen Foods' annual "View from the Top" interviews is that food industry leaders see real growth opportunities ahead. The key is being prepared to not only spot market opportunities but be positioned to take advantage of them.

Any prize worth having comes at a cost. Profiles on ConAgra Specialty Potato Products, Dean Foods or General Mills show how each, in part, has worked to shore up aspects of manufacturing, supply chain, sales and R&D. Likewise, Tyson Foods, Nestlé Prepared Foods and McCain have made equal

investments in new product development, packaging and marketing.

Truth be told, all six companies (and chances are, yours too) have been active on both sides of the equation.

The good news, meanwhile, is that there appears to be ample capital to fund new projects according to Barrington Associates, a Los Angeles investment banking and market consultant.

"While overall [merger and acquisition] levels remain down from previous years, [we] have witnessed building momentum in the food and beverage M&A market over the last several quarters," the firm observes. "This momentum has been driven by a dramatic increase of private equity interest in the sector and continued corporate divestitures."

You don't have to look long (or hard) for examples among R&FF's lists of leading processors. An appetizer business in Chicago. A refrigerated soup and side dish company in Portland. An egg roll processor in Houston. These are just a few of many small niche processors flush with new capital to make things happen in the new year.

Although its experts forecast a drop in corporate divestitures, Barrington still foresees strong continued private equity investments in the food and beverage sector.

*And that means, hopefully, more prizes for everyone.*

### ABOUT THIS REPORT

Refrigerated & Frozen Foods' Top 150 report examines the leading 25 processors in each of six refrigerated and frozen food categories. These categories include: prepared meals & entrees; meat & poultry; snacks, appetizers & side dishes; fruits & vegetables; bakery foods; and dairy products.

Category leaders are profiled following each segment list. These special profile pages include a top executive interview and review of the company's news, product and marketing highlights.

Processor listing pages represent R&FF's efforts to reflect pertinent 2003 sales from all channels. Sales figures and estimates are from company reports, news releases, market analysts' reports, industry media and other sources. Figures do not include shelf-stable products.

## CATEGORIES

*(Categories include but are not limited to these items)*

### Meals & Entrees

16

Breakfast foods, hand-held entrees and sandwiches, frozen meals, meal kits, pasta, pizza, soups

### Meat & Poultry

24

Processed beef, poultry, lamb and pork products

### Dairy

32

Butter, cultured products, ice cream, novelties, natural and processed cheese, dairy-based spreads

### Snacks, Appetizers & Side Dishes

20

Snacks, appetizers, ethnic side dishes, gelatins & puddings, pretzels, further-processed eggs, prepared deli salads

### Bakery

28

Breads, rolls, bagels, biscuits, cakes, pies and other desserts & sweet goods, refrigerated, frozen and par-baked dough products

### Fruit & Vegetable

36

Processed fruit, juice, potatoes, vegetables, prepared fresh-cut salads



**Gregg Engles**  
Dean Foods Company

**Richard Bond**  
Tyson Foods Inc.

**Steve Sanger**  
General Mills Inc.

**Peter Reijula**  
McCain Snack Foods

**Jeff DeLapp**  
ConAgra Foodservice Specialty Potato Products

**Stephen Cunliffe**  
Nestlé Prepared Foods Co.

# TOP 150

## MEALS & ENTREES

Sponsored by  USC Consulting Group  
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RANK	COMPANY	TOP EXECUTIVE	'03 SALES	PRODUCT LINE	NO. OF PLANTS
1.	Nestlé USA Glendale, Calif.	Joe Weller, Chairman	\$3.3 billion*	Frozen meals, entrees (tray, hand-held), pizza, soups, refrigerated pasta	7
2.	ConAgra Foods Omaha, Neb.	Bruce Rohde, Chairman, CEO	\$2.9 billion*	Frozen meals, entrees, pot pies, pizza, refrigerated lunch kits, sandwiches	N.A.
3.	Kraft Foods North America Northfield, Ill.	Roger Deromedi, CEO	\$1.9 billion*	Frozen pizza, meat alternatives, refrigerated meal kits, pasta	N.A.
4.	The Schwan Food Company Marshall, Minn.	M. Lenny Pippin, President, CEO	\$1.7 billion*	Frozen pizza, hand-held entrees, breakfast entrees, Asian entrees	N.A.
5.	Pinnacle Foods Corp. <sup>(1)</sup> Mountain Lakes, N.J.	C. Dean Metropoulos, Chairman, CEO	\$650 million*	Frozen meals, entrees, waffles, pancakes, pizza	4
6.	H.J. Heinz Co. Pittsburgh, Pa.	William Johnson, Chairman, President, CEO	\$600 million*	Frozen entrees, sandwiches, pasta, refrigerated and frozen soups	N.A.
7.	General Mills Inc. Minneapolis	Steve Sanger, Chairman, CEO	\$500 million*	Frozen pizza, waffles, meal kits, refrigerated meat entrees	N.A.
8.	Kellogg Co. Battle Creek, Mich.	Carlos Gutierrez, Chairman, CEO	\$450 million*	Frozen waffles, pancakes, meat alternatives	N.A.
9.	Luigino's Inc. <sup>(2)</sup> Sanford, Fla.	Jeno Paulucci, Chairman	\$350 million*	Frozen entrees, chili	2
10.	Mars Inc. <sup>(3)</sup> Hackettstown, N.J.	John F. Mars, President, CEO	\$225 million*	Frozen entrees	None
11.	Windsor Frozen Foods Houston	Oreste Boscia, President, CEO	\$225 million*	Frozen ethnic entrees, chili	5
12.	Ruiz Foods Inc. Dinuba, Calif.	Fred Ruiz, Chairman	\$200 million*	Frozen entrees	1
13.	Murry's Inc. Upper Marlboro, Md.	Ira Mendelson, Chairman, President, CEO	\$200 million*	Frozen meat, poultry and seafood entrees , French breakfast entrees	1
14.	Michael Angelo's Gourmet Foods Inc. Austin, Texas	Michael Renna, CEO	\$200 million*	Frozen Italian entrees	3
15.	Unilever Best Foods North America <sup>(4)</sup> New York	John Rice, President, CEO	\$150 million*	Frozen soups, stews, chili	N.A.
16.	MarketFare Foods Inc. Phoenix	Barry Brooks, CEO	\$150 million*	Refrigerated and frozen sandwiches, burritos, wraps	4
17.	Request Foods Inc. Holland, Mich.	Jack DeWitt, President	\$128 million*	Frozen entrees	1
18.	Don Miguel Mexican Foods Inc. Anaheim, Calif.	Robert Schult Jr., Chairman, CEO	\$125 million*	Refrigerated and frozen Mexican meals, entrees	1
19.	Frozen Specialties Inc. Archbold, Ohio	Gene Welka, Chairman, CEO	\$110 million*	Frozen pizza, sandwiches	3
20.	Fairmont Foods of Minnesota Inc. Fairmont, Minn.	Larry McGuire, CEO	\$110 million*	Frozen entrees	1
21.	Richelieu Foods Inc. Braintree, Mass.	Vincent Fantegrossi, President, CEO	\$100 million*	Refrigerated and frozen entrees, pizza	3
22.	Tyson Foods Inc. Springdale, Ark.	John Tyson, Chairman, CEO	\$100 million*	Refrigerated and frozen prepared entrees	N.A.
23.	Amy's Kitchen Inc. Santa Rosa, Calif.	Andy Berliner, CEO	\$100 million*	Frozen meals, entrees	1
24.	Birds Eye Foods Rochester, N.Y.	Dennis Mullen, Chairman, President, CEO	\$75 million*	Frozen meal kits	1
25.	Little Lady Foods Inc. Elk Grove Village, Ill.	John Geocarlis, Chairman, President, CEO	\$75 million*	Frozen pizzas, hand-held entrees/sandwiches	1

\*R&FF estimate

<sup>(1)</sup> Reflects purchase of Aurora Foods Inc.

<sup>(2)</sup> Includes Arden International Kitchens, Lakeville, Minn.

<sup>(3)</sup> Reflects Masterfoods USA, Uncle Ben's business

Nestlé Prepared Foods Company  
Solon, Ohio



Stephen Cunliffe  
President

### AT A GLANCE

#### NEW PRODUCTS

Consumers like LEAN CUISINE pizzeria-style pizza with a crispy crust from the microwave.



#### MARKET

**MANEUVERS**  
LEAN CUISINE provides more variety to carb-counting consumers.



*Refrigerated & Frozen Foods: What were your top business achievements last year?*

**Stephen Cunliffe:** 2003 was a very busy year! While launching a raft of new products, we also celebrated the “start-up” of our new production facility in Jonesboro, Ark., and completed a year of transition for the Denver-based Hand-held Foods Group.

The Jonesboro project is our fourth frozen foods manufacturing facility in the U.S. We broke ground in September of '01 and made our first products in March of '03—that's very fast, and due entirely to the dedication of so many of our people who worked on Jonesboro while still working their “regular” jobs!

Our technical teams here reached out to Nestlé experts around the world to identify and incorporate into the design the best new technology and processes – so we're pretty confident that this 325,000 sq. ft. plant is the most modern frozen foods manufacturing facility in the world.

These products also deliver less than 300 calories as well as one, or two, full servings of vegetables. Earlier in the year, new LEAN CUISINE® Café Classics microwaveable round pizzas and Asian-style entrees were big hits. STOUFFER'S® brand, the share leader in the dinners and entrees category, introduced new Italian Style and Southwestern Style meals while BUITONI® continued to dominate the refrigerated pasta and sauce category. Our HOT POCKETS® and LEAN POCKETS® brands remained the leaders in frozen sandwiches and snacks; the team in Denver launched new HOT POCKETS® Pot Pie Express™, as well as new Breakfast and Mexican varieties.

*R&FF: Please comment on the state of affairs in your segment?"*

**Cunliffe:** Certainly, we're disappointed by the slowdown in this category, particularly after the long run of strong growth we've all enjoyed. We believe growth will resume with new items that meet consumer needs and deliver superior quality – and that's exactly what we're doing. From STOUFFER'S® brand – which celebrates its 50th anniversary in '04--you'll hear more exciting product news later this year. Our Hand-held Foods Group in Denver has just rolled out new HOT POCKETS® Fruit Pastries nationwide. And we have many other new products in the pipeline – focused on our consumer, focused on quality.

*R&FF: What was happening on the new products front?*

**Cunliffe:** Near the end of '03, we launched 11 LEAN CUISINE® items with 12-25 grams of carbohydrates to make it easier for those who are “counting carbs” to count on LEAN CUISINE®.

### FOR THE RECORD – 2003

**November** – STOUFFER'S macaroni & cheese hailed as the original “comfort food” on TV Food Network's popular “Unwrapped” series; Good Housekeeping Institute selects STOUFFER's mac&cheese as the very best available.

**October** – Nestlé S.A. President Peter Brabeck officially dedicates new Jonesboro, Ark., manufacturing facility.

**July** – Danville, Va., plant, maker of Buitoni refrigerated pasta, celebrates 15th anniversary. Nestlé launches STOUFFER'S brand

launches new Italian and Southwestern varieties and LEAN CUISINE® brand introduces Café Classics (round and crispy from the microwave) Pizza.

**June** – HOT POCKETS® Pot Pie Express™ rolls nationally, after success in test markets.

# TOP 150

## SNACKS, APPETIZERS & SIDE DISHES

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RANK	COMPANY	TOP EXECUTIVE	'03 SALES	PRODUCT LINE	NO. OF PLANTS
1.	McCain Snack Foods <sup>(1)</sup> Oak Brook, Ill.	Peter Reijula, President	\$700 million*	Frozen snacks, appetizers	3
2.	Michael Foods <sup>(2)</sup> Minnetonka, Minn.	Gregg Ostrander, Chairman, CEO	\$650 million*	Refrigerated and frozen eggs	N.A.
3.	H.J. Heinz Co. Pittsburgh, Pa.	William Johnson, Chairman, President, CEO	\$500 million*	Frozen snacks, appetizers	N.A.
4.	Kraft Foods North America Northfield, Ill.	Roger Deromedi, CEO	\$375 million*	Refrigerated gelatin, pudding, snack bars	N.A.
5.	Reser's Fine Foods Beaverton, Ore.	Al Reser, President	\$375 million*	Refrigerated, prepared deli salads, side dishes, potato and pasta side dishes, desserts	10
6.	Chef Solutions Inc. Schaumburg, Ill.	Craig Bergstom, President, CEO	\$350 million*	Refrigerated prepared deli salads, desserts, side dishes	6
7.	ConAgra Foods Omaha, Neb.	Bruce Rohde, Chairman, CEO	\$350 million*	Frozen snacks, potato specialties, refrigerated puddings, eggs	N.A.
8.	Specialty Brands Inc. Ontario, Calif.	Mark Williamson, Chairman	\$325 million*	Frozen snacks, appetizers	N.A.
9.	J&J Snack Foods Corp. Pennsauken, N.J.	Gerald Shreiber, Chairman, President, CEO	\$250 million*	Frozen soft pretzels, funnel cakes, churros, ices, juice bars	5
10.	General Mills Inc. Minneapolis	Steve Sanger, Chairman, CEO	\$200 million*	Frozen snacks	N.A.
11.	Rich-SeaPak Corp. <sup>(3)</sup> St. Simons Island, Ga.	Bruce Major, President, CEO	\$170 million*	Frozen snacks, appetizers	3
12.	The Schwan Food Company Marshall, Minn.	M. Lenny Pippin, President, CEO	\$150 million*	Frozen appetizers, egg rolls, potato specialties	N.A.
13.	Kozy Shack Enterprises Inc. Hicksville, N.Y.	Vincent Grappuso, Chairman	\$100 million*	Refrigerated puddings desserts	2
14.	Blue Ridge Farms Brooklyn, N.Y.	Jeffrey Siegel, CEO	\$80 million*	Refrigerated, prepared deli salads	2
15.	Ruiz Foods Inc. Dinuba, Calif.	Fred Ruiz, Chairman	\$75 million*	Frozen appetizers, snacks	1
16.	Nancy's Specialty Foods Newark, Calif.	Bob Kroll, President	\$70 million*	Frozen appetizers, hors d'oeuvres	1
17.	Cuisine Innovations LLC <sup>(4)</sup> Chicago	Bob Marino, President, CEO	\$60 million*	Frozen appetizers, hors d'oeuvres	1
18.	Ateeco Inc. Shenandoah, Pa.	Tom Twardzik, President	\$60 million*	Frozen pierogies	2
19.	Golden County Foods Inc. Plover, Wis.	Mark Arend, President	\$50 million*	Frozen snacks, appetizers, side dishes, potato specialties	1
20.	Sandridge Food Corp. Medina, Ohio	Mark Sandridge, CEO	\$40 million*	Refrigerated prepared deli salads and side dishes, gelatins	1
21.	Harry's Fresh Foods Portland, Ore.	Rod Harris, President, CEO	\$37 million*	Refrigerated side dishes	1
22.	Winter Gardens Quality Food Inc. New Oxford, Pa.	Jason Bross, President, CEO	\$30 million*	Refrigerated prepared salads, side dishes	1
23.	Mrs. Stratton's Salads Inc. Birmingham, Ala.	John Bradford, Chairman	\$30 million*	Refrigerated prepared salads, side dishes	1
24.	TransPecos Foods San Antonio, Texas	Patrick Kennedy, Jr., Chairman	\$30 million	Frozen appetizers	1
25.	Chung's Foods Inc. Houston	Bridgette Heller, CEO	\$28 million*	Refrigerated and frozen egg rolls, Asian side dishes and appetizers	1

\*R&FF estimate

<sup>(1)</sup> Unit of McCain Foods USA

<sup>(2)</sup> Acquired in November by Thomas H. Lee Partners, Boston

<sup>(3)</sup> Unit of Rich Products Corp.

<sup>(4)</sup> Unit of Saviour Food Group LLC

### McCain Snack Foods

Oak Brook, Ill.  
Division of McCain Foods USA



Peter Reijula  
President

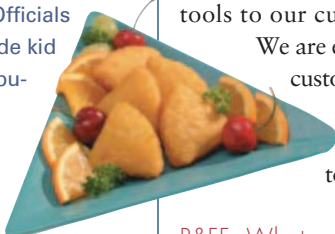
### AT A GLANCE

#### NEW PRODUCTS

Introduced in May 2003, the Anchor® Mac & Cheese Wedge has quickly become one of McCain Snack's most successful new products. Officials say the product is a bonafide kid pleaser and has been a popular item in schools and on kids' restaurant menus.

#### MARKET MANEUVERS

McCain's "Combo Builder" promotion is a marketing tool with multiple communications vehicles, including a CD-ROM. Operators can select a serving vessel, add any mix of appetizer products, and even estimate food costs and profits. The CD also features helpful product information and serving tips.



*Refrigerated & Frozen Foods: What were your business' top achievements last year?*

**Peter Reijula:** 2003 was a busy and successful year for McCain Snack Foods. We finished the integration of Anchor Foods, which we acquired in September 2001, with our McCain appetizer business.

To build on our mission "to be the innovative market leader of great tasting frozen snack foods," we introduced several exciting new products to the foodservice market. We are seeing good success with our unique Anchor® brand Cheese Rings, Moore's® Flavored Onion Rings, and Brew City® Amazin' Azzian™ Potstickers.

We have focused heavily on new marketing services to help our operator customers succeed with our products. Our wait staff training and menu programs are getting great acceptance as value-added marketing tools to our customers.

We are exiting 2003 as a strong, customer-focused organization ready to build our business by helping our customers build theirs.

*R&FF: What are your company goals for the coming year?*

**Reijula:** We want to accelerate our new business development activities. We are concentrating on understanding our customers and consumers better and using this knowledge to bring more innovative, unique products to both foodservice and retail markets.

We want to expand our business beyond appetizers to frozen snack foods and have been building our capabilities to support this growth. A good example of this is our Anchor brand Mac&Cheese Wedges, a unique and successful new product that is finding great application as a main meal item on kids menus.

*R&FF: What industry issues most concern you? Why?*

**Reijula:** Ensuring food safety and contributing to a balanced, positive discussion about consumer food choices are priorities. With a large variety of diet and advice books and massive media coverage about food and eating, it is difficult for a voice of moderation to be heard (that all foods when eaten in moderation can contribute to healthy living).

*R&FF: Please comment on the state of affairs in the snack and appetizer segment.*

**Reijula:** It has been a challenging year in the foodservice business due to slow economy. We have seen improvement in the latter part of 2003 and hope for that to be sustained. As mentioned, we are busy innovating and have introduced 10 new products in the foodservice market since last May. We expect this activity will spur growth as we enter 2004.

Consumer eating habits have been changing and the blurring of meal times and occasions bodes well for convenient, easy to prepare, hand-held snack foods. Our Ellio's® pizza brand that is more of a snack than a family meal is well positioned for these trends and it has fared well in the retail market this past year.

#### FOR THE RECORD – 2003

**October** – Canadian sister company Charcuterie La Tour Eiffel Inc., a wholly owned subsidiary of McCain Foods Ltd., acquires the Summersweets business and assets of Sepp's Gourmet Foods. Included are operations to process paté, mousses, dips, hand-held wraps and sandwiches.

**August** – Canadian parent McCain Foods announces plans to nearly double the size of its pizza plant in Grand Falls, N.B., with completion scheduled for April 2004.

**June** – Parent McCain Foods Ltd., Florenceville, N.B., announces the impending

2004 retirement of Howard Mann as president & CEO.

**April** – Canadian parent McCain Foods Ltd. acquires Belleisle Foods Ltd., a Belleisle Creek, N.B., processor of frozen Chinese foods, including egg rolls and entrees.

# TOP 150

## MEAT & POULTRY

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RANK	COMPANY	TOP EXECUTIVE	'03 SALES	PRODUCT LINE	NO. OF PLANTS
1.	Tyson Foods Inc. Springdale, Ark.	John Tyson, Chairman, CEO	\$21.8 billion <sup>(1)</sup>	Fresh, further processed chicken, beef, pork	N.A.
2.	Cargill Meat Solutions <sup>(2)</sup> Minneapolis	Bill Buckner, President	\$19 billion	Processed beef, pork and turkey	23
3.	Smithfield Foods Inc. Smithfield, Va.	Joseph Luter III, Chairman, CEO	\$10 billion	Fresh pork and processed meats	N.A.
4.	Swift & Company Greeley, Colo.	John Simons, President & CEO	\$7.2 billion	Processed beef, pork	11
5.	Pilgrim's Pride Corp. Pittsburg, Texas	Lonnie "Bo" Pilgrim, Chairman, CEO	\$5 billion	Fresh and processed poultry	N.A.
6.	Sara Lee Foods <sup>(3)</sup> Chicago	Robert Copriva, CEO	\$3.7 billion	Processed pork, poultry and beef	N.A.
8.	National Beef Packing Co. LLC <sup>(4)</sup> Kansas City, Mo.	John Miller, CEO	\$3.5 billion	Fresh and processed beef	4
9.	ConAgra Foods Inc. Omaha, Neb.	Bruce Rohde, Chairman, CEO	\$3 billion*	Further processed beef, pork and poultry products	N.A.
10.	Hormel Foods Corp. <sup>(5)</sup> Austin, Minn.	Joel Johnson, Chairman, President, CEO	\$2.9 billion	Fresh, processed meat and poultry	14*
11.	Perdue Farms Incorporated Salisbury, Md.	James Perdue, Chairman, CEO	\$2.7 billion*	Fresh, further processed poultry	17*
12.	Keystone Foods LLC West Conshohocken, Pa.	Herb Lotman, Chairman, CEO	\$2.7 billion*	Processed beef, poultry	11*
13.	OSI Industries Aurora, Ill.	Sheldon Lavin, Gerald Kolschowsky, Co-CEOs	\$2.3 billion*	Processed beef, pork and poultry	N.A.
14.	Gold Kist Inc. Atlanta	John Bekkers, President, CEO	\$1.8 billion	Fresh and processed chicken	11
15.	Oscar Mayer Foods <sup>(6)</sup> Madison, Wis.	Rick Searer, President, US Convenient Meals Sector	\$1.4 billion*	Processed pork, poultry, beef	N.A.
16.	Foster Farms Livingston, Calif.	Paul Carter, President, CEO	\$1.4 billion	Fresh, processed poultry	9
17.	Rosen's Diversified Inc. Fairmont, Minn.	Thomas Rosen, CEO	\$1.2 billion	Fresh and processed beef	N.A.
18.	Wayne Farms LLC <sup>(7)</sup> Oakwood, Ga.	Elton Maddox, President, CEO	\$1 billion	Fresh and processed chicken	13
19.	Golden State Foods <sup>(8)</sup> Irvine, Calif.	David Gilbert, President, Meat Group	\$1 billion*	Frozen beef patties	2
20.	Sanderson Farms Inc. Laurel, Miss.	Joe F. Sanderson, Jr., Chairman, CEO	\$872.2 million	Fresh and further-processed chicken	7
21.	Greater Omaha Packing Co. Inc. Omaha, Neb.	Henry Davis, President, CEO	\$675 million*	Processed beef	1
22.	American Foods Group Inc. Green Bay, Wis.	Carl Kuehne, President, CEO	\$650 million*	Processed beef and pork	2*
23.	Seaboard Farms Inc. <sup>(9)</sup> Merriam, Kan.	Rod Brenneman, President	\$650 million*	Fresh and processed pork	1
24.	Premium Standard Farms Inc. Kansas City, Mo.	John Meyer, CEO	\$608.4 million	Fresh and processed pork	5
25.	Mountaire Farms Inc. Selbyville, Del.	David Pogge, President	\$570 million*	Fresh and processed chicken	3

\*R&FF estimate

<sup>(1)</sup> Excludes sales of prepared foods and "other" unrelated operations

<sup>(2)</sup> Subsidiary of Cargill Inc. Includes Excel Corp.,

Emmpak Foods and Cargill Turkey Products

<sup>(3)</sup> Unit of Sara Lee Corp.

<sup>(4)</sup> Unit of U.S. Premium Beef Ltd.

<sup>(5)</sup> Excludes shelf-stable grocery, specialty products, international sales

<sup>(6)</sup> Unit of Kraft Foods North America

<sup>(7)</sup> Subsidiary of the ContiGroup Companies, Inc.

<sup>(8)</sup> Involved in February deal to be acquired by Wetterau Associates Inc., St. Louis

<sup>(9)</sup> Subsidiary of Seaboard Corp.

Tyson Foods Inc.  
Springdale, Ark.



**Richard Bond**

President & Chief  
Operating Officer

### AT A GLANCE

#### NEW PRODUCTS

New bacon offerings range from ready-to-cook (with thicker slices and authentic smokehouse flavor) to items that are pre-cooked and ready to serve. Semi-rigid plastic packaging makes merchandising more convenient for retailers.



#### MARKET MANEUVERS

Last year's \$100 million marketing campaign informed consumers about new value-added beef and pork items under the Tyson brand. The campaign included \$40 million in multi-media ads and \$60 million in other consumer promotions.



#### FOR THE RECORD – 2003

**December** – Announces plant closings in New Hampshire and Maine; plant expansion in Dakota City, Neb.

**September** – Acquires Choctaw Maid Farms, Inc., Carthage, Miss.

**Refrigerated & Frozen Foods:** What were your business' top achievements during calendar 2003?

**Richard Bond:** We continued the evolution of our product portfolio from commodity to value-added products, adding a vast array of Tyson branded products to our offerings, and supporting those products with a multi-faceted marketing program.

We continued to find value in bringing Tyson and IBP together, reaping the benefits of a lot of groundwork that was laid in the first year. We also made significant progress toward our goal of being the best-cost producer within our core business segments.

We can attribute our successes to a great team and a very clearly defined strategy.

**R&FF:** What are your company goals for the coming year?

**Bond:** (1) Maintain customer and consumer focus; (2) Move products up the value chain; (3) Continue to strive toward an unbeatable product portfolio with strong national and regional brands, while supporting our customers' diverse brand needs; (4) Further implement an international

strategy that expands export markets, while increasing our manufacturing and marketing presence in other countries; (5) Build on and support a world-class talent and management development process; (6) Implement industry-leading animal well-being programs across the company.

**July / August** – Announces closings, consolidation of operations in Berlin, Md., and Pine Bluff, Ark.

**June** – Completes \$5.2 million expansion of analytical testing and food safety research lab in Springdale, Ark.

**R&FF:** What industry issues concern you?

**Bond:** We continue to see a very aggressive plaintiff's bar that is constantly testing the boundaries of common sense, so we desperately need tort reform in this country.

There always seems to be potential new regulation or legislation based not on sound science, solid reasoning or good business, but on emotion or advocacy group politics.

**R&FF:** Please comment on the state of affairs in the meat & poultry segment.

**Bond:** Overall, the industry is in a pretty good place right now. Despite isolated cases of BSE in Canada in May and in the U.S. in December, consumers have behaved rationally, and at least domestically, continued to express confidence in our products.

High protein diets such as Atkins and South Beach – while perhaps not strictly adhered to by a large percentage of the population – have essentially sent the message that eating protein, and specifically red meat can be healthful. We believe that attitude has improved consumption.

The industry continues to move toward more value-added convenience products within the beef and pork segments, as has been the trend within the chicken industry for some time now. Our company is determined to lead in this area.

We will need to continue to explore ways to reformulate products to support healthy lifestyles. This could include such measures as reducing trans fats in our further processed products.

**March** – Jurors acquit Tyson of all charges in a federal immigration trial in Chattanooga, Tenn.

**February** – Named "America's Most Admired Company" in food production by *FORTUNE* magazine.

# TOP 150

## BAKERY

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RANK	COMPANY	TOP EXECUTIVE	'03 SALES	PRODUCT LINE	NO. OF PLANTS
1.	General Mills Inc. Minneapolis	Steve Sanger, Chairman, CEO	\$3.1 billion*	Refrigerated and frozen dough, breads, sweet goods, pastries, desserts	N.A.
2.	Sara Lee Bakery Group <sup>(1)</sup> St. Louis	Richard Noll, Senior V.P., CEO	\$700 million*	Frozen desserts, sweet goods, refrigerated dough	N.A.
3.	Schwan's Bakery Inc. <sup>(2)</sup> Atlanta	Larry Oberkfell, President, COO	\$600 million*	Frozen pies, cakes	5
4.	Rich Products Corp. Buffalo, N.Y.	Robert E. Rich Jr., President	\$600 million*	Frozen dough, par-baked sweet goods, breads, rolls, desserts, pizza dough	17*
5.	Otis Spunkmeyer Inc. San Leandro, Calif.	John Schiavo, President, CEO	\$280 million*	Frozen muffins, desserts, bagels and sweet goods	4
6.	Ralcorp Holdings Inc. <sup>(3)</sup> St. Louis	William Stirtz, Chairman	\$255 million*	Frozen cookies, breads, rolls, muffins, waffles, French toast, pancakes	8*
7.	Dawn Food Products Jackson, Mich.	Ron Jones, Chairman, President, CEO	\$250 million*	Frozen dough, par-baked and fully baked desserts, muffins, breads, croissants, sweet goods	6*
8.	Maplehurst Bakeries Inc. <sup>(4)</sup> Brownsburg, Ind.	Dave Winiger, General Manager	\$225 million*	Frozen cakes & pies, sweet goods, breads, rolls, bagels	5*
9.	Pepperidge Farm Inc. <sup>(5)</sup> Norwalk, Conn.	Jay Gould, President	\$200 million*	Frozen desserts, sweet goods, breads, rolls	N.A.
10.	Chef Solutions Schaumburg, Ill.	Craig Bergstrom, President, CEO	\$200 million*	Frozen bread, rolls, sweet goods	1
11.	The Bama Companies Inc. Tulsa, Okla.	Paula Marshall-Chapman, President, CEO	\$180 million*	Frozen pies, cookies, biscuits, dough	4
12.	Nestlé Brands Co. <sup>(6)</sup> Glendale, Calif.	Brad Alford, President, CEO	\$160 million*	Refrigerated cookie dough	1
13.	Canada Bread Co. Ltd. <sup>(7)</sup> Toronto	Richard Lan, President, CEO	\$150 million*	Par-baked breads, rolls, bagels	3
14.	Harlan Bakeries Inc. Avon, Ind.	Hugh Harlan, President	\$150 million*	Frozen unbaked, par-baked and finished bagels, pies, cookies, muffins	4
15.	Lancaster Colony Corp. Columbus, Ohio	John Gerlach Jr., Chairman, President, CEO	\$135 million*	Frozen garlic breads, rolls, pies	3
16.	Pinnacle Foods Corp. Mountain Lakes, N.J.	C. Dean Metropoulos, Chairman, CEO	\$125 million*	Refrigerated, frozen bagels	1
17.	Flowers Specialty Group <sup>(8)</sup> Thomasville, Ga.	Allen Shiver, President, COO	\$120 million*	Frozen bread, rolls	3
18.	J&J Snack Foods Corp. Pennsauken, N.J.	Gerald Shreiber, Chairman, President, CEO	\$110 million*	Frozen cookies, biscuits, dough	3
19.	Vie de France Yamazaki Inc. Vienna, Va.	Nobuhiki Egana, President	\$105 million*	Frozen bread, dough	7
20.	Awrey Bakeries Inc. Livonia, Mich.	John Curtin, President, CEO	\$80 million*	Frozen desserts, sweet goods, muffins, bagels	1
21.	Sweet Street Desserts Reading, Pa.	Sandy Solmon, Founder	\$80 million*	Frozen cakes, pies, cookies, scones	1
22.	La Brea Bakery Inc. <sup>(9)</sup> Van Nuys, Calif.	Manfred Krankl, Chairman	\$75 million*	Frozen par-baked breads	1
23.	Cottage Bakery Inc. Lodi, Calif.	Terry Knutson, Owner	\$75 million*	Frozen breads, rolls, sweet goods	1
24.	Wenner Bread Products Bayport, N.Y.	Rich Wenner, President	\$70 million	Frozen breads, rolls, bagels, sweet goods	1
25.	Parco Foods L.L.C. Blue Island, Ill.	Charles Hoch, Chairman	\$60 million	Frozen cookies and dough	1

\*R&FF estimate

(1) Unit of Sara Lee Corp.

(2) Unit of The Schwan Food Company

(3) Includes Bakery Chef, Lofthouse Foods businesses

(4) Unit of Weston Foods, George Weston Ltd.

(5) Unit of Campbell Soup Co.

(6) Unit of Nestlé USA

(7) Unit of Maple Leaf Foods. Listing reflects estimated U.S. business sales

(8) Unit of Flowers Foods

(9) Subsidiary of IAWS Group plc, Dublin, Ireland

General Mills Inc.  
Minneapolis



Steve Sanger  
Chairman & CEO

### AT A GLANCE

#### NEW PRODUCTS

Home Baked Classics line is ringing up double-digit sales gains. Recent new varieties include Soft White Dinner Rolls, Crusty Sourdough Dinners and Extra Large Easy Split™ Biscuits.



#### MARKET MANEUVERS

Last June saw General Mills celebrate 75 years of being listed on the New York Stock Exchange. "While our food products are familiar to consumers around the world, we also have shaped broadcast airwaves across the country, what astronauts eat in space and even the way airplanes communicate," said Steve Sanger, chairman & CEO.



#### FOR THE RECORD – 2003

**May** – John Machuzick becomes senior vice president and president, Bakeries and Foodservice, effective Jan. 1, 2004. Machuzick succeeds Paul Oliver, who retires December 31.

*Editor's note: Leadership at General Mills' largest bakery foods unit, Bakeries and Foodservice, changed effective January 1 (see "for the record," below). Following are reports on General Mills' bakery food businesses, excerpted from the company's 2003 annual report and year-end financial statements.*

#### U.S. Retail operations overview for fiscal year 2003:

Net sales for General Mills' U.S. Retail operations grew 25 percent to exceed \$7.4 billion. On a comparable basis, as if General Mills had owned Pillsbury for all of 2002, net sales grew 6 percent. Comparable unit volume (shipments) increased 4 percent and retail consumer sales for the company's major product lines rose 5 percent.

#### U.S. Retail product & marketing news:

Pillsbury is the leading brand in the \$1.6 billion refrigerated dough category. In fiscal 2003, new flavors helped drive growth on crescent rolls and Grands!™ biscuits and sweet rolls. Sales on the Ready to Bake!™ line were up double digits thanks to the success of Big Deluxe Classics cookies.

Pillsbury's fastest-growing dough business is in the freezercase. Sales for Pillsbury Home Baked Classics™ frozen dinner rolls, biscuits and sweet rolls grew 21 percent in 2003, outpacing the \$870 million category's growth. General Mills is increasing its distribution on this line and will add new varieties in 2004.

#### Bakeries and Foodservice overview:

Fiscal year 2003 was a difficult year for the Bakeries and Foodservice Division. Sales for this business segment increased 42 percent to \$1.8 billion. However, operating profits and comparable unit volume were essentially unchanged from the prior year.

In part, this reflected a difficult U.S. foodservice industry environment. Poor business trends for a number of our customers restrained our volume growth. In addition, price increases that were implemented to offset higher commodity costs took longer than planned to realize.

Beyond these issues, profits for Bakeries and Foodservice were hindered by manufacturing realignment activities. As integration of the General Mills and Pillsbury supply chains is completed, the manufacturing of various product lines is being relocated from one plant to another, and the short-term disruption was particularly pronounced for this division. General Mills expects these manufacturing shifts to restrain Bakeries and Foodservice results through the first half of 2004, but then begin contributing to longer-term growth.

#### Bakeries and Foodservice product & marketing news:

R&D personnel worked with Dunkin' Donuts to develop a scone specifically for their 3,700 stores in the United States. Sales and marketing team members are bringing point-of-sale merchandising ideas to foodservice customers. Since their introduction in 2002, sales of the Doughboy's Best® branded cookies to foodservice operators have been growing steadily.

**March** – Randy Darcy is named senior vice president and chief technical officer. In addition to his responsibility for company-wide supply chain operations, Darcy oversees Research & Development and Quality & Regulatory Operations.

# TOP 150

DAIRY

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RANK	COMPANY	TOP EXECUTIVE	'03 SALES	PRODUCT LINE	NO. OF PLANTS
1.	Dean Foods Company Dallas	Gregg Engles, Chairman, CEO	\$9.2 billion <sup>(1)</sup>	Milk, cheese, cultured products, whipped toppings, frozen desserts & novelties	120*
2.	Dairy Farmers of America Inc. Kansas City, Mo.	Gary Hanman, President, CEO	\$6.5 billion <sup>(2)*</sup>	Cheese, cultured products, milk, dairy beverages, ingredients, mixes	27
3.	Kraft Foods North America Northfield, Ill.	Roger Deromedi, CEO	\$4.2 billion*	Cheese, cultured products	N.A.
4.	Land O'Lakes Inc. Arden Hills, Minn.	John Gherty, President, CEO	\$2.9 billion*	Cheese, cultured products, butter, spreads	N.A.
5.	The Kroger Co. Cincinnati	David Dillon, CEO	\$2.8 billion*	Milk, frozen desserts, cultured products, cheese	19
6.	National Dairy Holdings LP <sup>(3)</sup> Dallas	Allen Meyer, Chairman, CEO	\$2.1 billion*	Milk, frozen desserts, cheese, cultured products	32
7.	Schreiber Foods Inc. Green Bay, Wis.	Larry Ferguson, President, CEO	\$2 billion	Cheese, cultured products	17
8.	Dreyer's Grand Ice Cream Holdings Inc. <sup>(4)</sup> Oakland, Calif.	T. Gary Rogers, Chairman, CEO	\$2 billion*	Ice cream & novelties	8
9.	Leprino Foods Denver	James Leprino, Chairman	\$1.9 billion	Cheese, dairy-based ingredients	10
10.	California Dairies Inc. Artesia, Calif.	George Borba, Chairman	\$1.9 billion	Milk, cheese, butter, powdered milk	5
11.	Prairie Farms Dairy Inc. Carlinville, Ill.	Fred Kuentler, Chairman	\$1.4 billion*	Milk, frozen desserts, cultured products	17
12.	Unilever Best Foods North America <sup>(5)</sup> New York	John Rice, President, CEO	\$1.4 billion*	Ice cream, frozen novelties	N.A.
13.	WestFarm Foods <sup>(6)</sup> Seattle	John Mueller, President, CEO	\$1.3 billion	Milk, frozen desserts, cultured products, butter, cheese	11
14.	Safeway Dairy Group Pleasanton, Calif.	Lawrence Jackson, Senior V.P., Supply Operations	\$1.2 billion*	Milk, juices, frozen desserts, cultured products, novelties	9
15.	Foremost Farms USA Cooperative Baraboo, Wis.	Dave Fuhrmann, President	\$1.16 billion	Cheese, milk ingredients, milk, cultured products	21
16.	Associated Milk Producers Inc. New Ulm, Minn.	Paul Toft, President	\$1 billion	Milk, cheese, butter	14
17.	HP Hood Inc. Chelsea, Mass.	John Kaneb, Chairman, President, CEO	\$1 billion	Frozen desserts and novelties, milk, cultured products	7
18.	Yoplait-Columbo USA <sup>(7)</sup> Minneapolis	Robert Waldron, President	\$1 billion	Yogurt	3
19.	Sorrento Lactalis/Lactalis USA <sup>(8)</sup> Manhattan/Buffalo, N.Y.	Erick Boutry, President, CEO	\$900 million*	Cheese	6
20.	Saputo Cheese USA Inc. <sup>(9)</sup> Lincolnshire, Ill.	Lino Saputo Jr., President, CEO	\$850 million*	Cheese, dairy-based ingredients	14
21.	Great Lakes Cheese Co. <sup>(10)</sup> Hiram, Ohio	Han Epprecht, Chairman	\$800 million	Cheese	7(10)
22.	Wells Dairy Inc. Le Mars, Iowa	Gary Wells, CEO	\$800 million*	Frozen desserts and novelties, cultured products, milk	5
23.	Superbrand Dairy Products <sup>(11)</sup> Jacksonville, Fla.	Franke Lazaran, President, CEO	\$800 million*	Milk, cultured products, frozen desserts	6
24.	The Dannon Company Inc. Tarrytown, N.Y.	Thomas Kunz, President, CEO	\$785 million*	Yogurt	3
25.	Parmalat USA Corp. <sup>(12)</sup> Wallington, N.J.	Marc Caira, President	\$625 million*	Milk, juice/drinks, frozen desserts	6

\*R&FF estimate

(1) Dean FY '03 sales not available at press time. Estimate includes January purchase of Horizon Organic Holding Corp.

(2) Estimated sales at R&FF deadline. Includes joint venture sales

(3) Includes Marigold Foods, Crowley Foods

(4) Reflects June 2003 merger with Nestlé ice cream business

(5) Includes Good Humor-Breyers, Ben & Jerry's Homemade Inc.

(6) Processing arm of Northwest Dairy Association

(7) Unit of General Mills Inc.

(8) Unit of Groupe Lactalis, Laval, France

(9) Unit of Saputo Inc., Montreal

(10) Reflects November 2003 purchase of Lemke Cheese & Packaging

(11) Unit of Winn-Dixie Stores Inc.

(12) Unit of Parmalat Finanziaria SpA, Milan, Italy. Italian federal courts declared the company "insolvent" on Dec. 27.

Dean Foods Co.  
Dallas, Texas



Gregg L. Engles  
Chairman & CEO

## AT A GLANCE

### NEW PRODUCTS

New to the Dean Foods portfolio are Horizon Organic's organic milk, a full line of organic dairy products and organic juices, pudding, fruit jels and eggs. In the United Kingdom, the Rachel's Organic brand includes milk, yogurt and butter.

### MARKET MANEUVERS

Dean's White Wave division announced a relationship that made Silk soymilk the brand of choice in 4,000 Starbucks locations. Starbucks offers an exclusive Silk soymilk formula, specifically designed to complement its hand-crafted beverages using Starbucks signature espresso roast and Tazo® Chai.

### FOR THE RECORD – 2003

**August** – Dean introduces Mike Keown, formerly of The Minute Maid Company, E&J Gallo Winery and Procter & Gamble, as President of the Dean National Brand Group.

**June** – Dean Foods announces plans to acquire Horizon Organic Holding Corp. (the



## DAIRY

## VIEW FROM THE TOP

Refrigerated & Frozen Foods: What were your business' top achievements during 2003?

**Gregg Engles:** We invested in marketing and technology to grow our national brands and enhance our operations efficiency, and added growth-driving brands to the Dean Foods portfolio. We launched new, innovative packaging for our International Delight® brand of coffee creamers. We announced an exclusive relationship between Silk® soymilk and Starbucks, which made Silk the soymilk brand of choice in approximately 5,000 North American Starbucks locations.

We realigned our organization to sharpen our focus on our strategic brands, transferring all of our private label dairy products and all dairy manufacturing assets to the Dean Dairy Group and creating the Dean National Brand Group to sell and market our nationally branded products.

Perhaps most exciting is our recent acquisition of Horizon Organic, maker of the No. 1 organic milk, dairy and juice brand in the United States and No. 1 organic milk brand in the United Kingdom. We are thrilled to add this exciting, well-respected brand to the Dean Foods family as we are committed to the growth of healthy, better-for-you products.

Most importantly, we continue to provide excellent product quality and service to our customers on a national, regional and local basis. We also continue to deliver excellent value to our shareholders.

deal was completed in January '04)

**May** – Dean realigns organization to sharpen focus on strategic brands, transferring all private label dairy products and all dairy manufacturing assets to the Dean Dairy Group. The Dean National Brand Group is

R&FF: What are your company goals for the coming year?

**Engles:** In 2004 we intend to grow our platform of healthy, better-for-you products. Our Silk and recently acquired Horizon Organic® brands are already leaders in the organic and better-for-you category, and we feel the potential for growth is substantial. We also will continue to invest in the growth of our other strategic brands, including International Delight, Marie's® dressings, Hershey's® milks and milkshakes and LAND O LAKES®.

In addition, our other goals remain unchanged from what we have focused on in the past: to provide unmatched service and value and the highest quality products to our customers and consumers; to deliver shareholder value; and to invest in our brands and technology programs that will enable us to grow our business as well expand the potential of the dairy category in general.

R&FF: What industry issues concern you?

**Engles:** Obesity has been cited as our nation's current health crisis. We recognize consumers' need for healthy food and beverage alternatives. We believe we are extremely well positioned to respond to this issue by providing nutritious, low-fat and organic products. Secondly, the dairy category has been faced with relatively flat consumption over the last several years. While this is challenging from a business standpoint, it also presents a great opportunity to innovate and invest in the category as we recognize that the entire dairy case has tremendous growth potential.

created to sell and market the company's nationally branded products.

**March** – With the help of entertainer Wayne Brady, International Delight® introduces new packaging with the coffee creamer category's first one-handed open and pour bottle.

# TOP 150

## FRUITS, VEGETABLES & JUICES

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RANK	COMPANY	TOP EXECUTIVE	'03 SALES	PRODUCT LINE	NO. OF PLANTS
1.	ConAgra Foodservice <sup>(1)</sup> , Specialty Potato Products Eagle, Idaho	Jeff DeLapp, President	\$1.5 billion*	Processed, frozen potatoes	13
2.	Simplot Food Group <sup>(2)</sup> Boise, Idaho	James Munyon, President	\$1.3 billion	Processed frozen potatoes, fruit, vegetables	11
3.	Fresh Express <sup>(3)</sup> Colleyville, Texas	Tom Lovelace, Chairman, CEO	\$933 million	Fresh-cut salad, vegetables, fruit	9
4.	McCain Foods <sup>(4)</sup> , Potato Business Oak Brook, Ill.	Frank van Schaayk	\$900 million*	Processed, frozen potatoes	5
5.	Dole Food Company Inc. Westlake Village, Calif.	David Murdock, Chairman, CEO	\$800 million*	Fresh-cut salad, produce	N.A.
6.	Birds Eye Foods Inc. Rochester, N.Y.	Dennis Mullen, Chairman, President, CEO	\$625 million*	Frozen vegetables, fruit	15
7.	H.J. Heinz Co. Pittsburgh, Pa.	William Johnson, Chairman, President, CEO	\$500 million*	Frozen processed potatoes, onions	N.A.
8.	General Mills Inc. Minneapolis	Steve Sanger, Chairman, CEO	\$420 million*	Frozen vegetables	N.A.
9.	Ready Pac Produce Inc. Irwindale, Calif.	Dennis Gertmenian, CEO	\$350 million*	Fresh-cut salad, vegetables, fruit	3
10.	Norpac Foods Inc. Stayton, Ore.	Rick Jacobson, President, CEO	\$275 million*	Frozen vegetables, fruit	5
11.	A. Duda & Sons Inc. Oviedo, Fla.	F.S. Duda, CEO	\$250 million*	Refrigerated, frozen vegetables, citrus	N.A.
12.	Hanover Foods Corp. Hanover, Pa.	John Warehime, Chairman, President, CEO	\$240 million*	Frozen vegetables	N.A.
13.	Earthbound Farm San Juan Bautista, Calif.	Drew and Myra Goodman, co-founders	\$200 million*	Refrigerated organic produce	2
14.	Frozsun Foods Inc. Placentia, Calif.	Doug Circle, President	\$200 million*	Frozen fruit	4
15.	Tanimura & Antle Salinas, Calif.	Rick Antle, President	\$200 million*	Fresh-cut salads	4
15.	United Foods Inc. Bells, Tenn.	James Tankersley, Chairman, CEO	\$150 million*	Frozen vegetables	9
16.	Twin City Foods Stanwood, Wash.	Roger Lervick, Chairman, CEO, President	\$150 million*	Frozen vegetables	6
17.	J.R. Wood Inc. Atwater, Calif.	Greg Costley, CEO	\$130 million*	Frozen fruit	2
18.	National Frozen Foods Corp. Seattle	Dick Grader, President	\$110 million*	Frozen vegetables	3
19.	Seneca Foods Corp. Marion, N.Y.	Kraig Kayser, President, CEO	\$85 million	Frozen vegetables	N.A.

*(1) Unit of ConAgra Foods. Plant number includes foreign operations*

*(2) Unit of J.R. Simplot Co. Plant number includes foreign operations*

*(3) Division of Performance Food Group*

*(4) Unit of McCain Foods USA*

### JUICES

1.	PepsiCo Beverages North America <sup>(1)</sup> Chicago	Gary Rodkin, Chairman, CEO	\$2 billion*	Refrigerated and frozen juice	6
2.	The Coca-Cola Co., North America <sup>(2)</sup> Atlanta, Ga.	Steven Heyer, President, COO	\$1.6 billion	Refrigerated and frozen juice	5
3.	Vitality Beverages Inc. <sup>(3)</sup> Tampa, Fla.	Al Oddis, President, CEO	\$700 million*	Refrigerated and frozen juice	N.A.
4.	Florida's Natural Growers Lake Wales, Fla.	Stephen Caruso, CEO	\$528 million	Refrigerated and frozen juice	N.A.
5.	Welch Foods Inc. Concord, Mass.	Daniel Dillon, President, CEO	\$200 million*	Refrigerated and frozen juice	4

*(1) Unit of PepsiCo. Estimate for Tropicana product sales*

*(2) Estimate for Minute Maid product sales; "Juices, Teas & Emerging Beverages" Unit, Houston.*

*(3) Includes Vitality Foodservice, Pasco Brands*

ConAgra Foodservice,  
Specialty Potato Products  
Eagle, Idaho



Jeff DeLapp  
President

#### AT A GLANCE

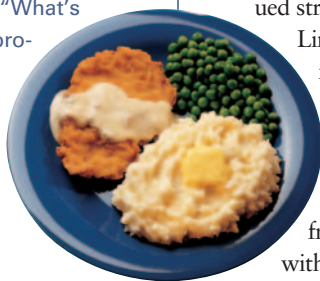
##### NEW PRODUCTS

To satisfy consumers' increasingly diverse taste requirements, ConAgra Foodservice's Specialty Potato Products expanded its line of Lamb Weston® seasoned potato products with flavor profiles such as corn masa and chipotle.



##### MARKET MANEUVERS

ConAgra Foods saw a double-digit increase in its foodservice mashed potato sales. The company's "What's Your Favorite Mashed" promotion supports the entire Lamb Weston® mashed potato line and reinforces the products' "home-made" taste and texture attributes.



##### FOR THE RECORD – 2003

**May** – ConAgra Foods announces hiring of Allan Lutz as president and chief operating officer for the Foodservice operating group, which includes Specialty Potato Products. William Caskey is promoted to the newly created position of President, Foodservice Sales.

**Refrigerated & Frozen Foods:** What were your business' top achievements during calendar 2003? What contributed to that success?

**Jeff DeLapp:** ConAgra Foods' Specialty Potato Products achieved success in the marketplace in 2003 by embracing and responding to the needs of consumers while remaining focused on our customers and providing innovative solutions to their food product needs.

We recently developed a potato product as part of our health and wellness initiative to reduce trans fat in consumer diets. The product is a fun finger-food that is especially appealing to kids. Developing healthier products for kids is a key strategic priority for ConAgra Foods and top of mind for the consumer.

**R&FF:** What are your company goals?

**DeLapp:** We are committed to expanding our product offerings and distribution to meet our customers' needs through brand innovations that provide the highest quality, easy-to-prepare products for every occasion.

Simultaneously, we are seeking new markets and market segments. As a result of our efforts to capitalize on the continued strong performance of the

Limited Service Bakery segment, we developed a handheld dessert item that uses a proprietary process to deliver a premium eating experience for consumers seeking fresh, "better-for-me" foods with "grab-n-go" convenience.

**R&FF:** What food industry issues most concern you? Why?

**DeLapp:** The absolute commitment to quality and innovation are increasingly important. Keeping these ideals at the forefront while taking on new industry-level challenges has dramatically raised the bar for success. We must not only leverage internal competencies, but also depend on the total resources of ConAgra Foods to win.

And, of course, any issue that affects customers or the consumer is important to us. Our approach is listening to these concerns and partnering with customers. Through this process, our goal is not simply to react quickly but to anticipate and plan proactively.

This may include process solutions as well as product solutions. We have implemented a category management program with a significant distributor. The result is an increase in mutual efficiencies and a robust growth opportunity for both organizations.

**R&FF:** Comment on the state of affairs in the processed potatoes segment.

**DeLapp:** While french fries are still a favorite, mashed potatoes, roasted potatoes, and sweet potatoes are rapidly expanding on menus in all segments of foodservice. This growth is happening internationally as we capitalize on our research and development expertise and partnerships with key global customers.

An example of not settling for the status quo involved a major improvement in our mashed potato process leading to a home-made taste.

responsibility and serves as a key liaison with ConAgra's technical community.

**March** – ConAgra Foods program recognizes the Specialty Potato Products unit for commitment to the environment as a result of energy reduction and water conservation efforts.



## COMMON TRAITS of UNCOMMONLY GOOD COMPANIES

By David D. Gustovich, EVP, USC Consulting Group

**H**aving had the privilege during the last 20 years of working with many of the companies listed in these pages, I'd like to offer my perspective on some of the reasons they've become so successful. Despite differences in size, markets served, product lines and management styles, they share some important traits that contribute directly to their success.

First, having risen to prominence by virtue of their size, none of these companies is content to rest on its laurels. Every one of them has a well-defined vision, strategy and set of core values centered around putting their customers first. That is why

they have been (and will continue to be) relentless in developing new value-added products and strong brands to keep pace with ever-changing market demands.

Next, nearly every one of these companies has some sort of internal improvement initiative underway at all times, usually driven by the chief executive and senior leadership. This burning desire to be and do better permeates these organizations and has become an integral part of their cultures. This is something that, as operations management consultants, we truly appreciate because time and time again we've seen the significant impact operational improvements can have on financial performance.

Another trait prevalent among these organizations is their total respect for people – for both their strengths and limitations. The best companies know how to draw the best from their employees, starting with their enthusiasm and pride of workmanship and extending to ownership of the very processes upon which their success is based. In these companies, suggestions are truly welcomed and justly rewarded. Pride of authorship takes a backseat to cooperation and collaboration to achieve a common goal.

Incidentally, some of the most successful collaborations these companies have undertaken include using an outside resource to drive improvements further and faster than they may be able to do on their own. They have realized that they cannot do everything internally and that leveraging their people and resources with outside assistance can be an effective way of addressing multiple strategic or tactical priorities to maintain - if not strengthen - their leadership position.

Today's top managers have a bottom-line orientation that goes far beyond the balance sheet to the underlying operating metrics. They no longer accept the concept that waste is inherent in every operation.

Another of the advantages these companies enjoy is the ability to effectively communicate with the rank and file. This enables them to drive to optimum financial and operational metrics that are clearly understood and embraced by every employee. Clear and compelling top-down communication is an absolute necessity, because, as has been proven time and again, the "grapevine" is less than reliable when it comes to managing and sustaining positive change.

It almost goes without saying that successful companies have enormous respect and keen appreciation for the value of money. Their goal is to optimize return on assets and, as a result, they insist on a higher standard of accountability when it comes to making capital expenditures. The best among them go so far as to treat a management consulting engagement just like an investment in a plant or equipment on the premise that both outlays are intend-

ed to deliver long-term financial and operational results and, thus, should be evaluated objectively against alternative uses of capital.

We also see an obsession, across the board, with non-financial numbers. Today's top managers have a bottom-line orientation that goes far beyond the balance sheet to the underlying operating metrics. They no longer accept the concept that waste is inherent in every operation. Indeed, they are relentless when it comes to identifying and eliminating non-value added activities. One way they do this is to focus very intently on measurement and information management. Most have come to accept the axiom that if you can't measure it, you can't manage it. The better ones devote a lot of time and energy to the definition and analysis of key performance indicators. This allows them to spot and successfully counteract variation that can creep into every node of the supply chain and production process.

With respect to information management, another key element that separates the best from the rest is how and when information is disseminated throughout the organization. Leading companies distribute pertinent operational and financial information widely and quickly down to the level where it is "actionable." This is most frequently done by using automated business solutions customized specifically for their company's needs and by using various visual management techniques and/or scorecards.

Of late, top food processors have come to regard automation in a far different light than in the past. It wasn't so long ago that, driven by mergers and acquisitions, many embraced new technologies principally as a means to integrate disparate systems. Now, they are implementing customized Manufacturing Execution Systems (MES) to drive greater value from their operations. And, having learned from others' mistakes, leading companies have chosen to optimize critical processes before automating and have reaped the benefit of better returns on invested capital.

One novel place where automation is living up to its promise is in the area of training and facilitation. Many food processors, particularly those with far-flung operations, are using distance-learning platforms like our own M-Ablers<sup>SM</sup> to train and orient their employees in new company initiatives, processes, or improvement methodologies like Lean Operations or Six Sigma. This trend is more prevalent among the companies listed in this issue and will only grow over time.

## 12 LEADERSHIP CHARACTERISTICS

1. *Customer-centric vision, strategy and values*
2. *Culture of continuous improvement*
3. *Respect for people*
4. *Third-party collaboration*
5. *Effective communications*
6. *Bottom-line orientation*
7. *Measurement*
8. *Information management*
9. *Optimization before automation*
10. *Use of distance learning*
11. *CEO leadership*
12. *Adaptive capacity*



Any analysis of what makes top food companies successful would be incomplete without mention of the primary catalyst for change: the leadership and flexibility shown by the chief executives. Invariably, a strong company has a strong leader, but, in my experience, leadership is more about what you do than what you say.

Our most successful clients have always had a very hands-on orientation and a high degree of adaptive capacity. They (and we) roll up the shirtsleeves to delve deeply into the details of any given situation to quickly get to the root cause of a problem. Then, we design and fully implement an appropriate, permanent solution before moving on to tackle the next opportunity.

The very best companies also have an enormous capacity to adapt easily and quickly to changing con-

ditions. This nimble decision-making allows them to transcend the inevitable setbacks that periodically befall all businesses.

This brings me to my final observation. I started this article by noting that top companies don't rest on their laurels, so it's only appropriate to come full circle and restate the same thought another way. Top companies, led by top executives, share a passion and hunger for

excellence. They are never satisfied with the status quo because they know that their customers are not satisfied with the status quo. They understand that operational excellence is not a destination, but a journey with many twists and turns along the way. They look forward to meeting the new challenges that continually crop up. And, for those so inclined, we look forward to the opportunity of helping them. ■

*David D. Gustovich is an executive vice president with USC Consulting Group and head of its food practice. USCCG is an independent management consulting firm with offices in Chicago, Toronto and Tampa. The firm specializes in operational effectiveness and has worked with 60% of the top international food companies worldwide and nearly 45% of the top 50 food companies in North America. For more information you can call them at (800) 888-8872 or visit their website at [www.usccg.com](http://www.usccg.com).*



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# When it comes to process improvement, where do the world's top food companies turn for help?

## USC Consulting Group

We are currently working with, or have recently worked for, 60% of the top 10 international food companies worldwide and nearly 45% of the top 50 companies in North America - helping them improve material yields, reduce process variation, minimize waste, optimize their supply chains and leverage existing assets. So, if you'd like to avail yourself of the expertise that drives top companies' bottom lines, please give us a call at (800) 888-8872 or visit our website at [www.usccg.com](http://www.usccg.com).



*First we make it work. Then we make it last.®*

### Representative Results

#### *Poultry:*

- 2.5% increase in yield;
- 10-20% reduction in conversion cost

#### *Meat:*

- 6.4% increase in trim;
- 2.5% increase in final yield;
- 5-15% reduction in conversion cost

#### *Prepared Foods:*

- 2-10% increase in final yield;
- 5-25% reduction in conversion cost;
- 20-70% increase in asset utilization

#### *Bakery:*

- 4.0% increase in yield;
- 69% increase in asset utilization

#### *Beverages:*

- 26% increase in throughput;
- 18% reduction in labor hours

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