



A Distribution Hub for Lean Beef

Consumers' cry for leaner menus at favorite fast food restaurants has created a growing demand in the U.S. for leaner ground beef. Foreign meat processors have responded to this demand by exporting lean beef to the U.S. This year, carrier C&S Shipping, of Australia chose the Port of Wilmington exclusively as its Mid-Atlantic distribution hub for palletized frozen Australian beef.

C&S Shipping Australia, jointly operated by LauritzenCool AB of Sweden, Seatrade Group NV of Belgium, and Eastwind Shipping with headquarters in New York, nominated the Port of Wilmington as its U.S. East Coast port of call for high-quality, frozen lean beef. C&S, which operates a regular shipping service from the ports of Townsville, Mackay, Port Alma, and Brisbane in Australia, recognized the Port of Wilmington for its first-rate customer service, cargo handling, and quick truck dispatching; its high-tech inventory system; and its cold chain distribution services.

"Facilities at the Port of Wilmington are clean, spacious and well maintained. Our port procedures are recognized as the best for handling meat cargo," said Tom Keefer, DSPC Deputy Executive Director. "In fact, the USDA has talked about using the Port of Wilmington as a model port for facility training of its new inspectors," he added.

The port's proactive approach to getting the meat product available for presentation to USDA and a close level of cooperation and coordination between the port's warehouse management team and USDA has resulted in a high USDA inspection rate. Cargo is released quickly, and rapid truck dispatch allows it to leave the Port within an hour-and-a-half of the truck arriving at the Port. "These are areas of great importance to our customers and advantages that allow them to operate their businesses more efficiently," noted Keefer, "It enables importers to get the product to market quickly, make the sale and improve their cash flow in a very cash intensive business."

The Port has enjoyed a trade relationship with Australia for more than 20 years, principally serving as the Mid-Atlantic distribution hub for palletized frozen beef exported by Australian beef manufacturing plants in Northeast Australia. With the new agreement with C&S, the Port expects to continue to receive and distribute an average of 80,000 tons of Australian beef annually.

Cold Chain Distribution Services, the Port's refrigerated warehouse division, operates the nation's largest on-dock cold storage facility. It maintains 700,000 square feet of chilled and freezer warehouse space.

The presence of a high-tech inventory system is a key advantage to both domestic and overseas customers. E-Port is a proprietary, online inventory system that allows customers to see inventory in real time. The technology is especially useful for customers abroad since it eliminates the need to have personnel on-site at the Port to check inventory. E-Load is the Port's electronic system that enables customers to provide cargo-loading instructions over secure Internet connections.

"There is a great amount of trust on the customers' behalf to work with the Port from such a distance," said Fred Fitzgerald, DSPC Director of Operations. "It is testimony to the excellent working relationship that exists between the Port and its

customers," said Fitzgerald. "We receive their cargo, expedite it through the inspection process and get it ready for delivery as soon as they want it. We handle it all with tender loving care."

After cargo is discharged from the ship, USDA officials inspect it inside refrigerated warehouses. After each 60-70 lb carton passes inspection, it is marked with an official stamp indicating it is accepted for consumption in the U.S. market. Then the pallets are re-wrapped and stored until ready to be trucked to final destinations throughout the U.S. Eastern Seaboard, the Midwest and Canada.

Grass-fed livestock in Australia produces very lean, high quality beef. It is ideal for mixing with U.S.

beef trimmings for a tasty ground beef mixture with a desirable lean rating. The meat is made market-ready by beef manufacturing plants in Northeast Australia, then palletized and shipped on reefer (refrigerated) ships. The cargo is shipped to the U.S. for sale to companies like Swift AMH in Colorado, Orleans International, Inc., in Michigan, and McDonald's Asia-Pacific Consortium Pty. Ltd. (MAC). In total the Port handles the warehousing and distribution for over 150,000 tons of frozen beef.

Overall, current U.S. trade with Australia is positive. A pending free trade agreement between the U.S. and Australia could have a positive impact on the expansion of frozen beef imports through the Port of Wilmington.

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