Pacific Coast Producers: Picked and Canned at the Peak of Ripeness

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Pacific Coast Producers

Case Study

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Once we get you as a customer, we’re going to put you in a bear hug …

-Steve Freeman

Looking at the large warehouses that are scattered around the United States, it can be hard to imagine Pacific Coast Producers. Originally a small co-op with an uncertain future, rising from the ashes of U.S. Products, which went out of business in 1971, ten pear growers came together to save their livelihood. Financed by a ten year marketing agreement, the growers purchased processing plants in Lodi and Oroville from a company called Stokely. The ten ranchers and members of Stokely merged together, forming the co-op now known as Pacific Coast Producers. Pacific Coast Producers’ mission is to “provide a long-term commercial home for our owners’ crops.” These core members grew to be a co-op of 163 members. Eventually, they expanded their processing and growing capabilities to include tomatoes, peaches, and grape crops.

Pacific Coast Producers may seem small; their headquarters in Lodi only employs a handful of people. That small stature was chosen for a purpose. The staff at Pacific Coast Producers prides itself on how close they are to each other. When interviewed, Vice President Steve Freeman glowed when mentioning how he could “walk ten steps down the hall” and speak with the CEO, Dan Vincent, or any other high level executives. This closeness is a major factor in how efficient the decision making process is for the co-op. The ability for an employee to walk information next door encourages everyone to be more accountable and reduces decision lag time that is normally associated with larger companies. As a tight knit group, the company values are stronger, helping to improve business practices. This closeness allows the co-op to put safety and quality as their number one priority while still maintaining a close, interpersonal relationship with their customers. Pacific Coast Producers doesn’t believe in lengthy contracts
with customers; rather they focus on maintaining positive relationships that keep the co-op and consumers going back to each other. As Steve Freeman succinctly put it, “Once we get you as a customer, we’re going to put you in a bear hug and keep you around.” They want their customers to come back, not just for superior quality and reliability, but for the friendly and loyal atmosphere Pacific Coast Producers provides.

Pacific Coast Producers is an industry giant, competing with Del Monte for market share in the fruit and vegetable processing industry. There are multiple storage locations in the United States dedicated to cutting out competitor access. Containing the majority of market shares in the fruit processed market, Pacific Coast Producers is exploring ways to expand into the value-add produce market. A value added product that has been pursued is single serve fruit cup.

The last few years have been good to Pacific Coast Producers, with the fiscal year of 2013 looking to be the third highest in the co-op’s history with net sales reaching $534,605 (Exhibit 1). This larger production value is due to recent decisions such as; an expansion to their Lodi distribution center, new alliances, and tackling new issues before they become a hazard to the co-op. The company currently has three major production sites and one distribution center. Plant operations are usually seasonal, with business picking up with harvest. The busiest times for processing and packaging are between June and October. To keep up with the increased work load, Pacific Coast Producers must increase their labor supply. To increase labor, the co-op hires many temporary workers. An influx in workers allows for more inventories to be produced at each plant. The Lodi plant recently increased their capacity by 50% to help improve efficiency and storage times.²

As of today, Pacific Coast Producers is 163 grower-members strong. The members of the co-op come from various backgrounds and ideals, yet they all can agree on one thing: having more control over their business. Being in a co-op enables members to have more control, compared to the amount of control they would have if they were a part of a corporation of comparable size. With more personal involvement, growers and members are encouraged to work hard for the co-op to increase yearly profits. Pacific Coast Producers has an 8% return on investment.³
**Operations**

*Production:*

Pacific Coast Producers processes about 520,000 tons of tomatoes, 110,000 tons of peaches, 35,000 tons of pears, and 800 tons of grapes yearly. Each commodity presents specific risks and benefits for Pacific Coast Producers. Tomato processing is highly mechanized from sow to harvest. This creates a highly competitive market and low entry of competitors. Tomato growers do not face problems of labor shortage, which many other commodities are struggling with. Peach growers face labor shortages, due to the nature of harvesting the peaches. Peaches are easily bruised, so mechanical harvesting causes a higher bruise rate. Peaches are hand harvested over a four to five day period. Pear consumption rates have been steadily declining. The major consumers are older families. Grapes are only supplemental to mixed fruit cans, such as a fruit cocktail, and do not pose a huge risk for Pacific Coast Producers.

**Canning Process**

Canning and freezing are the two largest types of operations within the industry. Canned goods consist of 60% of the industry’s generated revenue, while frozen goods only account for 40% of revenue. Contract growers usually grow the raw materials and have variety and quality requirements specified by the processors. Some canning operations implement their own cans, but most canneries buy from outside suppliers. Pacific Coast Producers currently implements their BPA free steel cans from the leading company in metal packaging technology, Silgan Holdings. The epoxy can coating used in the metal packaging process provides the greatest safety of their foods, allowing consumers to have confidence in their canned foods and beverages.

As the foods are packed into the sealed containers, enough heat is applied to where it is adequate in order to kill any microorganisms that may be present. These cans are then heated to a temperature of 240-250 degrees Fahrenheit. These cans are heated using steam pressure. Because each food has its own acidity, density, ability to transfer heat, the duration of processing varies for different foods. All of the processes are approved by the U.S. Food and
Drug Association. Processing allows the food to be commercially sterile while still maintain the highest level of flavor and nutrition. Processing is closely monitored through the Hazard Analysis and Critical Control Point system, also known as HACCP. This system identifies areas of potential contamination of the processing and creates checkpoints ensure certain safety standards are followed and maintained. There is constant close supervision of the heating process to guarantee that customers have the safest products for consumption. As long as the containers remain undamaged after being sealed and heat processed, the cans can guarantee the highest eating quality for more than two years. Preservatives are not added or required for the canning process.

Most of the canning facilities are located in close proximity of where the fruits are harvested, in order for the canned foods to be packed at their peak of freshness. This decreases the transportation costs and guarantees that the food is canned when the flavor is greatest. Canned foods are packed at the peak of harvest, at its nutrient peak. When foods sit out for too long in the environment, they slowly lose their nutrient value.

Labeling

Pacific Coast Producers does its labeling in Lodi, California, at their main distribution center. At any given time, the facility has over 5,000 private labels made to order for their various customers around the nation. The range of labels include common brands such as Walmart's Great Value, Safeway Brand, or more specific labels for restaurants such as BJ’s Restaurant and Brew house. Any change in price of canned goods is not due to the actual canned product, but rather the price the company pays for its label. Thus, canned tomatoes from Safeway or Walmart as essentially the same product. The labeling process is made to order to ensure that the labels for each product are as up to date as possible. If a customer wishes to change their current label, Pacific Coast Producers requires a three month period to re-label any existing products to make changes to their system accordingly. On average, a new order will be fully labeled and ready to ship within 5 days. Full inventory turnover at the Lodi distribution center occurs four times a year with this made-to-order method.
The labeling process is fully automated after workers load the pallet to the machines. Once the pallet is loaded and unwrapped, the machines separate each can onto a production line that roll each can towards an applicator. Pacific Coast Producers has two different divisions of their distribution center: their food service and retail section. There are 15 production lines each capable of labeling 1,000 cans per minute. Strong adhesive is applied to each can then rolls onto a belt that spins rapidly, gluing the label onto the can and moving it to the next area to be repacked. Once in the new packaging, the finished cans will be moved to a specified location, ready to be moved to a loading dock.

**Distribution**

Pacific Coast Producers distributes by rail and cargo trucks all around the nation. There are a total of 22 forward warehouses across the U.S., giving the co-op a rather large competitive advantage of two day shipping. This allows Pacific Coast Producers the ability to provide their customers the freshest product possible despite location in the nation. By purchasing their own warehouses, renting costs, lead times, and competitor access can be reduced. By decreasing the amount of steps that a canned good must go through, the potential rate for damage is substantially decreased.

Pacific Coast Producers’ new facility was built to accommodate large volumes of transport trucks. Currently, the distribution center averages 100 truckloads a day, but during peak seasons can go as high as 400. There are 48 truck docks between both the original facility and the expansion to service the loaders. To expedite the loading process; workers arrange the shipments in order of delivery one day in advance at each dock.

Shipping via rail is necessary for long range customers. Each day Pacific Coast Producers fills 24 rail cars to maximum capacity creating efficient price margins. This exceeds the original design of 18 rail cars while maintaining quality and safety. Efficiency is achieved by loading teams adapting to their minimal storage capacity while increasing the rate of supply. Participating in cost saving behaviors such as filling the rail cars to full capacity are currently implemented. This is not the easiest method of transport, but the economy of scale for the freight
costs makes it a necessity. Their largest customer by rail is Walmart which has added rail extensions to their own distribution centers for increased sustainability purposes.\textsuperscript{11}

\textit{Product Traceability:}

\textit{RFID: Radio Frequency Identification}

Pacific Coast Producers is a leader in RFID. Pacific Coast Producers switched to this system to be able to trace any potential problems and be better able to accommodate large customers such as Walmart and Sysco. This system was extremely costly and hard to install. Pacific Coast Producers invested $12 million into the system designed by GD Edwards. When the system was first introduced, it wasn't needed because the company was doing well; however, they chose to invest in a system that they would be able to utilize for many years in the future.\textsuperscript{12}

This traceability measure can locate potential outbreaks back to the lot of fruit or vegetables that it originated from. At any given time, Pacific Coast Producers can trace any product, down to an hour, during the entire process. The entire process includes from the time a product is harvested, to when it is canned, placed in storage, and finally to when it is shipped. The ability to locate outbreaks and remove contaminated cans from the shelves is important to maintain the quality of products that Pacific Coast Producers is known for providing. This advanced RFID system is an important step that was taken in order to maintain consumer health and safety while upholding a high level of quality assurance.

\textit{Facility}

Pacific Coast Producers recently completed a twenty-three million dollar expansion at their distribution plant in Lodi, California. (Exhibit 2) It increased storage and processing capabilities by 50%, bringing the total storage area up to a total of 1.474 million square feet and has many new cost saving features.\textsuperscript{13} Covering 18 acres, the new expansion was designed to be as efficient as possible with new techniques, but keeping as close a product line design as possible. As of November 2013, the expansion now brings in 35\% total revenue.

Using new eco-friendly designs to decrease costs has proved to be a boon for the co-op. The expansion has a total of 350 skylights; more than double that of the original, greatly increasing visibility while reducing lighting costs for night operations or emergency lights. The
expansion is also the site for a new packaging technique that involves shrink-wrap, rather than the traditional packaging of cardboard and plastic wrap. The new method saves an average of $.12 per package, Pacific Coast Producers is currently working on pioneering this new form of packaging not only because of the decreased cost it presents but also because it would significantly bring down the amount of paper waste used. Only time will show if the industry will opt to use this plastic base packaging. A major concern that the industry has expressed is that the cans are exposed, and therefore, more susceptible to damage.

Much of the canning that takes place in the plant is geared towards food service. This is due to the fact that new market trends have shown that selling products to the food service provides higher profit margins than selling to retailers. With the new expansion’s product lines, one employee can manage 4 lines at a time. This addition greatly increased the ability of Pacific Coast Producers to meet the demand of government food service.

Pacific Coast Producers limits the amount of product they leave in cold storage throughout the year. They attempt to have all produce canned as soon as the product is harvested. However, when it comes to fruit cups and bowls, the co-op rents 25,000 bins to store the fruit until needed. There are 15,000 bins kept in house for cold storage that holds roughly 7,500 tons.

Along with the massive distribution center in Lodi, Pacific Coast Producers also has multiple processing plants located in Lodi as well as one plant in Woodland and Oroville. The Woodland plant specialized in the processing of fruits, while their plant in Oroville handles the processing of their tomatoes into sauce and paste.

**Fruit and Vegetable Processing Industry**

In 2012, 1,300 companies were in the fruit and vegetable processing industry, totaling $64 billion in annual revenue. Companies preserve the fruit and vegetables through a freezing, canning, dehydrating, or pickling process. The emerging competitors based in the United States include Del Monte, Heinz, and JR Simplot. The United States incurred two new competitors through the split up of ConAgra and General Mills. Food consumption has a direct positive
correlation with population increase, about 1 % per year. United States production of vegetables for processing has not increased, nor decreased in the past several years. The Consumer Price Index for food, fruit and vegetable product values, rose 1.4 % in September 2013, the same as September 2012. United States nondurable goods manufacturers' shipments of food products rose 3.1 percent year-to-date in July 2013 compared to the same period in 2012.¹⁷

**Market (Domestic/Foreign)**

According to the Food and Agriculture Organization of the United Nations (FAO), global export revenues of processed fruits and vegetables total about $45 billion.¹⁸ Large companies have advantages in purchasing and distribution, whereas small companies can compete effectively in local or regional markets. The United States industry is concentrated: the largest 50 companies generate 70% of revenue. Large opportunities for growth present themselves in countries like China and India due to their rising disposable income and large agricultural production.

The top competitors in the industry are Pacific Coast Producers, Del Monte, and Seneca. Pacific Coast Producers cans 150,000 more tons than Del Monte, and has 60% of the market share for canned fruits. Seneca purchased TriValley Growers, giving them a larger vegetable processing segment. Seneca is located in the Midwest and New York.¹⁹

**Imports**

According to the Food and Agriculture Organization of the United Nations (FAO), the global export revenue of the industry is projected to grow at a flat rate while demand for fruits and vegetables increases. Major companies include Heinz and JR Simplot (both headquartered in the US); McCain Foods (Canada); Bonduelle (France); AGRANA (Austria); Pinguin (Belgium); and La Doria (Italy). Belgium and China are major exporters of canned and frozen vegetables. Tomato paste makes up about 9 percent of the market and is mainly exported from China, Italy and Spain, according to the FAO.

**Marketing at Pacific Coast Producers**
Pacific Coast Producer is a private label industry, specific advertising is not feasible. The co-op joins many other processors and growers in the generic advertising market. The entire industry benefits from lower costs by collaborating and promoting non-branded produce. An example of this marketing strategy is sponsoring a popular cooking show, The Chew. These television shows are already marketed towards those who enjoy to cook, but do not have enough time or money on hand for fresh ingredients.

Nutrient comparisons are another method used to gain interest in processed fruits and vegetables. Studies show that canning fruits and vegetables enhance the nutrition value. Canned beans are shown to have higher fiber content opposed to freshly cooked beans, canned tomatoes have roughly 10 times the amount of lycopene than fresh tomatoes. Lycopene is an essential phytonutrient that decreases the risk of stroke. According to the United States Department of Agriculture’s national database, lycopene is found in the highest concentrations of cooked tomato products such as; paste, puree and sauce.20

Pacific Coast Producers along with others are looking into popular social media sites such as Facebook or Twitter. Social media outlets are cheap and interactive. Utilizing social media enables companies to increase their exposure and gain momentum in the market. Their current media plan is “Fresh as Can Be” on their website which focuses on recipes created using canned goods. On YouTube, videos documenting their Lodi plant expansion have been posted, as well as videos that document the process a tomato goes through from harvest to canning.

Trends

According to the Canned and Preserved Foods Report from Euromonitor International published in March 2013, private label products sales increased by 2% in 2012, higher growth than branded products and the overall industry. Sales of private label canned products were estimated at $3.5 billion in 2012 and retailers are promoting them for their general higher margin and can afford more flexibility to adjust prices.21 Products have gained loyalty through improving the quality and packaging, lowering prices and having multiple tires of store brands.

Pacific Coast Producers are aware of current industry trends. One current trend that is
Currently affecting the industry is the drastic switch from retail to food service. Previously retail accounted for 70% of their operations while the food service sector accounted for the remaining 30%. Currently, food service accounts for 70% of their operations while retail is at 30%. New USDA regulations raised the fruit serving requirements for schools, hospitals, and prisons causing this drastic increase in food service operations.

Because of the nature of canned and preserved food is perceived as less fresh and healthy. A canned or preserved food item is shelf stable for one to five years before spoiling, a longer period than frozen products. High sodium content helps preserve the product, more than one day’s serving, it is perceived to have a lack of freshness. Consumer trends are increasingly becoming more health conscious causing Americans to turn away from canned and preserved foods.

**Food Service Customers**

Sysco: Pacific Coast Producers have maintained a good relationship with Sysco, the largest food service company within the United States. The food service company strives to acquire the best level of safety, quality, traceability and social and environmental stewardship. Their objective is to provide sustainable, responsible, and safely sourced foods to their customers. They interact and work with grower members through sustainability audits. According to the 2012 *Sustainability Summary Report* by Sysco, they implemented their Integrated Pest Management program which helped reduce fertilizer and pesticide use for farmers. After the 2012 growing season, an estimated six million pounds of fertilizer was avoided in farming practices. There was also an estimated 714 million gallons of water saved in the same year through the practice of irrigation efficiency, upgrading equipment and changing production strategies.

USDA: Pacific Coast Producers maintains a secure relationship with the USDA to better supply national programs with canned fruits. Social programs such as the Supplemental Nutrition Assistance Program (SNAP), Child and Adult Care Food Program (CACFP), and School Meals: Child Nutrition Program, all require the quality product that Pacific Coast Producers provides.

In 2002, the USDA granted Pacific Coast Producers a $450,000 Value-Added Market Development Grant, this funding was used to produce a private label single-serve fruit bowl.
What began as a new single serve product is now sold in 51 retail store chains, along with 14 other new and similar products as a single serve item. Pacific Coast Producers is now looking into new value-added products such as chip and salsa bowls, as well as similar other product designs.

**Industry Concerns**

*Environmental*

Like all agricultural operations in California, Pacific Coast Producers is dealing with many environmental issues. Proposition 65 and Assembly Bill 32- California Global Warming Solutions Act are two such laws that the co-op must deal with on a regular basis. These two regulations have caused strife amongst the industry, as current laws are more restricting in California than in the United States. Steve Freeman believes that it is everyone’s interest for federal regulations to be developed to lessen the amount of confusion.

Proposition 65 is legislature designed to increase consumer awareness of potential health risks from chemicals found in most products. The list is updated each year, often adding more and more items that Pacific Coast Producers uses in their processing methods. In 2013 the Environmental Law Foundation submitted an industry wide lawsuit for failure to comply with labeling. Pacific Coast Producers and many others responded vigorously, and spent an estimated combined total of $3,000,000. The co-op itself contributed $1,000,000 of that total to fight this agency in court. The industry as a whole lost a portion of the case that involves just what constitutes a naturally occurring ingredient, yet managed to gain the court’s favor in acceptable exposure limits. Pacific Coast Producers believes that this was a good investment and expects to fight an appeal in the near future.

Assembly Bill 32 is a rather large set of plans enacted by the California Air Resources Board to reduce greenhouse gases to an acceptable limit by 2020. Due to its broad scope, many companies in general have seen it as a general ruling to enforce sustainable or green practices. Pacific Coast Producers has been working on new methods and practices to improve their sustainable practices, as well as save money. At their tomato processing plant, new methods have been enacted to conserve 5-6 thousand gallons of evaporated water from tomatoes. The
reclaimed water is then used at the plant as a supplement to what is purchased from the city. Water used from other facilities that are in agricultural areas will use their reclaimed water for irrigational purposes, on a university experimental farm. Any leftover plant matter is also used in sustainable practices. Vegetable skins and other soft pieces of plants are ground up and sold to nearby livestock feed corporations. Harder pieces, such as peach pits, are sold to local energy companies to be burned for steam generators.\textsuperscript{26}

\textit{Labor}

Much like other companies within the agriculture industry Pacific Coast Producers growers are struggling with acquiring adequate workers to help tend their crops. According to the California Farm Bureau, 71\% of labor-intensive producers (tree fruits and vegetables) reported shortage of workers in 2012. Of those who reported, 20.8\% stated that they were missing 30-50\% of their labor force (\textbf{Exhibit 4}). The California Farm Bureau attributes labor shortages to the construction boom, as well as more difficult visa applications for foreign workers. As the shortage continues, many smaller operations fail as they cannot raise their wages to compete with what the larger companies are offering. However, the shortage of labor hasn't affected the revenue of the company. They instead have chosen to automate where they had the opportunity. The co-op’s growers still rely on manual labor to pick some fruits, such as peaches, because mechanical harvesting has not yet met their high standards.

Labor issues also affect the operations at the distribution center. The workers there are heavily unionized through Teamster’s Union. Because of this unionization, and increased labor costs, the plant is not as efficient as possible. If a worker has a shift that runs 8-12 hours long, he or she must be compensated over time. Anything longer than that earns the employee doubles normal wages. Because of this increased cost, if the plant must run 24 hours due to an increase in supply or rush in demand, the plant must find enough workers to cover three 8 hour shifts.\textsuperscript{27}

\textit{Water}

Water has become a very hot topic in California. Water conservation is becoming a greater issue for many farmers. The lack of water in California is a significant problem to consider when deciding what crops to grow and how to properly water those crops. This is
especially true in the San Joaquin Valley where water shortages have become normal over the past decade. The growers for Pacific Coast Producers have dealt with these similar problems and are attempting to implement many new practices to minimize water usage both in the growing as well as the processing aspect of their operations. Some of the techniques that the Pacific Coast Producers have incorporated include wastewater management and improved understanding of regulatory requirements; Specifically Pacific Coast Producers extracts water from raw tomatoes and uses that water in the processing plant, the co-op is then able to use 700,000 gallons of water in other aspects of production. This process reduces water use by 14.3%.\textsuperscript{28}

Looking Forward

Pacific Coast Producers is always on the lookout for the next big thing in food processing. The co-op’s biggest concern is to improve the bottom line of sales without sacrificing the quality and efficiency that consumers have come to rely on from Pacific Coast Producers. While there will be common challenges such as produce shortages brought on by the labor shortages and water issues, new advances of technology will be on the way to reduce their impacts. Pacific Coast Producers is also considering adding more expansions to their other facilities after the results shown from the Lodi distribution center. As for the next year, it is hoped that it will continue to show purely positive results to match that of 2013.
### Statements of Operations

**Years ended May 31, 2013 and 2012 (Amounts in thousands)**

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<thead>
<tr>
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<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$534,605</td>
<td>$500,321</td>
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<td><strong>Cost of sales</strong></td>
<td>488,857</td>
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<td><strong>Expenses:</strong></td>
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<tr>
<td>General and administrative expenses</td>
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<td>19,431</td>
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<td>Interest, net</td>
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<td>6,484</td>
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<td>25,915</td>
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<td><strong>Other income:</strong></td>
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<tr>
<td>Service fees</td>
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<td><strong>Income before income taxes</strong></td>
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<td><strong>Income tax expense</strong></td>
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<tr>
<td><strong>Net income</strong></td>
<td>$18,847</td>
<td>$18,325</td>
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*See accompanying notes to financial statements.*
# Five-Year Summary of Selected Financial Data and Graphs

**Year Ended May 31 (Dollars in thousands)**

<table>
<thead>
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<tr>
<td><strong>Cases Sold (in Thousands)</strong></td>
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<td>35,578</td>
<td>36,783</td>
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<td>$18,325</td>
<td>$17,048</td>
<td>$28,433</td>
<td>$19,810</td>
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<td>Adjustment to Commercial Basis</td>
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<td>2,101</td>
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<tr>
<td><strong>Net Income Adjusted to Commercial Basis</strong></td>
<td>$18,847</td>
<td>$18,572</td>
<td>$19,151</td>
<td>$28,433</td>
<td>$19,810</td>
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<td><strong>Members’ Equity</strong></td>
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<td>$141,992</td>
<td>$128,926</td>
<td>$120,158</td>
<td>$104,247</td>
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<td><strong>Commercial Return on Members’ Equity Investment</strong></td>
<td>12.2%</td>
<td>13.1%</td>
<td>14.9%</td>
<td>23.7%</td>
<td>19.0%</td>
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<td><strong>Working Capital</strong></td>
<td>$111,380</td>
<td>$108,141</td>
<td>$101,645</td>
<td>$81,332</td>
<td>$76,553</td>
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<td><strong>Current Ratio</strong></td>
<td>2.0</td>
<td>2.3</td>
<td>2.1</td>
<td>1.7</td>
<td>1.9</td>
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<td><strong>Short-Term Notes Payable to Banks</strong></td>
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<td><strong>Interest Expense, Net</strong></td>
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<td><strong>Long-Term Debt, Including Current Portion</strong></td>
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<td>$65,523</td>
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<td><strong>Total Liabilities to Equity</strong></td>
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<td>1.14</td>
<td>1.36</td>
<td>1.50</td>
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<td><strong>Capital Expenditures (Cash)</strong></td>
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<td><strong>Property, Plant and Equipment (Net)</strong></td>
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<td>$103,902</td>
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<td><strong>Total Assets</strong></td>
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<td>$304,519</td>
<td>$303,776</td>
<td>$300,587</td>
<td>$258,403</td>
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## Return on Members’ Pool Value—Commercial Basis

Net income adjusted to commercial raw product price basis as a percentage of Members’ Commercial Pool Value.

## Commercial Return on Members’ Equity Investment

Net income adjusted to commercial raw product price basis as a percentage of Members’ Equity Investment.
61 percent of respondents reported employee shortages.

- 39.2% have adequate labor this year.
- 16.4% have shortages between 10-20%.
- 16.5% have shortages between 20-30%.
- 10.7% have shortages between 30-50%.
- 10.1% have shortages over 50%.
- 7.2% have shortages between 0-10%.
End Notes


27. Freeman, Steve. Personal Interview. 15 Nov 2013.