

# CONNECT Member Profile: Ocean Spray

*In the fall, the cranberry harvest makes Ocean Spray's already complex and unique supply chain operations more challenging.*



By Luiz da Costa

Ocean Spray is the leading North American producer of canned and bottled juice drinks, an agricultural cooperative owned by about 600 North American cranberry growers and 50 Florida grapefruit growers.

The company started operations over 75 years ago by three farmers from Massachusetts and New Jersey. Ocean Spray has receiving, processing and manufacturing plants throughout the United States and Canada. Ocean Spray also makes CRAISINS® sweetened dried cranberries, and jellied and whole cranberry sauce. Its headquarters are in Lakeville-Middleboro, MA, with more than 2,000 employees worldwide. Ocean Spray works collaboratively with a stable of well-established global ingredient suppliers, including their own grower community in North America, to ensure supply for their products.

Every year, starting mid-September through Mid-November, Ocean Spray Supply Chain operations get a lot busier. That is when cranberries reach their peak of color and flavor and are ready for harvesting. Besides managing its imported ingredients and cranberry deliveries, over 1 million pounds of fresh cranberries grown in British Columbia and Eastern Canada cross the border into the U.S. and are turned into juices, sauces and CRAISINS® for both retail and ingredient customers. However, before the company can take the fruit of its labor, Ocean Spray's Logistics and Customs Compliance groups (collectively known as the Supply Management group plans, manages and monitors the operations and movement of more than 2,300 truckloads during the high peak season, or about 30-to-35 daily truck loads. Each truckload creates

an import entry and for each entry, a truck manifest must be prepared and submitted before clearance.

The challenges are in three main areas: transportation logistics, purchasing and supply chain management, and customs compliance. From a transportation logistics perspective, qualified food grade truck capacity is a key consideration and it needs to be secured in advance so the fresh cranberries can move at the right time, and at the right price. For the Purchasing and Supply Management groups, the challenge is not only to ensure the production planning and purchasing orders are executed in a timely manner, but also to ensure suppliers meet Ocean Spray compliance, quality

and supply chain security minimum requirements.

Kathleen Speroni, Manager of Ingredient Procurement, states,

*"Fresh cranberries and juice concentrates must get to the production sites safely and within our high quality standards."* The main objective of

Customs Compliance is to ensure that

import entries and shipping documenta-

tion meet customs compliance requirements and that entries satisfy USDA, FDA and CBP regulations, prior to entry time, so the movement of the fresh cranberries loads are not interrupted. *"Ocean Spray is the importer of record in the majority of its imports and as such has the responsibility of exercising reasonable care,"* states Lisa Hill, Customs Compliance Manager. The company participates in many different CBP programs such as C-TPAT, Reconciliation Prototype, and NAFTA, and is affected by government decisions and new regulations like the "10+2", free trade agreements, and Transportation Worker Identification Credential (TWIC). Ocean Spray is also an exporter of finished goods to a growing international customer base and raw material in concentrate form for overseas production. New export regulations such as AES can also affect how the company handles their export data reporting.



In addition to these logistical challenges, the company is working very hard to implement environmentally-friendly solutions to carry liquid concentrates, for example, switching from wood bins to “flexies,” a special liner bag that can fit into a 20 ft container. This project also comes with positive economic results as more bulk material will fit into the containers. *“A big part of this multi-year project, is working with overseas suppliers to use the new solution and make it part of its routine practice,”* said Doug Ward, Transportation Manager.

Ocean Spray praises CONECT for the benefit it offers to its operations. Lisa Hill indicated that the last Trade & Transportation Spring conference, held in Newport, RI, gave her the latest information on the proposed plans for “10+2.” Also, the frequent updates from the CONECT Washington council have been very helpful to her and her group. Kathleen Speroni indicated that the updates and information CONECT helps her to keep her suppliers apprised and aware of new regulations or changes to existing regulations. Most fundamentally, CONECT helps her to benchmark how well Ocean Spray is performing in the changing marketplace and to communicate these changes to senior management. For Doug Ward, the networking opportunities are important and allow his group to

learn what other companies are doing in the areas of supply chain security, transportation costs, and meeting and maintaining relationships with transportation service providers—all of which are critical to the development of partnerships that support ultimately Ocean Spray’s goals and initiatives.

**Lisa Hill**, *Customs Compliance Manager*, is a licensed Custom Broker and certified Customs Specialist and has global trade compliance responsibilities. She has been with Ocean Spray over seven years.

**Kathleen Speroni**, *Manager of Ingredient Procurement*, manages the global sourcing of all ingredients that are not provided directly by farmers in the cooperative. Kathy and her team source from 34 different countries, ensuring supply, quality, and compliance. Kathy has been with Ocean Spray for 27 years.

**Doug Ward**, *Transportation Manager*, is responsible for the physical moves of inbound raw materials and finished goods throughout North America, and shared services internationally. Doug has been working for Ocean Spray for over 10 years.