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- ▶ Inbound Manufacturing Product Flow
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Transportation and supply chain solutions for the bottom line

Transportation Solutions Keep Sargento Transportation, LLC Focused On Their Passion. Cheese.

Sargento

Passionate About Cheese

OVER THE PAST FEW DECADES, CHEESE HAS BECOME ONE OF AMERICA'S FAVORITE FOODS. PER CAPITA CONSUMPTION GREW MORE 250% OVER THE PAST 30 YEARS AND IS PROJECTED TO CONTINUE TO GROW OVER THE NEXT DECADE.

While some of this growth can be attributed to changing lifestyles and eating habits, a lot of it can also be traced back to leading companies that have made cheese easier to use and consume. Sargento Transportation, LLC, headquartered in Plymouth, Wisconsin, is one of these leaders.

Back in the 50's, founder Leonard Gentine invented a process for vacuum packaging cheese to preserve its freshness. A few years later, the company became the first to market shredded cheeses, and in 1969 it became the first to introduce peg bar merchandising to the dairy case.

Sargento takes pride in its passion for cheese. Since the beginning, the company has been devoted to continuous innovation and improvement,



to ensure its cheese is the best.

The company is also proud to preserve its family roots. Since it was founded in 1953, it has been 100 percent owned by the Gentine family, and it treats its employees as an integral part of its larger corporate family.

For 25 years, Ryder has been part of that family. The Ryder team works closely with Sargento in a full service lease partnership, sharing its pride in the company and its passion for its products.

Sargento Transportation, LLC currently employs approximately 1,300 people at four Wisconsin locations. Its original product line of Mozzarella, Provolone, Parmesan and Romano cheeses has expanded over the years to include dozens of cheese varieties and other food products.



AT A GLANCE

CHALLENGE

During a period of rapid growth and expansion, the company has faced numerous transportation challenges which include; new EPA regulations, advances in vehicle technology, increased fuel costs, minimizing downtime to being able to quickly handle periods of peak demand, and maintaining a safe operation.

SOLUTION

Ryder Full Service Lease for their fleet, all of which are serviced at the local Ryder facility. They also utilize Ryder's safety expertise and bulk fuel program. Rentals are also readily available for them during peak demand periods.

BENEFITS

Sargento has minimized downtime through Ryder's maintenance expertise, access to the latest technology, and continual review of maintenance operations and processes. Ryder Customer Response Center handles issues that arise 24 hours a day, 365 days a year. Ryder's safety review team provides driver monitoring, regulatory updates, and investigates every incident in search of continuous improvement. Sargento has also lowered fuel costs through Ryder's assistance with vehicle specifications, and bulk fuel purchase program.

“MAINTAINING OUR PARTNERSHIP WITH RYDER IS ALWAYS AN ECONOMICALLY SOUND DECISION. “THEY OFFER US COST EFFECTIVE ACCESS TO THE LATEST TECHNOLOGY AND THEY CONTINUALLY REVIEW THEIR MAINTENANCE OPERATIONS. THIS RESULTS IN MINIMAL DOWNTIME FOR US, WHICH INCREASES OUR PROFITABILITY. BOTTOM LINE COST IS ESSENTIAL, AND RYDER CONTINUES TO MEET OUR REQUIREMENTS.”

DANNY BUSS

Fleet Operations Manager Sargento Transportation, LLC

Today, the company operates three divisions and distributes more than 500 million pounds of product to more than 1,000 accounts throughout North America.

The consumer products division is a leading national packager and marketer of shredded, snack and specialty cheeses sold under the Sargento brand, and distributes cheese and non-cheese snack foods and sauces through major grocery chains.

The food service division tailor-makes cheese products to the specifications of many national restaurant chains, and the food ingredients division provides custom cheese products to meet the needs of other food manufacturers, including cheese, fillings and sauces.

Helping Stay Focused

Since 1980, Ryder has partnered with Sargento in a full service lease agreement that has helped Sargento focus on its passion for cheese and meeting its customers' needs.

“Our primary challenge is meeting our customers' expectations in an industry where those expectations are high,” says Danny Buss, Sargento Transportation, LLC's fleet operations manager. “We are extremely customer-focused, and if they specify a day or a specific time for



delivery, we have to have the product there.”

Buss says because Sargento Transportation, LLC combines several less-than-truckload shipments to make full loads, its trucks often make several tightly scheduled stops in a day.

“We can't afford to have trouble with our vehicles, and that's why we're with Ryder,” Buss explains.

“We have decided as a company that our focus is on food and not transportation, so we decided not to tie capital dollars up in trucks, but rather in food manufacturing equipment.”

“Ryder has the network of facilities, the vehicles and the maintenance ability to handle things anywhere that they happen. They provide a safety net for us so we can focus on our passion – providing the food products our customers want, when they want them.”

Sargento leases all of its 25 Freightliner power units from Ryder, all of which are serviced at the Ryder facility in Sheboygan, Wisconsin, about 15 miles from Sargento headquarters. Sargento owns and maintains its 46 trailers.

All outgoing products are shipped from Sargento headquarters in Plymouth, with approximately 25 percent traveling on Sargento's leased or owned equipment, 65 percent on five contracted commercial carriers and the remainder picked up by customers. Thirty percent of inbound product is shipped by rail, and 70 percent by a combination of Sargento trucks and contracted carrier.

National Support Needed

When the Sargento/Ryder partnership began, Sargento had been leasing from a small, regional company

but decided it needed a national company's network to support its growth and expansion efforts.

“When we reviewed the services and networks of the national companies, Ryder came out head and shoulders above the rest,” Buss recalls.

Every four and a half years, Sargento reviews and bids out its power unit leasing business. Ryder has maintained the contract each time, most recently in December 2004.

“Maintaining our partnership with Ryder is always an economically sound decision,” Buss says. “They offer us cost effective access to the latest technology and they continually review their maintenance operations. This results in minimal downtime for us, which increases our profitability. Bottom line cost is essential, and Ryder continues to meet our requirements.”

Buss says, however, that the personal relationships are an integral part of the partnership's success over the years. He singles out Joel Drescher, service manager at Ryder's Sheboygan and Oshkosh facilities, as the one who makes sure things run smoothly on the local level. For the entire 25 years of the partnership, Drescher and his team have maintained Sargento's fleet and worked closely with their fleet supervisor Gene Liebe.

“What makes the relationship work is the day-to-day operations between the people working on the local level. Joel and Gene work together extremely well, doing a lot of little things behind the scenes that really make the wheels roll. That relationship is absolutely critical, and it's always a positive one.”

Liebe agrees. “We really work as a team, looking out for each other and, ultimately, our customers,” he says. “I can't say enough good things about Joel, Russ Nitsch and their team at Sheboygan.”

Frequent Communication

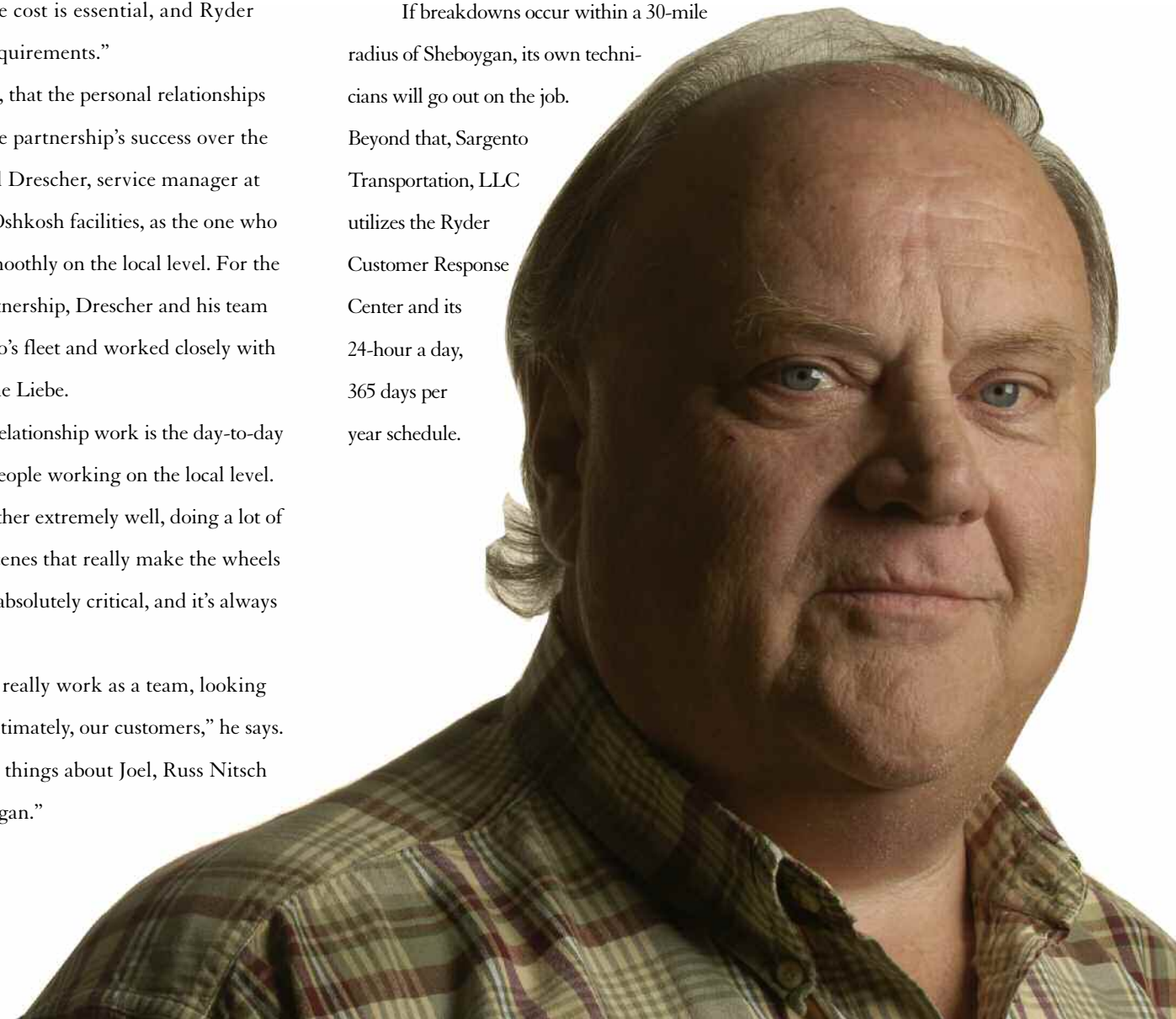
Liebe and Drescher talk at least three times each week, ensuring preventive maintenance work is scheduled based on incoming tractor mileages. Drivers complete vehicle condition reports and Liebe or his drivers notify Drescher if any extra service work is necessary. Ryder technicians transport tractors to be serviced, and deliver them back to Sargento. Whenever extra outgoing product shipments are planned, customer service coordinator Laurie Williams finds a Ryder tractor to do the job.

“Laurie always finds us whatever we need, right when we need it, and it's always good quality,” Liebe says.

If breakdowns occur within a 30-mile radius of Sheboygan, its own technicians will go out on the job.

Beyond that, Sargento Transportation, LLC utilizes the Ryder Customer Response Center and its 24-hour a day, 365 days per year schedule.

THE CONSUMER PRODUCTS DIVISION IS A LEADING NATIONAL PACKAGER AND MARKETER OF SHREDDED, SNACK AND SPECIALTY CHEESES SOLD UNDER THE SARGENTO BRAND.





“Ryder helps us stay on top of things, and that’s one of the reasons we have an excellent safety record,” Buss says.

Specing Assistance

Ryder and Sargento recently demonstrated the effectiveness of their teamwork over several months, as they spec’d and ordered 21 new Freightliner tractors. Sargento’s drivers were very involved in the process, which resulted in options that are not Ryder standard.

“We kind of put Ryder to the test,” Liebe admits. “We came up with a few different ideas, but they were willing to go outside of the box and meet all of our requests.”

The new tractors are painted a brilliant yellow and



THE COMPANY OPERATES THREE DIVISIONS AND DISTRIBUTES MORE THAN 500 MILLION POUNDS OF PRODUCT TO MORE THAN 1,000 ACCOUNTS THROUGHOUT NORTH AMERICA.

For the last couple of years, Sargento has utilized Ryder’s bulk fuel program to purchase 7,500 gallons of diesel fuel three or four times each month. Based on daily price quotes from Ryder, Liebe decides who should supply Sargento’s 10,000 gallon underground tank. He says he purchases from Ryder about 90 percent of the time.

“They usually save us 1/2 to 1 cent per gallon. The savings really add up when you’re ordering the amounts we are.”

Sargento also utilizes Ryder’s safety expertise. The company has a safety review team to investigate every incident, and celebrates safe operations with an annual awards dinner for drivers and their spouses. Ryder has supported Sargento’s focus on safety with regular presentations by Ryder safety directors, driver monitoring, and updates from state and federal agencies.



bear the Sargento logo. They’ll be the first Ryder vehicles running Mercedes Benz engines and automated transmissions, which Sargento Transportation, LLC projects will improve the fleet’s mileage per gallon performance and reduce driver fatigue.

Ryder’s Joel Drescher says the non-standard equipment will require additional training for his team, but his commitment to Sargento’s success is clear.

“On the maintenance side, we’ll need some training on repair and troubleshooting, and possibly some new tools,” he says. “But for Sargento, when you’ve got 25 trucks on the road, small improvements in miles per gallon can really add up to a lot of savings.”

The new tractors also come equipped with Tri-pac auxiliary temperature management systems, units that use their own small engines to heat and cool the sleeping berth,

recharge the batteries and circulate engine coolant for easier starting in cold weather. Liebe says he hopes the units will reduce his fleet’s total idling time down to 5 to 7 percent, and help it meet new national anti-idling standards.

“This lease was the most critical I’ve put together since I started in 1974,” Buss says. “We want to ensure we’re ahead of the curve on the new EPA regulations, that we achieve the miles per gallon performance we want, and yet not spend a lot of money.”

Constant Reviews

“To be successful in the marketplace, we need to constantly review our business processes in order to most effectively meet our customers’ expectations. When those processes involve transportation, Ryder plays a vital role.”

Buss says he had four leasing companies bid on Sargento’s business this time around.

“At Sargento, our philosophy is to surround ourselves with good people and the company will be a success. Joel Drescher and the Ryder team are the kind of people we want to work with to achieve that success,” he says.

Drescher is quick to credit his crew at Sheboygan.

“I’ve been here 25 years and I’m the new guy,” Drescher chuckles. “My crew is very experienced and they take pride in their work. Sargento is a first-class operation, and we all enjoy working together to keep them up and running.” e

RYDER HAS SUPPORTED SARGENTO’S FOCUS ON SAFETY WITH REGULAR PRESENTATIONS BY RYDER SAFETY DIRECTORS, DRIVER MONITORING, AND UPDATES FROM STATE AND FEDERAL AGENCIES.

