



Introduction

The continuing uncertainty in the global economy (as well as the fresh food industry locally) is challenging everyone's business model.

That said, Cedar Creek's solutions are about delivering efficiency and productivity, so the increased interest in our automation systems shows buoyancy is returning to the market.

There is always an excuse for not investing, but those who can will reap the benefits as consumer confidence returns.

Software Team

Our Software Development Manager (Martin Schmidt) has left Cedar Creek to pursue another opportunity and we'd like to thank him for his contribution during his time with us.

We are in the process of searching for a replacement, and, as most of you would be aware, it takes time to find the right person. In the mean time, Thomas Fensom has stepped up to lead the team.

Botswana Meat Commission (BMC)

Cedar Creek has recently completed Stage One of an upgrade for BMC to integrate their entire supply chain to provide full compliance for EU traceability. Currently this includes head office, 3 plants and a cold store, with UK office and distribution systems due for an upgrade early in the New Year.

The Cedar Creek systems now allow for carton records to be electronically traced throughout Southern Africa as stock moves from the plants, through the cold store in Cape Town, then on to Europe. Significant benefit has also been derived by restructuring the slaughter floor systems to enforce EU compliance utilising RFID bolus tags (implanted in the field) and to meet the requirements of the Botswana Department of Veterinary Services.

FoodChain has already been approved by the EU authorities at the neighbouring Namibian Meatco plants and the roll out in Botswana has brought improved efficiencies, stock visibility, and traceability to BMC as well as compliance.

BMC's IT Manager, Billy Mauco, says of the recent implementation:

"Like all implementations we have had some issues but are pleased to report that the roll out went to schedule and the upgrade was delivered on time and on budget. We were pleased to note that not only did we gain the expected traceability and control benefits, but users reported the system is very user friendly and that many of the new features have been able to be implemented due to this ease of use. These include improved sales reporting, and better stock control through the use of transactions and qualities. We are looking forward to completing the roll out in Europe in the New Year."

Business Continuity

With the recent natural disasters, we are still concerned some customers don't have an effective business continuity plan in place. Remember, it is **your responsibility** to protect **your business**. Lack of an effective plan will not only cost you money (down time, contractual penalties for non-performance, etc), but also your company's reputation in the marketplace. We have a whitepaper available that discusses risks and strategies to consider. Please contact us if you would like a copy.

Sean Clitheroe - CEO

On-line User Forum

As already mentioned, we have set up an on-line User Forum at:

<http://www.cedarcreekforum.com>

To make it easier, you can subscribe to parts of the forum that are of direct interest. Once you have logged on and are in the area you're interested in, select the [Subscribe forum](#) hyperlink. You will then get an email if anything is updated. You can unsubscribe in the same way.

User Group

The inaugural User Group meeting held in June was a great success. For those who took time out of your busy schedules to attend – Thank you.

We received valuable feedback and will be making these a regular event. Details will be confirmed over the coming months.

Carcase Correlation (*bodyTRACE*)

For various reasons there has been renewed interest in our carcass correlation solution – *bodyTRACE*.

bodyTRACE enables flexible and accurate tracking of carcasses throughout the production process, from knocking, to grading, to boning room entry, allowing the automated and efficient collation of key information for each carcass or product providing unsurpassed accuracy and integrity.

There are both RFID and non-RFID versions depending on your requirements (and budget). The RFID-based solution uses hooks with embedded RFID tags onto which a unique identity is assigned. When a carcass is attached to it, both hook and carcass travel through the production facility together.

Both solutions have the ability to integrate with non-Cedar Creek production systems.

Objective Grading - VIAscan

The world leading VIAscan® solution is an automated, on-line, real-time, non-intrusive objective measurement solution enabled through Video Imaging Analysis (VIA) providing accurate, objective, and repeatable measurement.

VIAscan (continued)

The solution objectively measures:

- ◆ Lean Meat Yield (%)
 - Leg yield (kg & %)
 - Loin yield (kg & %)
 - Shoulder yield (kg & %)
 - Primals
- ◆ Total Fat %
- ◆ GR Fat Score
- ◆ EUROP Fat Score & Conformation
- ◆ Fat Cover over Primals
- ◆ Carcass Dimensions
- ◆ Conformation & Shape (Customised)

It provides:

- ◆ Accurate, objective, and repeatable measurement
- ◆ Select carcass “fit-for-purpose” use:
 - Use Predicted Primal Yield to optimise carcasses selection for primal cut weights
 - Real-time sorting of carcasses to optimise primal weight selection
- ◆ Reduced wastage

In addition to beef and sheep grading, we are in the process of:

- ◆ Obtaining MSA certification for VIAscan
- ◆ Producing a version for venison grading

bodyTRACE & VIAscan together

Benefits of the solutions are:

- ◆ **Incontestable feedback** for your supply chain
- ◆ Measured for results
 - Process improvement
 - Compliance to target specification
 - **Higher yields = Profitability**
- ◆ **Low Risk** – They are proven systems with industry history and acceptance
- ◆ **Compliance** with export requirements
- ◆ They are recognised as market leading
- ◆ We have recently changed the VIAscan pricing model to meet market expectations



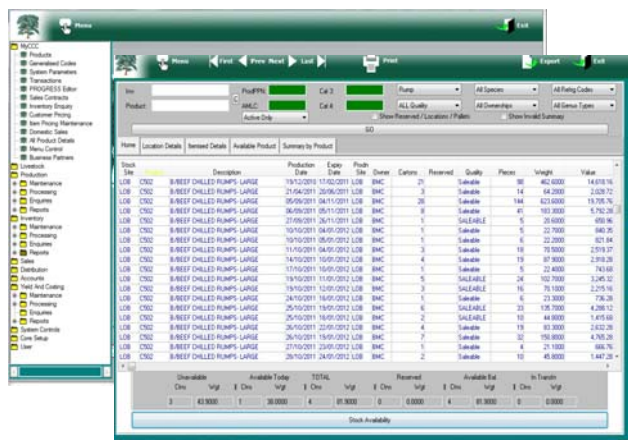
FoodChain™ by CCC moves ahead

Recent implementations at IGA Fresh, Woolworths Bunbury, Progressive Seafood, Golden Cockerel, and Lean Meats NZ, combined with our own internal research and development, has meant the Cedar Creek software solution has leapt ahead in leaps and bounds.

The most obvious change is the new 'look and feel' which gives the whole product a fresh, modern look, more consistent with what we see around us on the Web every day. Not only does it look good, but it significantly improves the usability of the system by providing a much simplified menu system where logical functional areas are grouped together and then within that grouped into maintenance, processing, enquiry and reporting 'folders'.

By using a very familiar Windows Explorer look, users will find the whole system much easier to understand and navigate around. The 'My CCC' folder allows users to add menu options they use every day to their personal folder and thus have instant access to functions they use every day without being confronted with many options they may not use.

Menu maintenance and security within the system remains as powerful as ever so no functionality is compromised by the new look.



FoodChain™ (continued)

The main master file screens for product and business partner have been revamped and all screens use a 'tab folder' system across the top of the screen to access additional screens or functions that used to be available from the 'side menu'. All in all those sites that have upgraded or implemented the new look and feel report that useability and ease of navigation have definitely been improved with users finding the system 'less complicated' to use.

Other major enhancements to the system have occurred in many areas, for example:

- ◆ **Sales Terminal** where goods can be weighed, labeled and recorded against sales orders allowing for carcass despatches or mixed items in a carton, significantly improving despatch processing and accuracy.
- ◆ **Goods Receipt** station so stock received against a previously entered purchase order can be scanned, weighed and received in against the order.

Changes in the sales order processing area include:

- ◆ Allocation of pallets to an order to ensure pallets containing older stock or cartons for a specific order are loaded.
- ◆ An XML messaging system that can pass loadout instructions to third part stores again ensuring the correct stock is loaded by them.
- ◆ A bulk invoicing screen to allow a range of invoices to be printed and or emailed.
- ◆ Discount lists for customers or customer groups.
- ◆ Retail pack processing.
- ◆ Price list import directly from Excel.
- ◆ Easy despatch of non-stock items such as fees, freight etc.
- ◆ Non invoice customers where a sales order is created and despatched but no invoice generated for intercompany sales, service kill despatch etc.
- ◆ Price control by user role.

FoodChain™ (continued)

Charges and Rebates module that allows both invoice charges and rebates (for example a freight charge or a discount on the invoice total) that appear on the invoice but also can be accrued and posted to the financial system to allow for accrual and cost reporting in the General Ledger.

Livestock Payment system has been enhanced to create bookings with payment details directly from the Australian 'Livestock Exchange' data that is generally emailed to you after you have purchased stock from a sale yard. The ability to create bookings from a new weighbridge receival screen has also been added.

A new facility to add conditional deductions or allowances to a grid have radically simplified 'grid' or 'schedule' maintenance. This coupled with a powerful charge and rebate system which allows for additional charges or payments to be associated with a livestock payment have greatly improved the flexibility of the module.

For Australian users it is also now possible to match individual carcass records back to the 'farm' using the PIC numbers and carcass NLIS numbers.

For our New Zealand customers we have released an interface to the FSNZ e-Cert system where stock movements are automatically interfaced to the system and e-Cert traceability held within the system, this has greatly simplify the creating and control of e-Certs.

Also recently released is the Yield and Costing module which not only reports on yield on a batch or run basis or for a day, week or any timeframe that is required but also to allow for input costs such as livestock cost ex the livestock payment system, packaging costs from the Bill Of Materials, labour from imported or calculated manning levels plus any other costs that can be applied on a per head, kg, piece or carton basis.

FoodChain™ (continued)

This allows for 'real-time' costing of production and allows, in conjunction with the production scheduling system, for decisions to be made to maximize the profitability as well as providing a 'break even' calculation for stock purchases.

Many other features have been added to **FoodChain™** such as:

- ◆ A new weighbridge module for recording livestock deliveries and checking the weights of trucks during the dispatch process.
- ◆ A method of isolating and tracking stock to meet US e-coli checking requirements.
- ◆ An XML 'Transfer Out / Transfer In' process for remote sites.
- ◆ Enhanced sales reporting
- ◆ Transaction integration to the Sastek on floor systems.
- ◆ Flexible options to adjust payments based on a livestock grid to allow for allowances or deductions based on virtually any data captured on the slaughter floor
- ◆ BRI validation of markets as well as grade (with the ability to downgrade markets after slaughter).
- ◆ Enhanced stock control using qualities by allowing acceptable qualities to be associated with customers and markets, automatic changes of qualities based on time, improved quality change options incorporating 'quality groups'.
- ◆ Improved functionality on the hand held terminals (scanners) including the ability to despatch orders, locate the oldest pallet in stock, improved enquiry screens etc.

As you can see from the above, many improvements have been made in a wide variety of areas. To obtain more information on any of the above please contact David Watt on david.watt@cedarcc.com

