

Insuring SUNSHINE in a Glass

PICK UP A BRIGHT GLASS OF FLORIDA'S NATURAL® ORANGE JUICE
AND YOU'LL FEEL LIKE YOU'RE HOLDING A SUNSHINY DAY IN YOUR HAND.

By Lani Jordan

What you don't see are the behind-the-scenes efforts to keep the clouds away from the complex task of raising and processing citrus fruit. Before the juice reaches the glass, the oranges that created it may have dodged weather, disease, pests, power outages and dozens of other potential risks.

When it comes to protecting the value of their grower-owned business, the leaders of Florida's Natural rely on CHS and the Impact Risk Solutions arm of its

Ag States Group, not only for traditional insurance, but also for a wide range of other risk management solutions.

"I don't view my job as selling insurance. I view it as helping Florida's Natural Growers and other clients reach their business objectives," says Marc Halvorsen of Impact Risk Solutions.

National Brand

Florida's Natural is one of the nation's best-known juice brands, specializing in fresh, not-from-concentrate packaged

products. The company is well known for commercials and marketing campaigns that emphasize its ownership by growers. Based at Lake Wales, Fla., an hour south of Orlando, the cooperative is comprised of 2,000 individual growers from about a dozen local grower cooperatives.

The 75-year-old cooperative typically processes 16 million boxes of oranges annually, producing more than 40 million cases of juice wearing one of many brands, including Florida's Natural,



Growers Pride®, Bluebird®, Texsun®, Adams®, Vintage® and Donald Duck®. Florida's Natural Growers products are sold in almost every major U.S. supermarket and in more than 60 countries. The company's 2007 sales reached \$400 million.

While the end product — pure juice — is relatively simple, the journey to the end user is not.

"The value of our brand doesn't appear on a balance sheet," says Chip Hendry, the company's chief financial officer. "We depend on Marc to supply more than just coverage and to look beyond traditional exposures."

Starting With the Tree

While the end product — pure juice — is relatively simple, the journey to the end user is not. Agronomists monitor growers' trees on nearly 50,000 acres. There are the logistics of transporting fruit to the company's two plants. Fresh fruit and processed juice require controlled storage. The twisting, high-tech juice processing and packaging lines must stay in top form, with quality control and safety of the finished product — and the company's 750 employees — always top of mind.

When it comes to meeting the complex needs of


Florida's Natural Growers and other clients, Halvorsen takes a broad-based approach that extends far beyond simply issuing insurance policies to cover damage and loss.

"Our first step is to tour operations and then sit down and offer observations and recommendations on how a client can best protect assets," he says. "Our clients are now looking for ways to handle all kinds of risks — financial, operational and transactional."

Dodging Damage

Swift recovery from uncontrollable events such as weather remains a priority. In 2004, for example, the cooperative's leaders and owners watched tensely as three major hurricanes hit central Florida within seven weeks. Each had the potential to severely damage the Florida's Natural Growers main processing plant at Lake Wales, which holds 16 million gallons in storage. Knowing business interruption coverage was in place helped ease the stress. Although the storms did harm orange groves in the region, damage to the processing plant was minimal.

Ultimately, says Hendry, sound risk management plans help ensure that the quality and consistency juice consumers count on will continue to reach supermarkets and refrigerators around the world.

"When you've worked hard to establish yourself as a national brand with name recognition," he adds, "you need to be sure you can meet what consumers expect." 



A fruit buyer and agronomist scrutinizes orange crop progress.



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For more about Florida's Natural Growers and its products, visit www.chsinc.com/c.