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International and Domestic Distribution

All Systems Go for Rural Southern Idaho

Location, location, location. While an important consideration for buying a home, establishing or expanding a business requires a close look at location as well, especially for both domestic and international distribution opportunities. The ideal location for a company with national and international distribution business *must* provide easy freeway, air, rail access to all points north, south, east and west as well as major west coast ports including Seattle, Portland, Long Beach and the Bay area. Southern Idaho serves as a great crossroads for transportation in all directions West.

Southern Idaho is ideally situated right along several major highways: Interstate 84 is the major east-west route, Interstate 80 through Salt Lake City is one of the major US east-west interstate routes and is accessible in about one hour from southern Idaho, US Highway 93 is the primary north-south highway access route and US Highway 30 also serves as an additional east-west highway.

Approximately 50 local trucking, motor freight and hauling companies support distribution services and get products moving on local interstates. In addition, the area is fortunate to have access to local railroad transportation via Eastern Idaho Railroad that connects to the UPSP mainline. A local airport provides necessary and easy air transportation for products and people. Airfreight, package express, as well as container and cargo freight companies round out available services to accommodate the needs of local businesses with distribution operations.

While the majority of southern Idaho businesses concentrate on border-to-border distribution of their products, there are several others who operate here and have successfully tapped into the international marketplace, thanks mainly to highway access connecting the western U.S.

The International Connection

For businesses that produce products appropriate for international sales, keeping competitive in the marketplace requires reaching beyond national borders. This is true not just for major corporations or products generated in major markets. This goes for

rural businesses as well. Idaho does not often come to mind for export growth and international distribution. But in fact, Singapore and China are top customers of the great state of Idaho and increasing each year. Today, Idaho rates sixth in the nation for export growth *

International trade is not only vital to the state's economy but to the rural and growing area of southern Idaho. This area's agricultural and food processing industry accounts for a significant portion of Idaho exports. *

Independent Meat, located in the southern Idaho city of Twin Falls, has been selling, processing and distributing meat since 1904, servicing accounts with both retail and food service product throughout the United States and the Pacific Rim. This location now processes and distributes 100% pork products.

Export sales to the Pacific Rim account for \$10 million in annual sales for Independent Meat, or about 20 percent of total sales. Twin Falls serves as an ideal location for overnight access to cities in the Intermountain region, Western United States and especially West Coast seaports.

"Twin Falls is an excellent location for us as we're no more than a 12-hour haul to all principle West Coast ports, including Seattle, Portland, the Bay Area and Long Beach," explained Patrick Florence, chief executive officer of Independent Food Corporation. "This 12-hour window is a tremendous advantage for us to get quality pork products to numerous Pacific Rim ports."

While some Independent Meat shipments originate at the Twin Falls distribution facility – are packed and sealed in specially refrigerated containers then trucked to one of the West Coast ports – other shipments are sent via refrigerated trucks and put onto containers directly port side.

"Each day, we prepare pork shipments to our customers in Taiwan, Macau (part of mainland China), Hong Kong and Japan," said Florence. "We also ship orders to Singapore, Australia, New Zealand, Mexico, Canada, Cuba and some European countries. All originating right here in Twin Falls."

A southern Idaho location also provides several logistical as well as cost savings benefits to their U.S. customers. Twin Falls:

- * provides Independent Meat with a shorter distribution channel to their key customers, enabling them to respond immediately to changes in the market or the needs of their customers;

- * allows for delivery of fresher products while also minimizing inventory requirements, and;

- * prevents Independent Meat from having to contend with delays due to winter weather conditions over the Continental Divide.

Twin Falls is home to another business making a significant contribution to increased international trade -- HMI Worldwide. Founded in 1962, Hamilton Manufacturing is a leader in the insulation and erosion control industry. In 1998 the company formed HMI Worldwide to act as the company's international sales arm.

In 2002, exports only accounted for 4.5 percent of Hamilton's total sales. The company's focus on international markets resulted in an impressive 23.5 percent of total sales in 2007. The company now sells products in 20 countries throughout Asia and South America.

HMI was one of the first companies to manufacture cellulose insulation and hydro-seeding mulch. Since then, many people throughout the world have seen the advantages of using cellulose insulation and hydro-seeding products. From its young manufacturing and recycling roots, HMI has grown to become a world leader in erosion control and energy efficient insulation. Their manufacturing plant in Idaho and international office in Michigan provide a variety of products throughout the world for environmental solutions and energy efficiency. HMI Worldwide (HMI WW) provides equipment, materials, and technical support around the world. We specialize in erosion control, revegetation and energy efficient building materials for projects of all sizes.

Local Apex Container offers overseas container shipping to all West Coast ports as well as local and long haul deliveries to Idaho, Montana, Oregon, Nevada and Utah. Local dairies who manufacture various cheese/dairy products -- such as Glanbia Foods, Jerome Cheese and Dairy Gold -- utilize Apex for overseas product distribution.

“We’ll transport containers directly to the customer for filling or products can be trucked to our location, stored in our warehouse and we’ll fill them and truck them where they need to be,” said Gary Amoth, owner of Apex Container. “We deliver over 200 containers a month to all ports, but primarily to those in the West Coast since we’re ideally located near major highways. Southern Idaho serves as a great crossroads for trucking containers in all directions,” he said.

For international distribution opportunities, southern Idaho is a prime location for companies seeking to move their products quickly and cost effectively to the overseas customers.

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