



IDFA - MILK CASE LOSS TASK FORCE

----- Original Message -----

From: Clay Detlefsen; cdetlefsen@idfa.org

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Cc: Joseph E. Harrington, Ph.D.; joseph@hgaps.com

Sent: Tuesday, May 22, 2007 11:09 AM

Subject: Milk Case Losses Activities Moving Forward - Call Information for Thursday, May 31st, 4pm Eastern.

To All-

Based on the significant feedback favoring May 31st, we will have our call on that day. Specifically the call will be May 31, 2007 at 4:00 pm Eastern, I anticipate the duration to be approximately 1 hour. You may join the call by dialing 866-369-4390 and enter 7171056 as the PIN, followed by the #.

Thank you.

Clay D.

From: Clay Detlefsen; cdetlefsen@idfa.org

Sent: Friday, May 18, 2007 1:27 PM

To: 'mikew@aedairy.com'; 'bill_tinklepaugh@deanfoods.com'; 'ernest_yates@deanfoods.com'; 'kelly_kading@deanfoods.com'; 'brett_johnson@deanfoods.com'; 'Mike.Temple@heartlandfarms.com'; 'Bob.Williams@kemps.com'; 'Paul.Kunkel@kemps.com'; 'bob.allard@kroger.com'; 'Isavarese@ndhmail.com'; 'bwilberding@prairiefarms.com'; 'quintin.frey@turkeyhill.com'; 'dave.jelle@foremostfarms.com'; 'wally.heil@foremostfarms.com'; 'jfkinley@gallikers.com'; 'lwebster@upstatefarms.com'; 'rshehadey@producersdairy.com'; 'mike.nance@publix.com'; 'mguida@supercow.com'; 'kevin@cloverstornetta.com'; 'jeff@allstardairy.com'; 'stevehines@smithdairy.com'; 'tom_faddis@shamrockfoods.com'; 'elliott_begoun@shamrockfoods.com'; 'mike_krueger@shamrockfoods.com'; 'billk@rockviewfarms.com'

Cc: 'Mike Florio'; mflorio@americanbakers.org; Joseph E. Harrington, Ph.D.; joseph@hgaps.com

Subject: Milk Case Losses Activities Moving Forward - Proposed Call

To The Milk Case Loss Task Force-

I would like to propose a Milk Case Loss Conference Call for sometime in the afternoon of either May 30th or May 31st. Please let me know your availability and I will schedule it and put together an agenda that focuses on the topics mentioned below.

1. As you know, several of us met with baking industry representatives in Chicago in April to discuss the mutual plastic disappearance problem we face. There was some good discussion about changing how one thinks and treats bakery and milk case "assets". And, some indication that rethinking how one treats the costs and losses of these assets can result in an improved situation. While at the ABA meeting, I met Joseph E. Harrington, Ph.D., Harrington Group, and have talked to him subsequently about his experiences working in the industry on this problem. Joseph is willing to share his experiences and insights with this group.

2. In addition, we learned a bit more about law enforcement type activities (surprisingly there have been more than previously envisioned) have some significant interest in dairy and from baking about collaborating in joint investigations with a starting point being the Chicago market. Rehrig Pacific also agreed to pony up a small stake. That said, my colleague at the American Bakers Association (ABA) received the email below from someone who has worked this issue in the past. He has a lot of cautions, but he does not rule out pursuing such a course of action. ABA and IDFA are willing to assist in facilitating any collaboration, but admittedly both our organizations have no experience in these matters.

Thank you for your attention in this matter, I look forward to hearing from you about your preferences for a call.

Regards-

Clay D.

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Thanks for the e-mail. I'm not sure anyone understands how complex it is to develop this type of investigation. These people are very well concealed and it takes a lot of time to do the footwork to shut them down.

With that said here are a few points to consider. Most private investigators are expensive for this type of work, Chicago will take at least 6 months or longer to locate the various operations and get adequate information to prosecute them (lic. Plate#, background information etc). An excellent starting place is to inventory each company's logistic weaknesses. Can they establish in which area they are taking their greatest losses? If they can accomplish this it will help greatly.

This is extremely labor and time intensive. Here is a proposal to consider, we begin by asking the branch manager's for each company to try to determine where their largest losses take place (specific customer location). There are several ways to do this. Once this has been determined, give me a few days to look at these locations and get a feel for the activity there. After this has been accomplished we ask that we be given 3 or 4 trusted employees from their workforce that we can train to do the surveillance which will require hundreds of hours to really develop the information that provides us with a full picture of the operation.

The worst thing that we can do is knock down one lone thief. That would tip off the other operations that we are working on them and would alter their methods to make them much more difficult to find.

I know that the use of employees seems radical but It will be very expensive to hire private investigators and off duty cops to do this. Many private investigators work on divorces and such and are ill equipped to deal with this type of thing. If you recall in the Wall Street Journal article they talked about someone down south hiring a P.I. to find where their losses were going. They paid him \$5000 for a week's work and got nothing.

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