

DOLE FOOD COMPANY INC

Form S-4

June 25, 2003

As filed with the Securities and Exchange Commission on June 25, 2003

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Dole Food Company, Inc.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction
of incorporation or organization)*

0100
*(Primary Standard Industrial
Classification Code Number)*

99-0035300
*(I.R.S. Employer
Identification Number)*

One Dole Drive
Westlake Village, California 91362
(818) 874-4000
*(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)*

SEE TABLE OF ADDITIONAL REGISTRANTS

Richard J. Dahl

Vice President and Chief Financial Officer
Dole Food Company, Inc.
One Dole Drive
Westlake Village, California 91362
(818) 874-4000
*(Name, address, including zip code, and telephone number,
including area code, of agent for service)*

Copies To:
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New York, NY 10022
(212) 318-6000

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE CHART

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
8 7/8% Senior Notes Subsidiary Guarantees	\$475,000,000	100%	\$475,000,000	\$38,427.50
Total	\$475,000,000	100%	\$475,000,000	\$38,427.50

(1) Estimated pursuant to Rule 457(f) under the Securities Act of 1933 solely for purposes of calculating the registration fee.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a) of the Securities Act of 1933, may determine.

DOLE FOOD COMPANY, INC.

TABLE OF ADDITIONAL REGISTRANTS

Name	State or Territory of Incorporation/ Formation	Primary Standard Industrial Classification Code Number	IRS Employer Identification No.
Calazo Corporation	Arizona	6719	94-3060311
AG 1970, Inc.	California	6719	95-4130446
AG 1971, Inc.	California	6719	95-4130445
AG 1972, Inc.	California	6719	95-4130444
Alyssum Corporation	California	6719	77-0301106
Barclay Hollander Corporation	California	9999	95-2582591
Bud Antle, Inc.	California	0161	74-1888396
Calicahomes, Inc.	California	6719	99-0111968
California Polaris, Inc.	California	9999	95-3367526
Dole ABPIK, Inc.	California	9999	77-0199061
Dole Arizona Dried Fruit and Nut Company	California	6719	77-0313713
Dole Carrot Company	California	0161	77-0045047
Dole Citrus	California	0762	95-3408577
Dole DF&N, Inc.	California	9999	77-0199060
Dole Dried Fruit and Nut Company, a California general partnership	California	6531	
Dole Farming, Inc.	California	9999	94-6082732
Dole Fresh Vegetables, Inc.	California	0161	94-2912316
Dole Orland, Inc.	California	6719	94-2343954
Dole Visage, Inc.	California	0762	94-1409893
E. T. Wall Company	California	9999	95-3082719
Earlibest Orange Association, Inc.	California	9999	94-1566982
Fallbrook Citrus Company, Inc.	California	9999	33-0021143
Lindero Headquarters Company, Inc.	California	6531	95-4677180
Lindero Property, Inc.	California	6719	77-0291429
Oceanview Produce Company	California	0161	77-0220763
Prairie Vista, Inc.	California	9999	95-2313550
Royal Packing Co.	California	0161	77-0241501
Veltman Terminal Co.	California	9999	95-1860001
Bananera Antillana (Colombia), Inc.	Delaware	9999	94-2558610
Clovis Citrus Association	Delaware	9999	94-2260313
Delphinium Corporation	Delaware	6719	74-1918671
Dole Europe Company	Delaware	5148	72-0473921
Dole Foods Flight Operations, Inc.	Delaware	9999	95-4138643
Dole Fresh Flowers, Inc.	Delaware	5193	77-0175155
Dole Northwest, Inc.	Delaware	0723	91-0465345
Dole Sunfresh Express, Inc.	Delaware	5812	95-4109153
Standard Fruit and Steamship Company	Delaware	6719	72-0647893
Standard Fruit Company	Delaware	6719	72-0471475
Sun Country Produce, Inc.	Delaware	9999	94-2949397

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Name	State or Territory of Incorporation/ Formation	Primary Standard Industrial Classification Code Number	IRS Employer Identification No.
West Foods, Inc.	Delaware	9999	94-2207164
Cool Advantage, Inc.	Florida	9999	58-2435308
Cool Care, Inc.	Florida	9999	59-2726546
Flowernet, Inc.	Florida	9999	65-0005983
Saw Grass Transport, Inc.	Florida	6512	65-0933238
Blue Anthurium, Inc.	Hawaii	6719	77-0313717
Cerulean, Inc.	Hawaii	6719	77-0386597
Dole Diversified, Inc.	Hawaii	6719	99-0278052
Dole Land Company, Inc.	Hawaii	6531	99-0045212
Dole Packaged Foods Corporation	Hawaii	9999	95-4311287
La Petite d Agen, Inc.	Hawaii	6719	99-0106314
Malaga Company, Inc.	Hawaii	6719	99-0279848
M K Development, Inc.	Hawaii	6719	99-0262686
Muscat, Inc.	Hawaii	6719	99-0116427
Oahu Transport Company, Limited	Hawaii	4731	99-0067688
Wahiawa Water Company, Inc.	Hawaii	4971	99-0161840
Waialua Sugar Company, Inc.	Hawaii	0191	99-0118484
Zante Currant, Inc.	Hawaii	6719	99-0144948
Diversified Imports Co.	Nevada	9999	94-2944434
Dole Assets, Inc.	Nevada	9999	95-4652892
Dole Fresh Fruit Company	Nevada	5148	59-2592916
Dole Holdings Inc.	Nevada	6719	94-2960877
Dole Logistics Services, Inc.	Nevada	9999	77-0339860
Dole Ocean Cargo Express, Inc.	Nevada	4412	77-0518339
Dole Ocean Liner Express, Inc.	Nevada	9999	77-0341859
Renaissance Capital Corporation	Nevada	9999	77-0407458
Sun Giant, Inc.	Nevada	9999	94-3066043
Miradero Fishing Company, Inc.	Puerto Rico	9999	66-0309831
DNW Services Company	Washington	9999	91-1912599
Pacific Coast Truck Company	Washington	5999	91-1688041
Pan-Alaska Fisheries, Inc.	Washington	9999	91-0683339

The address, including zip code, of the principal offices of the additional registrants listed above is: c/o Dole Food Company, Inc., One Dole Drive, Westlake Village, California 91362 and the telephone number, including area code, of such additional registrants at that address is (818) 874-4000.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated June 25, 2003

PROSPECTUS

\$475,000,000

Offer to Exchange

**8 7/8% Senior Notes due March 15, 2011,
which have been registered under the Securities Act of 1933,
for any and all outstanding
8 7/8% Senior Notes due March 15, 2011,
which have not been registered under the Securities Act of 1933,
of**

We will exchange all original notes that are validly tendered and not withdrawn for an equal principal amount of new notes that we have registered under the Securities Act of 1933.

This exchange offer expires at 5:00 p.m., New York City time, on _____, 2003, unless extended.

No public market exists for the original notes or the new notes. We do not intend to list the new notes on any securities exchange or to seek approval for quotation through any automated quotation system.

The new notes will be unsecured and will rank equally with all of our existing and future senior unsecured indebtedness, including the original notes and our other existing senior notes and debentures, and will rank senior to any future subordinated debt. The new notes will be effectively subordinated to our secured debt, including obligations under our senior secured credit facility, to the extent of the value of the assets securing such debt and any obligations of our subsidiaries that are not guarantors. All of our domestic subsidiaries that guarantee the obligations under our senior secured credit facility will guarantee the new notes with unconditional guarantees that will be unsecured senior subordinated obligations of those subsidiaries and will rank pari passu with all of their existing and future senior subordinated debt and will be subordinated in right of payment to their existing and future senior debt, including their guarantees under our senior secured credit facility.

See Risk Factors beginning on page 17 for a discussion of the risks that holders should consider prior to making a decision to exchange original notes for new notes.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the new notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 90 days after the expiration date of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is _____, 2003.

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You should rely only on the information contained in this prospectus or to which we have referred you. We have not authorized anyone to provide you with information that is different. This prospectus may only be used where it is legal to sell these securities. The information in this prospectus may not be accurate on dates other than the date of this prospectus.

No person is authorized in connection with this exchange offer to give any information or to make any representation not contained in this prospectus, and, if given or made, such other information or representation must not be relied upon as having been authorized by us or the initial purchasers. The information contained herein is as of the date hereof and is subject to change, completion or amendment without notice. Neither the delivery of this prospectus at any time nor the offer, sale or delivery of any note shall, under any circumstances, create any implication that there has been no change in the information set forth herein or in our affairs since the date hereof.

In making an investment decision regarding the notes, prospective investors must rely on their own examination of us and the terms of this exchange offer, including the merits and risks involved. No representation is made to any offeree or purchaser of the new notes regarding the legality of an investment therein by such offeree or purchaser under any applicable legal investment or similar laws or regulations. The contents of this prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the new notes.

This prospectus contains summaries of the terms of several documents. These summaries are qualified in their entirety by reference to the full text of the documents.

This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the notes to any person in any jurisdiction where it is unlawful to make such an offer or solicitation.

MARKET SHARE, RANKING AND SIMILAR INFORMATION

The market share, ranking and other information contained in this prospectus is based either on our own estimates, independent industry publications, reports by market research firms or other published independent sources. In each case, we believe that they are reasonable estimates. Market share information is subject to changes, however, and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey of market share. In addition, customer preferences can and do change. As a result, you should be aware that market share, ranking and other similar information set forth in this prospectus and estimates and beliefs based on such data, may not be reliable. In this prospectus when we use the term North America with respect to market share data, we are referring to the United States.

DOLE® is our principal registered trademark. Our other trademarks include FRUIT BOWLS®, FUN SHAPES®, FRUIT-N-GEL BOWLS and DOLE PREMIUM SELECT .

SUMMARY

This summary highlights selected information from this prospectus. The following summary information is qualified in its entirety by the information contained elsewhere in this prospectus. This summary is not complete and may not contain all of the information that you should consider prior to making a decision to exchange original notes for new notes. You should read the entire prospectus carefully, including the Risk Factors section beginning on page 17 of this prospectus and the financial statements and notes to these statements contained in this prospectus. Unless the context requires otherwise, references to the Company, we, us, our and Dole refer to Dole Food Company, Inc. and its subsidiaries as a combined entity, except where it is clear that the terms mean only Dole Food Company, Inc. As used in this prospectus, the terms FYE and fiscal year ended refer to our fiscal year, which ends on the Saturday closest to December 31.

Dole Food Company, Inc.

We are the world's largest producer of fresh fruit, fresh vegetables and fresh-cut flowers, and we market a growing line of value-added products. We are one of the world's largest producers of bananas and pineapples, a leading marketer of citrus and table grapes worldwide and an industry leader in packaged fruit products, ready-to-eat salads and vegetables. Our most significant products hold the number 1 or number 2 position in the respective markets in which we compete. For the fiscal year ended December 28, 2002 and the fiscal quarter ended March 22, 2003, we generated revenues of approximately \$4.4 billion and \$1.1 billion, respectively.

We provide wholesale, retail and institutional customers around the world with high quality food products that bear the DOLE trademarks. The DOLE brand was introduced in 1933 and we believe it is one of the most recognized brands for fresh and packaged produce in the United States, as evidenced by our 42% unaided consumer brand awareness, twice that of our nearest competitor, according to C.A. Walker and Associates. We utilize product quality, food safety, brand recognition, competitive pricing, customer service and consumer marketing programs to enhance our position within the food industry. Consumer and institutional recognition of the DOLE trademarks and related brands and the association of these brands with high quality food products contribute significantly to our leading positions in the markets that we serve.

We source or sell over 200 products in more than 90 countries. Our fully-integrated operations include sourcing, growing, processing, distributing and marketing our products. Our products are produced both directly on Dole-owned or leased land and through associated producer and independent grower arrangements under which we provide varying degrees of farming, harvesting, packing, storing, shipping, stevedoring and marketing services.

We operate through four business segments: fresh fruit, fresh vegetables, packaged foods and fresh-cut flowers.

Fresh Fruit: Our fresh fruit segment is a leading worldwide producer and distributor of fresh bananas, pineapples and other tropical and deciduous fruits with operations in approximately 90 countries.

Fresh Vegetables: Our fresh vegetables segment produces and markets fresh and fresh packaged vegetables, including ready-to-eat salads, to retail and foodservice customers in North America and Asia.

Packaged Foods: Our packaged foods segment produces and markets packaged foods, including canned fruit, juices and snack foods. Our primary packaged foods products are packaged pineapple products, in which we have the leading global market share, and packaged fruit products such as our FRUIT BOWLS and FRUIT-N-GEL BOWLS lines of individual serving fruit cups packaged in easy to open plastic containers.

Fresh-Cut Flowers: We believe that our fresh-cut flowers segment is the largest fully-integrated supplier of fresh-cut flowers and bouquets in North America. We market to an array of retail, mass market and wholesale customers.

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The following chart sets forth a list of key products and operating data for each of our business segments for the fiscal year ended December 28, 2002 and the fiscal quarter ended March 22, 2003:

	Fresh Fruit	Fresh Vegetables	Packaged Foods	Fresh-cut Flowers
(Dollars in millions)				
Fiscal Year 2002				
Revenues(1)	\$2,773	\$826	\$589	\$174
% total(2)	64%	19%	14%	4%
Quarter Ended March 22, 2003				
Revenues(1)	\$725	\$177	\$117	\$49
% total(2)	68%	17%	11%	4%
Key products:	Bananas Pineapples Chilean fruit (grapes, apples, pears, stone fruit and kiwi)	Lettuce, celery, cauliflower, broccoli Value-added products such as ready-to-eat salads	Processed pineapple Other canned fruits FRUIT BOWLS FRUIT-N-GEL BOWLS	Roses, Carnations, Pompons, Alstroemeria, Bouquets
Market share(3):	# 1 global bananas # 1 exporter of winter fruits from Chile # 2 fresh pineapple	# 1 ready-to-eat salads # 1 iceberg lettuce, celery and cauliflower # 2 broccoli	# 1 canned pineapple # 1 canned pineapple juice # 1 plastic fruit cups # 1 canned tropical fruit cocktail	# 1 fresh-cut flowers

- (1) Excludes other operating segments and corporate.
- (2) Represents percentage of total revenues for the four segments presented herein.
- (3) All market share information refers to North America unless otherwise indicated.

Competitive Strengths

The worldwide fresh produce industry is characterized by consistent underlying demand and favorable growth dynamics. In recent years, the market for fresh produce has grown at a rate above population growth, supported by ongoing trends such as:

- greater consumer demand for healthy, fresh and convenient foods;
- increased retail square footage devoted to produce; and
- increased emphasis by retailers on fresh produce as a differentiating factor in attracting customers.

Total wholesale fresh produce sales in the United States surpassed \$80 billion in 2001, up from approximately \$35 billion in 1987, representing a 6.1% compounded annual growth rate.

Health conscious consumers are driving much of the growth in demand for fresh produce. Over the past 20 years, the benefits of natural, preservative free foods have become an increasingly prominent element of the public dialogue on health and nutrition. As a result, consumption of fresh fruit and vegetables has increased markedly. According to the USDA, Americans consumed 54 more pounds of fresh fruit and vegetables per capita in 2000 than they did in 1986. Time-starved consumers are also demonstrating continued demand for convenient, ready-to-eat products. Food manufacturers have responded with new product introductions and packaging innovations in segments such as bagged baby carrots and ready-to-eat salads, contributing to industry growth.

Retail consolidation and the growing importance of food sales to mass merchandisers are also major factors affecting the food manufacturing and fresh produce industries. As food retailers have grown and expanded, they have sought to increase profitability through value-added product offerings and in-store services. As fresh produce has become a strategic focus, retailers expanded square footage dedicated to produce departments by almost 7% per annum between 1994 and 1999. This development has led to an increase in produce sales as a percentage of total supermarket sales, from 8.8% in 1987 to 9.8% in 2001, according to the Food Marketing Institute. The fresh produce category is also attractive to retailers due to its higher margins. According to the U.S. Department of Agriculture's Agriculture Information Bulletin No. 758, gross margins for the produce department were 33% compared to a 26% average for the entire store in 1997. Fully-integrated produce companies, such as Dole, are well positioned to meet the needs of large retailers through the delivery of consistent, high quality produce, reliable service, competitive pricing and innovative products. Established produce companies have sought to strengthen relationships with leading retailers through value-added services such as banana ripening and distribution, category management, branding initiatives and establishment of long term supply agreements.

Competitive Strengths

Our competitive strengths have contributed to our strong historical operating performance and should enable us to capitalize on future growth opportunities:

Market Share Leader. Our most significant products hold the number 1 or number 2 position in the respective markets in which we compete. We maintain number 1 market share positions in global bananas, winter fruits exported from Chile and in North American iceberg lettuce, celery, cauliflower, ready-to-eat salads and packaged fruit products, including our line of fruit cups called FRUIT BOWLS and FRUIT-N-GEL BOWLS. In addition, we believe that we are the only fully-integrated fresh-cut flower and bouquet supplier of our size in North America.

Strong Global Brand. Consumer and institutional recognition of the DOLE trademark and related brands and the association of these brands with high quality food products contribute significantly to our leading positions in each of the markets that we serve. By implementing a global marketing program, we have made the distinctive red DOLE letters and sunburst a familiar symbol of freshness and quality recognized around the world. We believe that opportunities exist to leverage the DOLE brand through product extensions and new product introductions.

Low Cost Production Capabilities. We believe we are one of the lowest cost producers of many of our major product lines, including bananas, North American fresh vegetables and ready-to-eat salads and packaged fruit products. Over the last several years we have undertaken initiatives to achieve this low-cost position, including closing facilities, centralizing our raw material purchasing and leveraging our global logistics infrastructure more efficiently. We plan to maintain these low-cost positions through continued focus on operating efficiency.

State-of-the-Art Infrastructure. We have made significant investments in our production, processing, transportation and distribution infrastructure with the goal of efficiently delivering the highest quality and freshest product to our customers. We own or lease approximately 120,000 acres of land worldwide, over 50 processing, ripening and distribution centers, and the largest dedicated refrigerated containerized shipping fleet in the world, comprising 21 ships and approximately 10,800 refrigerated containers. The investments in our infrastructure should allow for continued growth without the need for sizable capital expenditures in the near term. In addition, our market-leading logistics and distribution capabilities allow us to act as a preferred fresh and packaged food provider to leading global supermarket and mass merchandisers.

Diversity of Sourcing Locations. We currently source our fresh fruits, vegetables and fresh-cut flowers in 20 countries and distribute products in more than 90 countries. We are not dependent on any one country for the sourcing of any of our products. The largest concentration of production is in Ecuador, where we sourced approximately one third of our Latin bananas in 2002. The diversity of our

production sources reduces our risk from exposure to natural disasters and political disruptions in any one particular country.

Experienced Management Team. Our management team has a demonstrated history of delivering strong operating results through disciplined execution. The current management team has been instrumental in our continuing drive to transform Dole from a production driven company into a sales and marketing driven one. In addition, the management team has led our recent company-wide restructuring and improvement initiatives. Daily operations are led by Lawrence A. Kern, President and Chief Operating Officer.

Business Strategy Key

Key elements of our strategy include:

Leveraging our Strong Brand and Market Leadership Position. Our most significant products hold number 1 or number 2 market positions in the respective markets in which we compete. We intend to maintain those positions and continue to expand our leadership both in new product areas and with new customers. We have a history of leveraging our strong brand to successfully enter, and in many cases become the leading player in, value-added food categories. For example, we attained the number 1 market share in the plastic fruit cups category only 3 years after introducing FRUIT BOWLS and FRUIT-N-GEL BOWLS. We intend to continue to evaluate and to strategically introduce other branded products in the value-added sectors of our business.

Focusing on Value-Added Products. Over the last 10 years, we have successfully shifted our product mix toward value-added food categories and away from commodity fruits and vegetables. For example, we have found major success in our ready-to-eat salad lines, bagged baby carrots, and, most recently, FRUIT BOWLS and FRUIT-N-GEL BOWLS. These value-added food categories are growing at a faster rate than our traditional commodity businesses and are generating higher margins. Overall, we have significantly increased our percentage of revenue from value-added products. This shift has been most pronounced in our North American fresh vegetables and packaged foods businesses, where value-added products now account for approximately 58% and 25%, respectively, of those businesses revenues. We plan to continue to address the growing demand for convenient and innovative products by investing in our higher margin, value-added food businesses.

Further Improving Operating Efficiency and Cash Flow. While we have greatly improved our profitability and cash flow over the last few years, we intend to continue to focus on profit improvement initiatives and maximizing cash flow. We will continue to:

analyze our current customer base and focus on profitable relationships with strategically important customers;

leverage our purchasing power to reduce our costs of raw materials; and

make focused capital investments to improve productivity.

Recent Profit Improvement Initiatives

As a result of the oversupply situation affecting our banana business and market conditions affecting other areas of the fresh fruit segment, we embarked on a downsizing initiative in late 1999 and the first half of 2000. In Latin America, we ceased operations in Nicaragua and Venezuela and terminated certain ship charters and grower contracts. In Europe, we closed selected production and distribution sites, as well as sales offices. In North America, we exited our citrus business in Florida and our almond processing business in California. Additionally, we eliminated approximately 1,500 jobs. In connection with this initiative, we took a \$48 million charge in the fourth quarter of 1999.

Based upon the positive results of the initiatives undertaken in late 1999 and the first half of 2000, we began another initiative to further downsize our fresh fruit operations and recorded an additional \$46 million charge in the third quarter of 2000. In our Latin American banana operations, we closed production sites,

eliminated approximately 4,750 jobs, terminated selected contracts with independent growers and divested our controlling interest in a production joint venture. Additionally, in Honduras, we closed our melon and citrus farming activities. In our Asian banana operations, we ceased production on certain agricultural lands, eliminated 80 jobs, exited certain contracts with independent growers and reduced administrative overhead. In Europe, we downsized our distribution network, sales force and administrative staff.

In the first quarter of 2001, we engaged Boston Consulting Group to assist us in our review of the strategy and operations of our fresh fruit and fresh-cut flowers segments with the goal of enhancing profitability and realizing cost savings through global strategic sourcing and logistics. Profit improvement initiatives developed in conjunction with Boston Consulting Group resulted in a charge of \$133 million (\$17 million in cash) and included:

- focusing on higher margin customer relationships;

- exiting costly fruit sourcing arrangements;

- consolidating our selling, general and administrative functions;

- eliminating certain outsourced shipping services; and

- eliminating approximately 1,400 jobs.

As a result of our cost reduction initiatives and by refocusing our businesses on higher margin products and customers, we have significantly improved the profitability of our fresh fruit segment. Indications of our success include:

- the elimination of one-third of our overhead in Europe;

- a reduction in our Latin American fruit cost per box; and

- a signifi