Since 1906, Michigan Sugar Company has been helping sugarbeet farmers achieve sweet success, working with them to harvest up to 160,000 acres annually in 20 Michigan counties and Ontario, Canada. All in all, Michigan Sugar’s co-op of 900 local grower-owners help produce 1.3 billion pounds of sugar per year.

Michigan Sugar received a request from its largest retail partner. The retailer wanted the co-op to find new ways to cut costs and carbon. It was a challenge, but one that fit right in with Michigan Sugar’s longstanding approach to business.

“Sustainability is very important to Michigan Sugar,” says Tony Moeggenberg, Director of Logistics and Planning for Michigan Sugar. “We’re manufacturers with one raw ingredient, sugarbeets. We don’t have much opportunity to streamline the supply chain on the manufacturing side, so we find opportunities on the finishing side.”

Michigan Sugar had been shipping 4-pound bags of sugar in 40-pound bales on 48x40-inch pooled pallets. Store employees had to transfer the bales from pallets to store handling equipment, unwrap the bulky 40-pound bales and carefully stack each bag of sugar on the shelf. Michigan Sugar needed a way to reduce handling (fewer touches) and the resulting product damage, while improving on-shelf availability.

“Our objective was to provide shelf-ready merchandise with less dunnage and handling,” Moeggenberg says. “For the solution, we called on CHEP.”
Michigan Sugar Company is realizing impressive business results by using CHEP's CarbonNeutral® pooled half pallets, including:

- Increasing sustainability with an expected annual reduction of 231,200 pounds of carbon emissions.
- Reducing in-store labor costs and related product damage, while improving on-shelf availability.
- Being honored as an innovator by one of the top global retailers with the 2019 Efficiency in Packaged Goods award.

As Michigan Sugar and CHEP reviewed the options, CHEP’s award-winning 40x24-inch half pallet stood out, in terms of footprint, stacking, in-store replenishment, efficiency and reduced environmental impact.

“Our warehouse team was concerned about stacking,” Moeggenberg says. “On the full pallets, we were able to stack three-to-four high. We were pleasantly surprised by the stability of the CHEP half pallet. We were able to marry two half pallets to form one unit in the warehouse and still maintain efficiency.”

After more than 10 years of experience with CHEP, Michigan Sugar knows CHEP delivers solutions that serve growers, delight customers and boost sustainability.

“We’re always looking for better options that have the least impact on the environment – we’re looking to minimize energy costs and protect the environment every step of the way,” Moeggenberg says. “CHEP answers the call.”

To learn how CHEP’s Store Fulfillment Solutions can help you grow your business sustainably, please contact us at:

www.chep.com  1-800-243-7255  goblue@chep.com

Benefits customers have received from integrating CHEP half pallets:

- A multi-national retailer reduced its replenishment time by about 75%, resulting in sales increases of about 8%.
- A multi-national food and beverage supplier increased on shelf availability by more than 21%.
- A multi-national retailer increased sales throughout the store by executing a half pallet promotion — off-shelf sales grew by 99%, on-shelf by 79%, and end cap by 70%.