



Perdue Farms: A Vertically Integrated Supply Chain

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PEARSON CASES IN SUPPLY CHAIN MANAGEMENT AND ANALYTICS



The case is reprinted from *The Supply Chain Management Casebook* by Chuck Munson

Perdue Farms

A Vertically Integrated Supply Chain

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Ling Li[†]

Products and Markets

PERDUE[®] is one of the quintessential icons in the American food industry. As one of the largest private companies in the United States,¹ Perdue Farms is a leading international food and agriculture business. It has 14 food-processing facilities in 12 states, employs more than 20,000 associates, partners with 7,500 independent farm families, and produces about 2.7 billion pounds of chicken and turkey annually. Its operating subsidiaries provide quality products and services to retail, food service, and agricultural customers. Perdue Farms supplies chicken products in more than 40 countries to chain restaurants, national and regional foodservice distributors, institutions, and the travel industry.²

Perdue Farms has processing, further-processing, and cooking plants throughout the eastern half of the United States. Though best known as a poultry company, it is a major producer of agricultural products as well. Perdue purchases grain from more than 5,000 local farmers to supply its feed mills and market grain internationally. It also owns a fleet of barges, leased rail cars, and a deep-water port to export grain and agricultural products around the world.

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¹ http://www.forbes.com/lists/2006/21/biz_06privates_Perdue-Farms_W8L7.html

² Interviews conducted during a visit to Perdue Farms in 2005.

Markets

Perdue serves customers domestically and internationally. It exports food products to more than 40 countries around the world and creates products that meet local preferences, including shipping Perdue products to U.S. military installations overseas. Perdue's International Unit listens to customers and adapts ways of doing business to accommodate their special needs. Such needs include dual-language packaging, localized seasoning and breeding preferences, certified processing to meet religious and local government standards, and portions prepared using local weights and measures.

Perdue has been a pioneer in many fields of the food industry. It has been the first to successfully brand and advertise select commodity products, the first to have the company leader become a celebrity advertising spokesperson, the first American company to produce retail fresh tray-pack chicken using a Chinese breed of chicken in China, and the first American company to market poultry products in Chile.

Food Products

Perdue's chicken products include fresh, marinated, frozen, fully prepared, and delicatessen chicken products. Perdue chickens are the meatiest chickens in the foodservice industry with the highest meat-to-bone ratio. By going from the freezer to the plate in minutes, foodservice operators are saving time and money on America's favorite appetizer or light entrée.

Through 80 years in the poultry business, Perdue has developed a stunning range of product offerings for the foodservice industry. Perdue Fresh Chicken has set the standard for freshness and quality for years. Further processed chicken products include roasted chicken, chicken fillets, breaded chicken, chicken wings, and more. Perdue upholds the values of product variety, consistency, and quality. Examples of its new further processed products include such items as Short Cuts Grilled Chicken Breast Filets, Char Grilled; Short Cuts Grilled Chicken Breast Filets, Honey Roasted; and Perdue Wingsters Split Chicken Wings, Buffalo Style. These fulfilling entrees are ready in only 8 to 12 minutes.