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Boeing's Non-U.S. Customers Subsidized: Delta Wants Bank Support Cut

Boeing and Delta are at odds over a federal export-import institution. The 80-year old trade agreement, which could soon come to an end, essentially provides guaranteed loans and other incentives to foreign buyers in order to help U.S. companies sell their products. Read on to learn how Delta is fighting back and why Boeing may not budge.

Boeing vs. Delta Breakdown



Image via [Flickr](#) by egmboeingpilot

Delta is parting clouds to shed light on the seemingly unfair and ultimately superior rates that Boeing offers its foreign buyers. Although it may seem Delta is a victim of some sort of fraud, Boeing is actually playing by the rules.

The airplane manufacturing is allowed to offer foreign buyers better rates through the Ex-Im Bank, which helps finance these foreign deals.

Neither company is budging. Yet both are fighting to get Congress' attention as the deadline for the Export-Import (Ex-Im) Bank charter renewal looms.

Boeing and the Ex-Im Bank



Image via [Flickr](#) by Jason Dirks

Ease of foreign trade is favored by most global producers. Boeing is no exception. One of the largest airline manufacturers, Boeing is also a top U.S. exporter with customers in up to 150 countries, according to the [company's website](#). The Ex-Im Bank is vital to the manufacturer's overseas trade.

According to [Bloomberg's BusinessWeek](#), Boeing isn't the only U.S. company with a vested interest in the Ex-Im Bank: "The Ex-Im Bank put up \$27.3 billion in 2013 to help small and large U.S. companies close deals overseas. It provided a South African company with \$230 million in loan guarantees to buy 100 locomotives built by General Electric (GE) and gave a \$155 million direct loan to the Republic of Ghana to finance a hospital expansion designed and built by Miami-based Americaribe."

Delta and the U.S. Airline Industry



Image via [Flickr](#) by Aero Icarus

Delta's chief concern is its U.S. operation. The company claims upwards of 7,500 jobs were lost in 2011 alone due to competition caused by Boeing's relationship with the Ex-Im Bank and foreign buyers.

Delta and other American companies argue that these advantages are hurting their bottom line and significantly impacting U.S. job growth and the overall economy. Delta and critics claim that the Ex-Im Bank charter is a classic case of the U.S. government becoming too involved with business.

Although the airline is still a leader in the industry, many conservatives believe these types of trade agreements will continue to hurt U.S.-based businesses and their relationships with their fellow American business owners.

Ultimately, if Delta doesn't receive a cut from the bank, the company will lobby not to renew the charter instead.

A Turbulent Flight for Congress



Image via [Flickr](#) by StockMonkeys.com

In the end, the debate comes down to what flies with Congress. Congress will need to reauthorize the trade agreement [before Sep. 30](#). Only then we will know which company is vindicated – or rather backed by the government.

Two sides remain: Delta enlists to fight for U.S. manufacturers as it urges Congress to take action; Boeing aims to strengthen relationships and trust with foreign buyers. Each story is significant to relations throughout the global supply chain. However, the final decision could indicate government interest in either outsourcing or U.S. insourcing.

What side are you on when it comes to deals for foreign buyers and U.S. companies that want a cut? Share your thoughts with us.

[Case Study] The Implications of Vertical Farming on Global Food Markets

As more producers seek to placate local foodies and decrease global hunger, they come up with incredibly innovative ideas. Of these, vertical farming is quickly taking the world by storm. The most important question involves whether this type of farming is sustainable —and if it'll do any good.

Vertical Farming Defined



Image via [Flickr](#) by chipmunk_1

Simply put, vertical farms [go up instead of out](#). A professor and ecologist from Columbia University, Dr. Dickson Despommier, is largely credited with creating the term. Unlike traditional farms, nutrients, water, and artificial sunlight grow the plants, making dirt and farmland unnecessary.

Where Vertical Farms Exist

Vertical farms exist everywhere — at least they can. Currently they span the globe, ranging from the United States to China. In early 2014, a large vertical farm [opened in Scranton, Penn.](#) They go up in high-rises, abandoned buildings, old factories, and warehouses in urban areas. These farms can easily cover whole hectares of land.



Image via [Flickr](#) by Phanatic

Who Benefits?



Image via [Flickr](#) by John Martinez Pavliga

The benefits of vertical farming are twofold. Some growers plan to take advantage of the foodie trend sweeping developed countries. In theory, farming vertically makes the farm-to-table movement more environmentally friendly.

More importantly, people who live in urban areas without farms and underdeveloped nations without the means to farm will have fresh produce. This is largely the reason vertical farming is such a polarizing subject. Even critics have to admit that the ability to feed the globe is an essential benefit.

Are They Sustainable?



Image via [Flickr](#) by k.mackay

The sustainability of vertical farming depends on several factors. The farms themselves erase the problem of overpopulation with regard to farming. In areas where there's no room for farms, there's space for buildings. However, even Despommier admits that vertical farms need [funding from private sources](#) to become sustainable. It's important to choose sustainable, eco-friendly materials and designs, especially with new buildings.

Criticism of the Vertical Effort



Image via [Flickr](#) by Royal Broil

Critics are vocal in their dissension. While ending hunger is crucial, problems may exist. Agricultural critics refer to this as "factory farming." Others worry that this type of farming can't possibly produce the amount of food necessary for growing populations without huge amounts of energy and waste.

Feeding the Global Population



Image via [Flickr](#) by Pop!Tech

The amount of energy used in vertical farming is enormous. However, that doesn't shut down the idea. If there's room for large farms, they can feed the global population. People in extremely rural parts of Africa could have fresh produce. Starving children in urban areas could eat healthy foods every day.

Affecting Global Food Markets



Image via [Flickr](#) by Charles Smith

Critics are also concerned with the impact vertical farms may have on global food markets and food supply chains. They could have a hugely positive impact on the global food market. Food won't have to travel great distances to get to restaurants or homes - that alone cuts down on carbon emissions. The question is whether it offsets the energy expended to run a vertical farm.

Ending GMOs



Image via [Flickr](#) by Lily Rothrock

Another positive benefit of vertical farming involves GMO foods. Specifically, they could erase the need for genetically modified foods. They won't have pests or insects, and there's no need to create larger, bulked up foods. Unfortunately, there are worries about [bacterial and viral issues](#).

There's a delicate balance between the pros and cons of vertical farming. However, sustainability and the ability to feed growing populations may win out.

Shipping to Penguins: The Logistics of Delivering Cargo to Antarctica

Occasionally, from the frozen tundra of Antarctica comes activity. Yes, there's life on Antarctica – more than just penguins. This continental ice sheet welcomes scientific researchers, explorers, and even tourists, all of whom need supplies and equipment to sustain their trip. And companies have to ship it.

Delivery to Antarctica isn't always easy. The continent's landscape and shipping routes present challenges that most other locations simply don't (re: ice – lots of it). Read on to learn the logistics of delivering cargo to Antarctica, from the complications to solutions.

Cargo Logistics



Image via [Flickr](#) by NASA Goddard Photo and Video

All cargo shipments arrive at McMurdo Station – Antarctica's main terminal and a hub for research and more. Once there, similar to other shipping procedures, the products are scanned for delivery. In the past, the below-freezing temperatures made it difficult to track items with scanners as the equipment would often malfunction. Today, [heated, insulated bar code scanners](#) exist to fight the cold.

Other unloading logistics include inspection, especially for [non-native species](#). Suppliers, as well as personnel at McMurdo Station, must take extra care to ensure the delicate environment of Antarctica is not disrupted by foreign, invasive materials.

Breaking Ice



Image via [Flickr](#) by eliduke

Since many deliveries are made by cargo ship, vessels are tasked with navigating the dense, icy waters. Ships must be equipped with a slew of icebreaker technologies in order to pass through the sometimes solid sea.

[National Geographic](#) notes that these icebreakers are complicated, as in they don't just work on one section of the boat, and each type of icebreaker has a different function for safe passage: "There's a whole spectrum of ice capability for ships. There are ships with some extra hull protection and some extra protection for propellers and rudders that can go through very light ice, and it goes all the way up to strong and powerful ships that can go through just about anything."

Ship Fuel Consumption



Image via [Flickr](#) by eliduke

Massive cargo ships that move through slow waters heavily consume fuel. One only has to look at the amount spent on search and rescue for the [University of NSW expedition](#) – \$2.4 million on fuel and supplies – to understand the costs involved with Antarctic delivery. So how do research organizations and suppliers combat the associated costs?

[National Science Foundation \(NSF\)](#) reports, "Buying commonly utilized equipment and materials in bulk in advance and sending them to McMurdo on the once-per-year cargo ship, instead of granting funds to investigators to buy them separately and fly them in, reduces costs dramatically."

Timeline



Image via [Flickr](#) by mckaysavage

According to [Time](#), "All fuel and supplies must be delivered during the short Antarctic summer. Nothing comes in or goes out during the long, dark Antarctic winter." The Antarctic "summer" season isn't exactly warm, but it features about six months of complete daylight, during which time it's safer for ships to pass.

This leaves suppliers with a short window for delivery. And the loading and unloading process isn't exactly a breeze, either. It can take up to 10 days to get goods off the truck and put waste and recyclables back on. Due to the strict timeline, there's a strong culture of conservation on Antarctica. Scientists especially understand the importance of resources and work together to conserve supplies at McMurdo Station.

We want to hear from you. Does your company ship cargo to Antarctica? What challenges have you experienced? Share your thoughts with us.

[Case Study] Monsanto: Powering Through GMO Protests and Debates

Genetically modified organisms, or GMOs, are getting a lot of coverage in the media throughout the country. Coalitions along with local and federal governmental agencies are trying to fight against the use of GMOs in the production of crops and livestock, but one company is fighting back. Monsanto, an agricultural biotechnology and chemical corporation based out of St. Louis, Miss., is using every tool available to fight the resistance against its products.

Background on GMOs



Image via [Flickr](#) by FRED

Laboratories started genetically engineering products when they realized they could create plant-like or food-like substances that don't have the natural defects found in animals, plants, and other naturally occurring organisms. However, this isn't a new concept, as farmers across the world have crossbred plants for hundreds of years to produce more appealing crops.

The main difference is that farmers stick to natural crossbreeding while companies that genetically modify food use techniques that don't occur naturally, which causes concern for consumers. It's impossible to know exactly what you're putting into your body with genetically modified foods.

Fights Over Corn

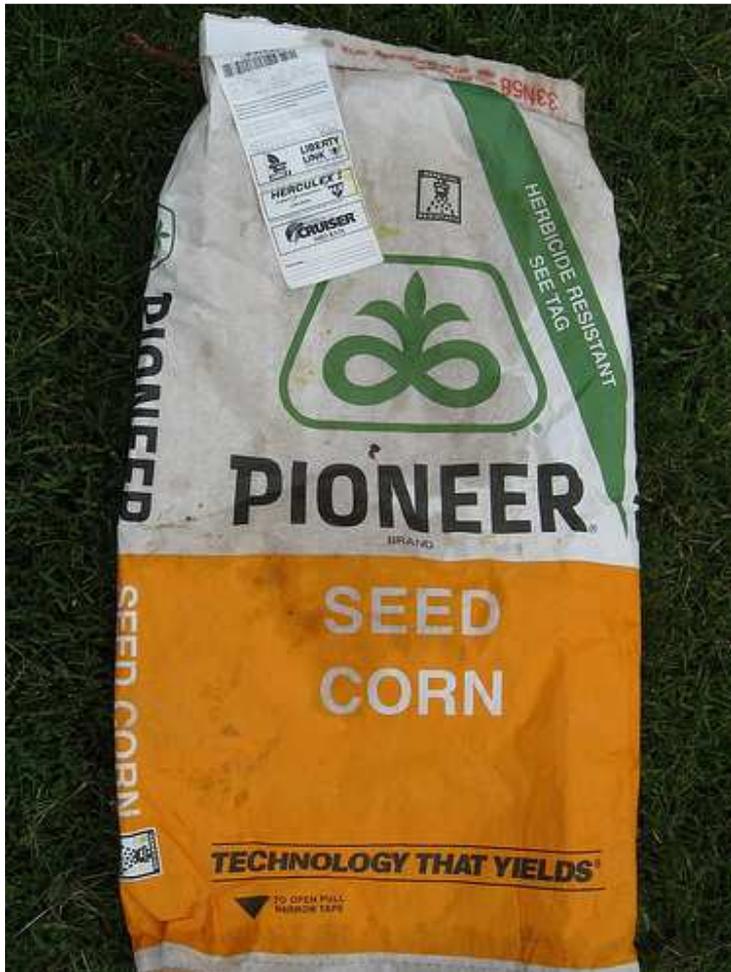


Image via [Flickr](#) by Orin Hargraves

In [Mexico](#), communities banded together to fight against Monsanto's genetically modified corn. This corn production pushed local farmers out of business, since the company can produce it in a laboratory at higher rates than a traditional farmer can offer.

In this example, the local government actually sided with the people, banning the production and sale of genetically modified corn within the country's borders. During this fight with the company, protestors throughout the world expressed support for local farmers in Mexico. The global movement against GMOs has taken the world by storm, increasing awareness and outrage at this practice.

Monsanto's Reaction



Image via [Flickr](#) by Karen Eliot

Although the company is under attack from groups around the world, [Monsanto](#) continues to produce genetically modified foods in any countries that haven't banned production. Its numbers also continue to grow each quarter, and its stock prices have jumped over the last year. Since the company also produces other products, including chemicals used in farming as well as various types of seeds, it's difficult for farmers to boycott the company completely.

Fighting Legislature



Image via [Flickr](#) by Alexis Baden-Mayer

Residents in Jackson County, Ore., helped get a measure on their local ballot that would've restricted genetically modified organisms from being grown in nearby farms. But Monsanto joined forces with five other competing companies to donate nearly a half million dollars to fight the initiative. Locals felt frustrated with this action, since the money was coming from big businesses that don't even operate within the county. However, this didn't stop Monsanto from contributing money against the cause.

GMOs by the Numbers



Image via [Flickr](#) by Stan Dalone & Miran Rijavec

With more than 12 percent of the viable land in the world now used to grow GMO crops, this phenomenon is a global issue. The National Center for Food Safety data shows that many states throughout the United States are looking at adding legislation to require labeling of GMOs, but [federal legislation](#) may stand in the way. Polls show that nine out of 10 Americans would like to know if the foods they buy contain GMOs. Companies claim that genetically engineered foods don't pose health risks, but the data is inconclusive so far.

When analyzing the numbers, financial experts continue to predict success for the controversial company, and their executives aren't backing down from those who want to keep farming and crop production more natural.

World Cup Rio: Where Brazil Went Wrong

The world is watching Brazil as it rushes to put the finishing touches on its FIFA World Cup 2014 accommodations. Businesses could learn a thing or two from this world cup crunch. It's the perfect metaphor for the grand opening of a storefront or even a product launch.

Where did Rio go wrong? Read on for the latest blunders from Brazil, plus our assessment on how you can avoid similar mistakes with your company.

Deadlines and Infrastructure



Image via [Flickr](#) by Leonardo Veras1

Brazil is experiencing a bottleneck effect when it comes to infrastructure. Too many projects are being pushed through to a narrow deadline. Although the opening match is on June 12, 2014, and construction has been ongoing for years, the country has struggled to keep up with the demand.

The construction scrimmage regards [12 stadiums](#) and massive work to transportation systems, including roadways and airports. A deal seven years in the making may not seem like a tight deadline, but resources, labor force, and corruption have contributed to delays. Many of the issues were the result of starting too many projects at once.

Goal-Worthy Strategy: Focus on the biggest problem first. When it comes to the bottleneck effect, trying to push a bunch of projects through a pinhole ends up slowing the construction process overall. Officials might have learned more from their mistakes if they had less to focus on in the early stages. The same goes for any business.

In the midst of a major overhaul, you may be tempted to look at the overall project instead of focusing attention on each part. While it's possible to work on multiple aspects at once, it isn't always advisable in the early stages.

Lack of Skilled Workforce



Image via [Flickr](#) by Iwpkommunikacio

Tight project deadlines have increased the demand for skilled construction workers. Unfortunately, most of them are already hard at work, hammering out only about 20 percent of the projects. It's estimated that around 80 percent of the world cup projects have been delayed due to lack of capable workers.

With goals looming, officials have made hasty decisions in taking on untrained producers, which could – in effect – delay the projects even more.

According to the [Huffington Post](#), in May 2013, "A worker at a World Cup stadium in Brazil died Thursday in an electrical accident, temporarily interrupting construction at one of the most-delayed venues only five weeks before the soccer tournament." This worker was the eighth to pass away in a string of accidents that have plagued the site.

Goal-Worthy Strategy: If you must hire unskilled workers to push a product to launch, at the very least implement an accelerated training program. Adequate training is especially necessary for front-line staff members who will ultimately represent your product. Developing a training program with corresponding materials will get your staff up-to-speed quickly and consistently.

Reliance on Quick Fixes



Image via [Flickr](#) by tFidelis

It's likely that some large-scale projects, previously anticipated for completion by June 2014, won't make the cut – including the new airport terminal that was meant to usher tourists to FIFA in style. [Reuters reports](#) that Brazil will instead use quick fixes such as a pre-fab canvas terminal.

Goal-Worthy Strategy: Officials should have instead taken a more modest approach to infrastructure. Instead of thinking and spending big (over \$14.5 billion), Brazil could have cut corners from the start to present a more finished look – even if it couldn't be five-star.

Has your company ever experienced anything like these FIFA failures? Share your strategies for success with us.

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8-10 December 2014 – Hong Kong

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