



Mr. Terry
Mr. Tsujumoto,

Attached please find the results from the Humitech Fresh Food System test done in our store to evaluate if the product would be beneficial for Safeway.

As you will see by the numbers it will save this store alone over \$900 per months in energy and perishables, after the cost of the product is taken out.

At first I was very sceptical, but to my utter amazement some astounding results were realized from this test. The Humitech system is quite amazing! Ice build up is gone, moisture problems are gone and my refrigeration costs are down.

The three areas that I was impressed with were the salad bar, seafood department and floral department.

- 50% longer life on Salad Bar ingredients
- no ice build up on seafood cooler and display case and the fish looks better
- 50% longer life on fresh cut flowers

I feel that this product is wonderful and inexpensive and should be in all our stores.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ron Bartow', written in a cursive style.

Ron Bartow
Store Manager

**PRODUCE DEPARTMENT
PERISHABLES TEST RESULTS**

The Humitech test that was conducted in the Produce Department was not planned in the initial outline of the test. During the time Humitech was in the store conducting the test, the produce manager was made aware of the Humitech System because of what was being administered in the floral department, which ultimately he oversees. The produce department was losing approximately \$25.00 per night (retail) in leaf vegetables due to the unfavorable storage conditions of the produce table.

In order to have a test that would be quantifiable, the following parameters were set:

1. From March 19 through March 31, the amount of produce that was being thrown away was weighed.
2. The produce that was being weighed was only the produce from the “leaf vegetable” display case.
3. The produce was weighed by either the produce department manager or first in charge and the results were then passed to the Humitech representative in the store.
4. The test would be for 4 days without the panels and 7 days with the panels. Since this was not an enclosed cooler, the benefits of the Humitech System would be realized much faster.

**WITHOUT HUMITECH
WEIGHT OF PRODUCE BEING
THROWN AWAY**

March 20 – 26.73 lbs.

March 21 – 28.98 lbs.

March 22 – 23.87 lbs.

March 23 – 31.56 lbs.

March 24 – 27.52 lbs.

Average amount each day = 25.72 lbs.

**WITH HMITECH
WEIGHT OF PRODUCE BEING
THROWN AWAY**

March 25 – 21.98 lbs.

March 26 – 17.68 lbs.

March 27 – 15.32 lbs.

March 28 – 15.10 lbs.

March 29 – 11.87 lbs.

March 30 – 12.30 lbs.

March 31 – 13.75 lbs.

Average amount each day = 15.30 lbs.

Decrease in loss of product – 12.42 lbs. Per day

PRODUCE DEPARTMENT COMMENTS AND OBSERVATIONS

March 26: "There was definitely some improvement. To better determine exactly how much of an improvement, I will have to involve all applicable personnel from here on out so as to better monitor the test." (produce manager)

March 27: "It is estimated that the reduction in loss from the previous day is approximately 75%. What we need to do is get it in all our cases." (produce manager)

March 28: "The 75% reduction is still holding true. We are throwing away that much less each morning and the stuff we don't throw away looks better. This product is great!" (produce manager)

March 29: "For the last 5 days the difference is approximately 60% - 75% less shrinkage now that the system has been installed. Also, what we do not throw away looks better and it is saving us time on working the case each morning." (Ross - 2nd produce manager)

March 30: "We would like to do the fresh herbs display case because we lose some product there in the same manner." (Ross - 2nd produce manager)

Not only will Humitech assist in cost control measures for this application, it will also provide for a better quality product.

COST SAVINGS

Decrease in loss of product = 12.42 lbs. Per day
Average cost per pound = \$.85 per lb.
\$10.50 per day

Total Estimated Savings = \$10.50 x 30days per month

**Savings PER MONTH for this application WITH the
Humitech System**

\$300.00 PER MONTH

FLORAL TEST RESULTS

The Floral Department test was conducted from 3/17 to 3/30. The test was administered in 2 separate stages:

BEFORE HUMITECH WAS INSTALLED

3/17 TO 3/24: a group of roses, carnations, baby's breath, and an arrangement were set-aside in the floral cooler. The flowers were graded on a daily basis on scale of 1 to 10. Floral department personnel did all grading. Pictures were also taken throughout the test to validate all findings.

<u>DATE</u>	<u>GRADE</u>	<u>COMMENTS</u>
3/17	10	Flowers fresh – no comment
3/19	9	Roses opened some, carnations look fine, arrangement still looks good.
3/20	7	Roses opened more, a little brown, carnations and arrangement still looks good.
3/21	6	Roses fully opened, carnations wilting, some flowers in the arrangement beginning to wither.
3/22	4.5	Conditions the same as previous day for roses and carnations, arrangement showing more damage.
3/23	3	Roses have opened more, edges turning black, carnations wilting, arrangement appears the same.
3/24	1	Roses & carnations need to be thrown away, arrangement barely salable.

AFTER HUMITECH WAS INSTALLED

From 3/24 to 3/30 a new group of roses, carnations, baby's breath and 1 arrangement were set-aside in the floral cooler. The flowers were graded on a daily basis on a scale from 1 to 10. Floral department personnel did all grading. Pictures were also taken throughout the test to validate the findings.

<u>DATE</u>	<u>GRADE</u>	<u>COMMENTS</u>
3/24	10	Flowers fresh – no comment.
3/25	10	No noticeable difference – no comment.
3/26	9	Roses opened a little, carnations and arrangement still look fresh.
3/27	9	No noticeable difference from day before.
3/28	8	Roses opened a little more, no difference in carnations and arrangement.
3/29	8	No noticeable difference from day before.
3/30	7	Roses opened more, carnations and arrangement

still look good.

Observations made by the floral department manager during the test were:

- "The addition of the Humitech system obviously has increased the quality and longevity of my flowers."
- The flowers that were used in this test realized an increase in longevity and life span due to the fact that the Humitech system regulates the humidity in the air. Providing an environment that is either too humid, or not humid enough. Also, Humitech removes ethylene gas from the air. Ethylene is a primary reason that flowers that begin to ripen prematurely. With removal of ethylene gas from the air, and the ability to regulate humidity in the air, Humitech allows for a longer life span and increase in quality of flowers.

This floral department sells approximately \$1,400 per week in flowers. The shrinkage due to spoilage from this department averages \$200 per week, or 14% of total sales.

Based on the above facts and the data received from the test, the following conclusions are realized:

- The test data indicates that without the Humitech humidity control system installed, the marketability and salability of the floral products stored in the cooler are decreased to 4-5 days.
- The test data indicates that WITH the Humitech humidity control system installed, the marketability and salability of the floral products stored in the cooler are INCREASED 43%.
- Using the above percentages for loss and dollar figures for volume, the following cost savings can be expected to be realized by using the Humitech humidity control system.

The following benefits from this application will be realized in the floral department:

- The ability to save money due to less shrinkage from loss and mark down of floral merchandise.
- The opportunity to offer the customer a product of superior quality that will be more appealing to them in the store and will *last longer in their homes or businesses after the flowers have been purchased.*
- A decrease in energy consumption due to reduced compressor or running time.