



DTN PROPHETX[®]

CASE STUDY

Safeway Inc.

Pleasanton, California

Safeway Inc. is a Fortune 50 company and one of the largest food and drug retailers in North America based on sales. The company operates more than 1,800 stores in the United States and Canada, and had annual sales of \$35.8 billion in 2004. The company's stock is traded on the New York Stock Exchange under the symbol SWY.

The challenge

To purchase raw commodities for its extensive private label programs — more than 2,500 products offered under the Safeway, Lucerne and Mrs. Wright's brands and an additional 1,250 premium products marketed under the company's award-winning Safeway SELECT label — the company needed a reliable trading solution.

In particular, Safeway required real-time capabilities that would help them continue to provide exceptional value to private label customers by allowing them to purchase raw commodities and manufacture high quality products comparable to nationally advertised brands — but at a lower price.

Safeway chose DTN ProphetX based in part on the recommendation of one of their senior buyers who had previously used the product in his trading career.

The DTN solution

With DTN ProphetX, Safeway's staff of buyers has access to real-time news, market data, and flexible quote displays along with advanced charting, news indexes, and historical data — right on their desktops. This information is delivered and presented through an intuitive graphical interface for both speed and ease of use.

DTN ProphetX also provides Safeway buyers with a transparent look at the raw commodities market through industry-specific commodities information, so they can make critical purchasing decisions for the company's Safeway, Vons, Pavilions, Domonick's, Randalls, Genuardi's, Carrs, and Tom Thumb stores.

The results

Safeway buyers use DTN ProphetX on a daily basis for pricing and purchasing commodities — corn, wheat, soybeans, soy meal, cocoa, and orange juice — for manufacture and sale of the company's private label brands. They consider it a valuable tool for contract negotiations with vendors and appreciate its cataloged data reports for historical information.



In addition to the trading tools and information, Safeway buyers utilize DTN's agricultural news and weather for a larger scale look at the futures and commodities markets. Along with comprehensive DTN market data, DTN ProphetX provides Safeway's staff with data from a number of third-party sources including Reuters, Dow Jones, Barclay, USDA, Argus, and Canadian Enterdata.

The client's view

"DTN ProphetX offers its users a realistic view of the marketplace. On-demand market quotes, news, and visual graphic capabilities provide the advantage that our buyers need to make and execute sound business decisions."

Michelle Garner, Pleasanton, California

