C H ROBINSON WORLDWIDE INC

FORM 10-K
(Annual Report)

Filed 3/25/1998 For Period Ending 12/31/1997

Address	8100 MITCHELL ROAD #200
	EDEN PRAIRIE, Minnesota 55344
Telephone	612-937-8500
CIK	0001043277
Industry	Misc. Transportation
Sector	Transportation
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

**[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 1997

OR

**[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ___________ to ___________

Commission File Number: 000-23189

C.H. ROBINSON WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	41-1883630 (I.R.S. Employer Identification No.)
8100 MITCHELL ROAD, EDEN PRAIRIE, MINNESOTA (Address of principal executive offices)	55344-2248 (Zip Code)

(612) 937-8500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value $.01 per share

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes X No ______

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [_]

The aggregate market value of Common Stock held by non-affiliates of the registrant as of March 13, 1998 was approximately $735,787,803 (based on the last sale price of such stock as quoted on The Nasdaq National Market ($22.75) on such date).

As of March 13, 1998, the number of shares outstanding of the registrant's Common Stock, par value $.01 per share, was 41,264,621.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Annual Report to Stockholders for the year ended December 31, 1997 (the "Annual Report"), are incorporated by reference in Parts II and IV.

Portions of the Registrant's Proxy Statement relating to its Annual Meeting of Stockholders to be held May 5, 1998 (the "Proxy Statement"), are incorporated by reference in Part III.

PART I

ITEM 1. BUSINESS

OVERVIEW

Founded in 1905, C.H. Robinson Worldwide, Inc. (the "Company" or "Robinson") is the largest third-party logistics company in North America with 1997 gross revenues of $1.8 billion. The Company is a global provider of multimodal transportation services and logistics solutions through a network of 119 offices in 38 states and Canada, Mexico, Belgium, the United Kingdom, France, Spain, Italy, Singapore and South Africa. Through contracts with over 14,000 motor carriers, the Company maintains the single largest network of motor carrier capacity in North America and is one of the largest third-party providers of intermodal services in the United States. In addition, the Company regularly provides air, ocean and customs services. As an integral part of the Company's transportation services, the Company provides a wide range of value- added logistics services, such as raw materials sourcing, freight consolidation, cross-docking and contract warehousing. During 1997, the Company handled over 1,000,000 shipments for more than 8,600 customers, ranging from Fortune 100 companies to small businesses in a wide variety of industries.

The Company has developed global multimodal transportation and distribution networks to provide seamless logistics services worldwide. As a result, the Company has the capability of managing all aspects of the supply chain on behalf of its customers. As a non-asset based transportation provider, the Company can focus on optimizing the transportation solution for its customer rather than on its own asset utilization, using established relationships with motor carriers, railroads (primarily intermodal service providers), air freight carriers and ocean carriers. Through its motor carrier contracts, the Company maintains access to more than 370,000 dry vans, 128,000 temperature-controlled vans and containers and 96,000 flatbed trailers. The Company also has intermodal marketing contracts with 11 railroads, including all of the major North American railroads, which give the Company access to more than 150,000 additional trailers and containers.

Throughout its 90-year history, the Company has been in the business of sourcing fresh produce. Much of the Company's logistics expertise can be traced to its significant experience in handling perishable commodities. Due to the time-sensitive nature and quality requirements of the shipments, fresh produce represents a unique logistics challenge, and the distribution and transportation costs are significant compared with, and may exceed, the cost of the produce being shipped. The Company has developed a network of produce sources and maintains access to specialized equipment and transportation modes designed to ensure timely delivery of uniform quality produce. In response to demand from large grocery retailers and food service distributors, the Company has developed its own brand of produce, The Fresh 1(R), which is sourced through various relationships and packed to order through contract packing agreements. The Company has also leveraged its food sourcing and logistics expertise into the sourcing of food ingredients on behalf of food manufacturers.

The Company's unique business philosophy has accounted for its strong historical results and has positioned the Company for continued growth. The Company's principal competitive advantage is its large decentralized branch network, staffed by approximately 1,400 salespersons who are employees rather than agents. These branch employees are in close proximity to both customers and carriers which facilitates quick responses to customers' changing needs. Branch employees act as a team in both marketing the Company's services and providing these services to individual customers. The Company compensates its branch employees principally on the basis of their branch's profitability, which in the Company's opinion produces a more service-oriented, focused and creative sales force. The Company believes it is substantially owned by approximately 1,000 of its employees holding more than 70% of the Company's Common Stock.

The Company was reincorporated in Delaware in 1997 as the successor to a business existing, in various legal forms, since 1905. The Company's corporate office is located at 8100 Mitchell Road, Eden Prairie, Minnesota 55344-2248, and its telephone number is (612)937-8500. Its web site address is www.chrobinson.com.

LOGISTIC SERVICES

As a global, third-party logistics company, the Company provides multimodal transportation and related logistics services, sourcing and fee-based information services.

The Company seeks to establish long-term relationships with its customers in order to provide logistics solutions that reduce or eliminate inefficiencies in customers' supply chains. Whenever appropriate, the Company analyzes the customer's current transportation rate structures, modes of shipping and carrier selection. The Company may also examine the customer's warehousing, picking procedures, loading, unloading and dock scheduling procedures, as well as packaging and pallet configuration procedures. The Company then evaluates how these procedures interact with shipping, manufacturing and customer service. Upon completion of an initial analysis, the Company proposes solutions which allow the customer to streamline operating procedures and contain costs, while improving the management of its supply chain. Robinson branch employees remain involved with the customer throughout the analysis and implementation of the proposed solution. In the course of providing day-to-day transportation services, branch employees offer further logistics analysis and solutions as the employees become more familiar with the customer's daily operations and the nuances of its supply chain. The Company's ultimate goal is to assist the customer in managing its entire supply chain while being the customer's key provider of individual transportation services.

MULTIMODAL TRANSPORTATION SERVICES

On a day-to-day basis, customers communicate their freight needs, typically on a load-by-load basis, to the Company by means of a telephone call, fax transmission, e-mail or EDI message to the branch office salesperson responsible for the particular customer. That salesperson enters all appropriate information about each load into the Company's computer based Customer Oriented Shipment Management Operating System ("COSMOS"), determines the appropriate mode of transportation for the load and selects a carrier or carriers, based upon the salesperson's knowledge of the carrier's service capability, equipment availability, freight rates and other relevant factors. The salesperson then communicates with the carrier's dispatch office to confirm a price for the transportation and the carrier's commitment to provide the transportation. At this point, the salesperson provides the carrier information to the customer, together with the Company's sales price, which is intended to provide a profit to the Company for the totality of services performed for the customer. By accepting the customer's order, the Company becomes legally responsible for transportation of the load from origin to destination, rather than being a mere freight broker. The carrier's contract is with the Company, not the customer, and the Company is responsible for prompt payment of carrier charges. The Company is also responsible to its customer for any claims for damage to freight while in transit or performance. In most cases, the Company receives reimbursement from the carrier for these claims.

As a result of the Company's logistics capabilities, many customers now look to Robinson to handle all, or a substantial portion, of their freight transportation requirements to or from a particular manufacturing facility or distribution center. In a number of instances, the Company has contracts with the customer whereby the Company agrees to handle a specified number of loads usually to specified destinations, such as from the customer's plant to a distribution center, at specific rates, but subject to seasonal variation. Most of the Company's rate commitments are for periods of one year or less. To meet its obligations under these customer contracts, Robinson may obtain advance commitments from one or more carriers to transport all, or a significant portion, of the contracted loads, again at specific rates, for the length of Robinson's customer contract.

As part of its customer focus, Robinson offers a wide range of logistics services on a worldwide basis to assure timely, efficient and cost effective delivery through the use of one or more transportation modes. These logistics services include: transportation management (price and modal comparisons and selection; shipment consolidation and optimization; improvement of operating and shipping procedures and claims management); minimization of storage (through cross-docking and other flow-through operations); logistics network and nodal location analysis to optimize the entire supply chain; tracking and tracing; reverse logistics and other special needs; management information; and analysis of a customer's risk and claims management practices. Robinson will evaluate a customer's core carrier program by reviewing such factors as carriers' insurance certificates, safety ratings and financial stability as well as establishing a program to measure and monitor key quality standards for those core carriers. These services are bundled with underlying transportation services and are not typically separately priced, but instead are reflected as a part of the cost of transportation services provided by the Company on a transactional basis pursuant to continuing customer relationships. Incident to these transportation services, the Company may supply sourcing, contract warehousing, consulting and other services, for which it is separately compensated.

The Company is capable of arranging all modes of transportation services on a worldwide basis:

. Truck--Through its contracts with over 14,000 motor carriers, the Company maintains access to more than 370,000 dry vans, 128,000 temperature-controlled units and 96,000 flatbeds. It offers both time- definite and expedited truck transportation. In many instances, particularly in connection with its sourcing business, the Company will consolidate partial loads for several customers into full truckloads.

. Intermodal--Intermodal transportation involves the shipment of a coordinated manner. The Company provides intermodal service by both rail and ship, arranges local pickup and delivery (known as drayage) through local motor carriers and provides temperature-controlled double and triple-stacked intermodal containers. The Company currently owns or leases approximately 650 intermodal containers. The Company also has intermodal marketing contracts with 11 railroads, which give the Company access to more than 150,000 additional trailers and containers.

. Ocean--As an indirect ocean carrier and freight forwarder, the Company consolidates shipments, determines routing, selects ocean carriers, contracts for ocean shipments, provides for local pickup and delivery of shipments and arranges for customs clearance of shipments, including the payment of duties.

. Air--The Company provides door-to-door service as a full-service air freight forwarder, both domestically and internationally.

The table below shows the Company's net revenue by transportation mode for the periods indicated:

TRANSPORTATION SERVICES NET REVENUE
(IN THOUSANDS)

	Year Ended December 31,				
	1993	1994	1995	1996	1997
Truck	$63,549	$81,122	$ 97,636	$110,460	$133,110
Intermodal	4,411	7,828	6,864	8,014	9,680
Ocean	6,278	6,865	7,212	8,121	9,226
Air	323	550	1,402	1,687	1,954
Miscellaneous (1)	2,686	2,922	3,907	4,964	5,290
Total	$77,247	$99,287	$117,021	$133,246	$159,260

(1) Consists of customs clearance (Automated Brokerage Interface (ABI) and Automated Clearing House (ACH) capabilities with the U.S. Customs Service) and warehousing.

As the Company has emphasized integrated logistics solutions, its relationships with many customers have become broader, with the Company becoming a business partner responsible for a greater portion of supply chain management. Customers may be served by specially created Robinson teams and over several branches.

SOURCING

Throughout its 90-year history, Robinson has been in the business of sourcing fresh produce. Much of the Company's logistics expertise can be traced to the Company's significant experience in handling perishable commodities. Because of its perishable nature, produce must be quickly packaged, transported within tight timetables in temperature controlled equipment and distributed quickly to replenish high turnover inventories maintained by wholesalers, food service companies and retailers. In most instances, the Company consolidates individual customers' produce orders into truckload quantities at the point of origin and arranges for transportation of the truckloads, often to multiple destinations. Approximately one-half of the Company's sourcing business is with produce wholesalers, who purchase produce in relatively large quantities through the Company and resell the produce to grocery retailers, restaurants and other resellers of food. More than one-third of Robinson's sourcing business is with grocery store chains and other multistore retailers, and most of the Company's remaining customers are food service companies that distribute a range of food products to retailers, restaurants and institutions.

During the past five years, the Company has actively sought to expand its food sourcing customer base by focusing on the larger multistore retailers. As these retailers have expanded through store openings and industry consolidation, their traditional methods of produce sourcing and store-level distribution, which relied principally on regional or even local purchases from wholesalers, have become inefficient. The Company's logistics and perishable commodities sourcing expertise can greatly improve the retailers' produce purchasing as well as assure uniform quality from region to region and store to store. The Company introduced its proprietary The Fresh 1(R) brand of produce in 1989, which includes a wide range of uniform quality, top grade fruits and vegetables purchased from various domestic and international growers.

The Company has also sought to leverage its food sourcing and logistics expertise into the food ingredients market and has focused on the major food manufacturers that utilize significant quantities of various ingredients in producing food products. Examples of ingredients sourced for food processors include fruit juice concentrates, dehydrated onions, chocolate and natural food colors.

Sourcing accounted for approximately 24%, 22% and 19% of the Company's net revenues in 1995, 1996 and 1997, respectively.

INFORMATION SERVICES

A subsidiary of the Company, T-Chek Systems LLC provides motor carrier customers with funds transfer and driver payroll services, fuel management services, fuel and use tax reporting as well as on-line access to custom- tailored information management reports, all through the use of its proprietary automated system. This system enables motor carriers to track equipment, manage fleets and dictate where and when their drivers purchase fuel. For several companies and truck stop chains, T-Chek captures sales and fuel cost data, applies the margin agreed between seller and purchaser, reprices the sale, invoices the carrier and provides management information to the seller. T-Chek is also seeking to market other tracking, tracing and communications services and products, primarily to motor carriers.

Through its subsidiary, Payment and Logistics LLC, the Company provides freight payment services to shippers using a proprietary system, often linked to the carriers by EDI, with the ability to process freight payments by electronic funds transfer. This paperless system also enables the Company to automatically audit the customer's freight rates, eliminate duplicate payments to carriers and produce reports containing information about such matters as shipping patterns, freight volumes and overall transportation costs. The Company and the customer use these data to better manage the customer's supply chain.

The Company's information services accounted for approximately 3%, 4% and 4% of the Company's net revenues in 1995, 1996 and 1997, respectively.

ORGANIZATION

To allow the Company to stay close to customers and markets, the Company has created and continues to expand a network of 119 offices, supported by executives and services in a central office.

BRANCH NETWORK

Branch salespersons are responsible for developing new business, receiving and processing orders from specific customers located in the area served by the branch and contracting with carriers to provide the transportation requested. In addition to routine transportation, salespersons are often called upon to handle customers' unusual, seasonal and emergency needs. Shipments to be transported by truck are almost always contracted at the branch level. Some branches may rely on expertise in other branches when contracting intermodal, international and air shipments.

Salespersons in the branches both sell and service their customers rather than rely exclusively on a central office or dedicated sales staff. Sales opportunities are identified through the Company's database, industry directories, referrals by existing customers and leads generated by branch office personnel through knowledge of their local and regional markets. Each branch is also responsible for locating and contracting with carriers to serve the branch's customers.

The table below shows certain information about the Company's branches for the periods indicated:

BRANCH DATA
(DOLLARS IN THOUSANDS)

	Year Ended December 31,				
	1993	1994	1995	1996	1997
Average employees per branch...............	14.6	15.8	14.6	15.4	16.2
Average net revenues per branch............	$1,392	$1,597	$1,683	$1,717	$1,822
Average net revenues per employee..........	$ 98	$ 105	$ 113	$ 115	$ 115

As of December 31, 1997, the Company's branch salespersons represented approximately 70% of the Company's total work force and all branch employees, including support staff, represented over 90% of the Company's work force. At December 31, 1997, the number of salespersons per Company branch ranged from three to 54.

Branch Expansion. The Company expects to continue to add branch offices as management determines that a new branch may contribute to continued growth and as branch salespersons develop the capability to manage a new branch. The Company intends to focus particularly on opening overseas branches as opportunities arise to serve the local needs of multinational customers. Additional branches are often opened within a territory previously served by another branch, such as within major cities, as the volume of business in a particular area warrants opening a separate branch. Capital required to open a new branch is modest, involving a lease for a small amount of office space, communication links and often employee compensation guaranties for a short time.

Unique Branch Network. For almost two decades, new branch salespersons have been hired through a sophisticated profiling system using standardized tests to measure an applicant against the traits determined by the Company to be those of successful Robinson employees. These common traits facilitate cooperative efforts necessary for the success of each office. Applicants are recruited nationally from across the United States and Canada, typically have college degrees and some have business experience, not necessarily within the transportation industry. The Company is highly selective in determining to whom it offers employment.

Newly hired branch employees receive extensive on-the-job training at the branch level, which ranges from six months to a year and emphasizes development of the necessary skills and attitude to become productive members of a branch team. The Company believes most salespersons become productive employees in a matter of weeks. After gaining a year of experience, each salesperson attends a Company-sponsored national meeting to receive additional training and foster relationships between branches.

Employees at the branch level form a team, which is enhanced by the Company's unique incentive compensation system under which a significant part of the compensation of most branch managers and salespersons is dependent on the profitability of the particular branch. For any calendar year, branch managers and salespersons who have been employed for at least one complete year participate in the branch's earnings for that calendar year, based on a system of "points" awarded to the employees on the basis of their productivity and contribution. Most of a branch manager's compensation is provided by this compensation program. For 1997, incentive-based compensation averaged approximately 30% of branch salespersons' total compensation, 65% of branch managers' total compensation and 60% of officers' total compensation. Branch employees also participate in the

Company's Profit Sharing Plan, contributions to which depend on overall Company profitability. In connection with establishing new branches and other special circumstances, the Company may guaranty a level of compensation to the branch manager and key salespersons.

All managers throughout the Company who have significant responsibilities are eligible to participate in the Company's 1997 Omnibus Stock Plan. Employees at all levels, after a qualifying period of employment, are eligible to participate in the Company's Employee Stock Purchase Plan.

Individual salespersons benefit through the growth and profitability of individual branches and are motivated by the opportunity to become branch managers, assistant managers or department managers. All branch salespersons are full time employees.

EXECUTIVE OFFICERS

Under the Company's decentralized operating system, branch managers report directly to, and receive guidance and support from, a small group of executive officers at the Company's central office. Customers, carriers, managers and employees have direct access to the Company's Chief Executive Officer, D.R. Verdoorn, and all other executive officers. These executives provide training and education concerning logistics, develop new services and applications to be offered to customers and provide broad market analysis.

The executive officers of the Company serve at the discretion of the Board of Directors and are chosen annually by the Board of Directors. Set forth below are the names, ages and positions of the executive officers of the Company.

Name	Age	Position
D.R. Verdoorn	59	President, Chief Executive Officer and Director
Looe Baker III	48	Vice President and Director
Barry W. Butzow	51	Vice President and Director
Gregory D. Goven	46	Vice President
Robert S. Ingram	57	Vice President, Transportation
Michael T. Rempe	44	Vice President, Produce
Thomas M. Jostes	37	Vice President, Transportation
Thomas D. Perdue	48	Vice President, Intermodal
Dale S. Hanson	59	Vice President, Finance, Chief Financial Officer and Director
Owen P. Gleason	46	Vice President, General Counsel, Secretary and Director
Jennifer T. Amys	47	Vice President, Chief Information Officer
John P. Wiehoff	36	Corporate Controller and Treasurer

D.R. Verdoorn has been the President and Chief Executive Officer of the Company and its predecessor since 1977 and a director since 1975. He has been with the Company since 1963. He has served on the Boards of Directors for United Fresh Fruit and Vegetable Association and the Produce Marketing Association. Mr. Verdoorn attended Central College in Pella, Iowa.

Looe Baker III has been a Vice President of the Company since 1979 and a director since 1984. Mr. Baker began his career with the Company in 1971. Mr. Baker has served on the Board of Directors for the Produce Marketing Association. He is a director of Orval Kent Holding Co. He holds a Bachelor of Science degree from Drake University.

Barry W. Butzow has been a Vice President of the Company since 1984 and a director since 1986. He began employment with the Company in 1969. He holds a Bachelor of Arts degree from Moorhead State University.

Gregory D. Goven has been a Vice President of the Company since 1988. Mr. Goven joined the Company in 1973. Mr. Goven holds a Bachelor of Science degree from North Dakota State University. Mr. Goven's wife is the first cousin of Mr. Verdoorn.

Robert S. Ingram has been Vice President, Transportation since 1996 and prior to that was Vice President of Intermodal from 1992. Prior to joining the Company, Mr. Ingram held several executive positions with the Burlington Northern Railway, the Soo Line Railroad, Sealand Service and several regional railroads. He holds a Bachelor of Science degree from the University of Pennsylvania.

Michael T. Rempe has been Vice President, Produce since 1994, after starting with the Company in 1989 as Director of Produce Merchandising. Prior to that, he held several senior positions in the retail grocery industry. Mr. Rempe is currently on the Board of Directors of the Produce Marketing Association and Produce for Better Health. Mr. Rempe attended Indiana University Purdue University in Indianapolis.

Thomas M. Jostes has served as Vice President, Transportation since 1995 and has been employed by the Company since 1984. Mr. Jostes holds a Bachelor of Arts degree from Iowa State University.

Thomas D. Perdue has been Vice President, Intermodal since 1995. From 1992 through 1995, he was Assistant Vice President of Intermodal Operations for the Burlington Northern Railway, and prior thereto, he held various senior transportation operations and marketing positions with Burlington Northern Railway. Mr. Perdue holds a Bachelor of Science degree from Indiana University.

Dale S. Hanson has been Vice President, Finance and Chief Financial Officer of the Company since 1990 and a director since 1988. Prior to joining the Company, Mr. Hanson held various executive positions with First Bank System, Inc. (now U.S. Bancorp), including Executive Vice President of First Bank System, Inc., President of FBS Merchant Banking Group and President of First Bank of St. Paul. Mr. Hanson holds a Bachelor of Arts degree from Carleton College.

Owen P. Gleason has been Vice President and General Counsel of the Company since 1990 and served as corporate counsel since 1978. Mr. Gleason has been a director since 1986. Mr. Gleason holds a law degree from Oklahoma City University and a Bachelor's Degree from Ripon College.

Jennifer T. Amys has been Vice President and Chief Information Officer of the Company since 1994. From 1989 through 1993, she was Director of Systems Development and Support for The Quaker Oats Company and prior to that held other senior MIS positions for several transportation and food companies. She has a Masters of Business Administration degree from the University of Minnesota and a Bachelor of Science degree from the University of Taiwan.

John P. Wiehoff has been Treasurer of the Company since May 1997 and Corporate Controller since 1992. Prior to that, he was employed as an audit manager by Arthur Andersen LLP. He holds a Bachelor of Science degree from St. John's University.

EMPLOYEES

As of December 31, 1997, the Company had a total of 1,925 employees, substantially all of whom are full-time employees and approximately 1,700 of whom were located in the Company's branch offices. Corporate services such as accounting, information systems, legal, credit support and claims support are provided centrally. The Company believes that its compensation and benefit plans are among the most competitive in the industry and that its relationship with employees is excellent.

CUSTOMERS AND MARKETING

The Company seeks to establish long-term relationships with its customers and to increase the amount of business done with each customer by seeking to provide the customer with a full range of logistic services. In 1997, the Company served approximately 8,600 customers, ranging from Fortune 100 companies to small businesses in a wide variety of industries. During 1997, no customer accounted for more than 4% of gross revenues. In recent years, revenue growth has been achieved through the growth and consolidation of customers, expansion of the services provided by the Company and an increase in the number of customers served.

The Company believes that decentralization allows salespersons to better serve the Company's customers by fostering the development of a broad knowledge of logistics and local and regional market conditions as well as the specific logistics issues facing individual customers. With the guidance of experienced branch managers (who have an average tenure of 13 years with the Company), branches are given significant latitude in pursuing opportunities and committing the Company's resources to serve customers.

Branches seek additional business from existing customers and pursue new customers, based on their knowledge of local markets and the range and value of logistics services that the Company is capable of providing. The Company has begun placing increased emphasis on national sales and marketing support to enhance branch capabilities. Increasingly, branches call on central office executives, a national sales staff and a central logistics group to support them in the pursuit of multinational corporations and other companies with more complex logistics requirements.

RELATIONSHIPS WITH CARRIERS

The Company seeks to establish long-term relationships with carriers in order to assure dependable services, favorable pricing and carrier availability during peak shipping periods and periods of undercapacity. To strengthen and maintain these relationships, Company salespersons regularly communicate with carriers serving their region and seek to assist carriers with equipment utilization, reduction of empty miles and equipment repositioning. The Company has a policy of prompt payment and provides centralized claims management on behalf of various shippers. Many smaller carriers effectively consider Robinson as their sales and marketing department.

As of December 31, 1997, the Company had contracts with more than 14,000 motor carriers (representing approximately 128,000 temperature controlled vans, 370,000 dry vans and 96,000 flatbeds). Those carriers include owner-operators of a single truck, small and mid-size fleets, private fleets and the largest national trucking companies. Consequently, the Company is not dependent on any one carrier. As of December 31, 1997, the Company also had intermodal marketing contracts with 11 railroads, including all of the major North American railroads, giving the Company access to more than 150,000 additional trailers and containers. The Company qualifies each motor carrier to assure that it is properly licensed and insured and has the resources to provide the necessary level of service on a dependable basis. The Company's motor carrier contracts require that the carrier commit to a minimum number of shipments, issue invoices only to and accept payment solely from, Robinson and permit Robinson to withhold payment to satisfy previous claims or shortages. Carrier contracts also establish transportation rates that can be modified by issuance of an individual load confirmation. The Company's contracts with railroads govern the transportation services and payment terms by which the Company's intermodal shipments are transported by rail. Intermodal transportation rates are typically negotiated between the Company and the railroad on a customer-specific basis.

COMPETITION

The transportation services industry is highly competitive and fragmented. The Company competes primarily against a large number of other non-asset based logistics companies, as well as asset-based logistics companies, third-party freight brokers, carriers offering logistics services and freight forwarders. The Company also competes against carriers' internal sales forces and shippers' own transportation departments. It also buys and sells transportation services from and to companies with which it competes.

The Company believes that its most significant competitive advantages are:
(i) its large decentralized branch network, staffed by salespersons who are employees rather than agents, which enables the Company's salespersons to gain significant knowledge about individual customers and the local and regional markets they serve, (ii) its ability to provide a broad range of logistics services and (iii) its ability to provide services on a worldwide basis.

COMMUNICATIONS AND INFORMATION SYSTEMS

To handle the large number of daily transactions and to accommodate its decentralized branch system, the Company has designed an extensive communications and information system. Employees are linked with each other and with customers and carriers by telephone, facsimile, e-mail and/or EDI to communicate requirements and availability, to confirm and bill orders and, through the Company's Internet home page, to trace shipments. The Company has developed its own proprietary computer based system, COSMOS. The most recent enhancements help salespersons service customer orders, select the optimal modes of transportation, build and consolidate loads and selects routes, all based on customer-specific service parameters. COSMOS makes load data visible to the entire branch sales team, enabling the salespersons to select carriers and track loads in progress, and automatically provides visible alerts to any arising problems. The Company's internally developed proprietary decision support system ("BSMART") uses data captured from daily transactions to generate various management reports which are available to the Company's large logistics customers to provide information on traffic patterns, product mix and production schedules. BSMART enables customers to analyze their own customer base, transportation expenditure trends and the impact on out-of-route and out-of-stock costs.

The Company continues to assess what impact the year 2000 will have on its current information systems. A plan is under way to complete the necessary programming using primarily internal resources. The cost of this programming is expected to be immaterial to the Company's overall financial position and is being expensed as incurred.

GOVERNMENT REGULATION

The transportation industry has been subject to legislative and regulatory changes that have affected the economics of the industry by requiring changes in operating practices or influencing the demand for, and cost of providing, transportation services. The Company cannot predict the effect, if any, that future legislative and regulatory changes may have on the transportation industry.

The Company is subject to licensing and regulation as a transportation provider. The Company is licensed by the Department of Transportation ("DOT") as a broker in arranging for the transportation of property by motor vehicle. The DOT prescribes qualifications for acting in this capacity, including certain surety bonding requirements. The Company provides motor carrier transportation services that require registration with the DOT and compliance with certain economic regulations administered by the DOT, including a requirement to maintain insurance coverage in minimum prescribed amounts. The Company is subject to regulation by the Federal Maritime Commission as an ocean freight forwarder and maintains a non-vessel operating common carrier bond. The Company operates as an indirect air cargo carrier subject to economic regulation by the DOT. The Company provides customs brokerage services as a customs broker under a license issued by the United States Customs Service of the Department of Treasury. The Company sources fresh produce under a license issued by the United States Department of Agriculture. Other sourcing and distribution activities may be subject to various federal and state food and drug statutes and regulations. Although Congress enacted legislation in 1994 that substantially preexmpts the authority of states to exercise economic regulation of motor carriers and brokers of freight, the Company and several of its subsidiaries continue to be subject to a variety of vehicle registration and licensing requirements. The Company and the carriers that the Company relies on in arranging transportation services for its customers are also subject to a variety of federal and state safety and environmental regulations. Although compliance with the regulations governing licensees in these areas has not had a materially adverse effect on the Company's operations or financial condition in the past, there can be no assurance that such regulations or changes thereto will not adversely impact the Company's operations in the future. Violation of these regulations could also subject the Company to fines or, in the event of serious violation, suspension or revocation of operating authority as well as increased claims liability.

RISK MANAGEMENT AND INSURANCE

In its truck and intermodal operations, the Company assumes full value cargo risk to its customers. The Company subrogates its losses against the motor or rail carrier with the transportation responsibilities. The Company requires all motor carriers participating in its contract program to carry at least $750,000 in general liability insurance and $25,000 in cargo insurance. Many carriers carry insurance limits exceeding these minimums. Railroads, which are generally self-insured, provide limited common carrier liability protection, generally up to $250,000 per shipment. For both truck and rail transportation, higher coverage is available to the customer on a load-by-load basis at an additional price.

In its international freight forwarding, ocean transportation and air freight businesses, the Company does not assume cargo liability to its customers above minimum industry standards. The Company offers its customers the option to purchase ocean marine cargo coverage to insure goods in transit. When the Company agrees to store goods for its customers for longer terms, it provides limited warehouseman's coverage to its customers and contracts for warehousing services from companies which provide the Company the same degree of coverage.

The Company maintains a broad cargo liability policy to protect it against catastrophic losses that may not be recovered from the responsible carrier with a deductible of $100,000 per incident. The Company also carries various liability policies, including auto and general liability, with a $75 million umbrella.

Agricultural chemicals used on agricultural commodities intended for human consumption are subject to various approvals, and the commodities themselves are subject to regulations on cleanliness and contamination. Concern about particular chemicals and alleged contamination has led to recalls of products, and tort claims have been brought by consumers of allegedly affected produce. Because the Company is a seller of produce, it may have legal responsibility arising from sales of produce. While the Company carries product liability coverage of $75 million, settlement of class action claims is often costly, and the Company cannot assure that its liability coverage will be adequate and will continue to be available. In addition, in connection with any recall, the Company may be required to bear the cost of repurchasing, transporting and destroying any allegedly contaminated product, for which it is not insured. Any recall or allegation of contamination could affect the Company's reputation, particularly of its The Fresh 1(R) brand. Loss due to spoilage (including the need for disposal) is also a routine part of the sourcing business.

FORWARD-LOOKING STATEMENTS

This Form 10-K Annual Report and the Company's financial statements and other documents incorporated by reference contain forward-looking statements that involve risk and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those contained above in this Item 1--Business, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 and Exhibit 99.

ITEM 2. PROPERTIES

Principally all of the Company's branch offices and its central office are leased from third parties under leases with initial terms ranging from three to ten years. The Company considers its current offices adequate for its current level of operations. The Company has not had difficulty in obtaining sufficient office space and believes it can renew existing leases or relocate branches to new offices as leases expire.

ITEM 3. LEGAL PROCEEDINGS

In 1995, the United States Customs Service began an investigation of possible duties owed on imports of certain juice concentrates by a subsidiary of the Company. The Company has been advised by the United States Attorney for the Eastern District of New York that its subsidiary was not the target or the subject of a criminal investigation, although the United States Attorney is not bound by such statements. The Company believes, however, that the United States Customs Service will seek additional duties of approximately $4.0 million and may seek civil monetary penalties against the subsidiary of the Company. The Company believes the disposition of this matter will not have a material adverse effect on the business, financial condition or results of operations of the Company, although there can be no assurance that the duties and penalties sought against the subsidiary will not exceed the Company's reserves for this matter.

The Company is currently not otherwise subject to any pending or threatened litigation other than routine litigation arising in the ordinary course of business, none of which is expected to have a material adverse effect on the business, financial condition or results of operations of the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the year ended December 31, 1997.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

On February 28, 1997, the Company issued an aggregate of 282,086 restricted shares of Common Stock to 57 employees under the Company's prior stock programs related to incentive compensation earned for the year ended December 31, 1996 (and determined after the end of the year). The number of shares issued was based on book value per share of Common Stock on December 31, 1996. Such issuances were exempt from registration under the Securities Act of 1933 pursuant to Section 3(b) and Rule 701 thereunder inasmuch as (1) the Company was not subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 and was not an investment company registered or required to be registered under the Investment Company Act of 1940 at the time of issuance, (2) the conditions of Rule 701(b)(1) and (3) were satisfied in that each such issuance was made pursuant to a written contract with each such employee, which was furnished to the employee, and (3) the conditions of Rule 701(b)(5) were satisfied in that the aggregate amount of securities offered and sold (282,086 shares valued at $1,066,285) (x) did not exceed $5,000,000 and (y) did not exceed the greater of (i) $500,000, (ii) $48,117,000 (15% of the total assets of the Company at December 31, 1996) or (iii) 6,185,288 shares (15% of the number of shares outstanding as of February 28, 1997, giving effect to such sales).

On June 30, 1997, the Company sold 25,000 shares of Common Stock to Gerald A. Schwalbach, a director of the Company, for cash in the amount of $103,000, the book value of the stock at May 31, 1997. Such stock was purchased for investment and not with a view to distribution, and the sale thereof was exempt from registration under the Securities Act pursuant to Section 4(2) thereof.

The Company's Common Stock began trading on The Nasdaq National Market under the symbol "CHRW" on October 15, 1997. Certain stockholders of the Company sold 12,165,155 shares of the Company's Common Stock to the public pursuant to a registered public offering, the proceeds of which were paid entirely to the selling stockholders. Prior to such date, there was no established public trading market for the Company's Common Stock.

The following table sets forth, for the period indicated, the high and low sales prices of the Company's Common Stock, as quoted on The Nasdaq National Market.

1997	High	Low
Fourth quarter (commencing October 15, 1997)	$26.50	$19.75

On March 13, 1998, the closing sales price per share of the Company's Common Stock as quoted on The Nasdaq National Market was $22.75 per share. On March 13, 1998, there were approximately 1,200 holders of record and approximately 5,000 beneficial owners of the Company's Common Stock.

For 1996, the Company paid aggregate annual dividends of $0.185 per share. For 1997, the Company paid quarterly dividends of $0.01 per share for the first and second quarters. On October 10, 1997, the Company paid an extraordinary cash dividend of $1.50 per share to stockholders of record on October 10, 1997. The Company paid a liquidating distribution of the net proceeds of the sale of the Company's consumer finance services business on October 14, 1997, to stockholders of record on October 14, 1997 of $0.95 per share. On December 30, 1997, the Company paid a quarterly dividend of $0.06 per share to shareholders of record as of December 12, 1997. The Company has declared a quarterly dividend of $0.06 per share payable to shareholders of record as of March 12, 1998 payable on April 1,

1998. The declaration of dividends by the Company is subject to the discretion of the Board of Directors. Any determination as to the payment of dividends will depend upon the results of operations, capital requirements and financial condition of the Company, and such other factors as the Board of Directors may deem relevant. Accordingly, there can be no assurance that the Board of Directors will declare or continue to pay dividends on the shares of Common Stock in the future.

ITEM 6. SELECTED FINANCIAL DATA

Selected financial data on page 16 of the Annual Report is incorporated by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 17 through 19 of the Annual Report is incorporated by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Company's consolidated financial statements for the year ended December 31, 1997 on pages 20 through 30 of the Annual Report are incorporated by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information with respect to the Company's Board of Directors on pages 2 through 4, and "Section 16(a) Beneficial Ownership Reporting Compliance" on page 12 of the Proxy Statement are incorporated by reference. Information with respect to the Company's executive officers is provided in Part I, Item 1.

ITEM 11. EXECUTIVE COMPENSATION

"Executive Compensation" on pages 4 through 6 of the Proxy Statement is incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

"Security Ownership of Certain Beneficial Owners and Management" on page 11 of the Proxy Statement is incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

"Certain Transactions" on page 11 of the Proxy Statement is incorporated by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) (1) Financial Statements.

The Company's consolidated financial statements for the year ended December 31, 1997, listed in the accompanying Index to Consolidated Financial Statements at page F-1, on pages 20 through 30 of the Annual Report are incorporated by reference.

(2) Financial Statement Schedules.

Schedule II. Valuation and Qualifying Accounts, is included at the end of this Report.

(3) Index to Exhibits

Number	Description
3.1	Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
3.2	Bylaws of the Company (Incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
3.3	Certificate of Designations of Series A Junior Participating Preferred Stock of the Company (Incorporated by reference to Exhibit 3.3 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
4.1	Form of Certificate for Common Stock (Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
4.2	Form of Rights Agreement between the Company and Norwest Bank Minnesota, National Association (Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.1	Form of Central Office Management Incentive Program, including Deferred Compensation Agreement (Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.2 Operational Executive Compensation Program (Incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.3 Employee Incentive Program (Incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.4 1997 Omnibus Stock Plan (Incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.5 Form of Management--Employee Agreement between the Company and each of by D.R. Verdoorn, Looe Baker III and Barry Butzow (Incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.6 Form of Management--Employee Agreement entered into by Gregory Goven, Dale Hanson, Thomas Jostes, Bernard Madej and Michael Rempe (Incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.7 Form of Management--Employee Agreement between the Company and by Thomas Perdue (Incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.8 Amended and Restated Promissory Note, due on demand or June 30, 1998, payable by C.H. Robinson Company to the order of First Bank National Association, up to an aggregate principal amount of $10,000,000 (Incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.9 Guaranty, dated as of November 30, 1992, by C.H. Robinson, Inc. for the benefit of First Bank National Association (Incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.10 Master Equipment Lease Agreement, dated August 19, 1994, between Wagonmaster Transportation Company and AT&T Commercial Finance Corporation (Incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.11 Keep-Well Agreement, dated August 19, 1994, between C.H. Robinson, Inc., Wagonmaster Transportation Company and AT&T Commercial Finance Corporation (Incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.12 Master Equipment Lease Agreement, dated ________, 1994, between Wagonmaster Transportation Company and Metlife Capital Limited

	Partnership (Incorporated by reference to Exhibit 10.12 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.13	Keep-Well Agreement, dated April__, 1994, between C.H. Robinson, Inc., Wagonmaster Transportation Company and Metlife Capital Limited Partnership (Incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.14	Form of Management Confidentiality and Noncompetition Agreement (Incorporated by reference to Exhibit 10.21 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.15	Form of Stock Option Agreement (Incorporated by reference to Exhibit 10.22 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.16	Stock Purchase Agreement dated September 9, 1997 by and between Cityside Holding Company, C.H. Robinson, Inc. and Norwest Corporation (Incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K dated October 14, 1997)
10.17	Amendment to Stock Purchase Agreement dated October 13, 1997, by and between Cityside Holding L.L.C., C.H. Robinson, Inc. and Norwest Corporation (Incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K dated October 14, 1997)
10.18	Escrow Agreement dated October 13, 1997, by and between Cityside Holding L.L.C., C.H.Robinson, Inc. and Norwest Bank Iowa, N.A. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated October 14, 1997)
*10.19	Long Term Lease Agreement, dated to be effective August 1, 1997, between C.H. Robinson Company and Gemstar Container Corporation.
*10.20	Long Term Lease Agreement, dated to be effective November 1, 1997, between C.H. Robinson Company and Gemstar Container Corporation.
*13	Selected pages of the Company's Annual Report to Stockholders for the year ended December 31, 1997
*21	Subsidiaries of the Company
*23	Consent of Arthur Andersen LLP
24	Powers of Attorney (included on signature page of this Report)
*27	Financial Data Schedule [Filed in electronic format only]
*99	Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

* Filed herewith

(b) Reports on Form 8-K

The Company filed a Current Report on Form 8-K dated October 14, 1997 to report the sale by the Company of its consumer finance business to Norwest Corporation as an Item 2 reportable event.

(c) See Item 14(a)(3) above.

(d) See Item 14(a)(2) above.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

The following financial statements of the Company and its subsidiaries required to be included in Item 14(a)(1) are listed below:

C.H. ROBINSON WORLDWIDE, INC. AND SUBSIDIARIES

Consolidated Financial Statements (incorporated by reference under Item 8 of Part II from pages 20 through 30 of the Company's Annual Report to Stockholders for the year ended December 31, 1997):

Consolidated Balance Sheets as of December 31, 1997 and 1996

Consolidated Statements of Operations for the years ended December 31, 1997, 1996 and 1995

Consolidated Statements of Stockholders' Investment for the years ended December 31, 1997, 1996 and 1995

Consolidated Statements of Cash Flows for the years ended December 31, 1997, 1996 and 1995

Notes to Consolidated Financial Statements

SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Eden Prairie, State of Minnesota, on March 25, 1998.

C.H. ROBINSON WORLDWIDE, INC.

By: /s/ Owen P. Gleason
Owen P. Gleason
Vice President, General Counsel and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 25, 1998.

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Dale S. Hanson and Owen P. Gleason (with full power to act alone), as his or her true and lawful attorneys-in-fact and agents, with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign an Annual Report on Form 10-K of C.H. Robinson Worldwide, Inc., and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in- fact and agents full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, lawfully do or cause to be done by virtue hereof.

Signature	Title
/s/ D. R. Verdoorn D.R. Verdoorn	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Dale S. Hanson Dale S. Hanson	Vice President Finance, Chief Financial Officer and Director (Principal Financial Officer)
/s/ John P. Wiehoff John P. Wiehoff	Corporate Controller and Treasurer (Principal Accounting Officer)
/s/ Looe Baker III Looe Baker III	Vice President and Director
/s/ Barry W. Butzow Barry W. Butzow	Vice President and Director
/s/ Owen P. Gleason Owen P. Gleason	Vice President, General Counsel, Secretary and Director
/s/ Robert Ezrilov Robert Ezrilov	Director
/s/ Gerald A. Schwalbach Gerald A. Schwalbach	Director

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To C.H. Robinson Worldwide, Inc.:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements included in C.H. Robinson Worldwide, Inc.'s annual report to shareholders incorporated by reference in this Form 10-K, and have issued our report thereon dated February 6, 1998. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The accompanying schedule is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission rules and is not part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Minneapolis, Minnesota,
February 6, 1998

C.H. Robinson Worldwide, Inc.

Schedule II. Valuation and Qualifying Accounts

Allowance for Doubtful Accounts

The transactions in the allowance for doubtful accounts for the years ended December 31, 1995, and 1996 and 1997 were as follows (in thousands):

	December 31, 1995	December 31, 1996	December 31, 1997
Balance, beginning of Year	$ 5,719	$ 8,033	$10,079
Provision	4,583	5,139	3,870
Write-off's	(2,269)	(3,093)	(5,013)
Balance, end of year	$ 8,033	$10,079	$ 8,936

INDEX TO EXHIBITS

Number	Description
3.1	Certificate of Incorporation of the Company (Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
3.2	Bylaws of the Company (Incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1, Registration No. 333-3373 1)
3.3	Certificate of Designations of Series A Junior Participating Preferred Stock of the Company (Incorporated by reference to Exhibit 3.3 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
4.1	Form of Certificate for Common Stock (Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
4.2	Form of Rights Agreement between the Company and Norwest Bank Minnesota, National Association (Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.1	Form of Central Office Management Incentive Program, including Deferred Compensation Agreement (Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.2	Operational Executive Compensation Program (Incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.3	Employee Incentive Program (Incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.4	1997 Omnibus Stock Plan (Incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.5	Form of Management--Employee Agreement between the Company and each of by D.R. Verdoorn, Looe Baker III and Barry Butzow (Incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.6	Form of Management--Employee Agreement entered into by Gregory Goven, Dale Hanson, Thomas Jostes, Bernard Madej and Michael Rempe (Incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.7	Form of Management--Employee Agreement between the Company and by Thomas Perdue (Incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.8	Amended and Restated Promissory Note, due on demand or June 30, 1998, payable by C.H. Robinson Company to the order of First Bank National Association, up to an aggregate principal amount of $10,000,000 (Incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)
10.9	Guaranty, dated as of November 30, 1992, by C.H. Robinson, Inc. for the benefit of First Bank National Association (Incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.10 Master Equipment Lease Agreement, dated August 19, 1994, between Wagonmaster Transportation Company and AT&T Commercial Finance Corporation (Incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.11 Keep-Well Agreement, dated August 19, 1994, between C.H. Robinson, Inc., Wagonmaster Transportation Company and AT&T Commercial Finance Corporation (Incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.12 Master Equipment Lease Agreement, dated ________, 1994, between Wagonmaster Transportation Company and Metlife Capital Limited Partnership (Incorporated by reference to Exhibit 10.12 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.13 Keep-Well Agreement, dated April __, 1994, between C.H. Robinson, Inc., Wagonmaster Transportation Company and Metlife Capital Limited Partnership (Incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.14 Form of Management Confidentiality and Noncompetition Agreement (Incorporated by reference to Exhibit 10.21 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.15 Form of Stock Option Agreement (Incorporated by reference to Exhibit 10.22 to the Registrant's Registration Statement on Form S-1, Registration No. 333-33731)

10.16 Stock Purchase Agreement dated September 9, 1997 by and between Cityside Holding Company, C.H. Robinson, Inc. and Norwest Corporation (Incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K dated October 14, 1997)

10.17 Amendment to Stock Purchase Agreement dated October 13, 1997, by and between Cityside Holding L.L.C., C.H. Robinson, Inc. and Norwest Corporation (Incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K dated October 14, 1997)

10.18 Escrow Agreement dated October 13, 1997, by and between Cityside Holding L.L.C., C.H.Robinson, Inc. and Norwest Bank Iowa, N.A. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated October 14, 1997)

*10.19 Long Term Lease Agreement, dated to be effective August 1, 1997, between C.H. Robinson Company and Gemstar Container Corporation.

*10.20 Long Term Agreement, dated to be effective November 1, 1997, between C.H. Robinson Company and Gemstar Container Corporation.

*13 Selected pages of the Company's Annual Report to Stockholders for the year ended December 31, 1997

*21 Subsidiaries of the Company

*23 Consent of Arthur Andersen LLP

24 Powers of Attorney (included on signature page of this Report)

*27 Financial Data Schedule [Filed in electronic format only]

*99 Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

---

* Filed herewith

EXHIBIT 10.19
C.H. ROBINSON COMPANY
LONG TERM LEASE AGREEMENT

Genstar Container Corporation, either on its own behalf or as agent for others (hereinafter referred to as "Genstar") a U.S. corporation, with offices at 505 Montgomery Street, 23rd Floor, San Francisco, California, 94111 and C.H. Robinson Company (hereinafter referred to as "Lessee"), a Delaware corporation, with offices at 8100 Mitchell Road, Suite 200, Eden Prairie, MN 55344 hereby enter into this Long Term Lease Agreement this 1st day of August, 1997.

A. EQUIPMENT COVERED

This Agreement concerns 200 x 40 foot high cube (HC) refrigerated containers (the "containers") designated by a variety of prefixes. All containers meet full I.S.O. standards. Of these containers 100 will be equipped with Thermo King Model # M37.6 machinery and the balance of 100 units will be equipped with Thermo King Model # M37.3 machinery.

B. LEASE/BUILD-UP PERIOD

(i) Lease Period: All containers shall be leased by Lessee from October 1, 1997 through September 30, 2005 at the rate applicable under Paragraph C. The Agreement shall be renegotiated 30 days prior to September 30, 2005.

(ii) Build-Up Period: Any containers interchanged prior to November 1, 1997 shall be leased from the date of its interchange through October 31, 2005 at the per diem rate set out in Paragraph C.

(iii) Early Return: Notwithstanding the above, the Lessee may, subject to 60 days written notice before the yearly anniversary date, opt to terminate any or all of the containers on lease under this Agreement after either three, four, five, six, seven or eight years, subject to retroactive rate increases as set out in Paragraph C. effective from the date of initial interchange to the date of redelivery of each container.

Such early return option shall lapse unless exercised in accordance with the above procedure.

In the event the Agreement is not renegotiated, the wind-down terms of this Agreement will apply, as defined in Paragraph G.

(iv) The containers will be on lease for a minimum of three years.

PLEASE INITIAL:
LESSEE_____ LESSOR_____

C. PER DIEM RENTAL CHARGES

The per diem billing rate for the containers are as follows:

EQUIPMENT TYPE	Per Diem
40 Foot HC Refrigerated	US $9.39

In the event that a container is redelivered in accordance with paragraph B.
(iii), Lessee will be billed the difference between the per diem billing rate and the per diem rate below, counting from the date of the initial interchange to the date of redelivery of each container. Billing will commence from the date that the containers are accepted at the Union Pacific Ramp in Los Angeles except that freedays will be granted until the containers are available for pick-up in Chicago.

EQUIPMENT TYPE	YEAR:	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT
40 Foot HC Refrigerated	US$	11.59	11.05	10.59	10.18	9.83	9.39

D. CONTAINER DELIVERY

The containers will be delivered in the following manner: Genstar will be responsible to deliver the containers to the Union Pacific Railroad's intermodal ramp in Los Angeles. Lessee will be responsible to transport the containers from Los Angeles to the Union Pacific Ramp in Chicago. Genstar will be responsible to deliver the containers from the Union Pacific's Chicago Ramp to Genstar's container yard in Chicago from which they will be picked up by Lessee..

E. LIFT-ON AND LIFT-OFF CHARGES (HANDLING)

Genstar will absorb the lift-on charge for all deliveries and a lift-off charge for all redeliveries.

The lift-on charge shall include a pre-trip inspection and the lift-off charge shall include a post-trip inspection pursuant to Exhibit [C] attached hereto.

Any changes to the above charges are subject to sixty (60) days notice from Genstar to Lessee.

F. TERMINATION FEE

SEE EXHIBIT B.

G. FLOOR MODIFICATION

Each container will be modified to accommodate a sheet of "Ramada" netting to be laid over the t-bar floor and secured as per the instructions of Lessee. Lessor offers no warranty as to the suitability of this modification for the task intended and accepts no liability for any damage to the cargo carried or incidental damage or contamination of any type arising as a result of the modification. The per diem quoted in section "C" will include the initial labor and material costs of

PLEASE INITIAL:
LESSE ______ LESSOR________

the modification. The Lessee will be responsible for any subsequent costs for replacement, or repair.

H. WIND-DOWN

In the event that this Agreement is not renegotiated prior to September 30, 2005, Lessee shall redeliver the containers to Genstar over a 3 month wind- down period beginning October 1, 2005 . All terms and conditions of this Agreement will apply during the 3 month wind-down period. If any container is not redelivered prior to the end of the 3 month wind-down period, then the redelivery terms and conditions of the Agreement and the terms and conditions set forth in the standard Genstar Lease Agreement attached hereto as Exhibit
[A] will apply. A per diem rental charge as stated below shall be effective from the end of said 3 month wind-down period until the date each such container is redelivered.

40 Foot HC Refrigerated

I. REDELIVERY

Exhibit (B) specifies the terms and conditions of redelivery together with any drop-off charges that will be assessed. Upon ninety (90) days notice to the Lessee from Genstar, redelivery locations and drop-off charges may be amended.

J. DAMAGED EQUIPMENT/OFF-HIRE PROCEDURE

Any damage sustained by a container while it is on lease to Lessee will be the responsibility of Lessee, excluding normal wear and tear as determined by the then current standards of the Institute of International Container Lessors or owner's manual. Damage to the container which does not constitute normal wear and tear and could have been prevented by routine washing, routine lubrication, spot painting or other normal repair maintenance shall be for Lessee's account. Damages and/or alterations to the containers affecting security, water tightness, weatherproof qualities, air flow, mechanical and/ or electrical function of integral components and/or affecting the integrity of design or structure, or regulatory, classification or certification requirements as applicable, or affecting the inside or outside dimension or cubic content of any container, whether or not such damages and/or alterations add thereto or subtract therefrom, or damages and/or alterations which may threaten the safety of persons or property, shall not constitute normal wear and tear, and Lessee shall be liable therefor.

Any containers redelivered to an authorized depot will be off-hired on the date of physical turn-in.

A damaged container shall be approved for repair within 10 days following receipt of the damage estimate. In the event that the repair authorization is not received within 10 days following receipt of the estimate, Genstar or its designated agent may proceed with repairs on behalf of Lessee.

PLEASE INITIAL:
LESSEE _____ LESSOR ____

K. MAINTENANCE

a) Lessee shall at its own expense while each container is on lease hereunder maintain each container in good and efficient working order and keep it fully and properly repaired.

b) Without limitation upon the foregoing, Lessee shall:

(i) Ensure that all such instructions and recommendations in regard to operation, maintenance, pre-trip inspections and periodic service of the container as proscribed by the IICL 4 repair criteria, in manuals or other documents provided to Lessee at the time of delivery, and other instructions supplied by Genstar thereafter or displayed upon any container are strictly observed.

(ii) Ensure that all maintenance and repair work is carried out by suitably skilled labor and under competent supervision and (where applicable) by the use of components or parts and materials of a standard and type equivalent to the original;

(iii) Notify Genstar promptly of any accident or breakdown which will involve major renovation or repair work and in such a case permit Genstar or any expert on its behalf to inspect the damage and consult with Genstar in regard to the manner in which the necessary work is to be carried out.

c) Lessee shall upon reasonable notice permit Genstar's representatives or agents to conduct field inspections of the containers .

d) Lessee shall make no changes or alterations or modifications to any container unless the making of the same shall first have been agreed in writing by Genstar.

e) Lessee shall keep the color, identification marks and Genstar's logo upon each container in good and clean condition and shall not cause or permit the same to be deleted, altered or supplemented in any way, except with the written consent of Genstar. Genstar hereby consents to Lessee placing its "CHAU" mark upon each container. Application and material costs to be included in the per diem quoted in section "C" Lessee to be responsible the costs associated with the and removal of the "CHAU" MARKS.

L. REPLACEMENT VALUE IN THE EVENT OF TOTAL CONSTRUCTIVE OR

Physical Loss

(i) In the event of total constructive or physical loss to a container, Lessee shall pay Genstar the depreciated replacement value of the container. The depreciated replacement value per container is determined by depreciating the replacement value stated below at a rate of 5% per annum to a maximum depreciation of 40% (i.e. a minimum residual value of 60%), commencing from the date Genstar first placed the container on lease after manufacture.

40 Foot HC Refrigerated	US$ 30,013.00

PLEASE INITIAL:
LESSE ______ LESSOR_______

(ii) Salvage Rights (Total Loss While On Lease)

In the event of total constructive or physical loss of a container while on lease to Lessee, salvage rights shall be retained by Lessee. Any customs, sales, transfer, turn-over, value added, excise or other taxes which may be applicable shall be borne by Lessee.

Lessee shall, on a best effort basis, remove from the container, at its expense, all markings and lettering pertaining to Genstar and its ownership of the container (including customs certificate and plate of approval).

(iii) Salvage Rights (Total Loss At Genstar Depot)

In the event of total constructive loss of a container at a Genstar depot, Genstar will retain all salvage rights.

All terms and conditions as specified in Paragraph K.(ii) shall apply. Lessee shall have up to ten (10) days to dispose of the container without incurring additional charges, after which Genstar may instruct the depot to charge customary storage charges to the Lessee. All handling-out and neutralization charges (if applicable) shall be borne by Lessee.

(iv) Should Lessee later determine that an event of loss did not occur, Genstar will reimburse the previously paid replacement value less any per diem due from the date of the original occurrence until the reinstatement date plus an administrative fee of US$ 100.00.

(v) In the event that the contract is renewed at the end of the 8 year lease term the residual value and depreciation schedule will be re-negotiated to reflect the remaining life of the equipment.

M. BILLING AND PAYMENT

Genstar will bill Lessee per diem charges monthly in arrears. Lessee will remit a wire payment to Genstar within thirty (30) days after the date of the invoice.

N. INSURANCE

In addition to and in clarification of the insurance requirements described in Exhibit [A], Lessee must carry insurance with a suitably financially rated and reputable carrier or carrier's that is/are mutually acceptable to both parties. Lessee will provide Genstar with a copy of the current insurance policy. This shall include annual renewal policies and nominate Genstar as additional payee and co-insured.

O. OTHER LIEN

PLEASE INIITAL:
LESSE ______ LESSOR _____

Lessee shall not permit any lien, encumbrance, charge or similar (security) right (a "lien") to be created, vested or continued in any container or part thereof, which is the subject of this Agreement, without prior written approval of Genstar. Lessee will compensate Genstar upon first request for all costs, charges, expenses, etc. (including legal fees), payable by Genstar to have any container or part thereof released from any such lien. Lessee will promptly, at its own expense, take such action as may be necessary to discharge or remove any such lien if the same shall arise at any time.

P. LEASING PROCEDURE

The terms and conditions set forth in the standard Genstar Lease Agreement attached hereto as Exhibit (A) are part of this Agreement and apply to all containers leased under this Agreement. In the event of any conflict between the terms set forth in the standard Lease Agreement and items A. - Q. above, then the latter shall prevail.

Some of the Equipment is leased by Genstar from an affiliate of Genstar under a head-lease. The term of this Lease for that Equipment will be limited to the term of the head-lease unless Genstar makes arrangements (which Genstar agrees to make) to maintain lessee's right of quiet possession under Section 6.a. of Exhibit A.

A standard Genstar Lease Agreement will not be issued to and signed by Lessee covering every container leased by Lessee .

The parties hereto have executed this Agreement to be effective on August 1st, 1997.

GENSTAR CONTAINER CORPORATION	LESSEE
By: /s/ Howard Shiebler	By: /s/ Thomas D. Perdue
Howard Shiebler	Thomas D. Perdue
Title: Vice President	Title: Vice President
Date: ______________________	Date: ____________________________

PLEASE INITIAL:
LESSEE ______ LESSOR _______

EXHIBIT A

1. DELIVERY OF EQUIPMENT

Lessee acknowledges receipt of the equipment leased hereunder in good condition as evidenced conclusively by its execution of the equipment interchange prescribed by Lessor. Lessee agrees to return the equipment to Lessor in as good condition as received, normal wear and deterioration excepted, and obtain an equipment interchange from Lessor upon such return identifying and acknowledging any changes in the condition of the equipment subsequent to its delivery to Lessee. Changes which could have been prevented by normal maintenance shall not constitute normal wear and deterioration.

2. RENTAL, OTHER CHARGES AND DURATION

a. Lessee agrees to pay the rental charges in the amount set forth on the face hereof for all equipment described thereon from the day such equipment is delivered and/or interchanged to Lessee until the day such equipment is returned to Lessor. However, if the equipment is not returned in good condition, Lessee agrees to pay for the cost of any repairs and rental charges pursuant to Paragraph 3.

b. Lessee shall return all equipment to Lessor's terminal at the point(s) of termination designated on the face hereof, or in the event Lessor so designates, to another terminal within the same port area. In the event Lessor consents in writing to a drop-off of equipment by Lessee at a terminal other than designated on the face hereof, Lessee agrees to pay Lessor the drop-off charge shown on the Lessor's then current schedule of acceptability.

c. All service charges, including handling and transportation charges incurred in transferring the equipment or charged by any bank or other organization in connection with payment to Lessor as aforesaid, shall be paid by Lessee.

d. All payments due to Lessor shall by payable in United States Dollars, unless otherwise indicated on the face hereof, and shall be paid within fifteen (15) days of the date of Lessor's invoice to Lessee at the address on the face hereof. In the event Lessor's invoice is not paid when due, Lessor may, without prejudice to any other remedy if may have, charge as additional rental, a late charge at the rate of eighteen (18) percent per annum on the unpaid balance.

e. In the event the Lessee is not a United States person (citizen or resident of the United States, domestic partnership, domestic corporation or any United States estate or trust), this lease shall terminate with respect to a unit of equipment on the earlier of: (i) the redelivery of the equipment pursuant to the terms hereof or (ii) one year and nine months from the On Lease Date with respect to such unit of equipment.

PLEASE INITIAL:
LESSE ______ LESSOR _______

3. RISK OF LOSS AND DAMAGE

Lessee is liable to Lessor for all damage to or loss or destruction of the equipment subsequent to delivery and prior to return by Lessor except that caused by normal wear and deterioration. Normal wear and deterioration shall not include damage by forklifts or other handling equipment.

a. Damage. In the event Lessee fails to repair damaged equipment prior to returning it to Lessor, Lessor will present a repair estimate to Lessee's local agent for acceptance and no equipment will be repaired until authorization is given by Lessee. Lessee shall be liable to Lessor for the cost of such repair and for the rental charges which shall continue until the day on which such damaged equipment has been repaired and is fit for subsequent rental. Lessee will, at Lessor's request, make payment of repair costs direct to the repair company designated by Lessor.

b. Loss or Total Damage. In the event of loss, theft, or destruction of the equipment or damage thereto which Lessor, in its sole discretion, shall determine is not repairable, rental charges shall terminate upon receipt by Lessor of written notice thereof from Lessee provided payment of the replacement value for like equipment as shown on the face hereof is made to Lessor not more than 30 days after receipt of such notice. If payment is not made within 30 days, rental charges shall continue unabated until such payment is received by Lessor. Rental and other payments by Lessee specified hereunder shall not be applied to charges for the replacement value of equipment unless so specified by Lessee.

4. OPERATION, MAINTENANCE AND REPAIR

a. Lessee shall use the equipment properly, and shall at its sole cost and expense, maintain the equipment in good repair and safe operating condition. Such maintenance shall include, but not be limited to the replacement of all badly worn or broken parts with new parts of equivalent design and material, as well as the abrasive cleaning, priming and top coating of all corroded areas on a routine "as needed basis". Lessee shall be liable for any repairs wrongly made, or of a quality inferior to Lessor's minimum acceptable standard as set forth in the Repair Manual issued from time to time by the Institute of International Container Lessors. Lessee shall be responsible for removal of all debris and shoring from any containers leased hereunder prior to their return to Lessor. Lessee shall be liable for all costs and losses to Lessor arising out of Lessee's failure to maintain the equipment in good condition or make such repairs or replace such parts as may be necessary to maintain the equipment in good condition. If the foregoing is performed by Lessor, the expenses relating thereto will be for the account of Lessee.

b. Lessee shall use the equipment in accordance with good operating practices and shall comply with all loading limitations, handling procedures and operating instructions prescribed by the Manufacturer and Lessor, which include but are not limited to the latest applicable Regulations and Recommendations of the International Organization of Standardization as well as any applicable local regulations, and prevent usage which may damage or shorten the life of the equipment including, without limitation, excessive impact and unbalanced loading. Lessee shall not use the

PLEASE INITIAL:
LESSE ______ LESSOR _______

equipment for storage or transportation of goods which may damage the equipment including, without limitation, unprotected corrosive substances, poorly secured materials, or bulk commodities which may corrode, oxidize, severely dent, puncture, contaminate, stain or damage the equipment. Lessor understands that Lessee intends to transport bulk potatoes and other agricultural commodities in the containers. Lessee is permitted to transport such bulk agricultural commodities provided that Lessee complies to all other terms and conditions of this agreement

c. Receipt or delivery of equipment or any other act by an agent or employee of, or independent contractor engaged by Lessee shall be deemed to be the act of Lessee and be binding upon Lessee.

d. Lessor's equipment is identified by appropriate lettering and numbering which Lessee agrees not to change or obliterate, except that at the written request of Lessor. Lessee shall change or supplement such marks as Lessor shall request. Lessee may, however, add other markings as may be required, provided that the equipment so marked, when returned by Lessee to Lessor, shall be free of all such markings and the surface in the same conditions as prior to the addition of Lessee's markings. If Lessee fails to remove such markings, Lessor shall remove such markings for the account of Lessee.

e. Lessee shall, at its expense, comply with all laws, regulations or orders which in any way affect the equipment or its use, operation or storage. Lessor shall have no responsibility for compliance with any such laws, regulations or orders, including without limitation, all such laws, regulations or orders as may relate to customs, transportation, handling, safety, and labor regulations.

f. Lessee shall, at its expense, comply with all rules and practices of ports, depots, storage areas and transportation companies consistent with the other requirements of this Paragraph 4.

g. If containers are leased hereunder, it shall be the obligation of Lessee to comply with the International Convention for Safe Containers (CSC) in all respects and Lessee shall, pursuant to this Lease, have and exercise Lessor's responsibilities under the CSC including, without limitation: plating (design-type approval to be obtained and plates to be provided by Lessor), maintenance, examination, re-examination and marking with re-examination dates (stickers to be provided by Lessor) of each container. Such examination, or re-examination, shall be performed in accordance with the Rules and Regulations for the Safety Approval of Cargo Containers of the United States Department of Transportation. Lessee shall also comply with the Customs Conventions on Containers, 1956 and 1972, including, without limitation, all obligations of the operator relating to temporary admission, transport of goods under customs seal, maintenance of records and reporting to governmental or other authorities.

h. Lessee will, upon Lessor's written request, furnish to Lessor a schedule or schedules showing the locations and dates at such locations that Lessor's equipment has been used by Lessee.

5. DEFAULT; REMEDIES UPON DEFAULT

PLEASE INITIAL:
LESSE ______ LESSOR _______

Should Lessee default (i) in the payment of any sum due hereunder within fifteen (15) days of the date Lessee is invoiced by Lessor, (ii) in the performance of its other obligations under this Lease or (iii) cease doing business as a going concern, become insolvent, commit an act of bankruptcy, or become the subject of any proceeding under the United States Bankruptcy Code or any similar law of another nation or a political subdivision thereof, then Lessor may, without notice, and without releasing Lessee of its obligations hereunder, terminate this Lease, declare the balance of the rental to be due and payable , and retake possession of the equipment free of any claims of Lessee. In the event of such termination by Lessor, Lessee shall no longer be in possession of the equipment with Lessor's consent and Lessee shall return the equipment to Lessor at such place as Lessor shall direct. Lessee shall continue to pay rental charges for equipment until the equipment is (i) returned in as good condition as received normal wear and deterioration excepted, (ii) repaired and made fit for subsequent rental or (iii) settlement acceptable to Lessor is made. In the event Lessor retakes possession of all, or any part, of the equipment, Lessee authorizes Lessor to take possession of any property in, on or attached to such equipment which is not the property of Lessor, and without liability for its care or safekeeping, to place such property in storage at the risk and expense of Lessee. Termination shall not relieve Lessee of any liabilities or obligations incurred prior to such return, repair or settlement and Lessee shall in any event remain fully liable for reasonable damages as provided by law, and for all costs and expenses incurred by Lessor on account of such default, including all costs and reasonable attorney's fees.

6. EXCLUSION OF WARRANTIES; LESSEE'S OBLIGATIONS ABSOLUTE

a. THE EQUIPMENT IS LEASED AS IS. LESSOR WARRANTS THAT LESSEE SHALL HAVE QUIET POSSESSION, SAVE AS AFORESAID, NO CONDITION OR WARRANTY WHATSOEVER OF ANY KIND HAS BEEN OR IS GIVEN BY LESSOR IN RELATION TO THE EQUIPMENT, AND ALL CONDITIONS AND WARRANTIES WHETHER EXPRESSED OR IMPLIED, WHETHER IN RELATION TO THE FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR COUNTRY, OR WHETHER IN RELATION TO MERCHANTABILITY OR AS TO DESCRIPTION, STATE, QUALITY OR CONDITION OF THE EQUIPMENT AT DELIVERY OR AT ANY OTHER TIME ARE HEREBY WAIVED, EXCLUDED AND EXTINGUISHED. LESSOR SHALL IN NO EVENT BE LIABLE FOR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS EVEN IF LESSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

b. LESSEE'S OBLIGATIONS UNDER THIS AGREEMENT ARE ABSOLUTE AND SHALL NOT BE AFFECTED BY ANY CIRCUMSTANCE OR EVENT BEYOND LESSEE'S CONTROL OF WHATEVER NATURE.

c.

d. TO THE EXTENT POSSIBLE, AND NOTWITHSTANDING THE DISCLAIMER BY LESSOR OF ANY WARRANTIES SET FORTH HEREIN, LESSOR SHALL DELIVER TO LESSEE A COPY OF ANY WARRANTY AGREEMENT LESSOR MAY RECEIVE FROM THERMO KING AND LESSEE SHALL LOOK SOLELY TO THERMO KING FOR THE ENFORCEMENT OF SUCH WARRANTY, AND LESSEE SHALL COMPLY WITH ALL THE CONDITIONS OF SUCH WARRANTY IMPOSED BY THERMO KING..

PLEASE INITIAL:
LESSE ______ LESSOR _______

7. NOTICES

All billings and written notices required to be given by either party shall be in writing and shall be airmailed, telexed or cabled, except as may otherwise be provided herein, to the other party at its address first hereinabove specified, or at such other address as such party may hereafter from time to time designate in writing and shall be deemed received, in the case of airmail, five days after it is postmarked, and in the case of telex, upon transmission (with answerback confirmed) to other party's telex facilities. All payments to Lessor shall be by check to Lessor or by wire transfer acceptable to Lessor.

8. TAXES, FEES AND FINES

a. Lessee shall pay all taxes (other than taxes on Lessor's net income) and charges levied on, or in connection with, the equipment subsequent to delivery, including without limitation, property, sales, use and excise taxes, duties, customs charges, withholding taxes and all further government levies, fees or charges. Lessee shall pay all duties, fines and penalties arising out of use of the equipment including without limitation, any duties, fines or penalties imposed under the customs laws and regulations of federal, state, foreign and local governments and agencies.

b. Lessee shall pay all charges incurred in ports, depots, storage areas or otherwise arising out of the use of the equipment.

9. INDEMNITY AND INSURANCE

a. Indemnity

Lessee shall indemnify, defend and hold Lessor harmless for any and all claims, losses, expenses, costs or damages, (including without limitation expenses in defending any claim or suit such as attorney's fees, court costs and other expenses) arising or alleged to arise directly or indirectly or incidentally out of (a) any failure of Lessee to comply with its obligations under this Lease; (b) any claim, whether private or governmental, for personal injury or death, and for loss or damage to person, including employees of the Lessee, property, cargo and/or vessels and/or transport equipment arising out of or incident to the ownership, selection, possession, leasing, operation, control, use, storage, loading, unloading, stuffing, unstuffing, moving, maintenance, delivery, handling or return of the equipment; (c) any forfeiture, seizure, confiscation, nationalization or impounding of or charge or lien on the equipment. Each party undertakes promptly to give notice to the other of claims against it or action against it with respect thereto and Lessee agrees not to settle any action without the consent of the Lessor.

b. Insurance

The Lessee agrees to procure and maintain in full force and effect during the term of this lease, at its sole cost and expense with insurers acceptable to the Lessor, the following insurance:

PLEASE INITIAL:
LESSE ______ LESSOR _______

(1) "All Risks" insurance to cover physical loss or damage to the leased container(s) for not less than the full stipulated replacement value thereof.

(2) Broad Form Comprehensive General Liability and Automobile Liability Insurance to a minimum limit of U.S. $1,000,000 any one occurrence to cover third party Bodily Injury and property Damage.

Such insurance shall include those policy extensions commonly referred to as Completed Operations, Blanket Contractual, Personal Injury, Non-Owned Automobile Liability and Employer's Liability and shall be primary insurance.

Any and all deductibles under the terms of the foregoing insurance shall be for Lessee's account. All policies shall name Lessor as additional insured and contain a waiver of subrogation in favor of the Lessor. All policies will contain a requirement that the Lessor receive 30 days written notice of cancellation or material change. Lessee will provide the Lessor with Certificates evidencing the insurance specified within 10 days of date lease commences, in a form acceptable to the Lessor.

Should the Lessee fail to procure or maintain any of the required insurance, or by act or omission vitiate or invalidate any of the insurance, the Lessee shall indemnify the Lessor to the extent he suffers or incurs loss, damage, liability or expense in consequence of such failure, act or omission.

10. SUBLEASING AND DIRECT INTERCHANGING

Lessee shall not have the right to assign this Lease or to sublet, rent, directly interchange or otherwise hire out, or part with possession of the equipment to any other party without the prior written consent of Lessor and such consent of Lessor shall not operate to relieve Lessee of any of its obligations hereunder.

11. DESIGNATION OF OWNERSHIP

If at any time during the term hereunder Lessor supplies Lessee with labels, plates or other markings stating that the equipment is owned by Lessor or is subject to any interest of a lender, Lessee shall affix and kept the same upon a prominent place on the equipment. Lessee agrees to execute and file Uniform Commercial Code financing statements and any and all other instruments necessary to perfect Lessor's or its lender's interest in this lease, the payments due hereunder and the equipment leased hereunder.

12. GENERAL

a. This lease is binding upon the parties, their successors and assigns and shall be construed and interpreted with the laws of the State of California. Any dispute, arising under or in connection with this lease will be exclusively decided by the competent court of San Francisco, California, U.S.A., or, at the option of Genstar, by any other court that may appear competent to decide such dispute.

PLEASE INITIAL:
LESSE ______ LESSOR _______

b. The paragraph headings in this Lease are for convenience only and shall not be deemed to alter or affect any provision hereof.

c. Lessee hereby waives any and all existing and future set-offs and counterclaims against the rental charges or payments due under this Lease.

d. In the event Lessee has not executed a Master Agreement with Lessor covering the leasing of this equipment, this Lease shall contain the entire agreement between the parties with respect to the subject matter hereof and may be amended, modified or changed only by an agreement in writing executed by the parties hereto. If the Lessee fails, however, to give to Lessor a written objection to its contents within seven (7) days after this Lease is received, or if Lessee takes possession of any of the equipment provided for hereunder and retains it after receipt of this Lease then this Lease shall be effective and binding upon Lessee whether or not signed. Notwithstanding any Master Agreement, this Lease is subject to acceptance by Lessor at its office in San Francisco, California, and shall be deemed accepted if Lessee is not notified to the contrary within a reasonable time. If the Lease is not accepted, Lessee shall return the equipment to any of Lessor's terminals within sixty (60) days from such notification.

e. Lessee shall conform to the provisions of all statutes bylaws or regulations in force from time to time in respect of or affecting in any manner performance under this Lease and shall give all notices required by the said statutes, bylaws and regulations including, but not limited to, compliance with the Occupational Health and Safety Act and similar legislation in force in jurisdictions in which the equipment may be used or the Lessee may do business and shall pay all fees, assessments, or other sums payable thereunder or in respect thereof.

PLEASE INITIAL:
LESSE ______ LESSOR _______

EXHIBIT B
REDELIVERY SCHEDULE

The following schedule specifies the monthly redelivery limits by port for container redeliveries together with any one time charges that may apply. All container redeliveries shall be made only at authorized Genstar depots within these port areas. These depot charges are subject to change upon ninety (90) days notice to Lessee from Genstar.

40 HIGH CUBE REFRIGERATED		
Port	Monthly Port Limits	Drop-Off Charge (US$)
Miami	Unlimited	0.00
Chicago	Unlimited	450.00
Seattle	Unlimited	150.00
Los Angeles	Unlimited	0.00

PLEASE INITIAL:
LESSE ________ LESSOR ______

EXHIBIT C

ADDITIONAL MAINTENANCE REQUIREMENTS FOR REFRIGERATED CONTAINERS

REFRIGERATED CONTAINERS

A. With respect to Equipment that constitutes refrigerated containers ("Refrigerated Containers") Lessee shall comply with all the operation and maintenance requirements contained in this Exhibit, in manuals or other documents provided to lessee at the time of delivery, in instructions supplied by Lessor after delivery and any instructions displayed on any Refrigerated Containers, which requirements are in addition to all operation and maintenance requirements contained in the Agreement, this Exhibit or elsewhere in this Schedule.

B. Lessee shall ensure that all maintenance and repair work on the Refrigerated Containers is carried out by suitably skilled labor and under competent supervision and (where applicable) by the use of components or parts and materials of a standard and type equivalent to the original.

C. Lessee shall notify Lessor within 48 hours of any accident to or breakdown of any Refrigerated Containers which will require major renovation or repair work. Lessee will fully cooperate with Lessor to comply with all procedures required in order for Lessor to preserve and assert any available warranty claims and will permit Lessor or Lessor's representative to inspect the damage and will consult with Lessor to determine with manner in which and by whom the necessary work is to be carried out.

D. Lessee shall refer to all operations and service manuals covering the Refrigerated Containers for electrical and refrigeration information, service instructions recommended by the manufacturer and detailed replacement parts lists. Lessee shall follow all operation and maintenance recommendations contained in such manuals.

PLEASE INTIAL:
LESSE _______ LESSOR _____

<u>REFRIGERATED CONTAINERS ONLY</u>

A. Prior to loading any Refrigerated Containers, Lessee shall perform each of the following:

1. Prior to starting the Refrigerated Containers, Lessee shall:

a. Visually inspect Refrigerated Containers for loose parts and damaged components.

b. Check evaporator fan motor mounting bolts for proper securement.

c. Check defrost drain pans and drain lines for obstructions and clear if necessary. Wash with fresh water and ensure water flows drain hose.

d. Check condition and position of fresh air makeup vent cover.

e. Inspect moisture sight glass indicators. Replace drier if needed.

f. Inspect power plugs, receptacles and power cables. Ensure power supply source for proper voltage.

g. If so equipped, manually wind temperature recording clock and set desired temperature (set point).

h. Check controller for loose and / or sub-standard wiring and printed circuit boards if so equipped. Megger test unit.

2. After completing the steps set forth above, Lessee shall start each Refrigerated Container and shall perform the following steps (unless the manual provided by the manufacturer requires a different trip start / datacorder sequence, in which case such sequence shall be followed as to such Refrigerated Container):

a. Verify that the phase reversal system is working properly and all fans are rotating in the proper direction.

b. Check that the compressor has the proper amount of oil.

i. Compressor stopped, compressor sight glass should show a level of 1/2 to 2/3.

ii. Compressor running, should show turbulence from oil spray in the sight glass.

c. After 15-20 minutes of operation and in the cooling mode, check for proper charge of refrigerant. Check for condition of refrigerant (wet/dry) by observing liquid line indicator.

PLEASE INITIAL:
LESSE ______ LESSOR _____

d. Observe system pulldown and verify system cycle sequence including defrost initiation and termination.

e. While system is pulling down, check AC amperage under load. Check AC amperage of compressor, evaporator and condenser fan motors and all heaters (defrost and drain pan) while unit is heating and in defrost mode.

f. While system is pulling down, check that compressor unloaders and/or modulation systems are working properly.

g. While system is pulling down, check for proper operational sequence of the temperature controller/microprocessor.

h. While system is pulling down, check for proper operation of all indicator displays.

i. Check operation of protection/safety systems.

B. Lessee shall perform the following inspection on each Refrigerated Container on an annual basis in order to insure that the refrigerator units are being properly maintained.

1. General Condition of Unit

a. Check for physical damage to the unit such as loose or missing fasteners, chipped painted and/or handling damage.

b. Check all electrical components and terminal boards for tight connections, chafing on wires, sufficient wire ties and wire length on swing out panels.

c. Check for proper sealing of gaskets on all doors.

d. Check water tightness of electrical control panels.

e. Check for leaks in complete refrigeration system.

f. Check evaporate and condenser fan mounting bolts for proper securement and fan alignment.

g. Check fresh water and clean evaporator and condenser coils.

h. Check defrost initiation/termination.

i. Check for proper operation of fresh air make-up vent.

2. Refrigeration and Electrical Systems.

a. Check refrigerant charge and inspect for refrigerant leaks.

b. Check compressor oil level.

c. Check moisture-liquid indicator.

PLEASE INTITAL:
LESSE ____ LESSOR _____

d. Check evaporator and condenser fan rotation and verify operation of automatic phase correction system.

e. Check/verify system cycle sequence including defrost initiation and termination. Verify operation of cylinder unloaders, modulation valve, suction solenoid valve, expansion valve and liquid line solenoid valve as applicable.

f. Check AC amperage of system under load. Check AC amperage draw of compressor, electric heaters, condenser fan and evaporator fans. Megger test.

g. If applicable, inspect recorder. Check operation of manually wound clock and operation of pen and lifter, stylus and calibration.

h. Inspect main power plugs, cables and receptacles.

i. If applicable, inspect and verify operation of dual voltage power transformer.

j. If applicable, inspect water connection fittings for the water- cooled condenser and verify operation and calibration of safety device.

PLEASE INTITAL:
LESSE ____ LESSOR _____

EXHIBIT 10.20

C.H. ROBINSON COMPANY
LONG TERM LEASE AGREEMENT

Genstar Container Corporation, either on its own behalf or as agent for others (hereinafter referred to as "Genstar") a U.S. corporation, with offices at 505 Montgomery Street, 23rd Floor, San Francisco, California, 94111 and C.H. Robinson Company (hereinafter referred to as "Lessee"), a Delaware corporation, with offices at 8100 Mitchell Road, Suite 200, Eden Prarie, MN 55344 hereby enter into this Long Term Lease Agreement this 1st day of August, 1997.

A. EQUIPMENT COVERED

This Agreement concerns 200 Thermo King Model #CGII-M22 generator sets designated by a GCEU prefix.

B. LEASE/BUILD-UP PERIOD

(i) Lease Period: All generator sets shall be leased by Lessee from October 1, 1997 through September 30, 2005 at the rate applicable under Paragraph C. The Agreement shall be renegotiated 30 days prior to September 30, 2005.

(ii) Build-Up Period: Any generator sets interchanged prior to October 1, 1997 shall be leased from the date of its interchange through September 30, 2005 at the per diem rate set out in Paragraph C.

(iii) Early Return: Notwithstanding the above, the Lessee may, subject to 60 days written notice before the yearly anniversary date, opt to terminate any or all of the generator sets on lease under this Agreement after either three, four, five, six, seven or eight years, subject to retroactive rate increases as set out in Paragraph C. effective from the date of initial interchange to the date of redelivery of each generator set.

Such early return option shall lapse unless exercised in accordance with the above procedure.

In the event the Agreement is not renegotiated, the wind-down terms of this Agreement will apply, as defined in Paragraph G.

(iv) The generator sets will be on lease for a minimum of three years.

C. PER DIEM RENTAL CHARGES

The per diem billing rate for the generator sets are as follows:

PLEASE INITIAL:
LESSEE _____ LESSOR _____

EQUIPMENT TYPE	PER DIEM BILLING RATE
Generator Set	US$ 4.95

In the event that a generator set is redelivered in accordance with Paragraph B (iii), Lessee will be billed the difference between the per diem billing rate and the per diem rate below, counting from the date of the initial interchange to the date of redelivery of each generator sets.

EQUIPMENT TYPE YEAR: YEAR FOUR FIVE SIX SEVEN EIGHT
Generator Set US$ 6.10 5.82 5.58 5.37 5.18 4.95

D. GENERATOR SET DELIVERY

The generator sets will be made available for C.H. Robinson in Chicago. Other delivery location will be considered upon request.

E. LIFT-ON AND LIFT-OFF CHARGES (HANDLING)

Genstar will absorb the lift-on charge for all deliveries and a lift-off charge for all redeliveries.

The lift-on charge shall include a pre-trip inspection and the lift-off charge shall include a post-trip inspection pursuant to Exhibit [C] attached hereto.

F. TERMINATION FEE

SEE EXHIBIT B.

G. WIND-DOWN

In the event that this Agreement is not renegotiated prior to September 30, 2005 Lessee shall redeliver the generator sets to Genstar over a 3 month wind-down period beginning October 1, 2005 . All terms and conditions of this Agreement will apply during the 3 month wind-down period. If any generator set is not redelivered prior to the end of the 3 month wind-down period, then the redelivery terms and conditions of the Agreement and the terms and conditions set forth in the standard Genstar Lease Agreement attached hereto as Exhibit [A] will apply. A per diem rental charge as stated below shall be effective from the end of said 3 month wind-down period until the date each such generator set is redelivered.

Generator Sets	US$ 5.50

H. REDELIVERY

PLEASE INITIAL:
LESSEE ____ LESSOR ____

Exhibit (B) specifies the terms and conditions of redelivery together with any drop-off charges that will be assessed. Upon ninety (90) days notice to the Lessee from Genstar, redelivery locations and drop-off charges may be amended.

I. DAMAGED EQUIPMENT/OFF-HIRE PROCEDURE

Any damage sustained by a generator set while it is on lease to Lessee will be the responsibility of Lessee, excluding normal wear and tear as determined by the then current standards of the Institute of International Container Lessors or owner's manual. Damage to the generator set which does not constitute normal wear and tear and could have been prevented by routine washing, routine lubrication, spot painting or other normal repair maintenance shall be for Lessee's account. Damages and/or alterations to the generator sets affecting security, water tightness, weatherproof qualities, air flow, mechanical and/ or electrical function of integral components and/or affecting the integrity of design or structure, or regulatory, classification or certification requirements as applicable, or affecting the inside or outside dimension or cubic content of any generator set, whether or not such damages and/or alterations add thereto or subtract therefrom, or damages and/or alterations which may threaten the safety of persons or property, shall not constitute normal wear and tear, and Lessee shall be liable therefor.

Any generator set redelivered to an authorized depot will be off-hired on the date of physical turn-in.

A damaged generator set shall be approved for repair within 10 days following receipt of the damage estimate. In the event that the repair authorization is not received within 10 days following receipt of the estimate, Genstar or its designated agent may proceed with repairs on behalf of Lessee.

J. MAINTENANCE

a) Lessee shall at its own expense while each generator set is on lease hereunder maintain each generator set in good and efficient working order and keep it fully and properly repaired.

b) Without limitation upon the foregoing, Lessee shall:

(i) Ensure that all such instructions and recommendations in regard to operation, maintenance, pre-trip inspections and periodic service of the generator set as are contained in Exhibit [C], in manuals or other documents provided to Lessee at the time of delivery, and other instructions supplied by Genstar thereafter or displayed upon any generator set are strictly observed.

(ii) Ensure that all maintenance and repair work is carried out by suitably skilled labor and under competent supervision and (where applicable) by the use of components or parts and materials of a standard and type equivalent to the original;

PLEASE INITIAL:
LESSEE ____ LESSOR ____

(iii) Notify Genstar promptly of any accident or breakdown which will involve major renovation or repair work and in such a case permit Genstar or any expert on its behalf to inspect the damage and consult with Genstar in regard to the manner in which the necessary work is to be carried out.

c) Lessee shall upon reasonable notice permit Genstar's representatives or agents to conduct field inspections of the generator sets.

d) Lessee shall make no changes or alterations or modifications to any generator set unless the making of the same shall first have been agreed in writing by Genstar.

e) Lessee shall keep the color, identification marks and Genstar's logo upon each generator set in good and clean condition and shall not cause or permit the same to be deleted, altered or supplemented in any way, except with the written consent of Genstar.

K. REPLACEMENT VALUE IN THE EVENT OF TOTAL CONSTRUCTIVE OR

Physical Loss

(i) In the event of total constructive or physical loss to a generator set, Lessee shall pay Genstar the depreciated replacement value of the generator set. The depreciated replacement value per generator set is determined by depreciating the replacement value stated below at a rate of 5% per annum to a maximum depreciation of 40% after year 8. (i.e. a minimum residual value of 60%), commencing from the date Genstar first placed the generator set on lease after manufacture.

Generator Set Clip-on US$ 11,500.00

(ii) Salvage Rights (Total Loss While On Lease)

In the event of total constructive or physical loss of a generator set while on lease to Lessee, salvage rights shall be retained by Lessee. Any customs, sales, transfer, turn-over, value added, excise or other taxes which may be applicable shall be borne by Lessee.

Lessee shall, on a best effort basis, remove from the generator set, at its expense, all markings and lettering pertaining to Genstar and its ownership of the generator set (including customs certificate and plate of approval).

(iii) Salvage Rights (Total Loss At Genstar Depot)

In the event of total constructive loss of a generator set at a Genstar depot, Genstar will retain all salvage rights.

All terms and conditions as specified in Paragraph K.(ii) shall apply. Lessee shall have up to ten (10) days to dispose of the generator set without incurring additional charges, after which Genstar

PLEASE INITIAL:
LESSEE ____ LESSOR ____

may instruct the depot to charge customary storage charges to the Lessee. All handling-out and neutralization charges (if applicable) shall be borne by Lessee.

(iv) Should Lessee later determine that an event of loss did not occur, Genstar will reimburse the previously paid replacement value less any per diem due from the date of the original occurrence until the reinstatement date plus an administrative fee of US$ 100.00.
(v) In the event that the contract is renewed at the end of the 8 year term the residual value and depreciation schedule will be renegotiated to reflect the remaining life of the equipment.

L. BILLING AND PAYMENT

Genstar will bill Lessee per diem charges monthly in arrears. Lessee will remit a wire payment to Genstar within thirty (30) days after the date of the invoice.

M. INSURANCE

In addition to and in clarification of the insurance requirements described in Exhibit [A], Lessee must carry insurance with a suitably financially rated and reputable carrier or carrier's that is/are mutually acceptable to both parties. Lessee will provide Genstar with a copy of the current insurance policy. This shall include annual renewal policies and nominate Genstar as additional payee and co-insured.

O. LEASING PROCEDURE

The terms and conditions set forth in the standard Genstar Lease Agreement attached hereto as Exhibit (A) are part of this Agreement and apply to all generator set leased under this Agreement. In the event of any conflict between the terms set forth in the standard Lease Agreement and items A. - N. above, then the latter shall prevail.

Some of the Equipment is leased by Genstar from an affiliate of Genstar under a head-lease. The term of this Lease for that Equipment will be limited to the term of the head-lease unless Genstar makes arrangements (which Genstar agrees to make) to maintain lessee's right of quiet possession under Section
6.a. of Exhibit A.

A standard Genstar Lease Agreement will not be issued to and signed by Lessee covering every generator set leased by Lessee .

PLEASE INITIAL:
LESSEE ____ LESSOR ____

The parties hereto have executed this Agreement to be effective on November 1, 1997.

GENSTAR CONTAINER CORPORATION

By: /s/ Howard Shiebler
Howard Shiebler

Title: Vice President

Date:______________________________

LESSEE: C.H. ROBINSON COMPANY

By: /s/ Thomas D. Perdue
Thomas D. Perdue

Title: Vice President

Date:______________________________

PLEASE INITIAL:
LESSEE ____ LESSOR ____

EXHIBIT A

1. DELIVERY OF EQUIPMENT

Lessee acknowledges receipt of the equipment leased hereunder in good condition as evidenced conclusively by its execution of the equipment interchange prescribed by Lessor. Lessee agrees to return the equipment to Lessor in as good condition as received, normal wear and deterioration excepted, and obtain an equipment interchange from Lessor upon such return identifying and acknowledging any changes in the condition of the equipment subsequent to its delivery to Lessee. Changes which could have been prevented by normal maintenance shall not constitute normal wear and deterioration.

2. RENTAL, OTHER CHARGES AND DURATION

a. Lessee agrees to pay the rental charges in the amount set forth on the face hereof for all equipment described thereon from the day such equipment is delivered and/or interchanged to Lessee until the day such equipment is returned to Lessor. However, if the equipment is not returned in good condition, Lessee agrees to pay for the cost of any repairs and rental charges pursuant to Paragraph 3.

b. Lessee shall return all equipment to Lessor's terminal at the point(s) of termination designated on the face hereof, or in the event Lessor so designates, to another terminal within the same port area. In the event Lessor consents in writing to a drop-off of equipment by Lessee at a terminal other than designated on the face hereof, Lessee agrees to pay Lessor the drop-off charge shown on the Lessor's then current schedule of acceptability.

c. All service charges, including handling and transportation charges incurred in transferring the equipment or charged by any bank or other organization in connection with payment to Lessor as aforesaid, shall be paid by Lessee.

d. All payments due to Lessor shall by payable in United States Dollars, unless otherwise indicated on the face hereof, and shall be paid within fifteen (15) days of the date of Lessor's invoice to Lessee at the address on the face hereof. In the event Lessor's invoice is not paid when due, Lessor may, without prejudice to any other remedy if may have, charge as additional rental, a late charge at the rate of eighteen (18) percent per annum on the unpaid balance.

e. In the event the Lessee is not a United States person (citizen or resident of the United States, domestic partnership, domestic corporation or any United States estate or trust), this lease shall terminate with respect to a unit of equipment on the earlier of: (i) the redelivery of the equipment pursuant to the terms hereof or (ii) one year and nine months from the On Lease Date with respect to such unit of equipment.

PLEASE INITIAL:
LESSEE ____ LESSOR ____

3. RISK OF LOSS AND DAMAGE

Lessee is liable to Lessor for all damage to or loss or destruction of the equipment subsequent to delivery and prior to return by Lessor except that caused by normal wear and deterioration. Normal wear and deterioration shall not include damage by forklifts or other handling equipment.

a. Damage. In the event Lessee fails to repair damaged equipment prior to returning it to Lessor, Lessor will present a repair estimate to Lessee's local agent for acceptance and no equipment will be repaired until authorization is given by Lessee. Lessee shall be liable to Lessor for the cost of such repair and for the rental charges which shall continue until the day on which such damaged equipment has been repaired and is fit for subsequent rental. Lessee will, at Lessor's request, make payment of repair costs direct to the repair company designated by Lessor.

b. Loss or Total Damage. In the event of loss, theft, or destruction of the equipment or damage thereto which Lessor, in its sole discretion, shall determine is not repairable, rental charges shall terminate upon receipt by Lessor of written notice thereof from Lessee provided payment of the replacement value for like equipment as shown on the face hereof is made to Lessor not more than 30 days after receipt of such notice. If payment is not made within 30 days, rental charges shall continue unabated until such payment is received by Lessor. Rental and other payments by Lessee specified hereunder shall not be applied to charges for the replacement value of equipment unless so specified by Lessee.

4. OPERATION, MAINTENANCE AND REPAIR

a. Lessee shall use the equipment properly, and shall at its sole cost and expense, maintain the equipment in good repair and safe operating condition. Such maintenance shall include, but not be limited to the replacement of all badly worn or broken parts with new parts of equivalent design and material, as well as the abrasive cleaning, priming and top coating of all corroded areas on a routine "as needed basis". Lessee shall be liable for any repairs wrongly made, or of a quality inferior to Lessor's minimum acceptable standard as set forth in the Repair Manual issued from time to time by the Institute of International Container Lessors. Lessee shall be responsible for removal of all debris and shoring from any containers leased hereunder prior to their return to Lessor. Lessee shall be liable for all costs and losses to Lessor arising out of Lessee's failure to maintain the equipment in good condition or make such repairs or replace such parts as may be necessary to maintain the equipment in good condition. If the foregoing is performed by Lessor, the expenses relating thereto will be for the account of Lessee.

b. Lessee shall use the equipment in accordance with good operating practices and shall comply with all loading limitations, handling procedures and operating instructions prescribed by the Manufacturer and Lessor, which include but are not limited to the latest applicable Regulations and Recommendations of the International Organization of Standardization as well as any applicable local regulations, and prevent usage which may damage or shorten the life of the equipment including, without limitation, excessive impact and unbalanced loading. Lessee shall not use the

PLEASE INITIAL:
LESSEE ____ LESSOR ____

equipment for storage or transportation of goods which may damage the equipment including, without limitation, unprotected corrosive substances, poorly secured materials, or bulk commodities which may corrode, oxidize, severely dent, puncture, contaminate, stain or damage the equipment. Genstar understands that the Lessee intends to use this equipment to transport bulk potatoes and other agricultural commodities. Lessee is permitted to transport these bulk agricultural commodities provided that Lessee complies with all other terms and conditions of this agreement.

c. Receipt or delivery of equipment or any other act by an agent or employee of, or independent contractor engaged by Lessee shall be deemed to be the act of Lessee and be binding upon Lessee.

d. Lessor's equipment is identified by appropriate lettering and numbering which Lessee agrees not to change or obliterate, except that at the written request of Lessor. Lessee shall change or supplement such marks as Lessor shall request. Lessee may, however, add other markings as may be required, provided that the equipment so marked, when returned by Lessee to Lessor, shall be free of all such markings and the surface in the same conditions as prior to the addition of Lessee's markings. If Lessee fails to remove such markings, Lessor shall remove such markings for the account of Lessee.

e. Lessee shall, at its expense, comply with all laws, regulations or orders which in any way affect the equipment or its use, operation or storage. Lessor shall have no responsibility for compliance with any such laws, regulations or orders, including without limitation, all such laws, regulations or orders as may relate to customs, transportation, handling, safety, and labor regulations.

f. Lessee shall, at its expense, comply with all rules and practices of ports, depots, storage areas and transportation companies consistent with the other requirements of this Paragraph 4.

g. If containers are leased hereunder, it shall be the obligation of Lessee to comply with the International Convention for Safe Containers (CSC) in all respects and Lessee shall, pursuant to this Lease, have and exercise Lessor's responsibilities under the CSC including, without limitation: plating (design-type approval to be obtained and plates to be provided by Lessor), maintenance, examination, re-examination and marking with re-examination dates (stickers to be provided by Lessor) of each container. Such examination, or re-examination, shall be performed in accordance with the Rules and Regulations for the Safety Approval of Cargo Containers of the United States Department of Transportation. Lessee shall also comply with the Customs Conventions on Containers, 1956 and 1972, including, without limitation, all obligations of the operator relating to temporary admission, transport of goods under customs seal, maintenance of records and reporting to governmental or other authorities.

h. Lessee will, upon Lessor's written request, furnish to Lessor a schedule or schedules showing the locations and dates at such locations that Lessor's equipment has been used by Lessee.

5. DEFAULT; REMEDIES UPON DEFAULT

PLEASE INITIAL:
LESSEE ____ LESSOR ____

Should Lessee default (i) in the payment of any sum due hereunder within fifteen (15) days of the date Lessee is invoiced by Lessor, (ii) in the performance of its other obligations under this Lease or (iii) cease doing business as a going concern, become insolvent, commit an act of bankruptcy, or become the subject of any proceeding under the United States Bankruptcy Code or any similar law of another nation or a political subdivision thereof, then Lessor may, without notice, and without releasing Lessee of its obligations hereunder, terminate this Lease, declare the balance of the rental to be due and payable , and retake possession of the equipment free of any claims of Lessee. In the event of such termination by Lessor, Lessee shall no longer be in possession of the equipment with Lessor's consent and Lessee shall return the equipment to Lessor at such place as Lessor shall direct. Lessee shall continue to pay rental charges for equipment until the equipment is (i) returned in as good condition as received normal wear and deterioration excepted, (ii) repaired and made fit for subsequent rental or (iii) settlement acceptable to Lessor is made. In the event Lessor retakes possession of all, or any part, of the equipment, Lessee authorizes Lessor to take possession of any property in, on or attached to such equipment which is not the property of Lessor, and without liability for its care or safekeeping, to place such property in storage at the risk and expense of Lessee. Termination shall not relieve Lessee of any liabilities or obligations incurred prior to such return, repair or settlement and Lessee shall in any event remain fully liable for reasonable damages as provided by law, and for all costs and expenses incurred by Lessor on account of such default, including all costs and reasonable attorney's fees.

6. EXCLUSION OF WARRANTIES; LESSEE'S OBLIGATIONS ABSOLUTE

a. THE EQUIPMENT IS LEASED AS IS. LESSOR WARRANTS THAT LESSEE SHALL HAVE QUIET POSSESSION, SAVE AS AFORESAID, NO CONDITION OR WARRANTY WHATSOEVER OF ANY KIND HAS BEEN OR IS GIVEN BY LESSOR IN RELATION TO THE EQUIPMENT, AND ALL CONDITIONS AND WARRANTIES WHETHER EXPRESSED OR IMPLIED, WHETHER IN RELATION TO THE FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR COUNTRY, OR WHETHER IN RELATION TO MERCHANTABILITY OR AS TO DESCRIPTION, STATE, QUALITY OR CONDITION OF THE EQUIPMENT AT DELIVERY OR AT ANY OTHER TIME ARE HEREBY WAIVED, EXCLUDED AND EXTINGUISHED. LESSOR SHALL IN NO EVENT BE LIABLE FOR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS EVEN IF LESSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

b. LESSEE'S OBLIGATIONS UNDER THIS AGREEMENT ARE ABSOLUTE AND SHALL NOT BE AFFECTED BY ANY CIRCUMSTANCE OR EVENT BEYOND LESSEE'S CONTROL OF WHATEVER NATURE .

c. TO THE EXTENT POSSIBLE AND NOT WITHSTANDING THE DISCLAIMER BY LESSOR OF

ANY WARRANTIES SET FORTH HEREIN, LESSOR SHALL DELIVER TO LESSEE A COPY OF ANY WARRANTY AGREEMENT LESSOR MAY RECEIVE FROM THERMO KING AND LESSEE SHALL LOOK SOLEY TO THERMO KING FOR THE ENFORCEMENT OF SUCH WARRANTY, AND LESSEE SHALL COMPLY

PLEASE INITIAL:
LESSEE ____ LESSOR ____

WITH ALL THE CONDITIONS OF SUCH WARRANTY IMPOSED BYTHE SUPPLIER OR MANUFACTURER.

7. NOTICES

All billings and written notices required to be given by either party shall be in writing and shall be airmailed, telexed or cabled, except as may otherwise be provided herein, to the other party at its address first hereinabove specified, or at such other address as such party may hereafter from time to time designate in writing and shall be deemed received, in the case of airmail, five days after it is postmarked, and in the case of telex, upon transmission (with answerback confirmed) to other party's telex facilities. All payments to Lessor shall be by check to Lessor or by wire transfer acceptable to Lessor.

8. TAXES, FEES AND FINES

a. Lessee shall pay all taxes (other than taxes on Lessor's net income) and charges levied on, or in connection with, the equipment subsequent to delivery, including without limitation, property, sales, use and excise taxes, duties, customs charges, withholding taxes and all further government levies, fees or charges. Lessee shall pay all duties, fines and penalties arising out of use of the equipment including without limitation, any duties, fines or penalties imposed under the customs laws and regulations of federal, state, foreign and local governments and agencies.

b. Lessee shall pay all charges incurred in ports, depots, storage areas or otherwise arising out of the use of the equipment.

9. INDEMNITY AND INSURANCE

a. Indemnity

Lessee shall indemnify, defend and hold Lessor harmless for any and all claims, losses, expenses, costs or damages, (including without limitation expenses in defending any claim or suit such as attorney's fees, court costs and other expenses) arising or alleged to arise directly or indirectly or incidentally out of (a) any failure of Lessee to comply with its obligations under this Lease; (b) any claim, whether private or governmental, for personal injury or death, and for loss or damage to person, including employees of the Lessee, property, cargo and/or vessels and/or transport equipment arising out of or incident to the ownership, selection, possession, leasing, operation, control, use, storage, loading, unloading, stuffing, unstuffing, moving, maintenance, delivery, handling or return of the equipment; (C) ANY FORFEITURE, SEIZURE, CONFISCATION, NATIONALIZATION OR

IMPOUNDING OF OR CHARGE OR LIEN ON THE EQUIPMENT. EACH PARTY UNDERTAKES

PROMPTLY TO give notice to the other of claims against it or action against it with respect thereto and Lessee agrees not to settle any action without the consent of the Lessor.

b. Insurance

PLEASE INITIAL:
LESSEE ____ LESSOR ____

The Lessee agrees to procure and maintain in full force and effect during the term of this lease, at its sole cost and expense with insurers acceptable to the Lessor, the following insurance:

(1) "All Risks" insurance to cover physical loss or damage to the leased container(s) for not less than the full stipulated replacement value thereof.

(2) Broad Form Comprehensive General Liability and Automobile Liability Insurance to a minimum limit of U.S. $1,000,000 any one occurrence to cover third party Bodily Injury and property Damage.

Such insurance shall include those policy extensions commonly referred to as Completed Operations, Blanket Contractual, Personal Injury, Non-Owned Automobile Liability and Employer's Liability and shall be primary insurance.

Any and all deductibles under the terms of the foregoing insurance shall be for Lessee's account. All policies shall name Lessor as additional insured and contain a waiver of subrogation in favor of the Lessor. All policies will contain a requirement that the Lessor receive 30 days written notice of cancellation or material change. Lessee will provide the Lessor with Certificates evidencing the insurance specified within 10 days of date lease commences, in a form acceptable to the Lessor.

Should the Lessee fail to procure or maintain any of the required insurance, or by act or omission vitiate or invalidate any of the insurance, the Lessee shall indemnify the Lessor to the extent he suffers or incurs loss, damage, liability or expense in consequence of such failure, act or omission.

10. SUBLEASING AND DIRECT INTERCHANGING

Lessee shall not have the right to assign this Lease or to sublet, rent, directly interchange or otherwise hire out, or part with possession of the equipment to any other party without the prior written consent of Lessor and such consent of Lessor shall not operate to relieve Lessee of any of its obligations hereunder.

11. DESIGNATION OF OWNERSHIP

If at any time during the term hereunder Lessor supplies Lessee with labels, plates or other markings stating that the equipment is owned by Lessor or is subject to any interest of a lender, Lessee shall affix and kept the same upon a prominent place on the equipment. Lessee agrees to execute and file Uniform Commercial Code financing statements and any and all other instruments necessary to perfect Lessor's or its lender's interest in this lease, the payments due hereunder and the equipment leased hereunder.

12. GENERAL

a. This lease is binding upon the parties, their successors and assigns and shall be construed and interpreted with the laws of the State of California. Any dispute, arising under or in connection with

PLEASE INITIAL:
LESSEE ____ LESSOR ____

this lease will be exclusively decided by the competent court of San Francisco, California, U.S.A., or, at the option of Genstar, by any other court that may appear competent to decide such dispute.

b. The paragraph headings in this Lease are for convenience only and shall not be deemed to alter or affect any provision hereof.

c. Lessee hereby waives any and all existing and future set-offs and counterclaims against the rental charges or payments due under this Lease.

d. In the event Lessee has not executed a Master Agreement with Lessor covering the leasing of this equipment, this Lease shall contain the entire agreement between the parties with respect to the subject matter hereof and may be amended, modified or changed only by an agreement in writing executed by the parties hereto. If the Lessee fails, however, to give to Lessor a written objection to its contents within seven (7) days after this Lease is received, or if Lessee takes possession of any of the equipment provided for hereunder and retains it after receipt of this Lease then this Lease shall be effective and binding upon Lessee whether or not signed. Notwithstanding any Master Agreement, this Lease is subject to acceptance by Lessor at its office in San Francisco, California, and shall be deemed accepted if Lessee is not notified to the contrary within a reasonable time. If the Lease is not accepted, Lessee shall return the equipment to any of Lessor's terminals within sixty (60) days from such notification.

e. Lessee shall conform to the provisions of all statutes bylaws or regulations in force from time to time in respect of or affecting in any manner performance under this Lease and shall give all notices required by the said statutes, bylaws and regulations including, but not limited to, compliance with the Occupational Health and Safety Act and similar legislation in force in jurisdictions in which the equipment may be used or the Lessee may do business and shall pay all fees, assessments, or other sums payable thereunder or in respect thereof.

PLEASE INITIAL:
LESSEE ____ LESSOR ____

EXHIBIT B
REDELIVERY SCHEDULE

The following schedule specifies the monthly redelivery limits by port for generator sets redeliveries together with any one time charges that may apply. All generator sets redeliveries shall be made only at authorized Genstar depots within these port areas. These depot charges are subject to change upon ninety
(90) days notice to Lessee from Genstar.

GENERATOR SETS		
PORT	MONTHLY PORT LIMITS	DROP-OFF CHARGE (US$)
Chicago	Unlimited	$150.00
Seattle	Unlimited	$150.00
New York	Unlimited	0.00
Miami	Unlimited	0.00
Jacksonville	Up to 25	100.00
Houston	Unlimited	0.00
Charleston	Up to 25	0.00
Los Angeles	Unlimited	0.00

PLEASE INITIAL:
LESSEE ____ LESSOR ____

EXHIBIT C

Additional Maintenance Requirements for Generator Sets

Generator Sets

A. With respect to Equipment that constitutes generator sets ("Generator Sets"), Lessee shall comply with all the operation and maintenance requirements contained in this Exhibit, in manuals or other documents provided to Lessee at the time of delivery, in instructions supplied by Lessor after delivery and any instructions displayed on any Refrigerated Equipment, which requirements are in addition to all operation and maintenance requirements contained in the Agreement, this Exhibit or elsewhere in this Schedule.

B. Lessee shall ensure that all maintenance and repair work on the Refrigerated Equipmentis carried out by suitably labor and under competent supervision and (where applicable) by the use of components or parts and materials of a standard and type equivalent to the original.

C. Lessee shall notify Lessor WITHIN 48 HOURS of any accident to or breakdown of any Refrigerated Equipment which will require major renovation or repair work. Lessee will fully cooperate with Lessor to comply with all procedures required in order for Lessor to preserve and assert any available warranty claims and will permit Lessor or Lessor's representative to inspect the damage and will consult with Lessor to determine with manner in which and by whom the necessary work is to be carried out.

D. Lessee shall refer to all operations and service manuals covering the Refrigerated Equipment for electrical and refrigeration information, service instructions recommend by the manufacturer and detailed replacement parts lists. Lessee shall follow all operation and maintenance recommendations contained in such manuals.

A. Prior to loading any Generator Sets, Lessee shall perform each of the following:

1. Before starting the Generator Sets, Lessee shall:

a. Visually inspect unit for loose parts and damaged components.

b. Check for oil/fuel leaks.

c. Check engine oil level.

d. Check engine V-belt tension and idler pulley, condition and replace as necessary.

e. Check starter connections.

f. Check condition of radiator hoses.

g. Verify coolant level.

h. Inspect radiator coil, clean as necessary.

i. Check fuel system for contamination.

j. Fill tank with diesel fuel.

k. Check battery terminal/cables for cleanliness and secure connections.

l. Inspect for loose electrical connections.

m. Inspect the exhaust system.

n. Check the torque of the mounting bolts and operation of the locking devices.

o. Check the condition/torque of the engine/generator mounting bolts.

p. Inspect air cleaner for cleanliness and replace if necessary.

q. Connect the reefer plug. Ensure the generator/reefer circuit breakers are off.

2. After completing the steps set forth above, Lessee shall start each Generator Set and shall perform the following steps:

a. Start the generator after holding the glow plug switch in the UP position for 30 seconds. Verify glow plug amperage prior to starting.

b. Verify proper oil pressure.

c. Observe the ammeter for a positive reading. A positive reading indicates proper battery charger operation. If negative reading, troubleshoot charging system.

d. Listen for any abnormal bearing noise (main alternator).

e. Check fuel lines, lube oil lines and filters for leaks.

f. Check radiator and cooling system hoses for leaks.

PLEASE INITIAL:
LESSEE ____ LESSOR ____

g. Check exhaust system for leaks.

h. Energize generator and reefer circuit breakers.

i. Verify output voltage.

j. Turn reefer and generator off.

B. Lessee shall perform the following maintenance on each Generator Set following the first 500 hours of use by Lessee:

1. Change lube oil and filter.

2. Perform pretrip inspection.

C. Lessee shall perform the following maintenance on each Generator Set after every 1000-hour interval of use by Lessee:

1. Replace fuel filters.

2. Complete steps for first 500-hour maintenance above.

3. Tighten engine, generator, snubber bolts (6 months).

4. Tighten all electrical connections in control box and verify the female plug tension.

5. Replace air cleaner.

6. Check waterpump bearing end play.

7. Inspect cooling/fuel system.

8. Spray fuel cap threads with anti-seize lubricant.

9. Verify engine RPM's under load.

10. Verify battery electrolyte levels (for serviceable batteries only).

11. Change engine oil and filer (hot).

12. Inspect/clean transfer pup inlet strainer.

PLEASE INITIAL:
LESSEE ____ LESSOR ____

13. Check operation of protection shutdown circuits.

14. Inspect wire harness for chafing or damage.

D. Lessee shall perform the following maintenance on each Generator Set after every 5000-hour interval of use by Lessee, but not less often than annually.

1. Complete steps for 1000-hour maintenance above.

2. Clean crankcase breather.

3. Check condition of engine/generator/snubber shockmounts.

4. Drain and flush the engine coolant system.

EXHIBIT 13

Selected Consolidated Financial and Operating Data

(Dollars in thousands, except per share amounts) For the years ended December 31,	1993	1994	1995	1996	1997	1997 as adjusted
Statement of Operations Data:						
Gross revenues	$1,095,815	$1,257,946	$1,445,975	$1,605,905	$1,790,785	$ 1,790,785
Net revenues/1/	108,713	135,599	160,094	179,069	206,020	206,020
Income from operations	27,683	40,511	44,980	50,029	32,079	56,735/2/
Net income from continuing operations	17,844	24,141	29,455	32,442	11,492	36,148/2/
Net income from continuing operations per share	$ .36	$ .52	$ .67	$ .78	$ .28	$ .88/2/
Weighted average number of shares outstanding (in thousands)	48,980	46,296	43,934	41,799	41,285	41,285
Dividends and distributions per share	$ .087	$ .108	$ .130	$ .185	$ 2.530	$ .210/3/
Balance Sheet Data (at end of period):						
Working capital	$ 64,600	$ 86,122	$ 97,144	$ 114,070	$ 109,042	$ 109,042
Total assets	202,282	246,528	285,517	320,780	340,628	340,628
Total long-term debt	-	-	-	-	-	-
Stockholders' investment	95,899	112,784	133,339	154,428	138,981	138,981
Operating Data (at end of period):						
Branches	81	89	99	108	119	119
Employees	1,183	1,403	1,436	1,665	1,925	1,925
Average net revenues per branch	$ 1,392	$ 1,597	$ 1,683	$ 1,717	$ 1,822	$ 1,822

/1/ Net revenues are determined by deducting cost of transportation and products from gross revenues. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

/2/ Excludes unusual charges and expenses of $24,656 related to the Company's initial public offering.

/3/ Excludes special dividends and distributions related to the Company's initial public offering.

General

Gross revenues represent the total amount of services and goods sold by the Company to its customers. Costs of transportation and products include direct costs of transportation contracted by the Company, including motor carrier, intermodal, ocean, air, and other costs, and the purchase price of products sourced by the Company. The Company acts principally as a service provider to add value and expertise in the execution and procurement of these services for its customers. The net revenues of the Company (gross revenues less cost of transportation and products) are the primary indicator of the Company's ability to source, add value and resell services and products that are provided by third parties, and are considered by management to be the primary measurement of growth for the Company. Accordingly, the discussion of results of operations below focuses on the changes in the Company's net revenues.

In the transportation industry, results of operations generally show a seasonal pattern as customers reduce shipments during and after the winter holiday season. In recent years, the Company's operating income and earnings from continuing operations have been higher in the second and third quarters than in the first and fourth quarters. Although seasonality in the transportation industry has not had a significant impact on the Company's cash flow or results of operations in recent years, the Company cannot fully predict the impact it may have in the future. Inflation has not materially affected the Company's operations due to the short-term, transactional basis of its business.

Results of Operations

The following table summarizes net revenues by service line:

For the years ended December 31,	1995	1996	change	1997	change
Net revenues (in thousands)					
Transportation	$117,021	$133,246	13.9%	$159,260	19.5%
Sourcing	38,207	39,252	2.7	38,060	(3.0)
Information services	4,866	6,571	35.0	8,700	32.4
Total	$160,094	$179,069	11.9	$206,020	15.1

The following table represents certain statement of operations data shown as percentages of the Company's net revenues:

For the years ended December 31,	1995	1996	1997	1997 as adjusted/1/
Net revenues	100.0%	100.0%	100.0%	100.0%
Selling, general and administrative expenses	71.9	72.1	72.5	72.5
Public offering charges and expenses	-	-	12.0	-
Income from operations	28.1	27.9	15.5	27.5
Investment and other income	1.8	1.7	1.4	1.4
Income from continuing operations before provision for income taxes	29.9	29.6	16.9	28.9
Provision for income taxes	11.5	11.5	11.4	11.4
Net income from continuing operations	18.4%	18.1%	5.5%	17.5%

/1/ Adjusted to exclude public offering charges and expenses.

1997 Compared to 1996

Revenues - Gross revenues for 1997 were $1.8 billion, an increase of 11.5% over gross revenues of $1.6 billion for 1996. Net revenues for 1997 were $206.0 million, an increase of 15.1% over net revenues of $179.1 million for 1996, resulting from an increase in transportation services net revenues of 19.5% to $159.3 million, a decrease in sourcing net revenues of 3.0% to $38.1 million, and an increase in information services net revenues of 32.4% to $8.7 million.

The increase in transportation net revenues resulted from an increase in transaction volume offset by a slight decline in the net revenue per transaction. The increase in transaction volume was driven by significant expansion of business with current customers and from new domestic and international customers. The decrease in net revenue per transaction was due primarily to a high demand for trucks in the marketplace during the fourth quarter of 1997, which increased the cost of these transportation services.

Sourcing net revenues decreased by 3.0% due to a reduction in net revenue from the Company's ingredient divisions, a decline in net revenues from sales to produce wholesalers, and the elimination in December 1996 of a program to source and distribute various seafood and other products. These reductions were partially offset by net revenue growth from sourcing produce for the Company's large retail chain customers, and by various expansions of warehouse sourcing services.

The increase in information services net revenues was the result of significant growth in transaction volume. Net revenue per transaction decreased slightly due to the increase in less expensive electronic transactions that have been growing faster than manual transactions.

Selling, General and Administrative Expenses - Selling, general and administrative expenses for 1997 were $149.3 million, an increase of 15.7% over $129.0 million for 1996. Selling, general and administrative expenses as a percent of net revenues were 72.5% and 72.1% in 1997 and 1996, respectively. These increases were primarily due to increased personnel and warehouse costs associated with the Company's growth.

Public Offering Charges and Expenses - During the fourth quarter of 1997, the Company recorded charges and expenses of $24.7 million for unusual items related to the Company's initial public offering. This amount includes a non-recurring, non-cash charge of $21.6 million to conform with Securities and Exchange Commission requirements to account for stock issued to employees and for outstanding stock purchased by certain employees from retiring employees at prices below the initial public offering price of $18 under the Company's previous book value plans during the 12 months preceding the Company's initial public offering ("cheap stock"). These book value plans were terminated and have been replaced by stock-based incentive plans more typical of a publicly held company including a stock incentive plan and an employee stock purchase program.

Income from Operations - Income from operations, excluding the nonrecurring public offering charges and expenses, was $56.7 million for 1997, an increase of 13.4% over $50.0 million for 1996. Income from operations, excluding the public offering charges and expenses, as a percent of net revenues was 27.5% and 27.9% for 1997 and 1996, respectively. Income from operations, including the public offering charges and expenses, was $32.1 million for the year ended December 31, 1997, a decrease of 35.9%.

Investment and Other Income - Investment and other income was $2.9 million for 1997, a decrease of 5.4% from $3.1 million for 1996. This decrease was the result of a special dividend paid on October 10, 1997, which lowered the amount of cash available for investment.

Provision for Income Taxes - The majority of the $24.7 million in public offering charges and expenses is not deductible for income tax purposes. Excluding these charges and expenses, the effective income tax rates for continuing operations were 39.4% and 38.9% for 1997 and 1996, respectively. The effective income tax rate for both periods is greater than the statutory federal income tax rate primarily due to state income taxes, net of federal benefit.

Net Income from Continuing Operations - Net income from continuing operations, excluding the public offering charges and expenses, was $36.1 million for 1997, an increase of 11.4% over $32.4 million for 1996. Net income from continuing operations per share, excluding the public offering charges and expenses, increased by 12.8% to $.88 per share (basic and diluted) for 1997 compared to $.78 per share (basic and diluted) for 1996, primarily due to an increase in net income and partly as a result of a decrease in shares outstanding due to the Company's share repurchases. Net income from continuing operations for 1997, including the public offering charges and expenses, was $11.5 million, a decrease of 64.6%, or $.28 per share (basic and diluted), a decrease of 64.1%.

1996 Compared to 1995

Revenues - Gross revenues for 1996 were $1.6 billion, an 11.1% increase over gross revenues of $1.4 billion for 1995. Net revenues for 1996 were $179.1 million, an 11.9% increase over net revenues of $160.1 million for 1995. Transportation net revenues were $133.2 million, an increase of 13.9% over net revenues in 1995 of $117.0 million. Sourcing net revenues were $39.3 million, an increase of 2.7% over net revenues in 1995 of $38.2 million. Information services net revenues were $6.6 million, an increase of 35.0% over net revenues in 1995 of $4.9 million.

The transportation net revenue increase resulted primarily from an increase in the number of transactions. The volume increase came from both existing customers (particularly large accounts) and new customers. This volume increase was offset by a slight reduction in average net revenue per transaction. Net revenues per transaction in 1995 had been unusually high due to excess motor carrier capacity resulting in lower costs of purchased transportation.

The increase in net revenues from sourcing primarily resulted from an increase in the number of transactions, partially offset by a decline in net revenues per transaction. Net revenues per transaction were adversely affected by a write-off of approximately $1.0 million in connection with the elimination of a sourcing and distribution program for seafood and other products that had been initiated in early 1996.

Information service net revenues increased primarily due to a large increase in transaction volume for all services. An increasingly higher percentage of lower- priced electronic transactions resulted in a decrease in net revenues per transaction.

Selling, General and Administrative Expenses -- Selling, general and administrative expenses were $129.0 million for 1996, an increase of 12.1% over 1995. Selling, general and administrative expenses as a percent of net revenues were 72.1% and 71.9% for 1996 and 1995, respectively. These increases were due primarily to higher personnel costs from additional staffing and new warehouse expenses to support the Company's growth.

Income from Operations -- Income from operations was $50.0 million for 1996, an increase of 11.2% over $45.0 million for 1995. Income from operations as a percent of net revenues was 27.9% and 28.1% for 1996 and 1995, respectively.

Investment and Other Income -- Investment and other income was $3.1 million for 1996, an increase of 5.8% over 1995, as the average amount of funds available for short-term investment increased in 1996.

Provision for Income Taxes -- The effective income tax rates for continuing operations were 38.9% in 1996 and 38.5% in 1995. The effective income tax rate for 1996 and the effective income tax rate for 1995 are higher than the statutory federal income tax rate primarily due to state income taxes, net of the federal benefit.

Net Income from Continuing Operations -- Net income from continuing operations for 1996 was $32.4 million, an increase of 10.1% from $29.5 million in 1995. Net income from continuing operations per share for 1996 was $.78 per share (basic and diluted) versus $.67 per share (basic and diluted) for 1995.

Liquidity and Capital Resources

The Company has historically generated substantial cash from operations which has enabled it to fund its growth while paying cash dividends and repurchasing stock. Cash and cash equivalents totaled $62.5 million and available-for-sale securities totaled $10.4 million as of December 31, 1997. Working capital at December 31, 1997 totaled $109.0 million. The Company has had no long-term debt for the last five years.

During the fourth quarter of 1997, several transactions occurred related to the initial public offering including the sale of the Company's financial services business. On October 10, 1997, the Company paid a special cash dividend of $1.50 per share ($61.9 million in total). The Company removed restrictions on October 13, 1997 on shares previously awarded to employees which generated a $40.5 million tax benefit. On October 14, 1997 the Company sold its financial services business for $40.3 million. The Company declared and paid a liquidating distribution to stockholders of record on October 14, 1997 of $39.2 million ($.95 per share), the net proceeds resulting from this sale. Management does not anticipate any significant effects on the Company's operations as a result of these nonrecurring transactions. The Company has declared a $.06 per share dividend payable to stockholders of record as of March 12, 1998, payable on April 1, 1998.

Management believes that the Company's available cash, together with expected future cash generated from operations, is expected to be sufficient to satisfy its anticipated needs for working capital, capital expenditures, cash dividends and stock repurchases. In addition, the Company has $17.5 million available under its two existing lines of credit at interest rates of 6.7% each as of December 31, 1997. The lines of credit do not restrict the payment of dividends. There were no borrowings under these lines of credit during 1995, 1996 and 1997.

The Company continues to assess what impact the year 2000 will have on its current information systems. A plan is under way to complete the necessary programming using primarily internal resources. The cost of this programming is expected to be immaterial to the Company's overall financial position and is being expensed as incurred.

Consolidated Balance Sheets

(In thousands, except per share data) December 31,	1997	1996
Assets		
Current assets:		
Cash and cash equivalents	$ 62,497	$ 42,567
Available-for-sale securities	10,428	42,711
Receivables, net of allowance for doubtful accounts of $8,936 and $10,079	206,743	170,935
Inventories	3,109	5,276
Deferred tax benefit	4,781	6,698
Prepaid expenses and other	5,797	2,088
Income taxes receivable	17,334	-
Net assets of discontinued operations (Note 5)	-	10,147
Total current assets	310,689	280,422
Property and equipment:		
Land, building and improvements	1,500	2,773
Furniture, fixtures and equipment	39,363	33,835
Accumulated depreciation and amortization	(18,637)	(13,561)
Net property and equipment	22,226	23,047
Intangible assets, net of accumulated amortization of $13,400 and $10,331	6,674	7,811
Other assets	1,039	9,500
	$340,628	$320,780
Liabilities and Stockholders' Investment		
Current liabilities:		
Accounts payable	$166,789	$140,376
Accrued expenses -		
Compensation and profit-sharing contribution	22,107	17,991
Income taxes and other	12,751	7,985
Total current liabilities	201,647	166,352
Commitments and contingencies (Notes 3 and 7)		
Stockholders' investment:		
Preferred Stock, $.10 par value, 20,000 shares authorized; no shares outstanding	-	-
Common Stock, $.10 par value, 130,000 shares authorized; 41,265 and 41,375 shares issued and outstanding	4,126	4,137
Additional paid-in capital	62,108	-
Retained earnings	73,465	150,637
Foreign currency translation adjustment	(718)	(346)
Total stockholders' investment	138,981	154,428
	$340,628	$320,780

The accompanying notes are an integral part of these consolidated balance sheets.

Consolidated Statements of Operations

(In thousands, except per share data) For the years ended December 31,	1997	1996	1995
Gross revenues	$1,790,785	$1,605,905	$1,445,975
Cost of transportation and products	1,584,765	1,426,836	1,285,881
Net revenues	206,020	179,069	160,094
Selling, general and administrative expenses	149,285	129,040	115,114
Public offering charges and expenses (Note 1)	24,656	-	-
Income from operations	32,079	50,029	44,980
Investment and other income	2,927	3,095	2,925
Income from continuing operations before provision for income taxes	35,006	53,124	47,905
Provision for income taxes	23,514	20,682	18,450
Net income from continuing operations	11,492	32,442	29,455
Net income from discontinued operations, net of taxes of $951, $1,474 and $1,395	1,589	2,158	2,086
Gain on sale of discontinued operations, net of taxes of $10,440	14,506	-	-
Net income	$ 27,587	$ 34,600	$ 31,541
Basic net income per share:			
From continuing operations	$ .28	$ .78	$ .67
From discontinued operations	.39	.05	.05
Basic net income per share	$ .67	$ .83	$ .72
Dilutive net income per share:			
From continuing operations	$ .28	$ .78	$ .67
From discontinued operations	.39	.05	.05
Diluted net income per share	$ .67	$ .83	$ .72
Basic weighted average shares outstanding	41,285	41,799	43,934
Dilutive effect of outstanding stock options	17	-	-
Diluted weighted average shares outstanding	41,302	41,799	43,934

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Stockholders' Investment

(In thousands, except per share data)

For the years ended December 31, 1997, 1996 and 1995

	Common Shares Outstanding	Amount	Additional Paid-in Capital	Retained Earnings	Foreign Currency Translation Adjustment	Total Stockholders' Investment
Balance, December 31, 1994	45,690	$4,568	$ 5,870	$ 102,703	$(357)	$ 112,784
Net income	-	-	-	31,541	-	31,541
Foreign currency translation adjustment	-	-	-	-	52	52
Cash dividends, $.13 per share	-	-	-	(5,644)	-	(5,644)
Incentive shares of common stock issued, net	878	88	2,387	-	-	2,475
Repurchase of common stock	(3,161)	(316)	(7,553)	-	-	(7,869)
Balance, December 31, 1995	43,407	4,340	704	128,600	(305)	133,339
Net income	-	-	-	34,600	-	34,600
Foreign currency translation adjustment	-	-	-	-	(41)	(41)
Cash dividends, $.185 per share	-	-	-	(7,655)	-	(7,655)
Incentive shares of common stock issued, net	200	20	1,031	-	-	1,051
Repurchase of common stock	(2,232)	(223)	(1,735)	(4,908)	-	(6,866)
Balance, December 31, 1996	41,375	4,137	-	150,637	(346)	154,428
Net income	-	-	-	27,587	-	27,587
Foreign currency translation adjustment	-	-	-	-	(372)	(372)
Cash dividends and distributions, $2.53 per share	-	-	-	(104,400)	-	(104,400)
Incentive shares of common stock issued, net	239	24	919	-	-	943
Sale of common stock	25	3	100	-	-	103
Cheap stock charge (Note 1)	-	-	21,596	-	-	21,596
Tax benefit on vesting of stock awards	-	-	40,539	-	-	40,539
Repurchase of common stock	(374)	(38)	(1,046)	(359)	-	(1,443)
Balance, December 31, 1997	41,265	$4,126	$62,108	$ 73,465	$(718)	$ 138,981

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

(In thousands)

For the years ended December 31,	1997	1996	1995
Operating Activities			
Net income	$ 27,587	$ 34,600	$ 31,541
Adjustments to reconcile net income to net cash provided by operating activities -			
Depreciation and amortization	8,684	7,604	5,998
Cheap stock charge and incentive stock expense	21,596	943	1,051
Deferred income taxes	4,842	(2,464)	(2,293)
Gain on sale of discontinued operations, net of tax	(14,506)	-	-
Loss (gain) on sale of assets	82	10	(190)
Changes in operating elements -			
Receivables	(35,808)	(22,019)	(13,175)
Inventories	2,167	2,050	(3,925)
Prepaid expenses and other	(3,709)	344	(648)
Accounts payable	26,413	14,482	15,729
Accrued compensation and profit sharing	5,059	159	1,007
Accrued income taxes and other	27,971	(359)	3,121
Net cash provided by operating activities	70,378	35,350	38,216
Investing Activities			
Purchases of property and equipment	(6,305)	(4,784)	(14,448)
Sales of property and equipment	1,446	80	2,486
Cash paid for acquisitions, net	-	-	(2,908)
Sales of long-term investments	5,536	115	508
Purchases of long-term investments	-	(5,267)	(33)
Sales/maturities of available-for-sale securities	113,576	33,719	17,971
Purchases of available-for-sale securities	(81,293)	(39,318)	(35,827)
Cash provided by (used for) discontinued operations	24,653	3,707	(2,600)
Changes in other assets, net	(2,321)	(966)	(692)
Net cash provided by (used for) investing activities	55,292	(12,714)	(35,543)
Financing Activities			
Sale of common stock	103	-	-
Repurchase of common stock	(1,443)	(6,866)	(7,869)
Cash dividends and distributions	(104,400)	(7,655)	(5,644)
Net cash used for financing activities	(105,740)	(14,521)	(13,513)
Net increase (decrease) in cash and cash equivalents	19,930	8,115	(10,840)
Cash and cash equivalents, beginning of year	42,567	34,452	45,292
Cash and cash equivalents, end of year	$ 62,497	$ 42,567	$ 34,452
Cash paid for income taxes	$ 9,678	$ 22,662	$ 21,525

The accompanying notes are an integral part of these consolidated financial statements.

(Including data applicable to unaudited periods.)
C.H. Robinson Worldwide, Inc. and Subsidiaries

1. Summary Of Significant Accounting Policies

Basis of Presentation--C.H. Robinson Worldwide, Inc. and Subsidiaries (the Company) is a global provider of multimodal transportation services and logistics solutions through a network of 119 branch offices in 38 states throughout the United States, along with offices in Canada, Mexico, Belgium, the United Kingdom, France, Italy, Poland, Singapore, Brazil and South Africa. The consolidated financial statements include the accounts of C.H. Robinson Worldwide, Inc. and its majority owned and controlled subsidiaries. All significant intercompany transactions and balances have been eliminated in the consolidated financial statements.

Initial Public Offering--On October 15, 1997, the Company completed an initial public offering (the Offering) of 10,578,396 shares of its common stock which were previously held by its employees. Pursuant to Securities and Exchange Commission rules related to stock issued or sold to employees at prices below the initial public offering price for the 12 months preceding the date that the initial offering becomes effective ("cheap stock"), the Company recorded a $21,596,000 charge to expense at the effective date of the Offering. This charge relates to approximately 1,519,000 shares previously sold to employees or issued under incentive plans no longer in effect and represents the difference between the book value of shares sold and issued to employees and the offering price per share.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate results could differ from those estimates.

Revenue Recognition--Gross revenues consist of the total amount of goods and services purchased by customers. The Company acts principally as the service provider for these transactions and recognizes revenue as these services are rendered and goods are delivered.

Foreign Currency--All balance sheet accounts of foreign subsidiaries are translated at the current exchange rate as of the end of the year. Statement of operations items are translated at average exchange rates during the year. The resulting translation adjustment is recorded as a separate component of stockholders' investment.

The Company provides products and services to numerous international customers. At times, the Company enters into forward contracts to hedge against foreign currency exposure related to these transactions. Upon settlement, resultant gains or losses on such contracts offset the impact of foreign currency rates on cash collected from accounts receivable. There are no open contracts at December 31, 1997.

Cash and Cash Equivalents--Cash and cash equivalents consist primarily of highly liquid investments with an original maturity of three months or less. The carrying amount approximates fair value due to the short maturity of the instruments.

Available-For-Sale Securities--Available-for-sale securities consist of various debt and equity securities. The fair value of the Company's available-for-sale securities equals the quoted market price where available or quoted market prices for similar securities, if a quoted market price is not available.

Inventories--Inventories consist primarily of produce, fruit concentrates and related products held for resale and are stated at the lower of cost or market.

Property and Equipment--Property and equipment additions are recorded at cost. Maintenance and repair expenditures are charged to expense as incurred. Depreciation is computed using straight-line and accelerated methods over the following estimated lives of the assets:

	Years
Building and improvements	3 - 37
Furniture, fixtures and equipment	5 - 10

Amortization of leasehold improvements is computed over the shorter of the lease term or the estimated useful lives of the improvements.

Intangible Assets--Intangible assets consist of customer lists, trade names, contracts, noncompete agreements, software and goodwill. Intangible assets are being amortized over their estimated economic lives, ranging from three to 20 years. The Company periodically evaluates whether events and circumstances have occurred that indicate the remaining balance of intangible assets may not be recoverable.

Income Per Share--The Company has adopted the provisions of Statement of Financial Accounting Standards No. 128, "Earnings Per Share" (SFAS No. 128). SFAS No. 128 establishes accounting standards for computing and presenting earnings per share. Basic earnings per common share are computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. No dilution for potentially dilutive securities is included. Diluted earnings per share are computed under the treasury stock method and are calculated to compute the dilutive effect of outstanding options, warrants and other securities. The adoption had no effect on previously reported income per share.

Recently Issued Accounting Pronouncements--The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS No. 130) in June 1997. SFAS No. 130 requires the disclosure of other comprehensive income in the Company's financial statements and is effective for reporting periods beginning after December 15, 1997. The adoption of SFAS No. 130 is not expected to have a material impact on the Company's financial statements or the disclosures contained therein.

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS No. 131) in June 1997. SFAS No. 131 establishes accounting standards for segment reporting and is effective for fiscal years beginning after December 15, 1997. The adoption of SFAS No. 131 is not expected to affect the Company's financial statements or the disclosures contained therein.

2. Marketable Securities

The Company has classified all of its marketable securities as available-for- sale as of December 31, 1997 and 1996. Available-for-sale securities are carried at fair value, with the unrealized gains and losses reported net of tax as a separate component of stockholders' investment when material. The unrealized gains and losses are immaterial as the fair value approximates amortized cost. The gross realized gains and losses on sales of available-for-sale securities were not material for the years ended December 31, 1997, 1996 and 1995.

The following is a summary of marketable securities at December 31 (in thousands):

	1997	1998
U.S. government and government agency obligations	$ 767	$ 1,033
State and local agency obligations	2,686	27,373
Corporate bonds	53,992	40,858
Other debt securities	742	700
Equity securities	97	87
Total	58,284	70,051
Less--Cash equivalents	(47,856)	(27,340)
Available-for-sale securities	$ 10,428	$ 42,711

The fair value of marketable securities by contractual maturity at December 31 are stated below (in thousands):

	1997	1996
Debt securities:		
Due within one year	$ 933	$20,596
Due after one year through five years	4,465	8,506
Due after five years	4,933	13,522
	$10,331	$42,624

3. Lines of Credit The Company has two unsecured lines of credit with banks which provide for borrowings of up to $17,500,000 and expire on May 1, 1998. Interest on borrowings under these lines is at 1 percent above the banks' cost of funds (6.7% as of December 31, 1997). There were no borrowings under the lines of credit during 1997, 1996 or 1995.

The Company's credit agreements contain certain financial covenants. The Company was in compliance with such covenants at December 31, 1997.

4. Income Taxes The Company and its 80% (or more) owned U.S. subsidiaries file a consolidated federal income tax return. The Company files unitary or separate state returns based on state filing requirements.

The components of the provision for income taxes consisted of the following at December 31 (in thousands):

	1997	1996	1995
Current provision:			
Federal	$14,688	$19,060	$17,367
State	3,619	3,423	2,956
Foreign	365	663	420
	18,672	23,146	20,743
Deferred provision/ (benefit)	4,842	(2,464)	(2,293)
Total provision	$23,514	$20,682	$18,450

A reconciliation from the provision for income taxes using the statutory federal income tax rate to the Company's effective income tax rate at December 31 is as follows:

	1997	1996	1995
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	3.3	3.9	3.8
Public offering charges and expenses	27.8	-	-
Foreign and other	1.1	-	(0.3)
	67.2%	38.9%	38.5%

Deferred tax assets (liabilities) are comprised of the following at December 31 (in thousands):

	1997	1996
Deferred income tax assets:		
Allowance for doubtful accounts	$ 4,035	$ 5,305
Accrued expenses	703	1,353
Amortization	2,468	1,518
Accrued compensation	59	3,581
Other	830	1,092
Deferred income tax liabilities:		
Long-lived assets	(2,406)	(2,279)
Other	(17)	(56)
Net deferred income tax asset	$ 5,672	$10,514

5. Discontinued Operations On October 14, 1997, the Company sold its finance businesses. As a result, the Company recorded a gain on the sale of $14,506,000, net of income taxes. These operations are reported as discontinued operations in the accompanying consolidated financial statements. Summary condensed financial information for the discontinued segment for the years ended and as of December 31 are as follows (in thousands):

	1997	1996	1995
Revenues	$12,996	$12,870	$12,117
Expenses	10,456	9,238	8,636
Income from discontinued operations	$ 2,540	$ 3,632	$ 3,481

	1996
Cash and investments	$ 6,885
Finance receivables	46,213
Other assets	2,650
Total assets	$55,748
Thrift deposits	$33,457
Long-term debt	7,635
Accounts payable and accrued expenses	4,509
Total liabilities	$45,601
Net assets of discontinued operations	$10,147

6. Capital Stock and Stock Award Plans

Preferred Stock - The Company's Certificate of Incorporation (Certificate) authorizes the issuance of 20,000,000 shares of Preferred Stock, par value $.10 per share, none of which is outstanding. The Preferred Stock may be issued by resolution of the Company's board of directors from time to time without any action of the stockholders. The Preferred Stock may be issued in one or more series and the board of directors may fix the designation and relative powers, including voting powers, preferences, rights, qualifications, limitations and restrictions of each series, so authorized. The Company has no present intention to issue shares of any series of Preferred Stock.

Common Stock - The Certificate authorizes 130,000,000 shares of Common Stock, par value $.10 per share. Subject to the prior rights of any series of Preferred Stock which may from time to time be authorized and outstanding, holders of Common Stock are entitled to receive dividends out of funds legally available therefore when, and if declared by the board of directors and to receive pro rata the net assets of the Company legally available for distribution upon liquidation or dissolution.

Holders of Common Stock are entitled to one vote for each share of Common Stock held on each matter to be voted on by the holders of Common Stock, including the election of directors. All outstanding shares of Common Stock are fully paid and nonassessable.

Stock Award Plans - The Company maintains an Omnibus Stock Plan to grant certain stock awards, including stock options and restricted shares, to key employees of the Company. A maximum of 2,000,000 shares can be granted under this plan; 1,524,333 shares were available for future stock awards as of December 31, 1997.

The following schedule summarizes activity in the plans:

	Stock Options	Grant Price	Contractual Lives
Outstanding at Dec. 31, 1996	-	-	-
Granted in 1997	475,667	$18.00	10 years
Outstanding at Dec. 31, 1997	475,667	$18.00	10 years
Exercisable at Dec. 31, 1997	-	-	-

During 1996, the Company adopted Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123) which encourages, but does not require, a fair value based method of accounting for employee stock options of similar equity instruments. As permitted under SFAS No. 123, the Company has continued to account for employee stock options using the intrinsic value method outlined in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no compensation expense has been recognized by the Company for its stock options. Had compensation expense for the Company's stock-based compensation plans been determined based on the fair value at the grant dates consistent with the method of SFAS No. 123, the Company's net income and income per share for the year ended December 31, 1997 would have been as follows (in thousands, except per share amounts):

Net income	As reported	$27,587
	Adjusted	$26,978
Basic and diluted income per share	As reported	$ .67
	Adjusted	$ .65

The adjusted effects to net income presented reflect compensation costs for all outstanding options which were granted in 1997. The compensation cost is being reflected over the options' vesting period of five years. Therefore, the full impact of calculating compensation costs of options granted during 1997 under SFAS No. 123 is not reflected.

The fair value per option at the date of grant for options granted in 1997 was $6.09. The fair value was estimated using the Black-Scholes option pricing model with the following weighted average assumptions for 1997:

Risk-free interest rate	5.72%
Expected dividend yield	1.00%
Expected volatility factor	25.00%
Expected option term	7 years

7. Commitments and Contingencies

Employee Benefit Plans - The Company participates in a defined contribution profit-sharing plan and a savings plan which qualifies under section 401(k) of the Internal Revenue Code and covers all full-time employees with one or more years of continuous service. Annual profit-sharing contributions are determined by each company's board of directors, in accordance with the provisions of the plan. Profit-sharing plan expense aggregated approximately $4,030,000 in 1997, $3,611,000 in 1996 and $3,608,000 in 1995. The Company can elect to make contributions to the 401(k) plan at the discretion of the Company's board of directors. There were no Company contributions during 1997, 1996 or 1995.

Lease Commitments - The Company leases certain facilities and equipment under operating leases. Lease expense was $13,356,000 for 1997, $8,318,000 for 1996 and $7,088,000 for 1995.

Future minimum lease commitments under noncancelable lease agreements in excess of one year as of December 31, 1997 are as follows (in thousands):

1998	$ 8,352
1999	6,873
2000	4,747
2001	3,944
2002	3,111
Thereafter	4,739
	$31,766

Litigation - In 1995, the United States Customs Service began an investigation of possible duties owed on imports of certain juice concentrates by a subsidiary of the Company. The Company has been advised by the United States Attorney for the Eastern District of New York that its subsidiary was not the target or the subject of a criminal investigation, although the United States Attorney is not bound by such statements. The Company believes, however, that the United States Customs Service will seek additional duties of approximately $4,000,000 and may seek civil monetary penalties against the subsidiary of the Company. The Company believes the disposition of this matter will not have a material adverse effect on the financial condition or results of operations of the Company, although there can be no assurance that the duties and penalties sought against the subsidiary will not exceed the Company's reserves for this matter.

The Company is subject to other routine litigation arising in the ordinary course of business, none of which is expected to have a material adverse effect on the financial condition or results of operations of the Company.

8. Supplementary Data (Unaudited)

The Company's results of operations for each of the quarters in the years ended December 31, 1997 and 1996 are summarized below (in thousands, except per share data).

1997	Quarters ended (unaudited) March 31	June 30	September 30	December 31
Gross revenues	$403,705	$451,447	$466,408	$469,225
Cost of transportation and products	356,819	399,177	412,944	415,825
Net revenues	46,886	52,270	53,464	53,400
Income (loss) from operations	11,415	15,276	15,318	(9,930)
Net income (loss) from continuing operations	7,426	9,807	9,885	(15,626)
Net income from discontinued operations	439	461	550	139
Gain on sale of discontinued operations, net	-	-	-	14,506
Net income (loss)	$ 7,865	$ 10,268	$ 10,435	$ (981)
Basic net income (loss) per share:				
From continuing operations	$ .18	$ .24	$ .24	$ (.37)
From discontinued operations	.01	.01	.01	.35
Basic net income (loss) per share	$ .19	$ .25	$ .25	$ (.02)
Basic weighted average shares outstanding	41,359	41,253	41,265	41,265
Diluted net income (loss) per share:				
From continuing operations	$ .18	$ .24	$ .24	$ (.37)
From discontinued operations	.01	.01	.01	.35
Diluted net income (loss) per share	$ .19	$ .25	$ .25	$ (.02)
Diluted weighted average shares outstanding	41,359	41,253	41,265	41,330

1996	Quarters ended (unaudited) March 31	June 30	September 30	December 31
Gross revenues	$361,936	$413,088	$413,585	$417,296
Cost of transportation and products	320,100	368,004	368,474	370,258
Net revenues	41,836	45,084	45,111	47,038
Income from operations	10,474	13,875	13,509	12,171
Net income from continuing operations	6,719	8,966	8,673	8,084
Net income from discontinued operations	543	540	566	509
Net income	$ 7,262	$ 9,506	$ 9,239	$ 8,593
Basic net income per share:				
From continuing operations	$ .16	$ .22	$ .21	$ .20
From discontinued operations	.01	.01	.01	.01
Basic net income per share	$ .17	$ .23	$ .22	$ .21
Basic weighted average shares outstanding	42,929	41,434	41,425	41,406
Diluted net income per share:				
From continuing operations	$ .16	$ .22	$ .21	$ .20
From discontinued operations	.01	.01	.01	.01
Diluted net income per share	$ .17	$ .23	$ .22	$ .21
Diluted weighted average shares outstanding	42,929	41,434	41,425	41,406

Report of Independent Public Accountants

To C.H. Robinson Worldwide, Inc.:

We have audited the accompanying consolidated balance sheets of C.H. Robinson Worldwide, Inc. (a Delaware corporation) and Subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of operations, stockholders' investment and cash flows for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of C.H. Robinson Worldwide, Inc. and Subsidiaries as of December 31, 1997 and 1996, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

Arthur Andersen LLP

/s/ Arthur Andersen LLP

Minneapolis, Minnesota,
February 6, 1998

Report of Management

The management of C.H. Robinson Worldwide, Inc., is responsible for the integrity and objectivity of the consolidated financial statements and other financial information contained in this annual report. The consolidated financial statements and related information were prepared in accordance with generally accepted accounting principles and include some amounts that are based on management's best estimates and judgments.

To meet its responsibility, management depends on its accounting systems and related internal accounting controls. These systems are designed to provide reasonable assurance, at an appropriate cost, that financial records are reliable for use in preparing financial statements and that assets are safe- guarded. Qualified personnel throughout the organization maintain and monitor these internal accounting controls on an ongoing basis.

The Audit Committee of the Board of Directors, composed entirely of directors who are not employees of the Company, meets periodically and privately with the Company's independent public accountants as well as management to review accounting, auditing, internal control, financial reporting and other matters.

/s/ D.R. "Sid" Verdoorn	*/s/ Dale S. Hanson*
D.R. "Sid" Verdoorn *President and Chief Executive Officer*	*Dale S. Hanson* *Chief Financial Officer*

Exhibit 21

SUBSIDIARIES OF C.H. ROBINSON WORLDWIDE, INC.

The Company's consolidated subsidiaries are shown below together with the percentage of voting securities owned and the state or jurisdiction of organization of each subsidiary. The names have been omitted for subsidiaries which, if considered in the aggregate as a single subsidiary, do not constitute a significant subsidiary. Subsidiaries of subsidiaries are indented in the following table:

Subsidiaries	Percentage of Outstanding Voting Securities Owned
CHRW Holdings, Inc. (Minnesota)	100%
C.H. Robinson International, Inc. (Minnesota)	100%
CHR Greene International Company (Minnesota)	100%
C.H. Robinson Venezuela, C.A. (Venezuela)	51%
C.H. Robinson de Mexico, S.A. de C.V. (Mexico)	100%
CHR Aviation, Inc. (Minnesota)	100%
C.H. Robinson Company (Canada) Ltd. (Ontario, Canada)	100%
Combined Transport Group, Inc. (Minnesota)	100%
C.H. Robinson Company (Delaware)	100%
Daystar-Robinson, Inc. (Delaware)	100%
CTSI Robinson, Inc. (Georgia)	100%
Fresh 1 Marketing, Inc. (Minnesota)	100%
Wagonmaster Transportation Co. (Minnesota)	100%
Brown-Robinson Ingredient, Inc. (Minnesota)	100%
Robinson Europe, S.A. (France)	100%
Transeco S.A. (France)	100%
Robinson Italia SRL (Italy)	95%
C.H. Robinson (UK) Limited (United Kingdom)	100%
Payment & Logistics Services LLC (Minnesota)	100%
T-Chek Systems LLC (Minnesota)	100%

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report incorporated by reference in this Form 10-K, into the Company's previously filed Registration Statement Nos. 333-41027 and 333-41899.

/s/ ARTHUR ANDERSEN LLP

Minneapolis, Minnesota

March 25, 1998

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF C.H. ROBINSON WORLDWIDE, INC. AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FORM 10-K REPORT.

MULTIPLIER: 1,000

PERIOD TYPE	12 MOS
FISCAL YEAR END	DEC 31 1997
PERIOD START	JAN 01 1997
PERIOD END	DEC 31 1997
CASH	62,497
SECURITIES	10,428
RECEIVABLES	215,679
ALLOWANCES	8,936
INVENTORY	3,109
CURRENT ASSETS	310,689
PP&E	39,363
DEPRECIATION	18,637
TOTAL ASSETS	340,628
CURRENT LIABILITIES	201,647
BONDS	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	4,126
OTHER SE	134,855
TOTAL LIABILITY AND EQUITY	340,628
SALES	0
TOTAL REVENUES	1,790,785
CGS	0
TOTAL COSTS	1,734,050
OTHER EXPENSES	24,656
LOSS PROVISION	3,870
INTEREST EXPENSE	0
INCOME PRETAX	35,006
INCOME TAX	23,514
INCOME CONTINUING	11,492
DISCONTINUED	16,095
EXTRAORDINARY	0
CHANGES	0
NET INCOME	27,587
EPS PRIMARY	0.67
EPS DILUTED	0.67

Exhibit 99

CAUTIONARY STATEMENT

The statements contained in this Form 10-K include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "PSLRA"). When used in this Form 10-K and in future filings by the Company with the Securities and Exchange Commission, in the Company's press releases, presentations to securities analysts or investors, in oral statements made by or with the approval of an executive officer of the Company, the words or phrases "believes," "may," "will," "expects," "should," "continue," "anticipates," "intends," "will likely result," "estimates," "projects" or similar expressions and variations thereof are intended to identify such forward-looking statements. Any forward-looking statement involves risks and uncertainties that may have a material adverse effect on the business, results of operation, financial condition or prospects, financial or other, of the Company and may cause the Company's actual results to differ materially from historical results or the results discussed in the forward-looking statements.

The following discussion contains cautionary statements regarding the Company's business that investors and others should consider. This discussion is intended to take advantage of the "safe harbor" provisions of the PSLRA. In making these cautionary statements, the Company is not undertaking to address or update each factor in future filings or communications regarding the Company's business or results.

RISKS OF ADVERSE ECONOMIC DEVELOPMENTS AND DOWNTURN IN BUSINESS CYCLE. The transportation industry historically has been cyclical as a result of economic recession, customers' business cycles, increases in prices charged by third party carriers, interest rate fluctuations, and other economic factors over which the Company has no control. Increased operating expenses incurred by third party carriers can be expected to result in higher transportation costs, and the Company's net revenues and income from operations would be adversely affected if it were unable to pass through to its customers the full amount of increased transportation costs. Economic recession or a downturn in customers' business cycles, particularly among certain national retailers or in the food, beverage or printing industries in which the Company has a large number of customers, also could have a material adverse effect on the Company's operating results if the volume of freight shipped by those customers were also reduced.

DEPENDENCE ON EQUIPMENT AND SERVICES AVAILABILITY. The Company is dependent in part on the availability of truck, rail, ocean and air services provided by independent third parties. There have historically been periods of equipment shortages in the transportation industry, particularly among truckload carriers. If the Company were unable to secure sufficient equipment or other transportation services to meet its customers' needs, its results of operations could be materially adversely affected, and customers could seek to have their transportation and logistics needs met by other third parties on a temporary or permanent basis.

RISKS ASSOCIATED WITH INTERNATIONAL BUSINESS. An increasing portion of the Company's business is providing services within and between continents. Doing business outside of the United States is subject to various risks, including changing economic and political conditions in the United States and abroad, major work stoppages, exchange controls, currency fluctuations, armed conflicts, unexpected changes in United States and foreign laws relating to tariffs, trade restrictions, transportation regulations, foreign investments and taxation. Significant expansion in foreign countries will expose the Company to increased risk of loss from foreign currency fluctuations and exchange controls as well as longer accounts receivable payment cycles. The Company has no control over most of these risks and may be unable to anticipate changes in international economic and political conditions and, therefore, unable to alter its business practices in time to avoid the adverse effect of any such changes.

RISKS ASSOCIATED WITH MANAGING A GROWING BUSINESS. The Company's continued success depends upon its ability to attract and retain a large group of motivated salespersons and other logistics professionals. If the Company were unable to recruit and retain a sufficient number of personnel, it would be forced to limit its growth. There can be no assurance that the Company will be able to continue to hire and retain a sufficient number of qualified personnel. The Company's rapid expansion of operations has placed demands on its management and operating systems. Continued expansion will depend in large part on the Company's ability to develop successful salespersons into managers and to implement enhancements to its information systems and adapt those systems to the changes in its business and the requirements of its customers.

COMPETITION. The transportation services industry is highly competitive and fragmented. The Company competes against other non-asset based logistics companies as well as asset-based logistics companies, third-party freight brokers and carriers offering logistics services. The Company also competes against carriers' internal sales forces and shippers' transportation departments. It also buys and sells transportation services from and to many companies with which it competes. Historically, competition has created downward pressure on freight rates, and continuation of this rate pressure may adversely affect the Company's net revenues and income from operations.

SEASONALITY. In the transportation industry generally, results of operations show a seasonal pattern as customers reduce shipments during and after the winter holiday season. In recent years, the Company's operating income and earnings have been higher in the second and third quarters than in the first and fourth quarters. Although seasonality in the transportation industry has not had a significant impact on the Company's cash flow or results of operations in recent years, the Company expects this seasonality to continue and cannot fully predict the impact it may have in the future.

AVAILABILITY AND PRICING OF PRODUCE. The Company's sourcing business is dependent upon the availability and price of fresh produce, which is affected by government food safety regulation, growing conditions, such as drought, insects and disease, and other conditions over which the Company has no control. Shortages or overproduction of fresh produce affect the pricing of fresh produce, and prices are often highly volatile.

RISKS ASSOCIATED WITH FRESH PRODUCE. The Company sources and resells fresh produce. Agricultural chemicals used on agricultural commodities intended for human consumption are subject to various approvals, and the commodities themselves are subject to regulations on cleanliness and contamination. Concern about particular chemicals and alleged contamination has led to recalls of products, and tort claims have been brought by consumers of allegedly affected produce. Because the Company is a seller of produce, it may have legal responsibility arising from sale. While the Company carries product liability coverage of $75 million, settlement of class action claims is often costly, and the Company cannot assure that its liability coverage will be adequate and will continue to be available. In addition, in connection with any recall, the Company may be required to bear the cost of repurchasing, transporting and destroying any allegedly contaminated product, for which it is not insured. Any recall or allegation of contamination could affect the Company's reputation, particularly of its The Fresh 1(R) brand. Loss due to spoilage (including the need for disposal) is also a routine part of the sourcing business.

GOVERNMENT REGULATION. The Company is licensed by the Department of Transportation (the "DOT") as a broker in arranging for the transportation of general commodities by motor vehicle. The DOT prescribes qualifications for acting in this capacity, including certain insurance and surety bond requirements. The Company is also licensed by the Federal Maritime Commission as an ocean freight forwarder and maintains a non-vessel operating common carrier bond, and is licensed by the United States Customs Service of the Department of the Treasury. The Company sources fresh produce under a license issued by the Department of Agriculture. The Company's failure to comply with the laws and regulations applicable to entities holding these licenses could have a material adverse effect on the Company's results of operations or financial condition. The transportation industry is subject to legislative or regulatory changes that can affect the economics of the industry by requiring changes in operating practices or influencing the demand for, and the cost of providing, transportation services.

IMPORTANCE OF MAJOR CLIENTS. The Company derives a significant portion of its gross revenues from its largest clients. The sudden loss of a number of the Company's major clients could have a material adverse effect on the Company.

CHANGE IN CORPORATE CULTURE. Prior to the Company's initial public offering, employees broadly participated in the ownership of the Company, and more than 700 employees owned substantially all of its outstanding Common Stock. Consequently, employees considered themselves the owners of the Company. As a result of the Company's initial public offering completed in October 1997 and the subsequent lapse of restrictions on employees' ability to resell their shares of Common Stock, a larger portion of the Common Stock will be in the hands of the public, and the Company's employees will have significant liquid assets. This change in structure and liquidity may adversely affect employee motivation. The Company has also issued restricted stock as an incentive, and employees owning Common Stock have profited from the growth in the book value of the Common Stock. The Company has replaced its previous stock program with new stock-based programs, but is unable to predict whether the substitution of the new plans will be perceived as being a less valuable form of compensation, thereby adversely affecting employee performance. If the Company finds that it must initiate new incentive programs, its results of operations could be adversely affected.

DEPENDENCE ON MANAGEMENT. The Company is highly dependent upon the continued services of its senior management team, none of whom has an employment agreement with the Company. The sudden loss of the services of several members of senior management, as opposed to one or two individuals, could have a material adverse effect on the Company.

STOCK PRICE VOLATILITY. The market price of the Common Stock may be volatile and be significantly affected by factors such as actual or anticipated fluctuations in the Company's operating results, announcements of new services by the Company or its competitors, developments with respect to conditions and trends in the logistics or transportation industries served by the Company, changes in governmental regulation, changes in estimates by securities analysts of the Company's future financial performance, general market conditions and other factors. In addition, the stock markets have from time to time experienced significant price and volume fluctuations that have adversely affected the market prices of securities of companies for reasons often unrelated to their

operating performance.