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COOL TIMES

The Quarterly News Letter of the Cool Chain Association



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Message from the Board

The Challenge of Looking Ahead

by Robert Arendal – Chairman of the CCA

I would like to share some thoughts with you for this issue of COOLTIMES.

Since the founding of the Cool Chain Association, I'm of the opinion that over the years we have together created important momentum for the improvement of the cool chain logistics – or rather, the handling and transportation of PTSP's (perishables and temperature sensitive products).

Without a doubt, our biggest claim (if I may use this bashful expression) is to have established – together and with the great support of Germanischer Lloyd – the CCQI's; the first industry standards for the PTSP industry. The CCQI's are now gaining respect and recognition within the PTSP industry as well as in transportation industry. The fact that we have been asked to translate the CCQI Master Tables into Chinese and Spanish is clearly a good sign. We are – I think we can say – on the right track.



And yet, there is so much more to be done in the near future – such as;

- We need to expand our membership to include a deeper breadth of members from all the service suppliers that are involved in the PTSP industry. Remember we wish to represent and involve ALL of the participants that are active in this industry. We need to see membership participation from the shipping industry as well as the port container terminals. This in and of itself is a challenge. We must at the same time maintain a “manageable association” that is creative, productive and non-bureaucratic in its operation, yet represented on a global basis. You as members have clearly expressed the importance of limited, but good PTSP presentations at our yearly AGM as well as at our once or twice yearly seminar(s), combined with interesting projects for our workshops. Providing sufficient time and opportune subjects at these workshops is vital for the prosperity and key objectives of the CCA. These workshops have in the past started some of the most creative aspects of our association. Therefore, this fine and challenging balance between a sufficient and respectable number of members – widely spread among the different service suppliers while maintaining the creativity and productivity as well as professional “prerequisites” of the CCA, is of key importance both now and in the future.
- Further and additional funding of the CCA is vital in order for us to enable us to be more visible and represented at all PTSP events. But not only is more visibility and participations in PTSP events a must; also more research activities should be initiated, such as the initiative we have started with Jean-Pierre Emond and Tony Wright – although on a small scale – looking into the Carbon Footprint of the PTSP industry.



- Also, we are often asked to give expert advice on PTSP industry matters. In order to provide such assistance, we need not only the support and assistance from experts within our association, but also the financial means to provide such research and studies. Over time we should strengthen our association and especially our Secretariat, in order that we can satisfy such requests for assistance and research to the PTSP industry.
- Last but certainly not least, additional CCQI certifications are a must. The PTSP industry is demanding such professional services. I hear this demand again and again as I participate in PTSP industry events and consumer demands for better food safety and quality. Our industry must improve to meet such demands and the CCQI concept and process is the answer. With Super Markets and Retailers specifying CCQI standards from their suppliers and throughout the complete cool chain, our industry needs to recognize this call for improved services. We are working with IATA and other organizations to achieve a global application of the CCQIs. The interest we have had for the CCQI in Europe is only a small part; China and Asia in general have huge opportunities and requirements for the CCQI concept. It's up to the CCA and all of us to meet this demand in the immediate future.

I look forward to working with the CCA Board of Directors as well as all of you on these issues and appreciate your support to help make the CCQIs a global standard and the CCA a strong, worldwide and respected association for the PTSP industry.

Project Updates

CO² Project

One of the important topics we planned to discuss during the CCA Workshop in Barcelona was **CO² Emissions** issues facing the PTSP industry and its affects. As we have already informed you, we had to postpone the workshop.

In order to provide you with the best information available, we commissioned our own Jean Pierre Emond' of the University of Florida and Tony Wright from Exelsius to jointly undertake a study project. Both JP and Tony are still working very hard to accumulate data and will compile a detailed presentation for you and the CCA in the coming weeks.



Cargo Service Center India received CCQI Certification



Mr. R. Panicker receiving the CCQI certificate

The very first Cool Chain Quality Indicators (CCQI) Certification in India was awarded to Cargo Service Center India by the Cool Chain Association and Germanischer Lloyd. Cargo Service Center India is one of the main providers of air cargo handling, warehousing and air cargo security in India. The Cool Chain Quality Indicators are an industry standard to ensure reliability, quality and competence in the transport of temperature-critical goods including foods, plants, chemicals, pharmaceuticals and units of blood. CCQI uses a benchmarking system to render quality in this area that is transparent and comparable.

During the two day audit by Germanischer Lloyd, the implementation and effectiveness of the CCQI management system were checked for the Short Term Storage/Distribution Center and Apron Handling of Cargo Service Center India. The audit included interviews, examination of documents as well as observation of activities and conditions. The results of the audit were positive and no non-conformities were found. CSC India achieved a high score on the audited master tables.

Cargo Service Center India Pvt. Ltd. (CSC India) was set up in India in 1994 to provide cargo handling services to their parent airline KLM Royal Dutch Airlines. Today the company provides air cargo handling, warehousing and air cargo security from locations in Mumbai, Chennai, Hyderabad, Delhi and Bangalore. All operations are ISO 9001:2000 certified.

In the tightly regulated handling business, CSC India was awarded the contract to manage, operate and maintain the Center for Perishable Cargo in New Delhi in 2001. This Center, originally set up by the Agricultural and Processed Food Products Export Development Authority (APEDA), was leased for five years to CSC India by the Airport Authority of India. The task was to provide handling, warehousing and related services exclusively for export perishable cargo out of Delhi airport. The agreement was extended in 2006 with the present operator Delhi International Airport Limited (DIAL). The annual output has increased from 4,500 tons per year in 2001 to 18,000 tons today.

Since 2004, CSC manages and operates the Terminal for Express Cargo in New Delhi and since 2005 a similar terminal in Mumbai. Both these facilities were setup by the Express Industry Council of India (EICI). In 2005, CSC India started to provide cargo security handling to the airlines at the Delhi Perishable Center as a Government authorized private Regulated agent. Today the company provides similar services to its parent airline KLM and Air France at Mumbai, Delhi and Bangalore.



The CSC India team

The Cool Chain Quality Indicators (CCQI) was jointly developed by the Cool Chain Association and Germanischer Lloyd in 2004. Germanischer Lloyd is the exclusive certification body for this standard. The CCQI offer a means for gauging the reliability, quality and proficiency in the cool chain logistics supply chain. A point system provides an innovative, reliable and accurate means of highlighting and tracking quality of companies involved in the transport, handling and storage of PTSP. The standard also offers lasting support when it comes to improving and evaluating the logistic chain. Many companies in the PTSP industry have been certified including airports, trucking companies, forwarders and handling companies and are listed on the CCA and Germanischer Lloyd websites.



CSC India facilities

Industry Activity

Promoting the CCQI concept at Next Generation Pharmaceuticals Conference

By Robert Arendal

I recently attended the NGP Conference (Next Generation Pharmaceuticals) in Montreux, Switzerland. This conference was chaired by Kieran Ring, CEO of Global Institute of Logistics and attended by some 50 representatives from the pharmaceutical industry as well as some forwarders and other companies associated with the pharmaceutical industry.

The focus was on the specific challenges of the supply chain that this industry is facing and their need for seeing improvements in the transportation of their products. A majority of the pharmaceutical products being transported in the world today are moved by sea and truck. Only a smaller portion of the total tonnages are air freighted, although it represents a sizeable amount at healthy yields for the air freight industry. A majority of these products are transported in cool containers, either by sea or air and consequently, maintaining the right temperature and on time performance are key issues in this industry.

The pharmaceutical industry is eager to see better interaction between the various service suppliers in the logistic chain to assure an unbroken cool chain throughout the total transportation from A to Z. This aspect is especially important for the shipments moving by air, as they connect with surface transportation, mainly by truck, before and/or after the air transportation.



As such, the CCQI concept is of great interest to the pharmaceutical industry. In a discussion that followed my presentation, it was agreed that CCA and Germanischer Lloyd should evaluate whether special CCQI Guidelines should be defined for the transportation of pharmaceutical products. If so, several of the participants at this event agreed to join GL and CCA in a workgroup in order to assist and provide ideas and guidelines for CCQIs for the pharmaceutical industry.

This matter is now up for evaluation by GL and CCA within the coming weeks.

Lloyds Maritime Perishable Transport Seminar

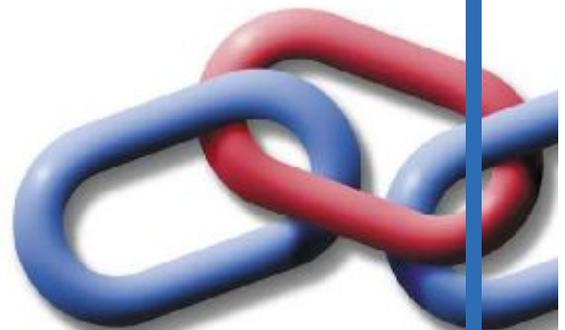
The other event where I presented the CCQI concept was at Lloyds Maritime Perishable Transport Seminar in London on October 15th and 16th. This was a smaller event with representatives from the stevedore and claims evaluation industry. The seminar was very focused on how to improve the efficiency of correct packing, stowage, handling and transportation of perishables.

The technical aspects of maintaining the right temperature and humidity were of key importance. There was also discussion about the correct packaging of perishables with sufficient ventilation openings to enable sufficient airflow through out the cartons or boxes, thereby maintaining the required temperature. Equally important was the correct stowage in order to achieve a uniformed airflow and temperature throughout the consignment. If one of these criteria (packaging, stowage, temperature controlled air flow) is not at an optimum, top quality condition is not achieved and a deterioration or complete spoilage of the shipment could happen.



During the various presentations and discussions, it was clear and agreed by all those present, that further improvements in today's logistics of PTSP's are needed. Not only during the transportation chain, but also at the point of origin. If correct handling, immediate transfer from harvest to a cooling area, pre-cooling and packing in cooled areas are not achieved at point of origin, a direct negative effect on the further transportation to destination is likely.

Here again, the CCQI concept and the presentation created a good forum for discussion. The participants welcomed the CCQI concept as an industry standard for PTSP transportation. Of special interest was the CCQI's "Point of Origin" as many experts felt that this was one of the weakest sectors in the unbroken cool chain from A to Z. Several of the participants in this seminar expressed interest in participating in the GL/CCA group for the definition of the CCQIs for "Point of Origin". We shall look into these recommendations together with Germanischer Lloyd.



Spotlight on: Currency Volatility

By Ethan Kline – President of dynamic Sourcing Inc.



The violent and rapid decline of the US dollar against world currencies has affected all sectors of the global economy. In the EU, where the Euro continues to break new ground against the dollar, and in Canada, where the Loonie is at a 30 year high, companies are facing extreme cost reduction pressures.

Corporations exporting goods to the United States have been among the most effected by the falling greenback, as the weakening dollar has made it more expensive for Americans to purchase foreign products.

The perishable industry is by no way insulated from these challenges.

Produce growers and marketers focused on the American market have traditionally priced goods in US dollars, while costs have remained fixed in their local currency - as the dollar weakens, profits have decreased accordingly.

Contracts which were once profitable are now in the red and as such, vendors have been forced to cancel and renegotiate with buyers. Prices are set to rise over 20% in some cases to reflect the shrinking margins. Furthermore, the steady rise in oil prices have lead to a significant increase in fuel charges for both ground and air transport which further increases foreign product cost.

Vendors must now compete with inexpensive local produce, and in addition, low cost Mexican product which is now flooding the North American Market. The quality of Mexican produce is set to increase in tandem with demand. This will undoubtedly result in further pressure on foreign exporters.

European and Canadian producers will be forced to do more of their business locally or in the booming markets of the Asian Pacific. Exporters of all goods must now focus on increasing the efficiency of their operations in order to keep their costs low enough to survive what could be many years of tight margins and lower trade with the United States.



Members Update

The CCA is pleased to present the companies who have decided to become our newest members. Let's give them a Cool Chain Association welcome!



www.salvesen.com



www.ilxforwarding.com

Coming Events/Conferences with CCA Participation

7-9 November 2007

IX Air Cargo Americas

Sheraton Center, Miami

- Steven Boyd, Marketing Director of the CCA will be attending this event.
- Christian Helms, Secretary General of the CCA will be a moderator for the event on November 7th, the topic of the discussion will be:
"Transportation of Perishables: Improvements and Shortcomings in Service"
<http://www.aircargوامericas.com/>

27-28 November 2007

IQPC Cool Chain Middle East Conference

Dubai

Christian Helms, Secretary General of the CCA will be representing the CCA

28th-30th Jan 2008

7th Annual Pharma IQ Cool Chain Conference

Brussels

Steven Boyd, Marketing Director of the CCA will be attending this event.

The CCA is a media partner for this event.



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