

Spring 2009 issue

# COOL TIMES

The Quarterly News Letter of the Cool Chain Association



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# Message from the Board

## CCA refuses to accept waste

The Cool Chain Association started in Feb 2003 with the common goal to establish an association that can harmonize the global movement and handling of perishables and temperature sensitive products (PTSP) to the benefit of the consumer and the supply chain participants. To achieve this common purpose, CCA and Germanischer Lloyd Certification have developed a new standard for the Industry named CCQI (Cool Chain Quality Indicator) that covers all logistic providers handling PTSP. It is and remains the aim of CCA to make the CCQI Standard a part of the selection criteria for retailers & brand- owners to find their supply chain providers.

### The Original Goal

CCA recognized that improving the cool chain, means less waste and an extended shelf life. Less waste means a higher supply of nutrition to lower costs and better quality and possible improvements for the world's poor. By bringing all parts of the cool chain together to detect possible improvements and to make them achievable on a global scale, the CCA want to contribute making the world a better place.

### Let's face it

The world population has exploded to a total of 6.7 billion today and is estimated to reach a total of 9.1 billion people by 2050. This increase is equivalent to the world population by 1950 and will mostly be absorbed by the less developed regions, whose population is projected to rise from 5.4 billion in 2007 to 7.9 billion in 2050. Malnutrition is the largest contributor to disease in the world. In 2007, worldwide 923 million people (14% of the world population) were undernourished – while 1.3 billion people in the rich world suffer from overweight and obesity. The number of people in developing countries living on less than \$1 a day was 980 million in 2004. Our Industry faces 30% waste from harvest to the consumer while real food prices rose by 64% between 2002 and 2008. Much remains to be done to eradicate the scandal of malnutrition in the context of a world that has seen global GDP double in real terms in the past 20 years. There is a future need to produce 34% more food as well as fresh water for an increasing population - and at the same time also eradicate the present poverty of 1.3 billion people. To meet present and future requirements we have to begin and change!

### Conclusion

It must be concluded that there is an enormous need for reducing waste along the cool chain. The CCA registered that there is a huge potential, e.g. the wrong handling of strawberries during transport can lead to 90% waste in comparison to correct handling which results in only 10% waste. Remember as a rule, 1 hour delay in pre-cooling leads to one day of shelf life reduction! In our Industry there is still up to 30% waste due to lack of common procedures, lack of training, lack of communication standards, and lack of measuring criteria for the unbroken supply chain.

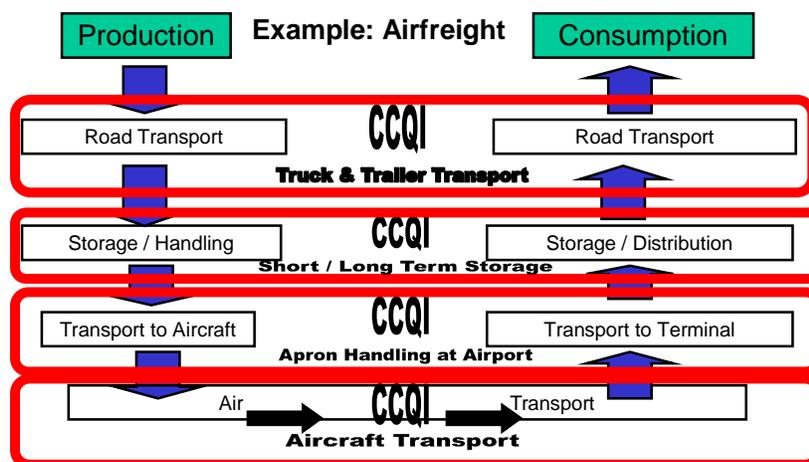
### CCQI Standard

The Cool Chain Quality Indicator is an industry standard, which combines the know-how and insights of logistics companies with the certification expertise of operating classification societies. CCQI is an open and auditable industry standard that employs a benchmarking system to establish transparent and comparable quality measures. It offers guidance and support to continually improve and assess the logistics chain for perishables and temperature sensitive products. Assessment will involve a conformity check that includes "best practices" and a measuring procedure that quantifies process proficiency using a risk-based approach. The master Tables for each part of the cool supply chain give guidelines to make sure that the perishables and temperature sensitive product will be delivered fresh and at the right temperature from field to the fork of the consumer.

The board of directors has come to the conclusion that since the beginning of the CCA nothing has changed: the cool chain industry still lacks the understanding of the process and the importance of keeping the cool chain unbroken. The CCA is not willing to accept leaks and mistakes in the supply chain anymore.

Each member of the CCA should have the same goal: harmonize your own process! Learn how to reduce the waste and realize it in your own company. As mentioned before, according to the World Bank, it is estimated that 1.3 billion humans currently live under extreme poverty. And yet, the western civilization is throwing away fruits, vegetables, bread and meat just because of the mistakes in the supply chain?

CCA Definition of cool chain operations



Let's work together and make the world a better place. We can make it.

## New business challenge for CCA Treasurer Arne Lossius



The Treasurer of the CCA, Mr. Arne Lossius is happy to announce that after leaving his former company DHL Global Forwarding Norway AS / DHL Quality Cargo AS, he now is involved in the founding of a new temperature controlled perishable terminal for seafood products. The new terminal will be located close to Oslo Gardermoen Airport. The new company, Marine Harvest Terminal AS, is a joint venture with Marine Harvest Norway AS and Cool Invest AS. Mr. Arne Lossius has the position of the Logistics Manager and he will continue his work for CCA as Treasurer and will dedicate his efforts to the harmonization of the cool supply chain.

# Spotlight on: Waiting for flowers

*Can the Dubai Flower Centre make the perishable industry fall in love with its offerings? Kathryn Semcow asks the question*



The security guard sitting at the reception of the Dubai Flower Centre seems confused when asked where the Swift Perishables Logistics office is. In fact, he almost seems surprised to be working. Perhaps this is because the Flower Centre, opened in 2006, appears to sit less than half full – an observation confirmed by the large number of empty offices on the walk to the Swift office (although official statistics insist the centre is 90 per cent occupied).

“The Flower Centre is still a relatively new initiative, and it will take some time to convince people of it,” says Jack Mwaura, General Manager, Swift Perishable Logistics, a division of Swift Freight, now part of Barloworld Logistics. “We are still selling the whole idea to our Perishables customers who are predominantly domiciled in Africa.”

The idea is to turn Dubai into a hub for flowers, a title currently claimed only by Amsterdam. Suppliers from flower-producing countries, such as Kenya, Ethiopia, South Africa, Uganda and Egypt, ship the products to the Dutch city, where it is sold at auction to buyers from around the world. “Amsterdam has been controlling at least 80 per cent of the flower industry for many years now,” says Mwaura.

But he insists the current process is inefficient. “If you are moving flowers from Nairobi to Istanbul via Europe, for example, you only have three options: Either you go on British Airways via London, Swiss Air via Geneva or Zurich, or Lufthansa via Frankfurt.” He explains that while wide-bodied carriers fly from Africa into Europe, intra-European flights tend to use smaller aircraft with less cargo capacity (the airline industry earns its highest revenues from passenger traffic). “Flowers moving from London to Istanbul will probably travel on a Boeing-737, which can only take two tonnes of cargo,” he says.

Mwaura says it makes much more sense to ship flowers grown in Africa through Dubai. “We have 150 flights out of Dubai alone, so we are able to offer quick connectivity,” he says, insisting congestion is never a problem. High demand markets include the GCC countries, Russia and the CIS, Asia-Pacific and Europe. Swift is capitalising on Dubai’s location to change the way flowers are traded. “We bring garments and electronics from China, Singapore, Indonesia and Bangkok by sea into Dubai. From Dubai we operate freighter planes into Africa,” says Mwaura. Swift then fills the freighters with African flowers, fruits and vegetables, and returns them to Dubai where they are transshipped to flower and produce-hungry countries. “That is our blueprint,” he adds. “We are pioneers in this.”

The company also trucks flowers from the Flower Centre to other GCC countries, with a service Mwaura calls “air-land”. He says Swift’s air-air and air-land services not only reduce transit times and increase product shelf life; but bring down costs. “We have also reduced the price of the freight logistics by an average of 25 to 30 per cent.”

He adds that Dubai’s smooth connections ensure reliability. “Buyers are willing to pay a premium just to ensure the product arrives on time.”

Swift also facilitates and links international buyers with African producers, eliminating the need for Amsterdam auctions. “In the auction, deals are made on the clock, so you can’t determine the price of your product over a long period of time,” says Mwaura. “We tend to promote direct sales between the buyers and the product’s origin.” He says knowledge of the African market also comes in handy. “The main destination markets only know Amsterdam. They don’t know Africa, and many people are scared to go to there.”

## Facilities

No one can argue that Dubai lacks the gumption to become a flower hub. The government, after all, spent AED 255 million (US\$69.4 million) on the 100,000 sq metre Flower Centre. The facility can handle 180,000 tonnes of perishable products a year and is equipped with some of the region's top cool chain technology. It was built for not only flowers, but fruits and vegetables and any other cargo that requires a temperature controlled environment.

Refrigerated dollies meet perishables upon their arrival on the tarmacs of Dubai Airport's three terminals. As these battery and petrol-fuelled dollies can maintain their temperature between -18 and +25 degrees Celsius for up to 18 hours, Mwaura insists that those concerned that Dubai's high temperatures will wilt the flowers have nothing to worry about. "There are a lot of doubts about Dubai being a shipment hub, given the temperatures in Dubai itself," he says. "We have the cool dollies to deal with that aspect."

Once the dollies arrive at the Flower Centre, pallets are moved through one of two X-ray machines, so large that they take up an entire building. "We can X-ray the perishables without breaking up the pallets," says Mwaura.

The pallets of perishables then move on to a fully automated storage and retrieval area. An elevated transfer vehicle lifts each pallet to one of 600 pallet positions, all with their own adjustable ambient temperatures between 2 and 18 degrees Celsius. Fruits and vegetables move to closed pallet positions, to prevent the ethylene gas they emit from spoiling flowers stored nearby.

Flowers on their way to long haul destinations such as Australia and the Far East may spend 25 minutes or so in the vacuum cooler, which Mwaura says is superior to the facility's three blast chillers. "With the vacuum cooler, we chill the flowers in the pallets without breaking them up," he explains. "When dealing with flowers we try to minimise handling as much as possible."

Goods destined for the UAE travel to the main floor, where they are inspected by the relevant authorities. Offices of the Ministry of Environment and Water, which includes the division of Agriculture and Fisheries, are based at the centre; as well as Dubai Municipality and Customs. Goods labelled for transshipment move to the second floor. A five per cent customs duty is applied to produce passing through the centre, which can be shipped directly to any GCC country.

Specialised facilities in the main building include laboratories, quality control operations, break and build areas and specialised cool-storage chambers where companies can add value or process their products for onward transfer. Several companies have set up a shop in the centre, offering services such as repacking and consolidation for transshipment, pre-assembly of product lines sourced from around the world, fruit and vegetable packing and value added services such as bouquet making.

With facilities in place, the only thing missing are the world's flowers. Mwaura admits that the centre is "not at its full potential."

"The players in the industry, the big kahunas in the market, are not here yet, to be honest - but we are working on them," he says.

But who is in a hurry? The Flower Centre, after all, has a goal larger than meeting yearly targets. As the brochure reads, the centre is "part of a long term plan to transform the perishables industry." Its success will be judged not in 2009, but in 2019 or 2020, depending on where the world's flowers are flying.

*First published in LOG. Middle East, [www.log.ae](http://www.log.ae)*



## News: Fruit Logistica 2009 in Berlin:

The CCA held their first shared booth with the members of the Cool Chain Association at the Fruit Logistica in Berlin. The Fruit Logistica is one of the leading Trade Fairs for the International Fresh Produce Trade. This specialist trade fair offer the sectors connected with the fresh fruit and vegetable business an ideal opportunity to present their products across the entire added-value chain, from growing to the point-of-sale.



The CCA member CCG Cool Chain Group invited the Cool Chain Association and its members to share their booth at the Fruit Logistica. CCG Logistics UK Ltd is a subsidiary of CCG Cool Chain Group Holding AG, which is a global network of operations dedicated to managing the supply chain of temperature sensitive goods. CCG employs industry experts whose job is to monitor every step of your supply chains. Additionally CCG is a founding member of the CCA. Two more members and the CCA followed the call and together they had a successful show at the exhibition in Berlin.

Germanischer Lloyd Certification (GLC), the exclusive body for auditing and certification of the CCQI-standard, used the opportunity to present not only the competence to carry out certifications according ISO 22000 Food safety management systems and HACCP but also to promote the CCQI standard and their procedures for CCQI-certification. "The main focus of the exhibition was on logistics management with special regard on perishables. Hence the CCQI-standard was very good to be presented and we were glad to see, how many companies were actually interested in it." Wilhelm Loskot, Head of the GLC-Department "Shipping and Logistics", said after the exhibition. Apart from food-relating standards GLC also had the chance to speak about their large variety of management system certification in the fields of quality, environment, health and safety or risk management.



DUS Cargo Logistics is the Handling Agent at Düsseldorf International Airport. Being present at one of the biggest trade fairs in Germany has been informative as well as positive for the business performance. DUS Cargo Logistics handles import and export cargo for almost any airline in Düsseldorf with up-to-date technology. In order to contribute to the standardized handling of temperature-sensitive goods they have become an active member of the Cool Chain Association in 2008.

As a result it can be said that the idea of a shared booth for CCA member pays off, because the booth was always busy, which gains more attraction for passing-by visitors. While sharing the costs, the design of the counters, facials and appearance of the booth can be done professionally and attractively. Furthermore the participating members had the advantage of the CCA Secretariat organizing the booth from one source, which was much more efficient. For future exhibitions CCA would be pleased to repeat the positive experience. Members of the CCA can find a questionnaire published on the CCA website, where several exhibitions and fairs are quoted. Furthermore the CCA Secretariat stands by for requests.



**“Waste is Money”**  
**- make the world a better place -**  
**4<sup>th</sup> – 5<sup>th</sup> May 2009, Barcelona, Spain**

We are happy to announce that our AGM 2009 will take place at the wonderful city of Barcelona! Under the topic **“Waste is money – make the world a better place”** we invite our members and friends on 4<sup>th</sup> – 5<sup>th</sup> May 2009 to come together and discuss problems, facts and possible solutions for the benefit of everyone. We will offer an interesting and challenging event in a city, which is multisided and crucial for the Spanish and European logistic sector.

**Barcelona** is the capital and most populous city of the Autonomous Community of Catalonia and the second largest city in Spain, with a population of approx. 1.6 million. It is a major economic centre with one of Europe’s principal Mediterranean ports, and Barcelona International Airport is the second largest in Spain after Madrid-Barajas Airport.

**Barcelona has a long-standing mercantile tradition.** Less well known is that it was one of the earliest regions in continental Europe to begin industrialization, beginning with textile related works at the end of the eighteenth century but really gathering momentum in the mid nineteenth century, when it became a major centre for the production of textiles and machinery. Since then, manufacturing has played a large role in its history. The traditional importance in textiles is still reflected in Barcelona's importance as a major fashion centre.

The most **important industries** today are textile, chemistry, pharmaceutical, motor, electronic and printing. In the services sector, the most important are the logistics, publishing, telecommunications and computer sectors. Barcelona also has several congress halls, notably Fira de Barcelona (Trade Fair), that host a quickly growing number of national and international events each year, which had also meant the opening of new hotels each year. The Port of Barcelona is an important Mediterranean port, both for general containers cargo and for cruise ships.

One of the many benefits of such a workshop has been the awareness of critical aspects or weaknesses of the cool chain distribution. We feel that these issues need to be addressed in order to improve the quality of the logistic process of PTSP transportation. Our customers rightfully continue to be more demanding, want more reliability and longer shelf life for their products – a logical consequence to increased awareness and wishes from the end user – the consumer.

***Mark your calendar for this promising event!***

More information is about to follow soon.

We hope to see you in Barcelona!

**Registration is open for all:**

Members: 650€

Non-Members: 850€

**Who should attend?**

Airlines, Packaging  
Manufacturer, Government  
Agencies, Shipping Lines,  
Pharmaceutical companies,  
Industry Consultants,  
Airports, Warehouses,  
Trucking companies, Airport  
Operators, Pharmaceutical  
Distribution companies,  
Food retailers, Seaport  
Operators, Reefer Truck  
Operators, Freight  
Forwarder, Cool Terminal  
Operators

For further information, visit [www.coolchain.org](http://www.coolchain.org) or contact [sec@coolchain.org](mailto:sec@coolchain.org)

# 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!



## Taiwan Association

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## Coming Events/Conferences with CCA Participation

2-5 March 2009

**IATA World Cargo Symposium 2009**

Centara Grand at Central World Hotel Bangkok - Bangkok, Thailand

20-24 April 2009

**2009 PDA Annual Meeting**

Las Vegas - Nevada, USA

4-5 May 2009

**CCA AGM 2009: Waste is money**

Barcelona, Spain, Hotel Tryp Apolo

3-5 May 2009

**CNS Partnership Conference 2009**

La Costa Resort and Spa - Carlsbad, United States



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