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THE FRESH FACE OF PERISHABLES

How **Coolcargo** is
Keeping Cool Chain Temperatures –
and Shipping Costs – to a Minimum



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In the complicated process of moving perishable air cargo from packing house to cargo terminal to plane and, eventually, its final destination, there are numerous gaps which can have a negative effect on product quality.

How **Coolcargo** is Keeping **Cool Chain Temperatures – and Shipping Costs – to a Minimum**

With limited cold chain infrastructure and an elaborate system of transport that often involves many parties and multiple locations, the sight of a shipment of temperature-sensitive cargo sitting in Thailand's hot and humid air is not uncommon. It is estimated that across the industry over 20% of fresh produce consignments are damaged or written off due to poor handling and lack of temperature control during transit.

By : Greg Jorgensen

Thai perishables exporters are feeling the pinch from all angles.

With fierce regional competition, limited margins, global food shortages, and high fuel prices resulting in increased cargo rates, the need for exporters to reduce shipping costs has never been greater.

Tim Broekhuizen, the Operations Manager at Coolcargo, thinks he has the answer to how produce exporters can save costs – and ultimately deliver higher-quality product to the consignee. With a background in pharmaceuticals and food services, he's also one of the few operations managers in Thailand qualified in the new IATA Perishable Cargo Regulations V7.

Coolcargo provides a specialized service that keeps produce at its correct temperature at every step of its journey, no matter where it is and no matter who's handling it. Their core services – developing innovative cold chain solutions, specialized cold room management, and custom-designed thermal protection equipment – have grown out of extensive testing and years of experience with temperature sensitive products.

“Essentially, we offer a service that helps to optimize the cool chain with simple, cost-effective solutions,” says Broekhuizen in his office in the Suvarnabhumi Free Trade Zone. “Cold chain consignment protection is being applied worldwide, but what makes us unique is a service that links all of the steps together and bridges the gaps in the system for a seamless cool chain.

“Bangkok Flight Services (BFS) have really helped with the development of our solutions,” says Broekhuizen about the company they work closely with. “BFS's tightly controlled ‘special care



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Veera Lidanasudh
Koerner Agro's Executive Director

service’, based on Good Distribution Practices (GDP), IATA PCR V7 & CCQI standards, are practical and work very well operationally. We've completed over 500 shipments with zero claims or damages.”

The major benefit of Coolcargo's cool chain handling is that it eliminates the need for Expanded PolyStyrene (EPS) foam boxes, allowing for the use of rigid cardboard containers which can be easily pre-cooled in transit. When you consider that this allows for the elimination of ice and gel packs, the savings are obvious. In addition, once these containers are handed to Coolcargo, the shipment is never outside a controlled environment for more than a few minutes. However, “convincing people to move away from foam is difficult because it's been done for so long and it's so easy,” says Broekhuizen

One company that saw the value in Coolcargo's unique supply chain was Koerner Agro Export Center, which specializes in fruit, vegetable and flower exports. “I was skeptical at first,” says **Veera Lidanasudh**, Koerner Agro's Executive Director, “but decided to try it out on one shipment to see what happens.”

What happened was that Veera eliminated the ice and gel packs he

would normally have used, allowing him to ship 70% more product in the same space. “Using foam, I was getting 120 boxes of asparagus into an LD3 container, but with cardboard cartons, I can fit 190 into the same space.” In addition to this, Coolcargo's pre-cooling service and insulated ULDs allows the use of cheaper indirect flights through Middle East transit hubs. “Thanks to Coolcargo, I can send a shipment on a flight with a 4 or 6 hour layover in Dubai with a temperature fluctuation of only 2 or 3 degrees, without using foam or gel and without any loss in product integrity,” says Veera.

But what still mystifies him is why the airlines aren't jumping at the opportunity. “Yes, it's an advantage for me, but the airlines are the ones that stand to benefit the most. Essentially, they can charge a new customer for denser loads and the space that I no longer use.”

Part of Coolcargo's service includes regular temperature monitoring of consignments using data loggers, which give a precise record of what is happening to the consignment both inside and outside the ULD. One graph supplied by Broekhuizen followed a 1,200kg shipment of mixed produce and herbs from the packing facility in Bangkok to the

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airport in Frankfurt (and a further 24-hour road trip to the consignee), with a 3-hour layover in Dubai. With a total trip time of 60 hours and an ambient temperature fluctuation from 10-51 degrees Celsius, the graph records only a 3-degree change in temperature inside Coolcargo's Styrofoam-free LD3 container.

It is often quite easy for a shipper to lose track of total costs versus savings when faced with charges from multiple parties (farmers, packaging, utilities, airfreight, etc), especially when most are paid on different days. But when all of these factors are presented in graph form, it becomes easy to see where savings are made.

Veera echoes the sentiment by saying, "When you see the cumulative data in front of you, you see that an 8.5 baht/kg investment in the Coolcargo solution in the beginning will end up saving you 3 baht here, 8 baht there, and it all adds up."

When you take into account the unexpected delays that sometimes pop up in international transportation, there's even more opportunity to save. "If one of my shipments was delayed and had to be stored overnight, for instance, a Styrofoam box is a sealed environment, and you can't re-cool them. But with cardboard, 1 or 2 hours in cold storage does the trick," says Veera.

Many of Veera's European customers are so impressed at the improved quality and volume that they've insisted he continue to do things the Coolcargo way, giving him a firm footing in the 680-billion baht per year Thai-EU perishables export market.

Part of this stems from the strict environmental regulations that most



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Mr Tim Broekhuizen

Coolcargo's Operations Manager

European countries must follow, some of which force importers to pay for proper Styrofoam disposal. "My European customers have been telling me to cut out foam for years, but recently it's gotten quite vocal," says Veera. This is where you begin to see how Coolcargo's system can have a ripple effect in the industry.

But one thing that Broekhuizen doesn't want his service used for is as a negotiating tactic. "We do not want people to use our monitoring and temperature results for claiming purposes," he says.

Both Veera and Broekhuizen see Coolcargo as part of a value chain that needs to be embraced before it's too late. With increasing competition from countries such as Vietnam, or locations closer to Europe such as Peru or North Africa, Thailand is in danger of being priced out of the

market. "Using Coolcargo, I can avoid paying shipping costs for ice and gel packs, and the airlines can ship more cargo in the same amount of space. For Thailand's perishables industry as a whole, it's a win-win situation."

Companies were slow to sign on at first, but innovative shippers like Koerner Agro are taking advantage of shifting trends, and Broekhuizen is seeing a steady rise in demand. "Several airlines are in final trials to utilize the service as their branded fresh product.

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