



# Future of the Food Supply Chain: Key Policies

## **Who is the Global Cold Chain Alliance (GCCA)?**

GCCA represents more than 1,100 companies in 85 countries who serve the food industry by providing third-party, temperature-controlled supply chain services. The cold chain serves as a crucial link in the supply chain, and GCCA members ensure the food safety, security, and reliable access to over 213 billion pounds of perishable food annually.

## **What is the Cold Chain?**

The cold chain refers to managing the temperature of perishable products to maintain quality and safety from the point of origin, through the distribution chain, to the final consumer – ensuring the safety of food from the farm to your fridge.

## **An Essential Industry**

Designated an essential industry supporting the nation's critical infrastructure during the pandemic, GCCA and our members have worked tirelessly to ensure that our country and the world has reliable access to safe and high-quality food.

### **Food Supply Chain in the Spotlight**

Under normal circumstances, the cold chain largely operates below the radar screen. This is a testament to the third-party logistics providers who work behind the scenes to ensure that food is stored, handled, and distributed efficiently while protecting safety and quality for consumers. The COVID-19 pandemic has placed a spotlight on the food supply chain and highlighted some key issues to strengthen the food supply chain for the future.

### **Policy Recommendations**

- Increased support for continued development and implementation of supply chain technology, including the strengthening of cyber security across the food industry.
- Regulatory flexibility to address current and future supply chain disruptions and shifts in consumer patterns.
- Improved FSIS policies and capacity including increased FSIS personnel, identifying alternative methods for achieving veterinary signatures and revision of the "50 mile" rule for import establishments.
- Support for workforce development initiatives and policies to address labor challenges across the food supply chain.
- Ensure COVID-19 relief programs and funds assist food supply chain companies.
- Utilize 2023 Farm Bill to comprehensively address food supply chain policies.





## Future of the Food Supply Chain: Issues at a Glance

**Food Supply Chain Technology:** Further advancements in supply chain technology and logistics sharing need to be explored and implemented. The length and complex networks of contemporary supply chains make them difficult to regulate and manage. This is compounded with a linear disconnected supply chain of one up, one back where data resides in individual company systems that cannot be shared in the supply chain ecosystem. Key areas of focus going forward will need to be digitalization and cyber security.

**Regulatory Flexibility:** During the pandemic, USDA and FDA provided regulatory flexibility to facilitate some shifting of product from food service to retail during the pandemic. Development of allowances in standards and regulations for low-risk food items to be converted from bulk to retail packaging during emergency situations could limit shortages, reducing waste and lost product.

Increasing FSIS inspector and veterinarian capacity, as well as optimizing export processes will also improve supply chain efficiency. In addition, USDA-FSIS currently has a “50 mile” rule that limits import inspections to facilities within 50 miles of a port of entry. Eliminating or modifying this policy would increase food supply chain capacity and throughput, thus strengthening the resiliency of the supply chain and helping alleviate congestion.

**Labor Constraints:** While facilities have increased the starting wages and adjusted the pay of experienced workers along with the minimums increase, many people are choosing not to work in cold environments, even for more money and benefits, over unemployment or working in unskilled positions. In addition, sufficient drivers for refrigerated fleets also remains a challenge, as the market for drivers is very limited.

**Capacity and Infrastructure:** During the pandemic, capacity issues were experienced due to supply chain breakdowns within overlapping cold storage needs due to exports that were not able to be transported to the ports for distribution. If the ports are limited or closed, then it must go to cold storage. Capacity reached its maximum at certain cold storage facilities with the additional pressure of committed space for the produce growing season overlapped and created challenges. It is important that the infrastructure of our ports for both imports and exports be modernized and automated to prevent the slow down or stoppage of commerce.

**2023 Farm Bill:** The term “supply chain” appears just four times in the 2018 Farm Bill. Given the increased profile and pressures on the supply chain, GCCA urges Congress to more fully incorporate food supply chain issues in the next Farm Bill.

