

128th

IARW-WFLO Convention

April 7–10, 2019

Santa Ana Pueblo, New Mexico

State of the Association





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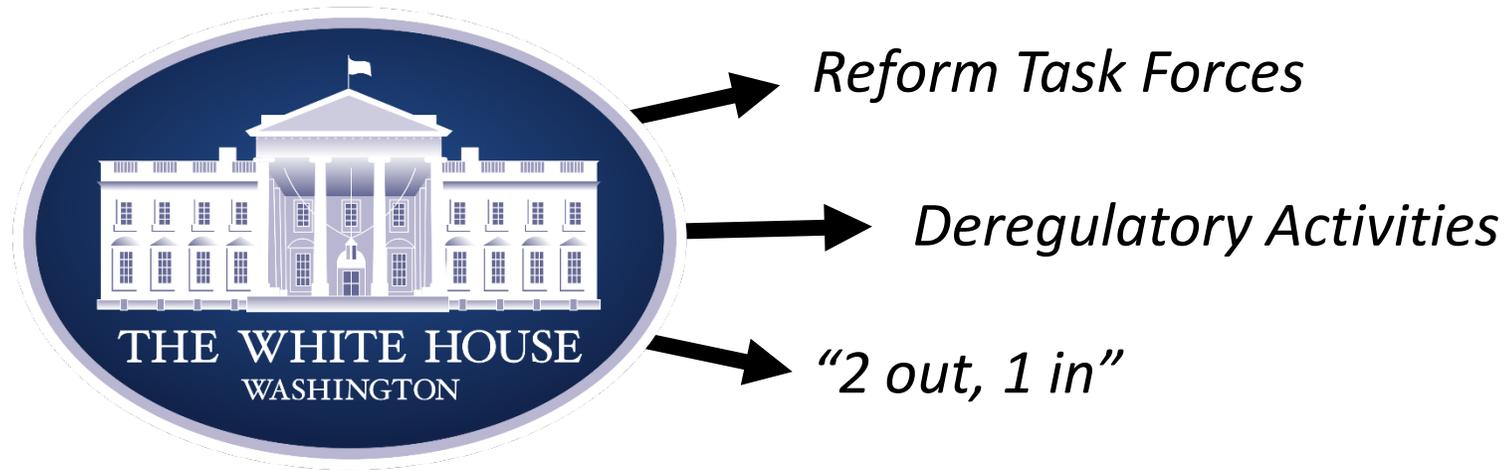
LEAD THE COLD CHAIN



Political Climate



Trump Administration Continuing Regulatory Reform Efforts



Reform Results in 2018

12 TO **1**

DEREG TO REG RATIO

\$23
BILLION

IN NET SAVINGS

176

DEREGULATORY ACTIONS

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GCCA Actively Engaged

20+ legislative
and regulatory
coalitions

Annually signs
dozens of letters
and public
comments

- ✓ Trade
- ✓ Taxes
- ✓ Food
- ✓ EPA
- ✓ OSHA
- ✓ Labor
- ✓ Transportation
- ✓ Small business



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GCCA Regulatory Reform Initiatives

- 1 Improve the FSIS Export Certification Process for meat and poultry
- 2 Reform the EPA's ammonia release policies
- 3 Increase the IDLH from 300ppm to 500ppm and allow APR use up to 500ppm
- 4 Permit workers to enter reduced oxygen environments without SCBAs under certain protocols

Improving FSIS Export Procedures

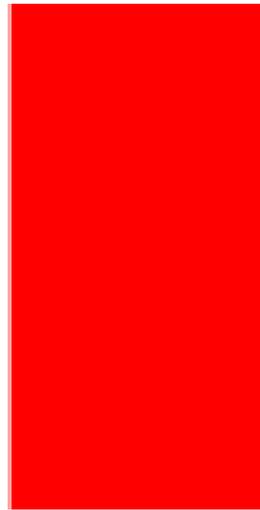
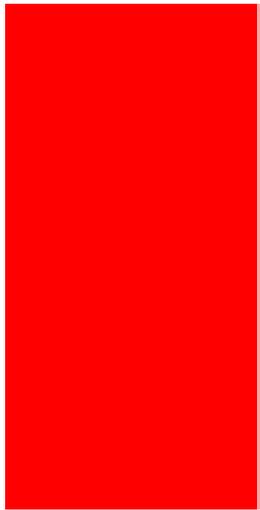


GLOBAL COLD CHAIN
ALLIANCE®



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Global Efforts



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Cold Chain Policy Forum



GCCA COLD CHAIN POLICY FORUM
FAIRMONT, WASHINGTON, DC
JULY 29-31, 2019



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Cold Chain Policy Forum – Who Should Attend



GCCA COLD CHAIN POLICY FORUM

FAIRMONT, WASHINGTON, DC

JULY 29-31, 2019



• Senior Executives with compliance and regulatory responsibility
• Members of Safety and Government Affairs Committees

**D.C.
POLICY
EVENT**

- Owners / CEOs
- Senior Executives with compliance and regulatory responsibility
- Members of Safety and Government Affairs Committees

Cold Chain Policy Forum – Program Content



GCCA COLD CHAIN POLICY FORUM

FAIRMONT, WASHINGTON, DC

JULY 29-31, 2019



**D.C. POLICY
EVENT**



Policy educational programming,
government agency meetings,
and meetings of the Safety and
Government Affairs Committee

Cold Chain Policy Forum - Agenda Highlights

Monday, July 29, 2019

- *Welcome Reception*

Tuesday, July 30, 2019

- *Education Breakout Sessions*
- *General Session & Lunch*
- *Committee Meetings/Industry Partner Meetings*
- *Reception & Dinner*

Wednesday, July 31, 2019

- *Breakfast & Agency Meeting Orientation*
- *Agency Visits*
- *Closing General Session (Agency Debrief) & Lunch*



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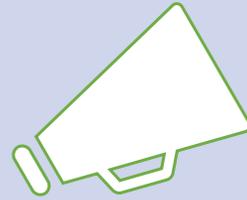
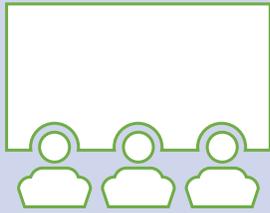
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Develop Talent





Monday, 10 June

½ Day Educational Conference

Opening Keynote & Luncheon

Breakout Sessions
12 different sessions

Tuesday, 11 June

Regional Roundtables
*discuss best practices with
regional peers*

+

Committee Meetings
select committees

+

Show Floor Education
*focus on innovations, new
technologies*

Wednesday, 12 June

Committee Meetings
select committees

+

Show Floor Education
*focus on innovations, new
technologies*

“We held our semi-annual meeting of all managers across Canada at the Cold Chain Expo. We brought everyone together to accomplish our own company objectives and capitalize on the quality education that GCCA had programmed during the two-and-a-half-day conference at the expo. GCCA also helped us with meeting logistics and provided complimentary meeting space for our company meetings; making it easy on us from a planning perspective. I encourage all IARW warehouse members to consider hosting your management meeting at the Expo.”

Greg Laurin, President



GCCA'S Core Provider of Education & Training

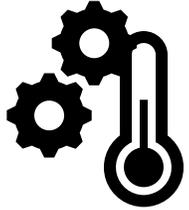




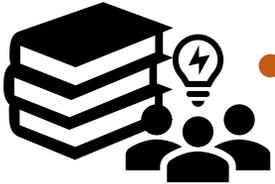
ASU® Arizona State University



NEW! Online Courses



- **Cold Chain: The Indispensable Link** – *Gives an introduction to the temperature-controlled supply chain*



- **GCCA: Forging a Strong Cold Chain** – *Shows how every employee can maximize GCCA resources*



- **Maximizing Talent: A Situational Approach** – *Through industry-specific scenarios, trains managers on approaching different employee situations*

Cold Chain: The Indispensable Link

63% COMPLETE

- INTRODUCTION TO COLD CHAIN
 - Shelf-Life Extension
 - Terms to Know
- THE VALUE OF THE COLD CHAIN
 - Critical Temperatures
 - Follow the Food
- REFRIGERATED WAREHOUSE
 - Cold Storage Essentials

Warehouse Employee Responsibilities

Click through each flipcard below to learn more about the specific responsibilities of a warehouse employee.

Shipping and Receiving

Storing

Order Picking

Accuracy and Quality

Workplace Safety

Value Added Services

Cold Chain: The Indispensable Link

0% COMPLETE

- INTRODUCTION TO COLD CHAIN
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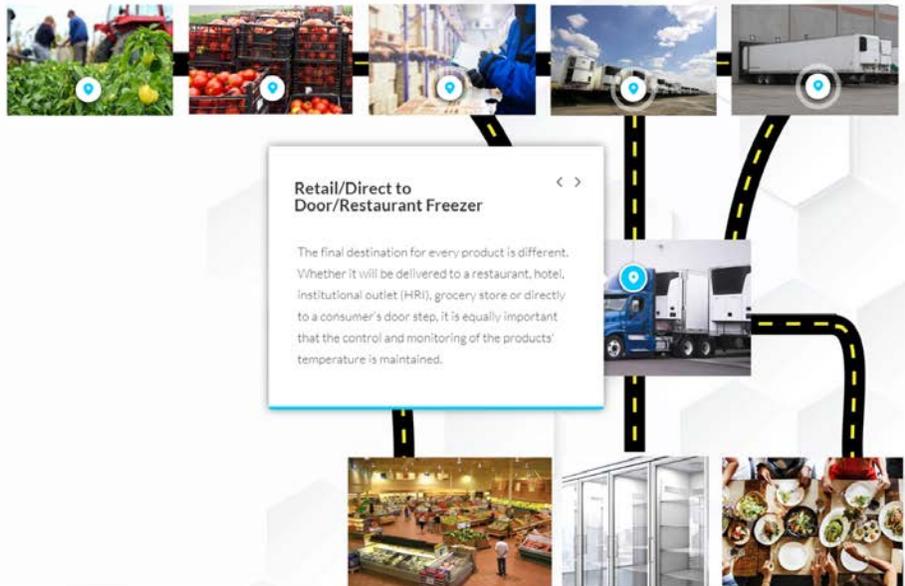

CONTINUE

Cold Chain: The Indispensable Link

50% COMPLETE

- INTRODUCTION TO COLD CHAIN
 - Shelf-Life Extension
 - Terms to Know
- THE VALUE OF THE COLD CHAIN
 - Critical Temperatures
 - Follow the Food
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THE COLD CHAIN



Retail/Direct to Door/Restaurant Freezer

The final destination for every product is different. Whether it will be delivered to a restaurant, hotel, institutional outlet (HRI), grocery store or directly to a consumer's door step, it is equally important that the control and monitoring of the products' temperature is maintained.

Cold Chain: The Indispensable Link

50% COMPLETE

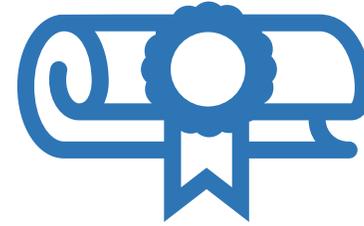
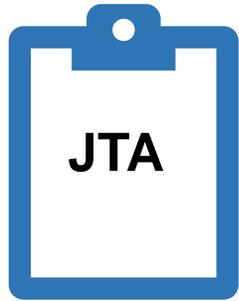
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Top Four Employee Roles in a Temperature-Controlled Warehouse

GENERAL MANAGER	OPERATIONS MANAGER	WAREHOUSE SUPERVISOR	WAREHOUSE ASSOCIATE
-----------------	--------------------	----------------------	---------------------

The General Manager (3PL) / Distribution Center Manager (private) is responsible for the overall performance of the warehouse, including operations, customer service, office operations and more. The GM plans, organizes, staffs, directs, and controls all office and warehouse activities.





SnoTemp^o



MINNESOTA FREEZER WAREHOUSE CO.



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SUPPLY CHAIN PROFITABILITY



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Energy Excellence

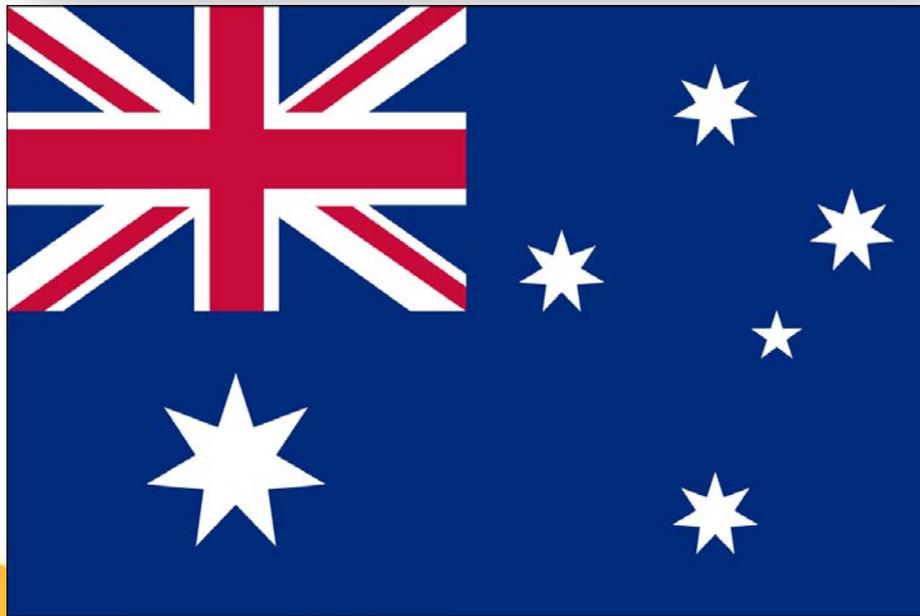
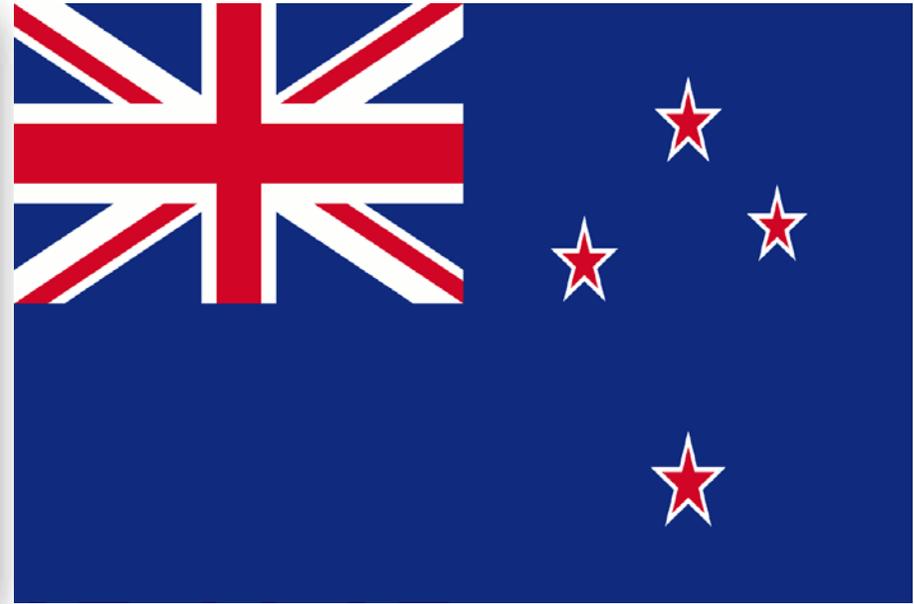
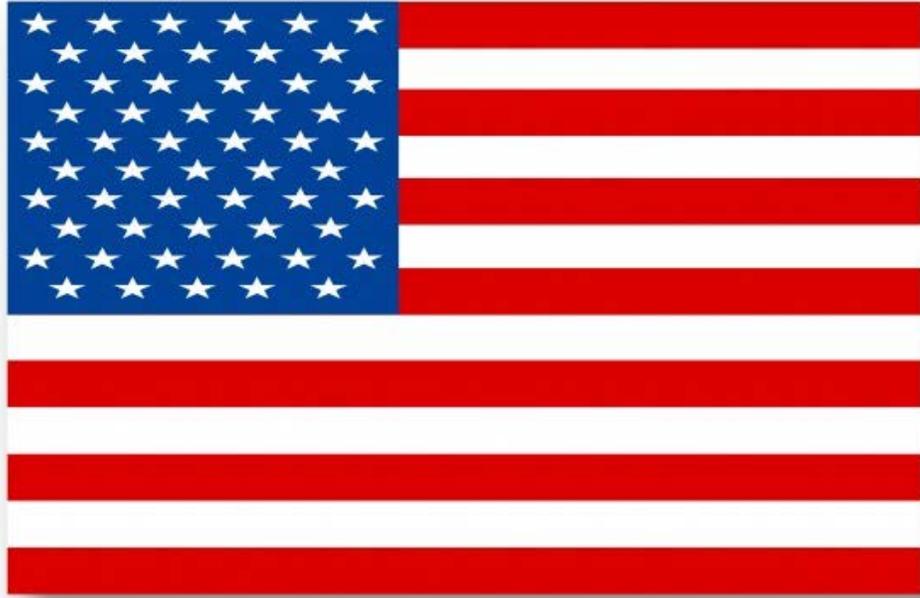


Year One Participation

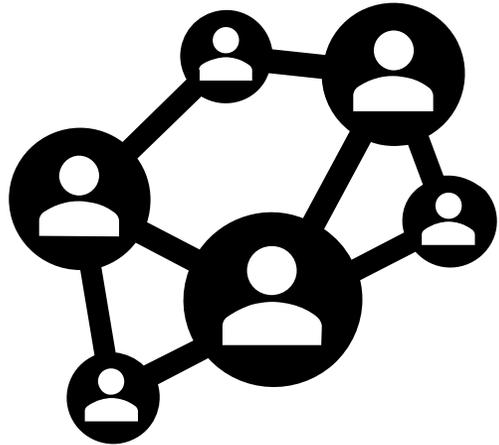
195

facilities engaged





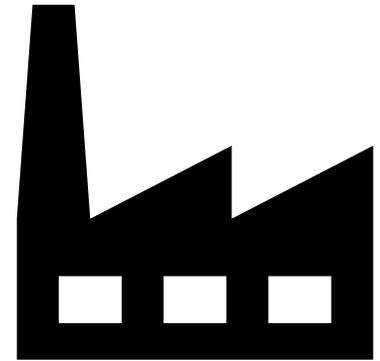
What's in it for *you*?



COMMUNITY



**TECHNICAL
EDUCATION
PROGRAMS**



**FACILITY-LEVEL
AWARENESS**

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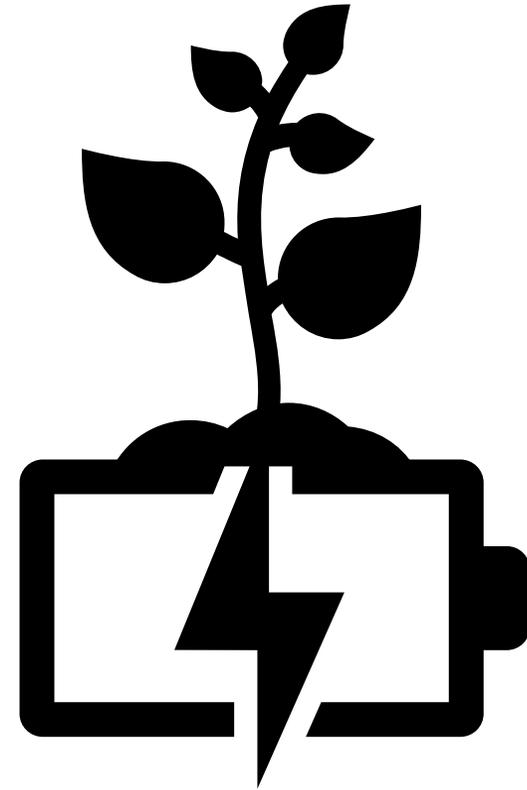
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What's in it for *them*?



Outreach Toolkit
Waste Walks
Impact Statements



**Sustainability & Green
Initiatives**

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2020 Goal – *PREDICTIVE ANALYTICS*

300
facilities signed up

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Productivity & Benchmarking



2019
Platform

Now
Open!

Productivity and Benchmarking Survey



You are signed in as: Stephen Neel
Warehouse: Company 2-HQ

Home | My Warehouse ▾ | Compare by Question ▾ | Generate Reports | Year: 2018 ▾

My Warehouse | Compare by Question | Generate Reports

Click the links under each section to enter your data (start with Profile). If your company has multiple warehouses, you should have an account for each warehouse. If you need help, contact GCCA at benchmark@gcca.org for an account for each warehouse location.



Profile

- Facility Information
- Space Usage
- Equipment

0 of 32 questions answered



Operations

- Labor
- Salary Data
- Energy Management

0 of 50 questions answered



Financial

- Revenue
- Expenses

0 of 21 questions answered



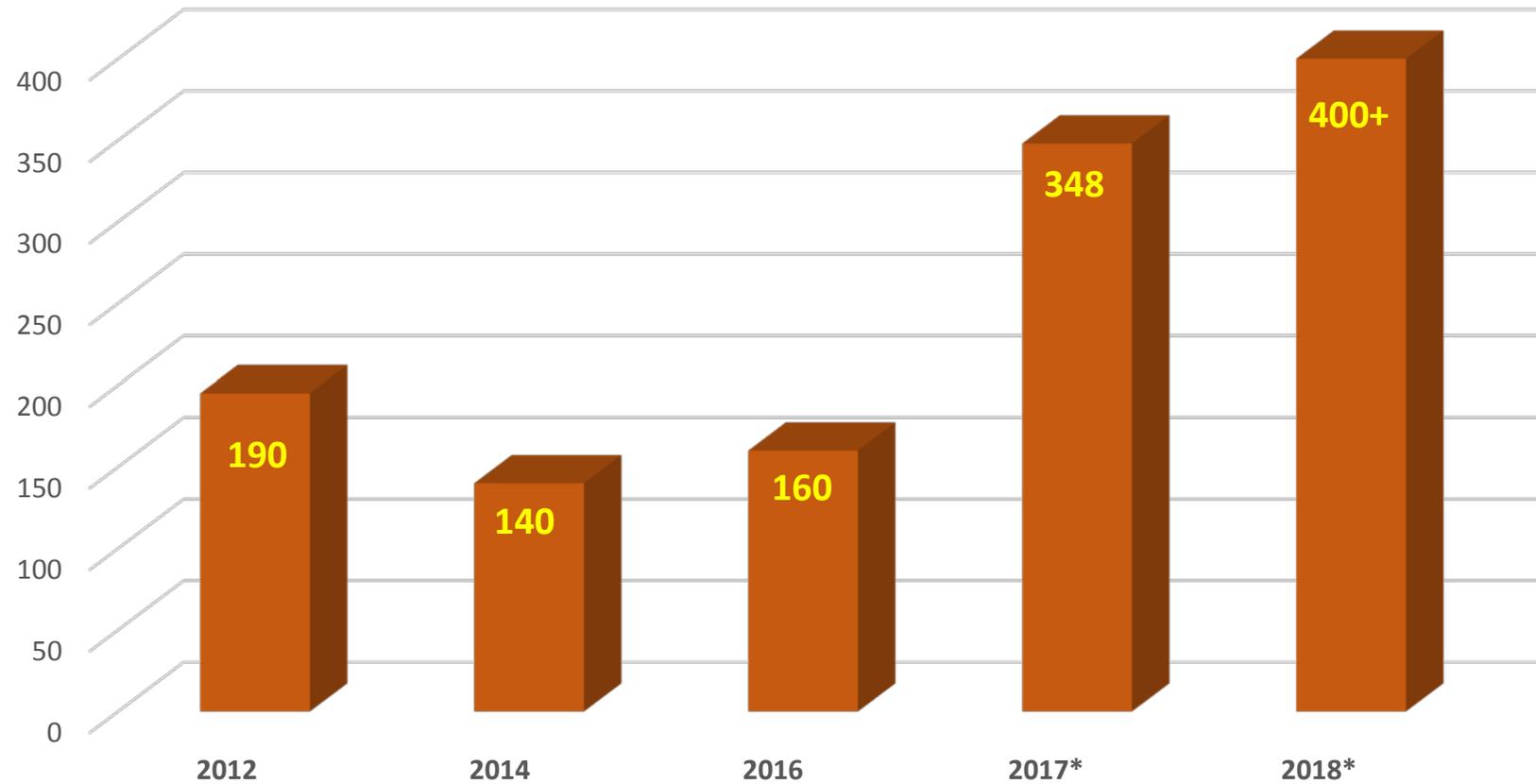
Key Performance Indicators

- Revenue and Pallet KPIs
- Labor KPIs
- Operating Expense KPIs

Percentage completion: 0%

For access to available results, you must answer 50% and all required questions.

PBR Participation over Time

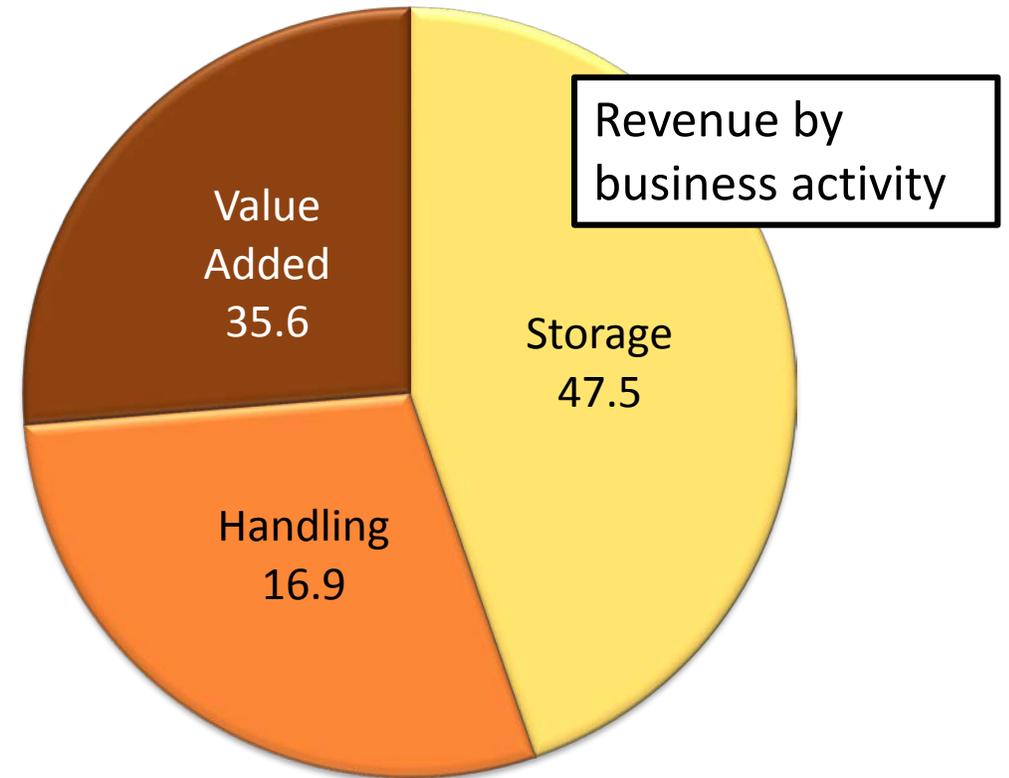


Sneak Peek at FY2018 – *How will you compare?*

190 participants to date

Throughput: Median of 135,000 pallets /
Median of 380,000 pallets for large facilities (+8
mil ft³)

EBITDAR: Median of \$2,943,000



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The Cold Chain Index

Dr. Victoria Salin, Professor,
Texas A&M University
V-salin@tamu.edu



Cold Chain Index

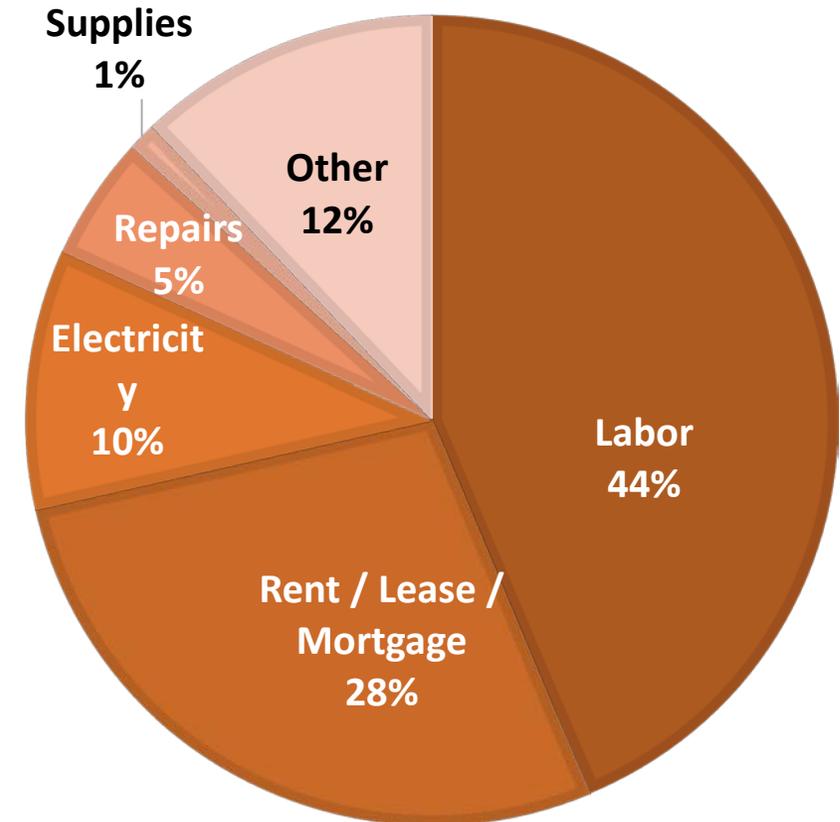


**Agribusiness, Food, and
Consumer Economics Research
Center**
at Texas A&M University

The Cold Chain Index was created to track the year-to-year growth rates of costs.

- Using mainly official sources of economic data.
- Why? Credible to all.
- Customized to the region (for labor) and state (for electricity).

The current release is the growth rate in expenses in the Q4-2018 compared with the Q4-2017



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Expenses for refrigerated warehouses rose by **3.24%** from 2017Q4 to 2018Q4 (natl. average)

National baseline	Q4 17-18	Q3 17-18	Q2 17-18	Q1 17-18
Labor	3.492%	3.800%	3.539%	3.636%
Electric	1.189%	-0.138%	0.000%	2.410%
Rent	4.161%	2.763%	3.552%	3.801%
Supplies	2.493%	2.671%	2.114%	2.019%
Maintenance	2.243%	2.763%	3.552%	3.801%
Other	2.493%	2.671%	2.114%	2.019%

National Average: 2018Q4 vs 2017Q4

Template

STEP 1 **Select region**

STEP 2 **Select state**

STEP 3 **Select metro area**

	Cost Shares	Comparison to Same Quarter, Previous Year	
		Premium for Your Location	Annual total cost increase for the quarter, by item
Labor	44%	0.25%	3.74%
Electric	10%	4.98%	6.17%
Rent	28%	13.40%	17.56%
Supplies	1%		2.49%
Maintenance	5%		2.24%
Other	12%		2.49%

Total Cost Increase, in Percent, for Q4 2018 relative to Q4 2017–Customized

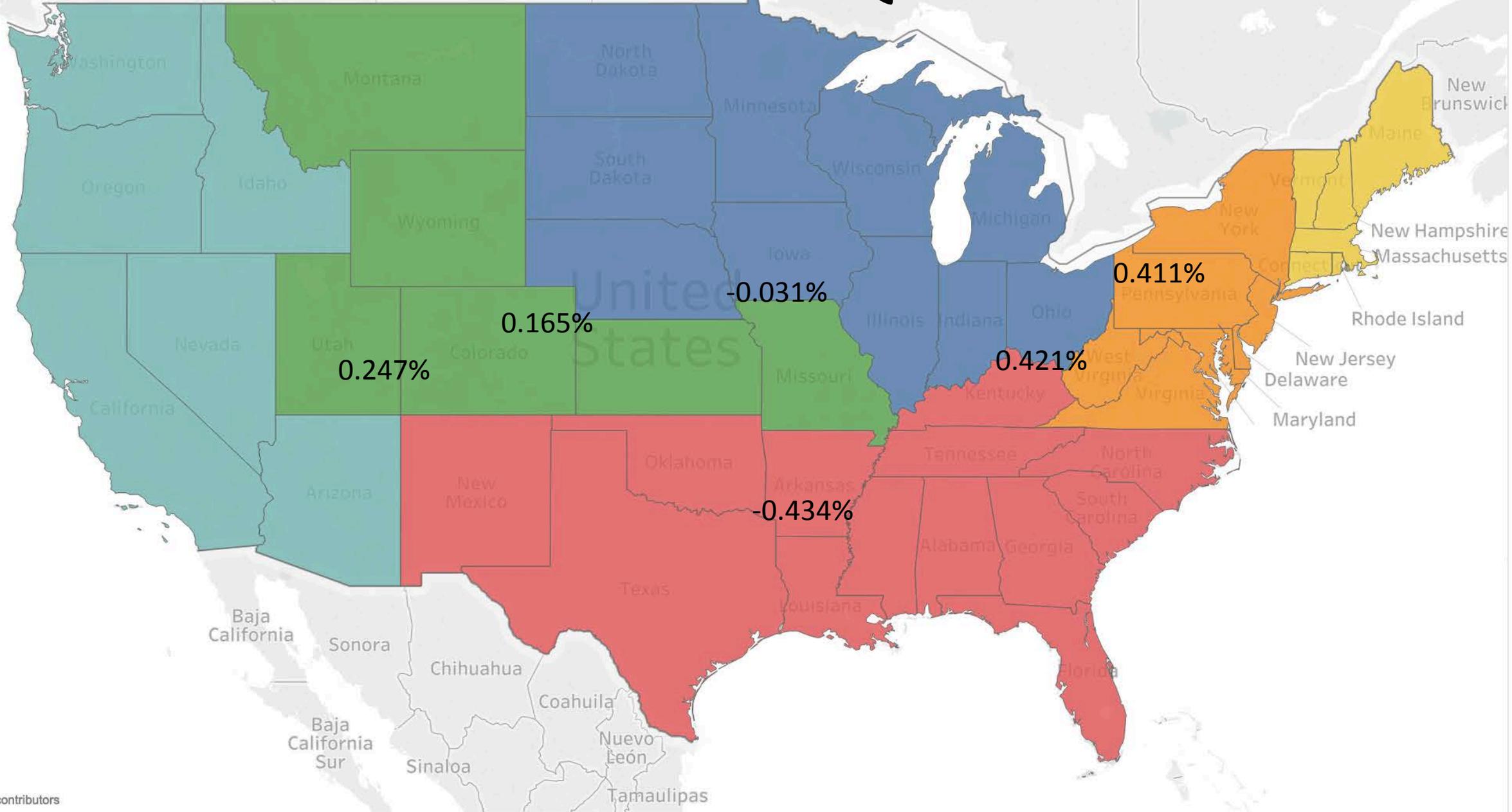
7.59%

Compare to USA baseline 3.24%

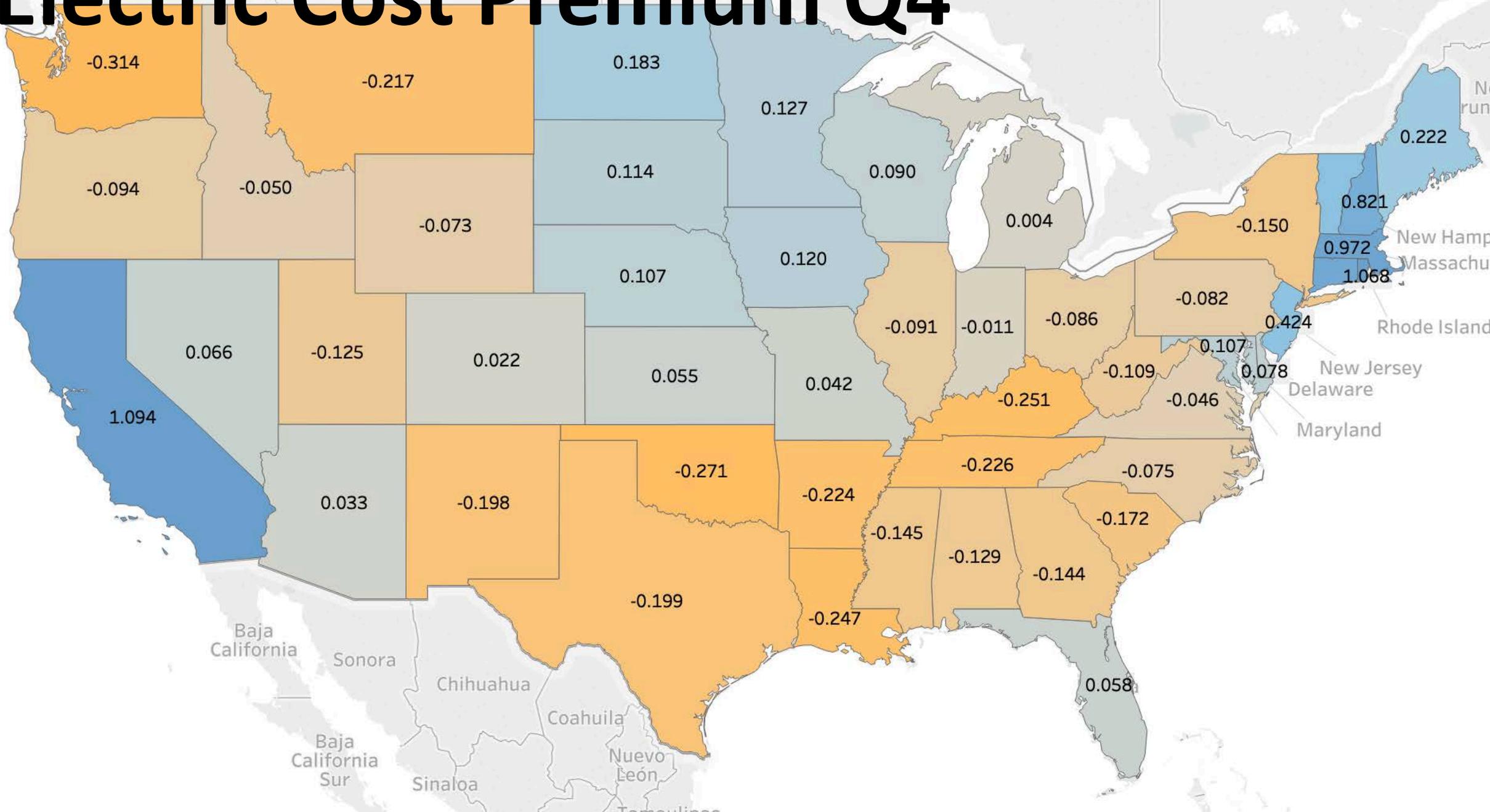
STEP 4 **Enter the rates you charge now:**

Proposed Rate to Cover Cost Increase Q4 2018

Labor Cost Variations Q4



Electric Cost Premium Q4



Data Sources

- **Labor:** U.S. Bureau of Labor Statistics Employment Cost Index (ECI) for the private industry workers in the “Transportation and Warehousing” industry. Includes all worker classifications, wages and benefits.
- **Energy:** The U.S. Energy Information Administration Electric Power Prices, by state. The series is a retail electricity price for industrial customers.
- **Rent/Lease/Mortgage:** The growth rate for occupancy cost was approximated with an inflation factor for new warehouse construction.
 - A surcharge for rental rate growth in selected high-cost markets was based on the 2018 Industrial-Logistics Prime Rents report by CBRE Group.
- **Repair & Maintenance:** PPI for Nonresidential building maintenance & repair, not seasonally adjusted.
- **Supplies** and the “**other**” category were represented with the Producer Price index for core goods final demand (excluding food and energy), not seasonally adjusted.

Impact

Warehouse operators will **communicate with customers** better, having more confidence about the economic forces that matter to costs.

Investors and managers will be able to make plans that take into account **location-specific differences**.

Leadership of GCCA will engage in dialogue about the economic forces that shape the industry.

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GROW THE INDUSTRY



Cold Chain Connections



- Members & key non-members
- GCCE 2018 hosted **FIVE** Cold Chain Connections – about **100** warehouse professionals
- Hosted year-round



TORONTO



DALLAS

Cold Chain Connections



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Leading the cold chain globally

South Africa
China
Germany
Brazil Denmark
Chile
Colombia UK Guatemala
UAE **Belgium** Turkey
France **India** Netherlands
Mexico Philippines Peru
Costa Rica **Canada**
Argentina

GCCA's Regional Offices



**GCCA Director of
Latin America
Debbie Corado**



**GCCA Director of Europe
Julie Hanson**



**GCCA Director of Brazil
Isabela Perazza**

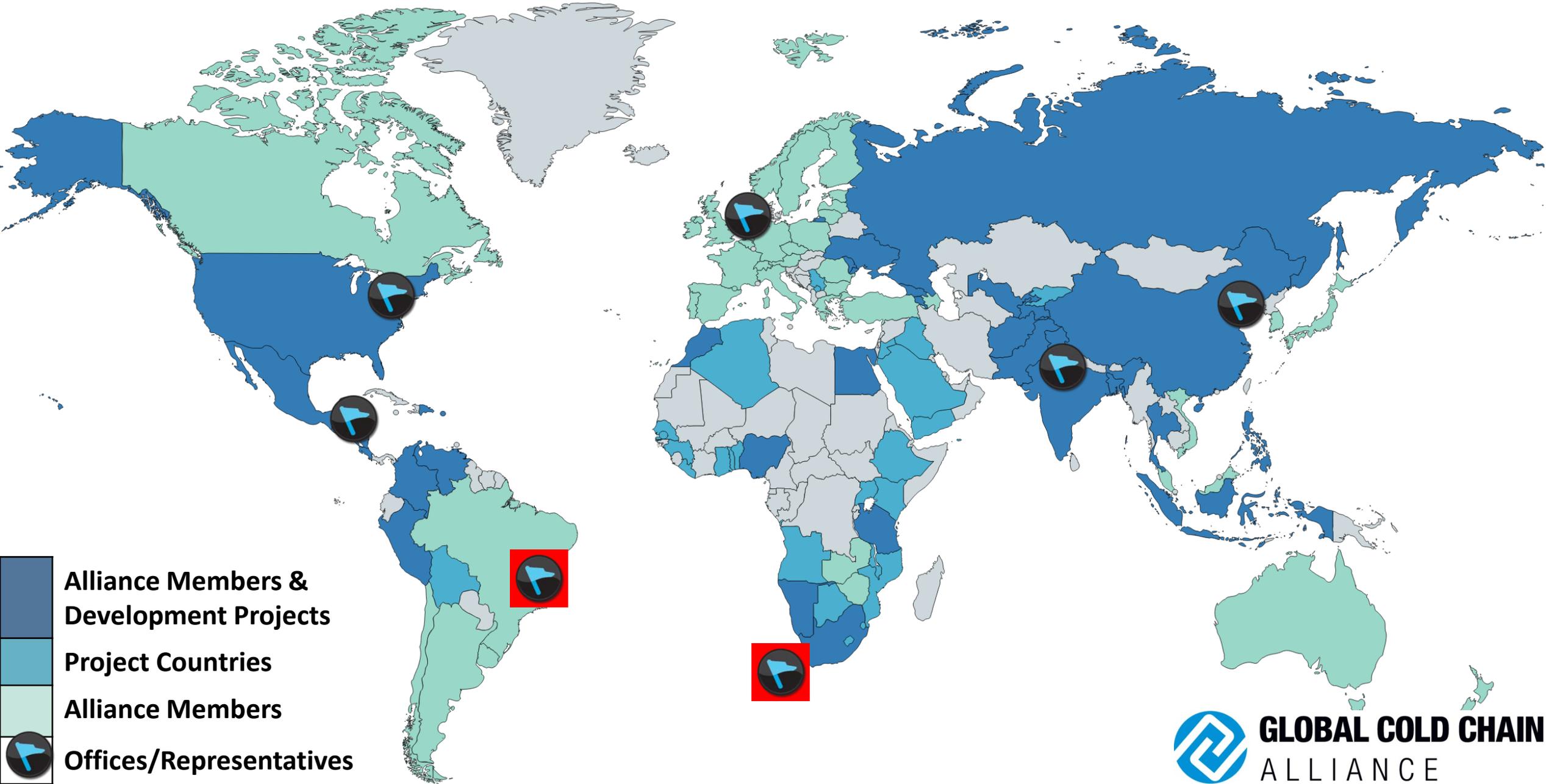


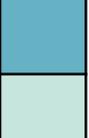
**GCCA Director of
South Africa
Lizelle van der Berg**



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GLOBAL PERSPECTIVE 2019



-  Alliance Members & Development Projects
-  Project Countries
-  Alliance Members
-  Offices/Representatives



General Session Keynote Speakers



Monday

JOHN SILEO

*Cybersecurity Expert
& Author*



Tuesday

ALISON BODOR

*American Frozen
Food Institute*



Wednesday

JOHN LOWE

Jeni's Splendid Ice Creams



Wednesday

CURT STEINHORST

Speaker & Author



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