

# COLDFACTS

CONNECTING A VITAL INDUSTRY

# THE COLD CHAIN INDUSTRY IN 2021

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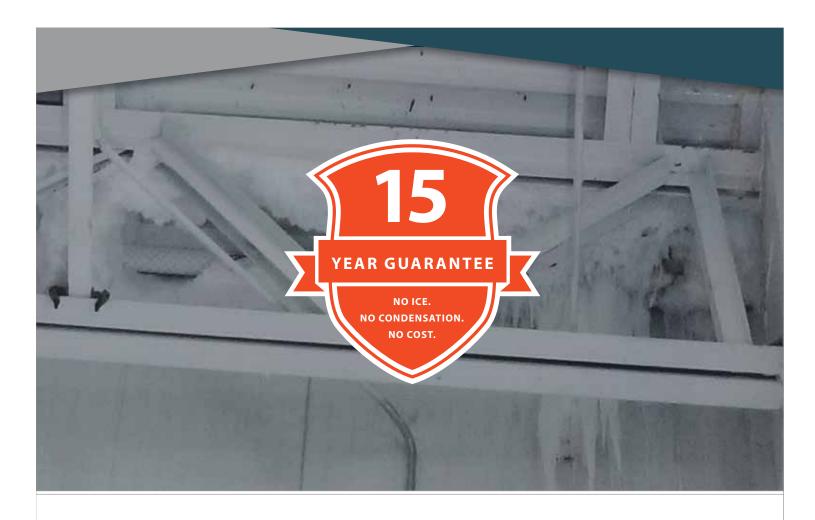
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### **LEADOFF**

MESSAGES FROM GCCA LEADERS

## Driving Value and Sustainable Growth



NE YEAR AGO IN THIS COLD FACTS COLUMN, MY PREDE-CESSOR, COREY ROSENBUSCH, BID FAREWELL TO GCCA.

Elsewhere in the magazine, we released the results of the Global Cold Chain Industry Impact research that we had recently concluded.

The results indicated that stakeholders were optimistic about the future, but also recognized that more needed to be done to ensure sustainable growth.

Industry professionals believed they could have an even greater impact by communicating the importance and value of the cold chain.

Aligning all cold chain stakeholders – thirdparty logistics providers (3PLs), food companies, retailers, suppliers, and transportation companies – was key to realizing that goal and advancing the industry.

And then came COVID-19.

Overnight, a spotlight was shined upon our industry. The words "cold chain" scrolled across the bottom of all cable news networks. Media inquiries and news reports were constant, as the public was reassured the food supply chain was secure. GCCA promoted the essential role member companies and their workforce play in keeping the critical food supply chain running.

Throughout 2020, GCCA was proud to stand with our members, providing COVID-19-related support and resources, and remaining laser-focused on your needs through our Strategic Plan. We captured qualitative data on the impact the pandemic had on the industry from all types of association members. This data confirms the four drivers of our 2020-2022 Strategic Plan – workforce innovation, global advocacy, market intelligence and research and industry promotion – remain highly essential since the pandemic.

Throughout 2021, GCCA will continue to play a pivotal role in improving alignment to optimize opportunity, remove barriers to growth, and drive value across the cold chain industry.

To facilitate that role, and align staff goals and objectives with the strategic plan's four drivers, GCCA has launched the 2021-22

 $Member\ Value\ Implementation\ Plan\ (MVIP).$ 

Pursuing the four drivers of the Strategic Plan – Workforce Innovation, Global Advocacy, Market Intelligence and Industry Promotion – Member Value will be enhanced through initiatives in the areas of:

- Government & Industry Affairs
- International Development
- · Research & Data Excellence
- · Education, Training & Workforce
- · Events & Community
- Technology & Innovation

Effective and Efficient Communication will be heightened through a next level communication initiative.

And **Revenue Sustainability** and **Growth** will be augmented by membership and business development initiatives.

In 2021, we will continue to evaluate our existing member programs, services and events to ensure they are providing extraordinary value and helping serve the needs of all of our member companies worldwide.

We will be looking at ways we can improve the value proposition from a global perspective, seeking to add to our list of partnerships and member companies worldwide, with a goal of improving international connectivity.

We will also continue our work on developing a world-class industry relations and member engagement plan that enhances the profile and tells the story of the vital work of GCCA's member companies.

Ultimately, we want to ensure we have programs, services, and advocacy efforts that help rise up the industry, our member companies, and provide a tangible return on your investment in our organization. I look forward to working with all of you on our efforts to position our organization and industry for continued success.



MATTHEW OTT, CAE, CMP PRESIDENT AND CEO, GCCA

#### COLDFACTS

COLD FACTS magazine is published every other month by the Global Cold Chain Alliance (GCCA), an organization that unites partners to be innovative leaders in the temperature-controlled products industry. The GCCA Core Partners are:

The International Association of Refrigerated Warehouses (IARW), which promotes excellence in the global temperature-controlled warehouse and logistics industry.

The World Food Logistics Organization (WFLO), which delivers education and research to the industry and empowers economic development by strengthening the global cold chain.

The International Refrigerated Transportation Association (IRTA), which cultivates, fosters and develops commercial and trade relations between all those engaged in the transportation and logistics of temperature-controlled commodities.

The Controlled Environment Building Association (CEBA) represents the design and construction industry specializing in temperature-controlled facilities that prioritize product safety best practices. We are the source for best practices of building and maintaining the thermal envelope.

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# THE IMPLICATIONS OF A BIDEN PRESIDENCY

New U.S. administration likely to present policy challenges and opportunities.

#### By Lowell Randel



ow that the results of the 2020 United States elections are final, it is important to look at the potential policy implications of a Biden presidency.

As with all presidential administrations, there will be some policy changes that can be accomplished simply through executive action. Both the Obama and Trump administrations were very active in issuing presidential executive orders to advance policy objectives. It is expected that a Biden administration would follow this trend and issue a series of executive orders very quickly after being sworn into office. Many of the first actions will reverse Trump executive actions and reset to Obama-era policies.

Other policy changes will require congressional action. Democrats maintain a slim majority in the House of Representatives. After the Georgia Senate runoff elections, both won by Democrats, the Senate will be evenly split (50/50) between the two parties. However, Democrats will gain control of the body by virtue of Vice President Harris

casting the tie-breaking vote. With Democrats now controlling the House, Senate and White House, it will be much easier to advance Biden's agenda.

#### OSHA COVID-19 Temporary Emergency Standard

One immediate policy area that will impact all businesses, not just industrial refrigeration, will likely be workplace health and safety related to COVID-19. Under the Trump administration, the Occupational Health and Safety Administration (OSHA) has taken the approach of providing guidance to industry on steps to control transmission of COVID-19 in the workplace. This has been criticized by labor advocates and has resulted in several states issuing their own temporary emergency standards that require businesses to take specific actions on COVID-19.

It appears very likely that under the Biden administration OSHA will move quickly to enact a national temporary emergency standard, moving away from guidance to enforceable requirements. While the details of such a temporary standard are not certain, OSHA could make following Centers for Disease Control (CDC) and OSHA guidance a regulatory requirement as well as implementing various training and documentation requirements. This would be similar to the approach taken by states, including Virginia, that have established their own emergency COVID standards. Such a policy could be implemented quickly, without congressional action, and set the stage for a longer rulemaking process to create a permanent regulation on infectious disease control in the workplace.

#### Climate Change and HFCs

On the campaign trail, Biden made addressing climate change a priority. He has pledged the United States will reach net-zero greenhouse gas emissions by 2050. One of the first expected actions is bringing the United States back into the Paris Climate Agreement, which has the goal of limiting global warming.

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Biden has proposed investing \$1.7 trillion in clean energy and green jobs, ending fossil fuel subsidies and banning new oil and gas permits on public lands. Some analysts have estimated that Biden's plan would reduce greenhouse gas emissions by about 75 gigatons of carbon dioxide by 2050, decreasing global warming by 0.1 degrees Celsius by the end of the century.

In addition to rejoining the Paris Agreement, it is very likely that a Biden administration will push for ratification of the Kigali Agreement.

The Obama administration supported the Kigali Agreement, which incorporates the reduction of HFCs as a part of the Montreal Protocol. Under the Obama administration, the Environmental Protection Agency (EPA) began taking steps to curb HFC usage, but those efforts were halted when courts ruled that the EPA does not currently have authority to regulate HFCs under the Clean Air Act. Ratification of the Kigali Agreement would give the EPA the authority needed to resume policies aimed at reducing HFCs (hydrofluorocarbons), which would impact the use of many freon-based refrigerants that have higher global warming potentials. Such a move would present opportunities for further promotion of natural refrigerants such as ammonia and CO2.

Kigali is one of the few climate policies that has bipartisan support and also enjoys some support from industry. In fact, bipartisan legislation has been introduced during the last two Congresses that would give EPA the authority to regulate and reduce the use of HFCs. Even with control of Congress so closely divided, Kigali could be one of the less controversial climate policies that could find enough support from both parties to get approved.

#### **Revisiting RMP and PSM Regulations**

In late 2019, the Trump administration successfully completed a rulemaking to reconsider changes to the EPA's Risk Management Program (RMP) made at the end of the Obama administration. Trump's regulatory action has been challenged in court

"And, as the world tries to move past the COVID-19 pandemic, businesses will likely be subject to additional rules for protecting workplaces from the risks of COVID-19 transmission."

and could also be revisited by a new Biden administration. The Biden administration could embrace the lawsuits that have been filed challenging the RMP Reconsideration Rule. Biden could also embark on yet another rulemaking on RMP to return to pre-Trump policies and potentially consider additional revisions to RMP.

In addition to potential actions on RMP, a Biden administration may also consider changes to Process Safety Management (PSM). At the end of the Obama Administration, OSHA had started a rulemaking process to make changes to PSM, similar to what had been done to revise RMP. The Trump Administration effectively put those plans on the shelf, but a PSM rulemaking is still technically on the agency's long-term regulatory agenda.

It is likely that OSHA, under the Biden administration, will look to dust off the old Obama-initiated rulemaking effort to consider changes to PSM.

#### **Labor Policy**

Labor policy is another area where a Biden administration is expected to be very active.

The Biden campaign stated its commitment to strengthening worker organizing, collective bargaining and unions. The Trump administration reversed several Obama-era labor initiatives that are likely to be reinstated under a Biden administration. Issues like recognizing "micro-unit" organizing, allowing the use of work e-mails for union organization efforts and expanding the joint-employer standard are all initiatives that can be advanced without congressional action. Other Biden labor priorities, such as the Protecting the Right to Organize Act (PRO Act), will require congressional approval.

#### Tax Policy

Biden has been very critical of the Tax Cuts and Jobs Act, also known as the "Trump tax cuts," and has committed to reversing them.

He also stated he will not raise taxes on anyone making less than \$400,000 per year.

With the margin of control in the House and Senate being so narrow, sweeping tax changes may be hard to accomplish. However, the two tax increases that have been identified as being the most likely to succeed are increasing in the corporate tax rate from 21% to 28%, and raising the top marginal incometax rate for those earning \$400,000 or more from 37% to 39.6%.

It is also expected Biden will work to reduce the Trump tax breaks for pass-through entities and the estate tax. It is worth noting that most of the individual and estate tax provisions in the Trump tax cuts are set to expire in 2025, while most of the business-related provisions are "permanent."

As the industry moves forward in 2021, there will be policy challenges and opportunities presented by a Biden administration. Moves to curtail future HFC use could present opportunities to advance natural refrigerants. At the same time, regulations related to ammonia are likely to be revisited and potential become more burdensome. And, as the world tries to move past the COVID-19 pandemic, businesses will likely be subject to additional rules for protecting workplaces from the risks of COVID-19 transmission.

The GCCA will continue to work closely with policy makers and industry partners, to promote and protect the interests of the cold chain.

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#### **GET IN TOUCH**









#### By Alexandra Walsh





ne year into the global COVID-19 pandemic, temperature-controlled warehouse operators on five separate continents reflect on the year ahead.

Outlooks range from challenging to pretty optimistic. The issues top of mind for these operators run the gamut as well.

#### Africa

"I expect COVID-19 to continue to be a challenge in 2021," says Paul Gibbons, Customer Director for Vector Logistics in South Africa. "The safety of our staff will remain a top priority, ensuring that the supply chain continues to operate."

Gibbons says information technology advancements that allow for efficiencies through innovation and collaboration will remain a key theme this year. This will include the use of automation and Artificial Intelligence to drive supply chain functions that are repetitive in nature. "Real-time information updates to customers through the use of BOTS and portals will assist in driving on demand information and efficiencies," Gibbons maintains. "Vector Logistics

has invested in a customer service BOT that allows real-time queries from customers on key items, such as order status, using social media applications."

He also believes the move to carbon neutrality and green supply chains will continue.

"Good progress will be made in the use of alternative energy, such as solar power, to replace traditional forms of energy," Gibbons believes. "We use solar power in one of our major facilities to reduce its carbon footprint and the load on the national power grid."

Gibbons adds the combination of electrical and autonomous vehicles will create new opportunities to drive supply chain efficiencies. He notes Vector Logistics has tested drone scanning in its warehouses, and it has proven to be faster than traditional stock counting methods.

### **COVER STORY**



#### Australia

"I believe 2021 will continue to put challenges on our industry similar to 2020," says Richard Winnall, Managing Director, International, Americold. "COVID-19 and international trade issues remain major disrupting forces on country and state borders, flow of goods and reliability of the supply chain."

He notes the temperature-controlled industry in Australia and New Zealand remains a strong sector attracting huge investment activity from REITs (Real Estate Investment Trust), retailers and logistics operators.

"Service providers will have some interesting discussions with their workforces and unions on vaccination strategies," Winnall points out and says he hopes a good balance is found for all stakeholders in the industry.

"I certainly expect supply chain strategy is back on the table trying to find a new balance to service, cost, quality and flexibility in the year, and the decade, ahead," Winnall says. "If we learnt anything, nothing is certain and we must all make decisions and execute change faster than we ever have before."

Jeff Hogarth, Senior Vice President Asia Pacific, Lineage Logistics, notes that in Australia, the implementation of online retail in the food and beverage market had been lagging for two decades, but now has taken off and is becoming the fastest-growing product category in e-commerce.

"The key challenges in this sector are facilitating the particularly fast delivery of perishable goods, solving the 'last mile' problem and reducing the high cost of flexible, same-day delivery," Hogarth explains. "Therefore, only the largest e-commerce market players and well-established offline retailers can afford to conquer the food and beverages market through e-commerce."

Hogarth sees changing lifestyle and eating habits as a result of COVID-19 accelerating these trends and challenging the traditional supermarket channels, but also maximizing opportunities for suppliers and food and beverage supply chains.

Hogarth also expects automation to further impact last-mile logistics.

"Automation has been an industry priority for a while, but precautions against human interaction due to COVID-19 may further accelerate the shift," concedes Hogarth. "Automation is an opportunity to further ensure efficiency, food safety and sustainability in the customers' extended supply chains. We just recently launched a technology solution that extends process automation into our network for deeper collaboration and visibility."

SKU proliferation is driving more focus on accuracy, availability and last mile delivery capability, Hogarth reports, and performance is key to deliveries that are direct to the consumer in most markets. "Customers have expected greater flexibility, response times and creative solutions through the COVID-19 pandemic, but we do expect a change in expectations, post-COVID, around flexibility and response."

Since Australia is a highly trade-exposed economy, Hogarth says he anticipates several ongoing trade deals to impact its cold chain in 2021. Among these is the onset of Brexit, which saw Australia defer back to traditional ties, launching negotiations for a free trade agreement with the United Kingdom and Northern Ireland in June 2020. Hogarth points out that the massive Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trade deal, which evolved after the Trans-Pacific Partnership was disbanded under the Trump administration, may be impacted by the new Biden administration.

#### **South America**

"I believe the cold industry has strengthened this year and will continue like this in 2021," suggests Salvador Figueroa, Director, CLC Logistics, Dominican Republic.

"The industry is finally getting important recognition as key to the movement and storage of products."

He adds that growth projection, in terms of infrastructure and demand for frozen products, tends to increase due to the pandemic.

Jose Carranza, Manager, Agroempaques in Peru, agrees. "As the delivery of fresh products is more difficult, we expect an increase in the consumption of frozen products in

2021." He adds that new storage companies may emerge to supply the demand, and retailers and food producers will increase their infrastructure capacity to accommodate this new trend.

Carranza points out that logistics has become a critical issue, as people choose to have meals delivered to their homes and as a result, the use of motorized vehicles has skyrocketed. "Retail industry was not used to delivering food at home, it was almost a nonexistent practice."

The pandemic has also drastically changed product delivery Carraza says. "We are establishing new storage and control systems for case and product picking. Also, we see more companies forced to use or adapt their current technology to more robust systems to sell only, product delivery tracking and accurate inventory control."

"For 2021, I see a growth in exports," asserts Raul Hernández Butrón, CEO, Holding Precisa, Chile. "There are new possibilities to export to China and the opening of the U.S. market (chicken) from Chile and exports to Europe, that will all contribute to reduce shipping costs."

Butrón also sees great possibility for growth in the 3PL industry. "More investors are evaluating options in countries like Chile and Colombia to invest in well-established warehouses or new infrastructure, as it has become clear that the demand for refrigerated space has not been met yet."

#### **Europe**

The COVID-19 pandemic will cause an accelerated movement towards e-commerce for foods - a development that normally would take several years is now taking place in a few months, observes Jesper Toft Mathiasen, CEO, Claus Sørensen in Denmark.

"We see a significant growth in door-step deliveries, but even more in the 'click-andcollect' format, where you just order from your laptop or mobile device, drive to the supermarket, open the trunk of your car and the groceries are placed inside without having to leave your car at all," explains Mathiasen. "This type of grocery shopping is both convenient and safe."

Another change resulting from customer behavior might be a change towards higher stock levels due to breaks in the supply chain as "Automation is an opportunity to further ensure efficiency, food safety and sustainability in the customers' extended supply chains."

JEFF HOGARTH, Lineage Logistics

a consequence of COVID-19, suggests Mathiasen. "Focus might change from reducing net working capital to risk minimization, which will then lead to higher safety stock levels."

#### **North America**

E-commerce and consumer preferences are also on the mind of Larry Rauch, President, Los Angeles Cold Storage, United States. "It appears e-commerce is set to grow and those warehouses that are doing it, are already seeing good growth in their businesses," he points out. "During the pandemic, people got used to having food delivered and as they become more comfortable with the process, it is reasonable to assume this will grow and offer us opportunities."

The greatest food industry casualty of the pandemic is the foodservice sector and the restaurant business, specifically, has been devastated says Rauch. "Many of those restaurants may not come back. The first half of the year is likely to see a continuation of this downturn, and what does that mean for our customers that service that industry?"

Rauch is confident once the population is immunized and comfortable going out – they will explode out of their homes. "However, it's going to take time for restaurants and other companies in the food service industry to ratchet back up to pre-pandemic service levels. Restaurants will have to re-engage - but they're re-engaging with a population that will be overjoyed to have them back."

Rauch says labor/talent will continue to be a significant issue in 2021. He points out that they compete for workers with both big retailers, like Walmart, as well as their own processing customers as they ramp-up production. He adds another talent issue to the list – the shortage of truck drivers. "That we are a temperature-controlled industry is

clearly a challenge and it's a driver of automation. We have to look for ways to automate or make the environment more attractive – like with enclosed forklifts with temperaturecontrolled cages."

Rauch points out, on a related note, that President Biden has indicated a bias towards unions, and that, combined with a new National Labor Relations Board, could potentially create additional challenges for U.S. 3PLs.

"Regulatory matters will be a bigger issue with the new administration with the potential to make operating more difficult," Rauch explains. "In addition, the FDA (U.S. Food and Drug Administration) is considering changing the traceability rules, which could be onerous in the future."

Rauch explains spending more time dealing with regulatory issues can be positive and make for a better organization, but it can be a challenge when government feels more heavy handed than helpful.

Rauch adds there are also changes to some voluntary auditing inspection requirements, making certification more challenging and costly.

"We are quite optimistic about 2021," sums up Rauch. "As an industry, it should be a pretty good year. As things come back, the industry is well positioned and as people go out and consume more and travel, that will be to our benefit."

**ALEXANDRA WALSH** is a Senior Publishing Consultant with Association Vision and Editor-In-Chief of COLD FACTS.

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Project notable for deep dive pre-planning, tight scheduling and sustainability initiatives.

#### By Keith Loria

hen Americold was looking to add a new 312,000-square-foot cold storage distribution facility in Savannah, Georgia, United States, to export poultry, it began a detailed search for the right company to get the job done.

Erik Gunderson, Founding Partner and Executive Vice President at Primus Builders, Inc., recalls hearing of the project when it went out for bids, and he knew this was a job he wanted to win.

"We knew we were going up against two or three other competitors on the job, and it was a project that Primus really wanted," he says. "Americold is a great customer, and we made the decision to outhustle our competitors on the proposal side. In making our plan, we

really developed a deep dive on what it would take to build the job."

Although there was no guarantee the company would be chosen, the Primus team worked hard to understand the jurisdictional restrictions and timelines and invested significant time and effort on the engineering side to ensure it knew what it was delivering.

"We accompanied that with a really strong compliment of design/build partners – our design build electrician, fire protection,

refrigeration - which we knew were huge components of the scope of a job like this," Gunderson says. "So, when you have those partners going in, you know exactly what you're building."

Once all the bids were in, and impressed by its efforts, Americold chose Primus Builders to construct the new poultry import/export facility near the Port of Savannah.

#### **Overcoming Challenges**

At 51-feet high, the 312,000-square-foot building was designed to offer Americold maximum flexibility in its cold storage options, which included a -20 degree QFR quick-freeze system, which freezes product faster and more efficiently.

But the project did not come without challenges.





The facility features automated conveyors, wrapping and labeling stations. (Photo courtesy of Primus Builders.)

After Americold awarded the project to Primus, they challenged the company to find ways to cut back on costs.

"Our partner, Fricks, has developed an optimized paving design, and we worked with them to be able to offer really robust exterior paving at some schedule and cost savings," Gunderson says. "We worked with our refrigeration partner, ALTA, to economize and stretch the absolute capacity of their refrigeration system. Owner, subcontractor and contractor all had eyes wide open, recognized there was risk and were willing to give it a go - that's what enabled us to push things to the limit that helped economize the job."

The schedule was another big challenge.

"The urgency was that Americold wanted to be shipping the power in the first quarter of 2020. So we made decisions and sequenced the work and were able to bulletproof the construction pad and deploy stone, putting our sub slab down in the summer and avoiding slowdowns with wet soil conditions," Gunderson says. "And we put a lot of our paving in very rapidly so we had great access to the site."

Michael Cole, Project Manager at Primus, notes an important key to keeping things on track was the use of the Last Planner System. It is a visual, collaborative way to plan, control and produce quality, predictable workflow by eliminating waste, optimizing resources and uncovering and solving problems.

"At first, subcontractors didn't really want to use it, but once they did, they started to realize it really helps," he says. "It's a collaboration between everyone on site and encourages the subcontractors to own the schedule and ultimately holds all the individual subs accountable. Without utilizing that, I don't think we would have hit our dates as well as we did."

The area is known for its high ground water, and the Primus team would often hit water when digging down just two to three feet. Plus, that water had nowhere to go, especially when it rained.

The solution was to lay gravel brought in from another part of the state, as there are no quarries near the site, and continuously pump water offsite. These actions made the ground stable enough for construction activities.

A more substantial problem was with permitting delays. When Primus reached out to the AHJ (authority having jurisdiction) during the design phase to discuss permitting, it learned that the facility previously built on the site was completed with a foundation-only permit and the local authorities originally agreed to the new Americold building having a foundation-only permit as well.

Cole shares that after Primus completed the grading and went to the AHJ seeking the agreed upon foundation-only permit, the AHJ changed its mind and instead required a full permit before any further construction could take place.

"This caused a delay of 19 days, but Last Planner again came to the rescue as it helped keep everyone on schedule," Cole notes.

But then Hurricane Dorian began creeping up the coast and the Georgia governor declared a state of emergency and began evacuations, so the Primus crew was forced to leave the job for about a week.

And just when everything looked to be running smooth as the project neared its completion, the COVID-19 pandemic arrived.

"We gutted it out and we were safe," Gunderson says. "It was all new at this point. People impacted by the virus were quarantined, but we never shut the job down and it didn't stop us from finishing on time."

#### **Sustainability Efforts**

When Dustin Norton, Primus' in-house sustainability project manager, learned of Americold's objectives for the project, it was quickly evident that the sustainability goals for the project were strong enough for the warehouse to become LEED certified. This was something Americold had not previously achieved on any of its other buildings.

First, Norton commissioned an energy model that proved the project could reach a 26 to 29% energy savings for a total of 11 to 12 LEED points.

"Although, LEED wasn't necessarily a given going into the project, Americold already had sustainability goals," Norton says. "I presented them with a preliminary scorecard that I created that revealed what it would take to get LEED Certified and potentially get to the LEED Silver level."

With any LEED project, Norton's goal is to get to the highest certification level that he can, given the resources provided to him. He gives a lot of credit to Americold for jumping on board and trusting him to get the project there.

"The fact is, there aren't many buildings of this type that are pursuing LEED and I believe that this project, and Americold, are leading the way by showing what's possible for these buildings," he says. "I also give a lot of credit to my design team, led by Michael Jones, for making the changes when I requested them and my construction project manager, Michael Cole, for being patient when it came to things like material selection."

Energy efficiency was aided by the systems selected and the construction of the envelope (insulation values of walls and roof). Water efficiency was largely aided by the choice of an air-cooled refrigeration system and use of low-flush/flow fixtures.

"Water conservation is very important to the Port of Savannah," Norton says. "The team was able to reduce the building's water consumption by 45%. Additional water savings were achieved by using ALTA Expert units."

Additionally, because the refrigeration system uses air instead of water to cool the building, it created significant water savings



The dock interior. (Photo courtesy of Primus Builders.)

as well. For comparison, a similar-sized watercooled refrigeration system utilizes nearly 10 million gallons of water annually.

"By using an air-cooled system, we are saving essentially all of that water," Norton says. "While LEED assigns more points to savings associated with things like irrigation savings and efficient fixtures in restrooms and break rooms (by using low and no flow fixtures) - which we also did on this project the water savings associated with the refrigeration system choice have a much bigger impact on the way this building saves water. The ALTA Expert units are game changers."

Plus, the overall projected energy savings for the building – the sum of a lot of energy efficient measures - are expected to be 26 to 29%.

"Obviously, the refrigeration system is the biggest energy user for the building, so the increased efficiency of that system weighs heavy on the overall savings," Norton says. "Building envelope characteristics (walls, roof and floor) come in to play by selecting builds that increase the R values."

Choosing to go 100% LED lighting for the building was another choice that helped those energy model numbers.

"Because the warehouse represents around 95% of the overall building's energy use, these were the design choices that had the biggest role in the overall energy savings," Norton says. "However, choices made about efficient HVAC systems in the office, choosing glazing with an improved U-factor and reduced solar heat gain, and improved



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building controls, also played a role in getting us to those numbers."

Norton notes it is significant the building is certified under LEED v4, and not the earlier LEED v2009, v4 is much more stringent than the earlier standard. The project incorporated some credit substitutions from LEED v4.1, which is even newer than v4.

"Because the building is a warehouse, we were able to take advantage of several compliance paths in v4 that are strictly for warehouse and distribution centers," Norton says.

Americold was so impressed with the sustainability initiatives incorporated by Primus, it is currently working to achieve LEED Silver certification on two additional projects for which Primus is the design-builder.

#### The End Result

Primus installed a -20° QFR quick-freeze system that pulls cold air into every freezer crevice and freezes product faster and more efficiently. This allows the facility to blast freeze 2 million pounds of chicken per day.



At 51-feet high, the 312,000-square-foot building was designed to offer Americold maximum flexibility in its cold storage options. (Photo courtesy of Primus Builders.)





Because of the area's high groundwater, gavel was laid and water continuously pumped offsite to stabilize the ground for construction activities. (Photo courtesy of Primus Builders.)

The finished project also includes a twostory office, a USDA inspection lab that allows inspectors to test the product for spoilage, employee welfare areas, a Quell fire protection system to ensure maximum coverage for the building height, ALTA Expert refrigeration units and automated conveyors, wrapping and labeling stations.

"There's a lot of pride in this facility from our whole Americold team as well as the Primus team," says John Long, Americold's Senior Engineering Project Manager. "Primus delivered, in the middle of a pandemic and everything."

Gunderson credits the success of the project to a willingness by the owner to allow Primus to deploy smart construction capital.

"We stoned the site, we did our exterior paving very rapidly, our fire roads were installed to provide total perimeter access to the site, we put our sub slab in before we hung our seal - it was a well-thought-out job," Gunderson says.

Cole agrees and adds the team hit a homerun on the procurement process.

"I never had a team like this, we needed them to be rock stars and they were," he says. @

**KEITH LORIA** is an award-winning journalist who has been writing for major newspapers and magazines for close to 20 years, on topics as diverse as sports, business and technology.

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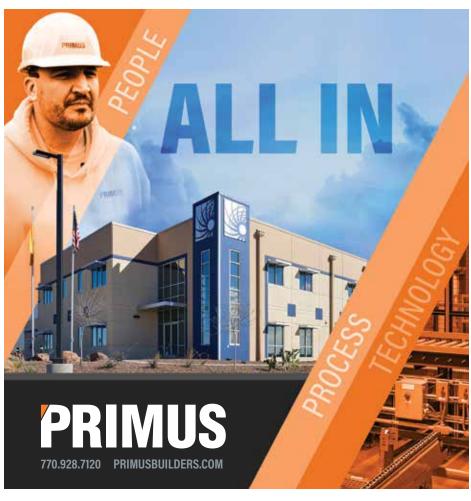
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## **SOLUTIONS AND INNOVATIONS MEET CAPACITY CHALLENGES**

Cold chain transportation companies take stock of the past year, and look with cautious confidence to 2021.

By Karen E. Thuermer

OVID-19 has led to large scale disruptions in supply chains all over the world and turned all aspects of cold chain transportation upside down. Further straining refrigerated equipment and transportation systems is the rush to send vaccines to populations everywhere. Still, people need to eat, and with the increasing desire for healthy foods and eat-athome options, demand has significantly risen across the globe.

"The past 10 months have shown that food logistics is resilient in crisis periods. That seems logical as food stock is a basic need," comments Kris Verbruggen, Managing Director with Frigo Logistics in Poland. "The consumption patterns obviously have changed with a decline in the food service sector and a return to small format stores. The growth of convenience stores seems to be unstoppable, and COVID has really accelerated this trend."

Online sales have boosted last-mile deliveries, making way for huge opportunities for small delivery trucks and vans. All transportation modes, regarded essential services, have been impacted and are racing to find solutions.

#### Air

Given reduced passenger services, many air carriers have reconfigured their upper decks, taking out seats to accommodate COVID-19related shipments that today include vaccines. But perishables also remain a viable business.

Air Canada, for example, converted Boeing 777 and Airbus 333 passenger aircraft to accommodate cargo flights for perishables from Israel and South America. "Shipments of perishables have remained steady for Air Canada, although with dips and spikes based on regional lockdowns and pandemic measures that affect the economy," reports Matthieu Casey, Director Cargo Revenue Management & Business Strategy, Air Canada. "For example, there was a dip in demand for lobster to Asia at the start of the pandemic due to restaurants being closed."

Swiss International Air Lines continues to transport an array of goods within its network. "For instance, we recently began operating flights between Zurich, Switzerland and Buenos Aires, Argentina, and on that return leg, we frequently carry foods such as meats and berries," says Ashwin Bhat, head of cargo for the carrier. "We also continue to find opportunities to transport perishables from different destinations worldwide, such as limes from South America."

The challenge has been to meet the transport demand despite reduced capacity. "Specifically, in the case of perishables, limited capacity throughout the market affects connections to our gateways from our airline/ interline partners," Bhat says.

Swiss Air has met this challenge by operating some cargo-only flights, many of which have flown to places outside of the traditional Swiss WorldCargo network, and which offer more capacity than previously.

American Airlines' perishables business remains robust. The carrier has broken records on cargo-only flights for some single-shipment weights, including 110,282 pounds of cherries from Los Angeles, California, United States, to Sydney, Australia, in July, and 112,349 pounds of fresh fish and 10,931 pounds of vegetables on one flight in September – all on cargo-only flights. "From salmon to cherries to soybeans, we've been busy meeting the world's needs during these unprecedented times," reports Derrick Chengery, in charge of Airport Excellence & Cargo for American Airlines Cargo.

#### **Sea Carriers**

Container lines have been fraught with challenges due to carrier consolidation, tariff wars, economic turmoil and COVID-19. The pandemic resulted in further removal of capacity in the market. Mergers and acquisitions of

carrier services continue to consolidate this cold transport sector.

"Simultaneously, we have seen a significant rise in overall demand of fruit and vegetables with a strong demand for citrus due to its high Vitamin C content to assist in boosting immune systems," remarks Mark Cairns, Regional Head of Cold Chain - Africa, Maersk.

Container equipment has been delayed in ports due to additional safety protocols, resulting in congestion at terminals as well as around the ports' infrastructure. Added to this, there are labor shortages due to social distancing regulations that ultimately lead to shortages of equipment in some countries, as carriers are unable to reposition the equipment where it is most needed.

The problems are escalated by customers that need to speed the arrival of cargo related to COVID-19 assistance. Others require their supply chain to slow down as destinations may not yet be able to receive cargo.

"From an African perspective, the situation is compounded by infrastructural challenges faced on the landside operations and the



Air Canada converted passenger aircraft to accommodate cargo flights for perishables. (Photo courtesy of Air Canada.)



Experts maintain the global pandemic will continue to impact ocean services into 2021. (Photo courtesy of Maersk.)

fact that many African countries have trade imbalances between import and export flows," Cairns adds. "Delays faced in the supply chain can lead to increased food wastage and the inability to meet programs in export markets."

While no one knows yet how the industry will shake out in 2021, experts maintain that the pandemic will continue to impact ocean services into 2021.

"Looking at the information currently available, we do expect equipment to remain tight, which may lead to implications further upstream in the supply chain," Cairns warns. He adds that Maersk continues to work closely with all supply chain players to keep cargo moving with minimal delays. Technology is also playing an increasing role.

"We have seen across Sub-Saharan Africa, an increased interest in moving towards digital solutions to assist in growing trade opportunities," Cairns says. "Customers want to partner on creative solutions to overcome the supply chain challenges faced in their specific markets or industries."

Cairns says the company provides an array of digital solutions that increase transparency and visibility so customers can continue their business online and track goods worldwide, using the company's app. "As a result of the COVID-19 pandemic, we have seen a large increase in customers' making use of seamless and tailored online services," he says.

#### **Seaports**

In recent months, seaports have reported handling record volumes of containerized freight. For example, Florida's PortMiami in the United States processed 107,088 TEUs, (20-foot Equivalent Units) in October 2020, an increase of 1.5 percent compared to 2019. October marked the busiest month in cargo activity in the history of the port.

Yet, industry observers also warn shippers to expect shortages of port-related services and equipment. The Ports of Los Angeles and Long Beach in California, United States, particularly have been experiencing a significant chassis shortage problem.

There are concerns that halts and delays in transporting fresh produce, brought on by these shortages of services and equipment, will result in warehousing concerns while distributors aim to re-locate produce as quickly as possible to reduce food loss or waste. This, coupled by increased demands for imported perishables, has resulted in increased development of warehouses in and around seaports.

#### Rail/Trucking

Rail is facing its own realignments in capacity as the cold chain. For example, in May 2020, Union Pacific ceased operations of its multimodal service Cold Connect that had offered end-to-end transportation service for refrigerated loads, primarily from the U.S.

Pacific Northwest/West Coast to markets on the U.S. East Coast. The reasons for ending the service were sluggish market conditions, low freight rates and consumers purchasing more shelf-stable items, instead of fresh produce, amid the pandemic.

"With this abrupt drop in capacity, customers were suddenly having to find a truck solution. That quality of truck capacity is not laying around," says Herman Haksteen, CEO of Cvro-Trans.

Manufacturers of refrigerated products, like butter, were particularly hit hard as they did not have an opportunity to ramp up production to the immediate demands resulting from the surge of consumers suddenly eating at home.

"Suppliers are still running hand-to-mouth to get inventory across the country," states Haksteen. "Trucking has been hit with a surge, and I don't think we have the trucking capacity to handle it. COVID may have taken us from a food service customer to shop-athome customer, but what is driving transportation capacity is not necessarily COVID."

Railroads are pushing a lot of business to intermodal and the trucking industry, Haksteen observes. "This is largely because railroads have taken capacity out of the market to create their own efficiencies," he says. "As a result, capacity on the railroad side has tightened, while intermodal business has

been booming. For the first time in history, 50% of railroad business - plus or minus 10%, is intermodal. Those are trucks that are taken off the road and put on the back of a rail car. They are now out of containers and capacity, that mode of transport is filled up, and the burden is now on trucks."

Haksteen sees an uptick for refrigerated trucking cross the United States in the first six months of 2021, but maintains it will not move efficiently. "For the first half of 2021, there will be many trucks that will be paid to be on standby and a lot that will be running across the country with small loads," he says. Consequently, trucking capacity will remain tight with shippers paying premium prices to transport their goods.

George Lee, Operations Director, United Kingdom and Ireland, ARGO Merchants, sees the market for European refrigerated truck transportation in 2021 growing substantially, as market conditions return to some sense of normality.



European refrigerated truck transportation is anticipated to grow substantially in 2021. (Photo courtesy of Argo Merchants.)









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"New opportunities will arise as a result of Brexit, with the requirement for additional customs declarations, paperwork and health certification," he says. "This will add time into the food supply chain cycle, both in the EU and United Kingdom. As a result, there will be a requirement for additional refrigerated equipment as the supply chain slows and eats up more equipment in the system."

Lee sees the warehousing market looking stronger in 2021, but warns that Brexit will bring its own challenges to the industry with the added complications of customs papers, veterinary certificates and tariffs on imports into the United Kingdom and Irish market.

"Product that normally transited the United Kingdom on wheels may now see a shift to short sea containers directly to Ireland, avoiding all the customs and veterinarian procedures that will undoubtedly have an impact on refrigerated road transport flows in Q1 2021," he says.

Don Durm, Vice President, Customer Solutions, PLM, emphasizes how different segments of the U.S. trucking industry have been impacted, despite being classified essential by executive order early in the pandemic.

"Smaller operators servicing the restaurant market segment have been the hardest hit," he says. "With continued shutdowns imposed by local governments, it is difficult to know how they will survive the next few months with only take-out and/or delivery. There is a whole network of food distributors that specifically service this industry and without revenue, their operators will not order from them."

Going forward, Durm expects consumer demand will continue to drive the cold chain economy. "Companies, such as GrubMarket, and online farm-to-your-kitchen services are growing at an exponential rate to meet the demands of the consumer," he says. "The questions will be how have consumers changed their behaviors and how will supply chains have to adjust in the future to meet those demands."

Some developments, such as touchless processes, that were developed prior to COVID-19 and became more relevant during the pandemic, might become more standard. These include IoT devices, such as PLM's TrustLink, which allows bill of lading documents to be attached to the case/pallets along with data like critical tracking events and temperature, all in a touchless environment. "It's just a scan of the pallet or load, and the bill of lading is there," Durm says.

Consumer demands will also result in a need for smart planning strategies and cross-functional visibility in the supply chain. "Shippers/receivers/transportation will continue to work together to create frictionless handoffs through the supply chain, utilizing technology," Durm adds.

He references a Canadian company that recently utilized blockchain to settle a dispute



For the first time, approximately 50% of railroad business is intermodal. (Photo courtesy of Cryo-Trans.)

regarding transactional costs. The problem was resolved from 70% disputed to less than 2%. By utilizing blockchain technology, stakeholders can maintain identical copies of transactions on multiple computer systems and reduce human errors substantially. This can particularly lift the burden of proof on carriers that have had to rely on shack signs indicating "arrived by date/time" that could result in the carrier paying as much as 3% as a penalty of the load to the receiver.

"The Federal Motor Carrier Safety Administration released a report at the end of 2018 showing disputes of detention time resulted in a reduction in annual earnings of more than \$1.1 billion to stakeholders," Durm says. "Technology, which is already outfitted by federal regulations, could help resolve those disputes."

Transportation will continue to find new ways to utilize technology to engage in frictionless handoffs between supply chain stakeholders.

"The last months have boosted the openness to out-of-the-box thinking. A lot more is possible than one to two years ago," says Verbruggen.

Consequently, more paperless systems that have also eliminated useless administration work and human errors have been introduced, and sustainable alternatives, such as more electric vehicles being used for short routes.

"Some cities in Poland favor electric trucks by granting the right to drive on the bus/taxi lane or to make deliveries in other non-typical hours," Verbruggen says. Another trend is the steady increase of intermodal solutions for mid-range routes that are 500 to 1,250 miles.

As the vaccine rolls out and consumers feel more confident, industry experts agree that refrigerated trucking flows should begin to see a balance as retail food suppliers no longer have the need to stockpile.

"The food service market, including hotel chains and restaurants, will resume some sense of normality by the end of the second quarter, and we should see sustainable growth," concludes Verbruggen.

KAREN E. THUERMER is a freelance writer based in Alexandria, Virginia, who specializes in economic and logistics issues.

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## HR STRATEGIES EVOLVE **DURING PANDEMIC**

Worker safety always foremost despite continually changing information and conditions.

By Sheryl S. Jackson

hen cold storage employees were deemed essential workers in the early days of the pandemic, companies scrambled to find personal protective equipment and medical guidance to protect their team members. Now that the industry has been through many months of handling business operations as well as added challenges presented by COVID-19, human resource leaders have tweaked and enhanced HR policies and practices to reflect what is needed to keep employees at work and everyone safe.

"Lineage Logistics relied on a decision matrix that presented a number of if-then scenarios to help guide warehouse leaders and human resources to make decisions in line with medical protocol, as well as company policies," says Christine Rees-Zecha, Director, Operations & Sales Human Resources at Lineage. "We also stay vigilant and continuously update the matrix as new information becomes available."

Examples of matrix updates include how people are paid for time away from work during the pandemic. At first, quarantine time was paid if someone was traveling for personal reasons in, or from, an area with high infection rates. "As we learned more and time went on, team members who decided to travel to high-risk areas that required quarantine upon return would have to use their personal paid time off to cover the absence," explains Rees-Zecha.

The second scenario was when a team member had to quarantine after exposure to someone who contracted the virus. "We originally paid for any scheduled time missed during a 14-day quarantine period. But, as fast-result testing became more readily available and the company was resolute that team members were protected at work, the policy changed and the company paid for scheduled days of work missed within a 10-day period after a positive test," Rees-Zecha says.

All scenarios in, and updates made to, the if-then matrix were reviewed, approved and were often suggested by Lineage's medical advisor, she adds.

Some companies were able to offer team members paid time off if ill with COVID-19 or to care for family members under provisions of the Families First Coronavirus Response Act (FFCRA). However, initial fear of the virus meant that some employees used FFCRA funds before they needed them, which meant they did not have the coverage when they did need it.

"At first, we had little guidance on how to handle essential workers that wanted to stay home due to family needs, but now employees can see the balance of time left to them, as well as the reasons they can claim under FFCRA," says Ashley Albers, Vice President of Human Resources for Nor-Am Cold Storage "We also relaxed our paid time off (PTO), rules to allow employees to have a negative balance of hours."

#### **Unexpected Pandemic Fatigue**

One factor that was not anticipated in the early weeks of the pandemic was the eventual need to re-educate and remind people about taking precautions outside the work environment, Albers says.



### **HIGH-BAY WAREHOUSE FOR DEEP FREEZE** INTRALOGISTICS **AT ITS BEST**

In Burley, Idaho, NewCold celebrated the grand opening of one of the largest frozen storage facilities of its kind. This impressive project includes a high bay warehouse with 90,000 pallet positions supplied by SSI SCHAEFER.

The demand for deep-freeze products continues to grow. As volumes increase, requirements placed upon deep-freeze logistics are getting more complex. SSI SCHAEFER offers flexible, modular, and scalable solutions that optimize storage, picking processes, and profitability within cold storage facilities.

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"We thought everyone would take precautions seriously until the pandemic was over, but we didn't expect it to last so long and create pandemic fatigue," Albers recalls. "Once people got over their initial fear of the virus, they tended to relax, which meant that although they were well-protected at work, they began to have parties and invite friends to their homes." Although a company cannot dictate behavior outside work, safety discussions included reminders to make good choices outside work.

Requests for time off were tricky, admits Lori Cogit, Vice President of Human Resources for RLS Logistics. "Our paid time off policy remains the same. But obviously, people were not taking vacations or traveling during most of 2020, and our carryover policy only allows a maximum carryover of 40 hours of PTO, so we had to flex the rules," she says. "We allow our employees, in some circumstances, to carryover additional hours that would have been forfeited, and our managers created opportunities for them take their time off without fear of falling behind - even in areas where we had some staffing shortages."

Following Centers for Disease Control (CDC) guidelines when determining how to handle employees who tested positive, showed symptoms or were in contact with someone that has COVID, was an important part of process. To make sure that the most up-todate guidelines were followed, everyone is required to notify HR immediately," Cogit notes. "We take over the process to ensure compliance with all policies and procedures, confidentiality of protected employee information, direct access and communication with our occupational healthcare partner, compliance with paperwork requirements and one point of contact with our employee."

An added benefit of this process is the removal of the burden of managing the process from managers who are typically not well versed in the pandemic-related protocols, she adds.

#### **Mobile Clinics Provide Support**

In the early days of the crisis, a shortage of testing facilities hampered efforts to protect team members and keep them working safely, so Lineage Logistics provided mobile medical clinics for facilities in what were considered hotspots.

"Despite the stereotype, HR is not black and white; at least, not anymore. The only way for HR to truly be a strategic partner is to understand and be comfortable with the land of grey."

#### **LORI COGIT, RLS Logistics**

"We were in a situation where team members had to wait several days to get a test, then wait several days to get results, which meant they could be out of the workplace for weeks," says Rees-Zecha. "To reduce the burden on our team members, cut back the testing timeline and provide uninterrupted service to our customers, we contracted with a company to provide medical trailers and staff at four locations to serve our facilities in those regions."

In addition to providing quick access to

testing, the relationship also gave Lineage access to a medical director who could advise on policies related to COVID-19, and the clinics were a visible reminder of the company's commitment to protecting team members.

Now that access to testing is simpler and more widespread, two of the mobile clinics have closed, but the two in heavily populated regions remain onsite, says Rees-Zecha. "Flu shots and COVID-19 testing is available





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to team members and their families until further notice."

#### **Recruitment Never Rests**

As cold storage companies were looking for ways to keep facilities fully staffed, Nor-Am opened a new facility in August 2020. "Luckily, the number of cases was low in Dodge City when we held our hiring event and there were few restrictions on gatherings," says Albers. Social distancing, masks and sanitizer stations were used to promote safety at the event, which led to hiring the 75 people needed for the facility. "We paid close attention to numbers of cases and local restrictions – this event worked in August but would not have been possible in November."

As all companies turned to online recruitment tools and virtual interviews to fill positions, Albers was surprised initially to discover that one of the first things people ask about are the safety protocols. "I thought that requiring masks, temperature checks and other safety

protocols would scare people, but everyone has viewed our strategy as a positive."

#### **Transparent Communication**

In some instances, Lineage was forced to consider a process for furloughing team members – something the company had never done – due to customers making significant shifts in their supply chain operations, says Rees-Zecha. "Our first steps were to eliminate overtime work and cut hours so team members could keep most of their paycheck," she says. "Critical to the process was our communication strategy. We were clear with our team members up front about the expected length of the furlough – especially as slowdowns continued – as well as the retention of their benefits during time furloughed."

During the furlough period, team members kept their benefits including health insurance and were allowed to "catch up" on payments when they returned to work by making partial payments over time, says Rees-Zecha. "The furlough program, mobile medical clinics and safety protocols that evolved throughout the pandemic are an example of how cold storage companies need to be nimble and ready to adapt to business and team member needs."

There were a number of important lessons learned in human resource departments throughout the cold storage industry, says Cogit. She points out that everyone learned that, "Despite the stereotype, HR is not black and white; at least, not anymore. The only way for HR to truly be a strategic partner is to understand and be comfortable with the land of grey."

**SHERYL S. JACKSON** is a freelance writer based in Alpharetta, Georgia, who specializes in industry issues and trends.

EMAIL: sherylsjackson@bellsouth.net



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## GCCA VIRTUAL **INNOVATION PROGRAM**

Participants from around the world take part in five weeks of networking and education.

he Virtual Innovation Program was held over five weeks (Wednesday, October 14 - Tuesday, November 10) and attracted more than 660 cold chain professionals from over 20 countries. Due to the Cold Chain workforce being deemed critical infrastructure, GCCA spaced out the education and networking opportunities to ensure participants could stay focused on the important work of keeping the global food chain strong while also taking time over the five weeks to engage and learn from industry experts.

During the Virtual Innovation Program, close to 50 education sessions were held as well as five roundtable discussions. These Cold Chain Education Essentials sessions were led by cold chain professionals and offered attendees

important information regarding the future of cold chain systems, including warehouse automation, COVID-19 updates, and government affairs insight, among many others. Several of these sessions offered opportunities to earn

Professional Development Hours (PDH) that could be used to fulfill certification renewal requirements for the Refrigerated Engineers and Technicians Association (RETA).

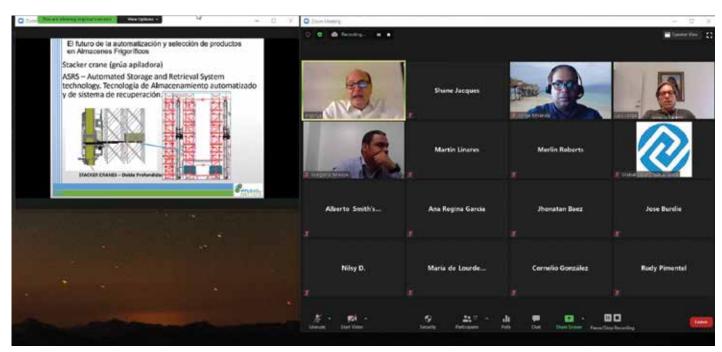
The program also saw more than 40 companies host B2B meeting suites through the Cold Chain Collaboration component of the program. These suites were designed to encourage networking amongst participants but also for buyer/supplier relationship building and to learn about a number of products, services, and different technologies and equipment. The Virtual Innovation Program was a combination of different GCCA events. The IARW-WFLO Convention and the GCCA Cold Chain Conference & Expo as well as the CEBA Conference & Expo and the GCCA Latin America Cold Chain Congress were all run virtually as part of VIP. All recorded sessions will be available on the GCCA website. @

## COLD CHAIN DEVELOPMENT

**NEWS ABOUT WFLO INTERNATIONAL PROJECTS** 

# A VIRTUAL WRAP FOR LATIN AMERICAN GRADUATES

This column features news about key projects of the World Food Logistics Organization (WFLO), a GCCA Core Partner, and its work with members, aid organizations and international development partners to help emerging economies and lower-income countries meet the challenges that arise when growing a safe and efficient global cold chain.



Students completed the 2020 WFLO Latin America Institute in a virtual format.

Like so much else impacted by the COVID-19 pandemic, the 2020 WFLO Latin America Institute was completed by students in a virtual format last fall.

Thirteen students from the Dominican Republic and one student from Mexico concluded the third year of the program virtually, showing an inspiring commitment to continue their professional education.

The Year 3 students include:

- · Alnardo Andrés Diaz Rosendo, Equiport
- González De Los Santos, Grupo Frío Integral
- · Eddy Santiago García Rodríguez, Mediterranean Shipping

- · Jhonatan Eduardo Báez Cuas, Tropical Shipping
- Jorge Augusto Miranda Cubilete, Intec
- José Enrique Burdie Jiménez, UPS
- José Gregorio Minaya Espinal, Aerodom
- María De Lourdes Núñez Cuervo, CNC
- Martín Linares, Linca Refrigeración S.A. de C.V.
- Merlin Roberts, Delta Cargo
- Modesto Rosado Duran
- Nilsy Mirlene Delgado Antuna, Nestle Dominicana
- Rafael Alberto Smith Ortega, Punta Cana Airport

The students from the Dominican Republic and their participation in the WFLO Institute was part of the Exporting Quality and Safety Program (EQS). GCCA has supported this project since 2016, providing technical experts on postharvest, refrigeration and cold storage operations who have consulted with a variety of companies on the ground.

The WFLO Institute had nine international instructors specializing in agribusiness, cold chain, human resources, sales and finance.

The instructors include:

- Octavio Lara, finances and supply chain specialist
- Marco Antonio Cruz, food science specialist

- George Cruz, Senior Vice President, United States Cold Storage
- Juan Carlos Hencker, refrigeration systems specialist
- Jorge Rios, Regional Human Resources Business Partner, Lineage
- Lowell Randel, Senior Vice President, Government and Legal Affairs, GCCA
- Rafael Rocha, General Director, Galores Group Panama
- Raul Hernandez, CEO, Precisa Holding
- Brian Beazer, CEO/GM, WCS Logistics

#### **WFLO Latin America**

For more than 50 years, the World Food Logistics Organization (WFLO) has provided an immersive, three-year experience offering a curriculum covering a range of topics for representatives of the temperature-controlled supply chain industry on best practices, technical information and processes to ensure the safe, efficient and reliable movement of food globally.

The WFLO Latin America Institute was first held in Panama in 2014, before moving to Mexico in 2017, to be closer to a larger, more developed market and to make travel simpler and more affordable for more attendees.

The Latin America Institute is geared towards professionals from across the cold chain industry, and its curriculum offers students a solid knowledge of the science of frozen foods, the supply chain and the field of logistics and cold storage. Also, it is a great platform for young talent to gather and network with others who are immersed in the cold chain, in addition to gaining regional recognition in their industry.

The WFLO Latin America Institute's objectives are:

- Provide comprehensive training in business and cold chain operations
- Improve operational efficiencies
- Focus internal communications with and for the client
- Develop leadership/management skills
- Improve experience in the specialty area
- Pass on the knowledge of industry leaders
- Help students network with industry colleagues
- · Focus on new strategies and technologies Lasting three days each year of the threeyear program, the WFLO Latin America program offers more than 40 classes taught by leading experts in the industry. The program includes six thematic modules developed in 12

classes taught during the three-day course every year. The modules include:

- · Cold chain management
- Customer service
- Employee and facility safety
- Food safety
- Warehouse operations
- Personal and professional development

When not conducted virtually as a result of the pandemic, the program is an interactive event structured around case studies, the experiences of each of the participants and establishing solid connections with colleagues in the regional industry. Students also have the opportunity to take courses in Mexico City or at venues in the United States.



# **COOL SOLUTIONS**

#### SCIENTIFIC ANSWERS TO COLD CHAIN CHALLENGES

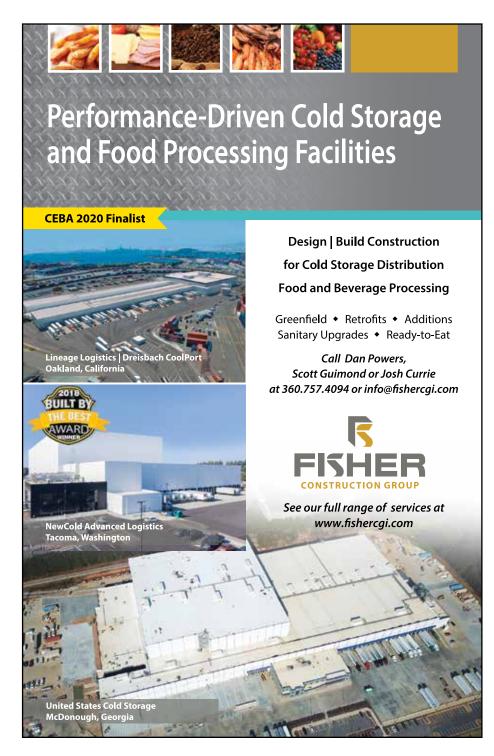
professionals, simply post your inquiry in the GCCA Online Community. All GCCA Members and their employees can access the Affairs, and Third Party Logistics.

We are a cold storage facility that stores some organic meats (frozen boxed organic beef). Occasionally, a few customers send requests for tempering their meat. When we do this, the boxes of meat are put into trays to help increase the temperature and make the meat more malleable. There is no meat exposed during this process, as we don't remove the meat from the original packaging. In the event that a customer requests temperatures, we take a temperature reading on the exterior of the packaging.

With this in mind, are we required to get an Organic Certification or are we in compliance by signing an affidavit when the customer requests one?

According to the compliance division of the USDA-(United States Department of Agriculture) AMS-(Agriculture Marketing Service) National Organic Program, as long as the product is not removed from packaging in the cold storage facility, and no labels are changed on the packages, the facility should not need to pursue certification. The facility is probably already doing this, but they should request an organic certificate from the supplier of the product to include in their records, and check that the certificate is current at https://organic.ams.usda.gov/integrity/. The certifier on the certificate can be contacted to answer any questions about the product before it arrives at the cold storage facility. Only if product ends up being removed from the package in their facility, would this cold storage facility need to pursue certification.

Answer was provided by WFLO Scientific Advisory Council Member Dr. Cody Gifford, University of Wyoming and expert in the field of meat science. @



#### WFLO SCIENTIFIC ADVISORY COUNCIL

Chairman and WFLO Scientific Advisor

Dr. Michael Jahncke, Virginia Seafood Agricultural Research & Extension Center, **Expertise: Fish Products** 

#### WFLO SCIENTIFIC ADVISORY COUNCIL

Dr. Jeffrey Brecht

University of Florida, Expertise: Cool-Climate Fruit & Produce

Dr. Patrick Brecht

PEB Commodities, Expertise: Refrigerated Transportation

Dr. Paul Dawson

Clemson University, Expertise: **Poultry Products** 

**Dr. Donald Fenton** 

Kansas State University, Expertise: Refrigeration Engineering

Dr. Brian Fugate

University of Arkansas, Expertise: Supply Chain

Dr. Cody Gifford

University of Wyoming, Expertise: Meat Products

Dr. Dennis Heldman

Ohio State University, Expertise: Food Process Engineering

Dr. Faris Karim

Kansas State University, Expertise: Ammonia Contamination and Food Toxicology

Dr. Barbara Rasco

Phd JD, University of Wyoming, Expertise:

**SAC EMERITUS** 

Dr. R. L. (Bob) Henrickson

Oklahoma State University, Expertise: Meat Products

Dr. Daryl B. Lund

University of Wisconsin, Expertise: Food Science

Dr. Joseph Sebranek

Iowa State University, Expertise: Meat Products

Food Safety, Food Safety Regulations

Dr. Kees Jan Roodbergen

University of Groningen, Expertise: Logistics and Operations Management

Dr. Vicky Salin

Texas A&M University, Expertise: Agriculture Economics

Dr. Subramaniam Sathivel

Louisiana State University, Expertise: Frozen Food Quality

Dr. S. Paul Singh

Michigan State University, Expertise: Packaging & Labeling

Dr. Donald Schaffner

Rutgers, The State University of New Jersey, Expertise: Microbiology

**Brian Strouts** 

AIB International, Expertise: **Bakery Products** 

Dr. Charles White

Mississippi State University, Expertise: **Dairy Products** 

Dr. Elhadi Yahia

Universidad Autónoma de Querétaro, México, Expertise: Tropical-Climate Fruit & Produce

Joseph Slavin

Jos. Slavin & Associates, Expertise: Fish Products

Dr. W. F. (Will) Stoecker

University of Illinois, Expertise: Refrigeration Engineering

### GCCA GLOBAL EDUCATION AND NETWORKING EVENTS

(as of January 2021)

3-6 MAY, 2021

**GCCA South Africa: Virtual Cold Store Operations Short Course** 

www.gcca.org

16-19 MAY, 2021

**57th WFLO Institute West** 

Tempe, Arizona, United States

23-26 MAY, 2021

**57th WFLO Institute East** 

Atlanta, Georgia, United States

2-4 JUNE, 2021

**GCCA European Cold Chain** Conference & Expo

Rotterdam, The Netherlands

14-16 JULY, 2021

**WFLO Institute Latin America** 

Mexico City, Mexico

26-28 JULY, 2021

**GCCA Cold Chain Policy Forum** 

Washington, D.C., United States

8-10 OCTOBER, 2021

130th IARW-WFLO Convention

Austin, Texas, United States

11-13 OCTOBER, 2021

**WFLO Institute Australia** 

Melbourne, Australia

TBD OCTOBER

**GCCA Brazil Symposium** 

Sao Paulo, Brazil

2-4 NOVEMBER, 2021

41st CEBA Conference & Expo

Las Vegas, Nevada, United States

TBD NOVEMBER, 2021

**GCCA Latin America Cold Chain Congress** 

Mexico City, Mexico

\*All events are subject to change due to COVID-19. Visit www.gcca.org/events for updates.

# **COOL SOLUTIONS**

#### SCIENTIFIC ANSWERS TO COLD CHAIN CHALLENGES

#### SAC MEMBER SPOTLIGHT



S. PAUL SINGH, PHD President, Packaging Forensic Associates, Inc., Professor Emeritus, Michigan **State University** 

An expert on packaging and package labeling for the WFLO Scientific Advisory Council since 2011, Dr. S. Paul Singh has worked in the packaging industry for over 30 years. Singh co-founded the Consortium for Distribution Packaging Research at Michigan State in 1990, where he served as director for 20 years. Since 2006, he has served as the president of the Packaging Forensic Associates, Inc., providing

consulting services and expert testimony assistance to law firms, government agencies and corporations in the United States and abroad.

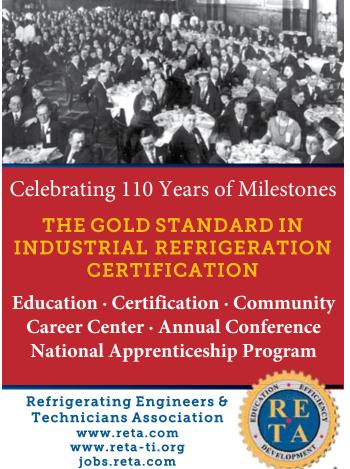
Singh earned his B.S. from Punjab University in Chandigarh, India, where he graduated with highest honors. He went on to earn both his M.S., in Packaging, and PhD, in Agricultural Engineering, from Michigan State University in East Landing, Michigan. Singh's research has covered a wide variety of topics in packaging, including product protection, cushion design, packaging machinery, environmental sustainability and packaging reduction, and systems integration, among others.

In addition to authoring more than

100 research papers published in peerreviewed technical journals, Singh has written over 100 reports on studies testing and evaluating packaging systems for companies. He also served as a consultant to more than 1,000 domestic and international companies, such as Chiquita, ConAgra Foods and Kraft, Inc.

Singh has been honored many times over his career as a packaging professional, including inductions into the Military Packaging Hall of Fame and PMMI, The Association for Packaging and Processing Technology's Hall of Fame. The International Association of Packaging Research Institutes conferred its Lifetime Achievement Award on him in 2020. **②** 





# **ASSOCIATION NEWS**

#### **NEWS ABOUT GCCA CORE PARTNERS**



Luca Quaresima, Europe Logistic and Operations Manager of NewCold Advanced Cold Logistics, was named the recipient of the 2020 GCCA European Cold Chain Future Leader Award. The award was presented during the recent GCCA European Cold Chain E-Conference, where over 140 temperature-controlled logistics professionals from 23 countries gathered together virtually to share experiences and best practices, build relationships and meet with industry suppliers. The GCCA Future Leader Award recognizes talented young professionals who have the potential to become future leaders and make a positive contribution to the development of the global temperature-controlled warehousing and logistics industry. Quaresima competed for the award with Aude Groensteen, Site Manager & Safety Officer of Stockhabo, Belgium.

Meghan Rodgers has been named as the new GCCA Vice President of Public Relations and Industry Affairs and started with the association on January 1. Rodgers brings to GCCA extensive communications leadership and

knowledge of the food supply chain, specifically through her four years serving at the U.S. Department of Agriculture (USDA), most recently as deputy director for communications. Rodgers has travelled domestically and internationally, meeting with leaders of many agriculture and food industry companies, providing her an intimate understanding of the food supply chain, hunger and nutrition issues, food logistics and the complex processes involved in feeding the world population. Prior to her work at USDA, Rodgers worked on Capitol Hill for two different members of the United States Congress.

The GCCA South Africa Cold Store Operations Short Course, held virtually 15-18 February, is an industry-specific program for professionals engaged in temperaturecontrolled logistics and will feature modules taught by leading experts in the industry. It will provide an opportunity for warehouse managers, controllers and supervisors to be trained on local and international best practices in cold store operations, food handling and temperature management, food safety - HACCP, energy management, innovations and best practices in cold storage technology, regulatory procedures, promoting a culture of safety and customer service.



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# MEMBER NEWS

#### NEWS FROM MEMBERS OF GCCA CORE PARTNERS

**COLD SUMMIT DEVELOPMENT** launched its first project in Dallas, Texas, United States - a \$60 million, 343,000-square-foot multitenant cold storage facility.

FROZEN FOOD EXPRESS (FFE) announced plans to increase pay for new linehaul solo company drivers by 25%, with some experienced drivers earning up to 60 cents per mile in base pay. Linehaul pay for the company's team drivers will increase 20%.

LINEAGE LOGISTICS acquired Pago, a warehousing, distribution and transport logistics provider in Poland. The acquisition marks the company's entrance into the Polish market and adds six assets to Lineage's global network.

MTC LOGISTICS has achieved recognition for its efforts towards increasing energy efficiency and maintaining a culture of energy excellence and sustainability at its facility in Baltimore, Maryland, United States. This is the first MTC facility in the GCCA Energy Excellence Recognition Program. MTC Logistics received Gold recognition for their efforts to reduce energy use over time.

**NEWCOLD** will build and operate a \$150 million automated cold store facility in Lebanon, Indiana, that is expected to create 150 to 200 new jobs. At 141 feet high (43 meters), the facility holds more than 100,000 pallet positions. This is NewCold's third facility in the United States, and is scheduled to be operational in 2022.

NOR-AM COLD STORAGE held a ribboncutting ceremony for its new full-service, public refrigerated warehouse operation in Dodge City, Kansas, United States. The 148,000-square-foot freezing, storage and processing location, built by TIPPMANN **INNOVATION**, is equipped with high-tech freezing equipment, high-density racking, semi-automated pallet shuttle technology, capacity for nearly 17,000 pallet positions and a 50,000-square-foot processing area.

PENSKE LOGISTICS reached an agreement to acquire trucking company Black Horse Carriers, Inc.

#### PREMIER REFRIGERATED WAREHOUSE

has broken ground on its new home in Burleson, Texas, United States. Construction on the 403,000-square-feet cold storage and distribution center is expected to be complete in October 2021.

RLS LOGISTICS will open its second freight brokerage office opening in Nashville, Tennessee, United States. This location complements the company's first freight brokerage office located in Mount Laurel, New Jersey, United States.

RLS LOGISTICS announced plans to develop an 83,000-square-foot temperature-controlled facility in central Massachusetts, scheduled to open in late 2021. The facility will accommodate 18,000 temperature-controlled pallet positions and feature a state-of-the-art mobile racking system that creates 40 to 45% more

pallet positions than standard double-deep racking. The facility will also use an environmentally friendly refrigeration system that consumes less electricity than standard ammonia-based systems.

**SUPERFRIO ARMAZÉNS GERAIS** achieved recognition for efforts towards increasing energy efficiency and maintaining a culture of energy excellence and sustainability at the company's facility in Vargem Grande do Sul, San Paulo, Brazil. Superfrio's facility is the first in Brazil to achieve recognition, representing the fourth country participating in the GCCA Energy Excellence Recognition Program. Superfrio's facility received Silver recognition for their efforts to reduce energy use over time.

**TIPPMANN INNOVATION** is developing a new cold storage facility near Houston, Texas, United States. The facility will contain nearly 304,000 square feet of storage space, more than 42,000 pallet positions, a 55-foot-deep refrigerated dock, and -10F to 60F, fully convertible refrigerated/frozen space.

## **NEW MEMBERS**

#### NEW MEMBER COMPANIES OF GCCA CORE PARTNERS



#### **CEBA MEMBERS**

**Black Hawk Roof of Nebraska, Inc.** Omaha, Nebraska, United States

Gleeson Constructors & Engineers, LLC Sioux City, Iowa, United States

#### Mortenson

Golden Valley, Minnesota, United States

#### **Super Radiator Coils**

Richmond, Virginia, United States

Wood's Powr-Grip Co., Inc. Laurel, Montana, United States



#### **IRTA MEMBERS**

**Cape Fruit Coolers**Milnerton, Western Cape, South Africa

#### Kyrie Global, Inc.

Greensboro, North Carolina, United States

#### **Sequence Logistics**

Johannesburg, Gauteng, South Africa

Transportes Marva S.A. de C.V.

Puebla, Mexico



#### **WFLO MEMBERS**

CLC Logístics (Consultores Logísticos del Caribe) Santo Domingo, Dominican Republic

#### Warehouses4Good

Houston, Texas, United States **②** 



#### **IARW ASSOCIATE MEMBERS**

**Bertolini Sistemas De Armazenagem** Bairro Vila Nova, Rio Grande do Sul, Brazil

#### Controlant

Kopavogur, Iceland

#### **Energy Partners Refrigeration**

Centurion, Gauteng, South Africa

#### MegaSlab

Marietta, Georgia, United States

#### **Truist Bank**

Atlanta, Georgia, United States



#### **IARW-WFLO WAREHOUSE MEMBERS**

#### **Cape Fruit Coolers**

Milnerton, Western Cape, South Africa

#### Kyrie Global, Inc.

Greensboro, North Carolina, United States

#### **Sequence Logistics**

Johannesburg, Gauteng, South Africa



#### LEADERS IN COLD STORAGE CONSTRUCTION











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# **COOL PERSON**

#### PROFILING INFLUENTIAL PEOPLE CONNECTED TO THE COLD CHAIN INDUSTRY



I knew that waste could be reduced just by conserving food the way my grandparents did. That is how I grew interested in the food industry."

#### **ZESHAN HASSAN**

Zeshan Hassan, Continuous Improvement Manager with Congebec, Inc., is the recipient of the 2020 Don Schlimme Future Leader Award. It recognizes talented young professionals in North America, who have the potential to become future leaders and make a positive contribution to the development of the temperature-controlled warehousing and logistics industry.

You were born in a small village in Pakistan. When you were little, what did you want to do when you grew up?

ZESHAN HASSAN: My village was close to an air base, so I wanted to be a pilot in the air force. I had a few relatives working in the army, and I admired them in their uniforms.

#### What attracted you to a career in the food and cold storage industry?

**ZH:** My grandparents were farmers, and I enjoyed going with them to the fields. We sold rose petal jelly in the village and distributed it to our family members. When I grew a little older, I realized there was a lot of food waste at the markets. I knew that waste could be reduced just by conserving food the way my grandparents did. That is how I grew interested in the food industry.

What led me to the cold storage industry was growing up in a developing country where I could see it was easy to produce food, but very difficult to preserve it. I started to work in production facilities and realized the cold storage industry was the most efficient way to preserve food longer and reduce waste.

#### What does winning the Don Schlimme Future Leader Award mean to you?

**ZH:** It is one of the biggest achievements in my life, and proves if you work hard, are determined and committed, you can succeed. We are the ones who choose the quality standards of our actions to succeed in our lives you can choose your reaction, and your path, to reach your goals and your dreams.

#### ls there someone in your life that is the kind of leader you wish to be?

**ZH:** Yes, the prime minister of Pakistan, Imran Khan. He was selected the captain of the Pakistan cricket team and led them to win the World Cup in 1992. He was inspired in that win by his desire to raise funds to build the first cancer hospital in the country, as his mother had passed away from the disease. He decided to become a politician to have a greater impact and influence to make peoples' lives better. He shows me determination and commitment, and even after reaching his

goals, he continues to move forward to the next one. This is very in line with my dreams and goals, because I want to make people's lives better through my job and my actions. My core purpose is to serve humanity.

The other leader that inspires me daily is France Pomerleau, my current team leader at Congebec. I am impressed by, and learning from, her ability to lead people and create a team that works to achieve each individual team member's vision, as well as her own. She is setting examples that help me move forward, for which I both admire her and am grateful for.

#### What do you like most about quality control and continuous improvement?

**ZH:** When the end results of my projects make other peoples' lives better. I love improving their processes, making them happy when it works, and seeing them work better afterwards. I also love that this role is infinite, because there are endless possibilities for improvement.

#### What would you like to be doing in 10 years?

**ZH:** I see myself working and helping in underdeveloped countries. Freezing is one of the greatest natural processes, preserves food better than other methods, and also helps to reduce food waste. I'd like to help establish cold storage methods in these countries.



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