

## CONDUCTING SQF AND BRC THIRD-PARTY AUDITS

While not a painless process, companies say they are better for it.

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### 124th IARW-WFLO Convention & Expo to Deliver Value

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### R-22 Phaseout: Lessons Learned from Europe

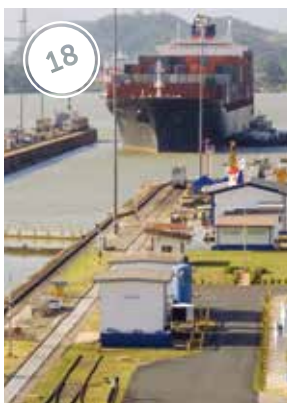
Be proactive and prepare early to replace R-22 systems.

*By Sheryl S. Jackson*



### About the Cover

Examining racking systems and pallet storage are just part of the many aspects of conducting a third-party audit. (Photo courtesy of MTC Logistics.)





# LEADOFF

MESSAGES FROM GCCA LEADERS

## Special Delivery: More Value!

“DELIVERING VALUE” is the theme of the 124<sup>th</sup> IARW-WFLO Convention and Expo coming up April 26-29, 2015 in Orlando, Florida.

As the Chairs of IARW and WFLO during this past year, we are excited about the content of this meeting and how the theme reflects the overall direction of our two organizations. You can learn more about this event in the article, “124th IARW-WFLO Convention & Expo to Deliver Value,” on page 22 of this issue of COLD FACTS.

We understand the challenges you all encounter in continuing to deliver value in the face of increasing business pressures, competition, new regulations, workforce issues, and more.

Both the IARW and WFLO Boards have worked this past year to continue to improve by developing new strategies for our organizations to deliver value to you, the members. The cover article in the January-February 2015 issue of *COLD FACTS* detailed the results of a member survey where you told us what keeps you up at night and what impact our organizations have on those issues.

As the article explained, we have taken those results to heart and it is leading to a more focused strategic direction to help IARW and WFLO meet the changing needs we all confront.

The goals of helping members in business growth and marketing, staying current in food safety and customer requirements, establishing quality standards, offering ideas on how to decrease operational costs, and finding the best ways to manage human capital are at the top of our list. These are at the core of the value we plan to deliver to you in the coming months and years to help grow your businesses and become more profitable.

We are also doing important work around the globe to advance cold chain technologies and capacity, especially in developing nations. This is delivering value not only to the people and businesses of these nations, but also to cold chain operations around the world that can do business in an ever-expanding global market.

It is an exciting time to be in this industry, and we encourage you to engage with us on this journey and to attend the upcoming convention so we can all learn together and continue developing the solutions we need for the future. ☺



TOM POE  
IARW Chairman



FRANK PLANT  
WFLO Chairman

“It is an exciting time to be in this industry, and we encourage you to engage with us on this journey and to attend the upcoming convention.”

## 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:

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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 **International Association for Cold Storage Construction (IACSC)**, which provides a forum for innovative ideas, promotes standards of practice, and sponsors professional education programs for the cold storage construction industry.

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# SMALLER CHARGE SYSTEMS AND THE GENERAL DUTY CLAUSE

*While using less ammonia has its regulatory advantages—  
OSHA and the EPA are still watching.*

By Lowell Randel

The evolution of small charge systems has been the subject of much attention in recent months, and for good reason. These systems are getting more and more efficient and decrease the overall amount of ammonia, a heavily regulated chemical, used in a facility.

With smaller amounts of ammonia come a number of advantages from a regulatory perspective. Facilities under 10,000 pounds of ammonia are not subject to the Occupational Safety and Health Administration's (OSHA) Process Safety Management Program and the Environmental Protection Agency's (EPA) Risk Management Program.

While not being under the scrutiny of these programs will reduce some regulatory exposure, avoid programmed inspections under enforcement initiatives such as OSHA's Chemical Facility National Emphasis Program (NEP) and decrease paperwork burdens, facilities with less than 10,000 pounds of ammonia need to be aware that both OSHA and EPA will be still paying attention to them.

#### **OSHA's General Duty Clause**

The primary way that OSHA regulates ammonia refrigeration systems under 10,000 pounds is through the General Duty Clause. The Occupational Safety and Health Act gives OSHA broad powers to regulate workplaces. The General Duty Clause, found in the Code of Federal Regulations at 29 USC§654, section 5(a)(1) states that:

“Each employer shall furnish to each of his employees employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to his employees.”

As applied by the agency, the General Duty Clause requires the following responsibilities of facilities.



- Identify hazards that may result from accidental releases using appropriate hazard assessment techniques.
- Design and maintain a safe facility, taking such steps as are necessary to prevent releases.
- Minimize the consequences of accidental releases that do occur.

Under the General Duty Clause, OSHA can cite employers if there is a recognized hazard and they do not take reasonable steps



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to prevent or abate the hazard. In the case of ammonia refrigeration, OSHA inspectors are familiar with the requirements under PSM and the hazards such PSM plans must address. While facilities under 10,000 pounds are not required to develop a formal PSM plan, OSHA inspectors will expect the facility to understand the hazards present in an ammonia refrigeration system and have measures in place to address these hazards. Because most inspectors use PSM as a primary point of reference, managers of facilities with less than 10,000 pounds should also be familiar with PSM and be prepared to demonstrate to inspectors how they are addressing hazards related to their ammonia refrigeration system.

OSHA's power under the General Duty Clause is very broad, but there are some conditions an inspector must meet to issue a citation under the General Duty Clause. Here are the four conditions an inspector must meet.

- The employer failed to keep the workplace free of a hazard to which employees of that employer were exposed.
- The hazard was recognized.
- The hazard was causing or was likely to cause death or serious physical harm.
- There was a feasible and useful method to correct the hazard.

Again, OSHA inspectors will lean on their experience with PSM to meet these conditions, so facilities under 10,000 pounds will benefit from proactively determining how they are addressing recognized hazards. There have been reports of OSHA inspectors citing facilities under the General Duty Clause and pulling from PSM standards to make their case for meeting the four conditions above. This is particularly true for companies with multiple facilities, some of which are regulated under PSM. Inspectors will assert that the company should be readily aware of hazards because some of their facilities are subject to PSM.

One of the biggest challenges to complying with the General Duty Clause is its breadth of application and lack of regulatory detail. Fortunately, there are some excellent resources available to help facilities with less than 10,000 pounds of ammonia meet their regulatory requirements. The International Institute of Ammonia Refrigeration (IIAR) has published an ARM program specifically designed to assist facilities with less than

10,000 pounds. IIAR also publishes standards and bulletins that make up our industry's most important source of Recognized and Generally Accepted Good Engineering Practices (RAGAGEP). OSHA inspectors routinely cite IIAR materials when determining whether a facility is appropriately addressing a hazard.

### **EPA's General Duty Clause**

EPA also has a General Duty Clause at its disposal. The Clean Air Act Amendments of 1990 includes Section 112(r)(1), which defines EPA's General Duty Clause:

"...The owners and operators of stationary sources producing, processing, handling or storing such substances [i.e., a chemical in 40 CFR part 68 or any other extremely hazardous substance] have a general duty [in the same manner and to the same extent as the general duty clause in the Occupational Safety and Health Act (OSHA)] to identify hazards which may result from (such) releases using appropriate hazard assessment techniques, to design and maintain a safe facility taking such steps as are necessary to prevent releases, and to minimize the consequences of accidental releases which do occur."

While facilities with less than 10,000 pounds of ammonia do not need to file a formal Risk Management Plan, here is what EPA, through its General Duty Clause, expects facilities to do.

- Determine if, and under what circumstances, a release could occur.
- Put in place procedures and controls to prevent a release.
- Implement a plan of action should a release occur.

Much like with OSHA, EPA's General Duty Clause is very broad in its application and there are few details provided on how to comply. EPA has published some guidance on how inspectors are to apply the General Duty Clause in the document entitled "Guidance for Implementation of the General Duty Clause Clean Air Act Section 112(r)(1). This document outlines three steps that can help demonstrate compliance.

- Adopt or follow any relevant industry codes, practices, or consensus standards.
- Be aware of unique circumstances of your facility that may require a tailored accident prevention program.
- Be aware of accidents and other incidents

in your industry that indicate potential hazards.

As with OSHA, members have reported that EPA has been actively using its General Duty Clause authorities to bring citations in ammonia refrigeration facilities. As stated previously, resources from IIAR can be helpful in meeting the burdens of EPA's General Duty Clause. IIAR's ARM manual, along with standards and bulletins, can provide facilities with detailed guidance on Recognized and Generally Accepted Good Engineering Practices (RAGAGEP).

### **Summary**

As OSHA and EPA continue to ramp up their enforcement activities under PSM and RMP, we are also seeing increased application of the General Duty Clause in facilities with less than 10,000 pounds of ammonia.

Moving to smaller charge ammonia systems can be an effective way to improve efficiencies and reduce some regulatory burdens. Facilities not subject to PSM and RMP won't have to worry about programmed inspections and fill out formal PSM and RMP plans. However, current facilities with less than 10,000 pounds of ammonia, and those looking at adopting smaller charge technologies, need to be aware that OSHA and EPA will not ignore a facility just because they are under the PSM or RMP thresholds.

These facilities are encouraged to be proactive in making sure they can demonstrate to regulators that they are appropriately addressing the hazards present with the ammonia refrigeration system in their facility. ☺

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# CONDUCTING SQF AND BRC THIRD-PARTY AUDITS

*While not a painless process, companies say they are better for it.*

**W**hy would a cold chain logistics company voluntarily subject itself to a process that may cost tens of thousands of dollars per facility, require executive staff to attend weekly meetings, necessitate sharing its operating budget with a third party, and create enough paperwork, processes and systems to require at least one additional fulltime supervisory position—among other personnel changes?

In other words, why subject your company to a third-party certified audit?

“Because,” says Ken Johnson, Senior Vice President of Operations, MTC Logistics, “it has made us a more professional company and a stronger company.”

“Because,” adds Anthony Leo, CEO and President, Warehousing Group, RLS Logistics, “Eighty to 90 percent of our customers are going down that road anyway, and those food companies want us going through the same audit process as they do. The way I saw it, let’s stay ahead of the curve and differentiate ourselves from the competition by getting audited.”

## The Origin of the Audits

Of course, third party audits are nothing new for cold chain logistics companies. As Johnson points out, for more than 20 years companies have been audited, sometimes

voluntarily, sometimes at the request of customers.

“The difference is,” says Johnson, “those were basically food sanitary audits with an emphasis on the facility. The goal was to ensure things like the building was able to maintain proper temperatures and pest control measures were in place—the audit was really looking out for the product itself.”

And, those audits were not certified.

Then a few years ago, Walmart announced that all suppliers would have to start complying with BRC requirements, which is recognized as a GFSI (Global Food Safety Initiative) benchmarked food safety standard.

“As service suppliers have done throughout history for Walmart, we scrambled to figure out how we would comply with the only player at the time—BRC,” recalls Johnson. “We should have been happy to have one common standard, but we knew it would cost

money, we didn’t know how long it would take to comply, and we were a little hesitant to move forward. Finally, we decided that to be ahead of the game, we would move forward.”

“Within our organization, the decision to be certified by a third party auditor was initially driven externally by the 2008 ‘Walmart magna carta,’ as it’s come to be known,” adds Billy Adams, Food Systems Quality Director, Americold Logistics.

“In early 2013, Walmart and a couple other customers began to ask where we were in our food safety and quality journey,” explains Adams. “They told us we’d soon be hearing that they wanted their warehouse service providers certified to either BRC or SQF standards. We have more than 145 facilities that we would want to be individually inspected, evaluated and certified, so we worked with our customers to determine which facilities would be certified first.”

With all three MTC plants now successfully certified to BRC standards, Diane Busch, MTC’s longtime Director of Corp Administration, posits that, “BRC is basically the audit we’re all used to—but on steroids.” And on a side note, overseeing the audit process for MTC’s three facilities is now a fulltime job for Busch.

“The big difference with the new audits is primarily on the administrative side,” Busch reports. “You must have written procedures





Examining racking systems and pallet storage are just part of the many aspects of conducting a third-party audit. (Photo courtesy of MTC Logistics.)

for everything you do and written verification that you're following these procedures. Additionally, you have to present budgeted numbers for building maintenance and employee training annually to prove that you are spending adequate amounts of money to maintain the facility and employing enough knowledgeable personnel to safely handle product—in other words, provide evidence of management's commitment to the process."

Adams, who originally came from food manufacturing and is familiar with both SQF and BRC standards, sees the primary difference in the new audits in the additional layers of requirements, as well as the depth of detail required. "You're already complying with FDA requirements but SQF and BRC are saying let's grow the basics and make requirements more robust and substantiated by additional documentation. But it is interesting to note that what's being layered on is really tailored towards food manufacturing."

Adams says that doesn't mean you can't apply the requirements to warehousing and distribution. "For instance, cleaning food surfaces doesn't apply to PRWs but the larger notion of cleaning and sanitation does."

"Another interesting point is the depth of detail that's expected," comments Adams.

"The standards don't necessarily tell you how to do things, but make clear the intent and the spirit —evaluating hazards and mitigating risks.

### Getting Started

The first step in the process for Leo and his company was deciding which audit to pursue. As both audits adhere to GFSI, his belief is it came down to perception more than anything. "We went with BRC because we perceived it was better known internationally, and SQF was better known in the U.S. As we have customers in 17 countries, we felt our customer base would be more familiar with BRC."

The next step for Leo was to assemble an implementation committee. "We picked people from all levels of the organization—IT, HR, safety and learning, transportation, packaging, warehousing, customer service, quality control—so we would have a 360 degree view." Leo says the 12-member committee is the second highest ranking in the company, right behind the executive committee.

Then the committee created a statement of purpose, defined general guidelines and began to meet weekly for 90 minutes at a set date and time that attendees are expected to plan their week around.

Leo says they begin the meeting by reading their statement of purpose to remind themselves of why they're there. Then they review the audit itself and break the meeting into the overall framework of the audit's different sections. Customer complaints and surveys are reviewed along with key performance indicators and internal goals, new procedures are reviewed, revised or updated, incidents are discussed along with any subsequent new safety procedures and changes to the training program. Next, the budget is reviewed and adjustments made.

"The topics we discuss touch every department and procedure as the audit is tied into all the company's ongoing processes and operations—it's become part of the company's DNA, it's part of every person's job, and the foundation for all our procedures," explains Leo.

Another major step the company undertook at the outset of the audit process was to hire an experienced quality assurance manager from the food manufacturing sector. "We wanted QA to know what our customers were going through and from a quality standpoint, she's come from a much more stringent environment than ours and has had experience with both BRC and SQF audits in that environment," reports Leo.



MTC Logistics holds weekly BRC Committee meetings with senior management from each facility. The scored results of 20 internal audits are reviewed, which contain each requirement within the BRC S&D Standards, Issue 2. (Photo courtesy of MTC Logistics.)

At MTC, they began their BRC audit process with internal audits. This required that Johnson and Busch get certified to conduct internal audits, as well as a plant manager from each of their other facilities. Employees cannot conduct internal audits on their own work or where they have direct influence on the operation within the department or section being audited. Busch says even this process seemed daunting at first, but they discovered that AIB offers an internal auditing webinar that fulfills the requirement for becoming certified to perform audits.

Johnson and Busch also highly recommend a pre-assessment audit. “We wanted to make sure we knew what we were preparing for so at a cost of \$6000, we had a BRC inspector come in and tell us what the requirements are, what we had covered, and what areas needed improvement,” recalls Johnson. “We did our first pre-assessment at our Delaware plant and didn’t score too badly. And after that, we spent a year practicing full compliance at all of our plants so we were comfortable when the time came for the real thing.”

Looking back at the first round of audits, Busch believes that one of the most important issues to the auditors was their HACCP

Plan and critical control point documentation. “Inspectors looked very carefully at our training procedures for our personnel who are responsible for monitoring and verifying critical control points and the documentation of those procedures as is written in the HACCP Plan.”

Americold hired Adams in 2014 because he came from food manufacturing. But the year before he came on board, the company had five sites certified by SQF, with the assistance of a consultant.

“First the consultant conducted a gap analysis on four Americold sites detailing how they compared to the standard, and then the consultant worked with the sites to close any gaps,” explains Adams.

He says while consultants are not cheap, the value of the expenditure to Americold was the leverage it provided as the company moves forward preparing its many other facilities for certification. “Although we have different customers and products, the basic services are the same—we store and distribute food. So, we took the insight gleaned from the consultant to get our first four facilities certified and applied that insight to the facility we had certified last year and additional facilities that we are actively pursuing certification for in 2015.”

### The ROI

“Most people want to know how much it’s going to cost and what’s my return on investment, which is sometimes hard to calculate,” admits Adams.

So Adams asked the general managers at Americold’s five SQF-certified facilities what they thought the true value was of going through the auditing process and these are some of their responses. “SQF has challenged each of us to have our game face on at all times, focus on being better and better each day, and it has given associates a voice with which to point out any non-compliances in a positive manner and make suggestions on how to improve.”

Another manager said, “We have major customers asking if they can visit our site and ask us for advice on food safety. We’re providing additional peace of mind for our customers.”

And finally, “I truly believe SQF has reduced our warehouse claims. With tighter controls and consistency of operations, we continue to enhance our service offering to customers and further reduce off-quality numbers.”

“We look at how the auditing process is going to impact our budget going forward—the output and the return—and it’s hard to put a number to it,” states Leo. “But we track our damage and freight claims, and we have the





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Senior management has to be committed to the third-party audit as it is an expensive and time intensive process. (Photo courtesy of MTC Logistics.)

ability to meet and then raise our goals, so that must mean we're getting better and performance is going up and claims rates are going down so we have our return on investment."

"And," Leo adds, "we are undeniably a better company now."

#### Advice from the Experts

"Like any big project you take on, you can't let yourself get overwhelmed but have to take it

step by step," advises Leo. "Knowing what the auditor was going to look at really calmed me down, so my suggestion is start by sitting down and reading the audit—whether BRC or SQF. Once you get into it, it will be clear what's going to be easy, and what's going to be a challenge."

"You need to have complete buy-in from your middle managers," counsels Johnson.

"At the end of the day, we're not dealing in nuts and bolts, we're trying to ensure the

safety of the food chain and that we're doing all the right things in our role—and sometimes managers don't see that."

Johnson adds that management told supervisors on down what would be expected of them at the outset of the audit process and received good buy-in from the vast majority and those who didn't buy-in, were out.

Johnson also points out that senior management has to be committed to providing whatever is necessary to ensure a successful audit because it is an expensive and time intensive process.

"The preparation cost of the audit—\$20,000 to \$30,000 at each plant, far exceeds the actual cost of the two-day audit, but the cost will go down after the first year," assures Johnson.

"My advice is there's no time like the present to certify Global Food Safety Initiative (GFSI) standards. It doesn't take a rocket scientist to see that industry, customer and government driven expectations are becoming more and more stringent—and for the right reasons," Adams points out. "Food safety has got to get better, and this is clearly the path to be on. And, at the end of the day, you're not really going to have a choice if you're going to be in the food industry in this country." @

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## BRC AND SQF

British Retail Consortium (BRC) is the leading trade association for United Kingdom retailing. Although the BRC food safety standard began in the UK, it is now recognized as a global standard. BRC initially developed its Global Standard for Food Safety (GSFS) in order to help the food industry meet legislative requirements of the EU General Product Safety Directive and the UK Food Safety Act.

This standard is recognized as a GFSI (Global Food Safety Initiative) benchmarked food safety program and has been accepted by eight major international retailers: Carefour, Tesco, ICA, Metro, Migros,

Ahold, Walmart and Delhaize.

The GFSI is a project led by the business forum CIES to harmonize international food safety standards and reduce the need for multiple supplier audits. The CIES members include leading retailer organizations and food manufacturers.

Rather than create another standard, the GFSI Technical Committee identified the key components necessary for good food safety standards and the operating protocols for the delivery of certification and created a benchmarking document. Standard owners such as the BRC were invited to submit their standard for benchmarking.

The BRC was the first standard to be recognized as meeting the GFSI benchmark. Benchmarking to GFSI ensures that the BRC Global Standard for Food Safety is accepted by many of the world's biggest retail groups, such as Walmart.

Many of these retail groups also accept another standard—SQF (Safe Quality Food). The SQF Program is also recognized by the Global Food Safety Initiative (GFSI) and links primary production certification to food manufacturing, distribution and agent/broker management certification and is administered by the Food Marketing Institute (FMI).





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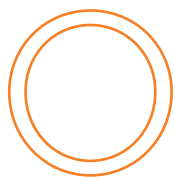
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# PANAMA CANAL EXPANSION UPDATE

*As the completion of the canal's expansion grows closer, cold chain logistics companies debate its impact.*

By Karen E. Thuermer



One cannot understate the scale and impact of the \$5.25 billion Panama Canal expansion project. When completed and operational in 2016, it will add a deeper and wider third lane and a new system of locks to accommodate the new massive vessels that steamship lines are increasingly deploying.

Developments surrounding this project are of great interest to companies involved in the cold chain. Many handle products that are shipped in refrigerated containers on vessels navigating the Panama Canal.

And while there's little doubt transshipment activity through Panama will grow strongly once the expansion of the Panama Canal is completed, not everyone in the temperature controlled logistics industry believes the subsequent shifts in trade patterns will bring an increase in new business. Presented here are different perspectives of the debate over who will be impacted by the expanded Canal.

Argelis Moreno de Ducreux, Senior Specialist, Liner Services Segment, and Executive

Vice President for Planning and Business Development at the Panama Canal Authority (APC), tells *Cold Facts* that when the third lane opens, ships as long as 1,200 feet, up to 160 feet wide, and with draft as deep as 50 feet—better known as post-Panamax ships—will be able to transit.

“Current and new shipping sectors are going to be able to take advantage of the economies of scale resulting from the bigger vessels,” he says. “A post-Panamax vessel will move twice, and even triple, the amount of cargo that is allowed today.”

The expanded canal is also expected to benefit shipping lines by reducing transportation costs per cargo unit.

But John Seckinger, general manager, Aimar Group, a Central America-based shipping and logistics services provider, does not see shipper costs being lowered. “Refrigerated containers are expensive to operate and maintain,” he says. “And consideration needs to be taken that shipping lines need to have dedicated teams for monitoring and positioning containers for the reefer trades.”

How the canal's new toll system will impact shipping costs also is yet to be determined. “The Panama Canal is in the process of changing its tariffs, which will likely result in an increase in rates,” he says.

A proposal released by the APC in January 2015, discusses the system and states that the new toll structure reflects the value of route and encourages an increase in the size of the vessels that transit the canal.

Observers say the toll system is complicated. Tolls for container ships are charged per TEU (Twenty Foot Equivalent Unit) that passes through the canal, not per ship. A loyalty program is also being proposed to encourage the retention and the increment





Left to right: When the Panama Canal is widened in 2016, it will accommodate ships as long as 1,200 feet, up to 160 feet wide, and with draft as deep as 50 feet. JAXPORT's TraPac Container Terminal at Dames Point welcomed the largest vessel to ever call on Jacksonville's seaport. The 8,100 TEU MOL Competence traveled from Southeast Asia through the Suez Canal and is too large to fit through the existing Panama Canal locks.

of TEU capacity that currently transits the Panama Canal.

Consequently, the impact will vary per shipper. "Essentially, the bigger the ship, the more TEUs that can be handled in one pass," says Regulo Lopez, General Manager for Panama 3PL Operator FrigoService, Inc.

### Immediate Impact

The expansion of the Panama Canal is also expected to shift entire trade patterns.

FrigoService, Inc., a 3PL operating in Chilibre, Panama, has its eyes on increased cold chain opportunities in Panama. To capture the business, FrigoService has long-term plans to expand warehousing on 40 acres in Chilibre, where the company sees increased warehousing space easily accommodating several major suppliers and handling large volumes of inventories.

According to Lopez, the expansion provides access to the ports of Cristobal (Atlantic) and Balboa (Pacific), the Colon Free Trade Zone, the Centennial Bridge, the Panama Pacifico economic area, the Tocumen Airport and the interior of the country.

"The facility is strategically located just 20 minutes from the capital where we found magnificent space to grow our business," Lopez says.

The master plan calls for space for 60,000 pallets and that the facility is expandable in blocks. Its middle section will be 36 feet high with double-deep racking. Two side structures will be configured for selective 60-foot high racking and utilize a VRA-type forklift. "The higher 105-foot infrastructure would be used as a holding space where the use of robotized elevators is a must," Lopez describes.

With this space, the company indicates it should be able to reduce shrink for customers and help Panama increase its exports of perishable goods.

"The end consumer is always looking to receive products in the least expensive and fastest way possible," Lopez remarks. "If a shipper is considering their costs, one strategy is to have a hub in Panama from which to source faster and at the same price."

The reason: "Panama is in the middle of Central America and the American Continent, making this a convenient same-distance solution for several areas in the globe," he says.

Ports on the U.S. East Coast and Gulf Coast are spending millions of dollars to make their infrastructures ready to accommodate post-Panamax vessels up to 9,000 TEU when more vessels come ashore because of the Panama Canal expansion.

A good example is the Port of Jacksonville (JAXPORT), which will begin dredging its channel to 47-foot water this year and is redoing its docks at its Blount Island and Talleyrand Marine Terminals to create better efficiencies for increased cargo.

"Not only are we preparing the docks at Blount Island to accept 100-gauge cranes; we have also ordered three super post-Panamax cranes that will be able to reach across vessels 22 containers wide," says Roy Schleicher, JAXPORT executive vice president.

An intermodal container transfer facility is also under construction that creates additional efficiencies for rail out of Northeast Florida.

Refrigerated cargo (citrus, poultry, and seafood) is big at JAXPORT. "Jacksonville is both a big exporter and importer of seafood," says Schleicher. That's because Sea Best Foods, a product line of Jacksonville-based

Beaver Street Fisheries, is the largest importer, exporter and distributor of fish and seafood in North America.

### Distribution Changes

Also a result of the expanded canal, a shift is occurring from super distribution centers to hub-and-spoke models using small distribution centers.

“Smaller distribution centers provide more personalized service to a specific customer to source product to the final end user,” Lopez says.

This is the case in Jacksonville. Contributing to JAXPORT’s growing cold chain business is the increase of refrigerated distribution centers in the area over the last seven to eight years.

“This is mostly because of an increase in Asia-related business coming into Jacksonville and the volume of cold chain products that are being shipped out,” Schleicher says. “Big manufacturers want smaller regional distribution centers in the 300,000 to 500,000 square foot range rather than mega one or two million square foot facilities.”

The reason is customers in inland cities—places like Columbus, Memphis and Atlanta—want options to ship in and out of the East Coast. They want to expand beyond Jacksonville and the North Florida region.

Schleicher attributes this to anticipated increased business resulting from more shipping options from the Panama Canal expansion, and the fact shippers are frustrated by union strikes on the West Coast. He doesn’t expect a flurry of new business, however, simply because the Panama Canal is being widened and there will be more post-Panamax ships coming to his port. “We expect an increase strictly because ships will be larger,” he says.

He also does not anticipate that steamship lines will stop routing vessels to the West Coast in favor of East Coast seaports. “The West Coast seaports will fight to keep as much cargo as they can,” Schleicher says. “They will not send up a white flag and surrender.”

According to Jones Lang LaSalle, however, 25 percent of imports currently coming through the West Coast could shift to East Coast ports as a direct result of the canal expansion. In fact, the real estate services company cites the Panama Canal as one of the five most compelling change agents in the supply chain going forward.

Yet Seckinger maintains that the main driver for this change will most likely be as a result of ILWU (International Longshore and Warehouse



FrigoService, Inc. is planning to expand its operations on 40 acres in Chilibre, Panama, shown in this artist’s rendering of a new facility.

Union) labor uncertainty and delays caused on the U.S. West Coast by the ILWU, rather than the expanded canal. “The expanded canal provides the route for the change,” he states.

Lopez particularly contends that the expanded Panama Canal will significantly change the region-of-origin orientation of the two coasts. “Today the West Coast is largely focused on Asia and the East Coast on Europe and the Americas,” he says. “Going forward, Asian imports will be much more prevalent on East Coast ports.”

### More Factors

But other factors may be at play. Seckinger points out that a lot of refrigerated cargos, such as fruits and vegetables, move in specialized smaller vessels in break bulk format.

“The vessel sizes are not likely to change as a result of the canal,” he explains. “The vessel sizes tend to be dictated by operational considerations as well as origin production, product shelf life, and speed to market.”

Another factor is impacting the refrigerated container business: new container technology. This makes it possible for vessels to handle more capacity and refrigerated products.

Case in point: APL utilizes some of the most technologically advanced reefer containers in the industry that are equipped with modified atmosphere technology and controlled atmosphere technology. Today, almost all APL reefers are equipped with dehumidification systems, where relative humidity can be set between 65 and 95 percent and can be controlled according to cargo requirements. They also have Cold Treatment capability that pre-

serves fruits better and eliminates the need for fumigation and the use of certain insecticides.

Such development helps boost reefer container capacity, which Ducreux sees advancing on East–West and North–South trade lanes, thus increasing the Panama Canal’s reefer connectivity in major trade lanes.

“Refrigerated containers offer more flexibility, less handling of cargo, and less temperature variations, which means less product damage,” Ducreux says.

The World Food Logistics Organization (WFLO), a Core Partner of the Global Cold Chain Alliance (GCCA), will address these and other issues such as food security, employee safety, cold chain management, operations in warehouses, professional/personal development, and relationships with customers during its WFLO Institute: Latin America training event in Panama City, Panama, June 22–24, 2015. This is the second year WFLO has held this event in Latin America. The program is tailored for professionals engaged in many different aspects of temperature-controlled logistics and will offer more than 15 classes taught by industry experts.

Of particular note, the event’s Panama location offers access to a strategic location in the Americas, visits to cold warehouse facilities, and affordable and easy access. ☞

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

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# 124TH IARW-WFLO CONVENTION & EXPO TO DELIVER VALUE

*Compelling keynote speakers, focus sessions covering four key areas, an expo hall with more than 100 exhibitors, and indispensable networking opportunities are the cornerstones of the convention.*

By Alexandra Walsh



At the 124th IARW-WFLO Convention & Expo, held April 26-29, 2015 at the Hilton Orlando Bonnet Creek and Waldorf Astoria Orlando, attendees will explore the challenges and issues facing today's temperature-controlled logistics industry.

This year's event theme, Delivering Value, was selected because in today's temperature-controlled logistics industry, companies have advanced to offer services as total supply chain solution providers to address growing customer needs.

Programming at the convention will put a spotlight on the role logistics companies play within the cold chain around the world, and will explore:

- The bigger picture of the global cold chain,
- How each company can increase their positive impact in that chain,
- How companies can maximize their services to address total customer needs,
- Strategies to deliver greater value to customers.

In the spirit of this theme, IARW and WFLO are proud to present this year's offer-

ings of speakers, educational sessions, and networking opportunities. And a special thank you to this year's convention and expo sponsors who make these offerings possible. See the sidebar on page 25 for a complete list.

## Looking to the Future

Jack Uldrich, a renowned global futurist, speaker, and author of 11 books, will keynote the conference.

Uldrich's speech "Foresight is 20/20," will explore what the world of 2020 might look like, and how cold storage companies and their leaders can respond to the inevitable business changes that will occur.

"No one can predict the future, but understanding rapidly emerging technological trends can help companies and their executives prepare for it," Uldrich says. "We live in an era of unparalleled change, and this will provide

the critical foresight they need to create a successful future."

Corey Rosenbusch, President and CEO of IARW and WFLO, explained, "As our convention theme is 'Delivering Value,' Uldrich's insights are critical to helping cold chain logistics ensure that they continue to provide value during the coming decade. We look forward to hearing this analysis of coming trends and how our industry can prepare for them."

Uldrich is a frequent speaker on technology change management and leadership and has addressed hundreds of corporations, associations and other organizations on five continents.

His work is based on the transformational principles of unlearning—or freeing yourself from obsolete knowledge and assumptions—as a strategy to survive and thrive in an era of unparalleled change.

He is a frequent guest on major media outlets including CNN, CNBC, the Science Channel, the Discovery Channel, and National Public Radio. He is also an ongoing contributor on emerging technologies and future trends for a number of publications, including the *Wall Street Journal*, *Forbes*, *Wired*, and *Business Week*.





The Annual IARW-WFLO Convention offers a rich mix of speakers, educational sessions, and networking opportunities.

Uldrich is a former naval intelligence officer and Defense Department official. He previously served as the director of the Minnesota Office of Strategic and Long-Range Planning.

### Finding the Funny in Wall Street

Paul Mercurio, an Emmy and Peabody Award-winning comedian, will deliver the closing keynote address

With a resume that includes award-winning comedy writing and performing for “The Daily Show With Jon Stewart” and multiple appearances on “The Late, Late Show” on CBS, “Late Night with Conan O’Brien,” and many others, Mercurio is famous for leaving a career as a Wall Street mergers and acquisitions lawyer and investment banker to pursue comedy full-time with the encouragement of Jay Leno, who had hired him to write jokes for “The Tonight Show” while he worked in the financial world.

Mercurio will have attendees roaring with laughter as he pokes fun at the business world, global events, and various social and political trends and happenings.

“Many have accused Wall Street financiers of funny business, and I am here to tell you that it is a funny business, even though people who lost money might not think so,” Mercurio

deadpans. “But they should rest assured that someone is making good use of their money! No one will get rich listening to my speech, but it will make them smile.”

### Future Leaders

The popular WFLO Learning Lounge will be returning in 2015. This year’s lounge will feature dynamic, young cold chain industry leaders from all over the world, sharing insights on attracting and retaining young professionals to the industry.

The recipients of the following young professional awards will speak:

- Jeffrey Tusa, Frank Vale Award in Australia
- Ivan Sutic, Peter Worthington Award in South Africa
- TBD, Don Schlimme Award in North America

This exciting, rapid-fire session is sure to be a big hit at this year’s convention.

### Focus Sessions

In addition to selecting energizing and thought-provoking keynote speakers, IARW and WFLO have developed an outstanding lineup of educational content that will be delivered through Focus Sessions, the Scien-

tists Speak Session, and the popular WFLO Learning Lounge.

Focus Sessions are concurrent, strategy sessions that provide the latest on the industry’s most important trends and issues—all under 45 minutes. All Focus Sessions fit into one (or more) of four education tracks. These tracks tailor our world-class educational content to suit your specific interests or job responsibilities.

The tracks include:

- **Business & Market Development:** As IARW member companies continue to find new ways to diversify their business and continue to attract and retain customers, it’s important to know about the opportunities to do so through business and market development. Develop strategies for expanding your business domestically and internationally to continue to provide value to your customers in the years to come.
- **Liability & Risk Management:** Protect your company and get the latest in warehouse law, risk management, liabilities, and regulatory changes. These sessions will focus on lessons learned in the areas of risk management that are most critical to a refrigerated warehouse.

- *Operations Management:* Improve productivity and your bottom line with the latest trends and tips in operational management. Improving productivity goes hand-in-hand with continuous improvement and innovation. As companies innovate and adopt best practices in technology and other advancements, they will see greater profits.
- *Human Resources:* Apply best practices, emerging trends, and the techniques regarding human resources and talent management. We continue to hear that human capital is a tremendous issue for our industry and companies are looking to find ways to attract, train, and retain a new generation of employees. Applying best practices in fostering talent development has never been more important to logistics companies.



The Expo will again offer attendees the opportunity to visit more than 100 leading providers of products and services for the cold chain industry.

#### Additional Learning and Networking Opportunities

The popular Scientists Speak Session is back again with a different spin for 2015. There will be both presentations and roundtable discussions covering the latest in food science

and safety, relevant to this year's theme of Delivering Value. All Scientists Speak sessions feature members of the prestigious WFLO Scientific Advisory Council (SAC), which is dedicated to providing education and research to IARW-WFLO members year-round.

In addition to the educational program, several networking events will provide members the opportunity to reconnect with colleagues and make new connections. They include:

- *First-Timer & New Member Reception:* Held in conjunction with the Welcome Reception, the First-Timer & New

Member Reception welcomes all new members and first-time convention attendees for an exclusive opportunity to meet and greet IARW and WFLO leadership and staff.

- *Welcome Reception:* All attendees are welcome to join IARW and WFLO leadership and staff at the Welcome Reception located at the resort's private outdoor island, with beautiful views of the resort's waterways and golf course. Cocktails and hors d'oeuvres will be served as guests mix and mingle with colleagues, friends,



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- *Welcome Café and Networking Lounge:* Get settled in at the IARW-WFLO Convention & Expo with the Welcome Café & Networking Lounge. Grab a snack and refreshments as you say hello to friends from last year's convention.
- *Monday Night Networking Reception:* Hosted by IACSC, IARW, and WFLO, this exciting reception will take place at a fun location off the hotel property and is open to all attendees. You won't want to miss this special evening!
- *Focus Session Happy Hour:* Take a moment to reinvigorate yourself after a long day of education during this Happy Hour Reception. Enjoy a drink while discussing your favorite sessions of the day with your fellow attendees.
- *Farewell Pool Party Reception:* Close out the 124th IARW-WFLO Convention & Expo at this fun, private pool party—an attendee favorite! Enjoy a good, old-fashioned cookout with games, a cigar bar, and an open bar; this is the perfect way to bid your colleagues and friends a fond farewell.

### Expo Hall a Key Gathering Place

The Expo will again offer attendees the opportunity to visit more than 100 leading providers of products and services for the cold chain industry including:

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Doors	Engineering
Refrigerated Equipment	WMS/TMS Solutions
	Flooring Install/Repair

IARW and WFLO thank all the companies who will be exhibiting. A complete list can be found at [www.gcca.org/124th-iarw-wflo-%20convention-expo/](http://www.gcca.org/124th-iarw-wflo-%20convention-expo/). ☺

**ALEXANDRA WALSH** is Vice President of Association Vision and a contributor to *COLD FACTS*.

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# R-22 PHASEOUT: LESSONS LEARNED FROM EUROPE

*Be proactive and prepare early to replace R-22 systems.*

By Sheryl Jackson

**W**hat are the most effective strategies to transition to a different refrigerant as the production of R-22 is phased out in the United States? While the answers may differ from company to company, the best source of information is Europe—where local regulations banned the use of R-22 in new installations in 2004, and where the phaseout of R-22 to service existing installations was completed in December 2014.

“In the United States, we are following the same progression for the phaseout of R-22, but we have the benefit of learning from the very recent experience of the industry in Europe,” says Derek Hamilton, U.S. Business Development Manager for Star Refrigeration and its U.S. subsidiary, Azane Inc.

An Environmental Protection Agency (EPA) regulation banned the use of R-22 for new installations in 2010, and decreases the production of R-22 gradually over the years leading up to the complete ban on production in 2020.

“This is a hot topic in New Jersey where virtually every public refrigerated warehouse use R-22,” says Gerard N. von Dohlen, President of Port Newark Refrigerated Warehouse (PNRW). “Even though the complete

phaseout of production of R-22 occurs in 2020, the declining supply and rising prices mean that R-22 may not be readily available to service existing installations as soon as two to three years.”

PNRW is in the process of converting its facility to use a combination of calcium chloride brine and direct expansion, small charge ammonia system. With two attached warehouses and a third warehouse planned, von Dohlen is evaluating different systems and replacing pipes in preparation for the final transition. “A proactive approach is best for our business because we can start early, do it gradually, and be thoughtful about the solutions we select,” says von Dohlen. By transitioning away from R-22 in phases, PNRW is able to remain in operation and better

manage the cost of conversion.

Selection of the best solution to replace an R-22 system differs with each cold storage facility, says Hamilton. “The decision-making process must consider the age of the building, the condition of the existing equipment, and the wider goals of the business. “Smaller facilities are most likely to replace the entire system, but warehouses with larger, distributed systems may consider drop-in refrigerant options that are a blend of hydrofluorocarbons (HFCs),” he says.

The benefit of drop-in replacements is that some of the existing equipment can be re-used, but there are still disadvantages. “A company with a single warehouse that operates 24 hours a day, seven days a week throughout the year, cannot be shut down for the time it takes to remove R-22 from a system, clean the system, replace components that must be upgraded to handle the new refrigerant, and test the system,” he explains.

“Warehouse owners who opt for drop-in HFCs also need to be aware that HFC refrigerants are less forgiving in terms of leakage than R-22,” says Hamilton. “If the existing system has a history of leakage, and the issues cannot be resolved, HFC drop-ins should not be considered.”

A number of technical issues must be



addressed to transform an R-22 system to accept HFCs, including changes to the oil, changes to sealing materials, and consideration of operating pressures, application temperatures, and the challenges of refrigerant glide. “Even with these changes, conversion to drop-in HFCs does not provide a new system so existing system issues will not go away and new challenges may appear, which can increase operating costs,” notes Hamilton.

Another disadvantage of the use of HFCs to replace R-22 is the fact that they, too, are greenhouse gases, which have an uncertain future. The European Parliament has already published a timetable for the phaseout of some HFC refrigerants, with bans on new installations using R404a and R507 taking effect by 2020.

While the EPA has not yet issued rules regarding HFC phaseout, the U.S. government has highlighted the reduction of HFC consumption as a key target in plans to address climate change. Cold storage facility owners who opt for drop-in HFCs may face another transition to non-HFC refrigerants in the coming years.

Of course, owners who lease their buildings, have old systems in place, or occupy aging warehouses can adopt HFCs, knowing how the strategy fits into future business goals that may include a new facility or new system, says Hamilton. For some warehouse owners, choosing drop-in HFCs as an interim step to address limited resources of costly R-22 in the next few years, as they work on a long-term solution, may be a viable strategy.

### Alternatives to HFCs

The majority of the refrigerated warehouse industry in Europe opted for ammonia systems to replace R-22. “Larger facilities were typically switched to direct ammonia or ammonia with secondary glycol,” says Hamilton.

## R-22 PHASEOUT RESOURCES

The Global Cold Chain Alliance is preparing a whitepaper on the technical and operational details that are important for cold storage facility owners need as they prepare for the R-22 phaseout. To access this and other resources, visit GCCA's online store.



One of the low-charge ammonia packages that are used to replace R-22 refrigeration systems for freezer warehouses.

“European owners recognized what would be happening with the future phaseout of HFCs, so they gradually invested in new systems across all of their locations.”

— DEREK HAMILTON, U.S. Business Development Manager for Star Refrigeration and its U.S. subsidiary, Azane Inc.

Ammonia has proved to be a popular choice because of its excellent efficiency over a range of operating temperatures. While some facilities have opted for traditional central ammonia systems, there has also been a growing demand for rooftop packaged ammonia systems.

When installing a new system, owners must address the issue of downtime. One way to address the downtime challenge of a new refrigerant system is to install the new system side-by-side with the old system, says Ole Christensen, Vice President of Engineering for M&M Refrigeration. Keeping the warehouse up and running while new equipment and piping is installed is possible if there is room in the existing mechanical room, or space for an alternate mechanical room.

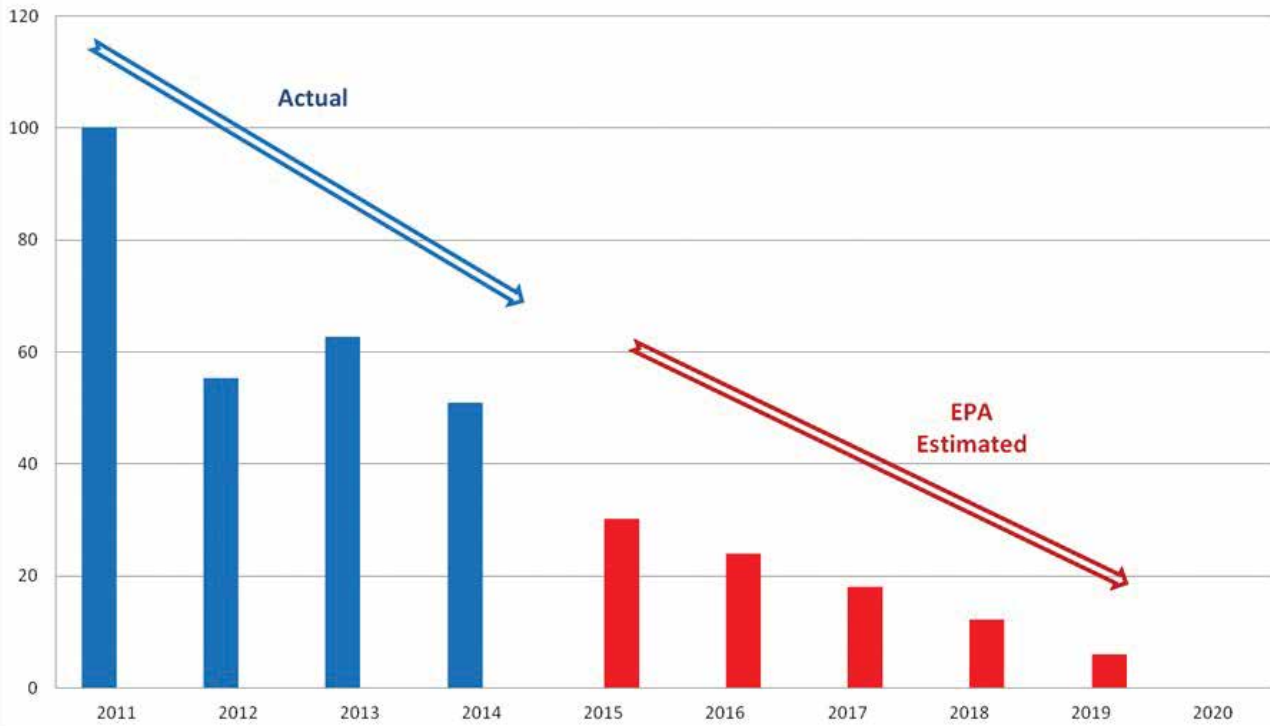
If space does not allow installation of two

systems side-by-side during the transition, another option is self-contained rooftop package systems, says von Dohlen. “Additional support for the units may be needed but everything else is in the modular unit so you just plug into piping and electricity.”

“Rooftop package systems provide a great deal of flexibility because they are discrete systems that can be strategically placed as needed for each room in a warehouse,” says Hamilton. “Ammonia package systems offer excellent energy efficiency—as much as 15 to 20 percent more energy efficient than HFC systems.”

“Another huge advantage of packaged ammonia systems is that the ammonia inventory is minimized,” says Hamilton. A facility using packaged ammonia sys-

### HCFC R-22 Allocation in Millions of lbs



This chart shows the actual and projected R22 production levels in the United States.



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tems may have as little as 10 percent of the ammonia inventory of a central-pumped ammonia system. “Not only does this lead to a safer facility, but it also helps to reduce the regulatory burden on facility owners who might otherwise have to follow a PSM program,” he adds.

“Because of the safety concerns about ammonia leaks, we’ve seen a number of customers select ammonia with a carbon dioxide (CO<sub>2</sub>) cascade systems, in which the ammonia is only in the mechanical rooms and the CO<sub>2</sub> is in rooms throughout the rest of the facility,” says Christensen. “Another option for smaller to mid-sized plants is a transcritical CO<sub>2</sub> system, which eliminates the use of ammonia.”

“While CO<sub>2</sub> is an option for some facility owners, it is only useful in certain applications, especially for food manufacturers who must maintain temperatures below minus 40 degrees Fahrenheit,” says Hamilton. “While CO<sub>2</sub> is an efficient refrigerant at these temperatures, the capital costs to install a CO<sub>2</sub> system are high so the return on investment can be longer.”

One innovation that is on the horizon is the development of low charge CO<sub>2</sub> systems suitable for higher temperatures, points out Hamilton. “These systems are being designed for more typical temperatures between minus 10 degrees and plus 35 degrees Fahrenheit. This will provide yet another natural refrigerant option for refrigerated warehouse owners.”

#### New Systems Offer Multiple Benefits

“European owners recognized what would be happening with the future phaseout of HFCs, so they gradually invested in new systems across all of their locations,” says Hamilton. Businesses that waited until the last few years of the phaseout process were forced into a technical solution that was not necessarily the best decision for their businesses, he adds.

“One of the benefits of switching to a new system sooner rather than later is an immediate energy cost savings because it is a new system—regardless of which refrigerant is used,” points out Hamilton. Another advantage of planning early for the transition is the opportunity to budget for the implementation, and to schedule it in a way that disrupts business as little as possible.

Cold storage facility operators who opt to use drop-in HFCs with minimal adjustments to existing systems lose the opportunity for enhanced operational savings that improve the ROI of a new system, points out Hamilton. “New technology that includes modern control systems that enhance visibility of system

One of the most important lessons learned from the European cold storage industry’s experience is that the R-22 phaseout cannot be ignored.

operations as well as maintenance information, and does not require the presence of an engineer on site 24 hours a day, produces savings for the owner,” he says. The ability to control the system through smart interfaces also enables planned energy use reductions during peak usage periods, which can qualify the company for discounts or credits from the local energy provider.

One of the most important lessons learned from the European cold storage industry’s experience is that the R-22 phaseout cannot be ignored, points out von Dohlen. “Owners must look closely at their businesses now to determine how they will get from where

they are now to where they need to be as the refrigerant is phased out,” he says. “Visit other warehouse owners to evaluate different systems, and make plans to transition to new refrigerants. In 10 to 15 years, our industry will be better off—even if it will be painful to get through the next few years.” ☞

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

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# MEMBER NEWS

## NEWS FROM MEMBERS OF GCCA CORE PARTNERS

**A M KING** has surpassed more than 1 million man hours worked without a lost time accident.



**AGRO MERCHANTS GROUP** and its financial sponsor Oaktree Capital Management has made a strategic investment in Brazil's Comfrio Soluções Logísticas. This initial investment by the company in Latin America lays the foundation to build out a broad network across the region.



**DEMATIC** introduced the Dematic Computerized Maintenance Management Systems (CMMS) Meters module, further enhancing the product's preventive and predictive maintenance capabilities. The Meters module communicates directly with existing monitoring systems to extract, consolidate and deliver real-time data to the CMMS.

**DIVERSIFIED PORT HOLDINGS** named Charles Tillotson as the new Chief Commercial Officer.



**ESI GROUP** won the Associated Builders and Contractors of Wisconsin's Gold Award in the General Construction—Industrial (Over \$3 Million) category.



The U.S. Agency for International Development's Development Credit Authority will guarantee up to half of the \$7 million in private finance sought by **FRIOPUERTO TANGER SA**, a start-up cold storage company in Morocco. Friopuerto Tanger plans to build and operate a state-of-the-art cold storage facility that will increase Morocco's export capacity and create jobs.

**HANSON LOGISTICS** has broken ground on additional deep frozen storage capacity in the company's Chicago Consolidation Center. This is the fourth expansion in seven years, reflecting the company's ongoing investment in the Velocities™ Multi-Vendor Consolidation program.



**HENCH CONTROL, INC.** has formed a joint venture to create Hench Control B.V. based in Amsterdam, The Netherlands.



**INTERSTATE WAREHOUSING AND TIPPMANN GROUP** announced a major expansion project at Interstate Warehousing's largest cold storage warehouse in Indianapolis (Franklin), Indiana. The 309,000 square-foot expansion will add more than 48,000 pallet positions.

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**KINGSPAN** was honored with the 2014 Green Product Award at the 34<sup>th</sup> annual Volusia Manufacturers Association (VMA) awards. To win the award, the association looks for companies that strive to show sustainability practices through construction, healthier work environments, overall energy savings, and reduction of carbon release. By 2020, Kingspan plans to achieve complete Net-Zero energy consumption at its North American headquarters.



**LINEAGE LOGISTICS** acquired Columbia Colstor. This doubles the company's presence in the Pacific Northwest to 11 locations. Lineage's national footprint now reaches over 600 million cubic feet across 111 facilities in 21 states. The company is also beginning an expansion of its Tacoma, Washington cold storage distribution facility. The new project will be completed in 2015 and will nearly triple the building's frozen warehouse capacity.



**PARTNER LOGISTICS** appointed Johan Krediet as Supply Chain Manager.



**PREFERRED FREEZER SERVICES** opened its third refrigerated public warehouse in Miami-Dade, Florida; the facility is a state-of-the-art center that spans 118,000 square feet.



**RYAN COMPANIES US, INC.** hired Tim Bauer as Director of Architecture, Industrial.



**THE RAYMOND CORPORATION** is commemorating the 75th anniversary of two inventions that revolutionized the material handling industry: the hydraulic hand pallet truck and double-faced wooden pallet. These innovations were developed by George Raymond, Sr., founder of Raymond, and William House, the first engineer for Raymond, and patented in 1939.

**UNITED STATES COLD STORAGE** completed its third Pennsylvania warehouse, adding a new site in Quakertown, Pennsylvania, to complement nearby operations in Bethlehem and Hazleton. It spans 6.5 million cubic feet (Phase One) and offers 29,000 pallet positions, 27 refrigerated dock doors

and state-of-the-art CO<sup>2</sup> refrigeration.



**VERSACOLD LOGISTICS SERVICES** appointed Larry Bines Vice President of Sales and Marketing. 

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# NEW MEMBERS

## NEW MEMBER COMPANIES OF GCCA CORE PARTNERS



### IARW-WFLO WAREHOUSES

#### CPS Distribution Services

Woodstown, New Jersey, United States

#### Crystal Logistic Cool Chain Limited

Kolkata, WB, India

#### Entrepot Froid Xtreme Cold Storage

Dieppe, New Brunswick, Canada

#### Southeast Food Distribution

Miami, Florida, United States

#### Westport Capital Partners

Wilton, Connecticut, United States

### IARW ASSOCIATES

#### 2001 Company

Waterbury, Connecticut, United States

#### Alliance Industrial Refrigeration Services, Inc.

Walnut, California, United States

#### ATI Architects and Engineers

Danville, California, United States

#### Clayco

Chicago, Illinois, United States

#### Energy Surety Partners

Chevy Chase, Maryland, United States

#### Friolatina S.A.

Maipu, Mendoza, Argentina

#### PrimeComposite Flooring Systems—Rabine Group

Schaumburg, Illinois, United States

#### Protectowire FireSystems

Pembroke, Massachusetts, United States

#### R. C. Stevens Construction Company

Winter Garden, Florida, United States



### WFLO MEMBERS

#### Optum Rx

Carlsbad, California, United States

#### Electrolux

Charlotte, North Carolina, United States



### IRTA

#### Crystal Logistic Cool Chain Limited

Kolkata, WB, India

#### Diversified Transfer & Storage, Inc.

Billings, Montana, United States

#### JKC Trucking, Inc.

Summit, Illinois, United States



### IACSC CONTRACTORS

#### Alliance Industrial Refrigeration Services, Inc.

Walnut, California, United States

#### Cooling Engineering Group

Miami, Florida, United States

### IACSC SUPPLIERS

#### Friolatina S.A.

Maipu, Mendoza, Argentina



**GCCA** hosted a Cold Chain Executive Connect in Cape Town, South Africa on March 2, 2015. Approximately 15 senior level cold chain professionals attended this industry trends presentation followed by an informal networking luncheon where participants engaged in conversations on energy management, talent/labor management, global supply chain, transportation (rail, marine, air, truck) and trade opportunities and the global, regional and local economic landscape. Many of the topics discussed will be used to generate the education content for the GCCA South African Cold Chain Summit scheduled for October 2015.



**IARW** released its 2014 Global Cold Storage Capacity Report in late December 2014. The report shows that the total capacity of refrigerated warehouses was estimated at 552 million cubic meters worldwide in 2014, an increase of 92 million cubic meters (20 percent) over 2012. The report, written by Dr. Victoria Salin, a professor in the Department of Agricultural Economics at Texas A&M University, features cold storage market data on 58 countries and includes analyses on growth trends in global capacity, market development indicators, and characteristics of refrigerated warehouses around the world. The 2014 IARW Global Cold Storage Capacity Report is available to IARW members as a benefit of membership and for a fee to nonmembers. To download this e-publication, visit the GCCA Online Store at [www.gcca.org](http://www.gcca.org).



Jack Uldrich, a renowned global futurist, speaker, and author of 11 books, will keynote the 124<sup>th</sup> **IARW-WFLO** Convention & Expo, to be held April 26 - 29, 2015, in Orlando, Florida at the Hilton Orlando Bonnet Creek & Waldorf Astoria Orlando. Uldrich's speech, "Foresight is 20/20," based on his book, *Foresight 20/20: A Futurist Explores the Trends Transforming Tomorrow*, will explore what the world of 2020 might look like and how cold storage companies and their leaders can respond to the inevitable business changes that will occur.

New officers and board members of **IACSC** were elected in late 2014. Erik Gunderson, Executive Vice President, Primus Builders, was elected as the 2014-2015 Chair of IACSC, Brian King of A M King Construction was elected as Vice Chairman and Tim

Nguyen of ESI Group was elected Treasurer. Board members re-elected to three-year terms through 2017 include Janet Madden Charles of Envirotech Construction, Steve Mauro of Kingspan Insulated Panels, and Charles Woolley of Coldroom Systems. Newly

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# ASSOCIATION NEWS

## NEWS ABOUT GCCA CORE PARTNERS

elected board members, who will also serve through 2017, include Dan Powers of Fisher & Sons and Bob West of Ryan Companies. The association also recognized Wade Hudson, outgoing IACSC Chairman for all his leadership and guidance over the past year.

With the Sanitary Food Transportation Act, the Food Safety Modernization Act, and a general increase in regulations and customer-required audits, the importance of establishing best practices in refrigerated transportation and logistics has become critical to ensure food

safety and stay in compliance. The newly formed **IRTA** Refrigerated Transportation Best Practices Task Force will establish industry best practices for the transportation and handling of temperature-controlled products through developing a guidance document, establishing a formal alliance with the U.S. Food and Drug Administration, which could lead to formal endorsement of the guidance document, and seeking endorsement of a guidance document from affiliated industry trade associations and private companies. Task force members were selected based on past experience and interest. Association staff sought to make the task force diverse with representatives from transportation, academia, warehousing, and industry suppliers.



Bellingham Cold Storage (BCS) Founder Jim Talbot, a past Chairman of **IARW** and **WFLO**, passed away peacefully on November 29, 2014 in Bellingham, Washington at age 87. Doug Thomas, former IARW Chairman and President and CEO of BCS, called him “a gentle man in terms of both being a statesman and a thoughtful caring human being.” Thomas added that Talbot “was a dreamer, a visionary for pushing the envelope and possessing an innovative side that kept him young at heart. His proudest moment may have been the establishment of the US-USSR Marine Resources Company, the first Soviet-American joint company, where Russians and Americans worked side by side on the high seas to catch and process fish. At a time of cold war hostilities, this pioneering venture in turn led to many other important cultural and professional exchanges between our two countries. The venture also developed the skills of a new generation of U.S. fishermen who ushered in the present era of at-sea processing and factory trawlers.”

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# 2015 CALENDAR UPCOMING EVENTS

**MARCH 2, 2015**  
**GCCA Cold Chain Executive Connection**  
 Cape Town, South Africa

**MARCH 3, 2015**  
**Webinar: OSHA Citation and Litigation**  
[www.gcca.org](http://www.gcca.org)

**MARCH 25-27, 2015**  
**European Spring Cold Chain Logistics Conference**  
 Amsterdam, The Netherlands

**APRIL 26-29, 2015**  
**124th IARW-WFLO Convention & Expo**  
 Orlando, Florida, United States

**JUNE 1, 2015**  
**GCCA Cold Chain Executive Connection**  
 Dubai, United Arab Emirates

**JUNE 22-24, 2015**  
**WFLO Institute Latin America**  
 Panama City, Panama

**JULY 26-28, 2015**  
**GCCA Assembly of Committees (AOC)**  
 Washington, D.C. United States

**AUGUST 26-28, 2015**  
**RWTA National Conference and Exhibition**  
 Glenelg, South Australia, Australia

**SEPTEMBER 9-11, 2015**  
**IARW North Atlantic Chapter Meeting**  
 National Harbor, Maryland, United States

**SEPTEMBER 27-29, 2015**  
**IARW Southeastern Chapter Meeting**  
 Fort Lauderdale, Florida, United States

**SEPTEMBER 28-29, 2015**  
**Latin America Cold Chain Congress**  
 Guadalajara, Mexico

**NOVEMBER 5-7, 2015**  
**35th IACSC Conference & Expo**  
 Las Vegas, Nevada, United States

**NOVEMBER 19-20, 2015**  
**GCCA India Cold Chain Event**  
 Chandigarh, India

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# COOL PEOPLE

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Ivan Sutic is the first recipient of the Peter Worthington-Smith Award in recognition of exceptional achievement by a young person in the African cold chain. Sutic has been the Financial Director at Chilleweni Cold Storage, his family-run business located in Alberton, South Africa, since 2012.

**CF:** You initially planned to have a career in the financial sector. Why did you decide to join your family's business?

**IVAN SUTIC:** Cold storage had been the family business for as long as I could remember, and in all that time, the thought of getting involved never even crossed my mind. I was set on my own path down my actuarial career. After university, I worked in that field for three and a half years while completing my actuarial exams through the Institute and Faculty of Actuaries in the UK. Once I was done with those, I felt like taking a short break, so I resigned and traveled around the world for six months. When I came back, I had planned on finding another job in the same sector, but that's when my parents approached me about joining the family business. They had some expansion plans, needed a bit of help, particularly on the financial side, and the timing just seemed to work out, so I figured I'd give it a go. It's definitely been a completely different experience to anything I'd been used to from my previous working environment, but it's been going incredibly well and we've come a very long way.

“The award itself is a great means to encourage and recognize the achievements of young people in this industry, so I am delighted to have been chosen as its inaugural recipient.” — IVAN SUTIC

**CF:** What are your responsibilities as financial director?

**IS:** Well, as financial director, I'm responsible for the financial side of the business including pricing, budget preparation and the management of adherence to those budgets, financing, capital allocation, as well as the general strategic direction of the company. With this being a family business, however, I'm also often responsible for virtually everything else required in running it, which has ultimately been a great learning opportunity as well.

**CF:** What do you feel you've accomplished since joining the company?

**IS:** Personally, I've gained great, all-around experience in what it takes to run a business, which has been a tough but exciting process. From the company's perspective, I've directly helped to drive it through substantial growth and efficiency improvement, and into the best position in which the business has ever been—and there are even bigger plans on the horizon, so I'm very excited about that too.

**CF:** How do you like working in a family business?

**IS:** I'd better be careful how I answer this one...um, it's fantastic!

Seriously though, there are pros and cons. Managing relationships in the workplace can sometimes get a bit tricky and work discussions will often creep into Sunday lunches, so switching off can be a little tough. That aside, it really is fantastic—you get to see your family every day and you know that all the extra effort you put in is directly for your and their benefit, so it feels really good—I love it.

**CF:** What does being the first recipient of the Peter Worthington-Smith Award mean to you?

**IS:** I'm really thrilled! I may have come a long way in my short time in this industry thus far, but I still have plenty to learn, and this will be an incredible opportunity to do just that. I must also mention and thank some of the people whose work in establishing this award here in Africa has afforded me this opportunity, such as James Cunningham and John Ackermann of SARDA (South African Refrigerated Distribution Association), as well as, of course, the GCCA. The award itself is a great means to encourage and recognize the achievements of young people in this industry, so I am delighted to have been chosen as its inaugural recipient. Most importantly, though, I now finally have a legitimate excuse to take some leave and enjoy what I'm sure will be a wonderful trip to Florida for the IARW/WFLO Convention! 🍷



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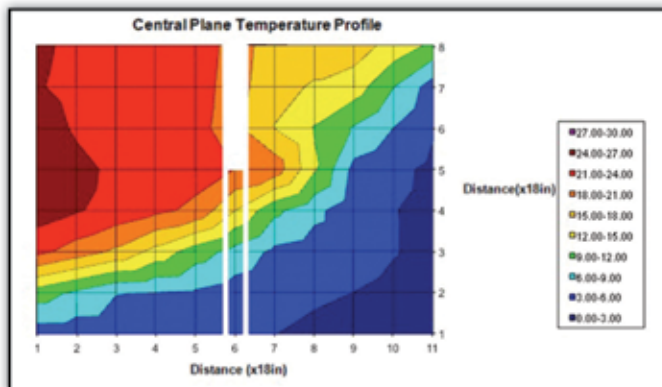
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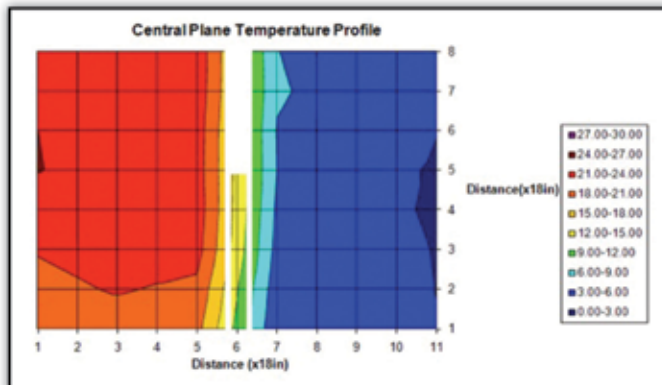
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Temp profile: air door on

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