



LATIN AMERICAN COLD CHAIN MARKETPLACE CONTINUES TO EXPAND

Exports as well as local consumption drive growth despite infrastructure and technology challenges.

By Alexandra Walsh

The cold chain in Latin America continues its expansion, primarily driven by growing export demand and rising domestic consumption. These factors, in turn, are a response to continued urbanization, income growth and an expanding middle class that is increasing demand for temperature-controlled food.

“In Latin America, we estimate that 40% of the demand is for exports, 20% comes from countries that import for domestic consumption, and the remaining 40% is for the distribution of local production,” says Rafa Rocha, Senior Vice President, Commercial at Emergent Cold LatAm. “Countries like Brazil and Mexico are investing in modern cold storage facilities and logistics networks to support this shift, with double-digit growth projected in refrigerated warehousing capacity in key metropolitan areas.”

Volumes and Market Drivers

The expectation is for continued growth, and diversification is key to that growth believes Rocha. In addition, he contends the market is driven by factors such as:

- Increased domestic consumption of refrigerated and frozen products, mainly due to urbanization and changing dietary habits.
- Expansion of beef, pork and poultry exports, as well as tropical fruits and seafood, especially to Asia.

- Brazil, Argentina, and Paraguay remain leaders in beef exports, while Brazil continues to be the world’s largest poultry exporter.
- Chile leads fruit exports to the United States and China, while Ecuador and Colombia are increasing their exports of bananas and avocados.
- Investments in logistics infrastructure and new distribution centers with advanced technology, especially in Brazil and Mexico.

“Challenges such as political instability, high logistics costs and infrastructure bottlenecks may limit growth in some regions,” says Rocha. “However, the overall outlook for 2025 remains positive.”

Abel Fernández Burgos, Director Negocios Logísticos RICSAs at Polarport in Veracruz and Polarport in Frío Maya, Guatemala, says volumes and activity through the ports at the start of 2025 are increasing. “Polarport Vera-

cruz was up 57% January through February 2025 versus the same timespan in 2024 and Polarport Guatemala was up 20%.”

Burgos believes growth drivers include:

- **Government Initiatives:** The Mexican government’s Package Against Inflation and High Costs (PACIC) allows for the importation of meat from countries other than the United States without taxes. This initiative was renewed earlier than usual, facilitating contracts and shipments. Expectations are that PACIC will continue through 2026.
- **Port Capacity:** Due to saturation at Manzanillo Port, Veracruz Port is expected to become a preferred option for South American meat imports, particularly chicken, pork and beef.
- **Tariff Threats:** The potential for tariffs from the United States is prompting importers to seek alternative sources for beef, chicken and pork.
- **Increasing Imports:** There is a growing trend in meat imports from South America, and beef imports are expected to increase.

“As for Guatemala, we believe better infrastructure in ports could increase operations, but not significantly. However, it is a very stable market,” says Burgos.

“We began 2025 with strong volumes both in domestic markets and exports/imports, and we continue to expect growth in 2025 and 2026,” says Francisco Moura, Chief Executive Officer of IceStar. “We have been facing good perspectives at the consumption level both in Chile and Colombia, which entails more demand at warehouses located in the big cities and are focused on distribution operations. Frozen fish, meat and fruit exports also have been performing well, favoring our warehouses located at production areas and ports.”

Capacity and Demand

Despite the anticipated growth, Burgos notes there are concerns regarding the cold chain’s capacity to meet demand. “Key challenges include traceability, storage capacity and transportation issues.”

Currently, there is a deficit in cold storage infrastructure in several Latin American countries, acknowledges Rocha.

“Brazil, Chile and Mexico have the most

Key Food Sectors

Key sectors fueling the growth in domestic consumption and exports in Latin America include:

- Meat and poultry from Brazil, Paraguay and Uruguay, with Brazil remaining the world’s largest beef exporter, expected to ship over 2.9 million metric tons in 2025.
- Fish and seafood, led by horse mackerel, salmon and shrimp, from Chile, Peru and Ecuador, where salmon alone accounts for over 700,000 metric tons in exports annually.
- Fruits and vegetables from Mexico, which remains a top global exporter of avocados, berries and tropical fruits, supplying over \$10 billion in fresh produce exports each year.

Courtesy of Emergent LatAm

developed infrastructure but face efficiency challenges,” Rocha notes. “Countries such as Peru, Colombia and Ecuador are making investments, especially in the fresh capacity, but there are significant deficiencies.”

Rocha adds there are also difficulties in last-mile delivery, particularly in rural areas and he cites the cause as heavy traffic. “To meet the growing demand, further investments in technology, energy efficiency and expanded storage capacity will be necessary,” he says.

Technological Breakthroughs

Several emerging technologies are transforming the cold chain in Latin America, enhancing efficiency, reliability and sustainability reports.

Among these technologies, Rocha notes:

- **Augmented Reality (AR) for Maintenance & Training:** Implementing HoloLens and other AR tools to assist in equipment maintenance, technician training and remote troubleshooting, reducing downtime and improving operational efficiency.
- **Artificial Intelligence (AI) for Documentation & Process Optimization:** AI is helping to automate paperwork, streamline export documentation and enhance predictive analytics for inventory and logistics planning. This reduces administrative bottlenecks and accelerates shipments.
- **IoT & Real-Time Temperature Sensors:** The integration of smart IoT devices and AI-driven analytics enables continuous monitoring of storage and transportation conditions, ensuring products stay within strict temperature parameters and improving food safety.
- **Warehouse Automation & Robotics:** Automated storage and retrieval systems

(ASRS), robotics-assisted picking and conveyor systems to enhance the handling of frozen and refrigerated products, increasing efficiency, accuracy and throughput.

- **Sustainable Energy & Refrigeration Innovations:** Energy-efficient cooling systems, low-impact alternative refrigerants and solar-powered warehouses to reduce environmental footprint. Advanced refrigeration technologies minimize water consumption, optimizing resource efficiency while maintaining strict temperature control for perishable goods.

Burgos says technological advancements being explored include a control tower for real-time visibility of cargo status and traceability, self-service options for scheduling and document management and the application of AI in yard logistics.

Moura says IceStar has been investing in semi-automated warehouses to better service customers and to be competitive in price.

Trade Policies and Tariff Wars

Recent tariff disputes and shifts in global trade policies have the potential to significantly impact trade volumes and flows across Latin America.

“We can face threats as well as opportunities due to the tariff disputes and global trade policy changes. Latin America is usually a neutral continent and has unique production capabilities regarding food production and exports,” suggests Moura. “The world needs to buy Latin America’s food surplus, so we could face short-term challenges, but in the long run, we are well set to continue growing.”

Rocha notes key factors to consider include China’s growing demand for meat

and fruit that continues to drive exports from Latin America.

“If trade tensions between China and the United States escalate, China may increase its imports from Latin America to compensate, potentially boosting export volumes from the region,” suggests Rocha. “This could lead to a greater need for cold storage capacity in facilities focused on export operations as supply chains adjust to meet increased demand.”

Mexico benefits from the USMCA (United States-Mexico-Canada Agreement), ensuring relatively stable trade conditions. However, increased tariffs on agricultural products could disrupt exports to the United States, impacting key supply chains across the region, notes Rocha. “These changes could drive shifts in trade routes and sourcing strategies, affecting the overall cold chain logistics landscape in Latin America, and while some Latin American exporters might face challenges, others could benefit from trade reconfigurations. For example, higher tariffs on certain goods could incentivize greater intra-regional trade, such as increased poultry exports from Brazil to Mexico.”

Challenges and Prospects

The main risk Burgos anticipates is the capacity to handle reefers when large vessels arrive, potentially causing logistical delays. “To better service cold chain customers, investments at the port include enhancing animal health certification areas, expanding container yards and reefer plugs, and developing infrastructure outside the port for cargo verification.”

An opportunity Burgos points to is, “A possible scenario where big meat producers diversify to become traders and importers, taking advantage of their relationships and commercial channels, but they probably won’t invest in warehouses or transport, which is an opportunity for the cold chain industry.”

Moura notes political uncertainties, mainly those coming from the United States, can disrupt or make changes in some supply chains and therefore impact demand and occupancy levels in some warehouses.

“Key challenges facing the cold chain sector in Latin America include insufficient infrastructure and logistical bottlenecks; high energy costs; stricter sanitary regulations and

climate change,” says Rocha. “Companies that invest in efficiency and innovation will have a greater competitive advantage in overcoming these challenges.”

Rocha believes Latin America will continue to be one of the leading global players in the export of perishable foods, with Mexico holding a strategic position as a logistics hub for supplying the United States. “The region has immense potential but requires continuous investments in infrastructure and technology, as well as a deep understanding of the local realities in each country, to meet the growing global demand.”

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