

Transporting Goods

LOGISTICS PLAYS AN INTEGRAL ROLE IN ENSURING THE RIGHT PRODUCTS REACH RETAILERS AT THE RIGHT TIME AND IN THE RIGHT CONDITIONS

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In the past, the thought of grocery stores carrying products from different parts of the world or carrying an item like berries or asparagus year round in their shelves seemed farfetched. Today, logistics and open trade across borders makes this process possible and seamless; it is common to find a wide assortment of fresh products from diverse parts of the world across supermarkets. It seems that trade is essentially a means of either meeting the demands that are not satisfied domestically or acquiring more cost-effectively products produced in other parts of the world. These imports mainly consist of high value products that have a big demand.

According to the Department of Agriculture, U.S. farmers and food manufacturers cannot produce all or enough of the foods that Americans demand, especially items like tropical crops. Fueled by immigration, the population is forecasted to increase from 20 million to 31.3 million people by 2010. Additionally the U.S. population's growth in income and changes in consumer tastes will ultimately push imports even higher in the long-run. As the size and diversity of the U.S. population continues to grow, both the quantity and the variety of food imports will also grow. This trend only reinforces the fact that a global business perspective of the market must be achieved if companies are to thrive in the 21st century.

Out of all perishable goods, in 2003 alone, there was \$1,475,767,222 worth of fish imported to Southern Florida from over 41 countries around the world. The usage of the word "perishables" is well known for fresh products like fruits, vegetables or flowers but also includes fish, meat, photo material or films and pharmaceutical products.

The timing of transporting these types of products is critical because perishable goods will depreciate over a given period of time when exposed to adverse temperature, humidity or other environmental conditions, therefore the importance of maintaining a cool chain from beginning to end; from producer to retailer. The faster, safer and more accurately a company can fill a perishable order, the more likely it is to satisfy the

customer. Any shipment delays or adverse weather conditions can result in a loss of time, money, and resources if the delivery was not well-timed or strategically organized. Companies need to decide on the best way to store, handle and move their products and services so that they are available to customers in the right amount, at the right time, and in the right place. Now, the magnitude of these companies focus on producing the goods and do not have their own logistics infrastructure; requiring an external partner that has the facilities and knowledge to maintain the cool chain intact.

There are a wide variety of perishables shipped into the U.S. daily that require very specific shipment conditions. One example of an extremely temperature sensitive product is salmon. According to an Aquaculture Outlook by David J. Harvey (2004), the U.S. Atlantic salmon imports in 2003 totaled 414 million pounds, with a value of \$916 million. One of the factors spurring consumption of salmon has been its image as a healthy food alternative, especially its relatively high concentration of Omega 3, which has been characterized as beneficial to a healthy heart. Between 2000 and 2003, imports of farmed salmon increased by 125 million pounds per year. This represents one of the biggest challenges for perishable logistics.

Hellmann Worldwide Logistics founded its division, Hellmann Perishable Logistics (HPL) in 1998 to support this increasing demand. HPL is the first global, multimodal freight forwarder that is 100% committed to the perishable industry. Currently, HPL is transporting thousands of perishable products from producers to customers across the globe as it has the facilities to handle a broad range of perishables: from a polar bear to temperature-sensitive food.

Transporting salmon has become one of HPL's biggest responsibilities due to its temperature sensitivity. Salmon needs to be kept between 28-32 degrees Fahrenheit in order to maintain its freshness and due to the nature of the product; it has a demand throughout the 365 days of the year. Most of the salmon shipped to the U.S. comes from the southern regions of Chile, close to Puerto Montt, a town where this industry has generated an economic and demographic hotspot. The Chilean central valley ends in Puerto Montt, a city settled by German colonists in the mid-19th century, and one of southern Chile's most important cities.

The salmon is shipped in special packages that maintain the temperature at 28-32 degrees Fahrenheit from Puerto Montt, via HPL trucks, to the airport in Santiago. Salmon is then loaded onto the cargo planes and flown to Miami on an eight hour flight. Salmon arrives in the United States, where it is Customs cleared by HPL. Hellmann

Perishable Headquarters in Miami, in refrigerated trucks picks up the fish from the airport, brings it to its refrigerated warehouse, does a quality inspection of the product, does proper breakdown of boxes, stores the salmon in seafood coolers and proceeds to begin distribution. The salmon is placed into a variety of packages that are organized depending on each client's specifications, in preparation for its final destination. From the eastern coast of Florida to the Western coast of California or any point in the USA, HPL transports and delivers fresh salmon from Chile, in real time, to their many customers, never leaving the cool chain. Since the flow of information is as important as the movement of the commodities themselves, HPL created specialized information systems to deliver all parties involved in the supply chain timely and accessible data and documentation.

The shipment of salmon to the U.S. is merely one example of a perishable product that must go through an intricate network of procedures before reaching its target destination. As we continue to progress further into the 21st century, the ability to satisfy the needs of an increasing population of consumers will become even more crucial. As technology evolves and boundaries become seamless company's success and prosperity will be contingent upon how reliably it can meet these demands and deliver quality products, from across the globe, immediately upon request.