



Three big questions
for fruit and
vegetable logistics
right now...with answers



INTRODUCTION

Big opportunities, big challenges

That's the easiest way to describe the fresh food sector in 2022

On the plus side, the demand has never been higher: 80% of respondents to Deloitte's fresh food consumer survey¹ said that high-quality fruits and vegetables are one of the most important attributes they look for when choosing a store.

Additionally, the 20-30% bump in online grocery shopping due to the pandemic has continued with nearly 50% of consumers now indicating they buy groceries online at least once a week². And omnichannel opportunities for the fresh food industry are increasing. For farmers, retailers and business owners, that represents rich, fertile soil for growth.

On the flip side of that coin, the industry has a waste problem with almost 30% of high-quality fruits and vegetables falling through the grid of trade chains and large supermarket chains due to lack of supply chain visibility³. And disruption is a constant challenge with social, economic, environment and political disruption happening far more regularly.

In this guide, we'll look at three big questions for the industry highlighted by refrigerated cargo and cold chain logistics experts:

- 1. How do you secure your supply chain during times of uncertainty?**
- 2. How do you get more control by improving visibility in your cold chain?**
- 3. How can you operate your cold chain sustainably AND efficiently?**

For each, we'll explore the topic, providing context, insight and our own thoughts. Then we'll delve deeper, suggesting some potential answers, exploring how to turn each into a competitive advantage.

² Three big questions for fruit and vegetable logistics right now...with answers

QUESTION 1:

How do you secure your supply chain?

At the heart of supply chain logistics for fruit and vegetables is one simple question – how do I get my produce where it needs to be in perfect condition?

Simple question. But one with a complex set of issues that sit behind it. Firstly, the supply chain has faced a global shortage of containers that's projected to last beyond 2022, resulting in severe inflation in materials and transport costs. Management consultancy McKinsey & Co. reported it now costs up to six times more to ship a container from China to Europe than it did at the start of 2019⁴.

Farmers have moved from trying to sell what they produce to producing what they know they can sell meaning, according to Deloitte, that the conversations around "surplus" and "subsidy" that have been prominent for the past 30 years "will be replaced by "shortage" and "security of supply" in the next 305".

Congested ports together with shortages of labour, raw materials and equipment compound the issues, making it harder than ever to achieve an unbroken cold chain and meet the demands of customers.

THE ANSWER

So, how can businesses tackle this simple yet complex question?

BETTER FORECASTING:

When you have always-on, real-time data connected across the cold chain, you can make better decisions, quicker, and give also customers reassurance. Farmers can help retailers plan their stock more effectively, while retailers can plan their promotions better - knowing the size of harvests, and their likely quality and shelf life. And all of this also enhances consumer experience.

MORE FLEXIBILITY:

You cannot control instability, weather or shortages. What you can control, however, is your response. If a market situation is changing or ports are congested, you need to be able to respond immediately and have alternative options at the ready. That comes from building relationships locally, opening channels of communication, and investing in tech for better visibility end-to-end.

GREATER CONTROL:

Flexibility comes with control. By limiting the number of partners across the supply chain, you can reduce the number of breaks in the cold chain. Supply chain management through one integrated partner end-to-end can make the journey smoother and give more control to both the exporter and importer.

IMPROVED CLARITY:

When all partners are clear about their commitments and expectations, outcomes are more predictable.

SMART CONTAINERS:

How much control do you have over your refrigerated cargo? How much detail and data can you extract in the event of disruption? And can you adjust vital things like temperature if problems arise?

When you can get your produce to where it needs to be, in perfect condition every time, you know you have a secure supply chain. Speed, agility and visibility are key to ensuring this happens.

For the past
30 years

the talk has been "subsidy" and "surplus," but these words will be replaced by "shortage" and "security of supply" in the next 30 years. - *Deloitte*

QUESTION 2:

How do you get more visibility?

The need for visibility in supply chains is twofold – one macro, one micro. In a recent report, McKinsey & Co. points out that “companies can now expect supply chain disruptions lasting a month or longer to occur every 3.7 years⁵”. This big picture disruption, whether political, social, economic or environmental, has brought visibility into sharp focus.

One a micro level, we’re talking about perishable produce. Consumers are thinking about food more than ever – how it’s produced and what’s in it, to where and when they eat it. That’s

why, among food industry executives, product quality failure is considered to be one of the biggest risks.

Being able to react and adapt to change – whether large scale disruption or small scale, container-level changes – is vital. But that can only happen with a degree of transparency, so every stage of the supply chain can see when problems arise and react accordingly. Tech is the answer, and more than half (55.6%) of organisations are now using technology to help analyse and report on supply chain disruptions.⁶ But that still leaves a lot of work to do.

THE ANSWER

Visibility across the supply chain means different things to different people. Maersk’s view is that it should mean a true, end-to-end view of all moving parts, in real-time. That means every touchpoint from cold store to customs, shipping to last-mile so you can react, or proactively plan for optimum routes. It also means container-specific data, monitoring conditions in the reefers to ensure produce is kept at optimum quality throughout its journey.

So how do you achieve that?

DIGITALLY-ENABLED SUPPLY CHAINS:

When all parties are digitally connected along the supply chain, information becomes more transparent and collaboration improves across the industry, while the burden of paperwork is reduced or even eliminated.

REAL-TIME DATA USING REEFER TECHNOLOGY:

End-to-end track and trace visibility shows exactly where cargo is and where delays might happen, providing the insights for contingencies to be implemented if necessary. A virtual cargo visibility assistant like Maersk’s Captain Peter can monitor shipments in individual reefers for deviations in set values such as humidity and temperature to help preserve the cargo’s condition and prevent spoilage.

DIGITAL TWINS:

Using data to model and plan and scenarios provides actionable insights for exporters, retailers, and manufacturers, helping diagnose and predict potential problems in supply chains.

WORK FROM HOME CONNECTIVITY:

Accelerated digital transformation and remote technology is allowing businesses to continue operations in the face of disruption, and it also provides additional opportunities for workers in the field. That means office workers can operate as usual from home, and farmers can access data in the field.



CASE STUDY

Transparency helps grapes travel the distance in peak condition

Italian grower of quality grapes and global fruit trader, Nava, decided to take its grapes to the US market, and extended its 15-year partnership with Maersk to beyond ocean.

The company wanted to monitor conditions inside its cold treatment containers, from Italy to the US. Maersk’s customised solution ensures cargo quality is preserved.

Captain Peter, our virtual container management assistant, provides live container data. If conditions deviate, Nava is notified immediately and our team investigates and resolves the issue. Real-time insights mean Nava can make informed business decisions – even switching a cargo’s destination in transit if a market condition changes. This responsiveness helps Nava fulfil its promises of quality and on-time delivery of grapes to customers over 5,000 miles (almost 9,000 km) away who are willing to pay higher-than-market prices.

More than half of organisations are now using technology to help analyse and report on supply chain disruptions - *The BCI*

QUESTION 3:

How do you operate sustainably but efficiently?

The fresh fruit and vegetable industry doesn't have a waste problem, it has a supply chain problem. 40% of all food loss occurs in the post-harvest agricultural supply chain, between farmer and consumer⁷. If your business has a commitment to sustainability, it's the obvious place to start.

Customers are placing a higher value on the sustainability credentials of the companies they buy from. But they also want quality, expecting high quality produce when they want it, where they want it.

THE ANSWER

Through an optimal unbroken cold chain with a single point of contact and reliable access to cold storage, reefer customers can reduce the risk of spoilage and loss by eliminating the involvement of multiple third parties and handovers.

They also maintain the ideal environment for produce to travel to their destination. While providing refrigeration at optimum temperatures for a specific cargo, reefers are also ventilated by fresh air. This removes gases released by fruits and vegetables that would otherwise cause ripening and ageing and ultimately, flavour changes and loss of quality.



Stakeholders are also on the case, putting pressure on businesses to act more ethically. And finally, government legislation has meant sustainability has now been introduced into every part of the supply chain as brands work to reduce their carbon footprint.

Yet every year a huge quantity of perishable goods, including fruit and vegetables, is wasted because on-time storage and distribution capabilities just aren't sufficiently available.

Additional ways to increase sustainability in the supply chain for fruits and vegetables include:

MORE DATA, MORE CONTROL:

Data isn't just about transparency, it can improve forecasting and greener decision making on choice of transport routes.

THE RIGHT PARTNERS:

There are plenty of logistics and supply chain professionals with commitments to sustainability. Your responsibility is to find those who are committed and aligned to your sustainability goals.

SMART CONTAINERS:

Implementing reefer management technology to maintain cargo quality, respond to temperature deviations and shock conditions, and eliminate waste.

FLEXIBILITY:

Having the adaptability to circumvent disruptions and redirect a journey to ensure successful delivery.

The UN Sustainable Development Goal 12.3 aims to halve **food waste** at the retail and consumer level and to reduce food loss across supply chains⁸.

Environmental concerns ranked **5th** in a **global survey** but rose to 2nd spot among **European** respondents⁹.

CONCLUSION

Answer your logistics questions with an unbreakable cold chain

According to Statista, the fresh fruit market is expected to grow annually by 5.11% between 2022-2027¹⁰, with the fresh vegetable sector predicted to grow 4.81% over the same period¹¹. There's a lot of opportunity for growth across the industry. But those that will grow over the long term will be those that can get their supply chains working for them, not against them.

What does that mean in practice? It means having the right partners with the right commitments to ensure that produce is delivered on time and in good condition. It means having more control over your supply chain from end to end, being able to flex and bend to accommodate increasing disruption. It means a focus on digitising processes and an investment in tech to understand where problems arise and how to deal with them.

Finally, it means a focus on the issue of sustainability and waste. Your business should demand more from the supply chain. Driven by customer demands, stakeholder expectations and regulation of course. But also driven by an understanding that we all must play our part in driving a better, more sustainable future for ourselves and for the planet.

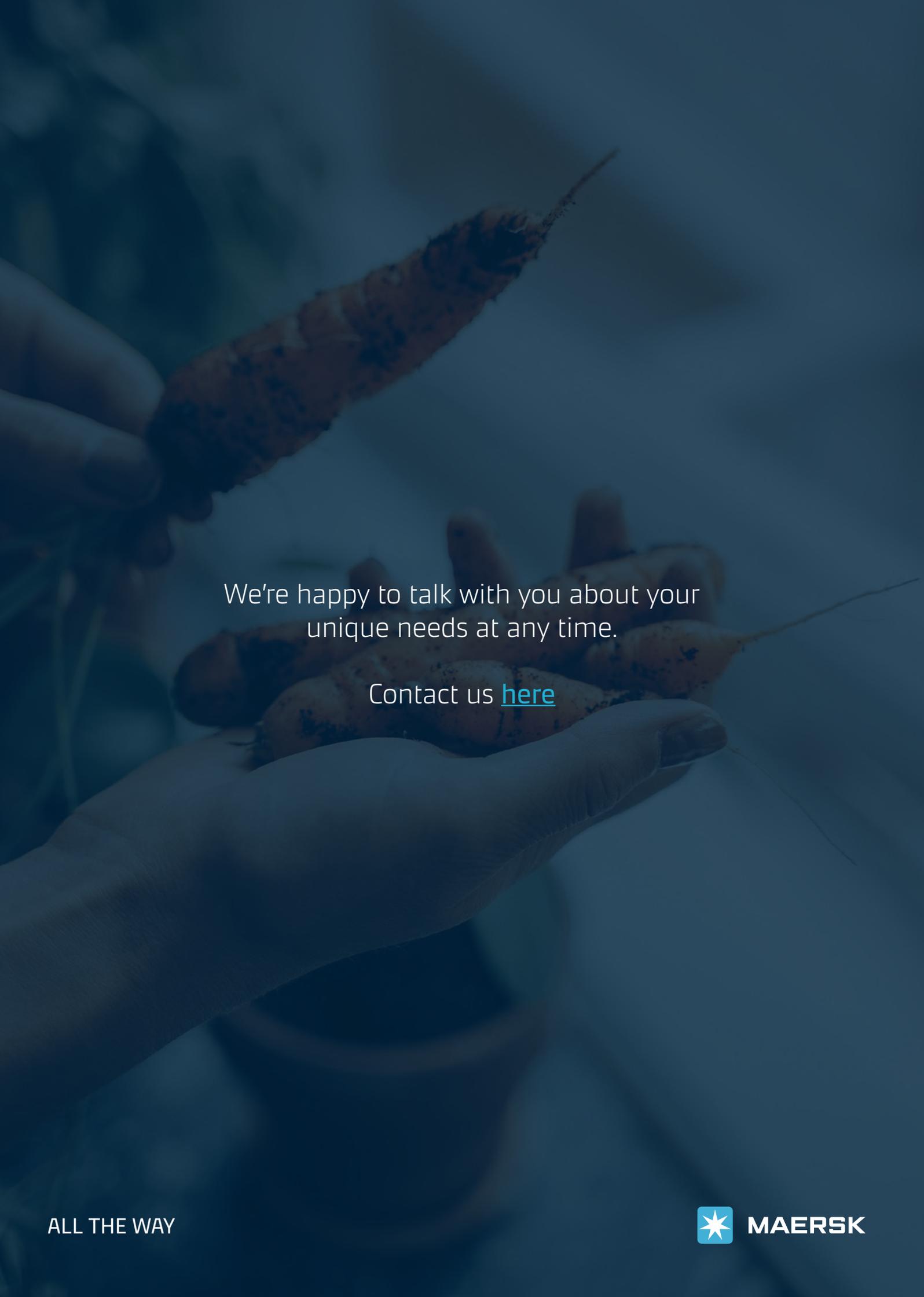


Want to know more about Maersk cold chain solutions made unique for your refrigerated cargo?

[Learn more](#)

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