

A really "cool" service offering

When transporting perishables like flowers, fruit or vegetables, particular care is required for their handling. Kuehne + Nagel has specialised in this niche segment and will expand its position globally in this market in the coming years.

Without smoothly functioning perishables logistics globalisation would hardly be what it is today, at least where the culinary side is concerned, and our supermarkets would not offer many of the products we have come to expect. Grapes from Egypt, strawberries from Chile, apples from New Zealand, deep-frozen fish from Norway, citrus fruits from South Africa and Australia, or even flower bulbs from the Netherlands and roses from Kenya – today the market for these products is driven by global supply and demand and calls for ever more efficient refrigerated transport chains.

Whatever the source country of a product and whatever consumer market it must be transported to, Kuehne + Nagel offers temperature-controlled logistics services and door-to-door transport all over the globe. The service is based upon a specialised network of cargo experts and operational units which was built up during the last ten years in all countries in the principal export and import regions, including in challenging markets such as Central and South America, Egypt, South Africa or China.

A key feature of Kuehne + Nagel's service is the seamless door-to-door cold

chain with which the logistics provider transports perishable goods from their source to their destination. Crucial requirements for this service are a guaranteed availability of space and reefer equipment with airlines and carriers during peak seasons from overseas as well as fastest possible transit times at the beginning of a season, in particular for perishables such as mangoes, papayas, and pineapples.

Although today particularly in sea-freight capacity guarantees can no longer be taken for granted, Kuehne + Nagel's customers hold good cards in this respect. On the one hand there has



been a continuous trend towards more containerisation also in perishables logistics; on the other hand a serious shortage of reefer containers has developed since the beginning of 2010. As a result of the ordering behaviour of the shipping companies in the most recent crisis, in 2009 only a quarter of the

customary annually 135,000 new reefer containers were built; at the same time the global market for perishable goods proved surprisingly resistant and shrank by only one to two per cent even in the crisis year. Despite this challenging market environment Kuehne + Nagel always succeeded in servicing its customers

thanks to its selection of first-class maritime carriers and forward-looking capacity management.

Kuehne + Nagel's range of services in the transport of refrigerated cargo is another important quality criterion. In perishables logistics the company offers



integrated services from a single source beyond traditional transportation of goods from port to port or between two airports. Depending on requirements, door-to-door delivery includes the pre-cooling and refrigerated intermediate storage of the goods, and, of course, their temperature-controlled collection and delivery by truck. Needless to say, Kuehne + Nagel also offers its customers the advantages of the latest technology in the field of perishables logistics. This includes CA (controlled atmosphere), MTS (multi-temperature) or AFAM systems (reefer containers that monitor and control the composition of the air in their interior – e.g. the proportions of oxygen and nitrogen) and their associated electrical generator sets.

For particularly time-sensitive perishable goods such as cut flowers, many customers traditionally choose airfreight. As the world's number three in this field Kuehne + Nagel also offers a first-class service based on many years of experience in the transport of perishable goods by air. The company was quick to spearhead the Cargo 2000 quality offensive, and is now the only logistics provider who can manage and monitor door-to-door airfreight shipments in accordance with its strict criteria. In addition to actual transport, Kuehne + Nagel offers IATA-certified isothermal packing, shrink-wrapping, temperature-controlled palletisation, re-packing, marking and labelling and security checking with scanners.

By individually combining its different services Kuehne + Nagel offers in the field of perishables logistics attractive integrated, tailor-made door-to-door concepts which are used by a growing number of customers all over the world (see article on page 8). The rising demand shows that this is another field of business where Kuehne + Nagel has chosen the right strategy, which it intends to pursue further in the future.





Full vegetable shelves (just) in time for Christmas

When severe weather conditions seriously obstructed traffic on many European airports in the wake of last Christmas, Kuehne + Nagel gave a demonstration of its flexibility and capabilities by managing to fly a huge shipment of fresh produce for one of its global customers from Amsterdam-Schiphol to North America – just in time for Christmas.

Founded 150 years ago as a family business in the Netherlands, the Van Rijn Group has evolved into a global player in today's agro-food chain, specialising in breeding, cultivation and marketing of potatoes, vegetables and fruit. Through more than 50 affiliates and partners in over 70 countries, each a specialist in the fresh produce value chain, the group offers its partners and

customers a full service package around a wide assortment. To wholesale markets, traders, exclusive restaurants, the food processing industries and retail organisations worldwide Van Rijn delivers fresh produce of its own production both in the Netherlands and abroad. Besides typical Dutch products, the company offers a broad variety of imported produce such as citrus fruits

from South Africa and Latin America, specially grown and selected pomelos and Fuji apples from China, nectarines and peaches from Italy as well as watermelons and grapes from Spain and Greece.

Kuehne + Nagel has been enjoying a solid and dedicated partnership with the Van Rijn Group for many years, taking care of this important customer's global air- and seafreight shipments. This cooperation forms the basis of reliable intercontinental logistics services from and to Van Rijn's business partners throughout the world and enables the Dutch company to offer a flexible door-to-door service by means of multi-modal logistics options. Not every order, however, is business as usual. A joint special effort by both partners was necessary late last December when the Van Rijn Group had to get a substantial tonnage of fresh produce to its biggest customers all over North America.

Due to severe weather conditions with heavy snowfall right before Christmas many airports throughout Europe were closed with hundreds of flights cancelled and backlogs rapidly building up in the airport warehouses. In this extreme bottleneck situation the perishables logistics experts from Kuehne + Nagel in Amsterdam managed to book a last-minute part charter on a Boeing 747 on its way from the Middle East to the U.S. Thanks to the strong commitment of

many dedicated people working despite freezing temperatures during the whole night, the precious cargo was co-loaded to the plane in a record time enabling the aircraft to take off in the morning of December 22 from Schiphol airport and to land safely in New York the same day. Van Rijn was very satisfied with this successful operation based on the forwarding experience of Kuehne + Nagel and the smooth cooperation of all partners involved.



Expansion of perishables logistics network

The global expansion of the perishables segment is an important element in Kuehne + Nagel's growth strategy. With the acquisition at the beginning of 2011 of three South American companies specialised in perishables logistics, Kuehne + Nagel has become the leading provider in this region which is a major producer of goods such as flowers, fruit and vegetables. The two Colombian firms Translago S.A.S. and Agencia de Aduanas Excelsia Ltda. together employ roughly 160 people and are the market leaders in the export of perishables, mainly to the U.S., Europe and the Asia-Pacific region. Mastertransport SA, with a team of 30 freight experts, is one of Ecuador's largest forwarders in this niche segment. The three companies together ship roughly 75,000 tons of perishables per year by airfreight. With their strong market position and expertise, the acquired firms ideally complement Kuehne + Nagel's global network and its service offerings in the perishables segment.

