FROM FREIGHT TO PLATE

MORE SEAFOOD THAN EVER IS BEING FLOWN BY AIR, SETTING NEW STANDARDS FOR SPEED

By Caryn Livingston

A tongue-in-cheek saying you’re likely to hear within months of joining the air cargo industry is that if cargo is flying, someone, somewhere has made a mistake. As a mode of transportation, air transport is more expensive than road, rail or ocean, for one important reason – it is, hands down, the fastest way to move cargo across long distances. Ocean freight, which can take months to transport cargo between North America and Asia, is sufficient when fulfilling monthly orders on a regular schedule, but if you’re a supplier whose merchandise is supposed to be in Hong Kong by Friday but it is still in California on Tuesday, the higher freight rates for air are simply the price of doing business.

There are a couple of exceptions to this rule, and by far the biggest one is perishable cargo, including pharmaceutical products, fresh flowers, fruits and vegetables, and meat products. All those categories have different requirements for shipping – from the precise temperatures at which they must be stored, to how they are packed and who is authorized to handle them – but the thing that ties almost all of them together is the high value of those commodities within a very short window of time before they are no longer suited for consumption. So, while some seafood, meat, fruits and vegetables can be frozen and shipped using slower modes, the most valuable products are shipped fresh, delivered fresh – sometimes across multiple continents – and consumed fresh at their final destination.

One of the most specialized requirements for products like fresh flowers and, particularly, seafood, is that only a few specific sources must fulfill the entire world’s demands for these products. Some of the major markets for seafood suppliers include the Alaska in the United States, Norway in Europe and Japan in the Asia-Pacific region.

To support exports from these regions, and growing imports around the world and particularly to China thanks to the country’s growing middle class, air cargo carriers, forwarders and airports are turning to creative projects and hefty investments to meet soaring demand – and to keep the fish soaring, too.

IT HAS TO BE FAST

When it comes to what seafood shippers are looking for in getting their products to market, “speed is absolutely the most important,” Jason Berry, Managing Director, Cargo, with Alaska Airlines, told Air Cargo World.

Seafood intended for export is “fished in the morning, boxed up that day, and sometimes a menu item the same night,” Berry said. Alaska Airlines Cargo handles much of the fresh seafood moving to the lower 48 out of Alaska via Anchorage Airport (ANC) and its eighteen other cargo operations in the state. The airline also does most of its own handling, “except for a few of our smaller Alaska markets, but those are handled by our vendor partners, so really an extension” of Alaska Air Cargo, Berry added. Alaska’s cargo teams are subsequently trained in cold-chain handling procedures by the carrier, using training Alaska Airlines developed with some of its larger seafood shippers, “making sure seafood is exposed to the elements as little as possible.”

The carrier transports fresh seafood from Alaska using its large and growing fleet of passenger aircraft, as well as three 737-700 converted freighter aircraft – two of which Berry
AIRPORTS BEEFING UP THE SEAFOOD COLD-CHAIN

With so many flights laden with salmon, geoduck and sea urchin departing airports across the world, airports are trying to move quickly to improve facilities and keep seafood as fresh as possible on its way to customers.

Ted Stevens Anchorage Airport (ANC) sees the largest share of seafood exports of any airport in Alaska, with 180 freighter aircraft departing the airport on a typical day, exporting seafood across the world. Currently, ANC’s cargo facilities include a seafood processing plant for which the airport has largely taken on the lease, and some of the airport’s other cargo facilities also have cold storage, but the airport is hoping to increase that capacity, Airport Manager Jim Szczesniak said.

“We are working with a developer right now, looking to put in an on-airport cargo warehouse with a lot of cold-chain storage potential to be able to better process seafood out of Alaska, plus perishables running through the airport now – particularly goods from Latin America moving to Asia, such as fruits, vegetables and Chilean salmon,” Szczesniak said. “An additional facility particularly designed to handle those perishables is going to be a great addition,” he added, explaining that based on the facility’s current stage of development, it will likely be between two and three years before such a facility is operational.

ANC is also home to some creative projects aimed at increasing perishable exports. One preparing to enter operations as of press time is Pilot Freight Services’ live crab project. Bill Raine, Pilot’s perishables air manager, said the forwarder is in its final stages of certifying live water tanks at ANC capable of storing up to 15,000 lbs of live king or Dungeness crab before it is “boxed up and ready to go overseas” to Shanghai or Hong Kong, Raine said.

Across the continent and the Atlantic Ocean, Oslo Airport (OSL) also sees massive seafood exports that require significantly more infrastructure support than currently exists at the airport. Earlier this year, the airport announced the cancellation of a planned seafood center that had been slated for construction in partnership with ground handler Worldwide Flight Services (WFS), but Martin Langaas, cargo director for Oslo Airport’s state-owned operator Avinor AS, said that Avinor is still “very confident this capacity will come online.”

According to Langaas, the capacity is still greatly needed out of OSL, where he said over the past two years, international cargo traffic ex-OSL has increased by 37%, all from growth in seafood exports. The canceled Memorandum of Understanding between Avinor and WFS was related to new designs that were challenging to implement under the original MoU, which Avinor moved to cancel “to allow airport handlers to come up with a solution themselves.”

VALUE OF CEIV FRESH

With so many players involved in surging exports of perishables, it was not surprising that the International Air Transport Association would present a perishables certification, CEIV Fresh, to follow up its now widely adopted CEIV Pharma program for pharmaceutical shipment. It is so far hard to measure just how successful IATA’s new standard for perishables shipping, CEIV Fresh, will be in improving standards for perishables handling.

The standard, following CEIV Pharma and CEIV Live Animals, was launched only in March, undertaken initially by launch partners all based in Hong Kong. Those include the Airport Authority Hong Kong (AAHK), Cathay Pacific, Cathay Pacific Services Limited (CPSL) and Hong Kong Air Cargo

The world’s largest freight forwarder, DHL Global Forwarding, also prioritizes speed and well-trained teams in its seafood exports, Charles Kaufmann, CEO, DGF North Asia South Pacific, said. The forwarder recently opened its newest Japanese office in Sapporo after a couple of years spent using an agent in the Hokkaido region to grow its portfolio of suppliers and exporters there. According to Kaufmann, Sapporo’s New Chitose Airport (CTS) has been adding widebody passenger flights as the tourism industry grows, allowing for more belly space for seafood exports from Hokkaido, and making possible quick delivery to customers.

Regarding fresh seafood exports from Japan, “the quality is a very high quality,” Kaufmann said. “Every importer is looking to get the best quality, and the other thing is how fast he can get it.” Flexibility is key here, because unlike many other types of perishable products, there isn’t a guarantee how much seafood a supplier will have available for export on any given day. “For fish, you go fishing and hopefully you get the quantity you need, and then that’s it – immediately, it has to leave and it’s flown out,” he said, adding, “we have to be very flexible, and we have very good partnerships with many airlines and already do business with other countries.”
Fred Ruggiero, VP Cargo, Americas with Cathay Pacific Cargo, said that while he was not personally involved in the Hong Kong-based carrier’s certification process, the carrier “had to make some modifications to our processes and the way we do things” at its warehouse and within its products team, but that Cathay Pacific “looks at it as a good thing because it lets the market know where you need to be” to maintain the perishables cold chain.

Certification standards for CEIV programs are rigorous and typically require operators pursuing certification to make investments into improving their processes over at least several months. The standards also require operators to maintain the high level they attain to receive initial certification. As Ruggiero noted, certification “keeps people honest” because “if you cannot maintain the quality that you say you will, you’re going to lose your certification.”

Perishables certification for the supply chain will only be really meaningful, however, if it is adopted by a wider selection of air cargo operators – including those airports, like Anchorage and Oslo, from which a large share of seafood originates. In a good sign for the future of CEIV Fresh, cargo directors for both airports said they expect to pursue certification in the future.

According to ANC’s Szczesniak, the airport plans to pursue CEIV Fresh certification once its new facility expected within the next three years is operational. Langaas also said OSL’s cargo growth to-date has taken a “holistic approach, meaning we have tried to add capacity, working with sales to expose the airport – the next step is to be more analytic.” Langaas added that he views CEIV certifications for specialty cargo as “very relevant for the industry, and it’s a matter of time for seafood.”

Of those operators Air Cargo World spoke to for this piece, only Alaska Airlines Cargo views CEIV Fresh certification as potentially too “burdensome” for seafood shipments. Alaska’s Berry said that some substantial differences between the pharma and seafood industries are the real hurdle. “You’re talking about taking something in the pharma industry, where everything is manufactured in very controlled environments, [and implementing it for] seafood, where these guys are in rubber boots, pulling fish out of the water – I’m not sure it’s the right fit for the seafood industry,” he said.

However, there are still higher standards, Berry said, that make sense for seafood. “Food safety is huge, and I totally understand why [CEIV] is needed for pharma. In the world of seafood, they can put a temperature logger onto the shipment and really track the state of the product all the way through the supply chain.” Given the high standards all parties involved with seafood airfreight seek to maintain for their shipments, it’s likely the coming years will see more widespread adoption of technology, and likely certification, to keep up with growing appetites.

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