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South China Cold Chain Pilot Program Targets Food Retail Chains

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Report Highlights:

On February 28, 2012, ATO Guangzhou staff met Ms. Li of the Guangdong Provincial Cold Chain Association (GDPCCA) to discuss a pilot market survey program to increase cold chain usage and awareness in South China known as ATO Guangzhou's "Cold is Gold" campaign. According to Ms. Li, the GDPCCA and ATO Guangzhou have identified the retail sector as an area to focus outreach efforts to advance cold chain development goals. GDPCCA and ATO Guangzhou have worked closely on a number of projects over the past two years. In 2011, for example there was cooperation on an initial market survey conducted with support from 10 select retailers in Shenzhen, Guangzhou and Dongguan. After the survey, a report was submitted to Guangdong Economy and Information Committee, stating that there is still room for improvement in Guangdong's cold chain system.

General Information:

The following month, the GDPCCA and ATO Guangzhou co-organized a seminar in Shenzhen to announce the survey results in Ms. Li's report. The audience was comprised of retailers and logistics companies that had participated in the survey. ATO Director and staff presented infrared thermometers to 10 retailer representatives at the seminar to promote greater control of temperature abuses by retail chain managers.

In compliance with the central government's mandate to improve the cold chain system in China, GDPCCA plans to take the lead in convincing the Guangdong local authorities about the potential investment and policy support opportunities this pilot program offers. Ms. Li also seeks assistance from Post in arranging an educational trip to the States, inviting a total of six retail and logistic representatives with logistical arrangement support from the ATO.

GDCCA will coordinate with Procuco, a U.S. company specialized in monitoring temperature across the supply chain, to launch a temperature tracking program utilizing biometric tracking devices. The idea is to identify several retailers as the targets for the pilot testing program. The methodology of temperature tracking will be monitored by Procuco from the very beginning of the cold chain to the supermarket. It is estimated that the testing and tracking will last approximately two months. Five retailers and five logistics companies will be selected to voluntarily join the program.

As the food supply chain involves many parties such as U.S. packers, exporters/consolidators, logistic companies and consignee companies in Hong Kong/Guangdong, then to the wholesale market where wholesalers, distributors, as well as the retailers can be involved in the purchases of fresh fruit and frozen meat in various cities. Therefore it is crucial to have a thorough consideration of every detail involved in this pilot program. Post suggests Ms. Li encourage the local government get behind this project before going to retailers and other parties.