

# CORDSTRAP INSIGHTS

ON CARGO SECURING **FOR THE FOOD & BEVERAGE INDUSTRY**



How the pandemic is  
making food and beverage  
supply chains stronger

***cordstrap***



There are many lessons the coronavirus outbreak has taught us and many of them will prove invaluable in ensuring business thrives as the crisis recedes. In this issue, we'll look at 4 key insights the crisis has highlighted for the food and beverage industry. We'll cover the importance of being agile in sourcing supply and finding new routes to market when others fail, the importance of more efficient loading practices and we'll talk about how tackling those factors is vital in ensuring a healthy and sustained recovery.

Most people will agree that food and beverage logistics teams have achieved something extraordinary. They have kept the world fed and watered through a global crisis that many predicted would bring it to a standstill. They have not just maintained global logistics throughout the world but have actually enabled growth in certain areas. The Covid-19 outbreak has seen food retailers across Europe reporting significantly higher sales volumes and take-home grocery sales in the UK have seen their fastest growth rates since 1994\*.

This is all the more impressive when you realize that four fifths of the world's global population are partly fed by imports amounting to over \$1.5 trillion\*\*. While the pandemic has caused blockages in some parts of the world, it has also demonstrated the efficiency, flexibility and resilience of our food and beverage logistics systems.

The pandemic has created a number of new trends and changed the course of others but there are many valuable lessons we can learn from its impacts that will help food and beverage businesses perform better as economies around the world recover.

## How the virus has proved healthy for online food and beverage sales.

The measures introduced to contain the virus forced consumers to make radical changes in purchasing behaviors. The shift from externally-prepared to home-cooked food is perfectly reflected in the fact that while McDonald's sales in Europe plummeted by 70% during the Covid-19 crisis, Amazon's eGrocery sales rose by 60%\*\*\*.

While we can now see people are returning to restaurants where they are permitted, the shift to online grocery is likely to have more lasting impacts on food distribution. Internet grocery sales have been growing steadily over time, but the pace of change has been massively accelerated by the pandemic and many industry forecasters are suggesting that it has advanced the concept by as much as five years in just three months.

This trend is likely to remain after the virus has gone. Consumers who have trialed online grocery services will continue to use them, especially when the quality meets expectations. Increased volumes will help drive up profitability of online services and allow online-only retailers (from Amazon right down to small, independent traders) to compete with the big grocery brands who have traditionally owned and dominated the industry in the physical shopping space. For food manufacturers this will be an opportunity to find more direct and profitable routes to markets all over the world.

To fully exploit this shift, food and beverage suppliers will have to deploy new supply routes to new distribution hubs which may have new regulations and new risks. And, because online shopping relies so heavily on trust, quality control will be stringent so your cargo will have to be protected to the highest possible standards.

\* Reuters June 2020

\*\* The Economist May 2020

\*\*\* The Economist May 2020



## Businesses that managed the crisis best will be the ones most able to exploit new supply chain routes.

The coronavirus crisis has made us aware that the global food supply chain is more extensive and interlocked than ever before. Analysis carried out by the UN's Food and Agriculture Organization shows that most countries are more dependent on imports today than they were 20 years ago. Flour grown in Ukraine can be milled in Turkey only to be turned into noodles in China. A tea bag shortage in Australia revealed that the paper bags were made in Spain and the string in Germany.

Large global companies' ability to source supplies from alternative sources has been critical to maintaining production when lockdowns have blocked routes to regular sources. They have also managed to quickly fill gaps in supply as panic-buying stripped shelves, leading to global shortages in staple foods such as rice, flour, pasta and tinned tomatoes. These kinds of shortages have presented huge opportunities for those food suppliers who are agile enough to take advantage of the situation - finding new markets when old ones were blocked and stepping up output quickly to meet new demand as it arose.

Suppliers selling to commercial and hospitality businesses have had to adjust and look to retail routes to market. This sort of adaptability is a skill that has been refined over many years by the biggest players in the food industry to drive profitability and it is one that requires real flexibility of supply chain.

Adapting supply chain is a complex and multi-faceted process involving many players. The smart supply chain and operational teams will ensure that initial planning includes cargo protection systems that will ensure the goods arrive safely. They need to be tailored to match precise load and packaging types.

This is why it is vital to work with a cargo protection expert with truly global knowledge of every route and every risk. They will ensure that everyone along your new supply chain understands both the regulatory requirements for cargo protection and the physical and other risks cargo is likely to encounter wherever it is going in the world.

## Delays due to Covid-19 remind us how important moisture control is for food and beverage shipments.

As coronavirus lockdowns came into force, stockpiles of consumer goods quickly took up warehouse space in distribution centers around the world. This often resulted in containerized cargo spending longer than normal in exposed conditions.

While on board ship, these loads experience moderate fluctuations in temperature however, when on land, these fluctuations become much more severe and the risk of container rain increases exponentially.

In these conditions, it is imperative that effective moisture control is deployed, especially for food and beverage shipments which can suffer from a range of problems, including caking, label peeling corrosion and mold, if inadequately protected.

Working with an experienced partner with extensive knowledge of the factors causing moisture damage is essential. They can advise on the optimal quantities of the most effective desiccants to ensure your cargo arrives in pristine condition.

Even as delays ease, coronavirus cases fall and consumption increases, moisture control continues to be a critical issue. Not just because of the ongoing risk of delay due to other factors but also because of rising temperatures around the world being driven by climate change.



## How social distancing could help you operate more efficiently in future.

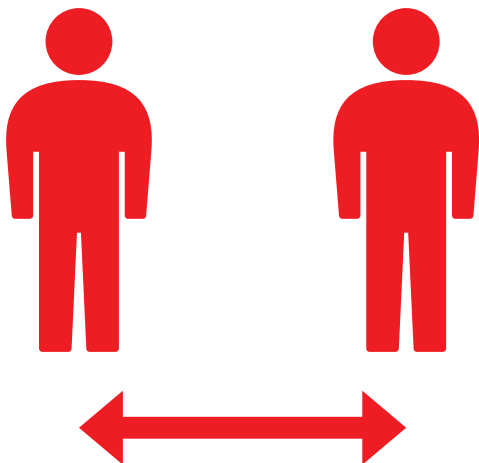
Social distancing continues to be a critical factor in tackling the spread of coronavirus around the world in both workplaces and retail environments. It's something we were quick to deploy at our own factories to protect our workforce and the flow of cargo protection supplies for our customers.

[You can read more about that here.](#)

Our customers have also found that they are in a stronger position to implement social distancing and cope with workforces diminished by self-isolation because of the work we have done in engineering cargo securing solutions that only require one operative to apply.

Originally designed to reduce operational labor costs, they have also enabled our customers to protect their teams from the virus and helped them maintain through-flow during periods of high absenteeism.

It all reinforces the importance of adopting working practices that empower your workforce to operate more efficiently. Not only with this make your systems more robust during a crisis, it will ensure your workforce is operating more efficiently and increasing your competitiveness as economies recover.



\* World Wildlife Fund 2020  
\*\* PackagingEurope May 2018

## As the coronavirus emergency recedes, the climate emergency should be leading your agenda.

It's been too easy to forget that the world faces an even larger long-term problem while coronavirus dominated the headlines. But now, as we emerge from the pandemic we must focus on a much greater threat to our planet's health. Food waste accounts for 11% of greenhouse gases\* and a significant proportion of that waste is food damaged or spoiled during transit.

It has been estimated that 48% of the environmental cost of shipping comes from damage\*\*. Protecting food and beverage shipments is a critical part of your sustainability strategy. And of course, it will protect your bottom line. As well as avoiding the costs of disposing of the damaged cargo, protecting your shipments will save the cost of replacing and reshipping the goods and protect your relationship with your customer.

While glass is 100% recyclable and possibly the most sustainable choice of packaging, it is also the most vulnerable and one study by Ohio State University found it accounted for 57% of food damaged in transit. The risk can be even greater for companies attempting to take a more sustainable approach by "light-weighting" their glass containers. Glass is also the packaging of choice for high value beverages so for them it makes even more sense to safeguard their products with the best-designed cargo protection solutions.

In the face of these risks, it is imperative to adopt a zero-tolerance approach to damage and optimize your cargo protection using tailored solutions which have been precisely engineered to offer maximum protection for your specific packaging. This will protect your profit margins, your brand and, ultimately, the planet.







## Securing the world against Covid-19 and beyond.

At Cordstrap, we are proud to have been able to maintain steady streams of cargo protection equipment, expertise and advice to existing and new customers throughout the crisis. Now we're helping their drive to achieve a rapid recovery.

- We engineer innovative, cargo protection solutions designed to protect any load type on any modality across the world.
- These can all be tailored to match specific cargo and packaging types.
- Our strapping systems and dunnage bags have been designed to be simpler and faster to apply saving time and labor while delivering unparalleled strength and security.
- As the world's only truly global cargo protection specialist, we are in a unique position to support you as you deploy new supply chain routes.
- Our cargo protection solutions are all CTU code compliant and have won the approval of the world's leading regulators and insurers including: Germanischer Lloyd, the IMO, Mariterm AB, Eurosafe and the Association of American Railroads (AAR).
- Our market-leading moisture control solutions deliver the most effective absorption rates currently available.



**MariTerm AB**



The frontline role played by food and beverage logistics teams in winning the war on coronavirus is a reminder of just how critical this industry is. The lessons we have learned in these extraordinarily challenging times have been invaluable in improving resilience and agility. Sustaining the momentum developed while tackling the crisis is crucial for businesses around the world who want to be at the forefront of the recovery and lead the way to an even stronger more sustainable economy.

To talk to us about how we can keep the world's most precious cargo safer, get in touch.

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