

# COLDFACTS



MAY / JUNE 2023 ISSUE

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## NZCSA Conference

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TRINITY WARF TAURANGA

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[WWW.COLDSTORAGE.NZ.CONFERENCE](http://WWW.COLDSTORAGE.NZ.CONFERENCE)

CONFERENCE THEME:  
JUST IN CASE?

## NZ Cold Storage Association conference - Register today

*The NZCSA Conference 2023 is fast approaching and we'd love for you to join us in Tauranga, 27 - 29 August.*

The NZ Cold Storage Association invites industry peers and suppliers to attend New Zealand's premier event for the cold storage and supporting logistics industries.

The 90th NZCSA Annual Conference is being held in Tauranga from 27-29 August 2023 at Trinity Wharf Hotel.

This year's conference theme is "Just in Case!", which highlights the importance of being prepared, adaptable, and resilient in our ever-changing world.

We understand the risks and challenges associated with maintaining the integrity of temperature-sensitive products and the impact of any disruption can be far-reaching. The world around us is continually evolving at an unprecedented pace. Climate change, emerging diseases, technological advancements, and shifting consumer demands create a complex landscape that demands constant vigilance and proactive measures.

The theme "Just in Case" serves as a reminder that we must stay ahead of the curve, anticipate challenges, and develop innovative solutions to address the ever-changing needs of our industry.

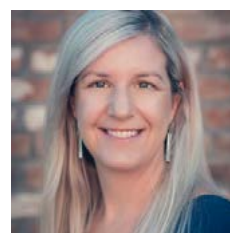
During the conference, we will explore a wide range of topics under the "Just in Case" theme. We will delve into strategies for risk assessment and mitigation, examine the latest advancements in cold storage technologies, discuss regulatory compliance, and share best practices for supply chain optimisation.

The conference provides a platform for knowledge exchange, networking, and collaboration. It is an opportunity for us to come together as a community, share our successes and challenges, and collectively chart a course towards a more secure and resilient future.

A huge shoutout to our amazing sponsors who make all of this possible - thank you.

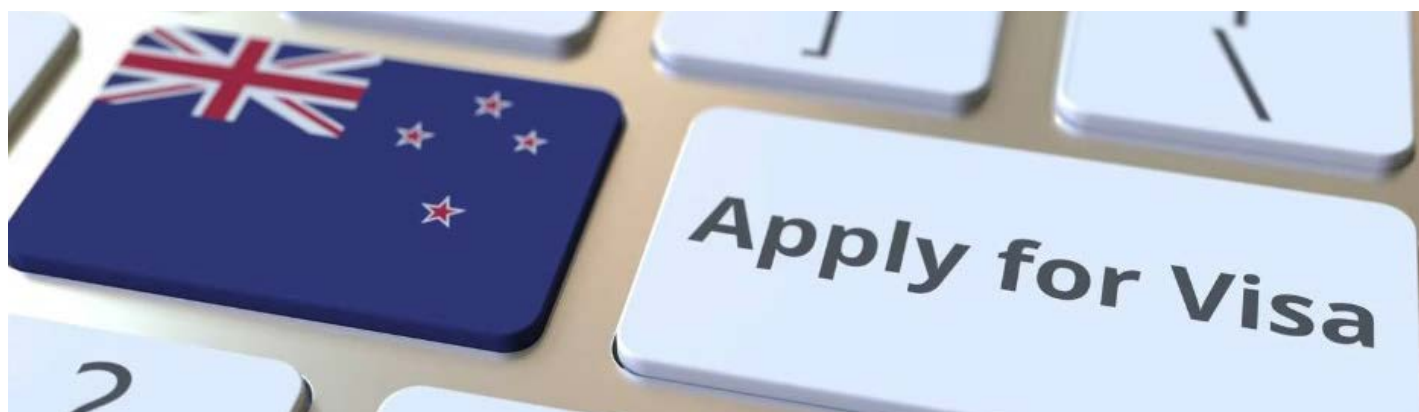
We look forward to catching up with you in Tauranga this August.

For more information on this year's conference, go to: <https://www.coldstoragenz.org.nz/conference>



Lea Boodee  
NZCSA EXEC OFFICER

## Skilled labour shortage: Freight, logistics sector needs 18,000 workers for jobs



A critical labour shortage in the freight and logistics sector is set to widen from 4700 to 18,000 workers by 2028 without immediate intervention, according to new government research.

Industry experts say unless addressed, the growing skills shortage will constrain the future growth of all sectors of New Zealand's economy.

The research commissioned by Hanga-Aro-Rau, the Manufacturing, Engineering and Logistics Workforce Development Council, found the highly fragmented logistics sector struggles to attract and retain workers and has lost thousands of employees to other industries and lucrative overseas roles over the past two years.

The report also uncovered evidence of discrimination and pay inequity within the sector - creating barriers to career progression for wāhine and Pacific peoples, in particular.

The study found while targeted training programmes have helped boost the number of Māori in higher skill level roles to 27 per cent, the equivalent proportion for Pacific workers grew by 3 per cent over the past decade.

The report's authors also found that the logistics workforce gap is widening faster than the manufacturing and engineering sector and that an exodus of more than 4600 workers (or 3.5 per cent of the workforce) leaving the industry in the past two years was led by Generation Z (aged 15-24) and, almost a quarter (23 per cent) of workers opted for opportunities offshore where wages are significantly higher.

The industry is now looking to attract gamers who have the requisite skills needed to operate the new automation, robotic and drone technologies which are expected to be adopted in the future.

Samantha McNaughton deputy chief executive of Hanga-Aro-Rau, one of six Government-

funded Workforce Development Councils (WDCs) tasked with aligning the vocational educational systems with industry needs and providing support for Māori businesses and iwi development, says a functional freight and logistics industry underpins the growth of every sector of the economy.

She says the report identifies a number of systemic issues facing logistics firms and calls for the immediate introduction of an industry-wide strategic approach to reduce barriers to training.

“The logistics sector covers the movement of goods throughout our national and international supply chains - including order processing, inventory management and distribution across our air, sea and land ports.

“This industry acts as a critical enabler and lynchpin in the economy, intersecting and supporting the growth of every other sector in some way.

“The new report shows the pandemic has accelerated the adoption of automation within logistics firms as they attempt to mitigate the international impact of skilled labour shortages.

“Rather than reducing the size of the workforce, these new technologies are changing the nature of the roles within the industry and are creating opportunities to grow through a more gender and culturally diverse workforce as well as facilitating the entry of more disabled workers into the sector for the first time,” she says.

Dom Kalasih, interim chief executive of road freight association Ia Ara Aotearoa Transporting New Zealand, says growing capacity constraints in the logistics sector will

ultimately lead to delays in meeting customer expectations, shortages and price increases for consumer goods.

He says the rural sector and food manufacturers are likely to be among the first to see the impact of labour skills shortages.

“When you have a scenario where demand for services significantly outstrips available supply, such as that forecast for the logistics sector, then market forces will look to prioritise the allocation of resources.

“What we can expect to see is that if you have perishable goods such as live cattle or horticultural produce that need to get to market within a certain timeframe, then we are likely to see changes in the freight sector away from lower-priority shipments to meet that demand.

“There will be costs related to these changes, and it will cost more every time that food product is moved to the manufacturer, to the wholesaler and to the retailer.

“Ultimately this will have a flow-on effect to the cost of goods paid by the consumer, and it will also mean shipping delays for non-perishable products,” he says.

Lisa Tai, Pās Peau (Pasifika Services Group) lead at Deloitte, says addressing the barriers to progression faced by Pacific peoples will be essential to mitigating the growing skills shortage within the industry.

She says, like many other sectors, it is concerning to see Pacific peoples poorly represented at senior and management levels within the freight and logistics industry - with many reporting a lack of clarity and information available on development opportunities and career progression

pathways.

“The report also shows that Pacific peoples make up an increasingly large proportion of the logistics sector and that the number of Pacific workers has grown by 48 per cent over the past decade.

“Part of the appeal of the industry may be the fact that Pacific peoples are drawn to workplaces where there may be existing networks and connections through community and family ties; however, more needs to be done to support this part of the workforce to grow into senior positions.

Supporting Pacific peoples in the logistics sector is a key growth opportunity,” she says

Tai says the research shows 2300 Pacific workers would need to be trained at the highest skill levels within the next five years to achieve equity; however, less than a third of companies have targeted Pacific initiatives to support the development of Pacific staff.

She says there are at least 17 Pacific nations and cultural identities represented in New Zealand’s workplaces and as many Pacific native languages are spoken in this part of the world.

“While developing Pacific-specific interventions and initiatives may be perceived as complex, the logistics industry is now facing a growing skills crisis and will need to identify new training methodologies to better support and develop the experience and skill set of Pacific workers.

“It is imperative that any solutions are co-created and designed with Pacific workers,” she says.

McNaughton says the research will be

presented to a summit on June 1 where employers, industry stakeholders, government, and vocational education participants will collaborate on developing solutions to the skills shortages and workforce development challenges faced by the sector.

*CREDIT: www.nzherald.co.nz MAY 2023*

## Red meat sector faces headwinds in global markets

New Zealand exported red meat products worth \$1.1 billion during May, one per cent less than the same period in 2022, according to an analysis by the Meat Industry Association (MIA).

MIA chief executive Sirma Karapeeva said while there were potential signs of green shoots in some key markets, global prices continued to be under pressure and other markets remained subdued in the face of significant economic challenges.

“There was an increase in the value of exports to our two largest markets compared to last May, with exports to China up eight per cent to \$414m and exports to the US up 34 per cent to \$284m,” said Ms Karapeeva

“Exports of both sheepmeat and beef to China were strong, and, while exports of sheepmeat to the US were down, there was a large increase in beef exports. However, exports to most of the other major markets reduced compared to May last year.”

Red meat exports to the UK fell 44 per cent to \$41m, while Japan was down 39 per cent to \$37m and Korea by 31 per cent to \$23m.

### Beef

Overall beef export volumes increased by 20 per cent compared to last May to 53,709 tonnes, with value up five per cent to \$492m. This was the largest overall monthly export volume since March 2015 when New Zealand was experiencing widespread drought.

The biggest increase was in exports to the United States, with volume up 97 per cent to 21,430 tonnes and value up 71 per cent to \$200m. This was also the largest monthly volume of exports to the US since June 2020, and the firsttime monthly beef exports to the US had reached \$200m.

Factors contributing to this may include the relatively slow start to New Zealand beef processing in 2023, with fewer cattle processed in January and February compared to last year but higher numbers during March and April.

Drought in the US is also starting to ease in some regions. However, it may still be some time before there is widespread restocking and any significant reduction in the domestic US beef supply.

Beef export volumes to China also rose 11 per cent to 22,238 tonnes compared to May 2023 but the value was down by seven per cent to \$186m.

Ms Karapeeva said it was important to be cautious with the Chinese market as Brazilian exports recovered to 100,000 tonnes during May following the country’s BSE-related suspension. Argentinian beef exports have also increased this year in response to drought and the devaluation of the peso. There have also been unofficial reports of large volumes of beef remaining in cold storage in China.

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Japanese and Korean consumers continued to be cautious in the face of economic difficulties. Beef exports to Japan were down by 49 per cent to \$22m, and Korea by 39 per cent to \$14m.

## Sheepmeat

Sheepmeat exports remained relatively steady, with some fluctuations in key markets. Overall volume was up by 11 per cent to 39,683 tonnes but value was down 10 per cent to \$411m. However, the May 2023 result was still above the five year average.

Sheepmeat exports of 22,890 tonnes to China, worth \$166m, were also in line with previous May volumes and values. Export to the EU were steady at 5,746 tonnes, worth \$98m.

Volumes to the UK were down 28 per cent by volume, to 3,856 tonnes, and 44 per cent by value, to \$38m. However, the figures mostly reflect a decline from relatively high value and volume exports to the UK in May 2022.

Sheepmeat to the US remained subdued with the volume down 20 per cent to 2,151 tonnes and value down 17 per cent to \$50m.

## Fifth quarters

Fifth quarter exports were steady, up two per cent to \$188m. The largest category, casings and tripe, was down nine per cent to \$41m. However, there was a five per cent increase in offals to \$38m and a large 94 per cent increase in blood products exports to \$29m.

CREDIT: /www.mia.co.nz/

An advertisement for All Guard coolstore clothing solutions. The background is a photograph of a man in a high-visibility yellow and black jacket and a dark beanie, standing in a cold storage facility. Overlaid on the image is the text "COMPLETE COOLSTORE CLOTHING SOLUTIONS" in large, bold, green letters. Below this text, there are four small images of clothing items: a black boot, a pair of black gloves, a high-visibility yellow and black jacket, and a pair of high-visibility yellow and black pants. At the bottom of the advertisement, there is a green banner with the text "NZ's #1 coolstore clothing partner. Keeping you going." and the All Guard logo, which consists of a green triangle and the text "ALL GUARD SAFETY • WORKWEAR".

**COMPLETE COOLSTORE  
CLOTHING SOLUTIONS**

NZ's #1 coolstore clothing partner.  
Keeping you going.

P 0800 255 482    W [allguard.co.nz](http://allguard.co.nz)    E [action@allguard.co.nz](mailto:action@allguard.co.nz)    **ALL GUARD**  
SAFETY • WORKWEAR



## A Digital Transformation In Cold Storage Trends

The world is in the midst of a digital transformation. This shift, powered by the rapid development and deployment of innovative technologies, has had significant implications across nearly every industry. The B2B refrigeration and cold storage sector is no exception. New trends are emerging, driven by technologies like artificial intelligence (AI), machine learning (ML), and the Internet of Things (IoT). These technologies offer unprecedented opportunities for growth and efficiency but also present new challenges.

Understanding the current trends, anticipating future changes, and making informed decisions will be crucial for these professionals as the industry continues to evolve.

### AI and Machine Learning

AI and ML have quickly become buzzwords across many industries, and the impact of these technologies on cold storage is immense. When deployed effectively, AI and ML can significantly optimize refrigeration systems.

These technologies enable the analysis of extensive data sets in real-time, allowing systems to self-adjust to changing conditions. This responsiveness can lead to improved efficiency and a substantial reduction in energy consumption - a critical factor in an industry where energy costs can significantly affect the bottom line.

Predictive maintenance is another promising application of AI in this sector. By learning from historical data and identifying patterns, AI can predict when parts are likely to fail or when systems might experience downtime.

This predictive capability allows for proactive maintenance, reducing unexpected downtime, and increasing overall operational efficiency.

### The Internet of Things (IoT)

IoT, another rapidly growing field, has significant implications for the cold storage industry. IoT devices, embedded with sensors and software, can monitor and control every aspect of a refrigeration system, including temperature, humidity, and energy use.

The integration of IoT devices allows for a seamless flow of data, delivering insights that were previously out of reach. With this information, businesses can gain a holistic view of their operations, making it easier to identify inefficiencies and make data-driven decisions.

Moreover, the remote monitoring and control capabilities of IoT devices provide a new level of flexibility. This feature can be particularly beneficial in large facilities or businesses with multiple locations, where on-site management can be challenging and time-consuming.

### The Impact on Market Growth and Operational Efficiencies

As these technologies become more integrated into the industry, the potential impact on market growth and operational efficiencies is substantial. A more efficient, data-driven approach to cold storage could lead to significant cost savings, making the sector more profitable and sustainable.

New technologies could also open up the market to new entrants. Increased competition can foster innovation, further driving

market growth. Furthermore, as businesses demonstrate the benefits of these technologies, their wider adoption could increase, further accelerating the industry's transformation.

## **Real-World Applications: The HelloFresh Case Study**

One company that has successfully leveraged these technologies is HelloFresh. In partnership with Axiom Cloud, HelloFresh implemented AI and IoT to intelligently shift and reduce refrigeration energy usage. This application is not only innovative but also highly effective, providing cost savings and reducing the strain on the electrical grid during peak hours.

The HelloFresh case study is an excellent example of the potential of AI and IoT when deployed innovatively. It illustrates how these technologies can address some of the most pressing challenges in the cold storage industry, providing a roadmap for other businesses seeking to digitize their operations.

## **Challenges and Considerations**

Despite the promising outlook, the path toward digital transformation is not without challenges. Adopting new technologies requires considerable investment in infrastructure and training. Businesses must also navigate the complexities of integrating these technologies into their existing systems, often requiring significant process changes.

Data security is another critical concern. As businesses become more connected, they also become more vulnerable to cyber threats. Ensuring the security of data - particularly sensitive information about business operations and customers - must be a top priority.

Finally, businesses must consider the impact on their workforce. While new technologies can streamline operations and reduce manual labor, they also demand new skills. Ensuring that employees are adequately trained and supported during this transition will be vital to a successful digital transformation.

The future of the cold storage industry is exciting. As we look forward, we must consider the impact of key industry trends, particularly AI, ML, and IoT. These technologies offer substantial opportunities for market growth and improved operational efficiencies. However, we must also recognize and address the challenges that come with adopting these technologies.

As we navigate this new landscape, it's crucial to think step-by-step. Embrace the possibilities of technological advancement, understand their potential impacts, and make informed decisions. After all, the future of cold storage isn't just about keeping things cool - it's about being smart, efficient, and sustainable.

*Credit: [www.axiomcloud.ai](http://www.axiomcloud.ai)*



## Modest Kiwifruit Harvest Leaves Growers Under Par - But, Light At The End Of The Tunnel In 2024

The 2023 harvest of kiwifruit, New Zealand's largest horticultural export, has largely ended with the crop now being shipped to overseas markets.

New Zealand Kiwifruit Growers Inc. CEO Colin Bond says that this was one of the most financially unrewarding harvests in recent memory due to the low volume produced. "The kiwifruit industry did relatively well during COVID because we were allowed to continue to operate", says Colin. "However, the last two years have been our equivalent to the economic strains experienced by other industries throughout the pandemic - now it's our turn". The raft of problems for growers began with quality in late 2022 and have continued into 2023 with poor pollination, wind, flooding, hail and cyclones reducing the crop size. Originally thinking 160 million trays of kiwifruit would be produced, the final number is more likely to be

well under 140 million trays, a far reach from 2022's 175 million trays. On average, each tray has around 30 pieces of kiwifruit.

Bond says the increased costs for growing and exporting kiwifruit makes it particularly painful for growers in seasons of low production. "Growers are putting even more pressure on Zespri to perform in their markets to get the best possible returns with smaller volumes kiwifruit. Despite Zespri reporting that the quality of our kiwifruit going to market is high and the forecast returns looking good so far, NZKGI will continue to track the quality closely over the coming months. The industry has worked collaboratively to reduce quality issues and it is even more critical that this work pays off in a low yield year".

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But there is light at the end of the tunnel, with 2024 forecast to be one of the largest ever.

"There will be a huge responsibility on the whole supply chain to perform so that we can deliver this large volume of kiwifruit in great condition to consumers", says Colin. "Planning is already underway across the industry. While we can't control the weather, we must ensure that we get our processes right to increase our chance of success and relieve growers from their financial burdens." With \$2.9 billion of export earnings in 2022, New Zealand's kiwifruit industry is an important contributor to the economies where kiwifruit is grown with many communities benefiting from its success.

CREDIT: [www.nzkgi.org.nz](http://www.nzkgi.org.nz)

## Newly published forklift guide will bring industry into 21st century

A new set of modern, fit-for-purpose forklift operating guidelines has been developed by industry to replace the current outdated and inadequate industry guidance.

The newly published Forklift Good Practice Guidelines (GPG) provides information and guidance to those involved in operations that involve forklifts.

This includes, but is not limited to, suppliers, trainers, employers, fleet managers, asset procurement managers, service providers, health and safety personnel and forklift operators.

The GPG provides safe work practices on how to select, maintain and operate forklifts. It also helps duty holders to meet their obligations under the Health and Safety at Work Act 2015.

It is sorely needed as the Approved Code of Practice of Forklift Training and Operations Practice (ACOP) was developed nearly 30 years ago, says NZ Forklift Industry Association Chief Executive Rodney Grant.

“The current regulations are no longer applicable to the settings in which the industry operates in and does not reflect current health and safety legislation.

“The existing regulations were published in 1995 and are totally unfit for purpose, given modern operating conditions, training techniques and equipment.

“That’s why we took the initiative to develop the new guidelines, which we are confident will

help keep our industry safe and professional.”

The inherent design and principles of a forklift haven’t changed some in decades but how we use them and how businesses operate has, Grant says.

[DOWNLOAD A COPY OF THE GUIDE HERE](#)



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