



APM Terminals RADA Costa Rica:

APM Terminals helps streamline global fruit company's logistics

One of the world's largest producers and exporters of tropical fruit was faced with a challenge in Costa Rica – how to optimize the flow of containers to the fruit plantations on the Caribbean coast.

Customer Challenge

With a large number of refrigerated containers (reefers) being shipped to global markets by Costa Rican tropical fruit exporters, they are faced with the challenge of finding a cost-effective way of getting them back to the farmer to start their cycle again.

Many of the reefer containers are shipped back as non-operating reefers (NORs). By switching off the refrigeration, reefers can be used to import dry cargo destined for Costa Rica's main consumer markets near the capital San Jose, located four hours away from the port in Limon. Although cost effective, this brings the additional challenge of returning containers from San Jose to the fruit plantations around Limon.

APM Terminals Solution

APM Terminals Inland Services, operating under the brand RADA in Costa Rica identified a solution to streamline this logistics process for one of the world's largest producers of tropical fruit.

As the fruit company's depot in Limon was only designed to serve the export of tropical fruit, once NOR freight arrived in the Port of Limon, the dry cargo was trucked to a customs bonded warehouse in San Jose for customs clearance, and then on to the final consignee. They then returned to pick up the empty container after stripping and returned it to their depot in Limon for washing and pre-trip inspection (PTI), before bringing the empty container to the farmer.

By examining operational processes and pain points in the tropical fruit supply chain, APM Terminals identified that logistics processes could be improved by using RADA's container depot in Santa Rosa de Heredia, close to San Jose.

“Our team stands ready to work with import and export companies to look at their unique challenges and align resources, systems and capabilities to best serve and fulfill the specific needs of the customer.”



Mario Vargas

Sales Manager Logistics Services, RADA

Improved logistics process

The fruit company now drops loaded NORs at the bonded warehouse near to San Jose. From there, RADA's trucking team takes over all transport logistics, container washing and PTI. On their way back to Limon, the fruit company simply collects an empty container from RADA's depot and returns it directly to plantations near Limon.

The import supply chain process and truck turnaround have benefited from considerable streamlining. In addition, RADA holds a stock of reefers ready to be used for export, so that it always clear where the reefer containers are located. This has helped the fruit company reduce transport costs, container imbalances, and reefer inventory requirements.

More efficient, less expensive

“Hinterland logistics is a distinct part of the value proposition of shippers and should not be dealt with in isolation from the overall supply chain,” said Dries van Dongen, Global Head of Landside Customers and Inland Services, APM Terminals.

“Our team in Costa Rica found an effective and efficient way to collaborate with a global player in the tropical fruits industry. This confirms the unique position of our Inland Services locations as they are perfectly equipped to realize supply chain benefits for customers.”

Summary

Customer challenge

- ▶ Imbalanced flow of container supply and demand.
- ▶ High transportation cost due to inefficient trucking.
- ▶ Increased coordination needed in logistics process.

APM Terminals solution

- ▶ Trucking and last mile delivery.
- ▶ Container washing, inspection PTI.
- ▶ Easy access and transparency on container stock.

Customer benefits

- ▶ Synchronized import supply chain process.
- ▶ Enhanced truck turnaround.
- ▶ Low equipment inventory requirements.