

From Harvest to Supermarket Shelves: The Critical Role of West Coast Ports in the Banana Supply Chain

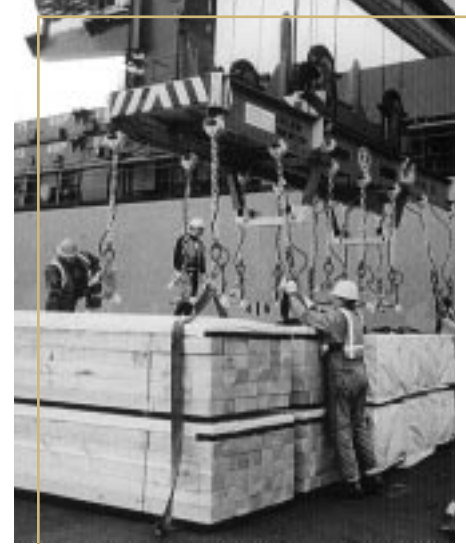
Bananas are one of the most popular fruits in the American diet. On average, each American consumes nearly 28 pounds of bananas per year.

Because shoppers know fresh bananas are available, year-round for about 50 cents per pound, bananas are seen more as a staple crop than a foreign delicacy.

Ensuring that an adequate supply is readily available, Del Monte Fresh Produce is the third largest producer of bananas for the U.S. For more than 20 years, the company has imported bananas weekly from Ecuador through the Port of Hueneme on California's central coast.

Bananas are grown near the equator where, all year long,

the temperature is hot and the rain plentiful. To reach U.S. supermarket shelves fresh, bananas must make the 4,000-mile journey from South America in two weeks. As a result, banana producers such as Del Monte Fresh Produce rely heavily on the dependability of West Coast ports to meet the strong, year-round demands of U.S. retailers.



Longshore workers slinging up lumber at the Port of Vancouver, Wash.

The Long, Arduous Journey

"Bananas are a very delicate fruit," said John Loughridge,

marketing director for Del Monte Fresh Produce. "Ensuring swift movement from our growing fields, to our ships, through the ports and on to retail stores allows us to present the best quality fruit to consumers. And keeping the fruit at the proper temperature throughout the logistical process requires great professionalism."

In Del Monte's South American plantations, farmers harvest bananas while the fruit is still green. Bananas that ripen after picking become the most flavorful. Within 36 hours of harvesting, bananas are packed in boxes and loaded onto refrigerated ships. To ensure maximum product quality, "The ships have been specifically designed to maintain the interior of the fruit at a constant 56 degrees Fahrenheit to control ripening," according to Del Monte. "Banana pulp temperatures are constantly monitored during transit." →

SPOTLIGHT: PORT OF VANCOUVER, WASH.

River, road and rail are the top priorities for infrastructure development at the Port of Vancouver these days. Recently, the port has attracted private and public partners to help finance projects that will maintain the port's competitive advantage and foster economic development in the region.

One on-going partnership with the U.S. Army Corps of Engineers and lower-Columbia River ports is studying the benefits of deepening the Columbia River Navigational Channel. Deeper channels would attract larger vessels, bringing more cargo through the region. Once the study is completed, dredging is expected to begin in the early 2000s and last three years.

To effectively move cargo to and from inland areas, the port has increased rail capacity. Supported by a jointly funded venture with the United Grain Corporation, the project has added almost eight miles of new tracks.

To ease congestion that increased rail traffic would cause, the port and surrounding community have invested approximately \$34 million in the 1.3-mile-long Mill Plain Extension. Once this project is completed, the extended transportation corridor will provide a more direct route from Interstate 5 to the Port of Vancouver, thereby easing freight mobility.

"It's about location, location, location," said Maureen Chan-Hefflin, communications manager for the Port of Vancouver. "We have the ideal location to remain competitive, but we have to maintain it. Now is the time to do it."

Located on the Columbia River in Washington state, the port moved 5.2 million metric tons of grains, fertilizer, automobiles, lumber and mineral ores in 1997. The port trades mainly with Japan, Korea, China, Brazil and Norway.

PMA Today is a publication dedicated to highlighting West Coast port activities and developments as they relate to economic and international trade issues in the 21st century. We hope you enjoy PMA Today and find it to be a valuable informational resource. For more information about PMA, please visit our web site at <http://www.pmanet.org>.

February 1, 1999
Vol. 2, No. 3

Member Profile-Yusen

THE PORTS

Did you know ...

... that the Port of Tacoma handles more than 70 percent of all waterborne commerce going from the continental U.S. to Alaska? The port moved more than \$3 billion in Alaska-bound cargo in 1997.

Source: The Port of Tacoma

After six days at sea, the ship reaches the docks of the Port of Hueneme. It takes approximately 40 longshore workers to unload nearly 3,000 metric tons of

Increasing Banana Business

The banana business has grown “quite a bit” for the Port of Hueneme according to Kam Quarles, director of marketing for



Del Monte Fresh Fruit operations at the Port of Hueneme.

bananas using cranes and forklifts in three eight-hour shifts. After the bananas pass U.S. Department of Agriculture inspection at the port, they are moved directly to refrigerated trucks or to the Del Monte U.S. Western Distribution Center, a 40,000-square-foot on-dock refrigerated facility. Supermarkets dispatch refrigerated trucks to pick up bananas from the facility. In one to three days, bananas arrive at supermarkets in nine states fresh, intact and ready for purchase.

the port. In 1998, the port offloaded 328,000 metric tons of bananas, up 40 percent from 1997.

“Our West Coast banana sales are up dramatically over the last couple of years,” said Loughridge. “The efficiency of the Port of Hueneme has greatly contributed to Del Monte Fresh Fruit’s success.” To be sure, port operations are critical to sustaining a reliable, year-round banana supply. Supermarket shoppers in nine states count on it. ●



Yusen Terminals operations at the Port of Los Angeles.

A wholly owned subsidiary of NYK Line, Yusen Terminals Inc. (YTI) operates terminals in Los Angeles and Oakland.

For the year just ended, YTI’s facility at Los Angeles’ Terminal Island handled approximately 314,000 throughput moves. Yusen’s terminal at Berth 23 in Oakland finished a big year in 1998 – performing about 90,000 throughput moves, up from about 61,000 in 1997.

NYK Line established Yusen Terminals Inc. in 1991 as its terminal operating arm. Based in Los Angeles, YTI handles administration for the two terminals. Centennial Stevedoring Services, a joint venture of YTI and Stevedoring Services of America, handles terminal operations in Los Angeles and Oakland.

The YTI terminals are a port of call for

vessels of the Grand Alliance, which is comprised of four of the top 15 shipping lines: NYK Line, OOCL, Hapag-Lloyd and P&O Nedlloyd. The Ampac Consortium,

made up of Columbus Line, Maruba, Mexican Line and TMG, also calls at Los Angeles, as do CSAV and the South Pacific Container Line.

The Los Angeles terminal has nearly doubled in size since opening in 1991. It consists of 190 acres, including a container yard, on-dock rail yard, gate areas and warehouse space.

The Terminal Island Container Transfer Facility, an on-dock rail yard that is jointly leased to Yusen Terminals Inc. and Evergreen Marine Corp., opened last year. The new transfer facility enables about 400 containers a week—formerly trucked five miles to off-site facilities—to now go directly to the rails, according to Greg Stuhr, YTI manager, corporate relations. ●