

# REGIONAL FOOD LOSS & WASTE WORKSHOP

## SESSION 4. PANEL DISCUSSION ON THE ROLE OF COLD CHAIN IN GCC REGION TO CONSOLIDATE FOOD SUPPLY CHAIN



## SESSION 4

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# Cold Chain strategy to consolidate food chain in GCC countries

Mr. Abdullah Hamdan Al-Anazi  
LuLu Saudi Hyper Market



**WELCOME TO THE WORLD OF LULU**

**Our Vision** is to bring World-Class Shopping Experience to all





# GLOBAL OVERVIEW

ANNUAL TURNOVER OF  
USD 8.4 Billion



Serving 1.6 Million  
shoppers everyday



Shopping Malls, Hypermarkets  
and Supermarkets.

MORE THAN  
55,000  
EMPLOYEES





# 11 Glorious Years in Saudi Arabia

**17** HYPERMARKETS, **12** ARAMCO COMMISSARIES AND **5** MINI MARKETS  
IN SAUDI NATIONAL GUARD COMPOUNDS.



## Our Footprint in Kingdom of Saudi Arabia

### Footfall



SERVING MORE THAN  
150,000 CUSTOMERS  
PER DAY







# COLD CHAIN

## STRATEGY TO CONSOLIDATE

# FOOD CHAIN

### IN GCC COUNTRIES







# LULU COLD CHAIN FULFILLMENT IN GCC

**250,000+**  
METRIC TONS  
Fruits & Vegetables  
(Import & Local)

**10,000+**  
Temperature  
Controlled  
Containers (FMCG)

**12,500+** METRIC TONS  
Pandemic Period  
Additional Shipment  
March - August

IMPORTING  
FROM  
**100+**  
COUNTRIES

**200,000+ Sqm**  
Temperature  
Controlled  
Storage Area

**1500+**  
Temperature  
Controlled Fleets

**16 Countries**  
Direct Sourcing  
Offices







**32,000+**  
METRIC TONS  
FROZEN & CHILLED  
MEAT PRODUCTS

**12,000+ Sqm**  
Temperature  
Controlled  
Storage Area



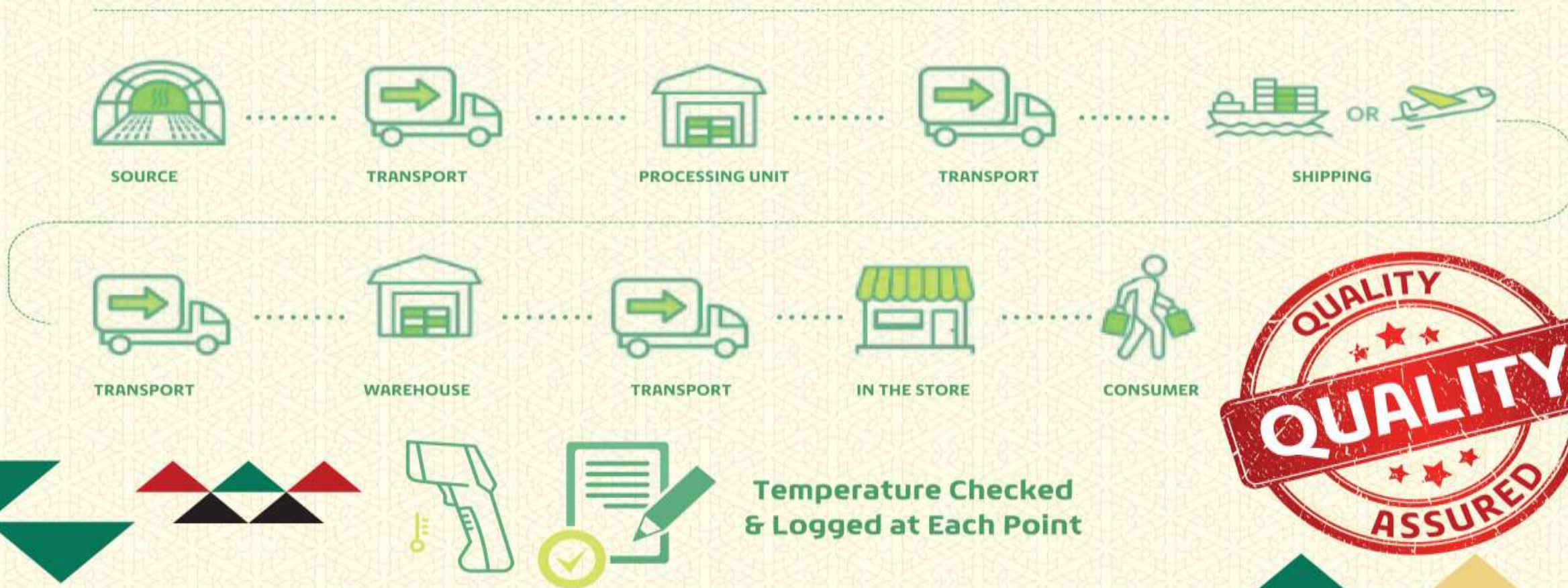
IMPORTING FROM  
**16**  
COUNTRIES







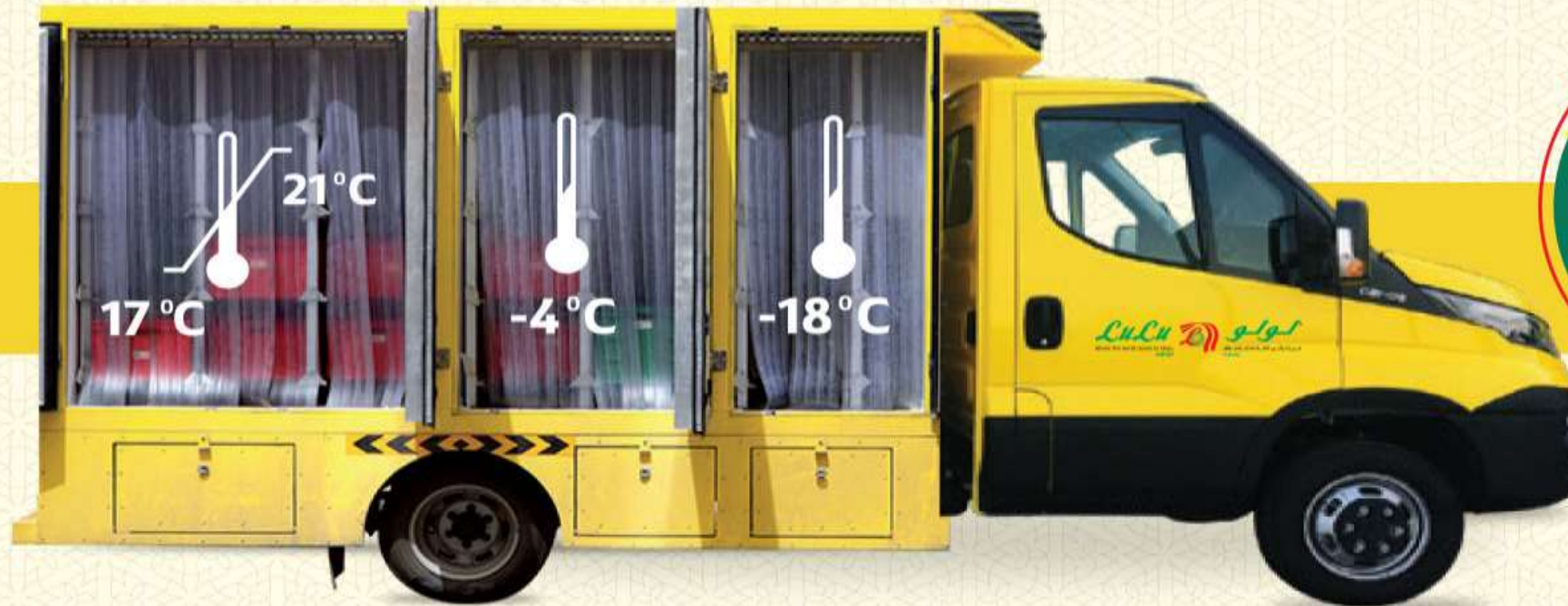
# LULU PRODUCT JOURNEY SOURCE TO CONSUMER





# LuLu E-Commerce Fleet

Temperature Controlled Cabins In Each Vehicle  
For Quality Assurance







# THANK YOU





SESSION 4

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# Cold chain strategy to consolidate food chain in KSA

Prof. Salah Mohammed Aleid  
King Faisal University, KSA





# Cold Chain Strategy to Consolidate Food Chain in the Kingdom of Saudi Arabia

استراتيجية سلسلة التبريد لزيادة كفاءة مراحل سلسلة الإمداد الغذائي  
في المملكة العربية السعودية

October 15, 2020

Prof. Salah Aleid

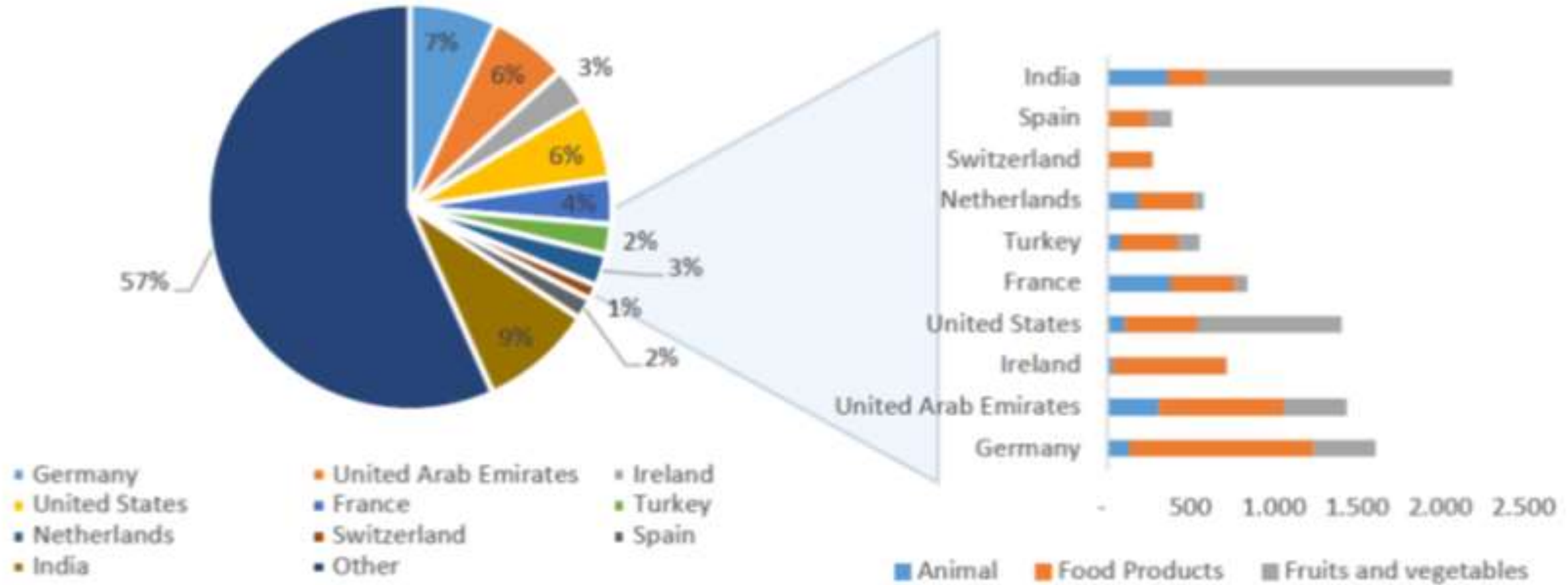


## Utilization of Food in Saudi Arabia

- Utilization of food in Saudi Arabia depends on a host of factors like quality, production and storage, nutritional value, health status of the consumer. Which in turn, minimize food losses and waste.
- Availability of adequate and appropriate cold chain storage facilities could be a major step in price stabilization in Saudi Arabia.



# Saudi Arabia Food Imports by the Top 10 Trading Partners



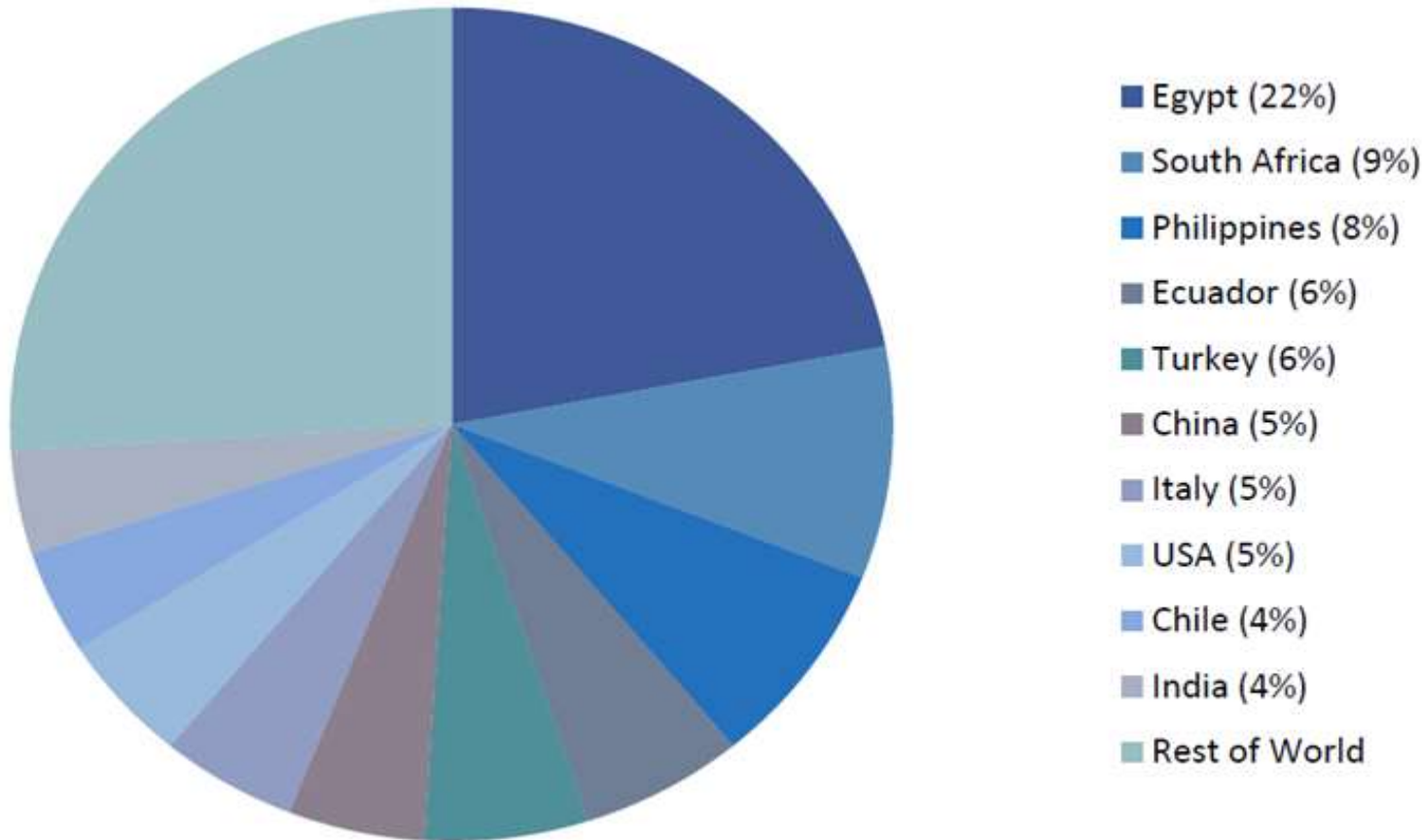


## Food Security / Post Harvest Losses

- Despite its current relatively high Food Security Index score, KSA is very much prone to food insecurity in the future. The food security pressures is below the global average, particularly with respect to water.
- Efficient supply chain could go a long way in substantial reduction of post harvest losses (high at the time being).



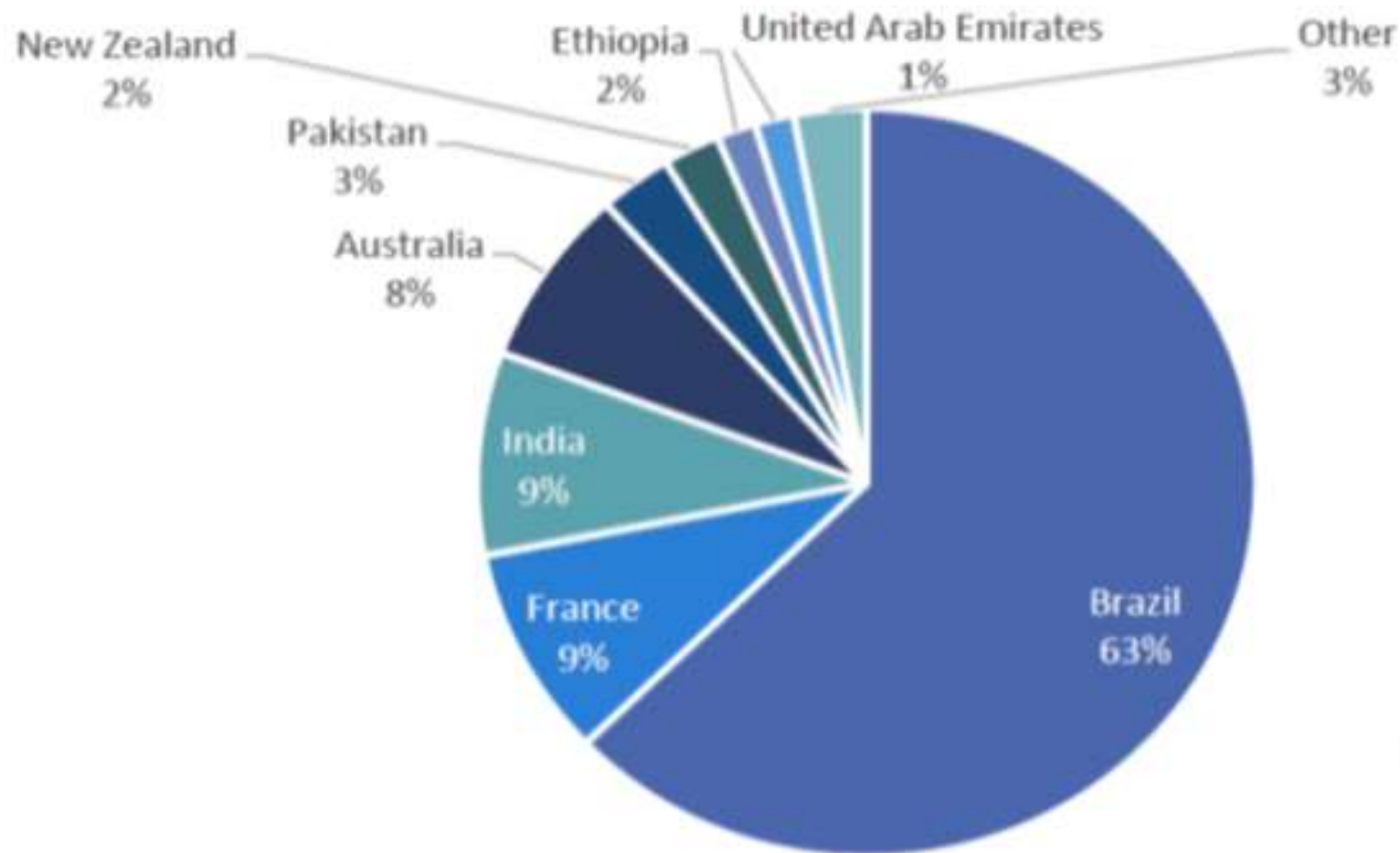
## Fresh Produce Imports by Saudi Arabia



International Trade Centre

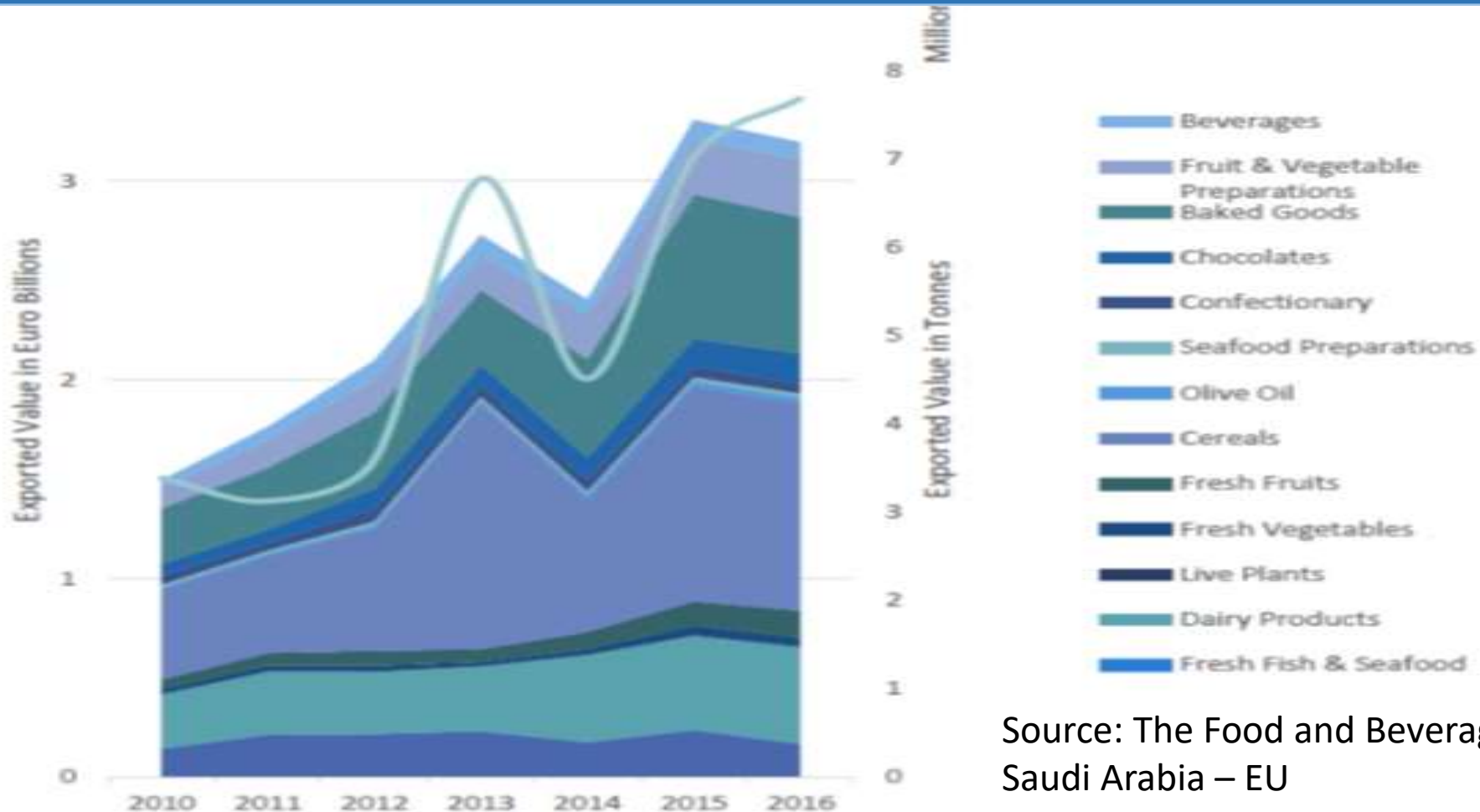


## Meats Imported by Saudi Arabia





## Value and Quantity of EU F&B Export to Saudi Arabia – Sea Transport



Source: The Food and Beverage Market Entry Handbook:  
Saudi Arabia – EU





# Land, Sea and Air Ports Contribution to Cold Chain in Saudi Arabia

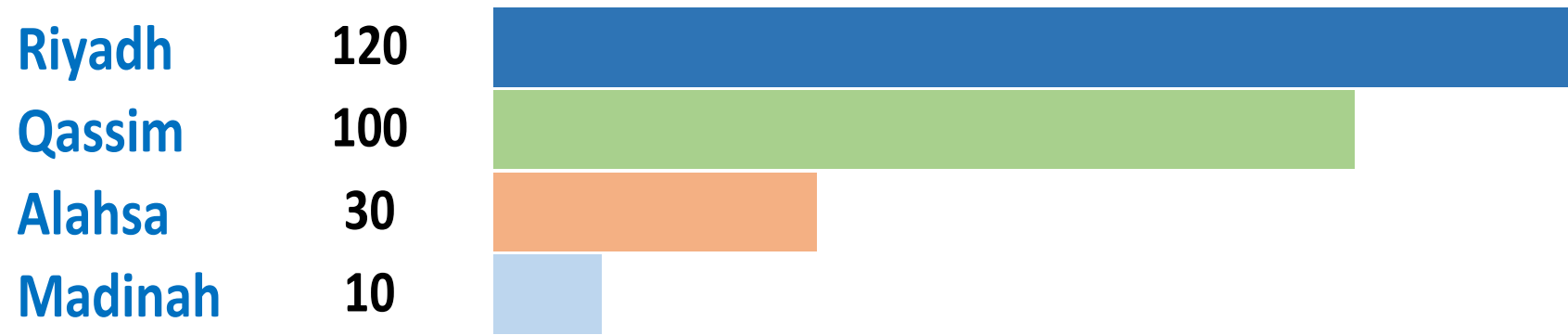


Source: Ministry of Finance, Saudi Customs



# Cold Storage Capacity in Some Major Cities in Saudi Arabia

Thousand Metric Ton





# Total Loans for Cold Storage from “Agricultural Development Fund”

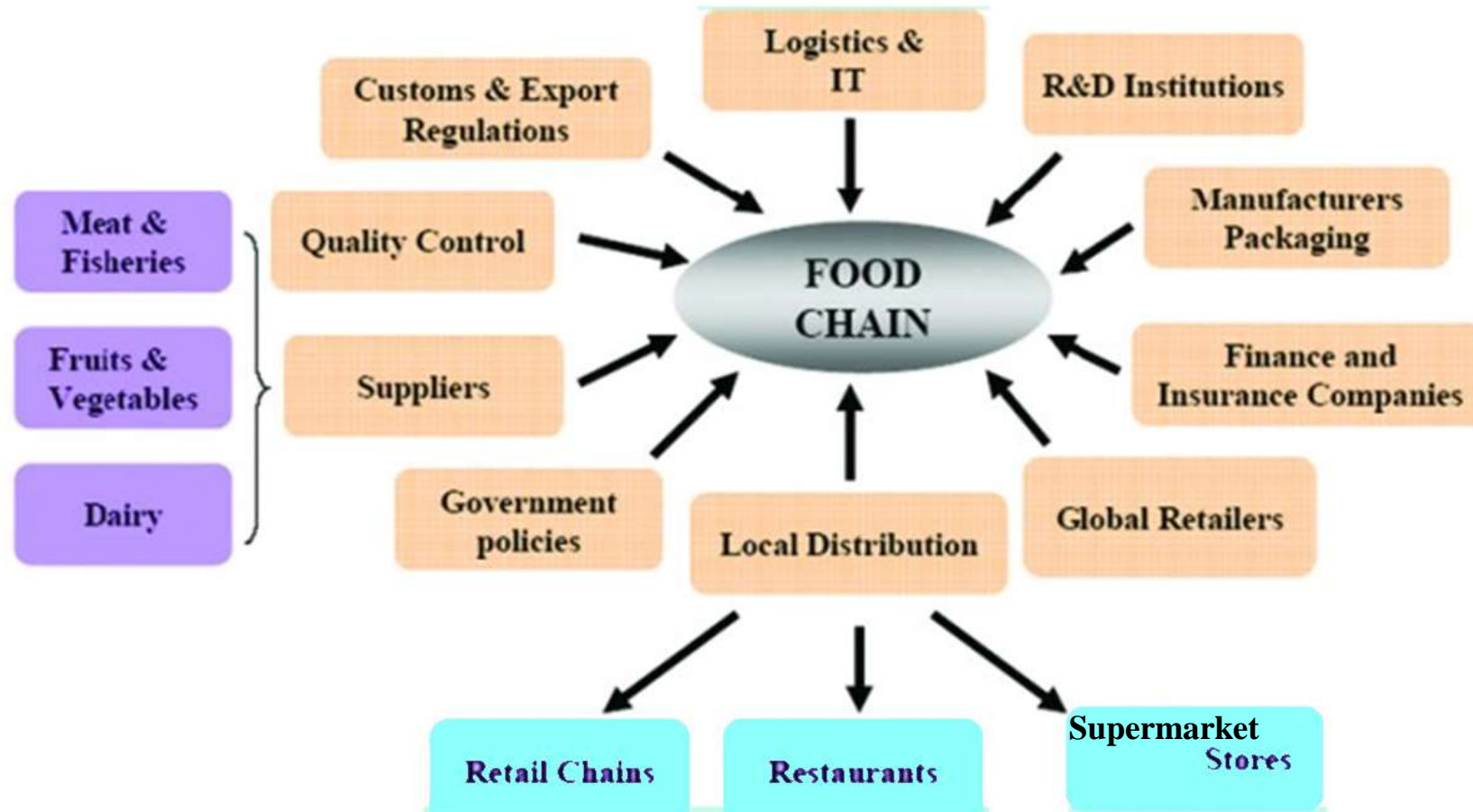
Million Saudi Riyal

- Agricultural Development Fund of Saudi Arabia was founded in 1962.
- Its main purpose is to finance the agricultural activities in Saudi Arabia by providing loans to farmers.

<b>Riyadh</b>	<b>97.4</b>
<b>Qassim</b>	<b>62.1</b>
<b>Hail</b>	<b>26.5</b>
<b>Tabouk</b>	<b>23.7</b>
<b>Mekkah</b>	<b>23.5</b>
<b>Alkharj</b>	<b>17.1</b>
<b>Jazan</b>	<b>2.9</b>
<b>Aljouf</b>	<b>2.7</b>
<b>Asir</b>	<b>1.9</b>

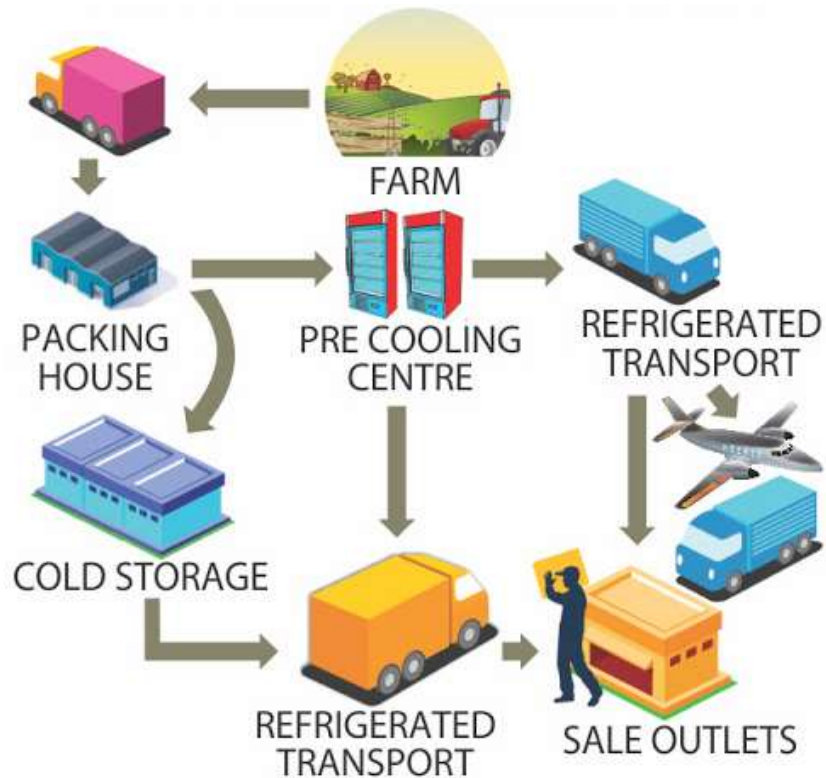
**Total = 257.8**

## Cold Chain Supply Cluster with all Stakeholders in Saudi Arabia





## Measures to be Considered - Food Cold Chain Distribution in Saudi Arabia



- Better product quality in terms of color, texture and nutritional value.
- Extension of shelf life.
- Development of packaging industry.
- Address the issue of traceability.
- Better handling and Hygiene practices.
- Inventory management and automation.
- High he growth of refrigerated transport industry.

## Cold-chain Development with Controlled Temperature



focuses on the network channels



## Challenges to Cold Chain Supply in Saudi Arabia

- Balanced distribution of cold storage facilities along the food chain.
- High cost for smart systems for monitoring and process optimization.
- Rising Real Estate Costs.
- High cost investment with long term turnover.
- High Energy Consumption Cost.
- large costs associated with transportation, distribution and storage (25 USD per metric ton / month).



## Strategies to Overcome Challenges Faced by Cold Chain Supply in Saudi Arabia

- Developing improved business models by promoting producer owned supply chains.
- Continue extant grants and subsidy schemes for cold chain infrastructure development and extend the schemes to include the logistics and transport sector.
- Develop multi-model cold chain links through railways; aiming at a fast track for perishables.
- Inviting Foreign investments.





**Regional Food Loss & Waste Workshop**  
Webex, Riyadh, Kingdom of Saudi Arabia  
15th October 2020



وزارة البيئة والمياه والزراعة  
Ministry of Environment, Water & Agriculture  
المملكة العربية السعودية  
Kingdom of Saudi Arabia



**KFU**  
جامعة الملك فيصل  
KING FAISAL UNIVERSITY  
جامعة ووطن.. نماء.. واستدامة..



Thanks

# OPEN DISCUSSION

