

Over 30 years in
the airfreight
business:
Alfred P.
Kuehlewind





CFI began with strawberries, today it also forwards other perishables

Go West, Alfred!

Commodity Forwarders International Inc. (CFI) is one of the five big logistics specialists for perishables at Los Angeles Airport. The company was founded by the indefatigable Alfred P. Kuehlewind. His recipe for success: take care, take care, take care – and entrust every stage in the cool chain to competent partners

It all began with strawberries. Alfred P. Kuehlewind was one of the first entrepreneurs to put fresh strawberries on consumers' tables in Germany off season – Californian strawberries. That was in the Seventies. Today, the self-made man from Bremerhaven is the biggest perishables logistics specialist at Los Angeles International Airport. His company Commodity Forwarders International Inc. (CFI) has a roughly 50 percent share of the market at the L.A. location and is the local representative of Hellmann Perishables Logistics (hpl). Furthermore, the firm operates smaller facilities in Anchorage, Seattle, San Francisco and Hawaii.

The CFI employees are there for their customers 24 hours a day, 7 days a week, sending fruit, vegetables or fish on their way – or importing fresh delicatessen. “We only close on Christmas Eve and New Year’s Eve for ten hours respectively,” says Kuehlewind, whose name in German (= Coolwind) is a perfect match for his business: the forwarding of chilled goods by airfreight.

This almost non-stop presence is absolutely essential. Anyone who intends earning money with perishables has got to grasp the opportunities when they appear. CFI’s cold-storage warehouses on Ciniega Boulevard near L.A. Airport are emptied by noon and filled up again as from 10 p.m. Day in, day out. “No business has such as fast turnaround as ours. No two days are alike,” the President and CEO points

out from decades of experience, and adds with a laugh: “You either hate it or you love it!”

At the moment, it is asparagus season. Before the delicacy is dispatched, it is checked for quality. On receipt of the goods, CFI mails photographs to the importer so that the shipment can still, in case of doubt, be rejected. “Transportation accounts for about half the total costs for the product,” says Kuehlewind. “So it’s better to make sure that the importer will also actually take receipt of the goods.”

The demand for delicatessen in the Middle East has developed very well recently: CFI exports cheese, sausage meat and seafood. Following the most important market, Britain, with about 10,000 tons of exported airfreight per year, the Arab world now ranks in second position with 5,000 tons. “The tonnage is not

as high, but the profit is very good,” Kuehlewind explains. “You have to send two or three shipments to London to earn the same money you get for one in the Gulf.”

Strawberries are currently experiencing a minor comeback. Ecologically perfect products, such as biological spinach, are also becoming more important. The spinach has to be flown because the producers are not, of course, allowed to use preservatives. Yet CFI also takes care of lettuce, Spanish onions, blueberries, raspberries, blackberries, grapes, cherries, currants, pineapples and all kinds of fish.



Lettuce, fresh from San Joaquin Valley



Good packaging helps to transport the goods to the destination in good condition

“Take care” is the right term, Kuehlewind feels. “We don’t just take care of transportation. We coordinate the exporters here in California and the importers in the target markets,” he stresses. “The season for halibut from Alaska, for example, sometimes only lasts 24 hours. There is no run-up period. Everything has to go like clockwork. Or take green asparagus: we’re talking here about three million dollars in a few weeks. If something goes wrong in the beginning, you lose 300,000 dollars before the first invoice has even been written.”

That is why the CFI managers spend a lot of time on the move. They always take an exact look at both sides of the cool chain. “At least once, you have to look squarely into the eyes of the people you’re dealing with. After that you can also still clinch a deal nowadays by handshake,” says Alfred P. Kuehlewind.

Yet not only do the two ends of the supply chain have to be secure, but also the transportation between them. It is here that CFI places its trust in Lufthansa Cargo, which transports about ten percent of all CFI airfreight shipments: “For business with the Middle East, Frankfurt is our most important hub and Lufthansa Cargo’s freighters are our most important means of transportation,” Kuehlewind adds. “Every one of our customers wants to know which aircraft from which airline is flying his shipment. Otherwise, these people cannot sleep properly. With Lufthansa Cargo, our customers feel secure.”

This is mainly attributable to the fact that experienced and responsible professionals work here, who know how to deal with sensitive shipments and know that warmth is to be avoided wherever possible. “Most perishables keep longest between one and seven degrees Celsius, but unfortunately they are not, as a rule, so valuable that shipping them with a Unicooler would pay off,” says Kuehlewind. That is why CFI



Taryn Johnson is supervisor at CFI



CFI employees build up a pallet with freshly harvested lettuce in the cold-storage warehouse at Cienega Boulevard



When the season for certain fish begins, a whole lot of ice is needed – and everything has to be done quickly

Most of the perishables destined for the Middle East and Europe are shipped by Lufthansa Cargo



uses Styrofoam packaging and ice or so-called thermoblan- kets, in which almost all shipments are wrapped.

Exporting is quite clearly the core business of CFI, but imports are also significant. What is exported and imported and to which destination depends on the weather, the sea- son, but also the dollar exchange rate. At present, exports are booming for CFI because the dollar is weakening, which means that the Californians cannot earn nearly as much money by far from imports. Nonetheless, CFI fosters this business. "It makes us less dependent on currency fluctua- tions," says Kuehlewind.

When the dollar started to uniquely sky- rocket because of Reagan's high interest rate policy at the beginning of the Eight- ies, there was hardly anything more to ex- port for his company. "My business de- clined by 75 percent," the CEO recalls. "After that experience, I definitely wanted to have a second leg to stand on, so we began fostering the import side. Imports of fruit, for example, from Chile, are partic- ularly important in the winter, when very little grows in California, in order to cover the running costs – for personnel, for ex- ample, or for the three cold-storage ware- houses, each of which alone needs 15,000 dollars of electricity a month.

"The consumers have simply grown accustomed to being able to buy every product at any time of the year. That applies to the U.S. as well as to Europe," says Kuehlewind. Yet when the warm time of the year begins in California, the yields here and in neighboring Mexico, for which L.A. acts as a gateway, are usually very good – and the exports increase rapidly.

California is known, first and foremost, as a media and IT location. However, the agricultural industry follows the me- dia industry as number the Number Two economic sector on the West coast. "Ahead of IT and the military sector," Kuehlewind emphasizes. "As a result, the most innovative agricultural research institutes can be found here. When it

comes to growing new varieties of grapes for example, we are five years ahead of the rest of the world."

The corn granary of the U.S. is the San Joaquin Valley, which extends from Bakersfield to Sacramento. The lion's share of American fruit and vegetables comes from here. "Most Californian agricultural producers concentrate on the U.S. market. They are not that particularly interested in air- freight," says Kuehlewind. "If, however, we set about things in a clever way and reliably build up the supply chain, we provide them with the possibility to earn a few very good extra dollars by exporting their products via airfreight."

Kuehlewind now wants to gradually entrust the organi- zation of all this to others. The man has been active in California for over 40 years. He already developed his interest in the U.S. in his old home country when he worked for the U.S. Navy in Bremerhaven. He first came to California as an intern at the beginning of the Sixties, im- ported VWs, then returned for a while to Germany. "But I compared Frankfurt to L.A., and the result was not exactly in Frankfurt's favor."

Today, Kuehlewind is preparing his company for the han- dover of the position of CEO and President to his successor at management level (???). He then wants to be "just" Chair- man. "Younger people, who can do many things a lot better, have already taken on the operational side of business any- way," he says in all modesty and points with furrowed brow to the many computers in the CFI office. In the meantime, he spends several months a year in his house in Hawaii. The 67-year-old soon intends retiring there altogether.

Yet his passion for business will not forsake him here ei- ther. "Hawaii is an interesting market. Consumption is high be- cause of the tourists and the military. Many staple goods can- not be grown here due to the tropical climate. Our business began with flowers. Now, we already import a lot of goods from the mainland: fruit, vegetables, herbs." Anyone who has ever met Kuehlewind knows that this is not the end of the road. What was that comment? "You either hate it or you love it!" ✈

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Younger people to take over soon: CEO Kuehlewind

