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Transforming the Fresh Produce Supply Chain: Expert Perspectives

The Fresh Produce Industry Operates Under Unique Pressures

You're handling products with a short expiration date, working with notoriously slim margins and trying to balance fixed-price contracts against fluctuating production costs.

It's a high-stakes juggling act. But with the right technology, you can move from reactive firefighting to proactive, seamless operations.

We sat down with four of Aptean's fresh produce experts to discuss how the supply chain is changing and how advanced software is transforming operational efficiency.

Their insights reveal a fundamental shift in how successful companies are approaching inventory management, quality control and profitability in a demanding marketplace.

Meet the Experts

Matt Erwin

Matt Erwin is a product manager for Aptean's Food & Beverage ERP product, bringing nearly 17 years of experience in ERP products, consulting, implementation and the fresh produce industry. With a deep understanding of industry challenges, Matt focuses on delivering innovative solutions that drive efficiency and growth for food and beverage businesses.

Sheldon Peacock

Sheldon Peacock is a director of product development for food and beverage at Aptean. With more than 20 years of experience in Microsoft NAV and Business Central development and more than 10 years in the fresh industry, he brings a wealth of expertise in coding, change management, process optimization and more. His previous roles at Produce World and LINKFRESH afforded him a deep understanding of the unique challenges that modern fresh organizations face.

Joris Kolff

Joris Kolff is the senior regional account director for Aptean's Food & Beverage ERP solution on Microsoft Dynamics 365. With more than 15 years of knowledge and experience in the food and fresh sector, he helps customers to consider longer-term strategy and grow their business by optimizing processes with digital transformation.

Marc Hatfield

Marc Hatfield is the regional account director for Aptean Fresh Produce ERP and Produce Pro Software from Aptean, helping clients overcome business challenges with innovative software solutions. With over 15+ years of experience in the fresh produce ERP software industry, he is passionate about fostering collaboration and providing technology-driven solutions that empower businesses. Marc has a proven track record of driving sales growth, building strong client relationships and delivering results.

Q: What are the most significant challenges in today's fresh produce supply chain, and how do these vary by global region?

Matt Erwin (ME): Over purchasing and under purchasing remain a major problem. Over buying leads to waste, under buying leads to lost sales, and without data-driven decisions, fresh produce businesses are stuck in a costly guessing game. At the root of this is inventory accuracy—without it, no department can do their job correctly.

Marc Hatfield (MH): In North America, we face challenges with multi-stage distribution. Products grown in California might pass through several warehouses before reaching retail stores. These multiple handoffs create inefficiencies with numerous middlemen involved. Transportation costs, especially fuel for long-haul trucking from coast to coast, significantly impact margins. Add to this the rising costs for farmers' materials, and you have many layers affecting the final cost. It's the complex reality of moving fresh produce from orchard to refrigerator.

Sheldon Peacock (SP): In Europe, cross-border transportation is a big inefficiency, especially since the UK left the European Union. We are seeing trailers of goods waiting at ports on either side, and that's causing businesses a headache. Managing transportation schedules is critical because delays directly impact shelf life, which ultimately determines product quality.

Joris Kolff (JK): In the Netherlands, we see companies trying to shift packing and labeling responsibility to the growers so goods can move directly from growers to retailers. This is turning what used to be production facilities into more administrative operations.

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> **Joris Kolff**, Senior Regional Sales Director, Food & Beverage

Q: How does the perishable nature of fresh produce intensify supply chain pressures, and what strategies are proving most effective in response?

ME: The fresh produce industry has a unique relationship-based approach to quality control. The typical approach is accepting everything received and doing what's possible with it. However, this approach only works with systems providing real-time visibility into inventory conditions.

Technology enables the rapid decision-making needed when dealing with perishable products, helping businesses route items to appropriate channels based on current quality and maximizing value recovery.

SP: Managing products with variable attributes requires multi-dimensional tracking. In fresh produce, where shelf life is typically three to 10 days, you need systems that can monitor quality, color, size and grade throughout the entire supply chain. **The challenge is maintaining visibility from intake through processing, shipping and customer delivery.**

JK: Technology is transforming quality assessment. Where producers and distributors once manually checked one out of every 10 tomatoes, for example, they can now photograph every piece of produce and use AI to grade them.

These systems can predict quality distribution based on historical data from specific vendors. So if they order from a particular grower, they can anticipate what percentage will be light red versus full red. The shift from random sampling to comprehensive digital inspection is a significant advancement in how we manage perishable inventory.

Sheldon Peacock on the Challenge of Perishability

Perishability accelerates everything in the supply chain. Critical decisions must sometimes be made before products are even seen.

While there's an expectation that produce will meet specific grades and sizes, fresh produce growers, packers and shippers maintain contingency plans for when it doesn't. Perishability means companies have seconds, not days, to make decisions.

This need for speed intensifies supply chain challenges. Premium retailers demand top-quality produce, yet climate events like floods and heat waves can cause products to arrive outside their expected grade parameters. Providers must quickly determine how to market this produce while still fulfilling high-end retail commitments or risk being left with an overabundance of medium-grade inventory.

The most successful companies have integrated technologies that anticipate and respond to these challenges. Their systems allow for rapid adjustments to inventory and distribution plans, creating a more responsive supply chain that can adapt to changing product conditions.

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Q: How can fresh produce businesses build greater resilience in their supply chain?

JK: If companies rely on one or two major growers in specific regions to source produce, it creates vulnerability. If those regions experience climate events affecting temperature or water management, entire retail contracts can be threatened.

We're seeing more and more companies using data modelling to predict the risk on certain product groups. This allows them to diversify sourcing rather than waiting until growers announce they can't meet quantities.

SP: Data is moving closer and closer to the farmer and to the retailers. Some retailers now have their own farming organizations just so they can understand the supply chain better and make informed decisions about how to manage it. **The packer/shipper is no longer the master of information; data is everywhere.**

ME: Inventory accuracy is the foundation of supply chain resilience. When your inventory is accurate, it empowers every department to function effectively. Sales knows what's available to sell, procurement understands what needs replenishing, and warehouse operations run smoothly. Inventory accuracy isn't just a number on a report; it's the difference between profit and loss, especially when dealing with perishable goods, where timing is critical.

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Matt Erwin, Product Manager, Aptean Food & Beverage ERP

Q: You mention profit and loss. In a sector with notoriously slim margins, how can companies maximize profitability?

SP: A granular approach to profitability is critical in fresh produce where margins are thin and quality variations can significantly impact financial outcomes. Understanding true costs provides the foundation for making sound business decisions.

ME: Without rigorous cost tracking, businesses can't identify which accounts and products are actually generating returns versus creating losses.

SP: The problem with fresh produce is that nobody wants to pay its real value. A comprehensive fresh ERP solution records costs incurred throughout the supply chain alongside revenue generation. This allows companies to produce accurate profit and loss analyses by load, shipping container, trailer or even field of origin.

MH: The analytics component is also crucial. **Businesses need daily visibility into their margins to make intelligent decisions.** They must regularly evaluate products and customers to determine which relationships make financial sense and which don't. This dynamic approach to inventory and customer management is what separates successful operations from those struggling to survive.

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Q: What about navigating the tension between fixed-price contracts and fluctuating production costs?

SP: Companies need systems monitoring attributes from intake through processing, shipping and customer delivery. This comprehensive tracking creates the foundation for navigating fixed-price contracts. When you understand actual costs and quality distribution, you can make informed decisions about which contracts make economic sense and where you need to negotiate different terms.

ME: When you can’t control your selling price, understanding your costs becomes the critical factor in maintaining profitability. Yield tracking is crucial for operations like repacking or fresh-cut production. Buying melons in April for slicing might produce very different yields than doing the same in November due to seasonal quality variations.

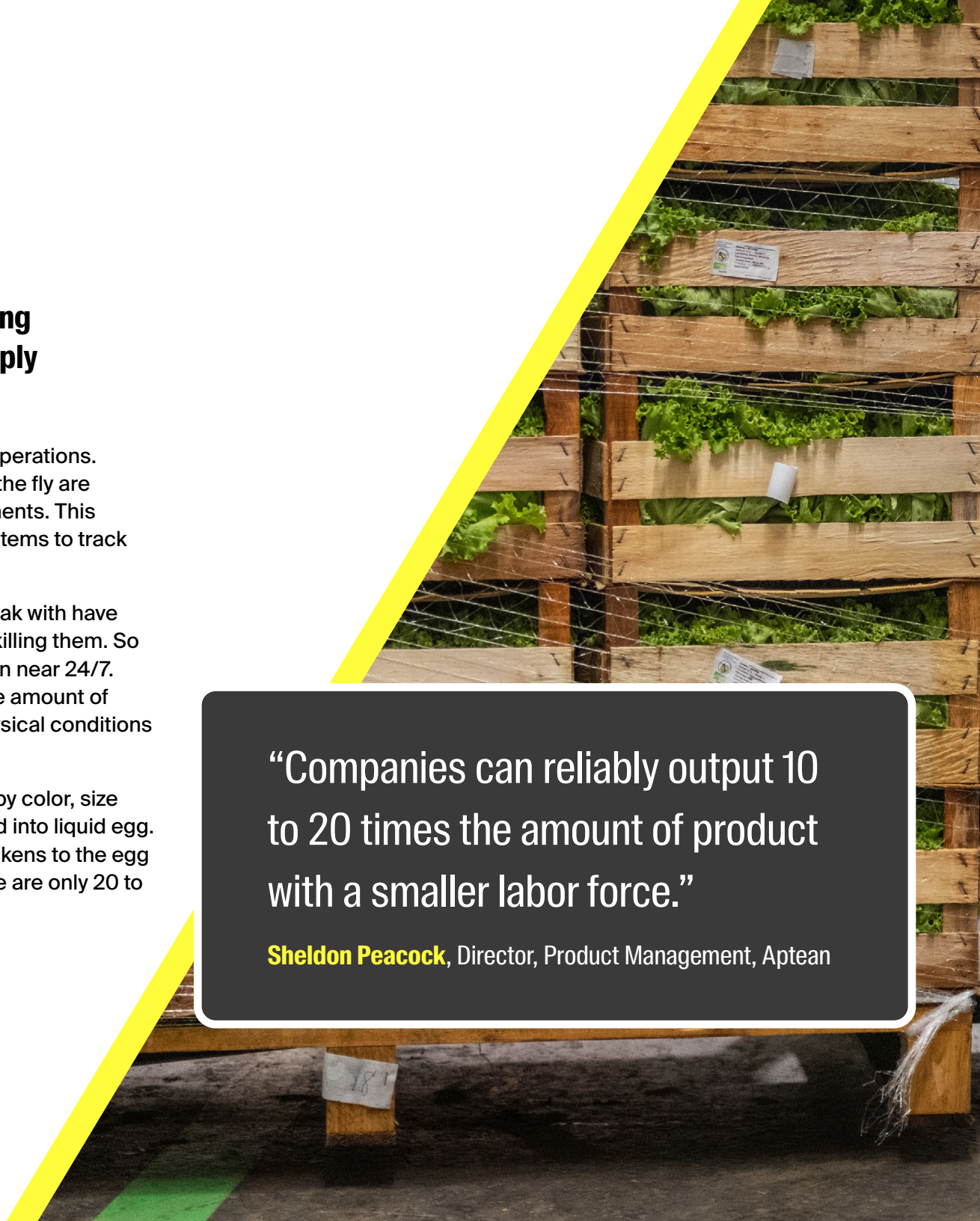
Staying ahead of these variances helps companies adjust procurement patterns to prevent food waste while ensuring sufficient product for customers. This is ultimately the difference between profit and loss.

Q: What role does technology play in helping fresh produce businesses respond to supply chain challenges?

JK: The industry is shifting from reactive to proactive operations. Companies that previously would sort, buy and sell on the fly are now selling first, then sourcing to meet those commitments. This fundamental reversal requires sophisticated digital systems to track contracts, sourcing options and market conditions.

SP: Many of the growers, packers and shippers we speak with have scaled their business to a point where labor costs are killing them. So they're installing and integrating equipment that can run near 24/7. These companies can reliably output 10 to 20 times the amount of product with a smaller labor force while monitoring physical conditions and business performance in real time.

I've worked with chicken farms where eggs are sorted by color, size and grade, with some automatically cracked and turned into liquid egg. The entire process is automated, from feeding the chickens to the egg being shipped out either as a liquid or whole egg. There are only 20 to 30 people running the factory, that's all.



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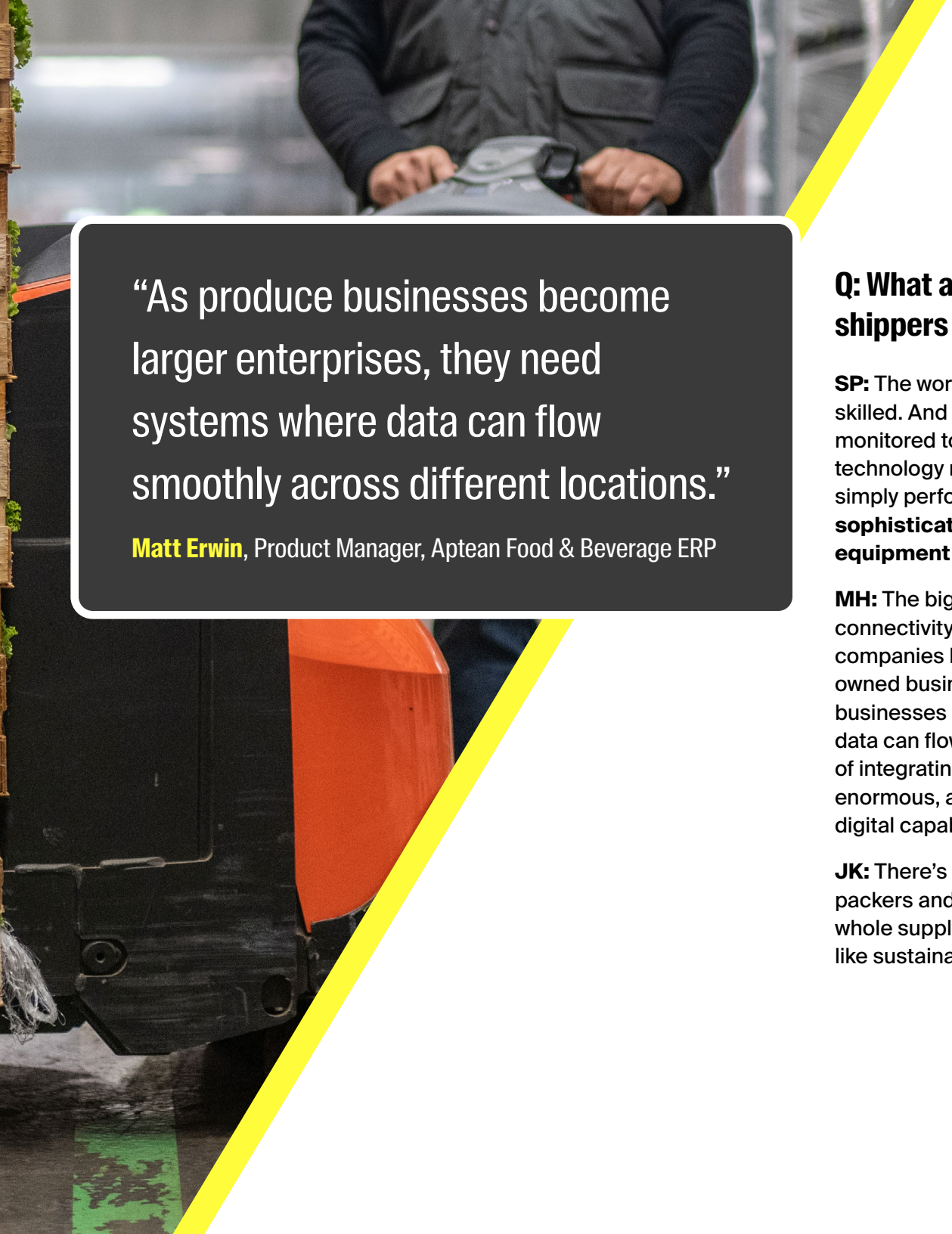

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Q: What are the main barriers to growers, packers and shippers becoming more technology-driven?

SP: The workforce needed to run new machinery must be highly skilled. And the technology needs to be properly integrated and monitored to maintain performance. Previously, the most advanced technology most companies used was the ERP system, with machines simply performing specific tasks. **Today’s equipment includes sophisticated data recording capabilities linked to overall equipment effectiveness.**

MH: The biggest challenge from a technology perspective is connectivity. In North America, we’re seeing a wave of larger companies buying out smaller operations, often because family-owned businesses don’t have successors. As these produce businesses become larger enterprises, they need systems where data can flow smoothly across different locations. The complexity of integrating technologies from multiple acquired businesses is enormous, and it’s forcing companies to develop more sophisticated digital capabilities to maintain operational efficiency.

JK: There’s also greater demand for traceability that growers, packers and shippers need to meet. Retailers want data through the whole supply chain to build trust and help them report on elements like sustainability.

Marc Hatfield on Making the Most of Your Technology

The greatest inefficiencies in the fresh produce supply chain often exist inside the warehouse. Many companies invest in technology systems but fail to leverage them to their full potential, creating substantial day-to-day inefficiencies.

If companies don't utilize the tools they have correctly, they end up running ineffectively: Employees still managing pricing outside the system, warehouses with lost product everywhere, orders being shipped out incomplete and other issues.

Inefficiencies compound quickly in the fresh produce environment. With the slim margins we operate on and the time-sensitive nature of our products, the financial impact of misplaced inventory and manual workarounds can be severe.

In my experience, the most successful companies are the ones that fully utilize the systems they invest in. Effective technology implementation is essential, but equally important is ensuring that staff consistently use these systems as intended.

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Q: How will the fresh produce supply chain continue to evolve in the next five years, enabling businesses to become more resilient, sustainable and efficient?

MH: I really think that hydroponic farms are going to become a bigger presence, especially with increasing weather extremes. We're not there yet, but I do see more and more popping up.

JK: I think more companies will use artificial intelligence (AI) and the Internet of Things (IoT)—first to optimize their own processes within their own facility, then to integrate more closely with vendors in an effort to improve transparency and sustainability.

SP: I think we'll see specialist technology become more deeply integrated into the supply chain. A fresh ERP system wants to know as much information as it possibly can, from costs incurred to product quality. Specialist ERP users will know their profitability per shipping container, per trailer, per field. That's pretty unique.

Joris Kolff on the Value of Integration

With AI and IoT integration, the focus has shifted to quality-driven purchasing with comprehensive grading and data collection.

Forward-thinking producers and manufacturers want not just their own quality photos but also images from vendors at shipping, enabling quality comparison over time. They're optimizing their internal processes first, but the next step is integrating vendor information to create a complete quality timeline.

Having everything in one system rather than separate solutions is transformative. Beyond financial considerations, this level of integration enables companies to make more informed decisions by incorporating factors like sustainability and operational efficiency.

This shift paves the way for broader industry changes, where food companies can meet consumer demand for locally grown produce, explore innovative farming techniques and incorporate sustainability metrics like transportation impact and water consumption into true cost accounting.

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Transform Your Supply Chain With Aptean

Aptean specializes in empowering food and beverage growers, distributors, manufacturers and wholesalers with a strong technological foundation and "single source of truth" to drive success in a dynamic marketplace.

We're dedicated to supporting our customers with AI-driven, cloud-native solutions that are purpose-built for your industry. **Aptean Food Produce ERP** automates processes, streamlines operations and effectively manages your supply chain. Combined with **Aptean BI**, your business can track more than 300 KPIs out of the box to predict how supply chain changes will affect your bottom line.

Aptean EAM and **OEE** solutions maximize reliability, de-risk production and prevent wastage caused by technical downtime.

Aptean Routing & Scheduling *Paragon Edition* optimizes your transportation operations and delivery routes to minimize fuel consumption while ensuring that deliveries are made on time, every time.

Want to Build a More **Resilient Fresh Produce Supply Chain?**

Discover how Aptean's fresh produce solutions can help you optimize operations, improve visibility and respond proactively to supply chain challenges.

Contact us at **info@aptean.com** or visit **www.aptean.com**.

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Aptean is a global provider of industry-specific software that helps manufacturers and distributors effectively run and grow their businesses. Aptean's solutions and services help businesses of all sizes to be Ready for What's Next, Now®. Aptean is headquartered in Alpharetta, Georgia and has offices in North America, Europe and Asia-Pacific.

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