The Basics of Shipping Consumer Packaged Goods (CPG)

Consumer Packaged Goods (CPG) are some of the most commonly shipped items in LTL and Truckload Freight. But even though it's not rare to move CPG, there are a number of details and mechanics that need to be followed to ensure a successful pickup and delivery. In this Freight Paper we'll discuss the basics of shipping CPG, including: special packaging, preferred carriers, delivery appointments, buyers and distributors, and the importance of using a freight broker to ship successful consumer packaged goods. Let's get started...

What are Consumer Packaged Goods?

CPG are primarily food and drink beverages including bottles and concentrates, refrigerated, or shelf-stable. CPG are nonperishable items, so meats, poultry, dairy, or fish are not considered consumer-packaged goods (though you can still <u>ship perishable items in LTL or Truckload</u>). Most CPG move under the freight class for FOOD STUFF, but make sure to confirm with your freight broker for your particular CPG class; otherwise, you might fall victim to a re-class. CPG are most often <u>delivered to special warehouses and distribution</u> <u>centers</u>, where they'll be forwarded to grocers or food stores.

What Kind of Packaging do CPG require?

Special packaging is required for most CPG. This packaging information will be included in the shipping handbook the distributor will give the supplier or shipper. This handbook will most likely contain all sorts of relevant information including PO numbers (Purchase Orders) and invoice information, including specific packaging instructions. Make sure to follow these packaging instructions exhaustively. If any packaging instructions are not followed, the distributors may not accept the freight, or incorrect packaging can lead to shipping delays.

Freight Pros

FreightPros at a Glance

Founded in 2009

Austin Business Journal's 2014 & 2015 "Fast 50"

282nd Fastest Growing Company - 2013 Inc500 List

Freight Solutions

LTL Quoting & Transportation Management

Full Truckload Services

Strategic Carrier Planning

Billing Auditing

Fantastic Pricing

Why We Rock at Freight:

We Are Transparent with our Customers

We Treat our Customers as Partners

We Excel by Actively Embracing our Core Company Values:

- Support
- Produce
- Respect
- Balance
- Develop

What is the difference between "Buyers" and "Distributors"?

These are two separate entities that play different roles in the shipping and delivery of CPG. The buyers are often the grocery and food stores that will ultimately end up with the freight. The distributors are companies like <u>United Natural Food Inc. (UNFI)</u> that own warehouses. Most LTL and Truckload freight is delivered to these warehouses, and from there, distributed to the buyers (grocery stores). The distributing warehouses almost always require delivery appointments, as well as the use of preferred carriers.

What are Preferred Carriers?

Distributing warehouses often employ the use of preferred carriers to make deliveries. These carriers are given priority when it comes to delivery appointments, and are more familiar with the particular delivery instructions present at most warehouses than your average freight carrier. Some warehouses don't accept freight if the carrier is not on the preferred list. The list of preferred carriers should be available in the distributor handbook given to the buyer, but you can also ask your freight broker for help in using the correct carrier.

Delivery Appointments to Distribution Warehouses

For LTL shipments, the freight carrier will make delivery appointments once the shipment has been delivered to the destination terminal. Because distribution warehouses are so busy, there is often a delay between the freight getting to the destination terminal, and when it can be delivered to the warehouse. It's important to take this delay into account when shipping CPG via Less-Than-Truckload.

For Truckload freight, the delivery appointment is often made BEFORE the truckload is booked. This way, the carrier will have a specific time to pick up the freight, and then make the delivery appointment at the distribution center.

The Importance of Using a Freight Broker

There are a lot of moving parts when it comes to shipping CPG, and delays are easy to find when trying to deliver to distribution warehouses. <u>A Freight Broker</u> will have relationships with preferred carriers, and delivery appointment clerks, as well as information like packaging insights, freight class assistance, and even tips and tricks to avoid shipping delays. Though it is possible to ship consumer packaged goods without the assistance of a freight broker, these shipments are often more expensive, with much less control over the freight. Unless you're an expert at the mechanisms of CPG shipping, it's best to use a freight broker to ship your consumer packaged goods.

You can find more information about LTL and Truckload shipping with our <u>Free Freight Papers</u>. Be sure to visit us at <u>www.FreightPros.com</u> where you can get a quick and easy <u>Freight Quote</u>.

Happy Shipping!