



Get Modern, Get Lean:

Freshpet's Logistics Transformation with DAT Solutions



Freshpet produces fresh, refrigerated pet food using locally sourced, natural ingredients. Its mission — pets, people, and the planet — guides its commitment to nourishing pets while minimizing environmental impact.

The Challenge

Carrier speed, accuracy & dependability

Ensuring refrigerated shipments meet strict handling and temperature requirements.

Scalability

Supporting a fast-growing business with innovative logistics solutions.

Cost efficiency

Reducing transportation expenses while maintaining service quality.

The Results



Overall on-time delivery between 93-95%



Freight costs more than halved by percentage of net sales

It stands to reason that premium service comes with a premium price. This is a truism in most every purchase you make. It's understandable why you'd try to get around this and find premium service for a fraction of the price. Freshpet found a way, and they didn't have to choose.

Freshpet is a pioneer in fresh, refrigerated pet food. Their focus is simple: delivering high-quality pet meals without sacrificing sustainable business practices. It's a premium product that requires premium performance.

As an industry disruptor, Freshpet prioritizes carrier performance and premium service to ensure its perishable products reach retailers and consumers in the right condition. However, the COVID-19 pandemic exposed cracks in its logistics operations, including out-of-stocks, soaring costs, and a lack of supply chain agility.

It didn't cripple them, but it brought them all to the table asking the same thing: How can we right the ship?

The answer? Get lean, embrace cutting-edge analytics, and follow the data.

By implementing a transportation management system (TMS), leveraging DAT products, other pioneering tools, and adopting industry-best logistics practices, Freshpet built a modern, slimmed down, and ultra-precise supply chain. One that saw what was coming in the market, was able to quickly adapt, and lock-in premium service levels.

**Today
Freshpet
has:**

95%+
on-time
delivery rates

Halved
their cost to
deliver products

20-25%
annual growth

Setting the stage:

What did Freshpet need to succeed?

Freshpet produces fresh, refrigerated pet food using locally sourced, natural ingredients. Its mission — pets, people, and the planet — guides its commitment to nourishing pets while minimizing environmental impact.

The company operates manufacturing facilities in Bethlehem, PA; Ennis, TX; and Siloam Springs, AR, distributing products through major retailers and grocers such as Walmart, Costco, Target, and specialty pet stores, as well as direct-to-consumer (DTC) shipments.

With a rapidly expanding market presence, Freshpet's logistics priorities include:

Carrier speed, accuracy & dependability

Ensuring refrigerated shipments meet strict handling and temperature requirements.

Scalability

Supporting a fast-growing business with innovative logistics solutions.

Cost efficiency

Reducing transportation expenses while maintaining service quality.

Challenges:

Scaling during disruptions

Before 2023, Freshpet grappled with mounting logistics challenges that severely impacted its operations. The pandemic didn't help, and like the rest of the industry, led to skyrocketing costs and out-of-stock issues, disrupting the supply chain.

A lack of agile logistics tools and standardized operating procedures (SOPs) hampered efficiency, while carrier capacity constraints made it difficult to secure the necessary investments for Freshpet's growth.

That's not all though – outdated freight strategies based on 2019 distribution models proved ineffective in meeting evolving demands. Shipping is a fast-changing industry, and Freshpet found themselves behind the eight ball.

On top of this puzzle sat another issue: the company's rapid expansion required major internal buy-in and silky-smooth cross-team collaboration.

The solution:

A refreshed logistics strategy

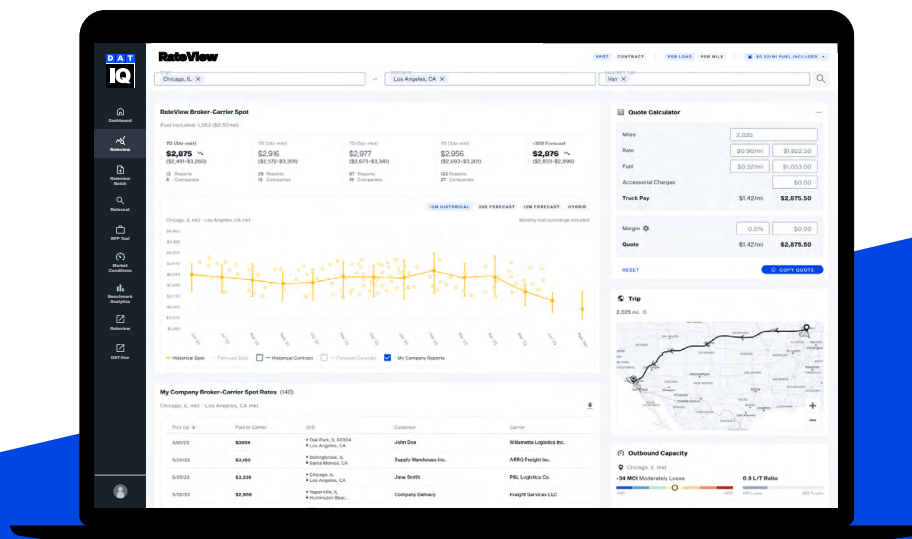
In a six-month transformation, Freshpet kicked it into gear and overhauled its logistics operations with advanced tools and strategies aimed at premium service and reliability.

The company implemented DAT iQ Benchmark and RateView for daily rate tracking, lane analysis, and mini-bid strategies.

Rate forecasting through Ratecast helped manage cost-per-unit programs, while bi-monthly market conditions tracking provided insights into freight

and fuel trends to guide long-term carrier strategies.

They changed strategies within these tools too: The adoption of a TMS and bid programs improved carrier selection, enabled real-time tracking, and cut costs. They strengthened their financial oversight and formalized carrier standard operating procedures (SOPs) with performance management, transitioning from a broker-heavy model to a structured, asset-based carrier network.



The results:

Premium service at smarter prices

Freshpet's logistics transformation brought major performance improvements, particularly in on-time delivery (OTD). After transitioning carriers, Costco's OTD surged from 55% to 98%, while Walmart and Target consistently achieved 98% or higher with asset carriers. Additionally, Freshpet optimized its partnership with an existing carrier at Wegmans, reaching an impressive 99% OTD. As a result, overall OTD across the company stabilized between 93% and 95%.

These changes yielded substantial cost reductions and financial benefits. Transportation costs dropped from 10-11% to approximately 4% of net sales, with outbound costs specifically decreasing to around 2.5% of net sales. Freight cost efficiency improved as logistics expenses as a percentage of total delivery costs declined from 14% to 6%.

Their new cost management strategy helped eliminate over \$2 million in penalties by enhancing performance.

Freshpet's commitment to innovation and strategic logistics investment has positioned it for long-term success. With DAT and other industry-leading freight management tools in their toolbox, Freshpet has transformed its operations from a startup model to an enterprise-level supply chain.

As the company continues its rapid growth trajectory, its agile, data-driven logistics has them poised for years of success, sustainably keeping fresh pet food on shelves and in homes across North America.



Freight & Analytics

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