

# Top 20 warehouses: Forecast brightens

It was a difficult year in the warehousing arena; new construction ground to a halt and revenues were down. But, it looks like we've turned the corner and the outlook is bright.

By Lorie King Rogers, Associate Editor

At *Modern*, we always write about what's happening "inside the four walls" of warehouses. In this article, however, we're talking about the actual warehouses—more specifically, the top 20 North American third-party logistics (3PL) warehouses and public refrigerated warehouses.

To get the what's what on the who's who in warehousing, *Modern* contacted two industry insiders. Dick Armstrong, chair of Armstrong & Associates ([www.3plogistics.com](http://www.3plogistics.com)), weighs in on the 3PL side, and Mark Blanchard, president and CEO of New Orleans Cold Storage ([www.nocs.com](http://www.nocs.com)) and current chair of International Association of Refrigerated Warehouses (IARW, [www.iarw.org](http://www.iarw.org)), shares his insight on the public refrigerated warehouse side.

## Third-party logistics providers

This year, DHL Exel Supply Chain remains the undisputed No. 1 company with 94.6 million square feet of warehouse space spread throughout 491 facilities. While that figure is down 4.4 million square feet, or 4.44% from last year, it's still nearly triple the amount of space (35 million square feet) operated by Jacobson Companies. Jacobson moved up to this year's No. 2 position, trading places with GENCO Supply Chain Solutions. GENCO is currently No. 3 in the ranking with 34.7 million square feet of space. Rounding out the top 5 are



No. 4 OHL with 30.1 million square feet and Caterpillar Logistics Services with 29 million square feet.

Combined, this year's top 5 companies operate 223.4 million square feet of warehouse space, or more than 43% of the total.

There are two newcomers to this year's top 20 list. APL Logistics, which has headquarters in Scottsdale, Ariz., makes an appearance in the No. 14

position with 16.2 million square feet of space spread throughout its 65 North American facilities. DB Schenker, with U.S. offices in Freeport, N.Y., completes this year's list in the No. 20 position with 12.6 million square feet of warehouse space.

So if two are in, then two others must be out. Kuehne + Nagel fell in the ranking from the No. 18 position to No. 22, and Penske Logistics went

from No.15 down to No. 24. With 12 and 10.6 million square feet, respectively, each company has a significant total, but neither was high enough for the top 20.

The combined number for all top 20 North American 3PL warehousing companies is 514 million square feet of capacity. That figure is 14 million less than the 2009 figure of 528 million square feet, which represents a 2.65% decrease.



PHOTOGRAPH BY ANDY REMOUDS

# TOP 20 WAREHOUSES

That's not surprising, says Armstrong, considering the downturn in the economy. Additionally, he reports that new construction has ground to a halt. "The warehousing market is not unlike what's gone on in the housing market. Construction will be at a stand still until space gets taken up," he says.

According to Armstrong, and the firm's recently released "North American Warehousing Study," there are about 8,000 commercial warehouses in 31 markets across North America and there is available capacity in all regions across the board. Overall vacancy rates in the major warehousing markets stood at 11.1% last year, up 6.5% from 2008. Phoenix had the highest vacancy rate, with 17.1%, Louisville was next with 16.2% and the vacancy rate in Columbus was 15.4%. The lowest overall vacancy rates were in Denver (6.9%), Los Angeles/Orange County (5.3%) and Toronto (4.5%).

On the positive side, Armstrong says the industry has already turned the corner. Last year, he predicted value-added warehousing would be down about 3%, but that it would slowly build back up, and by the end of 2010 we'll be back in good shape.

Was he right? "No doubt this is going to be much better year in terms of revenue than 2009. In value-added warehousing, revenue actually went down about 7% last year. But this year, we expect that to recover, plus add another 7% to 8% on top of that," Armstrong says.

The anticipated growth is a direct reflection of the economic recovery, which is gradual and will take a while, but, Armstrong says, the rebound is due to the recovery.

Increasing warehousing activity for certain companies represents a snapshot of what's happening in different markets, says Armstrong. Backed up

by the report's findings, he cites automobile sales, which have lagged, as an example of warehousing and 3PL activity in that sector that remain at previous levels. The same goes for anything related to housing and new home construction, which work directly with big box retailers like Home Depot and other building materials suppliers for the housing industry. Other sectors, like food and beverage, are expected to see an increase in 2010, due to U.S. population growth.

### Refrigerated warehouse operators

On the public refrigerated warehouse (PRW) side, all the names remained the same. All of last year's top 20 PRW operators are back on the list. There are a few changes in the ranking, but none moving more than one or two positions.

At the top of this year's list once again is AmeriCold with 604.7 million cubic feet of space throughout 14 dedicated

distribution centers, 23 production centers and 70 public warehousing operations, which handle 60 billion pounds of freight annually. VersaCold holds on firmly to the No. 2 ranking with more than 398.9 million cubic feet of space.

Last year *Modern* reported that Yacaipa, which owns No. 1 AmeriCold, made a strategic move to buy 49% of No. 2 VersaCold. While we expected the two entities to come together as one, so far, they are still reporting their capacity figures separately.

Also in the top 5, and in the same order as last year, are Millard Refrigerated Services at No. 3 with 293.7 million cubic feet, United States Cold Storage at No. 4 with 186.2 million cubic feet and Preferred Freezer Services at No. 5 with 170.2 million cubic feet.

Combined, the top 5 PRW operators account for more than 1.65 billion cubic feet of space, or 69.3%, of the total.

Top 20 North American 3PL warehouses				
Rank	Company	Web Site	Headquarters	Space (million sq. ft.)
1	DHL Exel Supply Chain	www.exel.com	Westerville, Ohio	94.6
2	Jacobson Companies	www.jacobsonco.com	Des Moines, Iowa	35.0
3	GENCO Supply Chain Solutions	www.genco.com	Pittsburgh, Pa.	34.7
4	OHL	www.ohl.com	Brentwood, Tenn.	30.1
5	Caterpillar Logistics Services	www.catlogistics.com	Morton, Ill.	29.0
6	Americold Logistics	www.americold.net	Atlanta, Ga.	27.0
7	Kenco Logistic Services	www.kencogroup.com	Chattanooga, Tenn.	25.0
8	UTi Worldwide	www.go2uti.com	Long Beach, Calif.	24.3
9	VersaCold Logistics Services	www.versacold.com	Vancouver, BC	23.0
10*	UPS Supply Chain Solutions	www.ups-scs.com	Alpharetta, Ga.	20.0
10*	MBX Logistics	www.mbxlogistics.com	Orlando, Fla.	20.0
12*	Menlo Worldwide Logistics	www.menloworldwide.com	San Mateo, Calif.	18.0
12*	NFI	www.nfiindustries.com	Cherry Hill, N.J.	18.0
14	APL Logisitcs (North America)	www.apllogistics.com	Scottsdale, Ariz.	16.2
15	DSC Logistics	www.dscllogistics.com	Des Plaines, Ill.	15.2
16*	Ryder Supply Chain Solutions	www.ryder.com	Miami, Fla.	15.0
16*	Saddle Creek Corporation	www.saddlecrk.com	Lakeland, Fla.	15.0
18	CEVA Logistics (North America)	www.cevalogistics.com	Jacksonville, Fla.	14.7
19	Warehouse Specialists	www.wsinc.com	Appleton, Wisc.	14.0
20	DB Schenker (North America)	www.dbschenkerusa.com	Freeport, N.Y.	12.6

Source: Armstrong & Associates, Inc. \*Tie

## TOP 20 WAREHOUSES

Back in the top 10, but in a slightly different order, are No. 6 Castle & Cooke Cold Storage (111.9 million cubic feet), No. 7 Interstate Warehousing (73.1 million), No. 8 Burris Refrigerated Logistics (62.3 million), No. 9 Nordic Cold Storage (59.5 million) and No. 10 Cloverleaf Cold Storage Co. (59.4 million).

Together, with nearly 2.4 billion feet of cubic space, this year's top 20 PRW companies account for about 61% of the refrigerated capacity throughout North America.

According to the IARW's annual list of the largest cold storage companies released earlier this month, this year's top North American PRWs saw an increase

of about 2.85% over last year.

So, while Blanchard agrees that it's been a difficult year in the warehousing market, he also sees positive signs and good news. For example, in addition to the increase over last year, he sees companies taking preventive measures to protect themselves and their products from natural disasters or other catastrophic events by implementing crisis management plans to protect against disruptions like Hurricane Katrina.

Another step in the right direction Blanchard points out are the preliminary results of the industry's benchmarking survey, which show that profits are holding, primarily as a result of cutting cost—with labor being a key

element to target. "Many companies are doing more with less man hours and others are investing in automation to save on labor down the road," he says. "Those companies that have committed to automation have been successful."

Blanchard is also seeing a shift from the idea of traditional warehousing toward value-added services like variable temperature storage and blast freezing.

"As we drive revenue, we have to ask how we can add services and value to our customers," Blanchard says. "On the flip side, customers are looking for those added services. Both sides know what needs to happen and we're looking with open eyes to see what's in everyone's benefit in order to accomplish our goals."

In support of Blanchard's industry analysis, Armstrong's warehousing report says that the trend toward expanded services is making it increasingly difficult to distinguish between PRWs and 3PLs, especially as more 3PLs specialize in specific market segments. For example, cold chain networks are shifting toward larger, more sophisticated warehouse facilities and more forward distribution centers and crossdocking facilities.

The study also indicates that the increased demand for frozen food should carry the industry into the next decade. Overall, slow and steady growth is expected, especially as technology standards continue to improve.

Just how much growth can be expected? According to the study, it's likely that this year's combined contract and public warehousing market, which now represents 45% of the entire U.S. warehousing market, could soon see revenue hit the \$50 billion mark. □

## Top 20 North American refrigerated warehouses

Rank	Company	Web Site	Headquarters	Space (million cu ft)*
1	AmeriCold Logistics	www.americold.net	Atlanta, Ga.	604.7
2	VersaCold	www.versacold.com	Vancouver, BC	398.9
3	Millard Refrigerated Services	millardref.com	Omaha, Neb.	293.7
4	United States Cold Storage	www.uscold.com	Cherry Hill, N.J.	186.2
5	Preferred Freezer Services	www.preferredfreezer.com	Newark, N.J.	170.2
6	Castle & Cooke Cold Storage	www.castlecooke.net	Riverside, Calif.	111.9
7	Interstate Warehousing	www.tippmanngroup.com/iwi.htm	Ft. Wayne, Ind.	73.1
8	Burris Refrigerated Logistics	www.burrislogistics.com	Milford, Del.	62.3
9	Nordic Cold Storage	www.nordiccold.com	Atlanta, Ga.	59.5
10	Cloverleaf Cold Storage Co.	www.cloverleaf.com	Sioux City, Iowa	59.4
11	Columbia Colstor	www.colstor.com	Moses Lake Wash.	50.6
12	Total Logistic Control	www.totallogistic.com	Holland, Mich.	47.5
13	Richmond Cold Storage Co.	www.richmondcold.com	Richmond, Va.	44.7
14	Henningsen Cold Storage Co.	www.henningsen.com	Hillsboro, Ore.	41.8
15	Frialsa Frigorificos S.A. De C.V.	www.frialsa.com.mx	Mexico City	39.7
16	Hanson Logistics	www.hansonlogistics-group.com	St. Joseph, Mich.	35.2
17	Conestoga Cold Storage	www.coldstorage.com	Kitchener, ON	30.6
18	Confederation Freezers	www.confederationfreezers.com	Brampton, ON	26.4
19	Congebec Logistics	www.congbec.com	Quebec	26.7
20	Terminal Freezers	www.terminalfreezers.com	Burlington, Wash.	24.4

Source: International Association of Refrigerated Warehouses (www.iarw.org), October 2010  
\*Gross refrigerated space includes all refrigerated spaces, including docks.