



Global Cold Chain Update: Consolidation

Corey Rosenbusch

*President & CEO
Global Cold Chain Alliance (GCCA)*



**22ND GCCA EUROPEAN
COLD CHAIN CONFERENCE**
20-22 MARCH 2019 | BRUSSELS

Global Top 25 IARW Members

COMPANY	CAPACITY (m³)	COMPANY	CAPACITY (m³)
1. Americold Logistics	27,755,394	14. Burris Logistics	2,035,362
2. Lineage Logistics	27,323,805	15. Henningsen Cold Storage	1,828,070
3. United States Cold Storage	8,834,460	16. Congebec Logistics, Inc.	1,635,068
4. AGRO Merchants Group, LLC	7,241,795	17. Conestoga Cold Storage	1,503,356
5. Nichirei Logistics Group, Inc.	5,122,122	18. Hanson Logistics	1,240,803
6. Kloosterboer	4,847,354	19. Oxford Logistics Group	1,088,271
7. NewCold Advanced Cold Logistics	4,799,837	20. Stockhabo	1,084,901
8. VersaCold Logistics Services	3,752,280	21. Trenton Cold Storage, Inc.	970,627
9. Cloverleaf Cold Storage	3,650,614	22. Confederation Freezers	919,094
10. Emergent Cold Storage	3,439,660	23. Seafrigo Cold Storage	837,804
11. VX Cold Chain Logistics	2,924,345	24. Nor-Am Cold Storage	830,301
12. Interstate Warehousing, Inc.	2,838,126	25. Friozem Armazens Frigorificos	818,001
13. Frialisa Frigorificos	2,831,610		

North America Top 25 IARW Members

COMPANY	CAPACITY (m³)	COMPANY	CAPACITY (m³)
1. Americold Logistics	25,142,459	14. Hanson Logistics	1,240,803
2. Lineage Logistics	22,040,739	15. Trenton Cold Storage, Inc.	970,627
3. United States Cold Storage	8,834,460	16. Confederation Freezers	919,094
4. VersaCold Logistics Services	3,752,280	17. Seafrigo Cold Storage	837,804
5. Cloverleaf Cold Storage	3,650,614	18. Nor-Am Cold Storage, Inc	830,301
6. AGRO Merchants Group	3,253,654	19. WOW Logistics	718,980
7. Interstate Warehousing	2,238,126	20. MTC Logistics	713,762
8. Frialsa Frigorificos	2,831,610	21. Midwest Refrigerated Services	663,570
9. Burris Logistics	2,035,362	22. Interstate Cold Storage, Inc..	606,065
10. Henningsen Cold Storage Co	1,828,070	23. Hall's Warehouse Corp.	584,044
11. Congebec Logistics, Inc	1,635,068	24. Nova Cold Storage	538,020
12. Conestoga Cold Storage	1,503,356	25. SnoTemp Cold Storage	516,620
13. NewCold Advanced Cold Logistics	1,358,420		

PUBLICLY TRADED



PRIVATE INVESTMENT IN THE INDUSTRY



BAY GROVE | CAPITAL

Blackstone

actis ELLIOTT®

PATRIA

In partnership with

Blackstone



OAKTREE



Westport Capital Partners LLC



Fenway Partners
Partners in Building Businesses



KingSett
CAPITAL



STEELRIVER
INFRASTRUCTURE PARTNERS



Desjardins

Brookfield

JGC | Joshua Green
CORPORATION



INCLINE®
EQUITY PARTNERS



Griver



GRUPO
ROMETU



AQUA
CAPITAL

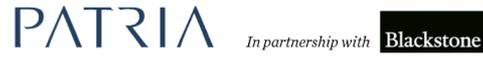


vanke 万科



GLOBAL COLD CHAIN
ALLIANCE®

GLOBAL



[+2 other CS assets]



US & CANADA



 **GLOBAL COLD CHAIN ALLIANCE®**

LATAM & CHINA

LATIN AMERICA



OLMO Capital



CHINA



COLD CHAIN CUSTOMER RESEARCH REPORT



Results and findings of GCCA's research into food companies' perceptions of the cold chain, and how cold chain providers can improve their services and relationships with these partners.

About the Research

GCCA embarked on a three-prong research strategy to learn about the perceptions from food companies of the cold chain, and how cold chain providers can improve their services and relationships with these partners.

GCCA research approach included both qualitative and quantitative research:

- 2016: One focus group at the 2016 Global Cold Chain Expo primarily involving processors who were customers of GCCA members.
- 2017: One focus group at the 2017 Global Cold Chain Expo with retailers, representing retail and distinct national and regional grocery retailers' operations, markets and target consumers.

• A comprehensive market research survey sent to customers of GCCA members, which primarily included food manufacturers and processors and refrigerated/frozen distribution customers. For this report, we will refer to any company related to refrigerated or frozen food storage, distribution, etc. (anyone who responded to the survey) as food companies. Respondents were asked to only consider their primary cold chain provider (no transportation or ambient included).

The report below encompasses a holistic view of the research conducted over the last 18 months, including both qualitative and quantitative. Of the 270 quantitative responses, 202 were considered complete and included in the final analysis.

For this report, any group within the category of refrigerated and/or frozen FPs, warehouse providers and/or cold chain partners are referred to as 'cold chain providers.'



COLD CHAIN CUSTOMER RESEARCH REPORT | 9

"Smart players may have the resources... but the smaller ones, sometimes you're just talking to the owner, so you got the ears of the right person."
—Processor

Satisfied with their Primary Cold Chain Provider

Figure 3 | Overall Satisfaction with the Primary Cold Chain Provider



Extremely Satisfied: 30.0% of companies Greater than \$100,000,000 are Extremely Satisfied 40% of companies \$50,000,000 to \$100,000,000 are Extremely Satisfied 25.4% of companies \$100,000 to \$50,000,000 are Extremely Satisfied 19% of companies less than \$100,000 are Extremely Satisfied

COLD CHAIN CUSTOMER RESEARCH REPORT | 10

Indicators: Reporting Needs a Conversation

For food processors, they want consistency and standardization. And many feel that cold chain providers have common KPIs to individual requests making industry-wide comparisons and standards difficult to set up. Customers want to be able to measure across the cold chain, not attempt to compare KPIs that are not the same thing but contain different data points. Understanding that customers want and need a more uniform approach to KPIs across the industry will allow providers to address customer needs.

*For Figures 10-18, respondents were asked to identify all KPIs their company is interested in when evaluating logistic operations. The number represented in these figures show how many times that KPI was selected by the noted respondent type.

When looking at what key performance indicators companies are interested in broken down by demographics, there were three notable outcomes:

1. Companies with an annual revenue greater than \$100,000,000 saw "Warehouse Cost Per Unit" drop to #4 compared to #1 in overall reporting.
2. When looking at company type or function, those in refrigerated or frozen distribution saw "Warehouse Cost Per Unit" drop to last place (#8).
3. There was no differentiation noted when broken down by respondent title.

Figure 11 | KPIs, Ranked

Shipping Accuracy	151
Warehouse Cost per Unit	138
On-Time Delivered On-Time Shipment	127
Inventories/Cycle Count Accuracy	117
Time to Ship	75
Out-bound Turn Times	75
In-bound Turn Times	72
Recent Warehouse Audit Score (AIB, BRC, SQS, Sillco, etc)	70
Warehouse Shrinkage Initiatives	65
Case Pick Percentage	56

"I think the industry could use some standardization, frankly, in terms of their reporting back to their clients or retailers. So, with some consistency there, I think that to me, represents a big step that can be made."
—Retailer



10 | COLD CHAIN CUSTOMER RESEARCH REPORT

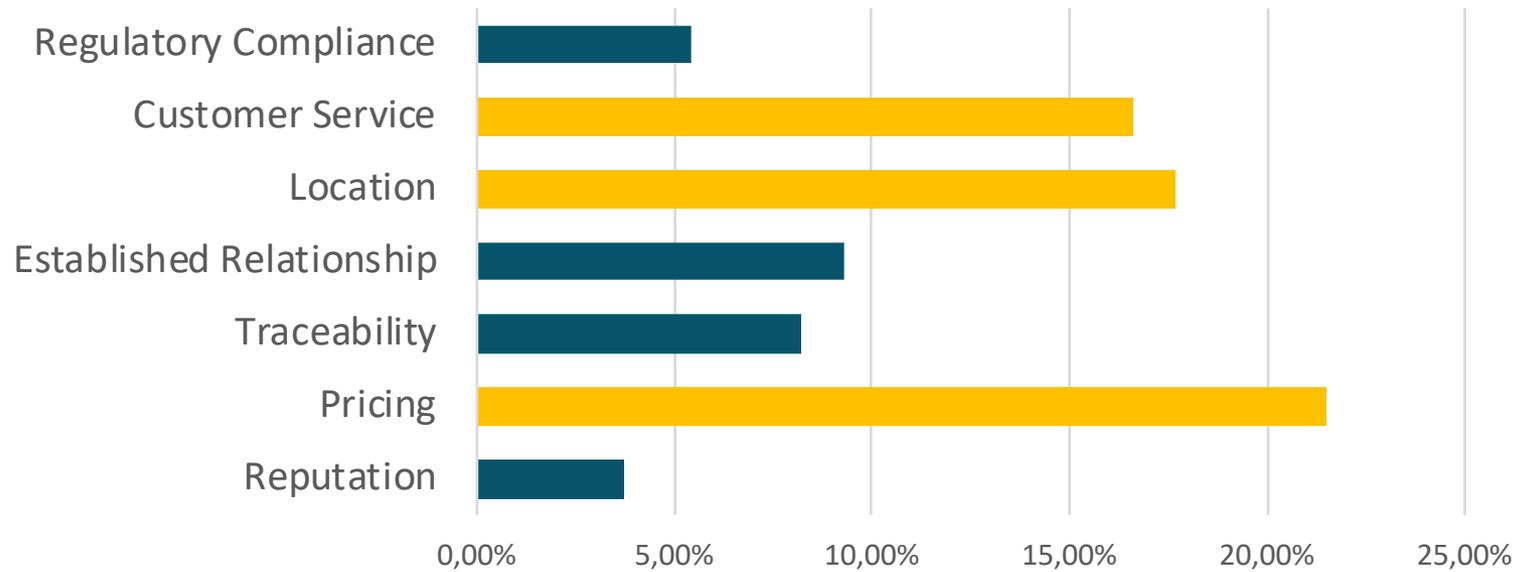




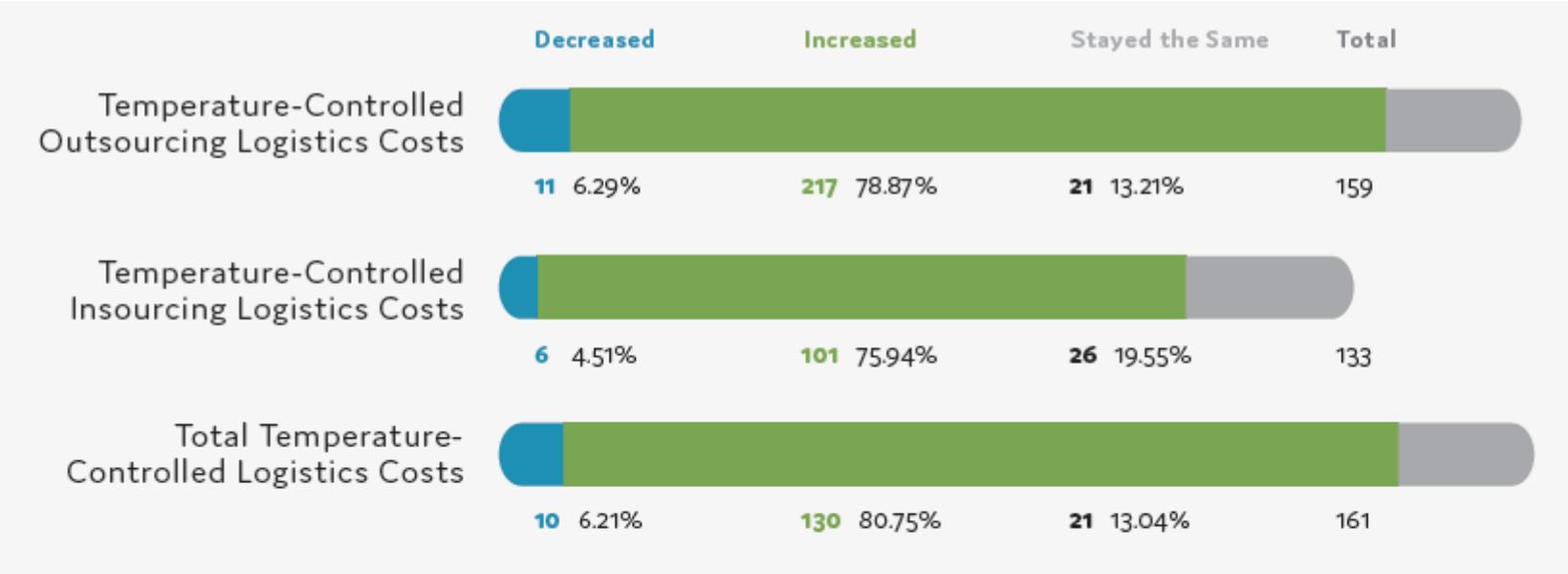
Smart & Final. Wegmans KWIK TRIP Walgreens



Factors in selecting a 3PL partner



Temperature-Controlled Logistics Costs in the Last 24 Months



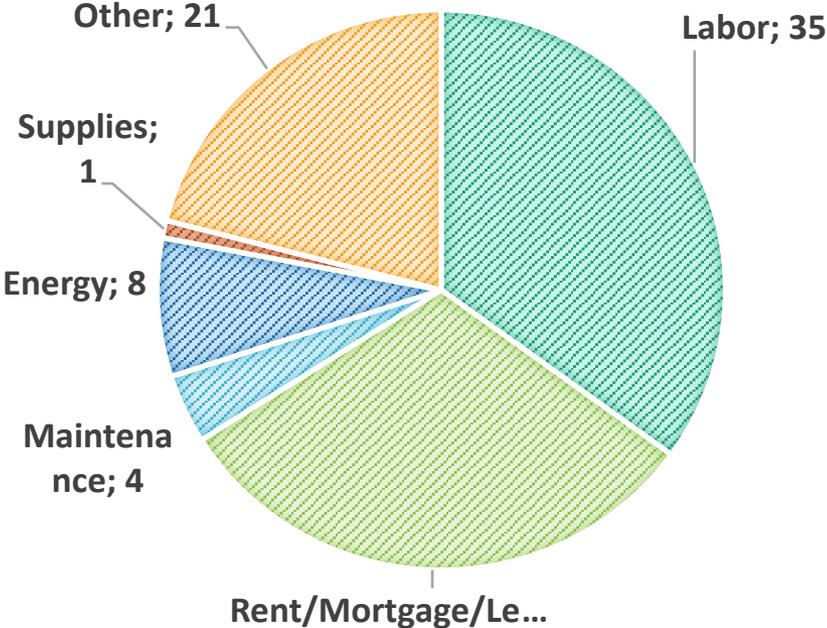
Warehouse Cost Per Unit Discrepancies

Companies with an **annual revenue greater than \$100,000,000** saw 'Warehouse Cost Per Unit' drop to #4 compared to #1 in overall reporting.

When looking at company type or function, those in **refrigerated or frozen distribution** saw "Warehouse Cost Per Unit" drop to last place (#9).

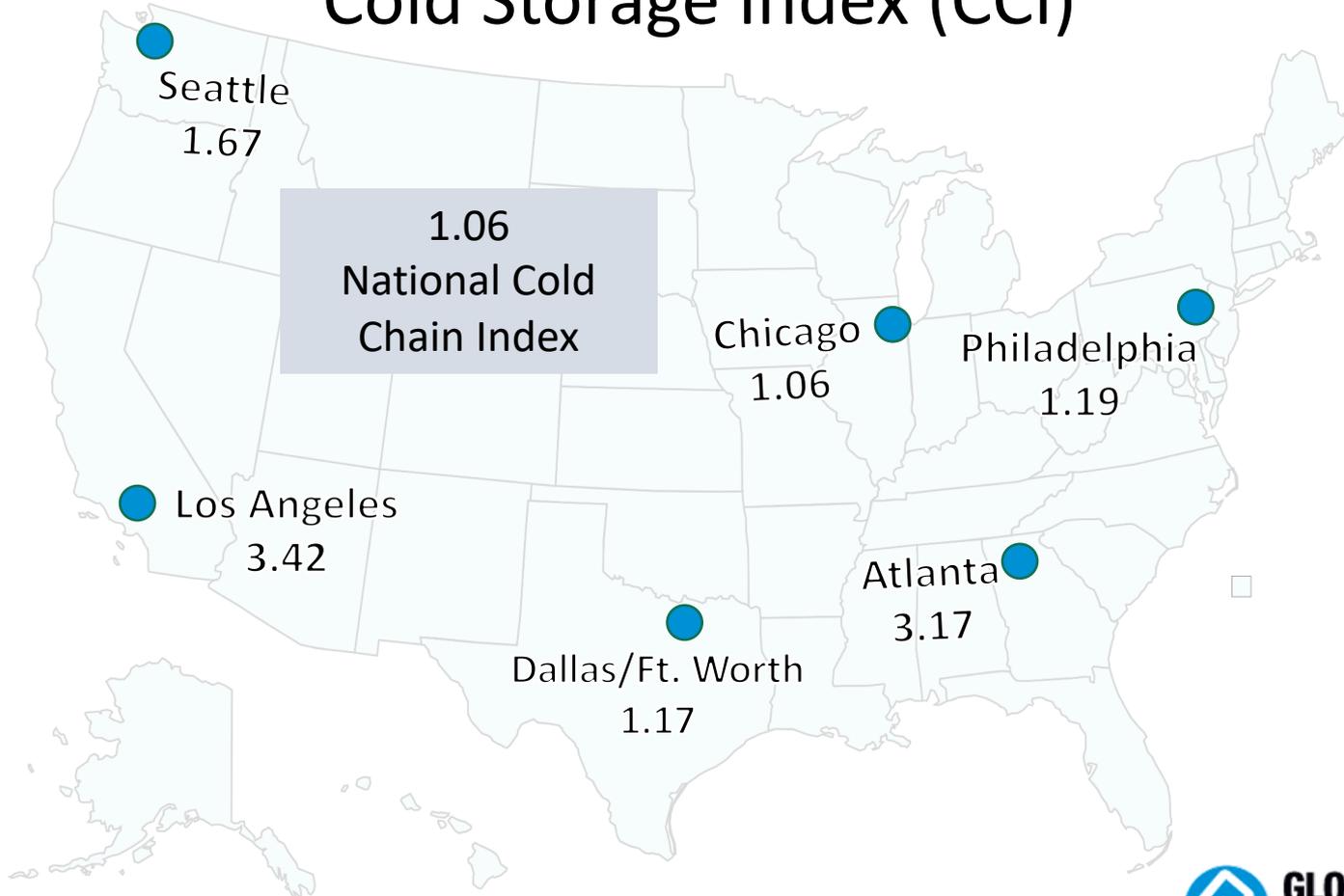


Cold Storage Index (CCI)



Cost Shares are derived from most recent GCCA Productivity & Benchmarking program

Cold Storage Index (CCI)



COLD CHAIN INDEX

		Comparison to Same Quarter, Previous Year		
		Cost Shares	Premium for Your Location	Annual total cost increase for the quarter, by item
Select region	Labor	44%	0.25%	3.74%
<input type="text" value="West_Region"/>	Electric	10%	0.00%	1.19%
	Rent	28%	0.00%	4.16%
Select state	Supplies	1%		2.49%
<input type="text" value="Oregon"/>	Maintenance	5%		2.24%
	Other	12%		2.49%
Select metro area				
<input type="text" value="None"/>				

STEPS TO CALCULATE YOUR RATE TO COVER COST INCREASE	
STEP 1 - Select Region	Cell D7
STEP 2 - Select State	Cell D10
STEP 2.5 - Select Metro Area (if applies)	Cell D13
STEP 3 - Modify Cost Shares (if necessary)	Cells G7:G11
STEP 4 - Modify the rates you charge now (if necessary)	Cell F18

Total Cost Increase, in Percent, for QIV 2018 relative to QIV 2017	3.35%
Enter the rates you charge now:	100
Proposed Rate to Cover Cost Increase QIV 2018	103.35



**Agribusiness, Food, and Consumer
Economics Research Center**
at Texas A&M University

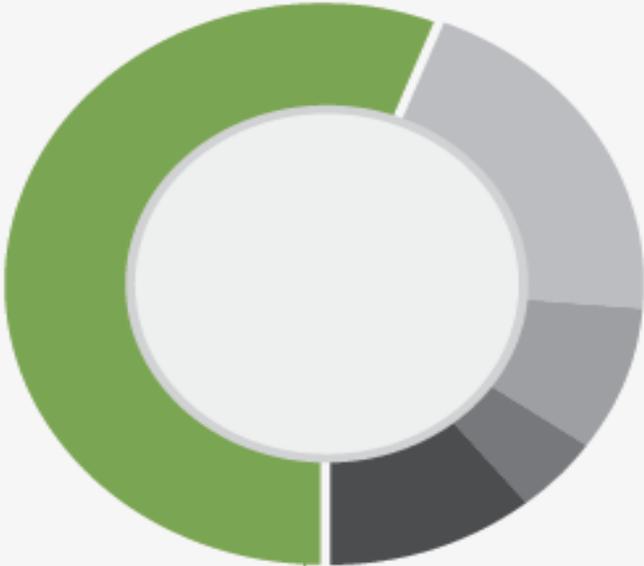


**GLOBAL COLD CHAIN
ALLIANCE®**

Business trends in the next 5 years



My cold chain provider plays an important role in my company's food safety.



Overall:

- 56.06% Strongly Agree
- 20.45% Somewhat Agree
- 8.33% Neither Agree nor Disagree
- 4.55% Somewhat Disagree
- 10.61% Strongly Disagree

Strongly Agree:

- 63.22% of Directors/Managers of Supply Chain Operations Strongly Agree
- 50% of C-Suite Executives/Vice Presidents/Senior Executives Strongly Agree
- 41.67% of CEOs/Owners Strongly Agree
- 41.18% of Others Strongly Agree

Cold chain 3PL providers are experts in temperature and supply chain management.

They partner with fresh/frozen food companies and retailers to provide distribution, warehousing and value-added services that enable these companies to:



Protect and enhance the brand

Protecting the Food Families Love Video



Thank You!

Corey Rosenbusch

crosenbusch@gcca.org

@CoreyRosenbusch

+1 703 373 4300

