

Global developments in cold storage industry

EUROPE

- More dedicated storage for products like French fries; these facilities can offer very low prices for “rest storage” because that is only additional profit.
- Recently several bankruptcies and probably more to come.
- Shipping figures are increasing, particularly container throughput.
- In general, growth in transportation, trans-shipment and cross docking.
- Price wars between retailers are now felt in the cold storage industry.
- Cold storage rates in areas with over-capacity are only 50% of the dry storage rates.
- Regulations are growing strongly and more and more influence operational and strategic directions of PRWs.

UNITED STATES

- Concerns about large producers owning/leasing warehouses and hiring third parties to operate them.
- More PRWs become involved in total logistics by controlling transportation functions.
- Pressure on transportation costs due to higher fuel prices, higher insurance rates, lack of qualified drivers and poor population demographics.
- Fewer potential customers, because of mergers/take-overs in the wholesale market and self-distributing by major retail chains.

SOUTH AMERICA

- Export market is growing enormously; little attention for internal market.
- Small and medium-sized producers do not own facilities, so they all use PRWs.
- Clients require more and more investments in trucks and data-systems.

SOUTH AFRICA

- Changing style of living results in more demand for frozen food.
- Standards of supermarkets are improving by the day; more m2 dedicated to frozen food.
- The fruit, fish and dairy sector mostly control their own distribution.
- Trend towards specialized refrigerated logistics companies.
- 60% of fruit export in South Africa is still break bulk; however, internationally the trend seems to be away from this type of transport.
- Retailers have their own centralized distribution centers.
- Consolidation in container shipping lines.

CANADA

- The market is fairly strong and continues to grow; market was hurt by BSE because of import restrictions for cattle into the US.
- More and more transport companies enter the cold storage business.
- Increasing regulations for food handling.
- RFID is not a major issue in Canada yet.

CHINA

- Most refrigerated warehouses are 40-50 years old and Russian design.
- Industry is strongly driven by rapidly growing frozen food market, which is a result from the strong increase in urban population and changing consumption habits.
- Refrigerated transport is the weakest link in the chain with spoilage of up to 33%.
- International frozen food manufacturers have their own production and distribution points and use their own refrigerated trucks.
- Large demand for modern refrigerated warehousing and distribution services.