**NewCold: Efficient intralogistics for XXL freezer**

* **NewCold built a freezer warehouse with 90,000 storage locations for key account customer McCain Foods in Burley, Idaho**
* **The Dutch logistics service provider relied on TGW's intralogistics competence and expertise**
* **Automation increases efficiency and saves energy**

**(Marchtrenk, 26 January 2022) The Dutch logistics service provider NewCold has constructed one of North America's largest freezer warehouses in the U.S. state of Idaho. The globally active freezer logistics specialist had no choice but to automate.**

For many professional and amateur cooks, the concepts *fries/chips* und *McCain* are inseparable. Anyone in the northwestern U.S. who has bought frozen potato products from the family business has most likely held in their hands a package that had previously been stored in the XXL freezer in Burley. Nature lovers know the area because the Snake River flows not far from there. The small city of 10,000 inhabitants also has its advantages from a logistics standpoint: it has direct access to Interstate 84 as well as to a railway line, both of which lead to the great metropolises of the west coast.

**State-of-the-art automation**

Experts in refrigerated logistics are familiar with the distribution centre that opened in the small city in late 2019: the 42-metre-tall high bay warehouse makes an impression due not only to its size but to its state-of-the art automation. The fulfilment centre, which handles a yearly throughput of roughly 700,000 pallets, was constructed in cooperation with the TGW Logistics Group. The operator is the Dutch service provider NewCold, which manages a network of freezer warehouses in the U.S.A., Australia and Europe. The Burley freezer warehouse's main customer is McCain Foods. Founded in Canada in 1956, that company and its service provider have fostered a cooperative business relationship since 2013.

As NewCold's management was planning the system, there was never a discussion as to whether it would be manual or automated. It was more a question of what the best automation solution looked like and who could implement it. They opted for TGW. NewCold was confident it would be best able to reach its corporate goals working with the intralogistics specialist's time-proven technology.

* High capacity
* Low energy consumption
* Comprehensive integration
* Good return on investment

**Focus on TGW's freezer expertise**

During the selection process, TGW had a clear advantage: NewCold was already familiar with TGW's portfolio and its specialists' freezer expertise from previous joint projects. "Automation is one of the keys to meeting our customers' needs. They are in the process of reorganising their supply chains in order to achieve the greatest efficiency and the lowest costs possible," explains Peter Verharen, Vice President Project Management at NewCold. "Automation is the only way to achieve the throughput that the market demands."

According to the service provider, automated freezer warehouses offer many other advantages as well: the space required can be reduced by up to 60 percent compared to manual warehouses - an important argument in areas where parcels of land are scarce and costly. Other deciding factors are the shortage of skilled labour and the reduction of operating costs. According to NewCold, personnel costs in an automated warehouse can be up to 65 percent lower than in a manual distribution centre, while energy consumption can be reduced by around 50 percent.

NewCold's experience coincides with what Michael Schedlbauer, Industry Manager for grocery retail at TGW, has gleaned from numerous projects: "Alongside sustainability and increasing customer requirements, the shortage of skilled labour is the most significant reason that companies are automating their temperature-controlled warehouses. Such a step is even more worthwhile in freezer logistics than in other areas." Finding, training and retaining employees is the top priority on NewCold's agenda. "Our employees are just as important to us as customer care and long-term profitability," says Verharen. To that end, the logistics service provider concentrates on two success factors: good wages and training. The company trains its employees using innovative software and technology.

**Energy savings of up to two thirds**

Alongside clever strategies, modern technologies are the key to significant energy conservation. "With an automated rather than a manual freezer warehouse, you can not only double productivity but also save up to two thirds of the cooling energy," notes Schedlbauer.

High storage density is a central guiding principle when it comes to new construction projects. Compared to manual systems, the total area needed for an automated system is substantially smaller. NewCold only requires an area of 14,400 square metres for 90,000 pallet storage locations because the goods are distributed to the 14 levels by storage and retrieval machines. The maximum throughput rate is 189 pallets per hour (simultaneous storage and retrieval). The high bay warehouse is kept at a permanent -25 degrees Celsius, while the temperature in the picking area lies between -5 and -2 degrees Celsius.

Storage and retrieval takes place in the dark: only the picking area is lit. Intelligent material flow controls keep conveyor system movements and the opening of doors to a minimum, which is also easier on both the environment and the company's accounts.

**Digitalisation for a transparent supply chain**

Modern software solutions also offer the advantage of a transparent value added chain. "That can be important in the case of product recalls, for example," explains Schedlbauer. If worse comes to worst, manufacturers and logistics service providers need to be able to identify the affected products with just a few clicks of the mouse. Such supply chain transparency is only possible through digitalisation and automation.

The installation in Burley presented TGW with the challenge of pallet handling catered specifically for the U.S. market. Trucks deliver goods not only on system pallets, but also on so-called "slip sheets" made of thin kraftliner. In the goods receiving area, forklifts transfer all deliveries to system pallets and a check station performs a weight and contour check. Finally, the load carriers are stored. A pallet exchange device handles the order-specific retrieval of goods, whether they be needed on system pallets, customer pallets or slip sheets. Forty separate lanes act as a buffer in the goods out area.

**Well-equipped for the future**

Around the clock, potato wedges, fries/chips & co. depart Burley and make their way to the customers. A TGW service team is therefore available on-site to ensure reliable operation. "Our collaboration with TGW is going very well, in terms of both project and service," concludes Verharen.

With the new distribution system in Burley, NewCold is well-equipped for the future. Chances are that the fulfilment centre's capacity utilisation will remain high in the coming years. The demand for convenience products has grown since the beginning of the pandemic; the frozen food sector grew by 20 percent in the U.S. alone.

**About NewCold**

NewCold is a global company headquartered in Breda (Netherlands) that specialises in temperature-controlled warehousing and distribution. The service provider manages a network of eleven automated refrigerated warehouses in the U.S.A., Australia and Europe. In Europe, the company is active in the United Kingdom, France, Poland, Germany, Sweden and Italy. NewCold offers its customers a total of over 927,000 pallet storage locations. The company employs around 1,200 people worldwide.

**About TGW Logistics Group:**

TGW Logistics Group is one of the leading international suppliers of material handling solutions. For more than 50 years, the Austrian specialist has implemented automated systems for its international customers, including brands from A as in Adidas to Z as in Zalando. As systems integrator, TGW plans, produces and implements complex logistics centres, from mechatronic products and robots to control systems and software. TGW Logistics Group has subsidiaries in Europe, China and the US and more than 3,800 employees worldwide. In the 2020/2021 business year, the company generated a total turnover of 813 million euros.

[www.tgw-group.com](http://www.tgw-group.com)

**Pictures:**

Reprint with reference to TGW Logistics Group GmbH free of charge. Reprint is not permitted for promotional purposes.

© NewCold

**Contact:**

TGW Logistics Group GmbH

A-4614 Marchtrenk, Ludwig Szinicz Straße 3

T: +43.50.486-0

F: +43.50.486-31

e-mail: tgw@tgw-group.com

Press contact:

Alexander Tahedl

Communications Specialist

T: +43.50.486-2267

M: +43.664.88459713

alexander.tahedl@tgw-group.com

Martin Kirchmayr

Director Marketing & Communications

T: +43.50.486-1382

M: +43.664.8187423

martin.kirchmayr@tgw-group.com