**NewCold: Efficient warehouse automation 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 warehouse automation 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 Burley, Idaho. The global freezer logistics specialist had no choice but to automate the facility.**

For many professional and amateur chefs, fries and McCain are inseparable. Anyone in the Northwest who has bought frozen potato products from the family business has most likely held 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 people also provides logistical advantages: it has direct access to Interstate 84 and a railway line, both of which lead to the main metropolises on the west coast.

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

The distribution center that opened in the small city in late 2019 is already known across the industry: the 138-foot-tall high bay warehouse makes an impression with its size and state-of-the art automation. The fulfillment center, which handles a yearly throughput of roughly 700,000 pallets, was constructed in cooperation with TGW. The operator is the Dutch service provider NewCold, who manages a network of freezer warehouses in the U.S., Australia and Europe. The Burley freezer warehouse's main customer is McCain Foods. Founded in Canada in 1956, the company and its service provider have fostered a cooperative business relationship since 2013.

As NewCold 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 TGW’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 freezer expertise from previous joint projects. "Automation is one of the keys to meeting our customers' needs. They are in the process of reorganizing 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 land is scarce and/or costly. Other deciding factors are the shortage of skilled labor 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 center, 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 labor 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 salaries 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 155,000 square feet 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 constant temperature of -13 degrees Fahrenheit, while the temperature in the picking area lies between 23 and 28 degrees Fahrenheit.

Storage and retrieval is based on a dark warehouse concept, that allows for additional energy reduction. 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 bottom line.

**Digitalization 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 mouse clicks. Such supply chain transparency is only possible through digitalization 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, where they are weighed and contour-checked. Afterwards, 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 outbound area.

**Well-equipped for the future**

Around the clock, potato wedges, fries, and more depart Burley and make their way to customers. To ensure reliable operations, a TGW service technicians are available on-site. "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 fulfillment center’s capacity utilization will remain high in the coming years. The demand for convenience products has grown since the beginning of the COVID 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 specializes in temperature-controlled warehousing and distribution. The service provider manages a network of eleven automated refrigerated warehouses in the U.S, 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 a leading systems integrator of automated warehouse solutions. With over 50 years of experience the automation specialist designs, manufactures, implements and maintains end-to-end fulfillment solutions for brands such as Urban Outfitters, the Gap or TVH.

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

TGW Logistics Group has subsidiaries in the US, Europe and China and employs more than 3,800 people worldwide. In the 2020/21 fiscal year, the foundation-owned company generated a revenue of $952 million US dollars.

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