



**UK
FOOD
VALLEY**

Greater Lincolnshire

THE COLD CHAIN & LOGISTICS INVESTMENT OPPORTUNITY



The Cold Chain & Logistics Market Opportunity

The UK's cold chain and logistics sectors are experiencing a period of rapid change and expansion. Net Zero carbon targets, workforce constraints, and new, post EU-exit trading arrangements are driving supply chain decarbonisation, digitalisation, and automation - to increase productivity and sustainability, while ensuring border control compliance. ¹

Globally, the cold storage and logistics sector is growing steadily, as demand for food increases with population growth. In the UK, the frozen food market is currently worth over £8 billion, and the chilled food market more than £12 billion,² supporting food sales worth over £70 billion.³ The country's cold chain industry is growing at an annual rate of 4%, driven by a steady increase in demand for frozen food.¹

Although 1.55 million sq m of new cold storage space is currently under construction in the UK, capacity remains constrained and the need for at least a further 785,000 sq m by 2025

has been identified.⁴ If potential increases in demand due to EU-exit and Covid-19 are realised, the requirement could be higher still, especially as the industry increases its focus on more resilient, distributed supply chains with increased storage capacities closer to market.

The combination of labour constraints, rising labour costs, and the drive for decarbonisation will need to be addressed by upgrades to new, high-efficiency, low-carbon refrigeration systems, and advanced, digitalised and automated warehouses and supply chains. This transformation presents a range of opportunities for

businesses to gain a competitive edge, through investments in existing, new or third-party operations.

Greater Lincolnshire is at the forefront of the UK food industry. The area uniquely combines large-scale production, processing, cold storage and logistics capacities with leading-edge cold chain and Food Industry 4.0 technologies and expertise. All of which creates a powerful location proposition for businesses seeking to profit from growing UK demand, and the transition to more efficient, productive, and sustainable cold chain and logistics operations.

THE MARKET GROWTH OPPORTUNITY

£8bn

UK Frozen Food
Market Value²

£12bn

UK Chilled Food Market
Value²

+4%
per annum

UK Cold Chain Industry
Growth Rate¹

**The UK Needs More Cold
Storage Capacity**

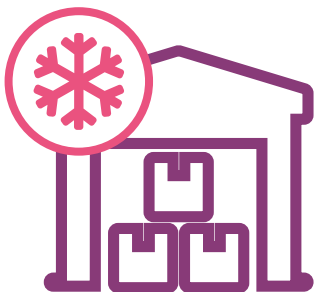
1.55m
sq m

UK Cold Storage Space Under
Construction³

+785,000
sq m

Additional UK Cold Storage
Requirement by 2025³

THE UK INVESTMENT OPPORTUNITY



Implement Advanced
Cool Chain &
Food Industry 4.0
Technologies



Boost Productivity,
Sustainability &
Resilience



Gain Competitive Edge in
a Growing Market

Greater Lincolnshire: The Cold Chain & Logistics Investment Opportunity

Greater Lincolnshire presents high-value opportunities for cold chain and logistics businesses to combine growth in the UK market with transformative, technology-driven innovation.

The area is at the heart of the UK's agrifood sector, leading the country in food production, processing and packaging, with cold storage and logistics focused on two highly developed industry hubs. South Lincolnshire, centred on Spalding, is home to the UK's largest food logistics hub, handling 30% of the country's food at some stage in the supply chain.⁵ The South Humber hub, centred in Grimsby, includes Europe's largest seafood processing cluster and, in the ports of Grimsby and Immingham, the UK's busiest trading gateway.

Both hubs incorporate large-scale cold storage and logistics operations, Border Control Posts (BCPs) for the fast clearance of temperature-controlled foods from ports, and wide-ranging expertise in international trade. The area's highly developed renewable energy sector, including the world's largest offshore wind farms, potentially provides businesses

with direct access to reliable, low carbon energy sources. With the area's food producers and processors expanding to satisfy growing market demand, as well as significant potential for consolidation and economies of scale, profitable opportunities exist for further major investments in cold chain and logistics capacity.

In the context of workforce constraints, decarbonisation targets, increasing competition, and the need for more resilient supply chains, businesses investing in new cold chain and logistics operations must incorporate advanced technology solutions. These are areas in which Greater Lincolnshire excels, through the capabilities of the University of Lincoln – a leader in Food Industry 4.0 technologies – and specialist facilities including Grimsby's Food Refrigeration and Process Engineering Research Centre (FRPERC). These and other

regional centres of excellence partner with businesses in key areas including low carbon energy, sustainable refrigeration, digitalisation, automation, and intelligent transportation - to deliver step-change improvements in sustainability, traceability and productivity.^{6,7}

The scale and diversity of Greater Lincolnshire's food logistics cluster means that the area can satisfy all the key requirements of businesses investing in the sector: a specialised workforce, skills providers focused on industry needs, and dedicated, pre-consented sites for food processing, cold storage and logistics activities. Combined with leading-edge expertise and technology solutions, the area presents a unique opportunity for cold chain and logistics businesses to expand and gain a competitive edge in the UK market.



CAPABILITY

Advanced Food Industry Clusters

The South Humber cluster offers capabilities in every aspect of food processing, packaging, distribution and frozen imports and exports. Areas of leading-edge expertise include refrigeration, automation and robotics, food safety and microbiology.

The South Lincolnshire cluster serves the region's substantial food production sector, with a focus on the processing, cold storage and distribution of fresh produce. As well as extensive cold chain capacities and expertise, the cluster offers advanced solutions in areas including packaging, supply chain digitalisation, robotics and automation.

CAPABILITY

Workforce, Education & Skills

Greater Lincolnshire offers the skilled workforce required by logistics and cold chain businesses seeking to expand and automate, with a concentration of logistics workers up to 2.5x the Great Britain average.¹²

The area's further and higher education providers work with businesses to deliver industry-focused skills. The National Centre for Food Manufacturing (NCFM), provides apprenticeships, degrees and PhDs in operations and supply chain management.

Boston College has a new Digital, Transport and Logistics Academy (DTLA). The Boston Town Deal includes a Centre for Food and Fresh Produce Logistics opening in 2022.

CAPABILITY

Cold Storage & Logistics

The Grimsby hub offers 230,000 tonnes of cold storage capacity, including one of Europe's largest facilities, operated by Lineage Logistics. Major cold chain transport providers include DFDS, while nearby Humberside Airport offers an airside Perishables Hub.

The Spalding hub is home to leading cold storage and logistics businesses, including Americold, (29 stores), Fowler Welch (160,000 sq ft), FreshLinc and Turners. Over 1,200 trucks leave Spalding with finished food every day of the year.

The South Lincolnshire food cluster is working with the nearby Port of Boston to reopen this fresh produce importation route.

CAPABILITY

Available Sites & Properties

Greater Lincolnshire offers large-scale, pre-consented sites for food processing, cold storage and logistics activities.

Europarc III, Grimsby, is a dedicated Food Enterprise Zone site with potential to accommodate facilities up to 24,000 sq m (260,000 sq ft). Sites within the South Humber cluster offer potential Freeport tax and customs incentives.¹³

South Lincolnshire Food Enterprise Zone (FEZ), in Holbeach, is a strategic development projected to deliver 60,000 sq m of business space for agrifood research, on production, and cold chain storage and logistics.

CAPABILITY

Industry 4.0 & Refrigeration Expertise

The University of Lincoln's key research and technology capabilities include:

Lincoln Institute for Agri-Food Technologies (LIAT): specialisations include energy efficiency, sustainability and supply chain automation and digitalisation.⁸

Lincoln Centre for Autonomous Systems (L-CAS): expertise includes robotics and intelligent transport.⁹

National Centre for Food Manufacturing: includes robotics, automation, and cold chain logistics.¹⁰

The region's Trusted Bytes project is a collaboration including the University of Lincoln and leading businesses to revolutionise the digital food supply chain.¹¹

CAPABILITY

Renewable & Sustainable Energy

Greater Lincolnshire is at the heart of renewable and sustainable energy generation in the UK.

With the world's largest offshore wind farms located off the coast in the North Sea, the potential exists for energy-intensive businesses, including cold storage and logistics providers, to access reliable sources of cost-effective, low carbon power across Greater Lincolnshire. Large Anaerobic Digestion plants and solar capacity also provide opportunities for low carbon cold stores.

The South Humber Bank's energy clusters also provide potential access to sustainable energy solutions, including via private wire arrangements.

Greater Lincolnshire's Location & Connectivity

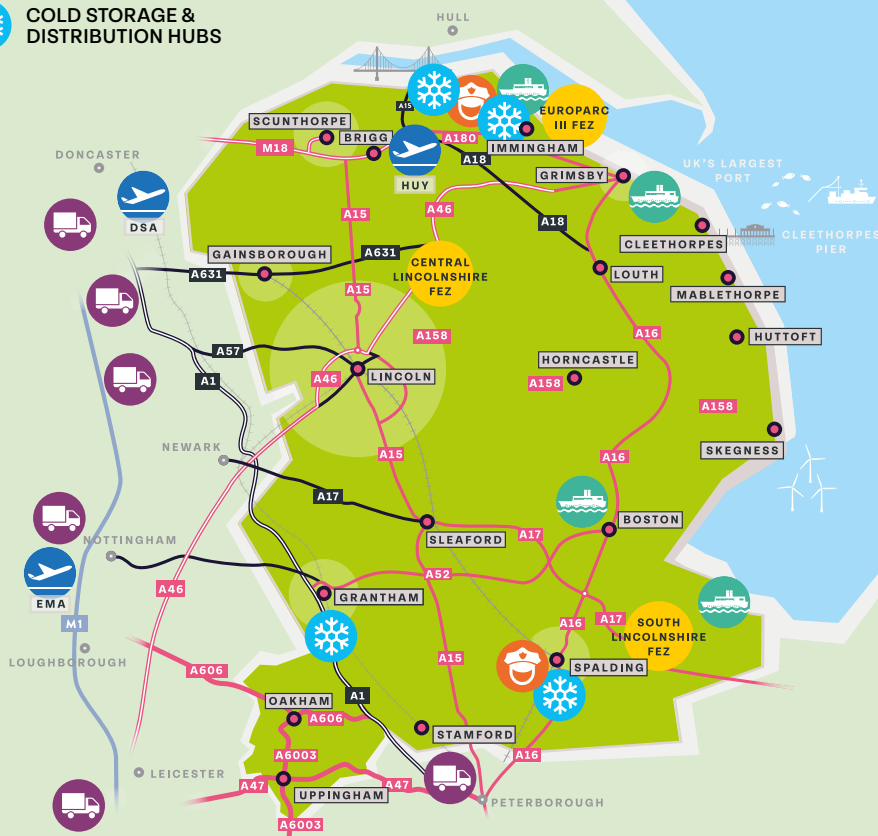
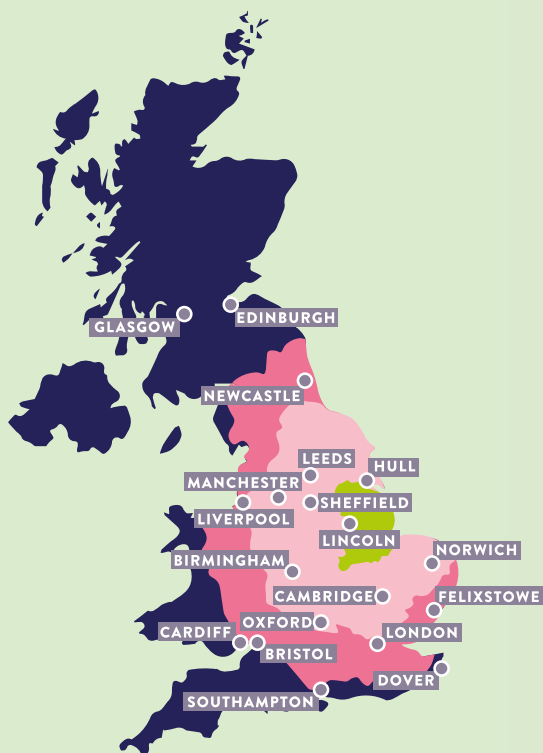
Greater Lincolnshire provides cold chain and logistics businesses with fast, multimodal access to distribution hubs and consumer markets in the UK and worldwide.

HGV Drive Times (from Lincoln)

- GREATER LINCOLNSHIRE LEP AREA
- 3 HOUR HGV DRIVE TIME
- 4.5 HOUR HGV DRIVE TIME (1 DRIVER SHIFT)

Key:

- GREATER LINCOLNSHIRE
- DISTRIBUTION HUBS
- COLD STORAGE & DISTRIBUTION HUBS
- BORDER CONTROL POST
- FOOD ENTERPRISE ZONE
- PORTS
- AIRPORTS



By Road

Greater Lincolnshire's central Great Britain location (north-south) enables fast access to key Midlands distribution hubs (on the M1 and A1 corridors). More than 75% of the UK's population can be reached within 4 hours' HGV drive time - less than one driver shift.

By Sea

The Humber ports of Immingham and Grimsby offer frequent lo-lo and ro-ro services to European ports, and deep-sea feeder services to global markets. The Port of Boston's ambitious Food Port project, includes a dedicated Centre for Food and Fresh Produce Logistics.

By Rail

The ports of Immingham, Grimsby and Boston are rail freight connected. For business travellers, Greater Lincolnshire also offers fast passenger rail connectivity to destinations across the UK.

By Air

Humber Airfield provides global connectivity via Amsterdam and a temperature-controlled airside Perishables Hub. East Midlands Airport, the UK's largest dedicated air cargo hub, is less than 2 hours' HGV drive time from Spalding.

INVESTABILITY

Track Record

Greater Lincolnshire's cold chain and logistics sector has a proven track record of attracting major investments from UK and international businesses.

In 2021, Magnavale announced its intention to build the UK's largest carbon-neutral cold store in Easton, Lincolnshire.

In 2021, Americold acquired Spalding-based Bowman's Stores in a \$74 million deal.

In 2018, XPO Logistics announced an investment of £67 million in a new, 24,000 sq m cold storage facility in Grantham, Lincolnshire.

New Border Control Posts (BCPs) have also been delivered in Spalding and the Humber.

POTENTIAL

Enabling the Transition to Low Carbon Logistics

Greater Lincolnshire's multimodal freight connectivity can enable investing businesses to develop low carbon supply chains.

The extensive services offered by the ports of Immingham, Grimsby and Boston can support the increased use of sea freight.

25% of UK rail freight passes through Greater Lincolnshire, presenting businesses with the opportunity to transport more goods by rail, which reduces carbon emissions by 75%.

SUPPORT FOR YOUR BUSINESS INVESTMENT

Support for Investors from the Greater Lincolnshire Partnership

Working together, the LEP and our partner organisations, including local authorities, education providers and businesses, provide dedicated support to ensure a 'soft landing' for companies investing in Greater Lincolnshire.

Contact us to find out how we can support your business relocation or expansion project.

Our services to business include:

- Support in finding the right site or property
- Planning application support and guidance
- Location, economic and market intelligence
- Access to workforce recruitment, education and training solutions
- Access to sector specialists
- Access to sector-specific support programmes
- Access to local supply chains and business networks
- Access to funding for business investment

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