

Refrigerated Transporter's 20th Annual Gross Revenue Report—Refrigerated Fleets

Even with more competition and challenges, refrigerated carriers report sustained growth and operating ratios

By David A Kolman

Despite the many challenges that continue to confront the industry, and the complicated dynamics of the marketplace, refrigerated carriers, on whole, have seen a slight improvement in business. *Refrigerated Transporter's* Annual Gross

Revenue Report — the only compilation of revenue figures focusing on refrigerated fleets — shows that for 2006, revenue was up somewhat, and on average, operating revenues — a company's operating expenses divided by its operating costs — went up to some extent as well.

As can be seen in the accompany-

ing Rankings and Growth Rates table, there was an average 8.5 percent rate of growth from 2005 to 2006 for the 45 carriers that responded to information requests from *Refrigerated Transporter*. That amounted to an average of \$905,607 in additional revenue.

Revenue for these carriers totaled \$5,090,053,674 in 2006, compared to \$4,691,546,665 the previous year.

To gain further insight into the industry's business conditions, for this year's Annual Gross Revenue Report, *Refrigerated Transporter* reviewed carrier revenue information it has collected over the past 10 years.

An analysis of this data for each year from 1997 through 2006 reveals that many of the fleets have grown by double and even triple-digit percentages. For example, the top dollar performer, C R England, increased by 102 percent, from about \$314 million in revenues to more than \$636 million.

Some of the smaller refrigerated transportation fleets also performed very well during the past 10 years. Diversified Transfer and Storage, by way of example, grew by 200 percent. Its revenues went from about \$4 million to \$13 million.

The largest percentage increase in revenue for fleets was achieved by John Christner Trucking. It grew by 363 percent, from annual revenues of about \$40 million in 1997 to nearly \$185 million in 2006.

Report participants

The fleets that participate in *Refrigerated Transporter's* Annual Gross Revenue Report vary from year-to-year. As a rule, about three or four dozen refrigerated carriers participate in the annual survey each year.

In total, about 120 carriers have reported revenues in the survey since 1997. Of these, about two dozen refrigerated motor carriers that reported for 1997 also provided their revenue figures for 2006.

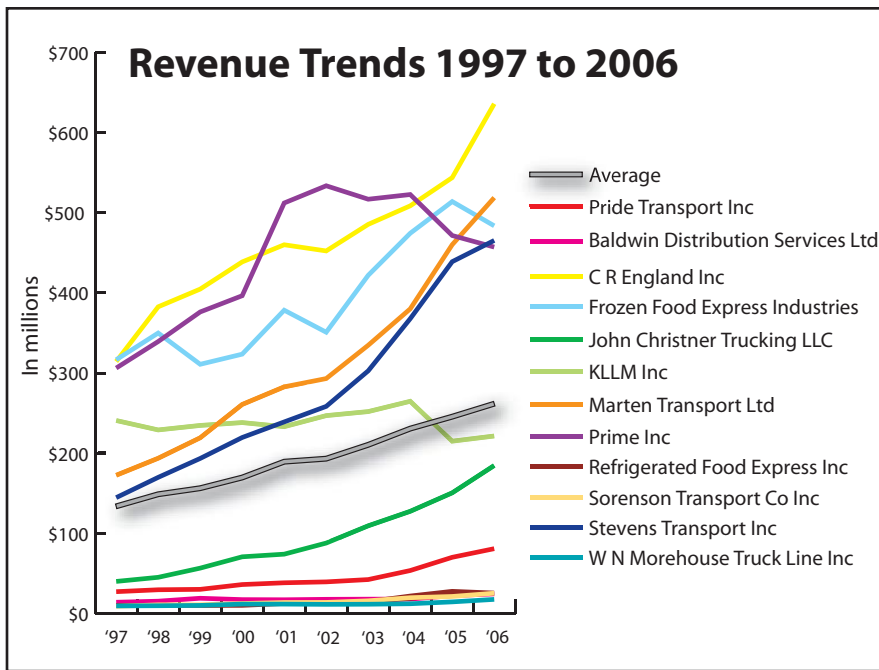
Altogether, there are 538 reports of annual revenue and 466 reports regarding operating ratios over the 1997 to 2006 time frame. With regard

10-Year Revenue Snapshot	2006 Revenue	1997 Revenue
Frozen Food Express Industries • Dallas TX	\$483,721,000	\$316,568,000
C R England Inc • Salt Lake City UT	\$636,058,623	\$314,394,222
Prime Inc • Springfield MO	\$457,207,136	\$306,190,914
KLLM Inc • Jackson MS	\$221,404,531	\$240,766,000
Marten Transport Ltd • Mondovi WI	\$518,890,000	\$172,412,000
Stevens Transport Inc • Dallas TX	\$465,500,000	\$144,500,000
Willis Shaw Express • Elm Springs AR	\$119,725,000	\$106,800,000
National Carriers Inc • Liberal KS	\$119,566,436	\$74,960,405
Arctic Express Inc • Hilliard OH	\$44,550,000	\$72,078,000
J & R Schugel Trucking Inc • New Ulm MN	\$103,296,197	\$47,255,854
John Christner Trucking LLC • Sapulpa OK	\$184,585,064	\$39,884,509
Pride Transport Inc • Salt Lake City UT	\$80,777,000	\$27,108,378
T W Transport • Spokane WA	\$25,000,000	\$25,182,405
Kennesaw Transportation Inc • White GA	\$43,687,349	\$22,333,915
M Bruenger Co Inc • Wichita KS	\$21,667,028	\$16,720,367
Baldwin Distribution Services Ltd • Amarillo TX	\$24,363,027	\$13,911,915
Refrigerated Food Express Inc • Avon MA	\$25,382,869	\$9,844,781
3KB Transportation Inc • Altus OK	\$22,673,229	\$9,590,931
W N Morehouse Truck Line Inc • Omaha NE	\$17,468,556	\$9,324,887
Sorenson Transport Co Inc • Chehalis WA	\$25,187,000	\$8,800,155
Fortune Transportation Co, Inc • Windom MN	\$24,256,612	\$8,173,004
Escro Transport Ltd • Buffalo NY	\$9,300,000	\$5,400,000
Diversified Transfer & Storage • Billings MT	\$13,209,000	\$4,401,941
Total	\$3,687,475,657	\$1,996,602,583
Average	\$160,325,029	\$86,808,808
Percent Change	84.7%	

Fleets that reported revenues for 1997 and 2006 had an average growth of about 85% over that 10-year period.

Rankings and Growth Rates

	Rank	2006 Revenue	2006 Ratio	2005 Revenue	2005 Ratio	2006 Growth
C R England Inc • Salt Lake City UT	1	\$636,058,623	90.62	\$543,872,601	92.59	16.9%
Marten Transport Ltd • Mondovi WI	2	\$518,890,000	92.10	\$460,202,000	90.70	12.8%
Frozen Food Express Industries • Dallas TX	3	\$483,721,000	97.60	\$514,017,000	94.30	-5.9%
Stevens Transport Inc • Dallas TX	4	\$465,500,000	84.50	\$439,000,000	84.70	6.0%
Greatwide Logistics Services • Dallas TX	5	\$460,000,000	92.00	\$427,100,000	92.00	7.7%
Prime Inc • Springfield MO	6	\$457,207,136	91.31	\$471,627,108	92.00	-3.1%
Central Refrigerated Service Inc • West Valley City UT	7	\$320,204,243	NR	\$262,230,412	NR	22.1%
KLLM Inc • Jackson MS	8	\$221,404,531	NR	\$214,973,332	NR	3.0%
John Christner Trucking LLC • Sapulpa OK	9	\$184,585,064	93.40	\$150,493,410	95.80	22.7%
Willis Shaw Express • Elm Springs AR	10	\$119,725,000	NR	\$115,424,000	NR	3.7%
National Carriers Inc • Liberal KS	11	\$119,566,436	98.92	\$111,845,443	93.10	6.9%
Southern Refrigerated Transport Inc • Texarkana AR	12	\$110,934,000	90.80	\$94,851,000	87.20	17.0%
J & R Schugel Trucking Inc • New Ulm MN	13	\$103,296,197	97.00	\$92,469,948	96.60	11.7%
Pride Transport Inc • Salt Lake City UT	14	\$80,777,000	93.00	\$70,000,000	94.70	15.4%
Earl Henderson Trucking Co • Salem IL	15	\$79,505,927	97.70	\$68,491,435	96.30	16.1%
WEL Companies Inc • De Pere WI	16	\$63,000,000	95.00	\$49,002,000	95.00	28.6%
Cargill Meat Logistics • Wichita KS	17	\$54,979,731	95.30	\$44,433,378	94.80	23.7%
Arctic Express Inc • Hilliard OH	18	\$44,550,000	NR	\$49,347,000	NR	-9.7%
Kennesaw Transportation Inc • White GA	19	\$43,687,349	95.00	\$42,075,279	94.00	3.8%
FST Logistics Inc • Columbus OH	20	\$41,830,000	93.10	\$38,300,000	94.60	9.2%
Witte Bros Exchange Inc • Troy MO	21	\$34,700,000	93.20	\$30,875,000	91.30	12.4%
Howell's Motor Freight Inc • Cloverdale VA	22	\$32,500,000	NR	\$32,500,000	NR	0.0%
D & D Sexton Inc • Carthage MO	23	\$32,500,000	95.12	\$31,902,796	93.15	1.9%
Grand Island Express • Grand Island NE	24	\$32,400,000	99.00	\$31,600,000	93.00	2.5%
Classic Carriers Inc • Versailles OH	25	\$29,400,000	NR	\$22,800,000	NR	28.9%
Refrigerated Food Express Inc • Avon MA	26	\$25,382,869	99.00	\$24,612,255	98.80	3.1%
Sorenson Transport Co Inc • Chehalis WA	27	\$25,187,000	86.60	\$21,132,219	82.30	19.2%
T W Transport • Spokane WA	28	\$25,000,000	92.00	\$23,500,000	90.00	6.4%
Baldwin Distribution Services Ltd • Amarillo TX	29	\$24,363,027	96.80	\$22,124,733	86.20	10.1%
Fortune Transportation Co, Inc • Windom MN	30	\$24,256,612	94.33	\$20,689,465	93.33	17.2%
3KB Transportation Inc • Altus OK	31	\$22,673,229	95.00	\$19,799,251	97.00	14.5%
M Bruenger Co Inc • Wichita KS	32	\$21,667,028	92.52	\$21,647,295	95.85	0.1%
L W Miller Transportation Inc • Logan UT	33	\$19,527,000	98.20	\$14,770,000	98.00	32.2%
Nagle Toledo Inc • Walbridge OH	34	\$18,770,349	NR	\$14,835,100	NR	26.5%
Denney Transport Ltd • Commerce City CO	35	\$18,375,000	89.20	\$15,306,000	NR	20.1%
Frock Bros Trucking Inc • New Oxford PA	36	\$18,059,336	88.26	\$17,845,764	86.70	1.2%
W N Morehouse Truck Line Inc • Omaha NE	37	\$17,468,556	99.00	\$14,351,847	99.00	21.7%
Walbon & Co Inc • Rosemount MN	38	\$16,046,000	NR	\$15,402,000	NR	4.2%
Diversified Transfer & Storage • Billings MT	39	\$13,209,000	100.00	\$10,679,000	98.00	23.7%
Kelle's Transport Service Inc • Salt Lake City UT	40	\$10,579,448	89.30	\$7,778,175	92.20	36.0%
Escro Transport Ltd • Buffalo NY	41	\$9,300,000	99.50	\$9,500,000	97.50	-2.1%
Atlantic Coastal Trucking Inc • Carlstadt NJ	42	\$4,408,000	90.00	\$4,120,000	91.00	7.0%
Seagate Transportation Services • Perrysburg OH	43	\$3,929,416	103.00	\$2,977,887	98.00	32.0%
Rocky Top Trucking • Houston TX	44	\$929,567	87.00	\$1,042,532	88.00	-10.8%
Average		\$115,683,038	94.01	\$106,626,061	93.08	8.5%
Total		\$5,090,053,674		\$4,691,546,665		



For fleets reporting revenues for each of the past 10 years, year-to-year growth varied from a low of about 2% during 2002, to a high of about 12% in 2001.

Gross Revenue...

to 2006, 44 refrigerated fleets reported annual revenues, and 36 provided operating ratios.

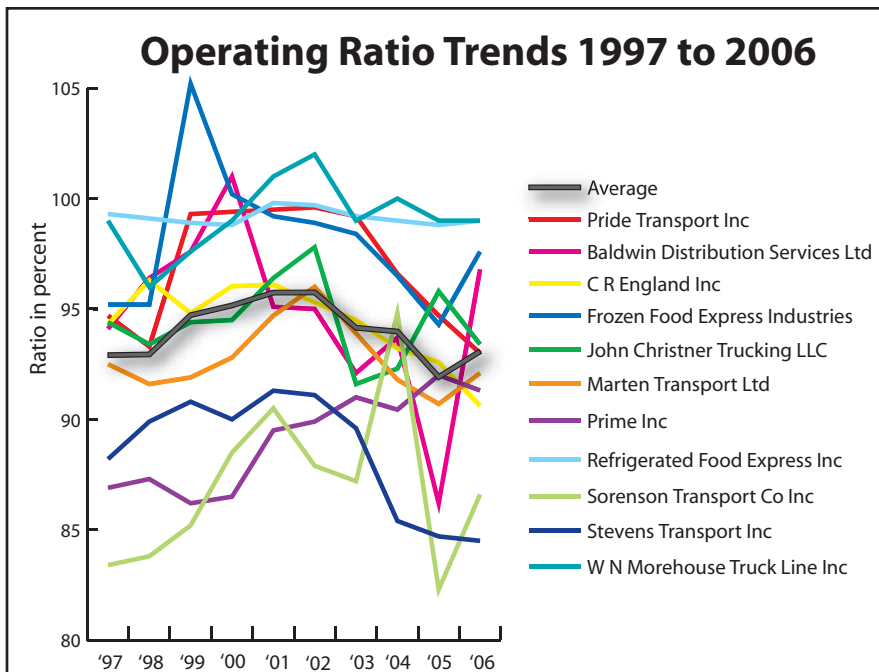
Reported revenues

For fleets that reported revenues for 1997 and for 2006, average growth is about 85 percent over that 10-year

period. Revenues increased from an average of \$86,808,808 in 1997 to an average of \$160,325,029 for 2006. See the 10-Year Revenue Snapshot table.

Total 1997 revenue for these fleets was \$1,996,602,583. In 2006, their total revenue was \$3,687,475,657.

Among the dozen fleets that re-



Operating ratios for fleets participating in all annual surveys since 1997 indicate rising costs from 1997 until 2002, followed by improved ratios for 2003 and 2004, then a slight up-tick in costs again in 2006.

Alphabetical Listing of Companies

Company	Rank
3KB Transportation Inc	31
Arctic Express Inc	18
Atlantic Coastal Trucking Inc	42
Baldwin Distribution Services Ltd	29
C R England Inc	1
Cargill Meat Logistics	17
Central Refrigerated Service Inc	7
Classic Carriers Inc	25
D & D Sexton Inc	23
Denney Transport Ltd	35
Diversified Transfer & Storage	39
Earl Henderson Trucking Co	15
Escro Transport Ltd	41
Fortune Transportation Co, Inc	30
Frock Bros Trucking Inc	36
Frozen Food Express Industries	3
FST Logistics Inc	20
Grand Island Express	24
Greatwide Logistics Services	5
Howell's Motor Freight Inc	22
J & R Schugel Trucking Inc	13
John Christner Trucking LLC	9
Kelle's Transport Service Inc	40
Kennesaw Transportation Inc	19
KLLM Inc	8
L W Miller Transportation Inc	33
M Bruenger Co Inc	32
Marten Transport Ltd	2
Nagle Toledo Inc	34
National Carriers Inc	11
Pride Transport Inc	14
Prime Inc	6
Refrigerated Food Express Inc	26
Rocky Top Trucking	44
Seagate Transportation Services	43
Sorenson Transport Co Inc	27
Southern Refrigerated Transport Inc	12
Stevens Transport Inc	4
T W Transport	28
W N Morehouse Truck Line Inc	37
Walbon & Co Inc	38
WEL Companies Incl	16
Willis Shaw Express	10
Witte Bros Exchange Inc	21

Refrigerated Transporter's 20th Annual Gross Revenue Report—Refrigerated Fleets

Gross Revenue...

ported revenues for each of the past 10 years, growth from year-to-year varied from a low of about two percent during 2002, to a high of about 12 percent in 2001.

Average growth from year-to-year for the fleets that have reported each year, including 1997, is about 8 percent. See the Revenue Trends 1997 to 2006 graph.

As a result of this steady growth, the gross revenues for these fleets have about doubled in 10 years.

C R England again tops the list for 2006 in terms of gross revenue. In five of the past 10 years, the company has held the top spot more frequently than any other refrigerated carrier.

Ten years ago, C R England was number two, then moved up to number one for several years, then was in the second and third position for a few years, before regaining and holding the lead in 2005 and 2006.

Operating ratios

Operating ratios reported by fleets that have participated in each of the past 10 Annual Gross Revenue Reports indicate rising costs from 1997 until 2002. This was followed by improved ratios for 2003 and 2004, and then a slight uptick in costs again in 2006. See the Operating Ratio Trends 1997 to 2006 graph.

In comparing annual report against annual report, between the years 1997 and 2006, there is only a slight change in the average operating ratio for these fleets, even though during the course of the 10 years there was an overall swing of four points.

Looking at the 466 individual operating ratio reports provided by fleets over the past 10 years, it appears that

Average Operating Ratios by Annual Revenue Group—1997 to 2006	
Carrier Revenue Group	Average
Less than \$20 million	95.10
\$20-\$50 million	95.31
\$50-\$100 million	95.35
More than \$100 million	94.04
Total	94.98

larger companies have more favorable operating ratios. One contributing factor is larger companies command more economies of scale in their purchasing efforts than do smaller businesses.

Focusing on just those fleets that have participated in all of the past 10 Annual Gross Revenue Reports, the trend is slightly more pronounced, with the higher revenue fleets having even more favorable or lower operating ratios.

The typical operating ratio based on all fleets surveyed over the past 10 years is about 95. There are relatively few reports of operating ratios below 93, or above 97, over the years 1997 to 2006.

The best operating ratio in 2006 was 84.5, reported by Stevens Transport.

The best operating ratio for the past 10 years was reported in 1997 by Indiana Western Express at 79.9.

A breakdown of the data for the different annual gross revenue groups on average operating ratios for the past 10 years are shown in the Average Operating Ratios by

Top 20 Revenue Refrigerated Fleets 1997 to 2006	'06	'05	'04	'03	'02	'01	'00	'99	'98	'97	Index Rank
C R England Inc • Salt Lake City UT	1	1	3	2	2	2	1	1	1	2	1
Prime Inc • Springfield MO	6	3	2	1	1	1	2	2	4	3	2
Frozen Food Express Industries • Dallas TX	3	2	4	3	3	3	3	4	2	1	3
Marten Transport Ltd • Mondovi WI	2	4	5	4	4	4	5	6	7	6	4
KLLM Inc • Jackson MS	8	8	7	6	6	6	6	5	5	5	5
Stevens Transport Inc • Dallas TX	4	5	6	5	5	5	8	9	8	9	6
John Christner Trucking LLC • Sapulpa OK	9	9	11	11	13	13	19	22	25	25	7
Pride Transport Inc • Salt Lake City UT	14	14	17	16	18	18	26	29	29	30	8
Shaffer Trucking Inc • New Kingstown PA	NR	NR	9	8	11	10	14	13	13	13	9
Willis Shaw Express • Elm Springs AR	10	10	12	12	NR	NR	13	11	11	12	9
National Carriers Inc • Liberal KS	11	11	NR	NR	10	9	12	12	14	15	11
Baldwin Distribution Services Ltd • Amarillo TX	29	28	31	26	28	27	42	39	43	42	12
Sorenson Transport Co Inc • Chehalis WA	27	30	28	27	32	31	50	49	48	53	13
Arctic Express Inc • Hilliard OH	18	16	NR	NR	15	14	20	20	18	17	14
Refrigerated Food Express Inc • Avon MA	26	25	29	29	34	33	55	55	50	49	15
Jim Palmer Trucking • Missoula MT	NR	NR	15	14	17	17	23	23	26	27	16
W N Morehouse Truck Line Inc • Omaha NE	37	38	35	34	36	34	52	54	52	51	17
FST Logistics Inc • Columbus OH	20	20	19	19	20	20	35	34	NR	NR	18
WEL Companies Inc • De Pere WI	16	17	18	15	23	23	38	37	NR	NR	19
Gemini Traffic Sales • Edison NJ	NR	NR	16	17	22	22	32	31	33	35	20
NR =Not Reported											

Refrigerated Transporter's 20th Annual Gross Revenue Report—Refrigerated Fleets

Gross Revenue...

Annual Revenue Group — 1997 to 2006 table.

Many fleets have appeared at the top of the list, in terms of revenues or operating ratios, during the past 10 years of *Refrigerated Transporter's* Annual Gross Revenue Reports. However, a few have been very high in the rankings, but appeared only a few times in the surveys for a variety of reasons, such as mergers, acquisitions, or failure to respond.

Relative changes

To reveal meaningful relative changes in the revenue ranking over the past 10 years, *Refrigerated Transporter* has developed two fleet indices. The Fleet Revenue Index takes into consideration how high a carrier was ranked relative to others, and how many times a carrier was ranked. The more often a carrier ranks highly, the better its Index score.

The 20 most highly ranked refrigerated fleets in terms of revenues from 1997 to 2006, according to the *Refrigerated Transporter* Fleet Revenue Index, are shown in the Top 20 Revenue Refrigerated Fleets — 1997 to 2006 table. Leading the list are C R England, Prime, Frozen Food Express, Marten Transport, and KLLM.

The Fleet Operating Ratio Index, which works in a manner similar to the Fleet Revenue Index, provides a comparison of fleet performance over the past 10 years regarding operating ratios.

As noted previously, there is a significant relationship between higher revenues and favorable operating ratios.

Thus, it is not surprising to see several of the same top performers in terms of revenues appear in the table regarding the consistently best reported operating ratios.

Heading the ranking of the Top 20 Refrigerated Fleets with Best Operating Ratios — 1997 to 2006 are Sorenson Transport, Stevens Transport, Prime, Marten Transport, and John Christner Trucking.

Fleet Input

Obviously, not all refrigerated carriers are included in *Refrigerated Transporter's* Annual Gross Revenue Reports. Try as we might, we are never able to contact all of them. As you would expect, the larger carriers are easy to find. The smaller ones are not.

Even when carriers are contacted and asked to participate in the annual survey, some will not. One reason for this is that a number of companies do not care to share their financial information, especially as the industry grows ever more competitive.

Through your participation, you can help make the Annual Gross Revenue Report become an even more useful and valuable resource as a benchmark for carriers serving the refrigerated transportation industry.

To be included in next year's survey, please send an e-mail request to: rt.directories@penton.com. Thank you in advance. ■

For an archive of the last 5 reports, go to refrigeratedtrans.com and select the "Directories" icon under "Resources" in the right-hand column.

Top 20 Refrigerated Fleets with Best Operating Ratios—1997 to 2006	'06	'05	'04	'03	'02	'01	'00	'99	'98	'97	Index Rank
Sorenson Transport Co Inc • Chehalis WA	2	1	17	1	1	3	2	1	3	4	1
Stevens Transport Inc • Dallas TX	1	2	1	3	4	5	3	6	10	7	2
Prime Inc • Springfield MO	10	11	4	4	3	2	1	2	5	6	3
Marten Transport Ltd • Mondovi WI	13	8	7	10	13	9	9	10	16	19	4
John Christner Trucking LLC • Sapulpa OK	18	25	8	5	22	17	13	17	27	31	5
C R England Inc • Salt Lake City UT	8	14	11	14	11	16	25	18	54	28	6
Baldwin Distribution Services Ltd • Amarillo TX	25	3	12	6	8	12	53	38	55	27	7
Pride Transport Inc • Salt Lake City UT	15	22	24	28	33	29	47	51	26	33	8
Frozen Food Express Industries • Dallas TX	27	20	23	24	29	28	51	56	44	45	9
Kennesaw Transportation Inc • White GA	20	19	5	12	NR	NR	18	16	18	20	10
3KB Transportation Inc • Altus OK	20	29	26	15	16	7	NR	NR	22	11	11
Witte Bros Exchange Inc • Troy MO	17	10	22	21	8	7	26	38	NR	NR	12
W N Morehouse Truck Line Inc • Omaha NE	31	35	32	27	35	32	43	38	47	69	12
Roads West • Phoenix AZ	NR	NR	18	13	7	12	12	20	37	45	14
Refrigerated Food Express Inc • Avon MA	31	34	30	28	34	30	41	47	69	72	15
Edwards Bros Inc • Idaho Falls ID	NR	NR	20	19	12	14	18	22	39	36	16
FST Logistics Inc • Columbus OH	16	21	27	26	26	20	15	29	NR	NR	16
Grand Island Express • Grand Island NE	31	15	19	22	19	24	20	33	NR	NR	18
WEL Companies Inc • De Pere WI	20	24	15	25	24	23	23	48	NR	NR	19
T W Transport • Spokane WA	11	7	NR	NR	6	6	37	46	34	60	20
NR=Not Reported											