

ISIC 5210 – Warehousing and Storage

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U.S. Bureau of Labor Statistics

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Agenda

- Definition of the Industry
- Measurement of SPPI
- Evaluation of Measurement



Industry Definition

- Firms primarily engaged in operating merchandise warehousing and storage facilities
- May provide a range of logistics services such as labeling, packing, packaging, etc.
- The distinctions between General, Refrigerated, and Farm Product Warehousing are determined by the good they are storing



Measurement of SPPI

- Product Structures
- Sampling Design
- Pricing Methods



Measurement of SPPI

Product Structure

Index Code	Index Title
493110	General warehousing and storage
493110P	Primary services
4931101	General warehousing and storage services
493110SM	Other receipts
493120	Refrigerated warehousing and storage
493120P	Primary services
4931201	Warehousing and storage of refrigerated goods
493120SM	Other receipts
493130	Farm product warehousing and storage
493130P	Primary services
4931301	Farm product warehousing and storage services
493130SM	Other receipts



Measurement of SPPI

Sampling Design

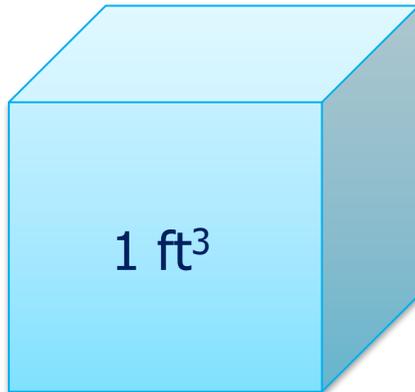
- A firm's probability of selection is proportionate to its size
- The sample unit is the individual facility location to capture the unique local and regional economic factors affecting storage prices.
- The frame source is different for each industry, some private and some government sources.
- Private warehouses are excluded from the General and Refrigerated Warehousing frames due to lack of repriceable transactions.



Measurement of SPPI

Pricing Methods - Average

- Average Price per Occupied Cubic Foot
 - ▶ Used for **General** and **Refrigerated** Warehousing
 - ▶ Preferred pricing period is the first 21 days of the month.
 - ▶ Fallback period is the entire previous month.



September

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Measurement of SPPI

Pricing Methods - Average

Average Price Example	
Revenue for period	\$1,250,000
Total occupied cubic feet	500,000 ft ³
Average price for period	\$2.50



Measurement of SPPI

Pricing Methods - Contract

- Contract Rate for Single Bundled Service
 - ▶ Used for **Farm**; or if average is unavailable
 - ▶ 3 most common services included in rate:
 - Storage
 - Handling
 - Value-added



Measurement of SPPI

Pricing Methods - Contract

Farm Contract Example	Rate	Multiplier	Total
Storage rate (per day)	\$0.10	3,551	\$355.10
Receiving (per bale)	\$3.10	44	\$136.40
Delivery (per bale)	\$5.25	44	\$231.00
		Total Rate	\$722.50

General/Refrigerated Contract Example	Rate	Multiplier	Total
Storage rate (per day per cwt.)	\$0.25	5	\$1.25
Handling charge (per handling per cwt.)	\$0.21	3	\$0.63
Packaging (per cwt.)	\$7.27	1	\$7.27
Labeling (per package per cwt)	\$0.10	50	\$5.00
		Total Rate	\$14.15

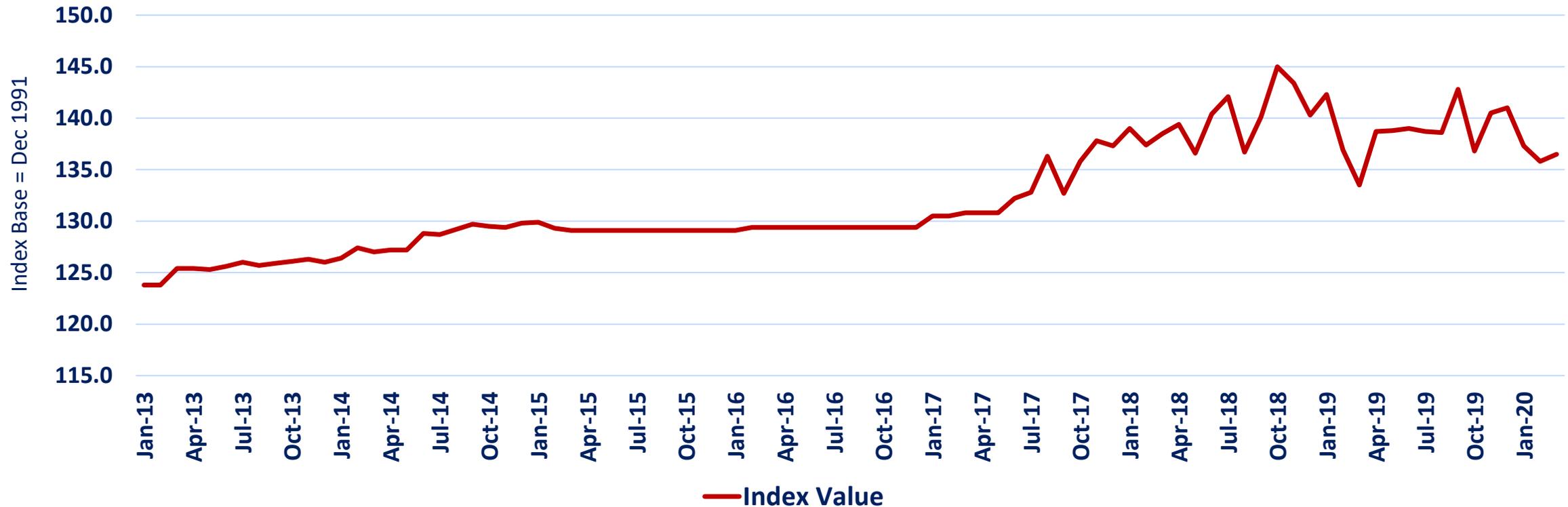
Evaluation of Measurement

Issue: Static, estimated contracts were not consistently capturing price changes associated with shifts in the growing season, global/regional threats, transportation costs, and other factors

- ▶ US PPI recently switched pricing methodology from contract rates to average prices

Evaluation of Measurement

USPPI Refrigerated Warehousing and Storage



Evaluation of Measurement

Issue: Private warehouses are increasingly common, but lack repriceable transactions

- ▶ Many online retailers, grocery stores, or wholesale trade establishments do not separate out their warehouses as a distinct profit maximizing entity
- ▶ US PPI attempts to collect any private warehouses that are sampled, but it is not expected that any of these will result in productive establishments

Contact Information

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