

Richmond trio shells out millions to crack peanut cold storage industry

Michael Schwartz January 5, 2022



Peanuts at the cold storage facilities in Suffolk are mainly moved in 2,000-pound containers. *(Photos courtesy of AgCold LLC)*

A group of Richmond investors is betting big on nuts.

Yogi Singh and his longtime business partners last month acquired the business assets and real estate of Virginia Cold Storage and Nansemond Cold Storage, two Suffolk-based sister companies that specialize in the refrigerated storage and handling of mainly peanuts.



Yogi Singh

It's a bit of a departure for Singh and his crew, who have focused their real estate investment in recent years mainly on office buildings, mobile home parks and RV campgrounds.

But Singh said this new leap follows a common theme across their prior deals and that they happened upon the cold storage properties while pursuing their first leap into industrial and warehouse properties.

"We've always looked at niche real estate," he said. "We were trying to find a place to make an entry into the (warehouse) industry but at a reasonable investment level.

"We came upon specialized food storage and it was an entry point we could execute on and so we did. We bought the real estate and the business."

The deal included paying \$17 million for three cold storage warehouses in Suffolk – known at one point as the world's peanut capital and the original home of Planters Peanuts. Additional consideration was paid for the business operations, though Singh would not specify that price.

The warehouses total 255,000 square feet and the acquisition included extra land that allows for the potential to nearly double that square footage.

The warehouses are built to handle a target load of about 40 million pounds of shelled and unshelled nuts and products like peanut paste, peanut butter and peanut brittle, which mainly are moved in standard-unit 2,000-pound bags that come in and out on tractor-trailers on their way to and from processing.

Product for 10 major clients occupies the bulk of that existing space, including Birdsong Peanuts, Olam International and Hershey.

The sellers were Josh “Pret” Pretlow and Tom “Buzz” Hofler, who have owned the business since 1996. Pretlow and Hoffler allowed Singh’s group to observe the business while the deal was ironed out and have agreed to stay on and help run the business for at least a year.

Also coming over in the deal are all 17 of the company’s employees.



The Nansemond Cold Storage facility is one of the warehouses that were part of the deal.

Singh said that continuity helps his firm better tackle the learning curve of running a new business, which has certain complexities such as rigorous certifications by the American Institute of Baking.

“Having had essentially a year to embed in the company and work alongside of Buzz and Pret allowed us to see that not only were we getting highly desirable real estate but the team we are inheriting will allow this platform to grow much faster than if we had to build an operating business from scratch,” Singh said.

While Singh would not comment on how much revenue the cold storage businesses produce, he said his group will look to grow the bottom line over time by employing more technology for operations and potentially expanding with additional storage facilities near U.S. ports to bring in more international clients.

Singh’s group was represented by brokers Ryan Fanelli and Ben Bruni of Commonwealth Commercial.

The acquisition was made through the group’s AgCold LLC, the brand it will use as it pursues additional deals in cold storage.



The cold storage business also handles other nuts such as cashews.

It also sees potential openings for the cold storage of cannabis products and pharmaceuticals.

The Suffolk acquisition was fueled in part by a loan from Atlantic Union Bank and capital from Granville Ventures, a Charles City-based private equity operation funded by the families of Singh and his two unnamed partners.

Granville Ventures is separate from National Land Lease Capital, the company the group uses to operate the bulk of their holdings, which [includes multiple RV parks and campgrounds](#) with more than 2,000 leasable sites around the Southeast. The value of those properties and the company's office buildings is around \$150 million, Singh said.

Many of National Land Lease's deals have been funded with the help of outside investors and Singh said the group will eventually take a similar approach with cold storage.

"While these assets were purchased using capital controlled by our organization, as we scale we believe there are opportunities to work with other investors much like we do in our core outdoor hospitality business," he said. "But as we have done in the past, we wanted to put our capital at risk first to prove our thesis of demand."