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## **Dunavants have contacts, expertise to thrive in logistics**

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Once the world's largest cotton merchandiser, Dunavant Enterprises is now completely removed from cotton and is building a global logistics business.

The company's sale to rival Allenberg Cotton Co., a division of Louis Dreyfus Corp., was completed earlier this year. After months of consideration, the Dunavants decided their contacts and logistics expertise in the cotton business could be parlayed into a successful new venture.

There is, no doubt, a lot of details about the Dunavant-Allenberg deal that haven't been made public, and may never be.

Cotton is an extremely competitive, high-risk industry in which volatility is difficult to contain, and as such, fortunes can be made or lost by circumstances beyond one's control.

Dunavant Enterprises, like many other cotton merchandisers around the country that had been in the business forever, got caught in a vortex when the price of cotton futures spiked 30 percent in March 2008. Dunavant had been losing ground in annual revenue to Allenberg since 2006.

Speculators triggered the March 2008 spike, but shrinking cotton acreage and tighter credit markets because of the recession helped turn the cotton industry upside down. Industry experts said hundreds of millions of dollars were lost in a two-day span that month. When the dust settled, it didn't take long for many companies to go belly up.

Many in Memphis still remember the days when Cotton Row was a bustling corridor of commerce in Downtown Memphis. Dunavant Enterprises, started in 1929, was the king of Cotton Row. And the loss of the cotton giant is no doubt seen by many locals as significant as when Elvis died.

It's now time for a new chapter in the Dunavant family.

Dunavant Global Logistics Group will have four business units: distribution, freight, consulting and global solutions. The new venture has hired respected industry veterans to help lead the way, as well as a consulting company.

This isn't new for the Dunavants. As a cotton merchant, it operated a logistics company called Centrix that for decades coordinated/expedited the movement of cotton in the U.S. By the late 1980s, Dunavant was managing bulk and container exports and U.S. freight movements for its cotton business.

It is the most logical, seamless way for the family business to evolve, and those in the logistics industry think the Dunavants' new enterprise will be successful. So do we.