Amazon to End FBA Prep Services in 2026, Independent 3PLs Step In to Fill the Gap

Industry analysts say thousands of sellers must secure new logistics solutions ahead of Amazon's 2026 phase-out of prep services.

TAMPA, FL, UNITED STATES, August 30, 2025 /EINPresswire.com/ -- Amazon has announced that it will discontinue its Fulfillment by Amazon (FBA) prep and labeling services in the U.S. starting January 1, 2026. The program, which has provided labeling, poly-bagging, and packaging support, has been widely used by sellers to meet inbound shipment standards. Its removal is expected to affect thousands of businesses and increase demand for independent logistics providers, including fulfillment center Florida operations and 3PL Tampa facilities.

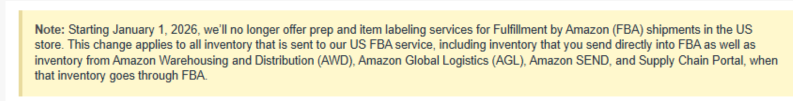
Fifth Shelf, eCommerce Accelerator, Tampa 3pl Amazon Prep Center and DTC Fulfillment

Mid-Sized Sellers Under Pressure

For many small and mid-sized brands, FBA prep services have served as a cost-effective way to comply with Amazon's strict packaging and labeling requirements. Once the program ends, these companies must secure alternative partners or build in-house capacity to manage preparation.

Industry analysts warn that the change will hit sellers in the $1 million to $5 million annual revenue range especially hard. These companies rely heavily on Amazon for sales but often lack warehouse space or staff to handle prep work internally. Errors in labeling or packaging can lead to inventory rejections, suppressed listings, or penalties that disrupt growth.

Marketplace Pulse estimates that more than half of Amazon's leading sellers already work with outside logistics providers. Without Amazon’s internal service, reliance on prep centers for Amazon FBA and regional partners will expand sharply.



Note: Starting January 1, 2026, we'll no longer offer prep and item labeling services for Fulfillment by Amazon (FBA) shipments in the US store. This change applies to all inventory that is sent to our US FBA service, including inventory that you send directly into FBA as well as inventory from Amazon Warehousing and Distribution (AWD), Amazon Global Logistics (AGL), Amazon SEND, and Supply Chain Portal, when that inventory goes through FBA.

Amazon FBA ending announcement

Financial and Operational Strain

The transition comes at a time of rising costs across the supply chain. Warehouse rents are increasing, carriers continue to add surcharges, and new tax nexus rules in multiple states are complicating inventory management. Losing access to Amazon’s prep service will add another layer of expense for sellers already managing tight margins.

> By pulling out of FBA prep, Amazon is forcing brands to rethink logistics. Those who act early with the right partners will keep margins safe and sales growing.”
>
> *Atahan Kangal, Founder*

“Many mid-sized brands were already balancing thin margins,” said Atahan Kangal, founder of Tampa-based Fifth Shelf, an e-commerce accelerator and logistics provider. “By pulling out of FBA prep, Amazon is forcing brands to rethink logistics. Those who act early with the right partners will keep margins safe and sales growing.”

Independent Providers Step In

The end of FBA prep is expected to accelerate demand for regional providers that can cover labeling, packaging, and storage under one roof. Fulfillment center Florida operators are preparing for increased inquiries from Amazon sellers who will need consistent, scalable services.

Key functions gaining attention include:
Pick and pack fulfillment for marketplace orders
Kitting services for multi-item shipments
Returns inspection and handling
Specialized category services such as beauty fulfillment and apparel fulfillment
Temperature-sensitive solutions from cold chain 3PL providers

Analysts note that subscription commerce will also play a role. Sellers offering recurring shipments may increasingly look to partners with experience in subscription box fulfillment, an area not fully addressed by Amazon’s program.

Regional and East Coast Coverage

The effect of Amazon’s decision extends beyond individual states. Sellers are expected to favor partners with broader geographic coverage that can reduce delivery times while balancing storage costs. Providers offering East Coast fulfillment services are likely to see growth as brands look for fast access to population centers.

By diversifying across regional hubs, companies can reduce dependency on Amazon's internal network while maintaining competitive delivery times. This shift highlights the role of independent providers in supporting multi-channel strategies that span Amazon, Walmart, eBay, TikTok Shop, and direct-to-consumer websites.

Preparing Ahead of 2026

Industry experts recommend that brands act now rather than waiting until the FBA prep cutoff approaches. Sellers that delay could face warehouse shortages, higher costs, and limited partner availability in late 2025 and early 2026.

Steps recommended for sellers include:
Audit current prep processes for labeling and shipment accuracy
Secure early agreements with local partners such as 3PL Tampa providers
Lock in pricing for pick and pack fulfillment before demand drives up rates
Diversify fulfillment networks by adding East Coast fulfillment services to reduce risk

Early adopters are expected to benefit from greater stability in pricing and availability, while those who wait may find themselves competing for limited capacity.

Industry Outlook

Amazon's withdrawal from prep services reflects a broader pattern of marketplaces shifting costs and responsibilities to sellers. Over the past two years, Amazon has raised FBA storage fees, increased penalties for stockouts, and introduced new compliance requirements. The elimination of prep services continues this trajectory.

Independent logistics providers are positioned to become more central in 2026 and beyond. Analysts suggest that the most successful operators will be those capable of combining accuracy in preparation with scalable warehouse capacity, competitive pricing, and flexible support for both B2B and B2C shipments.

The market for independent providers is expected to expand significantly, with fulfillment center Florida operations and East Coast fulfillment services networks playing a critical role in ensuring sellers can maintain compliance and protect margins.

About Fifth Shelf

Fifth Shelf is an e-commerce accelerator and logistics provider headquartered in Tampa, Florida. The company operates a 3PL Tampa warehouse with regional and national coverage, providing order preparation and fulfillment support for consumer brands across multiple sales channels. Fifth Shelf focuses on helping mid-sized brands navigate marketplace logistics and adapt to industry changes such as Amazon’s planned exit from FBA prep services.

Public Relations
Fifth Shelf
+1 800-680-0760
pr@fifthshelf.com
Visit us on social media:
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