

## **FOR IMMEDIATE RELEASE**

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Contact: Cheryl Young (401) 884-3701 (cyoungpr@cox.net), or Dwight Schmidt (317) 805-4750

### **Shipping Grapes in Corrugated Common Footprint Saves Money - Retailers, Grower-Shippers All Benefit -**

INDIANAPOLIS, IN (May 24, 2004) - A new study released today by the Corrugated Packaging Alliance (CPA) concluded that shipping California grapes in Corrugated Common Footprint (CCF) containers saves more than 10 percent of supply chain costs compared with shipping in reusable plastic containers (RPCs). Using actual cost data provided by a large California grape grower, the detailed analysis showed that the retailer saved the most money using CCF, but the grower/shipper also came out ahead.

The new study is the third in a series of cost comparisons sponsored by the Corrugated Packaging Alliance (CPA) and conducted by Heads Up Systems, Inc. (West Linn, Oregon). The research was conducted using Full Disclosure<sup>(SM)</sup>, a sophisticated, activity-based cost modeling tool to evaluate total annual costs for shipping 1.5 million, 19-lb. containers (28.5 million pounds) of grapes 2,800 miles (approximately the distance from Delano, California to New York City).

#### **Dollars to dollars - everyone saves with CCF**

In the grapes analysis, total supply chain costs for packaging, handling and distribution amounted to \$5.4 million in CCF containers, versus \$6.9 million in RPCs - a savings of \$1.5 million using corrugated. The retailer saved 14 percent (\$617,000, or \$0.41 per container) using CCF containers, mainly by avoiding RPCs' higher transportation and handling costs. The grower/shipper saved 7.5 percent (\$128,000, or \$0.09 per container) using CCF containers, mostly in extra packaging materials and administrative costs required by RPCs.

Most of the higher trucking and handling costs for RPCs (nearly \$1.3 million more in this scenario) are incurred on the return trip, where the containers must be sorted, washed, repaired and backhauled for reuse. Corrugated, on the other hand, incurs no additional costs after reaching the store, where it is recovered for recycling and often earns new revenue for the retailer.

"All of our research, from market surveys to technical and economic studies, continues to show the CCF is the most economical shipping container for most commodities," said Dwight Schmidt, Executive Director of the CPA. "We've proven its cost benefits for apples, oranges and now for grapes, while technical studies have demonstrated CCF's superior product protection and shipping density for tree fruit, strawberries and grapes. It all adds up to one solid conclusion that corrugated is almost always the packaging solution that makes the most sense, economically and logistically."

For more information on the CCF and Full Disclosure studies, including all of the study parameters and cost comparison details, visit the Corrugated Packaging Alliance at [www.corrugated.org](http://www.corrugated.org). The Corrugated Packaging Alliance is a corrugated industry initiative jointly sponsored by the American Forest & Paper Association (AF&PA) ( [www.afandpa.org](http://www.afandpa.org) ) and the Fibre Box Association (FBA) ( [www.fibrebox.org](http://www.fibrebox.org) ). Its mission is to foster growth and profitability of corrugated in applications where it can be demonstrated, based on credible and persuasive evidence, that corrugated should be the packaging material of choice; and to provide a coordinated industry focus that effectively acts on industry matters that cannot be accomplished by individual member companies.

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<sup>[1]</sup> Full Disclosure was developed by the American Forest & Paper Association (AF&PA) and the Fibre Box Association

enc. (1) grapes in box photo jpeg (2) pdf: Final Grapes Brochure

