

Corrugated Packaging Alliance

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For Immediate Release

Date:

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Study Shows Rising Use of Corrugated Common Footprint

— 26 Percent of Retail Produce Volume Now Ships in CCF —

INDIANAPOLIS, IN (May 17, 2005) – A new study shows that according to grocery retailers, the Corrugated Common Footprint is now used to ship 26 percent of retail produce volume, a healthy increase from one year ago. Additionally, this share is expected to grow to 30 percent by spring 2006. RPC use remains virtually unchanged at about 8 percent of retail volume, or 4 percent of total produce volume including both retail and foodservice channels.

The latest in a series of three studies conducted by Willard Bishop Consulting, Ltd., (Chicago) on behalf of the Corrugated Packaging Alliance (CPA), confirms growing use of Corrugated Common Footprint (CCF) containers. The new study interviewed retail and foodservice produce executives, produce growers and shippers, produce packaging distributors and corrugated manufacturers about current and projected use of traditional corrugated, CCF and returnable plastic containers (RPCs).





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Grower/shipper respondents indicated that RPC use dropped or stayed the same in 2004, compared to the year before. They indicated that the high administrative cost of managing an RPC system has been a reason for not offering it more frequently.

As found in the previous (2003) study, citrus, tomatoes, and apples are among the most common commodities being shipped in the Corrugated Common Footprint. Additional responses for tomatoes and soft fruit were noted in the new study.

KEY FINDINGS

RPCs

1. RPC use is currently at about 8 percent of retail produce volume.
2. At non-supercenter retailers, RPC use is below 2 percent. Most retailers that use RPCs use them for only a limited number of commodities.
3. Within the foodservice channel, which represents about half of all U.S. produce volume, researchers found no RPCs in use.

CCF

1. The Corrugated Common Footprint shows strong current and future implementation among retailers, reaching 26 percent of total produce case volume in 2004.
2. Retailers credit the CCF with reducing store labor, indicating a growing use of the display-ready feature.



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Study results also indicate that traditional corrugated remains the dominant packaging material for shipping produce. Use of corrugated containers, including traditional and CCF, is unchanged at about 92 percent of annual, retail case volume.

The retailers interviewed represent all major food retail formats and approximately 63 percent of total, annual retail produce volume. Growers surveyed include major producers of deciduous fruit, grapes, citrus, row crops, cooking vegetables, value-added produce, and tomatoes; they represent various size companies as well as all major U.S. geographical regions.

The Corrugated Packaging Alliance (www.corrugated.org) is a corrugated industry initiative jointly sponsored by the American Forest & Paper Association (AF&PA) (www.afandpa.org) and the Fibre Box Association (FBA) (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 members.

Willard Bishop Consulting, Ltd. (WBC) offers a wide range of consulting services to companies operating in the retail and foodservice supply chains. For over 25 years, WBC has successfully guided clients through volatile and highly competitive environments. WBC's solutions produce competitive advantage and sustainable gains in sales and profits for its clients in manufacturing, retail, wholesale, and technology. WBC is committed to helping clients read and respond to changes in the market.

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