

# Reusable Plastic Containers

## *A Better Way to Ship Produce*

October 15<sup>th</sup>, 2008



# RPCs: A Better Way to Ship Produce

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- **Conventional Produce Shipping Containers**
- **RPCs: Environmentally, a Better Way to Ship Produce**
- **Who's Making the Switch to RPCs?**
- **How Does an RPC Pooling System Work?**
- **The Financial Benefits of RPCs**

# Conventional Produce Shipping Containers

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- **Typical Produce Shipping Containers are made from:**
  - regular corrugated
  - wax corrugated
  - wood
- **Regular Corrugated**
  - Broken down and bailed for recycling
  - EPA reports 72% of the 31.4 million tons of paper and paperboard are recycled
- **Wax boxes**
  - Broken down and sent to the landfill
  - Broken down and composted
- **Wood boxes**
  - Sent to the landfill
  - High incidents of injuries due to wires

# Conventional Produce Shipping Containers

- **Examples of costs**
  - A 500 store retail chain that ships 700 produce cases per week...
    - Uses 15,500 tons of corrugated boxes
    - 15,500 tons of corrugated will require over quarter million trees
    - This waste creates 1.2 million trips to the baler and dumpster



# Environmentally, a Better Way to Ship Produce

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- **Solution:** a transport packaging alternative that...
  - reduces baled waste while keeping associates closer to your customers
  - reduces store delivery trucking miles through more efficient cubing
  - has declining costs since 1996
- **Solution:** a shipping container ergonomically designed
- **Solution:** sustainable packaging
  - reused and recycled, not just “recyclable”
  - 98+% regrind value
- **Solution: Returnable Plastic Containers (RPCs)**

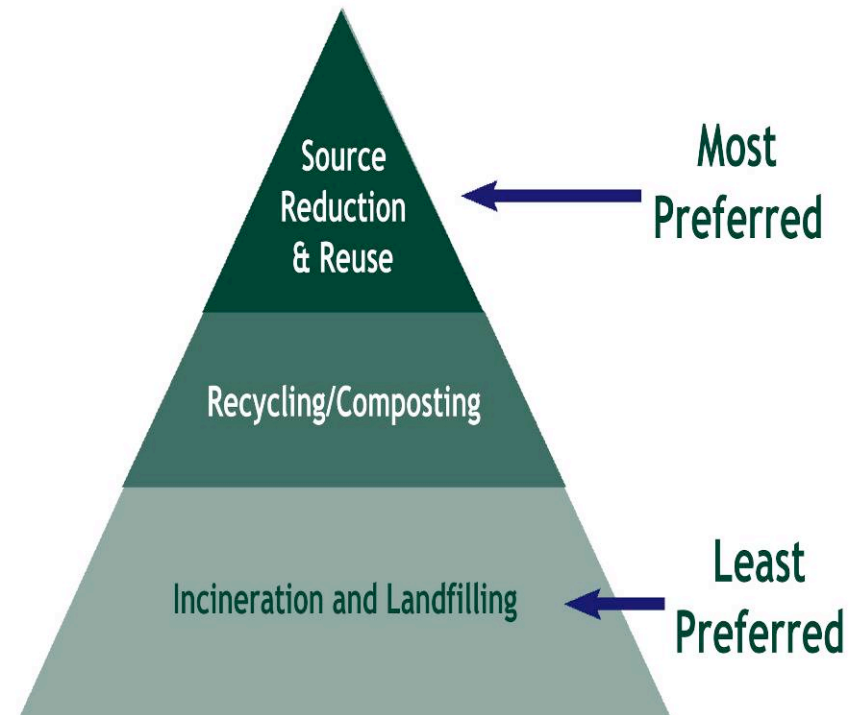
# Environmentally, a Better Way to Ship Produce

## RPCs...

- Are reused. Reuse is the top-priority of the EPA's 3-tiered approach to waste reduction
- Have a minimum seven-year life; old RPCs are re-molded to make new crates

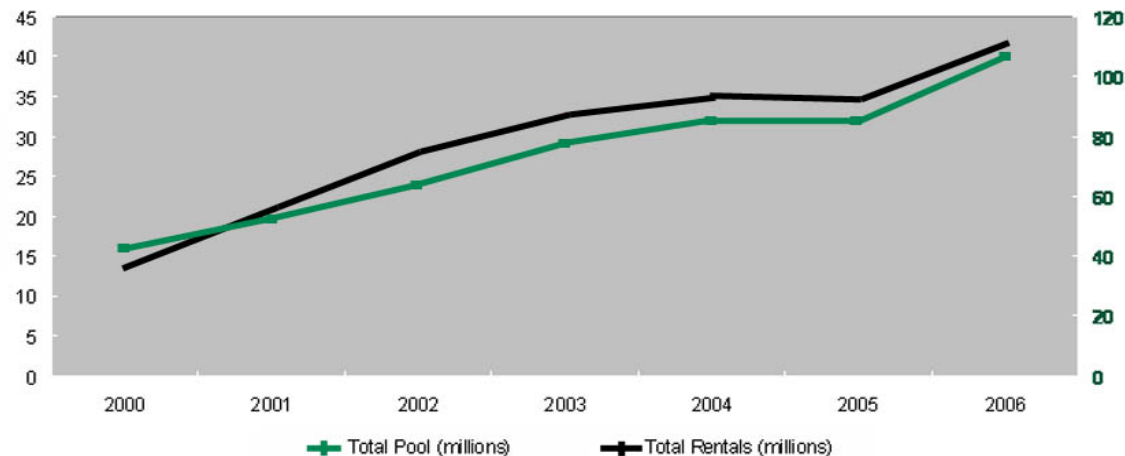
## A recent Life Cycle Inventory Study performed by Franklin Associates shows RPCs . . .

- Require 39% less total energy
- Produce 95% less total solid waste
- Generate 29% less total greenhouse gas emissions



# Who's Making the Switch to RPCs

- RPCs were first introduced to the US Retail Trade in 1996
- Wal-Mart and HEB were the first to adopt an RPC program
- Stater Bros and Kroger (Ralph's / Food 4 Less) introduction in 2006
- Kroger completed their national expansion August 2008
- Harris Teeter began using RPCs June 2008
- The RPC pool size and rentals have increased over 200% from 2000 to 2006



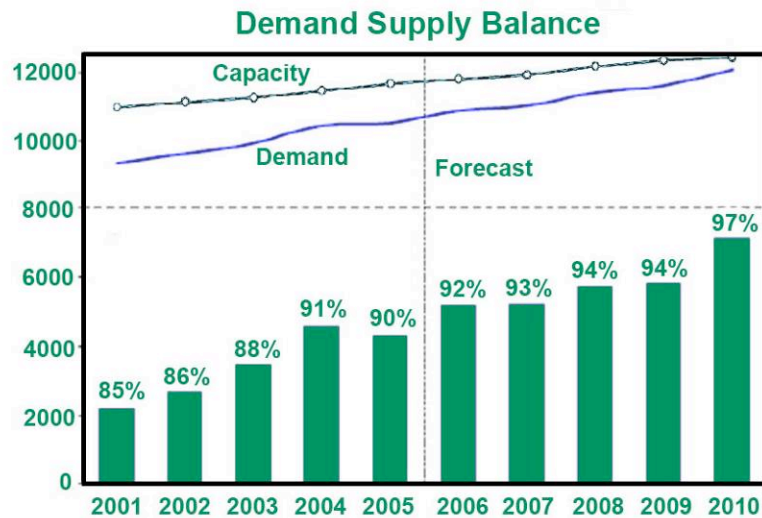
# How Does an RPC Pooling System Work

- Growers track the RPCs
- Retailers can use the RPCs for display
- Retailers are not responsible for lost RPCs
- Growers pay the rental not the retailer

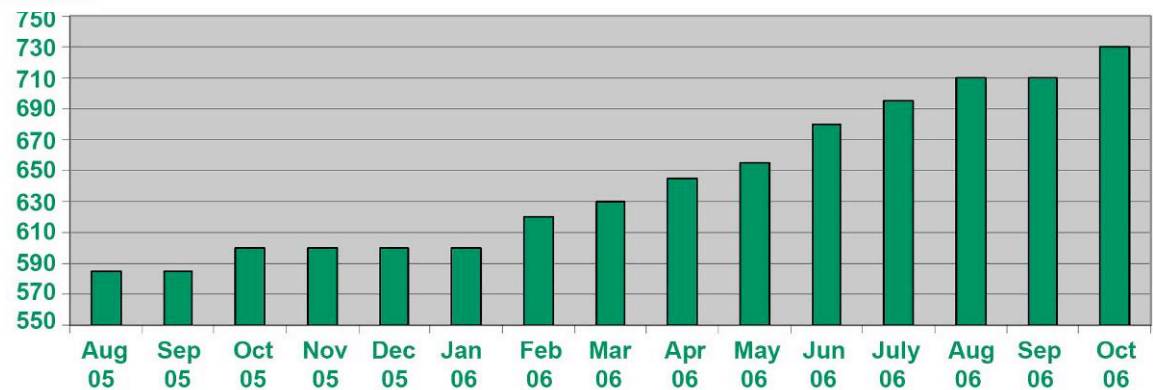


# The Financial Benefits of RPCs

- Worldwide demand for paper continues to out pace supply capacity; driving paper price increases.



**\$ Pulp Price**



# The Financial Benefits of RPCs

- **Reduced Supply Chain Costs**
  - Estimated \$11 million in savings (based on 18 million cases @ \$0.60/case)
    - Reduced labor at warehouse; reduced workman's compensation
    - Better truck utilization to retail stores
    - One-touch merchandising
    - Reduced disposal time at store level
- **Deliver Superior Quality Produce**
  - Reduce product damage and shrink
  - Field heat removed twice as fast



# Returnable Plastic Containers

- Reusable
- Less waste
- Less energy
- Fewer green house gasses
- Better for employees
- Higher produce quality

