Reusable crates save ag producers money

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Farmers and other agriculture producers in Stanislaus and San Joaquin counties saw record gross incomes in 2011.

This is good news not only for farmers, growers and producers, but also ag-related industries like processors, distributors and retailers.

However, notoriously slim profit margins in the ag industry keep businesses on their toes as they strive to improve efficiencies in production and across their supply chains whenever possible.

One often overlooked area that can offer significant cost cutting opportunities is transport packaging. Produce is typically packed in cardboard boxes and shipped on limited-life wood pallets, a practice that results in high, recurring costs for the purchase as well as end-of-life handling and disposal of transport packaging materials.

Durable, reusable alternatives such as plastic crates, totes and reusable pallets not only reduce or eliminate these costs, but bring various other benefits as well.

Safeway Inc. has shipped many of its consumer brand categories, including bread, milk and soda, in reusable crates for decades, and recently expanded the practice to its distribution system for a variety of fresh wet-pack produce—fruits and vegetables kept on ice till they reach the store. Produce now travels in reusable plastic containers, or RPCs, the way all the growers to Safeway’s distribution center in Tracy to the grocery chain’s stores in the region. At the store, the collapsible empty RPCs are stacked and returned to the warehouse where they are picked up by a third party “pooler” for washing and redistribution to farms.

“Every time we use an RPC instead of a cardboard box, we avoid the purchase cost of that box and keep 2 pounds of material out of the landfill," said Mike Vincent, supply chain sustainability director at Safeway. "In addition, the sturdy RPCs protect our produce better and can be more efficiently stacked, further contributing to the long-term economic benefits we envision with this program."

Besides waste reduction, Safeway’s switch to reusable transport packaging in this region alone also avoided the harvesting of approximately 114,000 trees and reduced greenhouse gas emissions by 37,518 metric tons.

The benefits of Safeway’s program are not limited to the company’s successful transition to reusable, either within the manufacturing process or for product distribution. However, identifying the right packaging materials, performing cost calculations, and gaining the buy-in and collaboration of all stakeholders involved can be challenging.

“That is where the Use Reusables® campaign comes in,” said Justin Lehner, program manager at StopWaste.Org, a public agency located in the San Francisco East Bay. Joined by the Reusable Packaging Association and with financial support from the U.S. EPA’s Climate Showcase Communities program, StopWaste.Org leads the campaign, designed to help businesses and institutions throughout the United States assess and optimize the transport packaging materials and systems they use.

Use Reusables offers hands-on training workshops, financial assistance, events and expert advice, supported by a suite of educational materials and a comprehensive website (www.UseReusables.com).

“To date, we’ve worked one-on-one with over 200 organizations and have helped many companies transition to reusable transport packaging, saving millions of dollars in packaging expenses and disposal costs, as well as preventing thousands of tons of waste," said Lehner.

Lehner’s team recently awarded the campaign’s first round of grant funding to help six organizations transition a portion of their operations from limited-life transport packaging materials to reusable, including durable pallets, RPCs and reusable pallet wrap. A second round of grant funding opens on Nov 15.

The grant application is open to organizations throughout the United States, however, a minimum of 33 percent of available funding is reserved for those based in the San Francisco Bay Area and the Central Valley.

Visit www.usereusables.com/resources/grants for more information about the grants.