

## East Bay Express

NEWS - ECO WATCH

February 24, 2010

### Go Green, Save Green

Eco-conscious shipping containers allow businesses to realize serious behind-the-scenes savings.

By Nate Seltenrich

There's a new way for local businesses to go green. But they won't get much credit for it — not from customers, shareholders, or certifying agencies — even though it's cutting-edge in many industries. They won't get any fancy labels, seals, or logos to slap on their products. In fact, beyond a few close business contacts, no one will ever know about it. Yet the practice is virtually guaranteed to reduce waste and save money over the long-term, and has limited upfront costs. As Oakland's Peerless Coffee recently discovered, it's a lesson worth learning for many local businesses.

Although Peerless is no stranger to going green, company officials realized about two years ago that one element of their Jack London Square business had yet to be addressed: the coffee-bag-filled corrugated cardboard boxes they ship throughout the Bay Area. Every day, six to ten big, brand new cardboard cartons — at a cost of \$1.20 each — vanished from the warehouse in trucks laden with one- and five-pound bags of coffee. The trucks would return and the coffee would be consumed, but the boxes would be lost somewhere in between, unaccounted for and forgotten. There was no way of knowing if they were recycled, reused, or just trashed. Day after day, week after week, the cost — and the waste — added up.

But then Peerless learned of a solution through Alameda County's [StopWaste.org](#). Reusable shipping containers. Instead of disposable cardboard boxes, the company would move its coffee in plastic totes. At drop-off points, drivers would unload the coffee bags, toss the bins back in the truck, and return them to the warehouse to be refilled.

As Peerless' one-year reusable packaging pilot program draws to a close, the results are hard to ignore. When the company converts completely to the eco-conscious containers in the near future, it will save between \$10,000 and \$15,000 a year on cardboard costs, not to mention the stretch wrap and pallet waste it'll avoid. The new totes are sturdier, easier to handle, and less likely to injure warehouse workers. And Peerless' restaurant and hotel clients are no longer left with the burden of disposing of large cardboard boxes. "The customers are very enthusiastic about it. They just love seeing this," said David Hoiem, director of technical services and route sales. "It's been much more successful than I expected."

Although some environmentalists have questioned the wisdom of replacing recyclable cardboard, paper, and wood with yet more plastics, numerous studies have shown that throughout its entire lifecycle, reusable plastic packaging is greener. One of the more prominent studies, conducted by Franklin & Associates and peer-reviewed by the Michigan State University School of Packaging in late 2004, found that in the case of reusable and recyclable plastic containers versus disposable display-ready cardboard containers used for fresh produce, the reusables required 39 percent less total energy and generated 95 percent less solid waste and 29 percent fewer greenhouse gas emissions.

In some respects, reusable packaging is on the vanguard of green business practices in the United States. According to [StopWaste.org](#) reusables program manager Justin Lehrer, the practice is already well-entrenched in Europe,



where shorter shipping distances make it easier to keep tabs on reusable containers. Worldwide, he said, the auto industry uses 95 percent reusable containers and only 5 percent disposable. Other industries, however, are just beginning to catch on. The produce industry is undergoing the early stages of a widespread conversion to reusable containers, said Lehrer, which should significantly reduce product damage and increase packing efficiency. Most others are further behind, and on the individual business level, many have yet to consider it as an option.

Still, momentum is gathering. The Reusable Packaging Association, a trade group dedicated to promoting and selling reusable packaging services and products, has seen its numbers swell in recent years. "Reusable packaging in general continues to make incredible inroads again and again," said association board chairman Jon Kalin. "It's a real neat intersection between saving companies money in the long term and reducing their impact on the environment."

Here in Alameda County, [StopWaste.org](http://StopWaste.org)'s biannual reusable packaging workshops are growing increasingly popular. The most recent, a half-day event held at the organization's downtown Oakland headquarters in late January, attracted over forty registrants from a diverse cross-section of local industries.

And Peerless isn't the only big-name East Bay business to convert to eco-conscious packaging with [StopWaste.org](http://StopWaste.org)'s assistance. Ghirardelli Chocolate Company, based in San Leandro, was plagued by high packaging costs, soiled cardboard waste, collapsing cardboard boxes, and repetitive stress injuries from taping boxes shut. It was spending \$520,000 a year on cardboard boxes for internal distribution alone, and another \$2,700 to dispose of them. A recent switch to plastic totes is projected to save Ghirardelli \$2.6 million in packaging costs over five years and keep 350 tons of soiled cardboard out of landfills.

Peerless' experience with eco-friendly improvements made it easier for the company to grasp the benefits of embracing reusable packaging. Ten years ago, the 75-year-old, family-owned business realized it was operating at far from peak efficiency. Massive amounts of valuable Mylar scraps that it uses to package coffee were being lost to an outmoded process, while equally significant levels of coffee chaff – the outer skin of a coffee bean that sheds during the roasting process – were clogging up Peerless' waste stream.

So, through a partnership with [StopWaste.org](http://StopWaste.org), Peerless purchased a new packaging machine that reduced waste by 95 percent and saved \$100,000 a year in Mylar costs. A coffee chaff composting program, in concert with new recycling efforts, saved another \$10,000 per year and reduced waste by fifty tons. The company even replaced toilets and lighting. Peerless was promptly certified an Alameda County Green Business — "even before it became hip to be green," noted company Vice President George Vukasin, Jr.

Peerless' supply chain model also makes it well-suited for eco-conscious packaging. It's known as a closed-loop system, meaning Peerless' shipping containers remain under its control throughout the entirety of the distribution cycle. This is the easiest type of system in which to introduce reusable packaging.

Open-loop systems, on the other hand, pose one of the largest obstacles. If a business ships its products in bulk across the country, or even around the world, the difficulty of retaining the containers is dramatically increased. Some suppliers offer GPS or RFID tracking services, but this isn't always cost-effective or even plausible. "We wished that it did make sense for everybody," Kalin explained, "but it doesn't."