

COVID-DRIVEN OPPORTUNITIES FOR PRODUCE PACKAGING



Despite the continuing COVID-19 pandemic, many retailers are still moving forward on their sustainability goals to meet their customers' requests, says Sambrailo's Lozano.

Consumers' health and safety concerns have turned up the dial on demand for packaging.

Produce packaging once almost exclusively referred to cartons, crates and containers that fruits and vegetables traveled in from shipper to store, ultimately for the contents to be sold loose off the shelf. More recently, the huge growth of fresh-cut salads, the transition from bulk to bag, wrap and trays in top-selling favorites like apples, sweet potatoes and sweet corn, and the advent of steamable fresh veggies and convenience snack packs has seen packaged produce become a bigger part of department sales.

It's no wonder that the global fresh food packaging market is estimated to grow from US \$79.9 billion in 2020 to reach US \$ 94.7 billion by 2025, at a compound annual growth rate of 3.5 % during the forecast period, according to the April 2020-published report, *Fresh Food Packaging Market by Material, Pack Type, Application and Region – Forecast to 2025*, by Marketsandmarkets Inc., a market research firm headquartered in Northbrook, IL.

Then, the COVID-19 pandemic hit the U.S. in a big way starting in March, and consumers' health and safety concerns turned up the dial on demand for packaging.

"We saw a rise in demand for packaging for the first couple of weeks," says Mike Roberts, director of produce operations for [Harps Food Stores Inc.](#), an 86-store chain headquartered in Springdale, AR. "Things like apples and oranges were selling better packaged than in bulk. We also quit selling bulk nuts. But that didn't last long. Things have returned to normal. But it's not the same. We're all living with new procedures, policies and precautions in place. As for packaging, shoppers like the idea that an item hasn't been handled by a lot of other shoppers. They also want convenience, such as being able to pick up a certain quantity at a time. And they still want the packaging to be sustainable."

Consumers' heightened concern for health and hygiene is a major reason for the purchase uptick in packaged produce this past spring, say industry professionals. Case in point: IRI data, as presented in a May 19, 2020-published presentation from the Newark, DE-headquartered Produce Marketing Association Town Hall: Consumer Trends, showed a shift in the share of produce that is fixed weight, and thus packaged, from 47.1 % during the 52 weeks ending late January versus 51.2 % of sales during the pandemic.



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“More customers are looking to move from loose product to flexible packaging during this unprecedented time since plastic packaging is a barrier from contamination and germs that produce could otherwise be exposed to in a bulk setting,” says Keith Fox, president of **Fox Packaging**, in McAllen, TX. “Packing houses and distributors have been proactive in increasing their order quantity and order frequency to meet demands. Our facility has been running three shifts seven days a week to ensure that our customers receive their packaging within a competitive timeframe.”

Besides, most retailers that had previously offered self-serve salad and olive bars, as well as bulk nut purchases, have converted to pre-packaged offerings, further increasing the need for food packaging, says Kim Radigan, assistant produce manager for **Inline Plastics Corp.**, in Shelton, CT. “Our Safe-T-Fresh brand is the ideal solution to meet the packaging needs of in-store salad bars going to portioned and packaged products and dining out. An added benefit of the Safe-T-Fresh containers is leak-resistant properties that work well for a myriad of applications, from pre-packaged salads to portioned fruit.”



PHOTO COURTESY OF INLINE PLASTICS

“At present, single-use plastics are synonymous with safety, and consumers know that single-use plastics are clean and will protect contents,” says Kim Ratigan of Inline Plastics Corp.

Radigan adds Safe-T-Fresh is a solution for foodservice operations that have now provided many of their products for take-out and delivery, which further requires packaging options that protect the integrity of the food.

“The growth we are seeing impacts all sizes, with perhaps less of a focus on large party platters, which have been historically used more in settings where larger gatherings were present,” says Radigan.

NEW NORMAL SHOPPING HABITS

Everything from COVID-19 quarantines to everyday safeguards has impacted consumers’ grocery shopping habits. This has created ripple effects and opportunities for both manufacturers, retailers and even consumers, when it comes to produce packaging.

“Many people shop less often now, like once a week rather than a couple of times a week, and they buy more at a time. This makes packaging that can help extend the shelf life of fresh fruits and vegetables even more important,” says Roy Ferguson, chief executive officer of **Chantler Packages**, headquartered in Mississauga, ON.

Chantler developed PrimePro in the mid-2000s. This packaging technology removes ethylene, a gas that triggers ripening and ultimately decay and can increase the shelf life of fruits and vegetables placed in this packaging by 10 to 50 %, according to Ferguson. PrimePro is available in different formats, including bags, pallet covers and sheets, and most recently coated paper boxboard trays. Only three produce items — yellow onions, mushrooms and nuts — do not benefit from this shelf-life enhancing technology, says Ferguson.

“Retailers are slow to adapt to new technology because they think of price, not cost. For example, if a bag costs 1-cent more, but there’s 30 to 40 % less shrink from the product inside, then the cost is inconsequential,” says Ferguson.

Packaging can also enhance shelf life by acting as a barrier.

“Our Combo Ultra Shield bag protects potatoes from ultraviolet (UV) light, which triggers greening. When displayed and stored properly, this packaging type combats food waste and can extend the product lifespan,” says Fox Packaging’s Fox.

The Combo Ultra Shield is a combo poly and mesh bag that provides branding space and breathability. However, it also has two layers of black and white poly film on the side, which prevents nearly all visible light as well as 90% of UV light.

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Even before COVID, shelf life enhancement was important to processors and retailers as extending produce shelf life means less waste, says Inline Plastics Corp’s Radigan. “Gaining a day or two on a product with a shelf life of 5 to 7 days is substantial. Depending on the contents, shelf life extension means different things for different produce. For some, complete sealing is best; for others, having some airflow works better. There is no one size fits all – which makes this target unique to each application. We work closely with our customers to find the right balance and usually test out different options to find the best one.”

Packaging manufacturers say they are receiving requests from retail buyers for a wide variety of package sizes. This is due to consumers either looking to load up on larger packs or buy several smaller packs they can use throughout the week.

“Two-, 3- and 5-pound packaging is trending upward,” says Jeff Watkin, director of marketing for **Sev-Rend High Performance Packaging**, in Collinsville, IL.”

Cooking at home has skyrocketed in the wake of the pandemic. Over half (54%) of Americans report cooking more at home according to information in the April 15, 2020, published report *America Gets Cooking: The Impact of COVID-19 on Americans' Food Habits*, by HunterPR, an integrated marketing and public relations firm based in New York, NY and London, UK. As a result, 50% of those asked said they have discovered new brands and products when shopping, and 45% said they seek inspiration to try new foods. What's more, 51% say they will continue to cook more often at home.

RETAIL REALITIES

The **Sambrailo Packing Company's** ReadyCycle packaging has a 360-degree surface to print a company's story, recipes and reasons for packing sustainability, says Sara Lozano, director of marketing for the Watsonville, CA-headquartered company that makes this recyclable cardboard packaging. "It's an amazing component of ReadyCycle that can connect, communicate, and educate the retailer and consumer about your product and your brand story."

More shoppers are purchasing groceries via the Internet for either delivery or pick-up at store level. Twenty-three percent of shoppers surveyed said they were shopping more online, and 17% said they were spending more money online, according to *US Grocery Trends COVID-19 Tracker*, conducted by the Arlington, VA-headquartered Food Marketing Institute (FMI) and the Bellevue, WA-based The Hartman Group Inc., and published April 9, 2020. Said another way, digital purchasing may account for 4 to 6% of grocery sales with 10% of shoppers buying groceries online, based on information presented in PMA's May 19 Consumer Trend's Town Hall presentation.

"A common scenario today is a shopper ordering their groceries at lunchtime, going out to grab something for lunch and then on the way back expecting to swing by and pick up their groceries. This means a turnaround time of 10 to 15 minutes," says Kurt Zuhlke, Jr, president of **Kurt Zuhlke & Associates, Inc.**, in Bangor, PA. "Packaging makes it easier for a retailer to pick and place produce orders in a box for click-and-collect programs. Also, packaging such as a clamshell does a better job than a paper or plastic bag at protecting that produce on the ride home."

Fruit and vegetable cartons for CSA programs and produce boxes direct to consumers are also trending, says Sambrailo Packing's Lozano. "Drive-by farm stands or grab-and-go solutions at farmer's markets have all become more popular in these times. The convenience, the support of local farms, organic, fresh factors have all been topics that relate to our packaging and how we can best serve our customers and the industry."

FUNCTIONALITY & SUSTAINABILITY

Thirty-five percent of shoppers report that minimizing the environmental impact of packaging waste is most important to them, according to FMI's *The Power of Produce 2020* report, released February 28, 2020. Nearly the same percentage (34%) of shoppers say package functionality should be balanced with environmental impact. Finally, 31% of shoppers stress that packaging functionality is most important.

In terms of functionality, durability, visually pleasing and packaging right for the product are important functionality points to Jeff Cady, director of produce and floral for **Tops Friendly Markets**, a 157-store chain

headquartered in Williamsville, NY. In the future, “I think a tray that can hold freshly sliced melons would be nice. The fiber trays don’t seem to handle the dampness of the melon slices. Also, fruit and vegetable tray container options that are durable, but use less plastic, need to be considered.”

Packages with compartments seem to be gaining more interest, says Inline Plastic Corp’s Radigan. “Being able to separate different products (produce especially) also leads to a longer shelf life. We’ve recently launched a line of inserts to help provide options to introduce proteins and other add-ons to bring more value to the salad market.”

The desire for packaging to stop the spread of the COVID-19 virus temporarily trumped concerns over sustainability by consumers this spring, say industry professionals. However, going forward, and especially in light of the June 24-released joint statement by the U.S. Department of Agriculture and U.S. Food and Drug Administration that there is no evidence of food or food packaging being associated with the transmission of the virus, environmentally friendly packaging will move back to the front burner once again.

“Sustainability has been at the forefront for the past few years and will continue to be a major focus as the industry moves forward, coupled with an increased emphasis on food safety,” says Radigan. “At present, single-use plastics are synonymous with safety, and consumers know that single-use plastics are clean and will protect contents. Nonetheless, sustainability efforts remain an ongoing priority for us and the plastics packaging industry. Earlier the year, we launched our ‘Reborn’ material, using post-consumer content along with proprietary lowest carbon footprint sheet production process. We use this material for all our products, so our customers can pick any item they need, knowing it will be made with Reborn.”

Shoppers reportedly want to see a greater change from their produce departments on packaging waste, according to FMI’s *The Power of Produce 2020* report. Avoiding Styrofoam trays was at the top of the list of solutions, at 42%, and offering bio-degradable packages was also popular at 41%. Remarkably, 39% of shoppers said they would be willing to pay more for environmentally friendly packages.

“We have made efforts in the past six months to be more eco-friendly, including replacing much of our foam trays with fiber as well as making efforts to bring in products that use less plastic. Less clamshells, less plastic,” says Tops Friendly Markets’ Cady.

Despite the continuing COVID-19 pandemic, many retailers are still moving forward on their sustainability goals to meet their customers’ requests, says Sambrailo’s Lozano. “This means their vendors (growers) are working to meet these needs. This is where we see successful alignment in making a sustainable packaging option a reality. In recent months, we have packaged new items like organic blueberries, organic artichokes, organic ginger, mushrooms, cherries, and apricots just to name a few.”

Looking ahead, Sev-Rend’s Watkin says, “Produce is the last department in the supermarket tapped by the packaging world. As a result, I think we’ll see packaging here grow even more in the future.”