

BROCCOLI CASE STUDY

Corrugated Saves \$2.4 million Annually Vs. RPCs in Iceless Broccoli Shipping Case Study

Fast Facts

\$7.1M vs. \$9.8M Cost

The analysis showed total annual costs of more than \$7.1 million using corrugated vs. \$9.8 million using RPCs.

\$2.7M Cost Savings

Corrugated demonstrated an annual cost savings of \$2.4 million vs. RPCs

25% Lower Costs

Total shipping costs were nearly 25% higher using RPCs.

\$788K Avoided Costs

RPCs require backhauling to return from retailer to the next point of use. During this backhaul leg of the trip, RPCs incur \$788,000 in costs for shipping, handling, and washing.

Corrugated avoids these costs altogether as it does not require back-shipping.

Grocery retailers seek profitability by reducing costs through the entire distribution channel. Transportation packaging is one area of note scrutinized by retailers for possible cost savings. The choice of shipping containers, specifically corrugated versus reuseable plastics containers (RPCs), can play a role in reducing costs according to a study performed for the Corrugated Packaging Alliance.

Methodology: This analysis was completed using FullDisclosure, a cost modeling software tool, using data provided by a broccoli grower based in Salina, CA to retailer in Chicago, IL. **Using iceless broccoli** as an example, the analysis assumed a shipment of **34 million pounds** shipped annually over a route approximately **covering 2000 miles**, based on a route from a broccoli grower in Salinas, CA, to a retailer in Atlanta, GA.



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