



TOMATO CASE STUDY

Corrugated Saves \$6.8 million Annually Vs. RPCs in Tomato Shipping Case Study

Fast Facts

\$27.2M vs. \$34M Cost

The analysis showed total annual costs of more than **\$27.2 million using corrugated vs. \$34 million using RPCs.**

\$6.8M Cost Savings

Corrugated demonstrated an annual cost savings of **\$6.8 million vs. RPCs**

25% Lower Costs

Total shipping costs were nearly **25% higher using RPCs**

\$7.5M Avoided Costs

RPCs require backhauling to return from retailer to the next point of use. During this backhaul leg of the trip, RPCs incur **\$7.5 million in costs for shipping, handling, and washing. Washing alone added \$577K to costs.**

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 tomato grower based in Mexico to a distribution center in San Diego, CA, and finally to a retailer in Houston, TX. **Using tomatoes** as an example, the analysis assumed a shipment of **144 million pounds** shipped annually over a route approximately **covering 1905 miles** based on a route from a tomato grower in Mexico to a distribution center in San Diego, CA. From San Diego, the tomatoes traveled to a retailer in Houston, TX.



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