

Foodservice Packaging Institute

Report to Members 2008



Vision

The Foodservice Packaging Institute, Inc. (FPI) will continue to be the premier material-neutral association in the foodservice packaging industry where all participants in the Foodservice Packaging continuum – converters, suppliers, operators, distributors and consumers – can work together to advance key stakeholders’ understanding of the value, sanitary benefits and other contributions of single-use foodservice packaging.

Mission

FPI’s mission is to add critical value for industry members by:

- expanding and enhancing the acceptance and marketing of all single-use foodservice packaging
- promoting to operators, distributors and consumers the value and sanitary benefits of single-use foodservice packaging
- protecting the manufacturing and marketing of single-use foodservice packaging from unwarranted intrusion by government legislation or regulation, or actions by other entities
- informing and educating institute members and all interested parties about trends, developments and opportunities in markets for single-use foodservice packaging
- providing a forum where ideas of interest, and issues of concern to all participants in the single-use foodservice packaging industry can be discussed.



Our mission today is the same as it was 75 years ago, promote foodservice packaging as the sanitary solution

President's Report

By John Burke

A lot of things happen in a year, and with so much going on, that's why we produce this brief reminder that seeks to capture for our members the FPI activities and events of the year passed.

2008 was even more special because it marked the 75th anniversary of the founding of the Institute, and the 100th anniversary of the invention of the first single-use foodservice package, the paper cup.



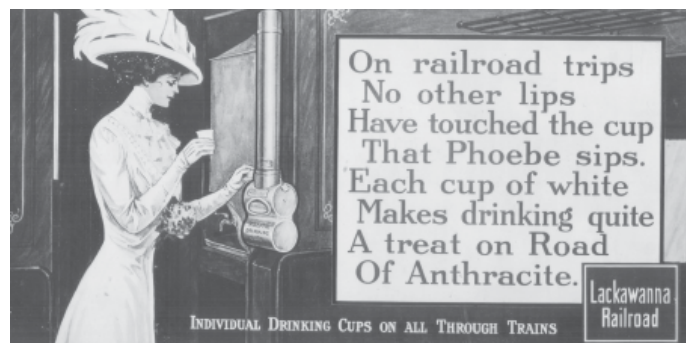
Because of what happened those many years ago, people all over the globe use a wide variety single-use packaging products every day. Most of them don't even think of all of the people, all the inventiveness, all the research and development that goes into making what, in their hands, seems like a simple product...a cup, a plate, a bowl, a container.

And while most of those people think of our products only as a convenient way to "take away," "grab and go" or "take home" their food and beverages...we at the Institute know that the primary value of our products is the sanitation and public health protection they provide to foodservice operators and their customers. That's the story the Institute has been telling every day for 75 years.

Yes, a lot happens in a year...and a lot more occurs in 75 years. And through all of it, the Great Depression, World War II, Cold War, a dozen economic recessions, mergers and acquisitions, countless natural disasters and threats to our homeland...through all of it, the companies that ARE the Foodservice Packaging Institute have stayed together, persevered and prospered.

It's a history to be proud of, and I feel privileged to be part of it.

FPI is the only material-neutral association that focuses on foodservice packaging



2008 Members

Converters

Absolute Plastics, LLC
Amhil Enterprises, Ltd.
Cascades Inc.
Commodore Plastics
Dolco Packaging
Dyne-A-Pak Inc.
Elkay Plastics Co., Inc.
Fabri-Kal Corporation
Genpak, LLC
Georgia-Pacific Professional, Food Services Solutions
Hoffmaster Group, Inc.
Huhtamaki
Inline Plastics Corp.
International Paper
McNairn Packaging
Pactiv Corporation
Pitt Plastics, Inc.
PWP Industries, Inc.
Reynolds Food Packaging
Solo Cup Company
Waddington North America, Inc.

Suppliers

Americas Styrenics LLC
DuPont Fluorochemicals
INEOS NOVA LLC
NatureWorks LLC
PAKIT Inc.
Paper Machinery Corporation
Peerless Machine & Tool Corporation
TOTAL Petrochemicals USA Inc.

Affiliates

ABP Corporation [Au Bon Pain]
ARAMARK
Arby's Restaurant Group, Inc.
Bank of America
Boston Market
Buffalo Wild Wings Grill & Bar
Bunzl Distribution, Inc.
Burger King
Canteen Corporation
Chick-fil-A, Inc.
The Coca-Cola Company
Compass Group
Denny's Inc.
Dunkin' Brands Inc.
Eastern Bag & Paper Group
Edo Japan
Einstein Noah Restaurant Group
Fazoli's System Management, LLC
FOCUS Brands Inc. [Carvel, Cinnabon, Moe's Southwest Grill, Schlotzsky's and Seattle's Best Coffee]

HAVI Global Solutions
HMShost Corporation
Hot Stuff Foods
Hudson's Bay Company
Humana Inc.
Independent Marketing Alliance
Independent Purchasing Cooperative [Subway]
Ivar's Seafood, Soup & Sauce Co.
Jack In The Box Inc.
Jose Santiago Inc.
Lagasse Inc.
Little Caesars Pizza
Maines Paper and Foodservice Inc.
Manchu WOK
Marco's Franchising, LLC McDonald's Restaurants of Canada Ltd.
Mitsui Bussan Logistics Inc. [7-Eleven]
Noodles & Company
Panda Restaurant Group, Inc.
Peninsular Paper Company
Pollo Campero, S.A.
Qdoba Mexican Grill
Quaker Steak & Lube
Restaurant Developers Corporation [Mr. Hero]
Ritz FoodService
Round Table Pizza
Rubio's Restaurants, Inc.
Silfen-Berman Huntington Paper and Packaging Company
SODEXO
Steak Escape
Steak-Out Franchising, Inc.
Strategic Alternatives LLC
Strategic Market Alliance
Subway / Doctor's Associates Inc.
SYSCO Corporation
Target Corporation
Tim Hortons -- The TDL Group
Unified Foodservice Purchasing Co-op, LLC [Yum! Brands]
Unified Purchasing Group of Canada [Yum! Brands]
U.S. Foodservice
Which Wich, Inc.
White Castle
Yum! Brands, Inc., A&W Restaurants
Yum! Brands, Inc., KFC
Yum! Brands, Inc., Long John Silver's
Yum! Brands, Inc., Pizza Hut
Yum! Brands, Inc., Taco Bell
Zanios Foods



Budget and Finance

In 2008 the Institute's total income was \$769,459, with expenses of \$825,654. Membership increased by 11 member companies in 2008, and this infusion of dues income resulted in our taking only \$56,000 from our reserve which was \$33,500 less than the amount members approved for the 2008 budget. The good news continues to be that our reserve fund balance at the end of the year was \$487,000 (despite the market downturn that affected the long term portion [equities] of the fund).



In 2008 we made two accounting changes that will help our bottom line a little more in 2009: we no longer will pass through our books the payments of those companies that participate in the Institute-sponsored microbiological testing program, nor the payments for companies that purchase the new rigidity testers. In both cases processing the payments through the Institute resulted in the Institute paying "gross receipts tax" to our local government in Falls Church, and the change for 2009 will save several thousands of dollars.

The bottom line for operating your institute continues to be: "It's your money...but we treat it as if it were ours." And that means we will always spend it wisely and frugally.

Membership

As a result of FPI's aggressive membership development campaign, 11 companies joined FPI in 2008: Absolute Plastics, LLC; DuPont Fluorochemicals; Elkay Plastics Company Inc.; Formosa Plastics Corporation, USA; Hoffmaster Group, Inc.; Inline Plastics Corp.; International Paper Foodservice Business; NatureWorks, LLC; PAKIT Inc.; Proex Inc.; and PWP Industries.

In October, a dozen FPI volunteers (members, spouses and staff) who participated at the fall meeting, took the time to help Habitat for Humanity build homes for people in New Orleans' devastated Ninth Ward. FPI volunteers did a number of jobs around the construction site including carpentry, painting, landscaping and site cleanup.

After 75 years, we are still the only association that brings together the entire foodservice value chain

Technical/Standards

Most all of the foodservice packaging industry's testing protocols were reviewed and updated in 2008 by the Foodservice Packaging Standards Council. The last protocol under review will be the "dual-ovenable" standard.

Also in 2008 the Standards Council oversaw the complete modernization of the 25-year-old foodservice packaging rigidity tester. This device for testing plates, platters and bowls is now electrified and digitized to produce faster, more accurate results.

Communications

FPI published several press releases and was interviewed by or featured in over a dozen media stories during 2008.

FPI launched a completely redesigned Web site (www.fpi.org). The site includes more services for members, including the new "Foodservice Packaging Library" and "Job Opportunities" sections, and an expanded "Products" section featuring members' products with direct links to their Web sites.

In 2008, there were more than 83,000 visits to the FPI site.

156 entries were submitted to the Foodservice Packaging Awards competition, and the winners were announced at the fall meeting.

Executive Briefs, our bi-monthly, newsletter underwent a redesign to make it more readable and user friendly. *Executive Briefs* is received by thousands of people around the globe.

FPI produced a "Short Cut to the FTC Environmental Marketing Guidelines Claims" poster for members to place on their office walls and hand out to customers.



Sacramento County was selected as the recipient of the 2008 Samuel J. Crumbine Consumer Protection Award for Excellence in Food Protection. FPI is the administrator for this national program that has honored outstanding local government public health agencies for 53 years.

Along with commentary on the 75th anniversary of FPI, *Packaging Innovations & Insights*, our e-newsletter for foodservice operators, distributors and media that features the latest products from FPI members, highlighted recycling and environmental challenges facing the industry.

Research

Safety Statistics Survey: This annual compilation of lost time accidents in the industry had more facilities reporting—95—than ever.

State of the Industry Report: This 200-page portrait of the foodservice industry in 2008 also included the results of FPI's annual survey of converters, suppliers, distributors and operators.

The Foodservice Packaging Advisory Council, the institute's discussion forum on issues and trends affecting foodservice operators, met in April and included members representing SODEXO, U.S. Foodservice, Pizza Hut, FOCUS Brands Inc., Bunzl Distribution North America, Tim Hortons, University of California San Diego, SYSCO Corporation, T.A. Moulton Co. and Eastern Bag & Paper Group.



FPI's first ever Economic and Employment Impact Survey, published in 2008, found that the foodservice packaging industry is comprised of more than 260 facilities employing more than 44,000 people with a payroll of over \$1.8 billion in the United States. The same survey found that, in Canada, there are over 20 facilities employing more than 2,600 people with a payroll over CAD\$15 million.

Meetings

For 75 years, we've been looking towards the future to see where the foodservice packaging industry is going

More than 70 people representing 27 member companies, and 11 prospective member companies, celebrated our 75th anniversary meeting in Sonoma.

Sonoma meeting attendees heard “outside industry” perspectives coupled with “inside industry” reports. Speakers came from The Institute for the Study of the Future, *The New York Times*, Technomic and the University of Central Florida School of Hospitality Management.

More than 40 representatives from 26 FPI member and affiliate companies participated at our 75th fall meeting in New Orleans. Speakers came from Chemical Markets Associates Inc., Poyry Forest Industry Consulting Inc., HARBOR Intelligence, NatureWorks LLC, Euromonitor, U.S. Composting Council, the New York City Coalition for Resource Recovery and NOLA Energy Consulting.

Fall meeting attendees heard about the present and future of materials as well as information on the foodservice industry, the progress of composting, recycling of discarded paper foodservice items and free government programs on energy efficiency and renewable energy for both large and small manufacturers.

Public Affairs

Throughout the year, FPI kept its members apprised of activities on the legislative front through regular public affairs updates. Here are a few of the highlights.

The FDA held a public hearing on the use of nanotechnology in direct food contact materials and announced it will look at nano particles and materials in food packaging on a case-by-case basis. It appears that the FDA will view nano materials as new or “novel” which will trigger a full scale risk and health assessment before it would declare such materials in compliance with its regulations.



Spurred on by a report from the California Ocean Protection Council, a dozen California localities started studying bans on plastic retail bags and polystyrene foodservice packaging.

All retailers in Chicago are now required to provide in-store recycling of “plastic carryout bags” and “film plastic” bags (dry cleaner bags, newspaper bags, etc.) effective Nov. 14, 2008.

The plastics industry is conducting a city-wide program in NYC schools to recycle used foam lunch trays.

In July a 20-cents-per bag tax on paper and plastic single-use bags was enacted and a polystyrene foam ban (that included a compostables mandate by 2010) was passed by the Seattle city council.

Toronto’s Solid Waste Management Services staff recommended that the city place harsh restrictions on “in store packaging,” with particular focus on single-use retail shopping bags, hot drink cups and plastic take-out food containers. Retailers would have to pay their customers a minimum “discount” of 10 cents for each item they did not use and 20 cents for each single-use hot cup customers did not use.

*We are the leading authority on
foodservice packaging in
North America*

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