

# Foodservice Packaging Institute

Report to Members 2009



# Our Vision

The Foodservice Packaging Institute, Inc. (FPI) will 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

# Our 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

# President's Report

I think 2009 will turn out to be one of those years that all of us would just as soon forget.

We started the year in hope and fear: hope that a new United States president would actually bring “change you can believe in” and fear that the country’s brush with economic catastrophe would drag us all over the cliff.

At this writing, neither of those things has happened yet, but whether you are personally hopeful or fearful, or both, our foodservice packaging industry has prevailed in a tough year. We’ve found that, no matter the times, people continue to need single-use foodservice products in their daily lives.

Maybe they don’t go to Starbucks or Tims every morning – but they still go sometime during the week.

Maybe they bring their lunch with them to work, but they supplement it with some type of takeout from the cafeteria or a cart on the street corner.

Maybe they don’t go out to dinner at that white-linen-tablecloth restaurant that’s so “hot,” but they still pick up a prepared meal to take home and “pretend” they’re eating out.

The (fortunate) reality is people need foodservice packaging. It has become part of modern culture, an embedded part of the way that 21<sup>st</sup> Century humans live in advanced societies. Even at this moment in Haiti, a devastated people, many the poorest of the poor, need our products to survive and to help provide some base level of sanitation and nourishment.

2009 is over. It will be viewed as one of the most challenging periods in recent global history. But for our industry, 2009 turned out to be a year of remembrance. Some how we persevered. We prevailed. We continued to provide the sanitary packaging products that are such a crucial part of modern life.

If you think about it that way, 2009, for producers and suppliers of single-use foodservice packaging, turned out to be a good year after all.



# 2009 Members

## Converters

Absolute Plastics, LLC  
Amhil Enterprises, Ltd.  
Anchor Packaging, Inc.  
Cascades Inc.  
Commodore Plastic, LLC  
Dolco Packaging  
Dyne-A-Pak Inc.  
Eco-Products, Inc.  
Elkay Plastics Co., Inc.  
Fabri-Kal Corporation  
Genpak, LLC  
Georgia-Pacific Professional, Food Services Solutions  
GreenDustries Packaging Corporation  
Grupo Convermex S.A. de C.V.  
Hawaii Foam Products, LLC  
Hoffmaster Group, Inc.  
Huhtamaki, Inc.  
Inline Plastics Corp.  
International Paper  
Jet Plastica Industries, Inc.  
McNairn Packaging  
New Ice, Inc.  
Pactiv Corporation  
Pitt Plastics, Inc.  
Reynolds Food Packaging  
Sealed Air Corporation  
Solo Cup Company  
Waddington North America, Inc.

## Suppliers

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

## Affiliates

7-Eleven  
ABP Corporation [Au Bon Pain]  
APP, Inc.  
ARAMARK  
Arby's Restaurant Group, Inc.  
Boston Market  
Buffalo Wild Wings Grill & Bar  
Bunzl Distribution, Inc.  
Burger King  
Canteen Corporation  
Captain's Co-Op  
Chick-fil-A, Inc.  
The Coca-Cola Company  
Compass Group  
Denny's Inc.  
Dunkin' Brands Inc.  
Eastern Bag & Paper Group  
Edo Japan

Fazoli's System Management, LLC  
FOCUS Brands Inc. [Carvel, Cinnabon, Moe's Southwest Grill, Schlotzsky's and Seattle's Best Coffee]  
Gordon Food Service  
Gordon Food Service Canada  
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.  
Irish Eyes Pub & Restarant  
Jack In The Box Inc.  
Jose Santiago Inc.  
Lagasse Inc.  
Little Caesars Pizza  
M&K Associates  
Maines Paper and Foodservice Inc.  
Manchu WOK  
Marco's Franchising, LLC  
McDonald's Restaurants of Canada Ltd.  
Mitsui Bussan Logistics, Inc.  
Network Service Company  
NewFresh Co.  
Noodles & Company  
Oliver Products Compnay  
Panda Restaurant Group, Inc.  
Peninsular Paper Company  
Qdoba Mexican Grill  
Quaker Steak & Lube  
Restaurant Developers Corporation [Mr. Hero]  
Rubio's Restaurants, Inc.  
Select Marketing, LLC.  
Sheetz, Inc.  
Silfen-Berman Huntington Paper and Packaging Company  
SODEXO  
Steak Escape  
Steak-Out Franchising, Inc.  
Strategic Alternatives LLC  
Strategic Market Alliance  
Supervalu  
SYSCO Corporation  
Target Corporation  
Tim Hortons -- The TDL Group  
Ukrop's Super Markets  
Unified Foodservice Purchasing Co-op, LLC [Yum! Brands]  
Unified Purchasing Group of Canada [Yum! Brands]  
U.S. Foodservice  
Wegmans Food Markets  
Wendy's International, Inc.  
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  
Plus 32 school districts and 17 colleges and universities

# Budget and Finance

Despite the harsh economy, the influx of new member companies joining the Institute in 2009 and relocation of our offices to reduce overhead expenses helped improve our bottom line.

Instead of having to take \$64,000 from the Reserve in 2009 to pay operating costs, as approved by the Board, we finished the year with \$17,000 going into the Reserve, bringing it to \$792,497 as of December 31. FPI's Reserve also benefited from the recovering stock market, with nearly \$93,000 in unrealized gains.

The contribution to the Reserve would have been even higher, but the Institute found it unexpectedly needed to retain the services of the Keller and Heckman law firm in Washington to help our industry win an exclusion for single-use packaging from the product testing mandates of the Consumer Product Safety Improvement Act of 2008 (see the Technical Report for more details).

We continue to treat your money as frugally as possible, and because of that, FPI is in a very healthy financial position.

## Membership

**New Members:** Twelve companies joined FPI in 2009: Anchor Packaging, Inc.; Boise, Inc.; Eco-Products Inc.; GreenDustries Packaging Corporation, Grupo Convermex S.A. de C.V.; Hawaii Foam Products, LLC; Inline Plastics Corp.; Jet Plastica Industries, Inc.; MWV; New Ice, Inc.; Pitt Plastics, Inc.; Sealed Air Corporation. In addition, FPI's free affiliate membership for distributors and operators continues to grow strong, with nearly 125 companies receiving FPI material to stay up-to-date on foodservice packaging news and product introductions.



**Membership Retention:** Two members elected to leave FPI at the end of the year: DuPont Fluorochemicals and New Ice.

**Member Surveys:** FPI produced several operational surveys in 2009 including its biennial Benefits Survey, which contained information on general benefits and member companies' human resource policies and the annual Safety Survey, which provided converters with statistical benchmarks for industry-wide data on employee injuries and illnesses was distributed.

# Communications

**Media Relations:** FPI published seven press releases and was interviewed dozens of times by the media in 2009. FPI was featured in eight different media outlets in 2009 including Wikipedia. There were also several mentions about the State of the Industry Report.

**Web Site:** In 2009, there were 115,770 visits to the FPI site.

**Foodservice Packaging Awards:** The loss of a co-sponsor caused the 2009 Foodservice Packaging Awards Program to be under review for most of the year and no awards were given. A revised awards program focusing in on innovation in single-use foodservice packaging will resume in 2010.

**Social Media Program:** FPI became more active in social media including writing a Wikipedia entry, starting a LinkedIn network and monitoring major blogs that may effect the industry.

**Single-Use Foodservice Packaging Fact Card Created:** To help members and their customers highlight the facts and benefits of single-use foodservice packaging, FPI created a business card-sized handout. The card highlights some facts about single-use foodservice packaging and refers the reader to a Web site with more information. FPI provides limited quantities of this hand out for free to members.

**Crumbine Award:** Columbus [Ohio] Public Health was selected as the recipient of the 2009 Samuel J. Crumbine Consumer Protection Award for Excellence in Food Protection, which is the most prestigious recognition that a public health agency can receive. Because of the importance of Dr. Crumbine in the history of single-use foodservice packaging, FPI co-sponsors the award with Conference for Food Protection, in cooperation with the American Academy of Sanitarians; American Public Health Association; Association of Food and Drug Officials; International Association for Food Protection; National Association of County & City Health Officials; National Environmental Health Association; National Restaurant Association Solutions; NSF International; Underwriters Laboratories, Inc.



# Research/Studies

**State of the Industry Report:** FPI published the 10th annual 2009 State of the Industry Report which contained 186 pages of information on the foodservice packaging industry drawn from annual surveys combined with compartmentalized data gleaned from *Executive Briefs*, and Department of Commerce import/export data to create this annual industry snapshot of the year passed and a glimpse of the year ahead.

**New Reports:** FPI produced two new reports over the summer. One was a quarterly Economic Indicators Report, which provides members with U.S. Government data on the foodservice industry, as well as all consumer food expenditures. The other was an annual Trends Report, which offers insights from members and staff on the trends seen in foodservice packaging, raw material, machinery and the foodservice industry.

# Meetings

**Spring Meeting:** More than 80 people, representing 42 member companies and 17 prospective member companies, came to the Spring Meeting in Boston on April 22-24 for the fifth joint meeting of the Foodservice Packaging Institute (FPI) and Pack2Go Europe (formerly the European Food Service and Packaging Association).

The gathering, one of the largest in FPI history, featured presentations by Harvard Business School Professor and Author Rosabeth Moss Kantor and Julian Carroll, executive director of the European Organization for Packaging and the Environment.

Other speakers at the meeting included James Schenck, president of the Pentagon Federal Credit Union Foundation who provided a well received overview of the economic forces and trends that triggered the recent recession and Dr. Scott Kaufman, U.S project manager for the Carbon Trust who talked about carbon footprinting and the future of that practice and what it could mean for the single-use foodservice packaging industry.

Being a joint meeting with Pack2Go Europe, legislative reviews from both the United States and Europe were provided, giving attendees a well rounded view of government action and public opinion in relation to the industry.



**Fall Meeting:** More than 50 people, representing 38 member companies and 12 prospective member companies, came to the Fall Meeting Charleston, South Carolina on October 14-15 for the 76<sup>th</sup> annual meeting of the Foodservice Packaging Institute at Charleston Place. The meeting agenda focused on the future of the foodservice packaging industry whether it was the newest markets opening up or the latest trends in packaging and the environment. Speakers presented detailed information about the industry and where it is going as well as what industry leaders can do to meet the future prepared.

Dean Dirks of Dirks Associates LLC spoke on the future of foodservice in retail and provided details and statistics that focused in on grocery and convenience stores. Following Dirks there was a panel of speakers including Jim Brendt, senior vice president prepared foods, deli & specialty cheese for Wegmans Food Markets; Keith Boston, director of culinary development for Sheetz, Inc.; and Michael Farnick, purchasing agent for 7-Eleven, Inc. The panel discussed their specific foodservice markets and their developing needs from the foodservice packaging industry. Thomas Blaike, chairman and CEO of Blaike and Company presentation gave an in-depth look at consolidation in the foodservice packaging industry. After Blaike, Kay Cooksey, professor and Cryovac chair at Clemson University spoke on innovations in packaging science.

# Technical/Standards

**Consumer Product Safety Improvement Act of 2008:** FPI continues to work with the law firm of Keller and Heckman to win an exclusion for single use foodservice packaging products from the lead testing requirements of the federal Consumer Product Safety Improvement Act of 2008 (CPSIA). FPI met in August with the general counsel of the Consumer Product Safety Commission to discuss foodservice packaging exclusion from CPSIA, explaining that foodservice packaging is already governed for lead by FDA's Code of Federal Regulations Title 21 and by the CONEG heavy metals laws in effect in 19 states AND that lead levels, where they exist at all, are 1,000 percent below even CONEG's strict requirements.

**"Ovenable Standard":** After careful consideration and input from stakeholders, FPI developed and approved of the Guidance Document for Qualifying Ovenable Packaging.

# Public Affairs

**California:** The bad economy in 2009 kept the California legislature's attention fixed on that state's \$42 billion budget deficit. As a result, every proposed piece of legislation in Sacramento this year had to be examined in light of its potential cost to the state and the deficit. That, in turn, meant that nothing negatively impacting foodservice packaging passed in the California Assembly this year. A number of localities, however, passed ban bills reducing the marketplace for some foodservice packaging.

**Seattle:** The Seattle City Council lost a citizen-initiated referendum on its proposed fee on plastic bags, and just outside Seattle, the city of Issaquah passed a polystyrene foam ban and encouraged the use of compostable materials.

**Hawaii:** Hawaii saw several bills introduced earlier in 2009 that would prohibit the use of PS foam, but they did not make any progress. Maui County also introduced a bill to ban PS foam in early June.

**Boston:** A proposed ordinance to prohibit the use of PS foam and "non-recyclable plastics" was introduced in late August and referred to the Committee on Government Operations.

**Chicago:** A proposal similar to the Boston ordinance was introduced in Chicago and nearby suburb Highland Park. Like the Boston proposal, FPI, its members and allies will be working together to defeat these in 2010.

