

## **An Update on Returnable Plastic Containers (RPC)**

### **RPC Concept**

- is leasing instead of selling containers;
- the containers and related equipment pass from one user to another down the supply chain; provider collects the equipment from the end delivery point for inspection, cleaning, and if necessary repairing and recycling;
- RPCs are foldable, stackable, interlocking and are reusable;
- other benefits include ventilation, display-ready, variety of sizes as well as more standardized, which translates into more stacking options.

### **Facts on Uses in the USA**

- Despite its popularity in Europe, RPCs are used only on a limited basis in the USA. One of the reasons for this is the slow pace of technological improvements in the logistics system. Yet, there are some companies who prefer RPCs to conventional corrugated products. Among such is the Arkansas-based Wal-Mart that ships 70% of its produce in RPCs.
- One of the factors that makes retailers and growers stick to corrugated containers is the possibility of converting the used product into a money-maker. Ninety to 95% of all corrugated containers are going back to mills.
- The preferences of shipping companies may influence the choice of retailers and growers which containers to use.

### **Market Share Reporter**

Current reports inform that only 1-2% of corrugated market is taken by RPCs;

Market Share Reporter predicts that in 2002 converted flexible packaging market structure will be as follows: plastic 73.5%, paper 22.9%, and foil 3.6%. Clearly, RPC is a new, yet a very fast-growing product market in the US. In 1997, paperboard food containers were 39% and plastic 21% of the total share.

### **Sources:**

Market Share Reporter, Gale Group: Detroit, 2000  
Company Web Sites: IFCO <http://www.ifcosystems.com> and CHEP <http://www.chep.com>  
*Modern Materials Handling*, Boston, May 1999  
*Supermarket Business*, New York, August 15, 2001