



## **Summary of Meeting to Discuss Food Bank RPC Retrieval Process**

**November 9, 2016, 9:00 – 11:00 am  
McCormick Place, Chicago, Illinois**

### Attendees:

- Elliott Kirshner, Asset Control Manager, Tosca Services
- Paul Koleske, Director of Logistics, Tosca Services
- Paul Mayo, RPC Asset Control Manager, IFCO Systems
- Omer Aronoff, Asset Management Supervisor, Polymer Logistics
- Herman Carnie, Greater Chicago Food Depository
- Carlos Rodriguez, Greater Chicago Food Depository
- Tim Debus, President, Reusable Packaging Association

### Antitrust Policy

Mr. Debus reviewed the RPA's Antitrust Policy Statement and advised the meeting attendees that the Policy will be in effect and enforced during the meeting.

### Meeting Agenda

Following introductions, Mr. Kirshner opened the meeting by providing background on the agenda. In the retail supermarket business, food commodities are subject to quality inspections that can lead to rejected pallets or loads if the product does not meet specifications. This unwanted product is then brokered by carriers to secondary markets in attempt to sell the lot for revenue, or the product may be distributed and donated to a food bank. These secondary transactions include the packaging, which could involve reusable plastic containers (RPCs).

This break in the intended retail distribution cycle is the biggest leak in the RPC supply for supermarkets, and it explains why RPCs get lost outside of the reuse system. There are processes in place in which the retailer notifies the RPC pooler of the rejected load, and then efforts are underway to track and recover the crates, with varying results. Also, a system exists in which the rejected load can go to a food bank network, and the food bank works with the poolers to return the RPCs for compensation on a per crate basis. However, the current system with food banks has limited participation and irregular results in retrieving and returning the

RPCs. The meeting objective is to discuss common processes and ideas that could lead to an improved program of RPC use and collection with the food bank network.

### Food Bank Perspective

Mr. Carnie and Mr. Rodriguez provided insight into the food bank experience and explained how their system works involving donated food and the handling of RPCs. The downstream shipments of donated food to individual “agencies,” which are the frontline centers interacting with people in need, are problematic for RPCs. Agencies vary significantly in size and operations, and many do not have the resources to track and manage the return of packaging assets. Therefore, it is not recommended that RPCs leave the regional food bank depository, and thus re-packing into one-way or single-use boxes is required.

Furthermore, several day-to-day obstacles exist that challenge the food banks’ ability to manage an RPC retrieval program. First, the variability of the donated food amount and condition places uncertainty in the process, as the quality and decreasing consumable life of perishable products require different decisions on subsequent steps. Time is an important factor. Second, availability of labor for a re-pack operation, from RPCs into single-use boxes, can be limited as donation delivery times and information about the loads (i.e. if RPCs are involved) are generally not provided in advance.

Considering the benefits of RPCs for a food bank operation – perishable food quality, extended shelf life, load stability, ease in handling, reduction of packaging waste, etc. – and the arrangement of compensation for returning RPCs, a question was asked whether food banks prefer to receive RPCs as packaging for the donated food. The answer was an emphatic “no” due to the burdens of RPC retrieval requirements. In essence, it is perceived that the current incentives for food banks to receive and return RPCs are not enough to encourage and achieve an effective program. Changing the system to one of “preference” for RPCs in a workable process for all parties is the goal.

### Points for Further Consideration

In general, the group agreed on several directional points:

1. RPCs involved in donations to food banks should not be further distributed to individual agencies. Food from RPCs should be re-packed into boxes or containers that do not need recovery at the agencies.
2. The food bank program with RPCs should involve an appropriate level of incentives as to create preference and encourage an effective retrieval process that overcomes day-to-day operational challenges.
3. Consideration of other non-agency distribution sites, such as a farming operation where the donated food could be used as feed or fertilizer, should be explored offering a single point of transfer and collection of the RPCs.

### Role of RPA

There are three primary areas that the RPA could assist in improving the collection rate of RPCs from the North American food bank network, with a specific interest in Feeding America. These three areas are (1) Education, (2) Notification, and (3) Incentivization.

1. Education: The RPC is a returnable asset, owned by several poolers. It is a common belief that this information is not well known within the food bank network.
2. Notification: Once the food bank network understands that the RPCs must be collected and returned, is there a common portal of data entry and sharing, or perhaps another mechanism, for informing the poolers of the availability for pickup?
3. Incentivization: There is a cost of both time and dollars to transfer product at the food bank out of RPCs and into one-way packaging. The pooling industry may try to adopt a common policy or best practices that optimizes efficiencies and achieves success for asset retention and ultimately recovery.

### Next Steps

The group discussed the development of a pilot program to generate ideas, identify solutions, determine best practices and study impacts. A successful model could be replicated and deployed in greater scale to create an effective nationwide RPC program with food banks.

A follow-up conference call was recommended to further discuss and advance next steps.

Respectfully Submitted,

Tim Debus  
President