US demand to approach $4.7 billion in 2012

Demand for produce packaging is projected to approach $4.7 billion in 2012. Growth will be fueled by increased produce production, favorable demographic trends, growth in consumer spending, trends toward healthier eating and rising demand for fresh-cut produce, which offers convenience and tends to use more value-added packaging than bulk produce. Produce packaging demand will be stimulated by a number of other trends, such as retailers’ desires to control labor costs through the use of display-ready containers, which require less direct handling than traditional containers or bulk produce.

Corrugated boxes to remain largest type, plastic containers to lead gains

Corrugated boxes will remain the leading produce packaging product type through 2012. While box demand will increase at a slower than average pace, advances will be driven by the expanded prevalence of more costly box types such as modular boxes, white-top linerboard boxes and moisture-resistant recyclable boxes.

Plastic containers will experience the fastest gains, resulting from continued favorable increases in berry production and expanding applications for clamshells, bowls and other plastic containers in other produce uses, especially ready-to-eat, fresh-cut produce.

Bag and liner demand is expected to increase nearly in line with the overall produce packaging average, decelerating from the 2002-2007 pace as the salad market becomes more mature and plastic material price increases become more moderate. The growing prevalence of value-added modified atmosphere packaging films, offering extended shelf life for bags of ready-to-eat produce, will stimulate gains. Demand for mesh, and paper and textile bags will climb more slowly due to greater maturity and competition from plastic bags.

Though reduced in-store repackaging of produce will constrain tray demand, the popularity of precut vegetables packaged in microwaveable trays with self-venting films will provide a growth niche. Growing demand for environmentally friendly packaging will fuel opportunities for trays made from biodegradable and compostable materials.

Reusable plastic containers (RPCs) will log above-average growth, though advances will level off from the 2002-2007 pace based on the increased supply of existing RPCs. Although they carry only a fraction of US produce volume, RPCs have gained a visible presence in the shipping and display of fresh produce as a result of usage by Wal-Mart and a handful of other supermarket chains. Also moderating gains will be the well-established position of corrugated containers and the reluctance of retailers to make the capital investment required to accommodate RPCs.

Study coverage

This new Freedonia industry study, *Produce Packaging*, is priced at $4600. It presents historical demand data (1997, 2002 and 2007) plus forecasts for fresh produce packaging through 2012 and 2017 by packaging product type, application and end user. The study also considers market environment factors, evaluates company market share and profiles 40+ industry competitors, including Bemis, Georgia-Pacific and International Paper.
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Company Profiles
Freedonia’s methods involve:

- Establishing consistent economic and market forecasts
- Using input/output ratios, flow charts and other economic methods to quantify data
- Employing in-house analysts who meet stringent quality standards
- Interviewing key industry participants, experts and end users
- Researching a proprietary database that includes trade publications, government reports and corporate literature

This study can help you:

- Determine your market & sales potential
- Learn more about industry competitors
- Assess new products & technologies
- Identify firms to merge with or acquire
- Complement your research & planning
- Gather data for presentations
- Confirm your own internal data
- Make better business decisions

Plastic

Demand for plastic bags and liners in fresh produce packaging is projected to reach $5.8 billion in 2012. Growth will slightly outpace the overall increase in demand because more and more products are being packaged in plastic. However, the growth rate will be lower than in other segments because packaging for melons, lettuce, and grapes is relatively low cost, clarity, good graphics capability, amenability to automated packaging systems.

While salad will experience the fastest growth among major produce plastic bag applications, faster gains are anticipated in smaller segments where newer types of fresh-cut produce are being introduced, such as potatoes, onions, other vegetables (e.g., broccoli, green beans, corn, snow peas) and apples. Steady growth in a number of key plastic bag applications, such as potatoes, apples, lettuce, cabbage and grapes, will also stimulate overall advances. Moderating prospects to some degree will be heightened competition from plastic containers for salads and other ready-to-eat produce. Containers such as clamshells, bowls and microwaveable trays are gaining ground in plastic bag applications and have the advantage of functioning as heating, serving and/or storage containers, thereby offering even greater convenience of use.

Plastic bags for produce packaging range from commodity products such as potato, apple, carrot and celery bags to value-added modified atmosphere bags for salads and stand-up pouches for fresh-cut produce. Plastic bags are desirable for produce packaging because of their low cost, clarity, good graphics capability, amenability to automated packaging systems.

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**Pouches**
Demand for pouches in the US will climb 6.1% annually through 2012. Stand-up pouches will exhibit robust advances, while flat pouches will post healthy gains in a number of markets. The largest market, food and beverages, will continue to experience healthy growth. This study analyzes the US market for pouches, with forecasts for 2012 and 2017 by product and market. It also considers market environment factors, evaluates company market share and profiles industry participants. #2387 08/2008 $4700

**Protective Packaging**
US protective packaging demand will grow 4.6% annually through 2012, driven by manufacturing growth and the proliferation of Internet commerce. Fastest advances are anticipated for air pillows and insulated shipping containers, with protective mailers and bubble packaging also logging above-average growth. This study analyzes the $4.1 billion US protective packaging industry, with forecasts for 2012 and 2017 by product, material and application. It also evaluates company market share and profiles major players. #2316 05/2008 $4500

**Frozen Food Packaging**
US demand for frozen food packaging will grow 4.1% annually through 2011. Gains will be driven by heightened demand for convenience-type foods, along with the prevalence of microwave ovens. Meat, poultry and seafood and frozen specialties applications will remain dominant and post above-average growth. This study analyzes the $5.2 billion US frozen food packaging industry, with forecasts for 2011 and 2016 by application and product. It also evaluates company market share and profiles leading competitors. #2304 02/2008 $4500

**Stretch & Shrink Film**
US stretch and shrink film demand will grow 4.7% annually through 2011, driven in part by retail trends favoring shrink-wrapped multipacks and pallet wrap. Stretch and shrink film will grow at a similar pace, with stretch film remaining the larger segment. The dominant resin, LDPE, offers the best growth opportunities. This study analyzes the $3.7 billion US stretch and shrink film industry, with forecasts for 2011 and 2016 by type, market and resin. It also evaluates market share and profiles major players. #2254 10/2007 $4400

**Active & Intelligent Packaging**
US demand for active and intelligent packaging will grow 13% yearly through 2011. Intelligent packaging will grow the fastest, driven by the emergence of lower cost time-temperature indicator (TTI) labels. Active packaging will be paced by gas scavengers. Pharmaceuticals, beverages and food will offer the best market prospects. This study analyzes the US active and intelligent packaging industry, with forecasts for 2011 and 2016 by product and market. It also details market share and profiles major players. #2236 08/2007 $4400

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