Meat, Poultry, & Seafood Packaging

US Industry Study with Forecasts for 2017 & 2022

Study #3028 | May 2013 | $5100 | 327 pages
# Table of Contents

## EXECUTIVE SUMMARY

## MARKET ENVIRONMENT
- General ........................................... 4
- Macroeconomic Outlook ...................... 5
- Demographic & Household Trends .......... 9
- Consumer Income & Spending .............. 12
- Food Industry Overview ..................... 15
- Meat, Poultry, & Seafood Industry Overview 18
- Meat ............................................... 21
- Poultry .......................................... 26
- Seafood .......................................... 28
- Packaging Industry Overview .............. 31
- Paper ............................................ 34
- Plastic .......................................... 34
- Metal ............................................ 35
- Glass & Wood .................................... 36
- Regulatory & Related Issues ............... 37
- Pricing Trends ................................... 41
- International Activity ....................... 46

## TECHNOLOGY & RAW MATERIALS
- Technologies .................................... 50
- Modified Atmosphere Packaging .......... 51
- Case-Ready ...................................... 54
- Systems .......................................... 57
- Producers ........................................ 60
- Vacuum Packaging ............................. 61
- Active & Intelligent Packaging .......... 65
- Moisture Control Packaging ............... 67
- Oxygen Scavengers ............................ 68
- Smart Labels .................................... 69
- Other Active & Intelligent Packaging ... 72
- Retort Packaging ............................... 74
- Raw Materials .................................. 77
- Plastic .......................................... 78
- Paper ............................................. 82
- Metal ............................................. 84
- Other Raw Materials .......................... 86

## PRODUCTS
- General .......................................... 88
- Rigid Packaging ............................... 91
- Corrugated Boxes ............................ 94
- Trays ............................................ 99
- Folding Cartons ............................... 104
- Metal Cans ..................................... 108
- Plastic Containers ........................... 112
- Paperboard Sleeves ......................... 117
- Other Rigid Packaging ..................... 120
- Flexible Packaging ......................... 123
- Plastic Film .................................... 126
- High Barrier ................................... 131
- Other Films ..................................... 134
- Bags .............................................. 135
- Types ............................................ 137
- Producers ....................................... 140
- Pouches .......................................... 142
- Markets ......................................... 144
- Producers ....................................... 146
- Paper & Foil ..................................... 147
- Packaging Accessories .................... 150
- Labels ............................................ 151
- Interactive Labels ............................. 154
- Label Producers ............................... 156
- Other Packaging Accessories ............. 158

## APPLICATIONS & MARKETS
- Applications ................................... 162
- Meat .............................................. 165
- Flexible Packaging ......................... 172
- Packaging Accessories ..................... 175
- Poultry .......................................... 176
- Flexible Packaging ......................... 182
- Packaging Accessories ..................... 185
- Seafood ......................................... 187
- Rigid Packaging ............................... 190
- Flexible Packaging ......................... 192
- Packaging Accessories ..................... 194
- Markets ......................................... 195
- Fresh & Frozen ............................... 198
- Rigid Packaging ............................... 201
- Flexible Packaging ......................... 203
- Packaging Accessories ..................... 205
- Processed ....................................... 207
- Rigid Packaging ............................... 211
- Flexible Packaging ......................... 214
- Packaging Accessories ..................... 216
- Ready-to-Eat .................................. 216
- Rigid Packaging ............................... 219
- Flexible Packaging ......................... 220
- Packaging Accessories ..................... 222

## INDUSTRY STRUCTURE
- General .......................................... 223
- Market Share .................................... 227
- Industry Restructuring ...................... 234
- Competitive Strategies ...................... 238
- Manufacturing ............................... 241
- Marketing & Distribution ................. 244
- Cooperative Agreements .................... 247

## COMPANY PROFILES
- AEP Industries .................................. 252
- Anchor Packaging ............................ 253
- Ardagh Group .................................. 255
- Ball Corporation .............................. 256
- Bemis Company ................................ 257
- Berry Plastics ................................. 261
- Bomarko Incorporated ....................... 265
- Crown Holdings ............................... 266
- Dow Chemical .................................. 267
- DuPont (EI) de Nemours ..................... 269
- Eastman Chemical ............................ 272
- Exopack Holding ............................. 274
- Exxon Mobil ..................................... 276
- Graphic Packaging ........................... 277
- Honeywell International ..................... 279
- InterFlex Group ................................ 280
- International Paper ......................... 281
- Klöckner Pentaplast ......................... 284
- Koch Industries ............................... 286
- Leucadia National ............................. 288
- MeadWestvaco Corporation ............... 289
- Mondi Group .................................... 291
- Packaging Corporation of America ....... 293
- Patterson (Jim) Group ....................... 294
- Printpack Incorporated ...................... 296
- Reynolds Group ............................... 298
- Robbie Manufacturing ...................... 301
- Rock-Tenn Company ......................... 302
- Sealed Air ....................................... 305
- Silgan Holdings ............................... 310
- Sonoco Products .............................. 312
- Tekni-Plex Incorporated ................. 313
- Vector Packaging ............................. 314
- Wihuri Oy ........................................ 316
- Other Companies in the Meat, Poultry, & Seafood Packaging Industry ......... 318
List of Tables

EXECUTIVE SUMMARY
1 Summary Table .................................. 3

MARKET ENVIRONMENT
1 Macroeconomic Indicators .................. 8
2 Population & Households .................... 12
3 Personal Consumption Expenditures ...... 15
4 Food Shipments ................................ 18
5 Meat, Poultry, & Seafood Consumption .. 21
6 Meat Shipments ................................ 25
7 Poultry Shipments ............................ 28
8 Seafood Supply & Demand ................. 31
9 Packaging Supply & Demand ............... 33
10 Prices for Selected Meat, Poultry, & Seafood Packaging .......... 46

TECHNOLOGY & RAW MATERIALS
1 Modified Atmosphere Packaging Demand in Meat, Poultry, & Seafood Packaging .......... 54
2 Case-Ready Packaging Demand in Meat, Poultry, & Seafood Packaging ......... 57
3 Vacuum Packaging Demand in Meat, Poultry, & Seafood Packaging .......... 65
4 Active & Intelligent Packaging Demand in Meat, Poultry, & Seafood Packaging .... 67
5 Retort Packaging Demand in Meat, Poultry, & Seafood Packaging .......... 77

APPLICATIONS & MARKETS
1 Meat, Poultry, & Seafood Packaging Demand by Application .................. 164
2 Meat Packaging Demand by Type & Market............................. 168
3 Poultry Packaging Demand by Type & Market.......................... 178
4 Seafood Packaging Demand by Type & Market.......................... 189
5 Meat, Poultry, & Seafood Packaging Demand by Market .................... 197
6 Fresh & Frozen Meat, Poultry, & Seafood Packaging Demand ................ 200
7 Processed Meat, Poultry, & Seafood Packaging Demand .................... 207
8 Ready-to-Eat Meat, Poultry, & Seafood Packaging Demand .................. 218

INDUSTRY STRUCTURE
1 US Meat, Poultry, & Seafood Sales by Company, 2012 ............... 226
2 Selected Acquisitions & Divestitures .. 238
3 Selected Cooperative Agreements ...... 250

List of Charts

TECHNOLOGY & RAW MATERIALS
1 Packaging Technologies as a Percentage of Meat, Poultry, & Seafood Packaging, 2002-2022 ....... 51

PRODUCTS
1 Meat, Poultry, & Seafood Rigid Packaging Demand, 2012 ............. 94
2 Meat, Poultry, & Seafood Flexible Packaging Demand, 2012 ........... 126

APPLICATIONS & MARKETS
1 Meat, Poultry, & Seafood Packaging Demand by Application, 2012 .... 165
2 Meat Packaging Demand by Type, 2012 .......................... 169
3 Poultry Packaging Demand by Type, 2012 .......................... 179
4 Seafood Packaging Demand by Type, 2012 .......................... 190
5 Meat, Poultry, & Seafood Packaging Demand by Market, 2012 ....... 198
6 Fresh & Frozen Meat, Poultry, & Seafood Packaging Demand by Type, 2012 ........ 201
7 Processed Meat, Poultry, & Seafood Packaging Demand by Type, 2012 ... 211
8 Ready-to-Eat Meat, Poultry, & Seafood Packaging Demand by Type, 2012 ... 219

INDUSTRY STRUCTURE
1 US Meat, Poultry, & Seafood Packaging Market Share, 2012 ............ 228
Demand will benefit from a significant shift to case-ready packaging, as well as the growing share of smaller sized items and items that are further processed for convenience of preparation.

**US demand to rise 3.2% annually through 2017**

Demand for meat, poultry, and seafood packaging is forecast to increase 3.2 percent annually to $9.7 billion in 2017. Gains will be driven by increased meat, poultry, and seafood production along with accelerated foodservice revenue increases.

Prospects for packaging will further benefit from the significant shift to case-ready packaging among grocery retailers as well as the growing share of smaller sized items and items that are further processed for convenience of preparation. Heightened demand for single portion and other smaller sized products will reflect the significant level of one and two person households in the US, as well as efforts among processors and retailers to hold down selling prices, especially in beef. Smaller sized and further processed products generally employ more packaging relative to their volume than larger unprocessed items. Additional underlying growth factors will be packaging’s role in the merchandising of protein products, and the need for packaging designed to protect against contamination, to provide longer shelf life, and to offer user friendliness in terms of resealability and storage. Overall value gains will be held back by an expected moderation in prices of raw materials such as plastic, metal, and paper following the highs of recent years caused by spikes in energy costs and rising global demand.

**Flexible packaging to outpace rigid types**

Flexible packaging demand growth will outpace that of rigid packaging as a result of solid prospects for pouches and high barrier film, along with inroads into rigid packaging due to sustainability benefits via reduced material use and significantly lower shipping costs. Opportunities are anticipated for vacuum pouches in single portion fresh, frozen, and processed uses, while stand-up pouches will make further inroads into bags in frozen applications due to their good aesthetics, ability to stand upright, and large front panels, all of which provide merchandising advantages. High barrier film gains will be based on increasing use of vacuum packaging and modified atmosphere packaging (MAP), since the efficacy of these technologies requires barrier films.

Rigid packaging growth will be limited by maturity and/or competitive drawbacks in corrugated boxes, metal cans, folding cartons, and paperboard sleeves. Plastic containers will experience faster gains based on expanded prepared food offerings in supermarkets. Tray demand will be helped by the need for value added trays for case-ready meats and precooked, ready-to-heat processed meat and poultry products. Despite favorable outlooks, plastic containers and trays will face growing competition from flexible packaging.
Demand for poultry packaging is projected to expand 3.8 percent per year to $3.7 billion in 2017, above the overall meat, poultry, and seafood packaging average. Gains will be driven by an acceleration in poultry production growth following declines in some years of the 2007-2012 period as a result of the effect of high feed costs, which drove prices upward during a period of tightened food expenditures. In addition, packaging demand will be helped by rising poultry consumption as a result of its lower cost and more favorable nutritional profile in terms of fat and cholesterol content. Combined, these factors will drive increased promotion of poultry by retailers and foodservice establishments. Poultry’s popularity will also be a factor in further new product introductions of convenience oriented products, which will boost packaging demand since such items employ a variety of packaging formats.

Rigid packaging demand growth will lag that for flexible due to an expected moderation in raw material price increases and market maturity for boxes, the leading rigid packaging type. On the other hand, solid gains are expected for plastic containers and bags used for processed and ready-to-eat poultry items (e.g., thin sliced lunch meats, rotisserie chicken, fried chicken). Above average growth for flexible packaging will be aided by rising demand for high barrier films and favorable prospects for pouches.

Though much smaller than the fresh and frozen and processed markets, the ready-to-eat market will expand more rapidly as consumer preference for convenience foods such as rotisserie chicken, fried chicken. The popularity of these items will continue to drive expanded offerings of prepared poultry in grocery stores, club stores, and other retail sites. Packaging gains in the processed poultry market will benefit from greater demand for

### Table V-3

<table>
<thead>
<tr>
<th>Item</th>
<th>2002</th>
<th>2007</th>
<th>2012</th>
<th>2017</th>
<th>2022</th>
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<td>Trays</td>
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<td>Plastic Containers</td>
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<td>Folding Cartons</td>
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<td>Ready-to-Eat</td>
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<td>% poultry</td>
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<td>Total/Meat/Poultry/Seafood Pkg</td>
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</tbody>
</table>

### Chart VI-1

**US MEAT, POULTRY, & SEAFOOD PACKAGING MARKET SHARE ($8.2 billion, 2012)**

- Meat: 41.2%
- Poultry: 58.8%
- Seafood: 0.0%
- Other: 0.0%
**Sample Profile, Table & Forecast**

### COMPANY PROFILES

**MeadWestvaco Corporation**
501 South 5th Street
Richmond, VA 23219
804-444-1000
http://www.meadwestvaco.com

Sales: $5.5 billion from continuing operations (2012)
US Sales: $3.7 billion from continuing operations (2012)
Employment: 16,000 in continuing operations (2012)
Key Products: coated natural kraft paperboard and bleached paperboard

MeadWestvaco is a global manufacturer of packaging, coated and specialty papers, school supplies and office products, and a variety of specialty chemicals. The Company operates through five continuing segments: Food and Beverage; Home, Health, and Beauty; Industrial; Specialty Chemicals; and Community Development and Land Management. In May 2012, MeadWestvaco sold the operations of a former sixth segment, Consumer and Office Products, to ACCO Brands Corporation (US), a manufacturer of office supplies and products.

The Company participates in the US meat, poultry, and seafood packaging industry through the Food and Beverage segment, which had 2012 sales of $3.1 billion. Among the segment’s products are coated natural kraft (CNK) paperboard, bleached paperboard, and linerboard. Specific products include CNK paperboard sold under the CUSTOM KOTE brand name, and bleached paperboard marketed under the PRINTKOTE brand name. CUSTOM KOTE CNK paperboard comprises a two ply, coated board that is produced from a combination of hardwood and softwood fibers engineered to exhibit high wet strength. This paperboard is suitable for conversion into packaging for such food...

### TABLE IV-3
CORRUGATED BOX DEMAND IN MEAT, POULTRY & SEAFOOD PACKAGING
(million dollars)

<table>
<thead>
<tr>
<th>Item</th>
<th>2002</th>
<th>2007</th>
<th>2012</th>
<th>2017</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Meat/Poultry/Seafood Packaging</td>
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</tr>
<tr>
<td>% corrugated boxes</td>
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<td>Corrugated Box Demand</td>
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<tr>
<td>By Application:</td>
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<tr>
<td>Meat</td>
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<td>Poultry</td>
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<td>Seafood</td>
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<td>Fresh &amp; Frozen</td>
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<td>Processed</td>
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<tr>
<td>Ready-to-Eat</td>
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</tr>
<tr>
<td>% corrugated boxes</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Rigid Meat/Poultry/Seafood Pkg</td>
<td>3185</td>
<td>3913</td>
<td>4425</td>
<td>5060</td>
<td>5780</td>
</tr>
</tbody>
</table>

"... with gains driven by increased meat, poultry, and seafood output. In addition, advances will be assisted by the need for value added box types, such as modular boxes, display-ready boxes, and wax alternative boxes, which, unlike wax coated boxes, can be recycled, thereby contributing to a more sustainable packaging profile."

--Section IV, pg. 94

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Other Studies

World Food Containers
World demand for food containers is forecast to rise 4.5 percent annually to $139 billion in 2017. While the US remains by far the world’s largest user of food containers, the most significant growth will occur in India and China. Bags and pouches will remain the largest category based on their light weight, portability and convenience. This study analyzes the $111.4 billion world food container industry, with forecasts for 2017 and 2022 by product, market, world region, and for 22 countries. The study also evaluates company market share and profiles industry players.

#3124 .......... February 2014 .......... $6100

Produce Packaging
US demand for produce packaging is forecast to increase 3.3 percent per year to $5.7 billion in 2017. Corrugated boxes will remain the most common type, while plastic containers will grow the fastest. Fruit applications will lead gains based on more fresh-cut fruit marketed for convenience and as a healthy snack option. This study analyzes the $4.8 billion US produce packaging industry, with forecasts for 2017 and 2022 by produce packaging type, application and end user. The study also evaluates company market share and profiles industry players.

#3097 .......... November 2013 .......... $5100

Foodservice Disposables
US demand for foodservice disposables is forecast to climb 3.6 percent per year to $19.7 billion in 2017. Packaging products such as containers and lids and domes will achieve the fastest gains and will remain the largest category. Eating and drinking places will remain the dominant market while the retail and vending segment will grow the fastest. This study analyzes the $16.5 billion US foodservice disposables industry, with forecasts for 2017 and 2022 by product and market. The study also evaluates company market share and profiles industry players.

#3081 .......... September 2013 .......... $5300

World Corrugated Boxes
World corrugated box demand will rise 4.2 percent yearly to 234 billion square meters in 2017. The fastest growth will occur in developing areas, especially in the Asia/Pacific and Africa/Middle East regions. Food and beverages will remain the leading market while the nonfood nondurables segment will grow the fastest. This study analyzes the 190.7 billion square meter world box industry, with forecasts for 2017 and 2022 by raw material, market, world region and for 27 major countries. The study also evaluates company market share and profiles industry players.

#3042 .......... July 2013 .......... $6100

World Cups & Lids
World cup and lid demand will rise 5.0 percent per year to $25.9 billion in 2017. The fastest gains will occur in developing regions, while demand in developed areas will be supported by the increasing use of costlier biodegradable and compostable products. Food and beverage packaging will be the fastest growing market. This study analyzes the $20.3 billion world cup and lid industry, with forecasts for 2017 and 2022 by product, material, market, world region, and for 18 countries. The study also evaluates company market share and profiles industry competitors.

#3012 .......... June 2013 .......... $6100

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- Life Sciences
- Packaging
- Building Materials
- Security & Electronics
- Industrial Components & Equipment
- Automotive & Transportation Equipment
- Household Goods
- Energy/Power Equipment

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