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Produce Packaging Poses Disposal Dilemma

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Fresh fruit and vegetable consumption increased throughout the 80s. An outcome of this increased consumption has been an effort to increase the shelf-life of produce--particularly the more perishable products such as strawberries, tomatoes, etc. Unfortunately, efforts to prolong shelf-life have also increased the amount of "packaging" associated with a unit of produce. Therefore, the disposal of more packaging needs to be considered when making decisions concerning increased shelf-life.

A recent description of the waste generated by a typical McDonald's restaurant illustrates the potential problem for the produce industry. A typical McDonald's restaurant serves approximately 2,000 customers and generates about 238 lbs. of waste per day. Of the 238 lbs., about 81 lbs. (34 percent) are corrugated shipping boxes, many of which are produce boxes. If one assumes the restaurant is open 360 days per year, then each restaurant is generating nearly 15 tons of corrugated shipping boxes each year that need to be carded.

Most likely, the non-waxed boxes will be recycled and the lower-range collection fee for recycling is \$25 per ton--for an annual cost of \$375. On the other hand, the more common waxed boxes of produce shipping are not recycled, but rather taken to a solid waste disposal area. In this case, the lower-end disposal fee is \$35 per ton--for an annual cost of \$525. Recall, these figures are for a single restaurant of a particular chain and for only 34 percent of the restaurant's

waste. If one computes the cost for the entire chain, then it becomes obvious that disposal costs are not trivial.

The point is that whatever packaging decisions need to be made, the cost of disposal should be included in the calculations for marketing such products. The firms buying the products will need to dispose of the by-products and the costs involved in disposal will play a role in choosing what products to buy. In the future, the disposal problem will likely get worse before it gets better and therefore the ancillary questions regarding waste disposal will become a marketing issue. Smart marketers consider their customers' current and future needs and wants.