

TARGETING NEW MARKETS

What's Happening in Case Ready?

Is case ready just a clever concept that falls short in the real world? Could it be true that modern packaging technology and efficient meat packing plants are no match for the neighborhood butcher? Recent discussions with meat processors indicate there have been few new

major applications in the past two years.

The weak economy shares part of the blame for the slowdown. Not only were retailers more reluctant to risk a

new program in uncertain times, but meatcutter labor shortages also eased. And many retailers were determined to be different than Wal-Mart.

However, the pace of growth recently is only slack by comparison to the whirlwind of activity required to fill the pipeline. The market easily eclipsed the \$64 million in 2002 flexible packaging sales Keymark projected in *Flexible Packaging Strategies 2002* and is probably double that now. It is likely to exceed the 2.8 billion packages we anticipated for next year in *Case Ready Meat Packaging Systems 2001-2005*. And that's less than a third of the potential of 9 billion packages.

What is the best package?

Flexibles are primarily used in two case-ready packages. In one of them, gas barrier lidding films are sealed to barrier trays to form an extended shelf life modified atmosphere package. The trays themselves comprise a barrier film laminated to rigid plastic sheet. Wal-Mart uses this package almost exclusively.

For the other major package, a gas permeable polyvinyl chloride (PVC) film is wrapped around meat in a tray to produce a package like stores use. One or more of these packages are often placed in a gas-flushed barrier pouch called a master bag to extend shelf life for distribution. Barrier films are also used for vacuum pouches for pork loins and for ground beef chubs.

A fierce debate over which is the best package rages between makers of lidded tray and overwrapped tray materials and equipment. Currently unit sales in flexibles are about equal, although lidded trays are nearly double the revenue.

Makers of the latter materials claim the cost premium is more than offset by higher productivity, more durability, no leaking, and less handling. Besides

What's next?

Material and equipment producers keep tweaking packaging technology to come closer to the ideal package: little or no headspace, shelf life long enough to distribute and sell, leakproof, displays meat's fresh red color, and is weighed and pre-priced so that the retailer only has to remove it from the box and put it on the shelf—just like processed meats, poultry, and nearly everything else in the store.

Perfect package or not, case-ready meat packaging is expected to continue to grow, probably at a double-digit rate for the next few years. Labor shortages are starting to crop up again and retailers are

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lower material cost, overwrap proponents claim more flexibility in production, smaller display space, and consumer preference for the traditional look.

Retailers other than Wal-Mart mostly choose overwrapped trays, as much for differentiation as for lower cost. Exceptions abound, however. Ground beef case ready packages, for instance, are mostly lidded trays throughout the industry. Meat processors mostly don't choose sides—they simply produce the package that their customers specify and pay for.

learning more about how costly retail meatcutting really is. Packaging and processing machine speeds and automation keep increasing. Processors are reaching a critical mass where longer, more efficient production runs are possible—creating bigger cost savings and making the case for case ready more compelling. ■

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