



**A
Global View
of the
RETORT
POUCH**

**Market
Trends,
New
Products,
Technologies,
Economics &
Opportunities**

**Highlights of a market
opportunity**

Presented to:

**RETORT
POUCH
2004**

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By
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The Fun is Just Beginning

- ★ **Huge retort potential - total all containers**
 - * 50 billion worldwide
 - * 15 billion USA/Canada
 - * 18-20 Europe, 8-10 Japan, 5-7 ROW
- ★ **Pouches more advanced elsewhere**
 - * Japan wide use especially
 - * Europe has grown rapidly
- ★ **Now it's our turn in the USA**
 - * Increasing at double, even triple digit rates
 - * **THE HOTTEST PACKAGING MARKET**

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Why now?

- ★ Versus the can, the pouch offers....
 - ★ Reduced storage space
 - ★ Reduced transportation cost
 - ★ Consumer tear-open convenience
 - ★ Reduced retort time = Better flavor
 - ★ Shelf appeal
- ★ But always true!! So why now?

Barriers are coming down

- ★ Pouch & can line costs converging
- ★ Speeds are increasing
 - ★ Already close to large cans
- ★ Material costs are decreasing
- ★ CONSUMERS BUYING!
 - ★ Convenience
 - ★ Taste
 - ★ Foodservice offsets labor costs

Japan's Success

- ★ **Up to half market share from can**
 - * Estimated 1.5-3 billion pouches
- ★ **Home of leading equipment suppliers**
 - * Totani pouch makers
 - * Nishibe pouch sealers
 - * Toyo Jidoki pouch sealers
- ★ **Innovations**
 - * DNP: seal vent for microwave steam
 - * Leaders in SiOx film usage

Europe

- ★ **Commonplace for several products**
 - * Pasta bake sauces
 - * Soups
 - * Tuna
 - * Microwaveable rice dishes
 - * Single-serve cat food packs

Success Stories

★ Pet Food

- ★ Pedigree one of first to use a retort pouch
- ★ Kal-Kan and Whiskas later
- ★ 4 MMM canned cat food market
- ★ Fits right in other stand-up pouches
- ★ More attention-getting than the tiny cans
- ★ Easier to open, dispense and dispose.



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★ Tuna

- ★ Starkist began with retail pouches in 2000
 - ◆ Foodservice pouches in 1996
- ★ Then Chicken of the Sea and Bumble Bee
- ★ Consumer convenience: no-draining and easy-open features



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Success Stories

- ★ Soups and rice in pouches
 - ★ Smokehouse salmon soups
 - ★ Fall River Rice
 - ★ Uncle Ben's
 - ★ Zatarain's



Key Players - Food processors (brands)

- ★ Bumble Bee tuna
- ★ Del Monte: StarKist tuna
- ★ Mars Whiskas pet food, Uncle Ben's rice
- ★ McCormick/Zatarain's rice
- ★ Nestlé pet food, baby food (Europe)
- ★ Rip 'N' Ready Meats
- ★ Sara Lee: Sweet Sue meats
- ★ TriUnion: Chicken of the Sea tuna
- ★ Tyson: chicken

Key Players - US Converters ***Rollstock***

- ★ Alcan (Chicago, IL) – bought Pechiney: MREs
- ★ Smurfit-Stone (Schaumburg, IL) – MREs #1
- ★ RJR Packaging (Winston-Salem, NC) – pouches made by Specialty Films div. Exopack
- ★ Sonoco (Hartsville, SC) - also pouches, just starting
- ★ fres-co System (Telford, PA) - also equipment
- ★ Cryovac

Europe's success on its way?

- ★ Tetra Recart Retortable carton
 - * Total system material & equipment
 - * Withstands normal retort temperatures
- ★ Batch processed @ 400 packs/min
- ★ Used in Nestlé Italia Friskies

Key Players - US Converters: Pouches

- ★ Floeter (Elk Grove Village, IL)
 - ★ Converts for domestic rollstock makers
 - ★ Supplies major applications
- ★ Kapak (Minneapolis, MN)
- ★ Valley Packaging (Green Bay, WI)
- ★ TechniPac (LeSueur, MN)
- ★ Hood Packaging (Atlanta, GA)

Key Players - Packaging Importers

- ★ Amcor (Hagerstown, MD/Europe/Asia)
- ★ CLP (Fairfield, NJ/Israel)
- ★ Huhtamaki (DeSoto, KS/Germany)
- ★ Hyewon (Florence, KY/Korea)
- ★ Lithotype/Mayor (So. San Francisco, CA/China)
- ★ Majestic (San Diego, CA/Mexico)
- ★ Pyramid (LaHabra, CA/Korea)
- ★ VersaPack (Fair Lawn, NJ/China)

Key Players - Food Processors (MREs/Co-packers)

- ★ Ameriquel (Evansville, IN) MREs, co-packs
- ★ Menu Foods (Toronto) pet food
- ★ Palmetto (Greenville, SC) co-packs
- ★ Shoei Foods (Marysville, CA) co-packs
- ★ Stegner (Cincinnati, OH) MREs
- ★ Sopakco (Mullins, SC) MREs, co-packs
- ★ Wornick (Cincinnati, OH) MREs, also consumer meals

Packaging Equipment

- ★ AlliedFlexTechnologies
 - * Toyo Jidoki pouch makers
 - * Roberts form/fill/seal
- ★ Bossar/PakTech: Fill/seal & form/fill/seal
 - * Plant layout/engineering, inspection
- ★ Hyewon Packmaster
 - * Fill/seal & pouch makers
- ★ PPI Technologies
 - * Laudenburg, Yokohama, Leepack, ABTech fill/seal & form/fill/seal
 - * Nishibe pouch makers
- ★ Totani pouch makers

Retort equipment

- ★ **Allpax: automated batch retort**
- ★ **FMC Foodtech: batch & hydrostatic retorts**
- ★ **Malo: Crateless retort system**
- ★ **Stork: batch & hydrostatic retort**

Costs

- ★ **Pouches: 2-50¢ each**
 - * Depends on size/construction
- ★ **Packaging machines**
 - * \$200-2,000M depending on features & speed
 - * 30-250 pouches per minute, 500 ppm just introduced
- ★ **Retorts \$1-4 million**

Potential Markets

- ★ **Soup - 4 billion cans**
 - ★ Stockpot pouches successful in refrigerated case
 - ★ Who will lead in retort pouches?
- ★ **Baby food 1.5 billion glass jars**
 - ★ Pouches unbreakable, easy-open, transport
 - ★ Clarity, servability and reclosability?

More on potential markets

- ★ **Growing meal solutions market?**
 - ★ 1-2 MMM in canned prepared meals
 - ★ 2+ billion frozen dinners and entrees.
- ★ **Economical enough for...**
 - ★ 5 billion unit canned vegetable market?
 - ★ 2 billion tomato hot-fill?

Niches for innovative products.

- ★ **Handheld, eat-on-the-run foods**
 - * Retortable tube pouch like yogurt
 - * Enormously popular for lunchboxes
- ★ **What about.....**
 - * Pasta? Chicken strips? Burritos? Eggrolls?
 - * More convenient reheat
 - * Easier to merchandise.



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Conclusions

- ★ **Growing foodservice & selected niches.**
- ★ **Volume huge**
- ★ **Economics more compelling**
- ★ **Consumer and retailer benefit**

