

# The art of reduction

Kraft Foods has dedicated itself to a packaging policy of 'doing more with less'. It is committed to the goal of eliminating 150 million pounds of packaging material by 2011 (from 2005 as the base year). **Perfecto Perales**, Kraft Foods' senior director of packaging research, explains how the world's number-two food company is tackling the packaging challenge.

**P**ackaging is one of our key sustainability focus areas,' says Perfecto Perales, 'as packaging is the first and last experience consumers have with our products.'

Packaging is one of six key sustainability areas on which Kraft Foods is focusing, which also embrace agricultural commodities, energy, water, waste, and transportation/distribution. Kraft Foods' goal to eliminate 150 million pounds of packaging is being achieved by creating more efficient packaging designs, converting to lighter weight materials, while sourcing materials in more sustainable ways and establishing programmes for what happens to the packaging at the end of a product's life.

'From an environmental point of view, our strategy is to continue to offer solutions that consumers are looking for. Sustainability isn't new for us,' he says, 'We've driven sustainability from the centre looking at a holistic approach that

focuses on many areas including packaging. So we continue to look, for instance, at weight reduction as a major measure of that sustainability strategy.'

**Kraft believes the economic downturn means that consumers want to pay less for smaller portions.**

As one of the tools to help them achieve this, Kraft Foods has developed its own packaging 'eco-calculator' which evaluates proposed new packaging and provides a quantifiable perspective on four key issues: amount of material used, product/package ratio, recyclability and the recycled content.

Kraft Foods is seeking to use 'smart' packaging to help consumers to understand the health benefits of the product. While rules vary from country to country, the company goes out of its way to include all relevant nutritional and dietary information on every

package and label of each product sold.

Examples of the way in which this information is made easy to digest are the 100-calorie packs in the United States aimed at providing easy-to-manage portion control, while in the EU, Philadelphia Mini Tubs are designed to deliver single, no fuss portions of cream cheese.

'We feel the 100-calorie packs actually help consumers stay true to their goals for personal health and wellness,' says Perales, 'So it has been a significant introduction for us; first to the market in snacks for the US.'

In certain cases, he accepts there is increased packaging, but maintains that consumers are often repackaging the product themselves, in for instance, zip-lock bags. The general Kraft Foods goal, however, is towards packaging reduction. By changing materials, for example, by substituting plastic for paper and aluminium foil on its Milka chocolate bars in Europe, it has reduced primary packaging by 58% and eliminated 13 million pounds of packaging.

# 19%

**PLASTIC USAGE  
ON KRAFT'S SALAD  
DRESSING LINE WAS  
REDUCED BY 19%,  
SAVING THREE MILLION  
POUNDS OF PLASTIC.**

'I think one of the other features that we get from the change is that the original Milka aluminium packaging was not sealed completely, it was just folded over. Now it is 100% sealed. It is a great win-win situation in terms of the package being equal to the carbon footprint of its predecessor, but with a better opportunity to give a new feature to the consumer.'

According to Perales, the feedback from European experience of the new Milka has been extremely positive for the brand and the product for a couple of reasons.

'One is, despite the fact that we've eliminated waste, we actually feel we've given consumers the value that they've been looking for. For example, resealability, so they can portion the product and use it as they wish, which also allows them to share it. So, from our vantage point we believe the programme has been an outstanding success on behalf of the company and we will continue to see it grow in the future. We are now very close to rolling the Milka solution out worldwide.'

## NO COMPROMISE

With all its new packaging, Kraft Foods maintains that there is no compromise on food safety or freshness. In the US, Oscar Mayer bacon, which in 1924 was the first sliced, packaged bacon in the market, has been sold in a stay-fresh reclosable tray since 2007. Also in the States, Kraft Foods has recently redesigned its salad dressing bottles.

'We have reduced plastic usage on our salad dressing line by 19% which adds up to an annual saving of more than three million pounds of packaging. The new bottle design better fits the contour of a consumer's hand and takes up less space in the refrigerator. Our optimised bottle design has also delivered additional sustainability benefits, including improved inbound transportation efficiency of 18% by allowing a greater number

## KRAFT BY NUMBERS

With annual revenues of over **\$42 billion**, Kraft, established in 1903, markets a diverse portfolio of brands in **150** countries which includes **nine brands** with revenues in excess of **\$1 billion**.

of bottles per truckload. We're also implementing reusable totes, eliminating the need for nearly 4,000 corrugated totes annually.'

Again in the US, Kraft Foods has converted its traditional glass packaging for Miracle Whip to a recyclable plastic jar.

'The new consumer-preferred "wide-mouth" jar lets users easily scrape nearly every last bit of Miracle Whip out of the jar,' says Perales, 'and the switch to plastic means fewer trucks on the road since six more pallets of product fit on each load. By transporting the product on fewer trucks, we've been able to decrease fuel consumption by 87,000 gallons annually.'

In another environmental repackaging initiative, in both the USA and Canada, Kraft Foods has introduced varieties of Yuban and Nabob coffees with new composite paperboard packaging that reduces the weight of the package by 30% and uses 50% recycled content.

Perales, who was formerly associate director of quality at Kraft Foods in Mexico, helped integrate Nabisco's cookies, crackers and snack brands into the Kraft Foods portfolio following Nabisco Holding's acquisition by Kraft Foods' then parent company, Philip Morris. He says that Nabisco brought in some good packaging innovations.

'One of the packaging solutions Nabisco did a fine job in executing was their traditional trade cracker business, called Honey Bran and Cracker Bran. These were crackers that were individually wrapped and sold in trays to the traditional trade. They had a very compact footprint that allowed us to demonstrate in easy access points for consumers. They also gave good health and wellness benefits as they delivered fibre to consumers at a reasonable cost.'

## GREEN GROWTH

Environmental issues, explains Perales, also have a very particular impact on certain packaging and products.

'We have examples of certain brands that we can reference where [environmental] communication has been important. In Europe, the Kenco brand has worked with the Rainforest Alliance, based on the ingredients that we use, as well as introducing a new package that has been rolled out with the brand.

The current Kenco brand is in a screw-top glass package, and the Kenco businesses have decided to roll out a new refill stand-up pouch of our freeze-dried instant coffee with 97% less packaging weight than the jar. It provides extra value, since you can actually buy the glass package and reuse it multiple times with the refill bag.'

Last year, Kraft UK & Ireland won a 'big tick' in the UK's Business in the Community's Awards for Excellence for Kenco's work with the Rainforest Alliance, on the basis that 75% of its beans

# 87,000

**BY TRANSPORTING  
SOME LINES ON FEWER  
TRUCKS, KRAFT FOODS  
HAS DECREASED FUEL  
CONSUMPTION BY 87,000  
GALLONS ANNUALLY.**

are sourced from Rainforest Alliance certified farms.

Perales anticipates a growth in packaging innovation rather than the radical change to smart RFID packaging that was being predicted by some analysts before the recession.

'When you generalise across the business, in some areas you might have radical changes, but I would say it is going to be a progressive growth towards more innovation and more sustainability, as now more than ever, consumers are looking for value in the products and packages that they buy,' he says.

'I think there are consistent opportunities for materials and processing. It is very difficult to predict what is down the pipeline, other than to say that we will work closely with our current convertors to evaluate new materials that they have as well as continuing to work with research institutions to develop our packaging.'

NOT JUST HOME-PACKAGED IDEAS

Perales says that Kraft Foods is deliberately setting out to complement its traditional R&D via open innovation by actively seeking outside partners.

'Doing so helps us create new product platforms, reinvent iconic brands, improve features and quickly adapt to latest consumer trends.'

The innovation process can work both ways. He believes that Kraft Foods has an excellent relationship with many convertors worldwide.

'We also look for new ideas to come through our Innovate with Kraft Foods website. We have people dedicated to R&D and also businesses out



looking for innovations with the company, to leverage our existing supply base. I believe that packaging innovation is a combination of both internal and external forces. There are numerous examples of relationships we've had with convertors that have led to innovations. The snack-and-seal package innovation, which came through one of our primary convertors,

allowed us to leverage both the intellectual property that we both had to produce an exclusive arrangement to launch that package innovation.

'I think we've always searched for the right opportunity and we've therefore been able to get exclusive arrangements for the benefit of the consumer, ourselves and our business partners.'

Perales cites the example of Kraft Bagel-fuls: 'This is the first nationally available all-in-one bagel with Philadelphia cream cheese. Kraft Foods collaborated with a third-generation family business of bagel makers to create a truly unique product.'

# Revolutionary short time to market

Brand owners demand a short time to market. The VSOP (Variable Sleeve Offset Printing) press offers printers a superior solution for packaging and label printing. Excellent print quality makes the packaging stand out on the store shelves. Fast pre-press, fast make-ready and fast printing make it possible to modify packages over night.



## VSOP advantages

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- ▶ Attractive packaging thanks to excellent print quality
- ▶ Consistent print quality on all substrates (paper, board, foil, aluminum, labelstock)
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