



ABA News

Press Release from the American Bakers Association



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ABA Hosts Forum to Discuss Loss and Theft of Bakery Trays and Dollies

Dairy Industry and Tray Manufacturers Agree to Work Together on Common Solutions

(Chicago, Ill.) – On April 12, 2007, the American Bakers Association (ABA) Fleet & Distribution Committee held a forum to discuss the growing problem of missing and stolen bakery trays, racks and dollies. Representatives from the dairy industry and plastics manufacturers were also present at the meeting.

This half-day session focused on working together on solutions to this issue which costs the baking industry, in addition to the dairy and beverage industry, millions of dollars in losses on an annual basis. For years, industries that employ the use of plastic returnable trays to deliver their product have viewed the loss and theft of these assets as part of the cost of doing business. Now with the cost of plastic resin at an all-time high, the value of these assets and the cost to replace them has increased dramatically.

“Tray loss has been a problem since the baking industry started using plastic trays over 40 years ago. Companies need to recognize that these trays are assets and have value and we need to put the proper controls in place to track and retain them,” said Paul Eiden of Sara Lee Food and Beverage and chairman of the ABA Fleet & Distribution Committee.

A survey conducted by the ABA in February 2007 concluded that loss occurs through many avenues, such as misuse by customers, inadequate control methods and tracking by baking companies, theft by consumers for personal use and theft for profit (plastic sold to recyclers).

During the meeting, attendees heard from manufacturers Rehrig Pacific, Pinckney Molded Plastics and Norseman Plastics. All agreed that loss was an increased problem for their customers and stated that they have been working on solutions ranging from asset management programs, new and innovative designs and technology to assist customers in managing loss. They also insisted that they take the necessary precautions to make sure that the recycled plastic they purchase is from reputable sources. All three companies have supplied the ABA with lists of plastic re-grinders from which they purchase. These lists are available to ABA members on ABA’s Web site.

Dr. Joseph Harrington, an asset and efficiency consultant also addressed the participants and discussed his experience with Rockview Farms, a California dairy. Before Dr. Harrington’s

arrival Rockview Farms lost approximately 30,000 dairy crates a month. By doing a complete analysis of the business and examining the gaps in the system Dr. Harrington explained how he was able to turn that loss around.

He stated that business needs to evaluate what is being sold to a customer and understand the baskets or cases that are being lost at a particular location impact the profitability of that customer. Companies must then make a business decision on whether to continue to serve that customer or change methods in handling carrying equipment. To conclude, he emphasized that companies need to say “enough” and start thinking in “profitable habits” in order to effectively address loss.

Concluding the forum was a discussion between the baking and dairy companies in attendance to work together on broad solutions that will address the loss and theft issue. ABA will work with the International Dairy Foods Association (IDFA) on programs and share information and intelligence where theft is a major problem.

“ABA and IDFA recognize that public perception is a key component of the problem and will seek to educate customers and consumers that plastic returnable trays and crates are private property and taking them constitutes theft,” said ABA Federal & State Government Relations Manager Mike Florio.

“The costs are just too high and these industries will no longer tolerate baking trays and dairy crates being illegally recycled, thrown in dumpsters, or used as coffee tables in college dorm rooms,” said Bob McGuire, Alpha Baking Company, co-chairman of the Fleet and Distribution Committee.

For additional information on the activities of the ABA Fleet & Distribution Committee or on bakery tray and dollie loss, contact ABA Federal & State Government Relations Manager Mike Florio at mflorio@americanbakers.org or (202) 789-0300.

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