



# Reduce Meat Shrinkage and Markdowns with Smarter Packaging

WHITEPAPER

## Waste Not, Want Not

1.3 billion tons. That's the amount of food produced globally for human consumption the Food and Agriculture Organization (FAO) of the United Nations estimates we will lose or waste this year.

In the U.S., the figures are no less startling. According to the Department of Agriculture, 10 percent of the available food supply in the U.S. is wasted every year at the retail level. The value of this loss has been calculated at more than \$160 billion. To further drive the point home, that's 133 billion pounds of food. What causes food waste at this scale?

The issue of food waste is multifactorial, but mostly boils down to food being viewed erroneously as an endlessly renewable resource. Consumers also expect foods to be visually appealing. Never mind if they're far from expiration—customers demand perfect-looking food items, even if these visual characteristics do not determine quality.

And it's not hard to figure out to see why. Take the example of consumers presented with two choices of red meat: one is red and vibrant, while the other is dull and browning. We all know which one the customer will pick, despite both products being equally safe for consumption. Aesthetics aside, what is the eventual result of these consumer choices? More brown meat on the shelf, which will eventually find its way to markdowns or disposal.

Another influencing factor is an entrenched supermarket business model. Stores must be fully stocked to appease the demanding customer and to remain competitively viable.



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## Blight on Butchery

All of these elements are especially pertinent when it comes to meat products. Meat contributes largely to food waste figures and is often a prime candidate for spoilage because of its protein-, lipid- and moisture-rich composition and propensity for oxidation. These conditions create a welcoming and nourishing environment for microorganisms. This is a real threat, especially as news of outbreaks from foodborne diseases continue to fill the news space. Recently, an E. coli outbreak affecting 14 people across four states was linked to raw beef products including ground beef, ground beef patties and other sub-primal cuts.

In response to these threats to safety, meats are frequently marked down to avoid shrinkage. According to research, the meat department has the highest level of waste. Meat outpaces produce, seafood, dairy and floral departments with an 18 percent shrink contribution amounting to more than \$93,000 in upfront losses annually and nearly \$2.3 million in potential revenue lost.

What's worse, the meat department tends to be a vital sector for the average supermarket, bringing in nearly \$50 billion in sales across multiple retail outlets. Meat is also frequently seen as a key brand differentiator and a substantial influence on sales and foot traffic.

To counteract these effects, supermarkets should ensure a lengthy shelf life for these products, achievable through proper hygienic handling and processing. Savings can be further maximized with help from packaging technology that increases sustainability, guarantees cleanliness, allows for convenience and ultimately attracts customers. Altogether, this limits the potential for spoilage and the degradation of the product's physical appearance, as well as dreaded shrinkage and markdowns, when done correctly.



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## Bundle up the Benefits with Smart Meat Packaging

So what does “correctly” mean here? According to the McKinsey & Company report, *A Fresh Take on Food Retailing*, which explores excellence in the freshfood departments and shrink reduction, a retailer’s value proposition is a principal factor that should inform the rest of its practices and policies. When leveraged properly with best practices in their fresh departments, retailers can boost revenues by as much as 10 percent.

The authors further propose that retailers can find opportunities to minimize shrink at key points along the supply chain, including merchandising for goods prepared on site. This is where premium packaging technology can make a difference. Such equipment guarantees the efficient distribution of products until they reach consumers. Furthermore, packaging technology protects the integrity of foods and guards contents from destructive elements threatening consumer health and safety. Finally, this equipment greatly reduces and prevents waste and, by extension, the risk of shrinkage and markdowns.

Vacuum packaging, for example, is known to extend the shelf life of perishable products fivefold. A vacuum seal also assuages safety and health concerns by inhibiting the growth of bacteria and other microorganisms, which need oxygen to survive and thrive. As oxygen levels decline, carbon dioxide levels increase, creating an uninviting, acidic environment for microbes. A low-oxygen, high-carbon dioxide environment significantly reduces the potential for growth and survival of these organisms, thereby lengthening shelf life for meat items to as much as 35 to 45 days for fresh beef primals and subprimals, and even up to 80 days when refrigeration is favorably low (between 28 and 32°F).

Additionally, in-built hygienic features, including pop-out seal bars—which allow for easy sanitation—excess bag cut-offs, stainless steel housing and corrosion-proof components, further bolster safety assurances.



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## Food for Thought

Despite their enhanced ability to keep the germs out, however, hygienic handling and packaging practices must still be employed with these technologies. Care and maintenance for these pieces of equipment must also remain a priority.

Packaging mechanisms also reduce shrinkage—literally. Vacuum seals trap moisture, so items packaged and intended for sale at a particular weight will stay that way. This benefits cost-savings and customer satisfaction greatly.

What's more, vacuum packaging technology enhances product quality, reduces freezer burn, increases aesthetic appeal, does not hamper tenderizing and maximizes efficiency and productivity.

Advances in food technologies, including innovations in meat packaging, can reduce markdowns and shrinkage in the supermarket setting. This is especially significant in today's market, as customer's demand and expect fresh, safe and enjoyable foods.

To keep up with the demand and ensure the “Three ‘Cs’ of Food Handling”—Keep it Clean, Keep it Cold, and Keep it Covered—vacuum packaging has emerged as a valuable technology for prepared foods and butcheries across the country. When properly utilized, this tool can minimize waste, save money and increase customer satisfaction, a win-win situation all around.



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# Our Approach, Our Presence

Horizon Bradco is a leading service and equipment solutions provider to the retail food industry. With headquarters in Schenectady, NY, Horizon Bradco is the premier partner for delivering an exceptional food shopping experience to major supermarkets, convenience stores and food commissaries throughout much of the East Coast. Its three divisions, six locations and over 300 team members lead the industry in food equipment, refrigeration and HVAC maintenance, repair, sales and installation.

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