ON THE SPOT...

Lynn Bragg

Lynn Bragg, President of the Glass Packaging Institute (GPI), speaks exclusively to Glass Worldwide, preferred journal of the GPI.

GW: What have been your main business priorities since becoming President of the GPI in 2011?

The overarching business priority is to promote demand for glass packaging, while defending against regulations that impact industry competitiveness. This includes easing regulatory burdens that may impact the costs of manufacturing and reducing energy use at facilities.

GW: What are the performance highlights of the US glass packaging industry in the past 12 months?

Through the third quarter of 2015, several segments of the glass packaging industry have seen increased volume of shipments to customers. Last year, shipments of non-alcoholic beverages were up nearly 6%. This likely reflects the emerging craft soda, water and seltzer markets. Shipments of liquor containers are also up slightly, as premium spirits sectors, such as whisky, gain traction with consumers. The wine segment has also increased, with an additional 12 million wine bottles shipped to customers.

GW: What are the GPI’s expectations for 2016?

The beer industry remains a strong customer for glass packaging. Over the past several years, the market share for beer has risen from 56% to nearly 60% of the market. According to data compiled by the Beer Institute, 30 states increased their beer shipments to wholesalers through the end of September last year. This market is likely to grow, especially as craft beer continues to expand.

Additionally, glass packaging expects to see further growth in a few market ‘sweet spots’. These include active and intelligent packaging to connect with consumers, create new consumer experiences and personalise products. ‘Clean label’ foods – natural, simple ingredients – marketed to the ‘healthy’ consumer are also a strong match for natural glass packaging, which is also 100% recyclable. Craft and smaller format packaging remains a big growth area for glass containers, as are brands looking for unique looks and closures.

GW: How close are GPI members to achieving their recycling targets?

The glass container industry has seen its recycled content increase from 26% to nearly 33% over the past five years.

GW: Has your extensive government and association experience helped you in your role at the GPI?

Absolutely. The glass container industry has seen increasing amounts of regulation and oversight at both the federal and state levels. GPI has become an active partner of the National Association of Manufacturers and joined with other trade associations and large companies to develop responses to agency rulemakings and efforts on energy, emissions and the workforce at large.

GW: What are any markets performing better than others and if so, what is the driving force?

The majority of craft brewers continue to choose glass to package their beer. According to the Brewers Association, the number of craft brewers heading into 2015 was nearly 3500. This represents an increase of roughly 58% since 2011.

Additional craft markets for glass containers are also strong. The industry has seen growth for glass packaging in ready-to-drink cold brew coffee, craft spirits, cocktail mixers, craft sodas and seltzers, as well as premium waters.

GW: How close are GPI members to achieving their recycling targets?

GPI member companies are making progress to increase the amount of recycled content in their bottles and jars. Overall,
the glass container industry has seen its recycled content increase from 26% to roughly 33% over the past five years. Some member companies run their facilities at recycled glass rates of 50% or more, with one of the glass plants averaging above 90% recycled content. With respect to the overall glass recycling and recovery rate, GPI is focused on improving recycling in areas of the country where the glass may be below industry standards (ie. contaminated), so more may become available for purchase by glass recycling and glass manufacturing companies. This includes engaging with material recovery facilities (MRF) operators, as well as state and local recycling officials, to improve the collection and recovery process for recycled glass so that it can be reused in the manufacturing process.

GW: How can further significant improvements be realised to the glass container manufacturing process and the products made by the industry?

To improve supply chain efficiency, GPI co-ordinates with supplier partners and customers on improved transportation and rail service, reduced tax burdens and appropriate energy and emissions policy. As efficiencies in these areas are realised, potential for growth within the industry is optimised.

Glass manufacturers have also become more nimble to respond quickly to an emerging customer base of smaller, more local producers. This includes expanded lines of stock bottles, mould innovations and pallet storage and delivery.

GW: In the long-term, does the USA still represent a cost-effective manufacturing hub for glass packaging production?

Yes, absolutely. This is demonstrated by a growing export market for domestically produced glass containers. US glass container manufacturers are on track to export 2.3 billion glass containers for 2015 – this is up nearly 10% since 2008. In addition, glass container manufacturing companies are continuing to make significant capital investments in their glass plants, helping to ensure production for years to come.

The global glass container manufacturing industry has also demonstrated a strong desire to have a manufacturing presence in the US. For example, the Ireland-based Ardagh Group currently operates 15 glass container manufacturing plants in the US. Their investment accounts for 33% of all operating US glass container manufacturing facilities.

GW: What initiatives are planned by the GPI for 2016?

Initiatives for 2016 include strengthened efforts to ensure that glass container manufacturers have access to sufficient high quality recycled glass to improve both economic and environmental efficiencies. This includes making sure consumers are able to recycle glass containers through single stream curbside collection programmes, container deposit programmes, as well as drop-off and other collection services.

The GPI will also continue to defend against any federal or state regulations that may impede glass manufacturers and their suppliers’ ability to conduct business. There will be a renewed focus on engaging the industry’s 18,000-strong workforce and ensuring the highest and best health and safety practices are in place.

To ensure that future packaging professionals are educated about the properties and design capabilities of glass containers, the GPI has a robust programme that engages packaging schools across the country. This effort is expected to grow over the next several years.

Finally, this past year GPI laid the groundwork for a dynamic promotion of glass containers as the healthiest and most sustainable packaging choice for brands and consumers. We are poised to build on those efforts to align the superior properties of glass with food and beverage trends, as well as consumer preference.