



America's glass container industry

Glass is used to contain a wide variety of products sold in the United States of America. Richard McDonough reports on how glass containers were utilised by businesses that sell beer, wine, spirits and other products in 2021. He also details efforts taken to enhance recycling in the USA.

"For 2021 (through the third quarter), the domestic glass container industry has shipped about 16.6 billion bottles and jars to customers (brands) and similar end markets," stated Scott DeFife, President of the Glass Packaging Institute (GPI). The GPI membership represents the North American glass container manufacturers and suppliers to the industry, with the majority of its member companies in the USA (see page S10 for a dedicated contribution from the GPI).

"GPI tracks shipments to customers on a quarterly basis, through a third-party aggregation effort, led by an outside firm (Precision Consulting)," Mr DeFife explained. "This is done so no company-specific data comes into the possession of the association. This is reported by companies (representing about 95% of the domestic industry) and tracked in thousands gross (units), which can be translated into individual bottles and jars. Weight translations are not available.

"Through the third quarter of 2021 vs. 2020, our data shows an additional 28 million spirits bottles have been shipped to customer end markets, and an additional 181 million bottles for the flavoured alcoholic beverages market," Mr DeFife continued. "Food shipments have declined 4% year-to-date from its 2020 pandemic-highs, beer shipments are down about 5% year-to-date and wine shipments are essentially flat. Overall shipments are down about 3% year-to-date."

To provide some perspective on the glass container industry, several individual businesses that manufacture or utilise glass are highlighted in this news column.

Diageo North America

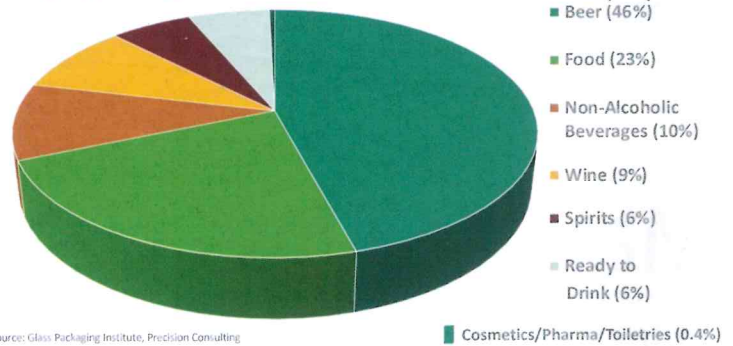
One of the largest spirits beverage companies operating in the USA is Diageo.

"Diageo is a global leader in premium drinks and one of the best-performing consumer goods company across the United States and Canada, with an outstanding collection of brands," stated Ronald Holmes, Packaging Director of Diageo North America. "According to data from our consumers and customers, we know they prefer the luxury of glass packaging for the brands they enjoy. We also want to use packaging which has the lowest environmental impact whilst protecting, delivering and presenting the quality of our brands.

"Whilst other packaging materials represent a portion of Diageo's product line, over 85% of the company's global packaging is in glass by weight," Mr Holmes continued. "As part of our 2030 ambition, Diageo continues working to reduce total packaging and increase recycled content in our packaging. Selecting the right packaging materials can have a significant effect on the overall environmental impact of our products and glass is infinitely recyclable and it's arguably one of, if not, the most recyclable packaging materials in use."

Mr Holmes explained that whilst much of the focus of packaging for Diageo products is on glass, the firm is "continuously looking for ways to work with our suppliers, customers and consumers to ensure that our packaging is effective as well as sustainable – considering both package weight and carbon emission reduction."

Share of 2021 U.S. Glass Container Shipments by Category (Through Q3 2021)



Source: Glass Packaging Institute, Precision Consulting

Image provided courtesy of the Glass Packaging Institute, 2021.

Drake's Organic Spirits

Although not as large as Diageo, Drake's Organic Spirits also operates globally. This business is headquartered in Minneapolis, Minnesota. Drake's Organic Spirits is sold in 44 states in the USA as well as in Canada, Guam, India, Japan, Puerto Rico and Venezuela. Sales have doubled each year, according to the firm, since the business started operations in 2018; the company is projecting to double sales again in 2022.

"Our spirits can be found from TGI Fridays to the Ritz Carlton, Whole Foods to Walmart, and Caesars Palace pool-side to Fashion Week in New York City," said Mark Anderson, Founder and Chief Executive Officer of Drake's Organic Spirits.

"As of today, Drake's Organic Spiced Rum, Premium White Rum and Premium Vodka are all offered in 750ml and 1l glass bottles. We use recycled glass for our spirit lines. Drake's is the first only-spirits brand that has achieved and holds all five official certifications, which are being vegan, gluten-free, non-GMO project verified, kosher and certified USDA Organic.

"Whilst our Spiked Ice pops come in plastic sleeves and our Boxtails come in bag-in-box packaging, we use glass for our pure spirits because glass is the most neutral container," explained Mr Anderson. "To really get the perfect tasting notes, it's important to use glass as the container because it will not affect the taste of the alcohol inside and

it is also more eco-friendly than plastic."

He noted that "Our glass usage has continued to double year-by-year. In 2020, we sold more than 40k 9l cases, and in 2021, we are on track to exceed 100k."

One area where the business is looking at an alternative to glass is for its planned tequila. "We are going to launch an Extra Anejo tequila that will come [in] ceramic and/or porcelain hand-painted bottles produced by a local ceramic bottle maker close to Jalisco, Mexico," noted Mr Anderson. "This is to highlight the ultra-premium quality of our upcoming tequila."

Silver Spur Corporation

"Silver Spur Corporation is a packaging supply company founded in Cerritos, California, in 1978," stated Brenda Harper, Account Manager at Silver Spur Corporation. "Since our inception, we have been best known for our amber glass bottles. However, today, with access to more than 45 furnaces, we can accommodate orders of all shapes, sizes and colours at large volumes year-round. These accommodations enable us to serve many different industries, including nutraceutical, pharmaceutical, food and beverage, cosmetics, wine, beer and liquor. We assure that our custom and stock items are manufactured to the highest quality standards and are regularly available in amber, green, flint and cobalt blue."

This business focuses on sales to ▶

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customers in the United States, with its customers including distributors, manufacturers and contract fillers.

"Glass bottles and containers are manufactured worldwide and imported to the United States," Ms Harper continued. "We are also now able to produce a new line of highly-engineered medical/lab-related products, including, but not limited to, injectable vials, pre-filled syringes and tubular products."

Ms Harper noted that the business uses 50% or more recycled glass in its products: The firm uses glass "to be environmentally friendly," she said. "Glass has always been our core product line." She stated that usage of glass at Silver Spur Corporation has increased in 2021 as compared to previous years.

Ms Harper indicated that the business has experienced a 20% growth in sales in 2021 compared to previous years. For 2022 and beyond, she explained that "We expect continued growth on-trend with last year of 15-20%."

Beyond glass products, Silver Spur Corporation also sells other types of items. "We do not have plans to replace glass," said Ms Harper, "but we offer HDPE and PET Packers as an alternative to glass."

Wine and beer supply

"We are an end-to-end supply and service provider for the craft beverage industry," stated Casey Werderman, President of Wine & Beer Supply. "A winery can purchase their bottles and closures from us and then use them on our mobile bottling trucks.

"Our company is growing rapidly which includes the glass bottle segment," Mr Werderman continued. He explained that the glass bottles use a combination of 'new' glass and cullet.

The business is located outside of Richmond, Virginia, and focuses its operations in the USA. He noted that customers include craft beverage producers, wineries, breweries and cideries. Mr Werderman indicated that the firm sells "a variety of packaging options including glass bottles, aluminium cans, PET single-use kegs, etc."

Flow Cannabis Co.

In recent years, a new market developed within the glass industry in the USA – the legal marijuana market. Medical marijuana has been legal in a number of American states for years. Recreational marijuana has become more prevalent as a legal commodity in the past few years.

"Formed in 2015 with the launch of its top-selling flower line as its flagship brand (Flow Kana), Flow Cannabis Co. aims to build a more sustainable future," said Annie Davis, Vice President of Marketing at Flow Cannabis Co. The firm is headquartered in Mendocino County, California. "Glass is used to house our flower in eighths and quarter sizes. As our products are organic and natural, we wanted to use a material that is non-toxic or [non-]harmful to the general public; glass was the best option for this. We also use glass to prevent leaching that can happen from plastics."

She explained that the usage of glass has remained about the same in 2021 compared to previous years. "We have always used glass since our founding. We choose to use glass as we feel it is the most sustainable option; our customers love our packaging and so we see them 'upcycle' our jar into pots for succulents, for housing face creams or other keepsakes." She indicated that the glass used "is 100% recyclable and the reason we picked it."

Ms Davis explained that Flow Cannabis Co. is currently primarily focused on sales to customers in California and in other parts of the USA.

Sustainability and recycling

"At Diageo, we have always understood that for our business to be sustainable, it needs to create enduring value – for us and for those around us," stated Mr Holmes of Diageo North America. "Through our 'Society 2030: Spirit of Progress' plan to help build a more sustainable future, Diageo is committed to reduc[ing] the environmental impact of its bottles. In that context, at Diageo we use a mix of recycled glass [...] and virgin glass for our packaging. The amount of cullet glass varies by supplier and their location. However, shared sustainability objectives and a desire to reduce our environmental impacts mean we partner closely with our strategic glass suppliers and we encourage them to use cullet glass as much as possible.

"As part of our 2030 ambition, we are working to ensure 100% of our packaging is widely recyclable or reusable, whilst meeting our quality and brand standards," Mr Holmes continued. "In this context, all glass bottles used by Diageo can be recycled. You will find in many of our labels the recycling symbol or the phrase 'Please Recycle.' As for Diageo's efforts, we are always working

with our glass suppliers and recycled glass processors to understand how to include recycled glass in our bottles. We are always exploring options around the supply of recycled glass, the transportation of recycled glass to glass manufacture, and the integration of recycled glass into the glass manufacturing process.

"We have made important strides across the globe in reducing our environmental impact over decades of focus on waste, recycling and packaging," stated Mr Holmes. "As we work towards our 2030 targets, we aim to keep going until we have reduced our impact everywhere: cutting down packaging, increasing recycled content and eliminating waste. Partnerships will be critical. Initiatives such as our new Diageo Sustainable Solutions programme, which enables us to partner with innovators to share ideas for growing brands sustainably, help us work together with customers, suppliers, non-governmental organisations, research institutions and governments to help create a truly circular economy."

Beyond individual corporate efforts, many businesses in the glass industry work together through both the GPI and the Glass Recycling Foundation (GRF).

"GPI is involved with efforts to improve glass recycling on multiple fronts," stated Mr DeFife, President of GPI. "In 2021, GPI met with a variety of legislators, their staff, local government representatives and stakeholders and submitted testimony on legislation in California, Colorado, Connecticut, Hawaii, Maine, New Jersey, Oregon and Washington state, along with the US Environmental Protection Agency (EPA). Whilst the legislation and conversations vary (depending on what is being considered), GPI's primary message remains the same – programmes should both capture additional amounts of recycled glass, and be designed to ensure that glass is suitable for re-use in the manufacture of bottles and jars. Glass should also be recognised as a circular package and treated fairly among competitive packaging in extended producer responsibility programmes, which were signed into law earlier this year by the Governors of Maine and Oregon."

Mr DeFife indicated that 2021 has seen a more normal return to recycling options for consumers.

"All of the country's 10 bottle deposit return programmes (which account for 60–70% of all recycled glass used to make new bottles and jars) re-opened their redemption options to consumers," Mr DeFife continued. "GPI and its members spent several months in 2020 encouraging Michigan and other states to re-open temporarily shuttered return options for consumers. Most of the closed operations were housed inside grocery stores and similar 'return to retail' options. With these options now fully open, we've seen the glass recycled content rate gradually increase, returning to pre-pandemic levels (roughly 1/3 recycled content)."

A new recycling programme was implemented in Arizona ▶



Farmer's Reserve is one of products packaged in glass containers by Flow Cannabis Co. Photograph provided by Flow Cannabis Co., 3 March 2018.