

*The*

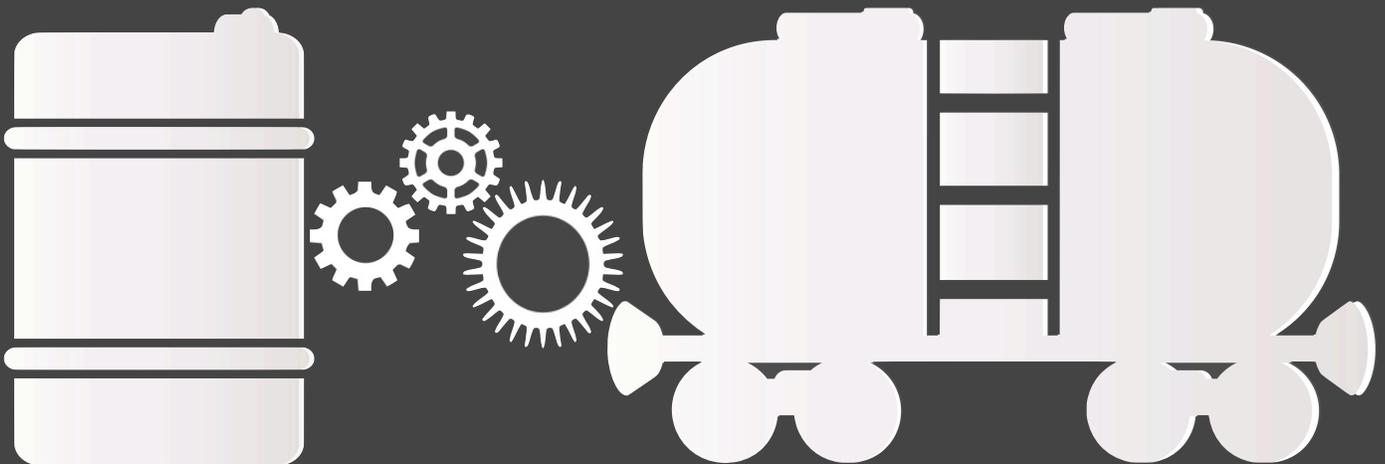
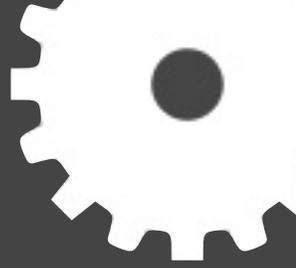
**MANUFACTURER'S**

**ULTIMATE GUIDE**

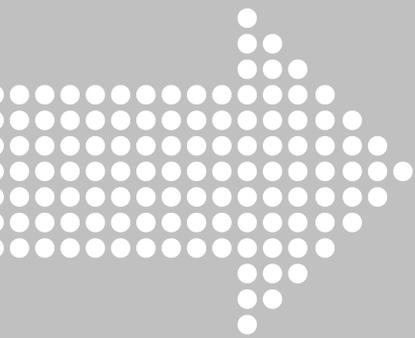
*to*

**BULK OIL**

**PACKAGING**



# IS THIS BOOK RIGHT FOR ME?



Want to learn the basics on bulk edible oil packaging? This eBook helps manufacturers choose the right oil packaging by reviewing:

- Bulk packaging sizes
- Comparison / pros and cons of each size
- How to save money through packaging choices
- Guidance based on common industry goals
- Glossary of bulk packaging terms

Written by Hannah Broaddus

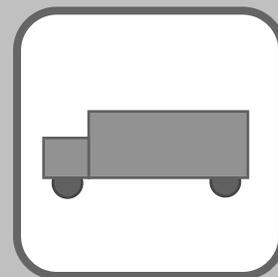
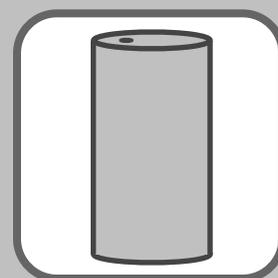
 **Centra Foods**



# CENTRA FOODS: A BULK OIL SUPPLIER TO MANUFACTURERS & DISTRIBUTORS

## GUIDING BUSINESSES ON

- Olive Oil Grades & Other Oils
- Bulk Packaging
- Delivery & Shipping
- General Industry Information



**REQUEST A CONSULT**

## PROVIDING EDUCATION

**SUBSCRIBE TO BLOG**

**READ eBOOKS**

**WATCH VIDEOS**

**EXPLORE CASE STUDIES**

# TABLE OF CONTENTS

5 ..... **Bulk Packaging**

6 ..... Flexitanks/Tankers

7 ..... Totes

8 ..... Drums

9 ..... 35 Lb. Containers

10 ..... 1 Gallon Plastics

11 ..... **Compare Packaging**

12 ..... Flexitanks vs. Totes

13 ..... Totes vs. Drums

14 ..... Drums vs. 35 Lbers

15 ..... **Recommendations For Common Manufacturing Goals**

20 ..... **Bulk Packaging Glossary**

25 ..... **Conclusion & additional resources**



CHAPTER ONE



# BULK PACKAGING



# FLEXITANK / TANKER TRUCK

Flexitanks and tanker trucks are two different varieties of trucks used for bulk oil deliveries. They typically hold 5-7,000 gallons of oil and pump into on-site holding tanks at the delivery location used exclusively for oil storage. Depending on the type of the oil, or it is or where it is coming from, you may receive either type of bulk delivery.

## FlexiTank Packaging Specs

---

**Size:** 5,650 Gallons (approximate)

**Material:** Removable bladder inside tank

**Net Oil Weight:** 43,000 lbs.

**Getting the Oil Out:** Attachable pump required (sold separately)

## Tanker Packaging Specs

---

**Size:** 6,300 Gallons (approximate)

**Material:** Steel tank truck

**Net Oil Weight:** 48,000 lbs.

**Getting the Oil Out:** Pump attached to truck

Connect With Us!



[www.centrafoods.com](http://www.centrafoods.com)





# TOTES

Commonly used in high-volume production and manufacturing, totes are an easy-to-use packaging size that saves money on the oil and the cost of shipping.

## Packaging Specs

---

**Size:** 264, 275 and 330 Gallons

**Material:** Bag in a Box or Hard Plastic

**Dimensions:** 4' x 4' x 4.5' (approximate)

**Net Oil Weight:** 2009, 2093 and 2511 Lbs.

**Getting the Oil Out:** Tote valve available with first order (upon request)

**Moving:** Require fork lift or pallet jack

**Attachments:** Hose and camlock fitting not included

**Pallet:** 1 Tote

**Dispensing Instructions:** [Read more here](#)

Connect With Us!



[www.centrafoods.com](http://www.centrafoods.com)





# DRUMS

55 gallon drums are one of the most common sizes used in the manufacturing industry. In a warehouse setting, they are reasonably small which makes them easy to move around and store.

## Packaging Specs

---

**Size:** 55 Gallons / 208.2 Liters

**Material:** Steel

**Net Oil Weight:** 419 lbs.

**Getting the Oil Out:** Drum pump required (sold seperately)

**Moving:** Easier with fork lift or pallet jack

**Pallet:** 4 Drums



Connect With Us!



[www.centrafoods.com](http://www.centrafoods.com)





# 35 LB CONTAINERS

35 Lb. Containers are a popular size for both the food service and manufacturing industries. For manufacturers with hands on production or limited space, they are easy to store and handle manually. They are also a favorite in restaurant kitchens around the US, and can easily be stacked on a shelf, with the oil dispensed into a bottle using an attachable spigot.

## Packaging Specs

---

**Size:** 4.6 Gallons / 17.4 Liters

**Material:** Plastic jug inside cardboard box

**Dimensions:** 9" x 16" x 9"

**Net Oil Weight:** 35 lbs.

**Getting the Oil Out:** Open spout or spigot (sold separately)

**Pallet:** 60 Containers



Connect With Us!



[www.centrafoods.com](http://www.centrafoods.com)





# 1 GALLON PLASTICS

1 Gallon Plastic Containers are a popular size for both the food service and wholesale distribution industries. They're light and easy to pour, so they also work well in small manufacturing facilities and restaurant kitchens.

## Packaging Specs

---

**Size:** 1 Gallon

**Case:** 6 Units

**Material:** Plastic jug

**Jug Dimensions:** 7" x 12" x 4.5"

**Net Oil Weight:** 7.61 lbs.

**Getting the Oil Out:** Open spout at the top of the jug

**Pallet:** 45 Cases



Connect With Us!



[www.centrafoods.com](http://www.centrafoods.com)



CHAPTER TWO



# COMPARE PACKAGING

# FLEXITANKS vs TOTES

*Which should you choose?*



## **Pros**

---

- Oil will be approximately \$0.10 /lb less than totes
- You won't pay any LTL shipping costs for individual pallets shipped from your supplier

## **Cons**

---

- You'll need storage tanks in your facility to put the oil in, which will cost about \$30,000 (each) to set up
- You'll consolidate your orders, which will require more financial capital at one time, and you'll sit on the inventory for longer

## **Pros**

---

- Easy to use and store in your warehouse
- They require no set-up costs or permanent commitment

## **Cons**

---

- Oil will be approximately \$0.10 /lb more than in flexis
- You'll pay LTL shipping costs for each individual pallet to be transported from your suppliers facility to you. This can be anywhere from \$75-\$600 extra per pallet



# TOTES vs DRUMS

*Which should you choose?*



## **Pros**

---

- Oil prices are \$0.01-0.04 /lb less than in drums
- By choosing the larger 330 gallon totes you can save even more on shipping costs (in a per lb. comparison)
- Totes are just as easy to use and store in your facility
- BIB totes help preserve the oil's shelf life, and are easy to dispose of

## **Cons**

---

- Requires a fork lift and a warehouse / factory setting to utilize this packaging properly

## **Pros**

---

- Drums are easy to use and move around, even in small warehouse settings
- They're a standard size, so most of you production team will already know how to use them

## **Cons**

---

- Oil prices are \$0.01-0.04 /lb more than in totes



# DRUMS vs 35 LBERS

*Which should you choose?*

## Pros

- Oil prices are \$0.02-0.06 /lb less than in the 35 Lb. Containers

## Cons

- They preferably require a fork lift or a pallet jack to move them around
- They require a drum pump to get the oil out, which is a one time purchase of \$50-\$130



## Pros

- You can pick each container up and move it individually. This means you technically don't need a pallet jack or fork lift to move the oil, though it helps
- Perfect for any "hands-on" production lines that require manual pouring of the oil many times a day
- The pallet can be split up if storage space is tight.

## Cons

- Oil prices are \$0.02-0.06 /lb more than in drums
- You're left with more packaging to dispose of after production runs



CHAPTER THREE



# **RECOMMENDATIONS FOR COMMON MANUFACTURING GOALS**

.....

# THE MOST COMMON MANUFACTURING GOALS

... and our recommendations



**TO BUY BULK INGREDIENTS FOR LESS**



**FOR PACKAGING TO BE EASIER TO USE**



**TO SAVE ON SHIPPING COSTS**



# TO BUY BULK INGREDIENTS FOR LESS

It is every manufacturer's goal to buy ingredients for a competitive price. Factors like packaging choices and delivery costs can greatly affect the total cost of a product. At the end of the day, getting your ingredients in a particular kind of packaging can either add to (or draw away from) your bottom line, so choose wisely!

Here's our best advice on how to save money through the packaging choices you make:

**Bigger is always better.** In terms of the cost, the larger the packaging size is, the lower the cost the oil will be.

Just make sure you weigh the pros and cons of each packaging size beforehand, so that you really know what you're getting into. Even though it can save you money, you should never buy a larger size than what your facility can handle.

**Buy more at each order.** Many suppliers have bracketed pricing, which means the more you buy, the more you save.

Find out where the price discount points are and see if you can consolidate your orders to take advantage of those price breaks. You may not order as often, but in the long run you can save money on both the oil and sometimes even the shipping.



# FOR PACKAGING TO BE EASIER TO USE

Being able to get your ingredients out of the storage container and into your production run is vital for your company's bottom line. If this process is a challenge or it takes too long, it can create a bottleneck in your manufacturing line.

Here's our best advice on how to choose the right packaging for your facility. Our suggestions will depend on what tools you have, how much space is available and what kind of packaging you've used in the past.

**If you do manual production runs** which require that the oil be poured out of its container many times a day, the 35 Lb. Containers are an easy pre-packed size ready to be used by your team.

**If you refill a bottle or small jug**, you can set a 35 Lb. Container on a shelf and attach a spigot to dispense the oil from. This system requires little effort and there's no mess, in comparison with trying to pour the 35 Lbers yourself.

**If you're already using drums**, and they're working well for you, consider the totes. The transition is easy to make, and they'll save you money.

**If you have limited disposal space for drums/totes**, consider switching to the Bag-In-Box Totes that can be easily broken down and recycled after use.

If you use a lot of oil, you could also consider the **Returnable Tote Program** where the empty totes are shipped back to your supplier to be cleaned and re-used. This program requires consistent, half-full truckload volumes.



# TO SAVE ON SHIPPING COSTS

Following some basic shipping guidelines can help you save a lot on your transportation. Particular packaging sizes can also help, by loading more oil onto a single pallet which can reduce your per pound shipping cost.

Here's our best advice for implementing smart shipping practices that will save you money.

**Always ship a full pallet.** Shipping a full pallet will help you get the most bang for your buck, while shipping a partial pallet will end up costing you more per pound. You see, the cost to ship 1 drum is not  $\frac{1}{4}$  of the cost to ship 4 drums. For example, if a pallet of 4 drums costs \$200 to ship, chances are that shipping 1 drum will cost between \$125-\$200 to that same location.

Ask your supplier how many of each packaging size fits on to one pallet, and then restrict your orders to full pallets only. This means that instead of buying 1 drum a month, you would switch to buy 4 drums every 4 months. We know this requires a bit of advance planning, but it's worth it.

**Consider the 330 Gallon Totes.** This packaging size holds the equivalent of 6 drums of oil, as opposed to a standard tote which only holds 4 drums worth. That means that if you have a flat pallet shipping rate, the total shipping cost will be less per pound.

If instead, your shipping cost is based on the weight of the pallet, it would be worth running some numbers. Shipping this size may cost a bit more than the traditional smaller tote, but the cost per pound could still be less.

CHAPTER FOUR



# **BULK PACKAGING GLOSSARY**



## BULK PACKAGING GLOSSARY

**35 Lb. Container:** The 35 Lb. Container goes by many names, including Jug-in-a-Box, and 35 Lb. Box. It is comprised of a light plastic jug inside of an strong cardboard box. Oil is poured from a screw on cap, though attachable spigots are available for purchase. This popular size has dominated the food service industry for over 25 years.

**3rd Party Audit:** An audit performed by an independent agency to verify that the proper quality control processes are in place.

**6x1 Gallon Case:** This term refers to a case of 1 gallon containers, with 6 per pack. Centra Foods carries the *F-Style* plastic jugs. These plastic jugs have a horizontal handle located at the top of the jug, along with a standard pour spout. They are a very common food service packaging.

**Bag in Box Tote:** A type of tote packaging used for olive oil, available in a variety of different sizes. This tote is comprised of an inner plastic bag (which is approved for use with edible oils), and a strong outer cardboard box. This box has an attachable spigot at the bottom, which is used to dispense the oil. This packaging has the following advantages over it's conventional tote counterpart:

1. The inner bag keeps oxygen away from the oil as it is used, extending the shelf life and product freshness.
2. The outer box can be broken down and recycled after use, allowing for fast, cheap and environmentally-friendly disposal.

**Bracketed Pricing:** Pricing that varies depending on the amount purchased, allowing customers who purchase more to receive volume discounts. The principle of this pricing system is, "the more you buy, the more you save". The point at which the pricing decreases to the next level is referred to as the breakpoint.

**Bung:** The hole located at the top of a drum or tote used to insert the pump and get the oil out.

**Caged Tote:** See [Plastic Tote](#).

Connect With Us!



www.centrafoods.com



**Drum:** A drum is a common industrial packaging size in a cylindrical shape, with a hole on top used to get the oil out. In the food manufacturing industry, these drums are typically made out of steel. Plastic, cardboard, wood, and other materials are sometimes used for other purposes. Centra Foods carries the most common 55 gallon size.

**Environmentally-Friendly Packaging:** Packaging that is either recyclable, BPA free, or reduces the amount of left-over packaging material that must be disposed of.

**Flat-Pallet Shipping:** A shipping term that refers to the cost of transporting one pallet to a particular location. A “flat pallet” rate means that the cost to ship the pallet is the same, no matter the amount of total goods stacked on that pallet. For example, a flat pallet rate of \$100 means that it would cost the same amount whether you put 1 drum or 4 drums on that pallet. There will always be a maximum weight to this offer.

**FlexiTank:** A container of oil that is comprised of a removal bladder inside a conventional shipping container. This bladder has a built in valve, that a pump can connect to, to remove the oil. The amount of oil put into this container is flexible, hence the name. At it's maximum, it holds approximately 42,000 lbs or 6,000 gallons. These flexitanks save a lot of money over the totes and drums by removing packaging and domestic LTL shipping costs.

**Freight:** Shipping that utilizes a large 18-wheeler truck to move bulk quantities of a product (versus being shipped in the mail using UPS, Fed Ex, or USPS).

**Gross Weight:** The total weight of both the oil and the packaging.

**Net Weight:** The weight of the product without any packaging included. For example, the total weight of the oil packed inside the drum, not including the weight of the drum itself.

**Oxidation:** The deterioration of olive oil quality that occurs when it is exposed to oxygen.





**Pallet:** A platform used for storing and shipping bulk materials. Both wood and plastic pallets are available, though plastic often comes at a premium cost.

**Plastic Tote:** A type of standard tote packaging, comprised of a hard IBC plastic tote with an aluminum cage or frame around it. This tote comes in a variety of sizes, and has a spigot and pallet built into the frame.

**Returnable Tote Program:** A continuous supply program, where new totes are delivered to the customer and old totes are simultaneously picked up and returned to the supplier. This allows the totes to be re-used and often cuts oil cost by re-using packaging. This program requires that the customer be using enough volume to warrant the additional shipping costs involved in the pick-up process.

**Shelf Life:** The life expectancy that oil should be used within. The shelf life for olive oil is typically 24 months from the date of manufacture, stored in an unopened container. Like all natural, fresh products, olive oil is optimally used ASAP after it is manufactured. For the shelf life on other oils, please see each oils' corresponding spec sheet.

**Spigot:** The spout that olive oil pours out of at the bottom of a tote. This spigot may be a separate attachment piece, as is used with the Bag-in-Box tote, or may be built-in, like with the hard plastic totes.

**Standard Tote:** See [Plastic Tote](#).

**Storage:** The ideal environment and packaging to store your product in, to preserve the shelf life for as long as possible. Olive oil prefers to be stored in a cool, dry location away from sunlight, heat and air.

**Tanker:** A special truck that holds about 45,000 lbs of liquid material commonly used for domestic shipments. Tankers have a built in pump to get the oil out, versus the [flexitanks](#) which are simply a container that must be pumped out of using a special attachment. These tankers save a lot of money over the totes and drums by removing packaging and domestic LTL shipping costs.





**Tote:** A tote is a common industrial packaging size that resembles a large box. Totes come in a variety of sizes including 264, 275 and 330 gallon. They also can be made from a variety of materials; the common types are a hard IBC plastic with an aluminum frame, recyclable Bag-in-Box, and a collapsible plastic tote with an inner bag. These totes have a spigot at the bottom used to get the oil out, and may also have a bung hole located on the top.

**Volume Discounts:** See Bracketed Pricing

Share this Ebook!



[www.centrafoods.com](http://www.centrafoods.com)

CHAPTER FIVE



# CONCLUSION & ADDITIONAL RESOURCES



# MAKE SURE YOU'RE BUYING SMART



Request a consult  
with Centra Foods to  
see if you're buying  
efficiently and saving  
the most money  
possible.

800.689.7510

[REQUEST A CONSULT](#)