

# Busting the "Glass Shortage" Myth with GPI President, Scott DeFife



glass  
packaging  
institute

2022 Unified Wine &  
Grape Symposium

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## Busting the “Glass Shortage” Myth

- A glass shortage is not an accurate description of the current state of the market. We understand some end-market customer may have issues with getting bottle stock, but that is not a “glass shortage.” Container glass is caught up in the same larger, international logistics backlog affecting multiple industries across the U.S.
- Domestic glass suppliers have not run out of excess inventory, nor is there any shortage of raw materials to make glass. All materials needed to manufacture glass in North America can be sourced in North America.



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## Busting the “Glass Shortage” Myth

- Early during the pandemic some excess stocks were used to meet the dramatically increased demand in the U.S. but glass manufacturers have never run out of raw materials to make glass bottles, jars and containers.
- Supply chain issues for imported glass and other types of materials will likely remain until the port backlogs clear up. That being said, it’s a good time to explore where your glass is sourced and see if you can make the switch from imported bottles to bottles manufactured in North America.



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## Busting the “Glass Shortage” Myth

- Roughly 25-30 percent of food and beverage glass used is imported into the United States. The remaining 80 percent is domestically sourced from North American glass manufacturers many within close proximity to their customers.
- Glass used in the US by consumers is rarely exported for recycling outside of North America. The glass industry desires much more recycled glass, and the pandemic supply chain and trucking logistics issues have impacted the movement of recycled glass, this has not hampered production of new bottles.



# Busting the “Glass Shortage” Myth

- Through the end of November 2021, the industry has seen an 11.7% YTD increase in imports of empty 750 ml bottles. Almost 40% of these 750ml imports came from Canada and Mexico – North American importers. (Source USITC)
- 750 ml empty bottles imported into the US for fill by both spirits and wine producers (no distinction is made between the two end markets) are up 162 million additional bottles through the end of November 2021, versus through the end of November 2020. (Source, USITC, US International Trade Commission)
- Through the third quarter 2021 (our most recent data), the US shipped out to customers from domestic glass plants 1.5 billion wine bottles. While the exact sizes are unknown, they tend to fall in the 750 ml category range.
- Through the end of November 2021, according to US International Trade Commission (USTIC) data, a total of 1.38 billion 750ml sized bottles were imported - destined to support both the wine and spirits domestic customers.
- Of that, nearly half of the 750ml bottle imports (582 million) were imported from Mexico and Canada in support of the domestic wine and spirits market. Bottles supplied from these North American countries typically do not encounter port of entry focused delays.



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- Shipping container costs for importers have also significantly increased, and these prices are also being passed along through the supply chain.
- For example, ocean container costs have gone from an average of \$5,000 per container to nearly \$30,000 per container, and that's if you can secure one in a timely fashion.
- This, in combination with persistent delays at the ports that result in detention fees for cargo, are often bundled and passed on through the bottle supplier.

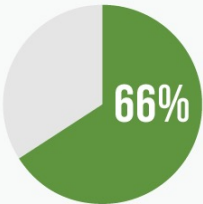


# Consumer Preference for Glass

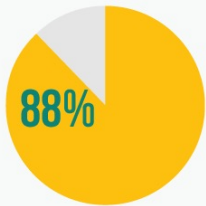
\*Data sourced from 2020 EcoFocus Consumer Trends Survey



## GLASS IS THE **PREFERRED** PACKAGING MATERIAL FOR **BEER AND WINE**



OF GROCERY SHOPPERS OVER THE AGE OF 21 CHOOSE TO BUY BEER IN GLASS,\* AND

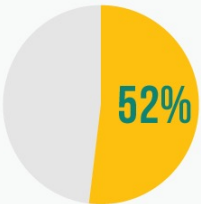


CHOOSE TO BUY WINE IN GLASS BOTTLES.\*

\* ECOFOCUS CONSUMER TRENDS SURVEY, 2020.



## SIMPLY GLASS: GLASS IS MADE FROM **ALL-NATURAL SUSTAINABLE RAW MATERIALS.**



**OVER HALF** OF GROCERY SHOPPERS LOOK FOR **BEVERAGES** IN GLASS BECAUSE THEY BELIEVE IT **PROTECTS THE PURITY** OF THE PRODUCT.\*



\* ECOFOCUS CONSUMER TRENDS SURVEY, 2020.



**GLASS RECYCLING COALITION**

# Are wine bottles sustainable?

\*sourced from Friends of Glass

- Absolutely! Like any other glass container or jar, wine bottles are made from only three natural resources: sand, soda ash and limestone, along with recycled glass. Obtaining these natural materials doesn't release any toxic chemicals, nor does it harm our environment.
- Even the production of wine bottles has become vastly more sustainable through advanced research and developments in the techniques used to reduce the energy necessary for producing glass bottles.
- The glass industry is constantly looking for new ways to address consumers' wishes for more sustainable products.





# Are wine bottles recyclable?

\*sourced from Friends of Glass

- Yes! Wine bottles are 100% and endlessly recyclable. In fact, when you throw a wine bottle in the recycling bin, it only takes 30 days for the bottle to go through the recycling process and end back up on your shelf as a new bottle.
- As glass containers are made of a single material, they are easily recyclable without losing any quality. This means that even recycled glass can be recycled again, and again in an endless cycle in which we constantly save CO2 emissions, water and resources.



# How do wine glass bottles compare to other packaging materials?

\*sourced from Friends of Glass

- As our options increase, people have proposed the use of other packaging options, such as bag-in-box wine or paper wine bottles – which are made from the same materials, but shaped like a bottle. However, these options don't protect the wine from oxygen, as cardboard itself is not an airtight material. Also, it is unclear how much these materials interact with the wine and alter its taste.
- Moreover, bag-in-box wine has a long way to go on improving their sustainability and recyclability. Bag-in-box and paper wine bottles, both suffer from the fact they incorporate materials (metal, aluminium, plastic) that are hard to separate in order to recycle the whole packaging properly. Glass, on the other hand, is easily recycled without any need for separation.



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## Contact Info

- Please do not hesitate to reach out to Scott DeFife for all your questions on glass manufacturing and recycling. Scott is reachable at [sdefife@gpi.org](mailto:sdefife@gpi.org). For media inquiries and requests, please contact [alexandra@sqcomms.com](mailto:alexandra@sqcomms.com). Follow GPI on [Twitter](#), [Facebook](#), [Instagram](#) and connect with us on [LinkedIn](#) for updates on all things glass. Learn more at [www.gpi.org](http://www.gpi.org).

