TRENDS
REPORT
2020 EXECUTIVE SUMMARY

INTRODUCTION

Every year, the Foodservice Packaging Institute conducts a survey to gather information about the latest trends in the industry. The 12th annual survey, sent in September 2020, asked members to share their opinions on the following topics:

- Foodservice packaging.
- Raw materials used to make foodservice packaging.
- Machinery used to convert foodservice packaging.
- Foodservice distribution.
- Foodservice operations.

The survey includes responses from the entire value chain in North America, including:

- Raw material suppliers.
- Machinery suppliers.
- Converters.
- Foodservice distributors.
- Foodservice operators.

The results of the survey were compiled to create FPI's "2020 Trends Report." This year's 24-page report contains two sections: a compilation of member submissions and the top trends based on FPI staff analysis of members' submissions and other general industry observations. The report is available only for all FPI members. Highlights from the 2020 Trends Report are included in this Executive Summary.

Please contact Ashley Elzinga at aelzinga@fpi.org with any questions.

EXECUTIVE SUMMARY

2020 has been a wild year. We all recognize the impact COVID has had around the world and here in North America. The impact of this pandemic can be seen in the 2020 Trends Report as this year has been not only a 'trend setter' but a 'trend accelerator.'

If we were to look at this year's list of buzzwords, you can bet that it would include "safety" and "sanitary." Seeking safe and sanitary solutions in the face of infectious disease are the exact reasons why foodservice packaging was created in the first place — to reduce touch points and keep our edible items secure. All, of course, while providing the modern-day necessities of convenience and mobility. This is not to say that our usual "it" words like "eco-friendly" and "sustainable" no longer pertain to foodservice packaging, but COVID has brought the sanitary and safety issues to the forefront and full circle.

Drastic shifts occurred across all segments of the foodservice industry as the pandemic swept into North America. We saw states shut down and re-open, only to shut down again, and some states that were never fully in lockdown. State and local governments enacted various restrictions on restaurants, causing a shift from dine-in to take-out only, and in some cases, closure. Foodservice took a major hit, as did the packaging that would normally be deployed to serve meals, snacks and beverages to consumers in places like schools, stadiums, arenas across the U.S. and Canada. While restaurants operating at varying degrees of capacity have led to increases in the delivery, carry-out and drive-thru sectors — some of the only options for an away-from-home style meal.

In the early months of the pandemic, we saw a "shortage" of certain foodservice packaging items. There were unanticipated logistical disruptions across the supply chain, but as the packaging and transportation industries adapted, the kinks have been worked out.

Consumer behavior has shifted — people are eating at home more because they're not in the office, they're not commuting so they're not picking up breakfast or coffee to-go — and these changes are predicted to last for a while. The breakfast and daypart sectors, along with business district restaurants, have been hit hard, leading to a decreased demand for certain packaging products across much of the foodservice industry.

COVID has helped accelerate other trends, including the maturation of "contactless" experiences in foodservice. Apps, QR codes and online ordering trends were thrown into high gear as both patrons and employees sought to decrease touch points between them. As restaurants looked to reduce exposure there was an increase in packaging products that create a barrier between individuals and food, particularly "tamper-resistant" and "tamper-evident" packaging. As food is transported in new and different ways, whether through contactless pick-up or third-party delivery, continued packaging innovation ensures the experience is as touch-free as possible.

We see foodservice packaging products being used out of necessity and for restaurant survival. However, gains made in the carry-out and delivery space have not been offset by restaurant closures and reduced foot traffic. Earlier in the year, a majority of the industry reported sales and production numbers that were either the same or decreased due to implications from COVID

COVID also impacted legislation with bans lifted on bags and containers due to the uncertainty of COVID's transmission. But, as more is learned about the virus and time passes, bans are being re-enacted. Legislative sessions that were put on pause have returned and as the world of politics has adapted to live with COVID, we still have seen legislative action throughout 2020.

Our pre-COVID way of life has still thread its way through 2020, not only through policy but through packaging choices. The immediate need for safe and sanitary foodservice packaging doesn't mean that consumers no longer care about packaging that's "sustainable." The increased demand for more "recycled-content," "bio-based materials" and packaging that is "recyclable" and/or "compostable" have carved out an ever-increasing portion of the marketplace.

This year, with few exceptions, most everything has changed. This is our new normal. Renewed emphasis on safe and sanitary packaging, which keeps people safe while they enjoy food and drink where they live, work and play — even if those are all within the confines of their own homes — will continue to be the leading factor for the foodservice packaging industry.