



TRENDS REPORT

2023 EXECUTIVE SUMMARY



FOODSERVICE PACKAGING
INSTITUTE®

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INTRODUCTION

Every year, the Foodservice Packaging Institute conducts a survey to gather information about the latest trends in the industry. The 15th annual survey, sent in September 2023, 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 "2023 Trends Report." This year's 18-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 to all FPI members. Highlights from the 2023 Trends Report are included in this Executive Summary.

Please contact Ashley Elzinga, Director, Sustainability and Outreach, at aelzinga@fpi.org with any questions.

EXECUTIVE SUMMARY

While the past few years have been a rollercoaster ride, full of ups and downs, this year we experienced a noticeable slowdown. Uncertainty and hesitation remained throughout the industry from material suppliers down to foodservice operators as everyone waited for official word of “were we or weren’t we” heading into a recession. Couple that uncertainty with the pain of both inflation and labor shortages and the industry hunkered down to wait out the worst.

Despite the uncertainty, there are bright spots. Respondents reported international shipping costs have gone down allowing for easier import and export experiences. Timelines for equipment have eased, although they still remain lengthy for in-demand machinery. And, as marketplace shifts continue post-COVID, respondents reported increased purchasing of foodservice packaging through e-commerce.

Operators are reporting post-pandemic shifts in several areas, particularly with inflation. Consumers have been hit hard in the wallet, leading them to look for the best bang for their buck. This has led to a rise in meal deals with a nostalgic twist — taking consumers back to better days, even if the price tag reflects current conditions.

Demand for operators that cater or service office environments has rebounded but reports show that full-time in-office attendance is still far below 2019 levels. With so much of the workforce in a flexible or hybrid state, dayparts have also become fluid, serving consumers meals or snacks when and where they want them.

As inflation continues to impact consumers’ wallets, service fees become a larger burden, leading to a shift away from delivery toward takeout. Consumers still want to be able to eat whatever, whenever and wherever, and picking up a meal to-go mostly meets those needs. There’s been such a shift to takeout that operators are moving to smaller format, smaller footprint locations with an emphasis on drive-thru, to-go and delivery.

Something that continues to be top-of-mind for our industry is policy, with Extended Producer Responsibility (EPR) discussions once again taking center stage. Legislation, specifically EPR, was the number one topic brought up in the survey. Also on the legislative front, we are seeing foodservice packaging mandates and prohibitions, source reduction requirements and labeling requirements, along with post-consumer recycled content proposals and laws, either as individual topics or part of EPR programs. Even if we didn’t see the passage of any packaging programs this year, proposed policy aimed at foodservice packaging was abundant and environmental regulation shows no signs of slowing.

As policy and recovery align, respondents reported that sustainable options are still in demand from operators — even with the price increase due to economic factors. Reusable packaging is a focus for some, and operator respondents say they are “taking a second look” at the end-of-life pathway for packaging as recycling and composting each have their own unique challenges and opportunities.

The industry has felt the challenges of 2023 and the hurdles of these months are not easily overcome, likely lingering into 2024. But, challenges create opportunity for innovation and resourceful solutions. Despite trying times, there's still optimism for growth and opportunity.