State of the Industry Report

2024 Executive Summary

FOODSERVICE PACKAGING INSTITUTE®

P.O. Box 726
Falls Church, VA 22046
tel (703) 592-9889   fax (703) 592-9864
email fpi@fpi.org web www.fpi.org

INTRODUCTION

Every year, the Foodservice Packaging Institute (FPI) conducts a survey to glean information on the industry. FPI looks at issues, like changes to volume and profits; expansion and purchasing plans; opportunities and challenges facing the industry; and more. The survey is sent to FPI members and non-members, representing the entire value chain in North America, including:

- raw material suppliers;
- machinery suppliers;
- converters;
- foodservice distributors; and
- foodservice operators.

Participation in the survey is completely voluntary and respondents can opt out of any question asked.

The results of this survey are compiled to produce FPI's 25th annual State of the Industry Report.

In 2024, nearly 50 organizations from the foodservice packaging value chain in North America responded to the survey. Their responses were tabulated and published in a 32-page State of the Industry Report, which was distributed to FPI members and contributing participants only. What follows are the highlights from the 2024 report.

All questions are welcome. Please contact Ashley Elzinga, Director of Sustainability & Outreach, at aelzinga@fpi.org with any questions or to participate in next year's survey.

EXECUTIVE SUMMARY

Despite continued inflation, many in the foodservice packaging industry see a market that's rebounding from recent economic uncertainty and feel cautiously optimistic about 2024. This is evident in the latest State of the Industry survey; results show only 34% of foodservice packaging manufacturers and suppliers experienced growth in volume while more than 50% experienced loss in volume. This is reflected in profit growth with more than 60% worsening or staying the same in 2023 compared to 2022. Highlighting the optimism, nearly 60% of the industry expect volume expansion and 77% expect profits to grow or remain the same. Foodservice operator respondents saw increased sales, and were optimistic that this trend would continue in 2024.

In a sign that the market is stabilizing, nearly 40% of the North American manufacturer respondents reported another year of corporate expansion plans with nearly 60% doing it through the expansion of current facilities. This is a slight increase compared with 50% in 2023. Less than 40% plan to expand through building a new plant or merger/acquisition. Consistent with previous years, roughly 60% of North American converters plan to purchase machinery in 2024.

Long noted as an area of opportunity, chain quick-service restaurants are now seen by respondents as one of the greatest areas for market expansion, followed by the fast casual segment. This is due in part to the convenience of being able to eat foods on-the-go or away from home. Grocery stores and convenience stores are also noted as opportunities for market expansion because of increased foodservice options. Regardless of market segment, convenience was noted as an influence on growth opportunities.

As in years past, North American converter and supplier respondents continue to have differing views on the top challenges facing the industry. Overall, traditional business issues like government legislation/regulation and lack of qualified labor remain at the forefront, along with public perception of packaging or foodservice packaging as "waste." Recovery/end-of-life options for foodservice packaging and margin compression remain challenges, too. The results highlighted five common challenges facing the industry (ordered from most to least important):

1. Government legislation/regulation.
2. Lack of qualified labor.

3. Public perception of packaging or foodservice packaging as “waste.”
4. Recovery/end-of-life options for foodservice packaging.
5. Margin compression.