TRENDS REPORT

2024 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 16th annual survey, sent in September and October 2024, 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 "2024 Trends Report." This year's 17-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 2024 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

If 2023 was marked by a noticeable slowdown due to uncertainty, 2024 has been about the need for speed. The pressures weighing on the foodservice packaging industry have influenced this year's trends. Sustainability and the principles of sustainability in packaging have progressed from being a trend to a part of everyday business. The new trend appears to be the growing sense of urgency around packaging sustainability and the justification or rationalization of choices made in this space. Striving for sustainable packaging has gone beyond a "nice to have" to a required, if not now regulated, part of doing business. New legislation is creating added pressure across the industry and accelerating changes that demand careful planning and realistic timelines.

Considering the drive toward new and innovative materials and products, the pressure isn't all bad. These innovations help sustainability goals look new and fresh, all with performance attributes that help keep items at temperature and last longer. Notable changes include new coatings for fiber items that allow for reheating in the container and shifting away from color additives in favor of "natural" colored resin to help with end-of-life recyclability. The use of post-consumer recycled content also continues to grow in part due to customer commitments and the need to meet regulatory requirements. While this is a complex issue, especially regarding food contact packaging, we don't expect this trend to slow down any time soon.

Packaging materials are also receiving attention based on legislative and regulatory changes. As extended producer responsibility laws are implemented in several U.S. states, both foodservice operators and packaging manufacturers are left dealing with confusing and often conflicting approaches and targets. It may not be widespread but we are seeing a greater focus on reusable items for dining at restaurants, event venues and school foodservice operations that may be tied to regulatory pressures and customer demand.

Adding to the pressure is the sliding scale of potential consequences around packaging decisions. Do companies switch portfolios from paper to plastics, plastics to paper, look at compostability, recyclability or all of the above? Which attributes become the most important when selecting packaging that has to perform at an acceptable price point in a down market?

This year, a new standout for the industry was the number of mentions related to increased imports. From finished goods across multiple substrates to a rise in imported machinery, much of the U.S. and Canadian marketplace is thinking about this. A rise in imports has placed increased pressure on the industry to compete with both imported products and equipment. We also heard anecdotes about the rise in imported machinery leading to lower costs and shorter lead times for domestic equipment.

It's also important to mention the continued trend in mergers, acquisitions and consolidation that has led to tighter competition in the industry.

Alleviating some pressure, automation in manufacturing has helped increase production and offset labor costs. Foodservice operators have embraced automation to combat labor shortages and work within smaller footprint stores that only serve via drive-thru and delivery. This automation has even expanded into vending machines at airports and train stations.

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.

As we think about the future, it’s clear that the foodservice packaging industry will face ongoing pressures. We view these challenges as opportunities to propel us forward and drive progress.