



Technomic[®]



FOODSERVICE PACKAGING
INSTITUTE[®]

State of the Foodservice Industry and Packaging

Trends and Directions into 2025



Joe Pawlak

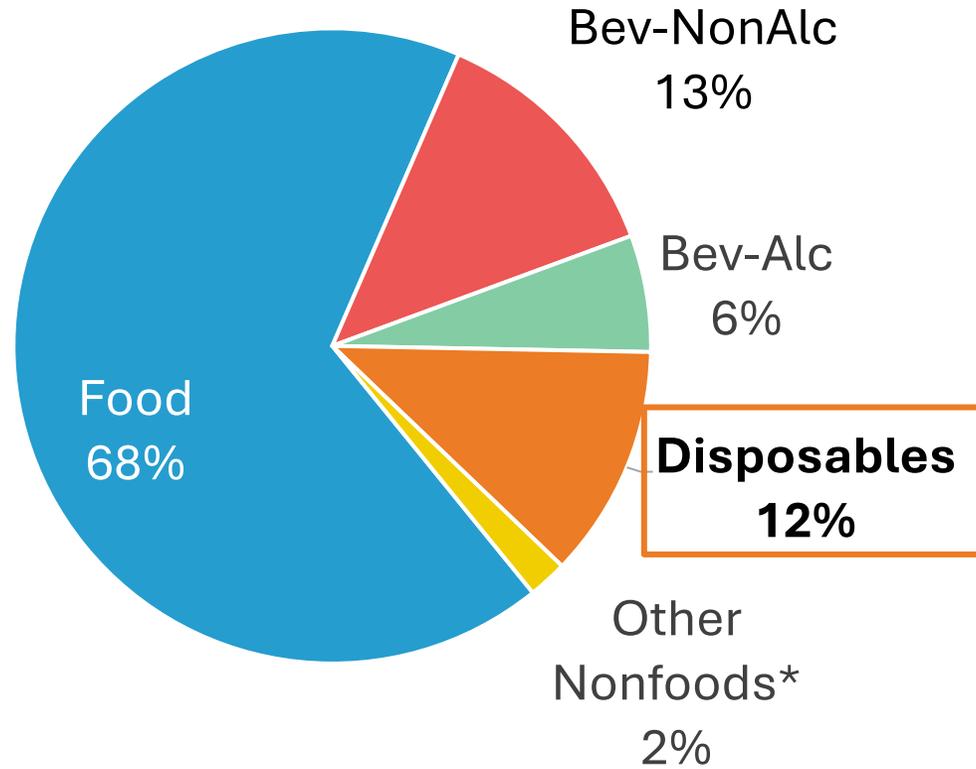
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Agenda

- **Key findings from Technomic disposables study**
- **Current foodservice environment**
- **Forecasts for 2025**

**So let's talk about disposable
packaging....**

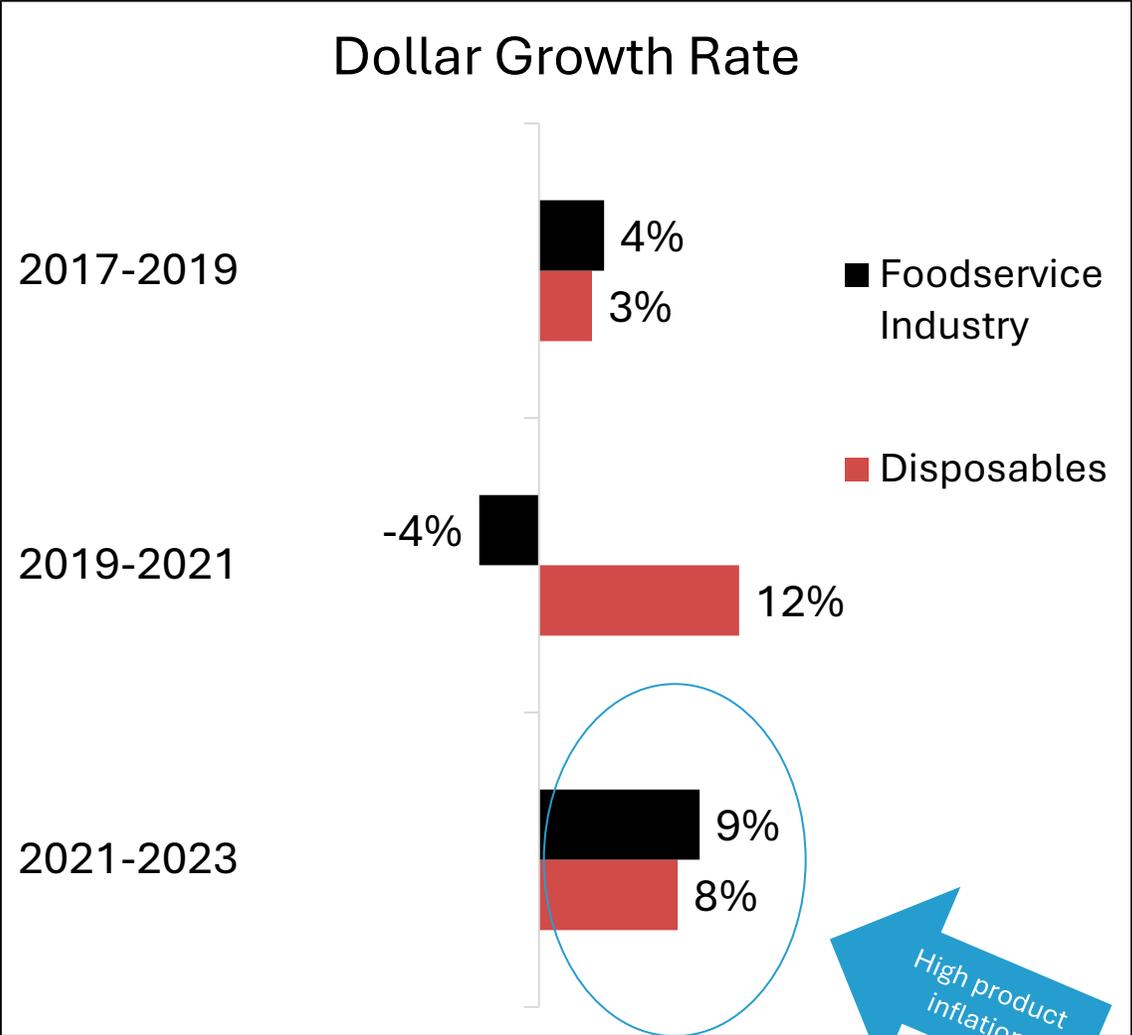
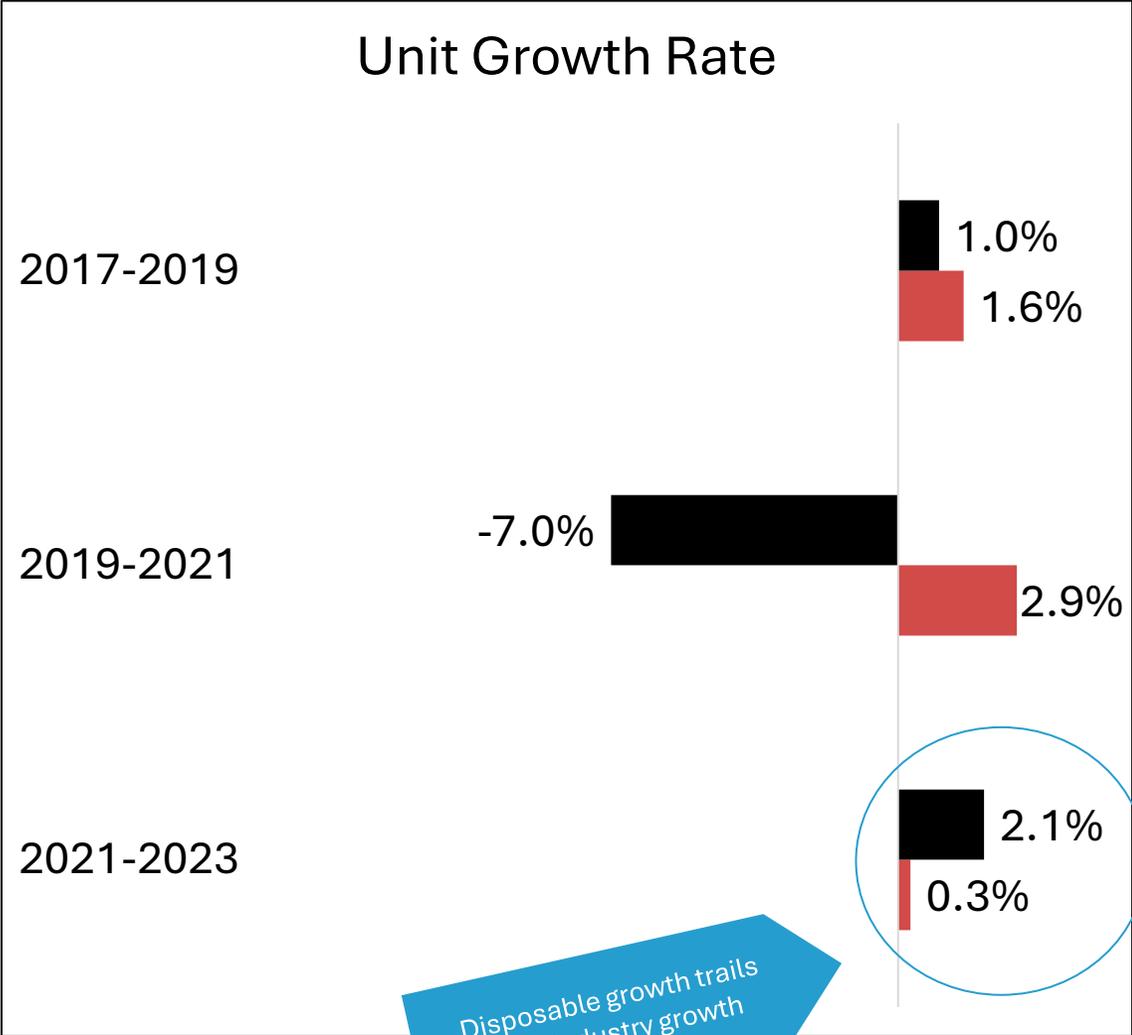
**MANUFACTURER SHIPMENT DOLLAR SALES SHARE OF
FOODSERVICE INDUSTRY
\$331B**



**Foodservice
disposables
\$39B**

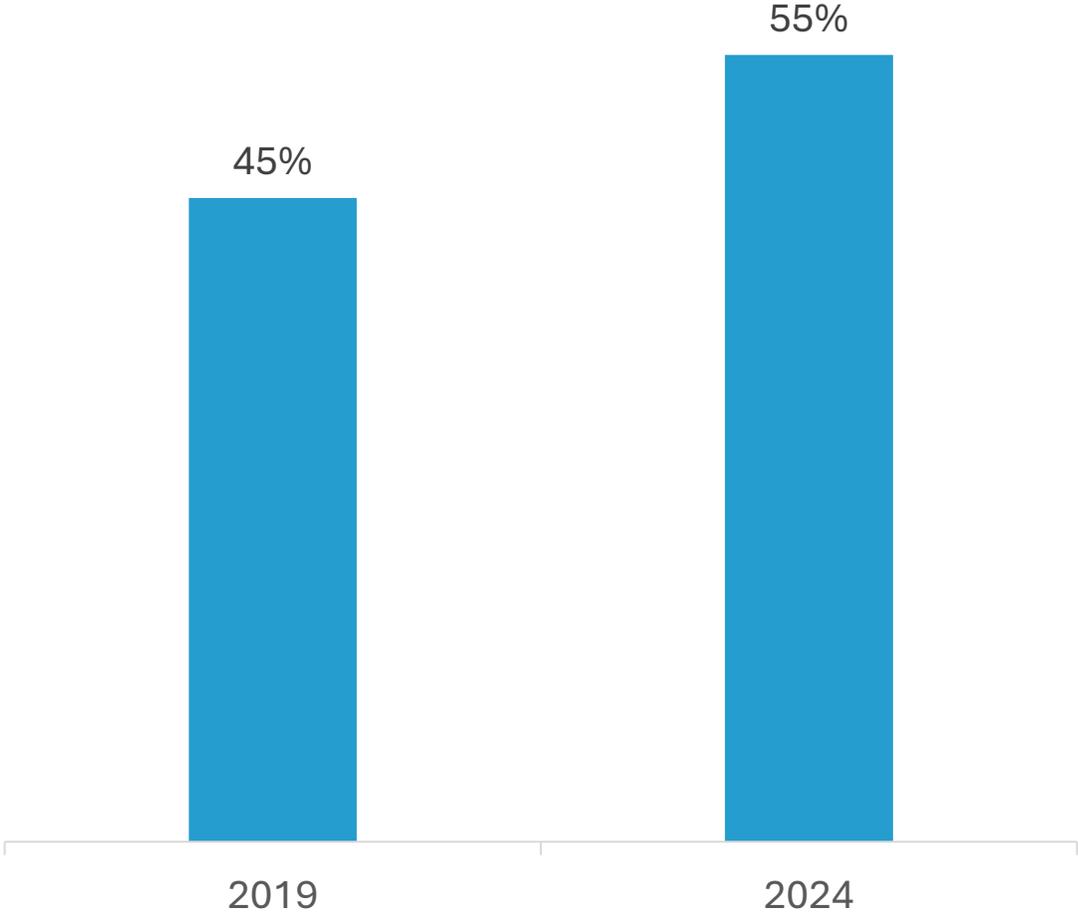
*Chemicals, tabletop, utensils, non-capitalized supplies & equipment
Source: Technomic

FOODSERVICE DISPOSABLES 2 YEAR COMPOUNDED ANNUAL GROWTH RATES



Source: Technomic

Share of Restaurant Sales that are Off Premise

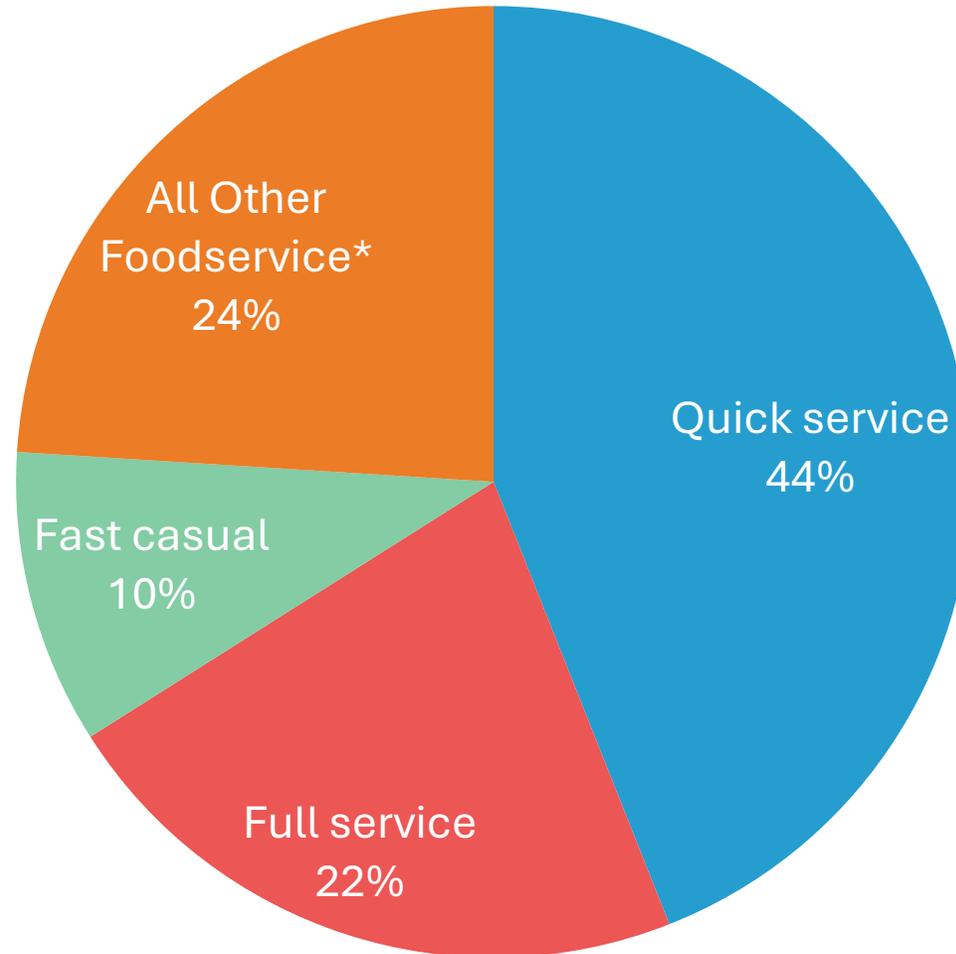


Off-premise has driven disposables sales

Source: Technomic

**Restaurants
total 3/4^{ths} of
disposable
purchases**

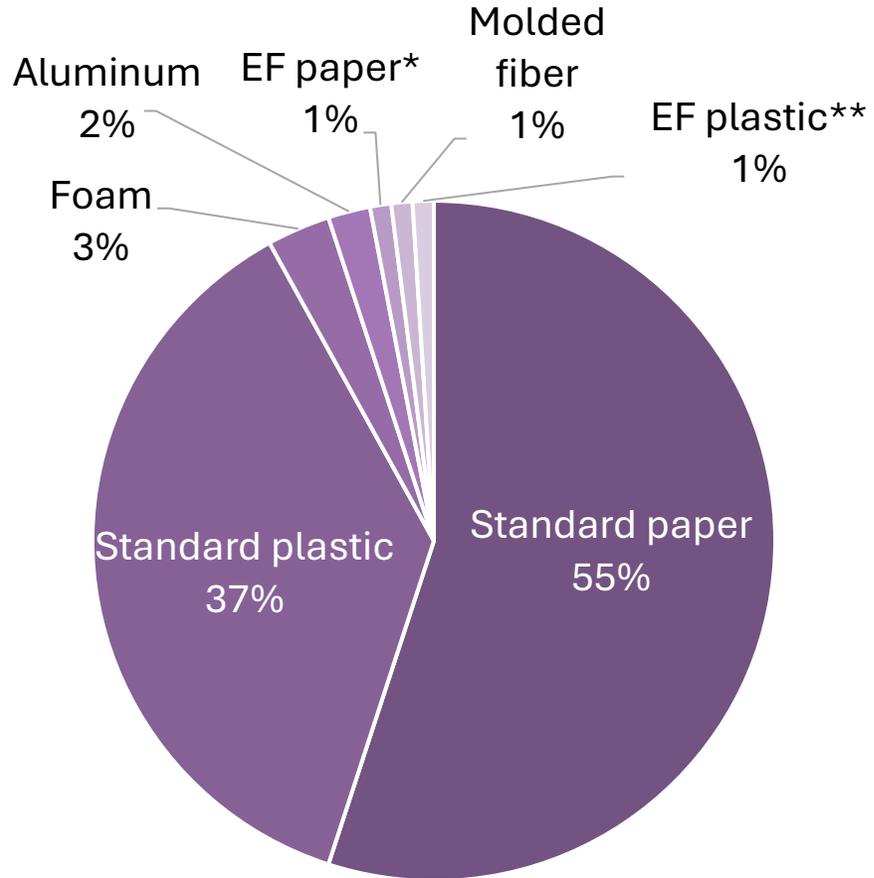
SEGMENT SHARE OF DISPOSABLES DOLLARS



Source: Technomic

*Supermarket foodservice, c-store foodservice, healthcare, education, military, corrections, B&I, refreshment services, travel & leisure, and all other foodservice segments.

DISPOSABLES MATERIALS % of Industry Units



Substrate	Growth
Standard paper	+
Standard plastic	●
Foam	- -
Aluminum	●
EF paper	+ +
Molded fiber	+ +
EF plastic	+ +

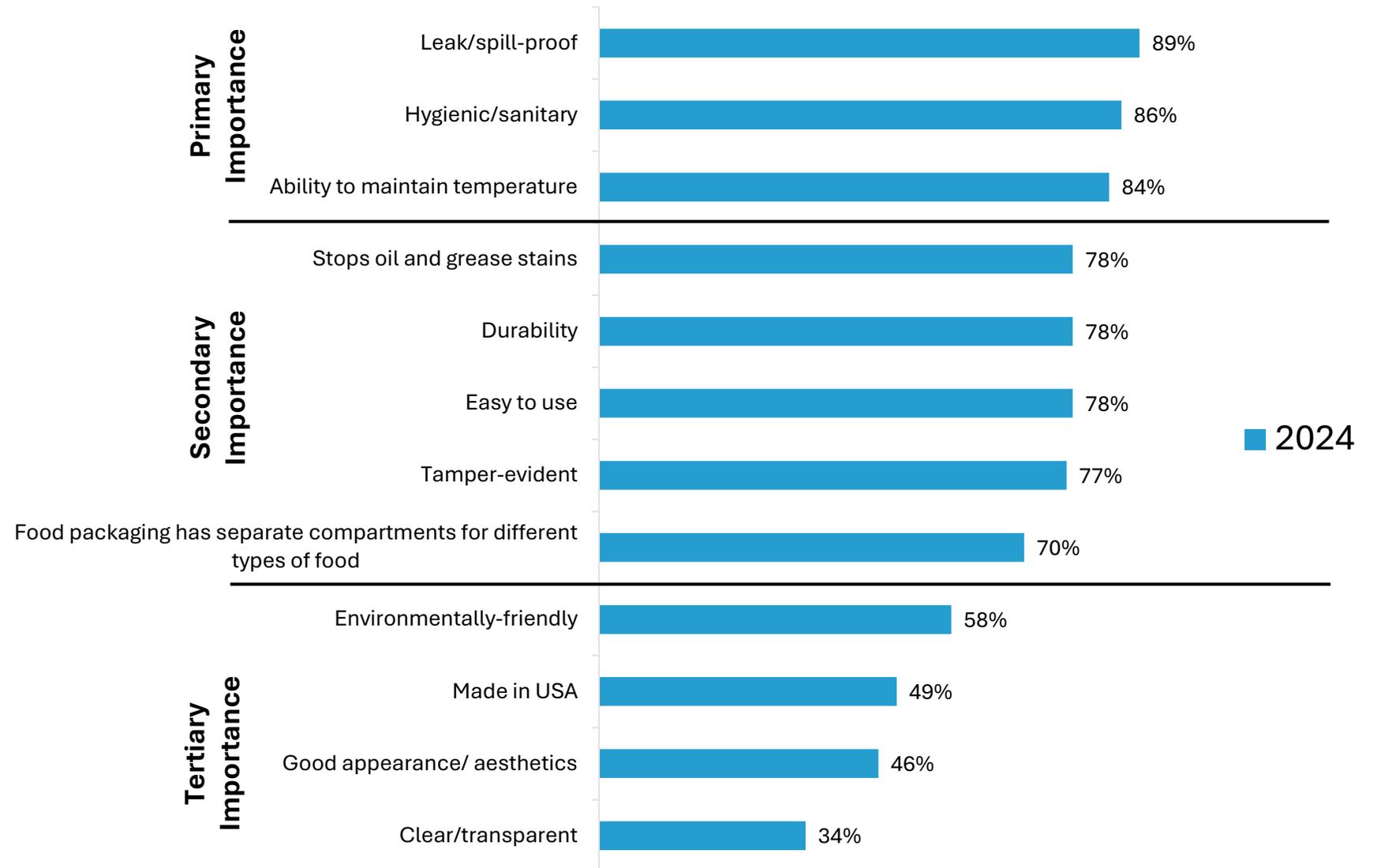
Source: Technomic

*Note: Noncoated compostable paper and tree-free paper (e.g., bagasse, wheat straw, bamboo, etc.); Excludes products with recycled content only

**Note: Bioplastics and rPET

Packaging functionality is important to consumers

DISPOSABLE PACKAGING ATTRIBUTE IMPORTANCE-CONSUMERS
 (% SOMEWHAT/EXTREMELY IMPORTANT)



Base: 1,502 consumers
 Q: How important are each of the following disposable packaging attributes?
 1 to 5 scale used, where 5 = extremely important
 NA=Not asked in 2022

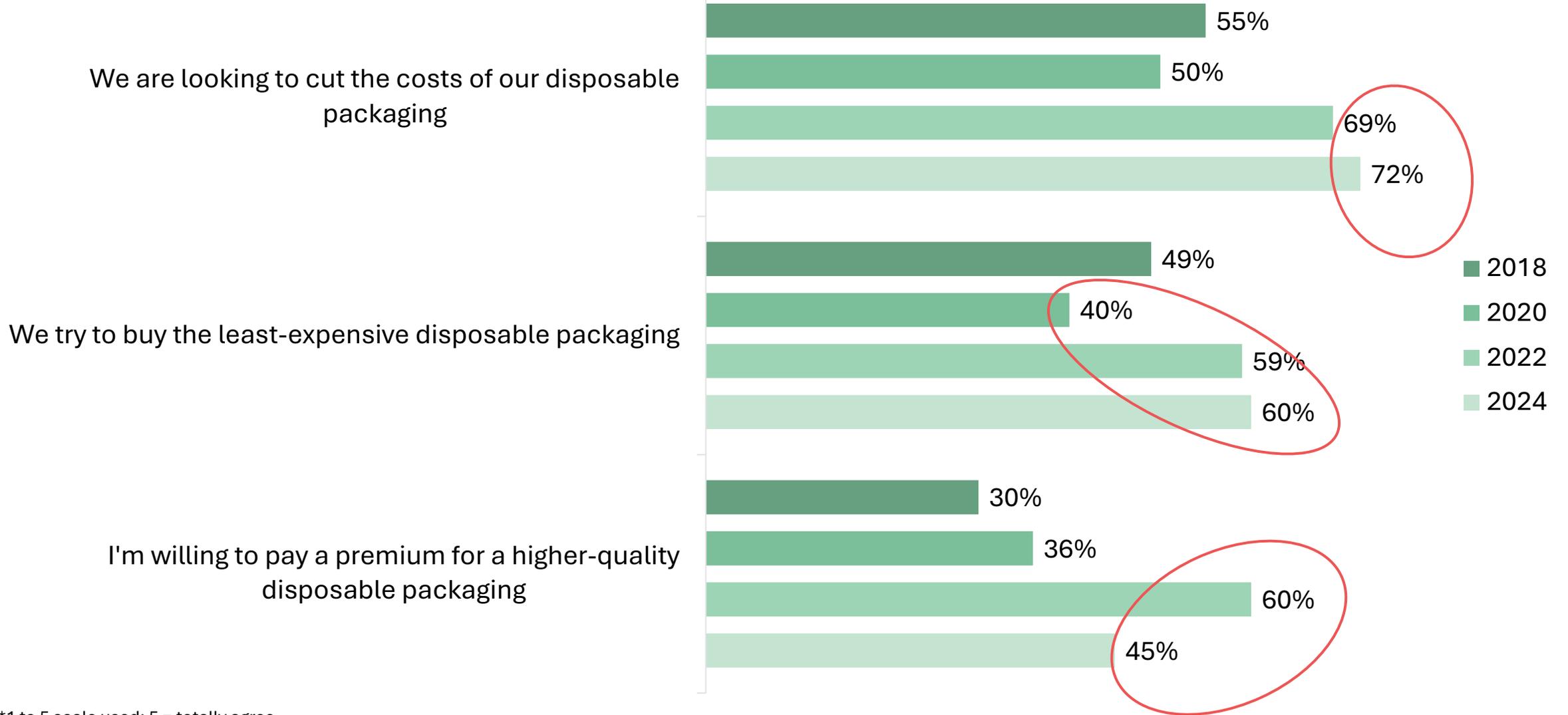
Functionality, quality, price and sanitation are most important to operators

OPERATOR DISPOSABLES PURCHASE DRIVERS Top 2 BOX

Factor	Importance Tier	2024
Functionality	Primary	94%
Product quality		93%
Availability through distributors used		92%
Cost/price		90%
Hygiene/sanitation of products		85%
Packaging appearance/aesthetics	Secondary	77%
Multiple applications		75%
Laws/regulations		67%
Pre-wrapped		63%
Environmental friendliness		63%
Tamper-proof/-evident seal on packaging		62%
Consumer demand		61%
Breadth/depth of manufacturer line	Tertiary	56%
Manufacturer website information		51%
Origin/made in USA		50%
Rep/broker insight and information		47%
Distributor/DSR recommendation		46%
Ability to customize with our logo		43%
Supplier brand name		42%

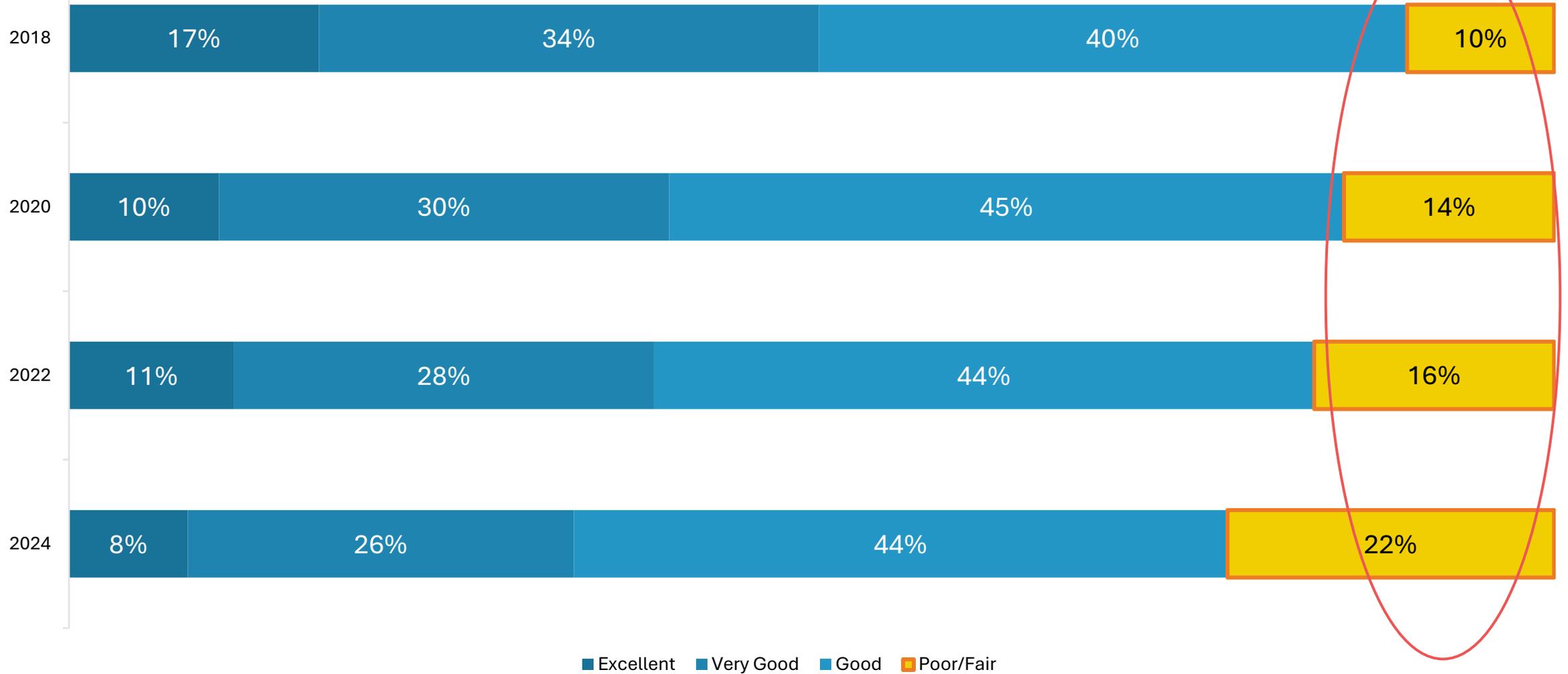
Base: Operators
 Q: When selecting single-use, disposable packaging products for your operation, how important are each of the following attributes? 5 point scale used: 5 = extremely important

OPERATOR AGREEMENT ON DISPOSABLE PACKAGING STATEMENTS (TOP 2 BOX)*



*1 to 5 scale used; 5 = totally agree

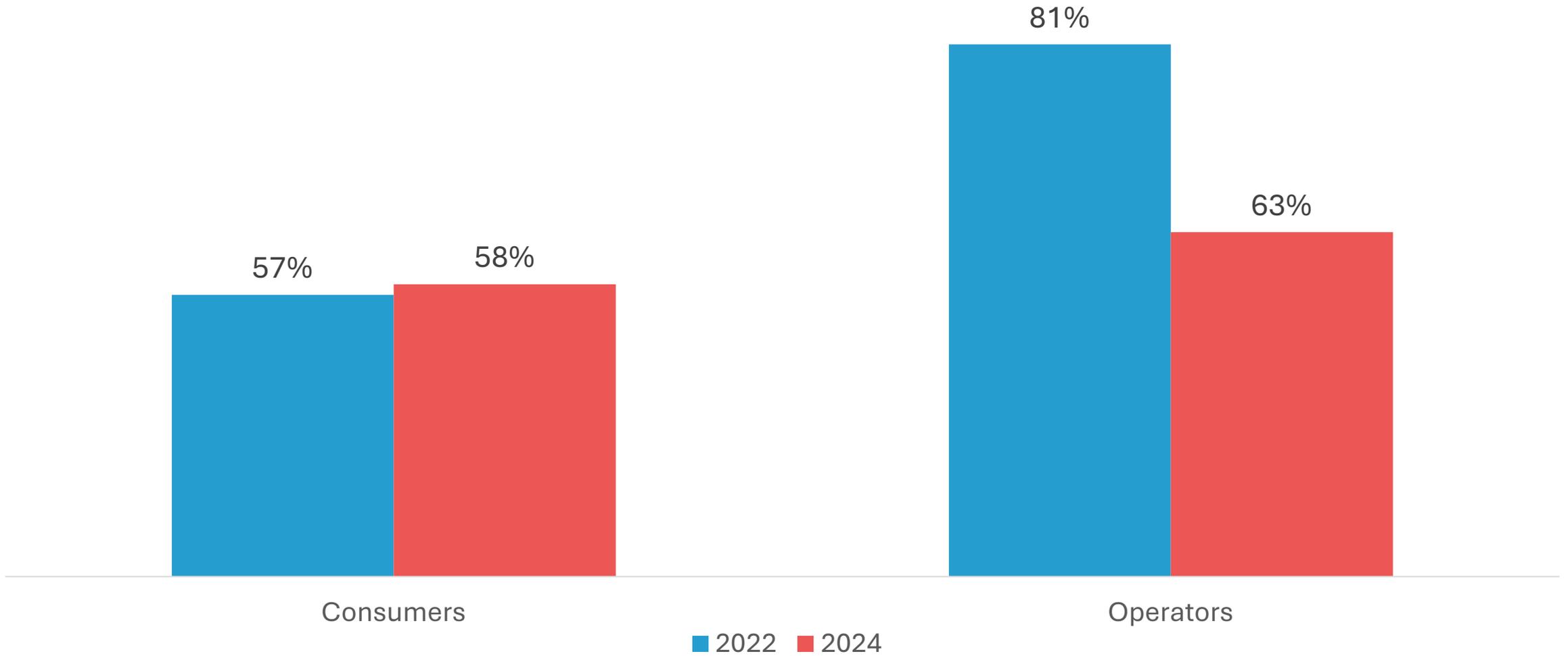
CONSUMER VIEWS ON DISPOSABLE PACKAGING QUALITY OFFERED BY OPERATORS



*1 to 5 scale used; 5 = totally agree

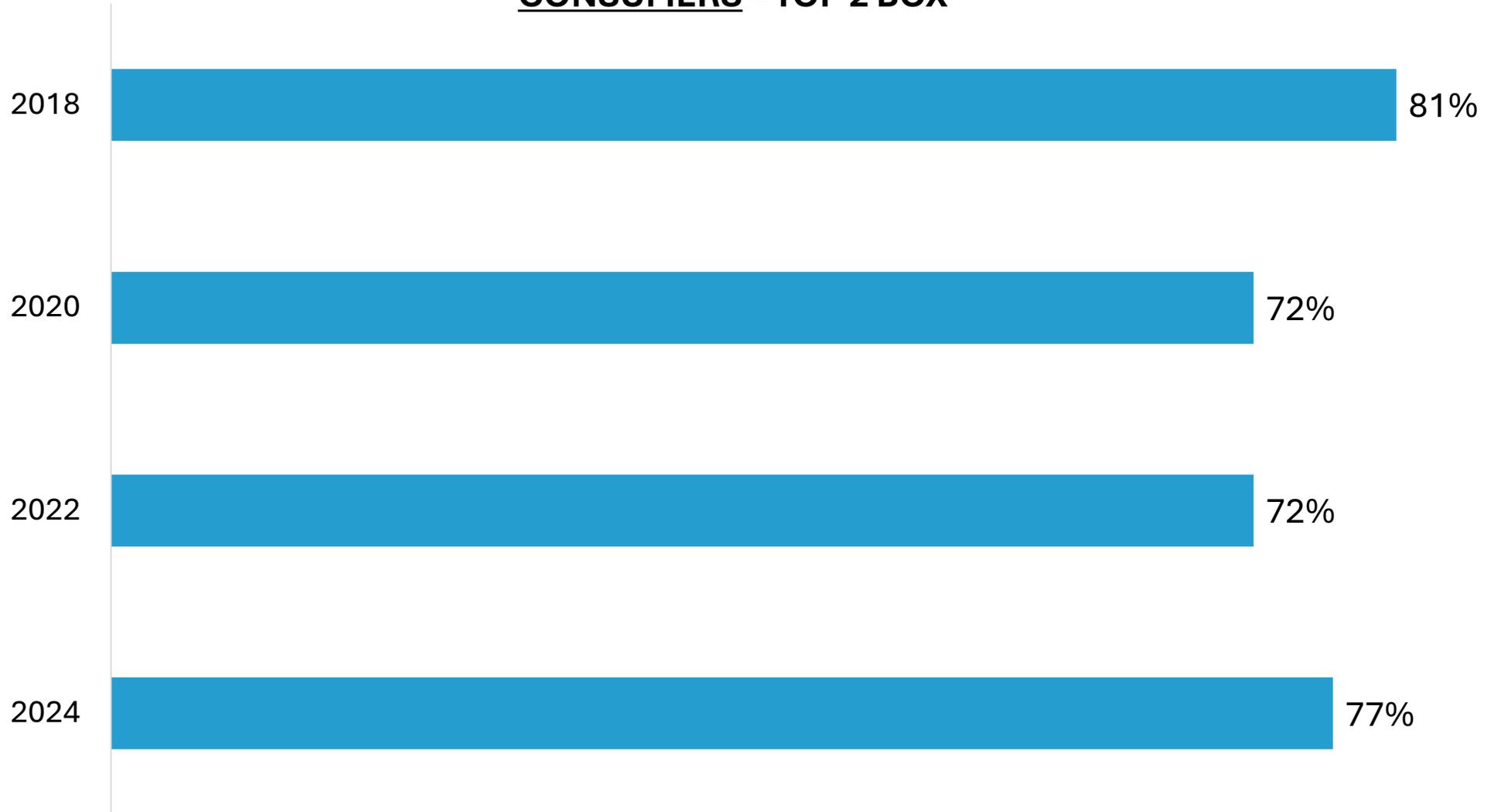
ENVIRONMENTAL FRIENDLINESS IMPORTANCE IN DISPOSABLE PACKAGING

TOP 2 BOX



1 to 5 scale used: 5 = extremely important

**“IT IS IMPORTANT FOR AMERICANS TO BE ENVIRONMENTALLY-CONSCIOUS
CONSUMERS – TOP 2 BOX**

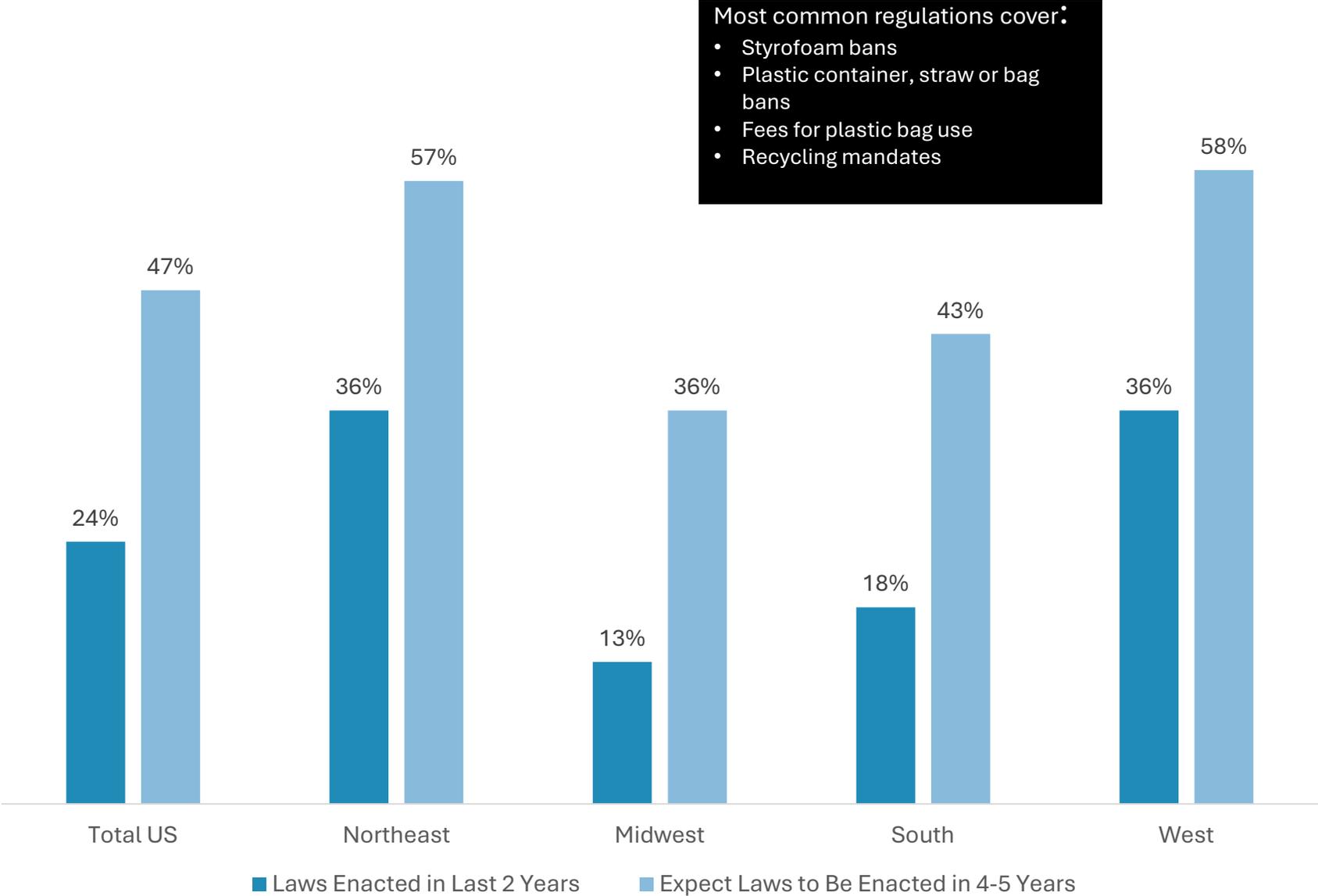


Base: 1,502 consumers

Q; Please indicate your level of agreement with the following statements. Use a scale where 1= strongly disagree and 5= strongly agree.)

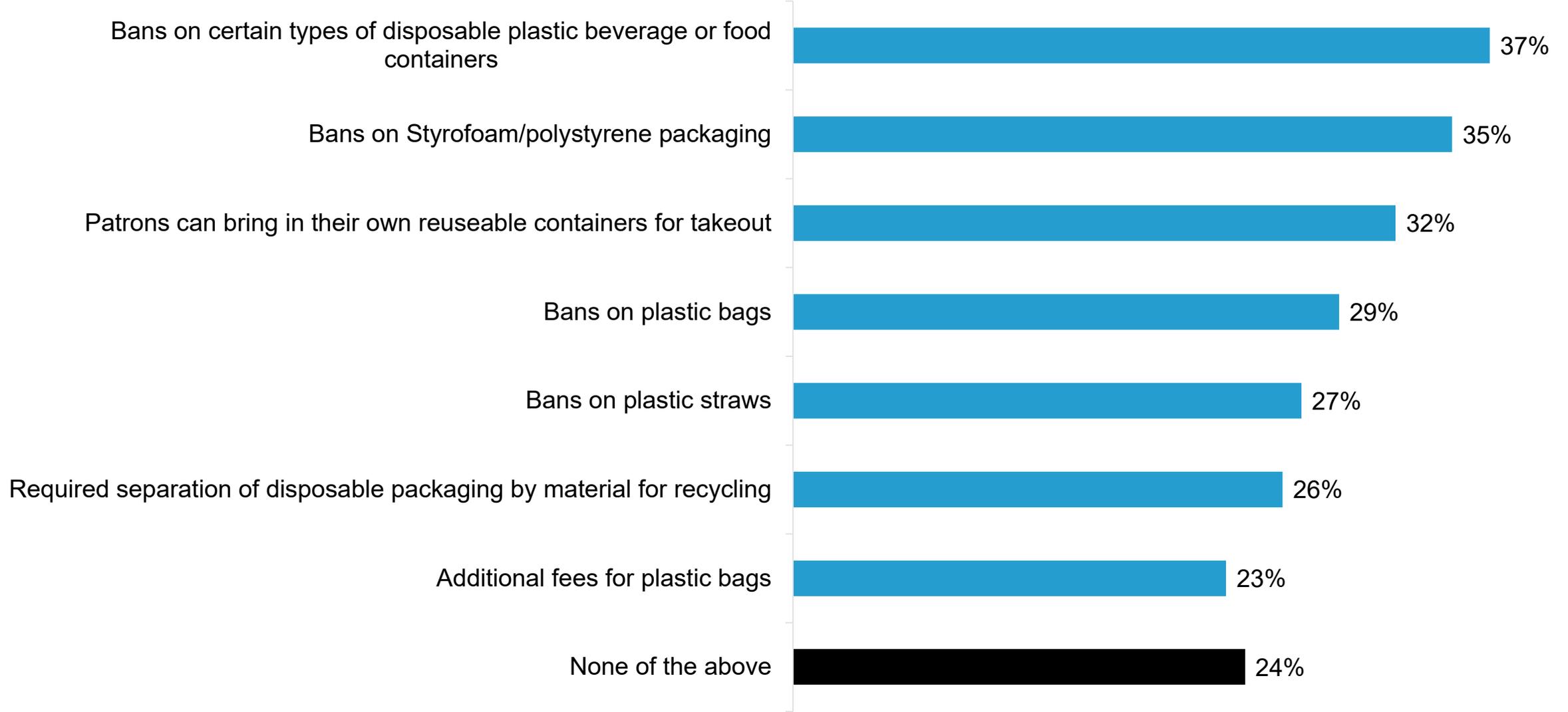
% OPERATORS INDICATING LAWS/REGULATION ENACTMENT ON DISPOSABLE PACKAGING IN THEIR AREA

Regulation covering disposable packaging expected to increase



Base: Operators

LAWS AND REGULATIONS SUPPORTED BY CONSUMERS REGARDING DISPOSABLE PACKAGING



Base: 1,502 consumers

Q: Which of the following laws/regulations around food/beverage disposable packaging would you support being passed by your state/local government?

74% say **sustainability** will become more **important** in the next 5 to 7 years

71% will **completely/mostly** rely on **supplier support** on initiatives

Why?

1. It's the right thing to do
2. To make a positive impact on the environment
3. More consumers will expect it
4. There will be more regulatory requirements

Source: Technomic Omnibus operator survey
Image Source: Shutterstock



Long-range industry initiatives

1. Reducing food and packaging waste
2. Reducing carbon footprint
3. Sustainable sourcing
4. Packaging characteristics
5. Reducing pollution
6. Energy efficiency/reduction
7. Animal welfare
8. Certifications



Source: Technomic Corporate Social Responsibility and Sustainability Multi Client Study
Image Source: Shutterstock

Actions

- Reinforce disposable quality importance to operators
- Elevate sustainability initiatives
- Remember non-restaurant segments

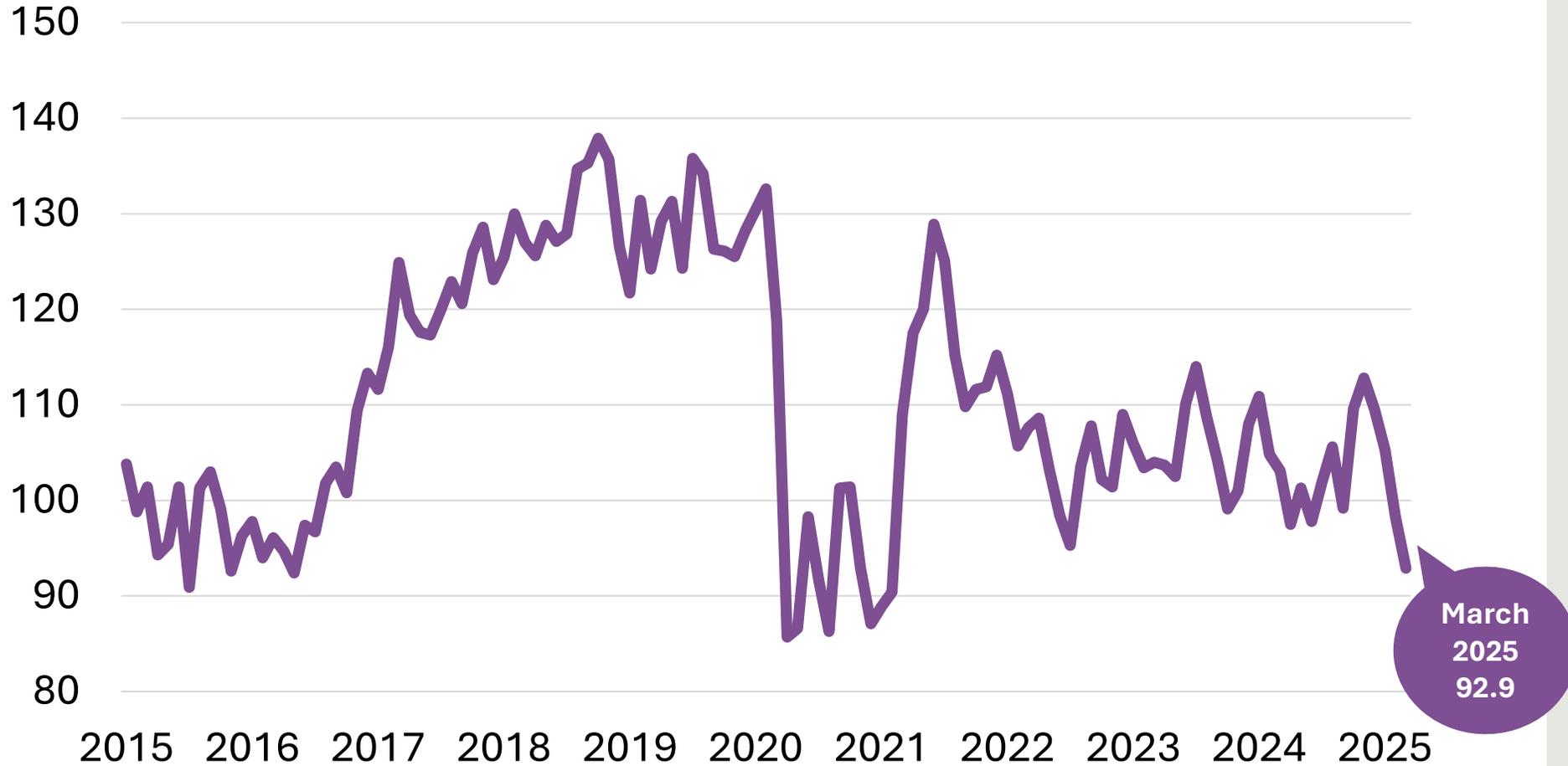
**Current economic trends are
solid softening**

New policies present uncharted territory

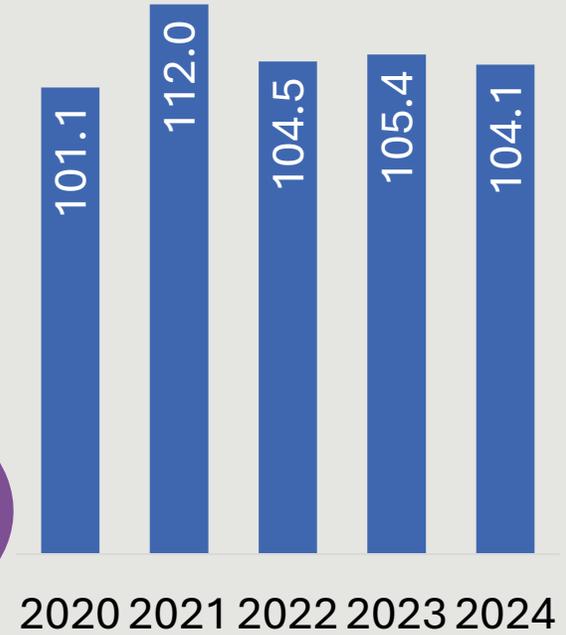
- Industry stakeholders strategizing to understand, mitigate impact
- Creates opportunity for domestic products?
- Uncertainty about materials, equipment for new renovations, new builds
- Reduce consumer purchasing power



CONSUMER CONFIDENCE MONTHLY INDEX

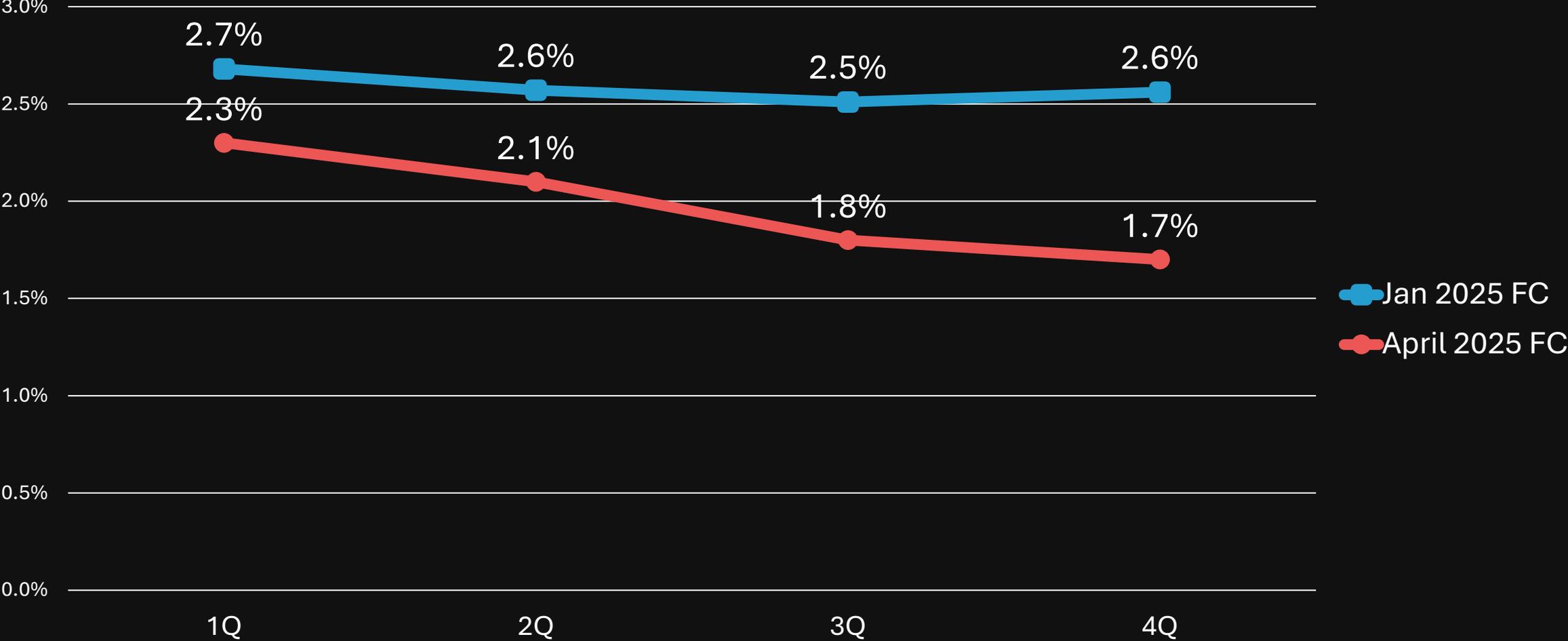


CONSUMER CONFIDENCE ANNUAL AVERAGES



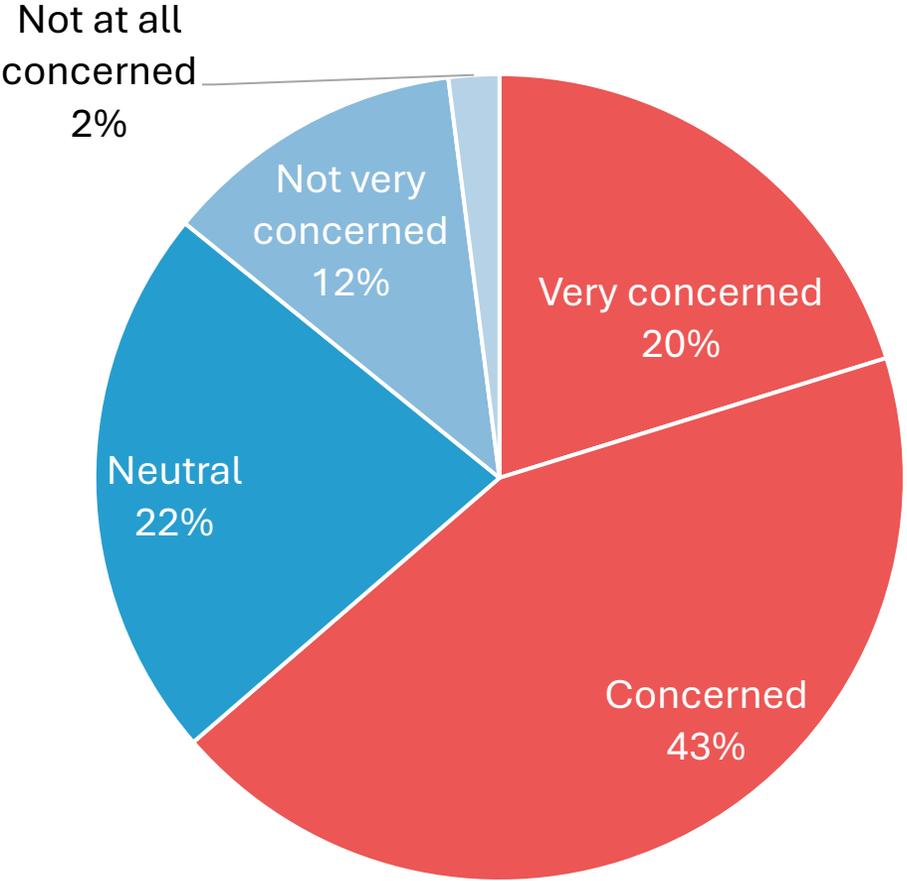
Source: The Conference Board
Note: 1985=100

Quarterly Gross Domestic Product FORECASTS Real



Source: Oxford Economics

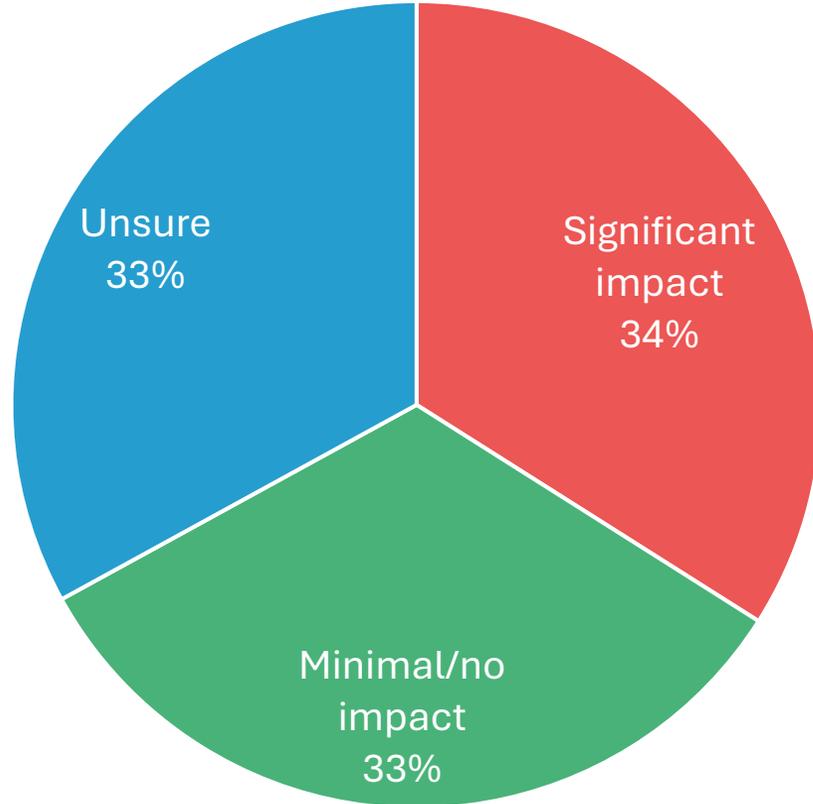
% OPERATORS INDICATING CONCERN LEVEL ON TARIFFS



**Over 60%
concerned
about tariffs**

Q. How concerned about the impact of tariffs on your business?
Base: 511 Operators

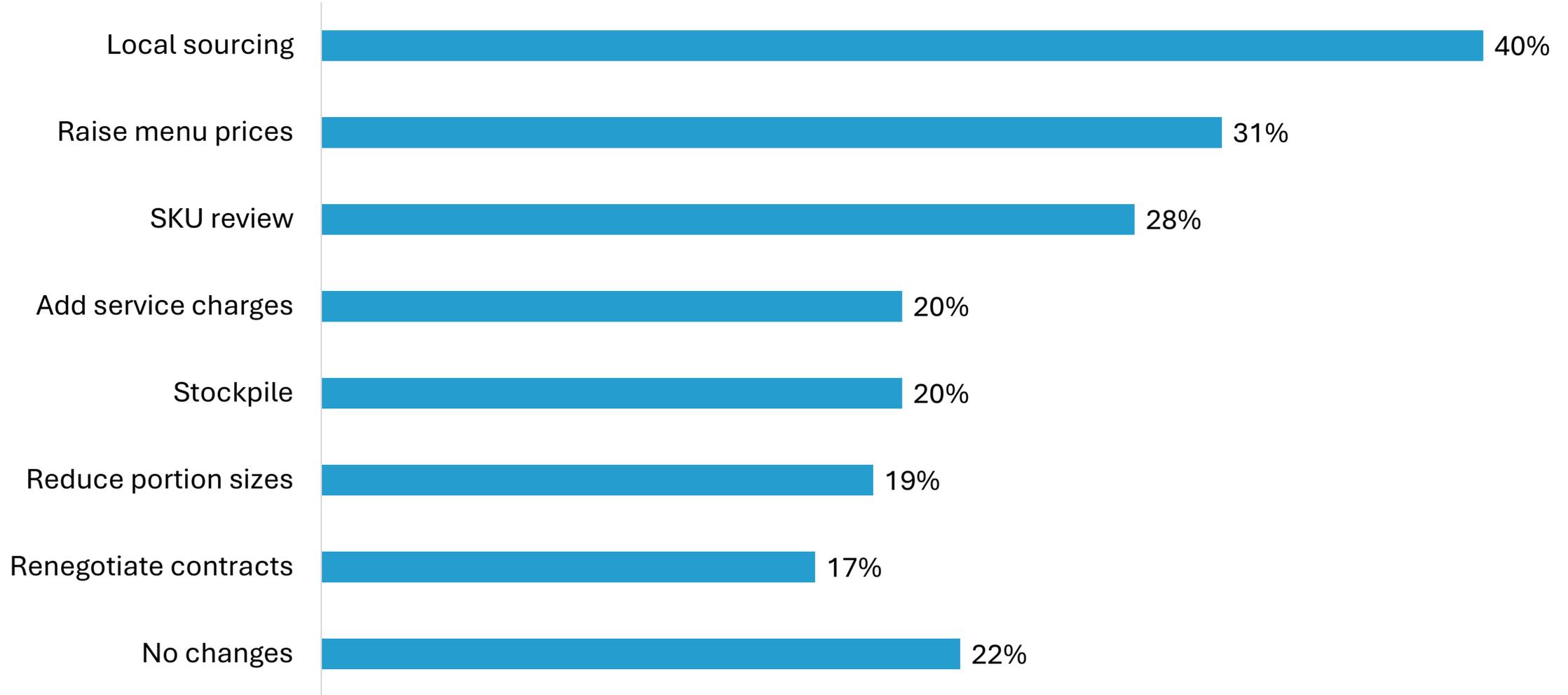
% OPERATORS INDICATING LEVEL OF IMPACT ON DISPOSABLE PURCHASES DUE TO TARIFFS



**Disposable
impact
views are
mixed**

Q. What impact do you believe will tariffs have on your disposables purchasing? Base: 511 Operators

ANTICIPATED OPERATOR ACTIONS DUE TO TARIFFS



Q: What actions do you anticipate taking due to higher tariffs? Base: 511 operators.



Labor cost pressures

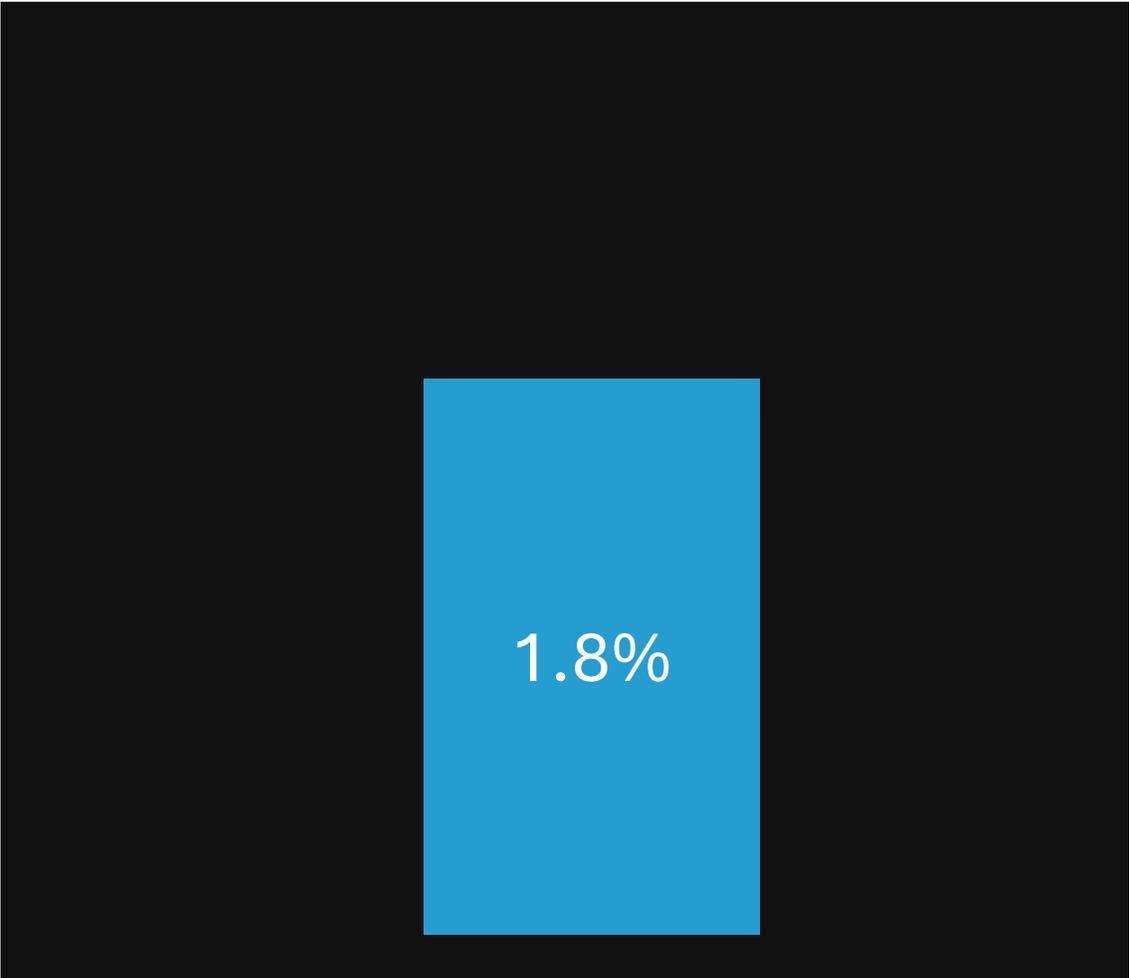
- 21 states, 48 cities/counties raise minimum wage on Jan 1
- Stronger labor unrest
- Tip credit elimination continues
- Increasing benefit costs

Image source: Shutterstock

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ORIGINAL 2025 REAL GROWTH FORECAST

(Jan 2025)

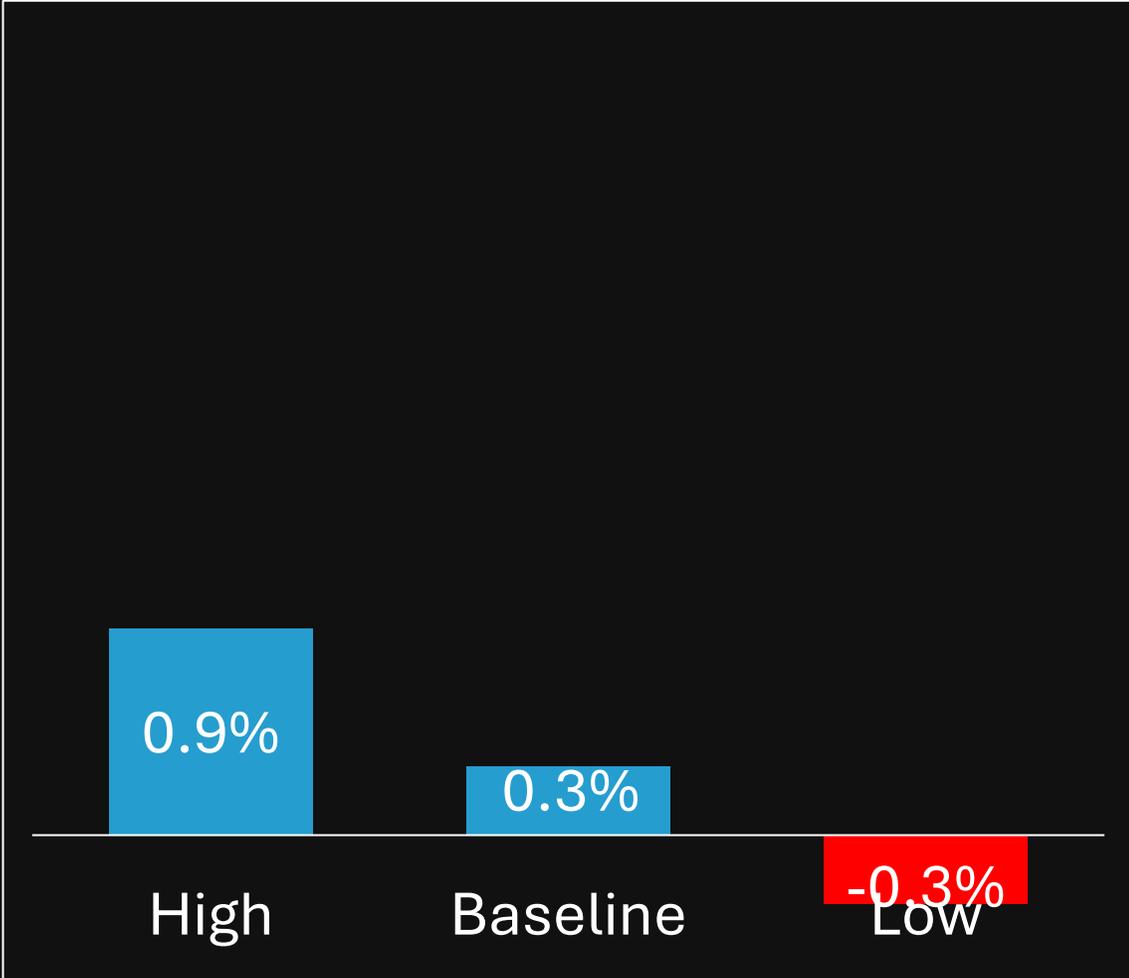


Base:
Q:
Note:

REVISED 2025 REAL GROWTH FORECASTS

SCENARIOS

(Jan 2025)



2025 To-Do List

- Revisit customer prioritization, approaches
- Elevate initiatives. products that create tangible value, differentiation
- Attack industry growth pockets