



**Technomic®**



**FOODSERVICE PACKAGING**  
**INSTITUTE®**

# State of the Foodservice Industry and Packaging

**Trends and Directions into 2025**



**Joe Pawlak**

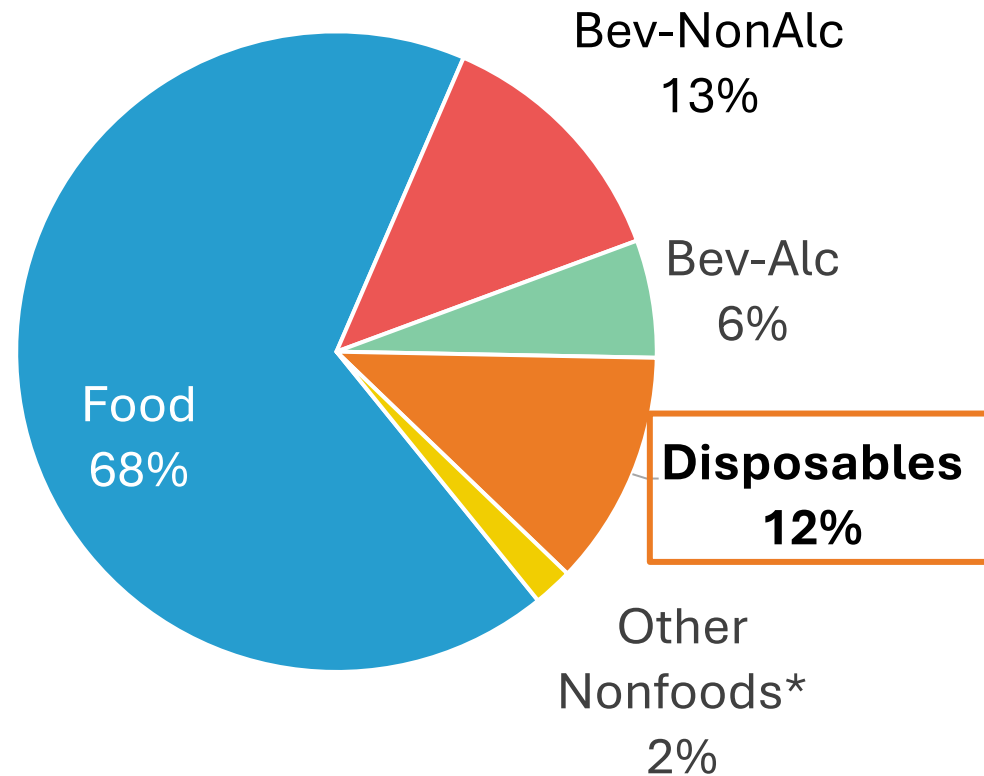
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# Agenda

- **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**

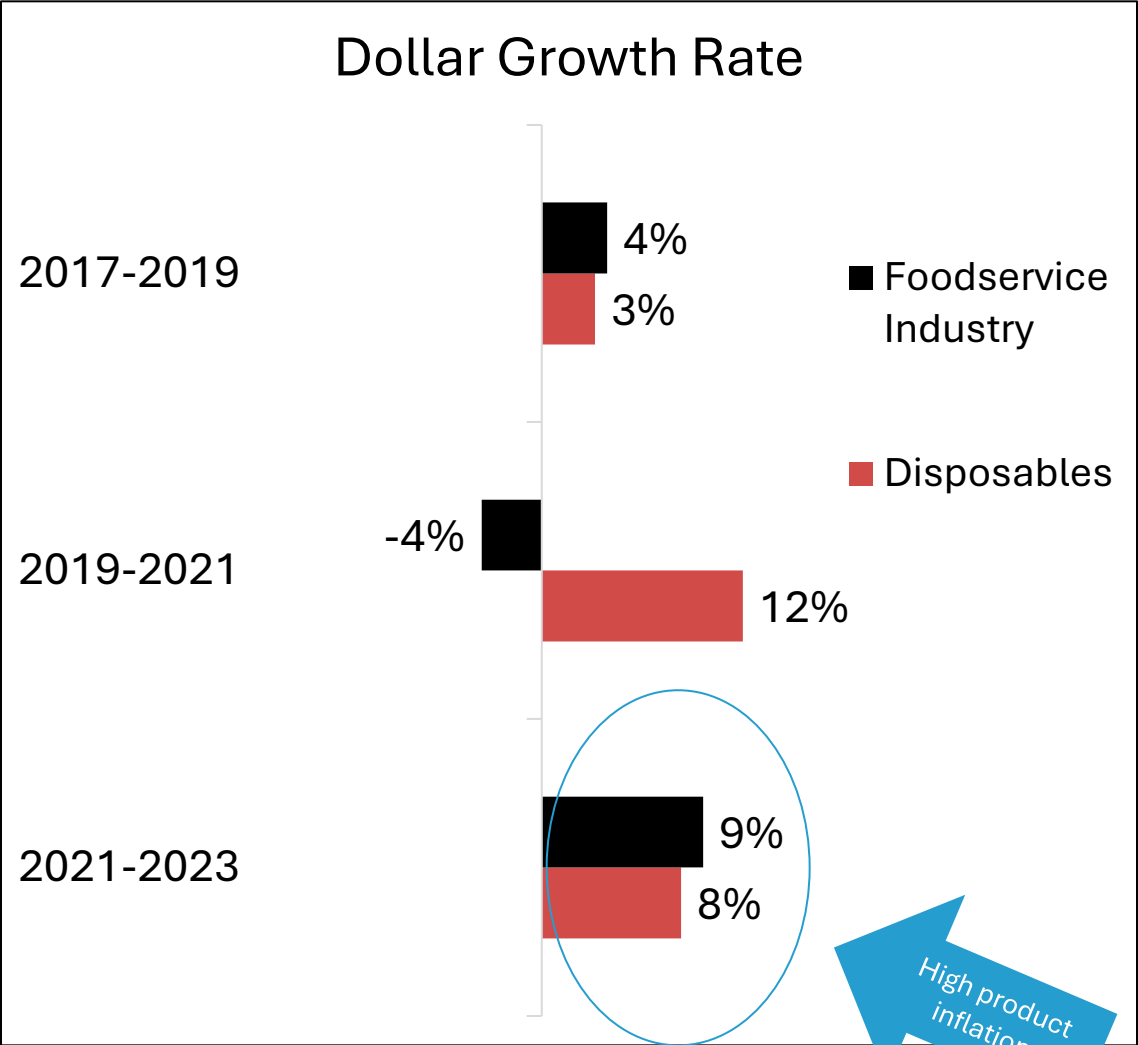
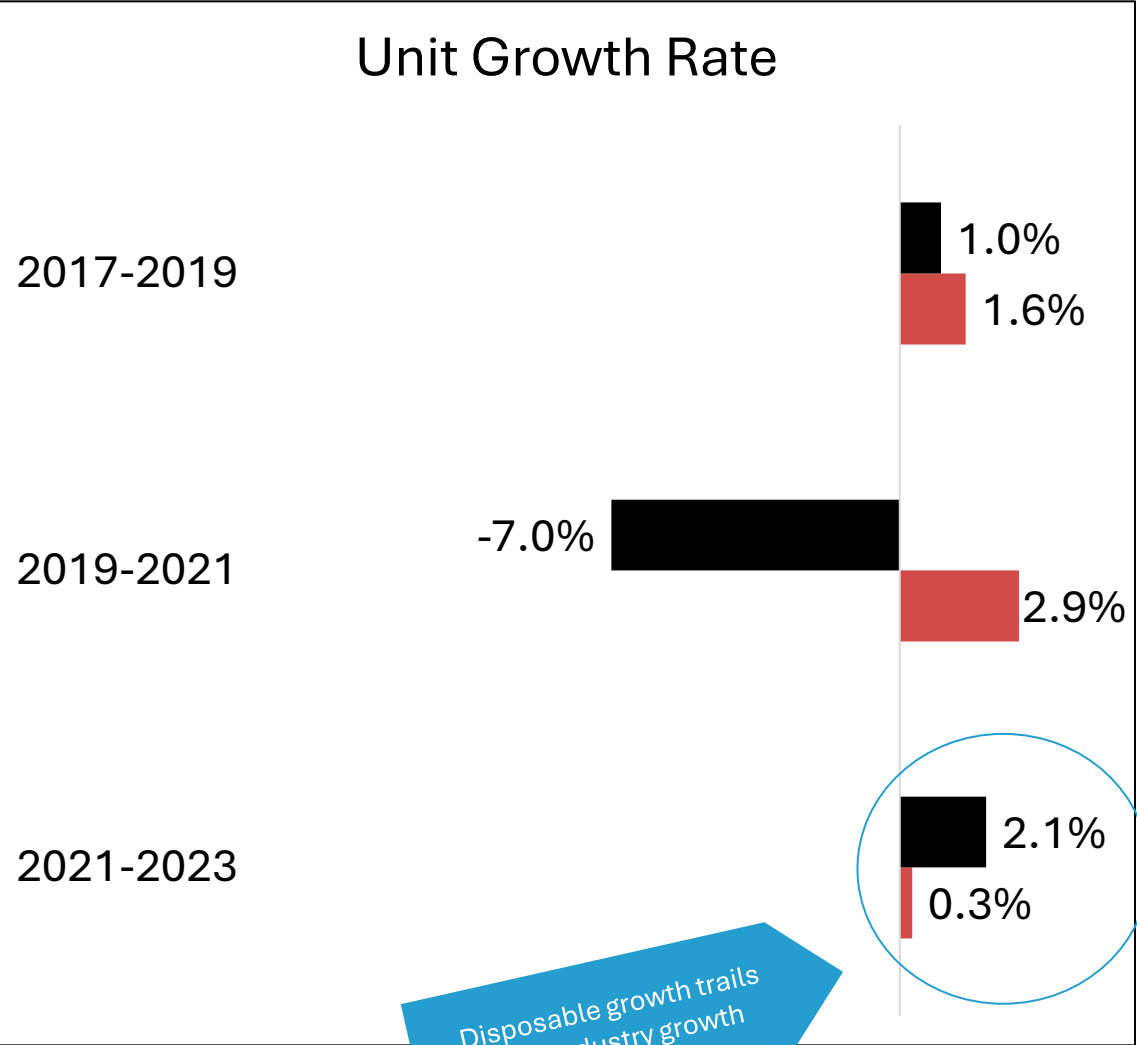


**Foodservice  
disposables  
\$39B**

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

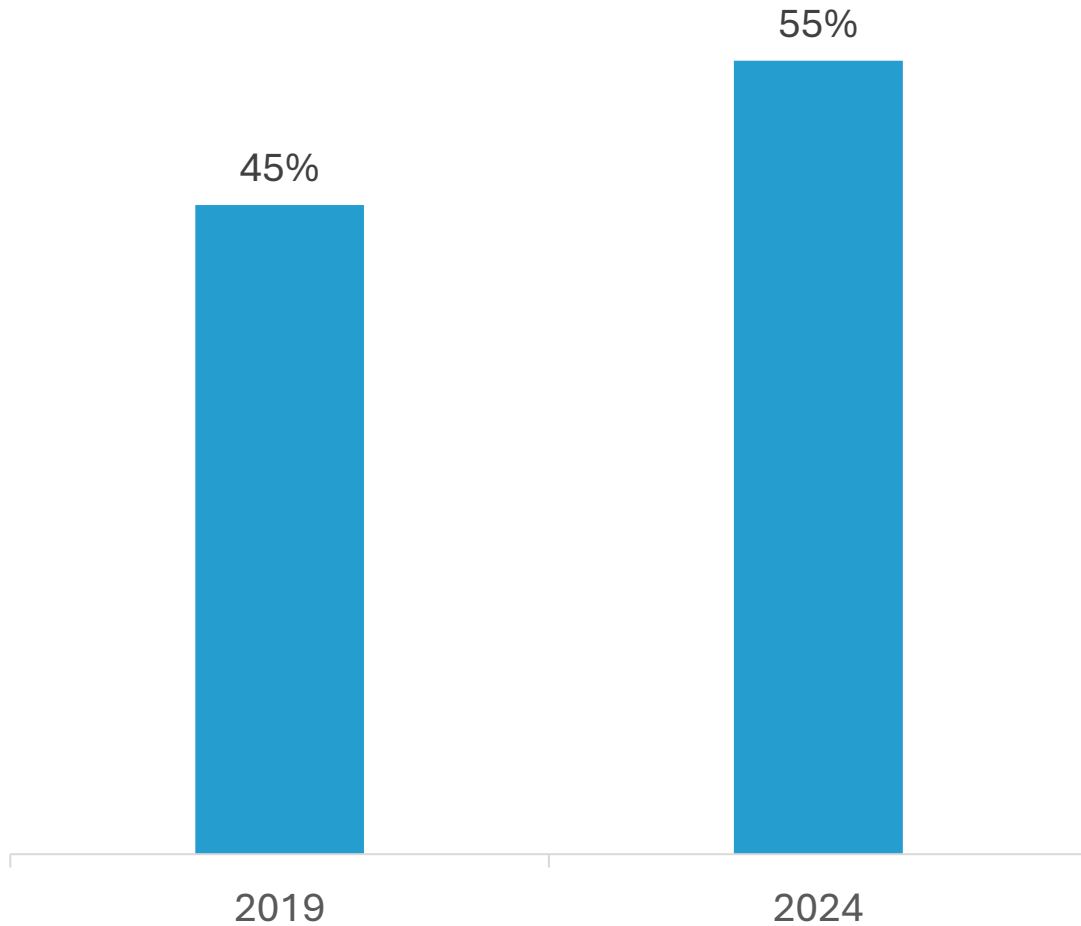
# FOODSERVICE DISPOSABLES

## 2 YEAR COMPOUNDED ANNUAL GROWTH RATES



Source: Technomic

## Share of Restaurant Sales that are Off Premise



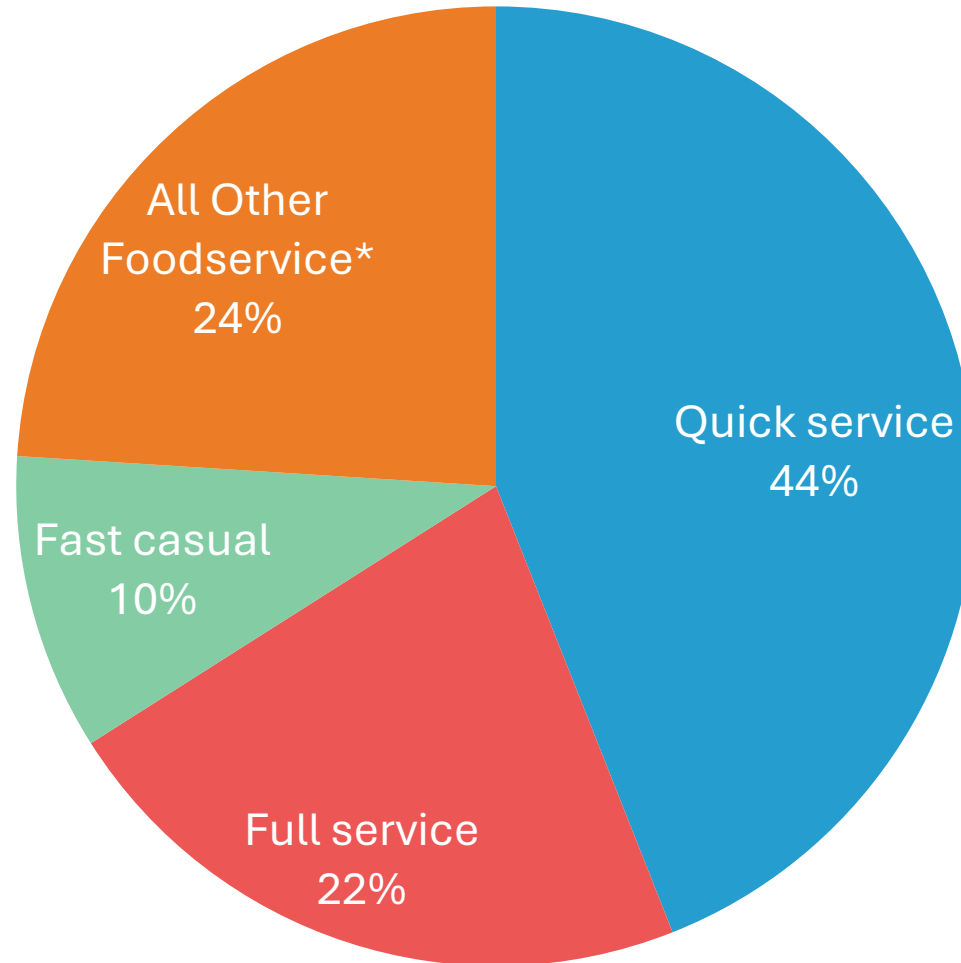
**Off-premise has  
driven disposables  
sales**

Source: Technomic

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**Restaurants  
total 3/4<sup>ths</sup> of  
disposable  
purchases**

**SEGMENT SHARE OF DISPOSABLES DOLLARS**



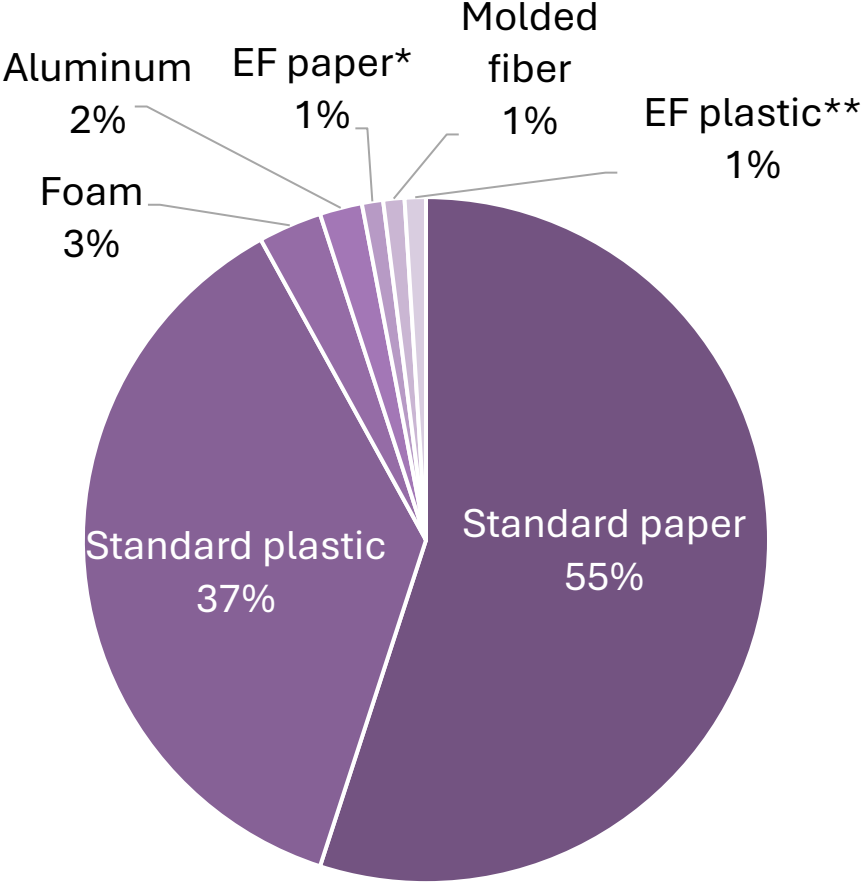
Source: Technomic

\*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	+	+

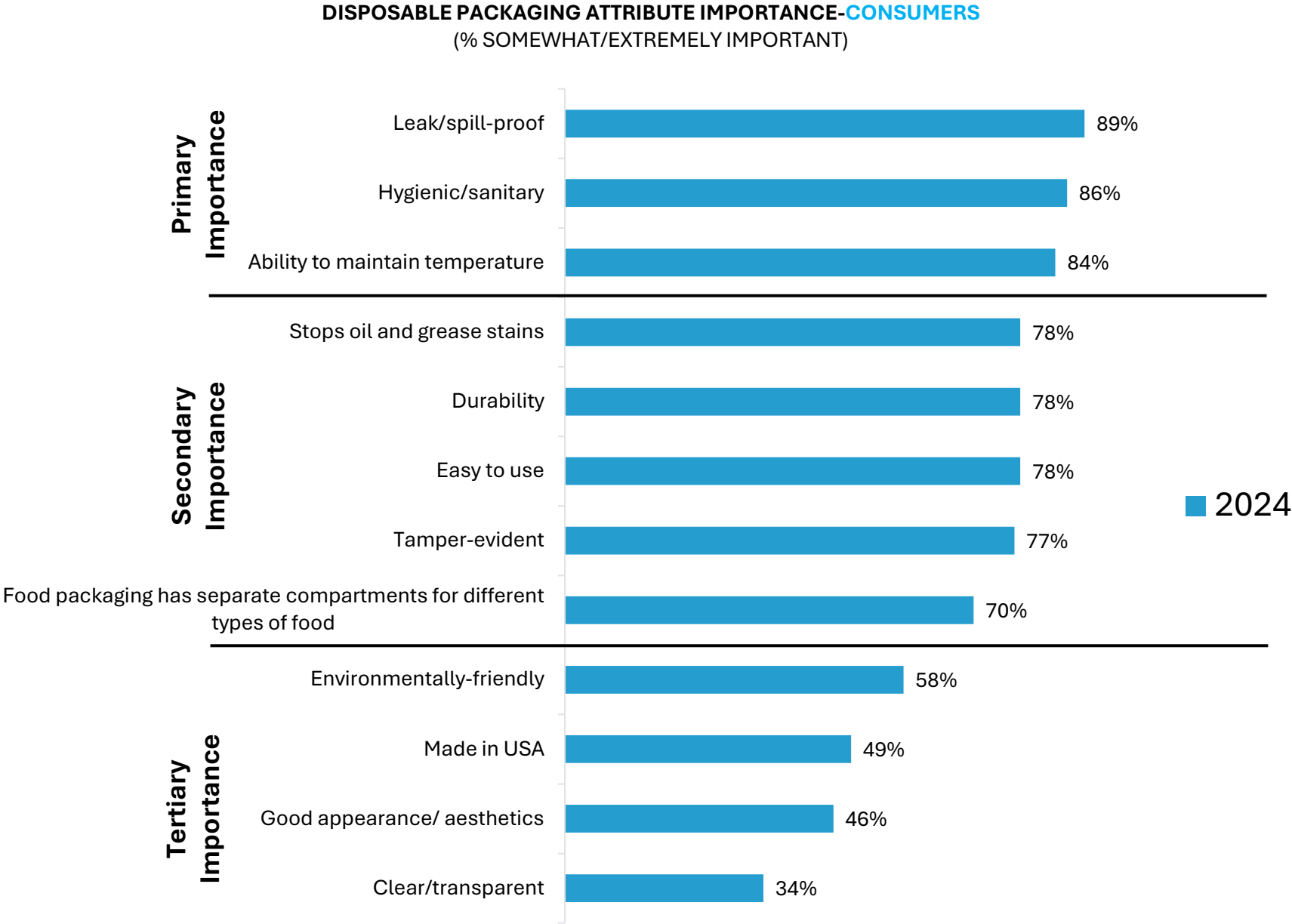
Source: Technomic

\*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

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



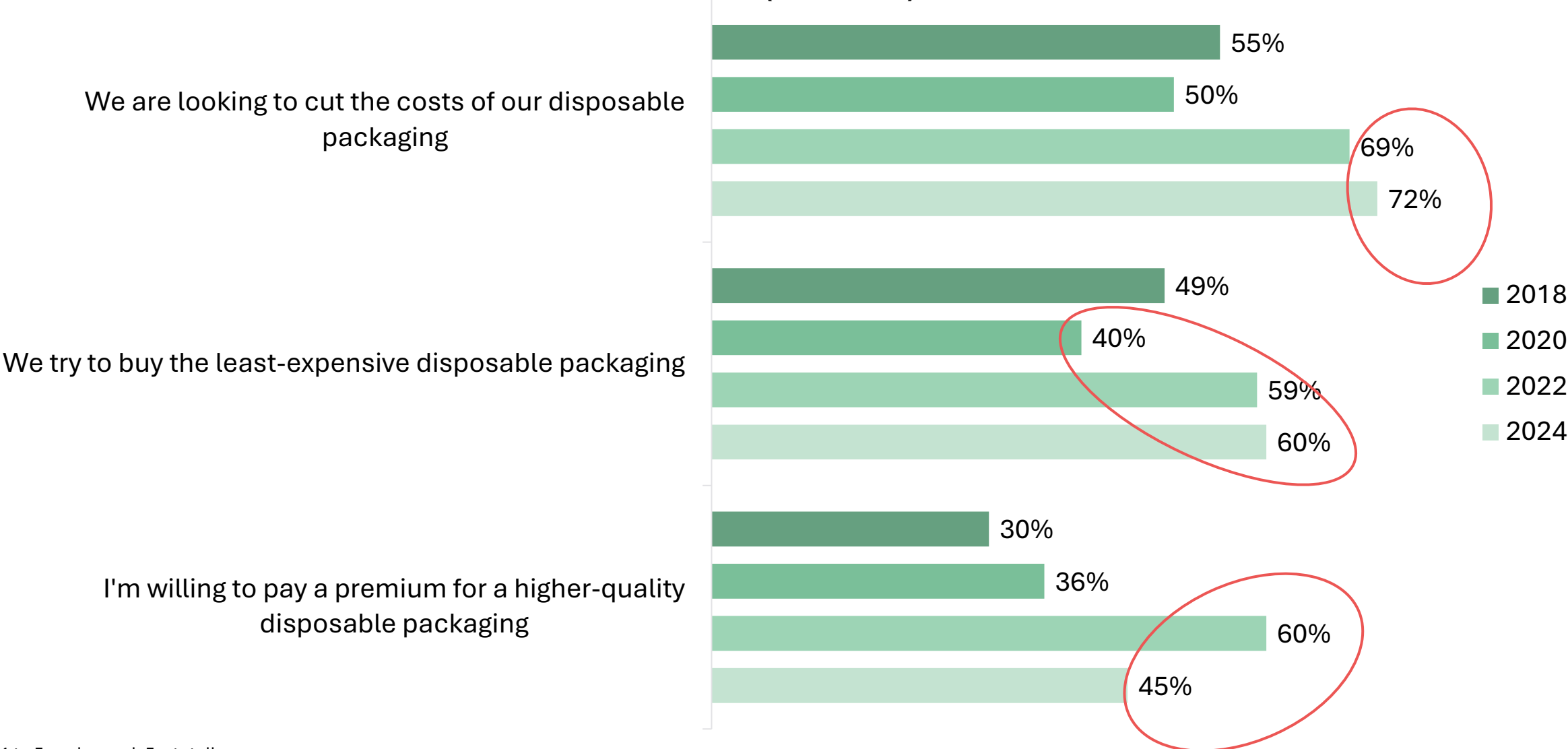
Functionality,  
quality, price  
and sanitation  
are most  
important to  
operators

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 DISPOSABLES PURCHASE DRIVERS  
Top 2 BOX

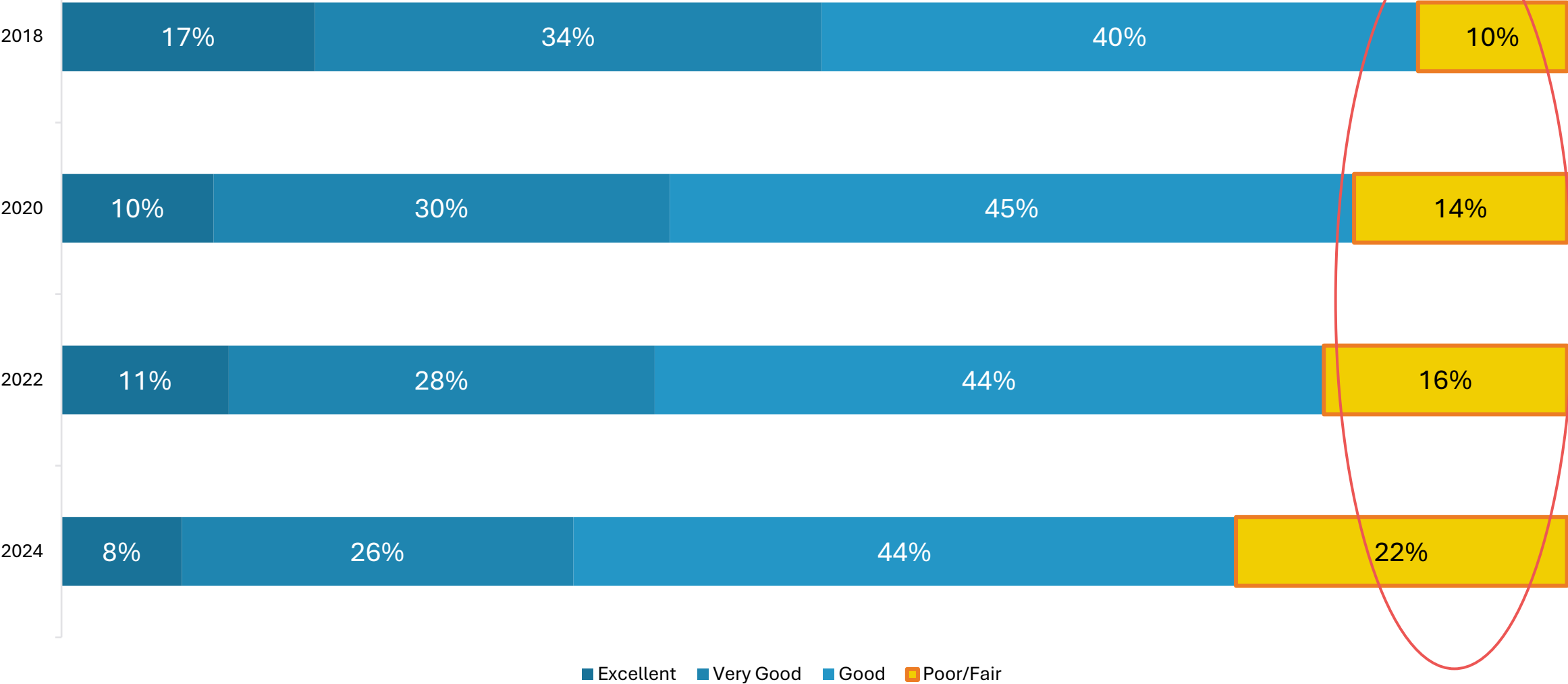
Factor	Importance Tier	2024
Functionality	Primary	94%
Product quality		93%
Availability through distributors used		92%
Cost/price		90%
Hygiene/sanitation of products		85%
Packaging appearance/aesthetics	Secondary	77%
Multiple applications		75%
Laws/regulations		67%
Pre-wrapped		63%
Environmental friendliness		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%

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



\*1 to 5 scale used; 5 = totally agree

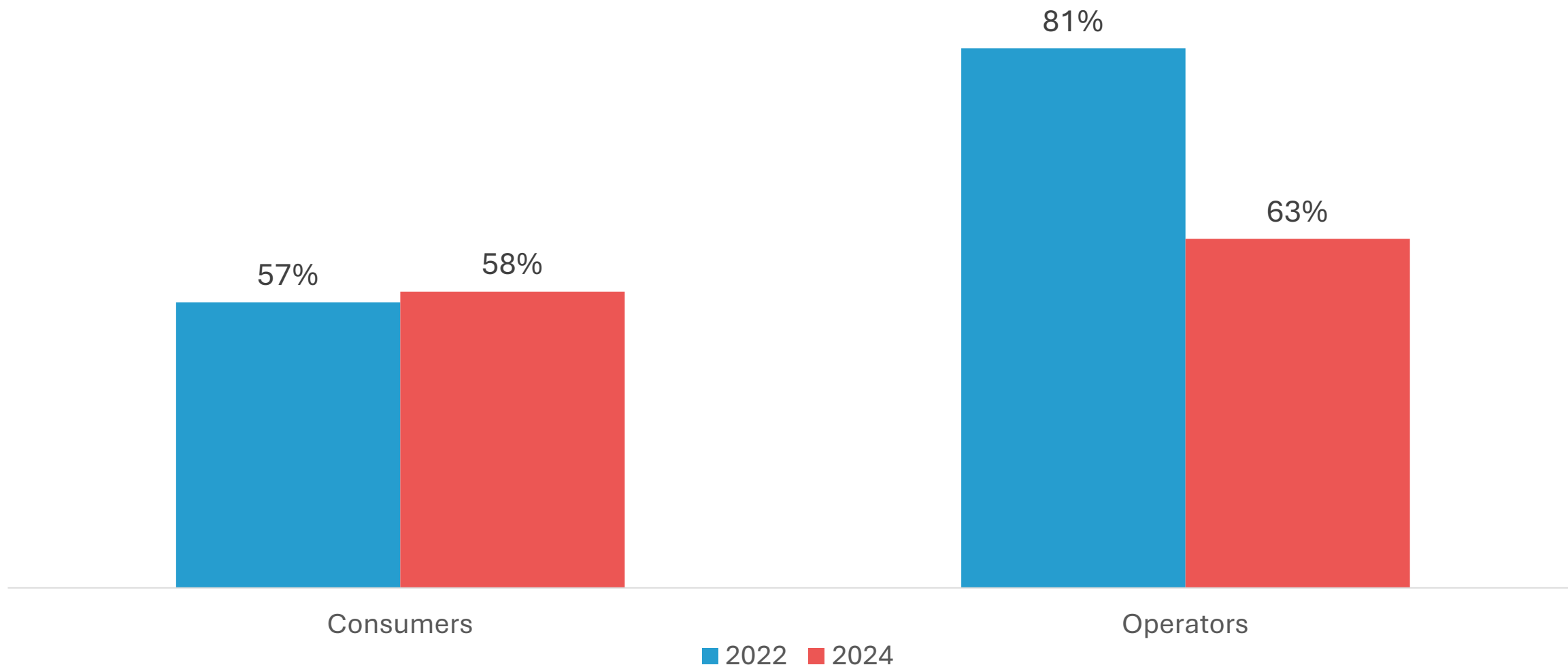
**CONSUMER VIEWS ON DISPOSABLE PACKAGING  
QUALITY OFFERED BY OPERATORS**



\*1 to 5 scale used; 5 = totally agree

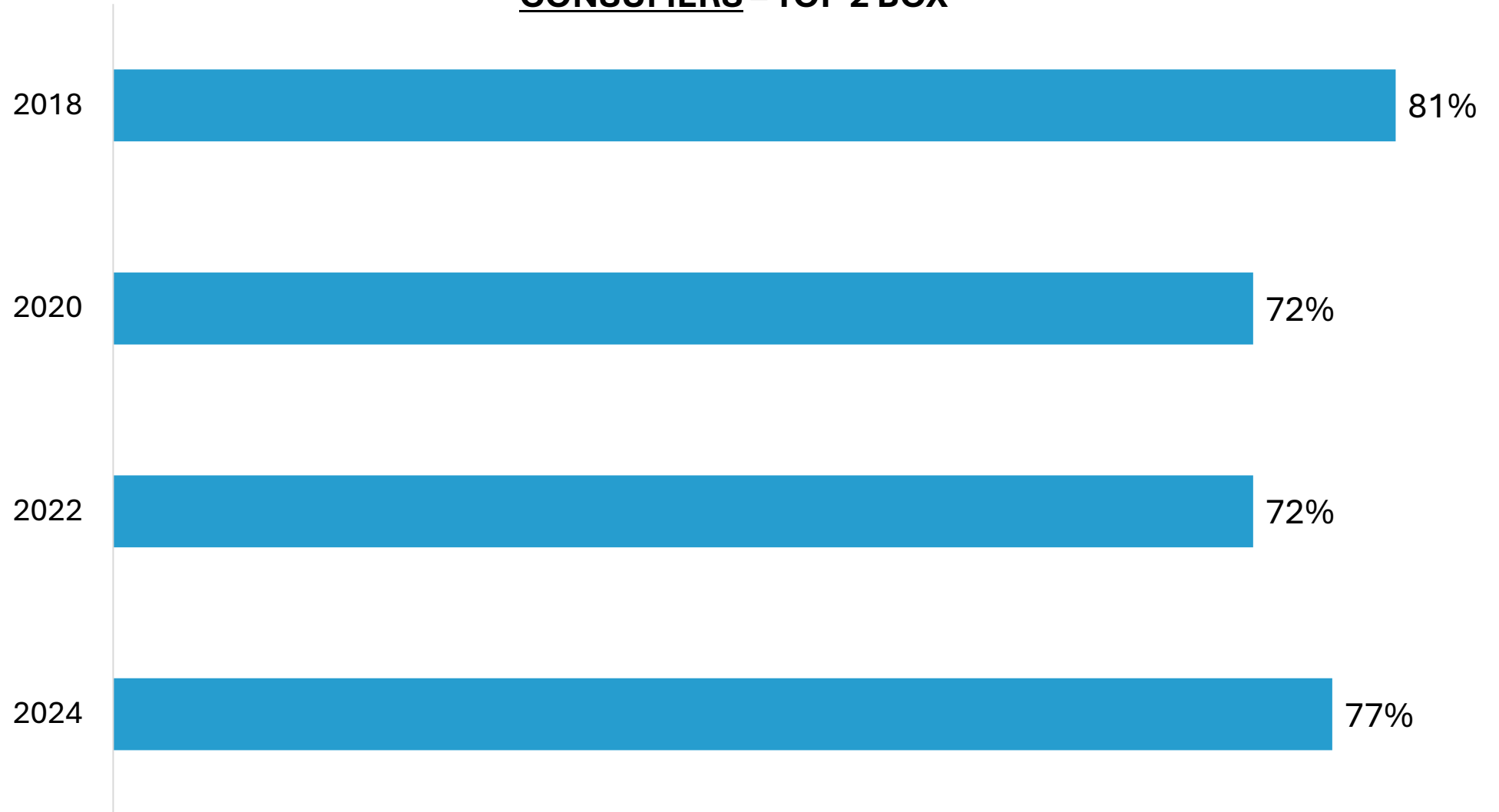
# ENVIRONMENTAL FRIENDLINESS IMPORTANCE IN DISPOSABLE PACKAGING

## TOP 2 BOX



1 to 5 scale used: 5 = extremely important

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

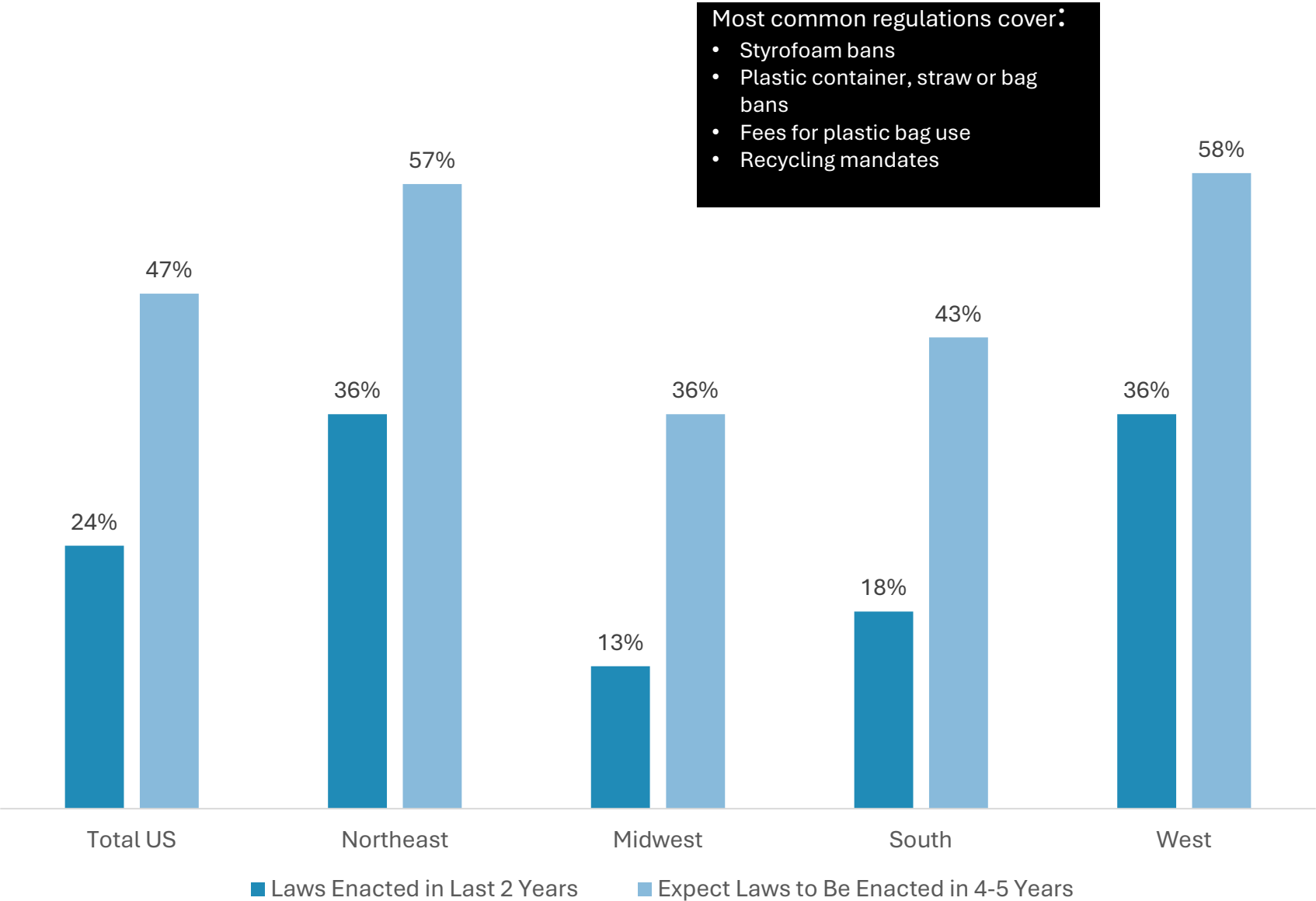


Base: 1,502 consumers

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

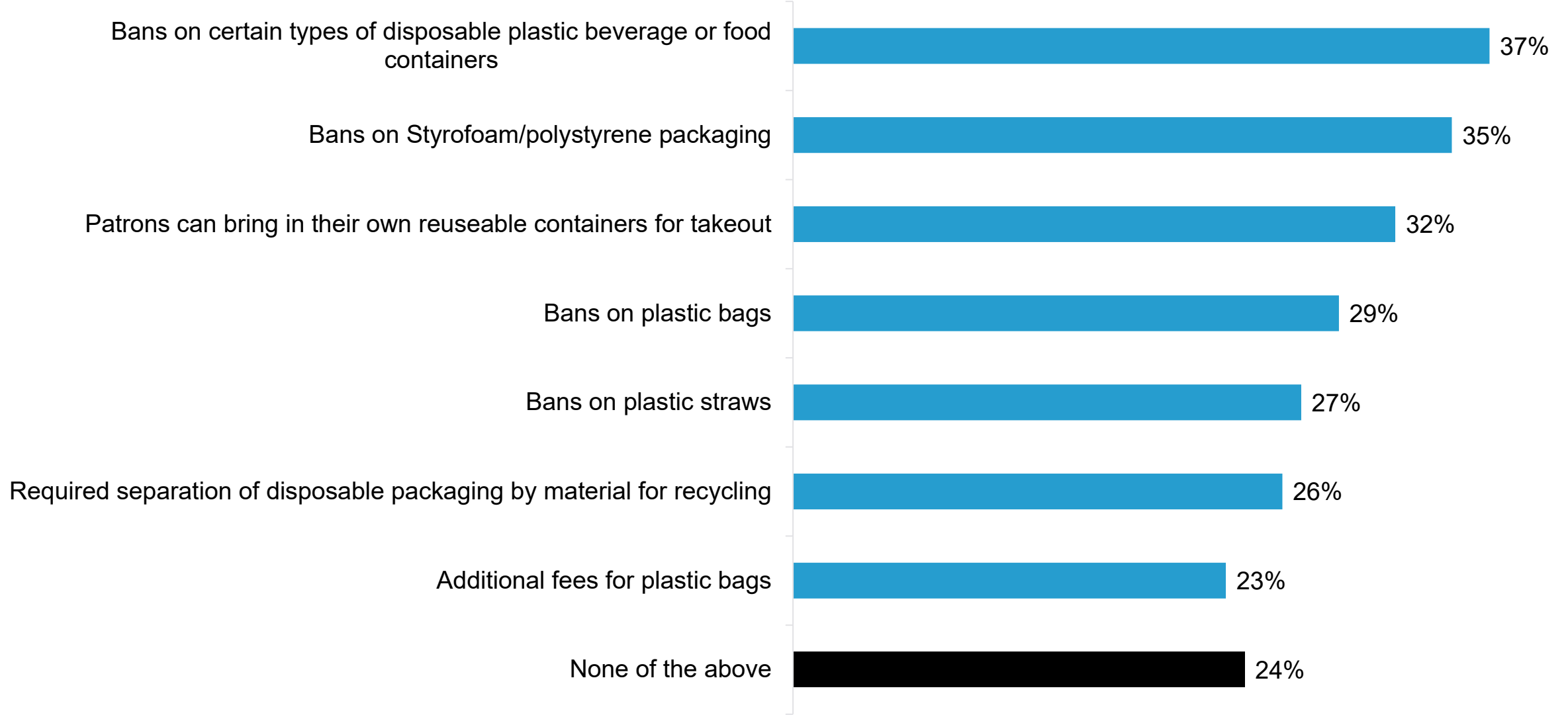
Regulation covering disposable packaging expected to increase



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**

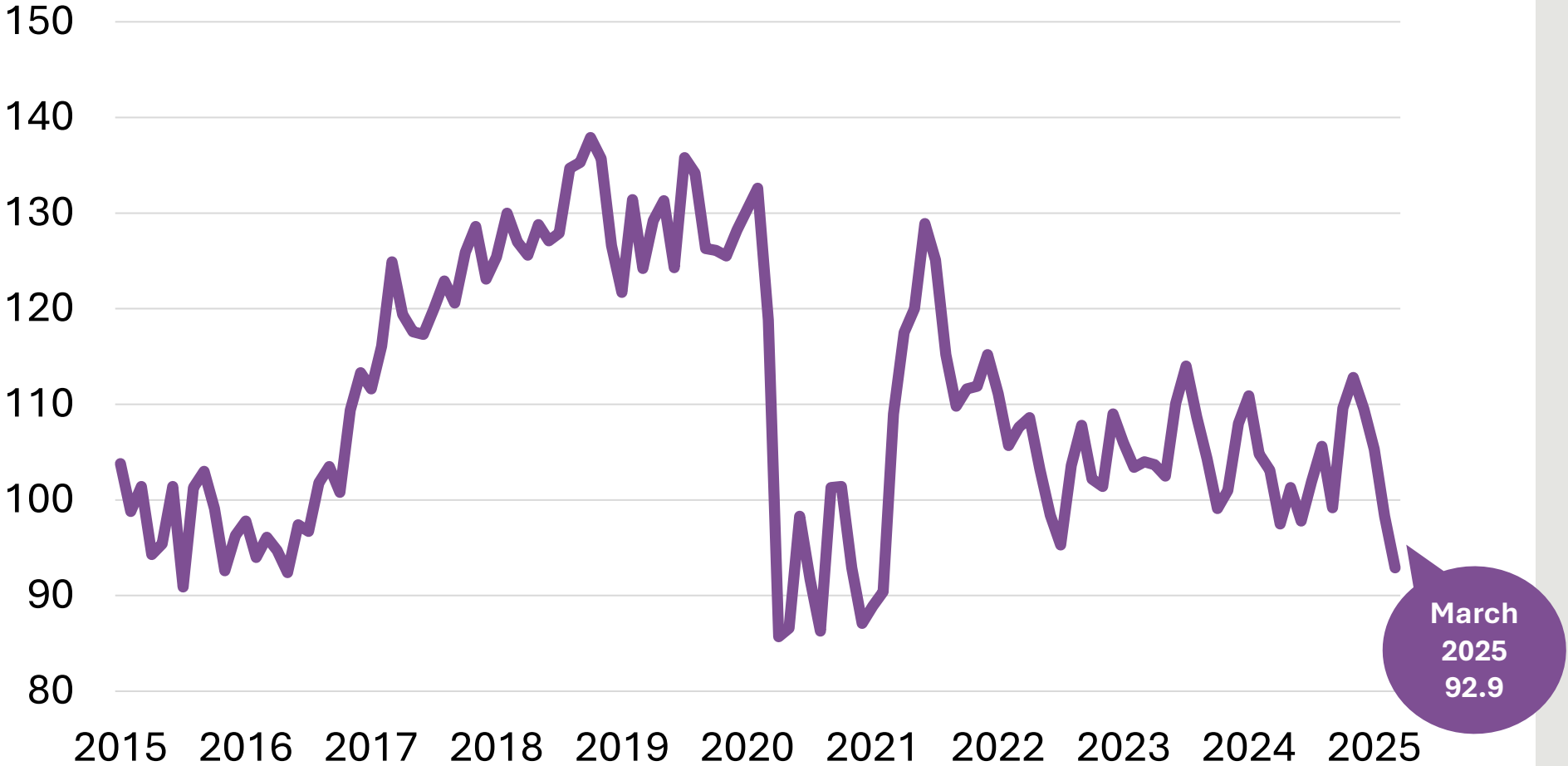


# New policies present uncharted territory

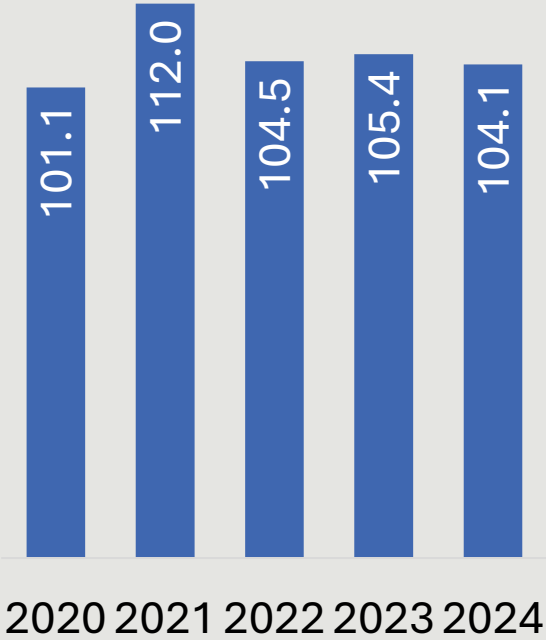
- Industry stakeholders strategizing to understand, mitigate impact
- Creates opportunity for domestic products?
- Uncertainty about materials, equipment for new renovations, new builds
- Reduce consumer purchasing power



# CONSUMER CONFIDENCE MONTHLY INDEX



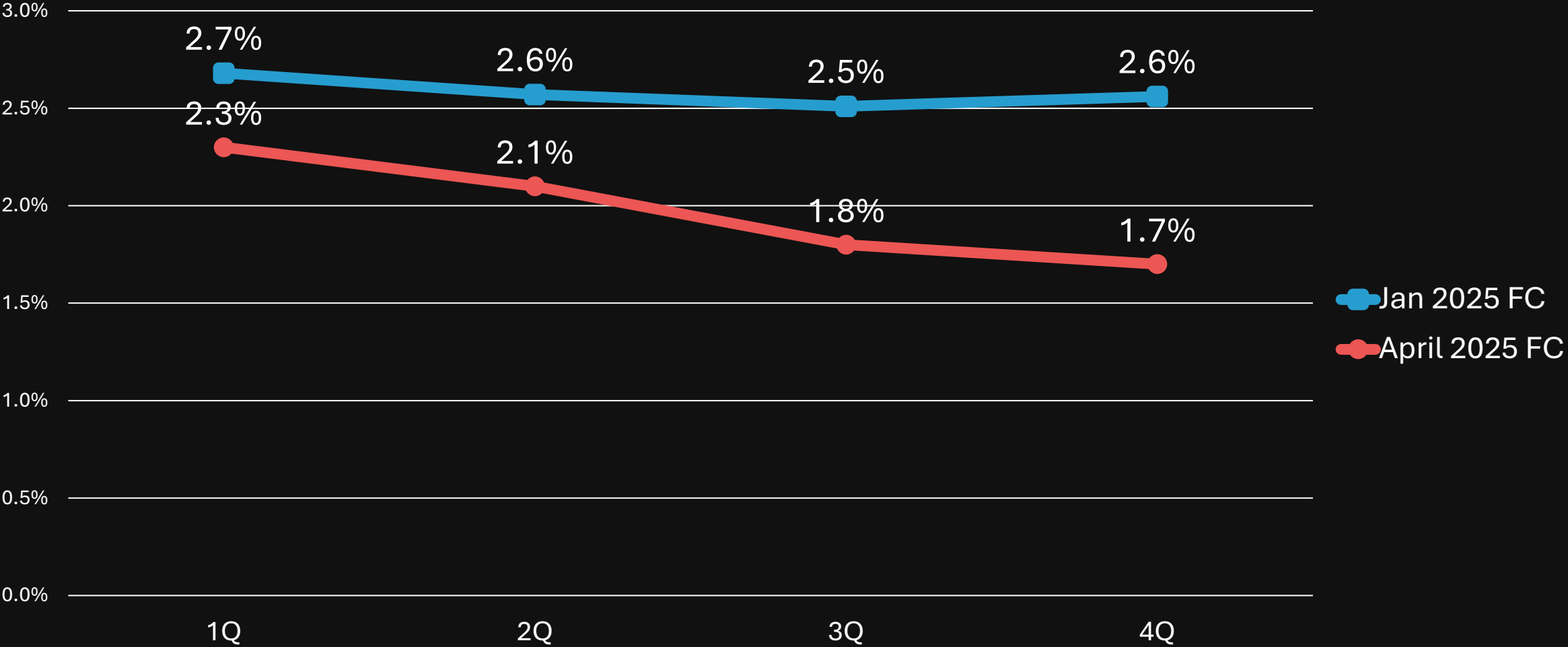
## CONSUMER CONFIDENCE ANNUAL AVERAGES



Source: The Conference Board  
Note: 1985=100

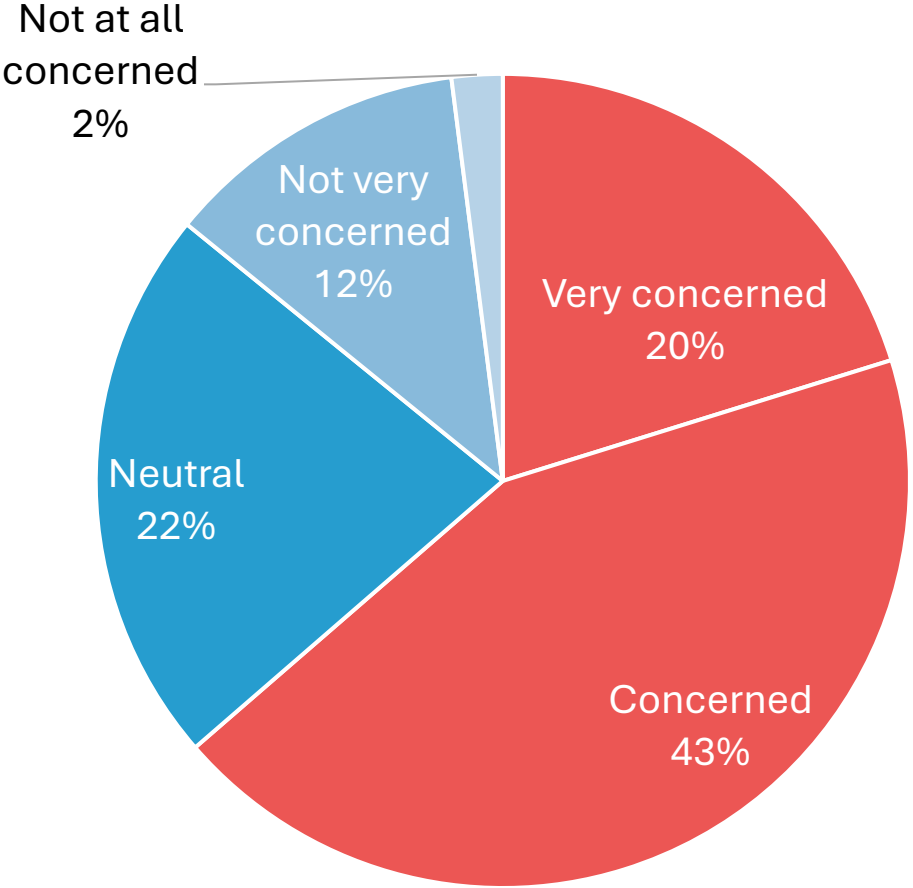


Quarterly Gross Domestic Product FORECASTS  
Real



Source: Oxford Economics

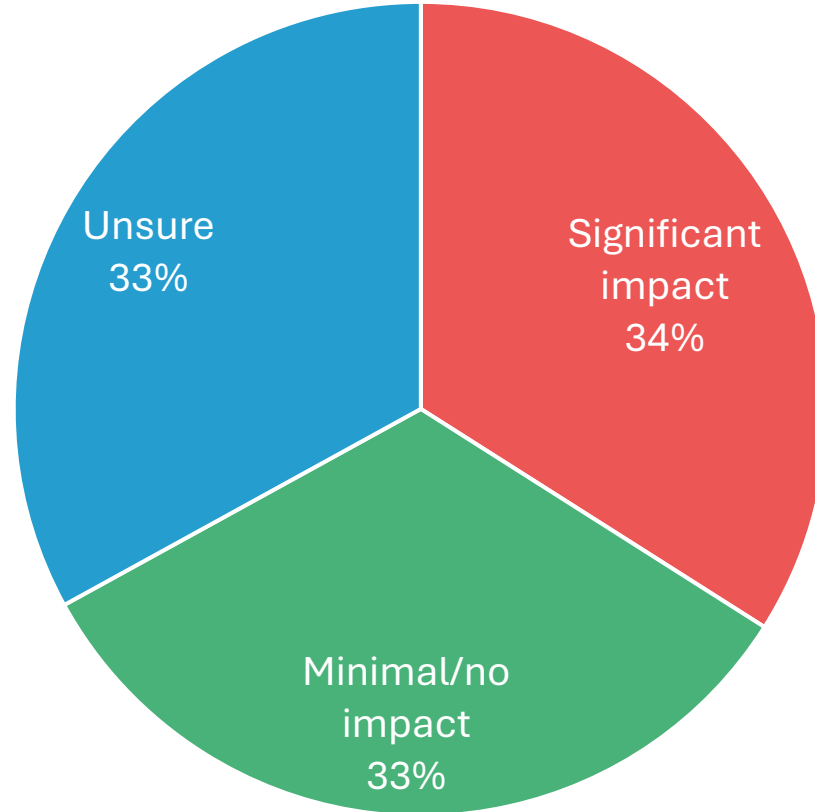
**% OPERATORS INDICATING CONCERN LEVEL ON  
TARIFFS**



**Over 60%  
concerned  
about tariffs**

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

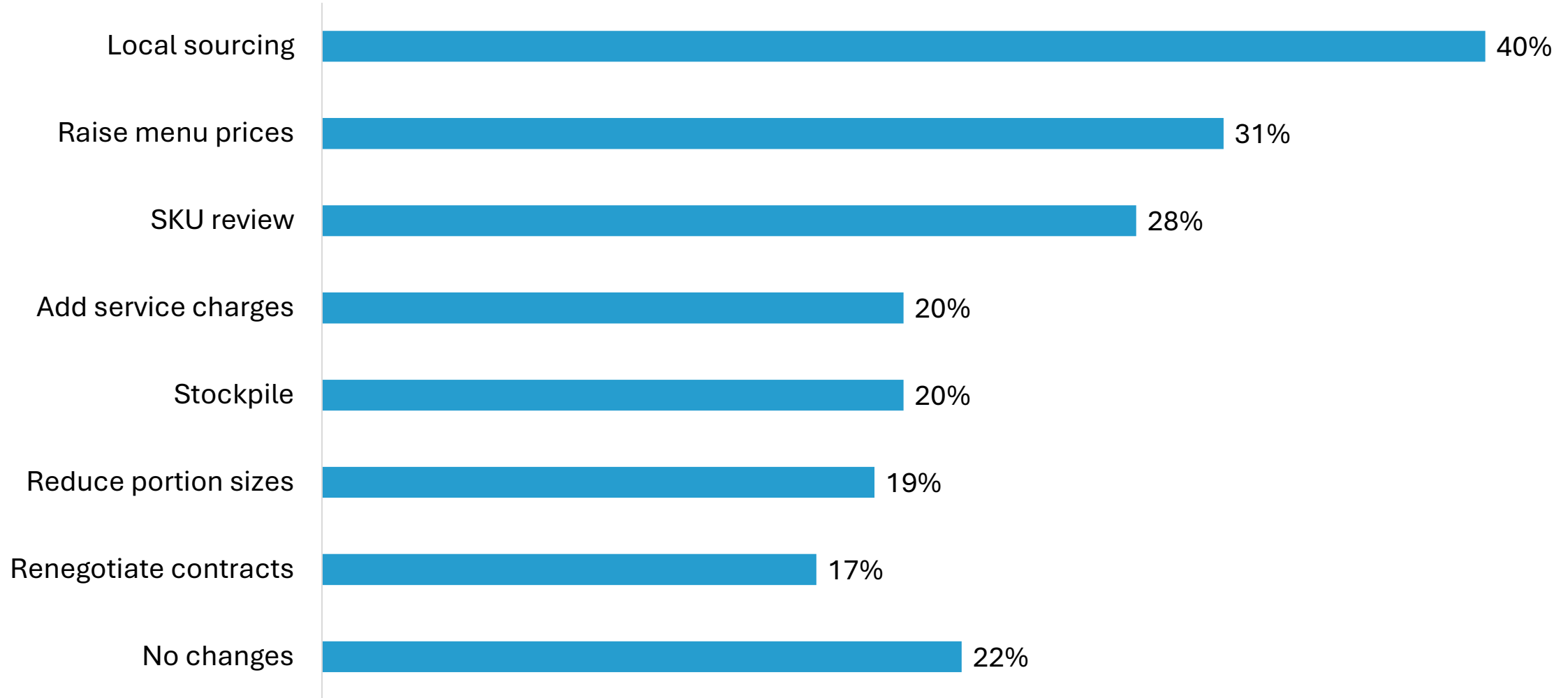
## % OPERATORS INDICATING LEVEL OF IMPACT ON DISPOSABLE PURCHASES DUE TO TARIFFS



**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.

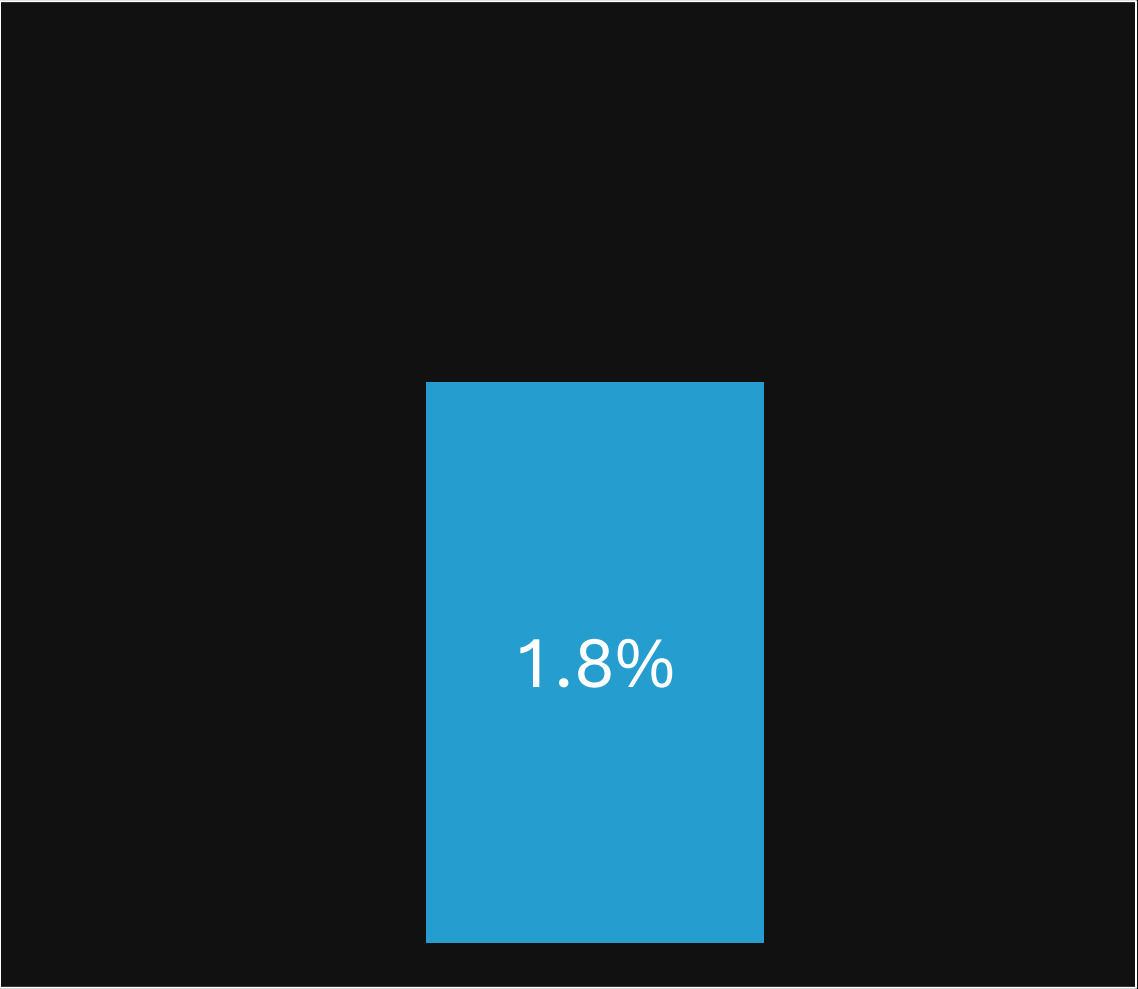


# Labor cost pressures

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

ORIGINAL 2025 REAL GROWTH FORECAST

(Jan 2025)

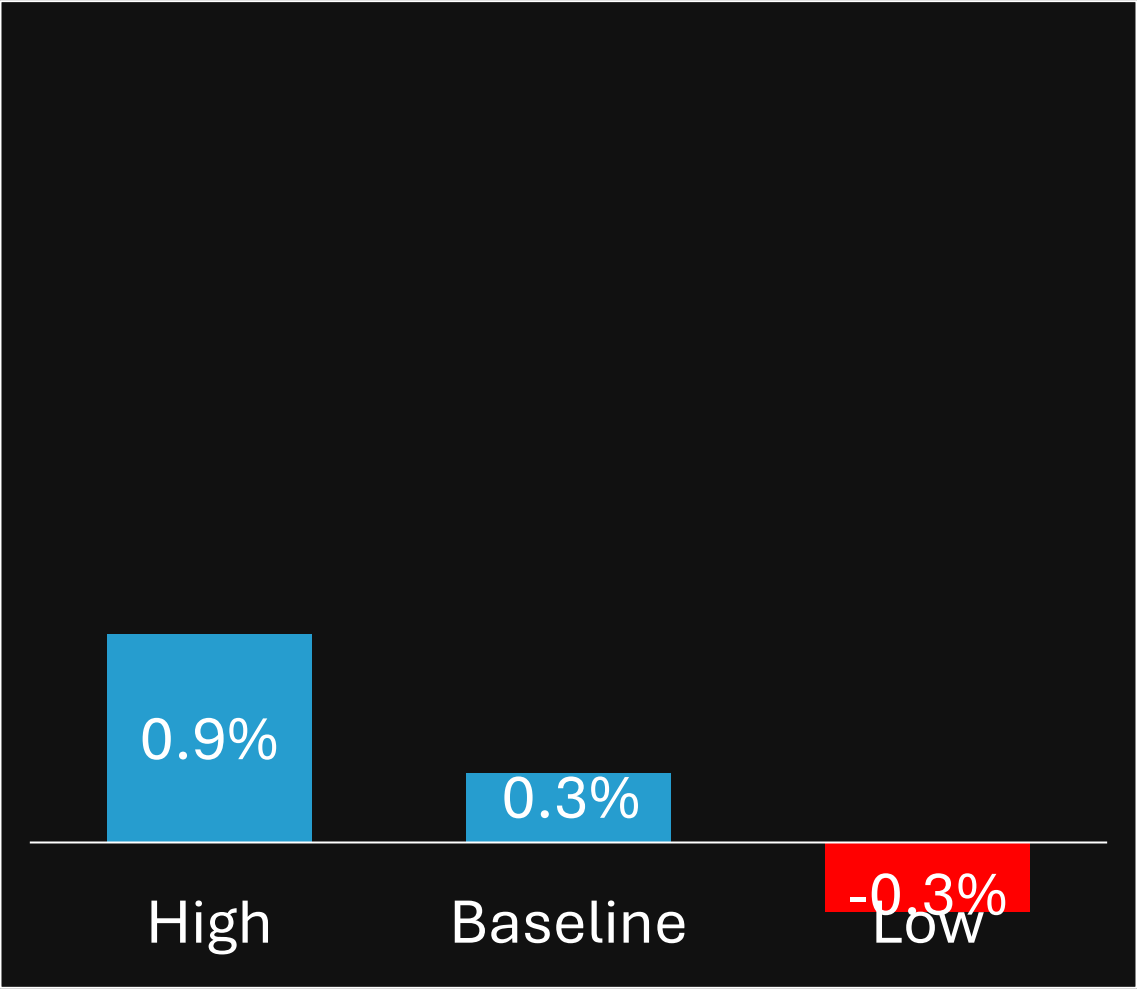


Base:  
Q:  
Note:

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