State of the Industry Report

2025 Executive Summary

FOODSERVICE PACKAGING INSTITUTE

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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 26th annual State of the Industry Report.

In 2025, more than 50 organizations from the foodservice packaging value chain in North America responded to the survey. Their responses were tabulated and published in a 34-page State of the Industry Report, which was distributed to FPI members and contributing participants only. What follows are the highlights from the 2025 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

In another year full of ongoing changes, many in the foodservice packaging industry see a market that's stabilizing and, despite some continued uncertainty, feel cautiously optimistic about 2025. Survey responses were collected in Q1 2025, prior to many tariffs now facing the industry and while some uncertainties remain, survey results revealed cautious optimism among industry players. This is evident in the latest State of the Industry survey; results show more than 45% of foodservice packaging manufacturers and suppliers experienced growth in volume, while 35% experienced loss in volume. This is reflected in profit growth with more than 80% worsening or staying the same in 2024 compared to 2023. Signaling a bit of optimism, just over 50% of the industry expect volume expansion. Yet, 90% expect profits to grow or remain the same. Foodservice operator respondents saw increased or flat sales, and were optimistic that this trend would continue in 2025.

In a further sign of market stabilization, nearly 40% of the North American manufacturer respondents reported another year of corporate expansion plans with nearly 55% doing it through the expansion of current facilities. This is a slight decrease compared with 60% in 2024. Less than 50% plan to expand through building a new plant or merger/acquisition. In a slight increase from previous years, roughly 75% of North American converters plan to purchase machinery in 2025.

Long noted as an area of opportunity, fast casual restaurants are now seen by respondents as one of the greatest areas for market expansion, followed by the convenience store and supermarket/grocery store segments. This is due in part to the convenience of meeting multiple needs in one location, combined with increasing foodservice options in these types of stores. Finding foodservice items at a lower price without sacrificing quality makes these good opportunities for expansion. Chain quick service restaurants were also noted as an area of opportunity. Regardless of market segment, convenience and value amid rising costs were noted as influences 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, such as government legislation/regulation and lack of qualified labor, remain at the forefront, along with increasing raw material costs. Margin compression and recovery/end-of-life options for foodservice packaging remain challenges, too. The results highlighted five common challenges facing the industry (ordered from most to least important):

1. Government legislation/regulation.
2. Increasing raw material costs.
3. Lack of qualified labor.
4. Margin compression.

5. Recovery/end-of-life options for foodservice packaging.