State of the Industry Report

2026 Edition

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.

Using the data collected, FPI has produced its 27th annual "State of the Industry Report," which contains questions and responses of the surveys conducted. Please note that responses included were taken verbatim, with very few exceptions. Results have been split into two sections:

- Pages 3-24: Converters, Raw Material Suppliers and Machinery Suppliers
- Pages 25-37: Foodservice Distributors and Foodservice Operators

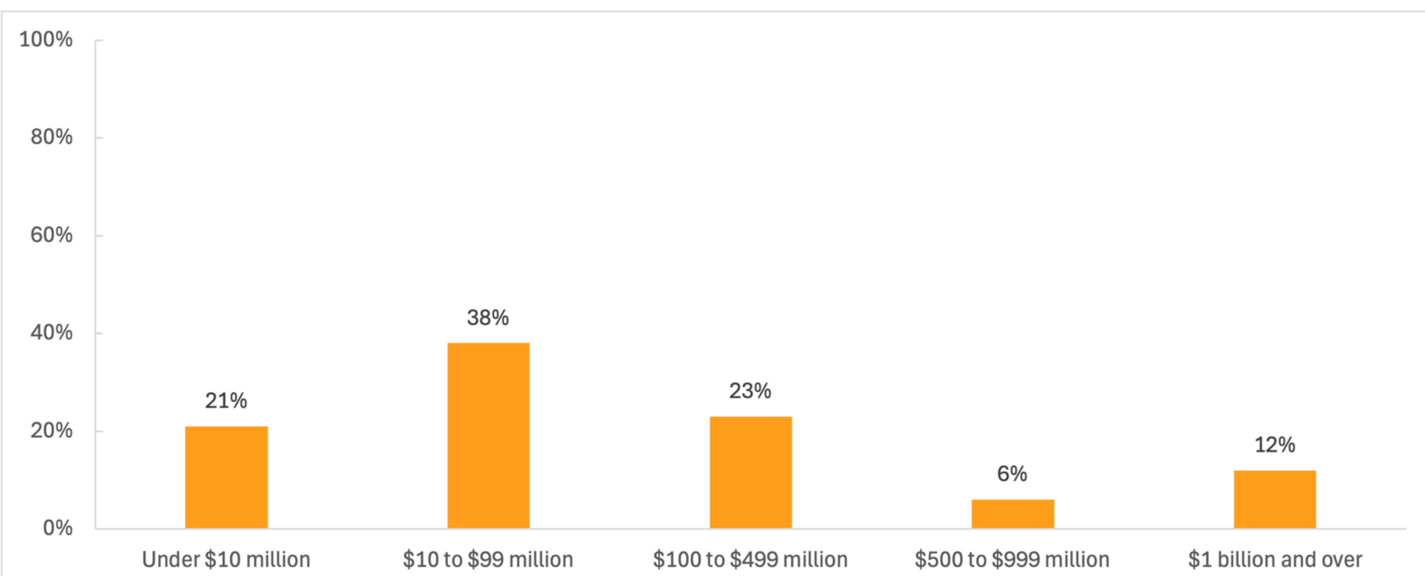
All questions are welcome. Please contact Ashley Elzinga, Director of Sustainability & Outreach, at aelzinga@fpi.org.

Converter, Raw Material Supplier and Machinery Supplier Results

Question 1. **Are you a:**

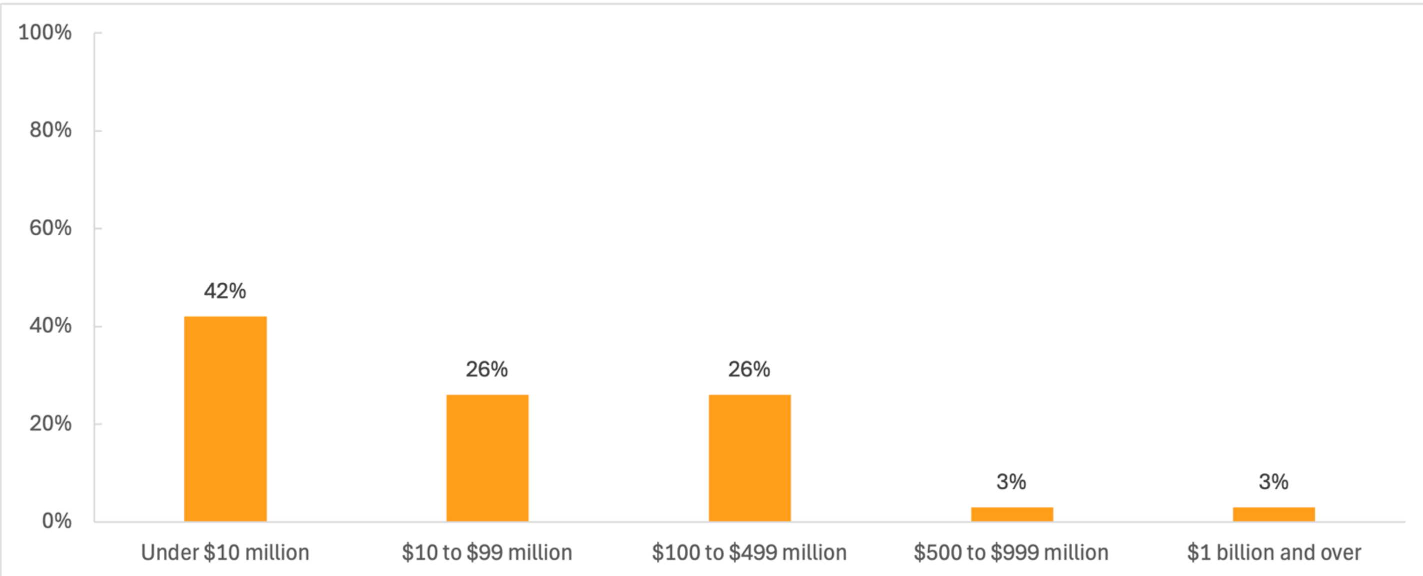
Total Count: 36

Question 2A. **What were your firm's net global sales of foodservice packaging (i.e., cups, plates, cutlery, clamshells, etc.) products or materials for the foodservice packaging industry in the year 2025?**



Total Count: 34

Question 2B. What were your firm's net global sales of food packaging (i.e., egg cartons, meat trays, dairy or produce containers, etc.) products or materials for the food packaging industry in the year 2025?



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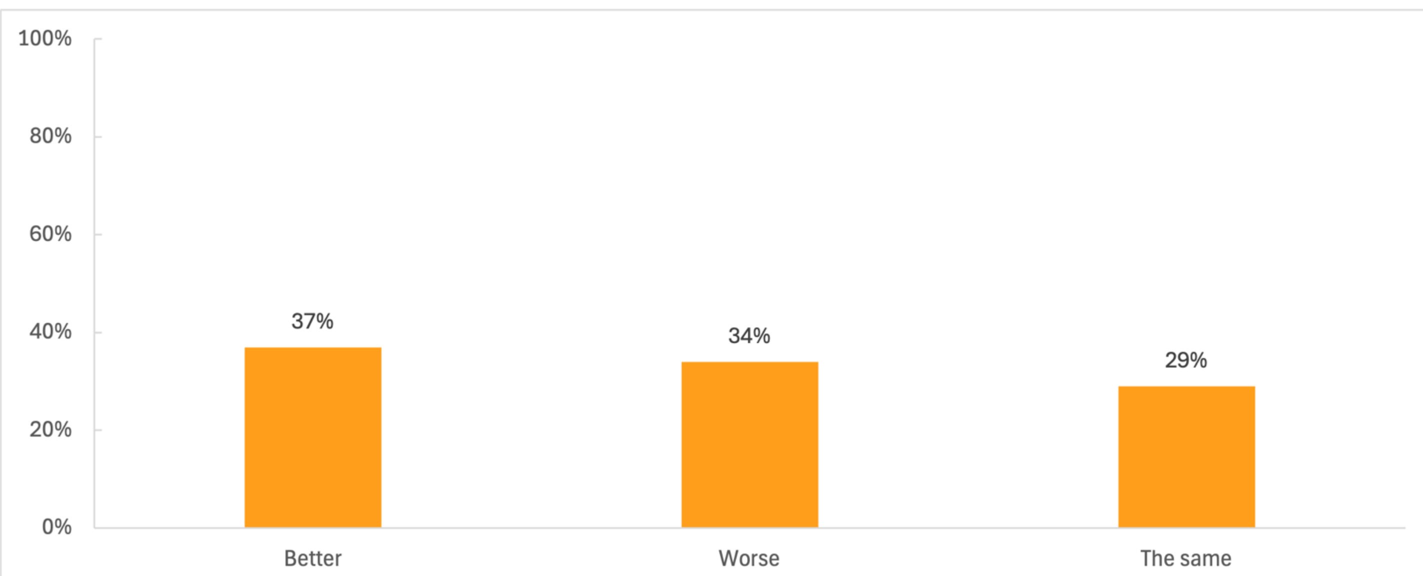
Question 3A. How do you rate 2025 compared to 2024, in terms of volume?



Total Count: 35

Key Influences:

Converters

Better…

- Anti-dumping and countervailing, new chain business.
- Differentiation through value proposition.
- Foam bans- switching to PP.
- Gaining market share.
- Increased automation and operational efficiency.
- Industry consolidation via M&A activity.
- Industry leading Customer Service.
- Investments in capacity and new product lines.
- New customer acquisition.
- Ongoing demand in food, beverage, healthcare & e-commerce packaging.
- Premiumization and value-added packaging offerings.
- Shift toward sustainable and recyclable materials.
- Supply chain realignment and local sourcing demand on shore.
- Tariffs. [X2]
- Tremendous sales opportunities.

Worse…
- A key influence was the California SB54 foam ban legislation targeting single-use packaging. This law required manufacturers to cease foam sales which lead to plant closures in the state.
- Chinese imports and import cheating still occurring. Began to turn around in December with some large confiscation of containers in Nov/Dec.
- EPR Fees.
- Government Foam bans.
- In 2025, the foodservice industry faced significant disruption from extreme weather events such as the California wildfires, rising costs from unpredictable tariffs and anti-dumping actions, sweeping packaging-related legislation (i.e., SB54 & EPR laws), and closing the year with the longest federal government shutdown in history.
- Offshore dumping into Canada in fiber plates and rPET finished goods (pricing pressure).
- Tariff threats.
- The brand owners are seeing lower sales so it is affecting markets.
- Uncertainty in the marketplace and slow down.

The same…
- Challenging economic landscape.
- Cost pressures across the value chain.
- Environmental.
- Inflation, more eat at home than away from home, due to economy.
- Legislation.
- Regulatory changes.
- Some customers up, some down, but offsetting.

Raw Material Suppliers

Better…

- Applications development projects coming to launch based on interest in compostable packaging and materials that can make claims around no persistent microplastics.
- Market is looking and switching to paper-based products and we sell coatings for that substrate.
- New materials have had more time to get through product development cycles. Also, more converters are interested in starting product development and initiating trials.

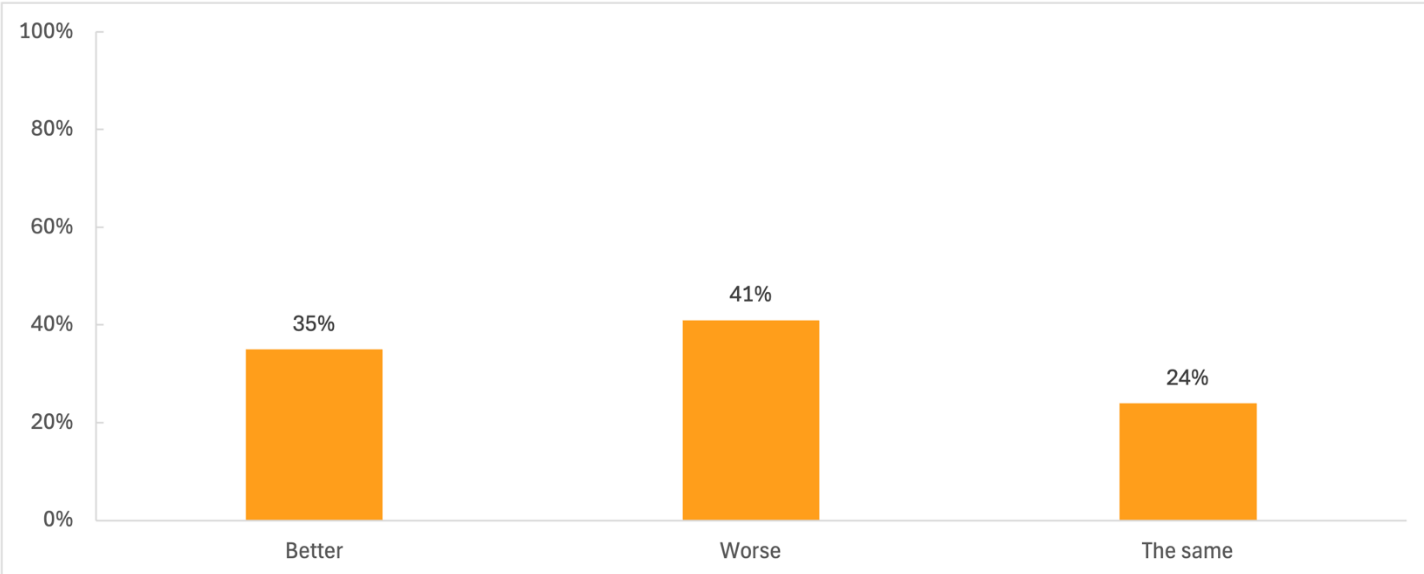
Worse…
- Competition.
- Competitive pricing.
- Internal changes to the company.
- Policy.
- Product substitution.
- PS perception and bans.
- Regulatory.
- Weaker consumer demand for QSR, weaker retail sales.

The same…
- Downward pricing pressures.
- Over supply vs. demand.
- Strong customer relationships.
- We continue to win in new opportunities but others have gone back to lower cost alternatives.

Machinery Suppliers

Worse…
- Customers are sitting on cash and putting off capital spending decisions due to market uncertainty.

Question 3B. How do you rate 2025 compared to 2024, in terms of profit?



Total Count: 34

Key Influences:

Converters

Better…

- Gaining market share.
- Increased volume to cover loss in foam sales.
- Mix shift to higher margin items.
- Plant efficiency.
- Price recovery of inflationary costs.
- Reduced raw material costs.
- Resin stability.
- With volume comes additional profit.

Worse…

- Loss of volume to imports; pricing suppressed due to low import pricing. Volume is UP in our category but domestic suppliers have all declined due to imported goods below US manufacturing costs.
- Lower demand has created margin pressures.
- Market pricing. Profit also ties into volume comments above.
- Price pressure.
- Rising costs from unpredictable tariffs, anti-dumping actions, sweeping packaging-related legislation (i.e., SB54 & EPR fees). Rising costs and declining consumer sentiment further compounded these challenges, intensifying an already slowed Foodservice market.
- Uncertainty in the marketplace and slow down.

The same…
- Challenging economic landscape.
- Cost cutting labor.
- Cost pressures across the value chain.
- Price pressures pushing down profit, cost increases.
- Regulatory changes.

Raw Material Suppliers

Better…
- Able to recover cost increases, productivity gains.
- Market demand for water-based coatings.

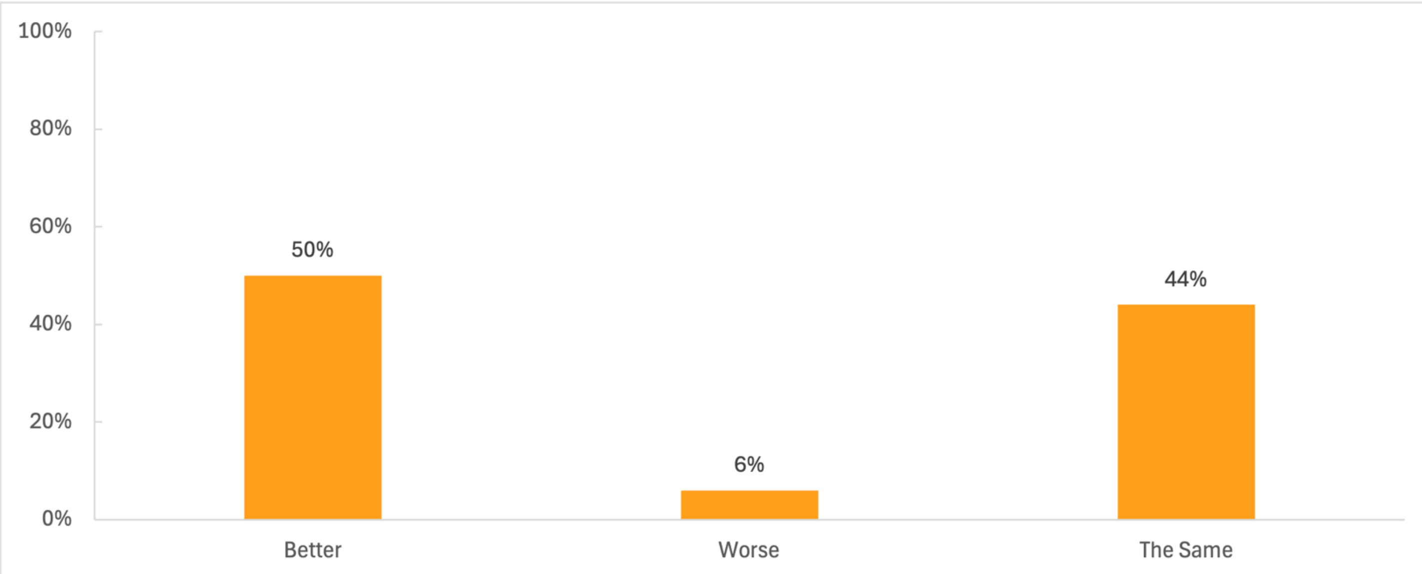
Worse…
- Competition.
- Competitive pricing.
- Higher costs, price pressure.
- Internal changes to the company.
- Low demand and more supply in our segments. Plus inter-polymer substitution.
- Over supply vs. demand and downward pricing pressures.
- Policy.
- Price pressure.
- Regulatory.

The same…
- Broad cost increases in the economy keep net profits steady.
- Rising costs within the US are mitigating profits despite volume expansion.

Machinery Suppliers

Better…
- The timing of revenue recognition made 2025 a better year than 2024.

Question 4A. How do you expect 2026 to be compared to 2025, in terms of volume?



Total Count: 34

Key Influences:

Converters

Better…

- Adding additional products to portfolio; demand for PP items.
- Brand owners have very clearly seen the slowdown and are responding to return volume through promotions and an uptick in innovation.
- Far better - as much as 75%.
- Gaining market share.
- Improving outlook and uptick in consumer spending.
- Increased capacity.
- Demand in our core segments — particularly foodservice, beverage, and consumer packaged goods — remains steady and resilient. Brands continue prioritizing sustainable packaging solutions, and our investments in eco-friendly offerings align directly with that trend. In addition, customers are placing greater value on reliable domestic supply partners.
- New business from customers seeking domestic manufacturing sources.
- New customers.
- Product development resulting in range extension.
- Regulatory changes ....tailwinds in search of headwinds realigned cost structures.

Worse…

- Customers' projections are off.
- Exiting a market segment. Foam bans.

The same…

- National program transitions and changes in the away from home business.
- Need to invest in product innovation/capital in order to compete.
- Portfolio rationalization expected to produce a slight decline in some categories.
- We are optimistic that 2026 will be better than 2025 but still a low growth year. Volume is expected to be flat as consumer sentiment is still low with uncertainty in the economy & continued pricing pressure.

Raw Material Suppliers

Better…

- Continued interest in compostable packaging, especially paper coatings, and materials that can make claims around no persistent microplastics.
- Market segmentation.
- New materials are continuing to get through product development cycles-initiated 4+ years ago.

The same…

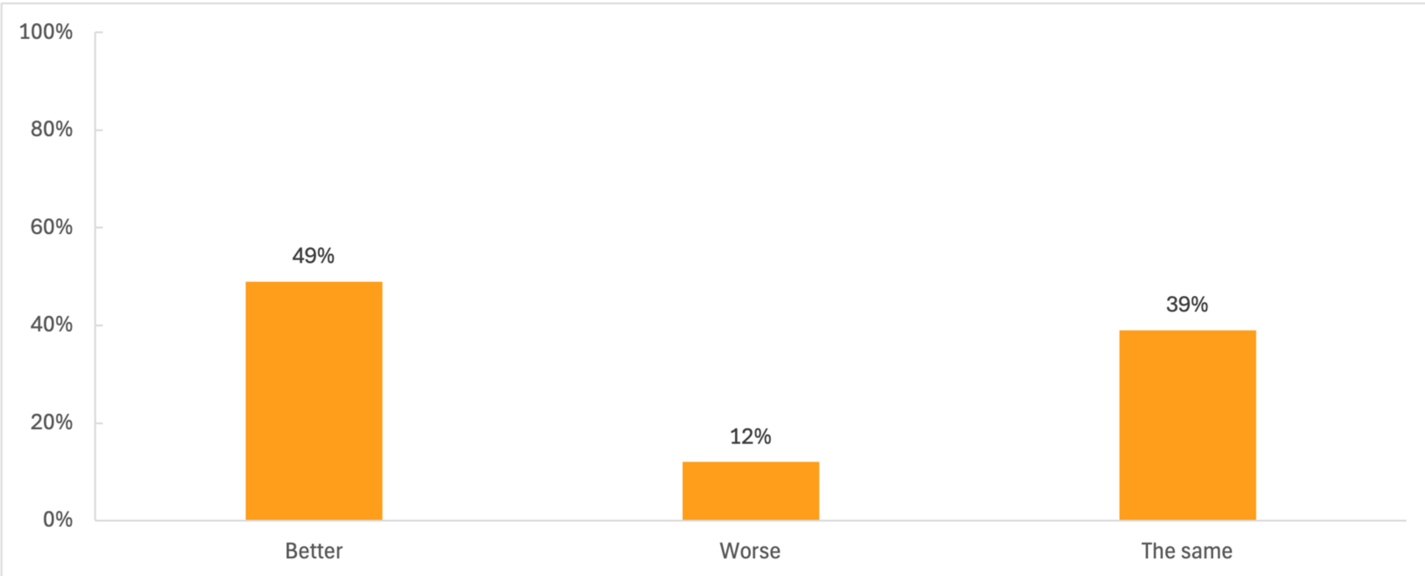
- Consumer demand continues to be a question, alternative options driving weaker overall volume.
- Hope to be flat (best case) as overall economy improves.
- New senior management team.
- Strong customer relationships, reputation for quality and service.
- Things seem to have slowed a bit.
- We don't expect any significant changes due to economic conditions.

Machinery Suppliers

Better…

- With a very long sales cycle, I expect several projects to be realized in 2026.

Question 4B. How do you expect 2026 to be compared to 2025, in terms of profit?



Total Count: 33

Key Influences:

Converters

Better…

- Decreased government subsidies.
- Increased volume to cover loss in foam sales.
- Increased volumes, inflation recovery.
- Lower raw material costs.
- Operational optimization.
- Product development resulting in range extension.
- Profit should improve with increased volume.
- Regulatory changes ....tailwinds in search of headwinds realigned cost structures.
- Significant volume increase will dramatically improve profits. We expect the total category (volume) will shrink if you add domestic sales + imports in the comparison. Domestic volumes will dramatically increase - 20% likely.
- We expect to improve profit through cost control measures and focused portfolio management.
- With ongoing efficiency improvements, automation investments, and expanded capabilities, we're well positioned to capture incremental volume and protect margins.

Worse…

- Import competition.
- Lack of sales.
- Similar to 2025.

The same…

- Inflationary pressures are one concern.
- Need to sell more volume.
- Too early to tell how much or if the downstream brands owners will rebound.

Raw Material Suppliers

Better…
- New product launches and optimizing cost of goods produced.

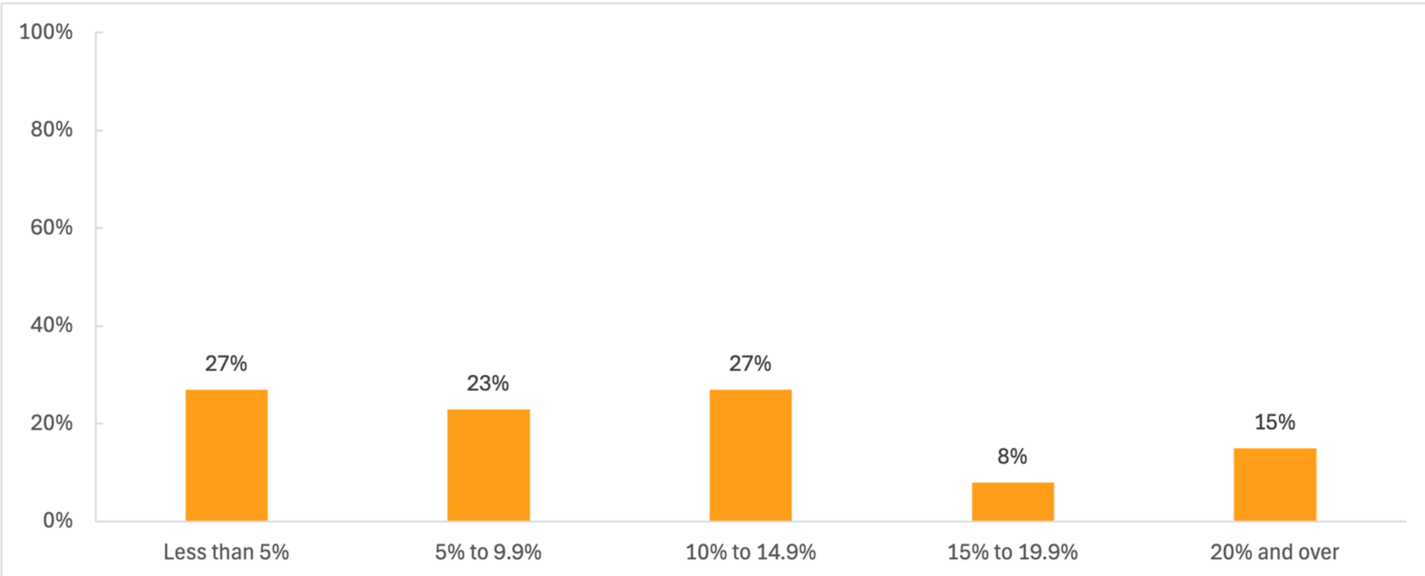
Worse…
- Over supply vs. demand and downward pricing pressures.

The same…
- Bold answer. It all depends on external factors.
- Making tough choices to prioritize non-food service segment business.
- Market demand evening out for now.
- New senior management team.
- Potential for volume to drive net profits, but rising costs and tariffs remain a concern.
- Prices for our substrates are expected to be consistent in 2026.
- We expect input materials and transport to increase.

Machinery Suppliers

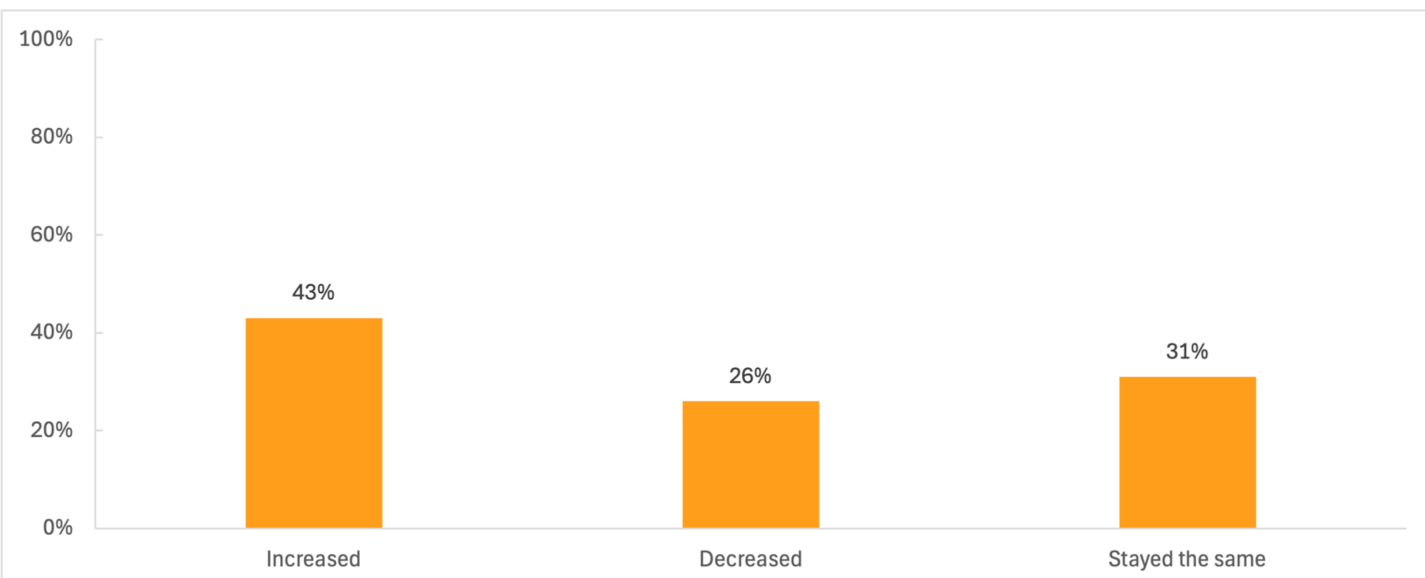
Better…
- A combination of revenue recognition from 2024 and new sales early in the year which will be recognized this year.

Question 5. **What was your firm's 2025 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) as a percent of net sales?**



Total Count: 26

Question 6A. **In 2025, what happened to your production levels (pounds/kilograms, units, etc.) as compared to 2024? (Be sure to include any acquisitions made in 2025.)**



Total Count: 35

<u>Question 6B.</u> By what percent?

Converters

Increased by…

- 2%
- 3%
- ~3%
- 6%
- 10%
- 12.5%
- 25%
- 30%
- 50%

Decreased by…

- 5%
- 6%
- 10%
- unsure

Raw Material Suppliers

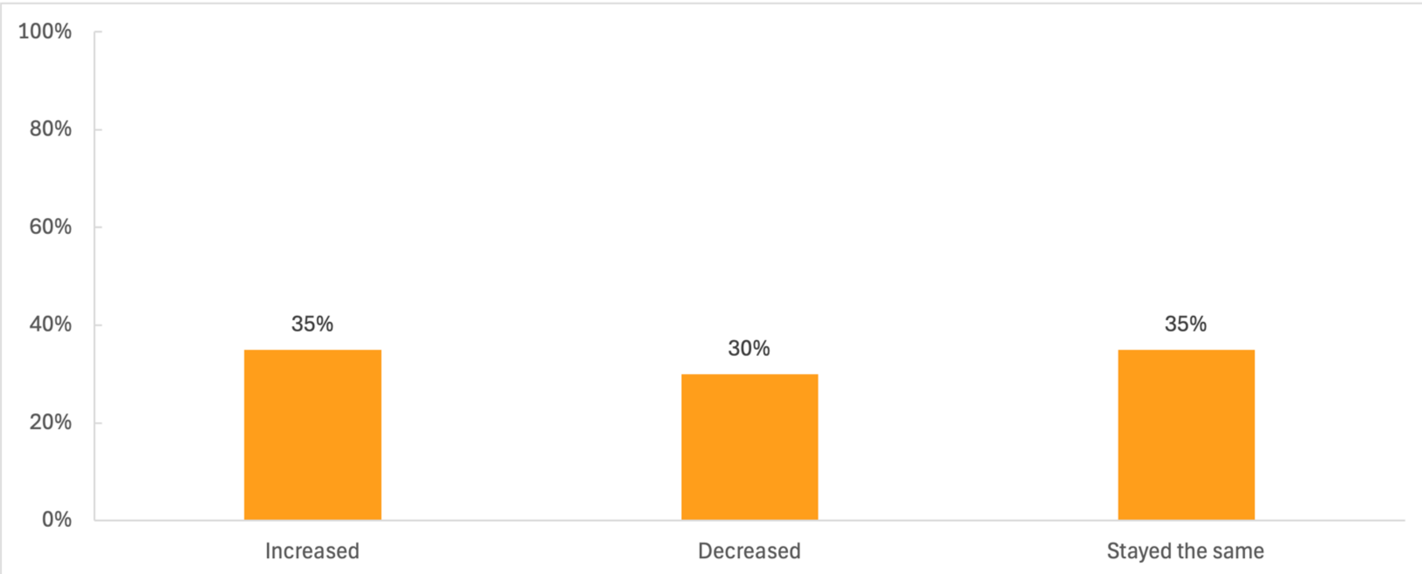
Increased by…

- 10%
- 15%

Decreased by…

- > 50% due to restructuring of the company

Question 7A. **In 2025, what happened to your dollar value of shipments, as compared to 2024? (Be sure to include any acquisitions made in 2025.)**



Total Count: 31

Question 7B. **By what percent?**

Converters

Increased by…

- 3%
- 5%
- 6% due to increased raw material pricing
- 9%
- ~15%
- 35%

Decreased by…

- 3%
- 5%
- 10%

Raw Material Suppliers

Increased by…

- ~5%
- 5%

Decreased by…

- 10%

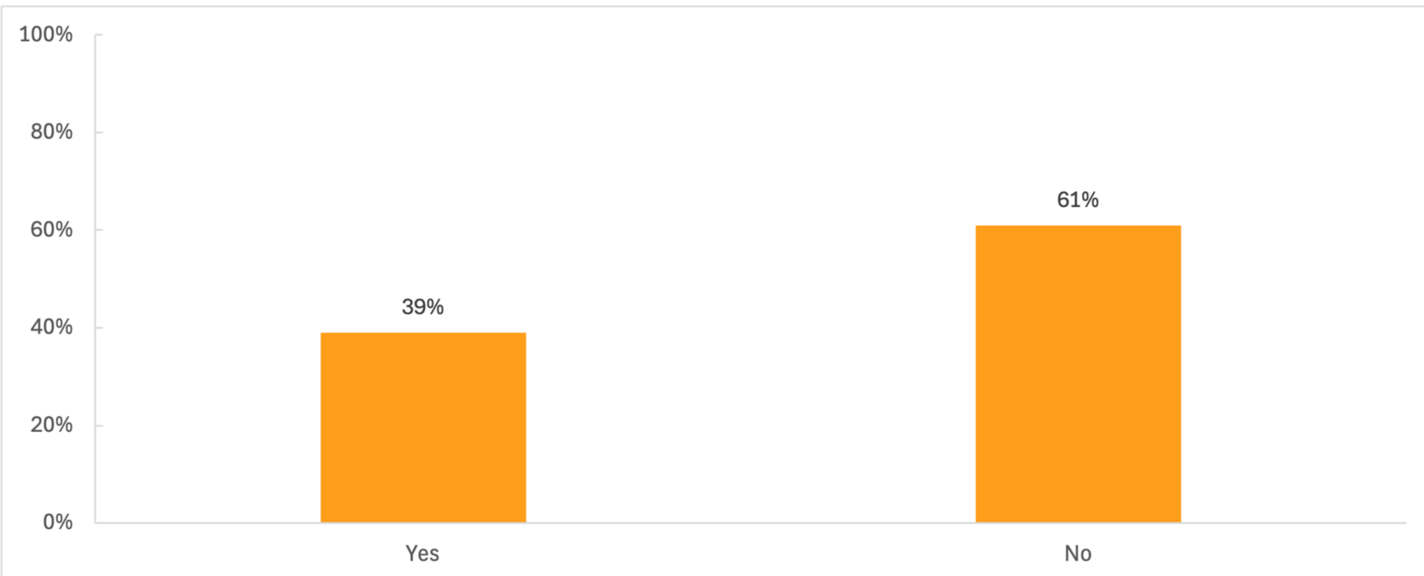
- > 50% due to restructuring of the company

Machinery Suppliers

Increased by…

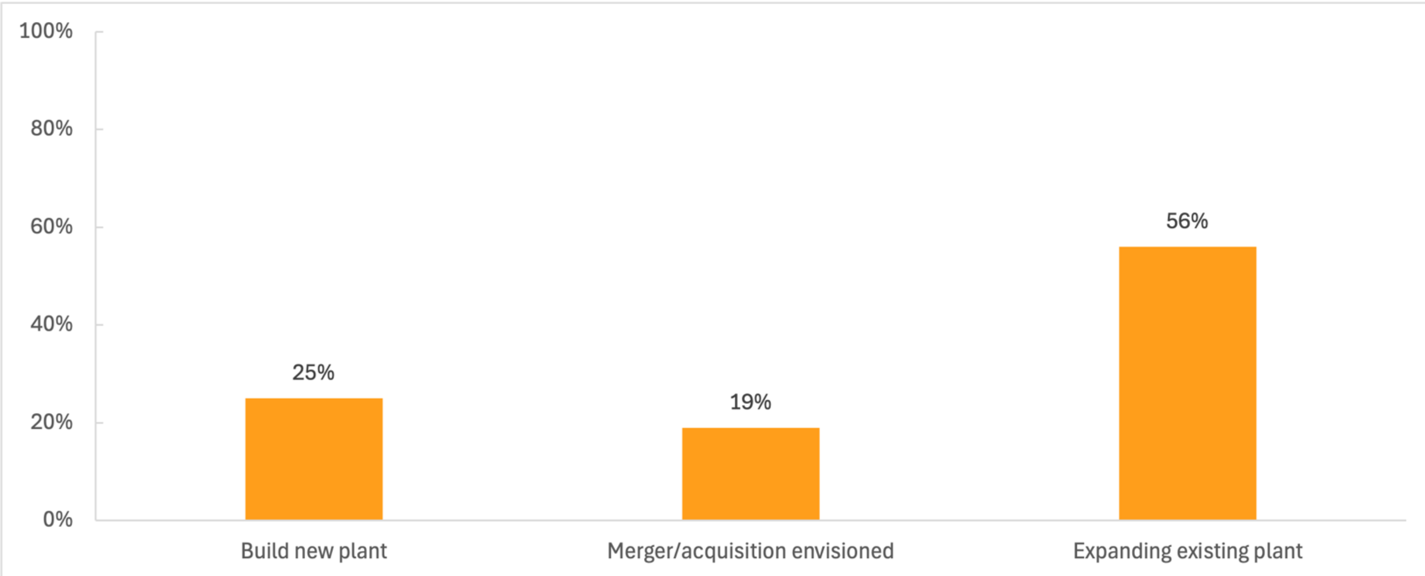
- 5-10%

Question 8A. Is your company planning to expand in 2026?



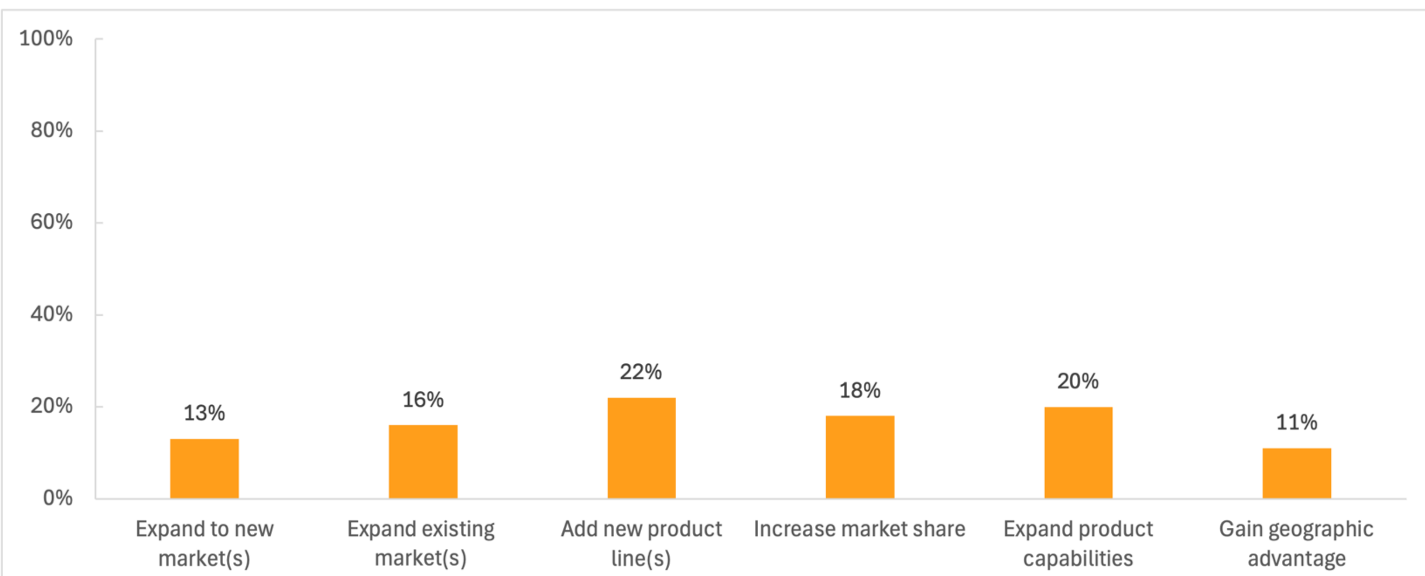
Total Count: 31

How/where does your company plan to expand (select all that apply)?



Total Count: 16

<u>Question 8B.</u> What is the main purpose of this expansion to your operations (select all that apply)?



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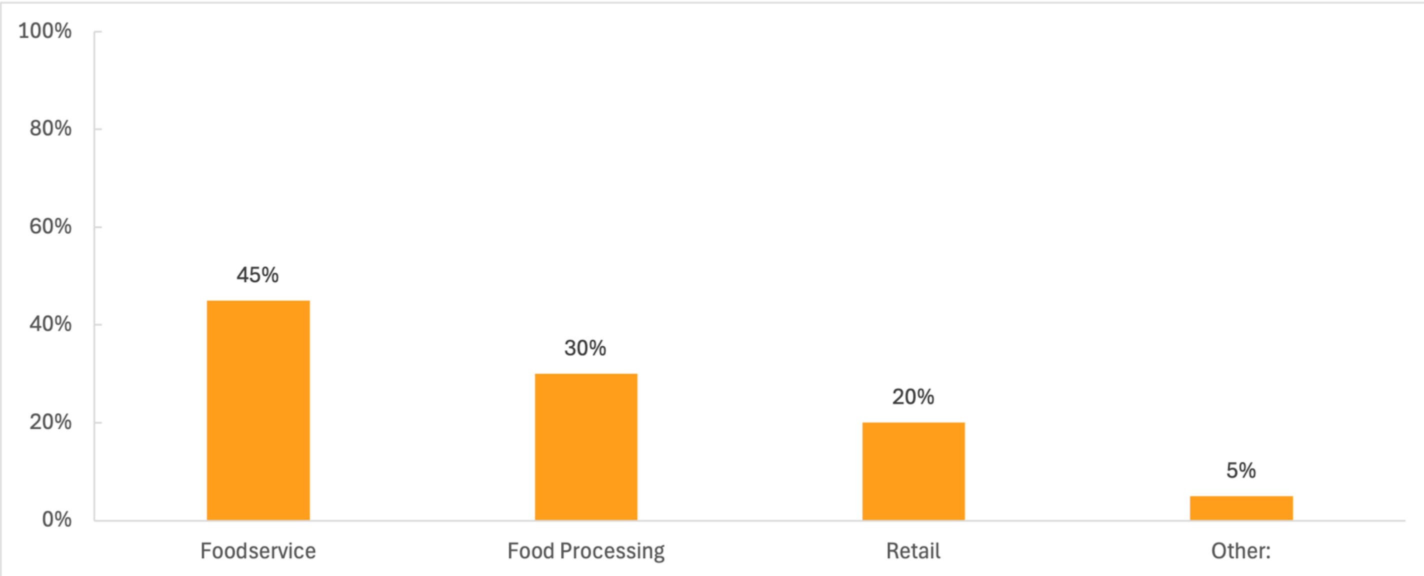
Question 8C. **In what market segment do you plan to expand (select all that apply)?**

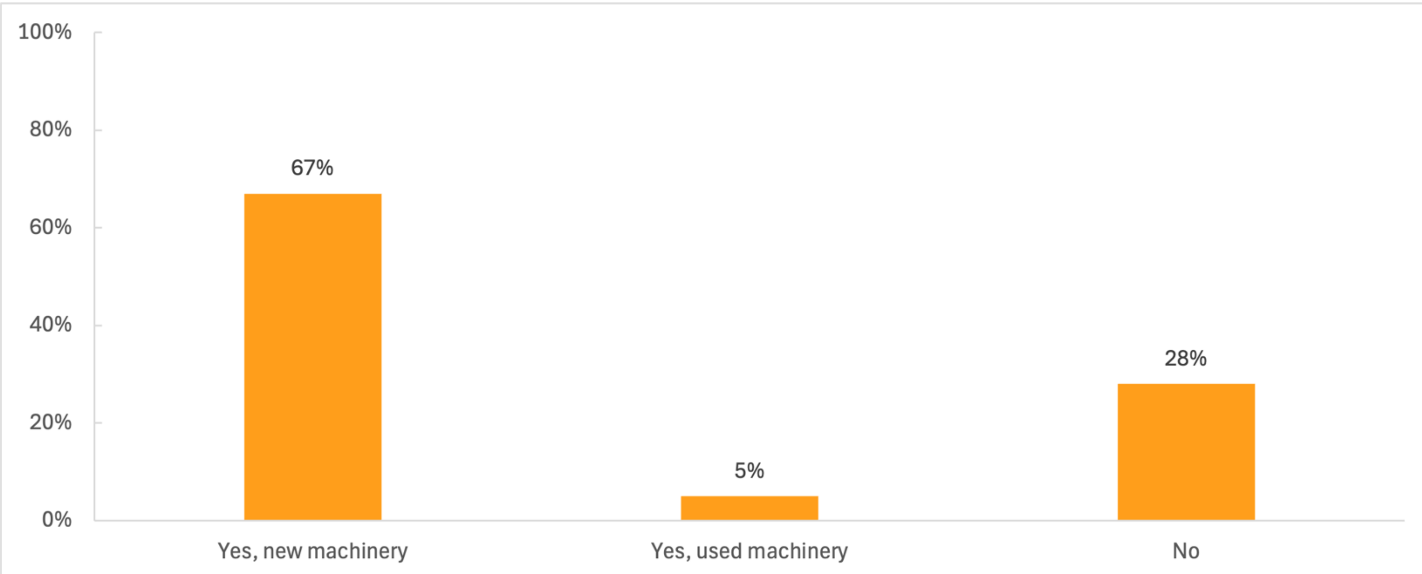


Total Count: 20

Other:

- 3D Printing.

Question 9A. **Does your company plan to purchase converting machinery in 2026 (select all that apply)?****

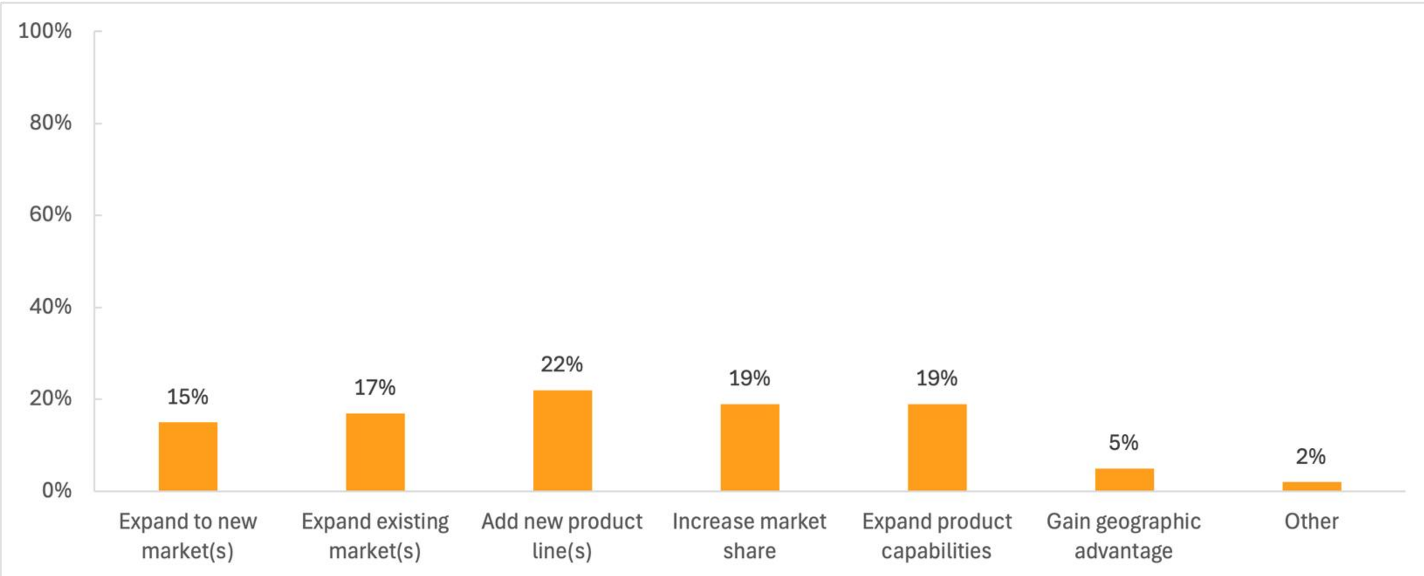


Total Count: 18
**Question asked solely of converters

Question 9B. **If your company does plan to purchase, what type of machinery and/or for what application?**

- Custom.
- Extrusion.
- Foam thermoformers.
- Injection molding.
- Non-foodservice, Janitorial sector.
- Paper converting, automation, packing and boxing of materials.
- Presses and our metal supplier is adding casters (significant capacity).
- rPET protein.
- Thermoforming with extrusion.

Question 9C. For what purpose does your company plan to purchase new converting machinery (select all that apply)?**



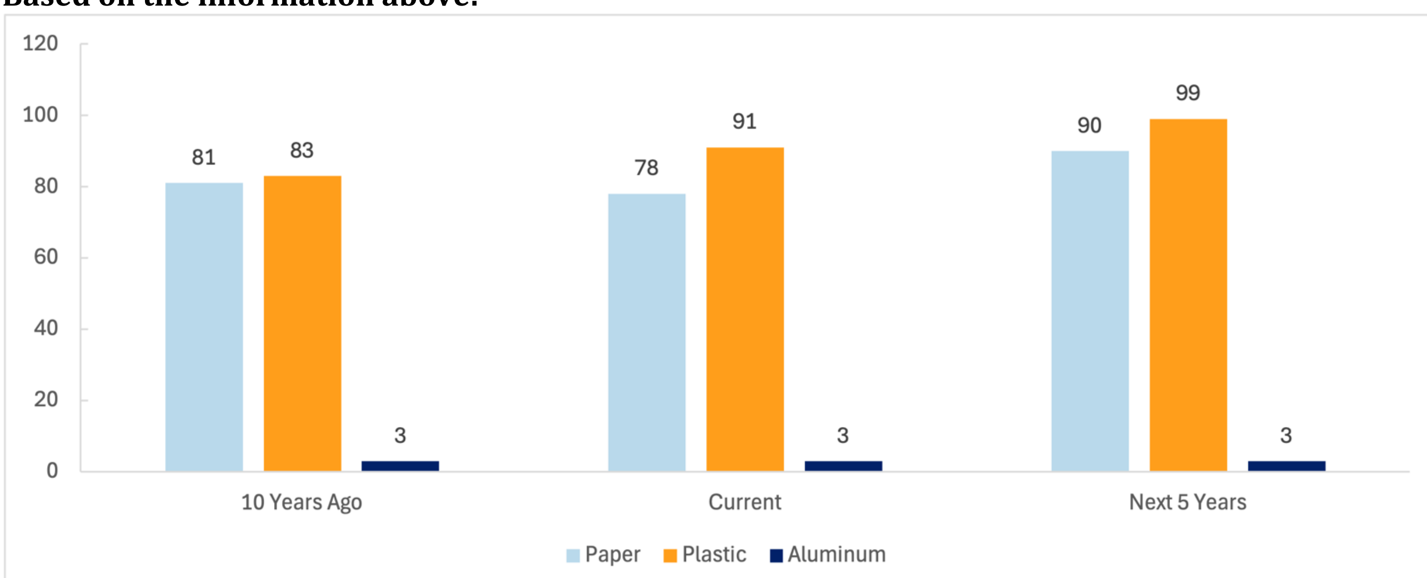
Total Count: 41
**Question asked solely of converters

Other:
- Replace outdated equipment.

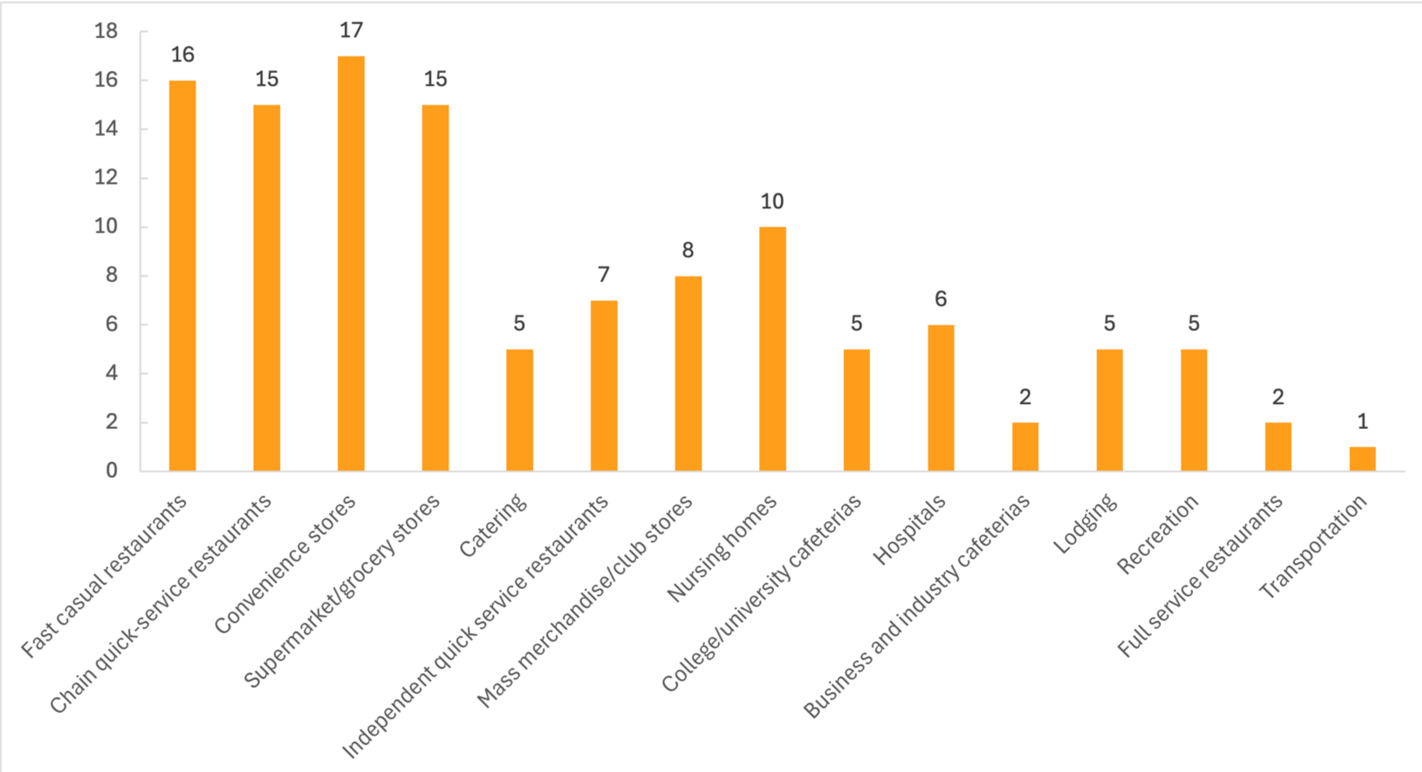
Question 10. **Please check the appropriate box according to your company's production or use of the following substrates for the time frames listed:**

		10 Years Ago	*Currently*	*Next 5 Years*
Paper		14	12	12
Coated Paperboard w. Traditional Coatings		14	12	13
Coated Paperboard w. Bio-based Coatings		9	10	17
Uncoated Paperboard		13	12	13
Pulp/Molded Fiber (from trees)		11	10	10
Pulp/Molded Fiber (from other sources)		10	9	11
Paper w. Recycled Content		10	13	14
PET		9	11	12
PE		6	6	6
HDPE		6	7	7
LDPE		8	8	8
LLDPE		4	3	3
PP		7	12	12
PS		13	10	10
EPS		6	3	3
OPS		3	3	3
HIPS		9	7	6
Bio-based plastic		7	11	16
Plastic w/ recycled content		5	10	13
Aluminum Foil		3	3	3

Based on the information above:



<u>Question 11A.</u> Which of the following market segments do you believe will see strong growth in the next five years (select as many as you wish)?



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<u>Question 11B.</u> Please indicate which <u>ONE</u> market you believe will see the greatest growth and explain why:

Quick-service restaurants *[mentioned 7 times]*

- Consumer pressure in daily life. Customers ordering coffee, take-out, or delivery increasingly expect sustainable packaging. Chains like Starbucks, Tim Hortons, and local café groups are experimenting with compostable cups, fiber containers, and lids.
- High volume of single-use packaging. Restaurants, cafés, and take-out/delivery services are the largest users of cups, lids, and containers. Switching these items to sustainable materials has immediate impact and visibility.
- Lives continue to get busier and the quality of the food from these establishments continues to improve.
- Low cost and convenience.
- Opportunities for standardization. Foodservice packaging is modular and high-volume, making it easier for us to supply large orders consistently, scale production, and maintain margins.
- People are busy and the quality of food from quick-serve chains are getting better and better.
- People look for new choices and affordability.

- Regulatory and chain compliance. Municipalities are implementing bans or restrictions on non-recyclable single-use plastics in foodservice. Chains are proactively converting their packaging to paperboard or compostable materials to meet mandates.
- The quick service restaurant (QSR) market is expected to experience significant expansion over the next five years due to shifting consumer preferences toward convenience, speed, and affordable dining options. As busy lifestyles continue to shape purchasing behavior, more consumers are choosing restaurants that can deliver fast, reliable meals both in-store and through delivery platforms. This growing demand is driving increased store openings, extended operating hours, and expanded menu offerings across the QSR sector.
- We provide bespoke solutions to QSR worldwide.

Convenience stores *[mentioned 6 times]*

- A lot of people stop to get gas and frequent the stores. If they have pre-packaged food, people are most likely going to purchase there for convenience's sake.
- C-stores will continue to expand their food to go offerings and compete with both QSR's and grocery stores.
- Convenience stores continue to be an opportunity to capture on-the-go takeaway for a growing segment. Well priced food targeting busy consumers seems to be working.
- Due to their focus on foodservice and items beyond the pump.
- If the move from plastic to fiber-based packaging continues.
- Quality of food improving and taking from traditional QSRs.

Nursing home/elderly care *[mentioned 4 times]*

- Aging boomers (+17M this decade) will boost foodservice demand at healthcare facilities.
- Aging population. [X2]
- As the population is aging (boomers/GenX) and upcoming generations are not having as many children so the population will skew older.

Supermarket/grocery store *[mentioned 2 times]*

- For many people, the economy is not doing so well. As that continues, they will eat out and travel less, and go back to shopping at the grocery store.
- The cost-of-living increases without wage growth.

Chain quick-service restaurants

- There is a variety of chains that are breaking out of being regional into national chains at this time. While they will compete with incumbents it's a large number that makes it an interesting dynamic.

Mass merchandise/club stores

- Due to savings to consumers, and expanding population. Perceived value.

Other comments

- Customers searching for value and eating at home to reduce discretionary expenditures.
- Ice cream & specialty food brands will also adopt sustainable packaging, but volumes are smaller and often seasonal.
- People will always require take out foods, cheaper products.
- Sustainable packaging growth will mostly be driven by the foodservice/take-out segment, because it combines high volume, regulatory push, consumer demand, and production scalability, making it the single most impactful segment over the next five years.

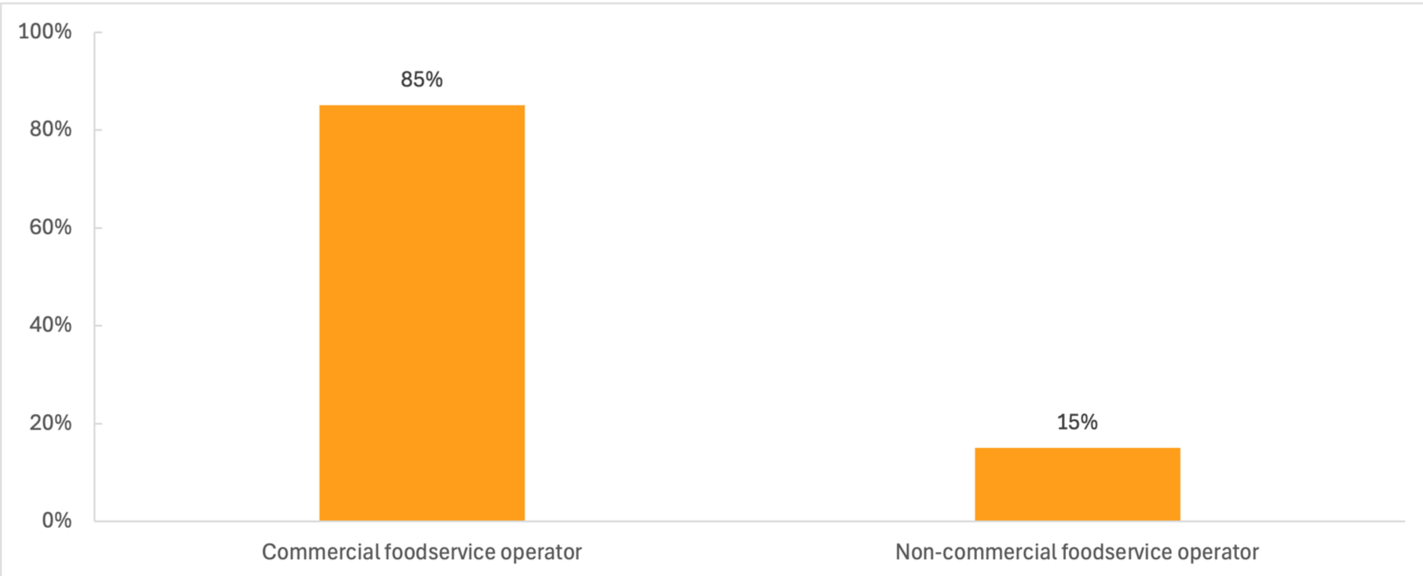
Question 12. Please review the list below and select what you believe are the FIVE most important challenges facing the food/foodservice packaging industry over the next couple of years. Please rank (1-5) the following in order of importance, with 1 being the most important: *[Listed in descending order, in terms of cumulative number of mentions and weighting.]*

Comparison of Top 5 Challenges Facing the Food/Foodservice Packaging Industry

	CONVERTERS	RAW MATERIAL SUPPLIERS	MACHINERY SUPPLIERS
1	Government legislation/regulation	Government legislation/regulation	Globalization and the increased competition from outside national boarders
2	Call for changes to EPR/Product Stewardship	State of the global economy	Margin compression
3	Margin compression	Margin compression	Increasing raw material costs
4	Lack of qualified labor	Increasing raw material costs	Call for changes to EPR/Product Stewardship
5	Recovery/End-of-life options for foodservice packaging	Call for changes to EPR/Product Stewardship	Litter/marine debris

Foodservice Distributor and Foodservice Operator Results

<u>Question 1 (Operator).</u> Do you work for a (select only one):



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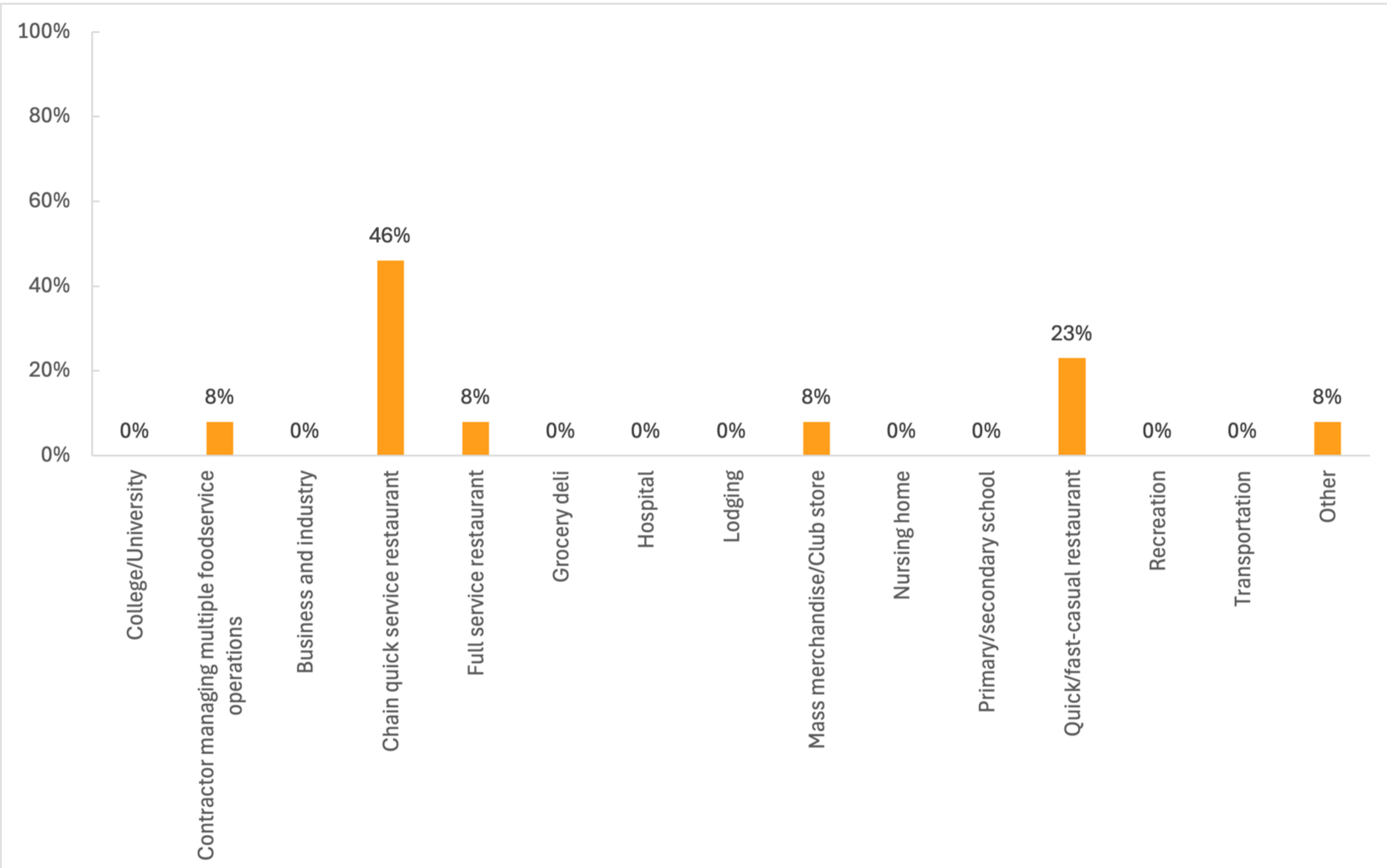
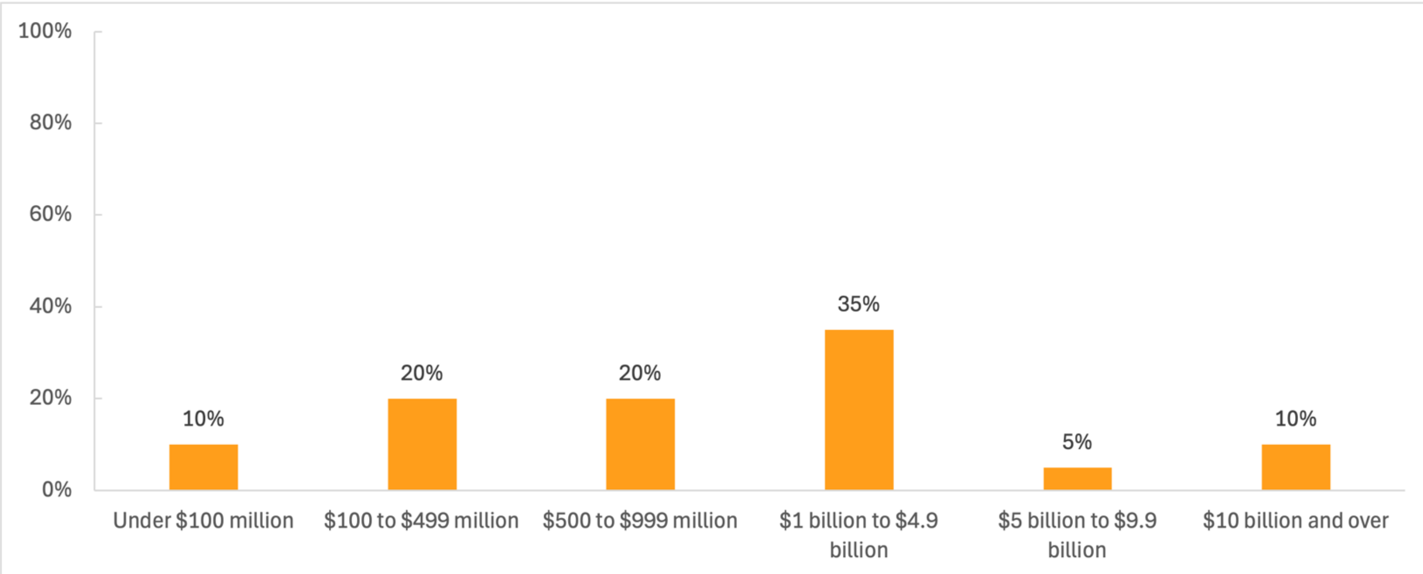
<u>Question 1A (Operator).</u> Which category best describes your foodservice operation (choose only one):

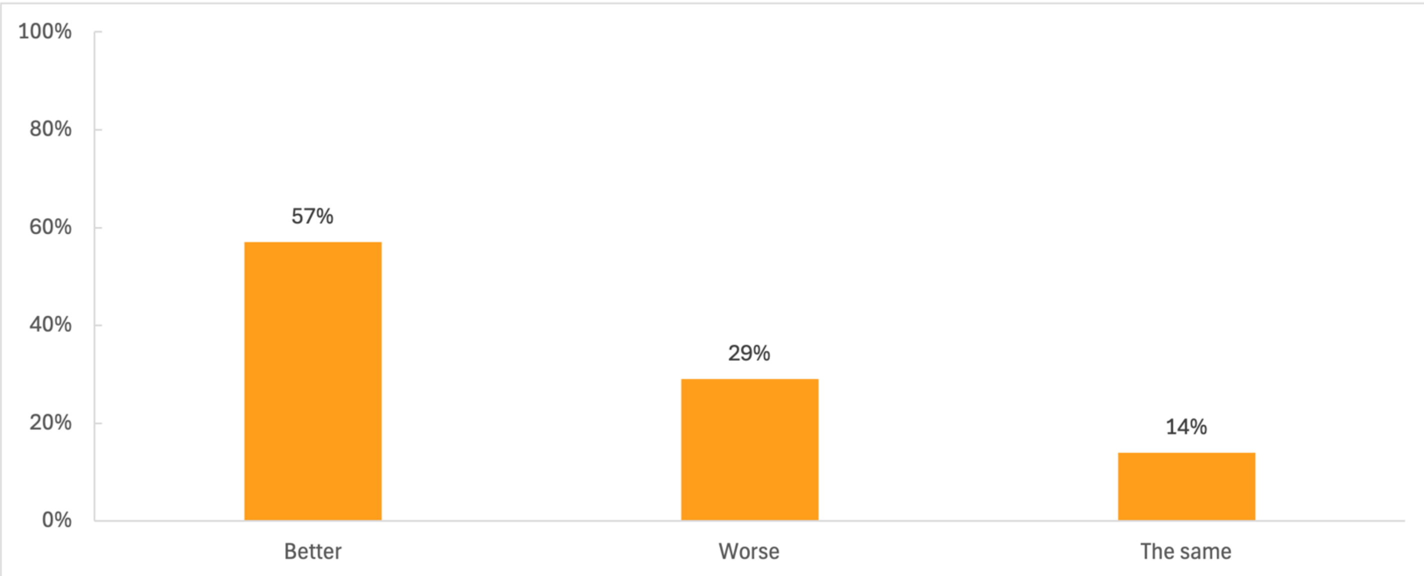


<u>Question 2 (Distributor and Operator).</u> What were your company's North American systemwide foodservice sales in 2025 (in U.S. dollars)?



Total Count: 20

<u>Question 3 (Distributor and Operator).</u> How would you rate 2025 compared to 2024, in terms of total foodservice sales?



Total Count: 21

Key Influences:

Better…

- Looking for new business all the time.
- Promotions/Continued Value Prioritization.
- Quality products, cost-effective.

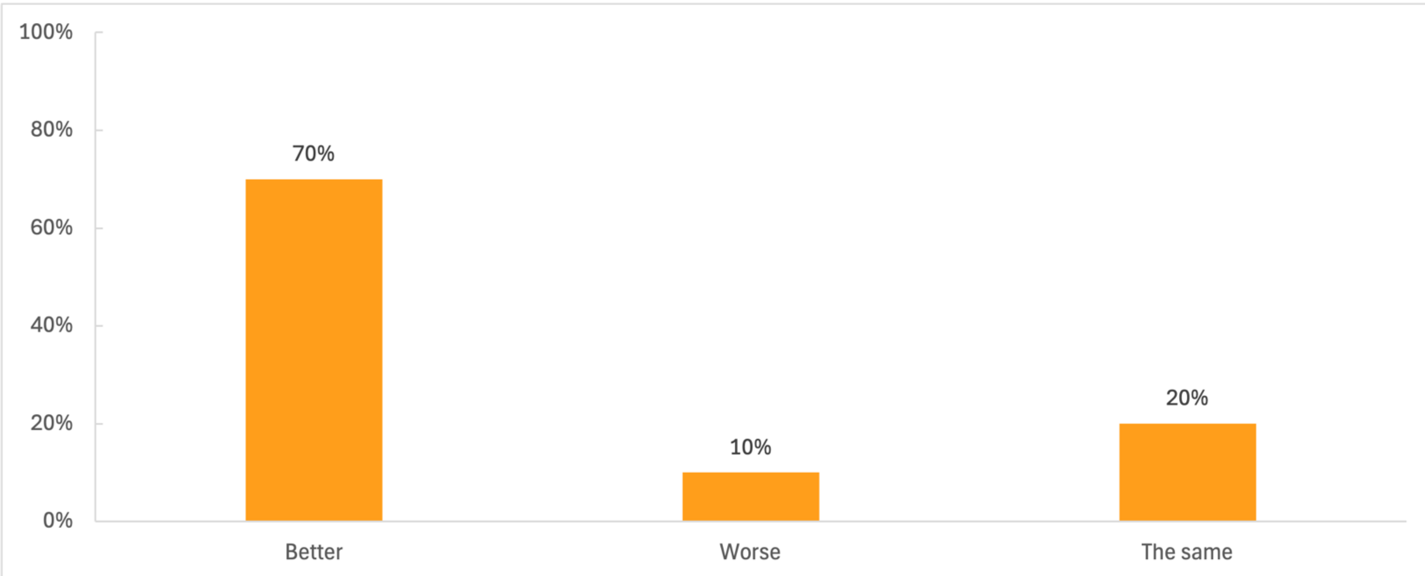
Worse…

- Lousy brand owner leadership and ineffective marketing.
- QSR no longer as relevant for many consumers due to menu price increases.
- Weather, tariffs, higher costs.

The same…

- Inflation.
- Iran War.
- Political unrest within the US government.

<u>Question 4 (Distributor and Operator).</u> How do you expect 2026 to be compared to 2025, in terms of total foodservice sales?



Total Count: 10

Key Influences:

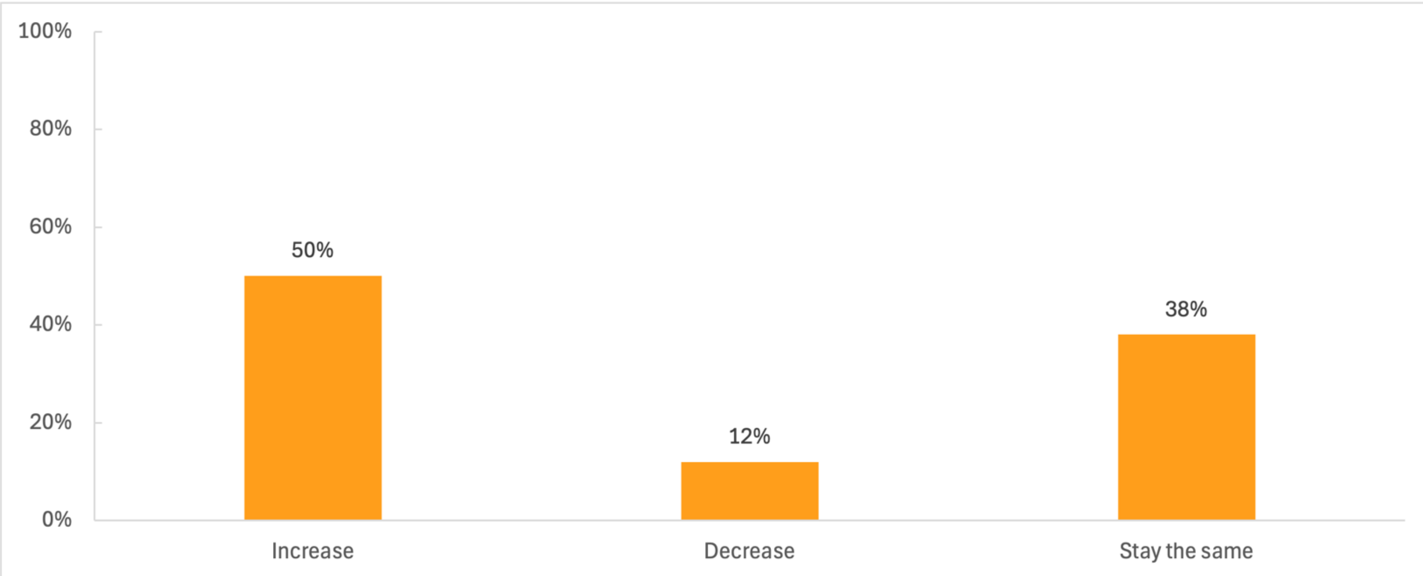
Better…

- Iran war, people staying home and going out vs traveling overseas.
- Menu price increase.
- Promotions/Beverage Prioritization/Continued Value Prioritization.

The same…

- Full brand reset needed and challenged consumers, especially those with household income below $75K.

Question 5A (Distributor). Specifically looking at foodservice packaging products, do you expect that your sales will increase, decrease or stay the same in 2026, as compared to 2025?



Total Count: 8

Question 5B. By what percent?

- 10%
- 10-20%

Question 5C. For what reasons?

Increase…

- New distribution warehouse in NJ really doing well.
- Dedicated resources in the US, local representatives and increased manufacturing capabilities globally; excellent procurement of sustainable materials.

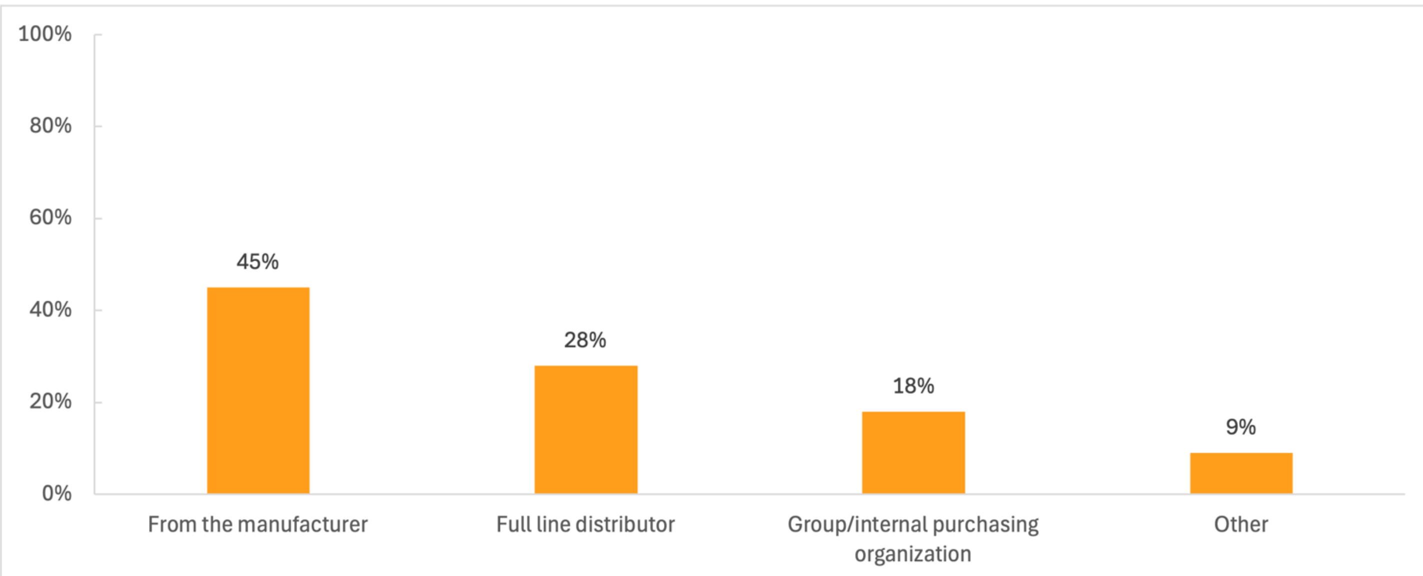
Stay the same…

- Customer issues seem to be a lot more than in the past. They all take too much time and much more detailed. Doesn't leave a lot of time for prospecting.

Question 6 (Distributor). **From how many manufacturers does your company purchase foodservice packaging?**

- 15
- 50 [X2]
- 80
- 1,000

Question 6 (Operator). **From where do you purchase your foodservice packaging (select all that apply)?**

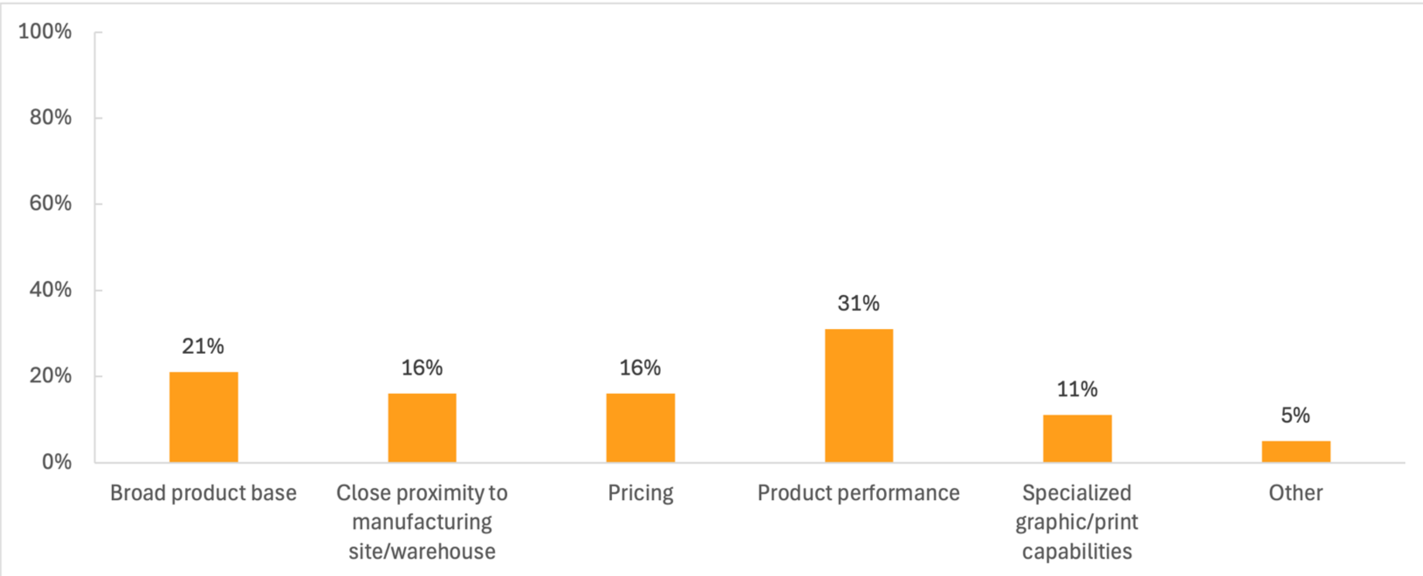


Total Count: 11

Other:

- 50+ for North America.

<u>Question 7 (Distributor).</u> What criteria do you use to select your foodservice packaging suppliers (select all that apply)?



Total Count: 19

<u>Question 8 (Distributor).</u> What changes would you like to see made to the foodservice packaging you currently sell?

- High concentration/focus on compostable items.
- Same as last year, more domestic manufacturers providing sustainable food service packaging.
- None.

<u>Question 8 (Operator).</u> Please rank your <u>top three</u> most important characteristics for your foodservice packaging, in order of preference ("1" being the most important).
[Listed in descending order, in terms of cumulative number of mentions and weighting.]

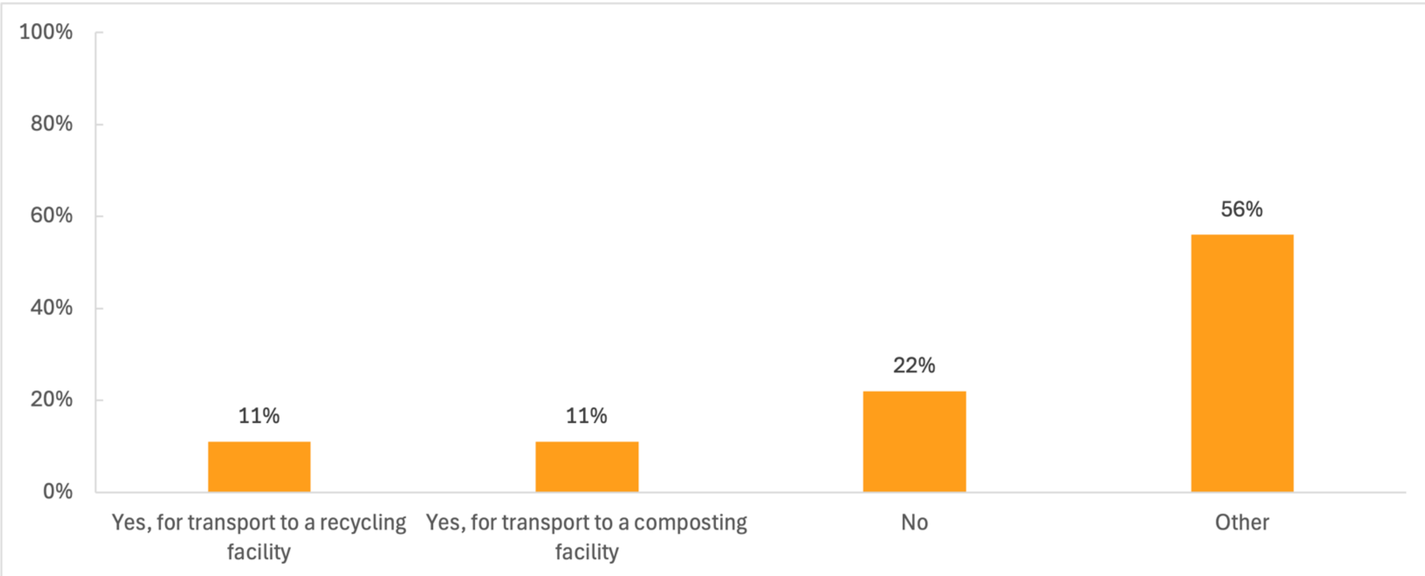
	1	**2**	**3**
Cost	6		1
Performance	1	3	2
Compostable	1	1	1
Made with recycled content		2	1
Appearance/Presentation		1	3
Other	1		
Recyclable		1	
Made with renewable materials		1	
Microwavable/Ovenable			1
Product availability			
Reusable by consumer			
Ease of use for staff			
Ease of use for consumer			
Insulation			

Other:
- Government Tariffs and ERP.

<u>Question 9 (Operator).</u> Please check the appropriate box according to your company's use of the following packaging materials for the time frames listed (i.e., 10 years ago, did you use paper? Do you currently use it? Do you foresee using it in the next 5 years?):

		10 Years Ago	*Currently*	*Next 5 Years*
Paper		4	3	4
Coated Paperboard traditional coatings		6	5	1
Coated Paperboard bio-based coatings		3	4	4
Uncoated Paperboard		4	3	3
Pulp/Molded Fiber		5	3	3
Non-tree cellulose (like bagasse)		3	4	5
Paper w. Recycled Content		3	4	4
Rigid Plastic		4	4	3
Foam		2	1	0
Bio-based Plastic		1	3	6
Plastic w. Recycled Content		2	3	4
Aluminum Foil		3	3	3

Question 10A (Operator). In the "front-of-house" area, do you provide bins for customers to separate their waste, i.e., source separate items for recycling or composting (select all that apply)?

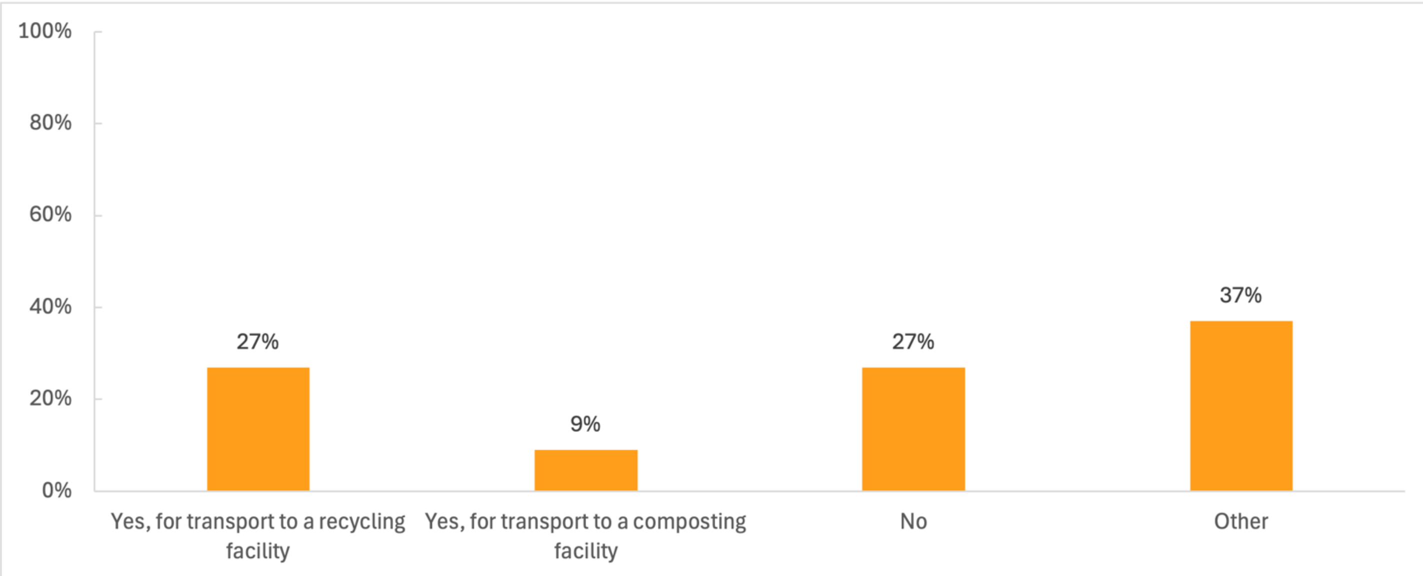


Total Count: 9

Other:

- Depends on the market the store is in.
- In some of our locations.
- No because our local hauler won't accept compostable materials.
- Yes, not purely operational preference but compliance-related.

Question 10B (Operator). In the "back-of-house" area, do you separate your waste, i.e., source separate items for recycling or composting (select all that apply)?

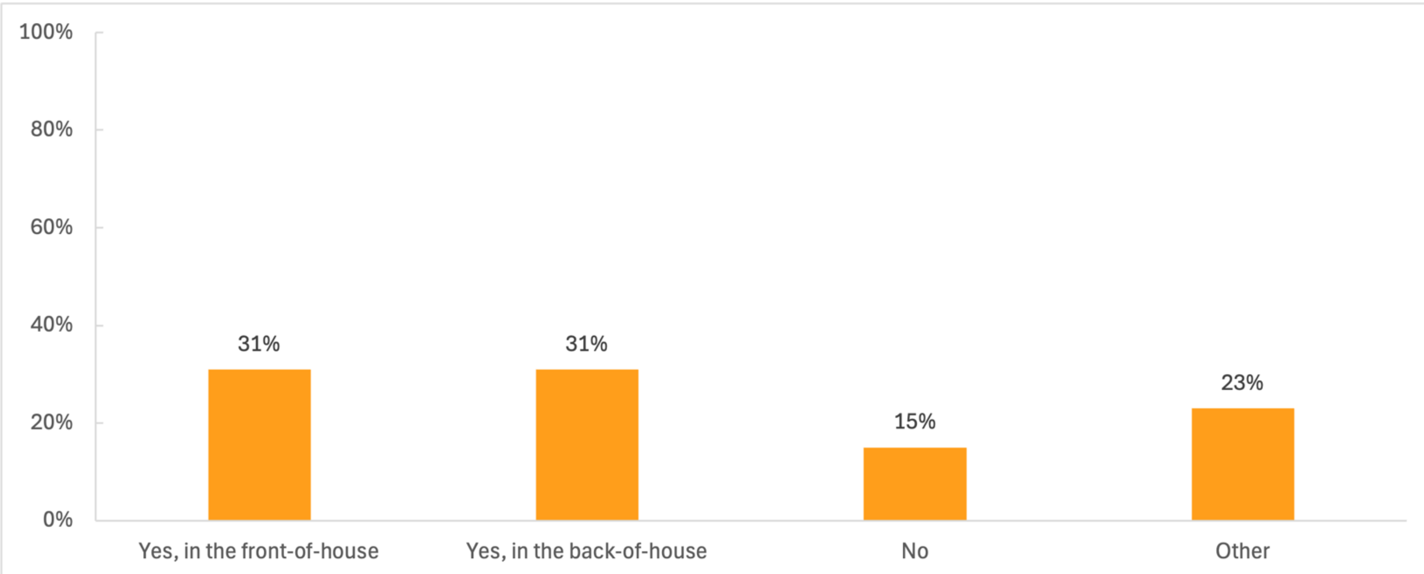


Total Count: 11

Other:

- Depends on the market.
- Different store by store on mandate.
- In some of our locations.
- Only for corrugated.

<u>Question 10C.</u> Do you expect to offer these options in the next five years (select all that apply)?



Total Count: 13

Other:

- Maybe.
- We would change as legislation requires, and as recycling/composting services are available and cost efficient.
- Yes, compliance-related.

<u>Question 11 (Operator).</u> What changes would you like to see made to the foodservice packaging you currently use?

- All made in USA.
- More cost effective solutions for real composting and recycling. No "greenwashing"!!
- More durability in compostable packaging.
- More options in the industry that will align with upcoming EPR, etc. laws as well as have reasonable pricing.
- We would like to see continued innovation that improves both functionality and end-of-life outcomes for foodservice packaging. This includes materials that maintain food quality (heat retention, moisture control, durability during transport) while also being widely recyclable or compostable in existing waste systems. Greater alignment between packaging design and available recycling or composting infrastructure would help operators make more sustainable choices at scale.