TRENDS REPORT

2024 EDITION

FOODSERVICE PACKAGING INSTITUTE®

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INTRODUCTION

Every year, the Foodservice Packaging Institute (FPI) receives numerous requests from media, analysts, conference organizers and others for information on the latest trends in foodservice packaging. In response to these requests, and to provide additional value to members, FPI has produced the 2024 "Trends Report," now in its 16th year.

FPI sent the survey to members in September and October 2024 asking for their opinions on trends throughout the foodservice packaging supply chain, namely related to:

- Foodservice packaging.
- Raw materials used to make foodservice packaging.
- Machinery used to convert foodservice packaging.
- Foodservice distribution.
- Foodservice operations.

This report contains two sections, "According to FPI Members" and "According to FPI Staff." The first section compiles member submissions to the survey. Please note that submissions were taken verbatim, with only minor edits. The second section provides the top trends in the foodservice packaging industry. These are based on FPI staff analysis of members' submissions to this recent survey. FPI staff also considered the recent entries in FPI's "Packaging Innovations and Insights" newsletter and other general industry observations.

All comments, reactions and suggestions for future editions are welcome. Please contact Ashley Elzinga, Director, Sustainability and Outreach, at aelzinga@fpi.org.

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SECTION 1: ACCORDING TO FPI MEMBERS

Question: What trends are you seeing with foodservice packaging?

According to raw material and machinery suppliers…

- A continued shift away from extruded and laminated plastics.
- A move to more non-plastic options.
- Autonomous vending-friendly packaging.
- Big push for compostable solutions.
- Convenience, single serve, sustainability focus, customized.
- Emphasis on sustainable alternatives to plastic, primarily for compostable options, but cost is a heavy factor slowing investments.
- EPR and state by state rulings are increasing interest in end-of-life options.
- Evolving fit-for-use qualification standards.
- Heavy competition from low-cost imports from Asia.
- Less plastic, more paper/biodegradable products.
- Lots of inquiries about bio-based coatings to replace PE but converters (our customers) insist on the same performance and cost as PE. That is not possible (yet). Where are the Brands in this discussion? A stronger pull from them will be needed to get the ball rolling and build momentum.
- Material substitutions continue without the benefit of a holistic, science-based review of alternatives, specifically the environmental impact of a change. Industry needs to check the actual impact/unintended consequences of materials that are marketed as more sustainable.
- Moving out of foam. SKU rationalization among restaurants. cheap imported product.
- Moving to paper products due to single use plastic/EPS bans.
- Off premises foodservice packaging continues to be an important component of consumer life. The consumer notion that packaging needs to be more eco-friendly is a now a common mentality, however, consumers are not willing to trade cost for more for eco-friendly packaging.
- Packaging end-of-life remains top of mind.
- Paperboard packaging is considered to be a more sustainable choice over plastic but laws like the ones in California opt for plastic over paper. The incorporation of recycled content is becoming more of a norm as well.
- People want compostable packaging.
- PS foam volume seems to be reducing, either due to bans or customer perceptions.
- Push for sustainable options, specifically recyclable (curbside). Fiber based options preferred.
- Recycled content, increasing % recycled content.
- Reductions in the overall package. Thickness, dimension, composition.

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- Significant increase in inquiries and development that focuses on lower carbon footprint and access to both industrial and home compostability based options.
- Sustainability focus.
- The Farm Bill and other legislative efforts (many that will support recycling and commercial composting) is also driving new interest in non-traditional plastic use.
- We have seen growing interest in reusables - subject to application and specifically targeting venues.

According to converters…

- Accelerating interest in reuse.
- Asian imports are taking over the North American market at an alarming pace.
- Away from foam and over packaging.
- Bans: Continued legislative bans related to single use packaging.
- Brands & consumers lack awareness and technical know-how on how materials are handled at the end-of-life. Misinformation feeding on that gap is creating even more confusion and skepticism around material management practices such as recycling & composting.
- Brands looking for ways to reduce costs.
- Brands relying on their suppliers to answer questions and be knowledgeable on EPR topics.
- Compostable Packaging - particularly home compostable.
- Confusion on who is considered a Producer under EPR regulations. Varying state rules & definitions do not help.
- Conversion from plastic EPS based containers to fiber-based containers.
- Cost reduction efforts due to inflation.
- Customers are looking for more compostable product, but there are not enough compost facilities to dispose of properly. Pricing continues to be the main concern and imports are still flooding the market.
- Customers moving to sustainable options.
- Cutlery - Paper to replace PP, PS, and CPLA offerings. Consumers do not like to consume foods wooden cutlery.
- Demonization of foodservice packaging continues in the press. Particularly for plastic materials.
- Desire to have take-away containers which are microwave safe to allow for quick reheating.
- End use customers are looking for lower-cost packaging options to offset inflation.
- Grab and go still seems to be the main trend.
- Growing demand for recyclability and negative perception of Mineral Filled plastic product.
- growth in sustainable product solutions however cost is still a significant factor to adoption.
- Growth of food seal film within packaging to reduce plastic content, prevalent in produce packaging.
- Increase focus on meeting 2025/2026 sustainability goals.
- Increase in the amount of time spent on EPR topics.
- Increase use of injection molded containers, lids and bases, typically made of PP.
- Increased activity by imports adds competitive pressure.
- Increased movement toward fiber-based alternatives to plastics.

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- Increased targeting of "foodservice ware" and materials (PP, PS) in U.S. legislation.
- Legislation and consumer demand is driving innovation toward products with preferred environmental attributes. Beginning-of-life attributes include products made with renewable resources that are grown and harvested responsibly or post-consumer recycled materials. End-of-life reuse or recoverability is becoming more important, with recycling for retail products and composting for food-contact products. The need for effective and trusted certifications, claims, and labelling is growing - sometimes increasing costs for production.
- Many pilot programs assessing the efficacy of reuseable containers.
- More aggressive competition due to the influx of foreign materials.
- More competitors continue entering the molded fiber market; compostable plastic innovation; compost facilities skeptical of compostable claims, trying to sort out the truth; inaccurate labeling/claims.
- More surveys being requested - vendor profiles, sustainability surveys, contingency plans, cyber security....etc.
- Moving to more paper options versus plastic.
- Much confusion on the EPR and who and the fees will entail to the producer.
- Much higher levels of imported packaging, primarily from China. US producers faced with low cost imports while trying to comply with EPR and other US and State sponsored sustainability efforts.
- No plastic, reusable packaging, less packaging, packaging adapted to delivery.
- Non-Black Plastic: Increase in black plastic alternative offerings (white, clear, natural).
- Ongoing shift for applications to recyclable or compostable solutions.
- Overall material usage reduction (thinner packaging).
- Packaging designed to comply with various legislative markets.
- Packaging manufacturers are cutting spend through layoffs and plant closures, and shift to OSVs.
- Packaging that can support smaller portions to hit lower price points.
- Packaging that protects and preserves food off-premise to achieve din-in quality.
- Paper and Fiber: Rising as preferred solutions to plastic alternative.
- People continue to use takeout containers at every turn. Disposables remain ubiquitous in offices and streets in major cities and towns. What is not clear is the origin of these packages. Difficult to say whether they are produced in the USA and Canada or overseas.
- People moving to lower cost options due to inflation.
- Performance and price are most important factors in purchasing decisions driven by inflation and high food costs.
- Plastic cold cups to move to paper, particularly Aqueous due to recycling.
- Price pressure will continue, driven by Imports saturating the market with excess inventory.
- Ramp up of activity on EPR and legislative bans many of which are ridiculously unrealistic and dare we say close to impossible to implement.
- Reusable packaging.
- Shift to more PE Coated paper, compostable and recycled materials.
- Some customers are focused on recyclable packaging. While sustainability continues to be a focus for large customers, price is usually the key driver for decisions.

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- Still seeing a major focus on recyclability.
- Still seeing significant shift away from plastic and challenging new package design to fulfill that quest.
- Surprising number of questionable environmental claims being promoted and appearing on new products.
- Sustainability and moving to packaging that is material-optimized, recyclable, reusable or compostable is the biggest trend that we are experiencing.
- Sustainability continues to be important but less so than performance and price.
- Sustainability is already/will continue to be the major driving force for foodservice packaging innovation. The ability to dispose of it properly is already the end goal which drives the design and the development of any sustainable option.
- Take-out and delivery packaging growth is still strong, and not just a trend from the COVID era. Operators are looking for ways to increase revenue, and delivery is a wise path for some.
- Testing the "smart" packaging, with RFID technology to enhance functionality of packaging.
- The continued push toward sustainable options.
- Towards convenience, innovation (simplicity and efficiency) and new occasions.
- Use of fiber-based bottom, with transparent lids (PET).
- Volume decreasing due to low-cost imports.

According to operators and distributors…

- A push to respond to CA regulations without clarity on where policy will land or what tools will be available to manage it.
- Antifog film / lids for cold cases.
- Baked in package entrée products.
- Change plastic lid of deli and salad containers to a "top seal," reducing the amount of plastic used per unit.
- Customers are price shopping more than ever!
- EPR expanding but also fragmented, as definitions, fees and allocation of resources may differ by State.
- Food and beverage products delivery direct to customers.
- Fragmented legislative requirements continue to expand in the US and International.
- Growing list of chemicals of concern, but no details on acceptable thresholds to activate packaging innovation accordingly.
- Inconsistent definition of recyclable, compostable and plastic free packaging leaves little options to enable compliance - in particular California requirements.
- More sustainable options.
- Packages for food applications uses microwaves, TurboChef ovens, etc.
- Paper cutlery and straws.
- Products without trays (vacuum-sealed/packed chicken) in film instead of EPS foam and or rigid trays.
- Re-ignited focus on Plastic Free given Treaty discussions.
- Reusable packaging emerging as an option to reduce waste, but without commitments to infrastructure.

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- Sustainability - minimal materials, label claims, designing for recyclability. Interactive Packaging - QR codes, instagrammable moments, solo dining and snacking and packaging with convenience for occasion.

Question: What trends are you seeing with raw materials used for foodservice packaging?

According to raw material and machinery suppliers…

- Another trend is the increasing interest in bioplastics. While manufacturers are eager to find more sustainable solutions, regulatory restrictions often slow down progress.
- Biobased materials.
- Compostable packaging continues to gain popularity.
- Fiber based or products that look fiber based. Have had brands tell me that they had a sustainable option but received negative consumer feedback as the product looked too much like plastic.
- Fiber based packaging - Banning of Single use plastic - Bio based resins - water based coatings.
- Flat to declining for industrial compostable.
- Identifying compostable material options that are scalable and economical.
- Increased desire for renewable based resins.
- Increased interest in raw material certifications (fiber sourcing, compostability).
- Less plastic, more paper/biodegradeable products.
- Lot of talk about PCR, bio-based alternatives, or compostable materials. No real action outside of a few early movers that are dedicated to this space. Industry is ready to move, but cost and availability of clean PCR streams remains a headwind to growth.
- Marginal cost increases.
- More fiber, barrier coatings to compete with higher performing materials. Move away from petrochemical based materials.
- More mention of health issues related to micro plastics.
- More paper/fiber based, less film/ plastic.
- More paper/cardboard.
- More recycled content, documenting recycled content.
- My company focuses on molded fiber, I generally see less foam in the marketplace.
- Paperboard/molded fiber with functional barrier for plastic replacement opportunities.
- Plastics and packaging materials costs all up higher.
- There’s a growing demand for products made with recycled materials, but many consumers don’t fully understand why this is important or what ‘recycled content’ actually means.
- We have also been pulled into more conversations that seek materials that minimally are industrial compostable as well as options for reusables application that could be certified compostable.
- We’ve witnessed a significant effort in controlling inventories at the customer level.

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- While witnessing increased interest in compostable based offerings, development is not paying the bills yet, for the brands involved we are supporting their inquiries.

According to converters…

- Again, imports are beginning to show increased activity.
- Alternative coatings - what's the next thing out there that will get you to plastic free claims.
- Away from foam and multi-substrate, towards recyclable plastics, paper and fiber.
- Bio-resins other than PLA.
- Changes to cheaper/more affordable substrates.
- Chemically recycled PP, although chemically recycling is under duress.
- Compostable.
- Corrugate and poly bag increases.
- Desire for increased compostable options.
- Development of plastic free or compostable coatings.
- Eliminating Acrylic from coatings, bio wax on wraps.
- End-users of plastic recycled content developing in-house recycling operations to guarantee access to raw materials.
- EPR: Extended Producer Responsibility.
- Foreign materials being sourced and converted by domestic converters.
- Increase in sustainable offerings. Moves away from polystyrene.
- Increase use of fiber-based materials.
- Increased demand for certifications (to cover both material source and end of life), paperization of packaging with increased paper demand, increase in natural fiber demand.
- Legislators will attempt to include PCR and source reduction mandates in EPR bills.
- Manufacturers investing in sustainable material supply sources.
- Migration from EPS to other plastics (PET, PP, HDPE).
- Molded fiber packaging without PFAS.
- Monomer and polymer capacity continues to expand in NA and should be in excess supply position for next several years. Investments from many raw material suppliers.
- More brands removing PFAS (or claiming they've removed PFAS); operators choosing lower cost options.
- More Demand for none PE, Compostable (PLA) and PCF paper board.
- More recycled content, more renewable content.
- Move toward bio-based or renewable resources as feedstock for raw materials. Within this, a lot of innovation around lab-produced (like PHA), or also seeing incorporation of post-consumer recycled content (PCR) for fossil fuel based plastics. 100% virgin plastics are deemed okay if the product is designed for reuse.
- Moving away from colors to clear or white plastics (help with recycling).
- Need to consider "alternative" materials which lower costs and improve food safety.

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- Non-PE paper coatings.
- PCR content for thermoforming applications remains tight.
- PCR content requests are increasing.
- People are still searching for the right sustainable products, especially in areas like California where the new PS foam ban will be in effect in 2025.
- Plastic packaging - continues to have a strong presence in the market.
- Polypropylene products continue to grow faster than other plastic materials.
- Polystyrene banishment; new fibers.
- Pressure to use greener materials while reducing costs.
- Pricing for raw material has stayed relatively flat over the last 6 months.
- Pricing seems to be stabilizing.
- QSR's committed to eliminating the use of plastics in their stores. Disposable packaging moving from plastic to paper.
- Raw material pricing for our segment has been fairly stable to slightly declining.
- Recycled and recyclable demand plus truly compostable (plastic and PFAs free) materials.
- Recycled/bio-circular resin certifications.
- Renewable materials from certified sources will progressively replace fossil based raw materials.
- Resin stable.
- rPET Recycled content.
- Shift from foam materials to either a recoverable plastic alternative or paper item.
- Smaller converters are increasingly sourcing or at least considering overseas suppliers because of cost. However, the quality and variability of these materials is questionable, and tends to lead those same converters back to the more expensive but more reliable domestic options.
- Strong transitioning from traditional polymer usage in coated paper products and plastic products, to more sustainable options (i.e. compostable polymers).
- Sustainable materials.
- Targeting of certain material types (particularly plastics).
- Trending materials.
- With rising consumer demands for sustainable packaging solutions while maintaining food safety and preservation, raw material innovation will play a key role.

According to operators and distributors…

- Environmental concerns associated with packaging materials.
- Favorable outlook for fiber-based packaging vs. plastics.
- Foam in decline, moving to alternative material ahead of legislation.
- Focus on sourcing a higher percentage of recycled content, a lower total weight package, and the use of more sustainable materials.

- More marine friendly.
- Proliferation of new bioplastics, moving beyond PLA.
- Push to move to unlined fiber even though that's not tenable in many applications.
- Shift to paper containers for chilled products and pulp entrée packages or trays for meals.
- Utilization of biomass raw materials.
- White and natural colors; easy to recycle by not using coloring (black).

Question: What trends are you seeing with machinery that converts foodservice packaging?

According to raw material and machinery suppliers…

- Automation still in high demand.
- Cost of capital has had an influence on buy decisions.
- Embedded traceability systems.
- Heavy price pressures from low cost imports from Asia.
- Higher throughput forming rates have become standard across the industry.
- Investing in polypropylene.
- Molded fiber gaining steam.
- More automation.
- Optical systems for quality checks.

According to converters…

- Automation.
- Film technology: TETR resealable film, puncture resistant film, film seal on molded fiber.
- Focus remains on low-cost manufacturing and inline inspection equipment.
- Higher cost of machines, higher labor costs, as much as 25%+ in the last three years.
- Increase in automation.
- Large demand as converters have invested heavily in growth.
- Lead times for equipment seem to be shorter.
- Limited exposure to machinery, but I am seeing more and more automation.
- Long lead times. Also, much more machinery coming from China.
- Lower energy machines, new material capabilities.
- Machine manufacturers have to incorporate eco-friendly approach in their machinery development. In that perspective machines that will reduce energy, contribute to greenhouse gas emissions and/or over-utilization of water resources, will represent the new standards.

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- More automation investments; ongoing threat of labor issues.
- More competitive pricing, due to economic downturn.
- More foreign options that are lower cost and shorter lead time.
- More innovation - coatings, quality.
- Normal trend. no major changes in trend.
- Speed, and automation.
- Spending on new equipment is down versus prior years.
- There is an increasing trend to ask for paper converting machinery to produce foodservice packaging that has, until now, been made from plastics. Not all of the requests are possible, but the trend remains and the inquiries keep coming in. The same is true for lids. Examples: baby formula packaging, medicines (pill bottles), yogurt containers, single serve and multi-portion yogurt (likewise, e.g. sour cream, cream cheese), single serving cereals, etc.
- Towards extending useful life, output and energy efficiency.

According to operators and distributors…

- Modified atmosphere packaging (MAP) to extend shelf-life and reduce food waste.
- Optimize package designs to minimize material usage.

Question: What trends are you seeing within the foodservice distribution community?

According to raw material and machinery suppliers…

- Acceptance of low barrier paper containers that may allow grease staining to pass through them.
- Carbon footprint reduction goals.
- Distributors are creating their own sustainability programs for the products they offer. This includes getting certifications, using recycled materials, sourcing responsibly, and doing thorough sourcing background checks. As a result, their product choices have led to an increase in the production of these eco-friendly products.
- For everyday foodservice ware, we seek distributors supporting end users request for sustainable solutions. This is different when it was all about a low cost regardless of the product. Cost matters - but sustainability has a vote at the table.
- Greenwashing
- Influx of Asian imports
- Less plastic, particularly less EPS.
- More considerations for onshoring manufacturing vs importing is being considered. Cost and knowledge of manufacturing vs a distribution model is key factor in determining path.
- More packaging weight.
- People are asking for sustainable options but only willing to explore them if they perform like plastic and are comparable in costs.

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- People want easy to go food options.
- Questionable claims of compostability
- RF tags are getting more popular.

According to converters…

- "Only upon request" restrictions on certain products.
- Carrying less inventory (more just in time), due to economy and inventory carrying cost reductions.
- Concerns and challenges with California mandates.
- Consolidation.
- Consolidation continues!
- Consolidation in distribution.
- Consolidation. Re-focus on private brands.
- Consolidations with large distributors growing larger.
- Continued consolidation.
- Distributors want to push their private labels and are less likely to push a national brand. More distributors are working with manufacturers that import or are trying to import their product directly.
- Eco-friendly.
- Expansion of private label product lines and continued push to grow private label sales.
- Foodservice distribution companies are requiring participation from their suppliers to help with their goals toward more social and environmental responsibility. Specifically, there has been a big push for distribution companies to request/require suppliers to commit to green initiatives.
- Foodservice distribution is prioritizing private label (own brands).
- Gap increasing for recyclable and compostable recovery.
- Growth in e commerce, focus on value, efficient logistical solutions.
- Growth of ecommerce as a source for researching & purchasing disposable packaging.
- Heavy movement to directly importing.
- High levels of consolidation. Price competition is heating up.
- Increased importance of online options and Jan San; lack of understanding at broadline.
- Increased requests for more ecommerce interaction with suppliers.
- Influx of foreign materials on commoditized products. Private label moving to foreign materials/suppliers.
- Labor shortages, including drivers.
- Movement away from domestically produced to foreign produced products. Particularly on the more commoditized items.
- Not aware of any sizeable trends.
- Not involved in distribution.
- One-stop-shops growing, many distributors looking for importers that can offer basket of products to supply so that they can reduce resources internally concerning shipping and customer service.

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- Stock levels continuously rebalancing.
- There is growing interest in testing and evaluating reusable containers.
- Towards ease of transactions, away from multiple layers of selling.
- While many eco-friendly packaging options are already available, QSR are becoming more and more aware of the importance of introducing recyclable sustainable alternatives to prevent possible restrictive government (central/local) regulations and to match the evolving demands of consumers. Be equipped to manage separate packaging waste collection coupled with full recycling of it within their restaurants premises will be essential.

According to operators and distributors…

- Awareness of the coming regulatory pressure but lack of policy knowledge to navigate it.
- Growing complexity given regulatory environment, proliferation of new SKUs, labelling requirements and new materials.
- Implement technology that enables real-time inventory management.
- Predict demand patterns and identifying potential disruptions.
- Purchase certified recyclable food service ware if possible.
- Purchase products made with recycled content materials that are accepted in the local recycling program.
- Strategic sourcing and price negotiation.

Question: What trends are you seeing within the foodservice operator community?

According to raw material and machinery suppliers…

- Community involvement. . . to drive traffic.
- Inflation is hurting the consumer - Scaling back - Nobody is willing to pay more for “more sustainable” packaging. - Bans are coming, but alternatives are not equal from a cost standpoint.
- Localized promotions, tailored offers – driven by “smart” loyalty programs.
- looking for advancement in efficiencies all around that includes packaging. perhaps base and lid items instead of clamshells to save space when plating food. And I would call it the addition of “layers” for those in collegiate/stadium- venue operations. Layers are “groups” that will align suppliers to end users and secure a cut of proceeds if successful from both the end user and the final approved supplier(s).
- Organic and fresh appealing packaging.
- Return of breakfast/breakfast deals.
- Rising cost of labor and lack of employees, both skilled and unskilled, is most important issue.
- Store automation investments.
- VALUE focus.

According to converters…

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- Changes to drive-thru models to increase speed, dedicated lanes for mobile order pickup.
- Consolidation of foodservice packaging at operators.
- Consumer purchase patterns are shifting - dayparts visiting, items purchased, value & cost consciousness.
- Consumers are trading down from full-service to more affordable limited-service options.
- Continued focus on dedicated pick-up areas, particularly for 3rd party delivery drivers.
- Cost driving decisions.
- Demand for sustainable packaging will keep growing. Manufacturers are responding. developing sustainable foodservice packaging, including recyclable, compostable, and biodegradable cups, containers, trays and bowls.
- Eco-friendly.
- EPR and ESG focus as reporting becomes mandatory.
- Financial strains due to labor cost.
- Focus on cost and performance.
- Focus on cost reductions while feeling more and more salary pressures from employees.
- Focus on reducing costs to manage inflation, including smaller portions.
- Foodservice operators are revisiting goals related to packaging. They are pushing for detailed information about packaging impacts including beginning-of-life impacts, end-of-life capabilities, microplastics, chemicals of concern, and LCA data. They are also scrambling to understand the increasingly complex nature of packaging legislation.
- Industry employment increased but help is still needed. Many operators are struggling to fill openings. Operators are hiring gig workers to fill gap.
- Interest in exploring reusable options.
- Labor and raw material costs are driving smaller margins.
- More focus on innovation with sustainable packaging.
- More promotions to drive traffic in conjunction with “value meals”.
- More value meal offerings, promotions.
- Movement toward Pacts to set sustainability goals (e.g., Plastics Pact).
- Off premises dining.
- Operator footprints are getting smaller, need for great product variety and there is a need for speed of execution. Packaging design plays a critical role in helping operators solve this complex operating environment.
- Operators are looking for cheaper options to offset higher labor and food costs.
- Operators are looking to consolidate SKUs - minimize packaging. They are trying new limited time offers (LTOs) to increase traffic.
- Operators concerned about getting more people through their doors.
- Order through apps and technology for speed of service and labor reduction.
- Pressure to lower prices.
- Pruning of legacy liability leases and underperforming, larger dine-in locations.
- Reduced staffing. Significant pressure to reduce costs, to make up for reduced customer transactions.

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- Replaced by smaller footprint and designed for high percentage off-premise sales.
- Sales declining due to tight family budgets.
- Shifting Traffic: High costs are driving up menu prices, resulting in traffic shifting from restaurants to other segments.
- SKU consolidation is a big focus, all customers want to have a custom print products, compostable product and recyclable products are popular.
- Staffing continues to be a challenge.
- Supermarkets/C-Stores are focusing on packaging for ready-made meals and merchandising.
- Supply contingency; requiring increase in operational requirements (on time delivery, notifications, EDI, etc.).
- There has been an improved understanding of solutions that are truly sustainable/recoverable post-use versus products that "look sustainable." Consumers are becoming more knowledgeable, too.
- Towards profitability by paring down unprofitable brands or locations.
- Use of automation and technology.

According to operators and distributors…

- Contract manufacturing and private label, crafting custom sandwiches, wraps, burritos, burgers, fresh prepared meals, ready-to-eat foods.
- Growing trials on reusable packaging as an effort to reduce waste. Unclear outcome given the lack of infrastructure and challenging consumer behavior.
- Lack of clarity on how to comply=only partial compliance.
- Paper cutlery and straws (non-plastic).
- Reusables for the back room, such as bulk storage bins, condiments, etc.
- Sales of snacks, fried chicken, and other items in paper bags instead of plastic containers.

Question: Any other trends you are seeing that you'd like to mention?

According to raw material and machinery suppliers…

- An overall trend to assess reusables as the preferred solution.
- As recent EPA charts show - reusability is above compostability as an end use.
- Changes in certification and state laws and mandates. Often these are counter to each other and current practices. Very confusing.
- Combo restaurants + retail (example, Singapulah).
- Cost pressures from inflation impacting costs, and rising labor costs, combined with labor shortages leading to increased imports from low-cost zones.
- EPR momentum may stall after the current wave of legislation moves through state houses. I do not see any chance of Federal EPR as it stands today.

- Mass confusion due to every state, every municipality doing something different.
- One other trend is paper is seeing avenues/opportunities as a packaging material of choice being coated with sustainable materials addresses grease/other issues.
- The mass balance angle still has many pursuing this, but it is being challenged based on true impacts to what are traditional plastics.
- The request for certification that products are recyclable but the certifications are not always accurate for repulpability/recyclability. Have seen products with plastic in them receive certification but knows that no paper mill would touch that paper.
- Trace/tracking of ingredients, inventory management (AI).
- UN Global Plastics Treaty, even if unsigned by the US, can have major impacts on packaging materials and formats. Not enough people within the industry are paying attention to these negotiations and what it could mean to the industry as a whole.
- Unique ingredients and flavor combinations.
- Wood and paper. Incredibly flimsy cutlery. Cups and bottles are getting almost too thin.

According to converters…

1. Growing regulations and consumer concerns around all packaging will continue to put pressure on food service operators. This will add cost and reporting obligations.
2. "Shrinkflation" - offering smaller portions for the same previous price.
3. Continue influx of low-cost imports.
4. Increase in legislation driving change combined with changes in consumer behavior.
5. LCA/PCF data is not provided in a consistent matter, and is causing potentially misleading assumptions about different types of packaging. Consumers tend to believe LCA is the ultimate decision making tool, when important externalities associated with different packaging types are often not included in LCA calculations.
6. Legislative timelines and associated deliverables are becoming more tangible for producers, but confusion about key details is growing, too (who qualifies as a producer, what costs per substrate, etc.).
7. Legislative trends - PCR, Labeling, EPR, PFAS, Only by Request.
8. More consultants filling the need for operator procurement.
9. Next generations purchasing through technology (apps) linked to loyalty programs.
10. Reporting requirements for public companies is increasing as are the reporting requirements for global brands. That in turn impacts the requests sent to suppliers and foodservice packaging producers.
11. Self-serve is growing, which will transform how consumers interact with packaging.
12. Smaller QSR with no sitting (to-go only).

According to operators and distributors…

- Change the printed ink used in the packaging to vegetable-based ones.
- ESG initiatives: Environmental, Social, and Governance.

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- Refer to the United Nations 2030 Agenda and the Sustainable Development Goals (SDGs) Priority Issues, e.g. Materiality assessment for the SDGs initiatives to reduce plastic usage.
- SB54 in CA looks like a coming on all foodservice ware except unlined fiber.
- Shifts in labeling, is it really recyclable (the SPI identification number on the product reflects the material that is actually recyclable)?

SECTION 2:
ACCORDING TO FPI STAFF

The need for speed. How do we get there — and get there faster? The pressures weighing on the foodservice packaging industry are exhibited in several ways as we examine this year's trends. Sustainability and the principles of sustainable packaging are not new. In fact, we stopped considering sustainability simply a trend more than a decade ago. However, this year, the growing sense of urgency around packaging sustainability and the justification or rationalization of choices made in this space certainly is. Striving for sustainable packaging has gone beyond a "nice to have" or a "good for the environment" to a required, if not now regulated, part of doing business. Companies that set 2025 packaging goals are now feeling the pressure and re-evaluating. Transitioning entire systems with numerous stakeholders and considerations is a complex, time-consuming process that demands careful planning and realistic timelines. Now, new legislation is accelerating these schedules, creating growing pains and adding pressure across the industry.

The pressure isn't all bad in the drive toward new and innovative materials and products. These innovations help sustainability goals look new and fresh, all with the performance attributes that help keep items at temperature and last longer. Notable changes include new coatings for fiber items that can be reheated in the container later and mentioned shifting away from color additives (i.e., carbon black) 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 grappling with confusing and often conflicting approaches and targets. While not widespread, we are seeing a greater focus on reusable items for dining at restaurants, event venues and school foodservice operations that may also be tied to regulatory pressures and customer demand.

Making packaging choices has certainly become a more complex decision with a sliding scale of potential consequences surrounding them. Do companies switch portfolios from paper to plastics, plastics to paper, look at compostability, recyclability or all the above? Which attributes become the most important when selecting packaging that still has to perform at an acceptable price point in a down market? Add in another heaping spoonful of pressure.

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

Within the domestic marketplace, we also cannot fail to mention the continued trend in mergers, acquisitions and consolidation that has led to tighter competition in our industry.

To alleviate some pressure, automation in manufacturing has helped increase production and offset labor costs. Foodservice operators have also embraced automation to combat labor shortages and work within smaller footprint stores that only serve via drive-thru and delivery. We are even seeing this automation expand into vending machines at airports and train stations where a fully automated barista will make you a latte.

The last industry pressure woven within is consumer sentiments. In the face of increased economic pressures, consumers lack discretionary income. Additionally, the gap between at-home and away-from-home food pricing has left customers more selective about their restaurant choices — both in terms of where they dine and how often. Consumer frustration has created ripple effects up the supply chain, leaving many grappling with how to protect profit margins.

In contemplating the future, it’s clear that the foodservice packaging industry will encounter ongoing pressures. However, we view these challenges as opportunities to propel us forward, driving progress within our sector.

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