



STATE OF THE INDUSTRY

REPORT

2019 EXECUTIVE SUMMARY



FOODSERVICE PACKAGING
INSTITUTE®

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INTRODUCTION

Every year, the Foodservice Packaging Institute (FPI) conducts the State of the Industry Report to gather information about the industry. This survey reviews issues, such as changes to volume and profits, expansion and purchasing plans, opportunities and challenges facing the industry, etc. The survey, sent to both FPI members and non-members, represents the entire value chain in North America, including:

- raw material suppliers;
- machinery suppliers;
- converters;
- foodservice distributors; and
- foodservice operators.

Participation in the surveys is completely voluntary, and respondents can opt out of any question asked.

The results of this survey are compiled to create FPI's 20th annual State of the Industry Report.

In 2019, nearly 90 organizations from the foodservice packaging value chain in North America responded to the survey. Their responses were tabulated and published in a 46-page State of the Industry Report, which was distributed to FPI members and contributing participants only. What follows are the highlights from the 2019 report.

Please contact FPI's Natha Dempsey at ndempsey@fpi.org with any questions or to participate in next year's survey.

EXECUTIVE SUMMARY

According to the survey results, nearly two thirds of foodservice packaging manufacturers and suppliers experienced growth in volume, while more than 45 percent reported profit growth in 2018. This year, 76 percent of the industry expect volume expansion and 67 percent expect profit growth. Foodservice operators who responded also saw increased sales and were overwhelmingly optimistic that this trend would continue throughout 2019.

In another positive sign for the industry, more than 60 percent of the North American manufacturers reported another year of corporate expansion plans through construction of new facilities, expansion of current facilities, and mergers and acquisitions. Similar to previous years, more than 75 percent of North American converters also plan to purchase machinery in 2019.

Respondents overwhelmingly view the fast casual sector as the greatest area for market expansion. This is due to the increased number of fast casual options, quality food offerings and value to their customers. Areas such as supermarket / grocery stores and delivery services are also noted as opportunities for market expansion because of the popularity of being able to grab products on-the-go or delivered. New this year, respondents also view convenience stores as an area of expansion as they try to compete with quick serve restaurants and become an eating destination.

North American converter and supplier respondents once again have varied opinions on the top challenges facing the industry. Overall, environmental issues took center stage, showing up along with traditional business issues, like labor and government legislation / regulation. The results highlighted five common challenges facing the industry (ordered from most to least important):

1. Public perception of packaging or foodservice packaging as “waste.”
2. Lack of qualified labor.
3. Recovery / end-of-life options for foodservice packaging.
4. Increasing government legislation / regulation.
5. Environmental activism.