

Volume, Profits Rise for Foodservice Packaging Manufacturers

Food Packaging Institute

Falls Church, Va. — Encouraging sales and growth in 2013 has led foodservice packaging converters, raw material and machinery suppliers, as well as foodservice distributors and operators, to forecast optimistic industry circumstances for 2014, according to an annual survey conducted by the [Foodservice Packaging Institute](#) [1] (FPI).

More than 80 FPI members and invited guests, including members of FPI's sister association, [Pack2Go Europe](#) [2], shared their successes in 2013 and their concerns for the future that might hinder industry growth. Changes to sales volume and profits, expansion and purchasing plans, opportunities and challenges were collected.

“For 14 consecutive years, FPI has produced a State of the Industry Survey that encompasses the entire foodservice packaging value chain in North America and also includes data from European converters to offer a more global view,” said Lynn M. Dyer, president of FPI. “By reporting on industry developments, we can better serve our membership and the industry at large.”

Nearly 60 percent of foodservice packaging manufacturers and suppliers experienced growth in volume, and nearly 50 percent saw growth in profit last year. This year, two-thirds of the industry expects volume expansion and 60 percent anticipate profit growth. Over three-quarters of foodservice operators predict sales to increase by year-end, although many reported that this past winter's harsh weather played a role in reduced sales traffic in the first quarter.

In another positive sign for the industry, more than half of the North American and European manufacturers reported plans to grow their companies this year through construction of new facilities, expansion of current facilities and mergers and acquisitions.

When considering growth potential during the next five years, respondents expect market expansion in convenience stores, fast casual and quick service chain restaurants. Many believe the potential for growth is imminent because of the demand for immediacy in busy and on-the-go lifestyles.

North American and European converter and supplier respondents highlighted five common challenges facing the industry:

1. Increasing raw material costs.
2. Margin compression.

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3. Public perception of packaging or foodservice packaging as “waste.”
4. Global economic recession / recovery.
5. Mergers and acquisitions.

North American foodservice operators noted increased competition and rising commodity costs as two challenges they face, and foodservice distributors expressed concern over more manufacturing consolidation.

Complete survey results are distributed to FPI members and contributing participants only.

ABOUT FPI: Founded in 1933, the Foodservice Packaging Institute (FPI) is the leading authority for the North American foodservice packaging industry. FPI encourages the responsible use of all foodservice packaging through promotion of its benefits and members' products. Serving as the voice of the industry to educate and influence stakeholders, FPI provides a legal forum to address the challenges and opportunities facing the foodservice packaging industry. Members include foodservice packaging manufacturers and their raw material and machinery suppliers, restaurants, grocery and convenience stores, distributors and nearly 50 school districts, colleges and universities. Learn more at www.fpi.org [3].

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<http://www.foodmanufacturing.com/news/2014/06/food-service-packaging-survey-reports-optimistic-2014-results>

Links:

[1] <http://theSalesNetWorkInc.pr-optout.com/Tracking.aspx?Data=HHL%3d%3f09%2fA%26JDG%3c%3d2%3c081.LP%3f%40083%3a&RE=MC&RI=3746944&Preview=False&DistributionActionID=12398&Action=Follow+Link>

[2] <http://theSalesNetWorkInc.pr-optout.com/Tracking.aspx?Data=HHL%3d%3f09%2fA%26JDG%3c%3d2%3c081.LP%3f%40083%3a&RE=MC&RI=3746944&Preview=False&DistributionActionID=12397&Action=Follow+Link>

[3] <http://www.fpi.org>