

Manufacturing • 31191

Snack Food Production in the US

Guilt-free: Profit will remain relatively stable, enticing new companies to enter the industry



Christopher Lombardo
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About

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Table of Contents

Standard Report

1. About This Industry	1	Imp.	18
Definition	1	Exp.	20
Codes	1	5. Geographic Breakdown	22
What's Included	1	Key Takeaways	22
Companies	1	Business Locations	22
Related Industries	1	6. Competitive Forces	26
Related Terms	2	Key Takeaways	26
Additional Resources	2	Highlights	26
2. At a Glance	3	Concentration	26
Highlights	3	Barriers to Entry	27
Major Players	3	Substitutes	28
Products and Services	3	Buyer & Supplier Power	29
Key External Drivers	3	7. Companies	31
Key Takeaways	3	Key Takeaways	31
SWOT	4	Companies	31
Industry Structure	4	8. External Environment	40
Executive Summary	4	Key Takeaways	40
3. Performance	5	Highlights	40
Key Takeaways	5	External Drivers	40
Performance Snapshot	5	Regulation & Policy	41
Current Performance	7	Assistance	42
Volatility	10	9. Financial Benchmarks	45
Outlook	11	Key Takeaways	45
Life Cycle	13	Highlights	45
4. Products and Markets	15	Cost Structure	45
Key Takeaways	15	Financial Ratios	47
Highlights	15	Key Ratios	51
Products and Services	15	10. Key Statistics	52
Major Markets	17	Industry Data	52
International Trade	18	11. Key Success Factors	54

About This Industry

Definition

The Snack Food Production industry specializes in creating a variety of snack foods, including potato and corn chips, pretzels, roasted and salted nuts, nut butter, popcorn and other related snack items that our consumers crave.

Codes

2022	31191-Snack Food Manufacturing
2022	311911-Roasted Nuts and Peanut Butter Manufacturing
2022	311919-Other Snack Food Manufacturing
2017	31191-Snack Food Manufacturing
2017	311911-Roasted Nuts and Peanut Butter Manufacturing
2017	311919-Other Snack Food Manufacturing

What's Included

- Producing nuts and nut butter
- Producing potato chips
- Producing corn chips
- Producing other snacks like popcorn, crackers and soft pretzels

Companies

- PepsiCo, Inc.
- Campbell Soup Co
- J.M. Smucker Co
- Conagra Brands, Inc.
- Kellogg Company
- Herr Foods Incorporated

Related Industries

Domestic industries

Competitors

- Cereal Production in the US
- Bread Production in the US
- Cookie, Cracker & Pasta Production in the US
- Tortilla Production in the US

Complementors

- Corn Farming in the US
- Plastic Film, Sheet & Bag Manufacturing in the US

International industries

- Snack Food Production in Canada
- Cookie, Cracker & Pasta Production in Canada
- Potato, Corn and Other Chip Manufacturing in Australia
- Potato Crisps & Snacks Production in the UK

Related Terms

NUT BUTTER

Spreadable foodstuff created by crushing nuts such as peanuts or almonds.

GLUTEN

A mixture of proteins found in wheat and other grains such as barley and rye. Individuals with Celiac disease cannot process gluten, which is also the ingredient that gives dough its chewy texture.

PREMIUM

When producers charge consumers a price for their product that is more than its nominal value.

ARTISANAL

Goods that are not made by machines, but rather involve a high degree of human labor and craftsmanship.

CLEAN WATER ACT (CWA)

A federal law enacted in 1972 that governs water pollution.

ECONOMIES OF SCALE

The boost in efficiency of production as the number of goods being produced increases.

Additional Resources

- [SNAC International](#)
- [The Peanut Institute](#)
- [Tortilla Industry Association](#)
- [Association of Food Industries](#)
- [BakeryandSnacks.com](#)

At a Glance

Revenue		Empl.		Businesses	
\$49.8bn	'20-'25 ↑0.0 %	62,352	'20-'25 ↑1.8 %	3,954	'20-'25 ↑4.6 %
	'25-'30 ↑1.5 %		'25-'30 ↑1.8 %		'25-'30 ↑3.3 %
Total Operating Income		Profit Margin		Wages	
\$5.7bn	'20-'25 ↑3.3 %	11.8%	'20-'25 ↑1.7 pp	\$4.2bn	'20-'25 ↑3.8 %
					'25-'30 ↑1.7 %

Five-year growth rates display historic and forecast CAGRs

➔ Major Players

Company	Revenue	Market Share
Pepsico, Inc.	\$19.8bn	39.7%
Conagra Brands, Inc.	\$4.6bn	9.3%
Campbell Soup Co	\$4.6bn	9.2%
Kellogg Company	\$1.8bn	3.6%
Other Companies	\$19.0bn	38.2%

⊕ Products and Services

Item	Revenue	Market Share
Nuts and seeds	\$14.5bn	30.1%
Potato chips	\$12.3bn	25.6%
Tortilla and corn chips	\$9.9bn	20.6%
Nut butters	\$2.1bn	4.3%
Other chips snacks	\$9.3bn	19.4%

⚙️ Key External Drivers

Key External Drivers	Impact
Per capita disposable income	Positive
Consumer spending	Positive
Total health expenditure	Negative
Price of corn	Positive
Trade-weighted index	Negative

Key Takeaways

Performance

- Healthier snacking trends drive innovation. Companies prioritize nutrient-dense and plant-based snack options to meet consumer demand. This shift requires innovative strategies in production and marketing to differentiate and capture market share in a health-focused landscape.
- Rising input costs challenge revenue growth. Volatile commodity prices have pressured snack producers, driving price increases and impacting sales volume. Companies are exploring vertical integration and alternative sourcing to stabilize costs and protect profitability amid global market fluctuations.
- Global expansion offers growth opportunities. Snack food exports are consistently expanding, buoyed by health trends and digital commerce. Producers capitalize on international markets by aligning with consumer preferences for healthier options and strategically utilizing e-commerce platforms to enhance global reach.

External Environment

- Various tariffs protect domestic snack producers from import competition. Tariffs such as rate quotas and nut tariffs safeguard local production and encourage domestic sourcing. This pushes snack producers to enhance local supply chains and invest in domestic agriculture.
- Financial programs support snack industry growth and innovation. Programs like those by the SBA and Food Supply Chain Guaranteed Loan Program provide crucial financial support to snack producers. These resources enable expansion, modernization, and improved product offerings to meet market demands.
- Private and public sector partnerships boost competitive positioning. Initiatives like SNAC International, private equity investments, and sustainable agriculture programs provide vital support in advocacy, finance, and sustainability. These initiatives strengthen operational efficiency and market positioning for snack producers.

SWOT

Strengths	High & Steady Level of Assistance
	Low Imports
	High Profit vs. Sector Average
	Low Customer Class Concentration
	Low Product/Service Concentration
Weaknesses	High Revenue per Employee
	High Capital Requirements
	High Revenue Growth (2019-2024)
	High Revenue Growth (2024-2029)
	High Performance Drivers
Opportunities	Consumer spending
	Low Revenue Growth (2005-2024)
	Low Outlier Growth
	Total health expenditure
Threats	

Industry Structure

Characteristic	Level	Trend
Concentration	Moderate	
Barriers To Entry	Moderate	Steady
Regulation and Policy	High	Steady
Life Cycle	Mature	
Revenue Volatility	Moderate	
Assistance	High	Steady
Competition	Moderate	Steady
Innovation	Moderate	

Executive Summary

Guilt-free: Profit will remain relatively stable, enticing new companies to enter the industry

Snack food producers are undergoing a significant transformation driven by consumer preferences shifting toward healthier and sustainable options. The nuts and seeds segment alone accounts for over 30.0% of revenue in 2025, reflecting increasing demand for nutrient-dense, plant-based choices. Brands like KIND and Blue Diamond are innovating with nut-based products infused with probiotics and superfoods to meet this demand for snacks with functional health benefits. Companies are countering rising purchasing costs, fueled by agricultural price volatility due to geopolitical tensions, by diversifying supply chains and investing in efficiency-enhancing technology. They're also ramping up digital marketing efforts to stand out in a competitive, health-conscious market. Because of heightened volatility, producers have struggled to maintain steady sales growth, with revenue growing at a CAGR of less than 0.1% over the past five years, reaching an estimated \$49.8 billion in 2025.

Heightened competition has prompted innovation as top snack producers pivot to emphasize health and wellness. Eco-friendly packaging and sustainable sourcing are becoming critical strategies for maintaining relevance and securing long-term revenue streams. Companies like Frito-Lay and General Mills have broadened their offerings with gluten-free and vegan options. Notably, Frito-Lay's "Simply" line saw a 15.0% sales climb in 2024, underscoring the impact of consumer demand for healthier alternatives. However, rising input costs pose significant challenges, especially for key commodities like corn and wheat. To stabilize, producers are pursuing vertical integration and alternative sourcing. While average snack producer profit are expected to recover to 12.3% in 2025, intensified operational costs, including wages, are pressing companies to optimize strategies for profitability amid growing competition from imports and a preference for exotic flavors.

Over the next five years, the industry will continue being shaped by the unrelenting demand for health-conscious snacks. By 2030, the health-food market is expected to generate \$42.0 billion, driven by an interest in low-sugar, high-protein and plant-based options. Sustainability will be a linchpin for industry transformation, with eco-friendly packaging set to double by 2030. As regulatory pressures mount, companies embracing sustainable practices will likely navigate more smoothly, gaining a competitive edge from environmentally-conscious production. The industry's success will hinge on innovation, supply chain resilience and the integration of diverse, sustainable ingredients. Revenue will climb at a CAGR of 1.5% over the next five years, reaching \$53.6 billion in 2030.

Performance

Key Takeaways

Healthier snacking trends drive innovation. Companies prioritize nutrient-dense and plant-based snack options to meet consumer demand. This shift requires innovative strategies in production and marketing to differentiate and capture market share in a health-focused landscape.

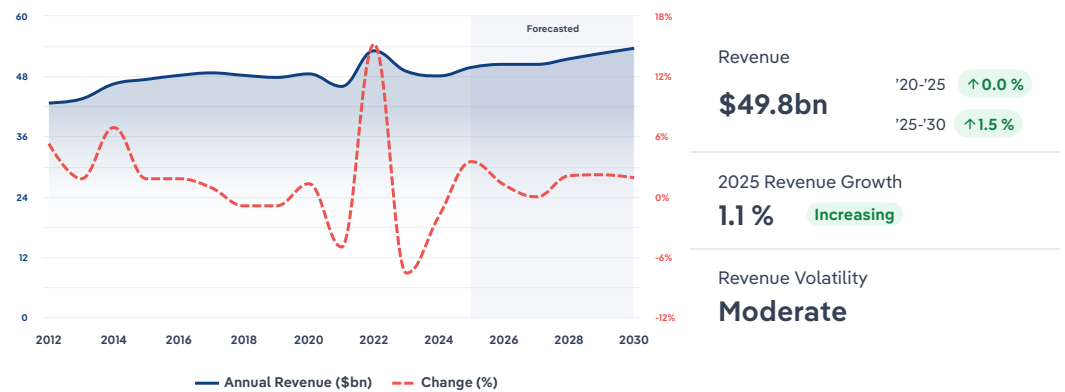
Rising input costs challenge revenue growth. Volatile commodity prices have pressured snack producers, driving price increases and impacting sales volume. Companies are exploring vertical integration and alternative sourcing to stabilize costs and protect profitability amid global market fluctuations.

Global expansion offers growth opportunities. Snack food exports are consistently expanding, buoyed by health trends and digital commerce. Producers capitalize on international markets by aligning with consumer preferences for healthier options and strategically utilizing e-commerce platforms to enhance global reach.

Performance Snapshot

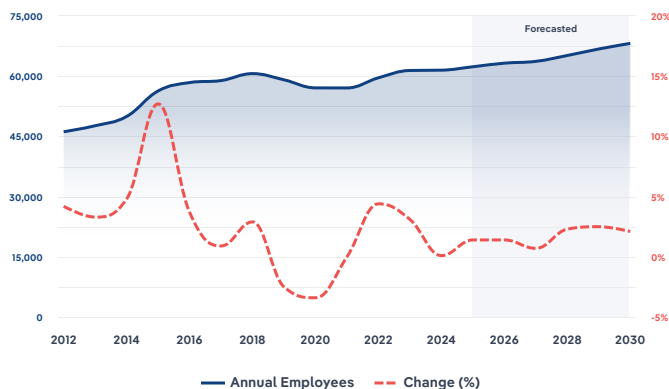
Revenue

Total value (\$) and annual change from 2012 – 2030. Includes 5-year outlook.



Empl.

Total number of employees and annual change from 2012 – 2030. Includes 5-year outlook.



Empl.

62,352

'20-'25 **↑ 1.8 %**

'25-'30 **↑ 1.8 %**

Employees per Business

16

'20-'25 **↓ 3.2 %**

'25-'30 **↓ 1.6 %**

Revenue per Employee

\$782k

'20-'25 **↓ 0.7 %**

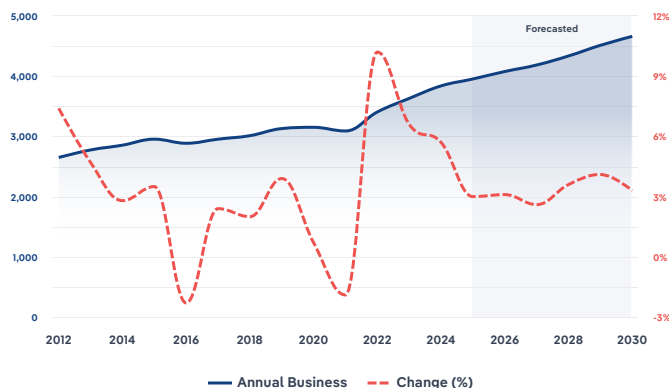
'25-'30 **↑ 0.1 %**

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Source: IBISWorld

Business

Total number of businesses and annual change from 2012 – 2030. Includes 5-year outlook.



Businesses

3,954

'20-'25 **↑ 4.6 %**

'25-'30 **↑ 3.3 %**

Employees per Business

16

'20-'25 **↓ 3.2 %**

'25-'30 **↓ 1.6 %**

Revenue per Business

\$12.5m

'20-'25 **↓ 3.9 %**

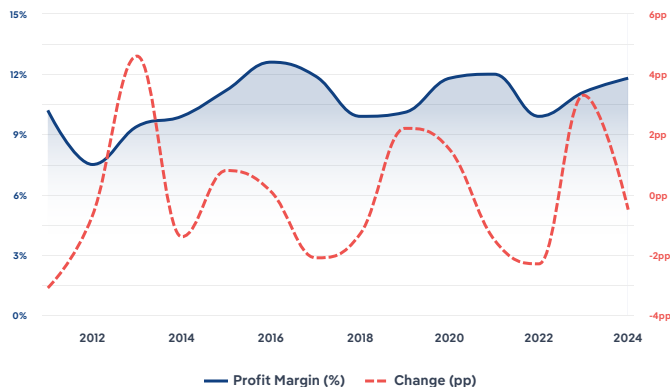
'25-'30 **↓ 1.4 %**

IBISWorld

Source: IBISWorld

Profit Margin

Total profit margin (%) and annual change from 2012 – 2030



Total Profit

\$5.7bn

'20-'25 **↑ 3.3 %**

Profit Margin

11.8%

'20-'25 **↑ 1.7 pp**

Profit per Business

\$1.5m

Current Performance

↑ 2020-25 Revenue CAGR 0.0%

What's driving current industry performance?

Healthy snacking trends redefine revenue trajectories and operational costs

- The surge in health awareness is fundamentally shifting consumer purchasing patterns, with the nuts and seeds segment now leading the industry by contributing an estimated 30.1% of snack food revenue. Buyers increasingly prefer nutrient-dense, plant-based options, reflecting broader lifestyle shifts toward healthier living. Brands like KIND and Blue Diamond exemplify this trend, continually innovating with nut-based snacks infused with probiotics and superfoods to meet consumer demand for functional health benefits, simultaneously influencing operational costs.
- Producers increasingly pursue cost-efficient innovations to offset rising purchasing costs driven by the demand for premium ingredients. Though purchasing costs are set to decrease slightly from 45.4% of revenue in 2020 to 45.2% by 2025, recent agricultural price volatility, prompted by geopolitical tensions, has pushed companies to diversify supply chains, negotiate long-term contracts and invest in technologies that enhance efficiency and stability. For example, global wheat prices surged more than 30.0% during Russia's invasion of Ukraine, necessitating strategic sourcing adaptations.
- Increasing marketing expenses also play a role in adapting to consumer trends. Marketing accounts for 1.2% of revenue in 2025, slightly up from 1.1% in 2020 and underscoring the essential role of sophisticated marketing strategies in differentiating healthier snack offerings in a competitive market. Digital marketing, influencer partnerships and social media campaigns become focal points for enhancing product recognition and promoting brand strength.
- Trends in the potato chip segment reflect the move toward health-focused options, impacting both production and marketing strategies. While healthier alternatives gain ground, initiatives like low-sodium and non-GMO offerings show the need for sustainability efforts, such as compostable packaging, to stay relevant and sustain revenue.
- By optimizing supply chains and leveraging targeted digital marketing efforts, companies are positioned to align with evolving consumer preferences and maintain market share. This ongoing transformation underscores both the opportunities and challenges facing the snack food industry in a health-conscious era, balancing the need for cost efficiency with innovative consumer engagement strategies.

Heightened competition drives increased innovation among the top producers

- According to a 2024 McKinsey report, 60.0% of domestic consumers now prioritize health and wellness in their snack choices, a substantial increase from 45.0% in 2020. Despite this, balancing health benefits with taste remains a challenge for manufacturers, exemplified by the discontinuation of Kellogg's low-sugar Pop-Tarts.
- Companies are aggressively reformulating and innovating to cater to diet-health connections and varied dietary preferences, including gluten-free and vegan diets. Leading producers such as Frito-Lay and General Mills are broadening their product lines to include healthier

options. Frito-Lay's "Simply" line achieved a notable 15.0% sales boost in 2024, demonstrating the impact of consumer demand for healthier snack alternatives.

- The increased competition in the industry is propelling innovations, positioning the largest producers to respond swiftly to evolving consumer preferences and maintain a competitive edge. For instance, RXBAR diversified portfolios and invested in product development to align with consumer preferences, leading to an impressive 18.0% increase in protein-rich offerings. Hippeas' chickpea puffs reported a 25.0% sales jump in 2024, driven by rising demand for high-protein, gluten-free snacks.

Snack producers struggle to generate steady revenue gains amid rising costs and changing preferences

- Snack food producers have faced significant revenue volatility because of sharp escalations in input costs, particularly for essential commodities like corn and wheat. Droughts and rising global competition for resources led to corn prices surging 54.2% in 2021, followed by a 25.2% increase in 2022. Meanwhile, geopolitical tensions prompted a 35.5% spike in wheat prices in 2022, further straining financial stability for producers.
- In response to pricing shocks, snack companies such as PepsiCo raised their snack prices by 17.0% in 2023. However, this resulted in a 10.0% drop in volume sales, reflecting consumers' sensitivity to pricing and their turn toward less expensive options, like private-label brands.
- Producers are beginning to seek stability through strategies like vertical integration and sourcing alternatives. Frito-Lay's initiatives, which involve partnerships with Midwest corn farmers and exploring ingredients like cassava and chickpeas, exemplify steps toward mitigating commodity price volatility and achieving more predictable production costs.
- As supply chain pressures gradually ease, the industry's commitment to sustainable and cost-effective sourcing remains vital. Snack food companies are focusing on adaptability to brace for ongoing market challenges and future volatility, recognizing the importance of leveraging these strategies to maintain competitiveness and financial resilience in an unpredictable environment. By exploring these avenues, producers aim to stabilize both their supply chain operations and cost structures over the long term, which is essential for riding out periods of volatility.

Global health trends and digital shifts expand the international market for producers

- Despite fluctuations in domestic revenue growth, snack food exports have exhibited fairly consistent expansion over the past five years. Exports will reach \$2.0 billion by 2025, contributing 4.0% to industry revenue, an increase from 3.4% in 2020. The growth amplifies resilience amid domestic volatility and the support new markets can provide.
- Global health and wellness trends are a crucial driver. Like domestic buyers, international consumers increasingly seek healthier snack options like protein bars and nut mixes. Companies such as PepsiCo have leveraged this trend by innovating their product lines and expanding to over 35 countries, enhancing their international footprint and revenue stability.
- Asia's snacking market has grown significantly recently, with countries like China and Korea increasing the purchase of domestic snacks by more than 50.0% annually in some years. Snack producers targeting these emerging markets can seize the opportunity to meet the rising demand for diverse and convenient food products, leveraging this growth potential.
- E-commerce platforms like Amazon and Alibaba are essential for broadening market access and bolstering brand presence globally. The shift towards direct-to-consumer models not only enhances branding opportunities but aligns with growing consumer demand for sustainable and ethical snacks, crucial for capturing market share in highly regulated regions like Europe. By tailoring flavors and collaborating with local influencers, snack companies are positioning themselves to tap into diverse international markets effectively despite the inherent complexities of global trade.

Production giants leverage stability, while smaller companies grapple with fluctuating costs

- The average snack producer's profit is estimated to reach 12.3% in 2025, a modest recovery from 11.8% in 2020. This improvement comes despite major fluctuations in key input costs. After reaching historic highs due to geopolitical events like Russia's invasion of Ukraine, prices for essential commodities such as sunflower oil and wheat have begun to stabilize.
- In 2025, crop prices will drop by 3.0%, providing some relief and enabling smaller producers to recover from a profit dip to 9.9% during peak volatility. Nonetheless, the largest companies, including PepsiCo and Campbell, have consistently posted profit above 20.0%. These producers effectively navigate price volatility, drawing upon their scale to secure stable supply chains and negotiate favorable contracts, which smaller producers struggle to achieve.
- Wage costs are also exerting pressure on the average producer's operations. As smaller companies enter the market, focusing on artisanal snacks that require more manual labor, wage expenses have increased from 7.0% of revenue in 2020 to an estimated 8.5% by 2025. Higher wage costs reflect the competitive pressure these companies face to attract and retain skilled workers, particularly as larger companies continue to rely on automation to maintain cost controls.
- Rising operational costs pressure producers to optimize their strategies, necessitating innovation in product development and cost management. While established giants continue to dominate, small-to-medium players must navigate the dual pressures of input costs and wage inflation with strategic adaptations to maintain profitability.
- Ballooning market share concentration, with the top four producers controlling 64.5% of the industry in 2025, underscores the competitive challenges faced by smaller producers. These conditions create barriers to entry, urging smaller companies to pursue niche markets and

innovate with differentiated offerings. Industry leaders continue pursuing growth through strategic acquisitions, leveraging brand strength to maintain and expand their market dominance.

Domestic consumers demand exotic flavors, prompting a boom in import competition

- Imported snack brands increasingly captured the interest of domestic consumers. Since 2020, imports have expanded to account for an estimated 3.9% of domestic demand in 2025. The influx of international snacks is becoming a considerable competitive force against domestic producers. This growing preference for exotic flavors fuels a need for US producers to reassess their strategies to maintain market share.
- The swift rise of imports from Asia and Latin America, with countries like Vietnam and India becoming major importers in recent years, is altering the competitive landscape. Vietnam's imports alone surged 22.1% in 2024, highlighting the momentum these regions have gained. As a result, domestic manufacturers face mounting pressure to diversify their product lines and appeal to adventurous consumer tastes that increasingly favor global flavors.
- The surge in Mexican snack imports, which now account for about 35.0% of total imports, underscores the challenge for domestic companies to distinguish their offerings. The streamlined import process due to geographical proximity further enhances the competitiveness of Mexican products, calling for domestic brands to strategically invest in novel ingredients and flavors.
- Recent import trends emphasize a transformative phase for the snack food industry, compelling companies to innovate actively to protect their market position. This includes strategic investments in localized production and the adaptation of global flavors, as seen in PepsiCo's \$77.0 million facility expansion in Mathura, India.
- By aligning with changing consumer tastes and efficiently navigating the complex import landscape, domestic producers can better compete with the rising tide of international snack offerings.

Uneven growth causes snack food production to underperform the broader manufacturing sector

- The snack food production industry, generating \$49.8 billion in 2025, stands as an important but relatively small segment within the broader food manufacturing sector. The nearly \$7.0 trillion manufacturing sector has outpaced the industry, driven by technological progress, increased demand for durable goods, and reshoring efforts, while snack production has struggled to maintain steady sales gains.
- Snack companies face challenges related to input cost volatility and limited supply chain flexibility. For instance, dependence on volatile agricultural commodities like corn exposes the industry to price surges, such as the 25.2% increase in 2022. In contrast, broader manufacturing leverages diversification strategies and technology to reduce supply chain disruptions, enhancing resilience.
- The snack industry's focus on consumer-driven innovation, such as plant-based and gluten-free snacks, contrasts with the broader sector's tech-centric advancements in areas like AI and 3D printing. These differences influence growth rates as manufacturing sees faster productivity gains through technological adoption.
- To narrow the growth gap, snack producers may need to explore diversifying supply sources and embracing automation where feasible. By aligning more closely with technological advancements seen in broader manufacturing, the snack industry can bolster its performance and sustain competitiveness amid evolving market dynamics.

Volatility

Moderate

What influences industry volatility?

Volatile input costs and supply chain issues drive snack food revenue fluctuations

- Snack food producers have struggled with sharp rises in input costs and persistent supply chain disruptions over the past five years, which have heightened revenue volatility. Extreme weather events, geopolitical tensions and pandemic-related labor shortages drove significant surges in key ingredient prices. For example, corn prices escalated by 54.2% in 2021 and 25.2% in 2022, driven by droughts and increased global demand, while geopolitical factors led to a 35.5% spike in wheat prices in 2022.
- Heightened price fluctuations pressured snack food sales, with companies like PepsiCo raising key snack food prices by 17.0% in 2023. This resulted in a 10.0% decrease in volume sales as consumers turned to more affordable options like private-label brands. Despite recent price reductions, the declines have not fully compensated for previous spikes, maintaining cost pressures on producers.
- Producers are increasingly seeking long-term stability through strategies such as vertical integration and alternative sourcing. Frito-Lay's partnerships with Midwest corn farmers and exploration of cassava and chickpeas reflect efforts to mitigate vulnerability to volatile commodity prices, ensuring more consistent production costs.
- As supply chain pressures ease, the industry's focus on sustainable sourcing and cost-effective substitutes remains crucial for managing future volatility and adapting to ongoing market challenges.

Sustainability efforts heighten revenue volatility for snack food producers

- The shift toward sustainability is reshaping the snack food industry. According to studies from the Food Industry Association, 76.0% of consumers claim food product transparency is important and drives purchasing decisions, up from 69.0% in 2018. This trend drives significant changes in production practices, as seen with Mondelez International's commitment to 100% recyclable packaging in 2025 and sourcing cocoa via fair-trade practices.
- The transition to sustainable operations often incurs elevated production costs, exerting pressure on producers. Companies face challenges in balancing these increased costs against inconsistent consumer willingness to pay premium prices for sustainably produced products, contributing to revenue volatility.
- The market remains fragmented, with some consumers prioritizing eco-friendly products while others lean toward affordability, further complicating the industry's financial landscape. These conditions necessitate strategic adaptability to successful implementation, as companies must navigate consumer preferences and competitive pricing dynamics to achieve revenue stability while meeting sustainability goals.

Health-focused snack trends challenge traditional producers' adaptation to consumer preferences

- The rise of health-conscious trends is contributing to revenue volatility as consumers increasingly prioritize nutritional benefits in their snack choices. Research from Whisps shows that 79.0% of US adults will express a desire for healthier snacks in 2023. This shift toward plant-based, low-carb and high-protein options is driving market changes.
- In recent years, nut and seed-based products, along with corn chips and baked potato chips, have gained favor with consumers, who increasingly shun more traditional varieties like classic potato chips or pork rinds. This transition creates opportunities but also challenges for traditional snack producers, who face pressure to innovate or risk revenue declines.
- Economic conditions influence these trends; in prosperous times, consumers opt for premium, health-focused snacks. Conversely, economic downturns can drive a return to lower-cost, traditional options. The need for clean ingredients and complex manufacturing processes further stresses profit margins, as seen with higher production costs for healthier products.
- Companies like Mondelez International exhibit adaptive strategies, reporting a 5.0% revenue boost from healthier snacks after acquiring Hu Master Holdings in 2021. However, traditional players like Frito-Lay struggle to balance conventional and new offerings, emphasizing the necessity for agility and adaptation.

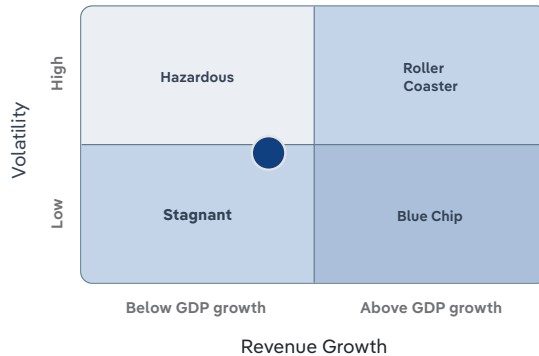
Snack producers ride consumer trend rollercoaster unlike the steadier broader manufacturing sector

- Snack food producers contend with greater volatility than the broader manufacturing sector despite often performing better overall. This difference is fueled by the snack industry's sensitivity to consumer preference shifts and discretionary spending, which can be fickle and difficult to predict. The manufacturing sector's dependency on durable goods and technological advancements facilitates longer revenue cycles, reducing its exposure to swift preference changes.
- Fluctuating consumer trends, such as the surge in plant-based and high-protein snacks, create rapid demand changes, accentuating volatility. In contrast, the broader manufacturing sector benefits from diversified product lines and stable demand from industrial markets, offering a buffer against short-term economic fluctuations.
- Economic conditions heavily impact snack revenues, prompting varying consumer preferences, which create sales growth and decline. For example, the 15.1% revenue growth in 2022 was driven by price adjustments rather than volume sales; sales of meat-based snacks dipped by

more than 10.0%, but the product segment's sales jumped around 1.0%.

Stagnant

Industry volatility vs. revenue growth (2018-2025 CAGR)



☆ Key Success Factors

How do successful businesses overcome volatility?

Incorporate long-term sales contracts

Successful snack food producers limit market volatility by using long-term sales contracts. These contracts offer price stability and secure a predictable revenue stream, allowing producers to better manage supply chain disruptions and fluctuating ingredient costs.

Supply contracts in place for key inputs

Securing long-term contracts with key raw material suppliers reduces supply volatility, ensures fixed prices and enhances production planning. This approach helps companies maintain stable operations and manage financial risks effectively, reducing costs and improving operational efficiency.

Outlook

↑ 2025-30 Revenue CAGR +1.5%

What's driving the industry outlook?

Health-conscious consumer demands show no signs of slowing

- The health-conscious snack market is set to expand rapidly and outpace traditional snack categories. This growth, driven by consumer preferences for low-sugar, high-protein, and plant-based options, signals a continued shift in manufacturers' product development focus.
- By 2030, the health-conscious segment will reach nearly \$42.0 billion, reflecting strong demand for snacks that align with healthier lifestyles. This includes increasing popularity for subcategories like plant-based snacks and those fortified with functional ingredients such as probiotics and vitamins.
- Key demographic groups like Millennials, Gen Z and health-focused families are leading this trend. Their preference for clean-label and transparent products is compelling manufacturers to invest in innovation that aligns with these values, such as reducing artificial ingredients and emphasizing organic sourcing.
- Major snack companies will respond by diversifying their portfolios, often through acquisitions, to include healthier options. Traditional giants will face competition from niche brands like Kind Snacks and RXBAR, prompting strategic moves to incorporate health-conscious products into their lineups through both internal development and the acquisition of popular health-focused brands.
- As manufacturers innovate to meet demand, challenges will likely arise in balancing taste and cost with health benefits. Reformulating

snacks to reduce sugar and sodium often impacts flavor, while premium ingredients drive up production costs. Additionally, regulatory compliance regarding labeling and health claims will continue presenting unforeseen hurdles.

Sustainability and eco-friendly packaging will drive industry transformation

- The snack food industry is poised to undergo significant changes, largely driven by an increased focus on sustainability and eco-friendly packaging. As of 2023, approximately 25.0% of snack packaging used sustainable materials, a figure that will reach 50.0% by 2030. This shift will be spurred by growing consumer demand for environmentally conscious products, with surveys indicating that 65.0% of domestic consumers are willing to pay more for sustainably packaged snacks.
- Regulatory pressures will likely intensify, with policies such as California's SB 54 requiring recyclable or compostable packaging by 2032. Companies that proactively adopt sustainable practices will better navigate these regulatory landscapes, potentially avoiding fines while enhancing brand reputation.
- The competitive landscape will be reshaped as major brands significantly invest in sustainability initiatives. PepsiCo, for instance, aims to cut virgin plastic usage by 2030. Emerging brands leveraging eco-friendly practices as competitive differentiators, such as Alter Eco, will continue to challenge industry giants, fostering innovation and diversity in packaging solutions.
- Despite the higher initial costs of eco-friendly packaging materials, such as biodegradable films, which cost 20-30% more than plastics, the long-term economic benefits make the transition promising. Increased consumer willingness to pay and potential savings in waste management and transportation costs will offset these expenses, contributing to improved profitability.
- The shift will also propel innovation in material science, encouraging developments like bio-based plastics and advanced recycling technologies. These innovations will facilitate more scalable and cost-effective sustainable packaging solutions.
- Industry-wide collaborations will be needed to address challenges, including limited recycling infrastructure and consumer education gaps. Partnerships with NGOs and packaging suppliers can help improve the scalability and effectiveness of eco-friendly solutions.

Input prices will ease in the short-term but volatility is a heightened potential

- Climate change, geopolitical tensions and rising global demand will continue to shape the price of snack food production's key inputs. Essential ingredients like corn and wheat are expected to endure less volatility shortly. Still, ongoing price fluctuations are likely, with historical surges of more than 50.0% for corn in 2021 as an indicator of future trends.
- To mitigate these price volatility challenges, snack manufacturers are likely to explore alternative ingredients, reformulate products and diversify production lines. Ingredients such as chickpeas and lentils will become popular substitutions for pricier staples like wheat and corn, while innovations in product formulations will help maintain margins without sacrificing taste.
- Companies will adopt diverse supply chain strategies, such as diversifying suppliers and investing in vertical integration. By sourcing ingredients from multiple regions and securing direct partnerships with growers, manufacturers aim to reduce reliance on single supplies and regions. This will also involve the strategic use of hedging to buffer against price volatility.
- The industry's competitive landscape will evolve, favoring larger producers with resources to withstand cost pressures and invest in supply chain resilience. Simultaneously, niche brands focusing on alternative or sustainably sourced ingredients will gain traction, as will retailers expanding private label offerings to provide cost-effective alternatives.
- Although initially expensive, investing in resilience and efficiency will be crucial for long-term competitiveness. This could potentially lead to innovation-led economic benefits for adaptable companies.

Proposed tariffs could reshape snack food industry dynamics

- If President-elect Trump's proposed tariffs, including a 20% duty on imported foods and beverages, are implemented, they could drive up costs for essential snack ingredients such as nuts, fruits and spices. Specifically, ingredients like garlic and apple juice concentrate, heavily sourced from China, would see substantial cost increases, potentially squeezing profit for producers relying on these imports.
- The introduction of a 60.0% tariff on Chinese imports would strain the snack industry's supply chain. This is crucial for companies using Chinese-origin ingredients, making alternative sourcing critical to managing heightened expenses. Such moves may necessitate a strategic pivot to more domestic or diverse international suppliers to sustain production levels without inflating prices.
- With potential 25.0% tariffs on Canadian and Mexican imports, domestic supply chains could face disruptions. These tariffs could alter the availability of key ingredients traditionally sourced from these countries, prompting manufacturers to fortify or redevelop existing supply infrastructures to remain competitive.
- Despite cost challenges, these tariffs could empower domestic producers by reducing foreign competition. As the price of imported snacks rises, domestic snack makers might gain a competitive edge, encouraging an expansion in domestic production capacities and strengthening local market presence.
- Manufacturers may need to develop dynamic pricing models to adapt to new cost structures and ingredient availability, adjusting snack prices in response to fluctuating input costs. Enhanced focus on localized sourcing and cost management will become integral, driving innovation in ingredient procurement and production strategies.

Life Cycle Mature

Why is the industry mature?

Contribution to GDP

Snack food production is a significant economic contributor, generating growth roughly in line with the broader economy and providing employment across production, distribution and retail sectors despite volatile sales over the past five years. By responding to both domestic and international demand, the industry enhances trade balances and showcases adaptability in global food markets, strengthening the economy overall.

Market Saturation

Despite strong brand loyalty and hefty marketing budgets of the largest snack food producers, consumers maintain a strong affinity for diversity in snacks, offering organic growth options for new and seasoned producers. Imported brands have taken notice and are ramping up penetration into the domestic market.

Innovation

The industry thrives on constant innovation, with companies routinely launching new products to align with evolving consumer trends. This adaptability and emphasis on product diversification highlight a dynamic phase in the industry's life cycle, sustaining consumer interest and fostering competitive growth.

Consolidation

Acquisitions define industry trends, with large conglomerates expanding into new markets by buying niche producers. This consolidation activity signals a maturity phase where growth through mergers and acquisitions becomes a strategic path for companies to diversify and strengthen presence.

Technology & Systems

Advancements in technology focus on optimizing production processes, aiming for efficiency and cost reduction. This emphasis on fine-tuning, rather than groundbreaking innovation, reflects a mature stage where the industry leverages technology to maximize existing capabilities rather than overhaul current systems.

Life Cycle

Indication of the industry's stage in its life cycle compared to similar industries



*Growth is based on change in share of economy combined with change in establishment numbers

Products and Markets

Key Takeaways

The nuts and seeds segment is the top revenue generator. Health-conscious trends and consumer demand for nutrient-dense snacks drive innovation with probiotics and superfoods, emphasizing sustainability and ethical sourcing. This focus boosts market appeal and accessibility.

Potato chips remain a cornerstone of snack food revenue. Innovations in healthier formulations and sustainable practices cater to health-conscious consumers. Flavor variety and premiumization keep the segment relevant and attractive.

Cultural ties bolster corn chip sales.. Despite price volatility due to events like droughts, they thrive from diversified sourcing and health-focused alternatives. Technological advances and savvy marketing enhance sustainability and engagement.

Largest Market

\$14.5bn Nuts and seeds

Product Innovation

Moderate

Products and Services

How are the industry's products and services performing?

Healthy, tasty and varied, nuts and seeds segment dominate snack food revenue

- The nuts and seeds segment generates an estimated 30.1% of snack food revenue and is the industry's leading revenue source. This growth is driven by rising consumer preferences for nutrient-dense, plant-based snacks, such as almonds and chia seeds.
- Health-conscious trends push brands like KIND and Blue Diamond to innovate with nut-based snacks infused with probiotics and superfoods. This focus on functional benefits meets the growing consumer desire for snacks that offer more than basic nutrition.
- Sustainability and ethical sourcing are crucial, with companies like Sahale Snacks prioritizing transparency and eco-friendly practices. Initiatives such as Sun-Maid's regenerative agriculture partnership highlight the importance of environmental responsibility in attracting consumers.
- Product diversification and innovation, including exotic flavors and seed-based snacks from brands like 88 Acres, expand the segment's appeal. The rise in e-commerce and dedicated "better-for-you" sections in stores further boosts accessibility and visibility, ensuring continued growth.

Potato chip segment remains a cornerstone of snack food revenue

- Accounting for 25.6% of industry revenue, the potato chip segment is a key player in the US snack market, with sales surpassing \$10.0 billion annually, driven by iconic brands like Lay's and Pringles.
- Once the dominating product segment, potato chips have ceded ground in recent decades to healthier options like nuts and corn chips. Health-conscious trends propel innovations such as "Lightly Salted" options by Lay's and non-GMO offerings by Kettle Brand, focusing on reduced sodium and clean-label formulations from simple, recognizable ingredients.
- Sustainability efforts, including Frito-Lay's regenerative agriculture

techniques and compostable packaging initiatives, align with rising consumer prioritization of environmentally responsible practices, fortifying the segment's future relevance.

- Flavor innovation and premiumization have helped keep the segment in consumers' minds, with campaigns like Lay's "Tastes of America" and artisanal offerings by brands such as Boulder Canyon attracting enthusiasts willing to pay more for high-quality and unique flavors.

Corn chip sales driven by cultural trends, ingredient challenges and tech innovations

- Corn chips are propelled by their cultural ties to Mexican and Latin American cuisines, frequently enjoyed during social occasions. This has been amplified by the "snackification" trend, with tortilla chips enjoying popularity as party staples alongside growing dip sales, leading the segment to generate 20.6% of revenue in 2025.
- Ingredient price volatility and supply chain disruptions continue to challenge the segment, highlighted by a 25.2% spike in corn costs due to 2022 Midwest droughts. Leaders like Frito-Lay mitigate this through diversified sourcing and long-term farmer contracts.
- Small, niche competitors are capturing market share with health-centric, artisanal offerings, prompting major brands to innovate further. Rising interest in vegetable-based and protein-rich snacks adds to the competitive landscape, challenging traditional corn chip dominance.
- Innovations in technology, such as AI-driven agriculture and air-popping, support sustainability and health trends. Meanwhile, brands leverage marketing campaigns that emphasize limited-edition flavors and cultural authenticity to engage consumers.

Health-focused diets and cultural nostalgia fuel other chip growth

- The "other chips and sticks" segment, including hard pretzels and

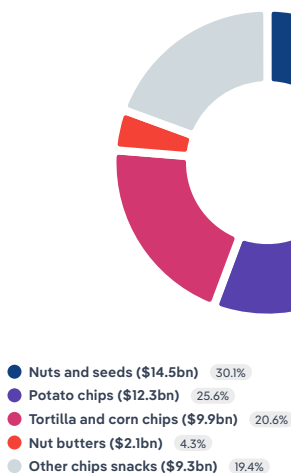
pork rinds, capitalizes on growing niche preferences for traditional snacks and popular dietary trends like keto, generating an estimated 19.5% of revenue in 2025.

- High-protein, low-carb snacks like pork rinds, embraced by brands like Mac's, ride the wave of health-focused diets. Popcorn taps into wellness trends, with gourmet flavors pushing popcorn sales to a projected \$2.5 billion in 2025.
- Challenges such as ingredient supply volatility, marked by events like the 2022 swine fever, demand strategic sourcing solutions to mitigate market fluctuations. Meanwhile, brands like Synders capitalize on 40.0% of consumers viewing pretzels as healthy snack options, according to a 2023 Mintel report.
- SkinnyPop's air-popping methods offer lighter, additive-free products that appeal to health-conscious buyers. Marketing strategies vary from nostalgia-driven campaigns to highlighting high-protein benefits, helping brands connect with diverse consumer bases.

mainly because manufacturers tout their impressive health benefits, such as heart disease prevention and improved digestion, and they are widely promoted in mass media.

Products & Services Segmentation

Industry revenue in 2025 broken down by key product and service lines.



IBISWorld

Source: IBISWorld

Peanut butter remains a staple

- Nut butters are spreadable foods created by grinding or crushing nuts into a paste. Common examples include peanut butter and almond butter. They offer a versatile and nutritious option, often rich in protein, healthy fats and vitamins, making them popular for snacks and meals.
- Peanut butter, derived from delectable, nutritious peanuts, is a favorite household staple among US consumers. It is widely enjoyed in various forms, including sandwiches, baked goods and smoothies.
- Nut butters like almond, peanut and cashew have garnered immense popularity among health-conscious consumers. This is

What are innovations in industry products and services?

Moderate

A boost in health consciousness drives the development of new products

- Newly launched snack products respond to the rising demand for healthier snacking options. Many consumers now seek more nutritious snacks like nuts and pretzels over unhealthy snacks.
- Various baked snack options have surged in popularity as they are often viewed as a healthier alternative to fried products. This is mainly because the baking process lowers the calorie content, helping consumers to maintain a balanced diet.

Consumers demand foreign tastes

- Through globalization and boosted import options, exposure to international snacks has drastically changed consumers' snacking preferences, as they are now more prone to try foreign flavors.
- The trend of imported snacks has significantly flourished, particularly with imports from South and East Asia penetrating the American market. American consumers are increasingly embracing these exotic flavors and unique snack options.

☆ Key Success Factors

What products or services do successful businesses offer?

Product differentiation

Many industry products are homogeneous. Product differentiation becomes crucial in driving demand for specific brands and items. This competitive strategy helps distinguish a product from similar offerings, making it essential for capturing and retaining consumer interest in a crowded market.

Invest in research and development

Snack food producers invest in research and development to enhance product success by innovating flavors, improving nutritional content and using advanced packaging. These efforts meet consumer demands, maintain market relevance and drive competitive advantages in a crowded market.

Major Markets

What's influencing demand from the industry's markets?

The wholesale market is vital for snack food distribution

- The wholesale market serves as a crucial bridge connecting snack food producers with large supermarket chains, grocery stores and retailers, making it responsible for 13.4% of revenue in 2025.
- Despite inflationary pressures, the segment has maintained robust demand for indulgent snacks and health-conscious options, including popular plant-based and gluten-free varieties, appealing to a wide range of consumer preferences.
- The market is slated for sustained growth, through 2025, fueled by emerging health trends, flavor innovations, and increasing sustainability demands as consumers prioritize eco-friendly products.
- Collaborations with retailers have expanded, particularly in the realm of private-label offerings, as exemplified by successful partnerships with brands like Costco's Kirkland Signature. Emerging brands continue to disrupt the market with unique and niche products.

Supermarkets and grocery stores remain integral to snack food revenue

- Representing 33.1% of industry revenue in 2025, supermarkets and grocery stores are pivotal as they provide a primary retail channel for snack food distribution, reaching a diverse consumer base.
- Inflation and rising costs led to price increases in snacks; however, demand remains resilient. Supermarkets have capitalized on this by expanding private-label offerings, such as Kroger's Simple Truth and Walmart's Great Value, appealing to cost-conscious consumers.
- Health and wellness trends have prompted supermarkets to diversify their snack portfolios, emphasizing healthier, plant-based, and sustainable options, meeting growing consumer demand.
- Supermarkets continue to shape the snack food landscape through innovation in flavor, sustainability practices and collaborations with producers to develop exclusive private-label products.

Convenience store market segment faces challenges

- Once a larger slice of the revenue pie, the convenience store segment will comprise 26.1% of the market in 2025, partially due to increased competition from alternate retail channels, including online grocery platforms that offer greater convenience.
- Consumer preferences have shifted towards healthier lifestyle choices, with traditional convenience store offerings like sugary snacks and drinks losing their mass appeal to more nutritious alternatives available in supermarkets.
- Technological advancements in e-commerce have diverted foot traffic away from physical stores, affecting the spontaneous purchases that convenience stores traditionally relied upon to drive snack sales.
- The rise of private-label and bulk-buy options in larger retail chains have drawn cost-conscious consumers away from convenience stores, impacting their overall share and forcing a re-evaluation of their market positioning.

Warehouse clubs and supercenters adapt to shifting preferences and invest in e-commerce

- Warehouse clubs and supercenters, such as Costco, Sam's Club and Walmart Supercenters, account for an estimated 27.3% of revenue in 2025. These clubs offer bulk purchasing options that appeal to cost-conscious consumers.
- These retailers offer a diverse array of products under one roof, making them a convenient one-stop shop for families. This enhances snack food visibility and encourages impulse purchases.
- Growth in private-label offerings has strengthened the segment's position, with brands such as Costco's Kirkland Signature providing value-driven and high-quality alternatives to national brands.
- Health and wellness trends have prompted these retailers to expand healthier snack options, attracting an increasingly health-conscious consumer base and solidifying their role as crucial channels for snack food producers.

Major Markets Segmentation

Industry revenue in 2025 broken down by key markets



IBISWorld

Source: IBISWorld

International Trade

Imp. Low Increasing

What are the industry's import trends?

Global taste preferences ignite a snack food import boom from Asia and Latin America

- Over the past five years, domestic snack food producers have contended with significant import growth, largely fueled by consumers' increasingly diversified tastes. The value of imports is set to sail from \$1.2 billion in 2020 to \$1.9 billion in 2025 \$1.9 billion in 2025, capturing 3.9% of domestic demand. This shift reflects a burgeoning preference for exotic flavors from diverse regions like Asia, Europe and Latin America. For instance, Japanese snacks such as Pocky and Mochi have found favor in major US retailers, capitalizing on their unique flavor profiles. Meanwhile, Korean snacks are riding the cultural wave of K-pop to gain popularity.
- Vietnam and India are rapidly increasing their share of the domestic snack food market. By 2025, Vietnam and India are expected to become the third- and fourth-largest importers of snack foods to the US, showcasing growth trends, with India's imports surging 22.1% in 2024 alone. Such developments are not going unnoticed by major domestic players; PepsiCo, for example, has invested \$77.0 million to expand a production facility in Mathura, India. The move allows PepsiCo to incorporate local ingredients, diversify its flavor profile and potentially circumvent tariffs from other regions.
- The globalization of taste signifies a transformative period for the snack food industry. Canada is still a major importer—the second-largest—but its losing ground. Meanwhile, the value of imports from the largest importer, Mexico, more than doubled since 2020, accounting for about 35.0% of total imports.
- Imported snacks are not just novelty items but staples that cater to the adventurous palates of modern consumers—a trend likely to continue shaping the market dynamics in the coming years. As more consumers seek new and exciting flavors, domestic producers will face increasing competition from international imports, urging them to invest in diversified ingredients and new product offerings.

Stricter allergen labeling drives increased demand for European and Australian snack imports

- Health and wellness trends are significantly altering consumer preferences and boosting the import of snacks perceived as healthier than those available domestically. European and Australian snacks, in particular, capitalize on their stricter food safety standards and minimal artificial ingredients. These regions emphasize the handling and awareness of allergens, making them attractive to individuals with specific dietary needs. Unlike the US, where labeling for allergens is limited to eight key items and precautionary allergen labeling (PAL) is inconsistent due to its unregulated and voluntary nature, Europe and Australia require labeling for more allergens and offer standardized

guidance for PAL.

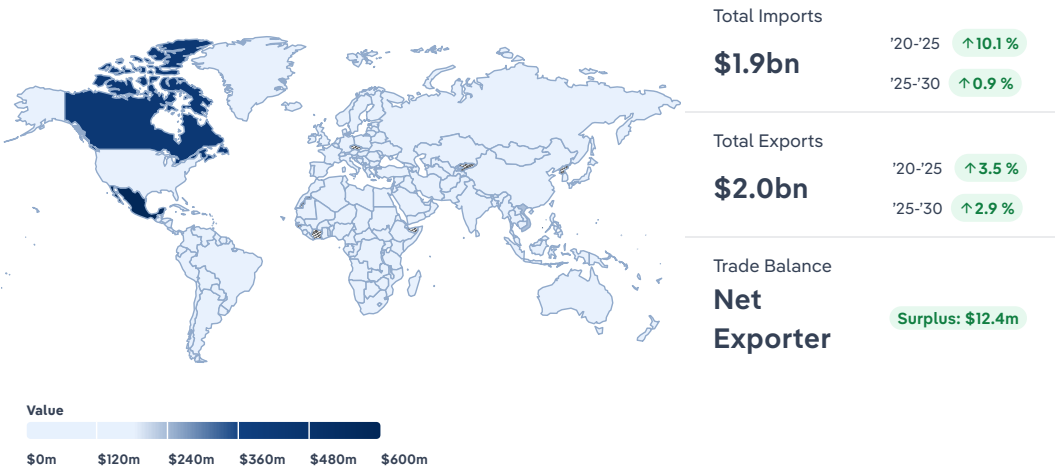
- Consumers increasingly opt for products from countries like Australia and Europe, where stricter local regulations ensure safer snack options. The growth of this trend underscores the broader health and wellness movement that directs purchasing decisions toward snacks with fewer artificial ingredients. According to the Asthma and Allergy Foundation of America, about 6.0% of the US population, or 20.0 million individuals, had food allergies in 2021 and the figure has only grown since then. IBISWorld estimates more than 34.0 million domestic consumers contend with some form of food allergies.
- Beyond simple dietary safety, Australian and European products often include labels identifying them as gluten-free, organic or containing natural sweeteners, which aligns well with consumer preferences for health-oriented products. These regions also integrate allergen management into comprehensive food safety frameworks, ensuring that consumers' dietary needs are systematically addressed.
- Investment in allergen-free and health-conscious production aims to capture this market, although it poses initial cost challenges for snack producers. Such facilities could offer domestic manufacturers a competitive edge in the long term, as the consumer shift toward healthy living continues to influence market trends. With European and Australian enforcement centralized, domestic producers might look to emulate such consistency to bridge gaps in perception. The demand for snacks with superior health profiles presents opportunities for domestic producers to innovate and invest in safe ingredient sourcing and preparation practices to meet the rising demand.

Digital commerce, sustainability and trade policies elevate international snack foods at home

- In recent years, the intersection of digital commerce, sustainability and strategic trade initiatives has reduced barriers for international snack producers, bolstering their presence in the US market. Digital platforms like Amazon and subscription services such as SnackCrate play significant roles in this evolution, offering consumers direct access to global snacks. The impact of social media influencers further amplifies these trends, as they popularize exotic flavors and create viral demand for imported snacks.
- Sustainability is another critical factor enhancing import growth. European brands have gained traction in the US by championing eco-friendly practices, appealing to the environmentally conscious segment of the market. Brands like Oatly have successfully penetrated the domestic market thanks to their sustainable product offerings and marketing strategies that align with green consumer values. As sustainability awareness continues to grow, imported snacks that emphasize ethical sourcing and eco-friendly packaging are likely to gain even more popularity.
- In addition to technological and environmental factors, trade agreements and tariff policies shape the import landscape. Agreements like the USMCA have streamlined the import of Mexican snacks, making them more competitive. Although tariffs on European products present challenges, they have not significantly deterred consumer interest in foreign snacks. Instead, these tariffs have prompted domestic producers to reevaluate their sourcing strategies, potentially benefiting countries like India and Vietnam.

International Trade: Imp.

Concentration of imports and exports from each country based on industry revenue:



Exp.

Low

Increasing

What are the industry's export trends?

Export growth fueled by health trends, digital shifts and strategic logistics adaptation

- Snack food production export's shown notable growth over the past five years, rising at a CAGR of 3.5%. By 2025, exports are set to hit \$2.0 billion, contributing 4.0% to industry revenue, up from 3.4% in 2020. This growth is partly fueled by global health and wellness trends, with consumers demanding healthier snacks like protein bars and nut mixes. Domestic juggernauts like PepsiCo have capitalized on this by innovating their offerings and reaching over 35 countries.
- The trade landscape plays a significant role in shaping export dynamics. The USMCA agreement has facilitated smoother exports to Canada and Mexico, boosting competitiveness in these key markets. However, trade tensions with China present challenges, particularly for nut exports facing retaliatory tariffs, necessitating strategic adaptations.
- Supply-chain disruptions in the early period highlighted vulnerabilities in the export process. Delays and rising shipping costs have underscored the importance of investing in more resilient logistics and diversified production strategies. Localization could offset these issues, enhancing both efficiency and export capability in the long run.
- E-commerce is transforming the international reach of domestic producers. Platforms like Amazon and Alibaba expand brands' global presence, while direct-to-consumer models offer greater control over branding and consumer interaction. This digital shift not only broadens access but also supports sustainability and ethical consumerism trends. US brands emphasizing eco-friendly practices are gaining global traction, driven by compliance with stricter regulations, particularly in the European Union. Flavor innovation further reinforces export growth, as companies tailor products to local tastes and collaborate with regional influencers to boost market presence.

Mexico provides a growing market for domestic producers

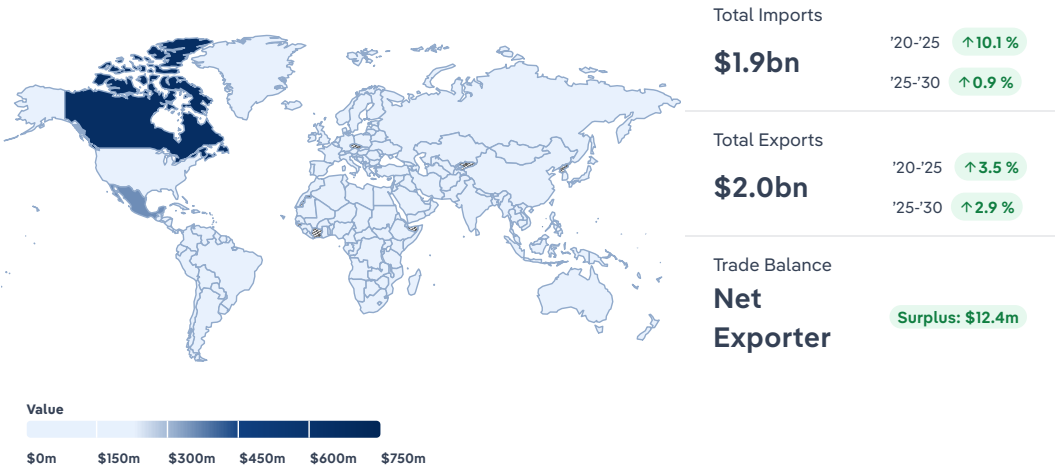
- Mexico's appetite for domestic snack foods is growing fast. The country is set to account for 19.1% of exports, a notable climb from 11.8% in 2020. The country's proximity to domestic producers makes trade cheaper and often quicker, offering a substantial competitive edge for domestic producers. The USMCA makes the process even smoother, reducing tariffs and limiting red tape.
- Despite the market's growth, producers contend with heightened price sensitivity and intense competition. Local producers have a strong grip on the market, particularly with traditional items like tortilla chips.
- Cultural connections play a big role, with Mexican consumers showing a liking for snacks like chips and candy. Names like Frito-Lay, Hershey's and Mondelez have capitalized on this, establishing a solid market presence. By adapting to local preferences and monitoring prices and competition, domestic snack companies can capitalize on this expanding landscape.

Snack food exports offer a unique view compared with the broader sector

- In 2025, exports will only contribute about 4.0% of the industry's revenue, largely due to strong domestic sales in a nation that's the largest consumer market for snack foods. The high local demand and brand loyalty mean that snack foods, unlike aerospace or industrial machinery, which can generate 50.0% or more of revenue from exports, see a lot of action at home. Cultural tastes and consumption habits make snack foods less globally adaptable, while other industries thrive on technical standards that easily traverse borders.
- Trade barriers and regulatory obstacles further complicate snack food exports. Tariffs, import restrictions and stringent labeling requirements can weigh down this industry, especially in Europe, where regulations are tight. In contrast, industries like aerospace benefit from international agreements smoothing over certain trade hurdles.
- Logistics pose additional challenges. Snack foods have limited shelf lives, necessitating seamless and costly supply chains to keep products fresh for distant markets like Asia. Broader sectors often sidestep such issues with durable goods and established supply chains that streamline global distribution.
- Domestic snack companies face fierce local competition abroad, which limits growth. Meanwhile, businesses in aerospace leverage technological prowess to maintain influential positions on the global stage. Though the snack industry proves resiliency during economic downturns, the broader manufacturing sector faces vulnerability to global economic shifts that impact export performance.

International Trade: Exp.

Concentration of imports and exports from each country based on industry revenue:



Geographic Breakdown

Key Takeaways

The western United States leads in snack manufacturing. California's favorable climate and agricultural resources give it a strategic advantage, but high costs and environmental risks are prompting diversification. E-commerce growth and climate challenges drive producers to decentralize operations.

The Mid-Atlantic and Southeast regions are emerging as prominent snack production hubs. Strong logistic networks and rich agricultural resources support growth, with a focus on healthier snack options. Higher operational costs and regional competition may impose constraints, but strategic locations provide advantages in infrastructure and market access.

The Southwest and Great Lakes regions offer unique opportunities due to agricultural and economic strengths. Texas's pecan production and the Great Lakes' corn and dairy resources support industry growth despite climate challenges. Water-efficient innovations and sustainable practices are crucial for mitigating climate risks and leveraging local agricultural abundance.

Business Locations

State	Estab. Units	Estab. %	Revenue \$m	Revenue %	Wages \$m	Wages %	Employment Units	Employment %
California	510	12.6	11,072.0	23.0	784.5	19.3	12,345	20.1
Texas	232	5.7	4,634.2	9.6	270.5	6.7	4,789	7.8
Pennsylvania	220	5.4	3,265.1	6.8	403.4	9.9	6,885	11.2
Ohio	121	3.0	1,499.4	3.1	186.0	4.6	3,442	5.6
Georgia	79	2.0	3,199.6	6.7	199.6	4.9	3,810	6.2
Indiana	51	1.3	3,039.8	6.3	201.1	5.0	3,420	5.6
Illinois	106	2.6	1,084.8	2.3	146.8	3.6	2,387	3.9
New York	103	2.5	1,056.2	2.2	84.5	2.1	1,799	2.9
North Carolina	70	1.7	2,262.0	4.7	128.1	3.2	2,449	4.0
Minnesota	70	1.7	533.9	1.1	133.3	3.3	2,513	4.1
Wisconsin	77	1.9	2,207.2	4.6	129.4	3.2	2,092	3.4
Michigan	78	1.9	359.1	0.7	51.1	1.3	816	1.3
Arkansas	37	0.9	1,660.0	3.5	113.5	2.8	1,987	3.2
Tennessee	28	0.7	1,131.4	2.4	132.0	3.3	1,992	3.2
Virginia	59	1.5	1,628.1	3.4	88.0	2.2	1,626	2.6
Florida	76	1.9	668.3	1.4	43.5	1.1	826	1.3
New Jersey	75	1.9	754.6	1.6	72.8	1.8	1,403	2.3
Kentucky	23	0.6	1,247.4	2.6	52.9	1.3	783	1.3
Oregon	70	1.7	479.1	1.0	39.0	1.0	842	1.4
Arizona	37	0.9	1,120.3	2.3	90.1	2.2	1,431	2.3
Washington	51	1.3	1,074.4	2.2	57.2	1.4	964	1.6
Massachusetts	53	1.3	388.2	0.8	39.6	1.0	553	0.9
Connecticut	25	0.6	731.6	1.5	70.5	1.7	1,250	2.0

State	Estab. Units	Estab. %	Revenue \$m	Revenue %	Wages \$m	Wages %	Employment Units	Employment %
Alabama	26	0.6	718.8	1.5	60.9	1.5	844	1.4
Colorado	47	1.2	593.9	1.2	45.1	1.1	680	1.1
Hawaii	41	1.0	69.5	0.1	8.5	0.2	361	0.6
Missouri	32	0.8	149.3	0.3	32.6	0.8	540	0.9
Utah	30	0.7	473.2	1.0	30.1	0.7	507	0.8
Maryland	21	0.5	378.6	0.8	38.3	0.9	719	1.2
Kansas	20	0.5	374.2	0.8	37.9	0.9	461	0.8
New Mexico	24	0.6	47.9	0.1	2.2	0.1	71	0.1
North Dakota	22	0.5	288.9	0.6	16.1	0.4	219	0.4
Nevada	19	0.5	219.7	0.5	19.9	0.5	356	0.6
South Carolina	18	0.4	214.2	0.4	21.5	0.5	283	0.5
Delaware	5	0.1	27.4	0.1	12.4	0.3	27	0.0
Oklahoma	16	0.4	69.1	0.1	4.4	0.1	76	0.1
Montana	18	0.4	21.5	0.0	0.2	0.0	18	0.0
Nebraska	12	0.3	33.9	0.1	6.2	0.2	124	0.2
Louisiana	15	0.4	65.3	0.1	1.9	0.0	40	0.1
Iowa	17	0.4	36.5	0.1	4.6	0.1	84	0.1
Maine	16	0.4	38.2	0.1	0.8	0.0	38	0.1
South Dakota	15	0.4	32.5	0.1	2.4	0.1	62	0.1
Vermont	14	0.3	26.1	0.1	0.1	0.0	14	0.0
Wyoming	14	0.3	25.4	0.1	1.0	0.0	34	0.1
Rhode Island	12	0.3	30.4	0.1	0.4	0.0	12	0.0
Mississippi	12	0.3	3.1	0.0	0.7	0.0	27	0.0
Idaho	12	0.3	20.9	0.0	0.4	0.0	12	0.0
New Hampshire	8	0.2	1.7	0.0	0.5	0.0	14	0.0
West Virginia	5	0.1	7.2	0.0	0.1	0.0	5	0.0
Alaska	5	0.1	6.9	0.0	0.1	0.0	5	0.0

Where are industry businesses located?

The West maintains leadership, but evolving cost and climate challenges prompt diversification

- The western United States leads in snack food manufacturing, holding around 26.1% of industry establishments. California, a standout in this region, contributes 19.5% alone due to its favorable climate and robust agricultural output, providing essential inputs like almonds and walnuts.
- California's strategic advantage lies in its balance between access to raw materials and proximity to consumer markets. Many facilities

are close to major urban centers, such as Los Angeles and San Francisco, which support efficient distribution networks enhanced by substantial port infrastructure.

- Despite California's current prominence, challenges such as high labor costs, strict regulations, and environmental risks like droughts and wildfires are prompting manufacturers to explore other areas. Producers are also motivated by lower expenses and the availability of diverse agricultural resources in these areas.
- The region's innovative spirit drives its focus on health and

sustainability, with brands like KIND Snacks and RXBAR thriving. However, the pressure of climate resilience and public scrutiny of water usage are pushing producers toward the adoption of eco-friendly practices and consideration of alternate sourcing strategies.

- As e-commerce rises, reducing the necessity for proximity to consumer hubs, there is an observable trend of decentralizing operations to improve supply chain resilience. Snack producers are setting sights on the Southeast and Midwest, fostering a more geographically balanced industry in 2025.

Big cities of the Mid-Atlantic drive demand

- The Mid-Atlantic region accounts for 16.0% of snack industry establishments, benefiting from proximity to major urban centers like New York City and Philadelphia. This location provides an extensive consumer base and efficient distribution channels for producers.
- Significant transportation networks, including major highways, railways and ports like Baltimore and Newark, enable snack producers to distribute products efficiently across the East Coast and beyond. Companies such as Utz Quality Foods use this logistical strength to enhance their market reach.
- Rich agricultural resources in the region provide essential ingredients, such as potatoes, corn and dairy. Pennsylvania is a major potato producer, attracting an estimated 8.1% of producers to the state and supporting brands like Herr's Snacks through reduced transportation costs and local sourcing.
- Rising demand for healthier snacks drives growth for brands offering organic, gluten-free and plant-based options. Companies like Late July Snacks focus on clean-label ingredients and sustainability to attract health-conscious consumers.
- Proximity to research institutions like Rutgers University and the University of Maryland promotes innovation and offers easy access to collaboration. These connections advance food science and technology, fostering the development of new products and giving participating producers a competitive edge.
- Although the region has higher operational costs and limited land, the Mid-Atlantic's strategic location and robust infrastructure make it a favorable hub. The growth of e-commerce and direct-to-consumer models will further enhance its role in the industry, driven by sustainability and innovation initiatives.

Snack production surges in the Southeast, fueled by economic and agricultural advantages

- The Southeast has seen rapid growth, accounting for 16.4% of industry establishments. This growth is driven by favorable economic conditions and abundant agricultural resources.
- States like Georgia, North Carolina and Tennessee offer competitive advantages, including lower labor and operational costs and business-friendly regulations, making them an attractive alternative to the West region, although none hold a dominant share.
- Thanks to its fertile lands and warm climate, the region supports key crop cultivation, with Georgia leading as the top peanut producer nationwide. This readily available access to locally sourced ingredients reduces transportation expenses and supports the growth of regional snack brands.

- Strategically located, the Southeast benefits from efficient logistics and distribution networks supported by significant transportation hubs like the Port of Savannah. This infrastructure facilitates easy shipping to domestic and international markets, making the region attractive for large-scale facilities like PepsiCo's Frito-Lay plant in Georgia.
- With consumers increasingly demanding healthier snacks, the Southeast's agricultural diversity is a boon. Ingredients like chickpeas and sweet potatoes enable smaller brands like Biena Snacks and GoGo SqueeZ to meet the exploding consumer demand for nutritious options.
- Challenges include regional competition and the threat of climate-related risks, like hurricanes and flooding. Nonetheless, its lower costs and expanding infrastructure continue to attract big names like Kellogg's and General Mills.

Great Lakes region asserts its role as a pivotal hub, boasting agricultural and strategic strength

- The Great Lakes region, home to approximately 16.0% of snack industry establishments, benefits from its central location and extensive transportation network. These link major cities like Chicago, Detroit and Cleveland to markets across the Midwest and Northeast. Ohio and Illinois are particularly significant, accounting for 4.7% and 3.9% of establishments, respectively.
- The region boasts rich agricultural resources, with Indiana and Illinois ranking among the top corn producers in the US. This supports corn-based snack production, while the Wisconsin dairy industry bolsters cheese snack output. Frito-Lay's facility in Frankfort, Indiana, exemplifies these locational advantages.
- Notable snack brands, including Snyder's-Lance and Shearer's Foods, operate extensively within the region, leveraging its agricultural and logistical strengths. Meanwhile, Angie's BOOMCHICKAPOP, though headquartered in Minnesota, benefits from the Great Lakes' corn production.
- Competition in the region has intensified amid climate-related risks like fluctuating weather patterns affecting crop yields. However, the region's lower operational costs and solid infrastructure continue to draw investment, ensuring the Great Lakes remain a key player, particularly with the climb of e-commerce and sustainable snack trends.

The Southwest offers unique opportunities for those willing to invest

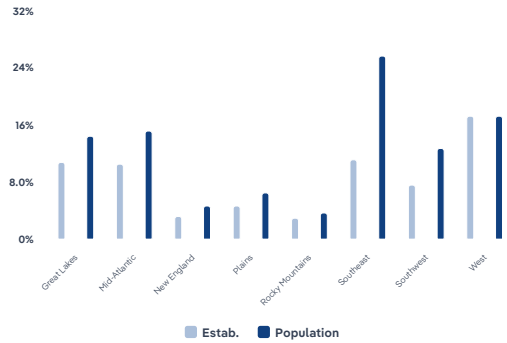
- The Southwest attracts 11.2% of snack food producers and is largely anchored by Texas, which accounts for 8.3% of the industry alone. Known for its favorable economic conditions, the region benefits from lower operational costs and business-friendly policies that attract established producers and emerging brands.
- The Southwest offers abundant agricultural resources, with Texas being a major pecan producer and other states contributing crops like chili peppers and sorghum. Local sourcing reduces transportation expenses and supports regional brands such as Justin's, which uses these resources. The climb of e-commerce enables brands to reach national audiences, with Beanfields and others expanding their consumer base beyond the region by using online platforms to offer health-centric options.
- The region's arid temperament and frequent droughts pose substantial threats to producers. Upstream, growers must employ innovative techniques to combat climate change, like the region's

almond growers, which employ drip irrigation systems to reduce water use. Since snack food production is often water-intensive, investments in water-efficient technologies are crucial, with companies like PepsiCo employing water-saving measures at Southwest facilities.

- Despite the high demand for healthier, plant-based snacks, brands leverage local ingredients like pecans and sunflower seeds for innovation. The region's rich cultural heritage, mainly Mexican and Tex-Mex influences, inspires bold, spicy snack flavors popular with local consumers. Brands like Herr's and F.Herr's have introduced region-specific flavors like "Chile Limón" to appeal to Southwest tastes.

West has the largest spread of businesses compared to its population

Share of Estab. (%) vs. share of population (%)



IBISWorld

Source: IBISWorld

☆ Key Success Factors

How do businesses use location to their advantage?

Operate in a location that is close to key suppliers

Snack food producers strategically locate near key suppliers to reduce transportation costs and ensure a stable supply of fresh ingredients. This proximity allows for faster turnaround times, improved supply chain efficiency and reduced risks of ingredient shortages.

Operate in a location that is close to key markets

Snack food producers strategically locate near key markets to reduce transportation costs and ensure product freshness. This proximity also allows them to respond quickly to market trends and consumer demands, enhancing their competitive advantage.

Competitive Forces

Key Takeaways

High entry barriers challenge new snack companies. Regulatory compliance, high start-up costs, and the need for differentiation create significant hurdles for new entrants in the snack market. Without strategic planning, achieving competitiveness is difficult.

Established brands leverage strong brand recognition. Companies like PepsiCo use brand loyalty and strategic acquisitions to maintain market dominance and introduce new products. This creates additional entry barriers for smaller competitors struggling for market visibility.

Supplier relationships and contracts provide stability. Successful producers manage buyer and supplier power through contracts and strategic pricing. This ensures consistent supply, cost stability, and the ability to pass on cost increases, aiding competitive advantage.

Concentration Moderate	Competition Moderate Steady	Barriers to Entry Moderate Steady
Substitutes High Steady	Buyer Power High Steady	Supplier Power Low Steady

Concentration Moderate

What impacts the industry's market share concentration?

Increasing market share concentration reshapes competitive dynamics

- Snack food producers are enduring growing market share concentration, with the top four companies now controlling an estimated 64.5% of the market in 2025. This growth signifies a more oligopolistic industry structure where a few powerful players dominate.
- PepsiCo's climb to a 33.2% market share underscores the impact of strategic brand management and operational efficiency, emphasizing the competitive advantage held by industry leaders.
- This trend has raised barriers to entry, as smaller companies and new entrants find it challenging to compete against established giants with vast resources and distribution networks.
- In response, smaller players may focus on niche markets or innovative product offerings to capture consumer interest, while established companies could pursue further mergers and acquisitions to solidify their market positions.

- Using established brand credibility, companies can seamlessly introduce new products or healthier alternatives under trusted names, as seen with PepsiCo's acquisition of BFY Brands to expand its better-for-you portfolio.

Strategic acquisitions reshape market dynamics and drive growth

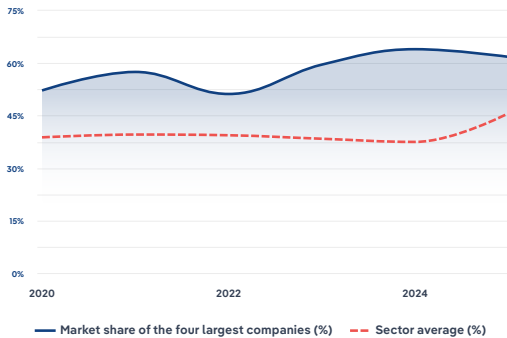
- Major players use strategic acquisitions to diversify product offerings and strengthen market positions. J.M. Smucker Co.'s acquisition of Hostess Brands for \$5.6 billion in 2023 expanded their snack portfolio with popular products like Twinkies and Donettes, showcasing how acquisitions bolster a company's market presence.
- These acquisitions often target emerging consumer trends. Mars's acquisition of Kind Snacks in 2020 and Mondelēz International's purchase of Hu in 2021 allowed both companies to tap into the growing health-focused snack segment, reflecting a strategic pivot towards healthier options.
- Acquisitions not only extend product lines but also enhance operational efficiencies through integrated supply chains and distribution networks. Conagra's acquisition of Pinnacle Foods allowed the company to combine snack brands with complementary product lines, highlighting consolidation benefits.
- The acquisition trend underscores the competitive landscape's evolving nature, pushing smaller players to distinguish themselves through unique offerings and innovative strategies to thrive amidst increasing market concentration.

Brand recognition reinforces the stronghold of industry leaders

- The power of brand recognition is crucial for industry giants like PepsiCo, whose well-established brands such as Lay's, Doritos and Cheetos contribute significantly to its market dominance. In 2022, Frito-Lay North America's \$21.1 billion revenue highlights the financial impact of brand familiarity and loyalty.
- Recognizable brands allow these companies to differentiate their offerings and demand premium shelf space in retail stores. This not only strengthens their market position but also creates entry barriers for smaller competitors striving for visibility.

Market Share Concentration

Combined market share of the four largest companies in this industry



☆ Key Success Factors

How do successful businesses handle concentration?

Economies of scale and scope

Successful companies leverage economies of scale and scope to lower per-unit costs, spreading production expenses across a large volume and diverse range of products. This efficiency allows them to reduce costs and maintain competitiveness in the market.

Develop a wide and expanding product range

Product innovation is crucial for maintaining market share and driving demand. It aims to differentiate goods and reduce direct competition. Companies can attract customers and set themselves apart in the marketplace by introducing unique features and improvements.

Barriers to Entry

Moderate

Steady

What challenges do potential industry entrants face?

Legal

- Navigating legal barriers requires meticulous attention to regulatory standards. New entrants must adhere to FDA regulations concerning food safety, labeling and manufacturing practices. Securing permits at multiple government levels is essential. Non-compliance risks hefty fines and costly recalls, which can significantly impact financial stability and company reputation.

Start-up Costs

- Start-up costs pose a formidable challenge as initial capital is crucial for acquiring state-of-the-art production equipment and securing manufacturing facilities. Prospective entrants must consider costs for raw materials, packaging solutions and workforce training. Without sufficient funding, new companies risk inefficient operations, limiting their competitiveness in the saturated snack market.

Differentiation

- Differentiation poses a significant barrier as new snack companies struggle to forge a unique brand identity in an industry dominated by established giants. Building brand recognition requires strategic marketing, creative packaging and unique product offerings. Without these, attracting consumer attention and cultivating loyalty becomes challenging in a rapidly shifting market landscape.

Labor Expenses

- The industry relies on manual labor to operate machinery. Larger producers possess sufficient capital to invest in labor-saving machinery and lower per-unit costs because of economies of scale and scope.

Labor Expenses

- Labor expenses present a considerable barrier for new entrants who depend on manual labor for production. Unlike established players, newcomers lack the financial capacity to invest in automation that reduces long-term costs. Consequently, smaller operations face higher per-unit labor costs, making it difficult to compete with larger companies benefiting from economies of scale.

☆ Key Success Factors

How can potential entrants overcome barriers to entry?

Develop a skilled labor force

Snack food producers can overcome entry barriers by training a skilled labor force and implementing continuous development programs. This approach ensures high product quality and efficiency, enhancing their competitive edge in the market.

Develop links with suppliers

Snack food producers can overcome entry barriers by forming strong relationships with reliable suppliers and securing high-quality ingredients at competitive prices. This consistent production and market positioning strategy enhances competitiveness in a crowded marketplace.

Substitutes

High

Steady

What are substitutes for industry services?

Fruits and other healthier alternates

- Consumers have a plethora of snacking choices. Food industry products such as cookies, crackers and packaged goods must compete with healthier alternatives like fruits, yogurt and delicious frozen novelties for consumers' attention and preference.
- Despite the widespread innovation in the snack food production industry, many natural food products, such as fruits, vegetables, yogurt and healthy frozen novelties, remain healthier than many industry snacks owing to their pure and unprocessed nature.

Imports

- Rising consumer demand for diverse flavors and products fuels importing goods from Latin America and Asia. This trend highlights a growing preference for international cuisine and specialty items, reshaping market dynamics and expanding the variety available to consumers.
- The boost in imported snacks, now accounting for almost 4.0% of domestic demand, introduces new global flavors that rival local favorites previously dominating the market.

☆ Key Success Factors

How do successful businesses compete with substitutes?

Effective quality control

Effective quality controls are crucial for successful producers to ensure the safe consumption of their products. Tainted snacks can cause foodborne illnesses and severely damage a company's reputation and trustworthiness.

Supply a diverse range of products

Companies cater to changing consumer palates by diversifying snack offerings to meet demand for international flavors. As immigrant populations from Latin America and Asia expand, producers adjust product lines to reflect these growing tastes in the market, ensuring they stay competitive and relevant.

Buyer & Supplier Power



What power do buyers and suppliers have over the industry?

High

Steady

Buyers: Price and brand loyalty

- Consumer behavior heavily influences producers' relationships with buyers. Buyers freely switch brands because of minimal barriers to changing allegiances. This versatility forces producers to maintain competitive prices while striving to offer distinctive value propositions. Price, taste, health benefits and packaging all play crucial roles in capturing and retaining consumer interest.
- Producers with established brands benefit from consumer brand loyalty, which acts as a buffer against aggressive price competition. Loyal customers often prioritize brand familiarity and are willing to pay premium prices for trusted products. This loyalty enables established brands to sustain profitability despite market fluctuations and shifts in consumer preferences.
- While brand loyalty offers some protection for producers, the dynamic and competitive nature of the snack industry means that even strong brands must continually innovate. Producers invest in product development and marketing strategies that appeal to evolving consumer tastes and values, including health-conscious and eco-friendly preferences, to fortify customer loyalty further.

Low

Steady

Suppliers: Low switching costs for homogenous products

- Snack producers benefit from low switching costs when sourcing primary ingredients, thanks to the homogeneity of many agricultural products and a fragmented supplier network. This environment allows producers to pivot between suppliers based on market conditions and availability, optimizing costs and ensuring quality, which is crucial for maintaining competitive advantages.
- Recent tariffs imposed on international products have pushed producers to reassess their supply chains, often choosing to source more domestically to avoid tariff implications. This shift prioritizes stability and cost management in operations, enabling producers to maintain price competitiveness amid global trade challenges.
- The industry is seeing a notable shift toward sustainable sourcing and eco-friendly packaging, reflecting consumer demand for environmentally responsible products. Producers are forming deeper ties with suppliers offering sustainable solutions, aligning their operational practices with consumer expectations and enhancing brand image.
- As snack formulas and varieties diversify to meet evolving dietary trends, producers are cultivating new supplier relationships, driven by the need for novel ingredients and materials. These partnerships are vital for fostering innovation and tapping into emerging segments, allowing

producers to stay relevant in a rapidly changing market landscape.

☆ Key Success Factors

How do successful businesses manage buyer & supplier power?

Supply contracts in place for key inputs

Successful snack food producers mitigate buyer and supplier power by securing supply contracts for essential ingredients. These contracts ensure consistent supply and cost stability and prevent supply chain disruptions, reducing dependence on particular suppliers or buyers. This strategy enhances market stability and operational efficiency.

Pass on cost increases

Successful snack food producers manage buyer and supplier power by adjusting prices strategically to pass on cost hikes and negotiating contracts to limit raw material price volatility's impact on production costs. This approach helps maintain profitability and efficiency in a competitive market.

Companies

Key Takeaways

As the industry's largest player, PepsiCo can leverage its brand recognition and scale to dominate production. The company's extensive reach and resources allow it to maintain a significant competitive edge in the market.

Large food manufacturers dominate the industry. New snack food producers can find niches but must compete with established brands like Campbell Soup and Kellogg. Despite opportunities, the competitive landscape remains challenging for emerging companies.

➔ Major Players		
Company	Revenue	Market Share
Pepsico, Inc.	\$19.8bn	39.7%
Conagra Brands, Inc.	\$4.6bn	9.3%
Campbell Soup Co	\$4.6bn	9.2%
Kellogg Company	\$1.8bn	3.6%
Other Companies	\$19.0bn	38.2%

Companies

Company	Market Share (%) 2025	Revenue (\$m) 2025	Total Operating Income (\$m) 2025	Profit Margin (%) 2025
Pepsico, Inc.	39.7 ↗	19,754.1 ↗	4,658.5 ↗	23.6 ↘
Conagra Brands, Inc.	9.3 ↘	4,637.1 ↗	638.1 ↘	13.8 ↘
Campbell Soup Co	9.2 ↘	4,597.0 ↘	1,003.0 ↗	21.8 ↗
Kellogg Company	3.6 ↗	1,785.0 ↗	370.4 ↗	20.7 ↗
J.M. Smucker Co	1.7 ↘	869.6 ↗	201.3 ↗	23.1 ↗
Herr Foods Incorporated	1.4 ↘	675.0 ↗	100.3 ↗	14.9 ↘

Pepsico, Inc.

Company Details

IndustrySpecificRevenue (2025)	\$19.8bn
Industry Profit (2025)	\$4.7bn
CompanyEmployees (2025)	315,000
MarketShare (2025)	39.7%

Description

Pepsico is a public company headquartered in New York with an estimated 315,000 employees. In the US, the company has a notable market share in at least 10 industries: Cereal Production, Snack Food Production, Syrup & Flavoring Production, Soda Production, Bottled Water Production, Juice Production, Energy Drink Production, Potato Chip Production, Pre-Made Salsa Production, RTD Coffee Production and Bottled Water Production. Their largest market share is in the Soda Production industry, where they account for an estimated 43.0% of total industry revenue and are considered an All Star because they display stronger market share, profit and revenue growth compared to their peers.

Brands & Trading Names

- 7up
- Aquafina
- Cap'n Crunch
- Diet Pepsi
- Doritos
- Frappuccino
- Frito-Lays North America

- Gatorade
- Lays
- Life
- Lipton
- Mirinda
- Mountain Dew
- Mug Root Beer

- Pepsi
- Quaker Foods North America (QFNA)
- Ruffles
- Sierra Mist
- Tostitos
- Tropicana

Other Industries

- Bottled Water Production in the US
- Cereal Production in the US
- Energy Drink Production in the US
- Juice Production in the US
- Potato Chip Production in the US
- Pre-Made Salsa Production in the US
- RTD Coffee Production in the US
- Soda Production in the US
- Syrup & Flavoring Production in the US

Company's Industry Revenue, Market Share, and Profit Margin Over Time

Year	Market Share (%)	Revenue (\$m)	Total Operating Income (\$m)	Profit Margin (%)
2008	34.7	9,076.2	2,719.5	30.0
2009	35.0	9,208.9	2,759.3	30.0
2010	35.3	9,722.5	2,913.2	30.0
2011	35.6	10,575.5	3,168.8	30.0
2012	34.5	10,990.1	3,293.0	30.0
2013	34.5	11,381.1	3,410.1	30.0
2014	34.5	12,379.7	3,709.4	30.0
2015	34.5	12,717.7	3,810.6	30.0
2016	34.5	13,074.7	3,917.6	30.0
2017	40.5	15,798.0	4,208.9	26.6
2018	41.4	16,346.0	4,408.2	27.0
2019	26.5	10,545.5	3,096.0	29.4
2020	26.9	10,990.2	3,157.3	28.7
2021	32.8	13,315.4	3,507.4	26.3
2022	30.3	15,190.8	3,876.1	25.5
2023	36.9	17,695.1	4,295.3	24.3
2024	41.1	19,754.1	4,658.5	23.6
2025	39.7	19,754.1	4,658.5	23.6

What's impacting PepsiCo, Inc.'s performance?

PepsiCo Inc. is committed to protecting the environment and its employees

- PepsiCo Inc. has upheld sustainable practices in an effort to protect its employees and the environment. In that regard, the company aims to delivery positive outcomes for its stakeholders through its partnership with nongovernmental organizations, governments and peers, while remaining focused on addressing issues surrounding climate, water, packaging, agriculture, products and people. Additionally, the company created the PepsiCo Foundation, through which it supports underserved communities, and the Racial Equality Journey, through which it

addresses opportunity barriers. Moreover, the company has announced its global goal to transition 100% of its electricity to renewable energy.

The company improves its business through research and development

- The company invests heavily in research and development to meet customer and consumer needs. For example, the company develops new ingredients, substrates, flavors and technologies to help it transform its portfolio and create products consumers are more inclined to purchase. Also, the company seeks ways in which costs can be reduced and their environmental footprint can be minimized. Also, the company has created products that have reduced added sodium, saturated fat or sugars and offer more nutritional ingredients, including fiber, fruit, vegetables and whole grains.

Conagra Brands, Inc.

Company Details

IndustrySpecificRevenue (2025)	\$4.6bn
Industry Profit (2025)	\$638.1m
CompanyEmployees (2025)	16,500
MarketShare (2025)	9.3%

Description

Conagra Brands is a public company headquartered in Illinois with an estimated 16,500 employees. In the US, the company has a notable market share in at least six industries: Wheat, Barley & Sorghum Farming, Frozen Food Production, Snack Food Production, Meat Jerky Production, Frozen Cake & Pastry Manufacturing, Meat Alternatives Production and Wheat, Barley & Sorghum Farming. Their largest market share is in the Snack Food Production industry, where they account for an estimated 9.4% of total industry revenue and are considered an Incumbent because they display strong market share, but lower profit and revenue growth than some of their peers.

Brands & Trading Names

- Angie's Boomchickapop
 - Banquet
 - Birds Eye
 - David
 - Duke's
 - Duncan Hines
- Gardein
 - Healthy Choice
 - Hunt's
 - Marie Callender's
 - Orville Redenbacher's
 - Reddi-Wip
- Slim Jim
 - Snack Pack
 - Swiss Miss
 - Vlasic

Other Industries

- Frozen Cake & Pastry Manufacturing in the US
- Frozen Food Production in the US
- Meat Alternatives Production in the US
- Meat Jerky Production in the US
- Wheat, Barley & Sorghum Farming in the US

Company's Industry Revenue, Market Share, and Profit Margin Over Time

Year	Market Share (%)	Revenue (\$m)	Total Operating Income (\$m)	Profit Margin (%)
2019	10.6	4,206.6	836.0	19.9
2020	10.3	4,227.5	998.9	23.6
2021	10.6	4,290.2	785.0	18.3
2022	9.1	4,559.9	917.9	20.1
2023	9.4	4,502.0	919.1	20.4
2024	9.6	4,637.1	638.1	13.8
2025	9.3	4,637.1	638.1	13.8

What's impacting Conagra Brands, Inc.'s performance?

Conagra Brands launched over 50 new meals and snacks this past summer

- Conagra Brands recently launched over 50 innovative meal and snack options that cater to diverse tastes. This includes Dolly Parton's Southern-inspired frozen macaroni & cheese and desserts and Chef Boyardee's skillet meals. Exciting entries from Birds Eye, Alexia and Healthy Choice offer culinary-inspired frozen vegetables and bold, healthier options. Banquet, Hungry-Man and Marie Callender's expand their offerings with bold flavors and hearty portions. Globally inspired flavors are introduced through new items from Bertolli, P.F. Chang's Home Menu and Frontera. Plant-based and gluten-free options from Gardein, Purple Carrot and Glutino add even more diversity to the grocery aisles, providing convenience to everyday meals.

Conagra Brands takes plant-based cuisine to new heights with Gardein and Purple Carrot innovations

- Conagra Brands is expanding its plant-based offerings within its new summer lineup, featuring diverse and flavorful options from brands like Gardein and Purple Carrot. The Gardein Ultimate Plant-Based collection introduces three new items: Ultimate Plant-Based Crispy Breaded F'Sh, offering a seafood alternative; Ultimate Plant-Based Meatballs, for a classic comfort food experience; and the Ultimate Plant-Based Chick'n Fried Rice Bowl, a ready-to-eat meal packed with protein and vegetables. Meanwhile, Purple Carrot emphasizes plant-based meals as the star, with its Asian-inspired bowls like Vegetable Tikka Masala, rich in aromatic spices and Sweet & Sour Cauliflower, showcasing tangy flavors. Both brands aim to meet the growing demand for plant-based options, providing nutritious, satisfying choices that cater to diverse dietary preferences while delivering robust and innovative tastes. In addition to expanding its plant-based offerings, Conagra Brands is also elevating its gluten-free snack selection through Glutino. The lineup includes six new sandwich cookies and pretzel flavors. Highlights feature the Swiss Miss Hot Cocoa and Lemon Pie cookies, alongside Vlasic Dill Pickle and Birthday Cake pretzels for both savory and sweet cravings.

Campbell Soup Co

Company Details

IndustrySpecificRevenue (2025)	\$4.6bn
Industry Profit (2025)	\$1.0bn
CompanyEmployees (2025)	14,400
MarketShare (2025)	9.2%

Description

Campbell Soup Co is a public company headquartered in New Jersey with an estimated 14,400 employees. In the US, the company has a notable market share in at least five industries: Canned Fruit & Vegetable Processing, Cookie, Cracker & Pasta Production, Snack Food Production, Juice Production, Cookie & Wafer Manufacturing and Cookie, Cracker & Pasta Production. Their largest market share is in the Cookie, Cracker & Pasta Production industry, where they account for an estimated 12.2% of total industry revenue.

Brands & Trading Names

- Campbell's
- Goldfish
- Kettle Brand
- Lance
- Late July
- Pace
- Pacific Foods
- Pepperidge Farm
- Pop Secret
- Prego
- Snack Factory
- Snyder's of Hanover
- Sternberg Lighting
- Swanson
- V8

Other Industries

- Canned Fruit & Vegetable Processing in the US
- Cookie & Wafer Manufacturing in the US
- Cookie, Cracker & Pasta Production in the US
- Juice Production in the US

Company's Industry Revenue, Market Share, and Profit Margin Over Time

Year	Market Share (%)	Revenue (\$m)	Total Operating Income (\$m)	Profit Margin (%)
2019	10.7	4,252.0	895.0	21.0
2020	11.4	4,646.0	922.0	19.8
2021	9.8	3,989.0	874.0	21.9
2022	8.2	4,103.0	894.0	21.8
2023	9.7	4,643.0	974.0	21.0
2024	9.6	4,597.0	1,003.0	21.8
2025	9.2	4,597.0	1,003.0	21.8

What's impacting Campbell Soup Co's performance?

The company continuously focuses on delivering superior quality

- The company experiences high competition throughout all of its product categories. More specifically, the Campbell Soup Company competes with other companies that also offer beverage and food products. These competitors include companies that produce private-label products and those that offer branded-label products. To remain competitive, the Campbell Soup Company focuses on delivering quality taste, nutritional value, innovation, shelf space, customer service, promotion and price. Each of these has contributed to the company's ability to develop and maintain superior brand recognition.

Campbell Soup rebrands to embrace diverse product lines beyond soups

- Campbell Soup Company is redefining itself as "The Campbell's Company," symbolizing its evolution towards a diverse food portfolio including iconic brands like Goldfish, V8 and Prego. CEO Mark Clouse highlighted this pivot during an investor day. Despite the name change, soup remains vital as aging demographics could boost consumption. However, inflation has prompted consumers to choose budget-friendly options, straining US-focused consumer goods brands like Campbell, Conagra and J.M. Smucker. Campbell's anticipates significant growth from its Goldfish snacks, projected to lead brand revenues by 2027. The rebranding reflects Campbell's strategy to adapt and thrive in a dynamic market.

The company values the "5 Cs" in its operations

- The company has five central values. These principles, known as the "5 Cs of Campbell," includes care, character, collaboration, competitiveness and creativity. With regard to care, the company aims to protect its customers, consumers, communities served and the planet. As for character, the company upholds transparency and integrity within its operations. Also, the company always takes responsibility for its actions. Furthermore, the company incorporates collaboration through its diverse and inclusive team members. In addition, the company remains competitive by taking risky actions, while focusing its efforts on growth. Finally, the company promotes creativity through its use of innovative solutions.

The Campbell Soup Company is committed to upholding sustainable practices

- The Campbell Soup Company is dedicated to providing and giving back to the community, as well as protecting the environment. For

example, during the pandemic, the company continued providing affordable, delicious food to promote the well-being and health of consumers. Also, in 2021, the company participated in enhancing the health of young individuals in NJ through its Healthy Communities program. Furthermore, the company focuses efforts on minimizing waste, promoting sustainable water supplies and fighting climate change.

Kellogg Company

Company Details

IndustrySpecificRevenue (2025)	\$1.8bn
Industry Profit (2025)	\$370.4m
CompanyEmployees (2025)	33,577
MarketShare (2025)	3.6%

Description

Kellogg Company is a public company headquartered in Michigan with an estimated 33,577 employees. In the US, the company has a notable market share in at least six industries: Cereal Production, Cookie, Cracker & Pasta Production, Snack Food Production, Potato Chip Production, Cookie & Wafer Manufacturing, Meat Alternatives Production and Snack Food Production. Their largest market share is in the Cereal Production industry, where they account for an estimated 26.7% of total industry revenue.

Brands & Trading Names

- All bran
 - Austin
 - Carr's
 - CheezIt
 - Coco pops
 - Corn Flakes
 - Corn pops
 - Crunchy nut
 - Eggo
- Fiber Plus
 - Froot loops
 - Frosted Flakes
 - Frosted mini wheats
 - Gardenburger
 - Kelloggs
 - Krave
 - Morning star farms
 - Nutri Grain
- Parati
 - Poptarts
 - Pringles
 - Rice Krispies
 - RXBAR
 - Special K
 - Town house

Other Industries

- Cereal Production in the US
- Cookie & Wafer Manufacturing in the US
- Cookie, Cracker & Pasta Production in the US
- Meat Alternatives Production in the US
- Potato Chip Production in the US

Company's Industry Revenue, Market Share, and Profit Margin Over Time

Year	Market Share (%)	Revenue (\$m)	Total Operating Income (\$m)	Profit Margin (%)
2016	2.7	1,014.2	160.9	15.9
2017	2.9	1,121.3	177.9	15.9
2018	3.0	1,191.8	189.1	15.9
2019	3.1	1,236.4	196.1	15.9
2020	3.6	1,458.9	258.3	17.7
2021	4.4	1,785.0	370.4	20.7
2022	3.6	1,785.0	370.4	20.7
2023	3.7	1,785.0	370.4	20.7
2024	3.7	1,785.0	370.4	20.7
2025	3.6	1,785.0	370.4	20.7

What's impacting Kellogg Company's performance?

Feeding Hungry Children in the US

- In 2022 for National Cereal Day, Kellogg Company (Kellogg) announced its Breakfast for All campaign, which focuses primarily on childhood hunger. The company has partnered with No Kid Hungry, the only national campaign committed to ending childhood hunger in the United States. Kellogg themselves will donate a minimum of \$250 thousands, which it reports can provide up to 2.5 million meals. Its Breakfast for All campaign is part of the company's Better Days global ESG strategy, which strives to create better days for 3 billion people by the end of 2030.

Helping Mississippi Rice Farmers be Green

- In 2022, Kellogg announced Kellogg's InGrained, a \$ 2 million five-year program that will partner with Lower Mississippi River Basin rice farmers to reduce their climate impact. Kellogg claims that rice production is responsible for an estimated 12% of total global methane emissions, which it argues is a greenhouse gas 20 times more potent than carbon dioxide. Specifically, it estimates that through the InGrained program, up to 51,000 tons of greenhouse gas will be reduced from the North American rice ingredient supply chain over the next five years.

Global supply chain difficulties weigh on results

- Sales and Operating profits figures had rough results during fiscal year ending in January 2022. Kellogg reports that the North American Snacks net sales increased by 5.5%, which was led by consumption growth in each of its three major snack categories: crackers, salty snacks and portable wholesome snacks. Its North American cereal net sales decreased 14%, due to supply issues, and a labor strike. The North American frozen foods net sales decreased 3.0% during the fiscal year ending in January 2022, as it also suffered due to supply chain constraints. The North American operating profit decreased 9.8% compared to the previous year due to supply chain issues, and a labor strike.

J.M. Smucker Co

Company Details

IndustrySpecificRevenue (2025)	\$869.6m
Industry Profit (2025)	\$201.3m
CompanyEmployees (2025)	7,100
MarketShare (2025)	1.7%

Description

J.M. Smucker Co is a public company headquartered in Ohio with an estimated 7,100 employees. In the US, the company has a notable market share in at least six industries: Snack Food Production, Coffee Production, Pet Food Production, Dry Pet Food Production, Peanut Butter Production, Premium Pet Food Production and Snack Food Production. Their largest market share is in the Premium Pet Food Production industry, where they account for an estimated 41.2% of total industry revenue and are considered an All Star because they display stronger market share, profit and revenue growth compared to their peers.

Brands & Trading Names

- 9Lives
 - Adams
 - Bick's
 - Café Bustelo
 - Café Pilon
 - Canine Carry Outs
 - Carnation
 - Crosse & Blackwell
 - Dickinson's
 - Dunkin
 - Eagle Brand
- Five Roses
 - Folgers
 - Golden Temple
 - Gravy Train
 - Jif
 - Kibbles 'n Bits
 - Knott's Berry Farm
 - Laura Scudder's
 - Medaglia D'Oro
 - Milo's Kitchen
 - Nature's Recipe
- Nutrish
 - Pup-Peroni
 - R.W. Knudsen Family
 - Rachael Ray
 - Robin Hood
 - Sahale Snacks
 - Santa Cruz Organic
 - Smucker's
 - Snausages
 - truRoots
 - Uncrustables

Other Industries

- Coffee Production in the US
- Dry Pet Food Production in the US
- Peanut Butter Production in the US
- Pet Food Production in the US
- Premium Pet Food Production in the US

Company's Industry Revenue, Market Share, and Profit Margin Over Time

Year	Market Share (%)	Revenue (\$m)	Total Operating Income (\$m)	Profit Margin (%)
2016	1.7	660.3	142.8	21.6
2017	1.9	742.6	160.6	21.6
2018	2.0	806.3	174.4	21.6
2019	2.1	840.0	181.7	21.6
2020	1.8	750.3	170.9	22.8
2021	2.1	869.6	201.3	23.1
2022	1.7	869.6	201.3	23.1
2023	1.8	869.6	201.3	23.1
2024	1.8	869.6	201.3	23.1
2025	1.7	869.6	201.3	23.1

What's impacting J.M. Smucker Co's performance?

Folgers Tackles Bad Reputation

- Folgers, which is a part of JM Smucker Company, decided to tackle its bad reputation with a new advertising campaign. The company stated that over the course of time, it has heard many customers say that Folgers is not for them. It has decided to "acknowledge any negative misperceptions and then loudly and proudly challenge them" according to the company's marketing officer, Geoff Tanner.

JM Smucker Sells Natural and Organic Beverages and Grains businesses

- JM Smucker Company announced that it has entered into an agreement to sell its natural and organic beverage and grains businesses to Nexus Capital Management LP in a transaction valued at approximately \$110 million. This sale will include R.W. Knudsen® and TruRoots® assets and trademarks, a licensing agreement for Santa Cruz Organic® beverages and the manufacturing and distribution facilities in Chico, California, and Havre de Grace, Maryland.

2022 Café Bustelo El Café del Futuro Scholarship

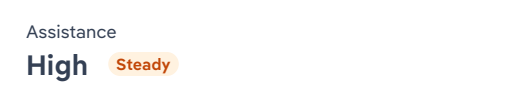
- Cafe Bustelo, which is a part of JM Smucker Company, has announced the start of its 2022 Café Bustelo El Café del Futuro Scholarship in partnership with the Hispanic Association of Colleges and Universities. The company is to award 25 \$5,000 scholarships, coming to a total of \$125,000 to support the education of Latino students.

You can view and download more company details on my.ibisworld.com.

External Environment

Key Takeaways

- Various tariffs protect domestic snack producers from import competition.** Tariffs such as rate quotas and nut tariffs safeguard local production and encourage domestic sourcing. This pushes snack producers to enhance local supply chains and invest in domestic agriculture.
- Financial programs support snack industry growth and innovation.** Programs like those by the SBA and Food Supply Chain Guaranteed Loan Program provide crucial financial support to snack producers. These resources enable expansion, modernization, and improved product offerings to meet market demands.
- Private and public sector partnerships boost competitive positioning.** Initiatives like SNAC International, private equity investments, and sustainable agriculture programs provide vital support in advocacy, finance, and sustainability. These initiatives strengthen operational efficiency and market positioning for snack producers.

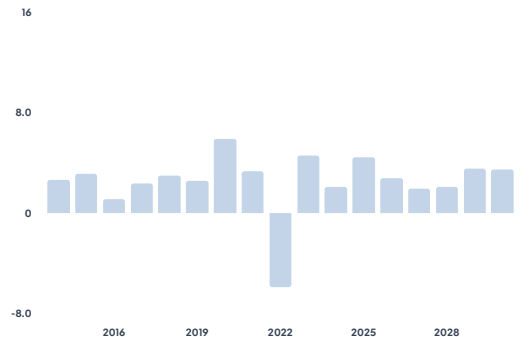


External Drivers

What demographic and macroeconomic factors impact the industry?

Per capita disposable income

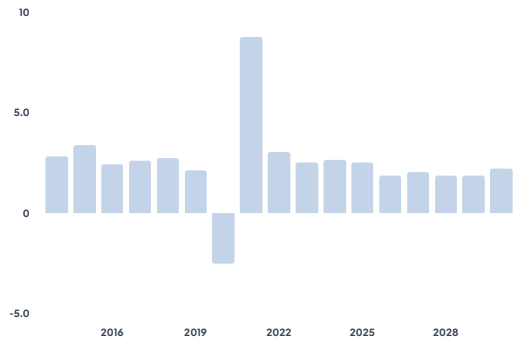
Growth



Snack foods are considered discretionary items. When per capita disposable income levels expand, consumers can purchase greater volumes of snacks or trade up to more expensive products. This has been particularly relevant to innovative, healthier snacks that are typically more expensive than the industry's traditional products. This boosts demand and pushes up industry revenue.

Consumer spending

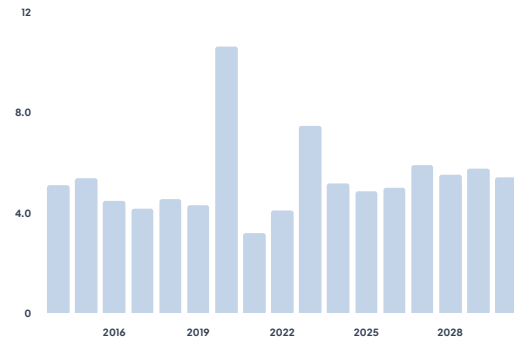
Growth



Aggregate consumption reflects trends in snack food spending, which is reflected in consumer spending. When consumers boost purchases of goods and services, snack foodstuff expenditure, a share of material goods spending, climbs. Nevertheless, during economic downturns, snack food expenditure doesn't necessarily fall as consumers consistently demand snacks. Boosts in consumer spending represent a potential opportunity for the industry.

Total health expenditure

Growth

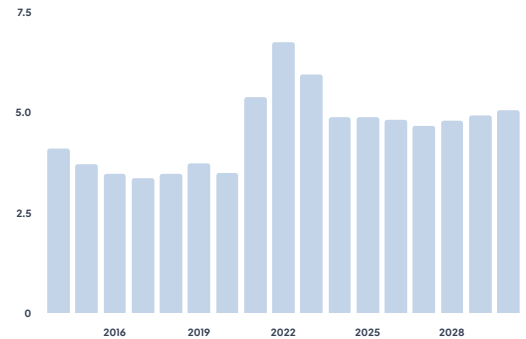


IBISWorld

Source: IBISWorld

Price of corn

\$ per bushel



IBISWorld

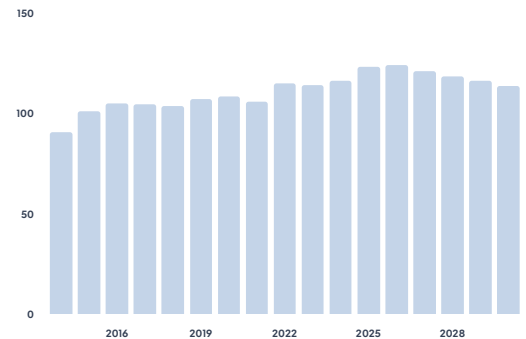
Source: IBISWorld

Total health expenditure is a proxy to measure health-conscious consumers. While more healthy snacks have been introduced recently, many snack foods are unhealthy and high in saturated fats and oils, causing consumers to limit their consumption of industry goods. While increases in total health expenditure raise demand for healthier products, its growth represents a potential threat to the industry's traditional products.

Corn is a key input into snack production. When corn prices rise, operators incur higher purchase costs, which they may or may not pass on in full to consumers. While this industry is dominated by large companies that may minimize input price rises by developing operational synergies, small- to medium-sized companies are significantly affected by rising corn prices.

Trade-weighted index

Index



IBISWorld

Source: IBISWorld

A small share of industry revenue is generated by exports to Canada and Mexico, among other countries. An appreciating US dollar, reflected in a rising trade-weighted index, makes US exports more expensive to global consumers, hampering export and revenue growth. A stronger dollar also makes foreign-made products more affordable to domestic buyers, reducing demand for industry goods.

Regulation & Policy

High

Steady

What regulations impact the industry?

Public health and labeling rules tighten

Under the Nutrition Labeling and Education Act, producers must provide accurate nutrition labels, nutrient content claims and appropriate health warnings for allergies or carcinogens. The FDA evaluates and approves these claims. Failure to comply can severely damage a producer's credibility. Claims such as "natural," "healthy," and "low-sugar" often face scrutiny for their accuracy.

Environmental and pollution regulations affect processing

The Environmental Protection Agency (EPA) and state governments enforce food processors' waste management policies. The Clean Water Act (CWA) plays a crucial role for operators, requiring companies that discharge waste into the environment to obtain a National Pollutant Discharge Elimination System permit. Reduced permit costs aim to encourage anti-pollution efforts among large waste producers. Objective analysis indicates a proactive approach to environmental regulation.

Occupational rules determine production standards

The federal Occupational Safety and Health Administration (OSHA) sets and enforces standards for safe and healthy working conditions across businesses. In manufacturing, this entails maintaining safe, up-to-date equipment for production, ensuring machine operators receive proper training to prevent accidents and providing safety apparel for workers in hazardous environments. Compliance with these regulations minimizes workplace injuries and promotes a safer working atmosphere.

Assistance

High

Steady

What assistance is available to this industry?

Government

Various tariffs curb import competition

Tariff rate quotas serve as a strategic barrier for domestic snack producers by protecting against excess international competition. By taxing imports that exceed specific limits, these tariffs bolster domestic production, particularly in sectors heavily relying on imports like dairy. This framework sustains competitive pricing for local producers, urges businesses to source ingredients domestically and can foster local innovation. Snack producers leverage these protections by enhancing local supply chains and investing in domestic agricultural technology and processing to gain a competitive edge and ensure sustainability in production.

Government

Nut Tariffs

Tariffs on nuts, ranging from \$0.01 to \$0.26 per kilogram, help protect domestic nut producers by adding costs to foreign imports. However, Brazilian nuts, chestnuts and cashews are exempt, allowing for some overseas competition. The higher tariffs on processed nuts, like shelled almonds at \$0.24 per kilogram, further safeguard domestic processing industries. For snack producers, this structure means relying more on locally sourced nuts, which remains cost-effective, encouraging investment in domestic supply chains to mitigate import competition. Producers respond by strengthening relationships with local growers and investing in processing capabilities to capitalize on these protective measures.

Government

Small Business Administration (SBA) Programs

The SBA offers essential support to small snack producers through loans, grants and mentorship programs. These resources help producers fund new projects, expand operations and navigate financial challenges. SBA funding can mean the difference between stagnation and growth for the snack industry, providing the capital needed for expansion and modernization. Producers can invest in new product lines or technology improvements by accessing these programs, ultimately responding to market demands more effectively and improving their competitive stance through enhanced production capabilities.

Government

Food Export Association Programs

While primarily operated by private organizations, the Food Export Association programs receive significant public funding to promote domestic agricultural products abroad. This support is particularly relevant for snack producers aiming to enter or expand in international markets. These programs help producers with strategies for market entry and export promotion, facilitating global exposure. Snack producers can respond to these opportunities by aligning their production to meet international standards, thereby expanding their market presence beyond domestic borders and diversifying their revenue streams.

Government

Specialty Crop Block Grant Program

The USDA's Specialty Crop Block Grant Program provides crucial grants to enhance the competitiveness of specialty crops, including nuts, fruits and vegetables. This support is vital for snack producers who rely on these ingredients. The grants can be used for research, marketing and educational efforts to improve product offerings and market share. Producers can take advantage of these funds by investing in new cultivation techniques, developing value-added products and conducting consumer education campaigns to raise awareness of their benefits.

Government

Food Supply Chain Guaranteed Loan Program

Launched in late 2022, this USDA program addresses supply chain challenges by providing loans to private entities in the food sector, including snack producers. It focuses on expanding supply chain infrastructure, enhancing distribution and improving labor conditions, aligning with increased sustainability goals. Snack producers benefit by accessing financial resources to overcome distribution barriers and modernize facilities. Companies can bolster processing capacities and worker conditions by using these loans, ensuring their operations remain robust and adaptable amid evolving market demands and sustainability standards.

Non-government

SNAC International

Founded in 1937, SNAC International stands as a pivotal association supporting snack manufacturers globally. With the representation of over 400 member companies, SNAC emphasizes advocacy, networking and education. By promoting snack food consumption through various media and engaging in governmental affairs, the association ensures the industry's influence on policy and market trends. Snack producers benefit from SNAC's efforts by staying informed on legislative changes and accessing a network of industry leaders. This engagement allows them to foresee market shifts, adapt strategies and leverage industry data, thereby enhancing their competitive positioning and innovation capabilities.

Non-government

Sustainable Agriculture Programs

Sustainable agriculture initiatives indirectly benefit snack manufacturers by improving the quality and sustainability of ingredients. These programs encourage the adoption of sustainable farming practices, ensuring a stable and eco-friendly supply chain. Snack producers can capitalize on these initiatives by integrating sustainably sourced ingredients, which align with the increasing consumer preference for environmentally responsible products. This approach enhances brand reputation, supports long-term supply chain viability and taps into environmentally conscious markets, fostering brand loyalty and potentially opening up premium pricing opportunities. By aligning with sustainability, producers strengthen their market position and future-proof their operations.

Non-government

Industry-Specific Loans

Providing crucial financial support, organizations like the Local Initiatives Support Corporation (LISC) offer targeted loans to healthy food businesses, including snack producers. These loans support initiatives focused on expanding healthy food options, an increasingly popular segment. Snack manufacturers can use these funds to enhance product nutrition profiles, invest in health-centric marketing, or expand their distribution to reach a health-conscious consumer base. By aligning with market trends favoring healthier choices, producers gain opportunities to capture new demographics, differentiate their brands and drive growth, all while contributing positively to public health trends.

Non-government

Global Food Safety Initiative (GFSI) Partnership

Collaborating with USAID, the Global Food Safety Initiative (GFSI) provides key technical and educational resources to improve food safety for small and medium-sized food businesses. For snack producers, the focus on food safety is vital for maintaining consumer confidence and meeting stringent regulatory standards. Engaging with GFSI programs enables snack companies to bolster their safety protocols, stay abreast of global safety trends and enhance their operational efficiencies. By adopting improved safety measures, producers not only comply with industry standards but also enhance their brand reputation, ultimately attracting safety-conscious consumers and building trust within the market.

Non-government

Business Development Programs

PepsiCo's Food for Good initiative offers valuable resources for snack manufacturers involved in food security-related projects, especially those prioritizing nutritious products. Through strategic support, the program aids companies in developing health-oriented snacks aligned with dietary trends. Participating snack producers can leverage this initiative to innovate within the nutrition segment, responding effectively to the growing consumer demand for healthier snacks. This development aids in product differentiation and market expansion while aligning brand identities with socially responsible practices, appealing to consumers increasingly interested in health and wellness, thus improving market competitiveness and business credibility.

Non-government

Supplier-Buyer Connections

Through its collaboration with the Global Food Safety Initiative (GFSI), snack manufacturers can establish essential connections between suppliers and buyers, expanding market opportunities. By facilitating these critical relationships, GFSI helps companies optimize their supply chains, discover new business avenues and enhance distribution networks. Snack producers can utilize these connections to streamline production processes, improve product reach and boost market presence internationally. Such strategic partnerships strengthen operational efficiency and create pathways for new sales, broadening access to different markets and customer bases, ultimately leading to growth, resilience and increased market share.

Financial Benchmarks

Key Takeaways

Stabilized crop prices boost snack industry profitability. Despite earlier volatility from geopolitical events, crop prices have steadied, allowing producers to recover profits. Major players like PepsiCo leverage their scale to maintain higher profitability despite broader industry challenges.

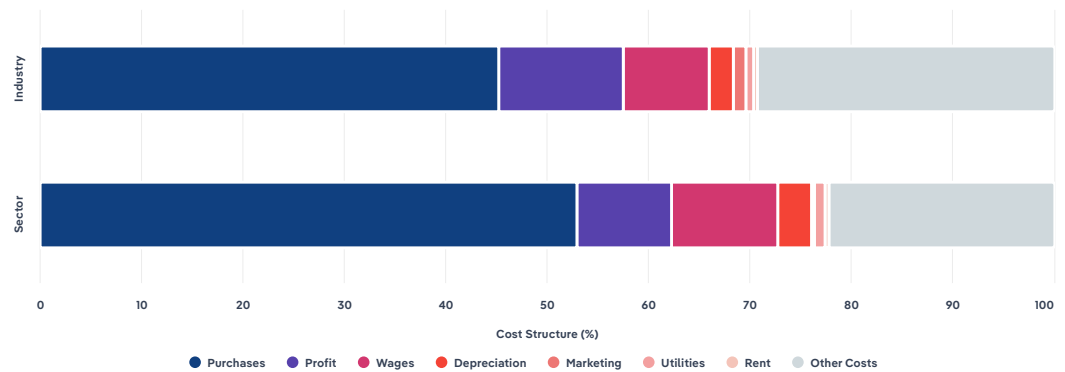
Rising wage costs impact small snack producers more significantly. The industry's shift towards artisanal snacks increases manual labor demand, raising wages and impacting profitability. Larger firms benefit from automation, whereas smaller producers face wage-driven cost pressures.

Strategic adaptations help control operational costs. Snack producers manage expenses like depreciation, rent, and utilities through automation, outsourcing, and renewable energy investments. These strategies help maintain competitive costs and improve profitability despite market challenges.



Cost Structure Benchmarks

Average operating costs by industry and sector as a share (%) of revenue 2025



What trends impact industry costs?

Crop prices remain high, but fewer fluctuations enable steady profit expansion

- Despite changing consumer preferences and price shocks early in the period, snack food production profit has been rebounding in recent years and is set to reach 12.3% in 2025, a slight uptick from 11.8% in 2020; however, these figures alone mask a deeper narrative.
- By 2022, agricultural prices endured two years of skyrocketing, fueled by Russia's invasion of Ukraine. This resulted in several key inputs, like sunflower oil, fertilizer and wheat, becoming harder to find. In 2022, the world price of wheat reached an all-time high of

around \$360.0 per metric ton, causing average profit to plummet to a period-low of 9.9%.

- Despite remaining high, crop prices have steadied in recent years and are even set to drop 3.0% in 2025. Agricultural price stabilization is enabling snack food production profit to recover; yet, the biggest producers, like PepsiCo and Campbell, were shielded from many of the pricing and supply issues plaguing the broader industry, leveraging their size and scope to circumvent pricing woes impacting smaller players and regularly generating profit above 20.0%.
- Snack food producers maintain a strong edge over the manufacturing sector as a whole. Producers have been investing in

producing healthier snacks for decades, and the investments have paid off, with even moderately sized players able to pass along modest price hikes to customers. Businesses regularly allocate funds toward innovating, balancing the cost of new offerings with competitive pricing strategies, and are set to fare best.

Wage costs rise in the snack industry amid diverse production approaches

- While snack production's capital intensity has traditionally kept wage costs low, the recent influx of small producers is reshaping the landscape. These niche players, focusing on artisanal snacks, boost demand for manual labor, driving wages upward. As a result, wages have climbed from accounting for 7.0% of revenue in 2020 to an estimated 8.5% by 2025, with average annual wages reaching over \$67,500.
- Despite automation prevalent in larger companies, smaller producers thrive by prioritizing personal oversight over heavy capital investment. This shift has led to rising operational costs, influencing the industry's profitability. Labor shortages and the pressure to attract workers by increasing wages and benefits are now considerable concerns for many snack food manufacturers.
- These changes affect how the snack industry's wage costs compare to the broader manufacturing sector, where capital-intensive processes generally limit wage growth. Snack producers face a unique challenge in balancing rising wage costs with profitability, a task compounded by increased competition from industry giants. Consequently, wage-driven cost pressures leave the snack industry in a less favorable position compared to wider manufacturing, necessitating strategic adaptation to maintain competitiveness.

Purchasing costs remain stable despite market volatility

- Though purchasing costs are expected to drop slightly from 45.4% of revenue in 2020 to 45.2% by 2025, the recent years have been turbulent. The agricultural price index spiked by 15.9% in 2021 and 19.2% in 2022. Global wheat prices rose more than 30.0% during Russia's invasion of Ukraine, disrupting global grain supplies, while vegetable oils faced a 50.0% price jump amid geopolitical tensions and supply chain issues.
- The pandemic worsened supply chain disruptions, with labor shortages in ports and transportation delaying shipments and increasing costs. Cocoa prices fluctuated due to poor harvests in West Africa as extreme weather affected yields. Packaging and energy costs also surged because of heightened demand, supply constraints and environmental regulations, while trade policies and climate change further strained agricultural production.
- Consumer shifts towards healthier snacks led producers to source expensive ingredients, driving up purchasing costs. Despite challenges, the slight drop in purchasing costs as a revenue percentage indicates strategic industry adaptation. Producers manage cost volatility by diversifying supply chains, using cost-pass-through pricing, investing in technology for efficiency, innovating with less volatile ingredients and negotiating long-term contracts to enhance resilience and maintain stability.

Marketing costs climb slightly while adapting to digital trends and competition

- Marketing expenses for domestic snack producers account for 1.2% of revenue in 2025, up from 1.1% in 2020. Although this is minimal

compared to industry giants like PepsiCo and Campbell, marketing plays a crucial role in differentiating products and justifying premium pricing through enhanced product recognition. Producers invest in sophisticated marketing strategies, emphasizing brand strength to boost customer loyalty. Traditional media ads, in-store tastings and comprehensive displays remain key tactics, but there's a shift toward digital marketing.

- The climb of e-commerce and social media has redirected resources to digital channels, such as influencer partnerships and online promotions. Brands like Frito-Lay have leveraged social media and influencers to promote products like Doritos, necessitating higher content creation and ad placement budgets.
- Increasing competition from brands like KIND Snacks and RXBAR has driven advertising costs, prompting established players like Kellogg's to boost their marketing spending to preserve market share.
- As sustainability and health become consumer priorities, snack producers like PepsiCo spotlight these attributes in campaigns, requiring additional storytelling and certification investments. Others manage marketing costs by strategically emphasizing digital marketing channels and optimizing SEO and PPC ads while focusing on cost-effective influencer collaborations. Emphasizing authentic storytelling around sustainability and health to align with consumer values has become a priority, potentially reducing the need for high-spending traditional media.

Snack producers lower depreciation costs with strategic adaptations

- The average snack production depreciation costs accounted for 2.6% of revenue in 2020, yet in 2025, they are estimated to sink to 2.4%, reflecting shifts in operational strategies. Snack producers are making efficient use of existing production assets, maximizing output through automation without requiring additional capital investments. For instance, PepsiCo has enhanced productivity in manufacturing Lay's and Doritos by leveraging data analytics.
- Many producers are outsourcing production to third-party co-packers, cutting down the need for owned facilities and depreciation costs. Brands like KIND Snacks and RXBAR have effectively scaled their operations this way.
- Producers are also focusing on premium and higher-margin products. General Mills, for instance, has increased its focus on healthier lines such as Annie's Organic, yielding more revenue per unit and diminishing depreciation's revenue share.
- As automation matures and sustainability takes center stage, depreciation costs are expected to drop further. PepsiCo's aim for net-zero emissions by 2040 includes investing in durable, eco-efficient equipment and reducing depreciation in line with its expanding revenue. These strategies favor snack producers compared to broader manufacturing, showing adaptability and foresight.

Producers find continued stability in low rent costs

- Thanks to strategic property management, rent has remained steady at 0.4% of revenue since 2020. Producers like PepsiCo and Mondelez International own many facilities, reducing their exposure to rental market changes. Frito-Lay, for instance, operates numerous owned plants across the US.
- Long-term leases with fixed rates provide cost stability for necessary leased spaces, shielding companies from market

fluctuations. Smaller brands and co-packers often benefit from these agreements to maintain predictable expenses.

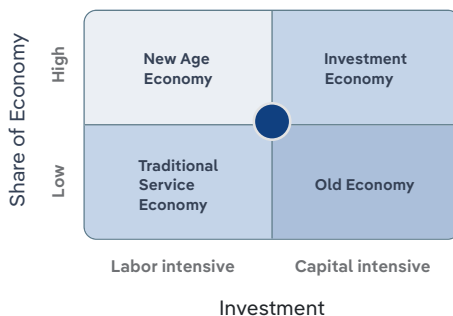
- Facilities are often strategically located in industrial or rural areas with lower rental costs, helping drop expenses. Frito-Lay's locations in places like Texas and the Midwest illustrate this approach.
- Outsourcing production to co-packers reduces the need for leased space, especially for smaller brands. This eliminates associated capital costs, as companies like KIND Snacks and RXBAR demonstrate. As the industrial real estate market remains stable and efficient use of space improves, these strategies are expected to maintain low rent costs into 2025 and beyond.

Snack producers leverage efficiency and renewables to control utility costs

- Utility costs have seen a modest climb from 0.7% in 2020 to 0.8% in 2025 but remain manageable due to relatively affordable and stable US energy supply, particularly natural gas from the shale boom, supporting energy-intensive industries like snack food production.
- Energy efficiency investments have enabled snack producers to reduce consumption, with PepsiCo's Frito-Lay facilities implementing efficient lighting and HVAC systems to manage costs effectively. Increasing the use of renewable energy sources, such as solar and biogas, allows facilities like Frito-Lay's Modesto plant to cut traditional utility reliance and costs over the long term.
- Continued investment in efficient technologies and renewable

energies, coupled with stable domestic energy prices and government incentives, is expected to keep utility costs in check.

Share of economy vs. Investment



IBISWorld

Source: IBISWorld

Financial Ratios

Days' Receivables

204.5

Higher than sector

Interest Coverage

3.2

Higher than sector

Debt/Net Worth

5.8

Higher than sector

Industry Multiples

Ratio	2018	2019	2020	2021	2022	3-Year	5-Year	10-Year
EBIT/Revenue	13.9	15.9	18.0	12.4	11.4	13.9	14.3	14.1
EBITDA/Revenue	18.0	19.7	21.7	15.6	15.2	17.5	18.1	18.0
Leverage Ratio	8.3	20.9	4.6	26.8	27.1	19.5	17.5	18.0

Industry Tax Structure

Ratio	2018	2019	2020	2021	2022	3-Year	5-Year	10-Year
Taxes Paid/Revenue	0.9	3.6	3.6	3.9	3.7	3.7	3.1	3.6

Income Statement

Ratio	2018	2019	2020	2021	2022	3-Year	5-Year	10-Year
Total Revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Business receipts	92.9	93.0	92.7	84.3	96.1	91.0	91.8	92.4
Cost of goods	51.6	62.2	64.7	39.9	43.2	49.3	52.3	54.0
Gross Profit	48.4	37.8	35.3	60.1	56.8	50.7	47.7	46.0
Expenses								
Salaries and wages	13.3	4.3	2.6	5.5	5.5	4.5	6.2	7.6
Advertising	1.5	2.0	1.7	1.7	1.6	1.7	1.7	2.1
Depreciation	2.5	3.1	3.3	2.7	3.3	3.1	3.0	3.2
Depletion	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	4.8	0.6	0.4	0.5	0.5	0.4	1.3	1.1
Rent paid	0.5	1.7	0.7	1.7	1.8	1.4	1.3	2.2
Repairs	1.4	0.3	0.4	0.4	0.4	0.4	0.6	0.4
Bad debts	0.2	1.6	0.9	0.7	0.5	0.7	0.8	1.5
Employee benefit programs	1.5	1.4	1.3	1.5	1.8	1.5	1.5	1.7
Compensation of officers	0.7	1.1	2.0	0.9	0.9	1.3	1.1	1.8
Taxes paid	0.9	3.6	3.6	3.9	3.7	3.7	3.1	3.6
Interest Income	0.5	3.0	2.1	1.4	1.3	1.6	1.7	2.7
Other Income								
Royalties	0.5	2.4	1.8	0.2	0.2	0.7	1.0	2.1
Rent Income	4.8	0.0	0.0	0.0	0.0	0.0	1.0	0.5
Net Income	5.9	8.7	10.6	4.6	4.1	6.4	6.8	6.4

Balance Sheet

Ratio	2018	2019	2020	2021	2022	3-Year	5-Year	10-Year
Assets								
Cash and Equivalents	1.2	1.2	1.8	3.1	3.3	2.7	2.1	2.0
Notes and accounts receivable	16.3	18.1	20.6	13.9	13.6	16.1	16.5	18.6
Allowance for bad debts	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.2
Inventories	23.2	5.4	12.2	15.6	16.1	14.6	14.5	24.0
Other current assets	0.6	0.5	1.1	4.7	4.6	3.5	2.3	3.1
Other investments	24.0	26.1	11.9	15.0	14.9	13.9	18.4	17.5
Property, Plant and Equipment	9.1	41.1	9.9	23.9	25.1	19.6	21.8	28.9
Accumulated depreciation	5.0	5.6	5.6	7.5	8.1	7.1	6.4	11.2
Intangible assets (Amortizable)	13.8	12.0	11.0	5.7	6.8	7.8	9.9	11.5
Accumulated amortization	11.1	1.3	0.5	0.4	0.4	0.4	2.7	1.9
Other assets	17.4	7.8	3.1	3.1	3.1	3.1	6.9	5.0
Total assets	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Accounts payable	17.4	19.3	21.5	14.2	14.0	16.6	17.3	21.2
Liabilities and Net Worth								
Mort, notes, and bonds under 1 yr	15.2	7.2	1.8	5.7	5.8	4.5	7.1	11.7
Other current liabilities	2.3	2.1	2.0	3.1	3.2	2.8	2.5	2.3
Loans from shareholders	1.5	0.2	0.1	1.7	1.8	1.2	1.1	3.8
Mort, notes, bonds, 1 yr or more	33.9	10.9	14.0	24.1	27.2	21.8	22.0	30.2
Other liabilities	3.1	0.2	2.5	9.6	9.6	7.2	5.0	6.6
Total liabilities	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Capital stock	2.1	2.5	2.3	3.9	4.3	3.5	3.0	3.6
Additional paid-in capital	26.6	17.3	10.0	11.7	12.2	11.3	15.6	12.5
Retained earnings, appropriated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retained earnings-unappropriated	4.4	3.3	4.2	7.5	8.0	6.6	5.5	6.1
Cost of treasury stock	3.0	3.0	3.2	3.6	4.4	3.7	3.4	5.7
Net worth	23.0	19.8	25.7	17.7	17.4	20.3	20.7	18.9

Liquidity Ratios

Ratio	2018	2019	2020	2021	2022	3-Year	5-Year	10-Year
Current Ratio	1.2	0.9	1.5	1.6	1.7	1.6	1.4	1.4
Quick Ratio	0.5	0.7	1.0	1.0	1.0	1.0	0.8	0.7
Sales/Receivables	1.4	1.3	4.8	1.7	1.8	2.8	2.2	1.9
Days' Receivables	254.9	272.4	75.3	212.7	204.5	164.2	204.0	228.6
Days' Inventory	703.3	130.7	68.6	596.7	559.1	408.1	411.7	460.4
Inventory Turnover	0.5	2.8	5.3	0.6	0.7	2.2	2.0	1.3
Payables Turnover	0.7	0.8	3.0	0.7	0.8	1.5	1.2	1.0
Days' Payables	527.7	466.3	121.4	543.2	486.0	383.5	428.9	499.5
Sales/Working Capital	1.0	5.3	8.2	1.3	1.5	3.7	3.4	2.2

Coverage Ratios

Ratio	2018	2019	2020	2021	2022	3-Year	5-Year	10-Year
Interest Coverage	3.7	4.3	4.6	3.2	3.2	3.7	3.8	3.7
Debt Service Coverage Ratio	2.7	1.1	1.3	1.5	1.8	1.5	1.7	1.6

Leverage Ratios

Ratio	2018	2019	2020	2021	2022	3-Year	5-Year	10-Year
Fixed Assets/Net Worth	2.1	3.3	1.3	2.5	2.7	2.2	2.4	3.5
Debt/Net Worth	4.3	5.1	3.9	5.7	5.8	5.1	4.9	5.8
Tangible Net Worth	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2

Operating Ratios

Ratio	2018	2019	2020	2021	2022	3-Year	5-Year	10-Year
Return on Net Worth, %	45.2	19.6	70.1	16.7	15.9	34.2	33.5	31.1
Return on Assets, %	10.4	3.9	18.0	3.0	2.8	7.9	7.6	5.9
Sales/Total Assets	0.2	0.2	1.0	0.2	0.2	0.5	0.4	0.3
EBITDA/Revenue	18.0	19.7	21.7	15.6	15.2	17.5	18.1	18.0
EBIT/Revenue	13.9	15.9	18.0	12.4	11.4	13.9	14.3	14.1

Cash Flow & Debt Service Ratios (% of sales)

Ratio	2018	2019	2020	2021	2022	3-Year	5-Year	10-Year
Cash from Trading	107.8	111.5	57.2	4.0	54.5	38.6	67.0	45.1
Cash after Operations	103.5	101.4	42.6	-13.4	44.7	24.7	55.8	30.5
Net Cash after Operations	102.3	99.5	49.8	-26.3	43.1	22.2	53.7	27.1
Debt Service P&I Coverage	1.6	2.9	7.8	-0.9	1.5	2.8	2.6	1.3
Interest Coverage (Operating Cash)	0.0	27.0	12.8	-6.8	12.1	6.0	9.0	4.5

Key Ratios

Year	Revenue per Employee (\$)	Revenue per Enterprise (\$ Million)	Employees per Estab. (Units)	Employees per Ent. (Units)	Average Wage (\$)	Wages/ Revenue (%)	Estab. per Enterprise (Units)	IVA/ Revenue (%)	Imports/ Demand (%)	Exports/ Revenue (%)
2005	680,595	20.9	29.0	30.7	47,632	7.0	1.1	18.3	1.4	2.7
2006	741,525	19.5	24.9	26.3	48,405	6.5	1.1	17.2	1.4	2.8
2007	740,921	18.8	24.1	25.3	48,345	6.5	1.1	18.0	1.4	3.0
2008	813,897	18.9	22.0	23.2	50,350	6.2	1.1	17.6	1.3	3.1
2009	892,363	18.4	19.6	20.6	54,357	6.1	1.0	19.3	1.3	2.8
2010	893,119	17.1	18.2	19.1	56,486	6.3	1.0	20.6	1.4	2.9
2011	915,408	16.4	17.2	18.0	55,627	6.1	1.0	18.1	1.5	3.4
2012	925,796	16.1	16.8	17.4	56,308	6.1	1.0	15.4	1.9	3.7
2013	913,078	15.7	16.6	17.2	57,583	6.3	1.0	17.6	1.8	4.1
2014	930,983	16.3	16.9	17.5	58,512	6.3	1.0	18.1	1.8	3.7
2015	840,727	16.0	18.4	19.1	57,461	6.8	1.0	20.2	2.0	4.3
2016	825,575	16.7	19.5	20.2	60,055	7.3	1.0	22.1	2.0	3.6
2017	825,895	16.5	19.2	19.9	58,016	7.0	1.0	21.1	2.3	3.4
2018	795,470	16.0	19.4	20.1	57,035	7.2	1.0	19.5	2.5	3.7
2019	809,126	15.3	18.2	18.9	55,524	6.9	1.0	19.5	2.4	3.5
2020	848,815	15.4	17.5	18.1	59,451	7.0	1.0	21.3	2.4	3.4
2021	806,813	14.9	17.8	18.5	56,176	7.0	1.0	21.3	3.0	3.9
2022	890,041	15.6	16.7	17.5	58,037	6.5	1.0	18.6	3.0	3.6
2023	798,252	13.5	16.1	16.9	61,271	7.7	1.1	21.0	3.5	3.9
2024	781,822	12.5	15.2	16.0	65,957	8.4	1.1	22.6	3.9	4.0
2025	798,205	12.6	15.0	15.8	67,481	8.5	1.1	23.1	3.9	4.0
2026	796,637	12.4	14.7	15.5	67,456	8.5	1.1	23.7	3.9	4.1
2027	791,160	12.0	14.5	15.2	67,362	8.5	1.1	24.1	3.9	4.2
2028	789,867	11.9	14.3	15.0	67,341	8.5	1.1	24.6	3.8	4.2
2029	787,503	11.7	14.1	14.8	67,300	8.5	1.0	24.8	3.8	4.3
2030	785,719	11.5	13.9	14.6	67,269	8.6	1.0	25.0	3.8	4.3
2031	785,153	11.4	13.8	14.5	67,261	8.6	1.0	25.4	3.8	4.4

Key Statistics

Industry Data

Values

Year	Revenue (\$ Million)	IVA (\$ Million)	Estab. (Units)	Ent. (Units)	Employment (Units)	Exp. (\$ Million)	Imp. (\$ Million)	Wages (\$ Million)
2005	32,795.1	6,017.5	1,663	1,572	48,186	899.2	462.1	2,295.2
2006	33,969.3	5,844.5	1,840	1,740	45,810	956.9	469.5	2,217.4
2007	35,218.9	6,333.0	1,971	1,877	47,534	1,050.9	479.4	2,298.0
2008	37,090.1	6,533.8	2,071	1,964	45,571	1,153.1	470.1	2,294.5
2009	37,088.4	7,141.3	2,117	2,017	41,562	1,034.3	482.8	2,259.2
2010	38,382.7	7,891.5	2,356	2,246	42,976	1,127.6	526.5	2,427.6
2011	40,565.4	7,356.8	2,574	2,468	44,314	1,367.0	605.4	2,465.1
2012	42,729.2	6,585.4	2,750	2,650	46,154	1,591.6	798.9	2,598.8
2013	43,514.6	7,665.0	2,869	2,775	47,657	1,773.6	765.4	2,744.2
2014	46,517.5	8,440.4	2,961	2,854	49,966	1,739.2	829.1	2,923.6
2015	47,352.2	9,545.5	3,066	2,954	56,323	2,059.3	937.6	3,236.4
2016	48,223.5	10,663.1	3,003	2,886	58,412	1,748.8	945.2	3,507.9
2017	48,653.5	10,281.7	3,070	2,954	58,910	1,653.7	1,091.7	3,417.7
2018	48,238.9	9,386.7	3,130	3,012	60,642	1,798.2	1,169.4	3,458.7
2019	47,816.9	9,326.9	3,248	3,130	59,097	1,657.5	1,152.1	3,281.3
2020	48,458.9	10,325.4	3,266	3,151	57,090	1,636.4	1,175.0	3,394.1
2021	46,048.8	9,813.2	3,207	3,090	57,075	1,781.4	1,373.6	3,206.3
2022	53,050.9	9,864.1	3,567	3,406	59,605	1,931.3	1,574.5	3,459.3
2023	49,033.4	10,312.7	3,821	3,631	61,426	1,888.2	1,699.9	3,763.7
2024	48,083.6	10,871.6	4,049	3,839	61,502	1,905.8	1,893.4	4,056.5
2025	49,769.7	11,484.3	4,167	3,954	62,352	2,000.1	1,948.3	4,207.6
2026	50,386.5	11,941.2	4,294	4,078	63,249	2,079.6	1,950.0	4,266.5
2027	50,396.1	12,145.2	4,401	4,186	63,699	2,107.0	1,939.7	4,290.9
2028	51,468.5	12,666.6	4,555	4,336	65,161	2,180.4	1,969.8	4,388.0
2029	52,593.4	13,056.1	4,736	4,513	66,785	2,258.4	2,001.3	4,494.6
2030	53,570.3	13,405.8	4,889	4,662	68,180	2,311.0	2,034.4	4,586.4
2031	54,671.8	13,870.7	5,035	4,804	69,632	2,383.4	2,066.9	4,683.5

Note

Figures are inflation adjusted to 2025

Industry Data

Annual Change

Year	Revenue %	IVA %	Estab. %	Ent. %	Employment %	Exp. %	Imp. %	Wages %
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2006	3.6	-2.9	10.6	10.7	-4.9	6.4	1.6	-3.4
2007	3.7	8.4	7.1	7.9	3.8	9.8	2.1	3.6
2008	5.3	3.2	5.1	4.6	-4.1	9.7	-1.9	-0.2
2009	0.0	9.3	2.2	2.7	-8.8	-10.3	2.7	-1.5
2010	3.5	10.5	11.3	11.4	3.4	9.0	9.0	7.5
2011	5.7	-6.8	9.3	9.9	3.1	21.2	15.0	1.5
2012	5.3	-10.5	6.8	7.4	4.2	16.4	32.0	5.4
2013	1.8	16.4	4.3	4.7	3.3	11.4	-4.2	5.6
2014	6.9	10.1	3.2	2.8	4.8	-1.9	8.3	6.5
2015	1.8	13.1	3.5	3.5	12.7	18.4	13.1	10.7
2016	1.8	11.7	-2.1	-2.3	3.7	-15.1	0.8	8.4
2017	0.9	-3.6	2.2	2.4	0.9	-5.4	15.5	-2.6
2018	-0.9	-8.7	2.0	2.0	2.9	8.7	7.1	1.2
2019	-0.9	-0.6	3.8	3.9	-2.5	-7.8	-1.5	-5.1
2020	1.3	10.7	0.6	0.7	-3.4	-1.3	2.0	3.4
2021	-5.0	-5.0	-1.8	-1.9	0.0	8.9	16.9	-5.5
2022	15.2	0.5	11.2	10.2	4.4	8.4	14.6	7.9
2023	-7.6	4.5	7.1	6.6	3.1	-2.2	8.0	8.8
2024	-1.9	5.4	6.0	5.7	0.1	0.9	11.4	7.8
2025	3.5	5.6	2.9	3.0	1.4	4.9	2.9	3.7
2026	1.2	4.0	3.0	3.1	1.4	4.0	0.1	1.4
2027	0.0	1.7	2.5	2.6	0.7	1.3	-0.5	0.6
2028	2.1	4.3	3.5	3.6	2.3	3.5	1.6	2.3
2029	2.2	3.1	4.0	4.1	2.5	3.6	1.6	2.4
2030	1.9	2.7	3.2	3.3	2.1	2.3	1.7	2.0
2031	2.1	3.5	3.0	3.0	2.1	3.1	1.6	2.1

Note

Figures are inflation adjusted to 2025

Key Success Factors

How do successful businesses overcome volatility?

Incorporate long-term sales contracts

Successful snack food producers limit market volatility by using long-term sales contracts. These contracts offer price stability and secure a predictable revenue stream, allowing producers to better manage supply chain disruptions and fluctuating ingredient costs.

Supply contracts in place for key inputs

Securing long-term contracts with key raw material suppliers reduces supply volatility, ensures fixed prices and enhances production planning. This approach helps companies maintain stable operations and manage financial risks effectively, reducing costs and improving operational efficiency.

What products or services do successful businesses offer?

Product differentiation

Many industry products are homogeneous. Product differentiation becomes crucial in driving demand for specific brands and items. This competitive strategy helps distinguish a product from similar offerings, making it essential for capturing and retaining consumer interest in a crowded market.

Invest in research and development

Snack food producers invest in research and development to enhance product success by innovating flavors, improving nutritional content and using advanced packaging. These efforts meet consumer demands, maintain market relevance and drive competitive advantages in a crowded market.

How do businesses use location to their advantage?

Operate in a location that is close to key suppliers

Snack food producers strategically locate near key suppliers to reduce transportation costs and ensure a stable supply of fresh ingredients. This proximity allows for faster turnaround times, improved supply chain efficiency and reduced risks of ingredient shortages.

Operate in a location that is close to key markets

Snack food producers strategically locate near key markets to reduce transportation costs and ensure product freshness. This proximity also allows them to respond quickly to market trends and consumer demands, enhancing their competitive advantage.

How do successful businesses handle concentration?

Economies of scale and scope

Successful companies leverage economies of scale and scope to lower per-unit costs, spreading production expenses across a large volume and diverse range of products. This efficiency allows them to reduce costs and maintain competitiveness in the market.

Develop a wide and expanding product range

Product innovation is crucial for maintaining market share and driving demand. It aims to differentiate goods and reduce direct competition. Companies can attract customers and set themselves apart in the marketplace by introducing unique features and improvements.

How can potential entrants overcome barriers to entry?

Develop a skilled labor force

Snack food producers can overcome entry barriers by training a skilled labor force and implementing continuous development programs. This approach ensures high product quality and efficiency, enhancing their competitive edge in the market.

Develop links with suppliers

Snack food producers can overcome entry barriers by forming strong relationships with reliable suppliers and securing high-quality ingredients at competitive prices. This consistent production and market positioning strategy enhances competitiveness in a crowded marketplace.

How do successful businesses compete with substitutes?

Effective quality control

Effective quality controls are crucial for successful producers to ensure the safe consumption of their products. Tainted snacks can cause foodborne illnesses and severely damage a company's reputation and trustworthiness.

Supply a diverse range of products

Companies cater to changing consumer palates by diversifying snack offerings to meet demand for international flavors. As immigrant populations from Latin America and Asia expand, producers adjust product lines to reflect these growing tastes in the market, ensuring they stay competitive and relevant.

How do successful businesses manage buyer & supplier power?

Supply contracts in place for key inputs

Successful snack food producers mitigate buyer and supplier power by securing supply contracts for essential ingredients. These contracts ensure consistent supply and cost stability and prevent supply chain disruptions, reducing dependence on particular suppliers or buyers. This strategy enhances market stability and operational efficiency.

Pass on cost increases

Successful snack food producers manage buyer and supplier power by adjusting prices strategically to pass on cost hikes and negotiating contracts to limit raw material price volatility's impact on production costs. This approach helps maintain profitability and efficiency in a competitive market.

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