

Agricultural Packaging Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

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Report description:

The Agricultural Packaging Market is expected to grow with a CAGR of 5.5% during the forecast period. The demand for agricultural packaging increases due to the increasing demand for improving supply chains by reducing food wastage. According to the Birmingham Energy Institute, more than 90% of food waste in developing countries occurs during storage and transportation. Hence the growing awareness regarding the loss of food products during harvesting and shipping is driving the demand for cost-effective and sustainable agricultural packaging solutions.

Key Highlights

During the COVID-19 pandemic, many countries announced a surplus for the agricultural sector to strengthen the sector's storage and supply chain, including packaging. For instance, the Indian Government announced INR 1 lakh crore (nearly USD 13.5 billion) exceptional package surplus for agricultural infrastructure. All these will boost the market growth post-pandemic. Further, the Russia-Ukraine war has an impact on the overall packaging ecosystem.

The increasing pest attacks drive the demand for crop protection chemicals, such as pesticides and fertilizers, which are toxic. Hence, they need advanced packaging to reduce the risk while handling, storing, and transporting these agrochemicals, which escalates the demand for agricultural packaging solutions for agrochemicals to increase their shelf life.

According to an article published in the Environmental Science and Technology journal, food travels an average of 4,200 miles. This creates demand for innovative packaging solutions to cater to farmers' requirements and processors distributors who sell in the global and national markets. Moreover, agricultural packaging solutions are experiencing horizontal integration approaches that bring printing capabilities, easy packaging solutions, and additional value-adding solutions to packaging closer to the packaging solution providers.

Furthermore, technological innovation, sustainability trepidations, and attractive economics drive the demand for innovative packaging solutions. Nowadays, there is a growing demand for agricultural packages equipped with monitoring equipment, which

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can track the quality of any product and adjust the temperature.

Also, the advanced packaging styles, such as pouches and bag-in-box, raise the usage of flexible packaging in combination with rigid packaging formats. According to the Flexible Packaging Association, flexible packaging is mainly used for food, contributing to more than 60% of the total market. Additionally, globally, the e-commerce sector's consolidation is anticipated to make flexible packaging one of the quickly growing packaging approaches over the forecast period.?

Agricultural Packaging Market Trends

Plastic Packaging to Hold a Significant Market Share

Plastic packaging is influencing market growth due to the rising demand for flexible packaging, as consumers prefer these solutions. For instance, according to the Flexible Packaging Association, more than 60% of North American consumers are ready to pay for functional packaging benefits, such as product protection, supply chain efficacy, and shipping friendly.?

Polyethylene is the cheapest packaging film. The polyethylene materials used for barrier film include HDPE, LDPE, and LLDPE. Polyethylene is easy to process and is combined with gas/aroma barriers, such as Polyamide and EVOH, for their use in various applications. Among these, the elementary-grade material is linear low-density polyethylene (LLDPE). It is a high-clarity film that is widely used for food packaging.

Moreover, plastics are used in either rigid or flexible forms as packaging material for fertilizers and pesticides. The factors such as lightweight, durable, and economical to manufacture are the reasons behind the growing adoption of plastic in the market. Plastics also drive innovation in packaging design. For instance, modified atmosphere packaging helps preserve food freshness by capturing a reduced-oxygen air mixture in a plastic package. This technique can benefit farmers, processors, and distributors that sell in global and national markets and extend the product's shelf life by slowing the growth of bacteria.

Asia-Pacific to Witness the Highest Growth

Asia-Pacific is experiencing many investments and technological advancements, such as AI-based technologies in agriculture. The emerging countries of the Asia-Pacific region are rapidly adopting smart technologies across the agriculture space. The adoption of precision farming in the region is fueled by various factors, like continuous advancements in technology, a reduced price of equipment, social media use, and online publications that help create awareness.?

Chinese e-commerce giant Alibaba recently got into the farming sector by deploying artificial intelligence in agriculture to assist farmers in increasing crop yield, simultaneously reducing costs. In their smartphones, Alibaba's digitally-recorded information was accessed by farmers, enabling them to monitor whether fruits are ready to be harvested or any pest attack on their standing crops.

The region is also witnessing higher adoption of sustainable packaging solutions for agricultural products, creating opportunities for global brands to invest in the region further. The rise in the farm yield along with accelerated growth witnessed in a plethora of end-use industries such as seed and pesticides & fertilizers is expected to boost Asia Pacific agricultural packaging market size during the forecast period.

Market players are increasingly investing in Asia-Pacific region for expanding their manufacturing capacities. For instance, in January 2023, Amcor made an announcement about the launch of its advanced manufacturing facility in Huizhou, China. The 590,000 square foot plant, the largest flexible packaging plant in China by production capacity, represents an investment of approximately USD 100 million, further enhancing Amcor's capacity to satisfy rising client demand throughout Asia Pacific.

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Agricultural Packaging Market Competitor Analysis

The Agricultural Packaging Market is moderately fragmented, with vendors such as C Packaging International BV, Greif Inc., Mondi Group, NNZ Group, Sonoco Products Company, BAG Corporation, Proampac LLC, Flexpack FIBC, and Amcor plc, among others operating in the market. Players in the market are innovating their designs, technology, and applications to achieve sustainable competitive advantage. Moreover, they are adopting competitive strategies such as partnerships, mergers, and acquisitions.

November 2022 - Upward Farms, an organic vertical farming company, developed a new resealable packaging design for its USDA-certified organic microgreens. Compared to conventional clamshells, Upward Farms' new sealed plastic trays are stackable and more straightforward to open and close, extending the shelf life of microgreens. The resealable design uses 38% less plastic than the typical greens clamshell form and is constructed from post-consumer recycled plastic. It provides customers with a more environmentally friendly option.

April 2022 - An agreement for producing big eco-friendly bags was signed between Yara Brasil and Packem SA. The containers used to store and transport agricultural inputs, such as fertilizer, are big bags. When searching for a replacement for polypropylene, a material used to make bags but currently subject to restrictions in terms of recycling and reprocessing, they discovered PET/PCR, the plastic processed after consumption, as the ideal replacement, giving rise to the first recycled and entirely recyclable plastic packaging in Brazilian agriculture.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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