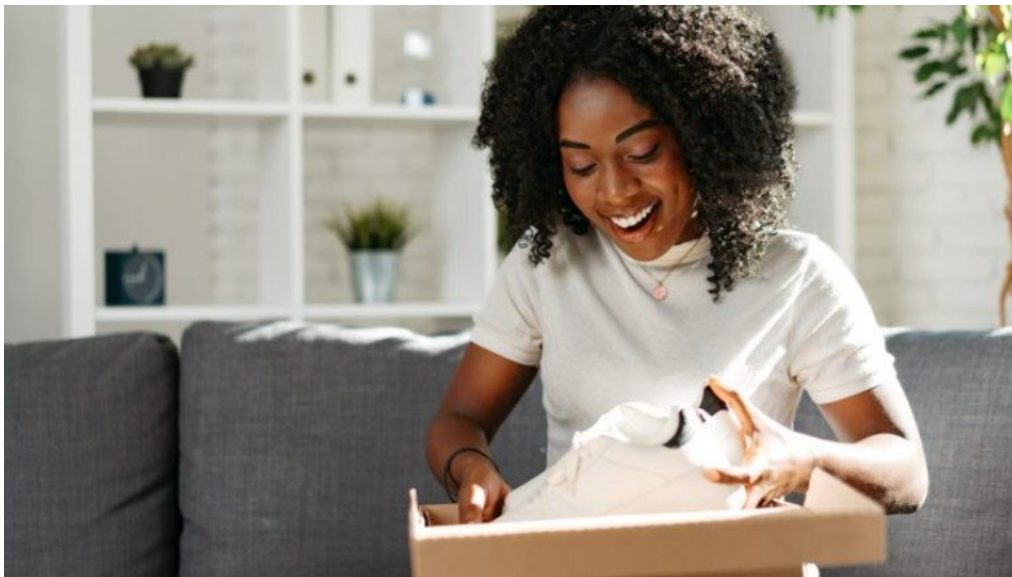


U.S. Sustainable Packaging Market Expected to Reach \$73.8 Billion by 2034

Submitted: [Two Sides North America](#) August 11, 2025



The U.S. sustainable packaging market is poised for significant growth over the next decade, according to new market sizing research from [Towards Packaging](#). Valued at **\$49.18 billion in 2024**, the market is projected to reach **\$73.81 billion by 2034**, representing a **compound annual growth rate (CAGR) of 4.15%**. This steady expansion is being driven by a combination of shifting consumer expectations, regulatory pressures, technological innovation, and material advancements.

Among packaging materials, **paper-based products held the largest revenue share in 2024**, thanks to their broad recyclability, established supply chains, and favorable public perception. The report highlights increased adoption of recycled-content packaging across multiple sectors, with fiber-based materials like corrugated boxes, molded pulp, and folding cartons experiencing the strongest growth. These materials are widely seen as practical, scalable, and curbside-recyclable alternatives to plastics, especially as both consumers and brands seek options aligned with circular economy principles.

The **food and beverage industry continues to lead** in sustainable packaging adoption, accounting for the largest end-use market share. Consumer demand for less plastic and more recyclable or compostable formats is especially pronounced in this category. Regulatory scrutiny over food packaging safety and single-use plastics has also prompted many producers to shift toward recycled or fiber-based alternatives. Other high-growth segments include personal care, pharmaceuticals, and e-commerce, where packaging plays a central role in brand image and environmental responsibility. One of the core drivers of growth is increasing public awareness about packaging waste. According to [Towards Packaging](#), the United States generates nearly **40 million tons of plastic waste annually**, but very little is effectively recycled. This gap has spurred a widespread shift in consumer behavior, with many Americans actively seeking out brands that offer products in environmentally responsible packaging. In response, companies are redesigning packaging to minimize plastic, improve recyclability, and incorporate renewable or compostable inputs.

The rise of **e-commerce and grocery delivery** services has also accelerated demand for sustainable packaging. As online retailers ship products directly to consumers' homes, they face mounting pressure to eliminate unnecessary packaging and replace plastic with recyclable options. [A recent Two Sides survey](#) reveals that **52% of U.S. consumers prefer products ordered online to be delivered in paper packaging**. Fiber-based mailers, molded pulp trays, and right-sized corrugated boxes have become popular alternatives to poly mailers and plastic foam. These developments are helping to expand the market for paper-based and biodegradable packaging formats.

Technological innovation is playing an increasing role in the transition to sustainable packaging. Artificial intelligence (AI) and automation are being adopted to optimize material usage, streamline manufacturing, and improve the recyclability of end products. Smart design tools can help reduce excess packaging, while automated sorting systems at recovery facilities enhance the purity and efficiency of recycled materials. These technologies support sustainability goals while also offering operational benefits in terms of cost and resource savings.

Despite the market's promising outlook, challenges remain. The **higher upfront costs** of some sustainable materials, combined with inconsistent recycling and composting infrastructure across the country, can pose barriers to widespread adoption. In addition, confusion around environmental labeling and green claims has led to increasing scrutiny from both consumers and regulators. Accurate labeling and alignment with updated [FTC Green Guides](#) and emerging [Extended Producer Responsibility \(EPR\)](#) laws will be critical as brands navigate this evolving space.

For companies in the **print, paper, pulp, and packaging industries**, the growth of sustainable packaging offers a substantial opportunity. The demand for responsibly sourced, recycled-content, and fiber-based packaging solutions is only expected to grow in the years ahead. The Two Sides consumer perception survey indicates that **41% of U.S. consumers are willing to spend more on a product if it were packaged using sustainable materials**. Investments in material R&D, end-of-life design strategies, and value-chain collaboration will be key for suppliers looking to gain market share and meet the evolving needs of brand owners and consumers alike.

A total market increase of nearly **\$25 billion over the next ten years** signals strong long-term demand for materials and technologies that reduce environmental impact. While no single solution will meet every need, paper and fiber-based packaging continues to serve as a foundation for many companies' sustainability strategies, supported by an established recovery system and ongoing innovation.

As the U.S. sustainable packaging market continues to evolve, it reinforces the critical role that paper-based materials play in building a more circular, low-impact future. With strong recycling infrastructure, renewable sourcing, and continuous innovation, paper-based packaging stands as a proven and scalable solution in the transition away from single-use plastics.