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Brazil’s food service supply market will top R$310 billion in 2026

ABIA says meals eaten outside the home will take 30.5% of family food budgets, but operators still face surging costs

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Brazil’s food service supply market is expected to top R$310 billion in 2026, a sign that demand from bars, restaurants, snack shops, bakeries and other out-of-home dining operators is still growing even as consumers become more selective and businesses face higher costs.

The forecast comes from the Brazilian Food Industry Association, known as ABIA, which said industrial sales to the food service channel should rise 7.5% to 8.5% in nominal terms from R$287.9 billion in 2025. The estimate refers to revenue earned by food manufacturers and suppliers selling into the hospitality and restaurant trade, not to sales booked by restaurants themselves.

For hospitality operators, the figures point to a market that is still expanding but under pressure. ABIA said food accounts for 22% of household spending in Brazil, and 30.5% of that food budget should go to meals consumed outside the home in 2026. That would be the highest level since the pandemic, though still below the 34.7% recorded in 2019.

The increase matters for the restaurant industry because it suggests more family food spending is returning to dining out. At the same time, ABIA said consumers are choosing more carefully where and when they spend. That means restaurants, bakeries

and other operators may see continued traffic, but not necessarily broad pricing power or easier margins.

ABIA presented the figures in its Food Service Economic Review during its 19th ABIA Food Service Congress in São Paulo, according to a report published Monday, November 9, by Rádio Guaíba. João Dornellas, ABIA's president, said the shift in consumer habits requires a response across the supply chain. He said customers are still going to bars, restaurants and bakeries, but are making more deliberate choices, while operators are dealing with important cost and labor challenges.

Those cost pressures are significant. ABIA said industrial costs rose about 10% in 2026, while packaging costs were up close to 20%. Diesel increased by more than 15%, raising freight and distribution expenses across the chain. At the consumer level, inflation for food consumed outside the home rose 5.57% in the 12 months through September.

That combination leaves hospitality businesses in a tight position. Restaurants and other operators need to preserve competitive prices for customers whose budgets remain constrained, but they are also buying from a supply chain facing higher production, packaging and logistics costs. The result is growth in nominal market value that does not fully translate into stronger profitability for companies across the sector.

Fernando Bocchi, executive director of research and development at M. Dias Branco and sponsor of ABIA's food service committee, said the challenge goes beyond cost control and includes operational efficiency. In his view, the sector's growth depends on closer coordination between food manufacturers and operators, with products and services tailored to business needs and focused on productivity, quality and competitiveness.

Even with the squeeze on margins, the channel is still drawing new investment. A survey by ABIA and Wise Sales found that about 420,000 food service businesses were opened in 2025. The same survey found that 289,000 entrepreneurs moved from Brazil's individual micro-entrepreneur model, known as MEI, into larger business structures, which ABIA described as a sign of investment and professionalization in the sector.

That mix of expansion and strain helps explain why the outlook for hospitality in Brazil is improving but remains uneven. More households are allocating part of their food budget to eating away from home, and suppliers expect a larger market in nominal terms. But operators are serving a more price-conscious customer while managing labor shortages, expensive credit and rising input costs.

At the São Paulo congress, executives and industry specialists discussed the forces shaping the sector, including consumer behavior, business differentiation, the needs of a new generation of entrepreneurs, workforce management, innovation and competitiveness. ABIA framed the debate around three groups that drive the market: consumers with new habits and expectations, operators that are mostly small businesses facing costly financing and scarce labor, and the food industry, which is under pressure to deliver faster, more affordable solutions to the businesses it supplies.