NIQ Perspectives

Fresh, Pantry & Naturals

April 27, 2026

Background: Consumer growth is no longer guaranteed

Population growth slowed in mid-2024 as immigration tightened and natural growth weakened, breaking the historic assumption of steady demand expansion. Immigration has been the primary driver of household growth, making shifts in immigration a direct risk to CPG volume, regional demand, and labor availability. This could mark a structural reset for the U.S., compressing long-term outlooks and altering the risk profile of the CPG ecosystem as historic demand tailwinds evolve.

Compounding Factors:

Energy costs stay top-of-mind: Volatile gas prices act as a visible tax, tightening discretionary CPG spend.

Cost pressures persist: Housing, healthcare, fuel, and services continue to crowd out core CPG dollars.

Confidence remains fragile: The Consumer Confidence Index remains subdued, signaling cautious spending behavior.

Demand and labor collide: Slower immigration constrains labor just as manufacturing investment accelerates.

Regional gaps widen: Former high-growth markets are slowing, pressuring retail productivity and local assortments.

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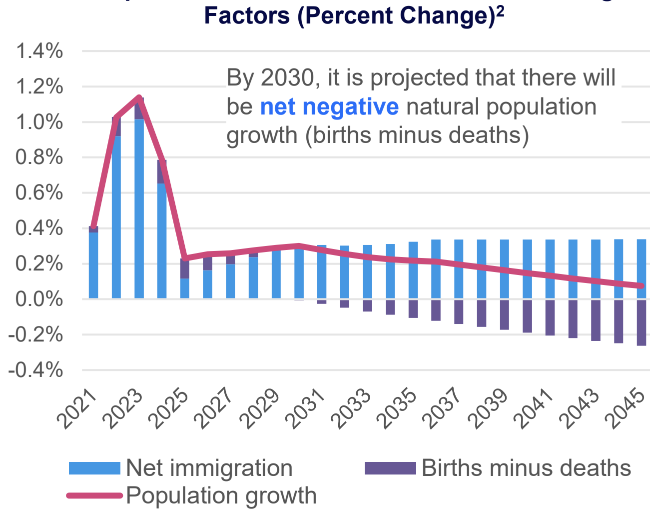
Immigration: Rewriting the Growth Math for U.S. CPG

Implications for the Food & Beverage Industry

The U.S. is Approaching a Zero-Growth Population Era

Net migration is projected to drop 2.4 million between 2024 and 2026[1]. With immigrants accounting for about 15% of the U.S. population[2], and natural population increases declining, overall population will stagnate and become disproportionally older than it has been in past decades. Since COVID, immigration has been the dominant contributor to U.S. population growth and is projected to account for virtually all net gains beyond 2030.

Population Growth Forecast and Contributing Factors (Percent Change)[2]



1 in 5 workers are immigrants[3]

750,000 decline in workforce since early 2025[3]

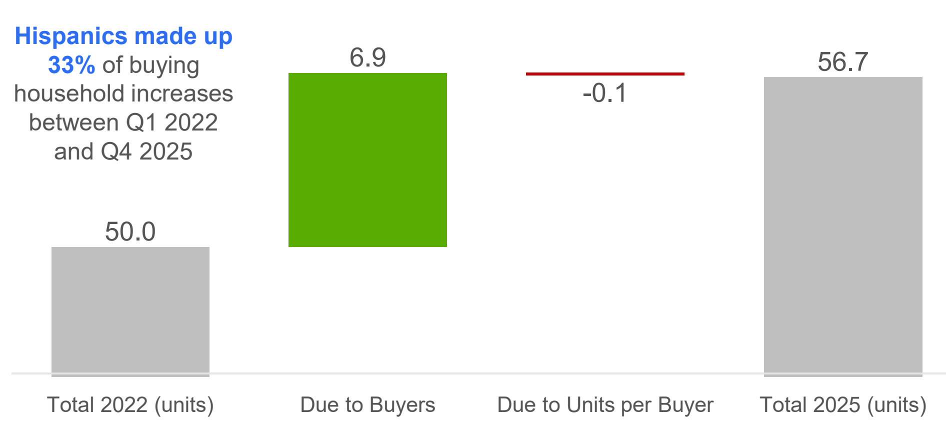
1 in 5 born in Mexico, followed by India and China[3]

On average are **lower income, younger, and in larger households**[4]

Declining Immigration Puts CPG Volume at Risk

Over the past several years, unit growth across CPG has been driven primarily by net buyer expansion rather than higher per-household consumption. As births fall below deaths, policy-driven immigration shifts will determine whether demand expands or contracts. For CPG, slower immigration translates directly into fewer new households and fewer incremental buyers entering the system.

Consumer Drivers Due To (Units Billions)[4]



Sources: 1: U.S. Census Bureau, Vintage 2025 Population Estimates 2: USA Facts Data Chart, Is the US Population Growing or Shrinking, April 11 2026. 3: Pew Research Center, What the Data Says about Immigrants in the U.S., August 25 2025. 4: NielsenIQ Discover Omnishopper Panel, Total US, Total Outlets, Total Store, 2025 vs 2022

Authors: Justin Wirth, Associate Client Director, Alexa Cunnion, Associate Client Manager, Chris Becker, Associate Client Manager

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The market is shifting fast. Your decisions should move faster.

NIQ can help.

Short-term

Where is demand softness truly structural versus temporary?

Which SKUs, price tiers, or packs are most exposed to net migration changes within your portfolio?

Which retailers, markets, and shopper groups should be prioritized in a slower population growth market?

Long-term

What innovation and portfolio changes will provide incremental growth with an aging population?

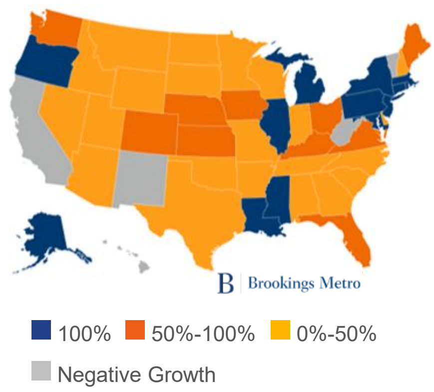
How will policy, immigration, and labor shifts reshape category demand over time?

What will sustainable growth look like in a no-tailwind environment?

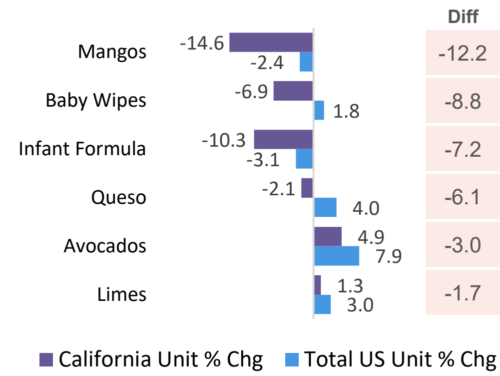
Immigration Slowdown Creates Geographic Winners and Losers

Immigration-led population growth has been highly concentrated by state and metro area. As flows tighten, regions that previously benefited from inbound migration, particularly markets with higher Hispanic concentration, will experience sharper demand deceleration. The result is widening regional divergence in retail productivity, assortment relevance, and return on investment, making market prioritization more critical than ever.

Immigrant contribution to growth[1]



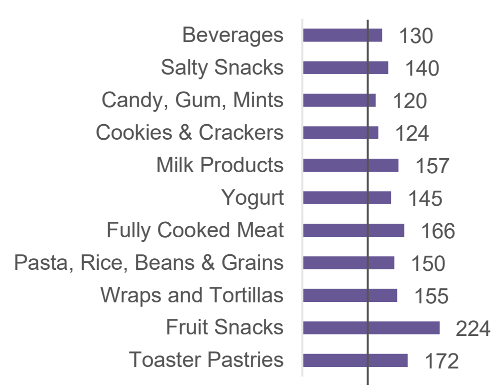
High Hispanic Index Categories Unit Performance - Total US vs CA[2]



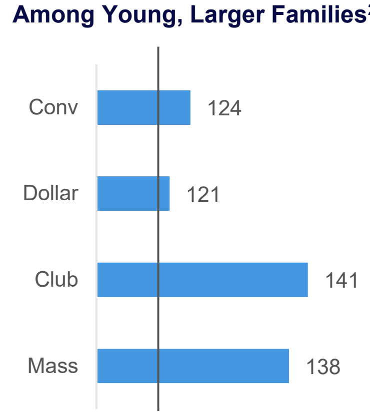
Fewer Young, Family-Forming Households Reshape the Category Mix

Beyond the decline in Hispanic immigration, shifts in immigration enforcement and asylum patterns are also slowing growth among younger adults with children; groups that traditionally over-index in categories like salty snacks, candy, and yogurt. This cohort also shops more frequently in mass (e.g., Walmart), club, dollar, and convenience channels.

Top Over- Indexing Food Categories Among Young, Larger Families[3]



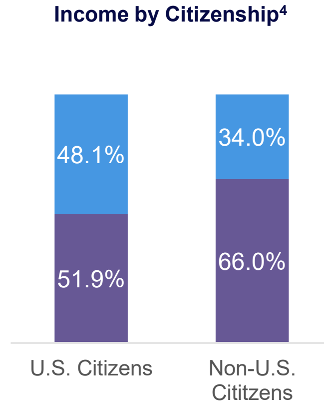
Top Over-Indexing Channels Among Young, Larger Families[2]



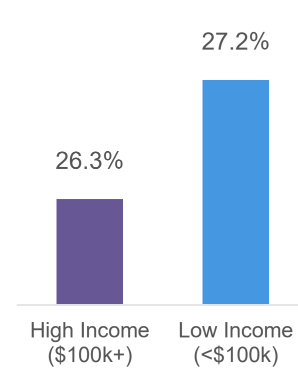
Slower Immigration Hits the Value Tier First, Creating Headwinds

Recent population growth has skewed toward lower-income, immigrant households that over-index in entry price points and private label. As immigration moderates, fewer value-oriented households enter the system, intensifying competition and volume risk at the low end, including Private Label.

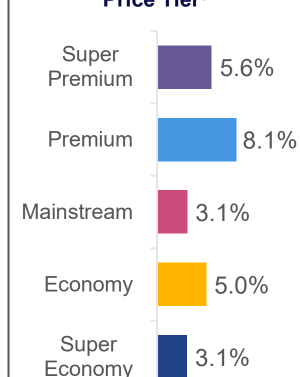
Income by Citizenship[4]



Private Label Unit Share of F&B Basket[5]



% Unit Growth by Price Tier[6]



Looking for more?

As immigration slows, CPG loses a critical buffer while cost, competition, and execution pressures remain elevated. With fewer new households entering the system, growth is harder to replace, intensifying pricing pressure, increasing innovation risk, and widening regional imbalances. In this environment, errors compound quickly, and misjudgments in pricing or execution carry outsized consequences. Immigration change is a compounding force reshaping how growth is won or lost. These demographic shifts signal a structural reset that does not normalize with GDP cycles and raises the stakes for CPG manufacturers.

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Sources: 1: William H. Frey analysis of U.S. Census Bureau population estimates: vintage 2025. 2: NIQ Panel Total Outlets, Latest 52 w/e 04/04/26. 3: NIQ Panel, categories with volume >$1M. 4: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2023. 5: NIQ Panel, latest 52 w/e 03/21/26, Total US All Outlet, Total Food and Beverage, National Brand vs. Private Label Unit. 6: RMS – MAT Q2'25 – 11 categories in 11 markets, from NIQ's Smart Trade-Ups: Elevating premium with purposeful consumer choices, October 2025

Authors: Justin Wirth, Associate Client Director, Alexa Cunnion, Associate Client Manager, Chris Becker, Associate Client Manager