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Regulatory compliance burdens stopping foodservice equipment and supplies manufacturers from investing in new hires, new equipment, business growth

Chicago, Oct. 11, 2023 – Regulations and the cost of compliance are escalating at such a rate that they have become the top business concerns of foodservice equipment and supplies manufacturers who responded to a recent survey¹ by the [North American Association of Food Equipment Manufacturers \(NAFEM\)](#), which represents the \$14.3 billion U.S. foodservice equipment and supplies industry².

The costs of regulatory compliance are high, with 40% of respondents report spending \$20,000 - \$40,000 annually and 20% paying greater than \$100,000 on regulatory compliance. If these costs were reduced, those who responded would reallocate these funds to purchase new equipment (58%), hire more employees (34%), increase wages/benefits (32%), expand facilities (22%) and increase community philanthropy (10%).

“NAFEM members are largely small businesses that play important roles in their local communities,” said Charlie Souhrada, CFSP, NAFEM’s vice president of regulatory and technical affairs. “The rapidly increasing number and pace of regulations is making it extremely challenging for them to help grow our economy by investing in their businesses and creating new jobs.”

According to the White House, small businesses are an essential part of the American economy, providing 45% of all private-sector jobs³. However, one survey respondent from the West Coast with 40 employees said, “Regulatory challenges pose an existential threat for smaller companies. Many do not have the resources to dedicate to tackling these burdensome regulations in the time we have been given. If left unchecked, smaller companies may not be able to comply and will be forced to shut down, impacting hundreds if not thousands of employees.”

NAFEM will share the findings of its supply chain survey with elected and appointed officials at the federal and state levels. “We look forward to continuing a robust conversation that will allow NAFEM members to increase the good-paying manufacturing jobs they provide in communities across the country,” Souhrada said. The full report is available [here](#).

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NAFEM is a trade association of more than 500 foodservice equipment and supplies manufacturers providing products for food preparation, cooking, storage and table service. For more information, visit www.nafem.org.

¹ NAFEM surveyed 398 member companies from July 31 – August 21, 2023. Results represent a 12.5% response rate.

² NAFEM 2022 Size and Shape of the Industry Study, www.nafem.org

³ <https://www.whitehouse.gov/cea/written-materials/2023/05/01/investing-in-small-businesses/#:~:text=Small%20businesses%20are%20an%20essential,the%20first%20quarter%20of%202022>