

THE FUTURE OF FOOD SOURCING AND THE SUPPLY CHAIN

Each stage of the embattled global food supply chain is under scrutiny. Yet what has gained less attention is how consumers feel about the way food reaches them.



Alex Beckett, Director -
Mintel Food & Drink



Report Content



- In times of crisis, food is what unites us
- Three reasons why consumers care about the supply chain

PRODUCTION

Production: what's happening now?

- Cost hikes, hunger and big investment: the big figures around food production
- Just over 2 in 100 food and drink launches refer to farming
- Agriculture endures challenges caused by conflict, COVID-19 and the climate crisis
- Governments reappraise agricultural priorities, but protectionism can exacerbate inflation
- In under-developed regions, millions of people require improved nutrition

Production: the consumer impact

- Consumers accept that climate change will impact their diets, but view tech as a saviour
 - Graph 1: consumer attitudes toward supply chain, ethical and environmental, any agreement with the statement "Climate change will have an effect on the foods/drinks I buy", 2022*
- As the supply chain struggles, the trusted status of farmers becomes more valuable
 - Graph 2: information sources that are trustworthy in terms of understanding food and drink's environmental impact, 2022
- Farmers boast a trusted reputation, but lack a consumer-facing presence
- Humanity and education are at the heart of recent movies about food production
- Forced severance from synthetic fertiliser can hasten adoption of regenerative agriculture

Production: what lies ahead, and how this impacts consumers

- Ag-tech can help satisfy consumer demand for produce which is local and climate resilient
- Consumers are currently hesitant about trying indoor-farmed food
- Consumers are unsure about GM's ability to solve global hunger
 - Graph 3: consumer attitudes towards supply chain, ethical and environmental - 'Genetically modified food (GMO) is a good solution to global hunger,' 2022*
- Three things which will increasingly shape consumer attitudes towards GM
- Consumers may have more direct access to farm foods
- Consumer takeaways for production

PROCESSING

Processing: what's happening now?

- Manufacturers feel the pressure from all sides

The future of food sourcing and the supply chain

- Manufacturers need to adhere to a fast-changing regulatory landscape
- The globalised nature of food production requires a more vigilant approach to food safety

Processing: the consumer impact

- The transformational nature of food processing makes it vulnerable to consumer distrust
- Safety and quality are prized benefits of locally made food
 - Graph 4: reasons for purchasing locally made (ie made in France) food and drink products, 2021
- Quality perceptions of domestically made food and drink differ by region
 - Graph 5: consumer attitudes toward supply chain, ethical and environmental, agreement with the statement 'I trust the quality of some food/drinks that come from other countries more than those from my own (eg dairy, chocolate)', 2022*
- From the processing part of the chain, consumers want products that bring permissible pleasure
- Consumer trust in the sustainable credentials of food manufacturing needs strengthening
 - Graph 6: features that would encourage purchase of products/services that claim to benefit/protect the environment, 2021
- How companies are putting consumers first with food processing
- Renewable energy has yet to resonate with consumers in the way other ethical issues do
 - Graph 7: ethical and environmental priorities – select ethical and environmental priorities when buying food and drink, 2021*

Processing: what lies ahead, and how this impacts consumers

- Sharing personal information with companies — not just retailers — grabs consumer interest
 - Graph 8: consumer attitudes towards supply chain, ethical and environmental – "I am okay with food/drink companies using my personal information to improve their operations", 2022*
- Alternatives to staple ingredients need to offer scalability, affordability and quality
- Manufacturing with bio-diverse crops will help feed a growing population during the climate crisis
- Consumers will want clarity around nutrition labelling
- Consumer takeaways for processing

DISTRIBUTION

Distribution: what's happening now?

- Three challenges for food distribution
- Hauliers protest against high fuel prices, causing food shortages
- Digital freight matching promises to bring Uber-style efficiencies to food transportation

Distribution: the consumer impact

- Three issues consumers have about transportation
- The farther food/drink has to travel to a store, the worse it is for the environment, believe consumers
 - Graph 9: consumer attitudes toward supply chain, ethical and environmental – "The farther food/drink has to travel to a store, the worse it is for the environment", 2022*

The future of food sourcing and the supply chain

- Three ways in which brands are talking about ethical transportation

Distribution: what lies ahead, and how this impacts consumers

- Rail and road compete to meet consumer and retailer demand for low-emission transport
- Recent developments in logistics which ultimately benefit consumers
- The metaverse will bring an immersive, adventurous appeal to learning about food's journey from farm to plate
- Consumer takeaways for distribution

RETAIL & CONSUMPTION

Retail & consumption: what's happening now?

- With food prices soaring during the Information Age, consumers are more immersed in the shopping experience
- Food inflation is linked with the Ukraine conflict, while stockpiling returns to COVID-19-hit markets
- Three ways in which COVID-19 revised thinking about how food reaches consumers

Retail & consumption: the consumer impact

- Consumers in most global markets save money by taking advantage of discounts
 - Graph 10: ways that consumers save money on food and drink, 2022*
- Online grocery boasts advantages that improve consumers' day-to-day lives
- Consumer trust is a rich reward for being transparent about price rises
 - Graph 11: consumer attitudes towards supply chain, ethical and environmental – "I would be loyal to brands that are transparent with customers (eg explaining why they increased)", 2022*
- Consumers deserve price rises to be part of wider brand communications
- Brazil's Bauducco urges consumers to be wary of shrinkflation
- In some markets, consumers are hesitant about having globally sourced products in store
 - Graph 12: consumer attitudes toward supply chain, ethical and environmental – "I would like stores to offer food/drink that comes from different places around the world", 2022*

Retail & consumption: what lies ahead, and how this impacts consumers

- What future consumers will want at the point of purchase
- Be transparent about the most relevant information
- Restaurant diners will require a gentle nudge approach to choosing more ethical dishes
- The need to assert more control in their lives will affect how consumers shop
- Consumer takeaways for retail and consumption

FINAL THOUGHTS

- The implication

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email: store@mintel.com

Help desk

UK	+44 (0)20 7778 7155
US	+1 (312) 932 0600
Australia	+61 (0)2 8284 8100
China	+86 (21) 6386 6609
India	+91 22 4090 7217
Japan	+81 (3) 6228 6595
Singapore	+65 (0)6 818 9850