

The Changing Future of Food

The COVID-19 pandemic has shifted consumers' perspectives on food — and some changes may be here to stay.

by Kindra Gordon, field editor

Buying groceries online and ordering food — other than pizza — for delivery to your doorstep are two food trends that have quickly accelerated among consumers due to the COVID-19 pandemic. It is likely these are not temporary trends.

The COVID-19 pandemic has put food at the forefront and is transforming the way we buy and sell food, observes Jessica Adelman, a former Kroger grocery executive and current CEO of ESG Results. This current disruption in the food industry, she adds, will likely determine who will surge ahead and who will get left behind.

Adelman, who spoke via a webcast as part of the Alltech ONE Virtual Experience in late May, says one of the major reversals occurring in food is a return to at-home dining. From 2015 to early 2020, the consumption of food prepared outside the home was greater than the amount of food prepared at home.



However, as a result of the coronavirus, food analysts are predicting a \$100-billion shift back from restaurants and foodservice to the retail space.

Food opportunity

While most retailers are struggling and many are closing due to a drop-off in spending during the pandemic, Adelman notes the food industry and grocery space is actually seeing a boom.

As an example, during March, the first month of shutdowns in the United States, Nielsen reported \$18.8 billion was spent on consumer packaged goods (CPGs), which was directly attributed to COVID-related buying. Approximately \$10 billion of that was spent on increased consumption, and \$8.2 billion went directly toward pantry loading.

Adelman reports 70% of Americans say they still want to be able to, and like to, venture out to the grocery store. Thus, she says, “This leads us to the insight that the food industry is one of the only sectors that is actively hiring and thriving during this pandemic.”

Adelman says she anticipates the retailers who will struggle are the independents, leading to further consolidation and monopolies at both the regional and national levels of the retail food chain.

Along with the growth in food spending is the rise of e-commerce. Adelman says Nielsen data showed

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e-commerce orders saw a surge in the month of March, with online orders increasing by 60%. Significantly, 37% of that growth came from new households, and 45% of new online shoppers were over the age of 55.

As this “new normal” for e-commerce continues to evolve, Adelman says, retailers with good infrastructure are more likely to come out of the transition in a good place. She says she anticipates a combination approach of “bricks and clicks” could develop, similar to what happened when e-commerce giant Amazon bought brick-and-mortar Whole Foods.

Whether retailers are online or around the street corner, the important thing will be building an emotional relationship with the customer base, Adelman explains. “People don’t really care about the

infrastructure behind it,” she says. “We just want to know we can get the thing that we want, in the venue that we want, for a competitive price, when we want it.”

Seeking science

A secondary food trend emerging as a result of COVID-19 is consumers recognizing the importance of health and the relation of food to health. Adelman says “functional foods,” or food viewed as medicine is becoming more mainstream.

“We are taking these drastic steps to preserve our health and safety right now,” she says. “We’re all much more dialed into food, food safety and how to keep ourselves healthy for the long term.”

Along with that is development of a renewed sense of trust in science in the food space, which has traditionally been wary of science.

“We might be at the tipping point where consumers will permit science to reenter the discussion on agriculture, food and nutrition,” she suggests. “It’s been very interesting to watch how COVID-19 has led to a re-appreciation of scientists, science, doctors and, in general, the return of experts. And we might have a newfound appetite for letting experts do more to ensure food security versus just hope for the best, which means we might have a chance of feeding the 10 billion and better preserving our planet.”

Engage with consumers

Bottom line, agriculture and agri-food must seize opportunities and “write its own story,” Adelman says.

“The rhetorical question that I pose to you is, ‘Who do you want to be during, and then as a result of, COVID-19?’” Adelman asked during her presentation. She told the global

More consumer trends to anticipate

What other food trends are expected from consumers as a result of the pandemic? Shawn Darcy, director of consumer market research for the National Cattlemen’s Beef Association (NCBA), reports market research indicates about 65% of consumers have concerns about shortages of food staples like milk, eggs, chicken and beef. Darcy says this suggests stocking-up behavior will likely continue.

However, Darcy reports, recent data show consumers are not concerned with the coronavirus being in the food products, but rather about the virus being transmitted from packaging or by food employees.

For the future, Darcy says, beef industry data continue to suggest more and more consumer concerns related to beef seem to hinge on environmental or production perceptions. He says these topics began to surface with regularity in 2012 and 2013. Today they are no longer separate conversations. Instead, they are factors consumers weigh into their meal choices right along with taste, value and health. Thus, it is a topic beef marketers and consumer education efforts must continue to address.

Shortening the supply chain for all food is another topic on consumers’ minds, reports Ujwal Arkalgud, CEO of MotivBase, a data ethnography research company. During a Center for Food Integrity webcast in May, he explained that pre-pandemic the sustainability conversation was peppered with criticism about large corporations and their profit motives. That sentiment is now taking a backseat as online conversations revolve around the use of technology for the betterment of the food system.

Consumers are talking about “food miles,” Arkalgud reports. They want to buy foods that potentially travel shorter distances. While the conversation is presently happening among early adopters, the number of people talking about this issue is expected to grow by nearly 50% during the next 48 months, suggests Arkalgud.

He also reports conversations about hydroponics and vertical farming as sustainable solutions, and lab-cultured meat as a means to reduce the environmental effects of traditional animal agriculture and to solve concerns around animal welfare are also gaining traction.

agricultural audience, “I encourage you to write your own headlines now. And I encourage you to think about who you want to be and how you want to lead your organizations so that, coming out of this chapter, the best headlines and lead paragraphs are written about your organization’s conduct, resilience and courage during COVID-19.”

Specifically, Adelman says, post-pandemic consumers will be more in tune with and loyal to brands that showed up well during the crisis with a strong focus on the environmental, social and governance, or ESG,

aspects of their different businesses.

She explains, “Companies that are bold ... also have to make sure that they’re taking care of their communities and their workforce at the same time, which is a difficult balancing act and a needle that they’ll have to thread, but one where I think, if you take that holistic stakeholder capitalism approach and think about the long term, you’ll be able to navigate successfully and emerge as one of the winners from this chapter of history.” 