Global Trends Shaping the Future of the Agri-Food Industry

Ireland’s Agri-Food Strategy to 2030
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Today, now, this very moment, is the slowest pace of change you will experience in the rest of your life.
Fundamental shift in Supply-Demand balance

**DEMAND**
- Population, Income Increasing
- China and others eating more meat, dairy
- Shift to urban living
- Bio-energy use growing
  - Food Demand +60% by 2050

**SUPPLY**
- Land and Water constraints
- Government policies
  - Price, stocks, insurance
  - Trade
  - Environment
- Climate change

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**INCREASED VOLATILITY**
China’s Challenge: Feeding 1.3 billion

• Improving diets
• Relentless urbanization
• More demanding, digitally connected consumers
• Food policy – Critical!
  • Produce? Import?
  • African Swine Fever (reshaping global protein footprint)
• Promoting healthier diet
• Global investment to stimulate production
The new food consumer: Engaged and Empowered

- Actively seeks information
- Trust “friends” more than ads
- Values-based decisions: Product and Purpose
- Reject Big Ag/Food companies
- **Millennial disruption**: What, where, how they buy
Fresh, local, authentic, healthy
HAPPY EGG CO.

LAIRED ON SMALL FAMILY FARMS

FREE-EST of the FREE RANGE
PASTURE RAISED ON OVER 8 ACRES

ONE DOZEN EGGS

FREE-EST of the FREE RANGE
PASTURE RAISED ON OVER 8 ACRES

GRADE A BROWN EGGS

8+ Acres of Pastures

12 LARGE Brown

4.49
Fractured Demand
Sustainability: From fad to fundamental

- Consumers expect it
- Customers require it
- Employees engage with it
- Industry license to operate
What IS sustainability?

Definition keeps evolving

• Carbon, energy, waste
• Water, biodiversity
• Animal welfare, labor practices
• Human health
• Packaging, food waste …
70% of impact is in the supply chain.
From Sustainable Agriculture to Sustainable Diet

Source: Barilla Center for Food and Nutrition
Avoiding meat and dairy is ‘single biggest way’ to reduce your impact on Earth.
Transformational Technologies

From automation and Big Data to purchasing portals and differentiated products
New technology impacting every level of the chain
Digitizing Agriculture

- Increase productivity
- Reduce resources, waste
- Proactive decisions
- Change farming from Art to Science
Securing supply chains

IBM is tapping blockchain for a more transparent, authentic and trustworthy global food supply chain.

Disparate ledgers and lack of transparency in the supply chain put food at risk.

Graphical source: IBM

Brands: Walmart, Tyson, Unilever, Driscoll's, McCormick, Nestle, Kroger, McLane, Dole, Golden State Foods.
Connecting fork to field
More (and new) capital flowing to Agri-Food
In 2018:

- $16.9 billion in investments (+43% over 2017)
- 47% US, 21% China, 14% India
- 41% upstream, 59% downstream
- 1,450 deals, 1,776 unique investors

Funding to agrifood tech startups grew 43% year-over-year to 2018, the same rate of growth between 2016 and 2017.
Farm of the future?
Meat of the future?

Scientists seek climate-friendly cow of the future

Scientists Cook Up Lab-Grown Beef
Burger Project Was Funded by Google Co-Founder
A.T. Kearney, “How will cultured meat and meat alternatives disrupt the agriculture and food industry,” May 2019
Implications for Ireland agri-food strategy 2030

• Every business must be a technology business
• Supply chains must align, innovate to create differentiation, increase sustainability & secure license to operate
  • Requires farm-level programmes & proof
• New investors bring new capabilities, higher expectations re level of transformation & speed of change
  • How should beef and dairy engage?
• Leadership and talent are the biggest opportunity/constraint