

Future of Food and Beverage 2024 - Conference notes

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Conference notes

I would like to share some of my notes from a recent [conference](#) on sustainability in agrifood sector in Amsterdam 14-15 May 2024.

This conference managed to gather many CSOs (chief sustainability officers) of large international food companies. The conference sessions were held under the [Chatham House rule](#) thus speaker identities and affiliations cannot be revealed.

Further questions can be sent to q.v.nguyen@hva.nl

1. IFC food loss climate impact tool

This seems a good material to use in education on sustainability topic.

“When food is lost between farm and fork, the energy, water, fertilizer, and other resources along the value chain that went into producing this food are also wasted. In addition, food that is discarded often decays generating methane, a highly potent greenhouse gas. With support from GAFSP and the Government of the Netherlands, IFC, in partnership with Carbon Trust, developed a first-of-its-kind tool to estimate the GHG and cost savings associated with reducing food losses. The tool reports GHG emissions broken down by value chain phase (production, transport, storage, processing, retail, and landfill) for 50 crops/foods in 117 emerging countries. The tool was peer-reviewed by FAO and Cranfield University.”

Please have a look at: <https://www.gafspfund.org/ifcs-food-loss-climate-impact-tool>

2. Q&A: “what is the emission gap between **organic** and **conventional** sugar?”

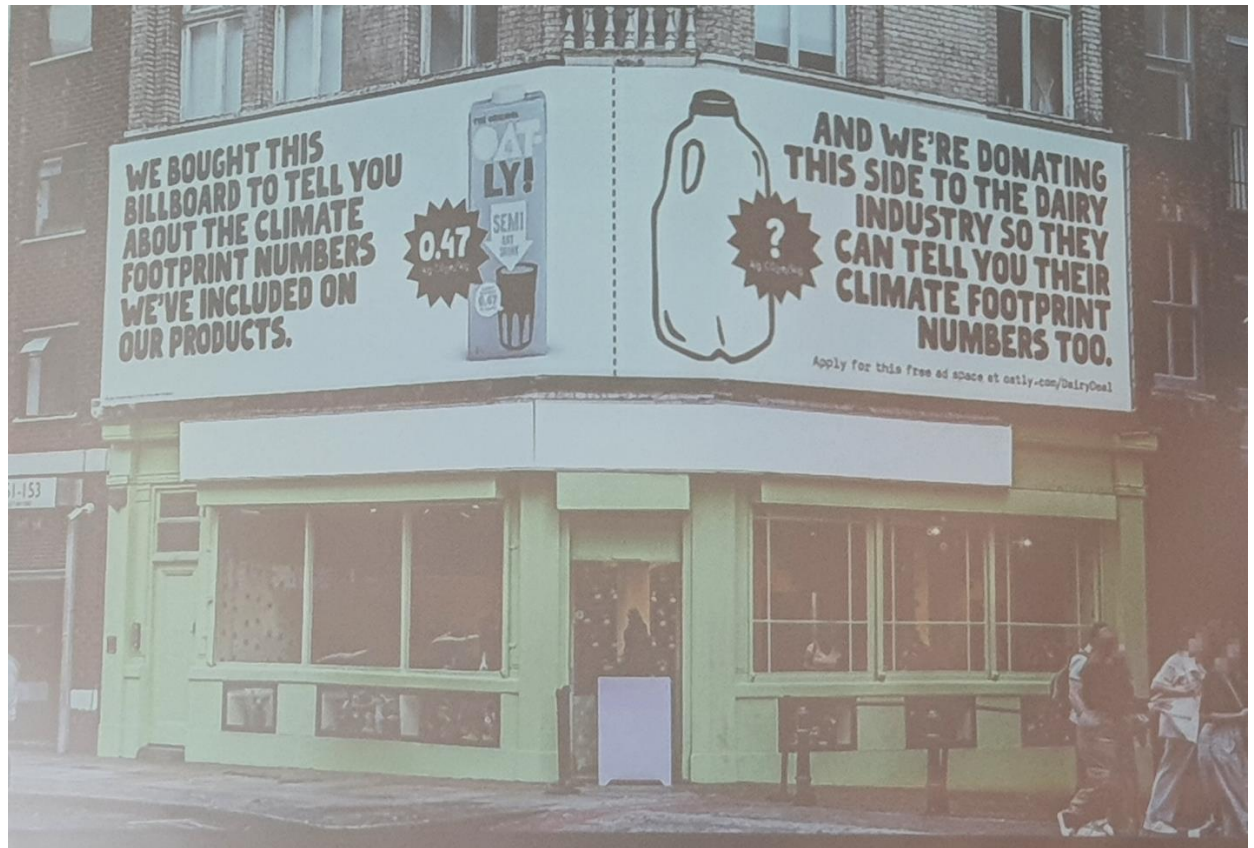
>>> Response from a speaker: *“organic sugar is worse in terms of emissions. However It is not because of the yield gap as many people might have thought as the yield gap is not that large actually. The main issue is that we lose efficiency in production process to combine organic and conventional sugar. We need to extensively clean up our factory and run 5 consecutive days particularly for organic sugar; after that 5-day period we can resume the production for non-organic sugar. This shift in production makes it very **inefficient**, which in turn increases emission from the use of energy and utilities.”*

3. Data sharing and data harmonization

Numerous companies shared the challenge in emission data collection. Most companies use **proxy** or **secondary** data and therefore it is hard to claim their SBTi targets.

In **B2B** communication, companies seem eager to share sustainability performance data as most B2B communication is behind the door and data is not validated. In **B2C** communication, companies are reluctant to share data with consumers as they concern about data validity. **Green-hushing** is also a new trend.

Food companies are **overwhelmed** by data requests from their customers, which differ in data framework/format. For example, companies are struggling to report on **biodiversity** or **regenerative farming** because there is still no common language for measurements. This stresses on the need for **data harmonization** and **common framework** in the sector.



(a photo shared by a speaker)

4. Logistics is a low hanging fruit

I heard from several CSOs (chief sustainability officers) of major food companies that their companies are targeting emissions from logistics because they deem it to be easy to get rid of. I asked “why is it easy?” and their responses “by electrification in transport”.

Personal comments: such statements underestimate the complexity of logistics processes and overestimate the energy transition progress.

Two main sources of emissions in food logistics (i.e. cold chain logistics): transport (~70%) and cold storage (~30%). Electrification in transport is indeed accelerating, yet logistics companies are still **far away** from having the required green fleets to accommodate requirements from food companies. Most of logistics companies are still in **trial/pilot stage** regarding green fleets. Sometimes we read on the news about a company purchasing green vehicles, yet it happens in a very small scale.

Furthermore, onsite renewable energy sources in cold storage sector supply only around 20% of the total energy consumption, the rest 80% is still sourced via **grid**, which still needs to be made green.

Long-distance ocean transport (i.e. including the use of reefer for cold chain): the use of renewable fuels is very limited.

5. Challenges at **food retail** and How to bring **consumers** along the journey

- Many speakers expressed that consumers do care for sustainability but they expect industries and retailers to **MOVE** first. In the last quarters (Q4 2023-Q1 2024) the **Willingness-To-Pay** for sustainable products have been **DOWN**.
- **Communication** of sustainability matters to consumer is still very limited. At the point of sales (retailer stores), it is difficult to **educate** consumers. They have limited time to make purchase decision and we should not burden them with too much information on packaging and different labels. The real question is then how to educate consumers before they come to the stores.
- The challenge is how to make sustainable products accessible and **affordable** to all consumers.
- Retailers are trying to **optimize** their supply chains to cut costs. They are busy **mapping** the supply chains, making food supply chain **shorter**, and working with suppliers in consolidation and capability improvement.

6. How big is the **appetite for sustainable food**?

- A research conducted by Good Food Institute:
 - ✓ “health” stays at the top in the **motivation** list for consumer to reduce consumption of meat and dairy products: health > animal welfare > environment > taste > concern about antibiotics
 - ✓ “taste” is the top concern on food **characteristics** that consumers deem important when choosing non-meat products: taste > healthy > cost > freshness
- A statement from a speaker: about **food affordability**, people often ask “why vegan food is more expensive?”, we should ask the other question “why dairy is so cheap?” is it because of government subsidies?
- Vegan food **does not** directly mean sustainable food. **Ultra-processing** in plant-based products is still a big challenge. Energy used in ultra-processing and required numerous ingredients make scaling challenging.
- A new metric should also be concerned: **nutritional density** in food.

7. A **tsunami of regulations** in Europe

Food companies are approaching deadlines to disclose their impact on climate and nature with regards to EU Deforestation Regulation, Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence, more to come.

Unintended consequences of regulations (an ethical question): will buyers stay and solve sustainability issues (e.g. EU deforestation regulations) with their suppliers (mostly in developing countries), or they will just look for new suppliers?