

Anuga Press Conferences 2019

Global food trends: More wholesome, more sustainable, more digital

From 5 to 9 October 2019 the largest and most important food and beverages fair in the world will open its doors. At Anuga more than 165,000 national and international top decision-makers from the branch come together. The Federation of German Food and Drink Industries (BVE), the conceptual sponsor of Anuga, has been supporting the trade fair as an international industry meeting point for many years. The fair participants are offered the opportunity to experience the entire world of food and drinks in all its extraordinary diversity at no other place. The BVE presents itself at the "Anuga Fine Food" trade fair together with the German Ministry for Food and Agriculture under the "Made in Germany" label.

Global food consumption trends

The demand for high-quality processed food is growing worldwide and by 2050 we will have 9 billion people to feed. Increasing consumer awareness not only promotes healthy and sustainable eating but also contributes to greater product individualisation. The use of innovative and digital technologies is on the rise, which promises consumers endless new variety. The global trend is towards healthy, sustainable and digital food consumption.

The expectations of consumers worldwide are increasing when it comes to food, which means that they are questioning products and how they are manufactured more frequently. The stronger need to do something "good" for yourself and the environment can be seen most clearly in food shopping and eating habits. This trend is also supported by the high time pressure in everyday life and the stronger digital networking of consumers. Food and nutrition are supposed to support a person's lifestyle. Food should be easy and practical to prepare and also be healthy and tasty. However, this does not spell the end of snacks and convenience. Quite the opposite: They get a healthy, green "upgrade". Digital channels also give consumers access to a wealth of food and nutrition-related information, which is influencing the individual purchasing decision more and more frequently. Digital networking also promotes the spreading of regional trends and products. The consumer benefits from the growing supply of local and exotic products. For example, goji berries and jackfruit are brought to Europe and pumpernickel and veal sausage to Asia. In the last ten years alone, the global food trade has increased by 60 percent. And in the last 20 years, it has grown by an astounding 200 percent. Both manufacturers and consumers benefit from this.

It is expected that digital information about food will become even more widespread and used more intelligently in the future. Individualised production will thus become the new reality. Consumers get even closer to their product and can implement their nutritional needs 1:1. It is not only established manufacturers in the market who are setting these trends. Small start-ups in particular are making their way into the market with fresh, innovative ideas and technologies and intensifying competition.

The trend is also towards sustainable food and conscious purchasing. Consumers are not only concerned about environmentally friendly and socially acceptable manufacturing methods but also about environmental packaging and manufacturers' commitment to sustainability. In addition, the fight against food waste is increasingly shaping the awareness of consumers. An estimated 1.3 million tonnes of food wind up in the garbage every year worldwide. That corresponds to one-third of the total food production and is a tremendous waste of resources. This is where consumers can make a difference because the amount of food they throw out worldwide each year comes to 358 kg per capita. That is why the trend is not only to buy less but also to pay attention to the correct serving sizes and packaging in order to avoid wasting food. However, the demand for more sustainability can also be seen with regard to product ranges. For example, there is an increasing number of alternative products in the market. The trend for plant-based food and alternative proteins is especially big. Vegan, vegetarian and flexitarian are nutritional styles that consumers are eagerly trying out. But not only is sustainability awareness growing, personal health and well-being are also important concerns. More and more consumers are acknowledging the major role that nutrition plays for a healthy lifestyle. This is reflected in the growing number of products in the market that support consumers in maintaining a healthy, balanced diet and enhancing their well-being and fitness. Consumers are finding a wide selection of products that are designed to meet specific dietary needs.

Development of the demand for food in the EU

More than 510 million consumers with strong purchasing power and high standards make the European Union an attractive sales market for food manufacturers worldwide. The market structure with its large number of small and medium-sized manufacturers and few large trading companies provides, however, for tough competition in winning over customers. For 2019, experts predict a stable economic development for all EU member states and the employment situation augurs well for secure earning prospects and thus positive incentives for private consumption. In particular, the purchasing power in the countries of Northern and Central Europe is at a high level.

The European food industry is among the largest in the world. Annual sales come to EUR 1,109 billion, of which 90 percent are generated in the domestic market. The added value in the industry has grown by 2.1 percent annually in the last ten years. European consumers spend EUR 1,123 billion per year on food. Consumers are benefiting from stable food prices, which are developing in accordance with general inflation. At the same time, they are continuously demanding innovations as well as a wide range of products. The European food industry invests an annual EUR 2.9 billion for innovation. Diversity of taste and product refinement is the goal for more than 50 percent of innovations in the industry. Other innovation drivers in the European food industry are increased health awareness and the high demand for convenience products. Here, primarily new products in the area of vegetable-based products, but also food with an additional health benefit are demanded. A small but emerging trend with a great deal of value creation potential is the growing awareness of consumers for sustainable food. The focus is on transparency and responsibility towards the environment and the employees. In the European Union, consumers spend a total of €34.3 billion per year for organic

food, which corresponds to €67 per capita. Consumers purchased organic products the most frequently in Denmark, Sweden, Luxembourg, Austria and Germany. These trends apply across all product categories. However, most of the product innovations are in the soft drinks, frozen products, ready-made meals and dairy products segments.

Trend market Germany

With 82 million price-conscious and quality-oriented consumers, Germany is the largest food market in Europe. Consumer climate in Germany is at a high level and well above the European average. Germans spend 10.5 percent of their disposable income on food and non-alcoholic beverages. With regard to food prices, Germans are a good 6 percent above the EU average. According to experts, their purchasing power will increase to €23,779 per capita in 2019. This corresponds to a nominal per capita increase of 3.3 percent and €763.

With over 170,000 products, the food in Germany is not only of better quality and safer than ever before but also more sustainable, diverse and inexpensive. The great diversity of offers and the high expectations of consumers make Germany a trend market for food. Thus a good 40,000 new products enrich the offer annually and new market segments are constantly arising. Superfoods, vegetarian, vegan, gluten, lactose-free, and light and convenience products as well as products with special production characteristics such as regional, sustainable, Fair Trade and organic can readily available in the market today. The product portfolio is continually further specialised, differentiated and re-invented faster and faster.

Despite all the variety and curiosity, locally produced food is very important to German consumers and 81 percent also want to have this in the future. This was the result of a survey conducted by the BVE together with startup Appino, in which 1,000 people were asked about what the future tastes like. The survey also showed that new products are definitely on the menu: In ten years from now, 58 percent of the respondents can imagine eating alternative proteins made from plants such as algae if this helps to conserve resources. In addition, 21 percent of the survey participants would switch to in vitro meat for the same reason, whereas 20 percent were more in favour of insects. 15 percent said they would not consider alternative proteins but would strive to be more conscious about the ecological footprint of food. For 13 percent, more sustainability was not a reason to switch to such alternatives.

The survey also provides interesting insights with regard to future nutrition scenarios. According to their self-assessment, 48 percent of the consumers will be buying their food primarily online in ten years. Only 8 percent of consumers can imagine a scenario where kitchens will become superfluous, with cooking and eating taking place outside the home – cooking will probably be done at home in the future as well. In contrast, one-fifth of consumers (22 percent) said they can even imagine growing their own food on the balcony or in the garden. Only 15 percent could warm up to the idea of ready-made food from a 3D printer, Men are somewhat more adventurous in this regard. At least 20 percent of the male respondents play with the idea that food will be digitally produced in the future. 23 percent cannot imagine these future scenarios.

The increasing digitalisation opens up new opportunities for consumers to find information about products online. Only 8 percent were not interested in using this potential. According to the survey, consumers are most interested (multiple answers were possible) in finding out where the individual ingredients come from (55 percent), how products contribute to a healthy diet (53 percent), the ecological footprint of a product (44 percent), how the individual ingredients were produced (40 percent) and who produced them (37 percent).

However, the demand for quality food “Made in Germany” is not only increasing continuously in Germany but also in other countries. The assortment of products of leading German food exports include traditional German specialties as well as the latest food innovations, with a particularly high demand for meat, dairy and confectionery products. Today, Germany is the third largest exporter and importer of food in the world. The most important trading partner is the EU, followed by Asia and the US.

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About BVE

The Federation of German Food and Drink Industries (BVE) is the umbrella economic association of the nutrition industry in Germany. It represents interests from across all branches of the industry in politics, administration, the media, the public and market partners. The task of BVE is to ensure future opportunities predominantly for medium-sized businesses. Its areas of focus are market and competition, foreign economic policy, consumer policy, environmental and raw materials policy as well as sustainability. As a co-sponsor of Anuga, the BVE represents the interests of the exhibiting food industry and is involved with its own presence at the fair and events as part of the supporting programme.