

Four Forces Inspiring Food Brands to Reimagine Their Stories



TOPLINE:

BR PERSPECTIVE

Increasingly, the most brand differentiating food stories consumers care about can be found in the supply chain. Four forces are driving food brands to reassess the stories they tell.

1. **Rising Hunger:** the urgency to address food insecurity.
2. **Environmental Concerns:** minimizing food production's footprint.
3. **Worker Issues:** how essential labor is to our food supply.
4. **Food Innovation:** new technology brings pros and cons.

Each of these issues provides an opportunity for brands to align with the values of their audience. As longstanding advertising attributes like taste and convenience become increasingly commoditized, promoting these supply chain stories provides a powerful means of insuring lasting value for food brands.

Marketing food has grown very complex. Taste and convenience are now table stakes; today, environmental concerns, social and health issues and technology all impact consumer buying decisions and brand loyalty. People want to find common ground between their personal values and the way their food is grown, raised and sourced.

That's why we believe today's most relevant food stories happen along the supply chain. The supply chain has emerged as a real opportunity area where brands can address issues that are increasingly important to consumers. Bader Rutter's Intel Distillery team has identified four specific forces inspiring smart food brands to reassess the stories they tell ...

1. THE URGENT NEED TO ADDRESS HUNGER

Hunger should not be a concern in the United States, which has an abundant food supply backed by the world's greatest agriculture system. But domestic food insecurity is still an issue; it has hovered just under 15% of households for the past decade, with the most optimistic numbers around 11% (14.3 million households) in 2018 ([USDA](#)). Sadly, mass unemployment caused by the coronavirus pandemic has led to a sharp rise in food insecurity, nationally and globally.



- Early indicators reveal ongoing and increasing hunger issues impacting our nation, with food insecurity reaching 16.5% of households with children ([Brookings Institution](#)). It also hits communities of color harder: 39% of Black and 37% of Hispanic households with children suffering from food insecurity ([Politico](#)).
- After the Trump administration implemented the widely-criticized Farmers to Families Food Box [program](#), anti-hunger groups recommended instead that USDA bolster the Supplemental Nutrition Assistance Program (SNAP, aka food stamps). In a June 18 letter, more than 2,400 organizations [urged](#) Congress to boost SNAP benefits by 15% and suspend eligibility cuts, citing the health and economic benefits of the policy.

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- Publishing a global hunger assessment in August, the Food & Agriculture Organization of the United Nations [estimated](#) that the world hunger is on a trajectory from 8.9% currently to 9.8% of the population by 2030 and that the pandemic will have caused as many as 132 million people to be malnourished.

Food manufacturers, foodservice companies and retailers can earn consumer attention by addressing big, topical issues like hunger and malnutrition. Whether at the local, national or global level, building hunger relief policy into corporate strategy can mitigate the projected hunger issue and provide relevant and compelling content for brand stories.

- With food banks overwhelmed in recent months, manufacturers have stepped up to fill the void. Early in the pandemic, Danone North America [donated](#) \$1.5 million, including \$300,000 in food, to food banks in 12 states. In May, Unilever's 14 U.S. factories conducted a "national day of service"; the company manufactured and delivered \$12 million worth of products, in addition to \$8 million donated earlier in the year ([USA Today](#)).
- The Kellogg Company has focused on worldwide food security as one of its core ways to give back. Since 2013, the cereal titan's [Breakfasts for Better Days](#) has provided more than 3 billion servings to people in need. Every October, the company promotes [World Food Day](#), partnering with hunger leaders, such as Feeding America and The Global FoodBanking Network.
- Closer to home, Bader Rutter, as a member of the [Bigger Table](#) initiative, pooled resources with several Chicago-area food and ingredient companies including ADM, Dairy Farmers of America and Imbibe, to create a nutritious protein shake for distribution at food banks ([Food Business News](#)).



2. THE ENVIRONMENTAL IMPACT OF FOOD PRODUCTION

Stewardship of our natural resources has risen in importance as international coalitions and new corporate partnerships work to head off the impacts of climate change. In the United States, the Trump administration's USDA [pledged](#) to boost ag production by 40% with a 50% smaller footprint by 2050.

- Internationally, 189 countries have signed the Paris Climate Agreement and its Sustainable Development Goals ([United Nations](#)). Although the Trump administration began the process of withdrawing from the agreement, the international nature of the supply chain means that many food companies, including [Cargill](#), [Mondelēz](#) and [Unilever](#), are sticking with their commitments.
- While sustainability conversations have taken a back seat to the coronavirus crisis in the short term, corporate commitments promote long-term resolutions as far out as 2050. Additionally, NGOs are encouraging companies and countries to tie pandemic recovery plans to sustainability-oriented targets ([World Resources Institute](#)).
- Indeed, the rise of ESG (environmental, social and corporate governance) investing has put money behind corporate sustainability efforts. Investor groups, such as Farm Animal Investment Risk & Return ([FAIRR](#)), can channel billions of dollars based on food production practices. Even on the smaller side of things, capital is increasingly flowing to startups that offer sustainable solutions ([Feedstuffs](#), [GreenBiz](#)).

Leading companies sense that now is a key pivot moment for the food supply chain and are leveraging credible partnerships and new sustainability-improving practices. These partnerships have focused on measuring and improving environmental metrics as corporations strive to meet their sustainability goals. Food brands can benefit from sharing these stories with consumers in a way that maintains trust along the supply chain.

- Smithfield Foods [partnered](#) with satellite imagery company Granular to help its grain supply chain growers boost farm sustainability and efficiency even as they improve crop yields. The partnership will help Smithfield to [reach](#) its goal of reducing greenhouse gas emissions by 25% by 2025.
- KIND Snacks [collaborated](#) with the Environmental Defense Fund to [develop](#) a “bee-friendly” sourcing plan for its almonds, touting it as a way to boost biodiversity. The snack food company is also boosting recently created verification programs to meet its 2025 goal.
- McDonalds, Target, Cargill and The Nature Conservancy [launched](#) a program to help Nebraska farmers to cut greenhouse gas emissions. Cargill’s BeefUp Sustainability Initiative seeks to reduce greenhouse gas emissions from its beef supply chain by 30% by 2030, Target wants to cut emissions by 30% by 2030 and McDonald’s has promised to cut greenhouse gas emissions by 31% in its supply chain by 2030.

3. THE IMPORTANCE OF WORKERS

A strong workforce is the lifeblood of the country’s food and agriculture production. Every link in the food supply chain has faced challenges with worker issues, including labor shortages, wages and immigration policy. More recently, the pandemic has brought renewed focus to this topic, which will have lasting implications for the food system — from farms to food processing facilities to consumers’ plates.

- Implications from the Fight for \$15 movement, which originally gained traction in 2016, were fueled by the pandemic and a Black Lives Matter national day of action. Advocates called for a higher minimum wage, paid sick leave and health care benefits, while also highlighting how Black workers are disproportionately impacted in the food industry.
- Rural flight has increased farming’s dependence on foreign-born workers to fill agricultural jobs, with many operations choosing to go through the H-2A temporary farmworkers program to find help. The pandemic has shined a light on immigrant workers and their critical role in the food supply chain.
- Automation and artificial intelligence has allowed farmers, manufacturers and distribution channels to capture efficiencies to keep costs low, maintain production consistency and enhance food safety. The downside is that technology replaces jobs as more companies seek to increase these investments ([Bloomberg](#)).
- COVID-19 catapulted worker-related issues to the forefront as health, safety and compensation topics sparked debate. Within the food industry, record job losses among restaurant workers contrast with agricultural and food processing workers being deemed essential. See The Intel Distillery’s [Coronavirus in 3 Charts](#) for more detail.

LOOKING AHEAD, FOOD COMPANIES CAN BENEFIT FROM REASSESSING WORKER POLICIES AND INVESTMENTS THAT BRING MEANINGFUL CHANGE TO THEIR WORKFORCE.

Looking ahead, food companies can benefit from reassessing workforce policies and investments that bring meaningful change to their workers. Brand stories that highlight new benefits and protections for employees can appeal to the emotional heart of consumers.

- In a tightening labor market in 2019, Costco raised its minimum wage to \$15, increased pay for supervisors and offered parental leave for hourly employees ([The Wall Street Journal](#)).
- Ben & Jerry's is known for integrating its political and social agenda into its corporate ethos. As racial protests emerged and the company responded with pointed statements and calls for action, Ben & Jerry's followed up by offering employees paid time off on Election Day to vote ([The Washington Post](#)).
- Amid the pandemic, Tyson Foods offered \$120 million in "thank you bonuses" to its frontline workers ([Tyson Foods](#)), while Hormel Foods announced it will cover the cost of tuition for dependent children of employees at community colleges where the company has regional operations ([Meatingplace](#)).

4. THE PROS & CONS OF INNOVATION

Despite the pandemic, \$5.5 billion has been invested in food technology startups and another \$5 billion in ag tech during the first half of 2020 ([AgFunder](#)). But while consumers generally welcome new technology, many are wary of innovations that affect their food. Shaping consumer opinion around the use of new food technology has never been more critical. Prudently balancing technology that's right for a brand with authentic storytelling can help ensure these critical investments are well received by audiences.



- In the field of biotechnology, genetically modified foods sparked pushback from activists. To combat this negative image, innovators are appealing to consumer interests. Scientists are using gene editor CRISPR Cas-9 to [develop](#) more flavorful and nutritious tomatoes (Wired). In July, researchers at UC Davis [bred](#) a steer that can reduce greenhouse gas emissions by siring 75% male calves, which are more feed-efficient than their sisters.
- On the side of widely accepted technologies, Apeel Sciences has [produced](#) a coating that can be applied to produce to extend shelf life of produce. The company recently [pulled in](#) \$250 million in capital for tackling the \$2.6 trillion tax that is food waste.
- The business strategy behind many lab-grown meat and plant-based meat alternative companies follows the tech-based Silicon Valley model. The players in this sector promise safer food with a lower environmental impact. Rapid product development by these startups has forced traditional protein companies to play catch-up to stay competitive and relevant to consumers.

“IMPORTANTLY, INNOVATIONS DON'T ALWAYS NEED TO BE ON THE BLEEDING EDGE OF TECHNOLOGY.”



Innovations don't always need to be on the bleeding edge of technology. The coronavirus crisis provided a novel situation where smarter use of existing technologies improved customer experiences in simple, obvious ways.

- COVID-19's shift to at-home food consumption further accelerated trends in food and grocery delivery. Retail giant Walmart [launched](#) Walmart+ on September 1, establishing a subscription service with unlimited free delivery and scan-as-you-go checkout for cashierless service in stores.
- In a May 3 Forbes opinion, Colorado State University cattle expert Temple Grandin [compared](#) the fragility of modern production with the lower risk — but higher cost — of localized production, questioning some benefits of today's technology-driven efficiency.

NEW ALIGNMENT REQUIRES NEW AND DIFFERENT STORIES

Bombarded with information and disinformation across an unprecedented number of platforms, today's consumers actively seek information about where their food comes from and the values it represents. **For food brands, this means producers and consumers have never been more closely aligned on supply chain issues.**

Smart brands, companies and associations should refocus on leveraging and promoting their supply chain innovations and practices to create relevant, differentiating news. Creating content that aligns with consumer values builds brand loyalty and sidesteps the race to the bottom on price that commoditized markets create.

About Bader Rutter: For over four decades, we have supported agriculture and ag brands. We have deep experience at the beginning of the supply chain and can apply that knowledge to many audiences, from internal to consumers. We tell and promote these stories, as fierce champions of our clients' success.

