

# FOOD

2040

## Infinite Opportunities FOOD 2040 FACT SHEET

### ENVISIONING A GLOBAL FOOD SYSTEM REVOLUTION

**FOOD 2040** is a different kind of study. Food 2040 boldly presents a vision of economic opportunity for food, agriculture and distribution industry leaders who develop advanced systems to meet the changing, and more sophisticated food demands of Asia's growing middle class. Focusing on the driving forces reshaping food and agriculture in East Asia, Food 2040 recognizes potential problems, but seeks to discover how ingenuity, technology, and resilience can create positive outcomes for the region, its inhabitants, and the firms that operate here. At its heart, **this report is an optimistic, forward looking exploration of opportunities for the agriculture and food sectors in East Asia through 2040.**

East Asia's growing middle class, which is led by the wealthy and health conscious Japanese consumer, is expected to reach 600 million households by 2020. These consumers will expect high degrees of personalization, quality, health promotion, convenience and traceability in their food. The changing tastes of the fast-emerging Asian middle class will revamp food product development, packaging and distribution, global food production policies, and world agricultural trade flows.

Firms that use advanced production technologies, and incorporate identity preservation and data-driven distribution systems that deliver health, quality, affordability and choice to wealthy Asian consumers, can expect to be rewarded in the marketplace.

**FOOD 2040** offers six key insights that describe how the future may unfold for agriculture, food, and consumers in East Asia. These insights are not predictions: there is more than one possible future. Rather, they are plausible futures designed to uncover new opportunities for food and agriculture.

### 1. EAST ASIA WILL BECOME A BIO- SCIENCE LEADER

East Asia is on a path to global bioscience leadership, driven by major private sector and government investments, and unprecedented demand. Consumer doubts about biotechnology may be swept away by several decades of proven safety, and by necessity, as the region seeks food security and more sustainable agriculture that can help alleviate resource quantity and quality constraints. There are significant opportunities in meeting the agriculture and bioscience needs of East Asia. Technologies that address agricultural yield, nutrition, climate resilience, consumer attributes, and safety, will be in demand.

### 2. CHINESE CONSUMERS WILL BE THE GLOBAL DRIVERS

In 2040, the global food and agriculture market will be heavily shaped by Chinese preferences, needs, and developments. In addition to being a leading consumer, China will be a food industry research and development leader. As the nation develops its food and agriculture system, and as its growing income accelerates food consumption, China's influence in global markets will be far-reaching. From functional foods that align with health and wellness expectations, to rapid adoption of biotechnology as a tool for feeding its people, China's new attitudes about nutrition will change the way food is grown, processed, marketed, shipped and consumed.

These trends have far reaching implications for both the U.S. and Japan, and will shape and redefine global agribusiness, biotechnology, food processing, logistics, and trade.

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### 3. HARVESTING TRUST: BRANDING AS A GUARANTEE OF QUALITY

Consumer expectations for safer, healthier, more customized and specialized foods will require enhanced food safety regulations and inspection systems, expanded and modernized infrastructure, greater traceability and more identity preservation. Products that meet these expectations will command a substantial price differential. Moreover, by the year 2040, much of East Asia will have state-of-the-art food safety and security systems which will offer transparency and accountability throughout the food chain.

By working together to build and adhere to a data-rich, technology-driven, transparent and rules-based trading system, food, agriculture and distribution leaders can build consumer confidence in global food systems, as well as trust among trading partners. Japan will play a key role in this process. As the systems of trust grow, consumers will be able to move past safety concerns to choose foods based on other values and preferences. Through greater participation in a system of trust, China and other Asian countries will gain entrance to the global food and agriculture network.

### 4. ASIAN DIET: SYNTHESIS OF TRADITION AND SCIENCE

Asia has a cultural tradition of using food to achieve specific health results, and through 2040 Western agricultural and food science will be increasingly used to expand upon that tradition. As the Asian population ages and becomes more affluent, nutrition and functional foods could play an even greater role in consumer food preferences. More elderly and affluent consumers in Asia may demand – and be willing to pay for – higher-value foods in order to avoid diseases of affluence and symptoms of aging, such as high blood pressure, cholesterol and diabetes.

### 5. FOOD AS A SERVICE: ASIA WITHOUT KITCHENS

By 2040, 70 percent of food expenditures by consumers in Japan may go towards foods prepared outside the home. This trend is reinforced by an aging population with high discretionary incomes, few children and smaller homes. China is likely to adopt Japan's rapid acceptance of foods prepared outside the home. This translates into new opportunities for food production, processing, delivery, marketing, and branding for increasingly affluent consumers oriented towards convenience, quality and variety.

### 6. PRODUCT DIFFERENTIATION; NICHE MARKETS

**FOOD 2040** envisions a proliferation of specialty markets and product differentiation in Asia. There will be new opportunities to meet consumer demands encompassing health and wellness, higher protein, novelty, safety, traceability, price, convenience and lifestyle. Verifiable information about food products, such as source, processing method, marketing chain chronology and current 'freshness' may come to represent a significant share of the product's value.

### SURVEY METHODOLOGY

**Food 2040** was produced for the U.S. Grains Council by Informa Economics Inc. and Foresight Alliance LLC. The study is based on primary and secondary research, interviews with a wide spectrum of industry, government and academic experts.

The methodology included a Delphi survey to gather expert consensus on important questions raised by the initial research. Following that, a set of preliminary hypotheses was created and online panels were held with experts in the United States, United Kingdom and in-depth interviews with experts in Japan, Taiwan, China, Korea and South Africa.