FaBA Food and Beverage Accelerator

Global Food and Beverage Trends Report

Unlocking opportunities in the Australian food and beverage sector

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The Food and Beverage Accelerator (FaBA) acknowledges the Traditional Owners and Custodians of the lands on which we live and work.

We pay our respects to their ancestors and descendants, who continue to maintain cultural and spiritual connections to Country. We recognise their valuable contributions to Australian and global society.

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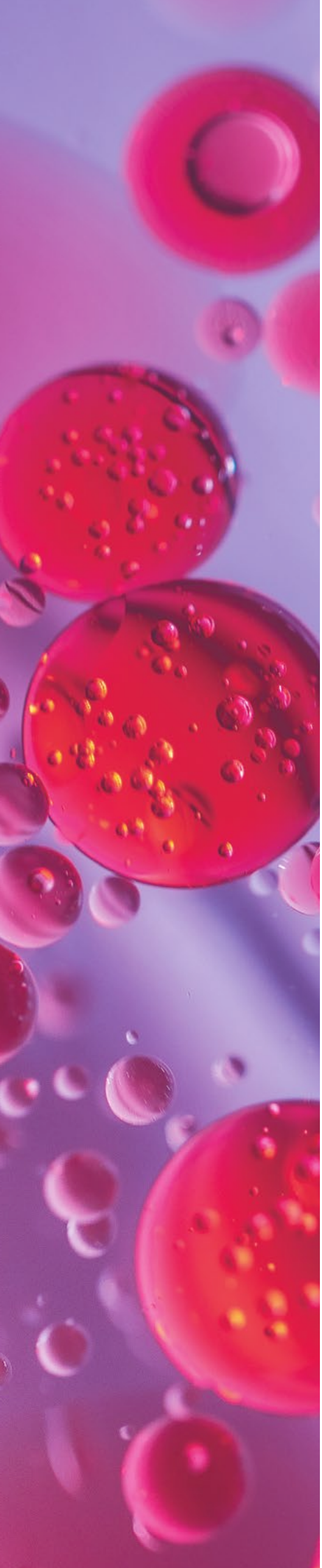

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Foreword

In the three years since Australia's Food and Beverage Accelerator (FaBA) released its first Global Food and Beverage Trends Report, the world has experienced significant geopolitical, economic, technological and social change. Cost-of-living pressures, climate volatility, supply chain disruption, rapid advances in artificial intelligence, changing consumer health priorities and shifting patterns of global trade are reshaping food systems like never before.

This report examines how these forces are transforming consumer demand, production systems and business strategies. While the broad trends identified in our original report remain highly relevant, this updated analysis reveals important shifts within those trends and translates them into five practical recommendations for Australian food and beverage businesses.

Dr Chris Downs
FaBA Director
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At FaBA, we are working at the forefront of these emerging challenges and opportunities. Through collaboration with industry, researchers and government, we are helping businesses anticipate change, build resilience and develop innovative products, processes and ventures that will strengthen the competitiveness of Australia's food and beverage sector. I trust this report will provide valuable insights to support informed decision-making and future growth.

We are delighted to bring you this second report on global food and beverage trends - an initiative of FaBA's Innovation Pathways Program.

This report outlines important shifts within the broad 10 trends previously identified and translates these into five innovation priorities for Australian food and beverage businesses which we frame as recommendations. They are: 1. build adaptive innovation capabilities to respond to changing consumer preferences; 2. design for multisensory and emotional appeal; 3. invest in data infrastructure through a staged approach; 4. refocus on affordable healthy choices; and 5. strengthen supply chain resilience through regional hubs.

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Executive Summary

Australia's food and beverage sector is being reshaped by persistent cost-of-living pressures, climate volatility, geopolitical disruption, changing health priorities and declining consumer trust. While these forces are increasing operating risks, they are also creating significant opportunities for businesses that can respond quickly, build resilient supply chains and deliver products that are healthy, affordable, and emotionally engaging.

This report draws on a core analytical dataset of 107 market and industry reports published between 2023 and 2026, supplemented by peer-reviewed research, market indicators and statistical data. It combines thematic analysis of global consumer demand evidence drawn from grey literature produced by market researchers, peak bodies, consulting firms and government agencies with topic modelling of Australian industry reports covering the food and beverage supply chain.

Building on the FaBA Global Trends Report published in 2023 [1], this new evidence base provides an opportunity to examine how the global food and beverage landscape has evolved. While the analysis identified patterns that align with the 10 broad trends reported in 2023 [1], it reveals important shifts within these trends and translates them into a new set of innovation priorities for Australian food and beverage businesses summarised in the **five key recommendations** on the following page and elaborated in more detail on pages 46-48 showing the links between the recommendations and the 10 trends.

Themes and associated trends:

- **Sophisticated demand theme:**
  Trend 1: Personal, functional and convenient
  Trend 2: Evolving flavour, heritage and sensory experiences

- **Healthier products theme:**
  Trend 3: Natural and fresh
  Trend 4: Healthier, nutrient-dense diets

- **Environmental concerns theme:**
  Trend 5: Sustainable production and consumption
  Trend 6: Conscious choices

- **Techno-economic forces theme:**
  Trend 7: Transparent, safe and responsible production
  Trend 8: Technology enablers

- **Business resilience theme:**
  Trend 9: Weather events
  Trend 10: Geopolitical and economic turbulence

Brief overview of recommendations

To translate these innovation opportunities identified across these trends into action, we provide the following **five recommendations** for Australian businesses:

Recommendation 1:

***Build* adaptive innovation capabilities to respond to changing consumer preferences.**

Australian food and beverage businesses should strengthen their market sensing to capitalise on consumer preferences for higher levels of protein, fibre, plant-based and plant-forward options to provide timely product and menu reformulations, and taking into account emerging consumption occasions, such as "Restore & Replenish".

Recommendation 2:

***Design* for multisensory and emotional appeal.**

Use texture, aroma, flavour, sound, presentation and portion size as deliberate design elements to enhance enjoyment in health-focused eating across the range of consumer segments (e.g. consumers deliberately choosing to eat smaller portion sizes such as GLP-1 users, ageing and neurodivergent consumers).

Recommendation 3

***Invest* in data infrastructure through a staged approach.**

Growing regulatory and traceability requirements are increasing the need for robust data infrastructure. Businesses should therefore prioritise compliance and traceability systems built on reliable data. This foundation can then support AI applications in areas such as product development, forecasting, and supply chain management while strengthening transparency and building trust.

Recommendation 4:

***Refocus* on affordable healthy choices.**

Consumers increasingly want healthy products but face growing cost of living pressures, creating demand for options that deliver both health and affordability. Therefore, businesses should focus on providing affordable healthy options.

Recommendation 5:

***Strengthen* supply chain resilience through regional hubs.**

Australia's food and beverage supply chain remains vulnerable to geographic concentration, climate volatility, and significant reliance on imported inputs. Investments in regional innovation hubs could strengthen resilience by supporting domestic ingredient production, resource recovery, value-added manufacturing and cost reduction, such as transportation.

Taken together, these recommendations provide a pathway for Australian food and beverage businesses to respond to immediate pressures while building the capabilities needed to anticipate changing demands, strengthen resilience, and capture emerging opportunities. While the pressures facing the sector are significant, businesses that act early and strategically will be better positioned to translate these challenges into sustained competitive advantage.

Introduction

The Australian food and beverage sector continues to navigate a highly complex and rapidly shifting operating environment. From the lingering effects of global supply chain disruption and persistent inflationary pressures to escalating geopolitical tensions and increasing climate volatility, the challenges facing Australian food and beverage businesses have both deepened and diversified [2], [3], since our previous report [1]. At the same time, these pressures are generating significant opportunities for businesses willing to adapt, innovate and respond to shifting consumer expectations.

At Australia's Food and Beverage Accelerator (FaBA), our mission is to help Australian food and beverage businesses ideate, develop, and commercialise innovative products, processes and ventures, thereby accelerating growth across the sector. To this end, this report identifies key emerging trends driving change across the global food and beverage ecosystem, examines their associated opportunities and challenges, and provides recommendations for leveraging these trends to create innovative products, services and solutions.

This report aims to inform researchers and policymakers, as well as executives, managers and business owners, about where the sector is heading and to support decision making around innovation initiatives that can benefit organisations, their stakeholders and the sector as a whole.

This report draws on market and industry data to provide an integrated perspective on global consumer demand and the Australian food and beverage supply environment. On the demand side, we conducted a structured review of grey literature published between 2023 and 2026, covering domestic and international reports from market research agencies, management consulting firms, food and beverage industry peak bodies, research centres, multinational producers and government agencies. Each report was manually reviewed to identify emerging themes, trends and threads. This process initially produced 34 candidate demand-side threads, which were refined through validation and independent review to 22 final threads.

On the supply side, we collected and analysed the latest IBISWorld reports published between 2023 and 2026, covering 24 Australian and New Zealand Standard Industrial Classification (ANZSIC) industry classes across the Australian food and beverage supply chain, spanning agriculture, manufacturing, wholesale trade, retail trade and accommodation and food services. Using topic modelling based on word embeddings[1], we identified 50 industry topics that provided corresponding supply-side evidence for the demand-side threads.

After multiple cycles of validation and human review, the 22 demand-side threads were organised into 10 major trends grouped into five key themes: sophisticated demand, healthier products, environmental concerns, techno-economic forces and business resilience. We then mapped the 22 demand-side threads against the 50 supply-side industry topics to identify corresponding industry evidence. Rather than operating independently, the trends are largely interrelated, reflecting the deeply interconnected

[1] We employed topic modelling using word embeddings as the main natural language processing (NLP) technique. See the methodology section for further details and references.

nature of consumer behaviour, industry responses and macroeconomic forces across the food and beverage value chain. We have provided five innovation recommendations that address the multiple trends simultaneously.

The first section of the report provides a high-level overview of the trends, their relationships and their effects on the Australian food and beverage value chain. We then describe each of the 10 trends in detail, including the associated opportunities and challenges. Next, we summarise our insights and provide recommendations for food and beverage businesses to capitalise on these trends and use them as catalysts for innovation. We also present case studies of companies that have partnered with FaBA, illustrating how businesses are seizing the opportunities and addressing the challenges associated with these trends. Finally, we describe the methodology underpinning the report.

The 10 Trends

Our core analysis synthesised market and industry evidence published between 2023 and early 2026, drawing on 107 reports. Of these, 42 were global grey literature reports examining consumer and market trends across different markets and countries. We assessed the patterns against the remaining 65 IBISWorld reports covering 24 ANZSIC industry classes within the Australian food and beverage supply chain. This analysis identified corresponding supply-side evidence and demonstrated the relevance of these patterns across different parts of the Australian food and beverage value chain. The methodology used is described on page 52. The patterns were organised into 10 broad trends: personal, functional and convenient; evolving flavour, heritage and sensory experiences; natural and fresh; healthier, nutrient-dense diets; sustainable production and consumption; conscious choices; transparent, safe and responsible production; technology enablers; weather events; and geopolitical and economic turbulence. These trends were grouped under five key themes. Although interrelated, they affect industries in different ways. Figure 1 illustrates the themes and trends, as well as their relevance across the food and beverage value chain.

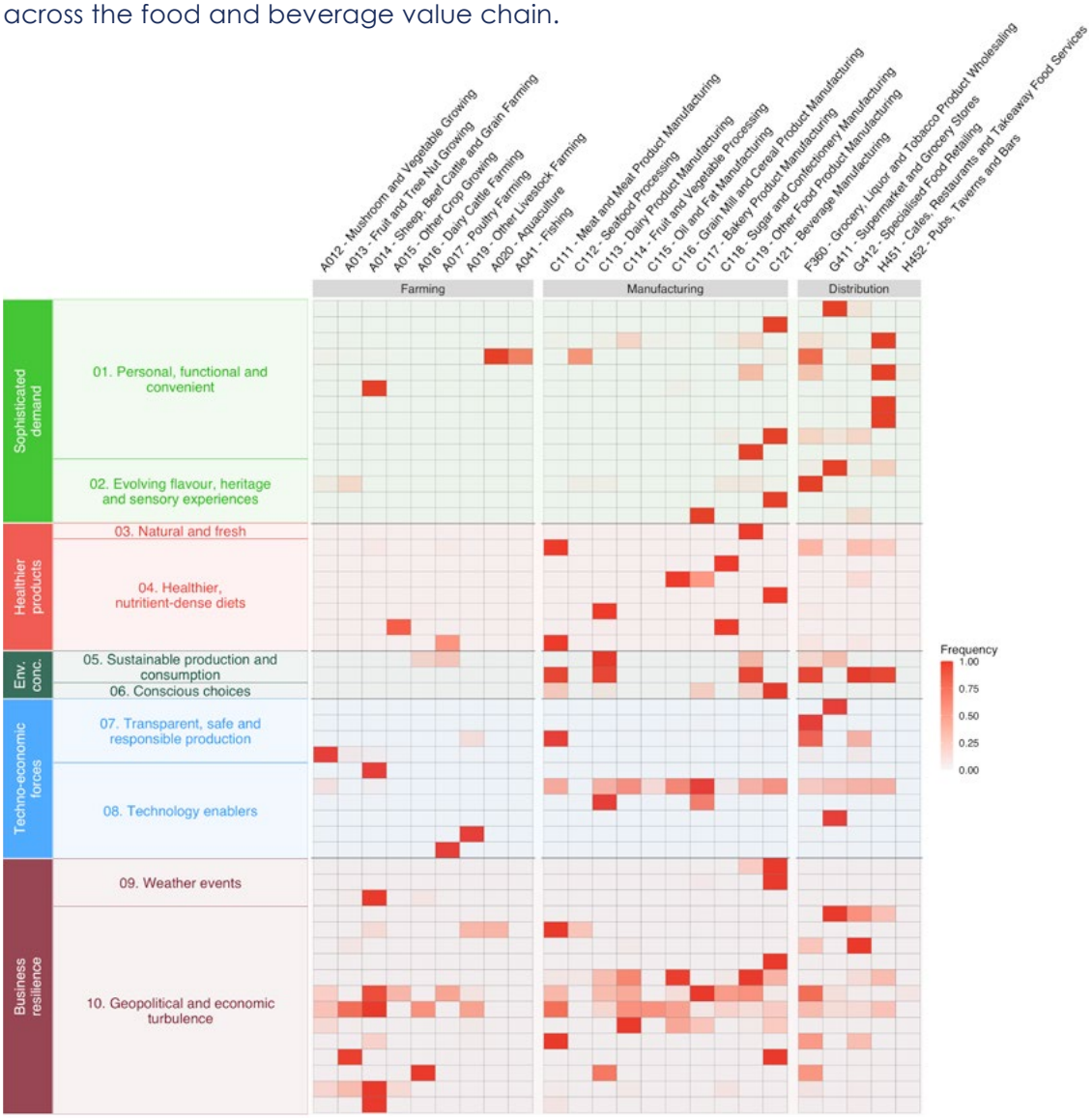
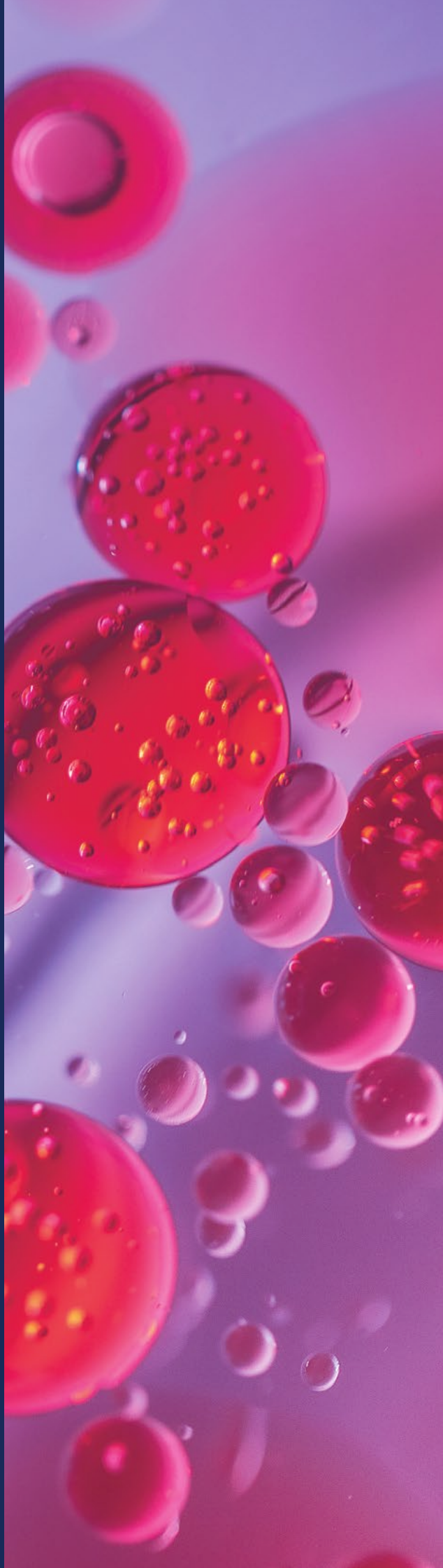


Figure 1. The topics underlying each of the 10 trends, with frequency of occurrence across industries

Theme 1: Sophisticated demand

Shifting consumer demand towards personalised, functional foods and enhanced experiences



Trend 1: Personal, functional and convenient

Consumers are increasingly seeking food and beverage products that respond to their individual health needs, deliver specific functional benefits and fit conveniently into their daily routines.

Functional food demand strengthening and broadening

Demand for products that deliver **health benefits beyond basic nutrition** is growing, driven by consumers increasingly seeking functional and bioactive ingredients in everyday food and drink [4], [5], [6]. This demand is already substantial. The global complementary medicines market is estimated at US$222 billion, while the Australian complementary medicines market is valued at approximately A$6.2 billion in 2024 and is forecast to grow at a compound annual growth rate of 5.7% through to 2029 [7]. Demand for **specialist and functional ingredients** is also expanding, driven by population ageing and growing interest in wellness and sports nutrition. The amino acid market alone is forecast to grow at a compound annual growth rate of 12.5% [7]. Importantly, this trend extends beyond market growth to encompass a broader range of consumer needs and product categories. This is reflected in the evolution of gut health, as consumer understanding expands beyond digestion to encompass mood, immunity and mental resilience. Global sales of probiotic yoghurt products have reached US$18.6 billion [8]. Plant-based claims are similarly spreading beyond meat and milk substitutes into categories such as butter, ready meals, snack bars and confectionery [8]. Mental and cognitive wellbeing have also become major consumer priorities, with brain health soft drinks recording a compound annual growth rate of 12% since 2019 [8].

Convenience evolving towards functional recovery moments

Convenience-focused food behaviours continue to expand, reflecting busy lifestyles and a growing willingness among consumers to explore new shopping channels [9]. Globally, nearly 40% of consumers used alternative retail channels, including subscription services, meal kits and grocery delivery on demand, over the past year, and the average consumer now uses approximately 3.6 shopping channels [10]. **Digital food ordering** has also become an established form of consumer behaviour, rather than a temporary response to the COVID-19 pandemic. Indonesian consumers, for example, now order through aggregator platforms nearly as often as they dine in [11]. Globally, 38% of consumers purchase prepared foods at least once a week, while 34% order a takeaway meal for home delivery at least once a week. The continued expansion of on demand delivery services across emerging markets in the Middle East and Southeast Asia is reinforcing these convenience driven behaviours, particularly among younger consumers [10]. Convenience is also increasingly associated with functional and restorative eating occasions rather than complete meals. **"Restore & Replenish"** is now the fastest growing food and drink occasion across Europe, accounting for 23% of all eating occasions [12]. These occasions typically involve quick, nourishing meals or snacks consumed alone during the workday or after physical activity, often based on what is readily available at

home [12]. Convenience is also beginning to converge with personalised nutrition information suggested by AI, creating opportunities to combine convenience, nutrition and technology within a single eating occasion [13], [10]. Australian restaurants reflect a similar shift and increasingly rely on platforms such as Uber Eats and DoorDash to generate takeaway revenue [14].

GLP-1 weight-loss drugs creating a new consumer segment

The use of GLP-1 drugs specifically for weight loss is relatively recent, but adoption has grown rapidly as evidence of their effectiveness has increased in line with consumer awareness [15], [16]. In the US, nearly one in 10 adults reported using a prescription weight-loss drug in the past year, while a further 22% had considered using one [17]. However, only 31% of US consumers surveyed considered prescription weight loss drugs a safe way to lose weight, indicating a gap between growing interest in these medications and broader consumer confidence in their safety [17]. High prices, regulatory barriers and limited insurance coverage have so far constrained access. These barriers may ease over time, potentially expanding the market, particularly as 40% to 50% of adults in Australia, the UK, Italy, Japan and the US report wanting to lose weight [16]. Among GLP-1 users surveyed, a majority reported reducing food spending and consuming smaller portions, alongside a greater preference for protein-rich, nutrient-dense foods [10]. The use of GLP-1 drugs is also reshaping the concept of **food as medicine**, shifting the emphasis away from added functional ingredients and towards meeting essential daily nutrient requirements [18]. This may create a different direction from the broader trend towards fortified functional products, including beverages with added protein and other health benefits. For GLP-1 users, reduced appetite may instead increase demand for smaller volume products that prioritise essential nutrition, particularly protein and nutrient density [18]. This shift is also visible in Australian aquaculture, where salmon production has grown alongside rising consumer demand for dietary protein [19].

Personalisation and customisation of products to individual needs

Demand for food and beverage products **tailored to individual needs** is growing globally, driven by increasing awareness of personal health requirements, including specific dietary needs, intolerances and health goals [20], [21]. This aligns with the emergence of interest in personalised nutrition, where products and recommendations are informed by individual characteristics such as DNA, metabolism and gut bacteria. These approaches may enable manufacturers to respond more directly to increasingly diverse consumer lifestyles, preferences and health needs [21], [22]. **Personalisation is also being advanced by AI**, which is increasingly used to tailor products and recipes to individual taste preferences rather than relying on standardised formulations [21]. Globally, around half of consumers surveyed are comfortable using generative AI for meal planning and personalised nutrition, while 70% use at least one healthcare app or wearable device. Seventeen per cent use these technologies for advanced real-time monitoring that provides personalised nutrition recommendations [10]. Greater access to personal health data is also raising consumer expectations that food and beverage products will respond to their specific needs. This includes needs that vary across demographic groups, as reflected in the rise of gender-specific and life-stage-specific nutrition information, including products targeting hormonal and bone health for women and muscle and heart health for men [23].

Opportunities:

- Capitalise on the GLP-1 consumer shift by developing smaller, nutrient-dense, high-protein formats, following for instance Nestlé's Vital Pursuit range, which offers portion-controlled products containing protein and essential nutrients for users of appetite-suppressing medications [24].
- Develop functional recovery products for the growing "Restore & Replenish" eating occasion, now the fastest growing across Europe and accounting for 23% of all eating occasions, by offering quick, nourishing single-serve formats that combine convenience with clear functional benefits [12].
- Reformulate core beverage and snack lines around gut health and bioactive ingredients. As an example, Coca-Cola's Simply Pop prebiotic soda and Nudie's probiotic juice shots demonstrate that mainstream manufacturers can respond to growing consumer demand for microbiome-supporting products at scale [25], [26].
- Develop a tiered approach to personalisation, beginning with AI-assisted meal planning applications, which roughly half of consumers are already comfortable using, before investing in higher-cost solutions based on DNA or the gut microbiome. This allows businesses to build consumer data capabilities incrementally, reducing upfront investment while positioning for more advanced personalised nutrition solutions as demand matures [20], [10], [21].

Challenges:

- Health-conscious substitution is steadily eroding sales volumes across established product categories, with high-sugar soft drinks [27], processed meats and traditional beer [28] facing structural declines in demand as consumers shift towards healthier, cleaner-label and more functional alternatives [25], [29], [30].
- Growing uptake of GLP-1 medications is reducing overall food consumption and portion sizes, particularly in calorie-dense categories. This represents a structural challenge distinct from health-driven product substitution and cannot necessarily be addressed through reformulation alone [16], [31].
- The growing demand for personalisation is increasing costs and operational complexity for manufacturers, as DNA-based nutrition targeting and AI-driven formulation require significant investment in data infrastructure and digital capabilities, which many mid-sized producers cannot yet justify at scale [21], [20].
- Disintermediation by major retailers, where retailers increasingly purchase directly from farmers and manufacturers, is placing additional pressure on wholesalers while functional and personalised product ranges become more complex [32], [33], [34], [35], [36].

Source: Adobe Stock

Trend 2: Evolving flavour, heritage and sensory experiences

Consumers are increasingly seeking food and beverage products that deliver distinctive flavours, celebrate heritage and provenance and create richer sensory experiences.

Flavour diversity and heritage ingredients intensifying

Demand for flavour diversity is growing as consumers move beyond a narrow focus on protein and fibre towards more varied and inclusive eating patterns [22]. This is reflected in **unexpected flavour combinations** that blend different cultural and culinary influences, particularly among younger consumers seeking greater variety and global influence in their food choices [23]. Interest is also growing in less mainstream regional cuisines, including Latin American and Southeast Asian flavours, prompting brands to localise menus and experiment with new flavour profiles [37], [11]. This shift extends beyond traditional meal occasions, with global flavours increasingly appearing in breakfast foods and beverages, while texture is becoming an increasingly important source of product differentiation [37], [38]. Alongside this diversification, there is renewed interest in **heritage ingredients** and traditional preparation methods. Food and beverages rooted in familiar cultural traditions are gaining fresh appeal, as ingredients such as ginseng and turmeric, together with other ingredients associated with traditional medicine, gain mainstream recognition, particularly in Asia Pacific markets [22]. However, nostalgia alone is not sufficient. Consumers increasingly want familiar flavours presented through higher quality ingredients or contemporary interpretations, treating heritage recipes as a starting point rather than a constraint [37]. This revival also includes **traditional preparation methods** such as sourdough fermentation, as well as growing interest in botanicals associated with specific places of origin, where provenance can be as important as the ingredient itself [37], [23].

Multisensory product design maturing from novelty to purpose

Multisensory product design is maturing, moving from novelty-led concepts towards purposeful products designed to meet specific sensory and emotional needs [22], [39]. This is reflected in products that use **texture, aroma and sound** as deliberate design elements rather than incidental features, recognising that flavour perception is shaped through the integration of multiple sensory cues [40], [39]. In China, for example, 79% of sparkling drink consumers say the sound of bubbles popping helps them relax, suggesting that sound can contribute directly to the intended product experience [22]. This shift is particularly evident in inclusive design for underserved consumer groups. Examples include softer textures, smaller portions and easier-to-handle formats for an ageing population, as well as products designed with consideration for the texture, aroma and visual sensitivities of neurodivergent consumers [22]. These developments together reflect a broader shift towards designing food experiences that are not only nutritionally appropriate but also more accessible, engaging and enjoyable for diverse consumer groups [39]. This approach also extends to people using GLP-1 medications, who may

consume smaller portions and prioritise nutrient-dense foods that can sometimes feel clinical or functional. For this group, texture, aroma and presentation may help maintain enjoyment and sensory satisfaction when eating smaller portions, creating opportunities for smaller, nutritionally concentrated products that still feel pleasurable and appealing [22].

Multisensory design is also reshaping when and where food and beverage experiences occur. Brands are using aroma, sound and visual cues to modernise consumption occasions, as reflected in the rise of "soft clubbing" and daytime cafe events centred on coffee and tea rather than alcohol [22]. These formats are helping established social rituals remain relevant to Gen Z and Gen Alpha. The relationship between sensory experience and wellbeing is also becoming more prominent. Emerging evidence suggests that emotions play an important role in food choice and consumption, creating opportunities for products that intentionally engage multiple senses to support positive eating experiences [41]. Consumer interest supports this direction, with 40% to 58% of consumers across surveyed markets agreeing that the smell of certain foods or drinks can improve their mood [22]. This emotional dimension is also evident in **"food therapy"**, where comfort food is reframed through taste, texture, aroma and sound to promote calm and emotional balance, particularly among Gen Z and Millennials in high-pressure markets such as Japan and South Korea [22]. The continued popularity of **floral profiles** such as elderflower, hibiscus and rose further reflects consumer interest in flavours associated with calming sensory experiences and perceived wellness benefits [23]. However, the growing sophistication of multisensory design also creates trade-offs. In children's food, for example, manufacturers must balance natural colours and added nutrition with the crunch, colour and sense of fun that consumers continue to expect [22].

Source: Adobe Stock

Opportunities:

- Commercialise native and Indigenous ingredients, whose unique flavour profiles and promising antioxidant properties may provide Australian producers with a comparative advantage in domestic and export markets [4], [42]. FSANZ's new standard for native bee honey demonstrates how clear regulatory pathways can support the commercialisation of native ingredients [43].
- Partner with specialist AI-enabled flavour technology providers that use advanced sensory and molecular analysis to recreate heritage taste and texture profiles at commercial scale. This could shorten product development cycles while helping to retain the sensory qualities associated with traditional products [21], [44].
- Turn the production environment into part of the customer experience. Brewpubs allow customers to consume beer where it is produced, while distillers are investing in urban cellar doors and tasting rooms. These formats can strengthen perceptions of authenticity that larger producers may find difficult to replicate, while generating additional revenue through direct engagement with consumers [30], [45].
- Use augmented reality on product packaging to connect digitally engaged consumers with provenance stories, production processes and verified sourcing credentials. This can turn a routine purchase into a more interactive brand experience while giving consumers greater access to sourcing and production information [25], [45], [46].

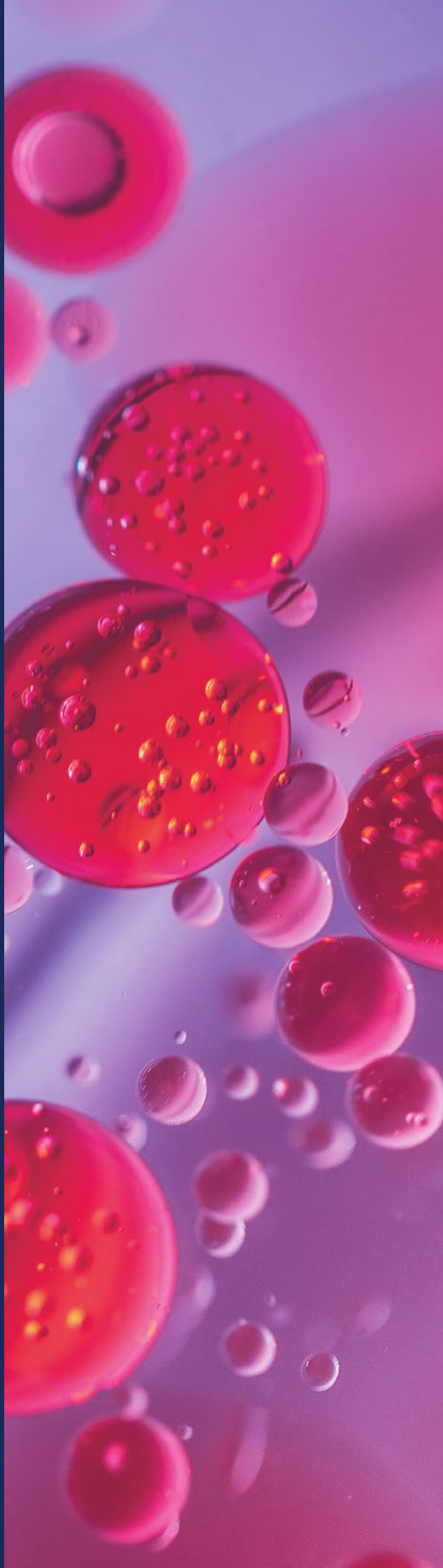
Challenges:

- A key challenge for businesses would be how to maintain sensory enjoyment while reducing sugar, salt, fat, portion size, or environmental footprint. It will be important to recognise that consumers from different segments have different requirements that also challeng current design and formulation paradigms.
- Scaling heritage- and provenance-specific products can create tensions as production volumes increase. Single-origin sourcing may become more costly, traceability can become harder to maintain, and the provenance claims supporting a price premium may become more difficult to substantiate as supply chains expand [47], [46].
- Balancing natural colours and added nutrition in children's food with the crunch, colour and sense of fun that consumers continue to expect remains a significant product development challenge [22].
- Immersive and multisensory formats may lose their distinctiveness as they become more widely adopted. As brewpubs, augmented reality experiences and mood-based menus move closer to category norms, businesses may face ongoing investment requirements while delivering progressively smaller gains in differentiation [24], [30].
- Justifying investment in emerging sensory and personalisation technologies, such as microcarbonation, mood-based menus and robotic servers, where returns depend on creating more engaging customer experiences rather than improving operational efficiency alone [25], [24], [38].

Source: Adobe Stock

Theme 2: Healthier products

Increased consumer demand for natural, fresh and nutrient-dense products



Trend 3: Natural and fresh

Consumers are increasingly seeking food and beverage products that are natural, minimally processed and made with recognisable ingredients.

Concerns about perceived ultra-processed food are now a driver of fresh food growth

While some processing is essential to deliver safe, stable foods and reduce food waste, concern about foods classified as **ultra-processed** under the NOVA system [48] appears to be increasing, shaping consumer preferences for single-ingredient and minimally processed foods and strengthening the appeal of fresh products over more heavily processed alternatives [49]. This shift is reflected in 62% of surveyed consumers identifying **ultra-processed foods and pesticide use** among their leading concerns, ahead of price, nutrition and sustainability [10]. Around half of consumers globally also plan to increase their consumption of **fresh produce** over the next six months, rising to more than 60% in some Middle Eastern markets [50]. Active avoidance is also becoming more common. Ultra-processed foods are now the most actively avoided food category among US consumers, cited by 41% of respondents, ahead of processed meats [51]. This concern is extending to categories that have traditionally been positioned as healthier alternatives, with some consumers rejecting plant-based meat substitutes because they are perceived as overly processed. Household transaction data indicate that consumers reduce spending across a wide range of food categories after adopting GLP-1 medications, with some of the largest reductions occurring in calorie-dense and processed categories [52]. This supports industry evidence indicating that users broadly maintain their consumption of fresh foods while reducing purchases of snacks and baked goods [49]. However, consumer concern is not always aligned with scientific assessments of risk. Some consumers apply a "presence equals risk" judgement, treating the presence of an ingredient as more important than its dose or quantity when assessing potential harm [51]. Perceptions of **food additives** can similarly be shaped by a limited understanding that risk depends on dosage rather than the mere presence of a substance [53]. These concerns coincide with declining confidence in the safety of the US food supply, which fell from 70% in 2023 to 62% in 2024 and reached 55% in 2025. Similar concerns have emerged in Asian countries such as Indonesia where 72% of Indonesians are concerned about the levels of food additives [54]. The decline appears to be partly associated with a growing belief that food companies prioritise profit over consumer safety [17], [55]. In Australia, caterers are responding to similar preferences for freshness by preparing more food on site rather than relying on off-site production [56].

Clean-label and natural ingredient preference intensifying

Consumer preference for clean-label products and natural ingredients appears to be intensifying, driven by demand for products **perceived as more natural and less artificial** [8], [57]. This is reflected in how consumers assess healthfulness at the point of purchase: "no artificial ingredients" is the most commonly used label claim, selected by 34% of supermarket shoppers, ahead of "no additives" at 26% and "organic" at 22% [58]. The same pattern extends to dining out, where absence-based claims also strongly influence perceptions of healthier menu options [58]. **"Natural" positioning**, that is, food perceived as natural is also shaping flavour and ingredient innovation. We are seeing some evidence of growing demand for **caffeine-free options and natural sugar**

alternatives, alongside rising interest in ocean-derived umami ingredients such as sea greens and seafood concentrates [37], [23]. However, these preferences are not always supported by a clear understanding of food processing. Better communication based on evidence is needed. For instance, seven in ten US consumers say they cannot fully explain what constitutes a processed food, and this knowledge gap persists regardless of how frequently they consume processed products [58]. This disconnect may contribute to consumers relying on simple ingredient and label cues when judging the healthfulness of food products [57]. At the same time, many processed foods are still viewed as compatible with a healthy diet, with frozen broccoli, frozen berries and Greek yoghurt among the most widely accepted examples [58]. Clean-label demand also intersects with broader expectations around **ethical sourcing and sustainable production**, particularly in export markets, where sustainability has been identified as a leading consumer trend shaping market opportunities [59].

Opportunities:

- Respond to growing concern about ultra-processed foods by reformulating products using recognisable, minimally processed ingredients. Australian snack manufacturers, for example, are expanding into sweet potato, beetroot and taro chips in response to consumer demand for greater variety and products perceived as healthy alternatives to conventional potato chips [60].
- Reformulate products in response to growing demand for clean-label and minimally processed options, including ingredients such as honey and stevia. Murray River Salt provides one example of a producer benefiting from rising demand for artisanal and naturally evaporated salts among health-conscious consumers [61].
- Use technologies such as microencapsulation to protect sensitive ingredients and improve their stability, alongside AI-assisted monitoring and optimisation to detect spoilage risks, predict remaining shelf life and support product quality [61], [62], [13].
- Expand fresh and nutrient-dense food service offerings, particularly salad-based and other health-focused formats. These formats are recording the fastest growth in outlet numbers among large restaurant chain categories as consumers seek healthier options when eating away from home [38].

Challenges:

- Consumer preference for clean-label products is not always supported by a clear understanding of food processing. This knowledge gap may lead consumers to rely on simplified ingredient and label cues when evaluating product healthfulness [57]. Priority should be given to providing clear communication regarding food processing. Consumers may assess ingredient risk based more on whether an ingredient is present than on its dose or quantity, making reformulation decisions more difficult for manufacturers because consumer perceptions do not always align with scientific assessments of food safety [51], [53].
- Confidence in food safety in the US fell from 70% in 2023 to 55% in 2025, partly reflecting concerns that profit is prioritised over safety [55]. As a result, even reformulated clean-label products may face underlying consumer scepticism. Brand communication alone may be insufficient to address this, increasing the value of third-party certification and independent verification to build consumer trust [55], [46].
- Meeting demand for natural and fresh positioning while maintaining shelf life and food safety standards requires sustained investment in alternative preservation technologies rather than one-off product reformulation [61], [62], [13].

Trend 4: Healthier, nutrient-dense diets

Consumers are increasingly prioritising nutrient-dense diets, driving demand for protein-rich, fibre-rich and plant-forward food and beverage products that support long-term health.

Protein becoming a leading nutritional priority

Protein has become a leading nutritional priority for many consumers. The share of US consumers actively trying to consume more protein rose from 59% in 2022 to 71% in 2024, making it the most sought-after nutrient in the United States (US) [17]. This shift is also influencing meal occasions. Savoury breakfasts have increased by 6% across Europe since 2019, driven by consumer interest in protein, satiety and more substantial morning nutrition [12]. In Spain, savoury options now account for 38% of all breakfast occasions. Foods such as eggs, avocado, nuts, cheese and cooked ham, once more commonly associated with lunch or snacks, are increasingly being consumed at breakfast [12]. Demand for protein also remains strong within food service and is developing alongside other goal-oriented eating patterns such as ketogenic and reduced-sodium diets [38]. Consumers are increasingly exploring a wider range of protein sources, including traditional plant-based foods such as tofu, tempeh and seitan, alongside animal-derived and emerging **alternative proteins** [38], [63]. Growing consumer demand is making protein an important strategic priority for the food and beverage industry. The growth of the protein sector is identified as a core objective in joint Australian and Singaporean innovation programs, positioning both functional and alternative proteins as important areas for future development [64]. Notwithstanding rising consumer interest in protein, most Australians already meet current protein requirements, while many adults fall short of recommended dietary fibre intakes [65], [66], [67].

Wholefood and plant-forward dietary shifts broadening

A behavioural shift is underway among some consumers towards greater consumption of **fruit and vegetables** and lower consumption of high-calorie, nutrient-poor foods [4]. This shift is being influenced by growing awareness of the environmental and climate impacts of dietary choices, alongside increasing demand for products with verifiable sustainability and provenance credentials [4]. **Plant-based eating** is also expanding beyond its traditional consumer base. Globally, 21.2% of consumers report trying to reduce their meat consumption, while 15.3% follow a plant-based diet. The proportion of consumers identifying as vegan increased from 3.4% in 2019 to 4.6% in 2023 [8]. Plant-based innovation is also extending **beyond meat and milk alternatives** to include categories such as butter, ready meals, snack bars, ice cream, confectionery and pasta. Developments in ingredients such as plant-based gelling agents are enabling further innovation across these product categories [8]. Growth is increasingly being driven by flexitarians rather than committed vegans or vegetarians, creating opportunities to reach mainstream consumers who want to reduce their consumption of animal products without adopting a fully restrictive diet [68]. Improvements in the taste, texture and sustainability of plant-based products are supporting this shift [23]. Consumer acceptance, however, continues to depend strongly on sensory qualities such as **flavour and texture** [69],

[70]. An emerging area of interest is **plant-forward**. Plant-forward refers to dietary patterns that place greater emphasis on plant-based foods while reducing, rather than necessarily excluding, animal-based foods [71], [72]. While 44% of the general population are open to adopting a plant-forward diet, an equal proportion are concerned that plant-forward options may not meet their taste expectations [38]. Australian fast food chains are responding by expanding their vegetarian and vegan menu options [73].

Opportunities:

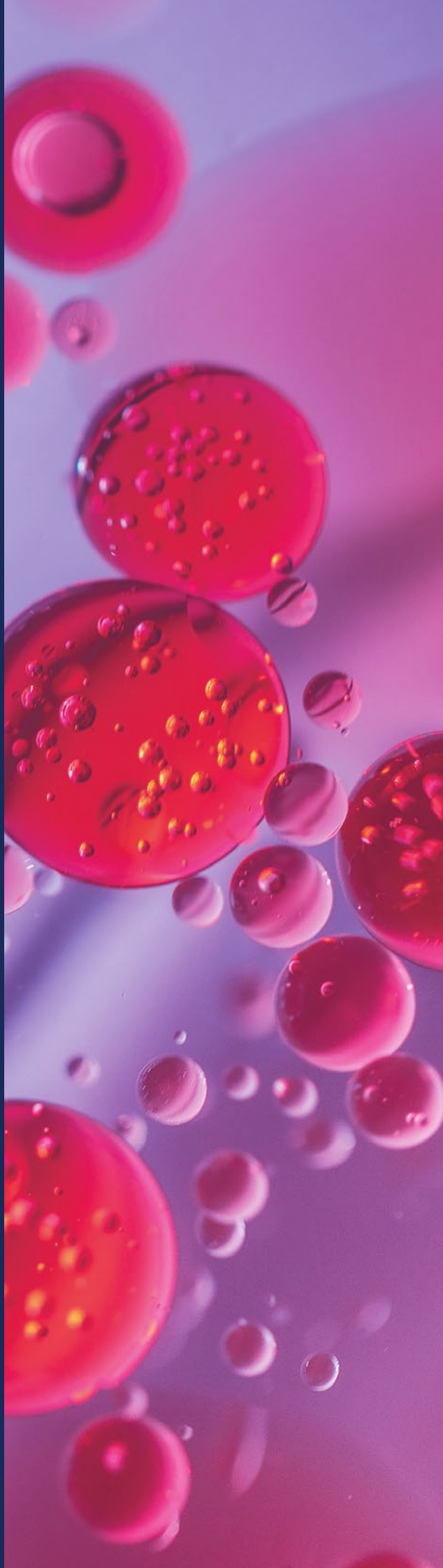
- Reformulate products and menus around fibre and gut health. While 51% of consumers now prioritise fibre intake, only 22% of operators promote high-fibre menu items [24], creating a clear opportunity for early movers. Allied Pinnacle is already responding with its high-fibre bread range [74].
- Target flexitarians as a key growth audience rather than focusing only on committed vegans. While 21.2% of consumers are trying to reduce their meat consumption, only 15.3% follow a fully plant-based diet [8], [68]. Cured meat manufacturers are already responding with nitrate-free and preservative-free 'Better for You' product lines that allow consumers to reduce perceived health trade-offs without giving up meat entirely [75].
- Deploy AI-driven recipe optimisation systems, including commercially available solutions from providers such as Siemens, to adjust formulations in real-time in response to variations in raw material quality, such as flour consistency. These systems can help manufacturers maintain clean-label or naturally positioned products while reducing reliance on synthetic stabilisers [21].
- Develop compact, protein-rich dairy and fresh produce formats for GLP-1 medication users, including high-protein yoghurt pouches, fortified kefir and pre-portioned fruit-and-nut combinations. These formats can respond to demand for smaller, nutrient-dense portions as users shift spending away from calorie-dense categories [10], [16].

Challenges:

- Growing scrutiny of sustainability messaging and product claims is increasing the importance of clear, verifiable communication. Businesses can respond by favouring specific, substantiated claims over broad sustainability messaging to support consumer trust [68].
- Reformulating established products while maintaining economies of scale presents a significant challenge, as reducing preservatives, additives and sugar can increase costs and operational complexity across existing manufacturing lines [47], [25].
- Competing with fresh and artisanal alternatives can be difficult at industrial scale, as some consumers increasingly favour unpackaged sourdough, ciabatta and similar products over mass-produced staples [47], [76], [77].
- Translating consumers' stated health priorities into menu and product innovation remains challenging, given the persistent gap between demand for nutrients such as fibre and the extent to which these priorities are reflected in the products and menu items that operators promote [24].

Theme 3: Environmental concerns

Emerging trends towards sustainable production and consumption and a shift in consumer consciousness



Trend 5: Sustainable production and consumption

Businesses are reshaping production and supply systems through circular resource use, sustainable packaging and more resilient domestic supply chains to reduce environmental impacts and strengthen long-term sustainability.

Supply sovereignty risk drives onshoring and upcycled ingredient opportunities

Consumers are increasingly seeking products that **deliver health benefits** beyond basic nutrition, driving demand for bioactive ingredients used in complementary medicines, nutraceuticals and functional foods [5]. This growing demand also exposes a significant supply chain vulnerability. Around 99% of the raw ingredients used by Australia's complementary medicines industry are imported, increasing exposure to geopolitical disruption and climate-related supply risks [5]. Similar vulnerabilities are evident internationally. More than 50% of food consumed in the Middle East and North Africa is imported, while the UAE relies on imports for approximately 90% of its food supply [50]. However, these vulnerabilities also create opportunities to strengthen domestic production. Agrifood by-products currently directed towards low-value uses or discarded could be processed into bioactive and functional ingredients, converting underused waste streams into higher-value inputs [5]. Growing interest in **upcycled food certification** further supports this opportunity, with calls to establish or expand relevant certification frameworks in Australia [7]. **Local sourcing** is also becoming an important risk mitigation strategy. As overseas supplies become less reliable and climate change increases harvest variability, domestically produced ingredients may attract a premium, particularly where they offer greater traceability and supply security [49]. Australian-made complementary medicines already benefit from a strong reputation for stringent manufacturing standards, with exports reaching A$1.2 billion in 2024 [7].

Sustainable packaging demand remains strong but trust in claims is eroding

Demand for sustainably packaged food and beverages remains strong, reflecting growing consumer concern about environmental impacts and encouraging brands to adopt recyclable and biodegradable packaging formats [78]. Sales of products marketed as **sustainable** have increased by 20% since 2014, although this broader measure extends beyond packaging alone [78]. This demand is also evident in Indonesia, where 57% of consumers report choosing eco-friendly packaging and 71% say they would be willing to pay more to support environmental outcomes [54]. More broadly, sustainability has been identified as the leading consumer megatrend shaping export opportunities, with implications for packaging, labelling, carbon-related trade measures and environmental, social and governance reporting [59]. However, trust in sustainability claims is weakening. Simple and verifiable claims, such as local sourcing, may resonate more strongly than broad carbon-neutral or net zero claims [68]. This is compounded by a values action gap, whereby stated environmental preferences do not always translate into

consistent purchasing behaviour [54]. **Affordability and clarity remain important barriers**. Forty per cent of consumers identify price as the main obstacle to purchasing sustainable products, while 27% report finding sustainability labels unclear [68]. Similar tensions apply to provenance and animal welfare, as consumers increasingly seek traceable credentials but show limited willingness to pay a premium for them [4]. Egg farming is an exception, with free range accounting for 62.7% of industry revenue compared with a declining 13.9% for cage eggs [79]. Retailers are responding by using in-store labelling and digital applications to help consumers identify and compare more sustainable choices [68].

Opportunities:

- Build more sovereign supply chains through onshoring, following the example of brands such as Proper Crisps, which opened a Melbourne facility in 2022 to meet Australian demand and reduce reliance on trans-Tasman imports [60].
- Leverage the credibility associated with local production. Australian-made complementary medicines already benefit from strong export demand linked to stringent manufacturing standards, with exports reaching A$1.2 billion in 2024 [7].
- Map and commercialise processing by-product streams, including fruit and vegetable skins, dairy whey, grain husks and meat trimmings. These materials could be redirected into bioactive ingredient supply chains for complementary medicines and functional foods, reducing reliance on imported inputs while creating higher-value opportunities from existing waste streams [5], [80].
- Differentiate through verified sustainability credentials rather than broad environmental claims. Simple, verifiable claims such as local sourcing may resonate more strongly with increasingly sceptical consumers than broader carbon-neutral or net-zero claims [68].

Challenges:

- Converting stated sustainability preferences into purchases remains difficult, with 40% of consumers identifying price as the main barrier and 27% finding sustainability labelling unclear [68], [10]. Even a modest price premium over conventional alternatives may therefore reduce uptake.
- Continuing progress towards Australia's National Packaging Targets presents a significant operational challenge, requiring businesses to transition trays, films and other packaging formats to reusable, recyclable or compostable alternatives across diverse product categories, including meat, cheese, smallgoods and snack products [81], [82], [83].
- Reducing exposure to import-dependent supply chains remains difficult, particularly in categories such as complementary medicines, where approximately 99% of raw ingredients are currently sourced from overseas [5].

Trend 6: Conscious choices

Consumers are increasingly considering provenance, local sourcing and sustainability in their food choices, creating opportunities for businesses to build trust, differentiate products and strengthen their position in domestic and export markets.

Local sourcing intensifying for resilience, trust and premium

Local sourcing is shifting from primarily a consumer-facing marketing proposition towards a broader supply chain strategy. Global trade disruption can affect fresh food more severely than packaged alternatives because perishable produce cannot be stockpiled as easily [49]. This is contributing to a **two-speed market**. As overseas supplies become less reliable, domestic production may become more commercially attractive and support premium positioning among consumers willing to pay for quality and provenance. At the same time, budget-conscious consumers may continue to favour fresh food where it remains affordable [49]. Australian manufacturers are responding by locating facilities closer to raw material sources to maintain product quality and supply reliability. Examples include abattoirs located near livestock-producing regions and dairy processors positioned close to farms to ensure timely access to fresh milk [81], [84]. **Local production** can also strengthen resilience, as demonstrated by poultry processors that rely on an almost entirely domestic supply under Australia's quarantine arrangements, reducing exposure to some international supply disruptions [85]. Producers are also using local and artisanal positioning to support premium pricing for fresh products [49]. This aligns with consumer motivations, as the leading reasons for purchasing local food include perceived quality, health benefits and support for the local economy. However, price and limited variety remain important barriers, particularly in import dependent markets [50]. Local sourcing also intersects with sustainability communication. Simple and verifiable claims, such as local sourcing, may be more credible to sceptical consumers than broader net zero claims [68].

Sustainability functions as an export gateway, not a domestic purchase driver

Sustainability is increasingly functioning as an important requirement for **export market** access, while remaining a comparatively weaker driver of domestic purchasing decisions. For Australian exporters, sustainability credentials can be critical to securing premium contracts, particularly in industries such as meat processing, where businesses must meet animal welfare and environmental standards in markets including the EU, UK, China and the Middle East. Failure to comply can place access to these markets at risk [81]. Phased mandatory climate-related financial reporting requirements for in-scope entities, including disclosures relating to Scope 1 emissions from direct operations, Scope 2 emissions from purchased energy and relevant Scope 3 emissions across the wider value chain, are also reinforcing sustainability as an important consideration for many international buyers and investors [81], [60]. Domestically, however, sustainability appears to play a less influential role in purchase decisions. In the US, environmental sustainability has declined as a purchase driver for two consecutive years and continues to rank well behind taste and price [17]. Globally,

only 44% of consumers report being willing to pay more for food that supports environmental outcomes, while just 14% are classified as eco-conscious shoppers. Many consumers also do not routinely seek out sustainability information when making purchases [10]. This gap is particularly evident in price-sensitive markets. Across the African markets examined, sustainability and country of origin together account for only 2% of reported purchase drivers. At the same time, sustainability credentials can be important for African brands seeking access to export markets such as the US, Japan and Germany, where approximately 60% of consumers report paying a premium for sustainable products [86].

Opportunities:

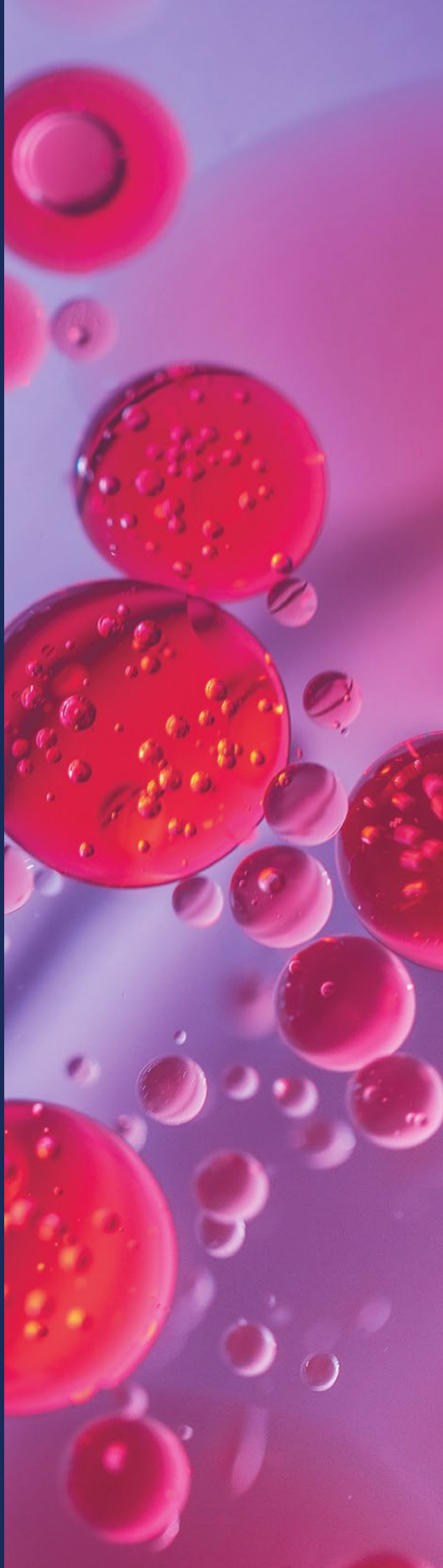
- Leverage Australia's reputation for premium, sustainably produced food in export markets. In the meat sector, strong sustainability and quality credentials are contributing to export growth and supporting the food and grocery sector's ambition to reach A$112 billion in exports by 2030 [81], [59].
- Build regional agrifood clusters, such as the Central Coast Food Alliance, to expand domestic manufacturing capacity and reduce reliance on imported critical inputs, including packaging and ingredients [4], [87].
- Strengthen vertical integration with local growers to improve control, transparency and security of raw material supply. Asahi's direct supply agreements with more than 100 cereal crop growers provide one example of this approach [30].
- Use the agility and local sourcing capabilities of domestic brands to compete with multinational producers. Opportunities may exist in snack, beverage and dairy categories, where locally sourced products with shorter ingredient lists can respond more quickly to changing consumer preferences and strengthen Australian provenance positioning [88], [49].

Challenges:

- Meeting phased climate-related financial reporting requirements for in-scope entities, including relevant Scope 3 emissions disclosures, is increasing demand for sustainability data at the farm level and across supply chains [81], [60].
- Australian consumers tend to rank health and price above environmental credentials when making purchase decisions. As a result, sustainability investments may generate stronger value through export access, regulatory compliance and investor confidence than through immediate domestic sales or margin growth [81], [10], [30]. Manufacturers may therefore need to tailor their sustainability strategies to the different expectations of domestic and export markets.
- Meeting export market sustainability and animal welfare standards while remaining cost competitive in the domestic market requires manufacturers to manage different customer, regulatory and pricing expectations simultaneously [81].
- Failure to meet audited welfare and environmental standards can place access to overseas markets at risk, making robust certification and compliance systems essential to maintaining export access [81].

Theme 4: Techno-economic forces

Forces shaping demand for increased transparency and technologies that bridge the gap between producer and consumer



Trend 7: Transparent, safe and responsible production

Consumers are demanding greater transparency and simplicity across the food system, with trust increasingly shaped by credible product information, clear labelling and confidence in food safety.

Food safety confidence declining sharply

Consumer confidence in food safety is declining, with confidence in the United States falling to an all-time low of 55% in 2025, down from 70% in 2023 and a peak of 78% in 2012. This represents a decline of 23 percentage points over 13 years [55]. The downward trend was already evident in 2024, when confidence fell to 62%. **Trust in food safety agencies** also declined among Millennials, higher-income consumers and men [17]. The decline is particularly evident among US consumers reporting high levels of confidence. The proportion who described themselves as "very confident" in the safety of the US food supply fell for three consecutive years, from 24% in 2022 to 11% in 2025, approaching the 2016 historical low of 10% [55]. One factor contributing to this decline is the perception that food companies prioritise **profit over safety**, reported by 59% of consumers with low confidence in the food system [55]. **Foodborne illness** has also re-emerged as the leading food safety concern, overtaking concerns about cancer-causing chemicals [55]. The pattern is different in Australia and New Zealand, considering overall confidence remains comparatively higher at 72%. However, trust differs across the supply chain. Primary producers are trusted by 83% of consumers, while manufacturers and processors are trusted by 57% [46], [89]. Consumer trust in different actors across the food value chain plays an important role in shaping confidence in the broader food system [89]. This is accompanied by a labelling trust gap, with consumers placing greater trust in nutrition information on the back of packaging than in health claims on the front [90], [91]. Research suggests that consumers place greater trust in food labels when they perceive the information source to be credible and transparent [91].

Food additive and colour avoidance rising rapidly

Consumers are increasingly avoiding specific food ingredients. **Dyes and colours** are now the most commonly avoided ingredient category, cited by 35% of US consumers, narrowly ahead of sugar substitutes at 34% [51]. Monosodium glutamate (MSG), cited by 29%, and preservatives, cited by 25%, follow closely, indicating that avoidance extends across multiple ingredient categories [51]. Concern is also increasing. **Additives and ingredients, including colours, preservatives and flavours**, are now among the fastest growing food safety concerns, rising by six percentage points in one year to 36% [55]. This avoidance appears to be shaped more by consumer perceptions than by scientific or regulatory evidence, with research showing that consumers often perceive food additives as posing greater risks than those identified through regulatory safety assessments [92]. Consumers most commonly describe dyes as "unhealthy", cited by 28%, or "unsafe", cited by 25%, while regulatory concerns are mentioned less frequently [51]. Similar perceptions influence broader risk assessments, with some consumers treating the presence of an ingredient as more important than its quantity when evaluating potential harm [51]. A knowledge gap around regulation

may also contribute to these concerns. Forty-five per cent of US consumers believe that the United States permits food colours that are banned in other countries. At the same time, the proportion who believe food colours must be labelled or approved before use has declined significantly since 2012 [55]. Research has similarly shown that limited understanding of food additive regulation can reduce consumer confidence in food safety and increase perceived risk [92]. This pattern extends beyond the United States. In Indonesia, 72% of consumers report concern about additives and preservatives, compared with a global average of 57% [10].

Demand for transparent, simple communication intensifying

As consumers encounter increasingly **conflicting and overwhelming health information**, they are placing greater value on food and beverage communication that is both transparent and easy to understand. Research suggests that consumers are more likely to trust and use nutrition information that is perceived as simple, clear and easy to interpret [93]. This is evident in food labelling, where some of the claims consumers rely on at the point of purchase are also among the least trusted. Front-of-pack health claims are trusted by only 40% of consumers, compared with the more straightforward nutrition information provided on the back of the pack [46]. A related comprehension gap is emerging around technical terms such as "processed". This may encourage consumers to favour simple, absence-based claims such as "no artificial ingredients" over more technical positive claims such as "high fibre" [58]. Consumers also appear to prefer practical and usable information over detailed scientific explanations, with many expressing limited interest in the underlying science [51]. In response, brands are simplifying complex health claims and focusing on a smaller number of key nutrients communicated through clear and accessible messaging. This follows findings that nearly half of UK consumers feel conflicting health information makes it difficult to understand how to make healthy choices [18]. Demand for transparency is also extending to emerging technologies. Most consumers say producers should disclose when AI has been used in food production [94].

Source: Adobe Stock

Opportunities:

- Strengthen supply chain traceability to support verified sourcing and provenance claims. Digital traceability systems, including technologies such as blockchain and radio frequency identification, are already being used in seafood supply chains to track products from vessel to plate [95].
- Strengthen the credibility of food labelling by prioritising the information consumers trust most. Across Australia and New Zealand, ingredient lists and Nutrition Information Panels are trusted by around 70% of consumers, compared with 39% for health claims [46].
- Simplify health communication by focusing on a small number of trusted nutrients and presenting practical, usable information. Only 14% of consumers report wanting more detailed scientific information [51].
- Reformulate products to support simple claims such as "nitrate-free" and "additive-free", recognising that consumers may assess risk based more on the presence of an ingredient than on its quantity [51].

Challenges:

- Building trust in food manufacturing remains a significant challenge. Australian and New Zealand consumers report 57% trust in food manufacturers, compared with 83% trust in primary producers. This 26 percentage point difference highlights the need for stronger provenance information and supply chain traceability [46], [90].
- Meeting compulsory traceability requirements is becoming more complex as regulatory expectations strengthen. Relevant developments include the national implementation of mandatory electronic identification for sheep and goats [96], [97], alongside FSANZ coordinating 83 food recalls in 2023 to 2024 [81], [43].
- Managing margin pressure is becoming more difficult as some consumers move away from products perceived as highly processed. Per capita consumption of processed meats such as ham and bacon has fallen by more than 12% since 2019, while demand has shifted towards nitrate-free and artisan alternatives [75].
- Communicating technical information clearly also remains challenging, as seven in ten US consumers say they cannot fully explain what the term "processed" means. This lack of understanding may make technical or scientific claims more difficult for consumers to interpret [58].

Source: Adobe Stock

Trend 8: Technology enablers

Digital technologies are transforming the food and beverage value chain, with AI improving operational efficiency and innovation while digital platforms increasingly shape how consumers access information, form trust and make purchasing decisions.

Digital platforms reshaping food information and influence

Trust in food-related information is becoming increasingly fragmented. Government agencies are cited by 44% of consumers, health professionals, cited by 40%, and farmers, cited by 32%, as the most trusted sources of information about pesticide safety. However, trust in government agencies is considerably lower among consumers under 45 and those without a university education [98]. At the same time, a meaningful proportion of consumers rely on **informal sources** for the same information, including internet searches, cited by 18%, news and media, cited by 17%, and social media, cited by 12% [98]. Trust also varies by age. Older adults tend to show more consistent trust in established institutions, while younger adults display greater variation in their trust across different food system participants [94]. As confidence in traditional information sources weakens, exposure to food and nutrition content on social media is increasing. The proportion of consumers encountering this content rose from 42% in 2023 to 54% in 2024, an increase of 12 percentage points. Instagram and TikTok are particularly prominent among younger consumers, while Facebook remains more influential among older consumers [17]. However, increased exposure has not produced a corresponding increase in trust. **Confidence in social media influencers and bloggers remains low**, despite their expanding reach [17]. Even so, social media remains an important channel for identifying emerging consumer preferences and shaping food trends [23], [99]. Platforms such as TikTok and Instagram have helped increase interest in less familiar ingredients, including yuzu and pandan, particularly among Gen Z and Millennials, and are increasingly influencing global flavour preferences [23].

Digital and AI solutions accelerating across the value chain

Labour shortages, rising input costs and stricter regulation are increasing pressure on food and beverage producers. In response, businesses are adopting **automation** across processing, packaging and quality control to improve consistency and protect margins [100]. The growing use of **AI, blockchain and virtual reality** is also reshaping product development and customer engagement, enabling businesses to improve operational efficiency, enhance customer experiences and support more data-driven decision making. These technologies are developing alongside expanding ecommerce, omnichannel and live commerce models [59]. Digital adoption is accelerating in food delivery and retail. AI is already being used to improve order batching and route planning, while online grocery is expected to record one of the strongest growth rates among major ecommerce categories [101]. Consumer adoption is also increasing. Most consumers are

familiar with AI and support its use in reducing food waste and preventing stock shortages. Around 70% use at least one health application or wearable device, while approximately half are comfortable using AI for meal planning [94], [10]. This openness is particularly evident in emerging markets such as Indonesia, where comfort with AI for diet planning is higher than the global average. However, concerns about data privacy and scams remain significant [54]. This is also visible on Australian farms, where beef cattle feedlots use AI-powered sensors for early disease detection [102]. Convenience retailers are doing the same, using self-service checkouts to manage rising costs [103]. These developments together indicate that digital and AI solutions are becoming more deeply integrated across the food and beverage value chain. However, concerns about trust, transparency and privacy continue to influence adoption.

Opportunities:

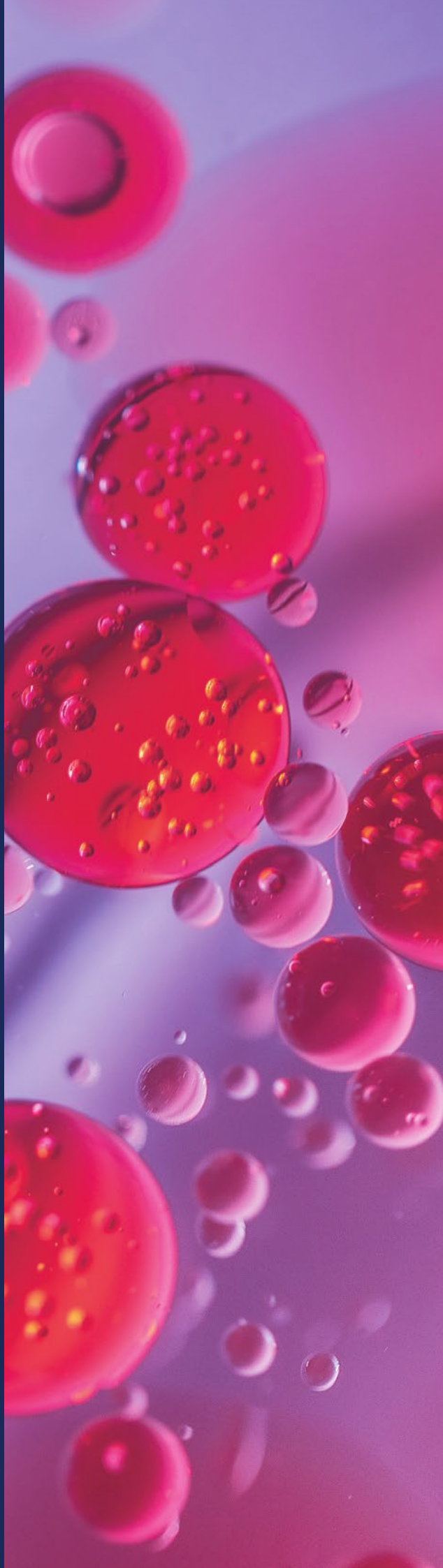
- Integrate AI and smart manufacturing across processing and supply chains. Predictive maintenance can reduce machine downtime by 30 to 50%, while edge computing can identify potential equipment failures up to 36 hours in advance [78].
- Strengthen digital credibility with younger consumers by using social media and verified online reviews to communicate product quality and freshness before purchasing. Brands in bakery product manufacturing and spirit manufacturing are already using these channels to build consumer confidence [47], [45].
- Use digital trend monitoring and AI to identify and respond to emerging flavour opportunities. Social media can signal rapidly growing interest in ingredients such as yuzu and pandan, while AI can support faster testing, formulation and development of new product concepts [23], [21].
- Strengthen the reach of trusted food information through digital channels. FSANZ increased its social media audience by 7.6% in 2023 to 2024, including growth of 20% on LinkedIn, illustrating how public institutions can use digital platforms to reach younger consumers with food safety information [43].

Challenges:

- Building credibility remains difficult because government agencies, health professionals and farmers are more trusted sources of food safety information than brands. Businesses relying only on their own health claims may therefore struggle to gain consumer confidence, particularly without independent endorsement or partnerships with trusted institutions [98], [46].
- Growing social media reach has not produced a corresponding increase in credibility. Exposure to food and nutrition content rose from 42% to 54% in one year, while trust in influencers and bloggers remained low [17].
- Consumer scepticism towards automation continues to limit adoption. Among consumers who express doubts about AI, 70% do not trust it to make safe food decisions, while 60% prefer traditional farming or processing methods [94].
- Transparency remains important, but disclosure alone may not overcome resistance. In the United States, 64% of surveyed consumers say producers should disclose the use of AI, while only 45% would choose an AI-assisted product at the same price [94].

Theme 5: Business resilience

Growing need for business resilience in response to weather volatility and geopolitical challenges



Trend 9: Weather events

Climate volatility is reshaping food production by increasing the importance of resilience, accelerating investment in adaptation and expanding opportunities across new production geographies.

Climate volatility remains a primary structural risk

Climate volatility is increasingly recognised as a **long-term structural risk** to food and beverage supply rather than a temporary disruption [104]. Droughts, floods, storms and unseasonal freezes continue to damage harvests and livestock, even though their timing and location remain difficult to predict. Some reports describe this pattern as "unpredictable predictability" [49]. The risk is intensified by the **concentration of production** in key growing regions. This concentration increases exposure to supply shocks and makes commodity price increases more likely than price declines in the near term [49]. Alongside deglobalisation, climate change is also becoming a structural driver of food prices. As a result, costs may remain above pre-pandemic levels and continue to rise over time [16]. This is already evident across several commodities. Fresh produce remains vulnerable to weather-related price volatility, while coffee, cocoa and palm oil have experienced recent price pressure linked to climate change and supply disruption [31]. Climate variability, water scarcity and disease are placing further pressure on cocoa, citrus and coffee production. In response, some consumers and manufacturers are exploring lower cost and more climate-resilient alternatives, such as carob as a substitute for cocoa [23]. Climate change may also create opportunities in regions that were previously unsuitable for production. One example is the emergence of citrus production in parts of the United Kingdom [49].

Greater reliance on government support

Climate volatility is increasingly recognised as a long-term structural risk affecting production volumes, input costs and financial viability across the food and beverage industry [4], [49]. **Weather events** continue to damage harvests and livestock, while the concentration of production in key growing regions can intensify the effects of localised droughts, floods and other disruptions [49]. This **vulnerability** is evident in Australia. The national breeding ewe flock is expected to decline by 9% amid drought conditions, dairy production has fallen following flood damage to milking infrastructure, and grain production is concentrated within a narrow band defined by rainfall patterns [4], [96], [105], [106]. These conditions leave producers and regional supply chains exposed to severe financial pressure when major weather events occur. Climate-related disruption is also becoming a significant financial risk. Investment firms are increasingly modelling how supply shocks may affect capital assets and earnings through to 2050 [107], [108]. Businesses are responding by increasing inventory buffers, adopting AI-assisted weather forecasting and investing in more resilient crop and livestock varieties [59], [43], [4]. However, many of these responses require investment beyond the capacity of individual producers, particularly where infrastructure, research and regional adaptation are

involved. As a result, government support is becoming increasingly important through research funding, resilience programs, disaster assistance and shared investment in climate adapted production systems. Public support may be especially important for smaller producers that cannot independently fund new forecasting technologies, genetic research or major changes to production infrastructure.

Climate change opening new production geographies

Climate change is creating new production opportunities in some regions, even as it reduces suitability in others. Drying conditions in established growing areas are encouraging the food and beverage industry to consider locations that were previously regarded as marginal for production. This is evident in Australia's rice industry, where more than 90% of production is concentrated in the Riverina region. Research is now supporting the commercialisation of resilient rice varieties suited to the tropical Northern Territory and North Queensland, where rainfall is expected to remain comparatively favourable as soil moisture declines in southern regions [109], [31]. Technology is also expanding the range of locations in which food can be produced.

Controlled environment agriculture enables crops to be grown indoors and in vertical systems with less dependence on local soil and weather conditions, improving production resilience and reducing exposure to climate variability [110]. This opportunity is becoming more relevant as 68% of the global population is projected to live in cities by 2050 [4]. **Under cover** vegetable growing already demonstrates this approach in Australia, using greenhouses for more weather-resilient supply [111]. Genetic innovation is also extending the geographic range of agricultural production. Australian and international breeding programs are developing drought-tolerant wheat for drier growing regions, as well as heat-tolerant dairy cattle and pigs that can maintain productivity as extreme heat events become more frequent [112], [106], [4]. In some cases, businesses are relocating processing rather than primary production. Winemakers, for example, are increasingly producing wine closer to the markets in which it is sold. This suggests that climate and supply chain pressures are reshaping production geography across the value chain, extending beyond primary production to processing and manufacturing activities [113].

Opportunities:

- Capitalise on emerging production opportunities in new regions. Australian rice growers are commercialising resilient varieties suited to the tropical Northern Territory and North Queensland, where rainfall is expected to remain comparatively favourable as southern regions experience drier conditions [109], [31].
- Invest in controlled environment agriculture to reduce dependence on local weather and soil conditions. These systems can support more consistent production by enabling greater control over temperature, water and growing conditions [4], [110]. This opportunity is becoming increasingly relevant as 68% of the global population is projected to live in cities by 2050 [4].
- Invest in genetic innovation, including drought-tolerant wheat and heat-tolerant dairy cattle and pigs, to extend viable production areas and maintain productivity as extreme heat events become more frequent [112], [106], [4].
- Adopt AI-assisted weather forecasting and resilient supply chain planning to improve decision making and cost management during periods of volatility. Unilever's use of AI to optimise sales under changing conditions provides one example of this approach [114], [43].
- Establish purchase agreements with Australian precision fermentation producers developing dairy proteins, fats and flavour compounds with less direct dependence on livestock and field crop production. This may help diversify ingredient supply in categories that are highly exposed to weather-related disruption [80], [5].
- Engage with government investment programs supporting controlled environment agriculture and climate-resilient crop development. Shared investment can help distribute the cost of infrastructure and research that may be difficult for individual businesses to fund independently, as demonstrated by joint Australian and Singaporean protein innovation programs [105], [64].
- Deploy internet-connected monitoring systems for soil moisture, temperature and crop stress, integrated with AI-assisted irrigation and harvest scheduling. Connected sensors can provide real-time information that supports targeted irrigation and earlier responses to changing crop conditions [78], [64], [115], [116].

Challenges:

- Geographic concentration of production within narrow areas defined by rainfall increases exposure to localised weather events. Droughts and floods have already contributed to substantial fluctuations in Australian rice and grain yields [109], [105].
- Climate volatility can increase manufacturing costs by disrupting the availability and pricing of agricultural inputs. For example, sugar prices rose by more than 25% in 2024, placing direct cost pressure on soft drink manufacturers [25], following a similar spike in 2022 to 2023, when prices reached their highest level since 2012 [117].
- Investment firms are increasingly assessing climate-related supply disruption as a material financial risk extending to 2050, while investment activity has declined in some drought-affected sectors [107], [108]. Businesses may therefore face growing expectations to demonstrate clearly documented risk management strategies, including geographic diversification, controlled environment agriculture and input price hedging.
- Building climate-resilient supply chains requires sustained investment in inventory buffers, forecasting technologies, genetic research and infrastructure, rather than a one-off response to an individual period of disruption [118], [59].

Source: Adobe Stock

Trend 10: Geopolitical and economic turbulence

Trade disruption, labour constraints and persistent financial pressure are reshaping the food and beverage sector, driving greater investment in market diversification, automation and more resilient operating models.

Structural disruption now compounds trade, labour and migration risk simultaneously

Tariffs and disrupted trade routes are becoming major structural risks for fresh food supply. Perishable produce is often more exposed than packaged alternatives because it cannot be stored for long periods, making trade disruption an increasingly persistent feature of the operating environment [49]. **Tariff uncertainty** is also contributing to price volatility and encouraging some businesses to relocate production or sourcing closer to their target markets. The 10% United States tariff imposed on Australian beef and fruit in 2025 [88], for example, led some processors to explore alternative markets in the European Union, the Middle East and Southeast Asia [100], [119], [74], [120], [81]. This pressure also reaches upstream, reducing demand for feed from Australian stockfeed manufacturers [121]. China's trade tensions with the United States have partly offset these impacts by redirecting Chinese buyers towards Australian beef and keeping prices elevated [122]. As supply disruption becomes more frequent, businesses may also need to build consumer confidence in products sourced from unfamiliar regions. Examples include reformulating orange juice with mandarin and sourcing olive oil from countries such as Algeria and Peru [18]. China's restrictions on Australian live rock lobster exports from 2020 to 2024 provide a similar example of prolonged trade disruption [123], [119].

Migration policy is creating an additional source of uncertainty. Migration is an important contributor to population and workforce growth in many developed markets, while political opposition to migration is increasing in Australia, the United Kingdom and the United States [16]. **Migrant workers** are strongly represented in agriculture, harvesting and food processing, meaning tighter migration settings may increase labour shortages and operating costs. These pressures are compounded by an ageing Australian farming workforce, with an average age of 57 compared with 40 across the wider workforce [16], [4]. Trade disruption, labour constraints and migration uncertainty are becoming overlapping structural challenges that require sustained adaptation rather than temporary responses.

Price sensitivity and financial constraints

Persistent cost-of-living pressures have made price a leading influence on food purchasing decisions worldwide. More than half of consumers globally report experiencing financial strain, while cost of living ranks as the leading national concern across Europe, North America, Asia and the Middle East [10]. Consumers are responding by using existing food before purchasing more, relying on coupons and switching to discount or store brand alternatives [10]. Australian cafes present an exception: many consumers still **treat coffee as an affordable luxury** [124].

This shift towards discount alternatives is also reflected in the growth of private label products, which Siemens reports have grown threefold. Private label products now account for more than half of supermarket milk sales by volume in Australia [78], [84],

[125]. According to Purdue's monthly consumer survey, **affordability** now ranks alongside taste as a leading food purchasing consideration. This is occurring alongside rising expectations of food inflation over the past three consecutive months [94]. Similar pressures are evident across multiple markets. In the Middle East, cost of living ranks above climate change as the leading concern, while half of consumers in Indonesia identify living costs as their main concern [50], [54]. In the United States, 60% of consumers report changing what they buy or how they shop in response to rising prices [38]. Financial pressure is also affecting producers. Input costs are reported to be 14% higher than wholesale prices, while at least 47 Australian breweries have closed or entered administration over a two-year period [61], [30]. These findings show that **financial constraints are affecting both consumers and businesses** across the food and beverage sector.

Opportunities:

- Use Australia's expanding network of free trade agreements to diversify grain export markets. Recent negotiations and agreements with India and the United Kingdom may help growers reduce reliance on a small number of trading partners and limit exposure to bilateral trade disputes [105].
- Diversify export markets to reduce dependence on a single buyer. Australian grape growers provide one example, having shifted towards table grapes and white wine varieties after tariffs contributed to the loss of more than A$1 billion in exports to China [126].
- Invest in automation and AI to reduce the effects of persistent labour shortages. Collaborative robots are being trialled in meat processing to reduce the need for manual handling, while AI-enabled distribution centres may help retailers manage rising labour costs [81], [32].
- Expand private label ranges to respond to price-sensitive consumer demand. This can provide retailers and manufacturers with additional revenue opportunities as consumers shift towards more affordable alternatives [32], [125].

Challenges:

- Changes in trade policy can affect markets unevenly and with limited warning. For example, the 10% United States tariff imposed on Australian beef and fruit in 2025 created additional uncertainty for exporters developing long-term market strategies [127], [81], [120].
- An ageing farming workforce, with an average age of 57 compared with 40 across the wider workforce, combined with tighter migration settings, is contributing to labour shortages and the loss of industry knowledge. Automation may reduce some of these pressures, but it cannot fully replace workforce experience, specialist knowledge and operational capability [4].
- Rising input costs are placing further pressure on margins, particularly as consumers become more price sensitive. Input costs reported to be 14% higher than wholesale prices have contributed to difficult trading conditions, with at least 47 Australian breweries having closed or entered administration [61], [30].
- Industries that rely heavily on one or two export markets may need more structured diversification strategies. These may include greater use of free trade agreements, clearer market-specific revenue targets and advance supply agreements. Establishing alternative market relationships before disruption occurs may enable businesses to respond more effectively when tariffs or other trade restrictions are introduced [128], [126], [105].

Recommendations

This section presents **five key recommendations** developed through a critical analysis of the opportunities and challenges identified across the 10 broad trends. The recommendations synthesise evidence from both consumer demand research and Australian supply-side industry data. They were scored and ranked using the Simple Additive Weighting model [129]. This multicriteria decision analysis method evaluates each recommendation against the opportunities and challenges associated with the relevant trends before combining the results into a comparable overall score[2] [130], [129].

	Trend 1	Trend 2	Trend 3	Trend 4	Trend 5	Trend 6	Trend 7	Trend 8	Trend 9	Trend 10
Recommendation 1: Build adaptive innovation capabilities to respond to changing consumer preferences	◑	◔	◑	●	◔	◔	◑	◔	◔	◔
Recommendation 2: Design for multisensory and emotional appeal	◑	●	◑	◑	◔	◔	◑	◑	◔	◔
Recommendation 3: Invest in data infrastructure through a staged approach	◑	◔	◑	◑	◑	◑	●	●	◑	◑
Recommendation 4: Refocus on affordable healthy choices	●	◔	●	●	◔	◔	●	◑	◔	◑
Recommendation 5: Strengthen supply chain resilience through regional hubs	◔	◑	◔	◔	●	●	◑	◔	●	◑

● **High** ◑ **Medium** ◔ **Low**

[2] Score (R, T) = 0.5 × O (R, T) + 0.5 × C (R, T), where O (R, T) and C (R, T) are normalised scores ranging from 0 to 2. These scores reflect the extent to which recommendation R directly acts on a named opportunity or responds to a named challenge in trend T, respectively. Scores are classified as High (score ≥ 1.5), Medium (0.75 ≤ score < 1.5) or Low (score < 0.75) using the Simple Additive Weighting model.

Recommendation 1:
Build adaptive innovation capabilities to respond to changing consumer preferences

Consumer demand for food and beverage products that deliver health benefits beyond basic nutrition is increasing. For instance, in the US, 51% of consumers say increasing fibre intake is important for their health. Yet only 22% of food service operators currently offer or promote high fibre menu items [24]. When considered alongside rising protein demand, growing interest in plant-based and plant-forward eating, and the emergence of new consumption occasions [8], [12], [17], there appears to be significant opportunities for Australian food and beverage businesses.

It will be important for Australian businesses to strengthen their market sensing, product reformulation and commercialisation capabilities so they can identify emerging shifts in demand early and translate these shifts into products and menu offerings in a timely manner. In addition to responding to growing interest in fibre and protein, developing appealing plant-forward options for flexitarian consumers and exploring emerging consumption occasions such as "Restore & Replenish" [12], [38], [68] is recommended. Building this adaptive capability should assist businesses respond to current opportunities while also preparing for future changes in consumer preferences.

Recommendation 2:
Design for multisensory and emotional appeal

Consumers are increasingly considering how food and beverages make them feel as well as their nutritional value. Interest in texture, aroma, flavour, presentation and emotional wellbeing is creating opportunities for more purposeful multisensory product design [22].

Businesses should treat sensory attributes as core product design considerations rather than merely additions. This appears especially relevant for consumers who are deliberately choosing to eat portion-controlled, nutrient-dense products that deliver enjoyment and greater sensory satisfaction such as consumers using GLP-1 medications [10], [16], [17], [18]. This can include sound, such as bubbles, as well as unexpected and/or heritage flavours, and the continued popularity of floral profiles such as elderflower, hibiscus and rose products which are associated with calmness and emotional wellbeing [23]. Further, texture is important, such as softer textures, for instance for some older consumers [22]. AI-assisted formulation may support faster testing, recipe adaptation and greater consistency in sensory characteristics such as taste, texture and appearance at commercial scale [21].

Recommendation 3:
Invest in data infrastructure through a staged approach

Consumers are increasingly aware of provenance, seeking naturally derived, minimally processed, locally sourced and sustainability in food choices. They are also expecting clear, transparent communication about the food products and ingredients. This provides opportunities for businesses to build trust, differentiate products and strengthen their position in both the domestic and export markets. Increasing regulatory, reporting and traceability requirements are driving the need for stronger data infrastructure across the Australian food and beverage industry. AI-enabled digital platforms can assist in these important areas.

However, consumer attitudes towards AI remain mixed, with increasing expectations about knowing how and where AI is applied [46], [81], [94].

Accordingly, businesses should therefore prioritise compliance, monitoring and traceability systems using AI to support product provenance and supply chain traceability in order to address immediate operational requirements while also creating more reliable data for wider applications [81], [95]. Once established, the same infrastructure can be leveraged to support AI applications in product formulation, predictive maintenance, forecasting and supply chain management [21], [78]. By taking a staged approach, businesses can release near-term value through their improved operational efficiencies while building trust, transparency and confidence for more sophisticated AI-enabled innovations.

Recommendation 4: Refocus on affordable healthy choices

Consumers are increasingly seeking healthier food and beverage choices while also facing significant financial constraints. Concerns about ultra processed foods, additives and overall health issues remain high [10], [50], [51]. However, many consumers are unable or unwilling to pay premium prices for healthier products.

Businesses should therefore focus on delivering health benefits at mainstream price points rather than positioning healthy options as a premium offering. Opportunities include reformulating products with affordable, naturally derived ingredients, clear claims such as "no artificial ingredients" and "no additives" and leverage digital tools to provide health information and product recommendations [51], [58], [60], [61]. This could potentially include smaller portions, different distribution channels, alternative ingredients, and packaging. By combining health and affordability, businesses can better align with evolving consumer priorities and expand the reach of healthier choices.

Recommendation 5: Strengthen supply chain resilience through regional hubs

Australia's food and beverage supply chain remains vulnerable to geographic concentration, and climate volatility [109], [31],as well as significant reliance on imported inputs [128]. For example, more than 90% of Australian rice production is concentrated in one region, increasing exposure to localised weather disruption [109], [31]. Regional agrifood clusters such as the Central Coast Food Alliance provide another example of how domestic manufacturing capacity can be expanded while reducing reliance on imported packaging and ingredients [4], [87].

Greater coordination between government, industry and research organisations could support the development of regional Innovation hubs that combine controlled environment agriculture enabling crops to be grown under cover, waste stream valorisation and domestic ingredient production. These hubs could improve supply chain resilience, diversify production, reduce costs and reliance on imported inputs and convert underutilised agricultural resources into higher value ingredients thus providing competitive advantage [4], [5], [80], [87]. Combined with Australia's unique native ingredients, and emerging capabilities in precision fermentation and biorefining, present opportunities to develop premium functional ingredients for domestic and export markets. Realising this potential will require targeted investment in enabling infrastructure, research and appropriate certification frameworks to support commercialisation at scale [7].

Case studies

This section draws on three FaBA participating companies to illustrate how businesses can create and seize innovation opportunities imposed by the trends. Below we describe each company and how they are creating opportunities and addressing challenges discussed in the previous sections[3].

My PlantCo

myplantco.com

My PlantCo is a Western Australian food innovation company developing value-added products from Australian-grown ingredients, spanning oat-based foods, nutritious convenient meal options and innovative avocado based products [131]. The Real Oats brand, soon to launch its first product offering, builds upon research conducted by AEGIC (now Grains Australia) utilising oats for a wide array of products, including oat rice, noodles and pasta. The innovation aims to take oats beyond their traditional breakfast occasion by transforming them into familiar staple-food formats that can be consumed throughout the day [132]. Kado is an avocado innovation brand developing first-to-market products, including work to transform "ugly" avocados into new products, while Turban Chopsticks is the company's award-winning ready-to-eat products and meal kit brand. A partnership with FaBA is helping progress the Real Oats range towards commercialisation, drawing on product development, sensory science, scale-up capability and market research to refine the new oat-based offering for consumers.

The healthier, nutrient-dense diets trend is applicable across all three brands and particularly evident in Real Oats, which is developing alternatives to traditional rice, noodles, and pastas. Its clean-label proposition centres on the natural nutritional profile of oats, including fibre and beta-glucan, with the company reporting that its Oat Rice contains more protein and fibre and fewer carbohydrates than white rice.

Real Oats also responds to the sustainable production and consumption focus by seeking to create higher-value food products from Australian-grown oats through a more localised supply chain [132]. Across the broader My PlantCo portfolio, environmental considerations also include waste reduction and value-adding to underutilised produce, with Turban Chopsticks' ready-to-cook kits using rescued imperfect produce and Kado exploring new applications for cosmetically imperfect avocados [131]. The techno-economic forces trend is reflected in the AEGIC-derived intellectual property underpinning the development of oats into rice, noodles and pasta, together with My PlantCo's exclusive equipment partnership with global milling specialist Satake to support commercial scale-up [133]. Finally, business resilience is applicable through the company's Australian-grown and Australian-made model, which supports local supply and offers a buffer against geopolitical disruption to imported staples.

[3] The information provided by the industry participants is verified by them and not by the authors of this report.

Zest Element

zestelement.com.au

Zest Element is a Sunshine Coast business, founded in 2023 by CEO Sam Musson. The company rescues surplus, second grade and cosmetically imperfect Australian fruit that may have limited commercial value and transforms it into shelf-stable ingredients and products. The company specialises in creating fruit powders and naturally dried citrus slices using dehydration processes, made from locally sourced fruit that cannot be sold to retailers addressing food waste while supporting sustainable agriculture and improving access to nutritious food. Its two core ranges of natural fruit powders and dried citrus slices are used as versatile ingredients across home, food service, and manufacturing settings, with shelf lives extended to up to 18 months without preservatives, spanning fruits and native ingredients including lemons, limes, oranges, strawberries, Davidson plums, finger limes, and aniseed myrtle. Building on this foundation, Harvest ResQ was developed, a modular/mobile on-farm processing and dehydration hub designed to enable growers to recover value from surplus and second-grade produce [134]. Zest Element was a finalist in the 2026 FaBA Food & Beverage Start Up of the Year Award as well as being awarded a $500,000 Coles Nurture Fund for its ResQ initiative [135]. More recently, Zest Element's fruit powders achieved a national launch in Coles stores across Australia in 2026.

Zest Element speaks to four themes. Its sophisticated demand relevance lies in positioning the powders as convenient, consistent, clean-label ingredient solutions, not only a sustainability story. Healthier products is a central tenet, driven by a commitment to increasing fruit and vegetable consumption through products that are minimally processed and free from artificial additives. Environmental concerns are a foundational purpose, taking excess and out-of-spec produce, often fed to livestock or left without a market, and turning it into "100% Australian-grown, shelf-stable fruit powders" [135]. Business resilience shows in the on-farm processing model with a mobile dehydration hub, helping farmers turn excess and out-of-spec produce into value, giving growers a market for otherwise-wasted crops [136].

Eclipse Ingredients

www.eclipseingredients.com

Eclipse Ingredients is an Australian biotechnology company, using precision fermentation to produce high-value health ingredients [137]. The company, spun out of CSIRO, aims to tap into what it describes as a multi-billion-dollar global market by making ingredients that have until now been difficult or impossible to obtain through traditional production methods [138]. Its initial focus is human lactoferrin, a protein found naturally in human milk and other secretions, known for its antimicrobial, anti-inflammatory, and immune-supporting properties. Co-founded by dietitian and MBA graduate Siobhan Coster, the company uses precision fermentation to engineer microorganisms such as yeast to produce proteins that mirror those found in humans or animals, allowing lactoferrin production at an industrial scale. A partnership with FaBA is central to scaling this technology with a $5.5 million project to reproduce human lactoferrin with yeast made possible through co-investment from FaBA, along with its research partners QUT, The University of Queensland and CSIRO. This is enabling researchers to test the yeast-made lactoferrin from micro-scale through to 2000L production capability [139].

Techno-economic forces are naturally key to Eclipse Ingredients' mission given it is using precision fermentation to bridge the gap between proof of concept and scale production, as CEO Siobhan Coster notes, "lactoferrin has incredible qualities that are hugely beneficial for our health, yet the human version has been impossible to produce at scale" [139]. Healthier products is a natural trend relevant to the company given lactoferrin's numerous health benefits, including immune and microbiome support and boosting iron levels. Environmental concerns are relevant due to the capital-efficient and most importantly, animal-free platform Eclipse is using to create lactoferrin [140]. Given the resource intensive nature of farming with livestock with respect to its water consumption and carbon producing nature, the environmental benefits of utilising precision fermentation to mirror a similar nutrient profile have great potential [140]. Coster describes building Eclipse's platform to be "super capital-efficient, leveraging existing infrastructure and expertise here in Australia at QUT, The University of Queensland, and CSIRO." A defining feature of the commercialisation path is its staging: Eclipse initially plans to develop products for skin care before moving into functional food and beverage ingredients and infant formula before the end of the decade.

Drawing links between the case studies and the 10 trends

The matrix below shows how each case study relates to a particular trend. The links between each case study and the trends indicate whether the companies have seized market opportunities and addressed associated challenges that are specific to each trend (this was verified by the companies). FaBA has partnered with each of the companies to further discover, create, and pursue new commercial opportunities for novel food and beverage products.

	Trend 1	Trend 2	Trend 3	Trend 4	Trend 5	Trend 6	Trend 7	Trend 8	Trend 9	Trend 10
MyPlantCo			✓	✓	✓	✓		✓	✓	✓
ZEST element	✓	✓	✓	✓	✓	✓	✓	✓		
ECLIPSE INGREDIENTS	✓			✓	✓			✓		

Methodology

Approach and data

To identify patterns signalling emerging trends across both demand and supply, we drew on multiple data sources and followed the methodological approach used in the first Global Food and Beverage Trends Report [1]. On the demand side, we conducted a structured review of 42 grey literature reports published between 2023 and 2026 on market trends and consumer behaviour in the global food and beverage sector. The reviewed material included market and research reports produced by market research agencies, management consulting firms, food and beverage industry peak bodies, research centres, multinational food and beverage producers and government agencies. On the supply side, we collected the latest IBISWorld industry reports published between 2023 and 2026 covering the Australian food and beverage supply chain. The supply-side dataset comprised 65 reports covering 24 industry classes within ANZSIC [141]. These classes spanned five ANZSIC divisions: A, Agriculture, Forestry and Fishing; C, Manufacturing; F, Wholesale Trade; G, Retail Trade; and H, Accommodation and Food Services.

Analysis

Demand side: Thematic analysis

We analysed the demand-side corpus using qualitative thematic analysis, following the framework developed by Braun and Clarke [142]. We manually reviewed each report and extracted discrete consumer insights, including individual findings, claims and signals relating to consumer preferences, attitudes, behaviours and emerging demand. We recorded each insight as a code and assigned it to a thematic thread. The analysis was inductive, with the thematic structure developed iteratively from patterns identified within the 2023 to 2026 evidence. We progressively grouped related threads into higher-order trends and organised these within overarching themes. This process initially produced 34 candidate threads across five themes and 10 trends. To assess coding consistency and agreement, an independent second coder reviewed the coded material across two rounds. In the first round, the coder assessed whether each insight had been assigned to an appropriate thread. In the second round, the third author acted as the second coder and assessed whether the complete thread, trend and theme classification was coherent. Agreement was high in both rounds, reaching 88% across 114 codes in the first round and 92% across 77 codes in the second. We discussed disagreements and used them to refine the analytical framework rather than treating them solely as coding errors. We then applied the agreed coding decisions across the full corpus, producing a final dataset of 207 coded insights drawn from 42 reports. A frequency analysis of the 34 candidate threads informed the final selection process: we combined closely related threads and removed those with limited supporting evidence. This process reduced the framework from 34 candidate threads to 22 final threads organised within five themes and 10 trends. Comparison with the findings of the 2023 report showed that the 10 higher-order trends identified through the current analysis aligned with the 10 trends identified previously, while the underlying threads captured important developments and shifts in the more recent evidence. The 22 final threads then formed the basis for mapping against the supply-side industry topics.

Supply side: Topic modelling

For the supply-side analysis, we extracted text from each IBISWorld industry report, focusing particularly on sections covering recent developments, industry outlook, products and markets, the competitive landscape and operating conditions. We stored, reviewed and cleaned the extracted text by removing numbers, non-ASCII characters and stop words. We then conducted topic modelling using BERTopic [143], a method based on Bidirectional Encoder Representations from Transformers. BERTopic uses transformer models and text embeddings to capture the context and semantic relationships between words. This allows it to identify patterns that may be missed by models that treat documents simply as collections of individual words [144]. The topic modelling analysis initially generated 151 topics. Following manual review by the first and the second authors, we retained 50 topics as meaningful industry trends and excluded topics that primarily described general industry characteristics. We used generative AI at two stages to support the analysis. First, a large language model (LLM) generated human-readable topic titles from the representative keywords produced by BERTopic for each topic. This improved the interpretability and consistency of the labels applied to the 50 retained industry trends. Second, a vision-based LLM supported optical character recognition to extract quantitative data and statistical information contained within images in the IBISWorld reports. This process added numerical evidence to the text corpus that would otherwise have been unavailable to the topic model. Following the automated analysis, we manually reviewed the topic labels, supporting text and extracted evidence to assess the accuracy and relevance of the retained topics.

Mapping demand and supply trends

We mapped the 22 final demand-side threads against the 50 supply-side industry topics to identify corresponding supply-side evidence. This mapping assessed the relevance of the inductively identified demand-side patterns across the Australian food and beverage supply chain and provided industry evidence corresponding to each thread. Following this core analysis, we supported each trend with additional evidence, including peer-reviewed research, market indicators and statistical data, to strengthen the analysis of the factors shaping the identified trends.

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