

# NOURISH | TREND network REPORT



NOURISH



# Life, Interrupted: The Macroscopic Impact of a Microscopic Virus

Last year, we prefaced our Trend Report with the difference between trends and fads. A fad, like a volcanic eruption, blows hot, fast, and short. Trends are more subtle, shifting like tectonic plates until the landscape changes. Little did we know an earthquake named COVID-19 was around the corner with aftershocks that will reshape society. The pandemic caused the equivalent of ten years of change in ten months. And its effects will manifest in some permanent shifts in societal values. We've seen how fragile the life we all knew was, and it's caused us to reexamine our values and needs as well as our eating and shopping habits.

Our top **food & beverage industry and agricultural trends** for 2021 are:

## **Two Canadas:**

The Polarization of Society

## **Set the Table:**

Return of the Family Mealtime

## **Values-based Eating:**

Social Justice in the Food Industry

## **Knowledge-based Eating:**

Radical Transparency & Full Disclosure

## **Ethics-based Eating:**

Reducing Your Environmental Impact

## **Beyond Local:**

Hyperlocalization of Products & Services

## **Functional Food 2.0:**

Eating for Resiliency & Preventative Healthcare

## **The Rise of Omnichannel:**

*Part I* - Linking Purchase & Prep Through Digital

## **The Rise of Omnichannel:**

*Part II* - Unbundling the Restaurant Experience For Home

## **Help Wanted:**

Filling Employment Gaps in the Agri-food Sector

## **Grassroots Movement:**

Investing in Soil Health for Industry & the Environment

## **Next-Gen Farming:**

Accelerated Integration of Digital Tech & Agriculture

You'll notice that many trends this year are interconnected. And there's more crystal-balling; predicting "what will be" based on "what was" will be less accurate, with past behaviour no longer a reliable indicator. Research findings conducted at the start of the pandemic look very different now in this new world. Companies still need insights and data, though, so expect more test-and-learn, especially with DTC models and ghost kitchens.

We've gone back to cocooning in our homes - and not necessarily by choice. "Cocooning" was a concept introduced by Faith Popcorn in 1981 and defined as "the need to protect oneself from the harsh, unpredictable realities of the outside world." Our worlds have contracted, and our homes have become our workplace, our gym, our restaurant, a delivery bay for goods and, in some cases, our schools.





# Rethinking Our Habits, Rituals, and Routines

There's a saying that in extraordinary times we reach for the ordinary. Yes and no. We rediscovered big brands and nostalgic favourites in 2020. We rediscovered eating and cooking at home, too. But while cocooning and comfort foods were important, society also looked in the mirror and confronted some fundamental issues.

Zoom and remote work, in some form, are here to stay. But, we're inherently social beings; how do we connect? How is your business going to adapt? How do we reinvent our retailers and restaurants to provide those essential experiences? There will be opportunities to think bigger and unconventionally — greenfielding and disruptive thinking rather than legacy models. Try imagining you're a new brand/store/restaurant and consider how you'd reinvent the business model. Can you apply some of that thinking to your existing business today before some future disruptive company does?

Food's share of stomach is pretty much a zero-sum game — gains in one channel are losses in another. (Unless you've been consuming more calories as a result of COVID!) How has our relationship to food changed? More than four out of five consumers surveyed by the International Food Information Council said the pandemic pushed them to cook, consume, buy and think about food differently. Where we source it, how we prepare it, and how we consume it has changed during the pandemic, and some of this change will be lasting.

We connect over food — it feeds our soul. What does its future hold?





# Two Canadas: The Polarization of Society

We've seen many versions of the phrase "We are all in the same storm, but not the same boat" making the rounds on social media. It's an apt metaphor for the uneven economic fallout of the pandemic. Two Canadas are emerging, with the middle ground shrinking and the existing inequalities in society further exaggerated.

Some people, mainly in the hospitality, retail, and construction industries, have lost their jobs and are fighting to make ends meet. Slightly more than half (51%) of Canadians say they have less money available to spend on food today than they did B.C. – Before COVID.<sup>1</sup>

Paradoxically, others have more disposable income than they did pre-pandemic. Workers who maintained their employment have extra discretionary funds due to reduced spending on childcare, travel, and food & beverage outside the home. Those who can work from home tend to be better off again than those who have to be physically at their workplace since they've spent little or nothing on commuting.

1. (CCFI 2020)





# Value vs. Values – Competing for the food dollar

Each end of the economic spectrum will define “value” differently. The standard definition of value refers to the perception of what a product or service is worth relative to alternatives. This definition has shifted during COVID. Having that take-out meal delivered may be seen as worth the added cost versus having to go and pick it up. Value is a subjective and very personal definition; for some, price will be the biggest driver. For others, quality or a company’s moral compass will be more critical.

Some consumers will be willing, and able, to spend more on a product or service that aligns with their values, like organics, fair trade, and humanely-raised products. Organics performance was up from March to September 2020, and supply struggled to keep up with demand. Plant-based proteins far exceeded meat in terms of growth over the first seven months of 2020, at +129% versus the same period in 2019. Compare this meteoric rise with chicken and beef, up +22% and +31%, respectively.<sup>1</sup>

1. (Nielsen US)

## FOOD FOR THOUGHT

While meat is not going away, it may lose its place at the centre of the plate as consumers increasingly see it as a luxury rather than a commodity, and others eat less but “better” meats.

The middle of the market is shrinking as Canada splits in half. Do you need to reposition your offering to match your consumers’ particular value-based (or values-based) purchase decisions?



# Set the Table: Return of the Family Mealtime

The family meal may be a long-term positive legacy of COVID. This revived ritual has become a daily highpoint for many people. As it has so many things, though, 2020 has changed our definition of “family” to include our social bubble beyond the nuclear family — roommates, friends, and family outside our home base. Pre-pandemic, up to 50% of eating occasions were solo affairs. Now, we see the traditional family mealtime return with breakfast, lunch, and dinner consumed at home more often.<sup>1</sup> We’re also skipping fewer meals as they become foundational pillars to our day.<sup>2</sup>

An August 2020 study by the Food Marketing Institute in the US found 85% plan to eat family meals more often or the same amount once things return to the “new normal.” This is good for both mental and physical health. We eat healthier when we eat together, and more frequent family meals are associated with better dietary and family functioning outcomes.<sup>3</sup> This was reflected in the FMI data: 71% of those eating in-person meals “feel more connected” to their families since the pandemic started.

1. (Acosta)

2. (IPSOS Canada)

3. (The Journal of Nutrition Education & Behavior, May 2020)





*We've moved from summoning our meals and meal assembly to newfound cooking skills, often done as a family activity.*

Cooking at home has been the #1 activity increase during the pandemic, with +54% net intent.<sup>1</sup> However, cooking fatigue is emerging, as well as the craving for new experiences. Plus, looking ahead, we know family life will start getting busier once after-school activities recommence.

1. (McKinsey Canada)

## FOOD FOR THOUGHT

How can you keep mealtime fresh and fun and preserve and build on this reestablished family ritual? And don't forget those pandemic puppies and corona kitties — what's good for me is good for Fido or Felix. Can you extend your offering to all family members?

The challenge for Foodservice: design a meal that allows for easy customization to accommodate different food preferences among family members, such as adding your protein choice at the end, whether seafood, meat, or plant-based. Can you offer something families can prepare together, replicating at least part of the experience of their favourite meals for dining out?

For Grocery, there may be value in moving shoppers along the time prep continuum by eliminating one step. How about family meal solutions in a kit for assembly as a group activity? Additionally, easy and customizable Heat-and-Eat options might make a welcome addition to an online grocery order for tonight's dinner.





## Values-based Eating: Social Justice in the Food Industry

There was, and there continues to be, a society-wide focus on systemic discrimination and inequities, with a resulting reevaluation of our economy and the vulnerable within it. This deep introspection extended to our food system. Suddenly there was a spotlight on the workers who grow and harvest our food and how they are treated, whether migrant labourers in the fields or employees in a meat-processing plant.

The burden of risk in getting food to stores and our tables is frequently borne by those with less privilege and, in some cases, fewer rights. More articles are being written about living wages, workers' rights and living conditions for migrant workers with ads appearing in popular Canadian magazines.<sup>1</sup>

This soul-searching should gain momentum in the US as well, as newly-elected Vice President Kamala Harris has focused on hunger, worker's rights and protections, and environmental justice throughout her public service career in California, the largest agricultural state in the US. She has sponsored legislation to improve farm labourers' working conditions, expand food and water access, and protect the environment. As a result, expect more unionization and worker protection on both sides of the border.

1. (Horizon August 2020)

## New labels and new philosophies

"Fair trade" is an increasingly popular marketing niche, primarily related to goods from outside the developed world. We may start to see more "Food Justice Certified" marks as awareness of worker conditions in North America rises. See the Agricultural Justice Project's website for more about this movement.

Will we see the concept of "conscious capitalism" gain currency as the next evolution of companies' CSR (Corporate Social Responsibility) policies? While still focused on making a profit, conscious capitalism recognizes that some stakeholders lack a voice in the process, like the environment or the migrant worker, and need representation. Conscious capitalism is rooted in a company's philosophy, whereas traditional CSR programs are often separate entities. John Mackey, the founder of Whole Foods, popularized it, and it's now practiced by Trader Joe's and Starbucks.



## FOOD FOR THOUGHT

Think this is left of centre? Mainstream business publications like Forbes Magazine, the Harvard Business Review, and, closer to home, the Ivy Business Journal, have published multiple articles on the subject.

This trend represents a massive upheaval in society with a long-term, perhaps even permanent impact on how consumers view the food continuum. Is it time to relook your company's values and CSR policies?



# Knowledge-based Eating:

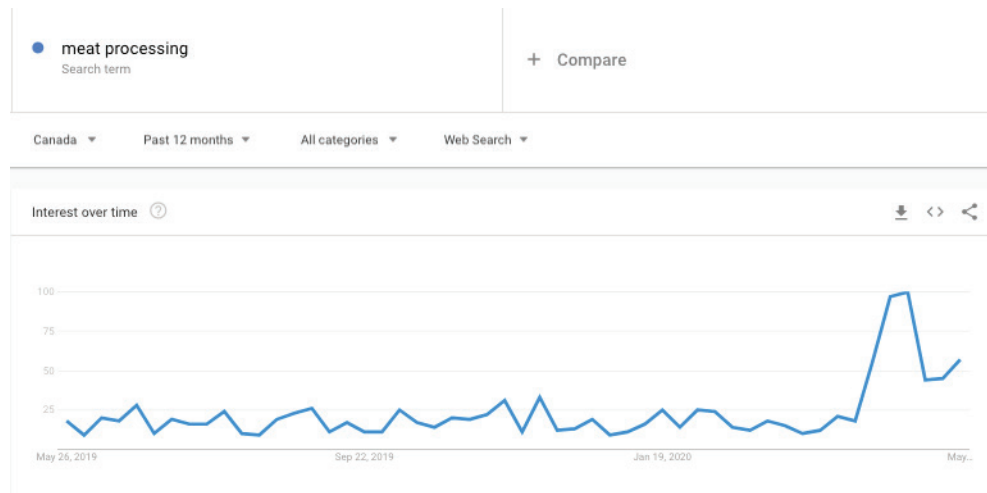
## Radical Transparency & Full Disclosure

Radical transparency was a consumer trend in our 2018 Nourish Trend Report. But, at the time, the other side of the fence (that's you, ag producers) wasn't ready for it. It's worth relooking and reemphasizing it, as it has evolved in an unforeseen way in 2020.

The veil that farmers and industry put up between themselves and consumers has fallen. During COVID, consumers saw the food system bend but not break. But they did see empty shelves at retail for probably the first time in their lifetime of food abundance. And not for seasonal items, but staples like bread and meat.

The food system became front-page news for the first time in many years. Articles about meat processing plants and shut-downs and food shortages caused consumers to Google "food system." Suddenly, even the least curious consumers understood there was an intricate supply chain responsible for the produce and finished goods on grocery shelves.

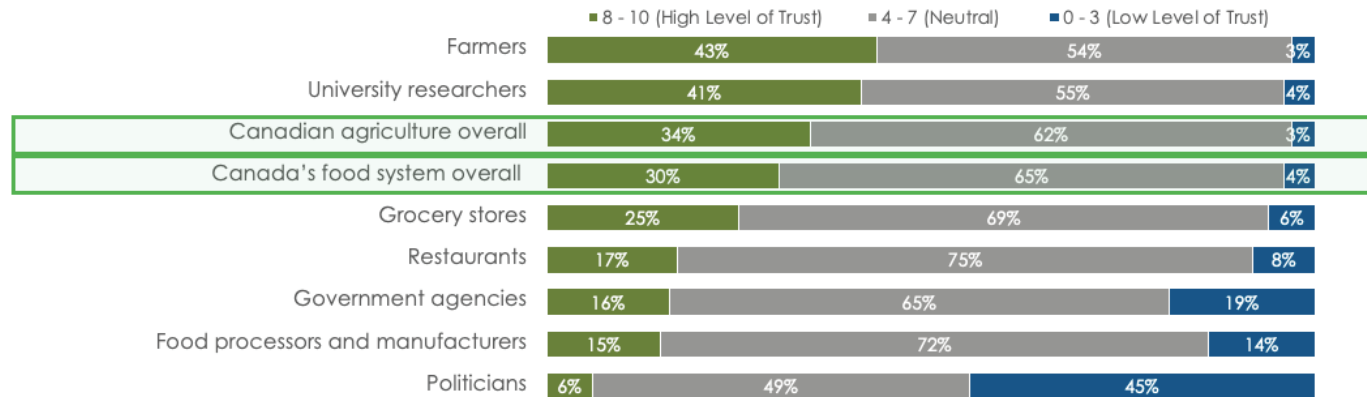
*Here's what we've learned: consumers trust farmers, but not farming. That needs to change.*



Related to the Food Social Justice Trend, consumers increasingly want to know how the items in their grocery cart (real or virtual) were made or grown. They're concerned about how the workers involved in processing, growing and harvesting, including non-resident farmworkers, were treated, and if animal and environmental welfare matter to their brands. Expect more conversations around inputs, and how we raise and slaughter our livestock.

## Trust in Canadian Food System

- When it comes to the country's food system, Canadians are mostly neutral in terms of who and what to trust. Roughly three in ten say they trust Canadian agriculture (34%) and the country's food system overall (30%). When it comes to whom to trust most, Canadians have the highest trust in farmers (43%) and university researchers (41%). They also have the lowest trust in politicians (6%), with almost half (45%) saying they have a low level of trust in politicians when it comes to the food system.



Q7. Thinking of the Canadian food system, how would you rate your trust in the following groups?  
Base: All respondents (n=2903)



# FOOD FOR THOUGHT

Blockchain technology can give transparency to supply chains. And don't forget the power of showing versus telling, coupled with meaningful storytelling. We believe pictures over words on a website. What might that look like?

How about pulling back the curtain on your operations entirely? The W. Galen Weston Centre for Food at Durham College in Ontario features a fine-dining restaurant where patrons can watch student chefs and their instructors prepare meals in the kitchen via live cameras and big-screen TVs in the dining area. Can you practice radical transparency by live-streaming conditions in your processing facility, ranch, or restaurants as a way to build consumer trust? Consumers want to know that you have nothing to hide.

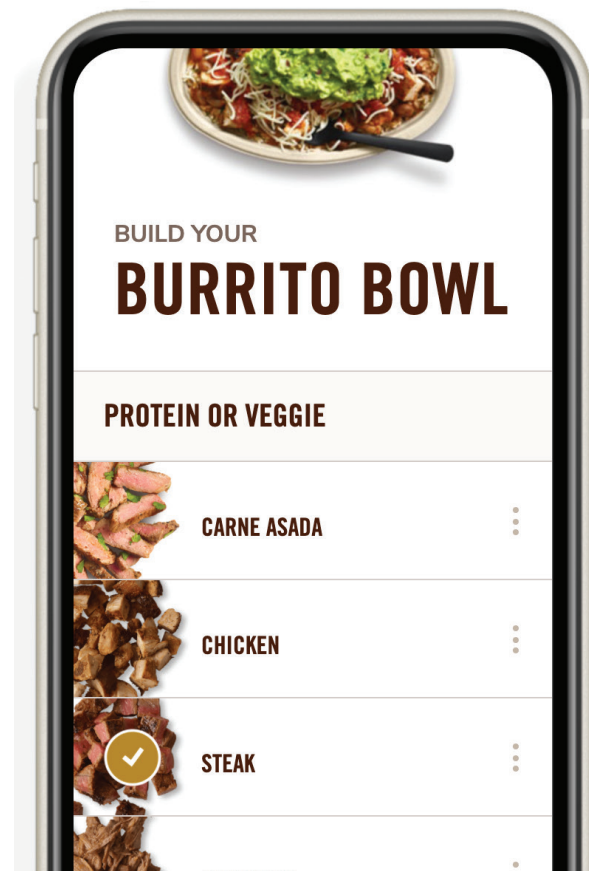


# Ethics-based Eating:

## Reducing Your Environmental Impact

In our 2020 Trend Report, we wrote about environmental impact-based eating. Fast-forward a year, and it's showing signs of mainstreaming. Chipotle, the US restaurant chain, now lets you calculate the environmental footprint of your order online with its tool, Real Foodprint. It's even endorsed by Bill Nye the Science Guy!

Panera Bread became the first national chain to label entrees as climate-friendly, showing its menu items' carbon footprint. More than half of Panera entrees are labelled "Cool Food Meals" that meet the level of food-related emissions the WRI (World Resources Institute) says we need meals to have by 2030. Like a person's maximum recommended daily calorie intake, they've established a maximum recommended daily carbon footprint — 38 percent lower than the current average.



### LESS CARBON IN THE ATMOSPHERE

**181.7** GRAMS

### WATER SAVED

**0.0** GALLONS

### IMPROVED SOIL HEALTH

**11.7** SQ FEET

### SUPPORTED ORGANIC LAND

**0.0** SQ FEET

### ANTIBIOTICS AVOIDED

**149.4** MILLIGRAMS

## Dishing on dirt

Discussions around the role of soil health in climate change and regenerative agriculture are also widening. Within agriculture, conversations about soil profitability rather than just soil productivity are happening. The winner of this year's World Food Prize (as close to a Nobel Prize for Agriculture as there is) is soil scientist Dr. Rattan Lal. Even Kiss the Ground, Netflix's top trending documentary about regenerative agriculture, makes soil the hero.

However, for this trend to root and take hold, farmers need compensation for their efforts. The market either has to be willing to pay more for these farming practices, or government needs to recognize the value of the ecosystems and carbon sequestration farmers provide with some form of remuneration.

Want more proof this is no longer niche stuff? General Mills-owned Annie's Mac and Cheese has added regenerative agriculture as part of its mission statement. While "regenerative agriculture" has no official criteria and (relatively) low consumer awareness, they define it as having three pillars - soil health, above-ground diversity, and farmer economic resilience.



## FOOD FOR THOUGHT

Will a Regenerative Organic Certification that combines soil health, animal welfare, and farmworker fairness become as popular as Organic in the future? If brands are judged increasingly on the good they do, it may be time to assess your environmental impact. And if you have a 'good news' story to tell, make sure it's out there for consumers to see.



# Beyond Local:

## Hyperlocalization of Products & Services

We've already seen a rise in food nationalism as a way of preserving food security and autonomy. We love to buy close to home, and home became even closer during the pandemic. Many of us even grew “victory gardens” and developed a new appreciation for what fresh tastes like — and what hard work it is! There is an increased degree of respect for local food producers, as well as restaurants. And, in tough times, we want to support our neighbours.

A recent study shows that 4 in 5 Canadians claim they're willing to pay extra for locally grown produce.<sup>1</sup> While Canadians have varying definitions of what 'local' means, they want to influence the food system and connect with the people who produced their food.

*Six in ten Canadians say they trust food produced here more than they do food grown or made elsewhere, a trend on the rise since 2017.<sup>2</sup>*

1. (Agri-Food Analytics Lab, October 2020)

2. (CCFI 2020)



This trust has been reinforced with food-safety recalls over the past year of US peaches, romaine, and red onions.

COVID-19 has exposed the need to localize essential parts of the food production process. But how do you do that when your growing season is not year-round? Here's a tip: most Canadians perceive crops grown in greenhouses to be as good as those grown conventionally, with 63.4% saying they are the same quality, 27.4% saying they are better, and only 9.2% saying they are worse.<sup>1</sup> Enter the rise of hyperlocal vertical farming and indoor agriculture, where you can theoretically replicate the best climate and conditions for each product.

Check out what Kimbal Musk (brother of Elon) is doing in the US, claiming that his Square Roots indoor urban farm produce tastes better than conventionally-grown. Not to be outdone, AeroFarms grows greens without soil good enough to win praise from Chef David Chang, founder of Momofuku, and Plenty sells its vertically-grown produce through major retailers like Instacart and Amazon Fresh. Closer to home is Guelph's Good Leaf Farms, Barrie's Local Leaf Farms, and Avril Supermarché Santé in Quebec, where microgreens are grown on-site.

1. (Agri-Food Analytics Lab, October 2020)

# FOOD FOR THOUGHT

Of course, to sell hyperlocal produce, you need geo-targeted and agile marketing to adapt to changing conditions. Also, marketing with shorter planning cycles — three weeks rather than three months out — with more targeted, personally relevant content. We're living in changing times; agile marketing allows for reactive (and proactive) executions based on current conditions rather than past behaviour.



# Functional Food 2.0:

## Eating for Resiliency & Preventative Healthcare

Let's admit it; even before COVID, we were already feeling stressed and tired. Spontaneity has been lost. In its place, we have to plan every outing as if it's a mission and always remember to bring a facemask. And, for some reason, nothing is more draining than back-to-back Zoom meetings.

More than ever, consumers want food & beverage with benefits as a path to wellness. They are taking charge of their health as a way of future-proofing and feel like they have control over at least one part of their lives. And they are looking to what they eat and drink to support physical, mental, and emotional health.

Over half of consumers claim to use functional food (58%) or beverages (56%) to treat a specific condition, including general prevention efforts.<sup>1</sup> Reacting to the pandemic, 35% of consumers are doing more to proactively take care of their physical and emotional health now versus pre-COVID.<sup>2</sup>

Instacart searches for vitamin C increased a whopping 74x, magnesium searches jumped 26x, and vitamin D searches were 18x higher during the first months of the pandemic. Searches related to immunity on Walmart's online shopping platform increased 7.5x and on Amazon 6.3x post versus pre-COVID.<sup>3</sup>

## Moving past the comfort food stage

We used food as a soother during the pandemic's early days, and those COVID-19-pounds are real. But now we're focusing on losing the weight and getting healthy to manage any underlying conditions that COVID can prey upon. Intermittent fasting (part of keto) is on the rise as a way to feel like we have some control over our world. It's also easier to fast if you're at home and not meeting folks for meals.

Multiple studies revealed a link between vitamin D deficiency and hospitalized COVID patients. Even Dr. Fauci highlighted the need for vitamin C and D in our diet; vitamin D as a preventative and vitamin C as the go-to antioxidant, another key to a robust immune system.

1. (Hartman 2020 Report)
2. (IRI US Primary Grocery Shopper Panel)
3. (US data)



To get their RDI, many consumers are going beyond traditional vitamin pills; functional ingredients like mushroom supplements (cordyceps) are up over 1,000% versus a year ago.<sup>1</sup> Expect more functional ingredients and callouts to foster calm and well-being, with Whole Foods citing this as their top trend for 2021:

### **“Well-Being Is Served**

The lines are blurring between the supplement and grocery aisles, and that trend will accelerate in 2021. That means superfoods, probiotics, broths and sauerkrauts. Suppliers are incorporating functional ingredients like vitamin C, mushrooms and adaptogens to foster a calm headspace and support the immune system. For obvious reasons, people want this pronto.”

A big part of resiliency and immunity is a good night's sleep, and that's become harder to get. 'COVIDsomnia' really is a thing! Sleeping patterns have been disrupted, and we have more anxiety than ever. Dentists are seeing lots of evidence of grinding teeth as we sleep. We need products to calm and support this mission.

In response to sudden, heightened demand, PepsiCo is moving quickly to launch its new sleep-aid drink Driftwell. The non-carbonated enhanced water beverage contains L-theanine, an amino acid with relaxant qualities found in tea and some herbal mushrooms, plus 10% of the daily value of magnesium.

1. (IRI US data March/April/May 2020)

# FOOD FOR THOUGHT

We wrote about this segment in our 2019 trend *Shift from Physical to Emotional Well-being*, with CBD being an obvious ingredient for Canadian products. This need-state and bedtime occasion still appears to be underserved.

Do you have a product with these benefits naturally occurring that you should be highlighting? If you're a retailer, a special section in-store and online highlighting functional products will help consumers find what they want more easily. For foodservice, creating menu items to support this need-state would be a novel approach and might make an appealing add-on to a dinner order. Or, could this be the future of late-night drive-through runs?



# The Rise of Omnichannel:

## Part I – Linking Purchase & Prep Through Digital

The COVID-19 lockdown kicked off an unplanned and unprecedented trial for online grocery; half of all Canadian households with internet access used it during the first six months of the pandemic.<sup>1</sup> Even traditionally technology-averse older shoppers have adopted it, spurred on by their children and grandchildren.

Canadians are shopping less often and have larger shopping basket sizes than before the pandemic. Pre-COVID, Canadians shopped an average of three times per week. Now that number has fallen to once per week. Pandemic concerns about in-person shopping have pushed more grocery spend to digital, with 19% of total grocery spend happening online, compared to just 9% in February 2020.<sup>2</sup>

Most shoppers have been pleasantly surprised by their grocery delivery experience, with even fresh products exceeding expectations. Some grocers are reserving the best produce for online shopping to overcome shopper belief that it can't match in-store picking. So what's the future of grocery shopping?

While online grocery purchases remain high, they are growing less frequent. There is a split between shoppers who place an online grocery order once a week or more often (47%) to replace their regular in-store shop and those that do so monthly or more infrequently (53%) to supplement their in-person trips for specialty or bulky items.<sup>3</sup>

1. (Canadian Grocer, Sept. 2020)

2. (Field Agent Canadian Survey, June 2020)

3. (Chicory US, October 2020)



# Has the traditional grocery store had its time?

It may be worthwhile framing grocery items as transactional versus experiential purchases. Toilet paper, for example, is a transactional purchase. Centre-of-the-store staples may become an automated purchase and move increasingly online, perhaps bypassing the grocery store and going DTC via a distribution centre or subscription model. This shift will allow the physical store to continue its trend of shrinking.

The supermarket model hasn't changed much over the last 100 years and has been about amassing all items under one roof. It's a very car-centric approach that's starting to lose its relevance. We may begin to see the disassembling of some of that expensive real estate.

In-store will be about sensorial high-touch experiences and inspiration. Rather than being a seller of ingredients, the retailer will become a seller of solutions.

And your phone will finally be integrated to make the in-store experience easier, from wayfinding to ultimately skipping the check-out altogether.

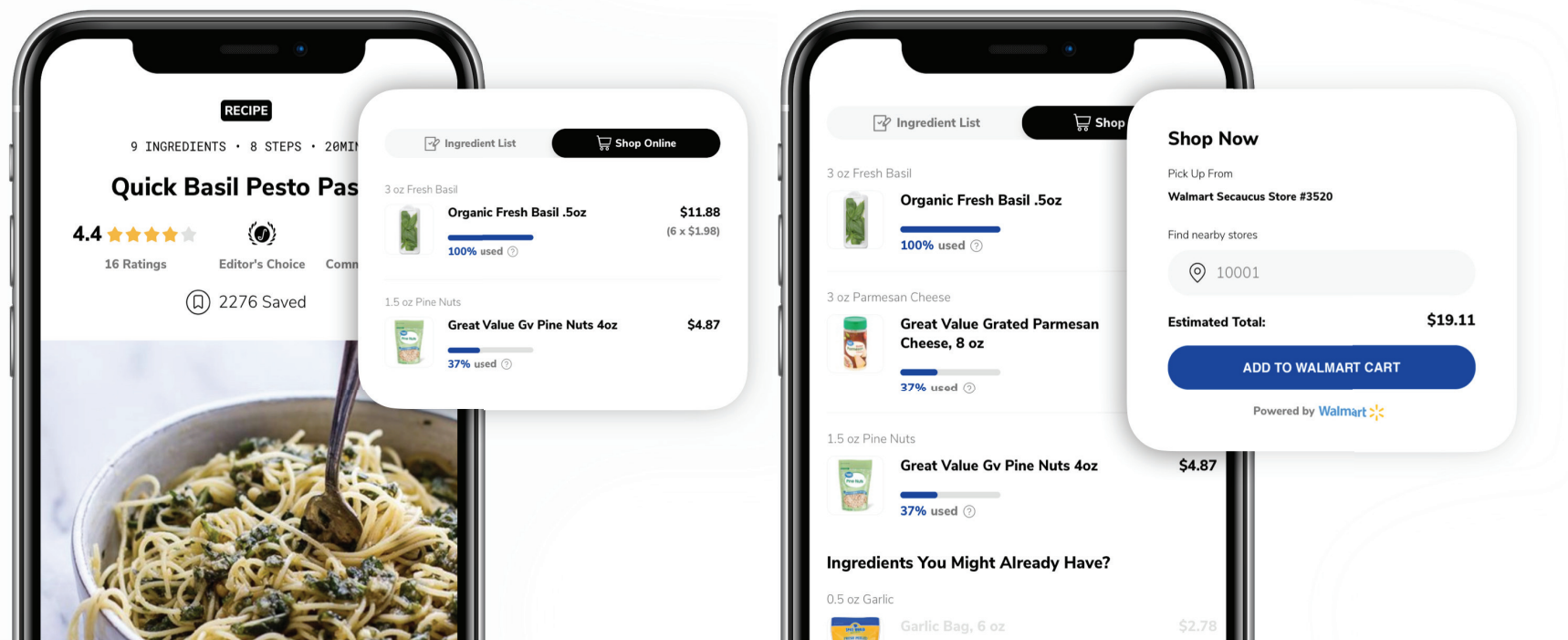
Sobeys is already testing a smart shopping cart that scans and checks out in an Oakville store. Amazon's new prototype grocery store allows shoppers to have made-to-order foods prepared while shopping using the Order Ahead feature in the Amazon app and integrates its Alexa service for an authentic omnichannel experience.

## Shoppable recipes and shopping by lifestyle

With more online grocery shopping, coupled with better shopping apps, shoppers may yet be able to realize the promise of a one-click order. Consumers are doing more meal planning but at the same time seeing more food waste as they prepare and eat more meals at home.

There's been a lot of investment in the space recently, but the biggest game-changer could be Walmart. Its Walmart+ platform offers free delivery in the US and has teamed up with Sidechef.com for "shoppable recipes." You can meal-plan based on diet or lifestyle (keto, etc.), daypart, cuisine, number of ingredients, budget, and time to prepare, plus buy all the ingredients with one click for Walmart curbside pickup or home delivery.





# FOOD FOR THOUGHT

Omnichannel solutions may also minimize future food waste that has shifted from foodservice to home during COVID and put a spotlight on food waste at home, where close to 50% of it occurs. Consumers are more aware of food waste and want to minimize it. They will want to seek out recipe solutions for that older item in the fridge or pantry. There is a chance here to help consumers repurpose those leftovers and stragglers from last week's shop.

Omnichannel is here to stay — where do you fit in, and what opportunities can you leverage?

# The Rise of Omnichannel:

## Part II – Unbundling the Restaurant Experience For Home

The phrase “the customer is always right” is well over a century old. Debate its validity in the 21st century all you want, but, in the digital era, you need to meet the guest on their terms. Increasingly, consumers can and will eat what they want, when they want, where they want.

Many believed that the restaurant economic model was broken pre-pandemic, with its razor-thin margins, high rents, and low wages. But for guests, restaurants have always been an essential part of their lives, where they socialize, celebrate, and explore. It’s been that familiar “third place” — a social space that’s neither home nor work. What will emerge on the other side? How will the guest experience be redefined?

First, you need to map the journey from when a meal is ordered to when it’s received and afterwards. How can you elevate the experience? How do you re-engineer menus for higher profitability if guests order fewer sides and appetizers or encourage remote “lingering” so that a second dessert or drink is ordered? If it’s takeout, what is the packaging and QR code playlist that makes it special?

Ghost kitchens and virtual food halls answer many of these questions and offer something for everyone. You want sushi, and your kids want tacos? No problem! Online ordering aggregates meals from various restaurants under one interface.



# Standing at the intersection of grocery and foodservice

Consumers' cooling on a newfound love for home cooking is driving the purchase of meal kits/starters and more "elevated" ingredients to break out of the rut and enjoy new food experiences. In a 2020 survey, 46% of consumers said restaurant-branded products are a convenient way to attain the restaurant experience and flavours at home.<sup>1</sup>

Of course, the story and chef behind it will take on more importance in a virtual world as consumers can't check out the restaurant in person. How do you provide an experience that can substitute for our lack of IRL (in real life) experiences right now?

Just as we've gotten used to reading a menu from a QR code on our phones, perhaps the next step is to get accustomed to seeing restaurant dishes in 3-D courtesy of AR (augmented reality). Creating word-of-mouth will become even more focused on digital distribution. And, there is an emerging battle to own the customer experience and relationship between the foodservice source and the delivery service.

1. (Innova Consumer Survey 2020)

# FOOD FOR THOUGHT

Restaurant chain Montana's BBQ & Bar launched two new frozen pot pies, expanding its grocery presence. It's an awareness-building strategy for the brand to keep it top-of-mind while consumers are less likely or unable to dine-in at a restaurant. Expect more partnerships of restaurants with other companies, such as meal kit services. Restaurants could also pair their grocery offerings with 'how-to' videos featuring their chef.

How could you unbundle and repackage your unique restaurant experience for other channels?



# Help Wanted:

## Filling Employment Gaps in the Agri-food Sector

Farmers have always had a love/hate relationship with government. Being rigidly independent at heart, farmers have traditionally been leery and even antagonistic towards perceived government intervention in their daily lives and how they choose to run their operations.

But when faced with global trade challenges such as those posed by China and the US, and confronted with an existential disruption to their livelihoods in the form of the COVID pandemic, the agricultural industry has become more receptive to cooperating and engaging with government. This has become especially true in the promotion of employment opportunities across the agri-food sector.

*If nothing else, the pandemic has highlighted the need for more and better-qualified people to work in agri-food across Canada. Even before COVID, there were four jobs for every graduate of the University of Guelph's Ontario Agricultural College, according to its Planning for Tomorrow 2.0 report.*

This reality came to the forefront over the first eight months of the pandemic, and the government actively responded. Faced with employment challenges at all levels, from temporary farm workers to processing plants to retail, the result was a concerted effort to connect workers with in-demand jobs across the agri-food sector. For example, many provinces quickly implemented job-matching portals specifically for the agri-food sector, including Ontario and Alberta.

## CONSIDER A CAREER IN FOOD & AGRICULTURE

Agriculture contributes over  
**\$37.5 BILLION**  
to the province's economy

The food and agriculture sector  
employs more than

**780,000  
PEOPLE** → **44%**  
OF FOOD EMPLOYERS  
& **56%**  
OF AGRICULTURE  
EMPLOYERS

expect an **INCREASE**  
in the **AVERAGE NUMBER**  
of **NEW HIRES**  
over the **NEXT 5 YEARS**

There are  
**4  
JOBS**  
for  
**EVERY  
OAC  
GRADUATE**  
entering Ontario's  
food and agricultural  
sector

**50%** OF FOOD  
EMPLOYERS  
**57%** OF AGRICULTURE  
EMPLOYERS  
**MORE THAN  
HALF** of our employees  
require or have  
**POST-SECONDARY  
EDUCATION**

# Opening young eyes to a future in agriculture

Early in the pandemic, federal and provincial governments also committed funding to attract new workers to the agri-food sector, specifically targeting Canadian youth to assist with labour shortages. The Government of Canada committed \$9.2 million to enhance the Youth Employment and Skills Program that saw more than 700 new youth jobs developed in the agriculture industry. New job opportunities were immediately opened in food and beverage processing, retail and wholesale, agriculture, farming and harvesting, food transportation and warehousing, and aquaculture and fishing.

These new positions exposed workers to opportunities across the agriculture and food industry that they wouldn't have otherwise found and reminded Canadians and our government just how much we all rely on the agri-food industry every day.

What's trending from this need to fill jobs in the agri-food sector is the momentum and urgency that various levels of government are demonstrating to support employment in the industry. This renewed interest in the sector could see more funding announcements and programs to create new jobs, and further investment in innovation and risk reduction — all designed to promote growth and sustainability in the sector.

# FOOD FOR THOUGHT

Skills training has already been identified as an immediate need in agriculture. For example, in fall 2020, the federal and provincial governments, through the Canadian Agricultural Partnership, announced funding assistance to Conestoga College to develop an agricultural equipment operator training program to prepare those interested in agriculture careers to work on farms. Watch for new government and industry programs to attract and train employees, improve on-farm efficiencies and innovation and identify opportunities to strengthen the food chain.

Keep an eye out for similar programs to train new employees and create employment opportunities in retail and distribution. Continued government investment in the agri-food sector could also see new product development opportunities and packaging and delivery innovations.



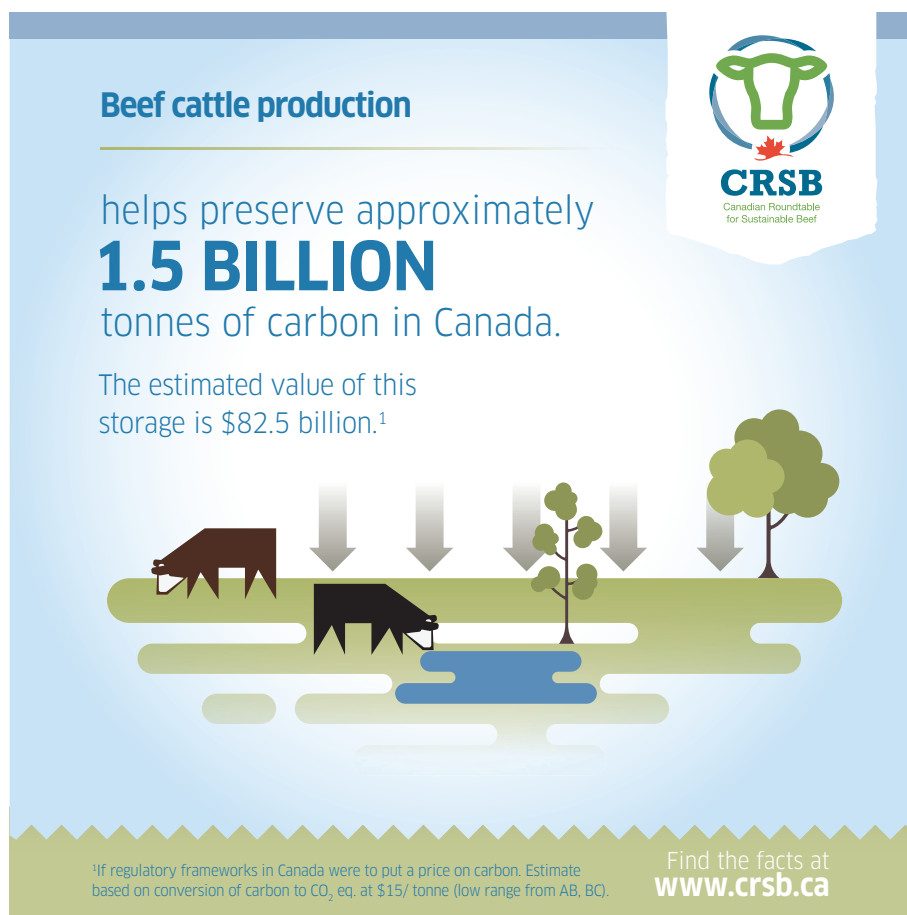
# Grassroots Movement:

## Investing in Soil Health to Protect Industry & the Environment

As discussed in our Ethics-based Eating trend, renewed interest in the health of Canada's farmland is driving the agriculture and food industry to invest in our most precious resource, soil. Improving our soil's health, a vital, non-renewable ingredient for growing food, is top of mind with farmers, industry organizations, government, and many consumers.

Healthy soils boast a balance of nutrients, organic matter, insects, and bacteria. Sustainable farm practices are also required to maintain soil health, along with land preservation regulations to protect farmland from urban development. That's why the Ontario Ministry of Agriculture, Food and Rural Affairs implemented a provincial soil and conservation strategy in 2018 to help grow and sustain the agricultural sector while protecting the environment and adapting to a changing climate. The strategy offers a vision, goals, and objectives for soil health and conservation in Ontario from 2018 to 2030.

National efforts to improve soil health and conservation are also in the works. Senator Rob Black's concerns about the amount of Canadian soil that has lost organic matter and is eroding have led to a call for a national study on soil health.





# Farmers are the caretakers of the land

The good news is, Canadian farmers are working to improve soil health every day. New research, technology, and education allow farmers to evolve many of their cropping practices to prioritize soil health and preservation. These practices include rotating crops grown on fields each year, planting cover crops to reduce soil erosion and replenish organic soil matter, adding natural manure fertilizers to fields, adopting new field tillage practices to minimize or reduce soil disturbance, and returning fields to grasslands for livestock. These are all known as sustainable farming practices.

An emphasis on improving soil health goes beyond farm fields and food production, playing an ever-increasing role in mitigating climate change. As plants grow, they naturally sequester carbon within the soil, removing CO<sup>2</sup> from the atmosphere. That means preserving our workable fields and grasslands is more important than ever.

The environmental benefits of our grasslands are already being promoted through a recent A&W grass-fed beef campaign. The QSR chain is in the process of switching to 100% Canadian grass-fed beef for the benefit of soil health and preservation. (And maybe to sell a few more burgers too!) Though the move is not without controversy and doubters, A&W announced they are ready to pay a premium price for grass-fed beef. For many in ag, this may be the start of a promising and positive long-term trend.

## FOOD FOR THOUGHT

Farmers, expect an increasing focus on land preservation and soil health. National and provincial strategies and initiatives may result in new investments in soil research and on-farm practices. In the meantime, most farmers continue to implement sustainable farming practices and soil preservation strategies. Some are even getting creative by planting cover crops between their rows of grapes in vineyards or grazing sheep in orchards.

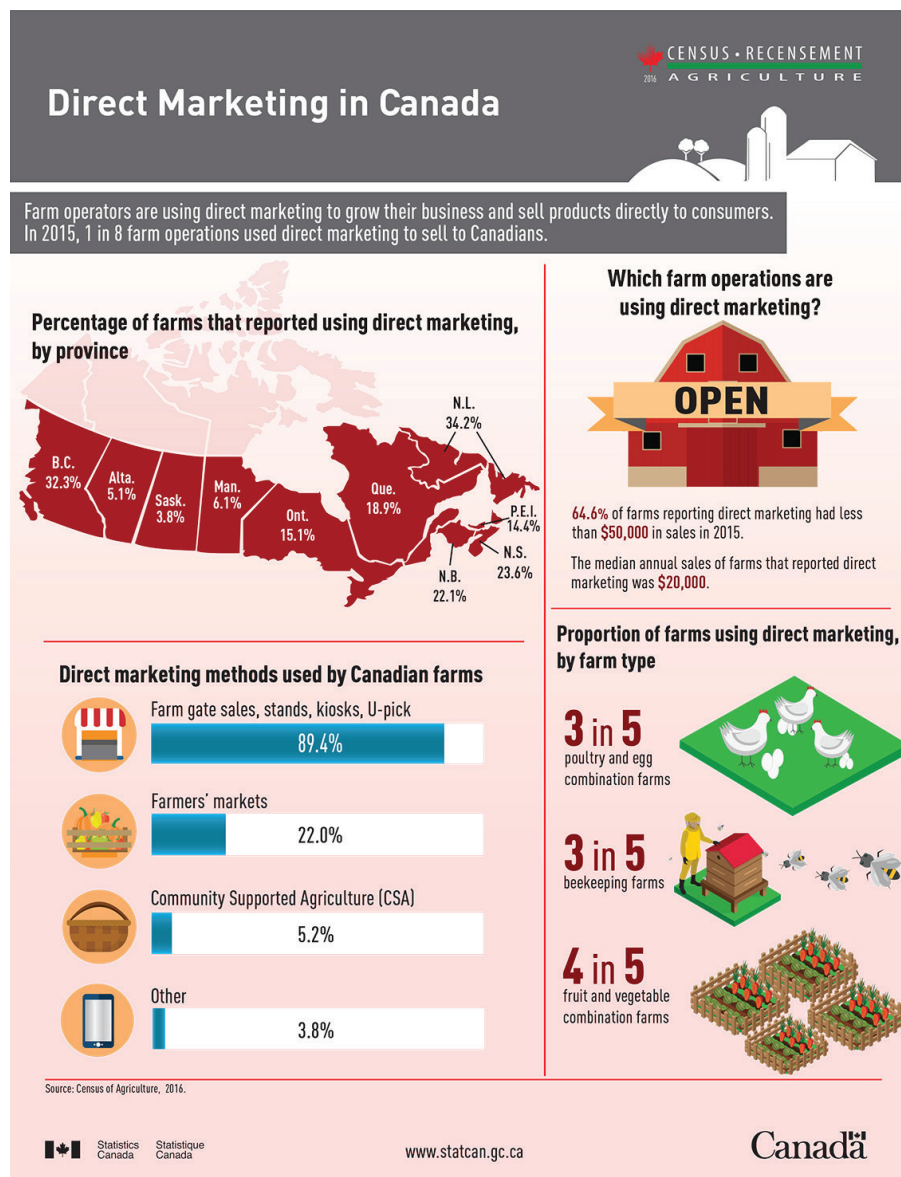
Anyone working the food chain between farmers and consumers should look at sourcing products from farmers and growers who prioritize sustainable farming practices, including soil health improvement and preservation. Help your customers identify these products as sustainably-grown or -raised with clear labelling. Consider offering educational resources to explain what sustainability means or feature farm profiles, showcasing farmers who invest in land preservation and environmental health.

# Next-Gen Farming: Accelerated Integration of Digital Tech & Agriculture

Farming has always been about hard work; long hours, battling weather, worry about prices, the challenges of succession, interest rates, land prices — the list goes on. Then came COVID.

And while much of farming is solitary work, there's a huge social component too, from informal coffee shop meetings to trade shows and post-harvest family gatherings. All in all, 2020 has been a tough year in ag.

The pandemic forced farmers to become more resilient than ever, and the rapid adoption of new and emerging digital technologies has helped them survive and even thrive during the current crisis. Much like consumers and online grocery orders, we think many of the tools, techniques, and approaches that have emerged out of necessity may remain, helping primary agriculture grow and flourish and preparing the sector for future shocks to the system.



# The growth of eCommerce in ag

Farm input providers have long-standing, face-to-face relationships with their farmer customers. Those, too, became COVID casualties. But many farmers took this opportunity to test out purchasing inputs from online retailers. Some supplier groups, such as Farmer's Business Network, who provide crop marketing services and sales of crop protection products, even dropped their annual membership fee (usually \$800) to reduce farmers' reluctance and encourage participation. Although buying consumer goods online is old hat, many farmers rely strongly on their retailer and agronomist relationships to help guide these often expensive and yield-impacting purchases.

Although the emergence of eCommerce in ag is a trend we see continuing post-COVID, the transition may not be quick. As one farmer put it, "There's a delicate balance between the cost savings of buying online and the lack of advice and insurance that goes along with it."





## Improving the digital infrastructure

Physical distancing isn't much of a challenge for farmers; they're usually in rural areas with low population density already. But as agribusinesses load up their digital communications, many Canadian farmers face inconsistent rural broadband internet. This leaves some forward-thinking farmers with top-of-the-line hardware stymied by connectivity issues and a lack of access to the Cloud for large-scale data storage.

This is an area that has the full attention of government at all levels. For example, the Ontario government just announced a \$1 billion investment in rural broadband and cellular service. The expansion of broadband to all rural areas, not only towns outside the urban centres, will help farmers thrive during the current pandemic and will become a necessity moving forward.

## Necessity as the mother of innovation

Some farm operations not only weathered the storm, they actually came out ahead. Wild Meadows Farms, a beef, bison, pork, and chicken producer in Ontario, set up an almost closed-loop farm business by selling and delivering pasture-fed beef, pork, and poultry from the farm's website. They were fortunate to have updated their website in February 2020; it wasn't a minute too soon.

Producing grass and pasture-fed meat means they've reduced their reliance on external inputs, like feed. And having direct-to-consumer sales removes the additional role of the distributor. Wild Meadows Farms' customers appreciate having a consistent and reliable provider of local meat products, too. Business at this farm has quadrupled since February.

What does the future look like? It boils down to a blend of perseverance, adaptability, and open-mindedness. By being willing to take a hard look at new digital technologies and approaches to not only farming but marketing as well, farmers across Canada have managed to make the best of a bad situation and set themselves up for success down the road.

# FOOD FOR THOUGHT

Now is the time for farmers, producers, retailers, and distributors to consider alternative routes to market as protection from potential processing or distribution impacts in the future. This might include working with smaller processors to have emergency back-up models and building two-way communication with your farmer suppliers.

If you haven't already, could you set up a website, contribute to a Community Support Agriculture (CSA) program and look into eCommerce options, even if partnering with another local farm? Think, too, about investing in agro-tourism and take part in local farmers' markets (physical and digital) to further integrate and establish your presence in your community.



The Nourish Network is North America's only field to fork marketing agency. We work with clients across the entire food ecosystem. Our expertise starts on the farmer's field, extends through production/manufacturing, includes processing and retail, and then finally ends with the consumer.

The Nourish Network has offices across North America.

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