

Agri-Food Industry: What challenges do these publications see in the industry?

Overall, the agri-food industry was very much in demand during the health crisis and demonstrated its organizational and logistical resources and the efficiency of its supply chain to avoid shortages.

Although the industry sustained itself during the pandemic, organizations have undergone profound changes in market demand. Some sectors, such as festive food products, suffered. In contrast, others experienced a sharp increase in demand, such as raw materials. The agri-food industry had to reinvent itself in real-time to offer the market what it was demanding.

- The reinvention of the agri-food sector

Reinvention became necessary to adjust to this changing demand. The sector showed agility during the lockdown, such as adaptations to the increase in home delivery: deliveries were left at the door, secured by a photo sent to the customer. It was necessary to rethink the supply schemes and road transport plans. Concerns about imports from other countries necessitated a change in logistics plans for short transports with local producers, which may have led to empty truck returns and, therefore, increased transport prices.

- Future investments in the agri-food industry

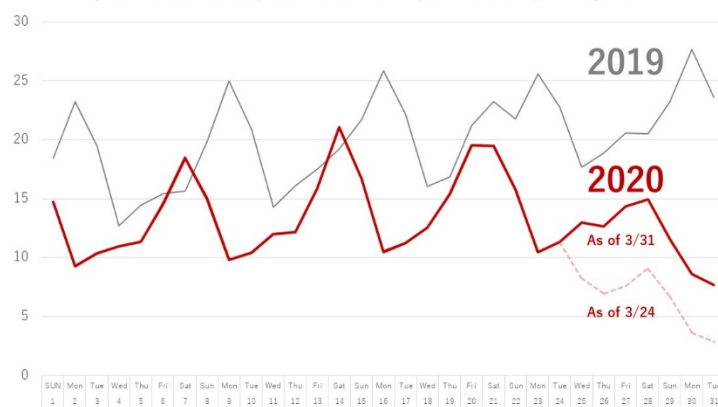
Many manufacturers believe that it will take time for activity to pick up again post-COVID. During the pandemic, many investment projects were canceled due to a lack of business visibility or cash flow to finance them. In addition to human skills, up-to-date support processes and reactive tools to support them became necessary. However, some companies will keep their initial ambitions intact, and the majority of them consider that the crisis should not deter them from their objectives of modernization, sustainability, and resilience.

- Changes in agri-food logistics

In the face of the crisis, other industries such as those in the pharmaceutical supply chain called for relocation. With the emergence of more local supply and demand, the agri-food industry may modify its sourcing and delivery logistics. French agriculture, for example, can consider opportunities in regions where direct sourcing of local producers is possible.



Graph which shows the drop of reservations made per restaurant impacted by Covid-19



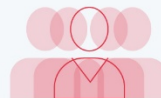
The Pandemic's Toll on the U.S. Restaurant Industry

Key figures showing the impact of the COVID-19 pandemic on the U.S. restaurant industry



Between March and October 2020, food services and drinking places lost **\$130 billion** in sales compared to the previous year.

2.1 million jobs lost in the industry between February and November 2020.



As of December 2020, **110,000** restaurants were closed either permanently or long-term.

Sources: National Restaurant Association, U.S. Bureau of Labor Statistics, U.S. Census Bureau



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<https://www.mckinsey.com/featured-insights/leadership/the-next-normal-arrives-trends-that-will-define-2021-and-beyond>