PART OF FOOD, DRINK & HOSPITALITY WEEK 2026

Industry Transformation Report 2026

The ultimate business event for food & drink product development.

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Executive Overview

The Convergence of Disruptions

The food industry faces a convergence of disruptions: AI reshaping discovery, sustainability demands threatening supply chains, consumer behaviour shifting under GLP-1 medications and health consciousness. **IFE Manufacturing 2026** brought together industry leaders to address these interconnected challenges, revealing that the businesses that thrive will be those treating sustainability, technology, and consumer evolution not as separate challenges but as interconnected opportunities.

40%

of food produced globally is wasted

74%

biodiversity loss since the 1970s

WWF Living Planet Report

2B

monthly AI tool uses globally

The event revealed a food system at an inflection point. Conversations ranged from the existential threat to coffee and chocolate production by 2050, to the rapid adoption of AI tools that are fundamentally changing how consumers discover products, to the frozen food revolution driven by air fryers and changing household dynamics.

Three dominant themes emerged: **sustainability as a business imperative** rather than a compliance exercise, **AI's transformation** of product discovery and commerce, and **consumer health trends** reshaping entire categories. These forces are not operating in isolation but rather amplifying each other, creating both unprecedented challenges and opportunities for manufacturers, retailers, and the entire supply chain.

Sustainability & Supply Chain

The Business Imperative

> "Your coffee or your chocolate depends on sustainable practices. Quite simply, we are not going to have coffee or chocolate by 2050, and it's not me being negative, it's just a fact of life that we won't be able to have those products if we don't do this sustainably."
>
> **Marcela Flores**
> From Soil to Shelf session

Sustainability has moved from optional corporate responsibility to existential business necessity. The stark reality presented at IFE Manufacturing 2026 is that certain categories face extinction without fundamental changes to production practices. The WWF's Living Planet Report documents a **74% loss in biodiversity since the 1970s**, a scandal that underpins the fragility of our current food system.

The challenge is no longer whether to act, but how to make sustainability economically viable. As Marcela Flores articulated, the industry must ensure that sustainability "washes its own face," transforming from a compliance burden into a value creation opportunity. This requires rethinking food waste, which accounts for **40% of global food production** and represents not just an environmental failure but a significant revenue opportunity.

7×

more food waste occurs in manufacturing than in retail —
representing untapped revenue potential through R&D and value recovery.

Regenerative Agriculture

Soil Health & Production Transformation

The conversation around sustainable food production has evolved beyond organic certification to embrace regenerative agriculture and soil health as core business strategies. **Mark Machin** from the Soil Association challenged common misconceptions about organic food, noting that the actual price premium is just 11% compared to conventional, far less than the 30–40% that many consumers believe.

His journey into sustainability began as a chef in Provence, surrounded by producers with ISO-accredited tractors and hazmat suits for apple and vine production. This experience revealed a critical insight: local does not necessarily mean healthy or sustainable. The conventional understanding of sustainability needs fundamental rethinking.

The opportunity for impact lies in production transformation. As **Harriet Trewin** noted, the biggest opportunity to build a resilient food system is at the production level, where stark changes in the supply chain are already underway. The ability of regenerative agricultural practices to mitigate global greenhouse gas emissions surpasses even improvements in energy production and use.

This represents a business opportunity as much as an environmental imperative. Enriching soils and adopting sustainable practices create long-term value, ensuring production capacity can continue indefinitely rather than depleting resources that will make future production impossible.

> "When you look at the ability of those actions to mitigate our global greenhouse gas emissions, the opportunity in how we produce food, how we use the land, whether through forestry or food production, even surpasses how we produce and use our energy."
>
> **Mark Machin**
> Soil Association

AI & Technology Disruption

Reshaping Discovery & Commerce

AI is fundamentally transforming how consumers discover products, with implications that extend far beyond simple automation. **Sam Chance** from Scrumptious revealed that AI tools are now being used nearly **2 billion times every month**, and 90% of IFE attendees reported already using these tools. This is not a future trend; it is the present reality reshaping commerce.

2B

monthly AI tool uses globally

90%

of IFE attendees already using AI tools

5

maximum results AI typically offers per query

> "The biggest risk for everyone is failing to adapt when customer habits change. This isn't just something that's going to fall off now. This is something that everyone is going to be using more and more."
>
> **Sam Chance**
> Scrumptious — AI Search session

The most striking revelation came from the Hotel Rank experiment: a fictional hotel achieved initial rankings in just 48 hours and generated 10 real booking inquiries from actual travellers despite not existing. This demonstrates AI's power to surface and validate content at unprecedented speed, fundamentally changing the rules of visibility and discovery.

Consumer Evolution

Health, Convenience & Choice

Consumer behaviour is shifting under multiple simultaneous pressures: GLP-1 medications reducing calorie intake by 15–40%, air fryer adoption transforming home cooking patterns, and growing health consciousness driving category reassessment. These changes are not incremental tweaks but fundamental reconfigurations of how people eat and what they buy.

> "Air fryers have been totally revolutionary. You don't need to put your ovens on anymore. It's really quick, simple. You can get something out of your freezer. You can have a full nutritious balanced meal on the plate in less than 8 minutes."
>
> **Louise Collier**
> Nomad Foods

The frozen food category exemplifies these converging forces. Air fryers have removed the stigma and inconvenience associated with frozen products, enabling a complete nutritious meal in under eight minutes. Yet **85% of consumers** report limiting their frozen purchases due to lack of freezer space, a constraint that represents both a barrier and an opportunity for innovation in packaging and format.

Simultaneously, **71% of consumers** threw away expired food from their fridge in the past week, highlighting the efficiency advantage frozen products offer. The perception of frozen food has fundamentally shifted: 90% of consumers now believe frozen food nutritional quality has improved, and 40% are buying more frozen food than before.

85%

of consumers limit frozen purchases due to freezer space

71%

of consumers threw away expired food from their fridge weekly

8 min

from freezer to plate with an air fryer

Food Innovation & Category Disruption

Breaking Category Boundaries

Category boundaries are being redrawn through strategic placement and consumer education. The bean category exemplifies this transformation, with **Bold Bean Company** achieving a breakthrough by securing placement in the meats, fish, and poultry section rather than the traditional canned goods aisle. The result: **70% of sales were incremental** to the category, demonstrating that strategic positioning can unlock entirely new demand.

> "We managed to get a placement within the meats, fish, and poultry section for the first time ever. What we saw was that 70% of those sales are incremental to the category."
>
> **Alex Haldane**
> Bold Bean Company

The ambition is even larger: **Rebecca Tobi** from the Food Foundation outlined plans to double UK bean consumption by 2028. While this sounds audaciously ambitious, baseline intakes are currently so low that there is genuine opportunity to shift the dial significantly. Two-thirds of the UK population eat less than one portion of beans per week, representing untapped potential for a nutritious, sustainable protein source.

The strategy extends beyond retail placement to comprehensive education, with 750 primary schools engaged in a bean education campaign and over 500,000 posts on TikTok under the "Beantalk" trend. This multi-channel approach recognises that category transformation requires changing both where products appear and how consumers think about them.

70%

of bean sales were incremental to the category

2/3

of UK population eat less than 1 portion of beans/week

750

primary schools engaged in bean education campaign

Unresolved Tensions

The Path Forward

IFE Manufacturing 2026 surfaced critical tensions that the industry must navigate. These are not problems to be solved with simple solutions, but ongoing debates that will shape the food system's evolution. Understanding these tensions is as important as any single insight, as they represent the strategic choices facing every manufacturer, retailer, and supply chain participant.

LOCAL SOURCING vs GLOBAL SUPPLY CHAINS

As the UK imports more food than it produces, the tension between local sourcing ideals and global supply chain realities intensifies. Local does not guarantee sustainability, as Mark Machin's Provence example illustrated. Strategic sourcing must balance resilience, sustainability, and economic viability.

ORGANIC CERTIFICATION vs REGENERATIVE PRACTICES

Is organic certification the right framework, or should the industry pivot to regenerative agriculture standards? The debate reflects differing views on whether formal certification drives behaviour or whether outcomes-based approaches focused on soil health and biodiversity offer a better path.

SUSTAINABILITY INVESTMENT vs BUSINESS VIABILITY

Sustainability must "wash its own face," but the timeline for ROI remains unclear. Businesses must balance long-term existential risks (no coffee by 2050) against short-term profitability pressures and shareholder expectations.

CONSUMER DEMAND vs RETAILER STRATEGY

Frozen food demand is rising, yet 85% of consumers cite freezer space as a constraint. Retailers control space allocation, but consumer appliance adoption (air fryers) is driving behaviour. Who adapts first, and how do manufacturers navigate this misalignment?

AI-MEDIATED DISCOVERY vs TRADITIONAL SEARCH

AI offers only five results, while Google offers hundreds. Both paradigms coexist, requiring dual optimisation strategies for visibility.

Strategic Recommendations

The businesses that thrive will be those treating sustainability, technology, and consumer evolution not as separate challenges but as interconnected opportunities.

Strategic Imperatives for Food Manufacturers

Sustainability

Move beyond compliance to value creation. Food waste is revenue waiting to be captured. Soil health is long-term competitive advantage.

Technology

Optimise for AI discovery now. Visibility will be determined by algorithmic relevance, not search rank alone. Experiment, measure, adapt.

Consumer Evolution

Embrace category fluidity. Strategic placement unlocks incremental demand. Health trends create opportunities for repositioning and premiumisation.

Supply Chain Resilience

Diversify crop dependencies. Build transparency and traceability. The businesses that control their supply chains will weather disruption better than those who don't.

Innovation at the Edges

The next breakthrough may come from an unexpected category or format. Frozen food, beans, regenerative agriculture — all were underestimated until they weren't.