



ADM GLOBAL CONSUMER TRENDS SERIES
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Consumer Sustainability Trends in Food and Beverage to Watch



54%



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Now more than ever, consumers are tuned into the environmental and social impacts of their food and beverage choices. In fact, over half (54%) of global consumers feel they can make a difference to the world through their purchase decisions.¹ These evolving consumer sentiments represent a fundamental change in how people view the products they use and the companies that make them – a change that is foundational to how ADM is innovating to meet global nutritional needs. ADM recognizes that three macro trends - food security, health and well-being, and sustainability - are powering a structural change in the food and agriculture industry.

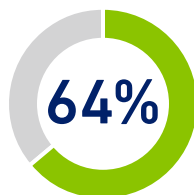
Building on [ADM's 2022 Global Consumer Trends](#), and based on a compilation of research from ADM's proprietary Outside VoiceSM consumer insights platform, ADM has identified four ways in which sustainability-minded consumers will continue to drive demand across the global food system.

What to Watch in Sustainable Consumption:



1 Regenerative agriculture brings conservation into focus for consumers

Consumers' heightened awareness of the connection between the food system and sustainability has driven the demand for ethical production and sourcing practices, such as regenerative agriculture.



64% of U.S. consumers are likely to eat food that has been produced by regenerative farming methods

For consumers, soil health is a rising area of interest with 64% of U.S. consumers likely to eat food that has been produced by regenerative farming methods.² Regenerative agriculture directly addresses soil health and carbon sequestration and can lead to more resilient systems that promote greater food security and unite farmers, companies, vegans and omnivores, quickly moving the consumer conversation around food quality beyond mainstream distinctions such as organic.

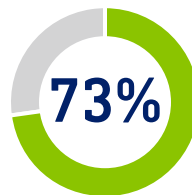
ADM is implementing a range of innovative regenerative agriculture projects that have the potential to reduce the impact of its supply chain while supporting farm economics and protecting the environment. For example, ADM has partnered with the National Fish and Wildlife Foundation on the [Midwest Cover Crop Initiative](#). The program is helping farmers plant cover crops on 500,000 acres across Illinois, Indiana, Iowa, Kansas, Michigan and Minnesota. Over the next four years, ADM is committing up to \$20 million in financial support toward the program's farmer incentives.



2 Transparency increases consumer trust and loyalty

According to ADM's OutsideVoiceSM research, 73% of global consumers feel more positively about companies that are transparent about where and how products were made, raised or grown. Consumers are increasingly choosing products that meet their expectations for food safety, health and well-being, support global food security, and uphold environmental and social responsibility. This includes value chain traceability, which means knowing the origin of food all the way back to the farm on which raw crops are grown.

Producers and food and beverage companies alike are paying close attention to their supply chains, ensuring they are tracing everything from ingredient sources to processing, packaging and distribution methods. This includes ADM's achievement of traceability goals across its soy supply chain in South America, as well as the company's recent acceleration of its target date to achieve a completely deforestation-free supply chain from 2030 to 2025.



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Global players like ADM are therefore making measurable environmental commitments to climate action to help ensure brands can meet their sustainability promises to consumers. It is clear that in the future, traceability will remain an expectation.

What to Watch in Sustainable Consumption:



Beyond environmental impacts, consumers and investors demand disclosure of social sustainability initiatives from global companies

In addition to environmental impacts, the social and human aspects of sustainability are gradually making a stronger impression on consumers and their consumption habits. Research shows 30% of global consumers are highly motivated to buy products that have social responsibility claims.³ Consumers now look to corporate action spanning social initiatives and community engagement, with strong proof points from authentic narratives to certifications such as the International Sustainability and Carbon Certification (ISCC) and platforms such as the Suppliers Ethical Data Exchange (SEDEX).

SAVAN, ADM's joint venture partnership with Sahanala, is the industry's first farmer-owned processor and exporter of vanilla beans. Sahanala is an extensive farmer-owned cooperative that has more than 4,000 vanilla farmers across 19 associations in Madagascar. SAVAN's vertical supply chain eliminates steps and ensures that farmers receive more of the profits from sales. SAVAN works with Sahanala farmers to implement farmer-focused social programs for reliable education, medical care and food security to uplift the quality of life for vanilla farmers, and provides agronomy support to help increase crop yields, improve vanillin content and establish a more stable industry.

ADM's corporate social investment program, ADM Cares, also works to advance ADM's social sustainability goals. In 2021, 34% of ADM Cares spending was dedicated to projects aimed at increasing food security around the world by supporting hunger relief. With Concern Worldwide, for example, ADM Cares supported the Lifesaving Education and Assistance to Farmers (LEAF) Project, to provide immediate and longer-term responses to chronic malnutrition and hunger for people living in extreme poverty in Kenya and Ethiopia. LEAF featured intervention at three levels—food systems, behavior change, and public health—and benefited nearly 50,000 individuals.



Innovation across the supply chain positions food companies and distributors to create a more sustainable, reliable and accessible food system

Technology is transforming farming capabilities by enabling greater sustainability, traceability, control, efficiency and quality. As the world faces growing uncertainties around nutrition access, food costs and climate change, consumers are expecting companies to uphold the integrity around resource and land management while advancing socially sustainable action. Research sheds light on this willingness, with half (50%) of global consumers saying they would be likely to use blockchain technology to find out more about their food, drink and nutritional supplements.⁴

Active across the entire value chain, ADM is equipped to innovate at every step of the journey and meet consumer demands. In 2021, ADM achieved the industry's first net carbon neutral status of its scale for its U.S. flour milling operations, paving the way for the industry to advance toward a low- to no-carbon future.

Throughout the second half of 2022, these four conscious consumption trends are likely to grow, motivating industry leaders to drive progress forward. ADM is well-equipped to continue supporting consumer brands with the leadership, insights, technology and science-backed solutions that they need to meet evolving consumer demand.

Sources:

1. Euromonitor 2021 Global Trends
2. ADM Survey Conducted by FMCG Gurus (August 2021). Q11.
3. Nielsen. <https://www.nielsen.com/us/en/insights/article/2020/quality-and-efficacy-may-beat-out-price-sensitivities-amid-coronavirus-concerns/>
4. FMCG Gurus. <https://fmcggurus.com/blog/fmcg-gurus-should-brands-adopt-blockchain-technology/>