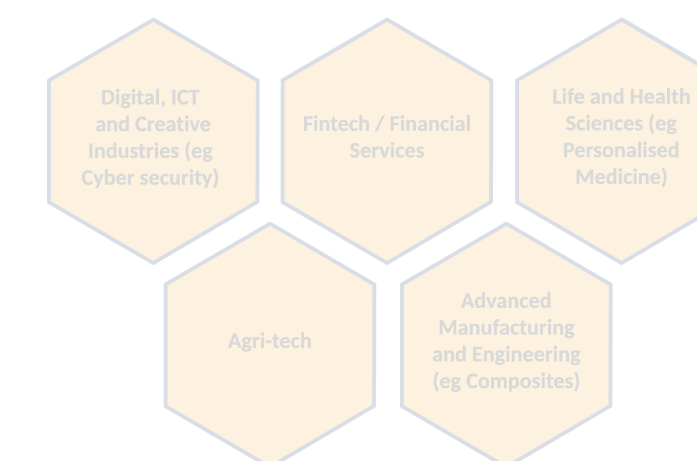
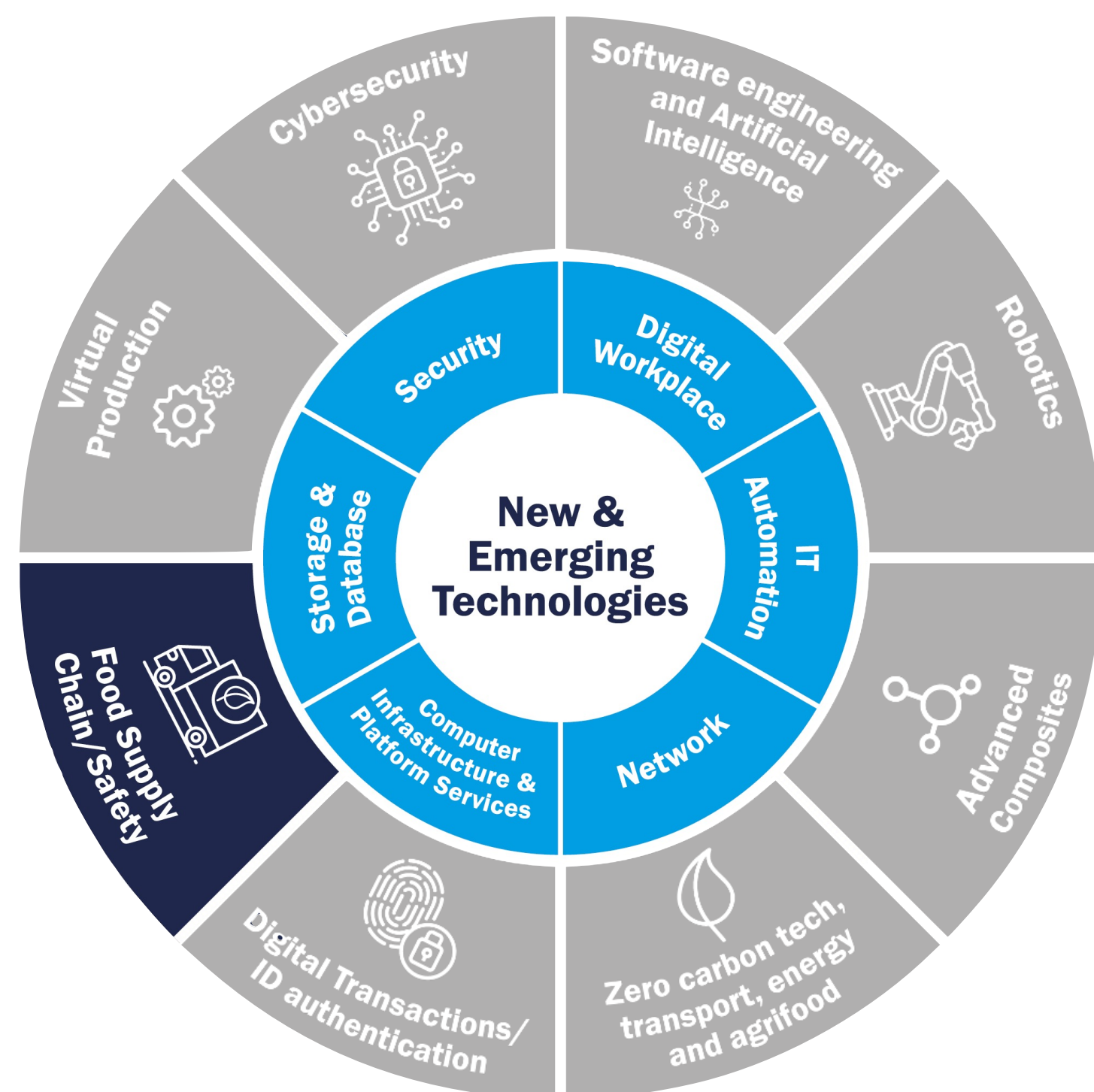


Sources	Deloitte	Date	2020		
Potential scale of impact	★★★★★	Certainty of outcome	★★★★★		
		Impact horizon	H1	H2	H3

Food companies will have to reshape their supply chains to stay resilient during and beyond COVID-19. From optimising portfolios and rethinking operations to accommodating a massive shift in demand in online channels, everything is up for change – including how to create a more responsible food supply chain. Key issues to address include

- **The shift in demand.** One of the direct consequences of the pandemic is a massive shift to online channels. In the post-COVID-19 era, relationships with consumers will be essential. It will be important for producers and suppliers to build relationships to stay close to consumers and serve them in new, creative and innovative ways.
- **Demand sensing is a must:** Global shifts in demand have had a disruptive effect on the ability of the end-to-end supply chain to meet consumer needs, emphasising the need for companies to find new ways to predict demand early on. But the conditions will be volatile and major food companies are investing in capabilities such as demand sensing – using analytics to predict short-term demand - to stay in the game.
- **Faster decision-making:** Lengthy decision-making cycles have collapsed. This has made the supply chain more agile overnight and is redefining the global supply chain and global dependency - possibly heralding a shift towards a more local supply chain.
- **Focus on risk management:** Companies will look for ways to de-risk the supply chain and add more flexibility, without blowing up the costs. This is key for being agile in a volatile market. Those businesses who are highly reliant on human labour - and particularly migrant labour - need to consider whether digital solutions are required.
- **Optimising product portfolios:** It has become clear that the crisis is also affecting product portfolios. Some manufacturers have responded by limiting their portfolios to their most popular items, allowing for a more efficient operation.
- **Collaboration is key:** with a projected two billion extra mouths to feed by 2030 and the reality of how crops are distributed geographically across the world due to climate and soil conditions, there are limits to how regional a supply chain can get. Collaboration in the supply chain is necessary to bring about real changes, and all the major players in the food industry need to build new approaches.



**RETHINKING
FOOD SUPPLY CHAINS**

Food companies will have to seriously reshape their supply chains to stay resilient

