# Chapter 15 Contemporary Issues, Developments and Transformations in the Food and Drink Sector

## **Multiple Choice Questions**

1. What are the main reasons attributable to the rapid growth of vegetarian segment in the world today?
2. Health benefits, religion, awareness of the farming industry and transparency about what consumers are eating and drinking.
3. Cheaper, health benefits, better alternatives and social trends.
4. Conditioning, health warnings, religion and unable to consume meat.
5. Moral reasons, awareness of the farming industry, conditioning and religion.
6. Why is the growing population seen as an issue to the food and drink industry?
7. More consumers to produce for.
8. Not enough resources to sustain the population.
9. Lack of knowledge in regards to expanding food processes.
10. The lack of farm land and resources available

**Revision questions**

1. Identify the key technological advancements within the food and drink industry on a global scale. What have been their implications and impacts?
2. What have been the implications of the increasing number of consumers choosing to eat meat free productions?
3. Discuss the observed phenomenon of increased ready-food deliveries at home for instance by Deliveroo and Just Eat.
4. Explain the advantages and disadvantages to farming GMO’s?
5. Explain why it is important for agribusinesses to understand the food and drink related contemporary issues, development and transformations.

**Answers**

### Multiple choice questions

1. A
2. D

### Revision questions

1. *Identify some technological advancements within the food and drink industry on a global scale. What has been their implications and impacts?*

Technological advancements - this is shaping the way that consumers are accessing and shopping for food and drink products. This is due to more people having access to smart phones and the world wide web. Smart phone applications are becoming more popular with businesses and organisations in many sectors. This includes the food and drink industry, who are changing the way in which businesses allow consumers to view products and purchase them.

This has changed the food and drink industry but mainly the grocery sector, with online grocery shopping becoming more available to consumers. This is a global trend in countries such as the US and 65% of Chinese shoppers claiming to shop online at least once a month using new online purchasing methods. This is a trend that has become more popular for many reasons. One of which being that consumers can search for information in regards to price and product quality all in one place, which is quicker for consumers. As 60% of consumers said that price is the biggest contributing factor in why they shop where they do, online shopping has become the most appealing method due to its accessibility.

1. *What have been the implications of the increasing number of consumers choosing to eat meat free productions?*

Another emerging pattern is consumers choosing to eat meat free products. This has led to businesses such as Quorn who provide meat free products becoming more popular. Consumers are choosing to be vegetarian for many reasons including religion, becoming more aware and knowledgeable about food processes and the health benefits that go along with not eating meat.

This is seen as a global trend as the demand for meat free products has increased on a global scale. Quorn production has increased in the US and Europe. McDonalds and other businesses are offering vegetarian options to accommodate this change in behaviour.

1. *Discuss the observed phenomenon of increased ready-food deliveries at home for instance by Deliveroo and Just Eat.*

The food and drink industry has majorly transformed in the past decade, mainly because of the introduction of home delivery services. Restaurants and takeaway services partner up with companies such as Deliveroo and Just eat, enabling their food to be delivered straight to the customer’s door. On the contrary, restaurant sales have also been soaring in the past year.

Just Eat expanded into the UK in 2006, since then the company has also expanded into countries such as Brazil and Australia. The company has exceeded their sales revenue expectations by £10 million in 2015, this is a trend that is expected to continue into 2016 also. Deliveroo followed a similar growth pattern to Just Eat. They started off in London and then expanded to 84 other cities in the UK. Since starting out in 2013, the company has expanded into 11 other countries. Deliveroo is set to generate revenue ten times the amount of 2015. The sales figures of both of

these delivery companies suggest that ordering food to the home is becoming a lot more popular. This is due to consumers not having time to cook due to busier lifestyles, so they would rather order food in.

The reason that restaurant sales are booming is because of data by Cardlytics. The increase in this is due to a number of factors. One major factor being that this data includes delivery services that restaurants provide (Deliveroo etc.) so doesn’t mean that all sales are taking place in the establishment. Also the data includes contactless payment which has only just been introduced recently. People who may have used to pay by cash are now paying by card, so the data will inevitably have shown an increase in sales.

1. *Explain the advantages and disadvantages to farming GMO’s?*

By 1999, one hundred million acres were farmed with genetically modified crops. Livestock and crops are modified to have certain traits such as more meat and growing faster. It also allows crops to grow in their non-native habitats, meaning that crops can now grow in climates of un-developed countries. The products that come from GMO’s are usually cheaper as farmers get more from their livestock. There is also less crop loss and crops grow faster, so the consumer gets the benefits of a cheaper product on their shelves. In relation to the human body, studies have shown that there are no harmful effects of GMO’s. However, the studies carried out in the USA and Canada were by the companies that were trying to get GMO’s approved so there is speculation to allegiance bias. Other countries such as Japan, Australia and European countries all require GMO products to carry a label.

On the other hand, the knock-on effects of GMO’s can cause problems for humans such as the poison used to kill ‘super weeds’ and ‘super bugs’ that are created because of GMO’s. The poison has chemicals used in Agent Orange which caused effects such as cancer and tumours in individuals that encounter it. This poison can have a serious effect on human health as seen in the Vietnam war. With regards to the environment, 80% of GMO’s are manufactured to be tolerant to herbicides. Farmers then use more herbicides on their crops that can pollute nearby water sources, killing wildlife.

1. *Explain why it is important for agribusinesses to understand the food and drink related contemporary issues, development and transformations.*

It is essential for agribusinesses to understand the contemporary and development issues. This is because contemporary issues can shape future developments in the market place especially in four areas, namely: market penetration, market development, product development and diversification. (Sudents are expected to elaborate on each of these four areas with supporting examples).