



A STUDY ON THE IMPACT OF CORONA VIRUS (COVID-19) ON THE GLOBAL FOOD INDUSTRY

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Abstract:

Food industry is a complex but major industry in the whole world. As its name described that it supplies food consumed by the most of the people in world. Everyone depends on the food industry in the world except those farmers who grow crops for their food needs and hunters who hunt for their survival.

All the restaurants, hotels and other food suppliers come under food industry. They supply food from a particular place or by home delivery of food.

Every food supplier has their own marketing strategies to enhance their business. There are many problems which are faced by every food supplier because of the high competition in the market. Nowadays, a big and major problem faced by every food supplier in food industry whether it is big or small and that is Coronavirus. It has worse effect on the food industry.

Keywords: Coronavirus, Food suppliers/ Food industry, Worse effect.

Research Methodology:

The study aims to get a better understanding of the problem by explaining the concepts. The study is Exploratory research where the information is gathered from different online sources.

Research Objectives:

1. To explore about the effect of coronavirus on food industry.
2. To predict the future marketing strategies adopted by the food industry.
- 3.



Food Industry outlook:

- The global food industry is growing at around 5% a year and global expenditure on food products by consumers is expected to reach US\$20 trillion by 2030.
Source: <https://www.plantandfood.Co.nz>
- Revenue in the food and beverage segment amounts to US\$76,647m in 2020. Revenue is expected to show an annual growth rate (CAGR 2020-2024) of 8.4%, resulting in a market volume of US\$105,898m by 2024. User penetration is 22.8% in 2020 and is expected to hit 30.9% by 2024.
Source: <https://www.statista.com>
- The global food and agriculture industry for 2018 totalled about \$8.7 trillion, or about 10% of the world's GDP.
Source: <https://www.plunkettresearch.com>

Market Drivers of Food Industry:

1. Enhanced Foods:

Adding protein to snack foods has become trendy, as people look for snacks that are functional as well as enjoyable.

2. Sustainability:

Sustainability is an important concept to the average food consumer today. Increasingly, people are making food decisions based on qualities like where food grown, how animals are used by meat producers were raised, and social responsibility markers.

3. Augmented Transparency:

Consumers are hungry for information, and if they do not get it directly from the brands they love, they are likely to get it from other sources, which can be terrible for brands. So, brands should provide transparency on ingredients to get great opportunity to build loyalty.

4. Flexitarian Lifestyle:

Sustainability concerns and concerns about healthful eating are giving rise to today's "flexitarian", which is someone who is mostly vegetarian, but who eats animal-based food on occasion.

5. Food Packaging Design as an Extension of Identity:

Food package designers are expected to convey all vital information, offer additional resources for people who want to know more, support sustainability, and help people feel as if



they are making the best choices in terms of their overall dietary habits and their identities as a whole.

Source: <https://www.pkgbranding.com>

Findings and Analysis:

- On March 23, 2020 the National Restaurants Association of India asked the Finance Ministry for a bailout for the industry. The economic value of the industry is estimated at Rs.4,23,865 crore.
- Starbucks, KFC, Pizza Hut, and McDonald’s had closed restaurants in Wuhan or Hubei by January 27. Starbucks announced it expected a \$400 million or more in lowered revenues for the fiscal second quarter because of the China closures.
- Estimated monthly revenue loss of food services in the Netherland due to Coronavirus outbreak in 2020, by industry

	Revenue loss in million euro
Restaurants	245
Hotels	166
9 Services	125
Cafes	94

Source: <https://www.statista.com>

- Main Coronavirus (COVID-19) related issues affecting the Food Industry in Italy in 2020

	Share of respondents
Less Orders	69%
Outsourcing of external services (logistics)	17%
Cancelled Trade Fairs	13%
Absent Employees	11%
Prevention in workplace	7%
Sourcing and delivery of raw materials	6%
More orders	3%
Protesting among the employees	1%

Source: <https://www.statista.com>



- Change in like- for- like sales of pub, bar and restaurant groups during coronavirus (COVID-19) Pandemic in the United Kingdom (UK) 2020

	Before COVID-19 warning (March 9-15)	March 2020
All outlets	-15%	-57.6%
Pubs	-12%	-57.8%
Bars	-14%	-60%
Restaurants	-21%	-56.4%

Source: <https://www.statista.com>

- Distribution of catering business by share of turnover lost during the coronavirus (COVID-19) in Russia from March 16 to March 22,2020

	Share of respondents
Up to 25%	19%
16-50%	55%
51-75%	19%
76-99%	6%
100%	1%

Share: <https://www.statista.com>

- Food Industry of United States is expected to experience modest setbacks because of its relatively low dependence on exports, accounting for approximately 16.0% of total sector revenue. As exports to China are reduced, it is likely that US producers will need to cut back on supply, causing domestic prices to rise and potentially limiting demand for Agricultural Sector products
- In United Kingdom Sales by liquid milk processors servicing food services or wholesale markets are reported to have dropped between 50.0% and 60.0%.
- Demand for certain agricultural products fell due to lockdown and the closure of restaurants, farmers reported a glut in supply, such as potatoes in the Netherland and milk in the U.S. state of Wisconsin.
- Major meat processors like JBS USA and Tyson Foods Inc have indefinitely shuttered slaughterhouses as the virus has spread among plant employees. The shutdown has limited US production.
- Some industry players like non- perishable and processed food companies are seeing an increase in sales as customers are either by choice or by quarantine eating at home. Retail food establishments and restaurants are facing challenges with a shortage of food supplies, employees and consumers.



- Dairy Farmers of America, the country's dairy co-operative, is estimating that farmers are having to dump 3.7 million gallons of milk every single day because of disrupted supply routes due to coronavirus.
- The New York Times, which interviewed some US producers, cited an example of one chicken processor having to smash 750,000 unhatched eggs.
- Due to lockdowns and self social distancing lead to the shortage of employees.
- According to new data, cited by BFMTV, French shoppers have increasingly been buying more organic food since coronavirus fears took hold of the country.
- The UK's 39000 pubs are currently closed to customers.
- US sales of orange juice, which had been on a decline, are said to be up 38% on last year's figures.

Recommendations:

- To attract more customers, offer free kid's menu and they should not be costly so that restaurants increase their profits.
- Fix the menu in such a way that it is liked by both adults as well as kids.
- Set new themes on daily basis which attract more customers to see your creativity.
- Aware employees about the social distancing tips and general hygiene so that they serve the customers properly.
- During the time of coronavirus people are more active on social media so give online advertisements.
- Avoid large gathering of employees. Allow employees to work in different shifts.
- Conduct an online survey to know the changes in customer sentiment and behaviour regarding Food Industry.

Limitations:

- The main shortcoming of this study is that it is based on few online sources.
- This study has done during the lockdown so there is no other source to get information except online sources.
- This study is based on the Data of few countries all over the world.



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