

# GROWTH POTENTIAL: FOOD AND AGRICULTURE



## Key circular economy strategies

- Source food grown regeneratively, and locally, where appropriate
- Apply circular practices to controlled or precision agriculture solutions (e.g. nutrient and water looping for vertical or indoor farming)
- Prevent surplus edible food in production
- Design food products and supply chains to eliminate waste, bring production closer to consumption, and regenerate nature and soils
- Transform food by-products into new products, biomaterials, and agriculture and aquaculture inputs to return nutrients to the soil
- Collect and recover resources from post-consumer organic waste

## Drivers of circular economy growth potential

- **High** potential for growth in the short-medium term
- **Increasing** potential for growth in the short-medium term
- **Emerging or limited** potential for growth in the short-medium term

### Innovation and corporate action

<b>Industry action</b>	<ul style="list-style-type: none"><li>• Increasing industry action on climate change mitigation and tackling biodiversity loss, e.g. OP2B, an international business coalition on biodiversity including Barry Callebaut, Danone, McCain, Nestlé, Walmart</li><li>• Growing industry understanding of circular economy benefits beyond packaging and waste management</li></ul>
<b>Innovation</b>	<ul style="list-style-type: none"><li>• Emerging business models that redistribute surplus food and reduce food waste</li><li>• Increasing AgTech innovation (e.g. regenerative agriculture, microbe engineering, robotics, advanced data analytics, and agriculture management software)</li></ul>

<b>Policies and regulation</b>	
<b>Increasing policies and regulation</b>	<ul style="list-style-type: none"> <li>Increasing regulation (e.g. reducing food waste), with fragmented incentives for regenerative practices, but attention is growing, e.g. the EU's New Circular Economy Action Plan, EU 'Farm to Fork' Strategy, EU Biodiversity Strategy, carbon farming initiatives in California (e.g. Marin Carbon Project)</li> </ul>
<b>Public procurement</b>	<ul style="list-style-type: none"> <li>Public procurement policies (e.g. Brazil National School Feeding policy prioritises local, organic, regenerative food sourcing; Good Food Purchasing Program in cities across the United States)</li> </ul>
<b>Political priorities</b>	<ul style="list-style-type: none"> <li>Attention on food security by shifting to regionalised, resilient food systems, reinforced by the Covid-19 crisis, is creating a rapidly changing landscape (e.g. relocalisation of supply chains)</li> </ul>

<b>Customer preferences and macrotrends</b>	
<b>Health</b>	<ul style="list-style-type: none"> <li>Rising awareness of food-related health issues, including diabetes and obesity</li> <li>Growing preference for diverse ingredients (e.g. proteins, indigenous species) and shifting dietary preferences (e.g. towards plant-based, local and seasonal)</li> </ul>
<b>Climate change and global challenges</b>	<ul style="list-style-type: none"> <li>Emerging awareness of the connection between agriculture and biodiversity loss, soil depletion, and water issues</li> <li>Increasing understanding of agriculture as major contributor to climate change (CO<sub>2</sub> emissions from the global food system could be reduced by 49% in a circular scenario by 2050)<sup>253</sup></li> </ul>

## Types of circular economy opportunity areas



## Current circular economy opportunity areas



## Examples: Large corporates



## Examples: Innovators



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