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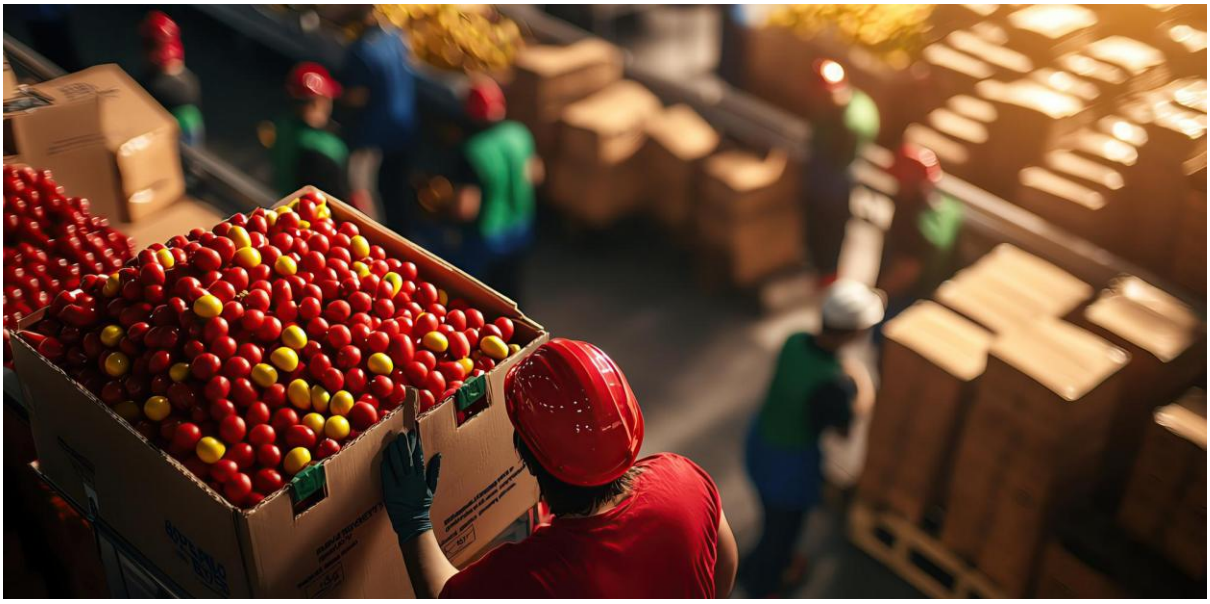

EXECUTIVE SUMMARY JUNE 2026 EDITION

Kottmeyer's Almanac *on* MIDSTREAM

The Boardroom Brief: What Global Midstream Food Business C-Suite Needs to Know

BOARDROOM BRIEF

In May 2026, we observed that food and beverage supply chains rewired around localization, resilience and cost control. Companies consolidated manufacturing networks, moved production closer to demand, upgraded targeted capacity and built preferential trade corridors to reduce exposure to freight, energy and commodity shocks. Protein systems faced rising pressure from biosecurity, labor disruption and capacity rationalization, driving investment in automation, feed infrastructure, halal certification and alternative protein technologies. Portfolio activity also shifted towards functional, premium, natural and better-for-you platforms, while weaker or riskier assets faced tighter margin discipline. Bio-industrial convergence accelerated through dairy genetics, oilseed processing, biofuels, bio-based inks and waste-derived bioplastics. Compliance and packaging became strategic control points, with stronger scrutiny on food safety, labelling, environmental liability and circularity. Packaging has been increasingly used to manage market access, shelf life, cost, sustainability and consumer engagement.

The midstream segment is strategically important because it sits at the intersection of upstream supply volatility and downstream consumer, retailer and regulatory pressure. It determines whether companies can translate market demand into reliable, compliant and profitable supply. The June 2026 shows this through investments in high-value dairy and protein capacity, such as DMK's €55 million Edewecht whey protein and dairy infrastructure expansion, Friesland Campina's over €90 million whey protein investment, and the Actus-Darigold partnership to expand specialty dairy protein production. It also shows the rising importance of trust and compliance through EUDR expansion into soluble coffee, allergen recalls such as Divilly's undeclared gluten issue, and synthetic colour reformulation activity such as the Debut-Oterra partnership and Phytolon's $23.6 million funding for fermentation-based natural colours. Together, these examples demonstrate that midstream assets now influence product availability, speed-to-market, claim credibility, cost control, retailer confidence and consumer trust.

Food and beverage leaders need to treat capacity, supply security, compliance, innovation and packaging as boardroom priorities. Local production, M&A and supplier control are becoming key levers for resilience and growth. Compliance and ingredient trust are now commercial risks that can affect shelf access, brand credibility and investor confidence. Alternative ingredients, nutrition claims, automation and packaging technology are becoming tools to protect margins, manage volatility and defend premium pricing. The C-suite priority is to build tighter control over where products are made, how inputs are secured, how claims are proven and how technology improves cost, speed and resilience.

THE 7 STRUCTURAL THEMES

Theme 1

Local Capacity Is Becoming a Competitive Moat, Not Just an Operations Choice

Companies are converting manufacturing, warehousing, supplier contracts and application facilities into growth infrastructure. Local capacity is no longer only about lowering logistics costs; it is becoming a strategic lever to secure supply, improve service levels, respond faster to retailers, accelerate innovation and reduce exposure to freight, labour and geopolitical volatility. For upstream players, this creates stronger demand visibility and supports investment in farming, ingredients, packaging and quality systems. For midstream manufacturers and processors, it improves control over production, inventory, warehousing and logistics. For downstream retailers and consumers, it supports better availability, faster replenishment, localized innovation and stronger confidence in supply continuity.

LONG TERM SOURCING BECOMES A SUPPLY-SECURITY LEVER

Aldi's £5 billion UK supplier agreements across fresh produce, dairy, meat and eggs show how retailers are shifting from transactional procurement to long-term capacity partnerships. In the midstream, packers, processors and logistics providers can plan capacity more efficiently and reduce volatility across harvesting, processing, storage and distribution. Downstream, Aldi strengthens shelf availability, price competitiveness and local sourcing credentials, while consumers benefit from more consistent supply and potentially more stable pricing in volatile fresh categories.

MANUFACTURING DEPTH BECOMES A GROWTH ENABLER IN PET NUTRITION

Purina's Batavia facility, its first ground-up factory since 1975 and 24th U.S. factory, shows that pet-food growth is increasingly tied to manufacturing depth, formulation capability and regional supply reliability. In the midstream, Purina gains greater control over production capacity, SKU flexibility, quality systems and regional distribution, reducing freight exposure and improving responsiveness to demand shifts. Downstream, retailers and e-commerce platforms benefit from stronger availability, while consumers gain access to a wider range of premium, functional and life-stage-specific pet nutrition products.

AUTOMATED CAPACITY BECOMES MARGIN-PROTECTION INFRASTRUCTURE

Diageo's $415 million manufacturing and warehousing site near Montgomery, with automated guided vehicles, high-speed bottling, electric boilers and energy/water metering, shows that capacity expansion is becoming more technology-enabled, efficient and compliance-ready. Upstream, suppliers of packaging, glass, labels, ingredients, utilities and automation systems must support higher-speed lines, tighter specifications and more sustainable input requirements. In the midstream, Diageo improves bottling efficiency, warehouse flow, energy management, water-use tracking and labour productivity, creating a more resilient and cost-controlled operating model. Downstream, distributors and retailers benefit from more reliable supply and faster fulfilment, while consumers gain more consistent product availability and quality.

Theme 2

M&A Is Becoming the Fastest Route to Category Control

Category control is increasingly being acquired rather than built organically. Deals are targeting ingredient systems, protein platforms, dormant brand IP, regional capacity, route-to-market rights and critical supply nodes. This shows that food and beverage companies are using M&A not only to expand scale, but to secure capabilities that are difficult or slow to build internally. Upstream, this increases the strategic value of ingredient suppliers, farmer networks, processing assets and formulation technologies. In the midstream, it gives companies greater control over manufacturing, product development, quality systems and supply continuity. Downstream, it strengthens access to retailers, consumers and high-growth categories by giving companies stronger ownership over the platforms behind claims, brands and availability.

FORMULATION PLATFORMS BECOME STRATEGIC CONTROL POINTS

Ingredion's all-cash offer to Tate & Lyle values at approximately £2.7 billion in equity value and around £3.7 billion in enterprise value shows how health-led reformulation is becoming a major driver of category control. By combining starches, sweeteners, mouthfeel, fortification and texture systems, the deal strengthens control over the ingredient technologies needed for sugar reduction, clean-label reformulation, nutrition enhancement and sensory performance. Upstream, suppliers of corn, starches, sweeteners and specialty inputs become more closely linked to large formulation platforms with greater purchasing power and technical requirements. In the midstream, food manufacturers gain access to more integrated ingredient solutions that can reduce reformulation complexity and speed up innovation. Downstream, brands can defend premium positioning and respond faster to consumer demand for healthier, lower-sugar and better-texture products.

PRIVATE CAPITAL MOVES DEEPER INTO INGREDIENT INFRASTRUCTURE

IFF's sale of its Food Ingredients unit to CVC, valuing the transaction at $4.3 billion, highlights the growing role of private capital in formulation-critical food assets. Upstream, this can sharpen supplier pressure as private capital owners focus on procurement efficiency, portfolio optimization and cash generation. In the midstream, food and beverage manufacturers may see faster commercialization, tighter pricing discipline or more focused innovation from a standalone ingredients platform. Downstream, consumer brands remain dependent on these ingredient systems to deliver taste, texture, nutrition and label claims, making ownership changes commercially important even when consumers never see the ingredient supplier.

DAIRY SCALE BECOMES A PLATFORM FOR RESILIENCE AND MARKET POWER

Arla and DMK's post-merger vision, creating one of Europe's largest dairy cooperatives and bringing together about 11,200 dairy farmers across seven countries, shows that dairy consolidation is being used to build resilience, bargaining power and innovation scale. Upstream, farmer-members gain access to a larger cooperative platform that can improve milk pooling, investment capacity, sustainability support and market access, although it may also raise expectations around quality, efficiency and emissions performance. In the midstream, the combined entity can optimize processing networks, product portfolios, logistics and capacity utilization across a wider European footprint. Downstream, retailers and foodservice customers may benefit from stronger supply assurance and broader product capability, while the cooperative gains more leverage in branded dairy, ingredients, private label and value-added nutrition categories.

STRATEGIC STAKES SECURE ACCESS TO HIGH-GROWTH BRAND

Campbell's $286 million investment for a 49% stake in La Regina, with an option to acquire the remaining 51%, shows how companies are using minority stakes to secure critical manufacturing partnerships behind high-growth brands. Upstream, tomato growers, packaging suppliers, seasoning suppliers and logistics partners become more strategically tied to a scaled premium brand ecosystem. In the midstream, Campbell gains more visibility and influence over manufacturing capacity, quality, cost, scheduling and future expansion. Downstream, the move helps protect Rao's shelf availability, premium positioning and retailer confidence, while giving Campbell a clearer path to deepen control over a high-growth category asset.

Theme 3

Ingredient Trust and Compliance Are Becoming Demand-Side Risks

Compliance is shifting from technical assurance to a commercial gatekeeper. Import probes, allergen recalls, deforestation rules, dye scrutiny and pathogen events can all affect shelf access, retailer confidence and consumer trust. This means regulatory readiness is no longer only a quality or legal function; it is becoming central to revenue protection, brand credibility and category access. Upstream, suppliers need stronger traceability, documentation, testing and sourcing controls. In the midstream, manufacturers must prove compliance through evidence-based systems, supplier verification, reformulation discipline and corrective-action history. Downstream, retailers and consumers increasingly expect products to meet safety, sustainability and transparency standards before they reach the shelf.

TRACEABILITY EVIDENCE BECOMES A MAKET-ACCESS REQUIREMENT

The European Commission proposal to add soluble coffee under CN code 2101 11 to the EU Deforestation Regulation scope shows that processed ingredients are being pulled deeper into traceability regimes. This closes a compliance gap and signals that companies can no longer rely on processing complexity to avoid origin-level scrutiny. Upstream, coffee growers, traders and ingredient suppliers will need stronger land-use, origin and deforestation-risk documentation. In the midstream, soluble coffee manufacturers and food companies using coffee-derived ingredients must strengthen supplier verification, batch-level traceability and audit readiness. Downstream, retailers and branded manufacturers face higher pressure to prove that sustainability claims and sourcing practices are compliant, protecting shelf access and consumer trust in coffee-containing products.

NATURAL COLOUR PLATFORMS BECOME REFORMULATION INSURANCE

Phytolon's $23.6 million Series B funding for fermentation-derived colors, following FDA approval of Beetroot Red produced using baker's yeast, shows that color reformulation is becoming a strategic response to rising scrutiny of synthetic dyes. Upstream, this shifts part of color production away from crop-dependent extraction toward controlled fermentation inputs, creating demand for sugar feedstocks, biotech platforms and fermentation capacity. In the midstream, food and beverage manufacturers gain more reliable tools to replace artificial colors while maintaining visual appeal, stability and label credibility. Downstream, brands can better respond to clean-label expectations, regulatory pressure and consumer concerns around artificial additives, helping protect premium positioning and retailer acceptance.

PET-FOOD SAFETY BECOMES A TRUST AND CATEGORRY-RISK ISSUE

Raaw Energy's expanded pet-food recall after Listeria results, with production paused on May 21, 2026 for evaluation and corrective actions, shows that pet-food safety is now being judged with the same seriousness as human food safety. Upstream, raw-material suppliers, protein providers and ingredient handlers face greater pressure to improve testing, hygiene, cold-chain controls and contamination prevention. In the midstream, pet-food manufacturers must strengthen environmental monitoring, sanitation, recall readiness and corrective-action systems to avoid prolonged production disruption. Downstream, retailers and pet owners may become more selective about brands, making food safety performance a direct driver of shelf confidence, loyalty and long-term category credibility.

Theme 4

Alternative Ingredients Are Becoming Strategic Insurance Against Commodity Volatility

Alternative ingredients are being positioned as supply insurance, not just sustainability claims. Cocoa substitutes, diversified plant proteins, cultivated meat and plant-cell fermentation all respond to cost volatility, climate pressure and ingredient scarcity. This signals that ingredient strategy is becoming a risk-management function as much as an innovation function. Upstream, companies are reducing dependence on climate-exposed crops, animal-protein systems and volatile commodity markets by developing new feedstocks and production platforms. In the midstream, manufacturers gain more formulation flexibility, supply optionality and cost-control tools. Downstream, brands can protect availability, support sustainability and health claims, and reduce exposure to sudden price shocks that could affect margins or consumer pricing.

INGREDIENT DIVERSIFICATIONBECOMES A HEDGE AGAINST COMMODITY SHOCKS

Cargill and Voyage Foods' launch of NextCo shows how cocoa-free chocolate alternatives are being positioned as a response to cocoa volatility and supply pressure. Rather than treating cocoa alternatives only as sustainability-led innovation, the partnership reflects a broader move to create backup ingredient systems for categories exposed to climate risk, crop disease and price instability. Upstream, this reduces reliance on traditional cocoa-growing regions and creates new demand for alternative raw materials, processing inputs and flavor-system suppliers. In the midstream, chocolate, bakery, snack and confectionery manufacturers gain a potential formulation hedge that can reduce cost exposure while maintaining sensory performance. Downstream, brands and retailers may be able to protect product availability, price architecture and consumer access in chocolate-led categories even during cocoa-market disruption.

BROADER PROTEIN TOOLKITS BECOME FORMULATION FLEXIBILITY INFRASTRUCTURE

ADM's launch of eight soy and pea protein ingredients for nutrition, meat alternatives and mainstream food applications shows that plant proteins are moving beyond niche meat alternatives into broader formulation toolkits. This gives manufacturers more ways to manage protein costs, texture requirements, nutrition claims and application-specific performance across categories. Upstream, soybean and pea growers, protein processors and ingredient suppliers benefit from broader demand beyond plant-based burgers or dairy alternatives. In the midstream, food manufacturers gain more flexibility to reformulate products for protein enrichment, meat reduction, hybrid products, snacks, bakery and specialized nutrition. Downstream, brands can offer more accessible protein claims, improve affordability and expand better-for-you positioning across mainstream food occasions.

CUTIVATED MEATUSES PETFOOD AS A CALE-UP TESTBED

Meatly's planned 20,000-litre cultivated-meat site shows how pet food is emerging as a practical scale testbed for cultivated meat production and regulatory learning. Pet nutrition offers a route to validate production economics, safety systems and consumer acceptance before broader expansion into human food. Upstream, this creates demand for cell lines, growth media inputs, bioreactor systems and biotech infrastructure, while reducing long-term reliance on conventional animal-protein supply. In the midstream, pet-food manufacturers and cultivated-protein players can learn how to scale production, manage quality systems and integrate novel proteins into commercial formulations. Downstream, pet-food brands may gain a differentiated sustainability and animal-welfare proposition, while pet owners are introduced to cultivated protein in a category where novel nutrition claims may be easier to test and communicate.

CONTROLLED BIOMANUFACTURINGSTABILIZES HIGH-VALUE INGREDIENT SUPPLY

Ayana Bio and Brevel's work to scale plant-cell and illuminated-fermentation platforms shows how controlled biomanufacturing is being used to stabilize supply of bioactive and high-value ingredients. Upstream, the source of value shifts from land-intensive cultivation to cell lines, controlled feedstocks, fermentation inputs, light-based production systems and biotech know-how. In the midstream, ingredient companies and manufacturers gain more predictable supply, consistent quality and potentially cleaner production routes for functional ingredients, bioactives and specialty nutrition applications. Downstream, brands can support stronger efficacy, traceability and sustainability claims, while reducing the risk of shortages or quality variation in premium wellness, nutrition and functional food products.

Theme 5

Leadership, Governance and Portfolio Reset Are Rising Execution Risks

Leadership changes and governance moves are increasingly tied to portfolio reset, capital allocation and investor confidence. Boards are adding leaders who can manage cost pressure, brand renewal, integration and retailer execution, showing that leadership is now being evaluated on the ability to translate strategy into disciplined operational performance. Upstream, this can affect supplier priorities, sourcing models and investment expectations as new leadership teams reassess cost, quality and sustainability requirements. In the midstream, governance changes often trigger manufacturing reviews, integration programmes, portfolio simplification and productivity initiatives. Downstream, retailers, investors and consumers look for clearer brand focus, stronger service levels and more credible growth narratives.

DAIRY PORTFOLIO REPOSITIONING BECOMES A VALUE-CREATION MANDATE

Kerry Dairy Ireland's rebrand as Kinisla, alongside a five-year €300 million programme and 2025 turnover of €1.4 billion, signals that dairy businesses are using identity, investment and portfolio reset to reposition for future growth. Upstream, dairy farmers and milk suppliers may face stronger expectations around quality, sustainability, productivity and supply consistency as the business aligns its sourcing base with a renewed value-creation agenda. In the midstream, the investment programme can support processing upgrades, product innovation, operational efficiency and a clearer shift toward higher-value dairy platforms. Downstream, the rebrand gives customers and retailers a clearer proposition around Irish dairy, sustainability and innovation, helping the business strengthen trust, differentiation and market relevance.

PROTEIN GOVERNANCE BECOMES CENTRAL TO MARGIN AND SUPPLY RECOVERY

Tyson's appointment of Jeff Schomburger as CEO effective October 4, 2026, backed by board experience since 2016 and a 35-year Procter & Gamble background including global sales leadership, shows that protein companies are prioritizing leaders with commercial discipline, brand-building experience and large-scale execution capability. Upstream, this could influence livestock procurement, farmer relationships, feed exposure and supplier performance expectations as Tyson manages volatility across beef, chicken and prepared foods. In the midstream, new leadership is likely to sharpen focus on plant utilization, cost control, productivity, integration and operational reliability across protein-processing networks. Downstream, retailers and foodservice customers will expect better service levels, stronger category execution and more consistent margin recovery, while investors will look for clearer evidence that governance changes can stabilize performance and unlock portfolio value.

ACTIVIST CAPITAL RAISES THE STAKES FOR FOOD PORTFOLIO SEPARATION

Toms Capital's stake in McCormick, linked to a potential transaction involving Unilever food assets including condiments and sauces, shows how investor pressure and strategic dealmaking are reshaping leadership agendas in branded food. Upstream, such moves can affect demand for spices, flavors, agricultural inputs, packaging and co-manufacturing capacity as larger condiment and sauce platforms are potentially combined or repositioned. In the midstream, integration risk becomes critical, with companies needing to manage manufacturing networks, formulation systems, procurement synergies, quality controls and supply continuity across acquired or merged assets. Downstream, stronger ownership of condiments and sauces could improve brand focus, shelf execution and innovation, but retailers and consumers may also scrutinize price, assortment changes and whether portfolio consolidation leads to clearer value or simply greater market concentration.

Theme 6

Nutrition Claims Are Becoming the New Margin-Control Layer

Nutrition claims are being used to defend premium pricing and extend brands into higher-margin occasions. Children's nutrition, bioactive proteins, lactose-free dairy, licensed protein, ready meals and sweet proteins show claim-led growth moving mainstream. This means nutrition is no longer only a product attribute; it is becoming a commercial architecture for pricing, differentiation and category expansion. Upstream, demand increases for clinically credible ingredients, dairy inputs, fermentation-derived proteins, natural sweeteners and functional nutrition systems. In the midstream, manufacturers need stronger formulation, validation, regulatory and quality capabilities to make claims that are credible and scalable. Downstream, brands can access more premium occasions, win trust with health-conscious consumers and create stronger retailer narratives around wellness, accessibility and added value.

BIOACTIVE PROTEINS BECOME A PREMIUM NUTRITION PLATFORM

Nestlé's partnership with Helaina to advance bioactive proteins in early-life nutrition shows how precision fermentation is being linked with premium nutrition science. This positions bioactive proteins as a potential next frontier in infant and early-life nutrition, where trust, efficacy and scientific credibility are critical. Upstream, this creates demand for fermentation platforms, specialized strains, growth media, biotech inputs and validated nutrition science rather than relying only on conventional dairy-derived ingredients. In the midstream, manufacturers must integrate novel bioactive ingredients into highly regulated production systems with strong safety, clinical and quality controls. Downstream, brands can support premium pricing and stronger differentiation in early-life nutrition, but they must also manage high consumer sensitivity around safety, trust and scientific proof.

CHILDREN'S NUTRITIONBECOMES A SCALABLE PREMIUM OCCASION

Lune & Wild's £2 million Series A funding to expand production and grow retail presence shows that children's food is becoming a more investable premium nutrition platform. The category is moving beyond basic convenience toward products that combine health, taste, trust and parental reassurance. Upstream, suppliers of organic produce, grains, proteins, dairy alternatives, natural flavors and packaging may benefit from demand for cleaner, child-focused ingredient systems. In the midstream, production expansion requires stronger co-manufacturing, quality assurance, allergen management, portion control and shelf-life capabilities. Downstream, retailers gain differentiated children's nutrition ranges, while parents are offered more premium, convenient and health-positioned options that can command stronger price points.

DIETARY-ACCESS CLAIMS EXPAND MAINSTREAM DAIRY OCCASIONS

Kraft's launch of lactose-free cheese shows how dietary-access claims are being used to expand mainstream dairy without abandoning familiar taste, texture and usage occasions. Rather than pushing consumers into niche alternatives, lactose-free dairy allows brands to retain category participation while addressing digestive tolerance needs. Upstream, this increases demand for dairy inputs, lactase enzymes, processing aids and quality systems that can support lactose reduction at scale. In the midstream, manufacturers must manage formulation, sensory performance, labelling accuracy and cross-category production controls to ensure the product behaves like conventional cheese. Downstream, retailers can broaden dairy accessibility for lactose-sensitive consumers, while brands defend mainstream dairy relevance and capture premium pricing through a functional claim.

SWEET PROTEINS BECOME A NEW SUGAR-REDUCTION TOOL

Singapore Food Agency approval following U.S. FDA GRAS clearance for Amai's Sweelin as a sweetening agent shows that next-generation sweet proteins are moving closer to commercial use. These ingredients offer a potential route to sugar reduction without relying only on high-intensity artificial sweeteners or bulk sugar substitutes. Upstream, value shifts toward protein engineering, fermentation feedstocks, biotech production and regulatory science. In the midstream, food and beverage manufacturers gain a new formulation tool for sugar reduction, but must validate taste, stability, dosage, cost and application performance across categories. Downstream, brands can strengthen low-sugar and better-for-you claims while maintaining taste appeal, supporting premium positioning and broader consumer acceptance of reformulated products.

Theme 7

Automation and Packaging Tech Are Becoming Margin-Protection Infrastructure

Automation, line technology, recyclable packaging, reuse systems and evidence-led sustainability claims are becoming operating infrastructure. The common logic is margin protection through lower energy use, labour efficiency, yield improvement, compliance readiness and packaging performance. Upstream, this increases demand for equipment providers, packaging innovators, material suppliers, data systems and circularity partners that can help companies reduce resource intensity and prove sustainability outcomes. In the midstream, manufacturers gain stronger control over energy, labour, throughput, waste, quality and regulatory readiness. Downstream, retailers and consumers benefit from more reliable supply, longer shelf life, improved sustainability credentials and stronger product performance.

ENERGY INTELLIGENCE BECOMES A COST-CONTROL LEVER

Rockwell Automation's RtCOP AI deployment, which increased energy efficiency by 17% and reduced CO2 emissions by about 500 tonnes per year, shows how energy optimization is becoming a direct margin and sustainability lever. Upstream, utilities, refrigeration technology providers, sensors, software vendors and equipment suppliers become more strategically important as manufacturers seek measurable efficiency gains. In the midstream, AI-enabled energy management helps plants reduce power consumption, improve asset performance and lower emissions without requiring full network redesign. Downstream, brands and retailers gain stronger evidence for sustainability claims, while consumers benefit indirectly from companies being better able to manage cost inflation and reduce environmental footprint.

INTEGRATED LINE AUTOMATIONBECOMES YIELD-PROTECTION INFRASTRUCTURE

PPM and Key's integrated potato-chip line highlights how automation is being used to protect margins by reducing labour, oil and yield losses in potato-chip production. Upstream, potato suppliers, oil providers, seasoning suppliers and equipment partners must align with more precise production requirements, tighter input specifications and more consistent raw-material quality. In the midstream, processors can improve throughput, reduce manual handling, limit waste, optimize oil use and improve yield consistency across high-volume snack lines. Downstream, retailers and consumers benefit from more consistent product quality, stronger availability and better cost control in a category exposed to input, energy and labour volatility.

SHELF-LIFE PACKAGING ECOMES A FRESHNESS AND WASTE-REDUCTION TOOL

DS Smith's fiber tray designed to protect fresh produce for more than 45 days shows that packaging is becoming a performance tool for freshness, sustainability and waste reduction, not only a container. Upstream, fiber suppliers, coating providers and packaging converters gain new opportunities as fresh-produce systems shift toward recyclable and performance-led materials. In the midstream, growers, packers and distributors can reduce spoilage, improve handling protection and extend transport or storage windows. Downstream, retailers gain better shelf-life management and lower shrink, while consumers benefit from fresher produce, less food waste and packaging that better supports sustainability expectations.

CONSUMER-FACING CIRCULARITY BECOMES RECOVERY WAY

Nestlé Philippines' sachet reverse-vending test with Restore Solutions and Robinsons Supermarket's Smart Eco-llection Bins across four stores show that circularity is moving from brand-level commitments into consumer-facing recovery infrastructure. By rewarding consumers for clean, dry sachets, the model attempts to improve collection quality and participation in hard-to-recycle flexible packaging systems. Upstream, packaging producers, recyclers and waste-management partners gain clearer feedback on material recovery needs and design-for-recycling requirements. In the midstream, brands and retailers can test practical collection models, improve post-consumer material flows and build evidence for circularity claims. Downstream, consumers become active participants in recovery systems, while retailers strengthen sustainability engagement and brands gain a more credible route to address sachet-waste scrutiny.

STRATEGIC IMPLICATIONS FOR THE C-SUITE

Navigating the 2026 Midstream Consolidation Supercycle

The convergence of biological supply shocks, geopolitical fragmentation, and the pharmacological rewiring of consumer demand creates a new operating reality for the agribusiness C-suite in 2026. To navigate this maturation phase and sustain growth, leaders must pivot from traditional efficiency-seeking models toward a dual playbook of resilience and innovation. The following strategic implications provide a roadmap for boardroom action.

1. Treat midstream capacity as a strategic growth asset, not only an operations cost.

The Almanac shows that leading companies are using local manufacturing, warehousing and supplier agreements to secure availability, speed-to-market and customer proximity. Aldi's £5 billion UK supplier agreements, Purina's $550 million Ohio pet-food factory, PepsiCo's nearly $600 million India investment, Diageo's $415 million Alabama facility and Barilla's nearly $170 million U.S. pasta expansion all point to the same strategic conclusion: capacity location is now a commercial decision. For C-suite leaders, the implication is that footprint strategy must be linked directly to market access, retailer service levels, resilience, innovation speed and margin protection.

2. Use M&A to secure control of platforms, not just brands.

The strongest M&A signals in the document show companies buying category control, ingredient systems, manufacturing access, consumer relationships and supply-chain leverage. Ingredion's planned Tate & Lyle acquisition strengthens control over speciality ingredients for health and reformulation; IFF's $4.3 billion Food Ingredients sale to CVC shifts a formulation-critical platform into private capital; Lactalis' acquisition of Protein Works adds direct-to-consumer functional nutrition; and Campbell's 49% stake in Rao's sauce manufacturer secures a critical supply node behind a billion-dollar brand. For CEOs and CFOs, the implication is that acquisition strategy should prioritize assets that provide defensible control over growth platforms, not only near-term revenue.

3. Elevate compliance, traceability and ingredient trust to enterprise-risk priorities

Compliance is becoming a demand-side risk because it now directly affects retailer confidence, consumer trust and market access. EUDR expansion into soluble coffee, ITC scrutiny of snack imports, Divilly's undeclared gluten recall, pet-food Listeria exposure, and synthetic colour reformulation pressure around Red 40 all show how regulatory or trust gaps can quickly become commercial issues. For C-suite leaders, the implication is that food safety, label accuracy, supplier assurance, IP exposure, import-route visibility and sustainability documentation must be governed as board-level risk systems rather than technical quality functions.

4. Reframe automation, packaging and ingredient technology as margin-control infrastructure

The Almanac shows that technology is becoming central to productivity, resilience and differentiation across the midstream value chain. Automated processing equipment, AI-enabled refrigeration, digital warehouse systems, natural colour platforms, fermentation-derived ingredients, recyclable packaging, fiber-based formats and connected packaging are no longer isolated innovation initiatives. They are becoming infrastructure that protects labour productivity, shelf life, claim credibility, cost-to-serve, carbon exposure and consumer engagement. For COOs, CTOs, CSOs and business-unit heads, the implication is that technology investment should be prioritized where it strengthens operating control, reduces structural cost, improves compliance readiness and creates measurable commercial advantage.

OUR TEAM

Meet our author and experts

As Group Chief Strategy Officer and Global Practice Lead for Food, Agriculture & Nutrition at FutureBridge, I have shaped my work over more than two decades of leadership across complex, regulated, and innovation-driven industries. The focus has consistently been on helping organizations navigate structural shifts in demand, regulation, and technology with greater clarity and confidence.

What defines this approach is a combination of strategic rigour, practical insight, and a strong focus on outcomes. Deep experience across food, agriculture, and nutrition continues to inform how clients assess change, unlock opportunities, and make critical decisions in evolving markets.

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ABOUT
FutureBridge

FutureBridge is a global innovation and strategy consulting firm that helps companies anticipate disruption, decode emerging markets and technologies, and convert future signals into growth decisions. The firm works with leadership teams across food and nutrition, life sciences, energy, chemicals, mobility and industrial sectors to support innovation strategy, market intelligence, technology scouting, portfolio prioritization and future ready growth planning.

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