



# Food Industry Monitor

The challenge of sustainable growth for the food industry

Prof. Michele Fino  
Prof. Carmine Garzia

*July 2, 2021*

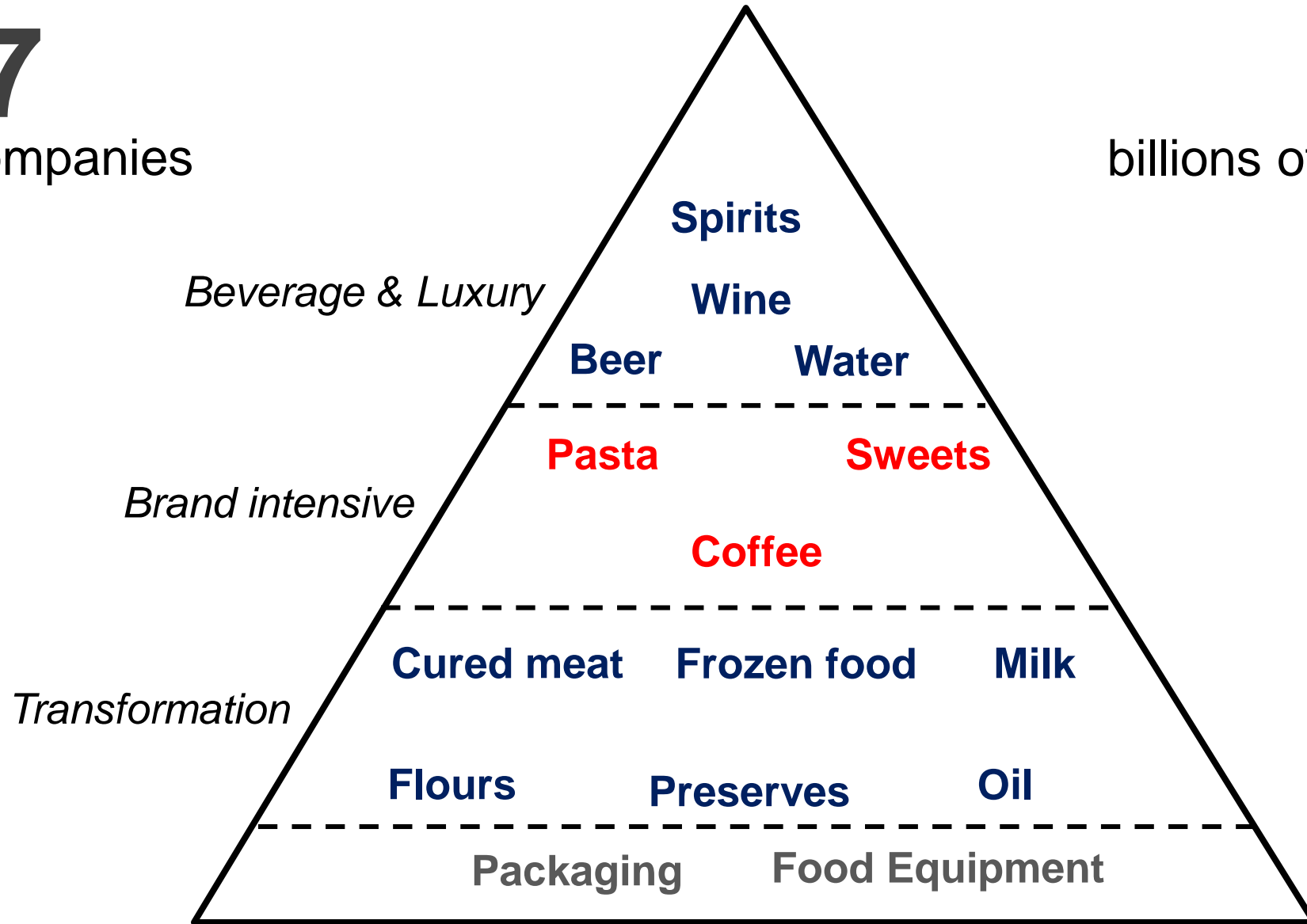
# Performance Analysis - The Sample

**857**

companies

**66**

billions of revenues

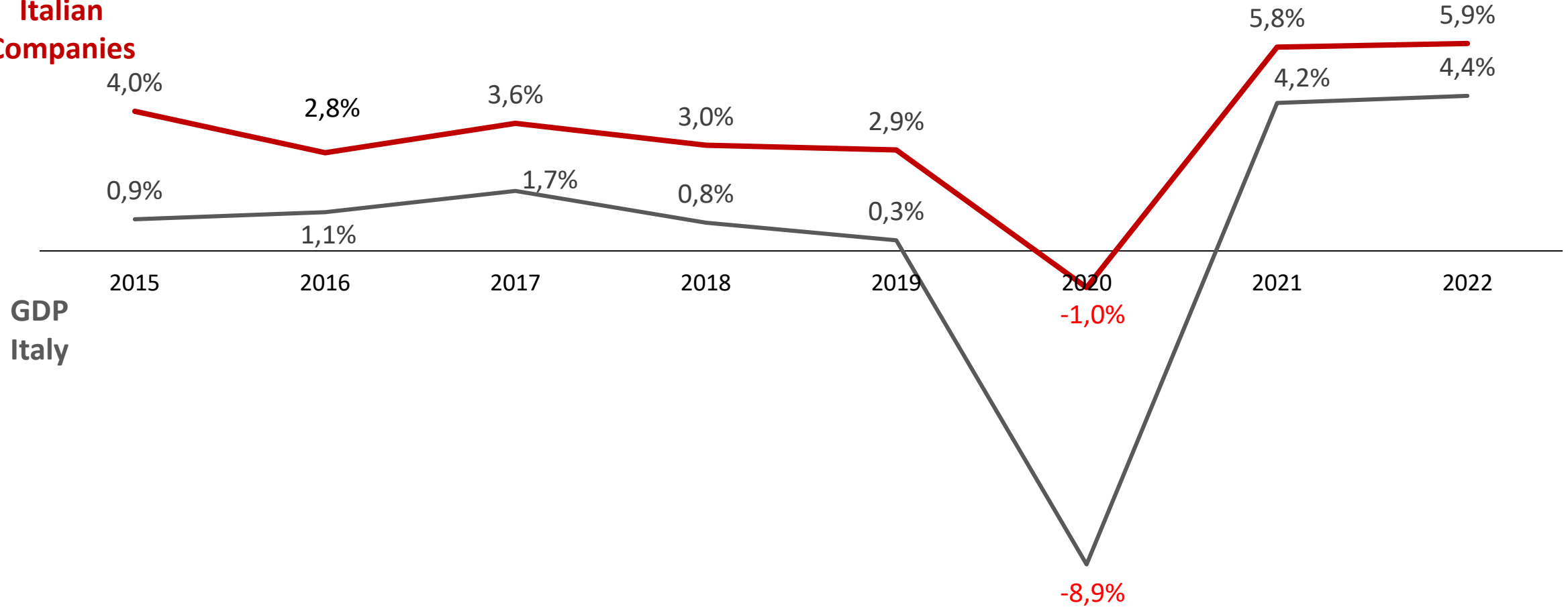


How did the industry do in the year of the Pandemic?  
And how will it fare in the next two years?



# Performance analysis - Food growth vs. GDP Italy

**Food Revenues  
Italian  
Companies**

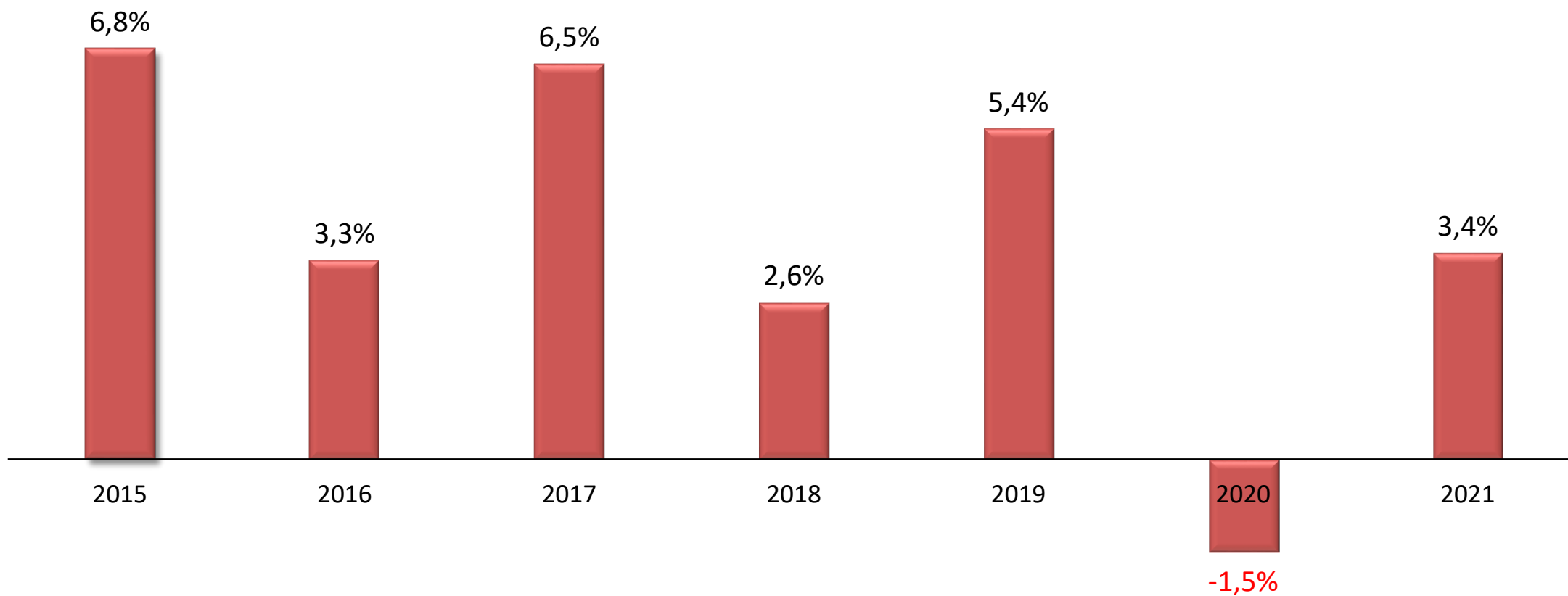


Source: our elaborations and EU Commission.  
2020, 2021, 2022: forecast  
Independent variable: Italian GDP Forecast UE Commission



# Performance analysis - Export growth

Growth rate of food exports (in value)

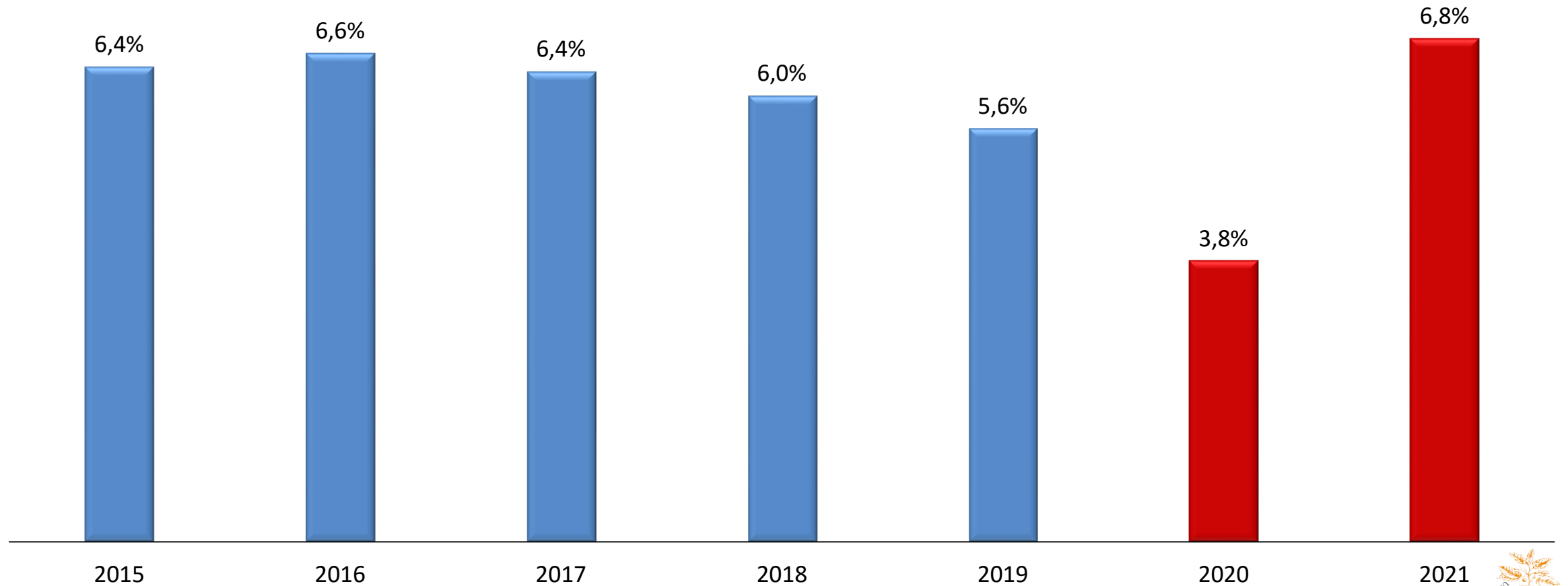


Source: ISTAT  
2020: provisional date  
2021, 2022: forecast



# Performance Analysis - Profitability

## Commercial profitability - ROS %



2015

2016

2017

2018

2019

2020

2021

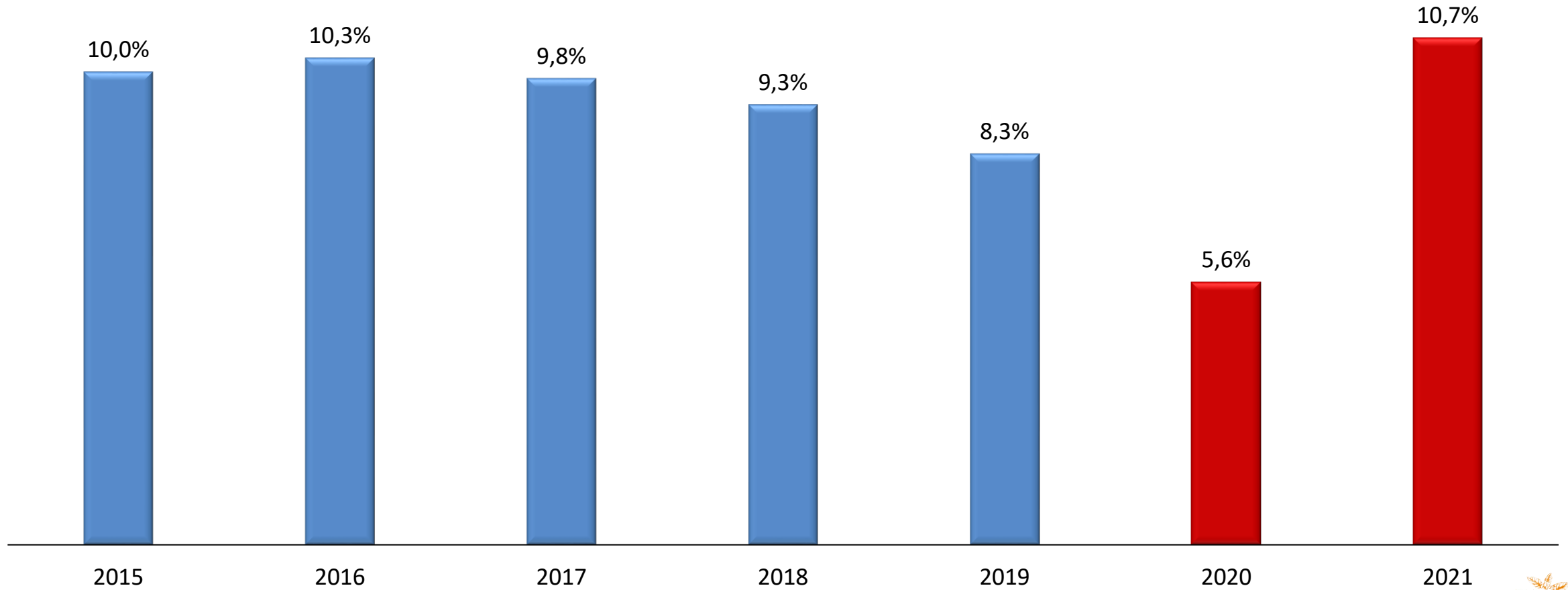


2020, 2021, 2022: forecast  
Independent variable: Italian GDP Forecast UE Commission



# Performance Analysis - Profitability

## Return on capital employed - ROIC %

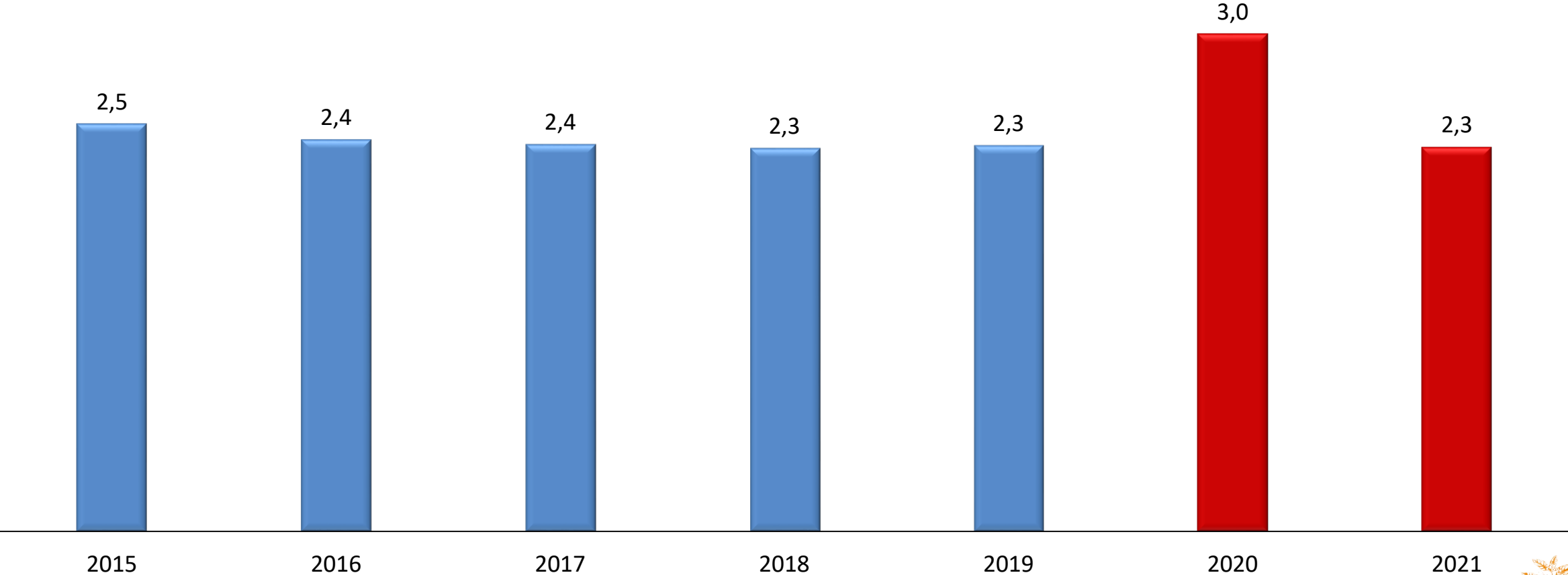


2020, 2021, 2022: forecast  
Independent variable: Italian GDP Forecast UE Commission



# Performance Analysis - Financial Structure

Debt rate (initial)

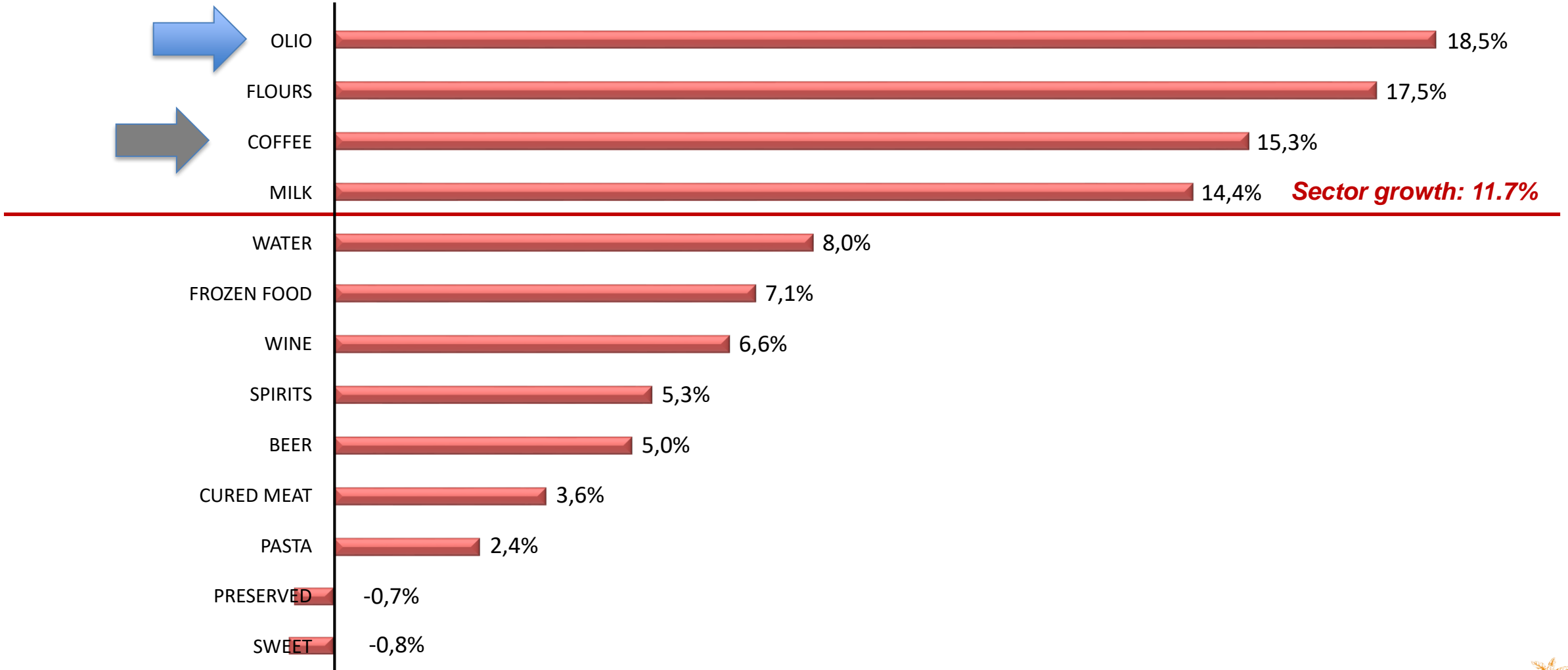


2020, 2021, 2022: forecast  
Independent variable: Italian GDP Forecast UE Commission



# Performance Analysis - Revenue Growth

## Cumulative Revenue Growth (2021-2022)



2021, 2022: forecast

Packaging and Food Equipment not calculated

Independent variable: Real GDP Italy



How is the path of sustainability of Italian food companies proceeding?



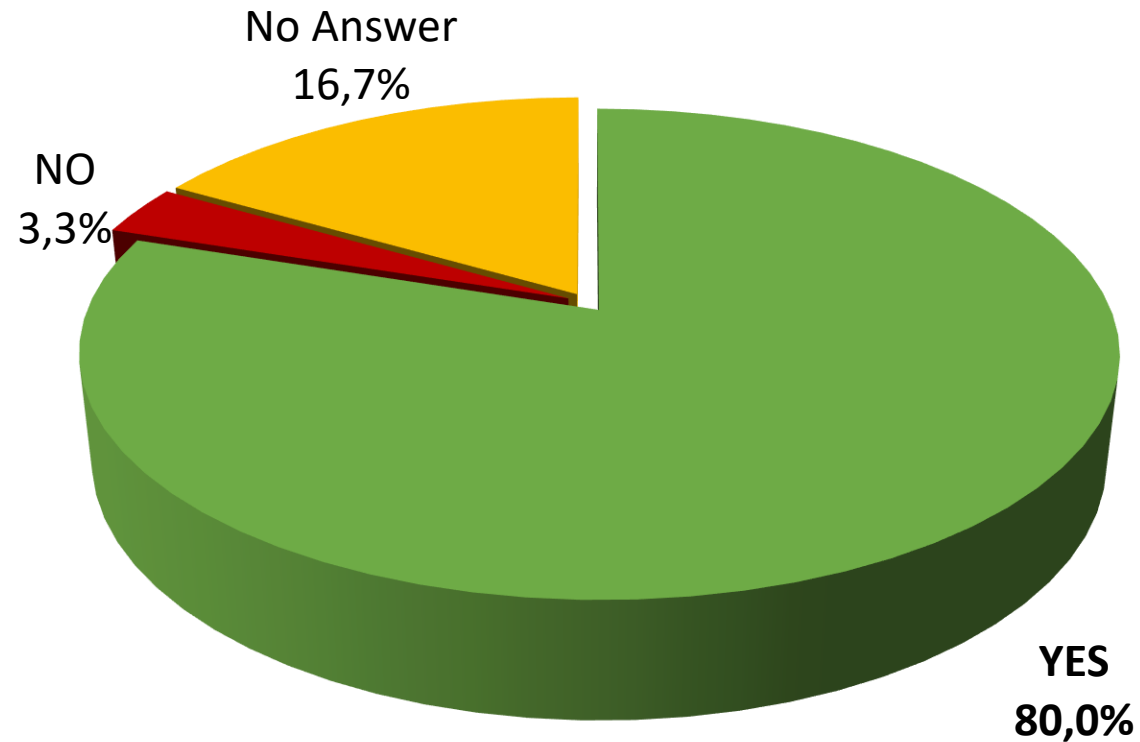
# Business models for sustainable growth

- **80%** of companies surveyed consider themselves **sustainable**
- **93%** of companies have **increased their investments in sustainability in** the last 5 years
- The **average increase in sustainability investment has been 38%** over the past 5 years
- **56.7%** of companies have a **formalized sustainability strategy**



# Business models for sustainable growth

He plans to increase investments in sustainability in the coming 3 years?

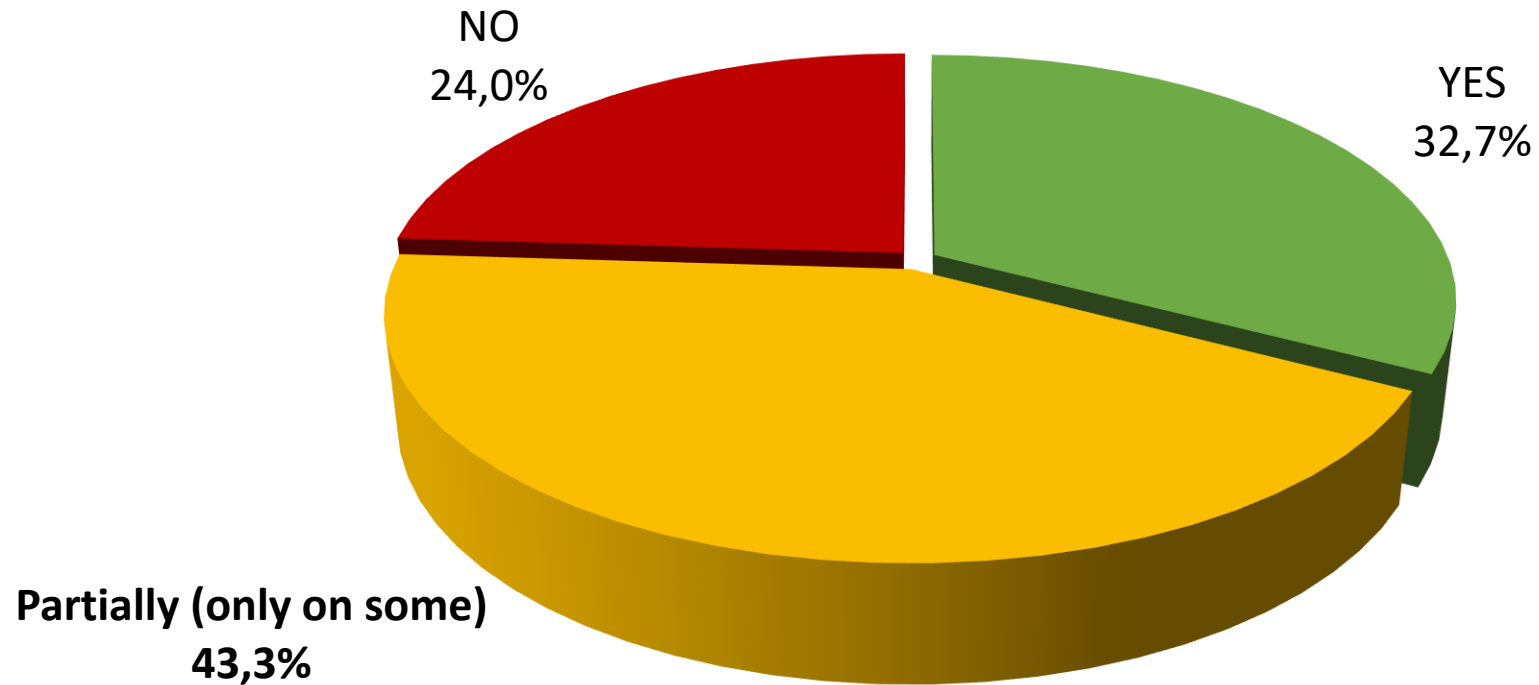


Number of respondents: 150



# Business models for sustainable growth

**Your company does external communication on the topics related to sustainability?**

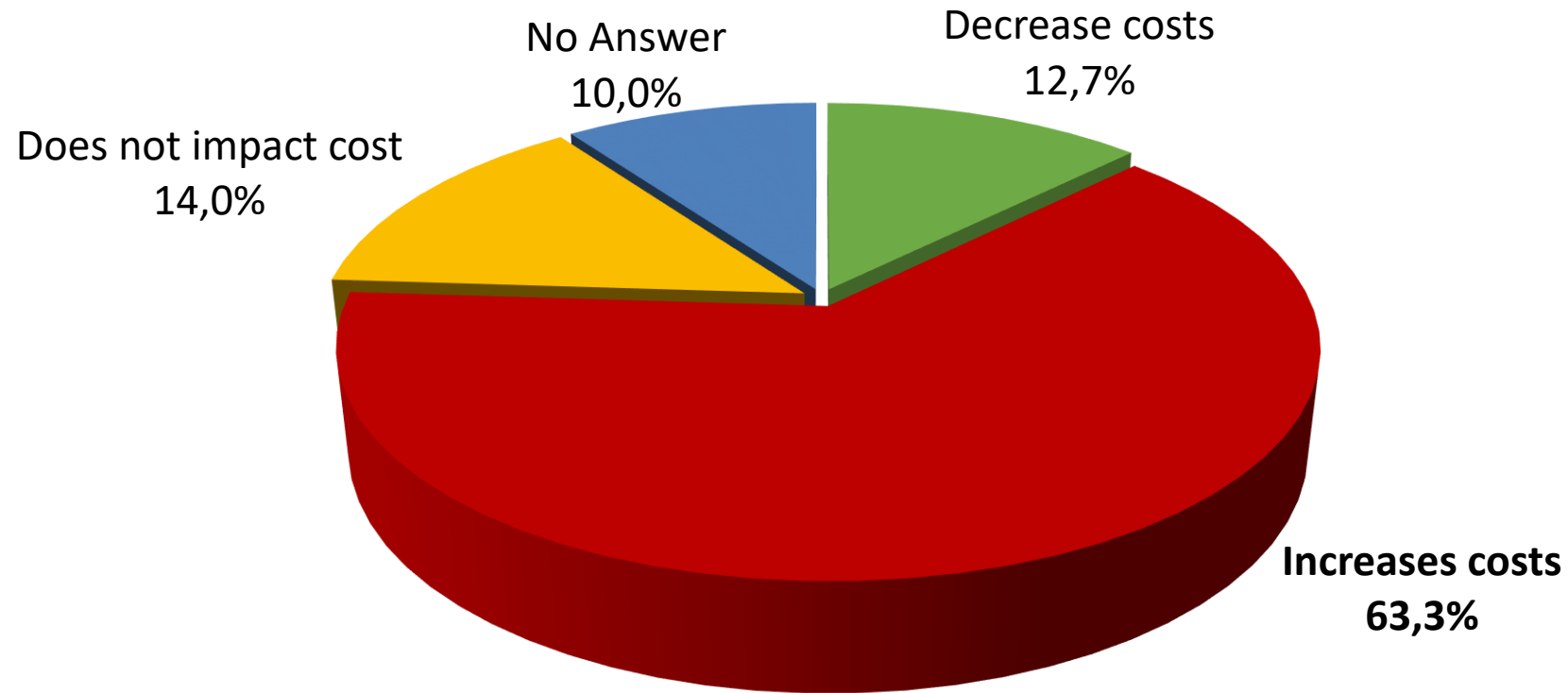


Number of respondents: 150



# Business models for sustainable growth

What impact do sustainability choices have on business costs?

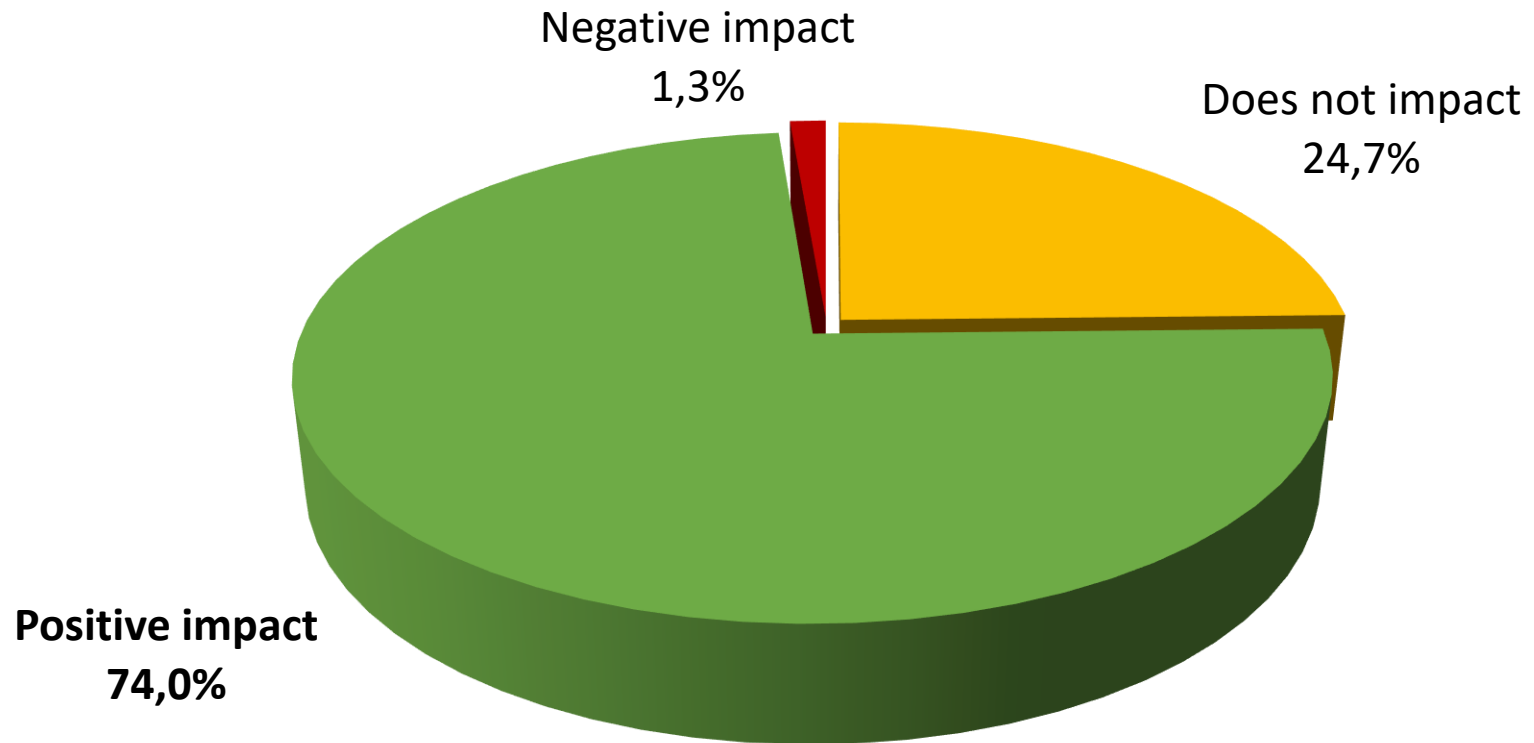


Number of respondents: 150



# Business models for sustainable growth

**External communication on sustainability issues contributes to impact your company's sales?**



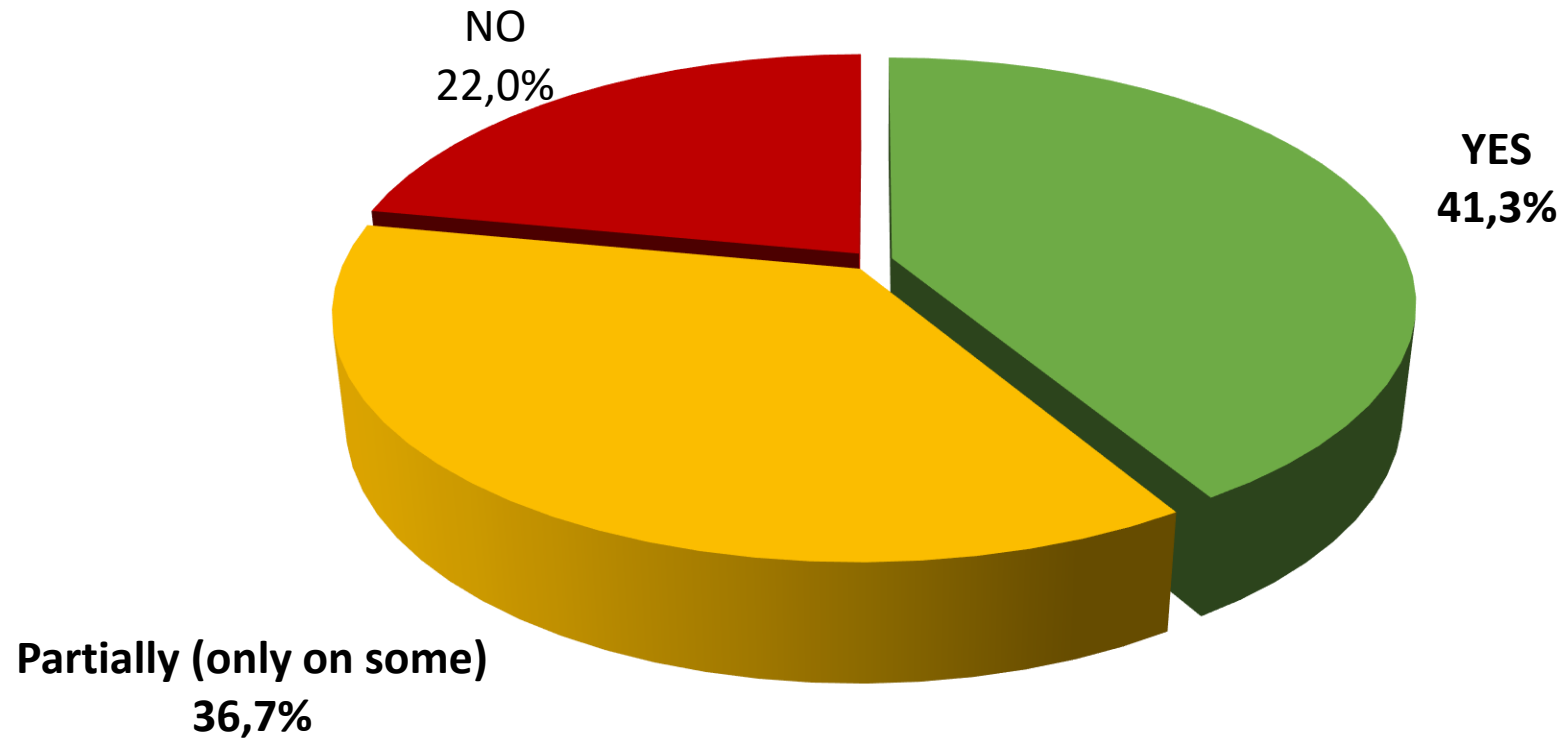
Number of respondents: 150

15



# Business models for sustainable growth

Has your company changed its product formulation with sustainability in mind?

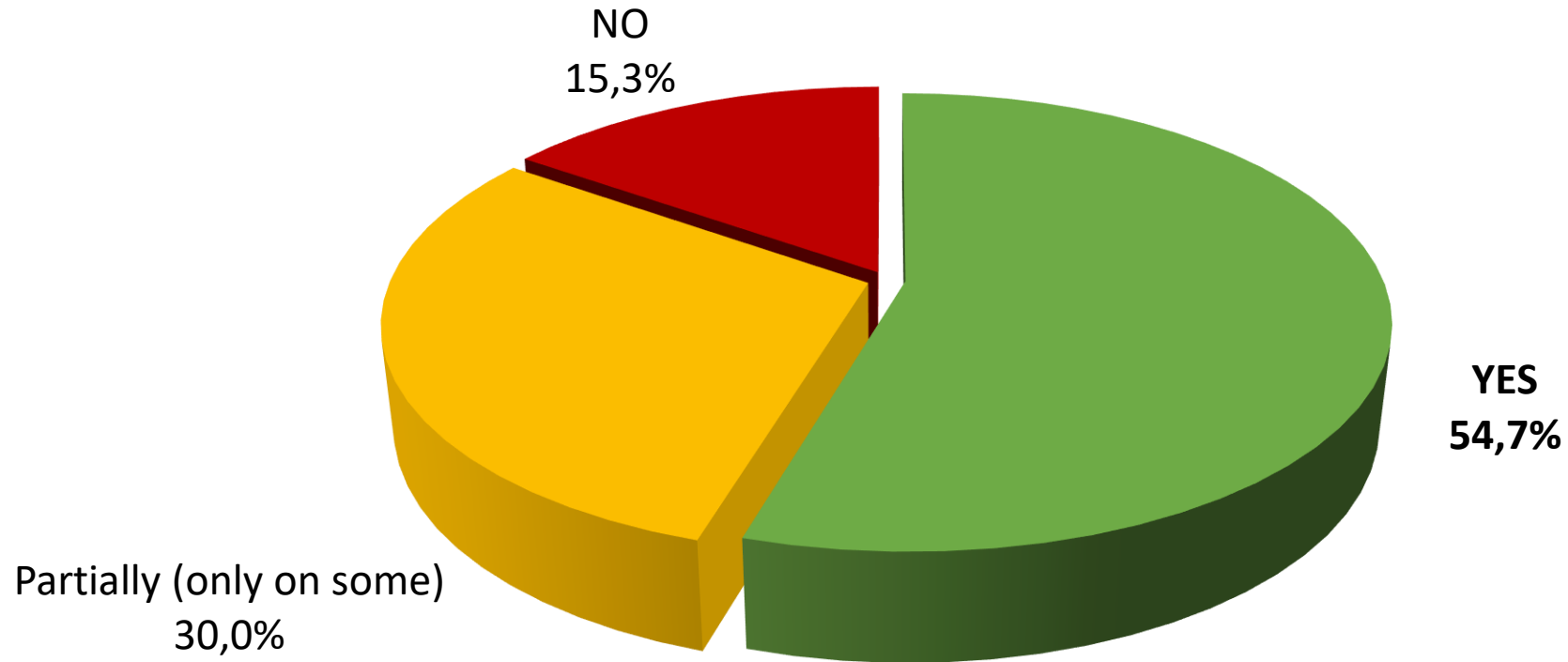


Number of respondents: 150



# Business models for sustainable growth

Has your company changed its product packaging with sustainability in mind?

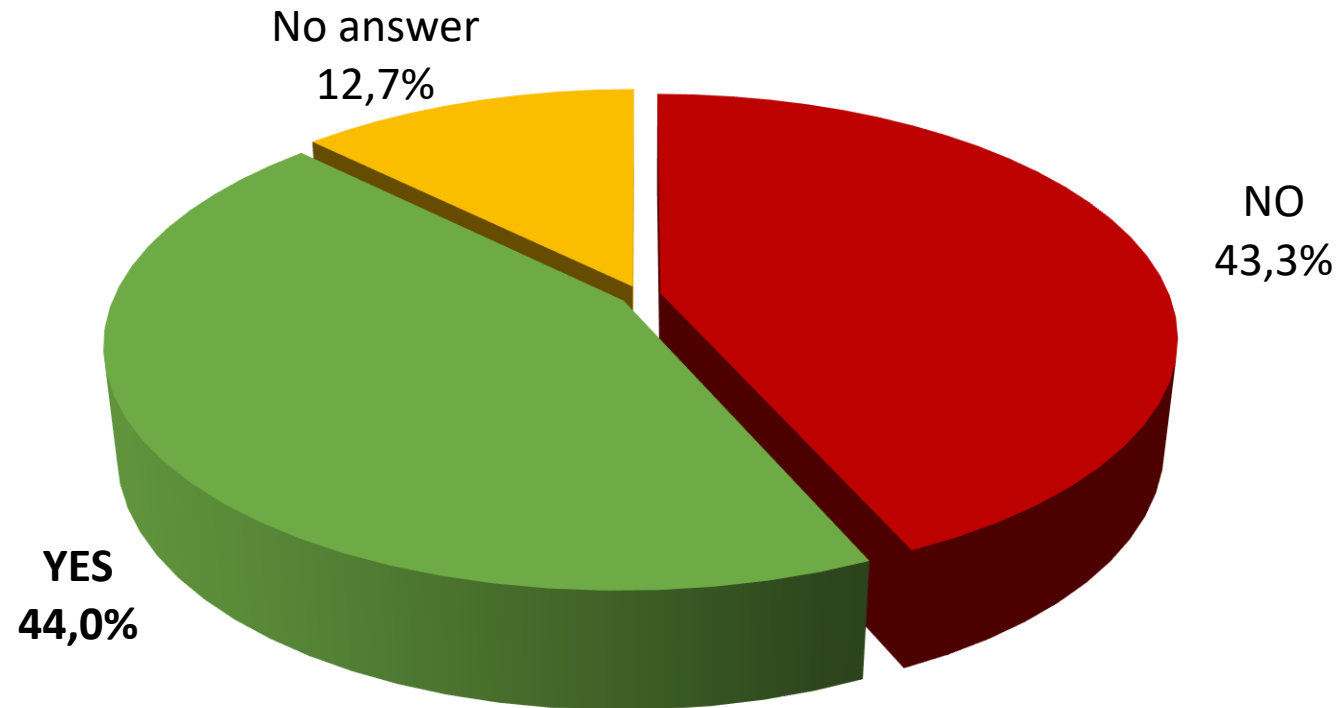


Number of respondents: 150



# Business models for sustainable growth

Do you choose your suppliers based on how sustainably they operate?



Number of respondents: 150



# Business models for sustainable growth

What do companies risk if they don't take a **systemic approach to sustainability**?

 Springer Open Search 

---

Environmental Sciences Europe

About **Articles** Submission Guidelines

Review | [Open Access](#) | Published: 11 February 2020

## Concepts and forms of greenwashing: a systematic review

[Sebastião Vieira de Freitas Netto](#), [Marcos Felipe Falcão Sobral](#) , [Ana Regina Bezerra Ribeiro](#) & [Gleibson Robert da Luz Soares](#)

[Environmental Sciences Europe](#) **32**, Article number: 19 (2020) | [Cite this article](#)

27k Accesses | 9 Citations | 33 Altmetric | [Metrics](#)

### Abstract

#### Background

The aggravation of environmental problems has led companies to seek the development and commercialization of green products. Some companies mislead their stakeholders through a phenomenon called greenwashing.

The Nielsen Media Research [[2015](#)] presented that **66% of global consumers are willing to pay more for environmentally friendly products**. When these customers perceive firms as socially responsible, they may be more willing to buy the products from these firms at a higher price. [...]

Since reported by Delmas and Burbano [[2011](#)], the **green market is proliferating**. Consumer, capital markets, products, services, and firms have been expanding. As there is an increase in green markets, it is followed by the phenomenon of greenwashing [...].

The Federal Trade Commission ([[2012](#)], p. 62122) instructs to **"use clear and prominent qualifying language to convey that a general environmental claim refers only to a specific and limited environmental benefit(s)."**

TerraChoice [[2018](#)] reported that **95% of products claiming to be green in Canada and the USA committed to at least one of the "sins of greenwashing."**



Number of respondents: 150



# Business models for sustainable growth

## The Seven Sins of Greenwashing

Sin of the hidden trade-off

Sin of no proof

Sin of vagueness

Sin of worshiping false labels

Sin of irrelevance

Sin of lesser of two evils

Sin of fibbing

Sin of hidden compromise

Pity of absence of evidence

Sin of vagueness

Misleading labeling

Sin of irrelevance

Sin of the lesser of two evils

Sin of Lying

Greenwashing is the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service. (UL, 2021)



Number of respondents: 150



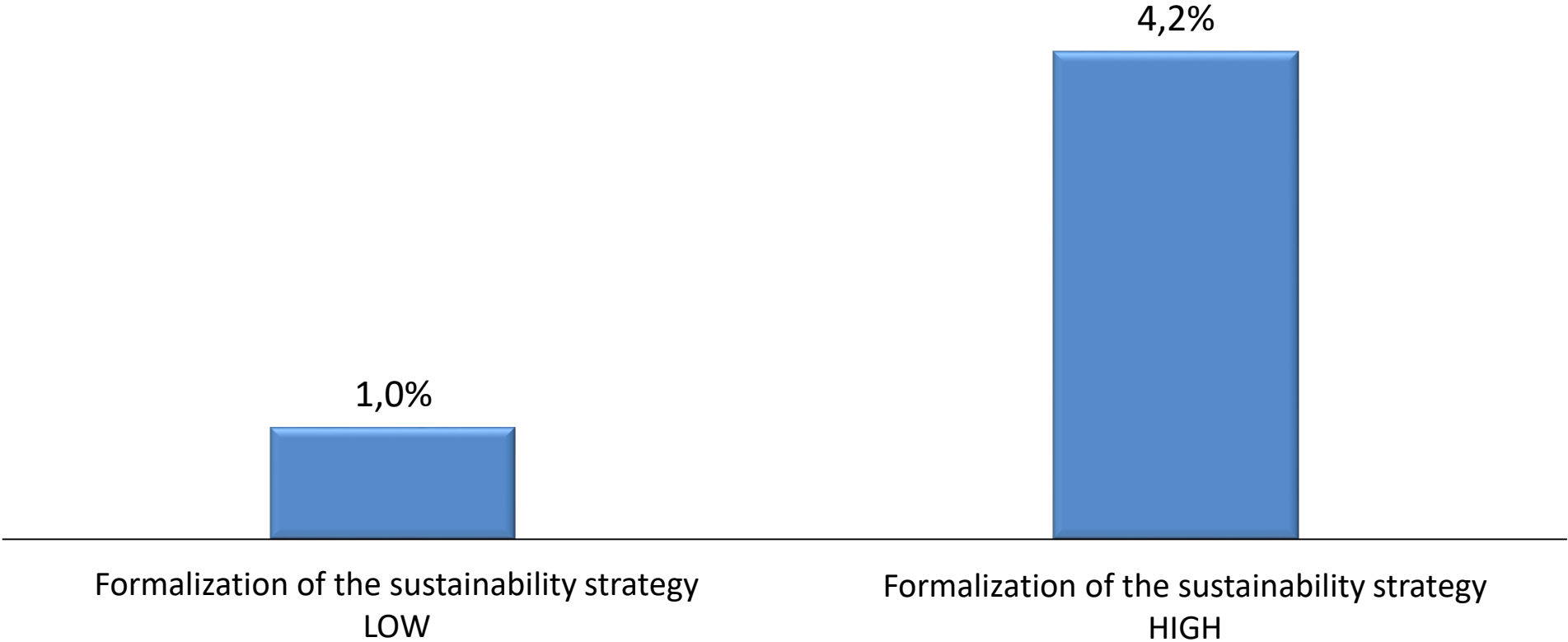
How does sustainability impact business performance?



# Sustainability and performance

Formalizing a sustainability strategy has a strong impact on growth

Revenue growth  
(CAGR 2015-2019)



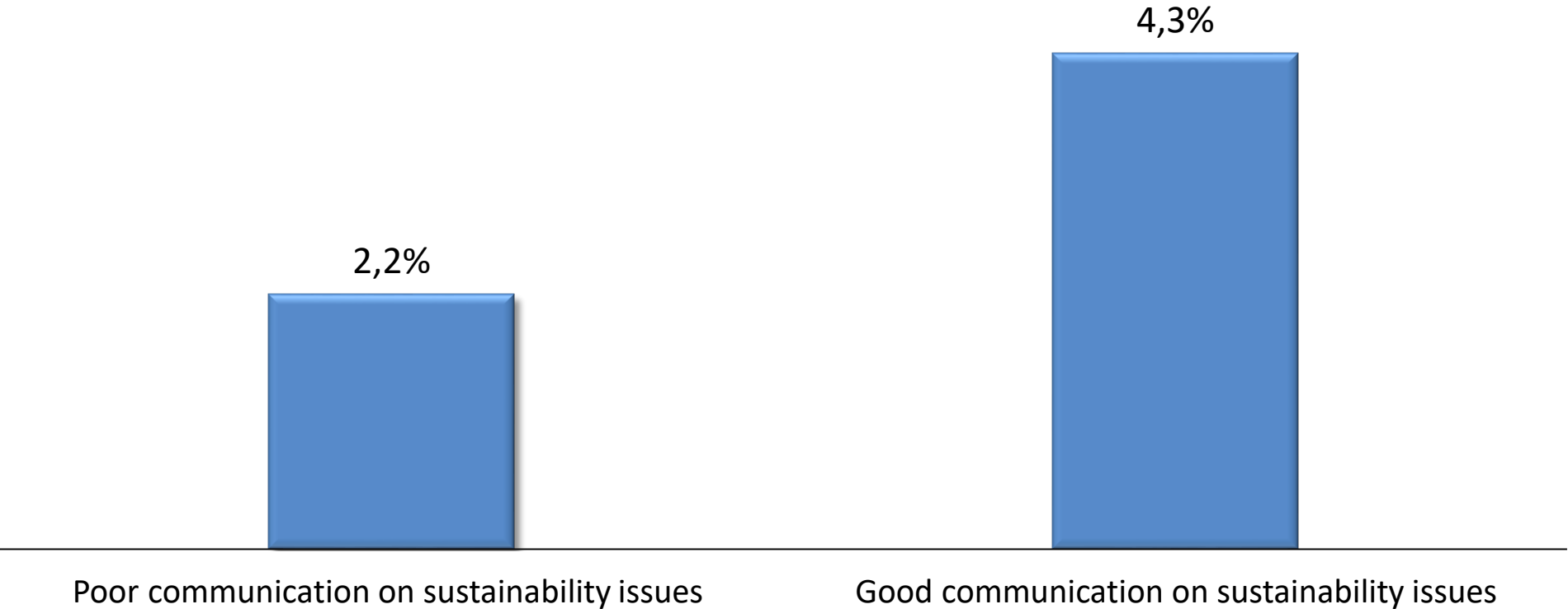
T-test on mean differences



# Sustainability and performance

## Impact of sustainability-related communication

Revenue growth  
(CAGR 2015-2019)



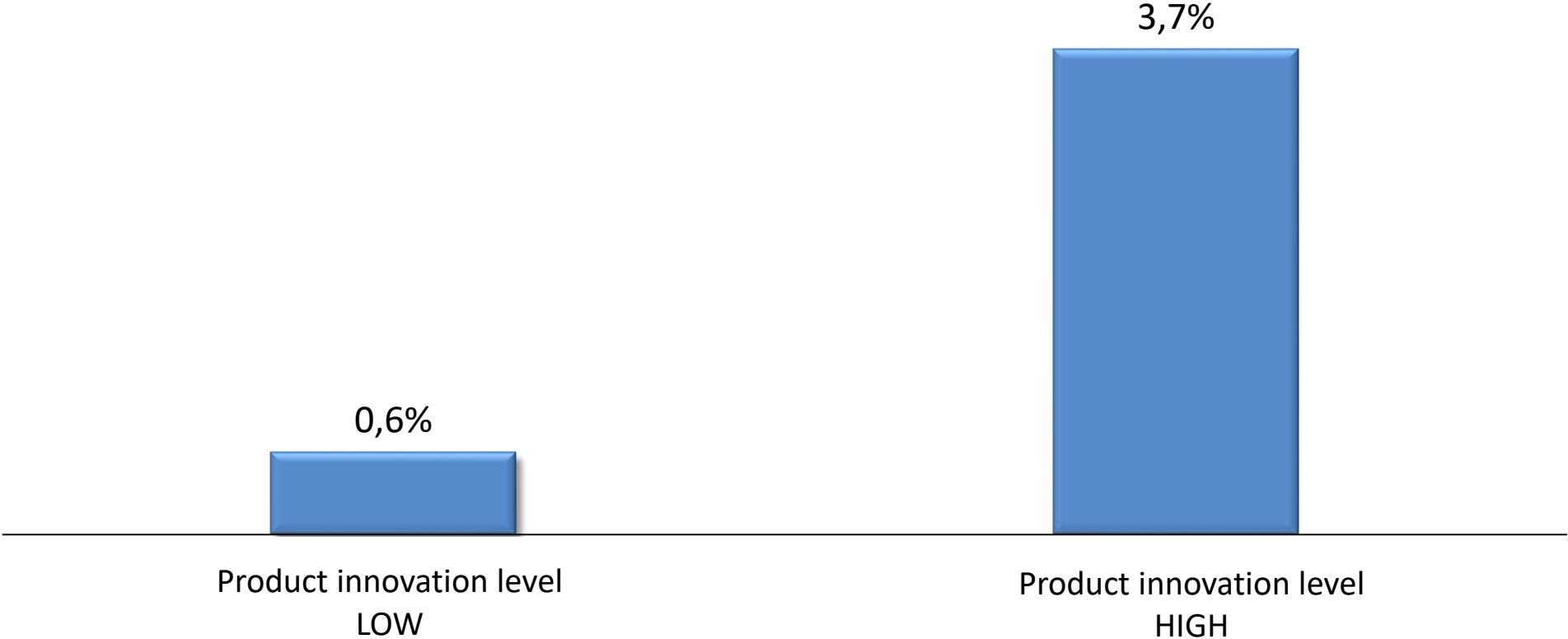
T-test on mean differences



# Sustainability and performance

## Product innovation and impact on growth

Revenue growth  
(CAGR 2015-2019)



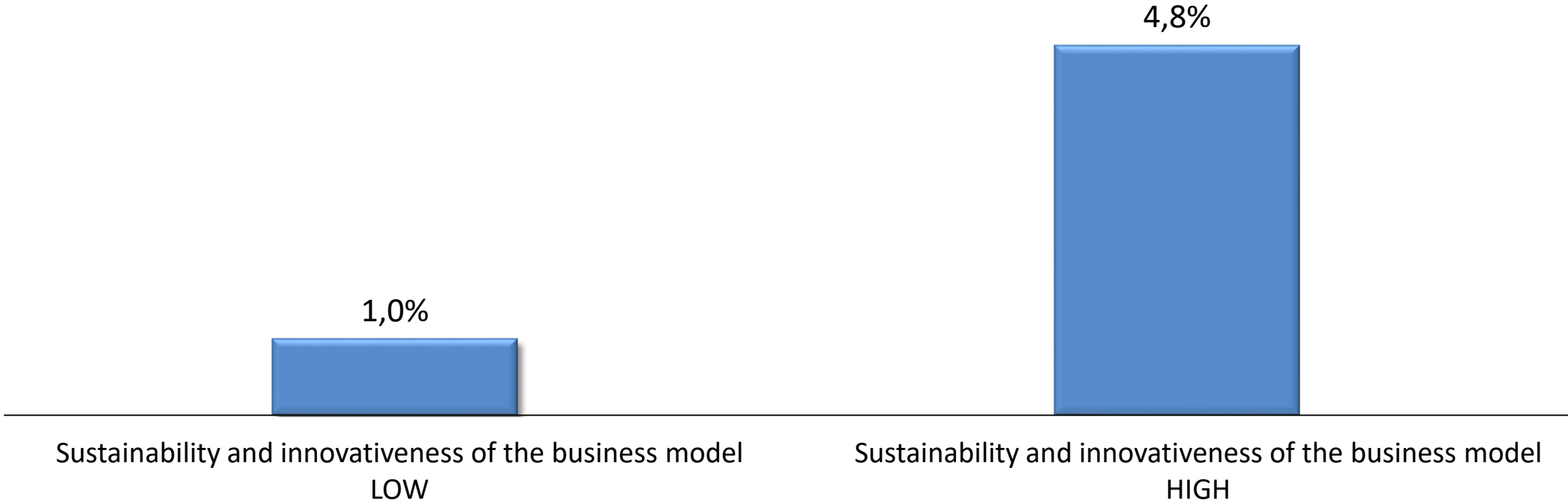
T-test on mean differences



# Sustainability and performance

## Innovative and sustainable business models and impact on growth

Revenue growth  
(CAGR 2015-2019)



*T-test on mean differences*



# Sustainability and performance

## *The drivers of sustainable growth*

**Investments in innovation**

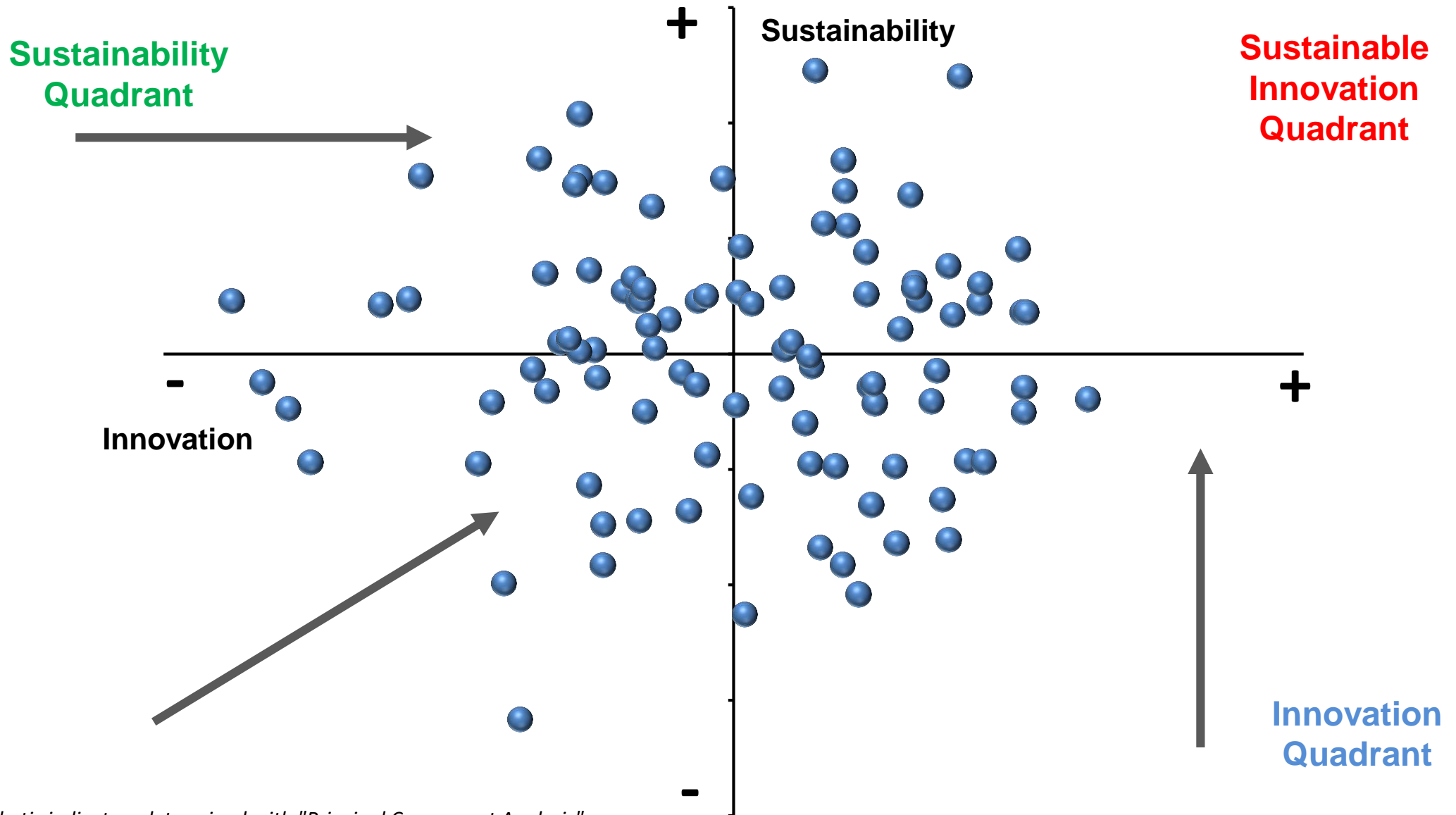
**Formalized sustainability strategy**

**Growth revenues**

**Investments in communication related to sustainability**



# Sustainability and performance. The positioning map of food companies

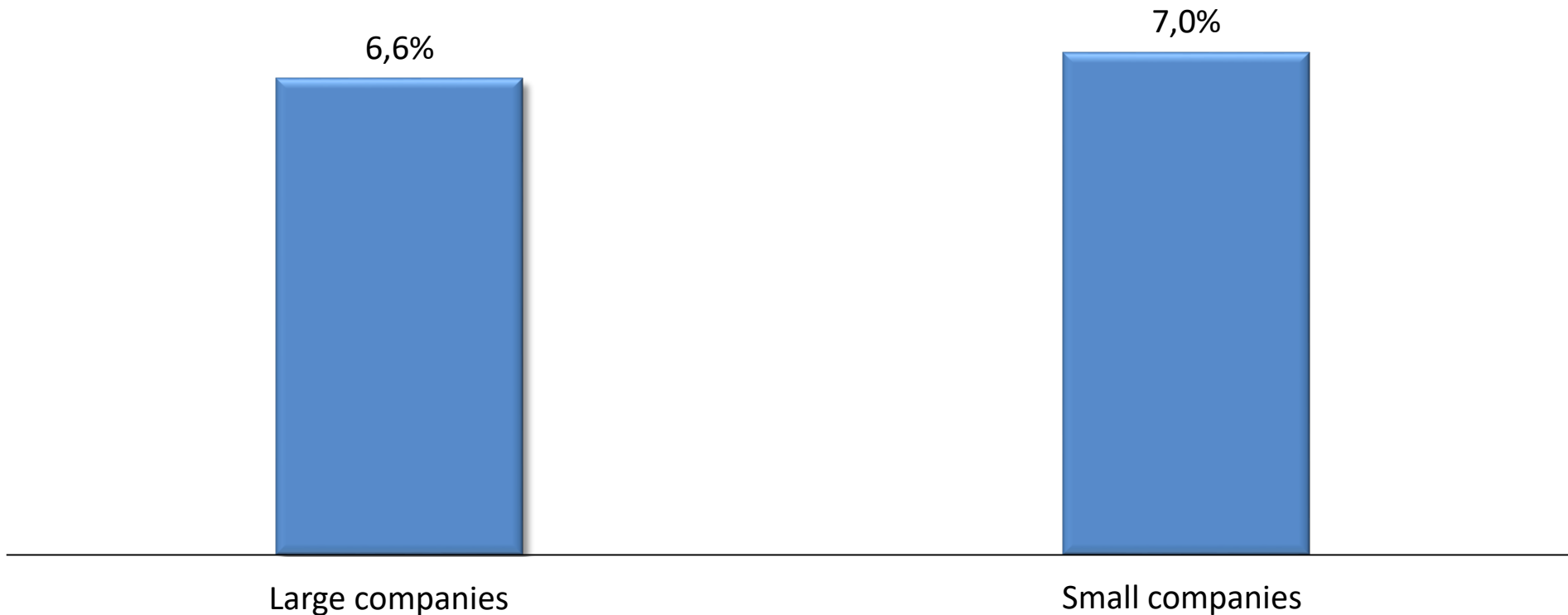


*Synthetic indicators determined with "Principal Component Analysis".*



# Sustainability and performance. The impact of company dimensions

## Impact of formalized sustainability strategies on growth (CAGR 2015 - 2019)

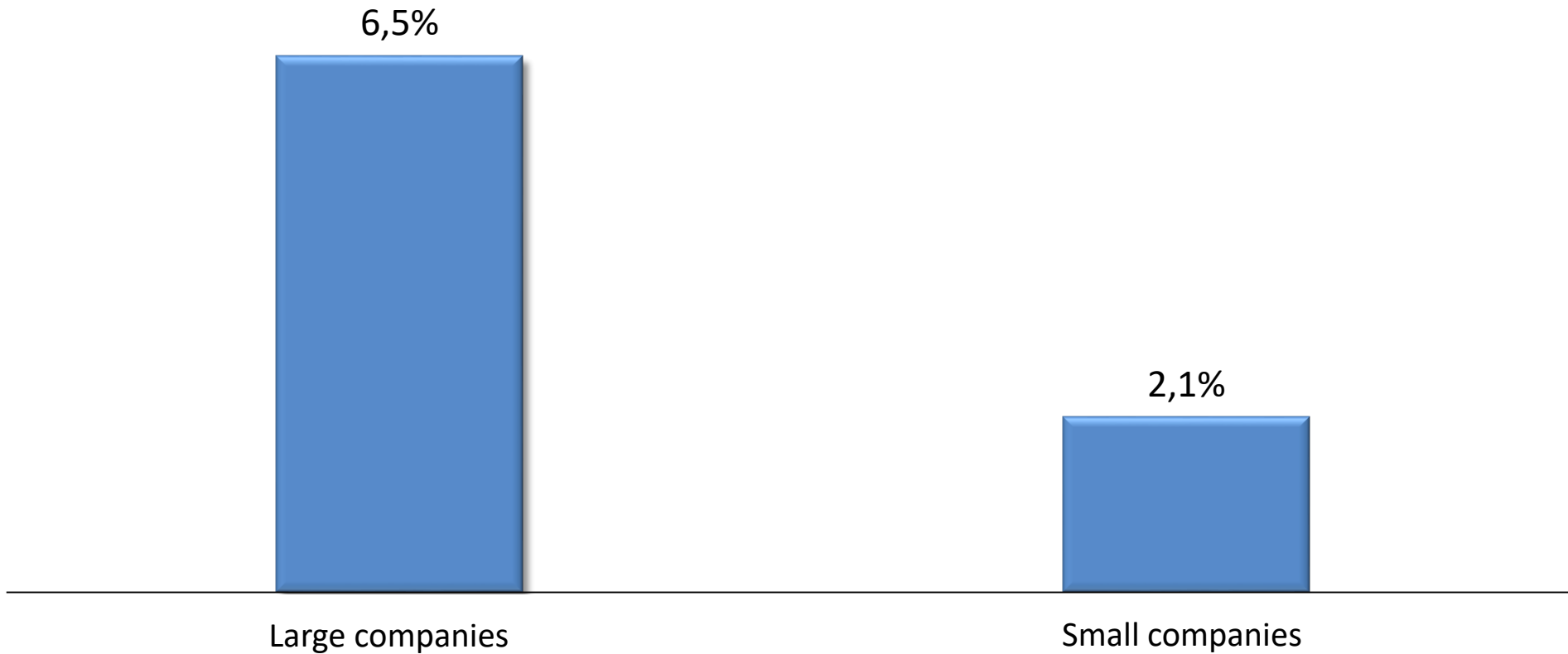


*Expected values for companies with average values of change in investments over the last five years*



# Sustainability and performance. The impact of company dimensions

## Impact of innovation on growth (CAGR 2015 - 2019)



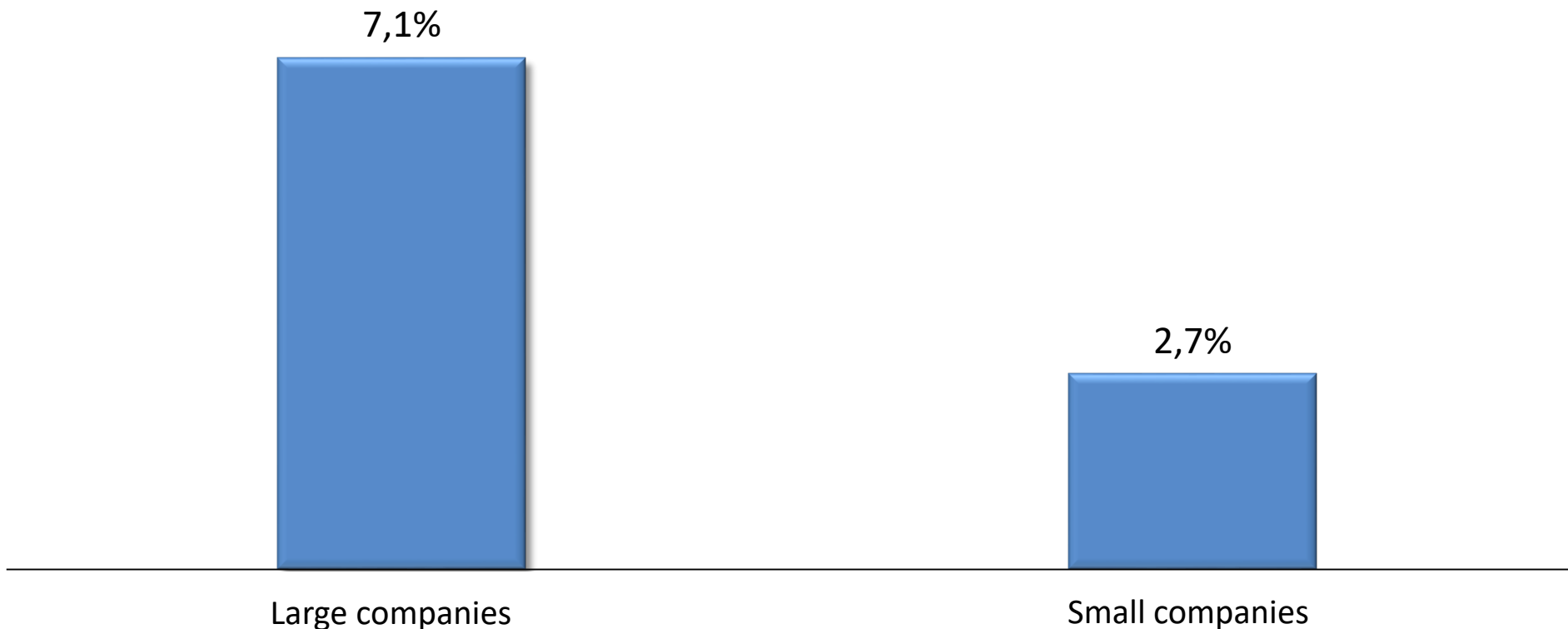
*Expected values for companies with average values of change in investments over the last five years*



# Sustainability and performance. The impact of company dimensions

## Innovative and sustainable business models and impact on growth

Sustainable and innovative growth and business models  
(CAGR 2015 - 2019)



*Expected values for companies with average values of change in investments over the last five years*



# METHODOLOGY

This research report is based on public data and data collected from restricted access databases, which were processed by a team of researchers at the University of Gastronomic Sciences in Pollenzo, Bra.

Representative samples of the various sectors of the food industry were constructed by extracting companies with ATECO codes, and all the companies identified in this way were checked to verify the congruity of the activity carried out with the sector to which they belonged.

The financial statements of the companies were acquired from the AIDA and CERVED databases in optical format and were reclassified according to the financial statement formats currently in use in the context of economic-business analysis.

The report was written by Prof. Carmine Garzia in collaboration with Dr. Francesco Maria Gentile who coordinated the research team for the collection of interviews, the construction of databases and statistical processing. The interviews were conducted by Margherita Maione who also carried out the collection of empirical data on business models and strategic choices of companies.

The research project was carried out with the support of Ceresio Investors.

The computations were based on public budget data available as of 5/17/2021. The report was closed as of 5/15/2021.

<http://www.foodindustrymonitor.com>

