

ARTICLE | Creating Resilience

6 Ways Consumers Are Reshaping the Food & Beverage Industry

Companies Are Satisfying Changing Appetites by Overcoming Big Challenges

Over the past decade, consumers' focus on health and sustainability has fundamentally changed what they choose to eat. Today, they're prioritizing foods and products with natural ingredients in eco-friendly packaging—a shift that has food & beverage companies rushing to adjust their operations and real estate footprints.

But there's more to this than boosting manufacturing capacity by finding the right sites with the right labor pools. The resources that companies need to meet consumer demand are becoming increasingly scarce, and the pressure to address environmental and food-safety concerns is only growing.

To grasp the scale of this shift, CBRE has been working with food & beverage leaders to identify and respond to the key ways conscious consumers are reshaping the industry.



1. Future-Proofing Operations Amid Growing Power Demands

- **CHALLENGE:** Food & beverage companies are expanding their product lines to include healthier, less-processed food, prompting the need for increased production. More production means more power usage. But with a new wave of demand for large loads coming from multiple business sectors, public utilities throughout the U.S. are struggling to deliver this power without straining their electrical grids.
- **RESPONSE:** Large users are making sure there's enough power for their facilities long before putting shovels in the ground. By conducting load and transmission studies during the project evaluation process, users can clearly define ramp schedules upfront so utilities can ensure that each site under consideration will have enough power.

2. Exploring Renewable Water Sources

- **CHALLENGE:** Along with power, food & beverage companies need water to keep up with the demand for environmentally friendly products. However, states across the Western U.S. are under drought conditions severe enough to have social, environmental or economics effects, according to the National Drought Mitigation Center. This lack of access to freshwater supply in some states—and the limited capacity of current wastewater treatment—is throttling food & beverage production.
- **RESPONSE:** Companies are exploring ways to recycle fresh water, harvest rainwater and desalinate salt water. Some are installing desalination systems onsite, while others are partnering with existing desalination plants to secure a reliable water supply. This trend has helped increase the contracted capacity of the world's 22,000 desalination plants, which on the whole grew by 4.6 million cubic meters (roughly 1.2 billion gallons) in 2024, according to the International Desalination Association.

3. Getting Ahead of Limited Building Inventory

- **CHALLENGE:** Few existing buildings on the market can accommodate the extra food manufacturing and cold storage space needed to produce fresher, cleaner food. While developers are working to grow this inventory, these projects often have long lead times and require significant capital investment at a time when favorable financing terms for new projects are hard to come by.
- **RESPONSE:** To overcome the current inventory shortage, companies are investing in build-to-suit projects and retrofitting existing buildings. Many of these projects are smaller facilities that are closer to consumers and supply points, which helps increase delivery speeds and offset project costs. Companies are also working with third-party consultants to find financing solutions and secure economic incentives that further reduce upfront and ongoing costs.

4. Investing in Automation During Site Selection

- **CHALLENGE:** Some food & beverage companies are looking into automating production to satisfy health- and eco-conscious consumers. Not only does automation accelerate production and distribution, but it also helps mitigate labor challenges and offset rising materials costs. Yet, while this option offers clear advantages, new manufacturing technologies come with a hefty price tag.
- **RESPONSE:** Companies are working with design-build experts during site selection to find ways to save on operational costs. This gives developers enough time to understand a company's complex automated processes, design innovative facilities, avoid scheduling and expense risks, and provide support from project start to completion.

5. Forging Partnerships to Develop Sustainable Packaging

- **CHALLENGE:** Consumers are increasingly buying from companies that reduce their overall environmental impact. Sustainable packaging goes a long way in this regard, but recyclable materials can compromise quality and functionality. And developing in-house technology to test and roll out this packaging can slow down production.
- **RESPONSE:** Companies are engaging external suppliers to hit sustainability targets for reducing plastic and nonrenewable materials. These suppliers have established pipelines for sourcing materials, as well as the flexibility to continually evaluate the environmental impact of new packaging resins, colorants and additives.

6. Shifting Suppliers & Ingredients to Meet Federal Policies

- **CHALLENGE:** Consumers are clamoring for healthier products with their votes as much as their pocketbooks. This has led to a raft of state and federal policies. The most notable of these is President Trump's "Make America Healthy Again" (MAHA) initiative, which focuses on improving U.S. food safety by phasing out synthetic dyes and other additives. As a result, food additives and packaging will likely be scrutinized, potentially leading to product changes and enhanced labeling.
- **RESPONSE:** To comply with MAHA standards, many companies are partnering with specialized ingredient suppliers to remove artificial colors, flavors and preservatives from products and improve label transparency. But doing so comes at a cost. While some companies are absorbing the increased expense to stay competitive, others are passing it on to consumers.

For More Information

As consumer preferences change, CBRE's [Location Incentives Group](#) monitors site-selection trends and works with food & beverage companies to make informed location decisions. In turn, companies can reduce the cost of expansions, consolidations or relocations by negotiating and securing economic incentives.



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