WHITEPAPER · AGRI-FOOD

The future of food is uncertain. Is your strategy too?

Why agri-food companies should test their major investments against more than one 2035

A point of view by Iris Boom and Lara Koopman, Jester Strategy · November 2026

The factory that was exactly right for a world that no longer exists

Imagine it is 2035. Ten years ago, an internationally operating food producer invested heavily in new production capacity. The business case was sound: growing global demand, relatively open trade markets and an increasing need for efficient, large-scale production.

The world has developed differently. Trading blocs have drifted further apart. Raw materials are less predictably available. New technology has changed part of the production process, and consumers are choosing differently than was expected ten years earlier. The factory is technically excellent and the calculation was right at the time. It is only the assumptions that no longer hold.

The example is fictional; the dilemma is not. And it reaches beyond large food producers. For a plant breeder it is a variety programme that will only reach the market in ten to fifteen years, for climates and markets that nobody knows yet. A cooperative knows it as a new processing site, built on supply from members of whom some may well have stopped farming in ten years' time. For an ingredients supplier it is a factory on one continent for customers on another. The question is always the same: how do you make a choice today whose success depends on a future that nobody can predict?

The reflex is familiar: better forecasts, more market research, a sensitivity analysis with a high and a low variant. That makes a plan better substantiated. It does not make it more reliable. Because the risk lies somewhere other than where most boards look.

The risk lies in dependency, not in the forecast

Forecasts are useful. The OECD and the FAO expect global agricultural and fisheries production to grow by around 14% over the coming decade. They also expect around 22% of all calories consumed to be traded internationally.[1] Global food supply therefore remains highly dependent on trade. At the same time, the same institutions stress that geopolitical tensions, weather conditions, trade policy and economic developments can cause the actual outcome to differ considerably. The European Commission, too, aims in its *Vision for Agriculture and Food* for a resilient food chain with fewer critical import dependencies.[2]

A forecast that does not come true is not a problem in itself. It becomes a problem when the strategy depends on it entirely. That is the distinction this paper is about: **predicting is not the same as preparing.** A prediction asks which future is most likely. Preparing asks which choices still stand if that future turns out differently.

Take a producer that expects demand for plant-based proteins to grow strongly over the next ten years, and therefore invests in specialised capacity and new product lines. If that demand grows more slowly, while animal proteins become cheaper and more sustainable through innovation, it is left with a factory that came too early. The reverse is also possible: whoever invests too little loses market share if the transition accelerates. In both cases the choice itself is defensible. It only becomes vulnerable when it has been tested against just one picture of the future.

Three dilemmas towards 2035

Some developments in the food chain are easy to foresee. Others could go several ways, and it is precisely those that make an investment decision difficult. For agri-food, three stand out.

1. Does global scale remain the advantage, or does regional presence become decisive?

For decades, food chains grew around scale, specialisation and world trade. Raw materials are grown where that is most efficient, processed where knowledge and capacity are located, and sold where demand is greatest. That logic is under pressure. In the *World Trade Report 2026*, the WTO describes how countries increasingly view international dependencies through the lens of economic and national security.[3] For an ingredients supplier, regional security

of supply may then carry more weight than global scale. A cooperative may see new sales markets emerge, while familiar export flows come under pressure.

The strategic question: do we keep investing in global economies of scale, or does it become more important to organise production and sales regionally?

2. Where will food production still be profitable in 2035?

In 2024 the European Environment Agency concluded that some of the climate risks to food supply, water and ecosystems in Europe have already reached a critical level.[4] The open question is what that means for the geography of production. Will current production regions remain competitive thanks to innovation and adaptation, or will production shift to areas where water, energy and growing conditions are in better shape? A plant breeder choosing today which climate zones a programme should target is already making that decision. So is a grower or processor investing in a fixed location.

The strategic question: this is about more than climate adaptation. It is about where future production capacity should be located.

3. Which technologies and market shifts will break through, and how fast?

The direction of many changes is clear; the pace is not. How quickly will AI, robotics, new breeding techniques and precision agriculture take hold, and will society accept them? How fast will the protein transition go? Will sustainability become a condition for market access, or remain a cost the customer will not pay for? The OECD-FAO expects rising incomes in middle-income countries to drive demand for meat, dairy and fish, while health, price and sustainability pull in the other direction in other markets.[1] For a dairy cooperative, an ingredients company or a plant breeder, it makes a big difference whether such a shift takes five years or fifteen.

The strategic question: whoever invests in new capacity today has to decide which technology is promising, and how much flexibility is needed if the transition runs faster or slower.

These three do not develop independently of one another. Geopolitics affects access to technology, climate affects the availability of raw materials, and new technology can make regional production profitable after all. The greatest risks arise where they reinforce each other. That is why there is little point in analysing them separately.

Why the sector still plans for a single future

Most executives in agri-food know very well that the world is uncertain. Ask them about the biggest risks and they will name trade, climate and the protein transition without hesitation. Yet when the next major investment comes up, once again there is a single business case on the table, with a single expected future. That has three causes that we encounter again and again.

1. The investment decision asks for a single number

An investment committee wants a net present value, a payback period and a base case. Sensitivity analyses vary the numbers: the price ten per cent higher, the volume ten per cent lower. The world in which those numbers apply stays the same. The familiar moment is the supervisory board member who asks what happens if things go wrong, and gets a table with a lower volume in reply. A factory in a world of regional trading blocs is something different from the same factory with a lower selling price.

2. The sector is used to fluctuations, not to ruptures

Harvests fluctuate, commodity prices move and preferences change. Agri-food has developed good instruments for this: contracts, hedging, inventory policy. They work for volatility around a known average. A structural shift in trade flows or production areas is a different kind of uncertainty, and calls for a different instrument.

3. The asset outlives the plan

A factory, a breeding programme or a supply chain partnership lasts twenty to thirty years. The strategic plan that justifies the investment usually looks three to five years ahead. Cooperatives face an extra factor: an investment has to be explainable to members who run their own businesses on a shorter horizon. So a long-term decision ends up being tested against the world of the short term.

> *A good strategy does not have to be the best in every future. But it does have to hold up in more than one.*

The factory in four worlds

Back to the factory from the opening. Suppose an international food producer is running up against the limits of its capacity and has three investments on the table. All three are financially sound and strategically defensible:

- **A. Scaling up:** one large, efficient production site for international markets.

- **B. Regional spread:** several sites, closer to raw materials and customers.
- **C. Flexible production:** modular capacity that can be adapted relatively easily to other raw materials, products and demand.

In a traditional business case, the investment with the highest expected return will probably win. The question that matters here is which investment keeps creating value if the world develops in a fundamentally different way. To answer it, we set each option against four plausible worlds, built from the first two dilemmas: how open trade remains, and how predictable the supply of raw materials is.

- **Open and stable:** trade remains open and harvests and commodity prices are reasonably predictable. This is the world most business cases calculate in.
- **Open but erratic:** trade remains open, but climate extremes make supply and prices structurally unpredictable.
- **Blocs and stable:** trading blocs drift apart, with tariffs and export restrictions, while supply within each bloc remains predictable.
- **Every man for himself:** trading blocs close off and supply is erratic. Whoever has a shortage can no longer source it elsewhere.

For each world the question is simple: does this option hold up here?

Option	Open and stable	Open but erratic	Blocs and stable	Every man for himself
A. Scaling up	**Strong:** maximum economies of scale	**Moderate:** one site, dependent on one supply line	**Weak:** exports get stuck at borders	**Weak:** no fallback for supply or sales
B. Regional spread	**Moderate:** higher costs due to fragmentation	**Fair:** risk spread across regions	**Strong:** producing within each bloc	**Fair:** locally present, but each region vulnerable to crop failure
C. Flexible production	**Fair:** fewer economies of scale	**Strong:** switches with the raw material	**Fair:** adaptable to regional demand	**Strong:** works with what is available locally

Illustrative. A real assessment requires an analysis of costs, markets, locations and risks per world.

From scenarios to strategic choices

Then something stands out. Scaling up is the best option in exactly one world, and that is the world in which the business case usually calculates. If that world materialises, it may be an excellent choice. If it does not, the result is a factory built for a single future. Regional spread is attractive mainly if trading blocs close off. Flexible production holds up reasonably to well in all four worlds. That makes it a relatively robust option, although it probably comes with a higher investment.

Making those differences visible is step one. The value arises when you translate them into choices. Which investments are sensible, however the future develops? Which only become attractive if certain developments take hold? And which options do you want to keep open deliberately?

For the food producer, investing in flexible capacity may be the robust choice. Further regional spread is then a conditional choice, which becomes more attractive as trade restrictions increase. And by already exploring cooperation with regional production partners, the producer keeps that route open without investing large sums straight away.

So the outcome need not be that one of the three options wins. It is precisely the combination that often produces a stronger strategy: invest in flexibility now, prepare regional options and make further scaling up dependent on how international markets develop. For a plant breeder, the same reasoning looks like a core of robust varieties, supplemented by smaller programmes for climate zones that will only become interesting later. For a cooperative, it may mean building a new site modularly, so that it can adapt to a smaller or different supply.

This changes the conversation in the boardroom. Alongside the question of which investment delivers the highest return in the base case, three others arise: which choices hold up in several futures, which risks do we accept deliberately, and which options do we want to keep open?

Three choices that make the difference

Robust does not mean risk-free. Nor does it mean postponing investments endlessly or betting on everything at once. It means that the board deals with uncertainty deliberately. Three choices make the difference.

The first choice is to make the assumptions underneath every major investment explicit. Almost every business case tacitly calculates in a single world, usually one of open trade and stable supply. Write down which world the case calculates in and what happens in the other three. That takes an afternoon. It produces a conversation that would otherwise only take place five years after the decision, when the assumptions are already outdated. For a cooperative, that conversation also belongs in the proposal to the members' council, so that members know which future they are agreeing to.

The second choice is to link next steps to signals chosen in advance. Being agile does not mean reacting to every development. It means knowing which developments matter. Think of changes in trade policy, structural shifts in the availability of a raw material, or the commercial breakthrough of a production technique. An organisation preparing an investment in a new region can link the final decision to market access, customer demand and the availability of critical raw materials. So the decision is not postponed. You agree in advance under which conditions you will press ahead.

The third choice is to give recalibration a fixed place in how the organisation is managed. Many organisations work on a strategy for months and then look at it once a year. If the environment changes faster, the strategic conversation needs to happen more often, without producing a new strategy each time. Every quarter or half-year you test whether the key assumptions still hold, which signals are moving and whether priorities need to shift. This is the hardest part, because it requires ownership from someone in the organisation. In practice it works best when it is built into reports that already exist, such as the risk report or the half-yearly review.

Three questions for the boardroom

One: which assumptions about 2035 underlie our largest current investment, and who has ever said them out loud? Often they are not written down anywhere, because they seemed self-evident when the business case was made.

Two: if trade organises itself regionally or a key raw material becomes structurally scarce, which of our investments become vulnerable? The answer is rarely reassuring, and that is precisely why it is worth the effort.

Three: which signals would give us reason to recalibrate our course, and have we agreed on that in advance? In most organisations, course corrections only happen once the consequences are already in the figures.

Whoever has answered these three questions sharply will see that uncertainty is no reason to postpone decisions. It is a reason to make them differently: with explicit assumptions, with options that are deliberately kept open and with moments agreed in advance to adjust course. Agri-food organisations rarely become successful because they predict the future better than others. They become successful because they are better prepared for what that future may bring. And that starts with asking which future your current strategy tacitly assumes.

Sources

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[4] European Environment Agency (11 March 2024). European Climate Risk Assessment. https://www.eea.europa.eu/en/analysis/publications/european-climate-risk-assessment/

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This whitepaper is based on practical experience with scenario planning and strategy development in the agri-food sector, in the Netherlands and Australia, and on the public sources cited. The market expectations are forecasts, not established developments. The investment example is illustrative. The views presented are those of the authors, not of individual clients.