

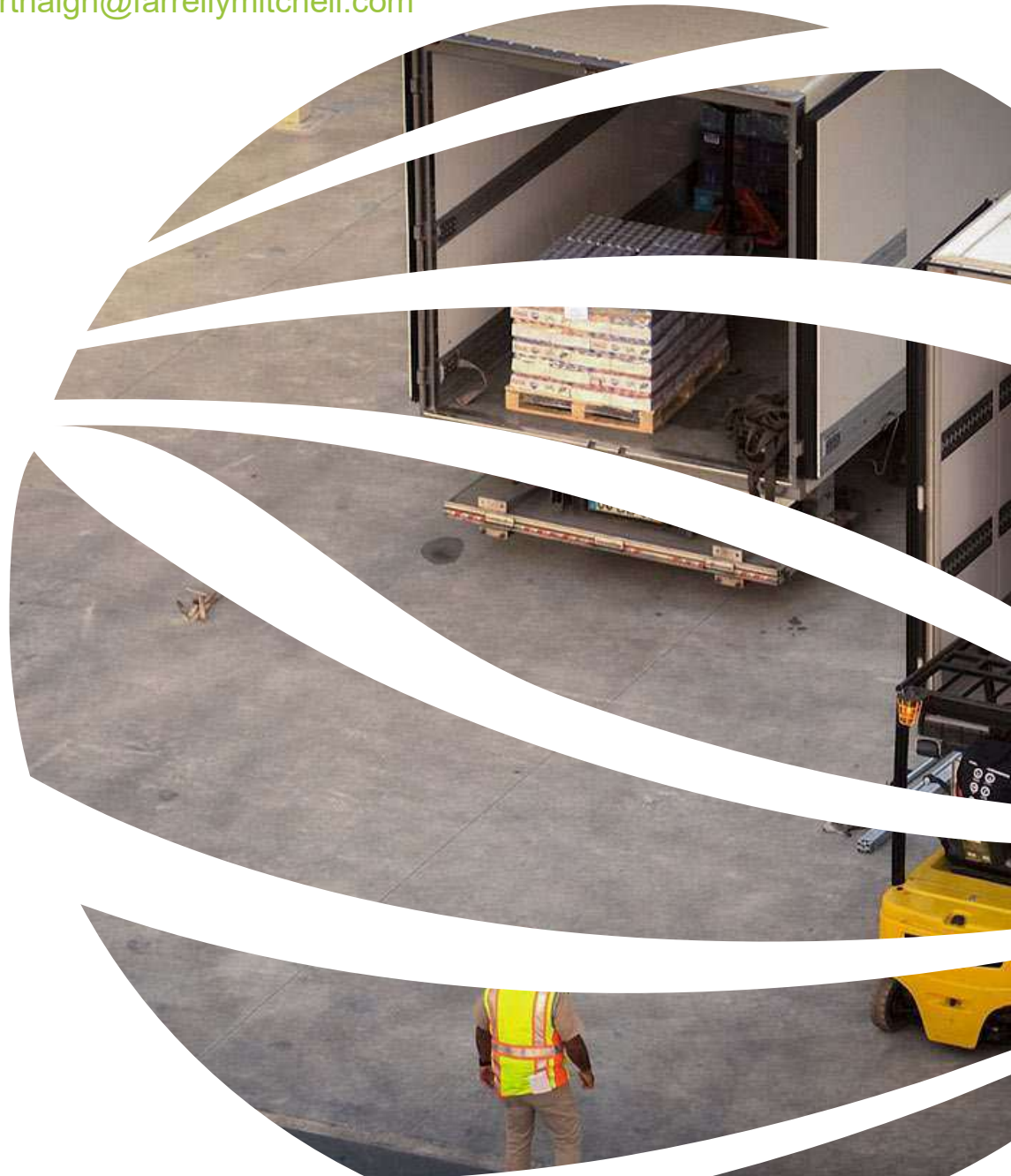


Agtech and food tech revolutionize food distribution trends



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Introduction

To optimize the commercial value of food products, it is essential to extend their shelf life, and for this purpose, transport and storage infrastructure should be optimized based on the latest food distribution trends, food tech, and agtech. It's worth noting that food products start to decay right after they are harvested or slaughtered.

Local food distribution trends

With strict food standards and the rapid spread of news across the internet, food poisoning cases cannot go unnoticed. As a result, public awareness has shifted the focus towards the storage and transport of food products, highlighting the need for innovative food distribution trends, including the use of agtech and food tech.

A new food distribution model has emerged, driven by consumer demand for locally sourced products. Local and regional food hubs have become a popular solution, connecting small and large producers with nearby markets through collection centres that leverage agtech and food tech to aggregate, process, package, and distribute fresh products. This new model could be both beneficial and detrimental to the development of our food system in the upcoming years.

Food distribution as the critical Link

Food distribution is not only a critical link in the supply chain but also the primary feature of how food hubs operate.

Large or small, distributors employ common practices - planning routes based on an analysis of the cost per run, finding partners to ensure trucks are fully loaded, and managing existing routes efficiently as a priority.

The horse meat crisis of 2013 was a trigger for a growing concerted effort by the industry to simplify supply chains where possible.

As distributors scale up their fleet and warehouse capacity, agreements with suppliers and buyers adhere to more formal standards. Investments in food tech, agtech and physical infrastructure play bigger roles in streamlining operations.

Increased Globalisation

Cold chain logistics offering end-to-end refrigerated storage and transportation solutions for temperature-sensitive consumables are critical to the success of food businesses. However, modern challenges facing the food industry regarding distribution surpass the traditional problems of handling perishable goods.

The increased globalisation giving local markets access to all types of seasonal and unseasonal products, as well as strict compliance standards, has turned the food chain into a complex system.

There is a growing awareness of the importance and complexity of assurance in food supply networks. The horse meat crisis in 2013 was the trigger for a concerted effort by the industry to simplify supply chains where possible.

Undoubtedly, agtech innovations such as investing in new trucks or warehouse space, or moving to a better location, can help reduce operational costs for agribusinesses. However, it's equally important to develop a core competency in logistics or transportation management, leveraging agtech to schedule runs and track orders, build upon established routes, and monitor the cost per run.

Conclusion

Reducing the cost of transportation and logistics is an important parameter but less significant than maintaining the right mix of high-quality products at sufficient volumes.

The logistics-related improvement includes creating a shared distribution centre to serve multiple food hubs in large cities where possible. The logistics services in local systems are fragmented and inefficient, compromising the competence of local food producers. Introducing and implementing logistics-related coordination and integration in local food systems improves the sustainability of local food systems.



Consulting services for agribusinesses

At [Farrelly & Mitchell](#), we understand the impact of global events on each region and part of the food system. We work closely with our clients to implement bespoke [foodtech and agtech strategies](#) on complex issues such as food distribution to help them to mitigate challenges and prosper.

Our expert [agribusiness consultants](#) can unlock regional knowledge and share global insights to find workable solutions for any agribusiness project.



Expert in this Insight

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