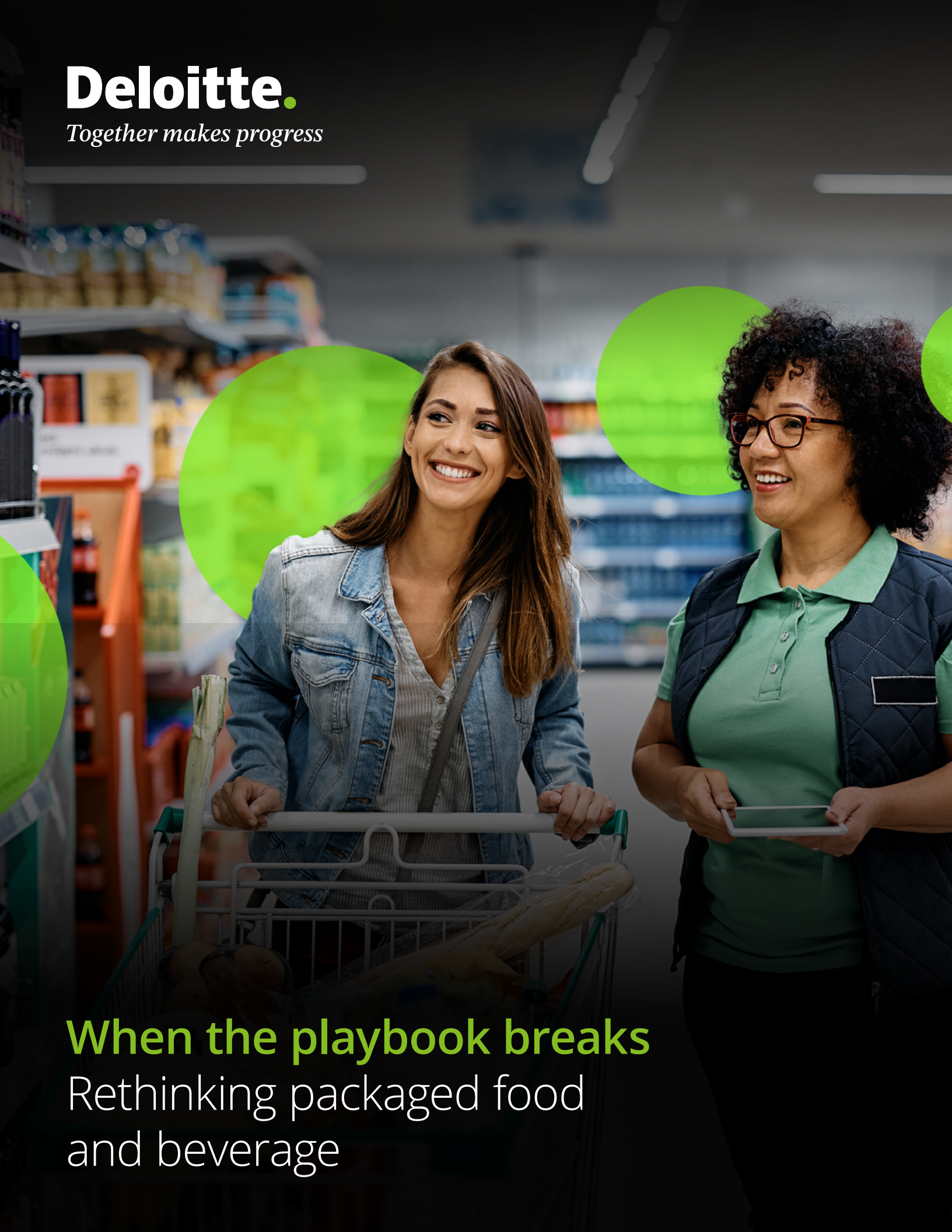


A woman with long brown hair, wearing a denim jacket over a grey shirt, is pushing a shopping cart in a grocery store aisle. She is smiling and looking towards a store employee. The employee, a woman with curly dark hair and glasses, is wearing a green polo shirt and a dark vest, and is holding a tablet. The background shows shelves stocked with various products. There are several large green circles overlaid on the image, partially obscuring the background and the people.

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Together makes progress

When the playbook breaks

Rethinking packaged food
and beverage

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Challenging long-held assumptions

The demand profile of packaged food and beverage is shifting in ways that legacy companies weren't built to absorb. A rapidly growing number of US adults now use GLP-1 medications, with pharmacy tracking services reporting millions of active users—creating a big shift in how Americans are eating.¹ Ninety-three state-level legislative bills targeting food additives, artificial dyes, and ultra-processed ingredients were introduced across the United States by mid-2025, representing a regulatory posture toward packaged food portfolios that has no modern precedent.²

Private label crossed \$330 billion in annual US sales in 2025, claiming 24% of value share in a market where branded incumbents had long assumed structural protection³ and small “disrupter” brands are now driving most of the growth across the category. Consumers are simultaneously demanding cleaner ingredients, functional benefits, and lower prices, while increasingly discovering products through artificial intelligence (AI)-mediated channels that did not exist in the brand-building models incumbents have spent decades refining.

The supply side is under equal pressure. In April 2024, cocoa prices reached \$12,000 per metric ton, nearly five times the commodity's historical average of approximately \$2,500.⁴ Coffee arabica futures climbed to multi-decade highs in the same period following consecutive harvest shortfalls across major producing regions.⁵ Olive oil prices more than doubled from 2022 levels after drought-driven harvest failures in southern Europe.⁶ Trade and tariff rates have shifted across multiple trade corridors. Commodities that are currently declining (cocoa among them, as of this writing) sit within a less predictable market than the industry's cost model was calibrated for.

The global packaged food and beverage industry has operated on a durable set of assumptions for decades: that branded premiums are defensible against commodity alternatives, that volume can absorb cost increases through price, that innovation cycles measured in years are acceptable, and that scale leads to permanent competitive advantage. Each assumption is now under challenge simultaneously.

Deloitte's Future of the Consumer Industry research has tracked these shifts as they have unfolded, and the pattern that emerges from the subsector data is consistent: The consumer has changed faster than the industry that serves them, and the gap between the two is widening. Closing that gap, in the end, will require AI transformation, but not in the way companies usually think of. AI is reshaping the demand side, changing how consumers discover, evaluate, and purchase products. It is reshaping the supply side, shifting how companies sense, source, plan, and produce. And it is reshaping the operating model itself, impacting how the company is organized, where decision rights sit, how work is divided between humans and agents, and what talent profile is needed to compete. The companies that read AI narrowly as a marketing tool or a productivity boost will likely capture a small share of the available value. The companies that treat AI as a transformation that spans demand, supply, and the structure of the enterprise itself will likely set the trajectory of the category for the next decade.

The structural forces, industry issues, and strategic imperatives that follow are organized around that frame. They identify what has changed in the consumer environment, how those changes are shifting earnings and behavior, and how packaged food and beverage incumbents need to respond—in what they sell, how they source and operate, and how they organize themselves to do both at the pace required by today's market.



Six forces shaping the subsector

Deloitte's Future of the Consumer Industry research organizes the structural environment facing consumer companies into six forces: unprecedented consumer behavior, technology and innovation, economic and financial pressures, regulatory and policy shifts, competitive and market-structure change, and environmental and resource constraint. The same six lenses apply to packaged food and beverage. The table below maps how each force is bearing on the incumbent operating model in this category.

Force	Direction	Pressure magnitude	Subsector relevance
Unprecedented consumer behavior	Unfavorable	High	Health consciousness, GLP-1 adoption, protein mainstreaming, and shifting dietary preferences are simultaneously compressing volume in high-margin legacy categories and redirecting demand toward functional, better-for-you, and clean-label formats
Technology and innovation	Mixed	High	AI-powered demand sensing and generative engine optimization create durable capability advantages for early movers; agentic commerce threatens brand discovery at the moment of high e-commerce volume growth
Economic and financial pressures	Unfavorable	Very high	Simultaneous commodity cost dislocation, stronger inflation, and consumer price fatigue have compressed margins and foreclosed the pricing recovery mechanism incumbents have historically relied upon
Regulatory and policy shifts	Mixed	High	The US MAHA agenda, European ultra-processed food legislation, and EUDR enforcement create compounding regulatory complexity and portfolio reformulation pressure, but also present opportunity to build trust and transparency with consumers
Competitive and market-structure change	Unfavorable	High	Private label has crossed the quality parity threshold in category after category; challenger brands are capturing shelf space and consumer loyalty through speed and authenticity that incumbents cannot replicate through trade investment alone
Environmental and resource constraints	Mixed	High	Climate volatility is impacting key commodity supply bases that conventional hedging and single-source procurement may not be able to absorb; EUDR traceability requirements are accelerating the need for diversified, documented sourcing relationships across agricultural supply chains

Industry issues

The structural forces above are impacting earnings, retail data, and consumer behavior that deviate from historical norms at a pace the incumbent operating model was not designed to absorb. Six broad-based issues define the current-period pressure on packaged food and beverage incumbents.

Input cost volatility and supply uncertainty

The packaged food and beverage cost model was built for commodity cycles that moved within predictable historical ranges, managed through hedging, reformulation timing, and selective price increases. That environment is gone. The defining feature of today's input landscape is not the direction of commodity prices but the width of the volatility envelope: Cocoa traded across a fivefold range within 24 months.⁷ Coffee, olive oil, and orange juice have followed comparably nonlinear trajectories from separate climate- and supply-driven shocks.⁸

Shifting trade-corridor postures and tariff policy revisions have introduced uncertainty into input cost forecasting. Additionally, the US Department of Agriculture forecasts all food prices to rise 3.0% in 2026, with grocery store prices up 2.5%, following four years of cumulative food price increases.⁹

Major chocolate and confectionery manufacturers reported operating margin compression of more than 10 percentage points in a single fiscal year during the 2024 cocoa peak, driven by soaring cocoa costs and hedging expenses tied to extreme price volatility, with some recording net income declines of approximately 60%.¹⁰ For most incumbents, the hedging, sourcing, and pricing architectures in place were built for a narrower range of outcomes than the market is now producing.

Pricing fatigue and the end of the average consumer

Packaged food and beverage companies implemented cumulative price increases averaging 15% to 30% across major categories between 2021 and 2024, depending on category and geography.¹¹ The strategy initially succeeded as margin recovery outpaced consumer pushback. But consumer tolerance is showing signs of strain. According to Deloitte's 2026 Consumer Products Industry Global Outlook, 47% of global consumers report actively prioritizing value in food and beverage purchasing decisions,¹² and the behavior is not confined to lower-income households: 35% of high-income consumers report value-seeking behavior, meaning premium price points can no longer be insulated by demographic targeting alone.¹³

The deeper challenge is that the consumer base has bifurcated. The broad middle of the market that volume brands historically owned, which absorbed uniform pricing actions without segmenting, has compressed. Premium-seeking and value-seeking segments are growing at opposite ends, with no clear path to reconstruct the middle through portfolio repositioning alone.¹⁴ Affordability pressures are further amplified at the bottom of the income, where reduced purchasing power is concentrated in a household segment that represents disproportionate volume in value-tier packaged goods.¹⁵ Only approximately one-third of brands are successfully delivering value differentiation that consumers recognize and reward.¹⁶

The structural implication is that the era of uniform price increases applied across an undifferentiated consumer base is over. Pricing logic that treats income segments, channels, and occasions as interchangeable has become a source of competitive exposure. Companies still applying uniform pricing logic across categories, geographies, and consumer segments could be overpricing the middle and the bottom while underinvesting in the premium consumer's willingness to pay for genuine differentiation.

Shifting competitive pressure from private label and disrupter brands

The competitive forces facing incumbents have expanded simultaneously at both the value and premium ends of the spectrum. Private label in the United States crossed \$330 billion in annual sales in 2025, representing 24% of value share across grocery and mass retail channels.¹⁷ And the aggregate figure understates the category-level threat: in pantry staples, snacks, and health-oriented packaged formats, private-label quality has converged with branded products at meaningfully lower price points.¹⁸ The traditional brand premium narrative, built on advertising-supported quality perception, is no longer universally credible at the shelf.

At the same time, small "disrupter" brands are now driving the majority of net growth across food and beverage. Operating with leaner cost structures, faster product cycles, and digitally native consumer relationships, these challengers are capturing the share gains that incumbents' core brands once delivered, particularly in functional, protein-forward, and health-oriented categories. They are difficult to outspend, because the consumer trust they command is built on authenticity and product attributes rather than advertising weight. And they are difficult to out-iterate, because they operate without the stage-gate processes, regulatory review queues, and manufacturing complexity that extend incumbents' new product development (NPD) cycles to 18 to 36 months.

The result is a category being squeezed from both sides. Retailers have used private-label margin improvement to build supply chain sophistication, proprietary consumer data assets, and category management capability that reduces their dependence on branded support. According to Deloitte's 2026 Consumer Products Industry Global Outlook, 65% of consumer products executives surveyed expect private-label competition to intensify further over the next three years,¹⁹ and 79% expect the power balance at the shelf to shift further toward retailers.²⁰ Brands that cannot demonstrate a quality, functional, or social dimension that justifies their price premium are being delisted or re-merchandised against private label on one shelf and outflanked by disrupters on the next.

Portfolios misaligned with modern demand

The portfolios that built today's incumbents, including products such as sweetened beverages, breakfast cereals, processed snacks, and confection, are increasingly out of step with today's consumer reality. This misalignment plays out across three reinforcing vectors.

The first is regulatory. The Make America Healthy Again (MAHA) agenda has positioned ultra-processed food as a public health priority. Simultaneously, states are active on the issue, with more than 140 state-level legislative bills targeting food additives, artificial dyes, and preservatives introduced across 38 states in 2025, restrictions enacted in eight states, and further state laws enacted in 2026; federal regulatory scrutiny continues to intensify around (GRAS)-designated ingredients that have been in commercial use for decades; and class-action litigation alleging misleading health claims or undisclosed ingredients is rising.²¹ In Europe, multiple countries are advancing front-of-pack warning-label requirements for ultra-processed products,²² and the European Food Safety Authority (EFSA) is conducting accelerated reevaluation of dozens of commonly used additives.²³

The second vector is consumer preference. Independent of any regulatory action, consumers are reading labels, screening for clean ingredients, and rewarding products that deliver functional benefit across protein, fiber, gut health, cognitive support, sleep quality, and hydration, rather than products optimized for taste, shelf life, and cost alone. Protein has moved from a sports-nutrition niche into a cross-format mass-market expectation,²⁴ and the broader functional food and beverage market has grown to \$332 billion globally (with a projected 8.6% CAGR through 2030).²⁵

The third is retailer behavior. Retailers, increasingly reliant on private labels and disrupter brands to bring foot traffic and basket value, are reallocating shelf space toward products that match consumer preferences and away from products that face regulatory headwinds. The compounding effect is that incumbent portfolios face simultaneous reformulation pressure from regulators, reformulation demand from consumers, and reallocation pressure from retailers. Reformulation at category scale is expensive, technically complex, and slow relative to the pace at which the misalignment is widening. The specific catalyst—today protein, tomorrow the next “hot ingredient”—matters less than the underlying point: The portfolios most incumbents are operating were built for a consumer that no longer exists.

Structural headwinds to demand creation

For most of the modern era of packaged food and beverage, volume growth was a tailwind. A growing population ate more food. New occasions were created and monetized. Per capita consumption rose in major categories. None of those conditions can be assumed going forward, and the unwinding is being driven by three interconnected forces rather than any single cause.

The first is GLP-1 adoption. GLP-1 medications have moved from clinical treatment into mainstream consumer use, with pharmacy tracking data indicating that millions of US adults now use these medications.²⁶ And that share is projected to grow substantially over the next five years.²⁷ GLP-1 users eat measurably less volume and shift away from high-sugar, high-calorie, low-nutrient formats toward protein- and micronutrient-dense alternatives.²⁸ Even modest household-level GLP-1 penetration reshapes purchase behavior for non-users, as pantry management, occasion structures, and meal composition adapt across the whole household.²⁹

The second is demographics. The population growth that historically provided incremental category volume is slowing across most developed markets, and the age distribution is shifting toward cohorts that eat less and eat differently. The tailwind that masked share losses for decades is no longer present at the category level.

The third is consumer behavior. Health-conscious consumers across age cohorts are actively reducing the frequency of high-calorie consumption occasions and shifting away from the formats that built volume brands.³⁰

The potential risk is asymmetric and category-specific. Categories optimized for volume, frequency, and indulgence are in the direct path of all three forces at once. Protein-forward, functional, portion-controlled, and better-for-you formats are where demand is landing and volume is shifting. Companies whose portfolios are concentrated in the former face compounding pressure; companies positioned in the latter have the advantage of facing a tailwind in an otherwise difficult market.

Agentic commerce and the disintermediation of brand discovery

The mechanism by which consumers discover and choose packaged food and beverage products is migrating to AI-mediated channels at a pace that traditional brand-building was not designed to address. Referrals to retail sites from Generative AI (GenAI) sources have grown from negligible to a meaningful share of inbound traffic in under two years.³¹ A 2025 eMarketer and Amazon Ads survey found that nearly a third of US food shoppers are already willing to let AI auto-reorder staple grocery items.³²

The structural implication is disintermediation. When an agent buys groceries on a consumer's behalf, the agent evaluates products by structured attribute data, recommendation algorithm weighting, and retailer-defined criteria rather than by shelf prominence, packaging design, or the brand equity that decades of advertising investment built. A brand that wins in a linear retail environment can lose in an algorithmic one if its product data architecture, retailer technology relationships, and AI-readable content do not meet the requirements of recommendation systems evaluating thousands of product attributes simultaneously. Only 31% of consumer products companies report having a clear strategy for reaching consumers who use GenAI,³³ which means the rules of the algorithmic shelf are being written while most incumbents are still primarily optimizing for the physical one.



Strategic imperatives

The issues above define the pressure. The strategic imperatives below define the direction of response. They are not sequential priorities. They are parallel demands: Companies that address only one or two while deferring the others will find that the unaddressed forces compound into structural disadvantage that becomes progressively more expensive to address.

1. Make speed the portfolio strategy

The dominant imperative is not to restructure the portfolio around any single ingredient or movement that happens to be dominating in this moment. Protein may or may not be the lead consumer demand signal six months from now; GLP-1 effects may compound faster than projected or plateau sooner; the next functional benefit, whether cognitive support, sleep quality, or microbiome health, may overtake them all. What incumbents need is not a better fixed point, but the capability to respond to a moving one.

That capability has three components. The first is an R&D engine that operates at the pace consumers and regulators are setting, not the pace internal processes were built around. AI-accelerated NPD, applied to consumer insight synthesis, ingredient compatibility analysis, formulation optimization, and regulatory claims testing, is beginning to compress development cycles, with early adopters reporting meaningfully shorter timelines based on case-study evidence.³⁴ The second is a more flexible manufacturing footprint that can swap ingredients, formats, and pack sizes without rebuilding lines from scratch. A make-versus-buy posture that uses contract manufacturing, modular automation, and partner networks where speed matters more than asset ownership.

The third is a hybrid portfolio strategy that combines internal reformulation with acquisition of, or partnerships with, native disrupter brands in categories where consumer trust cannot be built from a standing start. This can also include partnerships with ingredient innovators, biotech firms, and food-technology platforms for capability access. Approximately 60% of large consumer products companies already report outsourcing or partnering for functions they previously owned internally.³⁵

Today's applications of this capability are visible in protein, functional ingredients, better-for-you formats, and GLP-1-aligned products. Protein has moved from sports-nutrition niche into mass-market expectation,³⁶ and acquisition activity in functional and health-aligned brands has accelerated from both category incumbents and adjacent health-and-wellness players.³⁷ These are illustrative of where to deploy the capability today. The underlying point is the capability itself: an organization that can create a responsive product portfolio and identify, formulate, and bring to market the next consumer-relevant product faster than its competitors.

2. Price to the individual, not the average

The pricing era has closed. The de-averaging era has opened. Revenue growth management is a fundamentally different discipline from headline price management: It operates at the level of pack-price architecture, channel-specific format strategy, occasion-specific positioning, and consumer-segment-specific elasticity, rather than at the level of uniform list-price increases applied across categories and geographies.

De-averaging requires disaggregating the portfolio along multiple axes at once. Premium tiers with genuine functional differentiation or strong brand equity can sustain value-based pricing even as broader consumer austerity continues. Mid-tier categories facing private-label quality convergence require pack-price innovation that creates a credible value-to-quality ladder rather than a simple price discount. Entry-tier formats need to be cost-engineered to compete on pure economics without subsidizing the margin of premium tiers. Geographies, channels, and occasions need to be treated the same way: pricing that is precise to the situation rather than averaged across all of them.

The enabling capability is real-time demand sensing. Industry research suggests a meaningful and growing share of large food and beverage companies are projected to adopt AI-powered demand-sensing tools within the next five years, with early adopters reporting improvements in forecast accuracy.³⁸ That accuracy can translate into working capital efficiency, promotional ROI, and the ability to detect trade-down signals before they become entrenched.³⁹ Companies without it may be put in a position to manage a declining revenue base with instruments calibrated for a different environment, and doing so against competitors who can see consumer movements earlier, drawing on real-time signals from search behavior, digital shelf activity, and early basket data rather than waiting for syndicated data.

3. Own the algorithmic shelf before someone else does

The discovery channel for packaged food and beverage is migrating to AI-mediated environments at a pace that traditional brand-building was not designed to address. As established above, this shift in discovery channels is already measurable and accelerating. A brand that wins in a linear retail environment can lose in an algorithmic one if it does not adapt the underlying capability set.

Four actions to consider in order to define what to do about it. First, treat product data as a first-class asset: complete, structured, AI-readable attribute schemas across every SKU, every variant, every market, maintained with the same rigor that financial data is maintained, because recommendation algorithms evaluate products by attribute data rather than by brand equity. Second, build generative engine optimization as a discipline, with content and structured data designed specifically to perform within AI-powered recommendation and search systems, operated at the intersection of data engineering, content strategy, and retail technology partnership.⁴⁰

Third, build deep agentic commerce partnerships now: While the protocols and platform rules governing AI-mediated purchasing are still being written, incumbents who engage directly with the platforms to better understand those rules have outsized influence over how their products are surfaced and prioritized. Fourth, treat retail media as a performance discipline rather than a brand channel. Retail media is forecast to reach nearly \$70 billion in US spending in 2026,⁴¹ and companies without the data sophistication to measure and optimize ROI at the SKU and occasion level are paying for placements that do not convert. Fifth, reorganize the marketing operating model around the content velocity and targeting precision that retail media platforms and AI-assisted discovery channels require, moving from periodic agency-led campaigns to continuous internal content production.⁴²

Only 31% of consumer products companies report actively building capabilities to reach AI-assisted shoppers.⁴³ The window in which a credible incumbent can still take a position on the algorithmic shelf, rather than inherit one someone else designed, is open now and will not stay open.

4. Turn resilience into a revenue advantage

Supply chains were designed for cost optimization in a stable geopolitical and climate environment. But neither condition persists. Commodity price ranges have widened beyond historical hedging capacity, tariff regimes vary across multiple trade corridors,⁴⁴ climate disruption is producing nonlinear commodity supply events, and EU Deforestation Regulation (EUDR) enforcement beginning December 2026 for large and medium operators (June 2027 for small and micro enterprises) adds a documented traceability requirement on top of all of it.⁴⁵

Resilience architecture requires three parallel investment tracks: geographic diversification of sourcing across risk regions to reduce concentration exposure; direct or near-direct agricultural relationships that enable climate adaptation support and traceability documentation at the point of production; and predictive scenario modeling that translates risk signals into sourcing decisions before disruption is visible in the market. EUDR compliance is one application of this architecture, not the whole of it. The same investments that enable plot-level traceability also enable faster tariff repositioning and earlier climate-driven sourcing shifts.⁴⁶

What converts resilience from a defensive cost into a strategic advantage is that, in a world of intensifying volatility, the ability to keep shelves stocked, deliver on commitments to retailers, and reformulate against ingredient disruption ahead of competitors becomes itself a source of differentiation—with consumers, with retailers, and increasingly with the AI agents that mediate purchasing decisions and reward fulfillment reliability. Large CPGs, with the scale of absorbing the up-front investment in diversification and traceability infrastructure, are structurally better positioned to capitalize on this than smaller competitors who may struggle to absorb the same cost base. The strategic prize for incumbents who move first is not the avoidance of disruption. Disruption will likely be widespread. The prize is being a resilient supplier in a category where many others may not be.

5. Rightsize the cost structure for the business you have

If volume tailwinds are gone and pricing recovery is exhausted, the math of margin defense changes. Cost has to do work that price and volume cannot. For most incumbents, that means structurally reengineering the cost base. This is not the periodic productivity programs that have absorbed the last two decades of organizational attention, but a more fundamental reexamination of asset footprint, capacity utilization, fixed-cost layering, and make-versus-buy assumptions.

Manufacturing automation through advanced robotics and AI-driven process optimization is reducing unit production costs and improving quality consistency at rates beginning to influence decisions about geographic manufacturing footprint and make-versus-buy economics.⁴⁷ Capacity utilization, declining in many categories as volume erodes, is becoming the dominant driver of category-level profitability and warrants direct attention rather than absorption into broader productivity targets.⁴⁸ Network design (how many plants, where they sit, what they produce, and what is outsourced to contract manufacturers or co-manufacturing partners) was set against a volume base that no longer holds. Re-optimizing it requires accepting near-term restructuring cost in exchange for a fixed cost base that matches the volume environment incumbents face. A further lever is selectively outsourcing non-differentiating capabilities and processes, allowing companies to concentrate investment in core competencies like consumer insights, brand, and retailer relationships, while specialized partners apply the scale and automation investment required to run lower-value functions efficiently.

Companies that defer this work are paying for capacity or capabilities that are not used, with overhead that is not productive, in pursuit of a volume recovery that is unlikely to come. Companies that take it on early tend to have a cost structure that can absorb continued volume softness without forcing pricing actions that further erode demand, and that frees up the capital to invest in the demand-side imperatives that generate growth.

6. Rebuild the operating model around AI

The first five imperatives above are visible, external-facing strategic moves. The sixth is internal, and it is the one that determines whether the others can be executed at the pace the environment requires. Packaged food and beverage incumbents were structured for a different era. Deep functional silos, sequential decision rights, periodic planning cycles, multi-year capital plans, and centralized commercial calendars built around quarterly retailer reviews defined the model. None of that fits a market where consumer behavior changes weekly, commodity prices move daily, and discovery is mediated by algorithms that re-rank in real time. The shift required is not a productivity program. It is a redesign of how the company is organized, where decisions are made, and how work is divided between humans and machines.

Embed AI across every enterprise function, not just the front office

The discussion of AI in consumer companies has often concentrated on demand-side applications, personalization, retail media, content generation, and agentic commerce. Those matter, but they represent a smaller share of the value available. The larger share sits in the supply and operating side, where AI agents can be embedded into workflows that have historically required large teams of analysts and planners.

- **R&D:** Agents accelerate consumer insight synthesis, ingredient compatibility analysis, formulation optimization, and regulatory claims testing.⁴⁹
- **Supply chain:** Agents handle demand sensing, tariff scenario modeling, climate-risk monitoring, supplier traceability documentation, and continuous replanning against disruption signals.
- **Manufacturing:** AI-driven process optimization runs lines closer to design capacity, predicts maintenance windows, and adjusts product mix to current input cost realities.
- **Finance and revenue growth management:** Agents run pack-price elasticity modeling and promotional ROI optimization at a granularity and cadence humans cannot match.
- **Regulatory affairs:** Agents monitor a fragmenting global rule set in real time.
- **HR and procurement:** Agents handle the high-volume transactional and analytical work that has historically required large shared-service operations.

The integration target is not pilots in a few functions. It is AI as a default layer across every workflow where the value of speed, accuracy, or scale exceeds the cost of governing the agent.

Reset organizational design with flatter structures, broader spans, and fewer layers

When agents absorb routine analysis and coordination, the organizational architecture built to do that work often becomes a complexity rather than a source of value. Most incumbents carry many management layers between the CEO and the front line; many of those layers exist to aggregate, summarize, and pass information upward, which is precisely one of the benefits of AI now. Reducing layers and widening spans of control to 12 to 15 at most management tiers is a near-term consequence of AI adoption that incumbents need to anticipate and build toward, rather than stumble into reactively.

Decision rights need to move with the structural change: pricing decisions to RGM teams operating with real-time elasticity data, sourcing decisions to supply teams operating with live risk signals, formulation decisions to category R&D teams operating with rapid iteration tools, rather than escalating each through sequential committee review. The functional silo, finally, has to give way to small, cross-functional, AI-augmented teams that own end-to-end outcomes rather than functional metrics. The potential result is a company that can decide and execute on a weekly cadence rather than a quarterly one.

Create a leaner, higher-skilled workforce built for an AI-augmented enterprise

The workforce implications follow from the structural ones. The skill mix required to run a packaged food and beverage company is shifting.

This shift will result in growing demand for roles built around judgment, relationship-building, ingredient science, supply chain risk management, data engineering, AI governance, and consumer-facing creativity.

Competition for the latter profiles is direct and intensifying, particularly against technology companies, retailers, and digitally native challenger brands.⁵⁰ In order to attract modern talent, incumbents will need to a credible AI-augmented working environment, modern tools, and a structure that allows them to do meaningful work rather than feed an internal reporting cycle. That makes change management, leadership development, reskilling at scale, and the redesign of the employee value proposition core to the AI agenda rather than adjacent to it. Incumbents that treat workforce transformation as an HR exercise will lose to those treating it as part of the operating model.

The companies that get this right do not start by adopting a “cookie-cutter,” off-the-shelf AI operating model. They arrive with a credible portfolio of changes, specific functions where agents are embedded, specific layers and spans being reset, specific talent profiles being recruited and reskilled, and a leadership posture that treats the operating model itself as the strategic asset under reconstruction. Incumbents that treat AI as an IT program are likely to only get productivity gains and a small share of the available value. Those that treat the operating model as the object of transformation, and AI, talent, organization design, decision rights, and capital allocation as the levers of that transformation, will likely be the ones positioned to execute all five preceding imperatives at the speed the environment requires. The trajectory of the next decade for packaged food and beverage will be set, in large part, by which incumbents make that distinction soon enough to act on it.



Questions for industry leaders

- Is the portfolio reformulation roadmap advancing at the pace that regulators and consumers are demanding, or is it calibrated to the organizational pace that internal R&D capacity finds manageable?
- Does the revenue growth management capability operate at the category tier level with real-time demand sensing, or is it applying quarterly pricing decisions to a market shifting weekly?
- Are the manufacturing footprint, capacity utilization, and fixed cost base sized for the volume environment incumbents actually face, or for the volume environment they wish they faced?
- Is the agricultural supply chain resilience architecture built to absorb a second or third commodity dislocation of the magnitude seen in cocoa, or is it still calibrated for historical volatility ranges?
- Are the resources deployed against agentic commerce matched by the data sophistication required to generate defensibility, differentiation, and positive ROI?
- Is the operating model being redesigned around AI-augmented work, flatter structures, and parallel execution, or is AI being layered on top of legacy processes and reporting lines as an IT program?



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About this research

This perspective draws on Deloitte's proprietary Future of the Consumer Industry research for the global packaged food and beverage subsector, synthesizing outputs from the Industry Issue Engine, Strategic Imperative Engine, and Consumer Behavior Engine analyses, and applying Deloitte's Future of Consumer Six Forces framework to the subsector context. The perspective covers both the demand-side shifts reshaping the consumer and the supply-side and operating-model implications for how packaged food and beverage companies must be structured to compete. Analytical frameworks incorporate Deloitte Insights research including the 2026 Consumer Products Industry Global Outlook and published industry and consumer data. This is a thought leadership perspective intended to illuminate structural forces and strategic directions; it does not constitute specific investment, financial, or operational advice.





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