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DIVE BRIEF

7 in 10 food and beverage execs anticipate revenues rising in 2023: survey

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Dive Brief:

- Despite continuing inflation and supply chain bottlenecks, seven in 10 food and beverage executives expect their revenues to increase in 2023, according to a recent survey from accounting firm **Marcum LLP.**
- Product expansion and innovation is top of mind for executives, with 72% indicating it is their main business strategy going forward, the survey found.
- The economic outlook of C-suite executives will drive decisions at food companies this year, from employment to new product launches to M&A.

Dive Insight:

Food and beverage companies will be forced to make strategic operational decisions this year. But despite economists predicting a tough year ahead, with supply chain issues continuing and inflation impacting consumer behavior, a majority of executives interviewed by Marcum signaled optimism and opportunity for 2023.

According to the firm, there are signs of an industry in growth mode. The survey found more than 70% of executives said revenues were up last year, compared to 2021.

“There are nuances and issues for every subsector of the industry,” Marcum’s National Food & Beverage Leader Louis Biscotti said in a press release about the report.

“Companies must take advantage of every available tool to drive growth and capitalize on market opportunities, and this requires an integrated approach with customers, suppliers, and employees.”

Food and beverage CPG companies have been working to optimize their profits through a difficult economy since last year. Over the summer, as some economic forecasters began predicting the possibility of a recession, several companies outlined strategies they planned to enact to remain profitable. These included McCormick making calculated pricing decisions for its at-home cooking products, as well as Kraft Heinz testing smaller packages for its Kraft Singles and Mac & Cheese products. Danone’s

North American CEO Shane Grant said the company is poised to benefit from a fraught economic situation, when consumers may prioritize products like coffee creamers and yogurts.

Some of the challenges survey takers said they are anticipating this year include inflation, securing skilled labor, managing supply chain relationships and the continued impact of the pandemic.

Following tens of thousands of layoffs in sectors like technology and media over the past year, CPG companies may have to contend with decisions about the size of their own workforce this year. The executives surveyed by Marcum indicated confidence, with 58% saying they will increase wages to attract and retain employees. But less than half (46%) said they project the size of their workforce to grow in 2023.

Several CPGs have already restructured their workplaces ahead of further potential economic woes. In November, Coca-Cola announced a voluntary buyout system for its North American workforce. Ingredients giant IFF announced a round of job cuts in December.