

The food revolution

Longer Term Investments (LTI)

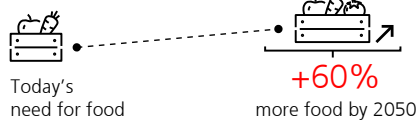
With dwindling available resources and arable land, farmers are facing a predicament: How can they feed a growing and urbanizing population without further harming the planet? Technology holds the key, and investment opportunities are opening as a result.



Projections and opportunities

Demographic trends

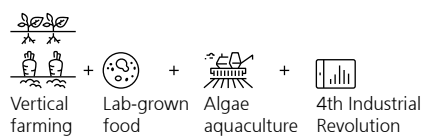
According to estimates compiled by the UN Food and Agriculture Organization, by 2050 we will need to produce 60% more food to feed a world population of 9.3 billion.



Source: UN Food and Agriculture Organization

Farming 4.0

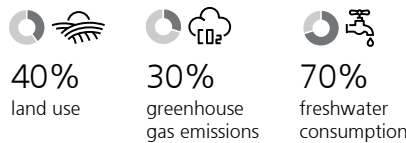
Vertical farming, lab-grown food, algae aquaculture, and the components of the Fourth Industrial Revolution (big data, Internet of Things, artificial intelligence) can reduce crop input use, boost yields, and improve crop resilience to climate change.



Source: UBS

Sustainability

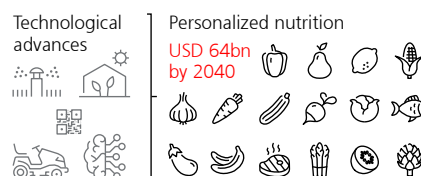
Food production globally accounts for 40% of land use, 30% of greenhouse gas emissions, and 70% of freshwater consumption.



Source: United Nations

Digital living and personalized nutrition

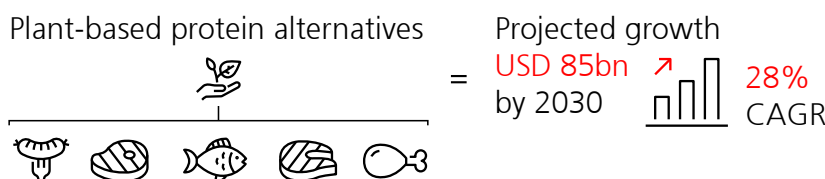
New technological advances and their proliferation across industries are gradually ushering in a new wave of food-related innovations in areas of personalized nutrition, which could be worth as much as USD 64bn by 2040.



Source: UBS

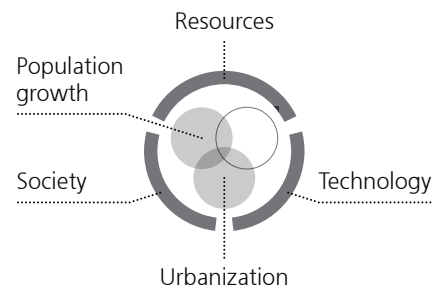
“Mindful eating”

Choosing brands and foods that come from sustainable sources is an important driver of shifting consumer preferences. Plant-based protein alternatives are expected to become a USD 85bn market by 2030, representing a 28% annual growth rate.



Source: Company reports, Bloomberg Intelligence, UBS estimates, as of June 2019

Food revolution investment properties



○ Influencer ⊗ Key drivers

Near-term drivers

- New infrastructure reshaping the supply chain
- Cost and environmental pressures driving need for sustainable productivity in agriculture
- Labor shortages in agriculture and meat processing
- Structural drivers from health and wellness

Sustainable investing

- SDG 2: Zero hunger

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