INNOVATIONS IN THE FOOD INDUSTRY

The divide between the tech and culinary worlds has long been glaring, with two communities speaking utterly different languages. But with that divide have also come currents of opportunity, and a palpable change has occurred in the last few years. New conferences, for instance—from Bon Appétit and BITE Silicon Valley, to the CIA’s reThink Food, presented in partnership with MIT Media Lab—are at least in part to thank for bridging the gap. Opportunities for dialogue such as these can contribute to greater understanding among leaders in both fields, and ultimately help drive innovation at the intersection of food and tech.

Startups hoping to “disrupt” the food and foodservice industries, as startups are wont to do in all industries they enter, are increasingly attracting attention and investment from venture capital and private-equity investors. Some specifically focus on health and sustainability. But almost all try to improve the bottom line. Doing so may, for example, allow more flexibility in a foodservice operation’s budget to buy higher quality foods, such as meat raised without antibiotics, which customers are increasingly demanding.

Food waste is a natural focus for several new companies because the numbers are staggering: An average of 10 to 12 percent of the food produced is wasted in high-volume foodservice. More than a billion tons of food is thrown away each year, more than enough to feed 868 million people. To help reduce waste, a variety of new apps and software services exist for tablets and smartphones—such as MenuPad, HubWorks, E la Carte, and Butter Systems offer digital ordering and payment products designed to boost restaurant check averages, limit wait times, and improve overall customer service. By substituting tablets for menus, chefs can offer detailed information about ingredients and cooking methods.

Luring investors to start-ups in agriculture has been a tougher sell. The sector is highly regulated and political, a turn-off to investors who are used to investing in sectors such as high-technology or pharmaceuticals. However, in the wake of a billion-dollar exit for the venture firms that invested in The Climate Corporation, acquired by Monsanto, this may be changing. Venture capital firms such as Khosla Ventures have added a number of ag-tech startups to their portfolios in the past year. And AgFunder is a new crowdfunding investment platform specifically for new technologies related to agriculture. Cases like these demonstrate to agricultural entrepreneurs, and perhaps more important, to their funders, that there is money to be made in the sector.

Another sign of progress on this front is investment by research universities in innovative, integrated initiatives related to agriculture and food systems change. The University of California, Davis, announced last fall the launch of a new Innovation Institute for Food and Health. It is designed with the intention of delivering high-impact, “Silicon Valley-type breakthroughs in food, agriculture, and health,” as its press release states. The institute is backed for the next 10 years with at least $40 million from Mars, Incorporated, and $20 million from UC Davis, namely through its World Food Center. Also this past fall, the deans of Harvard University’s Law School and T.H. Chan School of Public Health announced campus-wide challenges to students to submit novel ideas for addressing the complex challenges of the current food system. The emphasis is on interdisciplinary team project proposals, vying for a $50,000 grand prize.

Finally, The Culinary Institute of America recently launched the Food Business School (FBS), the college’s new center for graduate and executive education, which aims to accelerate innovation in the food and foodservice industries. FBS supports the aspirations of entrepreneurs through online and real-world learning, team-based idea generation and concept testing, and relationships and insights throughout the food industry.

IN SUMMARY:

• Silicon Valley—and those who aim to spark Silicon Valley-like breakthroughs—is increasingly turning its attention to the agriculture and foodservice industries, with a great number of high-potential technologies coming to market.

• Whether through new ways of thinking about menuing and sourcing, using new tablet interfaces, or supporting new products from startup companies, chefs and foodservice leaders should embrace the tools now at their disposal.

• Efforts such as the CIA’s Food Business School are beginning to address the lack of both strong leadership in this space and a cohesive framework for navigating the many new innovations on the market. Yet, further investments in transformative ag-oriented companies and solutions are still needed.

SCORE: 4

From global forums and venture capital funding to university-wide campaigns and crowdfunding, the past year has seen a wide range of innovative new initiatives that are bridging the gap between the culinary and the tech worlds. A greater array of tools and technologies are now available to foodservice professionals, but it may be difficult for some to know which technologies to embrace. The good news is that new initiatives, such as the CIA’s Food Business School, have been designed specifically to address this issue, in large part by nurturing a new network of leaders in the arena of food innovation.

RECOMMENDATIONS:

Consumer demand has made it clear that health and sustainability present some of the greatest opportunities for growth in the foodservice industry. Given increasing investment in food and agriculture innovation, and a growing array of available tools in the foodservice industry, culinary professionals should embrace new menu techniques and technologies to help reduce food waste, to source locally, and to educate diners about where their food comes from and what is in it.