Press release

Consumers will pay for more sustainably produced ingredients despite COVID impact

JUELSMINDE, Denmark, 27th October 2020

Most consumers will pay more for food and beverage products containing sustainably produced ingredients, research by Palsgaard has shown.



The emulsifier specialist surveyed over 600 people in four countries.\* It found that the COVID-19 pandemic has increased the importance they place on price, but has not detracted from their focus on environmental issues.

Three quarters (75%) of respondents believed food companies have a lot of responsibility for protecting the environment, with 23% believing they have a little. More than nine in ten (92%) said it was important that the ingredients in the products they buy are produced sustainably, with 49% saying it was very important.

Eighty-two per cent said they would be willing to pay more for a food product containing sustainably produced ingredients. Nearly half (46%) would pay over 5% more and 17% would pay over 10% more. Environmental issues were found to be of particular concern to younger consumers. For 18-24 year olds, climate change was the ethical issue food companies should take most seriously.

Sustainability is a key concern for Palsgaard, which in 2018 became the first emulsifier producer to achieve CO2-neutral production at all its sites.

Jakob Thøisen, Palsgaard’s CEO, said: *“We always believed that carbon neutrality was the right path to take from an ethical point of view. As this research shows, it also makes sound business sense. Consumers, especially younger ones, are increasingly focused on reducing their carbon footprints and will reward food manufacturers who share that commitment.”*

The research also provides new insights into the effects of COVID-19 on food purchasing decisions. Over half (55%) of consumers said the price of products had become a more important factor since the pandemic, while 42% said it had made no change and only 3% said it had become less important.

However, this does not appear to have detracted from the focus on sustainability. In fact, 41% of respondents said environmental concerns had become *more* important since the pandemic, with 55% saying there had been no change and only 4% saying they had become less important.

Jakob Thøisen said: *“It would be understandable if the economic hardship caused by COVID-19 had pushed sustainability down the agenda. However, we found that the opposite was true. This is perhaps because great change causes people to reflect and focus on the things that matter most. Whatever the reason, the food industry cannot afford to underestimate the importance of environmental issues to consumers.”*

Palsgaard also asked consumers how they thought their purchasing behaviours would change post-pandemic. Four in ten (40%) expected their households to buy groceries online more often, compared to 12% who said they would do so less often. Almost half (47%) said they expected to eat out less often.

The same number (47%) said they expected to spend more on products for home cooking and baking. Millennial consumers (those aged 25-34) were the most likely to expect to increase their spending on home cooking and baking products (57%). Fifty-four per cent of consumers in Generation Z (those aged 18-24) said the same.

\*Palsgaard surveyed 617 consumers (150 in Mexico, 162 in Singapore, 154 in the UK and 151 in the US) online between the 9th and 15th of June 2020

View the full findings at: <https://bit.ly/31tjRxZ>

**About Palsgaard**

Emulsifier specialist Palsgaard helps the global food industry make the most of the ability to mix oil and water.

Thanks to the company’s specialised emulsifiers (and emulsifier/stabiliser systems), bakery, confectionery, condiments, dairy, ice cream, margarine and meat producers can improve the quality and extend the shelf-life of their products. Just as importantly, they can produce better-for-you products with improved taste, mouthfeel and texture while using less resources.

Since its founder Einar Viggo Schou invented the modern plant-based food emulsifier in 1917, Palsgaard has offered the industry know-how and innovation. From its six application centres around the world Palsgaard’s experienced food technologists help manufacturers optimise existing recipes and develop delicious products with better nutritional profiles.

Palsgaard helps manufacturers meet consumer and regulatory demands for greater responsibility, helping them grow and protect their brands. It is currently the world’s only commercial source of fully sustainable, emulsifiers based on RSPO SG-certified palm oil and produced by CO2-neutral factories in Denmark, the Netherlands, Mexico, Brazil, China and Malaysia. The company’s products are non-GMO and meet halal and kosher requirements.

Palsgaard is owned by the Schou Foundation and has 572 employees across 17 countries. Its turnover in 2018 was 211 million USD (1.4 billion DKK) with products sold to more than 120 countries.

## For more information please contact:

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