# inside track x food warns investors of underestimated crisis in global food sector



An anonymous collective of food industry experts, operating under the name Inside Track x Food, has issued a cautionary statement to investors, owners, and creditors regarding the current state of the global food sector. Despite what may seem to be a standard market performance, the group warns of an impending crisis that is not being fully recognised or communicated.

According to Inside Track x Food, the food system is under threat from a convergence of critical challenges, including soil degradation, water scarcity, global heating, and increasingly erratic weather patterns. These factors, the group explains, undermine assumptions about future agricultural productivity, leading to an environment where stable crop yields, consistent food quality, and dependable supply chains can no longer be guaranteed.

The group expressed concern that this severity is not being adequately reflected in corporate reporting. One contributing factor is the insufficient rigour food companies apply when addressing and disclosing environmental risks within their corporate strategies. Inside Track x Food criticised processes linked to the Task Force on Climate-related Financial Disclosures (TCFD) and the Corporate Sustainability Reporting Directive (CSRD), describing them as often reduced to mere compliance exercises rather than substantive risk assessments.

Furthermore, Inside Track x Food highlighted that audited environmental risk reports have led investors to develop a misleadingly optimistic view of the sector’s stability. The group questioned whether auditors possess the necessary expertise, motivation, or resources to effectively evaluate and endorse the complex environmental data being presented. They described the current auditing framework as "unfit for purpose," citing a lack of investment in enabling auditors to understand the multifaceted nature of food system resilience or what constitutes effective risk mitigation measures.

The report also points out a tendency within corporate communications to favour messages that "please rather than being honest," potentially obscuring the real scale of risks faced by food companies. In addition, food companies reportedly offer investors three main strategies to counteract these risks: sourcing from alternative regions, bolstering resilience in existing supply areas, and diversifying food sources. Inside Track x Food dismissed these approaches as "wishful thinking," arguing that they do not sufficiently confront the fundamental and systemic challenges threatening the global food supply.

In light of these concerns, Inside Track x Food has provided investors with a series of specific questions aimed at helping them better evaluate the preparedness and resilience of food companies in their portfolios. These questions are intended to shed light on how well companies anticipate and plan for potential disruptions, though the group did not publicly disclose these in detail.

The warnings and guidance from Inside Track x Food underscore the complex and interconnected risks facing the food industry and suggest a need for heightened scrutiny by investors and stakeholders alike.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.foodnavigator.com/Article/2025/04/03/food-and-drink-industry-heading-towards-melt-down-insiders-warn/> - This article corroborates the warnings from Inside Track x Food regarding an imminent crisis in the food sector due to environmental challenges like soil degradation and extreme weather. It highlights concerns about the industry's resilience and preparedness.
* <https://www.manifest.co.uk/group-warns-investors-of-false-confidence-about-food-sectors-impending-crisis/> - This report supports the claim that investors may have false confidence in the food sector due to inadequate corporate reporting and insufficient risk assessment processes. It details how environmental risks are not being communicated effectively.
* <https://www.thegrocer.co.uk/news/whistleblowers-warn-uk-food-industry-heading-for-climate-disaster/702944.article> - This article emphasizes the food industry's unpreparedness for climate-related challenges, echoing Inside Track x Food's concerns about soil degradation, water scarcity, and extreme weather impacts on food supply chains and business stability.
* <https://future.portfolio-adviser.com/investors-warned-the-food-industry-is-unprepared-for-future-supply-chain-volatility/> - This article underscores the lack of effective risk mitigation strategies in the food industry, aligning with Inside Track x Food's criticism of current approaches to addressing environmental challenges. It highlights the need for investors to scrutinize corporate resilience.
* <https://www.foodingredientsfirst.com/news/news-uk-food-crisis-warning> - This piece supports the assertion that the food industry faces a complex crisis due to interconnected environmental challenges. It discusses how these factors affect agricultural yield and supply chain stability.