

Food & Beverage

A DISCUSSION WITH THE EXPERTS



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Welcome to the Los Angeles Business Journal's expert discussion focused on the ever-evolving food and beverage industry. As consumer preferences shift, supply chains remain unpredictable and sustainability becomes a central concern, F&B companies are being challenged to innovate while staying efficient and competitive. This conversation brings together two of the leading experts on the industry with deep experience navigating the complexities of the sector.

These two thought leaders from GHJ and Greenberg Glusker LLP offer insights on the most pressing trends. We'll also explore the challenges businesses face today. Finally, our experts will share best practices for staying resilient in a rapidly changing market, offering practical guidance for companies of all sizes. Whether you're a brand owner, supplier, operator, or investor, this discussion is designed to deliver valuable takeaways to help you adapt, grow and lead in today's food and beverage landscape.

FOOD & BEVERAGE ROUNDTABLE



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Leaders must truly define their unique selling proposition – and pressure test its relevance in a world that is quickly changing.”

— MARIA PEARMAN

What challenges are the food and beverage industry businesses you work with concerned about today?

PERLMUTTER-GUMBINER: Emerging brands are navigating tighter capital markets, inflationary pressure on input costs, and a more selective retail environment. But the bigger challenge is execution under uncertainty — how to scale smart without compromising the brand or burning out the team. Many clients are trying to balance growth with optionality: should they raise, sell, or double down? That kind of decision-making requires clean contracts, thoughtful governance and a tight grip on margins. The brands that are ready to move quickly when opportunity strikes are the ones that win.

What are the top consumer trends you’re seeing in the food & beverage market right now?

PEARMAN: Right now, food and beverage companies are prioritizing ingredient transparency due to a strong consumer preference for clean ingredients. Protein also continues to trend favorably in all segments of food and beverage, with fiber content maintaining popularity among consumers, as well. Further, flavor is becoming more important today. We are seeing big, bold flavors in every category of food and beverage, from chips and ice cream to bottled water and coffee creamer.

What are some of the biggest mistakes that food and beverage companies make in today’s market?

PERLMUTTER-GUMBINER: Too many founders delay addressing foundational legal and operational issues until they’re in the middle of a financing or acquisition. By then, it’s reactive and expensive. I’ve seen strong brands lose leverage — or deals entirely — because of unclear equity splits, missing IP assignments, or lopsided distributor agreements.



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Another big one: chasing growth without understanding the cost of that growth. In a crowded market, discipline is just as important as creativity.

What impact has the current tariff landscape had on the industry?

PEARMAN: The uncertainty surrounding how US tariff policy will play out has kept most food and beverage producers on edge. They are quickly developing contingency plans and running financial models in preparation. Many manufacturers are also working to implement short-term tactics that can reduce the immediate impact of cost increases and possible delays in logistics. Concurrently, food and beverage companies are reviewing their strategies and analyzing what steps they can take to create long-term resiliency in this environment. Almost all brands — whether self-manufactured or co-manufactured — are examining the marketplace and assessing pricing strategy and sales channels.



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A background image showing a close-up of several bowls of food, including a large bowl with guacamole, tomatoes, and cheese, and another bowl with a salad. The image is slightly blurred, focusing on the food in the foreground.

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FOOD & BEVERAGE ROUNDTABLE



If you could give one piece of advice to an emerging F&B entrepreneur in Southern California, what would it be?

PERLMUTTER-GUMBINER: Don't wait until you're "big enough" to act like a real company. Build clean, thoughtful infrastructure — contracts, IP, equity, governance — from day one. The brands that scale successfully aren't just the most innovative; they're the most prepared. Southern California is full of visionary founders, but the ones who surround themselves with smart advisors and stay focused on execution are the ones who go the distance.

PEARMAN: As an emerging food and beverage entrepreneur in Southern California, leaders must truly define their unique selling proposition – and pressure test its relevance in a world that is quickly changing. These entrepreneurs must ask themselves: will their product still be compelling in the coming years?

What legal developments or regulatory changes in California are currently impacting the food & beverage industry most?

PERLMUTTER-GUMBINER: California's shifting regulatory landscape around environmental claims, labor compliance and labeling is raising the stakes for growth-stage companies. Claims around sustainability, health benefits, or ingredients need to be substantiated — and align with new enforcement trends. On the employment side, wage-and-hour compliance continues to be a costly pain point. And with the rise of ESG scrutiny, companies are being held to a higher standard in both messaging and governance. For F&B businesses, proactive compliance is now a brand risk strategy — not just a legal one.



Get your corporate governance tight now — so diligence doesn't become a fire drill later."

— ERIC PERLMUTTER-GUMBINER

What accounting or financial planning strategies are critical to navigating inflation and margin pressure in today's climate?

PEARMAN: Food and beverage companies should not be afraid to raise prices. If ever there was a time in which consumers are expecting prices to rise, it is now. Business leaders should remain students of the market to understand where the price ceiling lies; however, they should not be afraid to walk up to that ceiling. If a company chooses not to raise prices, they must accept that their gross margin will ultimately diminish, and those losses must be made up in other parts of the company's operations.

What common contract issues (e.g., with co-packers, distributors, or vendors) are creating challenges, and how can they be addressed?

PERLMUTTER-GUMBINER: Co-packer and distributor agreements are often signed early without legal review, but they become some of the most material contracts in a deal process. Common pitfalls include weak termination clauses, unclear pricing adjustments, and missing protections around quality, exclusivity, or control over IP. I've seen brands locked into bad terms that restrict growth or scare off investors. These agreements need to be treated like strategic partnerships — and negotiated accordingly.



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How should small to mid-sized food and beverage businesses be preparing for investment, M&A or scaling operations?

PEARMAN: The good news for food and beverage businesses is that there is significant dry powder available in the capital markets waiting to be deployed. Though, the challenge is that it remains a strong buyer's market, and this means financiers have the luxury of being more selective when it comes to choosing their next investment. Those businesses that have embraced financial discipline, display consistent, strong pull-through on the shelf and are committed to operational excellence are well-positioned for interested investors. That said, these businesses must also be prepared for deal concessions because investors have the upper hand in this market.

PERLMUTTER-GUMBINER: Think like a buyer. That means clean financials, cap table clarity, documented IP ownership, and contracts that reflect your actual leverage. Avoid handshake deals. Get your corporate governance tight now — so diligence doesn't become a fire drill later. And stay focused on margins and repeatability. The more predictable your business looks on paper, the more optionality you'll have — whether it's raising capital, bringing on a strategic partner, or selling.



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New Global Food and Drink Trends Take Center Stage

The experts at Mintel who focus on what consumers want and why, have announced four key trends that they project will shape the global food and drink industry in the years ahead.

In 2025 and beyond, expect to see more focus on blood sugar and hormone health, while food and drink will play an increasing role in mental health management. There will be an increase in diversified ingredient sourcing, while the humanization of technology will be essential for consumers who are apprehensive about technology being used to create, modify and produce the food they put into their bodies.

These food and drink trends (with comments from Mintel’s pool of experts) are:

- **FUNDAMENTALLY NUTRITIOUS**
“The emergence of GLP-1 weight-loss medications will inspire consumers to reevaluate the relationship between food and medicine. Starting in 2025, brands must streamline their health claims to the critical nutrients they contain. Simplified claims that highlight protein, fiber, vitamins and mineral content will appeal to people who are using weight-loss drugs, as well as the majority of consumers who define their diets based on their individual needs and how food makes them feel. Expect to see an increase in nutrient-dense product innovations to improve short- and long-term health.”
“Increased adoption of personal data collection will happen at the same time as consumers

paying more attention to two metrics that are key to how GLP-1 weight-loss drugs work in the body: blood sugar and hormone health. Rising interest in blood sugar could increase the demand for low-glycemic formulas, as well as blood sugar monitoring beyond just diabetics. For hormone health, brands can support men and women as they navigate hormonal changes brought on by ageing.”

- **RULE REBELLION**
“As society increasingly accepts imperfections, food and drink brands can target these ‘perfectly imperfect’ consumers with innovation that breaks the invisible rules around food and drink consumption. Brands can lean into how consumers want to, or actually, consume food and drink rather than how they feel they ‘should.’ By supporting these rebellious tendencies, brands can help consumers feel more represented by the outside-the-norm food and drink choices available to them.”
“In the near future, brands will seek to break down continued social stigmas surrounding lesser-talked-about health issues. For example, currently less-seen on-pack and marketing messaging that directly mentions the role of food and drink in mental health management will become more commonplace. Meanwhile, there is further potential for ‘rule-breaking’ innovation from food and drink brands that are feeling the pressure to be sustainable, despite knowing that consumers won’t necessarily pay more for eco-credentials. Innovative brands

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can create new norms by developing products with unfamiliar sustainable ingredients that can be marketed on their unique taste.”

- **CHAIN REACTION**
“More frequent climate-related production challenges and geopolitical events are increasing consumers’ food bills and awareness of how distant world events can affect their meal plans. In an increasingly volatile world, food and drink brands must clearly communicate how adjustments from local to global sourcing were made to benefit consumers. Cross-industry, multinational collaboration and scalable

tech solutions will be required, but they are not without complications. More importantly, consumers will feel the consequences of these challenges personally, and brands must be ready with solutions.”

“Looking ahead, more ingredients will be sourced from alternative and potentially more reliable growing regions, such as olive oil from Algeria or Peru. Brands can highlight the benefits of diversified sourcing, such as nuanced flavour variations. Many consumers’ local-centric identities will be transformed by social media, immigration and travel.”

- **HYBRID HARVESTS**
“A greater use of technology in food and drink production is inevitable to meet current food supply challenges, yet many consumers are not ready to embrace it. Despite this resistance, brands can tap into consumers being open to technological advances that, for example, enhance convenience. They will need to tell consumers how nature and technology complement—or better yet, enhance—each other.”
“Over the next few years, food and drink brands must prioritize how these technological advancements benefit the consumer first through better taste, greater nutrition or consistent supply—and the environment second. It will be imperative that new technology is humanized, particularly AI.”

Learn more at [mintel.com](https://www.mintel.com).

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Consumers’ Shopping Lists Continue to Evolve

Late last year, Whole Foods Market’s Trends Council unveiled its anticipated food trends – and thus far they were spot on. The Whole Foods Market Trends Council – a collective of more than 50 Whole Foods Market team members ranging from foragers and buyers to culinary experts – develop these trend predictions each year through a combination of deep industry experience, keen observation of consumer preferences, and collaborative sessions with emerging and established brands.

The trend predictions for 2025 include:

• **International Snacking**

The snack aisle is a perfect place for disruption with brands taking on salty snacks like popcorn and adding in global flavors to create fusion foods that have mass appeal and entice consumers to try something new. On packaging, brands can tell their snack story by sharing their cultural roots and nostalgic childhood food memories. Products in this trend introduce consumers to different parts of the world through a mix of traditional international snacks like chamoy candy and new combinations like mango sticky rice chips or a chili crunch oil edamame and nut mix.

• **Ever-Adaptable Dumpling**

Dumplings are dough pockets with a typically savory filling, usually cooked by boiling, steaming or pan frying. Also known as pocket foods, they’re showing up in multiple aisles including frozen and shelf-stable single-serve formats. These products hit on a few trends — many are authentic to a founder’s cultural

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roots and ripe for fusion and unexpected mash-ups, which have continued popularity both on TikTok and restaurant menus. Dumplings are long-standing staples in cuisines across the globe, making them a trend everyone can feel involved in and get excited about.

• **Crunch: Texture of the Moment**

From crispy grains and granola to sprouted and fermented nuts to roasted chickpeas and mushroom chips, consumers are increasingly reaching for these items to enhance meals and add texture to breakfast, lunch and dinner. Brands are creating crunchier versions of the ever-popular chili crisp, while new seasonings marketed for their texture are stars of salads and roasted veggies. Dehydrated fruits and candy are taking over social media, with consumers seeking that light, airy crunch. This trending texture can also be seen in beverages

and desserts, like crème brûlée espresso martinis or pistachio-topped pastries.

• **Hydration Hype**

Reusable water bottle culture is upon us, but consumers want more from their H2O these days, seeking added electrolytes and hydration in more innovative forms. It’s impossible to ignore the trend at food and beverage trade shows, where you’ll find popsicles with electrolytes, sparkling coconut water, chlorophyll water and even protein water. New players are emerging in the space, like cactus waters that contain antioxidants and electrolytes, and better-for-you competitors to sugary and artificially colored sports drinks. Even kids can get in on this trend with new and tasty beverages in fun formats like pouches and mini coconuts.

• **Tea’s Time**

There’s tea talk everywhere you turn — both in flavor popularity for food like desserts and granola (chai, Earl Grey, London fog), new steeping formats (tea strips, cold-brew bags for water bottles and powders) and a wave of new hot products like plant-based milk teas and sparkling teas. Vintage-inspired adult tea parties are poised to replace happy hour as customers looking for function can seek out brews with added adaptogens and benefits.

• **Next-Level Compostable**

Products that aren’t ditching packaging completely are going the compostable route, making some or all elements of their packaging compostable. Some brands, like Compostic, are

even entering new territory with home-compostable products, meaning all components can compost in a home bin versus requiring a commercial process. In the produce world, Rainer Fruit is working on commercially compostable produce stickers.

• **More-Sustainable Sips**

Forward-thinking boozy brands are working to reduce their environmental footprints. Natural and organic wines may not be new, but brands are taking things a step further by embracing regenerative practices and lower-impact packaging. For example, the Sustainable Wine Roundtable (of which Whole Foods Market is a founding member), has a goal to drop bottle weights 25% by 2026. Meanwhile, beer and whiskey brands are embracing ingredients like drought-resistant fonio or regeneratively farmed kernza.

• **Sourdough Stepped Up**

During the pandemic, we saw a sourdough resurgence with at-home bakers trying their hand at the classic fermented bread. Now we’re seeing this trend move into grocery aisles in both traditional and innovative ways — pizza crusts, flatbreads, brownies, crackers, chocolate and more — with customers looking for the benefits and flavor that sourdough offers without spending hours in the kitchen. There’s also a variety of innovative sourdough breads launching in the Whole Foods Market Bakery, including Pumpkin Turmeric.

Learn more at [wholefoodsmarket.com](https://www.wholefoodsmarket.com).

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