

ADVERTISING SUPPLEMENT

ARASH FARIN, MING-TAI HUH AND SHERRY JACKMAN SHARE INSIGHTS ON THE FOOD & BEVERAGE INDUSTRY IN 2025

The **Food & Beverage** Roundtable panel is produced by the LA Times Studios team in conjunction with Centerstone Capital; Greenberg Glusker LLP; and Square.



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With the ever-evolving operational changes that businesses in every sector have had to make over the last few years, a whole new landscape has emerged in the food and beverage sector in terms of tariff, legislative, employment and supply chain issues. Even the most seasoned industry pros have found themselves having to get creative to determine solutions in today’s complicated climate. Are shifts in protocols and best practices that have emerged

temporary or here to stay? What should restaurants, manufacturers, distributors and vendors be focusing on in terms of new trends and standards? To address these issues, as well as many other topics, the LA Times Studios team turned to three leading food and beverage industry experts for their thoughts, insights and assessments regarding the current state of the industry and the various trends that they have been observing.

Q:ARE THERE ANY NEW REGULATORY ISSUES THAT FOOD AND BEVERAGE COMPANIES NEED TO BE AWARE OF IN 2025?

A: JACKMAN
Extended Producer Responsibility (EPR) is likely the biggest new regulatory issue for food and beverage companies in 2025. States like California and Oregon now require producers selling into those states to take financial and operational responsibility for packaging waste. Companies must register with Producer Responsibility Organizations (PROs), report packaging data, and pay fees based on material type and recyclability. To manage costs and comply, businesses may need to redesign packaging to use more recyclable or sustainable materials.

A: FARIN
There are a number of regulatory issues to be aware of: 1) updated FDA “healthy” labeling definition; 2) brominated vegetable oil (BVO) bans; 3) extended producer responsibility (EPR) laws for packaging; 4) food traceability rule; 5) state-level chemical bans and labeling requirements; 6) front-of-pack nutrition labeling; and 7) potential FDA overhaul and reduced inspections.

Q:LOOKING TO THE FUTURE, HOW DO YOU SEE THE INDUSTRY EVOLVING OVER THE NEXT FIVE YEARS?

A: HUH
The restaurant industry’s evolution over the next five years will be powered by AI, but not in the flashy, robots-flipping-burgers way that some predict. Instead, we’ll see a more subtle but profound transformation that starts with the basics. AI will first make its mark by enhancing the systems restaurants already use – making inventory predictions more accurate, scheduling more efficient and menu pricing more dynamic. These foundational improvements will pave the way for more visible innovations like voice AI and predictive kitchen systems. The key is that this transformation will be gradual and practical. The winners in 2030 won’t necessarily be the restaurants with the most advanced technology but those who thoughtfully integrate AI to support their fundamental mission: serving great food and creating exceptional dining experiences.

Q:WHAT CHANGES MADE DURING THE LAST FEW YEARS DO YOU THINK WILL REMAIN IN PLACE WITH THE FOOD &

BEVERAGE INDUSTRY GOING FORWARD?

A: FARIN
Digital ordering and delivery dominance; contactless and cashless payments; focus on health and sustainability; labor-saving automation; hybrid dining models; supply chain resilience; and premium and experiential offerings.

Q:WHAT ARE CONSUMERS SEEKING FROM FOOD & BEVERAGE COMPANIES IN 2025?

A: HUH
In 2025, consumers are demanding more value, convenience and transparency from food and beverage businesses while also showing increasing acceptance of technology solutions. According to Square’s most recent Future of Restaurants report, when it comes to service, today’s diners are pragmatic about

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— ARASH FARIN

staffing challenges – 74% welcome automation to fill critical operational gaps during labor shortages. The modern consumer also expects to be rewarded for their loyalty, with 69% valuing personalized loyalty programs and ranking exclusive discounts as their top desired benefit. Simplicity in ordering and payment has become non-negotiable, with 59% of customers saying they would abandon restaurants that offer complicated experiences. This preference for streamlined service is reflected in the dramatic rise of self-service kiosk adoption, which jumped from 15% preference last year to 64% acknowledging their convenience this year. And finally, while customers understand inflationary pressures, they’re pushing back against certain charges – more than half resist credit card fees, kitchen appreciation fees, living wage surcharges,

and preset minimum tips, suggesting that transparency and perceived value remain crucial to maintaining customer satisfaction. Consumers are still hoping for deals, too, with half of consumers expecting restaurants to maintain or expand their value offerings, too, with 51% having already purchased new value menu innovations in the past year.

A: FARIN
They seek a number of things: 1) Health and wellness: Consumers prioritize nutritious, functional foods with clean labels; 2) Sustainability and transparency: Eco-conscious choices drive purchases. Consumers want sustainably sourced ingredients, minimal packaging and clear info on carbon footprints; 3) Convenience and digital experience: Seamless online ordering, fast delivery and user-friendly apps are critical; 4) Affordable quality: Economic pressures push consumers toward value-driven purchases, but they still crave premium experiences. Affordable indulgences, like craft coffee or artisanal snacks, are popular; 5) Unique and authentic experiences: Diners seek memorable, shareable moments such as immersive pop-up restaurants or culturally authentic flavors; 6) Ethical practices: Support for brands aligning with social values is growing. Consumers favor companies championing fair labor, diversity or community initiatives; and 7) Innovation and novelty: Interest in bold flavors, global cuisines (e.g., West African or Filipino fusion) and tech-driven products like lab-grown meat or 3D-printed desserts is rising.

Q:AS A TRUSTED ADVISOR, WHAT ARE SOME OF THE KEY PIECES OF ADVICE YOU HAVE PROVIDED TO THE BUSINESSES YOU WORK WITH IN TERMS OF MANAGING SUPPLY CHAIN IN THE CURRENT CLIMATE?

A: JACKMAN
In today’s litigious climate, I advise businesses to strengthen supplier, distributor, and retailer agreements with clear risk allocation and robust indemnity provisions. Contracts should require upstream parties to indemnify against claims related to product claims, labeling, or regulatory violations and to carry appropriate insurance. Defining quality standards and dispute resolution mechanisms is essential for compliance and quick response to issues. Solid agreements create predictability and manage risks.

A: HUH
If you’re starting or expanding your business in today’s climate, there are numbers that are critical to monitor. Some are evident, such as your weekly sales numbers, while others,

like the costs associated with your food and beverage split, may be less obvious. There are two core business metrics that are important to pay attention to: your prime costs and your bottom-line profit. Prime costs, covering labor and the cost of goods sold, should ideally be kept under 65%, though top-performing restaurants might achieve closer to 50%. Understanding these numbers and managing them effectively can transform hypothetical growth into reality. At Square, we're committed to providing restaurant owners with easy access to essential metrics through our POS system, which includes built-in reporting capabilities for tracking sales trends, kitchen performance and more. This empowers you to make informed decisions about staffing, inventory and menu adjustments. With tools like Square Inventory Management, you can seamlessly update your menu based on stock levels and use staffing solutions to efficiently manage your team. Our integrated approach ensures that even if you're away from your restaurant, you have the data you need at your fingertips to keep your business running smoothly.

Q:HAVE GLOBAL CONFLICTS AFFECTED THE FOOD AND BEVERAGE INDUSTRY?

A: FARIN

Yes, global conflicts have significantly impacted the food and beverage industry, particularly in recent years, with effects likely to persist into 2025. These impacts stem from disruptions in supply chains, price volatility and shifts in consumer behavior, driven by conflicts such as the Russia-Ukraine war and tensions in the Middle East. Supply chain disruptions and ingredient shortages are big factors, for example. With the Russia-Ukraine conflict, Ukraine, a major exporter of wheat (4% of global supply), corn (13%), and sunflower oil (over 33%), saw its exports disrupted due to the ongoing war, particularly after the Russia-Ukraine grain agreement lapsed in 2023. This caused shortages and price spikes for grains and oils, critical for products like

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— MING-TAI HUH

bread, snacks and cooking oils. The war also disrupted fertilizer supplies, as Russia and Ukraine are key producers. Ghana and Ivory Coast, major cocoa producers, faced crop losses (up to 60% in one season) after switching to inferior fertilizers like chicken manure due to shortages. This drove cocoa prices up by 300% in 2024, affecting chocolate and confectionery products. These disruptions challenge consumer demand for transparency and affordability. Companies are forced to diversify sourcing (e.g., olive oil from Algeria or Peru) or reformulate products, which can raise costs and conflict with expectations for clear ingredient labeling. Conflicts will continue to drive supply chain volatility, with climate change and trade tensions amplifying risks. The industry must balance consumer demands for health, sustainability and affordability against rising costs and regulatory pressures. Companies are likely to maintain diversified sourcing, invest in resilient supply chains and leverage technology to meet consumer expectations. However, transparency about these changes will be critical to align with demands for authenticity and ethical practices. Economic instability from conflicts may push consumers toward "treat culture" (affordable indulgences like small snacks) while still seeking high-quality, sustainable products, creating a complex market dynamic.

Q:WHAT ARE THE BIGGEST REGULATORY CHALLENGES FACING FOOD AND BEVERAGE BUSINESSES IN SOUTHERN CALIFORNIA TODAY, AND HOW ARE

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COMPANIES ADAPTING?

A: JACKMAN

One of the biggest regulatory challenges is the surge of consumer class actions targeting product labeling and advertising under statutes like the CLRA, UCL, and FAL. Claims often focus on "natural," "clean," and health-related marketing, even when they seem unfounded. Plaintiffs are aggressively pursuing litigation without waiting for regulators, using broad legal tools to seek injunctions, restitution and attorneys' fees. In response, companies are adapting by auditing labels and ads, training staff, substantiating claims with scientific evidence, and closely tracking legal trends to reduce exposure and mitigate risk.

Q:WHAT ARE SOME EFFECTIVE STRATEGIES FOR DEALING WITH LABOR SHORTAGES AND RETAINING TALENT IN AN INDUSTRY KNOWN FOR HIGH TURNOVER?

A: HUH

While hiring has gotten a bit easier in 2025 (60% of restaurant owners say it's improved since last year), keeping good staff around is still a major headache for most operators. But right now, the secret to hanging onto great employees isn't just about higher wages — it's about making their work lives actually work for them. Smart operators are getting creative with tech tools that take the headaches out of the daily grind. Think AI scheduling that makes sure people get the shifts they want, payroll systems that never miss a beat, and data insights that help managers make better calls about staffing. Plus, when your team can easily swap shifts or check schedules from their phones, it shows you respect their time. The restaurants winning the retention game aren't just running a tighter ship — they're building places where people want to stick around. When you invest in tools that make your team's lives easier, you're really investing in a workplace that people don't want to leave.

Q:WHAT ARE SOME OF THE HOTTEST TRENDS IN THE RESTAURANT SPACE?

A: FARIN

There are several, including hyper-local and sustainable sourcing; plant-based everything; tech-driven experiences; global fusion flavors; smaller, shareable plates; ghost kitchens and virtual brands; wellness-focused menus; and nostalgia remixes.

Q:WHAT ARE SOME OF THE BIGGEST MISTAKES THAT FOOD AND BEVERAGE COMPANIES MAKE?

A: HUH

One of the biggest mistakes food and beverage companies make is operating on intuition rather than insights. In today's competitive landscape, successful operators leverage real-time data to make informed decisions that directly impact their bottom line. Technology like Square provides immediate visibility into critical metrics — from comparing sales across different sections to monitoring kitchen performance and ticket times. But having access to data isn't enough — it's the ability to act on it quickly that matters. Owners need reporting tools that are accessible anywhere, whether they're on the floor using their POS, in the back office or checking in remotely via mobile app. The real power comes when these insights are integrated with operational tools that allow for immediate action. When your reporting system connects seamlessly with inventory management, staff scheduling and team communication platforms, you can quickly implement changes based on what the data is telling you. In today's dynamic market, running a restaurant on gut feel alone is a recipe for underperformance.

Q:HOW IS FOOD SAFETY IMPACTING THE FOOD AND BEVERAGE INDUSTRY?

A: JACKMAN

Food safety concerns — especially around heavy metals — are significantly impacting the food and beverage industry. Heavy metals like lead, cadmium and arsenic occur naturally in soil and water, making them difficult to fully eliminate from food ingredients despite strict sourcing and testing protocols. The challenge has grown due to global supply chain disruptions, which have forced companies to rely on alternative or less vetted suppliers. This increases the risk of receiving ingredients with elevated heavy metal levels,

potentially exceeding regulatory limits. Such exceedances can trigger recalls, litigation and loss of consumer trust. In response, companies are ramping up testing, tightening supplier oversight and enhancing transparency throughout the supply chain to ensure compliance and protect their brands.

Q:WHAT HAS CHANGED WITH FOOD LABELING COMPARED TO FIVE YEARS AGO?

A: FARIN

Five years ago, in April 2020, the U.S. Food and Drug Administration (FDA) was in the midst of rolling out a revised Nutrition Facts label, finalized in 2016. By January 1, 2020, large manufacturers (those with \$10 million or more in annual sales) were required to adopt it, with smaller companies given until January 1, 2021, and some specialty products (like certain sugars and cranberry items) until July 1, 2021. Compared to 2020, when adoption was still in progress, today the updated label is fully implemented across most packaged foods. Key differences from five years ago include: 1)

Businesses must approach labeling and packaging with greater precision and legal oversight than ever before."

— SHERRY JACKMAN

Serving sizes: Updated to reflect what people actually eat, e.g., ice cream servings increased from ½ cup to ⅔ cup; 2) Calories: Displayed in larger, bolded text for emphasis; 3) Added sugars: Now listed separately under total sugars, with a % Daily Value (%DV), addressing a gap from 2020 when this wasn't yet widespread; 4) Nutrient shifts: Vitamin D and potassium are now mandatory, while vitamins A and C became optional, reflecting current dietary deficiencies; and 5) Removal of calories from fat: This was dropped as focus shifted to types of fat rather than total fat content.

A: JACKMAN

Food labeling has become a major focus of consumer class actions and regulatory scrutiny over the past five years. Companies now face increased legal risk for using terms like "natural," "clean," and "non-toxic" without clear qualification. Ingredient disclosures are under pressure, especially for synthetics, and controversial compounds. Environmental claims, such as "sustainable" or "eco-friendly," are also frequently challenged as "greenwashing." Health claims not backed by strong scientific evidence, misleading pricing tactics like "fake discounts," and deceptive packaging have all become litigation targets. As a result, businesses must approach labeling and packaging with greater precision and legal oversight than ever before.

Q:WHAT'S YOUR ADVICE TODAY FOR A FLEDGLING RESTAURATEUR LOOKING TO LAUNCH A NEW DINING DESTINATION?

A: HUH

Starting a new restaurant in 2025 takes more than just a great concept and killer menu. While exceptional food and hospitality are still the heart of any successful restaurant, today's winners are the ones who combine that passion with smart data practices from day one. Modern platforms like Square give you real-time insights into everything from food costs to labor percentages to menu performance, letting you make smart adjustments before small issues become big problems. The good news? You don't have to be a data scientist — today's tools make it easy to track the metrics that matter most. My advice is to start with the fundamentals — great food, warm service and a clear vision — but make data your constant companion. Because in today's competitive landscape, the restaurants that thrive are the ones that combine culinary creativity with business intelligence.