Water
‘Why now’ guide

Why now? The water recovery tipping point has arrived

Food & beverage producers have an unprecedented opportunity to build resilience into their water security.

They can engage in positive ways with the local community where they are based. This will enable them to secure their long-term licence to operate by stepping up on efforts to recover, reuse and recycling water, while establishing a target to go water neutral as a gateway to water-positive operations.

A combination of over-consumption and the growing effects of climate changes are increasingly putting local and global water cycles under pressure.

Companies acting in a timely manner to start the journey to mitigate their water risks, and invest in water recovery and reuse, are set on a path to secure business continuity and future business success as the pressure on water resources grows.

The technologies exist to enable water recovery and reuse at a much bigger scale than what is happening today, while new research is opening the door for reusing recovered and treated wastewater in new ways in industrial processing lines.

Global water stress: a mounting crisis

Agriculture consumes

70-72%

of global freshwater withdrawals, making it the most water-intensive section.

Statistics | UN World Water Development Report

Droughts have affected over

1.4 billion

people globally between 2002-2021, causing $170 billion in economic losses.

Statistics | UN World Water Development Report

Groundwater, which supplies

25%

of irrigation water and half of domestic freshwater, is being depleted faster than it can be replenished.

Floods, intensified by climate change, have led to

$832 billion

in damages and nearly 100,000 deaths in the same period.

Statistics | UN World Water Development Report

3.2 billion

people live in agricultural areas facing high water scarcity.

The hidden complexity of water scarcity

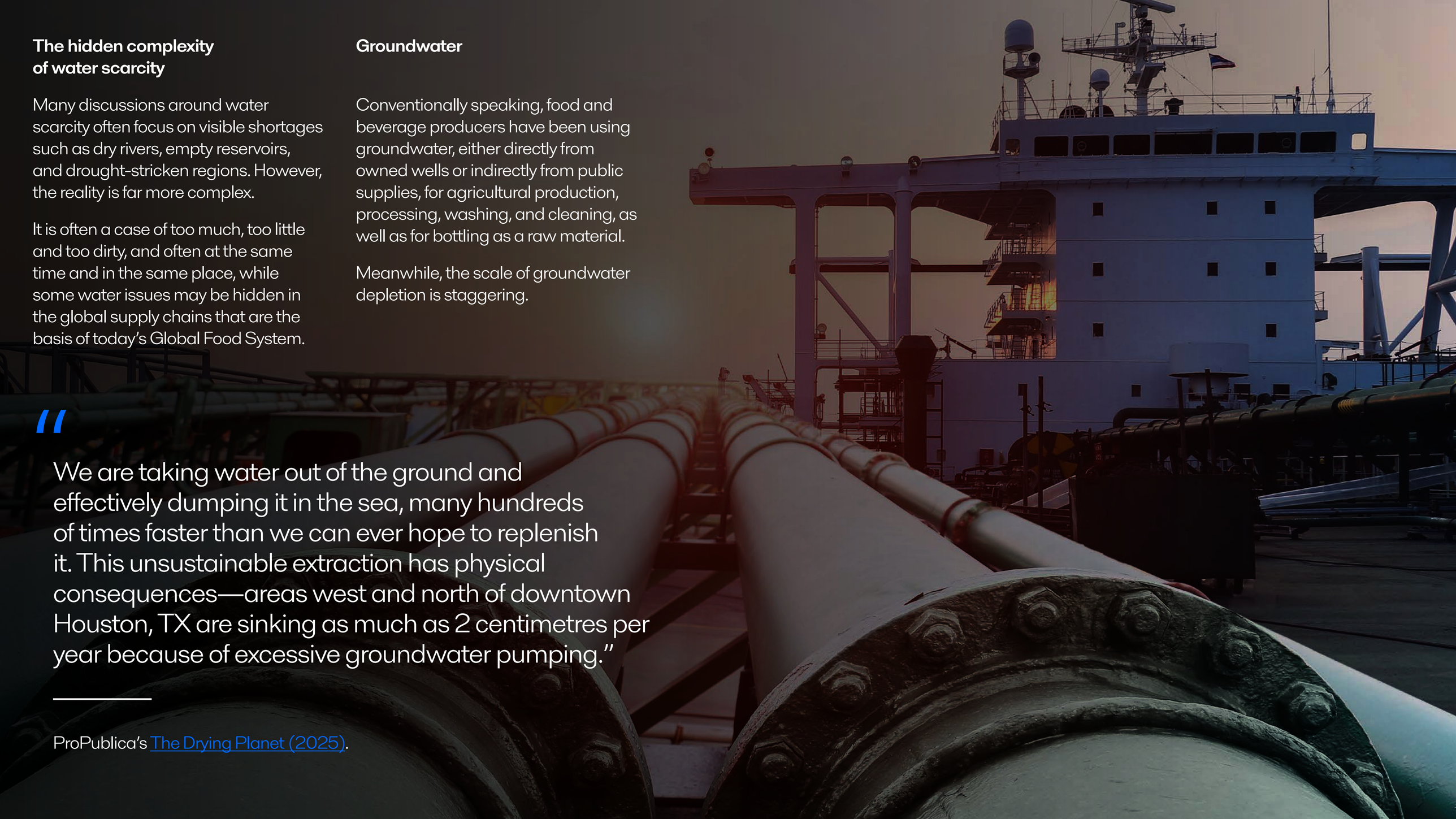
Many discussions around water scarcity often focus on visible shortages such as dry rivers, empty reservoirs, and drought-stricken regions. However, the reality is far more complex.

It is often a case of too much, too little and too dirty, and often at the same time and in the same place, while some water issues may be hidden in the global supply chains that are the basis of today's Global Food System.

Groundwater

Conventionally speaking, food and beverage producers have been using groundwater, either directly from owned wells or indirectly from public supplies, for agricultural production, processing, washing, and cleaning, as well as for bottling as a raw material.

Meanwhile, the scale of groundwater depletion is staggering.



> "We are taking water out of the ground and effectively dumping it in the sea, many hundreds of times faster than we can ever hope to replenish it. This unsustainable extraction has physical consequences—areas west and north of downtown Houston, TX are sinking as much as 2 centimetres per year because of excessive groundwater pumping."

ProPublica's The Drying Planet (2025).

Global water stress statistics show growing scarcity

With 3.2 billion people living in water-scarce agricultural regions and agriculture consuming over 70% of global freshwater, the foundation of food production faces unprecedented pressure.

The food & beverage industry is responding in kind and is only surpassed by data centers in setting water-positive and water conservation targets for itself. This suggests the sector is sensitive to the depletion of groundwater and surface water resources and their local communities being affected by water scarcity.

The food & beverage industry is moving towards the replenishment of local watersheds and a deeper engagement with their local community to strengthen the local water cycles. (GWI, 2025) .

Economic and strategic implications

Water scarcity is no longer just an environmental issue. It's a strategic business risk. The annual cost of droughts now exceeds $307 billion, disrupting supply chains, increasing operational costs, and threatening long-term sustainability.

A timely response and mitigation of water risks will be critical for food & beverage producers' ability to avoid financial loss as well as reputational damage, regulatory penalties, and reduced investor confidence. Climate changes lead to changes in resource availability and cost and may well have major financial impacts on Food & Beverage producers. Ultimately, this will impact the quality and availability of food in general. (PwC, 2020)

The flipside is that the opportunity for ramping up water reuse as a strategy for the timely building of resilience into local water systems is enormous. Today, the treatment of wastewater for reuse in the food & beverage industry is struggling to gain a footing. Across surveyed food & beverage companies only 4.4% have set wastewater discharge targets for themselves. (GWI, 2025)

Virtual water trade

Every year, 1.8 trillion cubic meters of water flows invisibly through global supply chains, embedded as the virtual water footprint of products – mostly crops. On top of this comes the physical content of water in a range of foods, beverages, sauces or simply as bottled water.

This vast movement of water, while often overlooked, presents a powerful opportunity for companies to rethink sourcing strategies and build resilience into the local water cycle where they produce the goods. This is commonly known as the virtual water trade (watercommision.org, 2025).

Every imported ingredient or product carries a story of water. So, one tonne of wheat embeds approximately 1,300 cubic metres of virtual water, and sourcing avocados from water-stressed regions like Chile can unintentionally contribute to local drought conditions. But with greater awareness and smarter procurement, businesses can turn these hidden dependencies into strategic advantages.

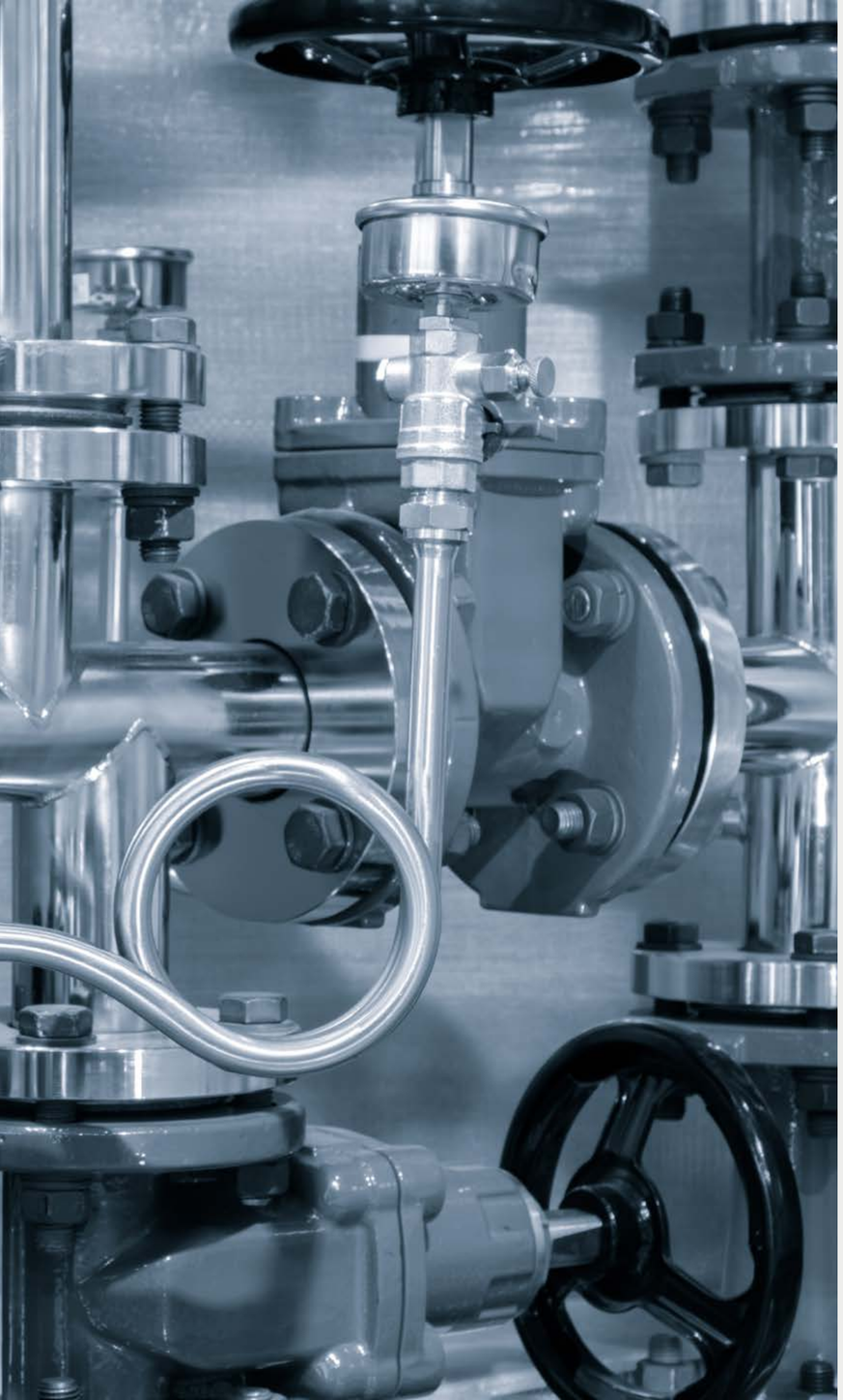
Sources: From Scarcity to Solutions: Food-Water Innovation in Asia and the Middle East | World Economic Forum
Strains on freshwater resources: The impact of food production on water consumption

This hidden flow of water in global food supply chains creates imbalances where water-intensive goods are exported from water-stressed regions, exacerbating local shortages, while also generating cost and carbon emissions that could be cut out of the equation.

Increasingly, the food & beverage industry is also faced with mounting requests from investors and consumers alike to secure transparency into the full water footprint of a product and align water targets across complex value chains.

Food and beverage companies that rethink their water management now can gain the financial and reputational benefits while gaining strategic resilience against water scarcity by reconfiguring their water footprint in a supply chain context. Most procurement teams are still making water-related decisions without full visibility.

By integrating virtual water insights into sourcing and risk assessments, forward-thinking companies can lead the way in sustainable innovation, supply chain strength and transparency, and climate resilience.



Water for food and beverage in numbers

2,000-5,000

liters of water to produce a person's daily food (UN, 2025)

Population will grow to

10 billion

by 2060, up by almost 2 billion (UN 2025)

53%

of companies have set targets for water consumption (GWI, 2025)

Only 4%

of food & beverage companies have set wastewater discharge targets (GWI, 2025)

20%

of companies are setting targets for freshwater withdrawal (UN 2024)

$307 billion

annual global drought costs (UNU-INWEH, 2024)

1.4 billion

people globally affected by droughts between 2002-2021 (GWI 2025)

But the crisis most companies can't see is

1.8 trillion m^3

Contact Alfa Laval

Up-to-date Alfa Laval contact details for all countries are always available on our website at www.alfalaval.com