



2026 Property & Casualty Report

FOOD + AGRIBUSINESS

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From farms to food processors, organizations within the food and ag supply chain find themselves dealing with similar challenges. Margins are tighter, operations are more interconnected, and disruptions travel faster than they used to. Weather volatility, labor constraints, regulatory pressure, and evolving supply chain expectations aren't new, but their combined impact is becoming harder to absorb.

Rather than trying to predict the next disruption, the focus is on strengthening resilience across operations, people, supply-chains and assets. Recognizing how small gaps add up can make a meaningful difference in long-term performance.

ON THE HORIZON.

Key shifts influencing risk, highlighting where pressures are building and expectations are changing.

Operational complexity is increasing, as operations become more interdependent

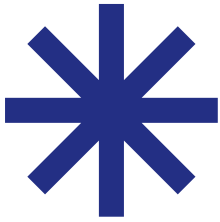
Food and agribusiness operations are becoming more layered. Vertical integration within some sectors, expanded distribution footprints, on-site processing, and diversified revenue streams mean exposures that were once isolated are now interdependent.

A disruption in one area — technology lapses, equipment failure, contamination, weather damage, or labor shortages — can quickly cascade into downtime, contract penalties, or reputational impact. Insurers are paying closer attention to how operations actually function day to day, not just what's listed on an application.

THEN:
Single-site operations with limited processing, local distribution, and minimal third-party involvement.

NOW:
Processing, storage, and distribution are interconnected, often across multiple locations, partners, and revenue streams.





PAYROLL REDUNDANCY: KEY INGREDIENT IN BUSINESS CONTINUITY PLAN

Many continuity plans focus on natural disasters, but cyber events can disrupt payroll and operations just as quickly. Ensuring plans account for ransomware scenarios can help keep business running and employees supported.

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Weather volatility is driving severity, not just frequency

Weather-related losses aren't new, but their financial impact is escalating. Flooding, drought, wind, hail, and temperature swings are extending recovery timelines and increasing replacement costs across growing, storage, processing, and transportation operations.

Climate risk is also showing up in resource reliability. Water availability, energy capacity, and infrastructure reliability are becoming operational considerations that can influence production and recovery, even without a single major weather event.

For many organizations, the challenge isn't exposure — it's how long it takes to recover and what that downtime now costs.

Workforce strain continues to shape loss outcome

Labor availability remains constrained across food and agribusiness operations, from front-line roles to skilled and experienced positions. As organizations rely more on new hires, temporary labor, or cross-trained employees, the impact often shows up in injury severity, quality issues, and operational errors.

Workforce challenges also tend to overlap in ways that aren't always obvious. Staffing decisions, accommodation requests, leave management, and return-to-work efforts frequently sit at the intersection of **FMLA, ADA, and workers' compensation**. When these areas are handled separately, gaps can emerge that affect both employees and day-to-day operations.



COVERAGE TO WATCH Property and Business Interruption

Interconnected operations mean a single disruption can affect multiple sites or partners. Specialized equipment and contamination response often extend recovery time. Coverage that reflects current operations helps avoid gaps between expected and actual recovery.

Safety, training, and compliance efforts can be stretched when turnover outpaces consistency. Organizations that take a more **connected view of workforce risk** — bringing HR, operations, and risk management together — are better positioned to support their workforce and manage loss outcomes more effectively.

OVERLOOKED RISKS.

Where those shifts are already affecting outcomes, creating friction across claims, recovery, and financial impact.

Regulatory and trade uncertainty

Shifts in regulatory focus and trade policy can affect food and agribusiness operations long before formal rules change. Increased attention on ingredients, environmental contaminants, and sourcing — combined with potential tariff or trade adjustments — can quietly create misalignment between how operations run and how contracts and coverage are structured.

Small gaps can create outsized losses

In food and agribusiness, risk isn't typically unmanaged — it's often structured around an earlier version of the operation. As facilities expand, processes evolve, or distribution footprints grow, coverage limits and assumptions don't always keep pace. Because these changes happen incrementally, gaps often remain unnoticed until renewal discussions or a loss tests existing assumptions.

Where the gaps hurt the most

Business interruption is one of the most common places where this misalignment shows up. Equipment specialization, contamination response, and third-party dependencies can extend recovery timelines beyond what interruption planning originally anticipated. Periodic review helps ensure recovery expectations reflect how operations function today.



WHAT YOUR ORGANIZATION SHOULD THINK ABOUT

- What's in the product — and where it comes from
- Environmental & Containment Exposure
- Product Liability & Recall Readiness
- Assumptions built into sourcing and trade relationships
- Who ultimately owns the risk



GROWTH IS ACCELERATING — RISK IS FOLLOWING

Within the food processing sector, capacity to meet consumer demands is resulting in significant investment in processing infrastructure — including **\$11B in dairy plant construction and expansion** — increasing exposure across property, construction, and business interruption.

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Transportation and off-site risk is underestimated

Whether moving raw materials or finished goods, transportation exposures remain a pressure point. As distribution networks stretch further, organizations are assuming more exposure outside their owned facilities. Temperature control failures, third-party storage, and variability in carrier quality can compromise product integrity — even when no visible damage occurs. These losses often hinge on contractual responsibility and coverage intent, areas where assumptions don't always align with reality.

M3 LENS: CLOSING THE GAP BETWEEN RISK AND REALITY.

Growth without alignment creates exposure. The most resilient organizations are the ones closing gaps before they're tested.

Now is the time to review how your operations and growth plans are protected.



Connect with your M3 Client Executive or Risk Manager to pressure-test assumptions, identify emerging exposure, and align your risk strategy with how your organization operates today.

