

FOODVALLEY NL

The Healthier Food Community

Innovate for Good: Uncovering the roadblocks in the way of a healthier food assortment

November 2023



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In preparation for its new community, Healthier Food – Innovate for Good, Foodvalley NL has uncovered the main roadblocks that stand in the way of having a healthier assortment of food and drink products in stores, cafeterias and other points of sale.

Introduction

In many stores, cafeterias and other points of sale (POS) globally, most of the food and beverage products currently available do not contribute to health. What people choose to buy is strongly influenced by what's available to them. Products that are affordable, convenient, easily accessible and tasty are often popular, but unfortunately, these tend to be unhealthy. The wide availability of such products fosters unhealthy consumption, contributing to high levels of malnutrition and obesity worldwide.

To get more consumers to buy healthier products, we must increase their availability, make them more attractive and more affordable. Although the need to make this change is widely acknowledged, moving towards a future in which the healthy choice is the easy choice is proving challenging.

With its Healthier Food – Innovate for Good Community, Foodvalley aims to bring together key players from across sectors to work collectively on making it easier for people to buy healthier food and beverages, wherever they are. This initiative has received financial backing from the Dutch Ministry of Health, Welfare, and Sport, which awarded Foodvalley the funding to develop the community in May 2023.

Background

In the Netherlands, efforts to make product ranges healthier are fragmented and often carried out by individual parties. As such, these efforts have yet to lead to an accelerated transition towards a more balanced food offering.

An important step the country has taken towards encouraging healthier consumption was the National Prevention Agreement of 2018, in which more than 70 Dutch organisations agreed to help consumers more easily make the healthier choice. Following on this agreement, Dutch authorities launched the National Approach Product Improvement (NAPV) in 2022, an initiative that seeks to encourage manufacturers to lower the amount of salt, sugar and saturated fats in foods and increase their fibre content, ultimately leading to a healthier product offering for consumers.

However, encouraging food reformulation and innovation is not enough: to generate comprehensive, lasting change we need to consider the whole ecosystem – all the players and considerations involved in the process of creating healthier food.

There are a number of bottlenecks that can thwart moves towards a healthier supply of food and drinks. These bottlenecks cannot be solved by individual parties but require collective action from different stakeholders across the ecosystem. Examples of such actions include solutions that promote the earning potential of healthier food products, or that seek to change consumer habits.





Foodvalley's Practical Approach

Drawing on 20 years of experience, Foodvalley has developed a [practical approach](#) to facilitate the transition to a more sustainable and healthy food system. We work with a wide network of international partners on initiatives across three fields of innovation: Food & Health, Circular Agrifood and Protein Transition.

At Foodvalley, we believe that real impact is achieved through collaborative action. To encourage such action, Foodvalley fosters communities that support the growth of an industry, sector, or, in the case of the Healthier Food Community, a goal like increasing the availability of healthier products. These communities bring together various stakeholders, including small and medium-sized enterprises, retailers and food & beverage companies, entrepreneurs, investors, government agencies and educational institutions. Together, these stakeholders build an environment that fosters collaboration, innovation, and growth.

Interviews: n=94
Business: n=76 (manufactures, ingredient suppliers, retail, out of home) <ul style="list-style-type: none"> • Start-ups: n=15 • SMEs: n=34 • Larger corporates: n=27
Other: n=18 (national & local government, NGOs, knowledge institutions, media, banks, investors, branch organisations)

Over the course of 2023, Foodvalley has been establishing the Healthier Food Community using its Practical Approach. We have conducted a thorough analysis of the food consumption ecosystem, mapped all relevant stakeholders, assessed their roles within the food system and gained insight into the challenges – and opportunities – they face in making the food environment healthier for consumers.

After an extensive series of interviews with these stakeholders and research conducted by our team, we identified the key roadblocks that stand in the way of creating a healthier food assortment. Now, the partners can tackle these identified obstacles as part of the Healthier Food Community.



Discovering the playing field:

- Between April and October 2023, Foodvalley's Food & Health team conducted desk research, stakeholder field mapping and almost 100 interviews with various stakeholders
- The research provided context about the current state of the food and drinks on offer to consumers, exploring consumption patterns, food environments, health issues, regulations, and stakeholders' roles
- The field mapping shed light on which stakeholders to include in the interviews
- The semi-structured interviews focused on the main challenges and opportunities in making food and beverage products healthier. Interviewees were asked to give their perspectives on their role and the roles of other stakeholders in offering consumers healthier choices
- During the desk research and interviews, attention was paid to the difficulties and opportunities arising from adhering to the NAPV with respect to reducing salt, sugar and saturated fat, increasing dietary fibres, as well as to the advantages/disadvantages of reformulation versus new product development
- The interviewees were mainly based in or operating in the Netherlands but also included a selection of international players

Roadblocks to Transition

Based on all the data Foodvalley's Food & Health team looked at, we identified six roadblocks that stakeholders face in working toward a healthier food and beverage product offering:

1. Creatures of habit

Changing consumer behaviour is complex. Although aspects such as sustainability, health and animal welfare are of growing importance to many people, taste and price (lowest) often turn out to be the decisive factors at the point of purchase. Our purchasing context, taste preferences and expectations have a significant influence on our decisions at the checkout. Cultural influences and ingrained habits can often drive consumers to favour lower prices and bargain buys, which in practice tend to be the less healthy option, while economic realities such as inflation and higher living costs are also strong decisive factors. Nudging, true pricing and other approaches may offer opportunities to change consumer purchasing behaviour.

2. Commercial constraints

Most businesses are mainly profit-driven. In a crowded marketplace, getting a healthy product onto shelves can be challenging for food innovators. However, gaining a spot at POS is just the first step: No matter how healthy a product is, if it doesn't sell, it won't keep its place on the shelves. Traditionally, product listing, pricing and presentation at POS and in promotional materials depend on sales and volumes. Additional costs to ensure better promotion in-store lead to less investment in healthy innovations. These challenges are driving innovators to search for alternative routes to market. (Think short-chain direct-to-consumer or cooperative local POS.)



3. Maze of rules & regulations

While their intentions are good, recommended guidelines and regulations concerning healthier food products are abundant, fragmented and sometimes contradictory. This web of guidelines and regulations highlights a lack of clarity on what can be considered 'healthy' or 'healthier'. Without a clear, agreed-upon level playing field, in which all parties work toward (re)formulating their products for health, being a first mover is risky. As a result, those looking to adjust their products and assortments to make them healthier fear losing market position. Clearer guidelines and regulations that consider the whole ecosystem and are a good fit internationally can accelerate the availability of healthier products at POS.

4. Skilling up to scale up

The drive of SMEs that pioneer healthier food products is crucial to boosting the healthiness of food offerings – their agility spurs larger retailers and corporates to continue to adjust their respective product lines. However, sometimes SMEs that create a healthier innovation – whether a product, ingredient or technical service – lack the business skills to successfully pitch, scale and market it. Intellectual property practices are a bottleneck in this space. Good ideas attract attention, and SMEs with innovative products could risk losing their unique selling proposition to competitors. By enhancing their business skills and know-how, SMEs can have a bigger impact on the assortment of foods and drinks available to consumers.

5. Knowledge is power?

Research and development (R&D) is a key part of creating a healthier product offering. However, access to quality R&D is not a given for all stakeholders. Many SMEs need time to build up such capabilities. At the same time, many larger food-and-beverage businesses have, over the past years, outsourced their R&D, leading to a decline in in-house expertise and innovation. Shifts in business climates and priorities, staff capacity issues and a lack of alignment between internal departments make it hard for businesses to retain knowledge and set long-term strategies prioritising health. By better collaborating on R&D capabilities, stakeholders can accelerate the shift to less unhealthy food offerings. Options include sharing facilities and exchanging knowledge.

6. Fixed (technological) mindset

Although there are already many ways to apply new technologies and reformulation techniques to boost a product's health and sustainability credentials, both consumers and producers can be hesitant to take the risk. Manufacturers can use innovative solutions to cut salt, sugar and fat levels gradually. However, taking these steps too quickly may affect sales as consumers are often attached to a particular taste and mouthfeel. Implementing new technologies in practice requires a leap of faith as well as a significant investment on the part of the producer. Moreover, retailer and legislative requirements surrounding food safety, shelf life and shelf stability weigh heavily on a producer's mind when reformulating a product. As a result, producers will prefer tried and tested production methods instead of pioneering new paths towards healthier products. By taking away hesitation surrounding new technologies, big steps can be taken towards adopting healthier (re)formulated food products.



Next steps

The kick-off meeting of the Healthier Food Community will be held on 1 February 2024, welcoming parties from across sectors looking to work on increasing the supply of healthier foods and drinks.

Using Foodvalley's Practical Approach, the community partners will work together to launch initiatives that boost access to a wider assortment of healthier products, accelerating the transition towards a more healthy food system and society. By showcasing successful examples of products and solutions, the community can also boost the creation of viable businesses and business models that strive to build healthier food environments.

For more information or to join the [Healthier Food Community](#), please contact [Judith van der Horst-Graat](#), Innovation Lead of Food & Health at Foodvalley.

