

How to Succeed in Functional Foods: 6 Trends to Digest



By Peter Leighton

Functional foods & beverages have demonstrated not only their staying power as a new category of products, but they have actually been driving growth in the food industry.

Market health and lifestyle trends are helping to define the advancing functional food movement that is driving growth in the grocery channel.

What follows is insight into six conditions that have demonstrated a strong relationship to food, either as causative (although one can argue that nearly every disease or condition is at least in part a result of diet) and/or a primary role in treating or managing that condition. These represent 6 consumer trends that can bear fruit in the functional food category:



1 Obesity

Worldwide there are more than 1.6 billion overweight people, of which 400 million are obese (130 million in Europe). The problem is now so prolific as to affect 18 million children under the age of five. About 2.5 million deaths are linked to being overweight or obese. By 2050 there will be 3 billion overweight inhabitants of the world and 600 million of those clinically obese.

Besides dramatically impacting our healthcare systems, sales of weight loss products surpassed \$144 billion in 2010.

Bioactive compounds found in some botanical sources are demonstrating benefit through various mechanisms of action. For instance, Lovidia, a novel weight loss product, works by stimulating sensory receptors in the gut, which magnify important hormones that trigger the sensation of satiety. Lovidia should be ready for commercialization as a supplement in 2014. As clinical evidence mounts on (or discounts) these emerging compounds, it's fair to assume many will see wide acceptance in a host of foods and beverages. New evidence is demonstrating a link between certain bacteria strains in the gut and weight loss, opening a new chapter for probiotics. And renewed science continues to support bioactives such as Garcinia Cambogia (CitriMax®).





2 Diabetes

Closely related to the obesity epidemic is that of diabetes (type 2 or “Adult Onset”), a chronic condition now common in children. Of those diagnosed with type II diabetes, about 80 to 90 percent are also diagnosed as obese. By 2025 5.4% of the global adult population will have diabetes. That’s a 42% increase in developed countries and a 170% increase in developing countries, perhaps proof that our *Western* diet should be considered a communicable disease. Currently around 220 million people worldwide have diabetes, but a new study funded by World Health Organization and the Gates Foundation now puts the figure closer to 350 million. Since 1980 the number of people afflicted with diabetes has doubled.

Functional Food opportunities abound. Considering the immense number of those diagnosed, not to mention those under-diagnosed, and the length of time this chronic disease has an impact on the lives of those affected, this is a key target for functional foods & beverages. Also consider that diabetes is a lifestyle disease that is managed primarily through diet and exercise. I see prime opportunity for a few new brands that are solely focused on great tasting, convenient, and carefully formulated products that help the target audience manage their diabetes. These products will take much of the guesswork out of the equation for diabetics, allowing them to lead a more “normal” life, while enjoying their diet. Think about breakfast cereals that contain beta glucans, phytosterols, soluble fibers and the optimal blend of macronutrients and low glycemic carbohydrates.





3 GI Disorders

One in seven people suffer a chronic gastro intestinal disorder. In the US alone, around 70 million adults suffer from digestive problems caused by poor consumption habits, high usage of additives for processing of food, and a high rate of antibiotic intake. 76 million Americans will get a food borne illness and 40 million travelers will suffer diarrhea every year.

In 2010 worldwide sales of products for digestive health reached \$17.7 billion. The US market for GI supplements alone was \$1.5 billion in 2012, up 13% over the previous year.

Just one of the causes of the profound GI epidemic is the prolific use of pharmaceutical medications, which is driving another GI issue: constipation. Four million adults have constipation and those over the age of 60 are five times more likely to suffer from it than those in their twenties.

Forty six percent of consumers are very/somewhat worried about the long-term effects of GI OTC remedies; 44% worry about becoming too reliant on these products and 40% are concerned about their potential negative interactions with medications/ vitamins they take. This suggests consumers are seeking more natural alternatives. In fact, 37% of American consumers who had constipation/diarrhea say they changed their diet to treat the problem.

With such a multifaceted problem, and one so closely related to diet, you can bet that appropriately developed functional foods & beverages are increasingly being seen as primary options to mitigate and treat these far reaching problems.

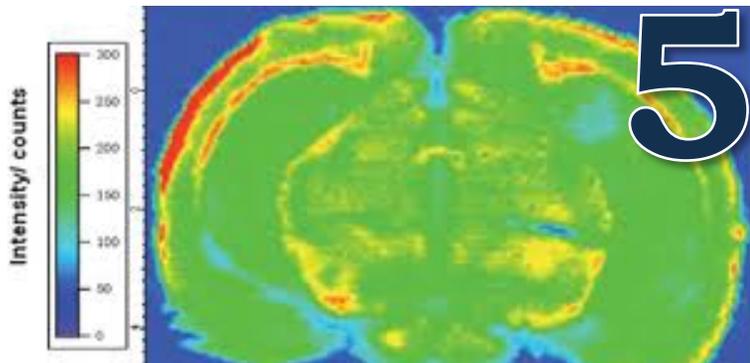
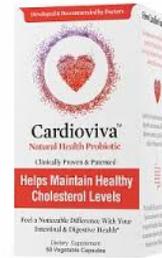




CVD

Currently, 36.9% of Americans have some form of heart disease, including high blood pressure, coronary heart disease, heart failure, stroke and other conditions. By 2030, over forty percent of Americans or approximately 116 million people will have some form of cardiovascular disease, a disease that is killing 17 million people every year. The cost of medical care for heart disease will rise to \$818 billion. Heart disease will also cost the nation billions more in lost productivity, adding another \$276 billion by 2030.

In 2010 worldwide sales of heart health nutritional products were \$11 billion and include up and coming nutraceuticals such as plant sterols, omega 3 (essential fatty acids), oat betaglucons, etc.



Cognitive

Alzheimer's disease has been called Type 3 Diabetes because there is increasing evidence that, like diabetes, it is linked to the diet we eat. The brain, dependent upon its fuel, glucose, is also very sensitive to insulin resistance, which occurs when the pancreas is overwhelmed. When the cells in your brain become insulin-resistant, you start to lose memory and become disoriented, and it is often characterized by the build up of beta amyloid plaque in the brain.

Besides emerging nutraceuticals for the prevention of dementia, research is delivering a host of innovations for enhanced cognitive function, as well as the need to shut down: sleep.





6 Aging

With the aging of the Baby Boomer generation, we're finally witnessing a broad based movement to slow or reverse the aging process, as this generation is refusing to yield to the inevitable process of growing old. Or at least we don't want it to slow us down or affect our lifestyle. This impacts a real need for products that support visual signs of aging (skin health), vision, energy and sex drive. The former category alone is a \$20 billion market in the US.

This broad segment, like the others noted above, encompass many of the same related issues. But with an aging population, there is an increased focus on more vanity driven solutions.



From a macro perspective, consumers have progressed from looking at food as simply caloric intake for survival, and then as a taste experience to drive satiety, towards a view of food as a platform for enhancement to deliver a functional benefit. Put in perspective, what I like to call the *Malnutrition of Affluence* has taken root. This represents the fact that the more affluent we have become as a society, the less nutritious our diet has been. We have generally supplanted food quality with quantity, eating a calorie-rich, nutrient poor diet that lacks in biodiversity, while at the same time we have limited our physical activity. Now, more and more consumers recognize the deficiencies in their diet and are seeking ways to take an active role in maintaining their health & wellness, driving them to seek foods that provide greater functional benefit.



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