



## **Bangalore Chamber of Industry and Commerce**

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### **Report on the Seminar on Functional Foods – Potential Business Opportunities held on January 21, 2011**

The Bangalore Chamber of Industry and Commerce under the aegis of its Agro & Food Processing Committee organized a One day Seminar in association with the Government of Karnataka on '**Functional Foods—Potential Business Opportunities**' on Friday, January 21, 2011.

An array of thoughts on the prospects of the food processing industry was discussed by experts from the industry and the government and a virtual consensus was that India should leverage its intrinsic strength in its traditional foods and materials to fortify the value of functional foods.

In his welcome address Mr. Murali Ganesan, Chairman, Agro & Food Processing Expert Committee, BCIC said that functional foods in addition to satisfying hunger and taste had an important role to play in narrowing deficiency gap of nutrition and energy to help society boast of a healthy population.

In his characteristically well researched presentation, Dr. V Prakash, Director, Central Food Technological Research Institute (CFTRI), Mysore emphasized the importance of the Indian traditional and ethnic food and said Nutraceuticals in foods cannot be ignored, but the primary objective of food industry should be to explore the vastly undiscovered treasure of the natural foods and use science for ideal blending of Nutraceuticals for a balanced intake by consumers. He said that functional foods had their own role holding a huge commercial potential. He emphasized that India with only \$ 1 bn, had only a tiny share in the global functional foods market of \$ 350 billion. However, he stressed that functional foods should be made affordable and reachable to the mass, irrespective of economic strata. He also called for a food-based rather than molecular-based approach to diet, adding that "nutraceuticals are not a supplement".

Mr. N C Muniyappa, Principal Secretary, Agriculture Department, Government of Karnataka informed that the State Government was in the process of formulating a policy to promote Food Processing Industry that will balance the growth of the industry to meet the interests of the investors and the farming community. He said that the Government in consultation with M/s. Mahindra and M/s. PriceWater House Coopers would come out with a comprehensive market oriented Policy Document. The Policy, aiming to promote Public Private Participation as a key consideration will address all issues to give a structural support to the growth of Food Processing Industry, he further added. He said that all agriculture-related industries will be treated as a separate category for purposes of conversion of land use as compared with industries such as cement and steel. He further added that the State Government would reform the tax

regime with respect to Agriculture produce and Marketing Committees, with a view to helping “private terminals and mega markets”. Mr. Muniyappa said that the State Government is investing Rs.10,000 crore in the agriculture sector in order to ensure that this sector along with irrigation are demand-driven rather supply-driven. He mentioned that the Government would prefer contract farming on the basis of crop lease rather than land lease, as the latter could give rise to fears of farmers losing their land.

Delivering his concluding remarks at the Inaugural Session, Mr. Chethan Hanchate said that the global market for functional foods was growing at a compound annual growth rate of 9 per cent. On behalf of BCIC he thanked both Dr. Prakash and Mr. Muniyappa for having spared their valuable time to be present and gave their invaluable inputs to the Seminar.

Mr. G K Vasanth Kumar, Additional Secretary, Food Processing and Harvest Technology, Agriculture and Horticulture Department, Government of Karnataka who Chaired the Technical Session highlighted the importance of regulatory mechanism to tackle the problems of credibility of products and processes so that the industry’s growth did not face any impediment.

Mr. Guatam Banerjee, Principal Scientist, Hindustan Unilever Ltd., speaking on “Functional Foods—Opportunities & Prospects” said that though India was still at its infancy stage of functional foods business, its prospects however, was bright. There is a shift in the market towards ‘functionality foods’ which could open up new opportunities, he said, but warned that the successful growth of the industry will depend on thorough consumer understanding, uncompromised taste and convenience coupled with trusted brands that effectively and credibly communicated the benefits of functional foods. Mr. Banerjee said with a tectonic shift towards functional foods due to changing trends in personal income and expenditure, breakdown in traditional eating patterns resulting in nutritional gaps and rapid increase in incidence of lifestyle related ailments like diabetes, obesity and cardiovascular diseases, are going to be the trigger for this sector's progress. He however, cautioned that the growth would heavily depend on thorough consumer understanding and their trust in the products’ testimonials.

Mr. V P Iyer, Director - South Asia, Kerry Ingredients & Flavours, in his presentation on “Functional Foods - International Perspectives” of the business, pointed to the four mega trends that shape the business of food and health. He said these trends should guide any company in developing its food and nutrition strategy. The focus should not be on short term foods but on the underlying key drivers for the industry. He said that the key elements that will help the growth of the industry would be digestive health -a mega trend; weight management, cardio vascular and bones related issues like osteoporosis and lack of calcium in the ageing population. Digestive health products are recession proof and are the single largest segment of the functional foods market in Europe, Japan and elsewhere. However the biggest opportunity lies in the potential to create fibre “expert brands”, he further added. Mr. Iyer pointed out that despite the downturn post-2009, the category of functional food recorded an impressive sales growth in many countries, whose economies witnessed a dramatic slide. India had a rich potential for functional foods as they are increasingly becoming an integral part of an overall healthy lifestyle.

Ms. Sheela Krishnaswamy, Director, Board of International Confederation of Dietetic Association in her presentation on "Functional Foods and Nutraceuticals in disease prevention" said that though urban India has begun to savour fortified foods with increasing awareness on prevention of diseases, most Indian homes continue to lean towards natural home remedies rather than resorting to pills for illness. It will be prudent to use indigenous ingredients using ancient knowledge to fortify the growth of food supplements that are needed for sick population. She however, posed a few question on the relevance of functional foods and asked whether popularising Nutraceuticals should be done at the cost of undiscovered components of natural foods? The safety aspect of the synthetic and processed Nutraceuticals against the 'grandma's' home-grown solutions, particularly in combating deficiencies in pregnant ladies and children and the functional reactions of the body to the synthetic foods are the other issues that needs to be pondered over.

Dr. Jasvir Singh, Manager, Scientific & Regulatory Affairs, ITC Ltd. enlightened the audience with the emerging regulatory framework being conceived by the Food Safety and Standards Authority of India for Special Nutritional or Dietary Uses. In his presentation, he highlighted the provisions relating to creating standards for health supplements, novel foods and definitions and compositions envisaged by the government. He said that it was important that industry engaged itself actively through BCIC in the process of developing the Law and avert concerns that would impede the smooth take off of the business.

Dr. Jayant Deshpande, Chief Technology Officer, Omni Active Health Technologies Ltd., in his presentation on "Functional Foods – Practical Applications" highlighted the technology and techniques to be adopted in using bio-actives and said that often the process of selection, measure of bio-active posed great challenges. These issues needed careful consideration in retaining the integrity of the food by quality giving importance to preserving taste and texture of food manufacture. Retaining potency of medicines during processing and protecting potency during shelf life for a longer time are the other key factors that will determine in sustaining the validity of functional foods.

Each Technical Session was followed by Q & A Session wherein the Speakers responded to all the queries from the participants.

Mr. T S Sampath Kumar, Secretary General in his vote of thanks expressed his appreciation of the presentations made by experts and said it was enlightening and informative for everyone to understand the dynamics of functional foods business. He also recorded his thanks to all the Sponsors for their support as well as the participants for having shown their keen interest in the topic of the Seminar by attending the meet in large numbers thereby making this event a grand success.