

Realigning UK Food Production and Trade for Transition to Healthy and Sustainable Diets

Work Package-5

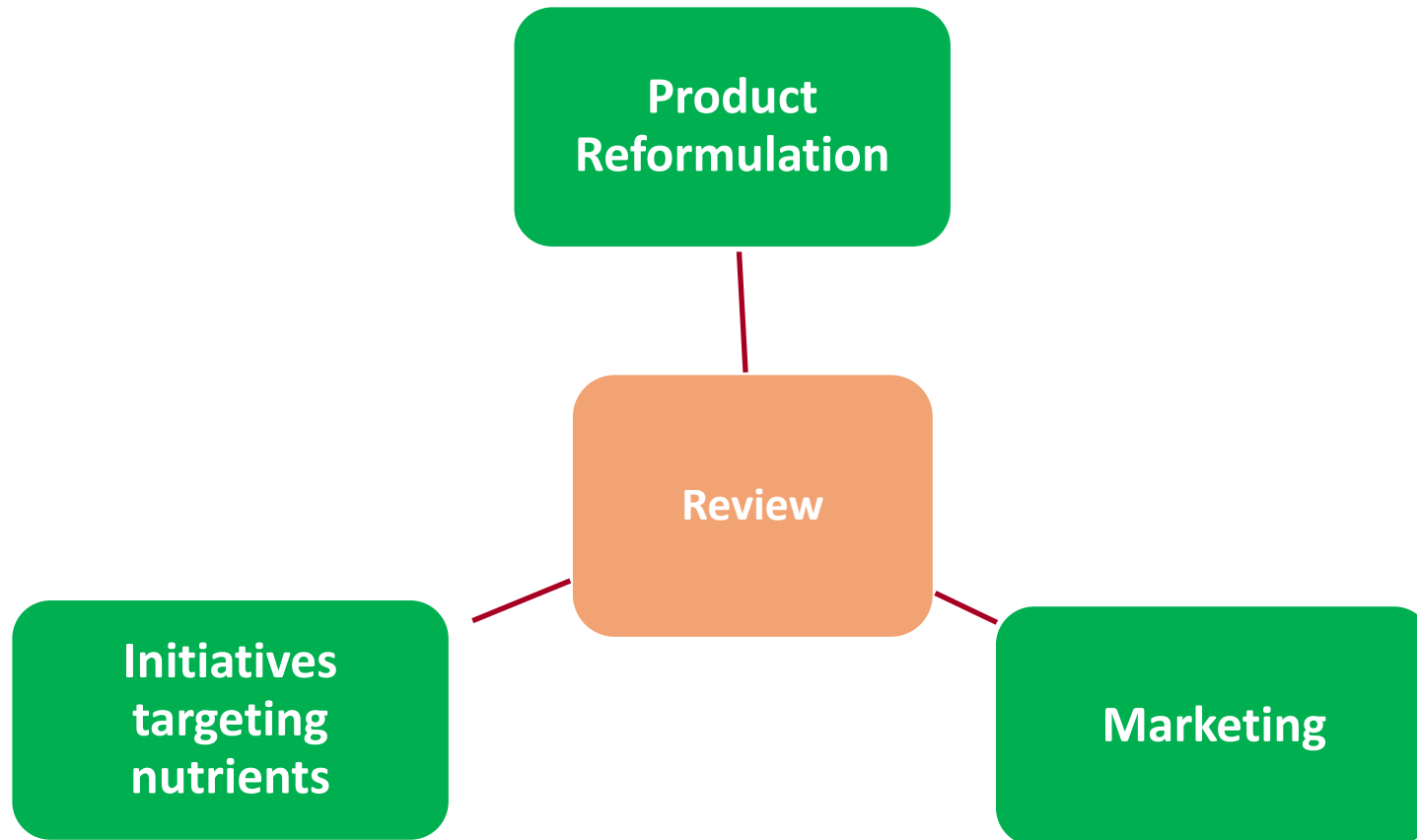
**Industry led Initiatives for Transition to
Healthy and Sustainable Diets**

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Aims

- ▶ Identify industry-led innovations that can support the transition towards healthier and sustainable food products.
- ▶ Assess consumer response and Willingness to Pay for these innovations.
- ▶ **Methods:**
- ▶ Literature review on food industry initiatives for healthier food products and their efficacy.
- ▶ Qualitative study - in-depth interviews (15) with product managers from bakery, non-alcoholic beverages, processed fruits and vegetables industry.

Key Avenues for Innovation





**Product
Reformulation**

**Nutrient
Specific**

Marketing

► **Context: “Responsibility Deals”**

► **Notable progress:**

- Sugar ↓14.9% (cereals), ↓13.5% (yoghurts)
- Salt ↓15% (2003–2011), but recent stagnation

► **Less progress on saturated fats; taste/texture issues**

► **Industry replacing additives/sweeteners with ‘clean label’ alternatives**

► **New techniques (e.g. cold-press, high-pressure) used to preserve nutrients**

► **Reformulation works best when tech feasible + market incentive exists**

**Product
Reformulation**

**Nutrient
Specific**

Marketing

- ▶ **Sugar: Best results in yoghurts/cereals; less in confectionery**
- ▶ **Salt: Early success, now slowed—taste & policy gaps key barriers**
- ▶ **Saturated fats: Limited reformulation; consumer acceptability low**
- ▶ **Fibre: Technically feasible but underprioritised—“Action on Fibre”**
- ▶ **Vitamins: Fortification efforts fragmented; awareness + taste concerns limit uptake**



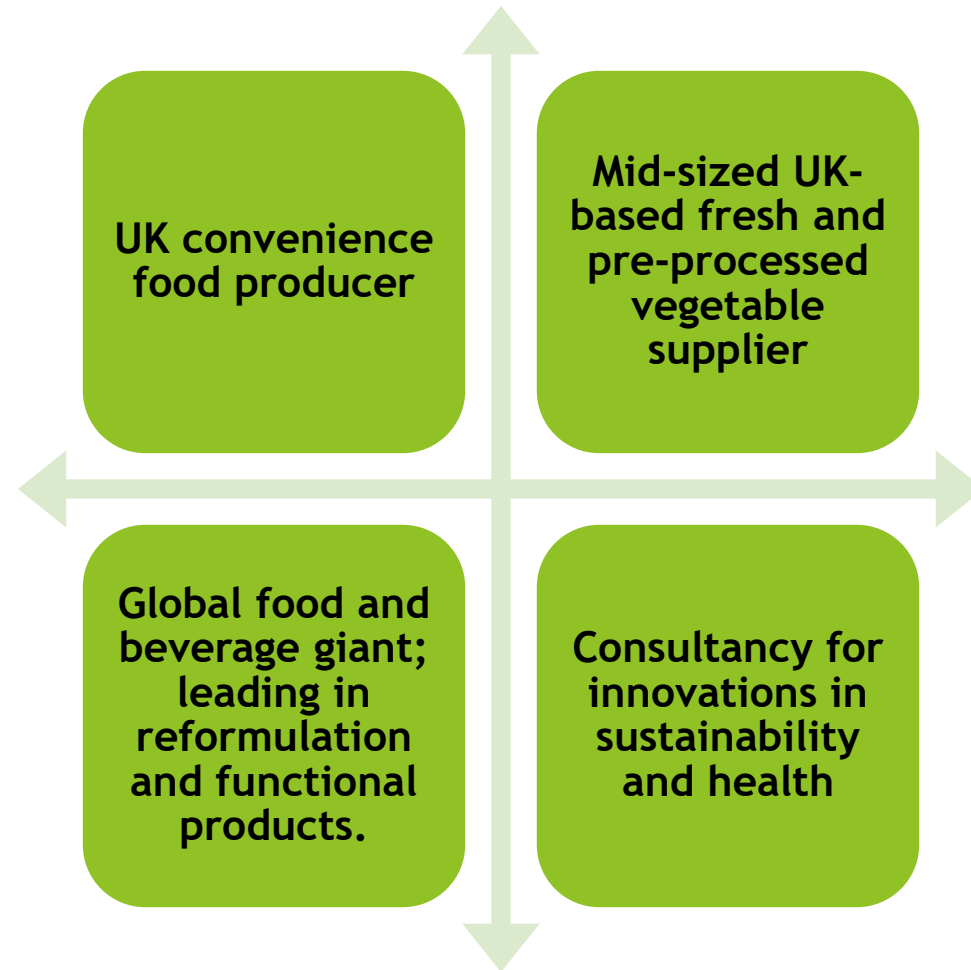
**Product
Reformulation**

**Nutrient
Specific**

Marketing

- ▶ **FOP labels (traffic light, Nutri-Score): Improve consumer understanding and drive reformulation**
- ▶ **Strategic branding (e.g. ‘low sugar’, ‘added fibre’) affects perception and WTP**
- ▶ **SMEs leverage health cues despite budget constraints**
- ▶ **Portfolio-level pledges (e.g. Lidl, FDF Action on Fibre) support broader reform goals**
- ▶ **Success relies on consistency, clarity, and brand trust**

Food Industry Interviews



Key Perceptions

- Trends: Recognition of shift towards health, sustainability, and convenience.
- Challenges:
 - High costs and consumer resistance.
 - Fragmented innovation efforts.
 - Need for regulatory and industry collaboration.

Innovations Across the Industry

- Reformulations (salt, sugar, fat reduction), clean-label ingredients, sustainable sourcing, carbon tracking.
- Ready-to-cook innovations addressing children, recyclable packaging.
- Functional foods and beverages (e.g., mental well-being), sugar-free variants.
- Sustainable grains in bread, bioactive beverages.

Marketing: Communicating Innovation to Consumers

- Collaborates with retailers to educate consumers.
- Face-to-face communication with retailer development teams.
- Focus on branding and occasion-based messaging.
- Align messaging with health and sustainability

Key Messages

- ▶ Genuine enthusiasm for sustainability in production, supply chain management, packaging and consumption.
- ▶ Little enthusiasm for regulatory interventions - concerns over the economic and competitive impacts of regulation that targets specific nutrients or segments of the industry.
- ▶ Need for a level playing field for all sections of the industry.
- ▶ Tension between producers and retailers - do retailers stifle innovation?
- ▶ Innovation needs to be demand led.
- ▶ Consumer acceptance (taste, convenience) trumps sustainability and health concerns in product innovation.

Back to Regulation?

- ▶ Options for regulation:
- ▶ Mandate Standardized Front-of-Pack Nutrition Labelling?
- ▶ Expand fiscal incentives and penalties beyond beverages?
- ▶ Binding nutrient reformulation targets across key categories?
- ▶ Regulate retailer influence via Health Responsibility Code.