Preface

With ageing populations, rising incomes and a growing recognition of the link between diet and health, consumers are increasingly interested in new food products, supplements and ingredients with health-enhancing properties. The food industry has responded with an ever-increasing array of new food innovations, formulations and enhancements that comprise the growing health food market: omega-3-enhanced juices and dairy products with heart health benefits; dairy products containing probiotics for enhanced digestive health; breakfast cereals containing soluble fibre and oat bran for lower cholesterol and heart health; delicious spreads fortified with B vitamins for energy or high in folic acid for foetal development; foods high in calcium for healthy bones and teeth; vitamin C supplements offering antioxidant benefits. The list goes on.

Innovation in food markets brings both opportunities and challenges, particularly from a regulatory and policy perspective. The purpose of this book is to bring a social science lens to those opportunities and challenges. The opportunities lie in increased choice and product availability for consumers, in the potential to address the growing health care cost burden through foods that assist with the management or prevention of disease or improve general health and wellbeing and growth opportunities for the food industry through innovation and product differentiation.

Challenges lie in establishing a regulatory framework that creates the appropriate incentives for research and development leading to successful innovation and commercialization strategies in the sector, while balancing the need to protect and inform consumers. It is critical that health claims are genuine and not misleading, are supported by science and are understood and considered credible by consumers. As countries have each navigated this regulatory path, different regulatory frameworks have emerged, albeit often based on the same underlying science but resulting in different processes for the approval of new products and technologies and differences in allowable health claims and food labelling requirements. The words functional food, nutraceutical, dietary or food supplement, natural health product and bioactive substance have variously been used to describe the category of 'health food products' considered in this

book. What is considered a functional food in one market may be treated as a supplement in another market and a natural health product elsewhere, with a different set of regulatory requirements depending on the categorization. For firms interested in tapping into export markets, this means unpacking a complex array of allowable health claims, product approval processes and product positioning strategies that differ across international markets.

Our purpose in writing this book is to provide an overview and assessment of the policy and regulatory environment governing the health foods sector in various countries. We examine the different definitions and categorization of 'health food', product approval processes and health claims regulations in a number of developed and emerging markets. Against this backdrop, the book also offers insights into the nature of the health foods sector in selected countries and examines the drivers of consumer demand for foods offering health benefits. The analysis draws on insights from the discipline of economics in understanding motivations for policy intervention, as well as understanding incentives for decisions at the individual consumer and firm levels. Of course, this can never be a comprehensive assessment, and regulatory and commercial environments will continue to evolve over time. By design, our analysis has needed to be selective, with a focus on the current state of policy and industry development in major developed markets, as well as a number of interesting emerging markets. Taken together, our book offers a big picture overview of the key policy issues surrounding innovation in this segment of the food industry, alongside a more detailed and nuanced analysis of the regulatory approach in key markets.

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