

# The health of nations

With the global epidemic of obesity placing a severe strain on government budgets, the chocolate industry needs to collaborate on new strategies to help consumers' well-being

The United Nations estimates that 1.4bn adults are now obese and 350m people now suffer from diabetes. These conditions are no longer only a concern in developed Western societies: for example, a 2013 government survey found that 70% of adults in Mexico are overweight. As research suggests that this epidemic of obesity is not caused by any significant decline in physical activity, the spotlight has fallen on the food industry. Governments, who already spend 7% of their healthcare budgets on weight-related issues, are focusing on diet and the impact of such foods as chocolate.

### The regulators' view

In this context, there is a great deal of uncertainty about regulators' strategies. In March 2014, an action plan from the European Union's High Level Group on Nutrition and Physical Activity hinted at the use of taxation and subsidies to encourage consumers to make the right choices and urged a complete ban on advertising to children. The UN has also advised developing nations that regulation can fight obesity.

Norway and Finland already tax chocolate and Denmark taxes saturated fats. Hungary taxes unhealthy products and France has imposed levies on

soda drinks. Similar moves have been discussed in Italy, Romania and the UK. In such a climate, it is imperative that the industry confronts this issue sooner rather than later.

Concern over health is already changing consumer habits, driving a shift to dark chocolate and, in the US market, even encouraging lower consumption and a shift to snacking among customers who regard an entire chocolate bar as too much of an indulgence. In December 2012, 21% of American consumers told Mintel they ate less chocolate than the year before, with 59% motivated by weight issues. Datamonitor found that 87% of those surveyed in Western Europe were interested in products that were good for their hearts although only 29% were convinced by such claims.

### The strategic response

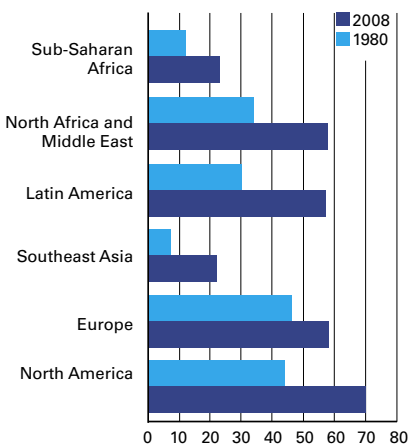
With Innova reporting a 42% increase in active health claims by cocoa and chocolate companies between 2012 and 2013, the industry is already anticipating the trend towards regulation and changing customer preferences.

The three major strategies being employed are: 1) product innovation to substitute unhealthy ingredients; 2) adjusting the marketing approach to promote products that are genuinely healthier; and 3) collaborating across the sector to jointly identify solutions.

The substitution of ingredients, such as replacing cocoa butter by natural oil derivatives and the replacement of sugar by the herb stevia, is an important innovation. Stevia featured in nearly a third of global chocolate launches in 2012/13; as a natural

### Obesity: percentage of adults with body mass index greater than 25, by region

Source: Overseas Development Institute



ingredient it appeals to a growing number of consumers.

Barry Callebaut is focusing on steviol glycosides: they are at least 200 times sweeter than sugar, so chocolate's sugar content can be reduced by 80-90% and its calorific content by as much as 30%. Challenges remain: stevia doesn't have sugar's bulking effect and is costly, so a natural, non-calorific bulker must be found.

Companies should steer their product development departments not just to reduce fat, salt and sugar. They should study how their products are consumed in their customers' daily lives and jointly adjust their products.

Progress can be swift, dramatic and painless. The Dutch vegetable canning industry reduced the salt content of its entire product portfolio by 30% at

## Chocolate will be different in 10 years – healthy fats, high levels of flavanols will be the norm

once. The adjustment did not harm companies' revenues but did improve their health profile.

The marketing approach has changed too. The pseudo-science typified by the term 'nutraceutical' has been superseded by the idea of 'wellness'. Some consumers have assumed that products advertising reduced fat or sugar on their packaging will not taste as good so the major players may eschew such claims and make public pledges, as Cadbury has done recently in the UK, promising not to sell bars containing more than 250 calories.

Yet the drive to position chocolate as a healthy, functional food is gathering momentum. "Chocolate is a phenomenal delivery mechanism for functional ingredients," says Paul Frantellizzi, the founder of US company Good Cacao. The firm produces Coconut Omega-3, Lemon Ginger Immunity and Weight Loss Mandarin Orange dark chocolate.

### Heart of the matter

Having prohibited the advertising of chocolate's health benefits in 2010 because of inconsistent evidence, the European Food Safety Authority last year permitted Barry Callebaut to market dark chocolate produced using its flavanol-preserving Acticoa method as "maintaining the elasticity of blood vessels". Flavanols have also been shown to improve blood pressure, increase blood flow to the brain, help stroke victims and reduce insulin resistance in diabetics. Dr Howard-Yana Shapiro, Chief Agricultural Officer at Mars, has said: "The idea is that this is something that will become the norm – healthy fats, high levels of flavanols. Chocolate will become something quite

different in 10, 15 or 20 years, and we are on that track now."

Companies will need to monitor the health profile of their portfolio. Nestlé is already encouraging consumers to educate themselves with an app enabling shoppers to scan its products and receive dietary advice.

In the long run, the development of a healthier bar – whatever ingredients it happens to contain – that still tastes good, may be the answer for chocolate makers, governments and consumers watching their waistlines. Yet it would help the industry achieve this goal – and to ensure that they are not surprised by the repercussions of new regulations – if companies across the sector collaborated and shared their learnings in the years ahead. ▀



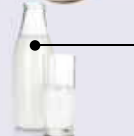
### Functional ingredients that could make chocolate healthier



**Fibers** reduce bad cholesterol, natural laxative, regulate blood sugar levels.



**Protein** is a vital component of virtually every cell. The body needs a lot but cannot store it.



**Micronutrients** such as calcium and vitamins are needed in small doses for a range of functions.



**FruitFlow** is a tomato concentrate that aids blood flow.



**Energy-givers** such as guarana (left) extracts and botanicals can act as tonics or stimulants.



**Green tea extract, green coffee extract and chia** improve brain function, burn fat and are powerful antioxidants.