baltfood

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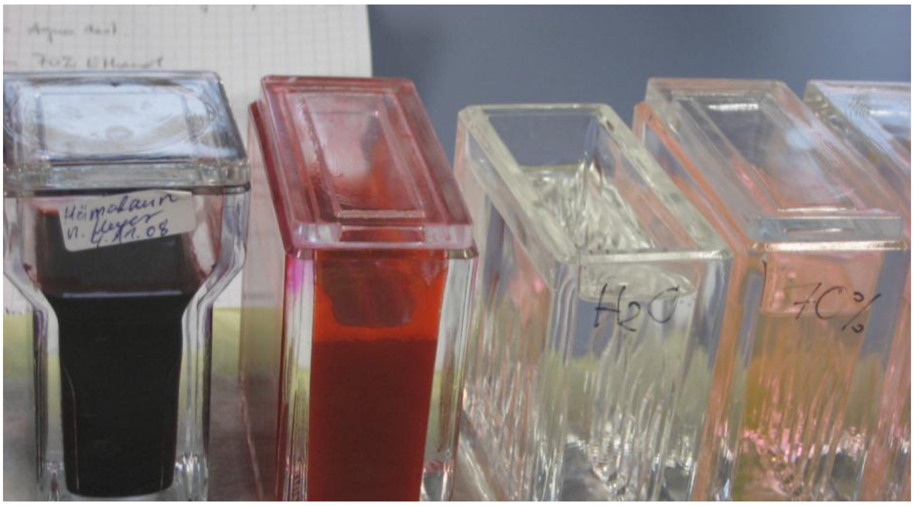
BSR survey on Food Research Institutions



To assist companies in their development efforts and to provide infrastructures that extend beyond regional borders, a network of research and development facilities in the Baltic Sea region is being organized

Therefore a survey on food research institutions in the Baltic Sea region was performed in 2009. The aim of this first survey was to identify expertise and higher education institutions as well as other research institutes which can be utilized by the food processing enterprises.

With the survey results it will be possible to elaborate potential R & D gaps. This can be done by analyzing the results taking into consideration the data of food processing companies and the development needs of the food industry.

The results show that research institutions already collaborate actively with the varied branches of the food industry. There is a large scale of technologies and facilities that research institutions offer for business. The majority of the institutions operate internationally and thus their expertise can be utilized by foreign enterprises.

Despite an already existing cooperation between scientific institutions and industry obstacleswith in the collaboration have been identified. The most common obstacle in utilizing research expertise is clearly a lack of knowledge on cooperation possibilities and right contact persons. Due to this fact marketing and mediating efforts must be intensified.

As a conclusion the business development organizations are requested to invest more and more to bring the entrepreneurs and researchers together.

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First baltfood project results available

Studies on e-learning, food trends and site-selction factors published

If you would like to know the composition of your menu of 2030 have a look at our corresponding study about food trends in the Baltic Sea region. Read more about this on page 2.

Furthermore this newsletter will provide you with information, which factors make the BSR attractive for investments for companies related to the food industry.

In our previous newsletter we presented the efforts of our e-learning expert team, which is working on an e-learning platform for the BSR food industry. The corresponding study result as well as the findings of the other above mentioned topics can be downloaded at the project results section of our baltfood website.

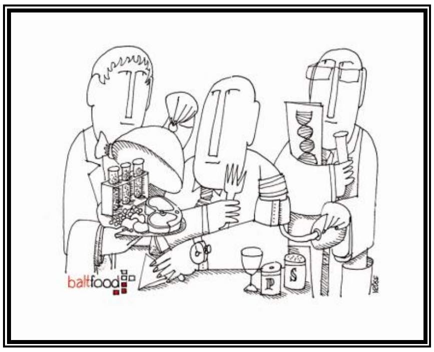
At least we introduce with this second newsletter a successful Finnish entrepreneur with a keen sense of innovative products.

We wish you a good reading!

Your baltfood project team

Menu 2030: baltfood study shows development of food habits in the BSR

One possibility to support the health of citizen in relation to their food habits is to raise an “Anti-Fat-Tax” on supposed unhealthy food, as recently planned in Denmark. A current study about trends of the food industry in the Baltic Sea region does not only identify the direction of the culinary trip regarding food and health, the study shows much more.



Food & health - serving a menu according to your personal genetic profile

During the spring and summer 2009, a research about consumer food trends influencing especially small and medium sized (SMEs) food companies located in Baltic Sea Region (BSR) was performed. The research was one of the first activities in baltfood project which aims at strengthening the competitiveness of food industry in BSR. The principal goal of baltfood is to provide support for SMEs, enabling them to recognize food trends more quickly, transform research findings more readily to marketable products and penetrate international markets with greater success.

The trend research focused on three main themes which were Food and health, Food and sustainability, and Food consumption as an expression of self. The baltfood project partners involved in this work were Lund University, University of Turku and Agropolis Ltd. The main work was performed as a desktop research. In addition, views and feedback from representatives of food industry, research scientists and consultants were collected.

The main findings of this study can be summarized in following four topics: global versus local retailing, two consumption societies, product image versus product identity, and peripheral vision and thinking.

Food production and retailing has become a global business. At the same time, the consumers’ increased interest towards more locally produced food has become a clear trend mainly as a result of concern about food safety and ethical issues related to work conditions, farming and animal husbandry.
The reasons behind eating have also evolved from satisfying hunger to for example search for wellbeing and health, expression of social status and expression that one cares about the environment.

These examples show that consumers associate certain images to certain foods and also expect certain characteristics from food products. Consumers’ form these images partly based on information given by the producer/retailer and true novel qualities e.g. functional properties, but also on their own beliefs and assumptions which are not always inline with the truth. Therefore, distribution of information in understandable and reliable way is a challenge to whole food industry and will become even more important in the future as a result of increased prevalence of diet related problems, overweight and ageing and growing awareness about environmental effects of farming and food processing.

Growing interest for healthy foods and environmentally friendly products which usually are more expensive show that some consumers are willing to pay for these additional characteristics but not all. The results of this research established that although the interest for products with additional value is growing the two most important qualities for the consumer are price and taste.

Study & more information on baltfood.org

Food consumption as an expression of self – „I am special!“

4th Trend Day of the Northern German Food Industry

Make your reservations now for a trend conference that is sure to make a lasting impression. The Northern German food industry network **food-Regio** will be offering a superb menu of international presentations and workshops. Take advantage of this opportunity to learn about current know-how, make valuable contacts and share ideas with others.

On the **18th of February 2010** representatives of policy, economy and science will come together to discuss about the subject ‚sustainabillity in food processing industry'. Entrepreneurs will outline in practical examples how they implement the topic 'sustainability' within their companies.
Furthermore a workshop will be offered, where the participants contribute creatively in developing sustainable innovations related to the food industry. Via newslet from the future the working groups elaborate new ideas for processes, services or products.
Thereof a Danish-German workshop will take place, addressing Danish and German food processing SMEs wanting to start/enhance their export to Germany or vice versa to Denmark. Additionally a baltfood workshop will be provided, where the first project results will be discussed.

For further information please contact Annett Rabe: rabe@luebeck.org

What makes the BSR attractive for investments of food companies

Investment decisions play a crucial role in the development of companies, especially in times of economic crisis. A recent study about the role of location factors in investment decisions points out the factors that are important for developments in the BSR and how to express them to foreign investors.

During summer 2009, research about the defining factors of investment decisions of food companies in Europe was conducted. In order to understand the attractiveness of the Baltic Sea Region (BSR) 1,200 food processing companies were questioned on their investment behavior regarding certain location factors. The goal was to identify areas of strength and weakness of the BSR in terms of attractiveness for new investments in the region.

1. **Access to Markets:** As the food industry has always been closely related to consumer markets, most investments demand for access to markets, either within the region or beyond.
2. **Labour Force:** The availability of qualified labour is crucial for all investments; if it is a manufacturing site where trained food processing professionals are needed are a sales outlet where a trained sales staff with experience in food is obligatory.
3. **Taxes:** Business Taxes are regarded as the delimiting factor an profits. However, there are widespread differences in tax rates around the BSR. So, they always need to be seen in conjunction with other factors but are more important for manufacturing sites.
4. **Local Infrastructure:** The following factor is the competitiveness of a modern and efficient local infrastructure. While infrastructure was ranked as fourth important site selection factor it is obvious that poor-maintained infrastructure can discourage any investment.

Regulations: Simplified, reduced bureaucracy procedures and transparent, short and predictable process of permits are particularly important for companies operating in highly competitive environment.

5. **Financial Incentives:** Incentives may not have significant impact in the turnover of the company, but their lack is perceived as prediction of weakness of the government and its lack of interest in attracting companies and stimulating growth and development.
6. **Innovations:** Innovations were considered relevant by one third of participants which may indicate willingness of companies to hire highly-educated, skilled staff and use modern production lines as well as to develop and improve their technology and products.
7. **Access to Resources:** Another factor chosen by one fourth of participants is access to resources such as agricultural outcomes and raw materials. Low rank for this factor might be caused by the fact that perceived costs of transportation are still enough affordable and manufacturing site does not depend on its source of raw materials.
8. **Land and Location:** In case of food processing industry land could be important for developing warehouses and maintaining logistic operations. The importance of this factor declined because of increasing e-commerce.
9. **Industry Clusters:** Only 15% of participants indicated clusters as relevant for investment decision making which suggests that companies are not convinced to operational savings due to their congregation in particular area.
10. **Quality of Life:** This factor can make up for lover wages but also is the most difficult to assess. Also in the time of recession this factor is probably rated lower than in a time of growth both by employers and employees.

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The 13 partners of the baltfood project

Denmark / Sweden

- Øresund Food Network, Danish-Swedish Clustermanagement for the foodprocessing industry in the Øresund region

Germany

- Free and Hanseatic City of Hamburg
- Lübeck University of Applied Sciences
- University of Rostock
- Lübeck Business Development Corporation

Finland

- Agropolis Ltd.
- Turku School of Economics, Finland Futures Centre
- Universität Turku, Food Finland Theme Group

Lithuania

- Lithuanian Cluster of food industry

Poland

- Lubelskie Voivodship, regional Clustermanagement Biofood
- University of Warmia and Mazury in Olsztyn, polish Cluster with focus on dairy industry

Sweden

- Skåne Food Innovation Network
- University of Lund, Lund International Food Studies

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Creativity, determination and coincidence = Yosa

Merja Scharlin, the chief executive officer of Bioferme, had a strong belief in health food products already in the 70's, long before they became trendy in Finland. Growing up on the countryside, Scharlin had witnessed the means of post-war intensive farming and her academic background in chemistry and agriculture made her determined to offer consumers a choice of additive- and pesticide-free food.

Scharlin's company started off with organic juices, which were happily welcomed by consumers, but farmers weren't able to provide enough raw materials and thus the small family business didn't have possibilities to grow.

In 1994 Scharlin was looking for a new solution. It was already known that lactic acid bacteria as well as oat had positive effects on stomach, intestines and heart, when the basic idea of a probiotic fermented wholegrain product was born at the desks of a few Finnish university scholars. The big dairies viewed the enterprise too costly and toilsome. Scharlin, however realized that this was precisely what she was looking for.
And she wasn't mistaken: Yosa, the first bifido- and lactic acid bacterially fermented oat snack in the world, was soon to become the company's main business. Their prototype saw daylight after twelve months of hard work and determination. "Yosa might seem simple, but was not easy to develop. Oat-based products were unfamiliar to international bacteria houses. I worked day and night to find the ideal combination of friendly bacteria from the pile of strains that were worth testing. In the end, finding it was a great coincidence", Merja Scharlin explains.

They started product development practically from scratch since the process was quite unique. While soy product processing remarkably resembles that of milk products, oat has a completely different kind of composition. Scharlin also wanted to preserve high concentration of fiber in Yosa, which meant an extra challenge. The machinery they needed was yet to be built.

"Plant-based Yosa is compared to yogurt products, and therefore the consumer expects it to look comparable and feel similar in the mouth. This is still a big challenge today, as the company is reaching for foreign markets, where oat isn't familiar. However, the pleasant taste helps as well as advancing the consumer's understanding of what makes the product good.", states the chief executive officer of Bioferme.

Although the development process has required a lot of risk decisions as well as high investments, Yosa's timing to enter the market was perfect. It happened at a point when the media was excited about new functional food products to begin with. The product development has continued for ten years now and Yosa products have received plenty of awards. Long-term research cooperation with universities gains acknowledgement from the CEO: "It has required strong faith that this can become something in ten years. But you need to notice what direction the world is moving in and take the opportunity before that ship has sailed."