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**Eat, drink and be healthy: A paradigm shift for linking
food and beverages industry with people's knowledge and institutions**

Abstract

The food and beverages industry has not yet established strong and vibrant linkages with the local communities to develop value added products and share the benefits. The paper lists seven models for building such linkages. The models range from mass sourcing the ideas and rewarding the selected ideas by acknowledging them on the package or otherwise. One can source even the product design from the people and every idea is reciprocated, acknowledged and license deal is negotiated. Likewise, different models involve people at different stages of value chain, or to different degrees and with various kinds of reciprocity.

Eat, drink and be healthy: A paradigm shift for linking food and beverages industry with people's knowledge and institutions¹

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Awareness about health, nutrition and wellbeing has increased tremendously in the last decade. Number of herbal and milk based drinks have entered the market. And yet, the amount of information customers have is still very limited. In the new paradigm, my submission is that knowledge will transport greater awareness than just the product. Within the knowledge, the authenticated knowledge, not all of which may be restricted to product but may contribute towards the general wellbeing will be appreciated more. For instance, if somebody suffers from acidity often and also consumes fried products, then a subtle advice about the factors causing acidity will generate better receptivity among the customers. Some antidotes such as cold milk, if given will also show that the company cares.

User driven innovations have enormous potential for influencing the choice of not just the producers but also the consumers. There are some companies, which have made a small foray in this direction. For instance, one company asked the people to come out with recipes made by using their snack. They published their names with photograph of the respondents found outstanding along with the recipe. However, not many companies have yet started mass sourcing product leads, process improvement and collaborative design either through awards or through licensing routes. This is an enormous opportunity waiting to be tapped.

Model one:

Here ideas are sourced from thousands of people both with or without their identity being protected and only the selected ones are either rewarded or acknowledged on the package or otherwise. The IPRs are retained by the company, if any. This is one time transaction and no follow up is planned.

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Model two:

Not just ideas but also the product designs are sourced from the people and every selected idea is reciprocated, acknowledged and a deal for its licensing to the company is negotiated. The deal may or may not involve public acknowledgement. Some people may prefer acknowledgement without compensation, some with compensation and some only compensation with no acknowledgement.

Model three:

The ideas and product leads are not only sourced but also co-produced with the users, supply chain members or other lead providers including farmers, tribals and others. The processing may partly take place *in-situ* and partly at centralized level or completely at centralized level. Marketing may be through both rural and urban distribution channels.

Model four:

The entire processing takes place at the idea providers level and only packaging and distributing are done centrally. Alternatively, even packaging is done *in-situ*.

Model five:

The decentralized or centralized but dispersed production is packaged for different time periods [shelf lives] and for transportation to different distances. The idea here is not to over invest energy in packaging and thus reduce the cost, increase the affordability, segment the packaging according to shelf lives and expand the consumer base. This will also reduce the negative externality towards the environment.

Model six:

Large scale vending services for a variety of beverages so as to save on packaging cost considerably. The production can be both decentralized or centralized.

Model seven:

The horizontal markets have not been developed a great deal. There is a considerable investment in vertical markets, i.e. from producer to consumer. However, from decentralized producers to other producers who can also be the consumer has not been tried much. In other words, products move from city to villages but there is not much movement from village to village. Given the thrust on decentralized inclusive development, one cannot avoid exploring the people to people options.

One can think of several other models of organizing supply chains by redesigning the production and distribution system. One of the most important opportunities waiting to be properly exploited is the segment of nutraceuticals based on location-specific fruits, vegetables, grains, etc., which have not reached the consumers through processed food chain. Let me illustrate it by taking the case of dryland crops. The soils of dryland regions are often rich in minerals because they are not very well drained due to limited rain, uneven terrain and heterogeneous conditions. The crops grown in such areas often have an advantage of mobilizing the minerals from such soils. Many of these minerals are deficient in our diet and thus cause some metabolic disorders. For instance, a study had shown in Africa that villages which had far more incidence of arthritis differed from those having less incidence on account of deficiency of boron in the diet. The local varieties of maize mobilized much higher quantities of boron from the soil than the hybrid varieties. The village having high incidence had predominant reliance on hybrid maize. Given the fact that arthritic pain has almost assumed epidemic proportion, there is a strong case for packaging local maize products to provide boron supplement to the affected people. People in the villages producing local varieties will not only get more income but also have incentives to conserve agro biodiversity creating higher environmental conservation impact.

There are a large number of such examples, which can be tapped for the purpose. The food and beverage industry is on the cusp of a paradigmatic shift. For a more inclusive, innovative and environmentally greener alternatives, a partnership with creative people in the informal sector seems well advised.