



The 'phood' movement: regulatory risks and innovative rewards

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From Nestle to beverage entrepreneurs, companies are clamoring to start a new category that marries a food product with therapeutic doses. Will consumers buy and regulators allow it?

The pace of the ride in our industry just won't let up and the latest scenery caught my eye: Recently, a beverage company announced not just its new functional offering, but the fact that it is also vying to create a new category called "synergy beverages" for certain types of sports enthusiasts and partiers.

The "synergy" is that the company is combining ingredients from an energy drink with those of a condition-specific drink in efficacious intake levels, plus vitamins and minerals. They also note that the drinks do not have the caffeine of energy drinks or the sugar levels of rehydration drinks that some consumers no longer want.

This company is taking into account the green lights of consumer preferences as they try to innovate and differentiate. But what is notable here is that the blurring of traditional food and nutritional supplements is pushing greater envelopes as evidenced by use of therapeutic doses of actives in beverage forms.

Another example of a new category marrying a food product with therapeutic doses: Nestlé research center head Thomas Beck, when asked about the direction he was taking his group this summer, was quoted as saying that he envisions, "a closing of the gap between food and pharma."

I've even recently seen a new term in the headlines: "Phood" (also the more clumsy "Bephredges," but I don't see a future for that nomenclature). We've seen some products like this before (for example, Benecol), but now we are seeing a more global effort, as opposed to a single special product. The Benecols of their time have paved the way for a more concerted and large-scale phenomenon.

A sea change of products

The classic push-pull of innovation versus regulatory limitation is being taken to new heights, and is slowly gathering the energy for a sea change.

On the ground, what seems to be happening is that a combination of a lack of familiarity with the regs, confusion about them and/or boldness, is fueling and allowing creativity. By letting unfettered minds play with offering products that are cutting edge and healthy, we are coming up with concepts like synergy beverages and therapeutic-dose omega-3 cookies.

At the same time, by fusing together product categories, companies are stepping on regulatory definitions and legislation. For example, many functional beverages put supplement facts panels on their bottles. By law, something that looks like a food by virtue of, among other things, its packaging and consumption characteristics

like serving size, cannot be a dietary supplement. A 16 oz (or even 8 oz) beverage certainly looks and is consumed like a food, and therefore can sport only a nutrition facts panel rather than a supplement facts panel. FDA has started to bare its teeth around this in the last year via warning letters.

And therein lies the rub.

Regulations vs. innovations

There is no stopping the health movement wave and its associated global epidemics and economics that are transforming corporate behemoths, catching the attention of formerly oppositional industries and generating so many start-up success stories. And the regs, well, they are what they are. But I predict that the continued evolution of this phenomenon and the innovation it is driving will not be curbed indefinitely by rules made for the way things were.

It is important at this stage to stay vigilant and help the industry grow in a good and right direction. We must ask many questions.

- Are these fusion products efficacious?
- Do those with sprinkles of health ingredients spoil things for meticulously researched and designed supplements and inherently beneficial superfoods?
- Or do they help reinforce health consciousness by creating an all-pervasive healthy food-focus?
- If so many foods become functional, will people be indiscriminately dosing themselves with things they don't need?
- Will the guise of "healthy" only further encourage excessive caloric intake?
- And the big one: How will the conflict of regs and fusion foods be resolved so that the consumer is best served?

A front row seat for this ride will be very exciting.

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