

A growing hunger for health-foods in India



- Growing awareness of the fact that eating healthy is key to good health
- From baby foods to salads to smoothies to vegan food, India is opening up to different health food variants
- Plenty of new start-ups are being set up with innovative health food combos on offer
- Opportunities in sourcing, logistics, warehousing and packaging

Until a few decades ago, the 'health foods' space was mostly occupied by a few select brands like Complan, Ovaltine, Horlicks, Dabur, Nestle and Quaker oats. Even then, the segment was primarily child-centric, or targeted at convalescing adults. Good health for the whole family was a concept formally marketed when Agro Tech Industries drew India's attention to its 'healthy oil for healthy people'.

Over the years, many brands and many consumable products followed suit and shot to fame riding the health ticket, while also driving home the fact that good health is the key to happiness, well-being, beauty, performance, success and longevity.

Today, it is acknowledged that eating healthy is key to good health. From earlier drivers of food such as taste and quality, the food industry is now driven by expectations such as fine dining experiences, conscience foods such as vegan eatables, and of late, food's impact on health.

As a result, what once started as a niche food segment now covers baby foods, nutrition for teenagers, healthy fast foods for students and young professionals, foods that address women's health needs, food for sports people, nutritious geriatric food, food for people with special needs such as diabetes-friendly food, diet foods, super foods, health drinks and juices and also includes organically grown consumables and vitamin and protein fortified foods.

Today, there is a growing demand for healthy foods in every category. An emerging section of educated, working, Indian customers have increasingly started to prefer grocery items that are certified as safe and healthy. Health foods, including the organic food segment, are a booming business. This is reflected best in the online search for sugar-free, gluten-free, zero-carb, probiotics, prebiotics, antioxidants, fat-free, zero-cholesterol, organic food and nutraceuticals, indicating a shift towards healthy eating habits among Indian consumers. There is a growing awareness that lifestyle and food are the two major contributors to health and more and more people are demonstrating their preference for a preventive lifestyle rather than a curative one. The mantra has changed from "eat well" to "eat healthy".

Product innovation offers a plethora of health food options

The 'eat healthy, live healthy' trend is propelling India's health food players towards interesting product innovations. Its popularity is visible in the number of dairy and juice categories available in the market and in the influx of mineral-fortified, zero-fat, high-fibre food variants on offer. Popular among these are organically grown consumables, fortified water, natural supplements, herbal rejuvenators, nutritional shake mixes, fruit and vegetable smoothies, heart care juices, herbal food supplements, oat products, corn bran, egg powder, egg albumen powder, vegetable protein powder, soya chunks, soya milk, almond milk, dry oats, herbal food, millet flakes, corn fibre, rice protein powder, whey protein, natural honey, unrefined sugar, cow's milk, aloe extract, moringa powder, super millets and malt extract.

In addition to the multinational players in the food market such as Nestle and Pepsico, India's restaurant industry is also innovating dishes that would appeal to health-conscious consumers. Rawleaf, Pitapit, Nutritious Nation, Paninaro, Fellas Caffé, Bombay Salad Company, Just Unjunk, Fit Dish Fetish, Yogisthaan Cafe, NutriTown and health Zingo are popular health food restaurants in Delhi, Mumbai and Bengaluru. The startups offer foods such as whole wheat pasta, multi-grain bread, salads with tasty combinations of kale, quinoa, grapefruit, arugula leaves, seafood cold-cuts, low-fat pizzas, mixed cereal rotis, kadhi with chunks of soya, sprouted kachuma, power shots like aloe vera, bitter gourd, spirulina and wheat-grass to customers. Infused with products like probiotics and prebiotics which address gut health, these health foods have become hugely popular and are prodding the food service industry operators to serve these up regularly.

Health in a packet

Recent entrants in the packaged health foods market, who have made a mark are startups like Pro-Nature, Organic Tatva, Organic Garden, Vision Fresh, 24 Mantra, Walgreens Farm, Conscious Food, Just Organics, Down to Earth and Organic India. Most of them sell online and are available in supermarkets and department stores as well. Health as a differentiating advantage is on offer in categories ranging from dairy to beverages, salt, staples, cookies, oils and snacks. These have seen a lot of product innovation and value-addition in the form of whole wheat pasta, zero trans-fat oils, whole wheat and multigrain breads, Omega 3 eggs, baked potato chips and wedges, high fibre cereals, low sugar juices, and fortified water. With obesity and lifestyle-related diseases on the rise, low-calorie foods have begun to occupy a front-row position. Superfoods such as antioxidants are flying off the shelves.

The market for healthy foods is growing fast, thanks to increased awareness, growing incomes and the lifestyle shift towards healthy living. Investment in this segment is also on the rise in India. Lo! Foods, a low-carb and keto-friendly range of packaged foods brands has raised US\$ 0.5 mn in seed funding. CureFit, a health and fitness startup plans an incubator program for startups in the healthy foods space. Sourcing of healthy, organic raw food materials, warehousing, logistics and packaging are areas where opportunities abound. The segment is poised to see increasing activity in the coming years, and innovators and early investors are sure to reap a rich harvest from engaging with this sector.