Case Study Nr. 9

Retailer-producer quality chains and innovations

TRansition paths to sUstainable legume-based systems in Europe

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Case study prepared in collaboration with Rubin Dollerup Nielsen, Birgit Soegaard Jensen and Eva Nautrup
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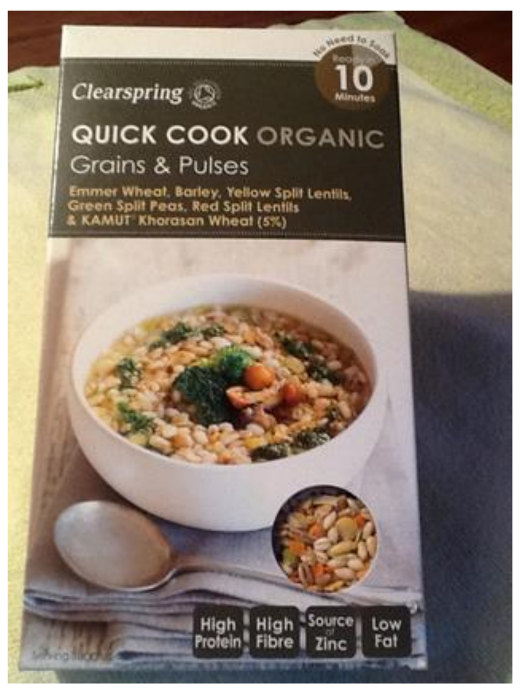
Objectives of the case study

The assortment of food and drink products made with legumes is very wide and innovations play a key role in driving market dynamics. Bringing new food and drink products made with legumes into the food retail market can prove a big challenge for large as well as small companies. A thorough understanding of the supply chain, market power and, market drivers are crucial for decision making about entering the retail market with a new product. By analyzing the food retail markets, supply chains, and innovation patterns, this case study provides detailed findings about retailer-producer quality chains focusing on legume-based foods and drinks emphasizing innovation.

Examples of innovations in legume based foods



Development in the assortment in the retail market

Canned and frozen legumes are marketed under brands or private labels across the EU in the supermarket sector and are recognized as traditional products in stable market segments;

The assortment of fresh legumes (peas and beans) is widening and supply chains link supermarkets in e.g. UK and the Netherlands with Peru, Kenya, Nicaragua and Egypt. International and local supply chains function side by side;

Use of legumes in chilled products is increasing: to-go salads and fresh sprouts, chilled ready meals, ready-to-cook soups, and dressings and hummus;

New applications of legumes are particularly strong in the gluten-free, vegetarian and vegan food segments, and in snack products, pasta and baked goods;

Germany and UK are the most dynamic markets for vegan food innovations and legumes are a key ingredient in vegan products;

Both the organic and conventional market segments cater to consumers' demand for innovative products. Convenience and health are key drivers for product development.

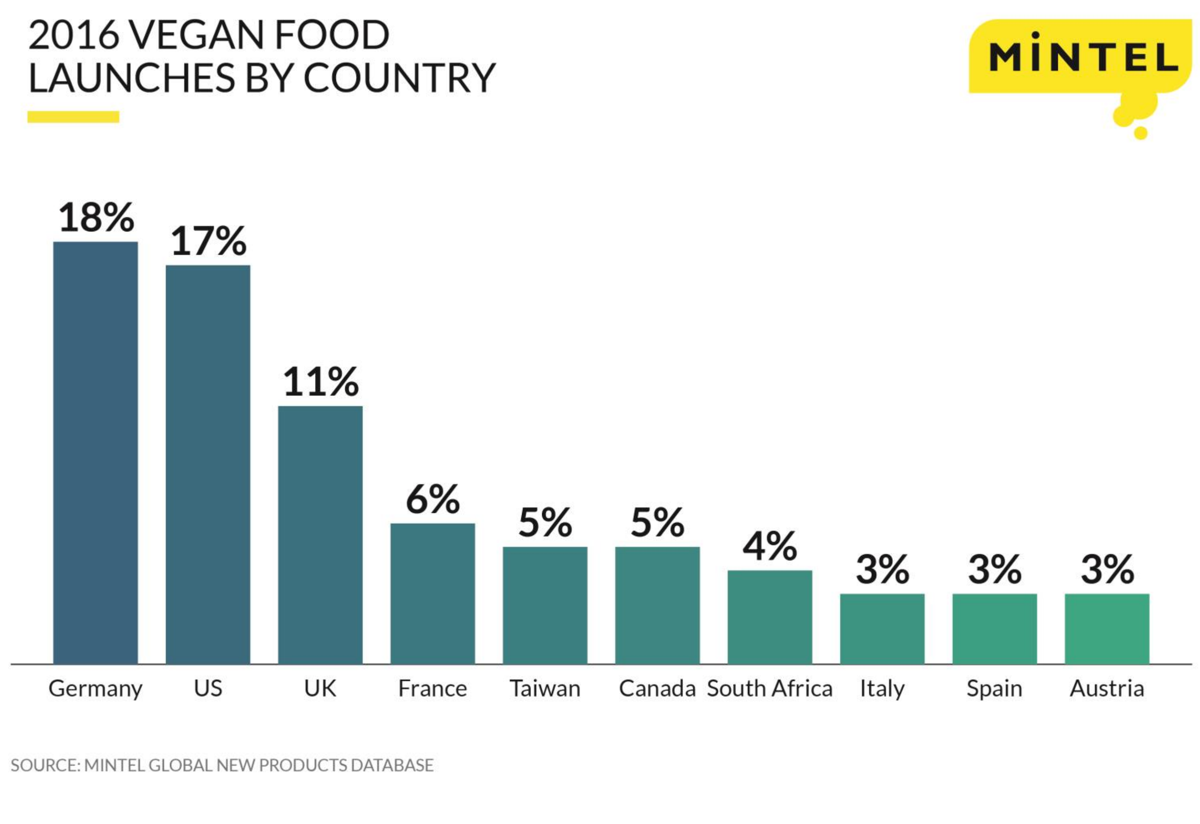
Challenges when developing new legume-based products

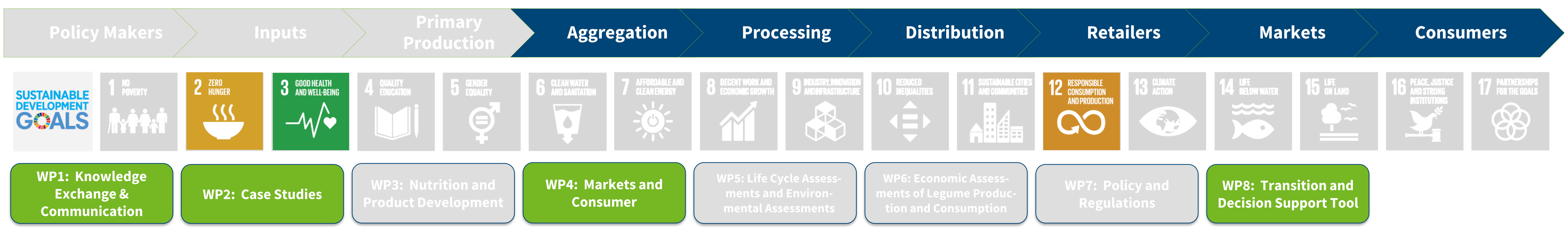
The texture and flavour of legumes may need to be masked to meet consumer preferences. Liking (taste) is the number one reason to buy a food product again;

Legume-based raw materials such as flour is more expensive than wheat flour and the supply chain is more complex – often import is the only solution;

Entrepreneurial (small) companies act as frontrunners for developing a new market segment, e.g. vegan products;

A new product's "life or death" in a retail store is strongly influenced by retailers' buying power, the market competition, and consumer liking. Alternative distribution schemes are developing (box schemes, web shops and communities) to link consumers with producers.





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