



Changing International Food Business

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24.03.2022

PURE NATURE ON YOUR PLATE

FOOD FROM 
Finland



Our vision

We build the upgraded,
renewed Finnish food economy producing

**innovative, highly branded,
sustainable, healthy and safe**

food and beverages
to international markets



Food from Finland Program



- Food from Finland program has operated since 2014, the upgraded program started in 2018
- Food from Finland is the national export program for Finnish food and beverages sector managed by **Business Finland**, funded by the **Ministry of Economy and Employment** and **Ministry of Agriculture and Forest**.
- Very close collaboration with the **Ministry of Foreign Affairs**, and **Embassies of Finland** in all key markets. Other important stakeholders are **Finnish Food Authority**, **Finnish Food and Drink Industries' Federation (ETL)** and **The Central Union of Finnish Agricultural Producers and Forest Owners (MTK)**.



Program Targets:

- To double the value of Finnish food export by 2025
- To increase the Finnish food and beverage export of value added products, open new markets and strengthen the role of Finnish food in all target markets
- Support the internationalisation skills of the companies and increase the number of SMEs operating internationally to 25%
- Give a high priority on sustainability: 50% of program actions having a sustainability focus
- To create and support the image of Finnish food in the global markets.



Food from Finland activities



**More than 350 export promotion events organised since 2014.
Food from Finland program has implemented 50 events per year.**

During the pandemic period, program activities have been adapted to the new ways of working and widely transformed into digital mode.

- **Inviting buyers to Finland** to meet Finnish companies
- **Buyer meetings and networking events** at our target markets
- Country pavilions organised in the most relevant international **BtoB trade shows (10-12 per year)**
- **Coachings and workshops**, both live events and virtual webinars
- **BtoC campaigns** with retailing chains and online players
- **Development of online commerce activities & various digital sales platforms**
- **Media work in target markets**, program is active in social media
- **Active cooperation with the other Nordic countries**, especially Sweden.



160+ Finnish companies with us



HKSCAN

HARTWALL

ALTIA
— FINLAND —



For shopping
to be fun



ATRIA PLC
Good food - better mood.



Orkla
Confectionery
& Snacks Finland

Bonne™



JUUSTOPORTTI



FINN SPRING



Lignell & Piispanen
ARCTIC LUXURY SINCE 1852

DISAS



HÄTÄLÄ Oy
Fair northern fish

ISOKYRÖ
KYRÖ
DISTILLERY
COMPANY
FINLAND



Suomisen Maito
— PIENI JÄÄTELÖTEHDAS —

bioferme



Wolt

RESQ
CLUB

sense n insight

ENTOCUBE



SOLAR FOODS



FREDMAN

NORDIC INSECT ECONOMY

BUSINESS
FINLAND

LEADER
Best for you
29.3.2022

Veriso



VEEN



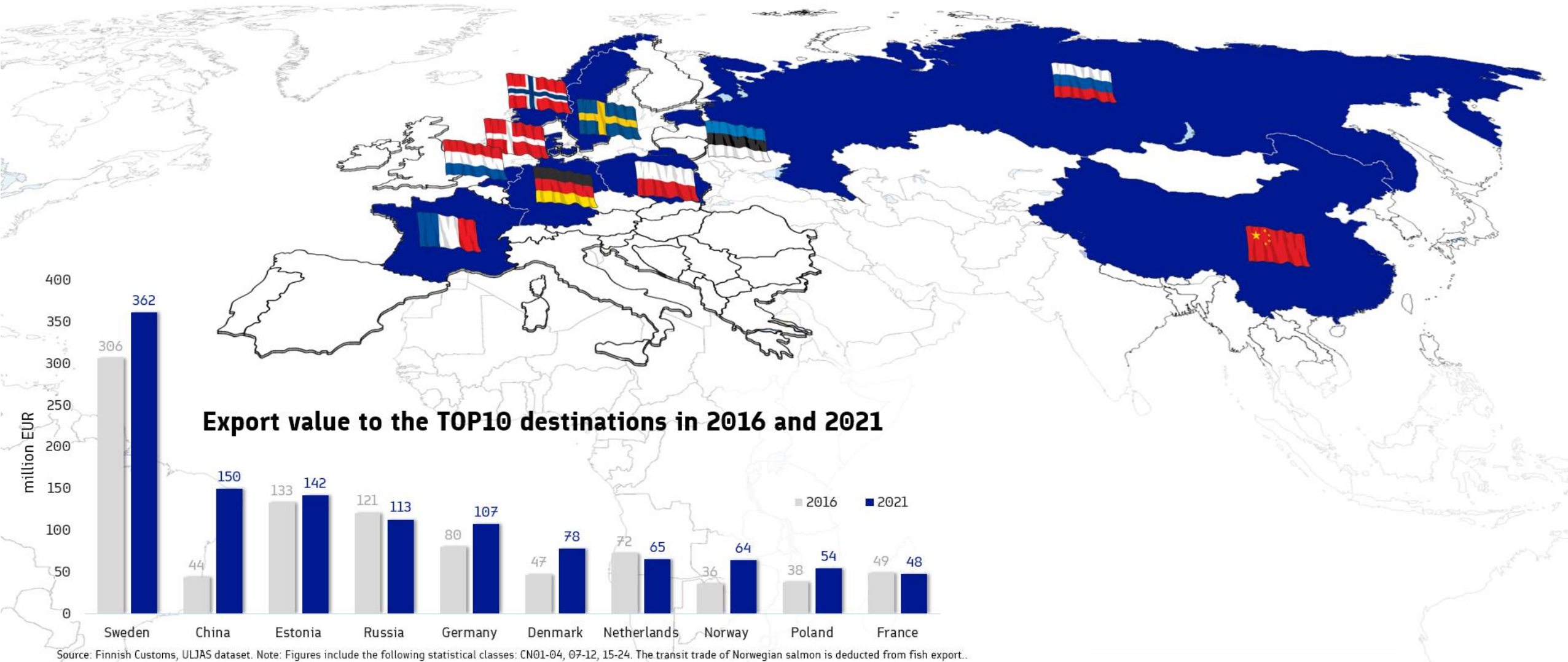
Arctic
SUPER
FOODS



KALEVALA

Pernod Ricard Finland

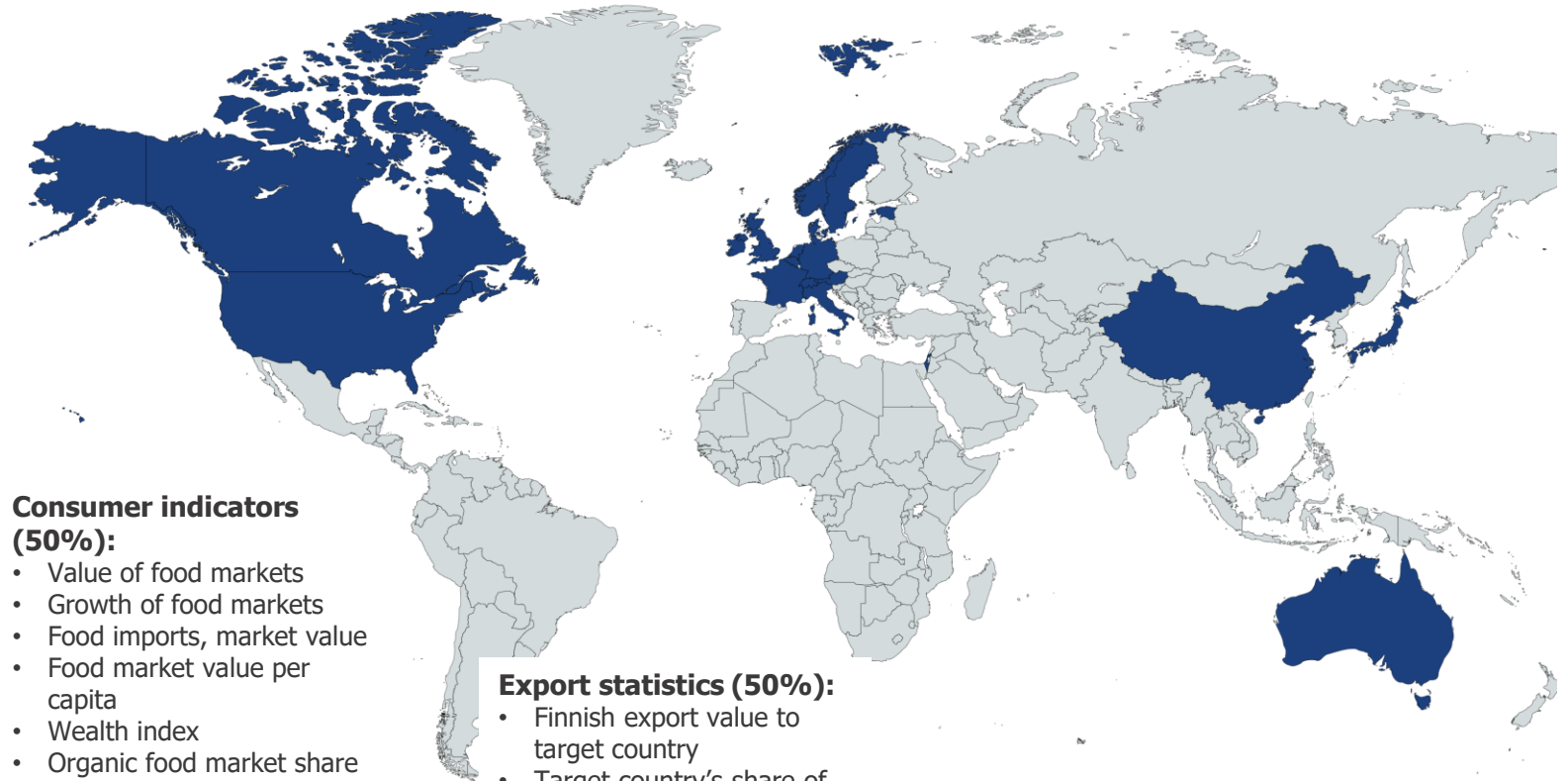
FOOD EXPORT STRUCTURE BY COUNTRY



THE MOST POTENTIAL EXPORT MARKETS FOR FINNISH FOOD PRODUCTS

- BASED ON CONSUMER INDICATORS (50%) AND FINNISH FOOD EXPORT STATISTICS (50%)

Rank	TOP 20 countries	Points
1	Sweden	86
2	Denmark	67
3	Germany	65
4	USA	65
5	Netherlands	64
6	France	63
7	China	62
8	United Kingdom	58
9	Estonia	58
10	Hong Kong, China	56
11	Switzerland	55
12	Australia	55
13	Belgium	55
14	Austria	54
15	Japan	53
16	Italy	53
17	Norway	52
18	Israel	52
19	Canada	51
20	Ireland	51



Consumer indicators (50%):

- Value of food markets
- Growth of food markets
- Food imports, market value
- Food market value per capita
- Wealth index
- Organic food market share
- Free-from share
- Free-from growth
- Price level
- Overweight share of population

Export statistics (50%):

- Finnish export value to target country
- Target country's share of Finnish food exports
- Finnish food exports growth in the target market

HIGHLY PERFORMING INTERNATIONAL SALES CHANNEL IS THE KEY TO SUCCESS

Finnish companies rely heavily on traditional importer-distributor model with their international sales. Alternative models should be considered more actively.

Too often, the decisions and responsibility is left for the importer / distributor regarding marketing, promotions, market related activities and investments.

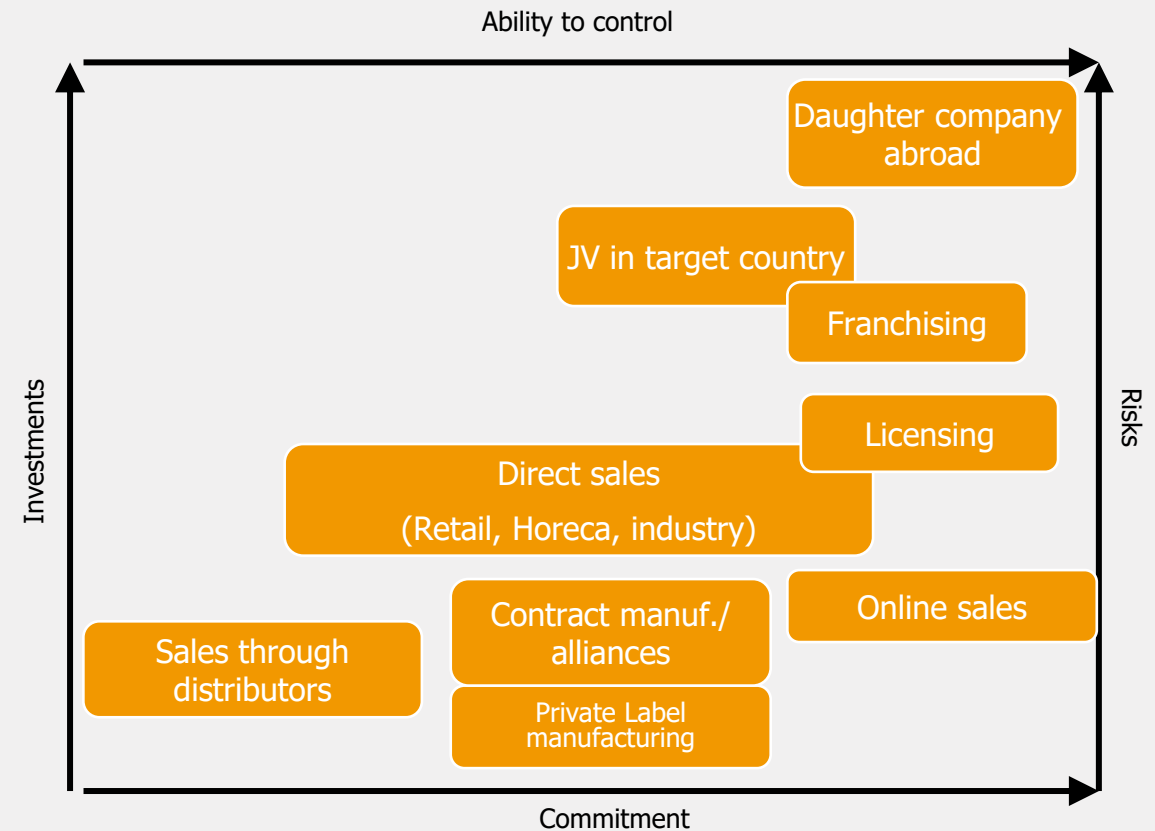
High performing international sales channel is target oriented, well managed and well resourced.

More proactive customer communication, personal relationship building, and customer management is needed (human to human approach and cultural adaptation is vital).

Common export operation modes are listed below.

- **Traditional Importer / Distributor -model**
 - Generic importers / distributors
 - Specialised category focused importers / distributors
- **Alternative models**
 - Direct sales to retailer, HoReCa (food service) or industrial client
 - Partnership with a local producer
 - **E-commerce (B2C, B2B)**
 - Setting a sales office abroad
 - Setting a production facility abroad (own or Joint Venture model)

Food export operation modes



In retail market, food and beverage will be the fastest-growing online sales category during the next several years, with a CAGR of 30% over the period spanning 2019 through 2024, according to Forrester.

What are the Finnish Food and Beverages made of?



1
Happiest Country in the World
(UN for 2016-21)

#1
Purest Food in the World
(European Food Safety Authority)

#1
Cleanest Air the World
(World Health Organisation 2018)



#1
Purest Water in the World
(Unesco)

#2
Global Oat Export

Poultry farms antibiotic-free since 2009



Innovative Finnish Food



Our Cornerstones in Exports

- Innovative dairy products
- Pure and safe Finnish meat; pork and poultry
- Leading nutritional expertise: functional foods.



Healthy, innovative grain products

- Oats & rye product
- Snacks, biscuits, bread, flakes
- Malt

Free From-products

- Gluten free, lactose free
- Plant-based dairy products
- Plant-based proteins
- Free From confectionery

Confectionery products

- Finnish Delicacies
- Liquorice
- Free From confectionery



Wild berry products

- Juices, smoothies
- Snacks
- Desserts
- Ingredients for food and cosmetics industry

Innovative beverages

- Spring waters
- Beer, craft beer
- Long drinks, ciders
- Gin, Berry liquors, vodkas
- Other alcohols



ADDING VALUE TO EXPORT PRODUCTS

The share of raw materials exports in relation to high value-added products is too dominant, thus leaving the processing value-add for other countries to benefit from.

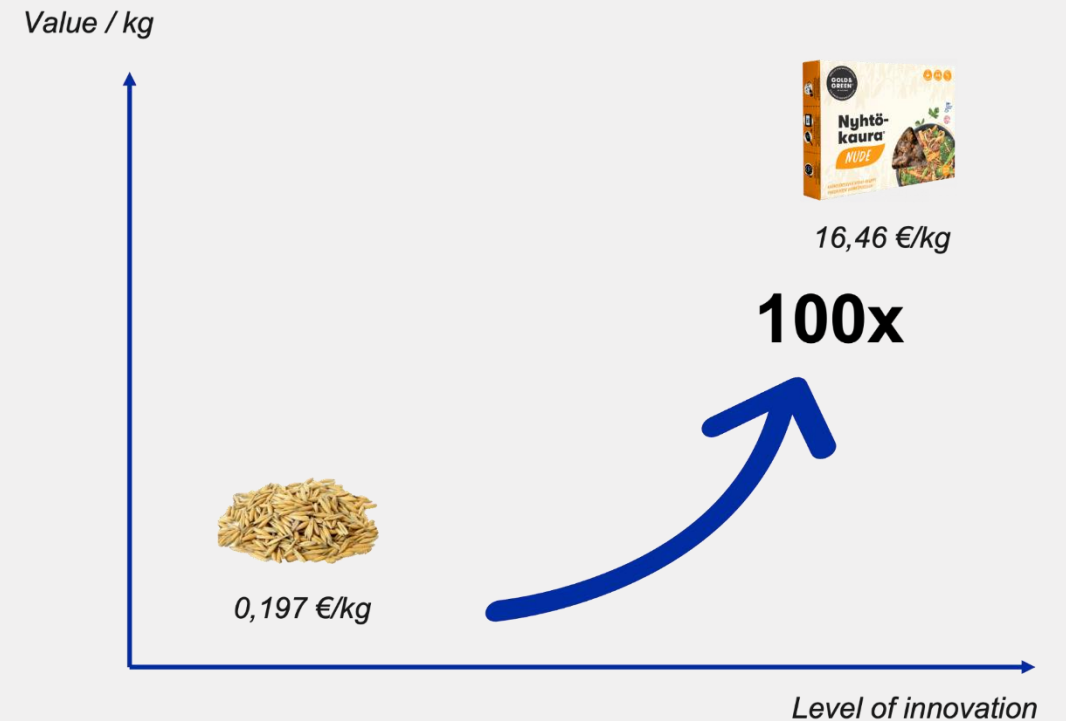
Adding the value through branding should take place in all segments, in consumer, HoReCa (food service) and industrial products.

Best opportunities for adding value are products with:

- clear nutritional and health benefits,
- natural, sustainable, no/low antibiotic, free from, organic,
- safe, transparent, traceable products and process, and
- fulfilling convenience and wellbeing lifestyle needs.

Public sector will prioritize funding on projects where value-add remains in Finland through innovations and new solutions.

Moving from bulk raw materials to high value-added products, including consumer, HoReCa and industrial products



International food trends



Strongly supporting Finnish exports.

▪ **Food safety and traceability**

- Natural, pure, safe and traceable food highly appreciated
- Food security in Finland is top level
- Pure Finnish nature: The purest air and ground water in Europe

▪ **Healthiness and sustainability**

- Rapid growth of organic food
- Free From product range consisting of gluten free, lactose free, sugar free etc products
- Meat replaced by plant-based alternatives
- Oats as a very strong trend: Organic – Gluten Free; Finland the 2nd largest exporter of oats in the world
- Finnish wild berries are Finnish superfoods

▪ **Nordic cuisine**

- trendy, modern, pure, exotic

▪ **Popularity of craft-alcohols**

- A wide, award winning premium offering in Finland.



Sustainability

- Low Carbon and Green Food



Carbon neutrality and aim to reduce greenhouse gas emissions by 75 percent by 2035.

- **The work by the Finnish food industry contributes significantly to the green transition through more sustainable production.** Food companies have sought to convert their production to low carbon by using by-products in their production processes, using bioenergy, optimizing transport, improving the use of packaging materials and using more environmentally friendly packaging materials.
- **At our best, our food chain is a carbon-neutral local economy,** where environmental emissions are minimized and nutrients are used efficiently
- **The amount of renewable energy in Finland is remarkably high** compared to the rest of Europe. As a rule, production processes in Finland are very energy efficient.
- **Many of the food export companies are already carbon neutral.** Last year, both the climate roadmap for primary production and the low-carbon roadmaps for the food industry and the grocery trade were drawn up.
- Finnish food is very much based on the **recycling of nutrients between production and consumption** and the utilization of local energy resources.



Sustainability

- Food Safety & Traceability



**We Finns have nothing to hide, also when it comes to traceability.
What makes Finnish food production so safe?**

- **Finland is working to be the first country in the world to have a completely transparent, safe and responsible food chain.**
- **In Finland, the health care and welfare of farm animals are part of the national quality strategy**, and they strengthen the strengths of our entire food chain. Usage of antibiotics in Finland for farm animals is extremely low and they are only allowed for the treatment of diseases.
- **The use of pesticides is very low compared to the EU average.** With the help of precision farming and sensor technology, the use of chemicals and fertilizers can be reduced.
- **The strength of the Finnish food sector is responsibility.** Finnish food production strives for the well-being of the environment, people and animals, and also farm-level monitoring, transparency and documentation.



Nutritional Expertise



Finland has become a world leader in nutritional expertise and special diets are catered with allergy free and functional food products widely available also organic.

Finland is a significant innovator and producer of functional, gluten- and lactose-free foods. The international flagship products of Finnish functional foods are Xylitol, Lactobacillus GG and Benecol.

- **Valio's lactose free products** and **LGG dairy products** are popular in several international markets.
- In confectionary industry, **company Fazer is widely using the Finnish innovation xylitol in their confectionary product range**. Regular consumption of Xylitol causes the secretion of saliva, which acts as a buffer against the acidic environment created by the micro-organisms in dental plaque. Increase in salivation can raise the falling pH to a neutral range within few minutes of xylitol consumption.
- **Benecol is a brand of Raisio, as the expert brand within the growing, diversifying category of cholesterol-lowering products**. Benecol contains a unique natural ingredient, called Plant Stanol Ester. Daily use of Benecol products has proven to effectively lower blood cholesterol in a short time.



Plant-based Innovations



Meat and Dairy Substitutes

- Oat-based Protein Products, like Pulled Oats
- Fava Bean Products
- Cashew Products

Other Oat Products

- Oat meals, instant oat meals, overnight oats, mueslis
- Oat-based Drinks, breakfast cereals, snacks

Berry Products (Drinks, Powders, Dried Berries)

- Wild berries: Billberry, lingonberry, cranberry, cloudberry,
- Cultivated berries: Strawberry, raspberry, black currant, red currant, white currant

Plant-based Ingredients

- Oats
- Potatoes
- Colza Oil / Canola Oil

Other Proteins

- Products from oxygen (air), produced by Solar Foods Oy
- Products from egg-white (without animal protein).



Package Innovations



Food companies have sought to convert their production to low carbon by a variety of means.

- **improving the use of packaging materials and using various by-products as packaging material source**, like Fazer's new packaging innovation, a new bread bag, which has been made using oat husk, a by-product of oat production. Even internationally unique packaging innovation has required years of work.
- **using more and more environmentally friendly packaging materials**, for example, meat company HKScan introduces wood-based packaging HKScan will reduce the carbon footprint of the finished packaging film by more than 50% compared to traditional plastic packaging. HKScan has set itself the goal of a Zero Carbon climate plan.



By-Products / Food Innovations

Finnish company Fazer aims to be the only xylitol manufacturer producing xylitol from a plant-based raw material with Finnish origin. Currently, oat hulls are used mainly for energy production.



Fazer is starting to produce xylitol from oat hulls is a true innovation with totally new technology. The production process is unique due to the raw material which, until now, has not been commercially utilized.

The factory will be the first fully backward integrated xylitol manufacturing facility in the world capable of producing many forms of xylitol, supporting the market needs of the food, cosmetics and pharmaceutical industries.

The xylitol factory will be built next to Fazer's oat mill on the Lahti site.

Furthermore, xylitol is an important ingredient for Fazer's confectionery business. Fazer is the only company producing chewing gum in Finland.



THANK YOU!

www.foodfromfinland.fi