

IICA-COLEAD Caribbean Agrifood Business Series

Session n°10:

Successes from agrifood entrepreneurs and SMEs in packaging and labelling

Thursday 24 August 2023 – 10:00-12:00 (AST)

Online (Zoom)
Live interpretation in English, French, Spanish and Portuguese

1. Context

The agriculture and food industry is a dynamic sector of the global economy, providing employment, contributing to food security and forming the livelihoods of millions of people globally and in the Caribbean region.

Packaging and labelling are key areas of the agrifood value chain - whether in fresh or processed segments - and are important areas of investment for any business. They keep the product safe, ensure product protection, inform the consumer and constitute a major part of attractiveness to the buyer. Successful packaging and labelling endevours require constant upgrading of knowledge and skills, as well as implementation of regulations in force.

Poor bulk packaging or improper handling along the supply chain are amongst the main causes of damage and decay of food products. In the case of fruit and vegetables, losses resulting from compression and abrasion tend to be highest during transport. This compromises the quality and economic value of fresh produce. The use of appropriate packaging can significantly reduce these losses, protecting produce in transit, and ultimately reducing the carbon footprint of food.\(^1\)
Labeling errors can result in premature spoiling, cross contamination, consumer illness and fatalities in addition to loss of consumer confidence.

Small and medium-sized enterprises (SMEs) and businesses have to ensure that they can produce sufficient quantities to meet their clients' demand, while coping with arrangements for distribution, shipping, storage, logistics and other services. In addition to this, they need to invest in packaging and labelling. This entails knowing regulatory requirements and constantly innovating to keep ahead in a very competitive industry. SMEs seeking to export must meet international quality standards, especially for the export of food and agro-processed goods, including labelling requirements. These represent key items of expenditure and need to be budgetted for.

2. Some key issues for SMEs and businesses on food packaging and labelling



¹ FAO. Reduce, reuse, recycle: a mantra for food packaging.



The agrifood sector is witnessing a surge in innovations, with entrepreneurs and SMEs leading the way in transforming packaging² and labelling³ practices often with a view to enhancing sustainability, safety, and consumer satisfaction.

Sustainable packaging solutions include biodegradable, compostable, and eco-friendly packaging alternatives to the conventional ones, such as plastic. For instance, startups have adopted packaging made from plant-based materials such as cornstarch, rice husks, and sugarcane, which decompose naturally and reduce the carbon footprint significantly. These initiatives address ecological challenges, position these businesses as environmentally conscious and resonate with the increasingly eco-conscious consumers. However, green technologies remain prohibitive for SMEs in low and middle-income countries, which create barriers to successfully upscaling these iniatives.

Food labelling contributes to reducing **food waste**. Food manufacturers use date marking to advise subsequent food chain operators on the appropriate shelf-life of a food. The <u>Codex Alimentarius</u> provides guidance on two key date marks: "Best before date" or "Best quality before date" and "Use-by-Date" or "Expiration date". It educates all supply chain stakeholders on the difference between "best before" and "use by" dates, which can help to prevent and reduce food waste.

Agrifood entrepreneurs and SMEs must also develop smart and interactive labelling solutions integrating technology (i.e., QR (Quick Response) codes, RFID (radio-frequency identification) tags, and NFC (Near Field Communication) chips) to provide consumers with instant access to crucial information, such as product origin, nutritional content, allergens, and (sustainability) certifications. These interactive labels empower consumers to make more informed choices, promoting transparency and trust between the brand and the end-user. Technology also allows to prevent food fraud or false information on a package. Overall, labeling on food packaging plays an increasingly important role in product education and marketing.

Ensuring food safety is a paramount concern for agrifood entrepreneurs and SMEs. By implementing innovative packaging and labelling practices, these entities have achieved greater product safety and traceability throughout the supply chain. This happens, in some cases, through the integration of blockchain technology in labelling enabling real-time traceability and consumers to track the product's journey from farm to fork. Innovative packaging solutions have enhanced consumer convenience and extended product shelf life. For instance, vacuum-sealed and aseptic packaging technologies have significantly increased the shelf life of perishable products, reducing food waste and ensuring that consumers receive fresher, safer products.

² Packaging shall mean all products made of any materials of any nature to be used for the containment, protection, handling, delivery and presentation of goods, from raw materials to processed goods, from the producer to the user or the consumer. Source <u>EEA</u>.

FAO. 2011. Appropriate food packaging solutions for developing countries. Rome.

³ A food label is the information found on the food product seen by the consumer, the ordinary person. According to the Codex General Standard for the Labelling of Prepackaged Foods (CODEX STAN 1-1985), a food label is any tag, brand, mark, pictorial or other descriptive matter that is written, printed, stencilled, marked, embossed or impressed on, or attached to, a container of food or food product. This information can also accompany the food or be displayed near the food to promote its sale.

Food labels convey information about the product's identity and contents, and on how to handle, prepare and consume it safely. Labelling should indicate at least the food identity, ingredients list, quantitative ingredient declaration, food additives, labelling allergenic ingredients, date marking, nutrient reference values.

FAO. Handbook on Food Labelling to protect consumers. 2016.

FAO works in partnership with WHO to advise the Codex Alimentarius Commission on technical and policy matters related to food labelling. The Codex Committee on Food Labelling (CCFL) is the Codex subsidiary body responsible for setting standards and guidelines on labelling that is applicable to all foods and the CODEX STAN 1-1985 is the key Codex instrument for delivering information about food to the consumer. The CODEX STAN 1-1985 is used by countries as guidance for harmonisation and has also been used as the basis for new food labelling policies.



Agrifood entrepreneurs and SMEs have recognised the potential of packaging and labelling as powerful tools for **brand differentiation and market positioning**, as well as consumer loyalty. Distinctive packaging designs and creative labelling strategies can tell a story about the product and those producing it.

Consumer convenience has become a crucial aspect of packaging and labelling in the agrifood industry. Entrepreneurs and SMEs have responded by creating packaging formats that prioritise ease of use and portability (i.e., single-serving portions, resealable packaging, and microwave-safe packaging).

Labelling has been optimised for readability and clarity, ensuring consumers can quickly understand vital information. These efforts have not only enhanced customer satisfaction but also boosted sales and market share for the businesses involved.

For small, medium or large business, product packaging design is vital in establishing brand identity which increases customer awareness and loyalty.

Agrifood entrepreneurs and SMEs have recognised that packaging and labelling are essential components of meeting international standards and accessing global markets. Compliance with specific labelling regulations and packaging requirements of different countries can open up export opportunities and increase market reach. By investing in research and development to meet these standards, these businesses can tap into lucrative international markets, boosting economic growth and creating more job opportunities locally.

Nutrition labelling can be an effective instrument in helping consumers to make healthy food choices. To maximise the potential of nutrition labels and health claims to improve public health, awareness campaigns and education programmes should be provided on an ongoing basis to help consumers understand and use labels appropriately. The Codex Alimentarius guidelines recommend the following types of nutrition labelling: Nutrient Declaration, Nutrient Reference Values, Quantitative declaration on ingredients (QUID), Nutrition Claims and Health Claims.⁴ In Latin America and the Caribbean, obesity and overweight prevalence is higher than the world's average. It has been increasing steadily over the last years, generating important economic and social costs for healthcare systems. One of the food and nutrition policies put into place in the region to address this issue is front-of-pack nutrition labelling (FOPNL) laws or regulations, which inform the public of the nutritional value of food products and promote reducing the consumption of foods with excessive critical nutrients.⁵

3. The way forward

As the demand for ethically sourced, safe, and environmentally friendly products continues to grow, the role of agrifood entrepreneurs and SMEs in driving positive change through packaging and labelling innovations cannot be overstated. SMEs and businesses need more knowledge on labelling required by export markets, as well as skills and resources to develop brands and packaging.

⁴ FAO. <u>Food labelling</u>. In 2018, the Front of Package (FOP) systems and symbols summarise key nutritional aspects and characteristics of food products and often integrate characteristics of traditional nutrition labels, as well as nutrition and health claims.

⁵ FAO, PAHO & UNICEF. 2023. <u>Front-of-pack nutrition labelling in Latin America and the Caribbean</u> – Guidance note. Santiago.

A 2021 Bluedot Insights survey of 1,000 Jamaican consumers found that 90.3% of respondents said that they would be more willing to consume an item if they knew what was in it, and the largest fraction of respondents — 93.7% said that they want to see labels on their foods, indicating whether a food item is high in sugar, fat and salt. Another study, conducted in 2020 by Jamaica's University of Technology, highlighted that close to 40% of the most consumed foods in the country contained more than the recommended levels of salts, sugars and fats. Daphne Ewing-Chow. Food Labels As A Business Opportunity In The Caribbean: Thinking Outside The Package. Forbes. 2022.



Low investment in packaging industries needs to be addressed along increased use of recycled packaging materials (when they pose no problem of contamination). This entails conducive policies and regulations, access to finance and technologies.

As sustainability becomes more important, SMEs and businesses need to invest in innovations for presentation, especially in the design and format of packaging and on recyclable packaging technologies.

The common challenges for Caribbean SMEs are related to the lack of resources, such as infrastructure, human and financial aspects of implementation and maintenance of certification. Entrepreneurs need to understand costs incurred, the shelf life of their products when using sustainable packaging, and the awareness of sustainable packaging, all of which will affect the selling price of the product itself.

Increased efforts by governments and industry are needed to inform consumers on mandatory food labelling and to finance public campaigns on healthy diets.

Key points for discussion on sustainable packaging and labelling by SMEs and businesses:

- What investments are required to adopt sustainable packaging and labelling practices?
- What do we learn from best practices in terms of innovations, technologies, and knowledge needed?
- What incentives can be provided to SMEs and businesses to scale up adoption of sustainable packaging and labelling practices?



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Agenda

10:00-10:05 Introduction

Jeremy Knops, Délégué Général, COLEAD

Moderation: Isolina Boto, Head of Networks and Alliances, COLEAD

10:05-10:50 Panel: experiences from entrepreneurs and SMEs on sustainable packaging and labelling

- Hesma Tyson, Managing Director and Founder, Caribbean Specialty Foods Co. Ltd., Trinidad and Tobago
- Onel Williams, Founder, Nella's Tendaronis, Jamaica
- Kamarsha Sylvester, Managing Director, Hey Mama Products, Dominica

Moderation: Allister Reynold Glean, Representative in Barbados, IICA

10:50-11:30 Insights from support programmes

- Mara Abraham, Ag Executive Director of the Dominica Bureau of Standards, CARICOM Regional Organization for Standards and Quality (CROSQ), Dominica
- Sergio Tillet, Agri-Business Officer, Belize Marketing and Development Corporation (BMDC)
- Tania Lieuw-A-Soe, Chairperson, Wil Uma Fu Sranan, and CEO, SURIVIT N.V., Suriname

11:30-11:50 Q&A session

11:50-12:00 Conclusion and way forward



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