

Functional Foods: Fad or Path to Prosperity?

Graciela Andrango and Trent Blare

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Consumption of functional foods—foods that purport to have additional health benefits beyond basic nutrition—has grown worldwide, particularly among health-conscious consumers from developed countries and as trendy items found in restaurants and specialty stores in middle- and high-income neighborhoods of Latin America. Once consumed almost exclusively in rural communities in Latin America, quinoa, açai, maca, and chia have effectively been positioned in international markets thanks to their high levels of protein (quinoa and chia); vitamins, unsaturated fatty acids, and minerals (maca); and antioxidants (açai). Blue maize, native cacao, and native potatoes are also being repositioned from commodity to specialty local markets under the functional foods umbrella for providing a high level of antioxidants (blue maize, native cacao, and native potatoes) and vitamin C, iron, and zinc (native potatoes).

Enhanced market access through value chain development is a key tool in improving small-scale producers' incomes and spurs rural development through improved market participation for value-added products (Mutebi Kalibwani et al., 2018). The "boom" in the consumption of functional foods has the potential to provide small-scale producers in Latin America with access to higher-value domestic and international markets. These market opportunities could strengthen the livelihood options and well-being of small-scale producers and their households who have continued to produce these functional foods. This theme seeks to illustrate how understanding changes in consumer behavior can help to link small-scale producers of quinoa, blue maize, native cacao, native potatoes, açai, maca, and chia to domestic and global markets.

According to Ricketts, Turvey, and Gómez (2014), value chain approaches to development require commitment and collaboration from multiple stakeholders responding to different incentives, motivations, and responsibilities. The articles in this theme illustrate the role that the private and public sectors play to support producers, their associations, and rural small enterprises to conduct activities such as product research and development,

Articles in this Theme:

- **[Functional Foods: Fad or Path to Prosperity? Data Visualization](#)**
Graciela Andrango, Trent Blare, and Guy Hareau
- **[Can Niche Markets for Local Cacao Varieties Benefit Smallholders in Peru and Mexico?](#)**
Trent Blare, Isabel Corrales, and Luca Zambrino
- **[Native Potatoes: From Forgotten Crop to Culinary Boom and Market Innovation](#)**
André Devaux, Guy Hareau, Miguel Ordinola, Jorge Andrade-Piedra, and Graham Thiele
- **[Quinoa Production and Growth Potential in Bolivia, Ecuador, and Peru](#)**
Graciela Andrango, Amy Johnson, and Marc F. Bellemare
- **[Opportunities in Blue Maize Markets for Smallholder Farmers in Central Mexico](#)**
Trent Blare, Mariana García-Medina, Damaris López, and Miriam Pérez
- **[Latin American's Superfood Economy: Producing and Marketing Acai, Chia Seeds, and Maca Root](#)**
Luis Peña-Lévano, Colton Adams, and

product differentiation, and access to financial and extension services. The examples presented in this theme demonstrate that more efforts are required not only to improve production but also to strengthen the value chains of functional foods to secure their sustainability once the boom ebbs.

Blare, Corrales, and Zambrino begin the discussion analyzing the case of local cacao in Mexico and Peru. They explain how high-quality chocolate produced with native cacao varieties by local manufacturers has penetrated local markets targeting upper-income neighborhoods of Mexico City and Lima and provides an

additional opportunity for these smallholders beyond export markets.

Devaux, Hareau, Ordinola, Andrade-Piedra, and Thiele illustrate the experience of the International Potato Center (CIP) on repositioning Andean native potatoes—potatoes of diverse shapes, colors and sizes that provide an important source of vitamin C, antioxidants, iron and zinc—in high-income market niches as a differentiated product. The authors provide insights on how transforming native potatoes into a source of competitive advantage for Andean farmers could improve their well-being.

Andrango, Johnson, and Bellemare explore the dynamics of quinoa in the world market. Applying product cycle theory, they argue that the quinoa market in the United States and the European Union may have reached the maturity stage. The authors discuss possible business strategies for Andean producing countries (Bolivia, Ecuador, and Peru), such as product differentiation, denomination of origin, and branding.

Blare, García-Medina, López, and Pérez illustrate the case of native maize and its repositioning in the domestic market. The authors explain how increasing demand for blue-pigmented products with elevated levels of antioxidants has repositioned blue maize in the Mexican market. The article analyzes the blue maize value chain in central Mexico to understand the potential market for this product. The analysis provides insights about the market opportunities and challenges farmers face.

Peña-Lévano, Adams, and Burney end this theme by providing information on production and the growth of global markets for three superfoods largely produced in South America: açai, chia seeds, and maca root. The authors illustrate how the penetration of these products in the international market has provided South American producers with the opportunity to improve their livelihood options and well-being. Finally, they argue that government support and economic growth could determine producers' ability to retain their leadership in the production of these products.

For More Information

Mutebi Kalibwani, R., J. Twebaze, R. Kamugisha, M. Kakuru, M. Sabiiti, I. Kugonza, M. Tenywa, and S. Nyamwaro. 2018. "Multi-Stakeholder Partnerships in Value Chain Development." *Journal of Agribusiness in Developing and Emerging Economies* 8(1): 171–185.

Ricketts, K. D., C. G. Turvey, and M. I. Gómez. 2014. "Value Chain Approaches to Development." *Journal of Agribusiness in Developing and Emerging Economies* 4(1): 2–22.

Author Information: Graciela Andrango (gc-andrango@wiu.edu) is Assistant Professor, Western Illinois University, School of Agriculture, Macomb, IL. Trent Blare (tblare@ufl.edu) is formerly Markets and Value Chain Specialist, World Agroforestry Center (ICRAF), Lima, Peru, currently Assistant Professor in Food and Resource Economics, Tropical Education and Research Center, University of Florida, Homestead, FL.

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