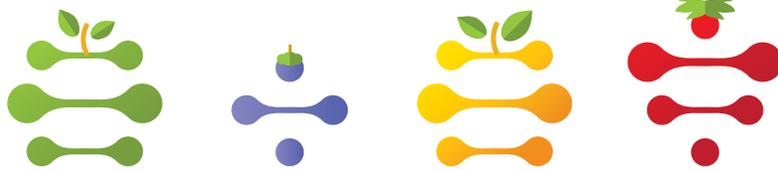




ISRAEL EXPORT INSTITUTE

ISRAEL FoodTech Industry 2017





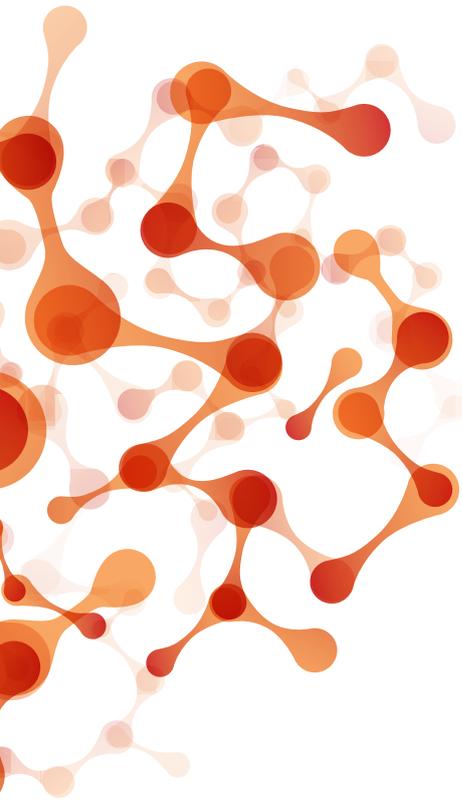
The Health and Wellness market is huge and growing – Israeli technology is one of the drivers

During the last two decades, Israeli companies have been on the leading edge of innovation in the health and wellness industries, helping to fuel the growth of this \$770 billion market. Segments in this dynamic market include Vitamins & Minerals, Herbs & Botanicals, Sports Nutrition, Natural & Organic, as well as Functional Foods – and there are innovative Israeli companies active in all of these sectors.

The global trends that are driving this market are the need to feed an additional 1.2 billion people by 2030, an aging population in developed countries, an increased understanding of nutrition and diet and how it affects public health and also growing consumer awareness and demand. Creative thinking and advanced technology – two characteristics readily found in Israel – are keys to respond to these mega-trends.

Israel is a hotbed of innovation for health and wellness

Israeli companies have attracted a buzz of interest from around the globe. From farm-to-fork, there is a whirlwind of innovative health and wellness solutions, from food brands to ingredients manufacturers, flavor and fragrance producers to state-of-the-art delivery systems for important health benefits.



There are many reasons for the vibrant industry in Israel and the 'Start-up Nation' phenomena is one of the main drivers. The 'Start-up Nation' is often attributed to the outsized impact that the small country of Israel has on the world economy – Israeli Innovation has changed how some industries operate and can be found in thousands of products around the world. Given the 'think-outside-of-the-box' attitude prevalent in Israel, there is a dynamic and thriving ecosystem of researchers, entrepreneurs and capital that endlessly create new technologies and business ideas.

This creative energy has led to the development of many Israeli companies providing technologies, services and products for the health and wellness industry.



What are potential customers and investors finding in Israeli health & wellness?

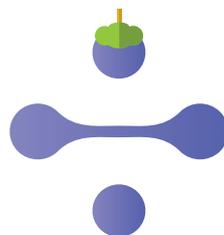
- Innovation: Points of differentiation and potential for category leadership
- Uniqueness: Intellectual Property (IP) and product 'protectability'
- Economic potential: Reasonable cost of goods and profitability
- Supply: Sustainable production capacity and quality assurance
- Tangibles: Readily achievable brand, quality, taste, packaging
- Intangibles: 'WOW' factor, e.g. completely natural, good tasting, convenient

Israeli Innovation addresses global market needs

Walking the corridors of Israeli university food science departments, one finds a dynamic interaction between academia and industry, creating game-changing opportunities with clear and compelling health benefits, unquestionable food safety, demonstrated efficacy, good value, and superior sensory (organoleptic) characteristics.

Exporting health and wellness products requires an efficient network in each country. Israeli companies are targeting a wide variety of potential customers for consumer products, natural ingredients and technologies. Israeli innovation has applicable solutions across the whole value-chain - from creating new technologies on a molecular level through to consumer goods





Health and wellness value chain – from creating new technologies through consumer goods

Israeli companies and academic partnerships create new products, usually with an advanced understanding and implementation of science. New ingredients for health or for food production are strengths of Israeli companies. Product formulation—to create products with the desired attributes is an additional attribute found in Israel. Israeli companies offer both food and supplement manufacturing technologies as well as manufacturing as such. Finally, there are many innovative Israeli retail products that are available to consumers.

Israeli Innovation health and wellness opportunities

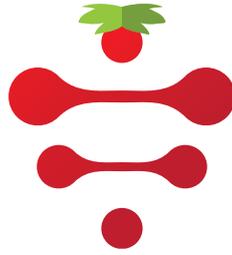
Nutrition Ingredients

Many Israeli companies are global leaders in the discovery and research of new bio-active molecules for use in the dietary supplement and food industries. Some of the highlights of companies that create, manufacture and market nutrition ingredients are [Lycored](#), which created the segment of lycopene from tomatoes and [Algatechnologies](#), a global leader in astaxanthin from algae.

Healthier food

Healthier food is on the agenda around the world. Whether it is fortifying with additional nutrition ingredients or reducing sodium or sugar content, Israeli companies are on the forefront of innovation. [Frutarom](#), a multinational company headquartered in Israel, has a broad portfolio of nutrition ingredients.

[Salt of the Earth](#) which has developed a unique all-natural flavor enhancer for sodium reduction in foods and [Douxmatok](#) which has created a sweetness enhancer for sugar reduction, are two examples of the vibrant Israeli companies creating technologies to answer the need for healthier food.



Next generation protein

Protein is one of the most important macronutrients for healthy bodies. However, feeding the growing world population at WHO recommended levels of protein would cause a significant environmental impact. Alternative sources of protein, especially from plants and insects, which are more renewable and utilize resources more efficiently are needed. Two examples of cutting-edge companies which make high-quality and sustainable protein from insects are [Hargol FoodTech](#) and [Flying Spark](#), and in the plant-based protein market, [Innovopro](#) uses chickpeas.

Consumer health

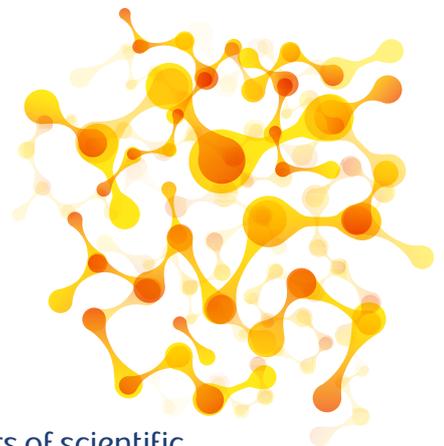
There are many Israeli companies with advanced products and technologies for consumer health. [Fruitful](#), which combines personalized nutrition with a mobile phone application to assist couples to conceive and [Analit](#), which uses a special delivery-system of gummies and chocolate-based supplements for children's health are two examples of Israeli consumer packaged goods (CPG) companies harnessing technology to make innovative products for human health.

Technology applied to "farm-to-fork" uses

Israel is known around the world for its high-tech sector. In Israel, as in Silicon Valley, there is a trend to apply cutting edge computer and engineering technologies to challenge the traditional food industry with innovative solutions. These technologies range throughout the whole food supply-chain, from the farm to post-harvest technologies, food processing and analytics, packaging and delivery and home preparation - Hence the phrase "farm-to-fork". Some examples of Israeli companies in this area are [Deep Learning Robotics](#), which creates self-learning robots, [Bactusense](#), which leverages nanotechnology for fast pathogen testing, and [Tipa](#), which manufactures biodegradable and sustainable packaging.

Government-Academic institutes/incubators/specialty funds

An ecosystem of start-up incubators and investment funds focused on health and food technologies from the farm-to-the-fork (agriculture, processing, packaging, consumer products) has developed in Israel in the last number of years. The [Technion](#), [Weizmann Institute of Science](#), [Hebrew University of Jerusalem](#) and the [Volcani Center Agricultural Research Organization](#) are academic institutions that are global leaders of scientific understanding for health, food and nutrition. [The Kitchen](#) and [Foodlab Capital](#) are two examples of Israeli private-sector start-up incubators and venture capital that help support the commercialization of new technologies and companies.





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The IEICI has helped facilitate collaborations between Israeli companies and well-known multinational food companies and retailers; such as General Mills, Suntory, Britvic and Whole Foods Market.

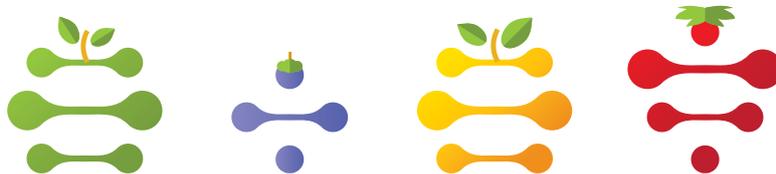
The best way to understand the vibrant Israeli Innovation is to see it in person. We invite you to explore it.

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