FROM FOOD PRODUCT REDESIGN TO MARKET UPTAKE: STRENGTHENING EUROPE'S FOOD SME INNOVATION ECOSYSTEM



Issued by Foodvalley (NL), Deutsches Institut für Lebensmitteltechnik (DIL), Food State Initiative "LI Food" (coordinated by DIL) (Lower Saxony, DE), ILVO (BE), Innate Motion (NL) and Flanders Food (BE), informed by evidence from the Redesign Food for Value (RFV) programme, 2025–2026

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This white paper addresses policy advisors, policymakers and steering stakeholders within the EU research and innovation framework. It builds on the discussions at the EU AgRI 2040 Conference (Brussels, 24–25 September 2026) and is submitted as input to the implementation of the European Commission's new Strategic Approach to Research and Innovation for competitive, resilient and sustainable agriculture, forestry, rural areas and food systems, the AgRI 2040 and Food 2040 frameworks, adopted on 8 September 2026 by DG AGRI and DG RTD, which will guide EU-funded research and innovation under the next EU Framework Programme for Research and Innovation (2028–2034) and the European Competitiveness Fund.

This paper aims to align with and inform that process, specifically on how the EU can strengthen support for food SMEs moving innovations from lab to market.



EXECUTIVE SUMMARY

Across North-West Europe, a coordinated set of national and regional organisations, including Foodvalley in the Netherlands, the Food State Initiative ("LI Food", coordinated by DIL) in Lower Saxony, Innate Motion, a European agency specialising in human insights and branding, and ILVO together with Flanders Food in Belgium, already provide food SMEs with funding scouting, consumer and market insights, innovation vouchers, pilot infrastructure, living labs and hands-on coaching to innovate, scale up and internationalise. Yet across this landscape, a common structural gap persists: support instruments remain concentrated on early-stage financing and support, while the stage that follows, validating, positioning, marketing and commercialising an already-developed product, remains comparatively under-resourced. This is where promising food innovations most often stall or scale too slowly.

The **Redesign Food for Value (RFV)** programme, executed between 2025 and 2026 with support from EIT Food, provides recent, concrete evidence of what closes this gap: tailored, hands-on, market-connected support, not generic training, helps SMEs turn healthier, more sustainable product redesigns into commercially viable outcomes. This white paper draws on RFV's evidence, and on the wider experience of its issuing organisations, to set out what an effective, EU-wide approach to food-SME innovation support should look like, and calls for this to be reflected in the priorities now being shaped through AgRI 2040 and Food 2040.

In particular, the issuing organisations call for:

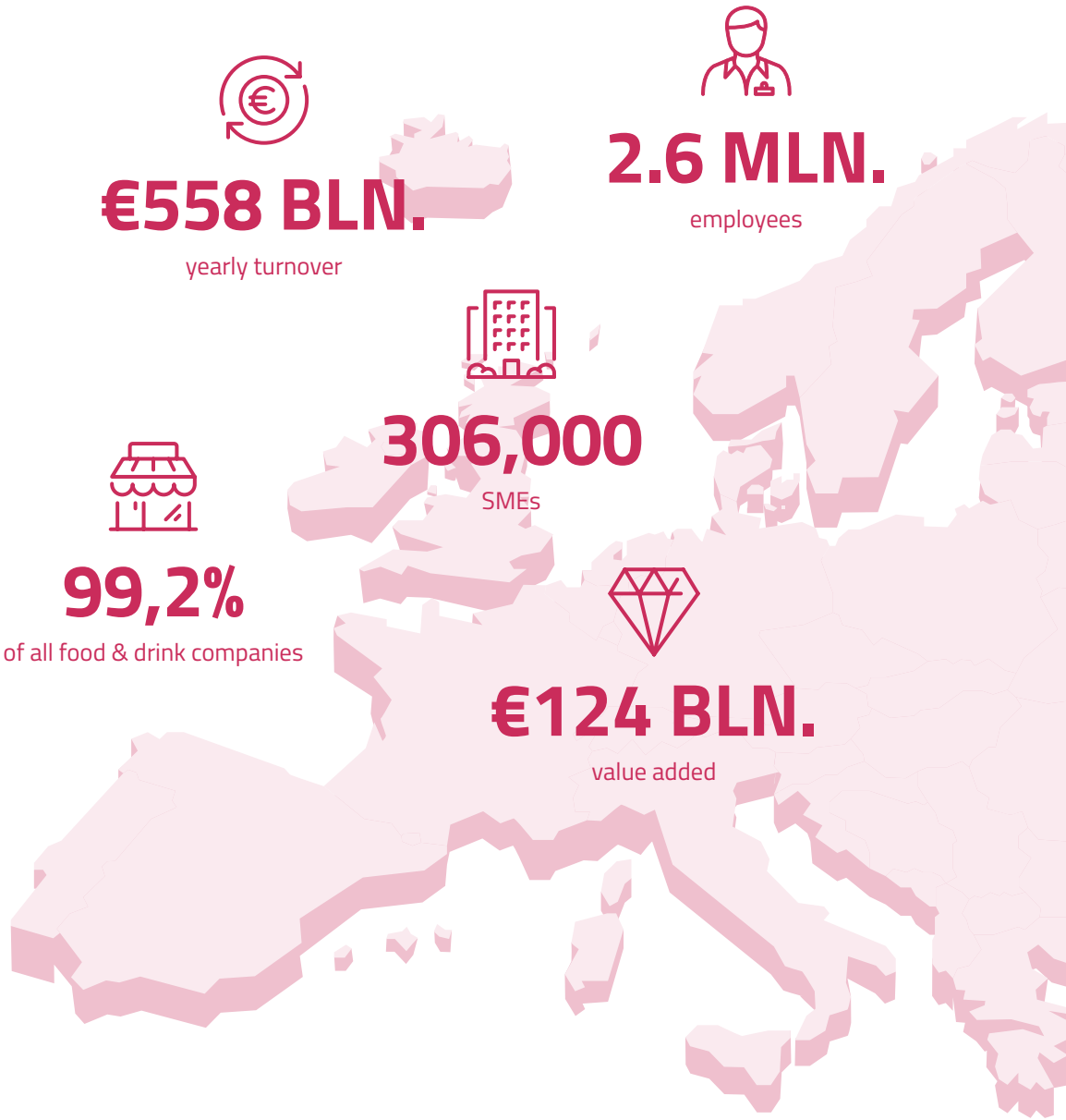
1. **extending national, regional and EU funding instruments beyond early-stage R&D to cover validation, positioning and market entry;**
2. **making tailored, stage-segmented, hands-on support with access to highly specialised expertise the norm rather than the exception;**
3. **funding structured market-access mechanisms, such as buyer pitches and retailer coaching, as a core part of innovation-support programmes;**
4. **coordinating pilot infrastructure and living labs through National and Regional Partnership Plans;**
5. **setting clear, proportionate sustainability and reporting expectations that are shared across the value chain.**



A PERSISTENT GAP BETWEEN INNOVATION AND MARKET UPTAKE

The EU food and drink industry comprises over 306,000 SMEs, representing 99.2% of all companies in the sector. Together, they employ around 2.6 million people across Member States, 56.7% of all jobs in the industry, generate €558 billion in yearly turnover, and €124 billion in value added, 41.7% of the sector total. These SMEs are highly motivated to develop healthier and more sustainable food products, but consistently face barriers in technical development, access to technology, market access and understanding, impact monitoring, regulatory understanding and implementation capacity.

This is not confined to one country or one programme. National and regional innovation agencies across the Netherlands, Germany (Lower Saxony) and Belgium (Flanders) report the same structural pattern: existing public support instruments concentrate heavily on early-stage R&D financing , while offering comparatively little for improving, validating, positioning and de-risking an already-developed product for real market entry. Because this stage requires integrated technical, consumer research, market and retail expertise that most SMEs cannot assemble alone, and because validation and pilot testing are costly, promising innovations frequently fail to reach the market, or scale too slowly, leaving SMEs less able to adapt to rising sustainability and health demands from buyers and sourcing partners.



[1] FoodDrinkEurope (2026), Data & Trends of the EU Food and Drink Industry, 2026 edition (data for 2023). Available at www.fooddrinkeurope.eu.

[2] SCAR Startup & Scaleup Task Force (2026), SCAR Startup & Scaleup Task Force Report

A COORDINATED ECOSYSTEM OF REGIONAL AND NATIONAL SUPPORT

Food SME innovation support across North-West Europe is delivered through a set of complementary national and regional organisations (an independent foundation, a state-commissioned initiative, a government research institute, an industry cluster and a private consumer-insights agency), each combining funding, infrastructure and hands-on guidance.

Together, these organisations deploy a broadly comparable toolkit of instruments, summarised below. The consistency of this toolkit across three Member States is itself evidence that the underlying gaps, and the fixes, are structural, not local.

Foodvalley: an independent, not-for-profit foundation connecting 500+ partners across three Innovation Fields (Protein Transition, Circular Agrifood, Food & Health), supporting stakeholders in tackling collective barriers and helping SMEs access shared pilot/testing infrastructure and focused initiatives.

DIL and the Food State Initiative "LI Food": a Lower Saxony state initiative, coordinated by the food-technology research institute DIL, providing SMEs with R&D project support, competition support and funding advice for innovation and technology transfer.

Flanders Food and ILVO: ILVO, the Flemish Government's agri-food research institute, runs real-world Living Labs where SMEs can test new products; Flanders Food, the region's official agrifood cluster, connects member companies to research partners and routes to funding and market.

Innate Motion: a consumer insights and brand strategy agency. It combines in-depth consumer research with collaborative workshops to help organisations develop strategies, brands, products and innovations grounded in people's needs, motivations and aspirations.

Foodvalley
Shaping the Future of Food Together

DIL
DIL Deutsches Institut für Lebensmitteltechnik e.V.

LI FOOD

Flanders Food

ILVO

Innate Motion

FINANCIAL SUPPORT & SCALING



- Funding scouting: targeted support in identifying suitable funding programmes (state, federal and EU level) for specific innovation projects.
- Funding databases: access to external funding and network databases for a quick overview of current calls for proposals and cooperation opportunities. One example is Foodleap, Foodvalley's online platform launched in 2022, which gives members access to a database of qualified partners and of agrifood research equipment and innovation sites, and lets them share funding opportunities, events and questions within thematic communities (protein, healthier food, upcycling and regenerative agriculture).
- SME innovation vouchers: help minimise financial risk and give direct access to specialised research and pilot production facilities, to scale laboratory-stage innovations toward market readiness.

MARKETING CAPABILITY



- Market understanding: identify real consumer insights driving demand, going beyond ethical considerations linked to sustainability drivers.
- Consumer-led innovation: design products around validated consumer needs rather than entrepreneurs' assumptions.
- Brand building: develop purposeful brands that go beyond product features to stand out in a crowded market.
- Go-to-market strategies: identify the best channels and partners to accelerate trial and repeat..

JOINT INFRASTRUCTURE, PILOTS, TESTING & SCALING



- Pilot plants: semi-industrial processing lines that let SMEs simulate production, test new recipes and scale up products without investing in expensive heavy machinery.
- Living labs: real-world testing environments within retail and food service, so SMEs can test new products directly at the point of sale and gather direct feedback.
- Structural consortia support: co-investment in and operation of shared pilot plants, lowering the barrier to SME innovation.
- Knowledge sharing & demonstrations: regular, low-entry-barrier technology demonstrations, seminars, workshops and networking days that bring actionable research to local producers.

NETWORKING, COLLABORATION & PEER-TO-PEER LEARNING



- Knowledge and technology transfer: builds bridges and partnerships between SMEs and leading research institutions and universities.
- Matchmaking: connects companies with strong partners from industry and academia to form robust innovation networks.

For food processing and shared infrastructure specifically, National and Regional Partnership Plans (NRPPs), proposed under the 2028–2034 EU budget as single national and regional investment plans, offer a mechanism to address critical capacity gaps while making the best use of existing infrastructure, coordinating investment across organisations rather than duplicating it.

CASE STUDY: THE REDESIGN FOOD FOR VALUE (RFV) PROGRAMME





RFV is an EIT Food-funded programme, run in three countries (NL, DE, BE) in 2025 and 2026 and delivered by five expert organisations, that helps SMEs redesign existing products for health, sustainability and value. It offers a concrete, recent example of what this ecosystem can deliver when its instruments are combined in an integrated, hands-on format. Rather than generic classroom training, a significant portion of the programme was delivered as 1:1, company-specific coaching, combining technical reformulation, positioning and pilot-scale validation with direct pitch access to retail and food service buyers.





- **27 food SMEs** supported across NL/DE/BE;
- **24 buyer pitches delivered** in two rounds (December and June of 2026): an early round, before the redesigns were complete, mainly to gather buyer feedback, and a final round at the end of the programme in which 14 redesigned products were pitched directly to major buyers (Albert Heijn, Jumbo, Lidl, Hilton Foods, Vermaat, Compass Group). In several cases, the pitches led to product offtake or at least to advanced commercial conversations.
- **13 life cycle assessments** (LCAs) completed or initiated.
- **Five products reached market in the first programme year** (Monkeys by the Sea, Van Kneus, Chalé Spirulina, Zwamcijsje, MaGie Creations). Further products are in pre-launch and development, and other participants' products (in some cases several per company) are expected to reach the market in the three years after the programme ends.
- **Hard measurements such as LCAs served a dual purpose:** for smaller, less mature SMEs they were often primarily educational, building basic impact literacy; for larger, more established SMEs they functioned as substantive pilots for structured impact reporting, a distinction future reporting support should build on rather than treat all SMEs alike.



CROSS-CUTTING LEARNINGS FOR SCALING FOOD SME INNOVATION SUPPORT

- **Segment support by company stage (start-up, scale-up, scaling SME):** start-ups value practical, peer-based, in-person support; scale-ups need faster programmes with a stronger positioning and buyer-conversation focus; larger, scaling SMEs need sharper regulatory content and one-to-one intake. This should be a shared design principle across future national, regional and EU-funded programmes.
- **Market access matters as much as product redesign:** structured buyer engagement (retail pitches, retailer coaching) drove as much commercial progress for some SMEs as technical reformulation itself.
- **SMEs need expertise beyond their own reach, not generic training:** advisor quality, not programme structure or volume, is a key success factor; SMEs only engage meaningfully with experts whose knowledge clearly exceeds what they already have in-house.
- **Staff time, not cost, is the binding constraint:** limited internal capacity to implement changes is the real barrier, so support should reduce implementation burden (hands-on coaching, on-demand expert access), not just price.
- **Technical and product development support remains a core need across all company sizes throughout the programme.**
- **Impact reporting is mismatched to SME capacity:** smaller SMEs lack the resources larger companies have for impact data, while buyer reporting demands keep rising. This is not an SME-only problem to solve: it requires shared responsibility across retailers, buyers, policymakers and support organisations, simplified and proportionate methodologies, and assessing SMEs on continuous improvement against their own baseline, not an idealised benchmark.
- **Regulatory frameworks need to be set and defined top-down:** government-level rules, not individual SME or buyer initiative, should define expected sustainability, health and reporting performance, so SMEs know which levers to pull and buyers apply consistent requirements.

RECOMMENDATIONS AND ROADMAP

RFV, and the wider experience of Foodvalley, LI Food/DIL, ILVO/Flanders Food and Innate Motion, point to eight priorities. For each, we set out what should change, who should act and through which instruments, so that policymakers, support organisations and buyers can take them forward together.

1. Close the market-validation gap

Extend funding instruments beyond early-stage R&D to cover validation, positioning and market entry, the least-served stage of the innovation journey, and direct at least 20% of existing innovation vouchers, pilot capacity and living-lab access specifically to these activities, rather than leaving this stage to fall between early-stage R&D funding and unaided commercial launch.

Who acts: European Commission; national and regional funding agencies; support organisations managing voucher, pilot and living-lab schemes.

Instruments: the next Framework Programme (2028–2034), the European Competitiveness Fund, EIT Food, NRPPs, and national and regional voucher schemes.

2. Make tailored, hands-on delivery the default, not the exception

Replace generic, classroom-led formats with the segmented, largely 1:1 coaching model RFV has shown to work, across existing national and regional programmes, not just in pilot projects. Make company-stage segmentation (start-up / scale-up / scaling SME) a standard design requirement for publicly funded innovation-support programmes, rather than funding uniform, one-size-fits-all cohorts.

Who acts: programme owners at EU, national and regional level; support organisations.

Instruments: programme design, eligibility and evaluation criteria in EIT Food, the next Framework Programme and national and regional schemes.

3. Fund specialised expertise and reduce the implementation burden

Prioritise funding for access to highly specialised, credible expertise over generic training, in both programme design and advisor/coach selection criteria. Design support to reduce SMEs' implementation burden (through hands-on coaching and on-demand expert access), since staff time, not participation fees, is the main barrier to uptake.

Who acts: public funders; support organisations.

Instruments: advisor/coach selection criteria; vouchers that can be spent on expert time and hands-on implementation support.





4. Make market access a core part of innovation support

Fund structured market-access mechanisms (retail pitch sessions, buyer coaching, go-to-market events) as a core, not optional, part of innovation-support programmes, alongside product redesign support.

Who acts: public funders; support organisations together with retail and food-service buyers.

Instruments: EIT Food and national and regional innovation programmes; structured buyer partnerships.

5. Coordinate infrastructure instead of duplicating it

Use National and Regional Partnership Plans (NRPPs) to align pilot plants, living labs and shared facilities across organisations and Member States, so capacity is built once and used widely and regional capacity gaps are closed.

Who acts: Member States and regions, with the European Commission.

Instruments: NRPPs; existing pilot-plant and living-lab networks.

6. Test and replicate new funding models

Build on the needs-based cohort-sponsorship model that RFV partners are exploring with retail, food-service and financial-sector partners, as a working template other programmes can adapt, rather than each organisation designing a funding model from scratch.

Who acts: support organisations; retailers, food-service companies and financial-sector partners; public funders as co-funders.

Instruments: public–private co-funding of cohorts; the European Competitiveness Fund and InvestEU where blended finance is appropriate.





7. Set clear frameworks and share the reporting burden

Set clear, stable frameworks for sustainability, health and reporting expectations at regional, national and EU level, so SMEs and buyers work towards shared, predictable goals rather than negotiating requirements bilaterally. Regulation sets the floor; within it, retailers and food-service buyers, not only SMEs, should adopt and help sustain simplified, proportionate impact-reporting approaches that SMEs can realistically meet, assessing SME performance as continuous improvement against their own baseline.

Who acts: European Commission and Member States (frameworks); retailers and food-service buyers (shared reporting); support organisations (piloting and guidance).

Instruments: EU and national sustainability, health and reporting rules; buyer–SME reporting pilots.

8. Anchor this agenda in AgRI 2040 / Food 2040

As these EU frameworks are implemented under the next Framework Programme (2028–2034) and the European Competitiveness Fund, ensure they reinforce and help fund these priorities, rather than create a parallel, disconnected process alongside work already underway.

Who acts: European Commission (DG AGRI, DG RTD), with Member States.

Instruments: work programmes of the next Framework Programme; the European Competitiveness Fund.







REDESIGN FOOD FOR VALUE

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