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19
20 *Abstract:* The relationship between nutrition and health-economic outcomes is important at
21 both the individual and societal levels. Not only do nutritional choices made by individuals
22 affect their health condition, thus influencing productivity and economic contribution to
23 society, but also nutrition interventions carried out by the state have the potential to affect
24 economic output in significant ways. This paper reviews studies of nutrition interventions
25 where health-related economic implications of the intervention have been addressed. Results
26 of the search strategy have been categorized into three areas: economic studies of
27 micronutrient deficiencies and malnutrition; economic studies of dietary improvements; and
28 economic studies of functional foods. It is found that although a significant number of studies
29 have calculated the health-economic impacts of nutrition interventions, approaches and
30 methodologies are sometimes *ad hoc* in nature and vary widely in quality. Development of an
31 encompassing economic framework to evaluate costs and benefits from such interventions is a
32 potentially fruitful area for future research.

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34 *Key Words:* nutrition economics, malnutrition, micronutrient deficiencies, dietary
35 improvements, functional foods

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INTRODUCTION

1
2 The relationship between nutrition and health is well documented and associations between
3 various nutrient impacts and nutritional interventions have been widely reported. The addition
4 or removal of specific components into or from an individual's diet can result in significant
5 health improvements with the potential to result in non-trivial economic benefits. There is
6 growing interest in the economics of nutrition, which broadly can be thought of as the process
7 of researching and characterising health and economic outcomes following nutrition
8 interventions and nutrition recommendations for the benefit of society.¹ Assessing the health
9 and economic impact of food consumption patterns or specific changes in nutritional
10 behaviour on health and disease is highly relevant, for a number of reasons. For example, such
11 assessments have the potential to play an important role in the development of nutrition
12 recommendations and could also inform regulatory processes related to nutrition labelling and
13 health claims.¹

14 One way in which the efficacy of a nutrition intervention can be evaluated is by
15 examining the changes in costs and outcomes it causes. This could include measures of utility,
16 reflecting the preference that an individual (or society as a whole) might have for a particular
17 health state. It has been shown that when faced with a choice regarding a specific change in
18 nutrition, if a rational individual stands to gain more in utility than the disutility associated
19 with their personal cost of making the change, they are expected to choose a course of action
20 that maximizes their expected utility.² The consequences of individual nutrition choices can
21 then be aggregated to determine the impact on populations. A variety of metrics exist for
22 measuring the health-economic impacts of nutrition at the macro level, including changes in
23 the direct costs of treating health conditions that could be improved with nutrition
24 interventions; improvements in productivity resulting from decreases in morbidity and

1 premature mortality; generalized monetized estimates of adjusted life years; and condition-
2 specific willingness to pay (WTP) estimates of gains in utility from improved health states.

3 A nutrition intervention can be evaluated at the macroeconomic level in terms of
4 potential gains and losses to society as both indirect and societal costs. When the total costs of
5 a nutrition intervention are less than the prospective benefits, there is a potential gain in
6 societal welfare from the intervention. Such potential welfare gains do not require every
7 single member of society to benefit; rather, they require only that the total potential gains
8 outweigh the total potential losses. However, on a personal basis, a quantifiable benefit or
9 incentive must be foreseen to make a change in nutrition behaviour attractive. The typical
10 methods used to evaluate these types of potential welfare gains at the micro-level include
11 cost-minimisation analysis (CMA), cost-benefit analysis (CBA), cost-effectiveness analysis
12 (CEA), and cost-utility analysis (CUA). It is critical that the value of an intervention, as well
13 as the costs, be known in order to calculate whether a net benefit exists.³ One study discussed
14 methods for evaluating the economic benefits associated with improved health resulting from
15 changes in diet and exercise⁴; other work has endeavoured to link the microeconomic aspects
16 of health economics with the welfare related macro aspects by developing a welfare-theoretic
17 model predicated upon the individual utility function.⁵ An exploration of the health economics
18 of preventative nutrition, outlining the economic burden of numerous nutrition-related health
19 problems, has also been carried out.⁶ This review will identify existing research which
20 characterizes health and economic outcomes in nutrition for the benefit of society.

21 Given increasing pressure on health care budgets, the development of food and
22 functional food products along with nutritional therapeutic modalities is facing new
23 challenges. The assessment of the value-for-money of nutrition interventions should be a
24 common goal for regulatory authorities, public health policy makers and the scientific
25 community. To date little research has been undertaken with respect to identifying the

1 economic aspects associated with nutrition interventions or programs and their health
2 benefits.⁷ The objective of this review paper is therefore to conduct a systematic review of the
3 existing literature to properly contextualize the current state of the field, with the hope that
4 improved understanding of relevant methods and findings will facilitate the development of
5 an encompassing evaluation framework with the flexibility to be applicable to a wide array of
6 interventions.

7 METHODS

8 A multidisciplinary expert workshop was held to elucidate the scope of the relationship
9 between nutrition and health while identifying key issues that should be considered when
10 proposing new studies of the economic consequences of nutrition interventions and policies.¹
11 During that workshop, a subset of the current evaluation methods used in health economics
12 and pharmacoeconomics was reported to be not completely suitable for the evaluation of the
13 socioeconomic impact of nutritional habits in general, and of specific nutrition interventions
14 in particular. At that workshop the term “nutrition economics” was coined to refer to a
15 specific sub-field within health economics, highlighting the need to identify existing studies in
16 order to facilitate the further development of adapted methodologies. With the findings of this
17 workshop in mind, a strategy for a comprehensive systematic literature review was
18 formulated.

19 *Search Strategy*

20 The databases in Table 1 were queried with the search strategies and critical assessment as
21 specified. The initial key words were defined based on the thesaurus of the databases being
22 searched by a skilled information specialist; biomedical databases were queried for economic
23 and nutritional terms and economic databases were queried for nutrition terms. Figure 1
24 provides a flowchart summarizing the search process. It should be noted that searches for
25 specific nutrients were not undertaken; although this is acknowledged as a factor that has the

1 potential to limit the scope of this review, it is believed that the search strategy employed did
2 reveal the preponderance of literature given that studies on specific nutrients were likely to be
3 detected by using broad nutritional terms.

4 Targeted attempts to search out “grey” literature beyond the documents contained in
5 the databases named in Table 1 were made with Google Scholar, a tool which uses Google to
6 search the internet for peer-reviewed papers, theses, books and articles from academic
7 publishers, societies, preprint repositories, universities and other scholarly organizations.
8 *Scirus*, a tool which searches MEDLINE citations, ScienceDirect ejournal articles, patents,
9 technical reports and scholarly web pages, was also used in attempt to find “grey” literature,
10 as was the AgEcon Search database. A significant body of research was found to exist in the
11 “grey” literature for economic studies on micronutrient interventions. This literature, largely
12 comprised of reports from various non-governmental organizations (NGOs), was not included
13 in the present report because it was of varying quality, for instance containing non systematic
14 reviews or epidemiological studies of small populations, and was in many cases out of date
15 compared to the published scientific literature. Nevertheless, “grey” literature with a focus on
16 other economic nutrition relationships was included if it met the inclusion criteria.

17 *Inclusion and exclusion criteria according to Patients Intervention Comparison Outcomes*
18 *(PICO) Question*

19 Titles and abstracts of the studies returned by the search were reviewed independently by two
20 researchers against the following inclusion and exclusion criteria:

21 *Patients* – since nutrition interventions have the capacity to benefit wide cross-sections of the
22 population, all studies done on human subjects were considered for inclusion. Studies carried
23 out on animals or those that attempted to extrapolate from animal subjects were excluded.

24 *Intervention* – all studies concerning a change in diet (either the addition of a healthy
25 substance or the removal of unhealthy substance) were eligible for inclusion. Studies on

1 nutrition interventions where the effect (efficacy or effectiveness) had not been established
2 before, either through randomized controlled trials (RCTs), observational comparative studies
3 (cohort or case-control) or at least pre/post observational studies, were not included. Studies
4 dealing with enteral nutrition were not considered, as this is a special nutrition application in
5 hospital surroundings and often under medical supervision or during medical procedure,
6 rather than a food pattern or change in diet. Also, studies in which the treatment was a medical
7 product or otherwise not considered food were not included.

8 *Comparison* – economic research often relies on simulation models or “natural experiments.”
9 As a result, relevant comparisons can include a simulated or observed section of the
10 population which has not received a nutrition intervention or is receiving a different type of
11 treatment, or historical comparisons in which economic parameters before or after an
12 intervention are evaluated.

13 *Outcome* – studies reporting a quantifiable change in health outcomes, which may result in
14 changes to the direct or indirect costs associated with the change in health status due to the
15 nutrition intervention, were included. Studies in which other measurable economic parameters
16 related to nutrition, and relevant to the socio-economic environment, were calculated also
17 merited consideration for inclusion. Studies not involving any economic aspect of health
18 outcomes from a nutrition intervention were excluded. The references and citations of all
19 relevant articles were cross-checked for additional relevant studies with only English-
20 language written studies being reviewed.

21 A special mention of how studies of obesity, a complex medical condition which can
22 be affected by nutrition as well as by other lifestyle and environmental factors, were addressed
23 within this review may be necessary. Obesity management interventions were included if
24 there was a clear food-related nutritional component to the intervention as well as
25 measurement of an identifiable health outcome. For example, a change in body mass index

1 (BMI) or body weight is likely to reduce the risk factor for a number of chronic diseases;
2 however, if the link to a related health disease such as diabetes or coronary heart disease was
3 not established in the paper, then the study was not included. Though the economics of
4 obesity is an important and interesting topic, a complete investigation of it would be beyond
5 the scope of this review, and related research has already been reviewed elsewhere.⁸

6 A final issue with respect to methodology pertains to how this review approaches
7 evaluations of major nutrition programs. The United States Department of Agriculture
8 (USDA) has a number of large and important nutrition programs including the WIC (Women,
9 Infants and Children) and SNAP (Special Nutrition Assistance Program, formerly the food
10 stamp program). These programs are important and a considerable number of evaluations of
11 their general efficacy along with economic efficiency have been conducted. However, the
12 USDA itself urges extreme caution in interpreting conclusions from studies of these programs
13 for a variety of reasons.⁹ Accordingly, such studies were not included in this review.

14 RESULTS

15 The initial search of the databases listed in Table 1 resulted in over 13,000 returns. Many of
16 the returns were excluded because their focus was not upon human nutrition or because they
17 were editorial comments not consisting of attempts to quantify the health-economic effects of
18 a nutrition intervention. A preliminary review of search findings suggested categorization of
19 the literature into three areas: 1) research examining the economics of food fortification and
20 dietary change to improve micronutrient intake and malnutrition; 2) research relating to
21 economic improvements as a result of healthier diets; and 3) research aimed at studying the
22 economic aspects of foods which can provide a health benefit beyond normal nutrition,
23 referring mainly to functional foods. A discussion of studies falling into each of these three
24 areas is found in the following sections.

25 *1) Economic Studies of Micronutrient Deficiencies and Malnutrition*

1 Studies examining various economic aspects of micronutrient deficiencies and malnutrition
2 are summarized in Table 2. Twenty-six studies were included; seven were cost-effectiveness
3 analyses, two were cost-benefit analyses and two were RCTs; others varied from simulation
4 models to systematic reviews of RCTs. As Table 2 shows, micronutrient deficiencies in the
5 low and middle income world are the most commonly studied areas with respect to economic
6 studies of nutrition interventions. While these deficiencies can have tremendous economic
7 costs, their treatment, specifically through improving the nutrient content of food, has been
8 demonstrated to be very cost effective. Studies included in this section comprise the existing
9 research on the economic consequences of food improvements devised to correct
10 micronutrient deficiencies including fortification of staple foods with vitamin A¹⁰⁻¹³ iron,¹³⁻¹⁸
11 iodine,^{13,19} zinc¹⁸, and folate²⁰⁻²³, as well as policies aimed at increasing consumption of foods
12 naturally high in these minerals.

13 To date the most comprehensive study pertaining to the economics of micronutrient
14 food interventions identified the feasibility and cost-effectiveness of 122 food fortification
15 strategies in 48 countries.²⁴ Addressing the criticism that the cost estimates of previous studies
16 are out of date, not sufficiently detailed, and lack rigour, the authors estimate the CEA of
17 micronutrient fortified foods in those countries building upon an existing model.²⁵ Notable in
18 that paper is the detailed and transparent description of the methods used in cost-effectiveness
19 calculations. The results of their analysis are reported in the cost per disability adjusted life
20 year (DALY) saved, which provides a single index whereby the morbidity and mortality to a
21 particular disease can be measured. For micronutrient interventions, the cost per DALY saved
22 is considered to be the best available method to quantify the economic benefits of the
23 intervention.^{25,26} Folate (also known as vitamin B₉ or folic acid, a nutrient essential for human
24 development) deficiency is notable in that it has also afflicted the populations of developed
25 countries. Folate deficiencies often result in neural tube defects (NTD), which occur at a very

1 early stage of development; increased consumption of folate during pregnancy can reduce the
2 risk for NTD. The cost effectiveness of folate fortification has been studied extensively.²⁰⁻²³
3 An interesting aspect of the economic consequences of NTDs is the difficulty associated with
4 measuring adverse health consequences that occur very early in life—a large part of the
5 economic benefit of folate fortifications is the increased future productivity of newborns who
6 do not become afflicted by a NTD. Since the assumptions around future earnings and the
7 discount rate can influence these results significantly, appropriate estimation methods should
8 be used.

9 A relatively new strategy for dealing with micronutrient deficiencies is
10 biofortification, a method of breeding plants resulting in their being naturally high in
11 micronutrients. The benefit-cost ratio for investments in plant breeding for crops designed to
12 reduce anaemia has been found to be high.²⁷ A few authors have considered the economic
13 underpinnings of biofortification^{28,29}; one particular study calculated found high levels of
14 cost-effectiveness for rice bio-fortified with Vitamin A.³⁰ In general, when a food is fortified
15 or biofortified with micronutrients it has a lower cost structure than would an equivalent but
16 separate supplementation program. Economic studies of biofortification applications in
17 countries including India, Australia, New Zealand, and Uganda have been carried out.³⁰⁻³⁴
18 Another method of adding micronutrients to food is through genetic modification of a crop in
19 such a manner that the edible portion of the harvested grain is high in a specific micronutrient
20 by design. The economics of both genetically enhanced micronutrient rich rice and mustard
21 have both been studied.^{26,35,36} These programs are, for the most part, the same in that the
22 portion of the population receiving the micronutrient enhanced food should become healthier,
23 potentially leading to a valuable economic benefit. Researchers carried out a study of home
24 fortification with zinc in Pakistan and found that a reduction in diarrhoea and improvement in

1 haemoglobin concentrations led to a reduction in child mortality, higher earnings and
2 increased IQ scores.³⁷

3 The literature on improving basic nutrition by alleviating protein and energy
4 malnutrition (PEM) is somewhat limited. Correcting PEM in the developing world has the
5 potential to improve a number of health conditions which can have a considerable economic
6 impact. Some research has shown that PEM can play a major role in susceptibility to
7 infectious diseases such as HIV/AIDS, tuberculosis, and malaria.³⁸ The Copenhagen
8 Consensus, a panel of eminent economists, ranked nutrition investments 2nd, 5th, 11th, and 12th
9 among their recommendations to advance global welfare. The economic elements of
10 malnutrition and associated manifestations could prove to be an interesting endeavour for
11 future research.

12 *2) Economic Studies of Dietary Improvements*

13 Once the basic needs of human nutrition have been met by addressing core nutrients and
14 mineral and micronutrient deficiencies, focus can be shifted to dealing with improving human
15 health as part of a normal diet. Increasing consumption of nutrient-dense food or reducing
16 consumption of unhealthy foods in the diet can lead to improvements in health, especially
17 with respect to many chronic health conditions. Scientific research increasingly confirms that
18 human diet can have a significant impact on disease, quality of life (QOL), and healthy
19 longevity. Detrimental dietary patterns such as high intake of fat/saturated fat and low intake
20 of calcium and fibre-containing foods such as whole grains, vegetables, and fruits can cause
21 conditions that impair the quality of life and accelerate mortality. Diseases and health
22 conditions identified as being good candidates for preventative nutrition strategies include:
23 age-related macular degeneration (AMD), certain birth defects, cataracts, colon cancer,
24 coronary heart disease (CHD), diabetes, hypertension, kidney stones, low birth weight,
25 obesity, osteoporosis, pre-eclampsia, and stroke.³⁹

1 The review identified thirty studies relating to quantifiable health and economic
2 benefits from dietary improvements (Table 3). While few assessments have been made to
3 estimate the economic cost of poor or unbalanced diet, it has been conservatively estimated to
4 be over \$70 billion annually in the United States.⁴⁰ This implies that if dietary improvements
5 were made by all or a portion of the population, then a portion of these costs could be saved,
6 resulting in an economic benefit to both public and private interests. One of the first attempts
7 to put an economic value on nutrition interventions estimated the effect of reducing saturated
8 fat on the incidence and cost of CHD in the United States.⁴¹ A key finding of this research was
9 that a relatively small reduction in dietary saturated fat could result in annual savings of
10 almost \$13 billion. Another well-studied relationship in nutrition is the relationship between
11 sodium and CHD; one study found that a 3g per day dietary salt reduction could result in \$10
12 to \$24 billion in health care savings.⁴² Other research into dietary reductions of calorie
13 consumption in the American diet also showed that modest dietary changes could result in
14 billions of dollars in savings in health care costs.^{43,44} Showing that the economic benefit of
15 dietary improvement is not limited to the developed world, it has also been found that a
16 voluntary reduction in salt intake is a cost effective method of reducing chronic disease in a
17 number of low and middle income countries. Other research examined the effectiveness of
18 two strategies to reduce sodium consumption, and found that a mean population reduction in
19 sodium intake of 9.5% would lead to considerable reductions in both morbidity and disease
20 costs.^{45,46}

21 McCarron and Heaney examined the healthcare savings related to consumption of
22 adequate dairy products and estimated savings from a reduction in obesity, hypertension, type
23 2 diabetes, osteoporosis, kidney stones, certain outcomes of pregnancy, and some cancers to
24 be in excess of \$200 billion over a 5 year period.⁴⁷ Osteoporosis, characterized by reduced
25 bone mineral density, has the potential to be improved by increased consumption of calcium

1 and vitamin D. While research demonstrating the cost-effectiveness of supplements as a
2 treatment for osteoporosis has been reported,⁶ it is surprising that similar studies were not
3 found for food fortifications or dietary changes to improve calcium and/or vitamin D intake
4 during the course of this review.

5 Obesity, a serious health condition seemingly at the opposite end of the spectrum from
6 the problem of malnutrition, is often seen in the less wealthy population. Studies have
7 demonstrated that obesity carries significant economic costs, estimating that the cost of
8 obesity in the United States is \$99 billion and that the future cost of obesity in China will
9 climb to nearly 9% of their gross national product by 2025.^{48,49} A health technology
10 assessment reviewed the cost-effectiveness of pharmaceutical and surgical interventions and
11 conducted a Markov simulation to the cost-effectiveness of a low-fat diet combined with
12 exercise in an obese population, finding a relatively high cost per QALY gained.⁵⁰ However,
13 the only disease reduction conceded was diabetes, making this particular estimate very
14 conservative. Policy decisions such as “junk” food taxes and food labelling requirements
15 designed to increase consumption of healthy foods and decrease the consumption of unhealthy
16 foods are another method with the potential to improve public health and as a result reduce
17 health care costs. Recent work modelled the impact of tax and incentive policies aimed at
18 increasing fruit and vegetable consumption in France, finding that some strategies were cost-
19 effective in increasing healthy food consumption while reducing the risk of death from cancer
20 and CHD.⁵¹ Another study examined four potential food taxation-subsidy alternatives and
21 found that all would be regressive from an economic standpoint; moreover the economic
22 burden of such taxes would be more harsh for the poor than for the rich. Nevertheless, the
23 authors found that a combination of taxes with subsidization of healthy foods would produce
24 overall population health gains.⁵² Similar research explored the potential effects of applying
25 the UK’s value-added tax to a broader range of foods, finding that the incidence of ischaemic

1 heart disease would decrease. However, consumers would have to spend more on food,
2 implying that their incomes should be raised to compensate.⁵³ This would be particularly true
3 for those in lower income groups. A subsequent paper calculated the impacts from health,
4 nutrition and economic perspectives of related measures in the UK, and concluded that such
5 policies, while having the potential to improve health outcomes, could have the undesirable
6 effect of actually reducing consumption of healthy foods.⁵⁴ As an alternative to such “fat tax”
7 policies, one study investigated the health and economic impacts of “thin subsidies” designed
8 to encourage increased consumption of fruits and vegetables, and found that the cost per life
9 saved of such a policy compared favourably to other existing programs in the US.⁵⁵

10 The potential savings resulting from the US’s *Nutrition Labelling and Education Act*
11 were calculated and it was determined that the expected subsequent reduction in body weight
12 in some sections of the population could result in \$63 to \$166 billion, a saving greater than the
13 cost of implementing the act.⁵⁶ Further research found that limiting “junk” food marketing to
14 children would be an extremely cost effective intervention tool for government.⁵⁷
15 Governments also generally possess the ability to institute outright bans on consumptions of
16 certain food types if there is a net benefit to doing so; one study concluded that the reduction
17 in healthcare costs from banning trans fats in Canada would more than offset the food
18 industry cost increases that the ban would cause.⁵⁸ In general, most policy and educational
19 efforts to improve health through nutrition have shown to be cost effective. Population wide
20 policy interventions are likely to offer excellent value for money in the prevention of obesity
21 through the health nutrition impact of improved labelling and a “junk” food tax.⁵⁹

22 There has been some research with respect to the potential role of education initiatives
23 in generating positive nutrition outcomes; for example, Rajgopal et al examined the costs and
24 benefits of the expanded food and nutrition education program run by the cooperative
25 extension serve at Virginia Tech University.⁶⁰ They found that participation in six to twelve

1 nutrition education lessons could result in healthcare savings due to the delay and/or
2 avoidance of poor nutrition related chronic diseases. Similar results were found in Oregon,⁶¹
3 Iowa,⁶² and New York.⁶³ The cost effectiveness of child nutrition education efforts in Peru has
4 been studied; however, that research did not have a defined health benefit and did not meet the
5 inclusion criteria for this review. The authors found that a targeted education program was
6 cost-effective in reducing stunting and mortality.⁶⁴ The cost-effectiveness of different
7 “minimal contact” educational strategies to reduce serum cholesterol was assessed; it was
8 found that short counselling sessions could be cost-effective in reducing cholesterol.⁶⁵

9 The so-called “Mediterranean diet” provides an intriguing example of a cost effective
10 approach in reducing the cost of CHD at a micro level.^{66,67} However, defining Mediterranean
11 diet in detail is difficult and interpretation of the published information depends on this. The
12 Mediterranean diet involves eating primarily plant-based foods, such as fruits and vegetables,
13 whole grains, legumes and nuts; replacing butter with healthy fats such as olive oil and canola
14 oil; using herbs and spices to flavour foods; limiting red meat; and increasing fish and poultry
15 consumption. Though the Mediterranean diet holds promise for improving the health of its
16 consumers, food availability could limit its widespread adoption. Two studies have examined
17 similar dietary modifications involving increased consumption of fruit and vegetables, which
18 are believed to reduce the incidence of some types of cancer and, as a result, yield cost
19 savings.^{68,69}

20 The cost effectiveness of a number of nutrition interventions including the
21 Mediterranean diet, intensive lifestyle change, a reduced fat diet, various nutritional
22 counselling strategies, and extensive educational efforts have been examined,¹¹ and it was
23 found that all ten of the nutritional interventions investigated were cost effective. It was also
24 noted that nutrition intervention can constitute a highly efficient component of a strategy to
25 reduce the burden of disease. An ongoing research project is focusing on examining the

1 economic and health impacts of the *Programme for Complementary Food in Older People in*
2 *Chile*.⁷⁰ This program aims to increase the health and economic situation of the specified
3 group, and is notable as a proactive approach in addressing changes in the demographic
4 characteristics of the population using nutrition as a tool to deal with the economic and health
5 demands of an aging society. A study of blood serum cholesterol reduction resulting from the
6 implementation of Swedish guidelines for non-pharmalogical treatment of
7 hypercholesterolaemia found that both low-and-medium intensity strategies reduced
8 cholesterol by only a small amount; per-subject treatment costs were five times higher in the
9 medium-intensity group.⁷¹

10 It may be reasonable to conclude that interventions aimed at positive dietary changes
11 are cost-effective through a reduction in the burden of chronic diseases which can be
12 prevented through healthier nutrition, as well as production losses avoided through a healthier
13 workforce. The economic benefits of encouraging and educating the public on improving food
14 habits will be a profitable aid for policymakers dealing with the increasing health- and
15 economic burden of healthcare.

16 *3) Economic Studies of Functional Foods*

17 Little research has focused on researching and characterizing the health and economic
18 outcomes of functional foods; as a result the search revealed only seven studies (Table 4).
19 Two were cost-effectiveness studies, two were cost of illness analyses, and three were other
20 heterogeneous studies. There is a natural evolution from pursuing adequate nutrition via
21 increasing micronutrient consumption using food as a means to improve health beyond basic
22 nutrition. Food scientists and nutrition researchers are continuously devising new functional
23 foods, loosely defined as food products designed to provide health benefits beyond basic
24 nutrition. Consumption of these foods has the potential to improve human health; in turn this
25 health improvement has the potential to provide economic benefits.

1 The earliest example of an economic benefit arising from the use of a functional food
2 was a study of the cost-effectiveness of grain fortified with cyanocobalamin and folic acid.⁷²
3 Folic acid is normally considered a vitamin; however, the benefit focused upon in the study
4 was a lowering of plasma homocysteine levels for the prevention of CHD. This goes beyond
5 basic nutrition, making the fortified grain in this study more of a functional food. The authors
6 found this particular fortification could be cost-effective and have a major benefit on
7 populations' health for primary and secondary prevention of CHD, but noted that further
8 research may be required to confirm that homocysteine-lowering therapy decreases CHD
9 event rates.

10 Research on the relationship between cholesterol and CHD has led to a number of
11 studies focusing on the ability of functional foods to lower serum cholesterol and hence
12 reduce the incidence and costs of CHD. Plant sterol and stanol addition in foods, which have
13 been shown to inhibit cholesterol absorption, have been studied particularly extensively. The
14 cost-effectiveness of plant sterol and stanol enriched margarines and dairy products has been
15 demonstrated as efficient in reducing cholesterol and CHD related costs.^{73,74} A recent study
16 found that significant healthcare savings should result from introduction of plant sterol
17 enriched functional foods to the Canadian market.⁷⁵

18 Additional research on the economic benefits of functional foods with the potential to
19 reduce the incidence of CHD includes an examination of the economic benefit of trans-fat free
20 canola oil. Research found that such a product would result in significant economic benefits to
21 Canadian society.⁷⁶ Other research employed a simulation model to calculate the cost
22 effectiveness of omega-3 fatty acids in the reduction of CHD and found supplementation
23 would result in fewer fatal myocardial infarctions and was cost-effective in treating CHD.⁷⁷
24 An important aspect of omega-3 fatty acids not covered by that study was the ancillary health

1 benefits such as the prevention of cancer and other neurological diseases; further research is
2 needed to fill this gap.

3 Flax is considered by many to be a functional food ingredient because it is rich in
4 alpha-linolenic acid (ALA), an omega-3 fatty acid. Because of this property, flax consumption
5 has the potential to reduce the incidence of diseases such as CHD, diabetes, cancer, kidney
6 disease, and Alzheimer's disease. The reduction in healthcare costs that could result from
7 increased flax consumption in Canada has been estimated to be between one and three billion
8 dollars annually.⁷⁸

9 It is noteworthy that clinical research and limited economic analysis indicate the
10 potential for functional foods to be cost effective across a more diversified area of health
11 concerns; some examples include antioxidants and eye disease⁷⁹; cancer and omega-3 fatty
12 acids and antioxidants^{80,81}; Alzheimer's disease and omega-3 fatty acids⁶⁸; conjugated linoleic
13 acid and obesity; probiotic/prebiotics and bowel diseases and diarrhea⁸²⁻⁸⁴; and prevention of
14 atopic dermatitis.⁸⁵⁻⁸⁸ As these new technologies spread, the challenge will be to develop new
15 methodologies to analyse and quantify the long time frames and complex nutrition health
16 relationships associated with these functional foods. Because new functional food products
17 are being developed continuously, it is important to ensure that economic analyses of the
18 impacts of these interventions are carried out using appropriate methodologies.

19 DISCUSSION

20 Micronutrient interventions provide a useful illustration of how a nutritional change can result
21 in health and economic outcomes with societal benefits. The efficacy and effectiveness of
22 increased micronutrient consumption in alleviating micronutrient deficiencies is well
23 established, while the economic benefits of improved micronutrient intake have been studied
24 extensively in high, low and middle income countries. As a public health tool, micronutrient
25 fortifications are often cited as one of the most cost-effective means of quickly improving a

1 targeted population's QOL. While much of the research has focused on low and middle
2 income countries, the tools, methods, and lessons are broadly applicable. The possibility of
3 analysing the cost-effectiveness potential of micronutrient interventions should be fully
4 explored.

5 The relationship between diet and economic activity is complicated and evidence of
6 causality runs in both directions. When people are adequately nourished they are in better
7 health and more productive, and as people become wealthier they can afford to eat better and
8 their health improves. The relationship between improved nutrition and a country's national
9 income has been studied in some low and middle income countries. While the basic
10 malnutrition is an important public health concern in the low and middle income world, to
11 date much of the economic research related to malnutrition has focused on micronutrient
12 deficiencies, sometimes referred to as the hidden hunger. Humans require small doses of a
13 number of different micronutrients in order to maintain normal bodily function. Though it is
14 possible to obtain an adequate dose from a healthy diet, in some situations, especially in low
15 and middle income countries, proper micronutrient nutrition is not always possible. As a
16 result, micronutrient deficiencies affect a significant portion of the population, with associated
17 adverse health effects ranging from blindness to severe birth defects. The costs of treating
18 these deficiencies as well as the productivity lost due to micronutrient deficiency related
19 morbidity and mortality have been found in various studies to be economically significant,
20 and interventions aimed at correcting micronutrient deficiencies have generally proved to be
21 cost effective. Micronutrient interventions provide a compelling example of an area in which
22 nutrition improvements benefit society from an economic perspective.

23 In developed countries, a change in unbalanced or detrimental food habits can result in
24 substantial health care cost savings. Numerous factors not related to nutrition, including
25 genetic and lifestyle issues influence obese subjects' ability to lose excess weight and

1 overweight and obesity can only partially be alleviated by adapted nutrition. The potential
2 benefits of healthier food habits and dietary improvements might have a higher impact in
3 preventing weight gain and maintenance of a correct body mass index. In general, findings of
4 this literature review indicate that dietary improvements can result in substantial health care
5 cost savings. This should be reflected in nutrition recommendations and nutrition counselling
6 as an added value to health benefits on both individual and target population levels.

7 The functional food market is growing rapidly. The potential for significant savings
8 across a wide range of diseases illustrate the largely untapped potential of functional foods to
9 reduce the incidence of nutrition-related chronic diseases and healthcare costs. Coronary heart
10 disease is a leading cause of death and a significant health concern in the developed world. As
11 such, it is not surprising that the majority of the functional food studies detected in this search
12 were related to functional foods designed to reduce the risk of CHD. From an economic
13 analysis standpoint, the tools and biomarkers are very similar to methods used in pharmaco-
14 economic evaluations of statin-type pharmaceuticals. Although this makes an economic
15 analysis modelling of CHD reducing functional foods relatively easy for economic
16 researchers, a substantial number of differences exist between developing economic
17 evaluation models of pharmaceuticals versus functional foods. These differences are related
18 mainly to the need for different approaches to measure effectiveness. While it is clear that in
19 the case of drugs RCTs are the standard, in the case of nutrition, population-based, properly
20 conducted observational studies should be the focus. In fact, effectiveness of the interventions
21 on real life basis is extremely important because many context dependent factors could
22 influence the final outcomes of these interventions. Further investigation of the costs of such
23 approaches is needed, but this will be challenging because of the confounding factors and long
24 timelines associated with analyzing a number of nutrition-related diseases. This makes a
25 complete analysis complex. Though small in number, studies available to date suggest that

1 functional foods are cost-effective and can be powerful tools to reduce illness and the
2 associated costs.

3 A limitation to this work is that the literature search and interpretation focused
4 primarily on the economic side of the “value for money” equation rather than on the health-
5 related quality of life (HRQOL) value outcome side. A critical review of the effectiveness
6 outcomes (including HRQOL) can be an important consideration but was beyond the scope of
7 the present paper. It should also be noted that the term “cost-effective” has been used in a
8 number of studies cited in this review as a proxy for cost saving. In reality, cost effectiveness
9 is not solely about cost “savings”, but can in fact involve increasing expenditures. This is the
10 case when the added value (e.g. improved QOL) of a nutrition intervention can be
11 demonstrated to offset the additional costs.

12 CONCLUSION

13 The range of studies presented demonstrate that from the most basic level of providing
14 adequate nutrition, to simply improving normal diets by the addition of healthy food or the
15 removal of unhealthy foods, or through the introduction of functional foods which are
16 designed to provide a health benefit beyond normal levels, nutrition can be a powerful force in
17 improving both the health and economic status of society. Much of the work to date has been
18 *ad hoc* with economic analyses based largely on the particular subject area and without an
19 overarching, well-defined framework. Future research would benefit from the development of
20 such a model since it would allow for a uniform and complete measurement of the economic
21 costs and benefits borne by all stakeholders. With increasing pressure on healthcare budgets
22 across the world, the potential to cost-effectively “demedicalize” health care costs with
23 nutrition should be fully examined as opportunities present themselves. The fact that many of
24 the interventions described in this review, which have proved to be cost effective, have not yet
25 been implemented implies that policymakers and the public need better information on the

1 economic potential of nutrition-related health effects. In summary, further development of the
2 methods for economic evaluations of nutrition interventions and promoting their use to inform
3 public policy decision makers should be considered priorities in setting future research
4 direction.

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Table 1 Databases consulted, systematic literature review

Database Name	Major Focus	Records Content (see notes)	Key Words	Results
EconLit General	Economics	1,013,000 b, j, t, v, w	Nutrition, Economics	2,190
RePEc/IDEAS	General Economics	865,000 b, c, j, w, o	Nutrition, Economics	461
AgEcon Search	Applied Economics	unknown a, j, w	Nutrition	3,175
NHS-EED	Health Economics	24,000 a	Nutrition	333
DARE	Health Interventions	15,000 r	Nutrition, Economics	2
HEED	Health Economics Health Technology	41,000 b, j, v, w	Nutrition	485
HTA	Assessments	8000 s	Nutrition	32
EURONHEED*	Health Economics	unknown l, s	Nutrition	206
CEA registry	Cost of Effectiveness	2,000 s	Nutrition	17
CODECS	Econ. Evaluations	820 s	Nutrition	7
PEDE	Econ. Evaluations	2,000 s	Nutrition, Economics,	70
PubMed/MEDLINE	Biomedical	19,000,000 j	Cost, Benefit	6,232
PAIS	Public Affairs	480,000 b, j, r, s, v	Nutrition, Economics	83

a denotes abstracts, b denotes books, c denotes chapters, j denotes journal articles, l denotes bibliography, o denotes software, r denotes reviews, s denotes study, t denotes theses/dissertations, v denotes collective volumes, w denotes working papers * denotes discontinued

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Table 2 Economic studies of micronutrient deficiencies and malnutrition					
Reference	Population	Study Design	Intervention/comparison	Outcome(s) measured	Economic findings
Popkin et al. (1980) ¹⁰	General	Benefit cost analysis	Vitamin A education; fortification; supplementation	Mortality, blindness, morbidity, treatment costs	Benefit cost ratios showed fortification (between 2.4:1 and 8.4:1 depending on populations and assumptions) and mass dosage capsule programs (between 5.8:1 and 21.0:1) had benefits much greater than costs
Phillips et al. (1996) ¹¹	Women of child-bearing age & young children	Secondary data from donors & NGOs	National sugar fortification program; targeted capsules distribution program; promotion of home food production combined with nutrition education	Number of high-risk person years of vitamin A deficiency eliminated	Cost per high-risk person achieving adequate vitamin A was US \$0.98 through fortification; \$1.68-1.86 through capsule distribution; \$3.10-4.16 through food production/education
Loevinsohn et al. (1997) ¹²	Children 6-59 months in the Phillipines	Various sources: government & UN documents; RCTs; others	Universal application of supplements vs. broad targeting vs. narrow targeting	Cost effectiveness of reducing child mortality	First year avg. cost: universal approach \$67.21/death averted; broad targeting \$144.12/death averted; narrow targeting \$257.20/death averted
Horton (2008) ¹³	General population	Economic calculations	Four aspects of undernutrition: protein-energy malnutrition and deficiencies of iodine, iron, and vitamin A	Economic losses	Cost effectiveness of nutrition interventions found to be very high
Sari et al. (2001) ¹⁴	Children 4-6 years in Indonesia	Double blind placebo controlled intervention study	Iron fortification (1 mg elemental Fe/g every week for 12 weeks) vs. no fortification	Hemoglobin concentration; anemia prevalence; serum ferritin concentration	Per-capita cost of supplement was US \$0.96-\$1.20 for the 12 weeks of intervention; may be an affordable method for

					combating iron deficiency in low-to-middle income group children
Horton et al. (2003) ¹⁵	General population in 10 low and middle income countries	Economic calculations using assumptions based on previous studies	Iron fortification vs. no fortification	Benefit to cost ratio for long-term iron fortification programs	Median benefit to cost ratio of 6:1 for the 10 countries; 36:1 if discounted future benefits to cognitive improvements are included
Hunt (2002) ¹⁶	General population in India and Bangladesh	Economic calculations using assumptions based on previous studies	Investments in biofortification for rice and wheat vs. no biofortification	Benefit to cost analysis for biofortification	Benefit to cost ratios between 19.3:1 and 84.7:1 and total (agricultural plus nutrition) net benefits between \$2.837 billion and \$7.988 billion depending on assumptions regarding variety adoption rate & anemia reduction rate
Baltussen et al. (2004) ¹⁷	Women 30-44 and perinatal infants in four regions (South America, Africa, Europe, Southeast Asia)	Population model	Iron fortification or iron supplementation vs. no fortification or supplementation	Maternal mortality and perinatal mortality	Iron supplementation would avert <12,500 DALYs in European subregion to around 2.5 million DALYs in African and Southeast Asian subregions. Iron fortification is found to be economically more attractive than iron supplementation.
Ma et al. (2008) ¹⁸	General population	Cost effectiveness analysis	Iron and zinc fortification vs. no fortification; dietary diversification	Iron and zinc deficiency	Biofortification showed the lowest costs per capita (I\$0.01) among interventions on iron and zinc deficiency; dietary diversification through

					health education represented the highest costs (I\$1148); biofortification is especially feasible and cost effective for rural populations
Rouse (2003) ¹⁹	Antenatal population in Zaire, New Guinea, Nepal	RCTs in Zaire and New Guinea; double-blind randomized cluster in Nepal	Iodine supplementation vs. no supplementation (Zaire, New Guinea); vitamin A/ β -carotene supplementation vs. no supplementation (Nepal)	Cost effectiveness and standardized cost effectiveness	Iodine supplementation: \$1.80 to \$18.00/ infant-early child death avoided (\$0.09-\$0.90 discounted per life-year gained); vitamin A/ β -carotene supplementation: \$19.00 to \$193.00/ infant-early child death avoided (\$0.95-\$9.50 discounted per life-year gained)
Romano et al. (1995) ²⁰	General (target pregnant women)	Secondary data from RCTs and other sources	Folic acid supplementation vs. no supplementation	Neural tube defects avoided	Net benefits from fortification of \$94 million (B/C ratio 4.3:1) from low-level fortification and \$252 million (B/C ratio 6.1:1) from high-level fortification
Llanos et al. (2007) ²¹	General population in Chile	Ex-post economic analysis	Folic acid fortification vs. no fortification	Neural tube defects; infant mortality	Intervention costs per neural tube defect case and infant death averted were I\$1,200 and I\$11,000 respectively; cost per DALY averted was I\$89; net cost savings of fortification of I\$2.3 million
Bentley et al (2008) ²²	US population subgroups divided by age, gender,	Cost effectiveness analysis	Folic acid fortification of enriched grain products vs. no fortification	Neural tube defects, myocardial infarctions, colon cancers, B12 deficiency maskings	266,649 QALYs gained with US \$3.6 billion saved over the long run by increasing fortification levels

	and race/ ethnicity				
Jentink et al. (2008) ²³	Women of child bearing years in Netherlands	Cost effectiveness analysis	Folic acid fortification vs. no fortification	Neural tube defects	Bulk food fortification with folic acid cost effective if enrichment costs remain below € 5.5 million
Fiedler et al. (2009) ²⁴	General population in 48 countries	Cost effectiveness analysis of 122 interventions	Biofortification with multiple micronutrients vs. no biofortification	Multiple micronutrient deficiency	Most cost effective intervention in each of the 48 countries was identified
Zimmerman et al. (2004) ²⁶	General population	Scenario approach	Vitamin A biofortification with GM rice vs. no fortification	Vitamin A deficiency	Annual health improvements found to be worth between US \$16 million and \$88 million; rates of return on R&D range between 66% and 133%
Bouis (2002) ²⁷	General population in south Asia	Economic simulation model	Effects of investments in plant breeding vs. alternate investments on iron deficiency	Benefit to cost ratio; anemia cases prevented; annual cost	Ratio of 19 for returns to better iron nutrition in humans (internal rate of return 29%); ratio of 79 if benefits to increased agricultural productivity are included (internal rate of return 44%); 44 million cases of anemia prevented over 25 years if improved varieties planted on 10% of rice & wheat areas in Bangladesh & India; total cost of \$1/anemia case prevented
Meenakshi et al. (2010) ²⁹	General population in several countries	Cost effectiveness analysis	Biofortification of several crops vs. fortification and supplementation	Multiple micronutrient deficiencies	Most costs per DALY saved through biofortification are highly cost effective with benefit:cost ratios over 1.0 in

					all but one case; biofortification is more cost effective than fortification or supplementation
Stein et al. (2006) ³⁰	General population in India	Economic simulation and cost effectiveness analysis	Vitamin A biofortification of GM rice vs. no fortification	Vitamin A deficiency	Cost per DALY saved by use of golden rice ranged from US \$3.06 (high impact scenario) to \$19.40 (low impact) scenario
Stein et al. (2007) ³¹	General population in India	Dose response function	Zinc biofortification vs. no biofortification	Zinc deficiency	Zinc biofortification of rice and wheat could reduce burden of zinc deficiency by 20% to 51% and save 0.6 to 1.4 million DALYs each year; cost to save one DALY found to be US \$0.73 to \$7.31
Stein et al. (2008) ³²	General population in India	Cost benefit analysis	Iron biofortification of rice and wheat vs. no biofortification	Iron deficiency	Iron biofortification of rice and wheat can reduce lost DALYs by between 19% with a cost per DALY saved of US \$5.39 (pessimistic scenario) and 58% with a cost per DALY saved of US\$0.46
Dalziel et al. (2009) ³³	Women capable of or planning a pregnancy in Australia and New Zealand	Secondary data from published RCTs	Set of intervention options promoting folic acid/folate consumption	Neural tube defects	Population-wide campaigns promoting use of supplements and mandatory supplement use most effective at reducing neural tube defects; population wide and targeted approaches were cost effective, as was extending voluntary fortification, but

					mandatory fortification was not cost effective; promoting a folate-rich diet was least cost effective
Fiedler et al. (2010) ³⁴	General population in Uganda	Cost effectiveness analysis	Vitamin A fortification of food oil and sugar vs. no fortification	Vitamin A deficiency	Cost per DALY averted is US \$82 for sugar fortification and US \$18 for oil; vitamin A fortification of vegetable oil is thus 4.6 times more cost effective than of sugar
Manyong et al. (2004) ³⁵	Children and pregnant/lactating women in Nigeria	Ex-ante evaluation based on secondary data	Impact of vitamin A fortified cassava on vitamin A deficiency vs. no fortification	Vitamin A deficiency	Internal rate of return from biofortification program would range between 92.4% (pessimistic) and 165.3% (optimistic), representing gains of between \$10 million and \$63 million annually
Chow et al. (2010) ³⁶	General population in India	Cost effectiveness analysis	Biofortification of GM mustard vs. high-dose vitamin A supplementation vs. industrial fortification of mustard oil	Vitamin A deficiency	Expanding vitamin A supplementation was least costly (\$23-\$50 per DALY averted and \$1,000 to \$6,000 per death averted); GM fortification would avert 5-6 million more DALYs and 8,000-46,000 more deaths but was 5 times more costly; industrial fortification was dominated by both GM fortification and supplementation
Sharieff et al. (2008) ³⁷	Children in Karachi,	Cost benefit analysis	Iron biofortification vs. no biofortification	Reduction in diarrhea and improvement in	Present value of incremental benefit calculated to be US

	Pakistan			hemoglobin concentrations	\$106, indicating home fortification may improve clinical outcomes at a reasonable cost
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Table 3 Economic studies of dietary improvements

Reference	Population	Study Design	Intervention/comparison	Outcome(s) measured	Economic findings
Dalziel et al. (2007) ⁷	General population in various countries	Cost effectiveness analysis based on trial results; modeled cost utility analysis	10 nutrition interventions	Various depending on study	Cost effectiveness analysis yielded differential costs between AU \$0.24/person (Multi Media 2 fruit 5 veg Campaign) and \$1,203/person (nurse counseling in GP); cost utility was between AU \$46 (Multi Media 2 fruit 5 veg Campaign) and \$19,800 (work force group Gutbusters Workplace)
Frazao (1999) ⁴⁰	General population in US	Cost of illness approach	Multiple dietary improvement vs. no dietary change	Reductions in CHD, cancer, stroke, diabetes, hypertension, obesity, osteoporosis	Estimated that healthier diets might prevent US \$71 billion per year in medical costs, lost productivity and premature deaths
Oster et al. (1996) ⁴¹	Persons 35-69 years in US with cholesterol levels 5.17 mmol/L or higher who do not have CHD	Secondary data from Framingham study, NHANES study and population data	Dietary saturated fat reduction vs. no reduction	Mortality and morbidity	1% to 3% reduction in saturated fat intake would reduce incidence of CHD by 32,000 events and result in savings of US \$1.4 billion to \$12.7 billion over 10 years
Bibbins-Domingo et al. (2010) ⁴²	US general population	CHD policy model based simulation	Reduction of 3 grams/day in dietary salt compared to other interventions	Reduction in CHD, myocardial infarctions	Reduction in salt intake of 3 g/day would save between 194,000 and 392,000 QALYs annually and between US

					\$10 billion and \$24 billion in health care costs
Dall et al. (2009a) ⁴³	US general population	Economic simulation model based on secondary data	Dietary reduction of calories, salt, unsaturated fat vs. no dietary change	Multiple chronic conditions	Permanent reductions in daily intake of 100 kilocalories would save US \$58 billion annually; long-term sodium reductions of 400 mg/day would save \$2.3 billion annually; reductions of 5 grams/day of saturated fat intake would save \$2 billion annually
Dall et al. (2009b) ⁴⁴	US general population	Economic simulation model based on secondary data	Dietary reduction in calories and salt vs. no dietary change	Multiple chronic conditions	Permanent reductions in daily intake of 100 kilocalories would increase national productivity by US \$45.7 billion annually; long-term sodium reductions of 400 mg/day would increase productivity by \$2.5 billion annually
Asaria et al. (2007) ⁴⁵	General population in 23 countries	Based on longitudinal study	15% reduction in salt intake vs. normal salt consumption; implementation of four key elements of WHO Framework Convention on Tobacco Control	Reduction in cardiovascular disease and cancer	13.8 million deaths could be averted over the 2006-2015 period; cost would be less than US \$0.40/person/year in low and lower middle income countries and between \$0.50 and \$1.00 in upper middle income countries
Smith-Spangler et	US adults aged 40-85	Markov model with 4 health	2 strategies to reduce sodium intake: gov't/	Incremental costs, QALYs, myocardial	Collaborative strategy that decreases sodium intake by

al. (2010) ⁴⁶	years	states	industry collaboration to reduce sodium in processed foods vs. a sodium tax	infarctions averted, strokes averted	9.5% averts 513,885 strokes and 480,358 MIs, increases QALYs by 2.1 million, and saves US \$32.1 billion in medical costs; sodium tax reducing sodium intake by 6% increases QALYs by 1.3 million and results in \$22.4 billion in cost savings
McCarron et al. (2004) ⁴⁷	US adult population	RCTs and prospective longitudinal studies	Increased dairy consumption vs. no increase	Multiple chronic disease reduction	First year healthcare cost savings estimated at US \$26 billion; five-year cumulative savings exceed \$200 billion
Avenell et al. (2004) ⁵⁰	UK subjects with impaired glucose tolerance (IGT)	Markov model based on secondary data and RCT	30% reduction in fat through diet vs. no reduction, also exercise	Obesity and diabetes risk factor reduction	QALY 13,389 British pounds by sixth year after high initial costs per QALY
Dallongeville et al. (2011) ⁵¹	France general population	Monte Carlo simulation based on secondary data	Increased fruit and vegetable consumption vs. no increase	Deaths avoided and life-years saved	Costs per life-year saved are smallest for the information campaign, then value-added tax reduction, then food stamp policy
Nnoaham et al. (2009) ⁵²	UK general population	Economic model based on consumption data and demand elasticity	Targeted food taxes and/or subsidies vs. no taxes and/or subsidies	Reductions in mortality from cardiovascular disease and cancer	Each of the four policy instruments examined would be economically regressive; use of tax proceeds to subsidize consumption of fruits and vegetables could lead to public health gains
Marshall (2000) ⁵³	UK general population	Comparison of effects of fiscal	Extension of value-added tax to increased	Reduction in ischaemic heart	Extending the tax to main sources of saturated fats

		food policies	number of foods vs. no extension	disease	would increase overall food expenditures by consumers and be disproportionately difficult for lower-income groups
Mytton et al. (2007) ⁵⁴	UK general population	Economic model based on consumption data and elasticity values	Taxing principal sources of dietary fat vs. taxing unhealthy foods based on SSCg3d score vs. taxing foods to achieve best health outcome	Reduction in mortality from cardiovascular disease	Fat taxes have the potential to result in a modest reduction in mortality; however poorly designed taxes have the potential to adversely affect consumption of healthy foods
Cash et al. (2005) ⁵⁵	US general population	Empirical simulations using Continuing Study of Food Intake by Individuals data	Subsidies for consumption of fruits and vegetables vs. no subsidies	Reduction in incidence of CHD and ischemic stroke	Present value of cost per life saved due to thin subsidies US \$1.8 million for vegetables alone; \$2.19 million for fruit alone; \$1.29 million for fruits and vegetables; results vary by low, medium and high income households
Variyam et al. (2006) ⁵⁶	Non-Hispanic Caucasian US adults	Difference in differences method based on survey results	Before and after Nutrition Labeling and Information Act (NLEA)	Body weight and probability of obesity	Total monetary benefit of decrease in body weight between US \$63 billion and \$166 billion, well exceeding program costs
Magnus et al. (2009) ⁵⁷	Australian children 5-14 years	Extrapolations based on RCTs, cross-sectional and longitudinal studies	Banning ads for energy-dense, nutrient-poor food and beverages during peak children's TV viewing times	Changes in BMI; DALYs saved	Intervention yielded a gross incremental cost effectiveness ratio of AU \$3.70; 37,000 total DALYs were saved; present value of future health care costs saved was \$300 million

Gray et al. (2006) ⁵⁸	Canada general population	Cost benefit analysis based on secondary data	Trans fat ban vs. voluntary labeling system vs. mandatory labeling system	Economic gains to government (healthcare provider) and costs to food industry	Benefit/cost ratio best estimate of 20.8/1 for trans fat ban (range 2.6/1 to 51.5/1); 20.4/1 for voluntary labeling (range 2.5/1 to 40.3/1); 19.1/1 for mandatory labeling (range 2.4/1 to 47.1/1)
Sacks et al. (2010) ⁵⁹	Adult population of Australia	Cost effectiveness analysis	Traffic light nutrition labeling vs. junk food tax	Population weight and body mass index reductions; DALYs averted	Both interventions resulted in reduced mean weight and DALYs averted; cost effectiveness analysis showed both were dominant (effective and cost saving)
Rajgopal et al. (2002) ⁶⁰	3,100 limited income adults in US state of Virginia having previously participated in the Expanded Food and Nutrition Education Program (EFNEP)	Cost benefit analysis	Prior participation in EFNEP vs. no participation	Prevention of diet-related chronic diseases/conditions	Initial benefit/cost ratio of 10.64:1; sensitivity analyses yield estimates between 2.66:1 and 17.04:1
Schuster et al. (2003) ⁶¹	368 limited income adults in US state of Iowa having previously	Cost benefit analysis	Prior participation in EFNEP vs. no participation	Cost-benefit ratio and several sensitivity analyses	1:3.63 cost:benefit ratio

	participated in the Expanded Food and Nutrition Education Program (EFNEP)				
Wessman et al. (2001) ⁶²	Limited income adults in US state of Iowa having previously participated in the Expanded Food and Nutrition Education Program (EFNEP)	Cost benefit analysis	Prior participation in EFNEP vs. no participation	Prevention of three types of diseases: Type A (life threatening), Type B (non life threatening), Type C (conditions requiring one-time treatment)	Iowa EFNEP generates a benefit:cost ratio of 10.75:1; total EFNEP benefits over September 1998 to February 2000 period of US \$14.3 million compared to costs of \$1.3 million
Dollahite et al. (2008) ⁶³	5,730 low income New York state residents	Pretest, posttest design with epidemiological modeling approach	Series of 6 or more food/nutrition lessons	Cost, health benefits in QALYs, monetized benefits	Total program costs were US \$892/graduate; 245 QALYs saved at a mean of \$20,863/QALY; society WTP benefit: cost ratio 9.58:1
Gans et al. (2006) ⁶⁵	10,144 New England participants including 1,425 Hispanics	Randomized trial based cost effectiveness study	Six minimal contact nutrition interventions	Total blood cholesterol levels using fingerstick methods	Total costs increased as experimental condition intensity increased
Dalziel et al. (2006) ⁶⁶	Lyon Diet Heart Study	Cost utility analysis	Mediterranean diet vs. prudent Western diet	Morbidity and mortality from CHD	Mediterranean diet vs. prudent Western diet

	participants (605 patients mean age 54 years)			events	estimated to cost AU \$1,013/QALY gained/person; mean life year gain of 0.31/person; mean QALY gain of 0.40/person
Panagiotakos et al. (2007) ⁶⁷	3,042 adults in Greece with no clinical evidence of CVD	Cross sectional study with a questionnaire	Adherence to Mediterranean diet vs. no adherence	CHD	Total health care cost estimated at 336 Euros for those further away from Mediterranean diet compared to 36 Euros for those who were closer; incremental cost effectiveness ratio was 50.99
Daviglus et al. (2010) ⁶⁸	Eligible surviving participants (> 65 yrs) from Chicago Western Electric Study	Longitudinal based	3 strata of fruit and vegetable intake: 14 cups/month (low); 14-42 cups/month (medium); > 42 cups/month (high)	Cardiovascular disease and cancer	Annual Medicare charges were higher for those with lower intake of fruits and vegetables: US \$4,223 vs. \$3,128 (CVD); \$1,640 vs. \$1,352 (cancer); \$12,211 vs. \$10,024 (total)
Gundgaard et al. (2003) ⁶⁹	20% sample of Danish population followed 1993 to 1997	Based on a longitudinal study	Increased intake of fruits and vegetables to meet dietary recommendations vs. baseline intake	Morbidity and mortality from cancers	Simulated intakes of 400 grams and 500 grams per day increased life expectancy by 0.8 and 1.3 years, respectively; healthcare savings from lower cancer incidence were offset by increased life length
Walker et al. (2009) ⁷⁰	Older population in Santiago, Chile	Economic evaluation to accompany CENEX study	Programme for complementary food in older people	Pneumonia incidence, walking capacity, and body mass index	Ingredients approach to calculation of medical and non-medical costs borne by patients and society (planned study)

Tomson et al. (1995) ⁷¹	Subjects with total cholesterol between 7.0 and 7.8 mmol/L without ischaemic heart disease or diabetes mellitus	RCT	Medium-intensity strategy following Swedish guidelines for non-pharmacological treatment of hypercholesterolaemia vs. low-intensity strategy	Serum cholesterol and costs of intervention	Both strategies resulted in low reductions in total cholesterol; there was no statistical difference between the interventions; per-subject cost was SEK 753 in the low-intensity group and SEK 3614 in the medium-intensity group
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Table 4 Economic studies of functional foods					
Reference	Population	Study Design	Intervention/comparison	Outcome(s) measured	Economic findings
Tice et al. (2001) ⁷²	US general population targeted at those with hyperhomocyst-enemia	Cost effectiveness analysis using Coronary Heart Disease Policy Model	Hypothetical diet fortified with enriched grains to increase folic acid by 100 microg/day vs. vitamin therapy consisting of 1 mg folic acid and 0.5 mg cyanocobalamin/day vs. no fortification	Incidence of myocardial infarction and death from CHD; QALYs saved; medical costs	Providing vitamin supplementation plus grain fortification to men at/over 45 years without CHD would save more than 300,000 QALYs and save over US \$2 billion in health care costs
Gerber et al. (2006) ⁷³	German general population	Cost benefit analysis with Markov model	Consumption of plant sterol enriched margarine vs. no consumption	CHD mortality and morbidity	10-year CHD costs estimated at 696 Euro for population consuming PS margarine vs. 748 Euro for control group; sensitivity analysis estimated savings between 32 Euro and 74 Euro; 10-year reduction in CHD cases of 117,000 and cost reduction of 1.3 billion Euro
Martikainen et al. (2007) ⁷⁴	Finnish men and women ages 30, 40, 50, 60	Cost effectiveness analysis using Bayesian modeling	Consumption of plant stanol esters in spread vs. no consumption	CHD prevention	Base case per QALY life years gained ranged between 7,436 and 20,999 Euros for men and between 34,327 and 112,151 Euros for women based on the initial starting age.
Gyles et al. (2010) ⁷⁵	Canadian general population	Modified cost of illness approach	Increased consumption of foods enriched with plant sterols vs. no	CHD reduction	Annual healthcare cost savings between CAD \$38 million (pessimistic

			consumption		scenario) and \$2.45 billion (ideal scenario)
Malla et al. (2007) ⁷⁶	Canadian general population	Cost of illness approach	Consumption of trans fat free canola oil vs. no consumption	CHD reduction	Annual CHD cost savings between CAD \$54.5 million (extreme low case) and \$441.5 million (high case)
Schmier et al. (2006) ⁷⁷	US male population having suffered myocardian infarction	Decision analytic model	Omega-3 supplementation vs. no supplementation	Deaths delayed, cost per death delayed, fatal MIs avoided, cost per fatal MI avoided	Use of omega-3 supplements results in fewer fatal MIs and CVD deaths in short and long term analyses. Supplementation is cost-effective and cost-saving, yielding better outcomes at lower costs.
Coyte (2005) ⁷⁸	Canadian general population	Economic burden of illness approach	Increased consumption of flax products vs. no increase in consumption	CVD, type 2 diabetes	Health economic benefits range for CVD range from CAD \$1,186.2 million (base case estimates) to \$3,558.6 million (best case estimates), and for type 2 diabetes range from \$47.6 million (base case estimates) to \$142.7 million (best case estimates)



Figure 1 Search strategy flow chart