

Global nutra market growing at 6.3%

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Nutraceutical, a portmanteau of the words "nutrition" and "pharmaceutical", is a food or food product that provides health and medical benefits, including the prevention and treatment of diseases. The term nutraceutical was originally defined by Dr Stephen L DeFelice, founder and chairman of Foundation of Innovation Medicine (FIM), Crawford, New Jersey. Nutraceutical foods are not subject to the same testing and regulations as pharmaceutical drugs.

In addition, many botanical and herbal extracts such as ginseng, garlic oil, etc. have been developed as nutraceuticals. These are often used in nutrient premixes or nutrient systems in the food and pharmaceutical industries. There is minimal regulation over which products are allowed to be displayed under the term nutraceuticals, on their labels. Because of this, the term is often used to market products with varying uses and effectiveness.

The definition of nutraceuticals and related products often depends on the source. Members of the medical community require that the term 'nutraceutical' should be more clearly established in order to distinguish between the wide varieties of products out there.

The preference for the discovery and production of nutraceuticals over pharmaceuticals is well seen in pharmaceutical and biotech companies. Some of the pharmaceutical and biotech companies, which commit major resources to the discovery of nutraceuticals include Monsanto, American Home Products, Dupont, Abbott Laboratories, Warner Lambert, Johnson and Johnson, Novartis, Metabolex, Genzyme Transgenic, PPL Therapeutics, and Interneuron.

Global market scenario

Nutraceuticals provides health benefits and helps in prevention and healing of diseases. The global nutraceuticals product market is primarily categorized on the basis of functional foods, functional beverages and dietary supplements. The global market of nutraceuticals is growing on account of growth in the dietary supplement segment. Some of the factors driving the nutraceutical market are increase in disposable income and increased consciousness about one's health. The expenditure for

buying healthy and organic foods increasing and thus, giving a boost to the overall nutraceutical market. Some of the factors restraining the market growth are the lack of knowledge about the benefits of nutraceutical products and high prices of the same.

Global nutraceutical market-Food, Beverages and Supplements (2009-16) (\$mn) chart-3

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According to a new market report published by Transparency Market Research "Nutraceuticals Product Market: Global Market Size, Segment and Country Analysis and Forecasts (2007-2017)", Global Nutraceutical Product market reached \$142.1 billion in 2011 and is expected to reach \$204.8 billion by 2017, growing at a CAGR of 6.3 percent from 2012 to 2017. Asia Pacific (including Japan) is expected to have the second largest market share after North America by 2017. In 2011, the Functional food and Beverage market reached \$93.0 billion, registering a growth rate of 6.0 percent from 2007 to 2011. North America enjoyed the highest market share for nutraceutical products at \$56.4 billion in 2011.

Among all the geographies, North America has the largest consumer base for Nutraceutical products. Although the market is at a mature stage in this region, it has witnessed a growth rate of more than 6 percent during 2007-2011. Developing countries like China and India possess huge potential both in terms of value and volume for Nutraceutical products, as the population and disposable income is on a rise in these countries.

Functional Food remained the fastest growing segment of North America's nutraceutical market at 6.5 percent CAGR during 2007-2011. Non Herbals segment was the fastest growing segment of North America's dietary supplement market during 2007-2011, whereas proteins and peptides market segment had the largest share of revenue of North America dietary supplement market in 2011. The fact that the entire nutraceutical market is currently learning about the consumer range of choices, which has no limit, is giving rise to rapid product introduction in the region. The functional beverage market in the US is expected to have a moderate growth rate as compared to the dietary supplement market in the region.

Dietary Supplement market remained the fastest growing segment of the Middle East and Africa (MEA) nutraceutical market at 30.8 percent CAGR during 2007- 2011. Non Herbals segment was the fastest growing segment of MEA dietary supplement market during 2007-2011 whereas Proteins and Peptides market segment has the largest share of revenue of MEA dietary supplement market in 2011.

The Global Nutraceutical market is estimated to have a growth rate of 6.6 percent during the period of 2012-2017 in the protein and peptides segment of dietary supplement market. The non herbal segment of dietary supplement market will have a growth rate of 6.3 percent from 2012 to 2017. The omega fatty acid fortified food segments of functional food market will have a growth rate of 6.7 percent during the forecasted period. The North America and Asia Pacific nutraceutical market is expected to have a market share of 39.2 percent and 30.4 percent respectively in 2017. The dietary supplement market will be the fastest growing market from 2012 to 2017 as it helps in improving the body's ability to heal and protect itself.

The Asia Pacific Nutraceutical product market is an emerging market in dietary supplements and the functional food segment. Japan is the largest consumer of nutraceuticals. China is the second largest consumer of nutraceutical products as people become more conscious about their food habits and have the largest population in the world. The functional food market in India is expected to have a moderate growing rate as compared to the dietary supplement segment in the region. The functional food and beverage market in India is expected to grow upto 70.74 percent as compared to the dietary supplement market in 2017.

The Eastern Europe Nutraceutical product market is growing on account of high growth in functional food, and dietary supplement segments. Russia is the largest consumer of nutraceuticals in the region. The growth in nutraceutical products is taking place due to increasing old age population in the region. The Russian and Hungarian nutraceutical market is expected to have a market share of 24.4 percent and 20.2 percent respectively in 2017. The increase in disposable income of Eastern European consumers over the evaluation period 2012-2017 could also help in faster adoption of the nutraceuticals product adoption in the region.

According to the report on research and markets by the Global Nutraceuticals Market report, the market is expected to grow at a CAGR of 6.3 percent over the period 2013-2018. One of the key factors contributing to this market growth is the increasing global ageing population. The Global Nutraceutical market has also been witnessing an increase in nutraceutical

product development. However, the threat of ingredients and raw material contamination could pose a challenge to the growth of this market. Some of the leading names in this market include Archer Daniels Midland, BASF SE, GlaxoSmithKline, and Nestlé SA Bactolac Pharmaceutical, Bayer Healthcare AG, NBTY, and Perrigo.

The report noted that the Global Nutraceutical market is highly competitive and has numerous local and international vendors prevailing in it. To compete in the market, vendors are introducing numerous new and innovative nutraceutical food products in the market. Companies are trying to introduce new innovative products on the basis of ingredients, packaging, and serving ability.

As consumers are also increasingly interested in tasting new products, new flavors, and recipes, foods that have been developed using several cultural cuisines are also continuously being launched in the market. For instance, large food corporations, such as Kellogg, General Mills, Procter and Gamble, Hygiene and Health Care, are at the forefront of nutrition research. They are trying to gain advantage from nutraceuticals by fortifying their existing products (eg., orange juice with calcium), repositioning products, supporting sales with new marketing approaches and research that highlights the benefits of their core products and new products. Therefore, the increase in innovative nutraceutical food product launches is one of the key trends that is expected to propel the growth of the Global Nutraceutical market during the forecasted period.

According to the report, one of the major drivers in the market is the increasingly aging population across the globe. With the increase in the aged population and primary consumers, the consumption level of nutraceutical products has increased. The majority of the demand for nutraceutical products is from the APAC region as the region is densely populated with changing consumer lifestyles and increasing disposable income.