



HEXAGON NUTRITION
Nutritionally Yours.....

'Nutrition for immunity'



Challenges and Opportunities in the Nutraceutical industry- during and post pandemic

By

Mr. Arun Om Lal

Sr. Vice President

Hexagon Nutrition

Content

Nutraceutical Industry

Global Nutraceutical Industry Overview

Indian Nutraceutical Industry Overview

Factors Driving Growth of Nutraceutical Markets in India

Opportunities During And Post Covid-19

Consumer and Industry Trends

Nutraceutical industry

◇ Nutraceuticals is a broad term referred to food or part(s) of food that provide incremental health benefits and can be segregated under two broad heads:

*Food Safety and Standards (Health Supplements, Nutraceuticals, Food for Special Dietary Use, Food for Special Medical Purpose, Functional Food, and Novel Food) Regulations, 2016

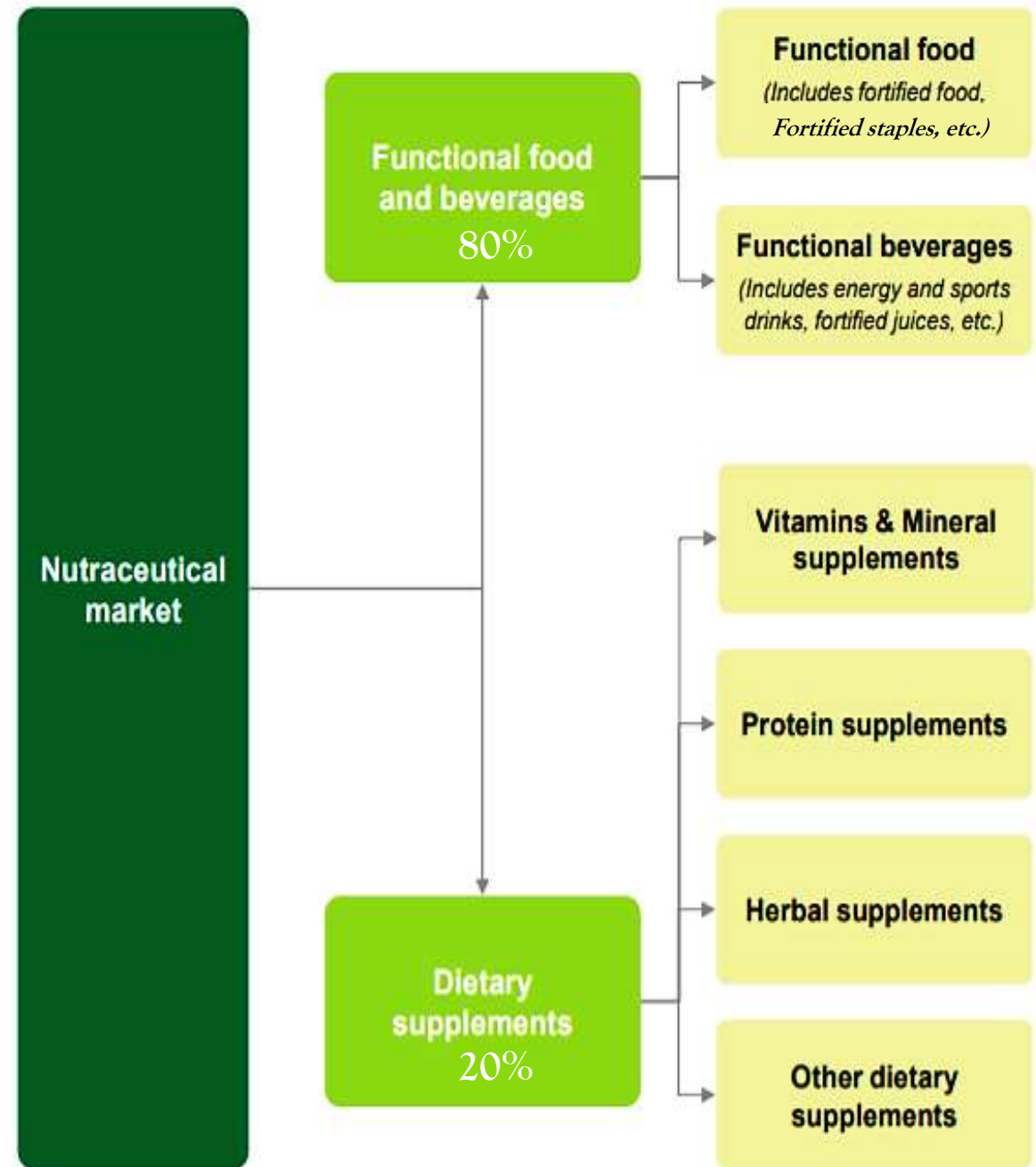
*FSSAI Fortification of Food Regulation 2018 (Commodity)

*FSSAI Fortification of Food Regulation 2020 (Processed foods)

*FSSAI Infant Nutrition Regulation

*FSSAI RDA Regulation with reference to ICMR 2019

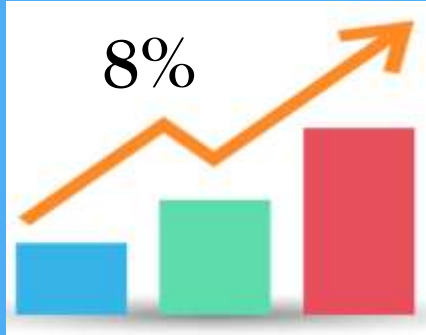
Source: [Deloitte](#)





GLOBAL NUTRACEUTICAL INDUSTRY OVERVIEW

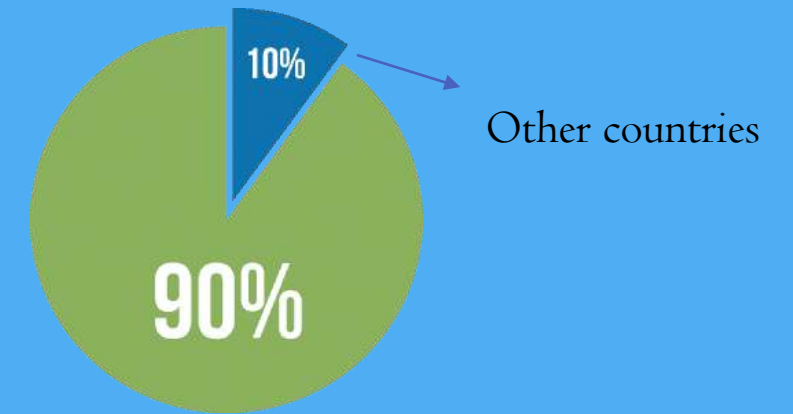
Nutraceuticals Market (2020-24) will accelerate at a CAGR of



The global market will reach \$336 bn by 2024



Currently, the USA, Japan and Europe account for more than 90% of the total market.



The focus of Nutraceutical players is now shifting towards developing economies, especially those across Asia Pacific, including India



USA, Japan and Europe are attaining maturity

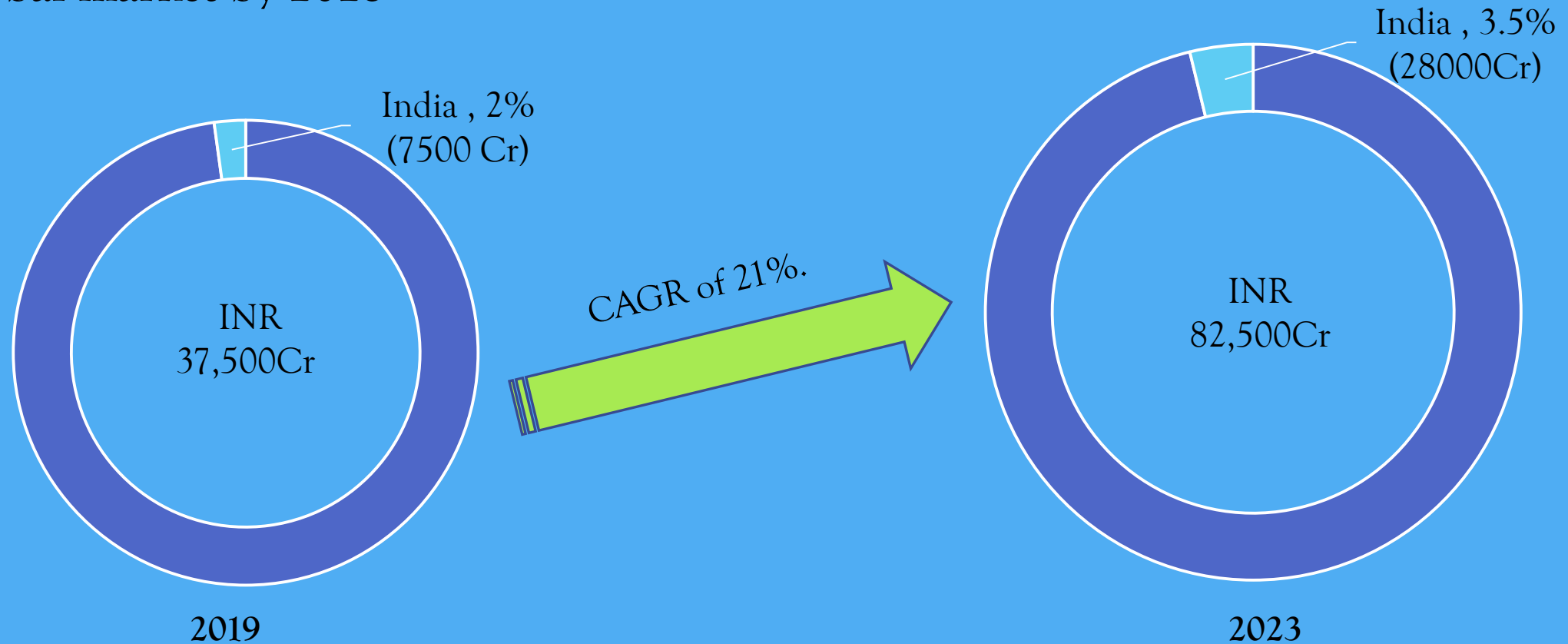
Demand for nutraceuticals with health benefits, change in lifestyle are two of the key factors driving the market growth.





INDIAN NUTRACEUTICAL INDUSTRY OVERVIEW

India is expected to grow at a CAGR of 21%, occupying at least 3.5% share of the global market by 2023



*Functional food & beverages contributes to (80%, 6000Cr) whereas Dietary supplement contributes to (20%, 1500Cr) of the India market

Factors Driving Growth of Nutraceutical Markets in India

Demand Drivers

1. **Malnutrition status** in India and micro-nutrient deficiency
2. **Awareness:** Increasing concern about nutrition, awareness and access to information have led to an increase in use of health supplements and nutraceuticals
3. **Affluence of working population** with changing lifestyles and dietary patterns and increase in disposable income
4. **Affordability:** Increasing costs of hospitalization are driving consumers towards health supplements and nutraceuticals
5. FSSAI Food fortification Regulations



Supply Drivers

With India transforming into a global manufacturing hub, there is strong impetus for nutraceutical product manufacturers to set up production facilities in India

- Strong economic growth with encouraging macroeconomic indicators
- Strategic location with access to all major shipping routes
- Low cost of labor
- Large pool of technical and skilled labor
- Easy availability of ingredients
- Strong distribution networks coupled with accessibility of products through e-commerce





Consumer and Industry trends in 2020

As per the BCGs, COVID -19 Consumer Sentiment Survey, 2020; Consumer's concerns have declined even though pandemic worsens over a period of time

Cautious living' emerging as the new theme

Health and Economic concerns central to the sentiments March 2020



Which shifted to personal anxiety in April & May 2020

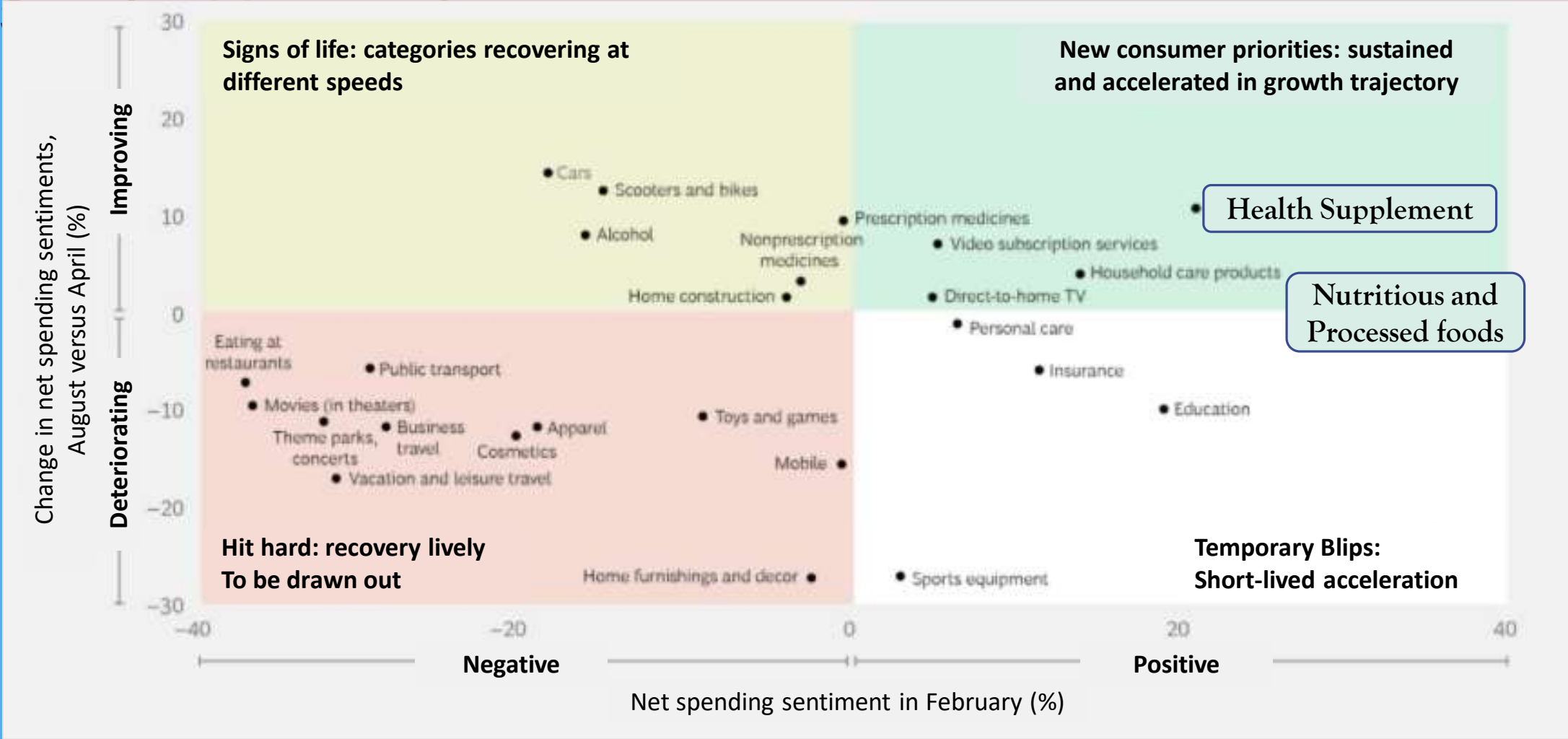


With resilience and caution emerging theme in Aug 2020



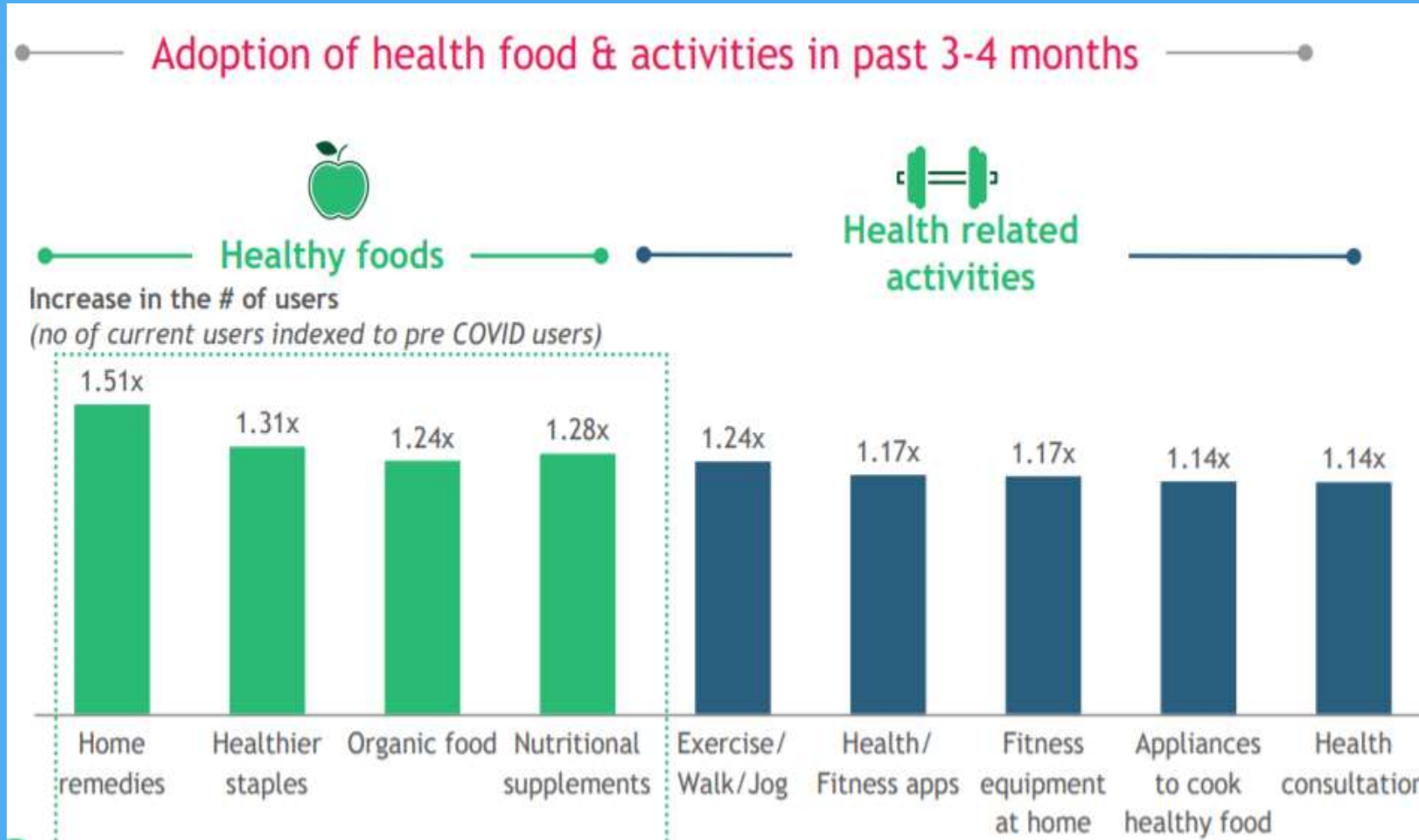
Source: [BCG COVID -19 Consumer Sentiment Survey, 2020](#) Wave 5: 20th Jul - 02nd Aug'20 (N=2,106, 3,276 & N = 3,000)

The Survey Revealed That There Are New Consumer Priorities, Such As Health Supplements, Nutritious and Processed Foods Are Seeing



Source: [BCG COVID-19 Consumer Sentiment Survey, 2020](#)

As per the survey there is a rise in health and wellness however the adoption of Healthy foods have grown more than healthy activities



Adoption of healthy food stronger than fitness activities

Increase in no. of new users

1.3x Any healthy food

1.2x Any health related activity

Another survey recently done by Mintel, revealed that

- ◇ The demand of vitamin A, C, D and Zinc supplements have spiked in the past 7 months
- ◇ Youngsters below 30 years old have started to prioritize their spending on nutraceuticals.
- ◇ There is a shift from buying nutraceutical products from specific health issues such as osteoporosis, arthritis, hypertension to immunity building nutraceuticals
- ◇ One of the most significant trends is that there is an increase in in-home indulgence as a way of seeking small pleasure

The pandemic has caused apparent trends in lifestyles and eating behaviors

- ◇ There is a shift from curative to preventive care in the Indian market.
- ◇ Inclusion of exercise, diet, use of over-the-counter medications and dietary supplements is becoming a way of life.
- ◇ People have become more conscious of their wellness and preventive care.
- ◇ Building immunity is one of the top priorities
- ◇ Consumer behavior is moving from replenishment only to daily fulfilment



Thus, changing consumer behavior in the country is also transforming the nutraceutical space

OPPORTUNITIES DURING AND POST COVID-19



Recent Gazette notifications issued by FSSAI

Staple Fortification (FSSAI Food fortification Regulations'2018)



Processed Foods Fortification (FSSAI Processed foods, Juices, Bakery items Regulations'2020)



Bakery items

Juices

Cereal products

Confectionery

Foods for Infant Nutrition Regulation'2020



Infant milk formula

Milk cereal based complementary foods

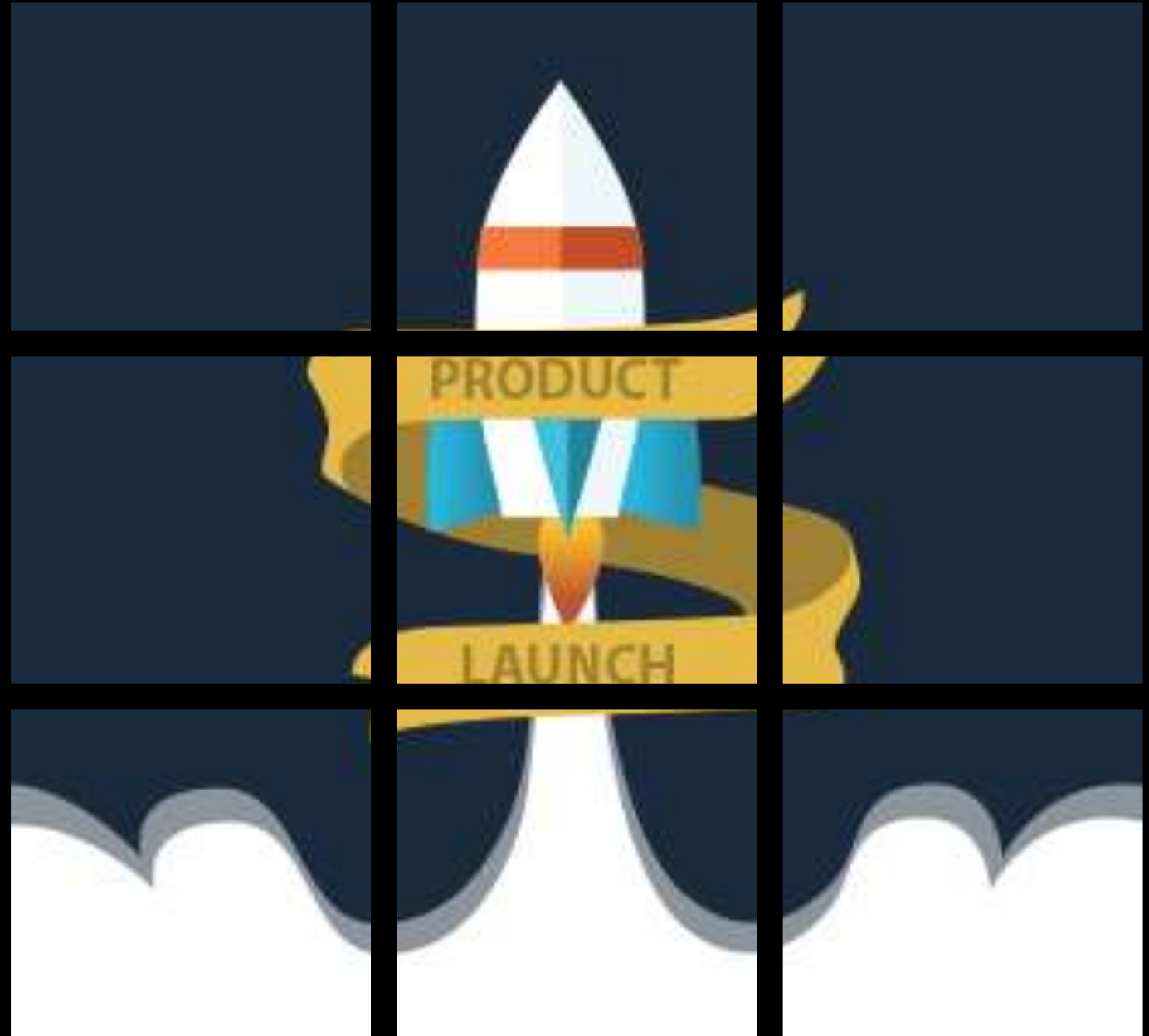
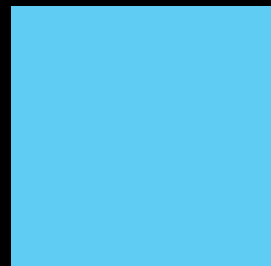
Processed cereal based complementary foods

- Immunity-based products will have a continued demand post COVID-19
- Targeting other factors affecting immunity can be the key in formulating immunity products such as stress, sleep deprivation, Gut health.
- Tap into new dosage formats, branching beyond the usual supplements format. Few emerging format are tea, coffee shots, nutrition bars, tablespread, gummies, Cheese, Almond milk with DHA and meal replacement products.
- Making products more enjoyable to consume, this will help boost usage frequency.





Industry Trends



India leads the APAC market with the highest number of functional foods and beverages launches that bears immune system benefits since March



Fruit & vegetable Juices

Flavoured milk



Breads & Bakery Products



Breakfast cereals



Edible oils

Health and dietary supplements also witness various launches; Existing brands changed their communication focusing on immunity

New launches



Immunity focused communications





Fortified Beverage

Fortified Flour

Fortified Breakfast Cereal

Fortified Milk with Vitamin A & D Premix

Fortified Confectionary like Jam, Jellies & Gummies



HEXAGON NUTRITION

Atmanirbhar Bharat



#VocalForLocal

Let's pledge to be #Atmanirbhar
and eradicate malnutrition
with Indian Products.





HEXAGON NUTRITION

Atmanirbhar Bharat MICRONUTRIENT PREMIXES FOR

STAPLES



FLOUR



OIL



RICE



MILK

PROCESSED FOODS



BAKERY



CONFECTIONERY



JUICES



READY TO EAT

Let's pledge to be #Atmanirbhar
and eradicate malnutrition
with Indian Products.

#VocalForLocal





HEXAGON NUTRITION

Atmanirbhar Bharat

MICRONUTRIENT PREMIXES FOR

**DIETARY FOODS
& BEVERAGES**



**MALT
BEVERAGES**



**INDIVIDUAL
NUTRIENTS**



**SPORTS
NUTRITION**



SUPPLEMENTS

**THERAPEUTIC FOOD
& EARLY NUTRITION**



F-75 & F-100



RUTF & RUSF



**SPRINKLES &
THERAPEUTIC C.M.V.**



**CHILD
NUTRITION**

Let's pledge to be #Atmanirbhar
and eradicate malnutrition
with Indian Products.

#VocalForLocal





LinkedIn

<https://www.linkedin.com/company/hexagon-nutrition-pvt-ltd/>



Twitter

@hexagonnutriti1



Website

www.hexagonnutrition.com