

# Nutraceuticals: Global Markets to 2023

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- The global nutraceutical market should reach \$336.1 billion by 2023 from \$230.9 billion in 2018 at a compound annual growth rate (CAGR) of 7.8%, from 2018 to 2023.
- The functional beverages segment of global nutraceutical market is expected to grow from over \$83.1 billion in 2018 to \$124.4 billion in 2023 at a CAGR of 8.4%, from 2018 to 2023.
- The functional food segment of global nutraceutical market is expected to grow from \$75.1 billion in 2018 to \$110.9 billion in 2022 at a CAGR of 8.1%, from 2018 to 2023.



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# Chapter 1: Introduction

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With the increase in life expectancy and subsequent increase in lifestyle diseases, nutraceuticals have emerged as a necessity for consumers, especially in developed markets like the U.S. Nutraceuticals are often defined as any food or part thereof which provides health benefits, including the prevention or treatment of disease. This definition has now broadened to include functional ingredients such as vitamins, minerals, amino acids, fatty acids and probiotics. The global nutraceutical market has experienced a surge in growth, especially after the most recent global recession. The high cost of healthcare, especially in the developed world, has driven consumers toward dietary supplements and functional foods and beverages in a bid to remain healthy and avoid treatment.

## *Market Definition*

It is difficult to narrow down a strict definition that can be used globally. Health Canada provides the following definition:

“A nutraceutical is a product isolated or purified from foods that is generally sold in medicinal forms not usually associated with food. A nutraceutical is demonstrated to have a physiological benefit or provide protection against chronic disease. A functional food is similar in appearance to, or may be, a conventional food, is consumed as part of a usual diet, and is demonstrated to have physiological benefits and/or reduce the risk of chronic disease beyond basic nutritional functions.”

## *Study Goals and Objectives*

This report provides a detailed analysis of the global nutraceutical market. It discusses premium and mass functional products and the evolution of functional FBSs (foods, beverages and supplements). This information will be useful for those involved in strategic planning, marketing, sales and the development of nutraceuticals.

The major objectives of this study are to:

- Analyze and forecast revenues of the global nutraceutical market.
- Identify driving and restraining factors for the global nutraceutical market.
- Analyze market trends and opportunities in the global nutraceutical market.
- Identify and analyze the global nutraceutical market based on key product segments such as functional foods, functional beverages and dietary supplements.
- Provide comprehensive market sizing and revenue forecasts for various applications and ingredients.
- Strategically profile and analyze major market players and their core competencies in the nutraceutical market.
- Identify recent developments, alliances, joint ventures, and mergers and acquisitions in the global nutraceutical market.

## *Reasons for Doing This Study*

World Health Organization statistics for global levels of obesity and its related diseases are cause for concern. It is projected that cardiovascular disease (CVD), high blood pressure (HBP), high cholesterol and obesity will see significant growth in the years to come. Cholesterol reduction, CVD and osteoporosis are the most attractive targets for nutraceuticals, followed by child development, high blood pressure (HBP), diabetes, gastrointestinal (GI) disorders, menopause and lactose intolerance. There is a noticeable increase in health concerns, improved government support through various subsidies, an increase in aging populations and growing per capita income in developing countries, all of which are driving the demand for nutraceuticals. Currently, individuals are highly likely to self-medicate through nutraceuticals, functional foods, organic foods and botanicals, and over-the-counter (OTC) drugs. There is a lot of skepticism regarding big pharma and people are turning to more natural ways to heal and prevent disease.

Increasing consumer demand for nutraceutical products is also helping market players to position themselves globally by launching a variety of new and innovative products. Currently, changes due to technology and innovation allow manufacturers to produce nutraceuticals and functional foods targeted for both specific and general health issues. Regulatory authorities in different countries are taking the initiative to set standards and regulations for the promotion of safe and healthy nutraceuticals.

This report is designed to cover aspects of nutraceutical types, demand trends and market opportunities. It also examines the overall global nutraceutical market and the market penetration of nutraceuticals in different regions and countries.

## *Scope of Report*

This report provides market insights into the global market for nutraceuticals, with specific focus on the U.S., Europe and India and the top ingredients in those countries. It provides an array of information including market size, expected growth rates, market drivers and restraints as well as other trends and developments in the market. This market report organizes information from diverse sources into a cohesive unit that includes a comparison of premium versus mass functional product as well as the nutraceutical value chain and the evolution of functional FBS. Regulations are also covered in the scope of this report. BCC Research analyzed key categories and regions to determine the present and future nutraceutical market status and forecasted market growth from 2017 to 2023.

## *Information Sources*

The data for this report were gathered from primary and secondary sources. Sources include information obtained from industry analysts, manufacturer and company reports, industry trade journals and industry associations. Additional information was obtained from the U.S. Food and Drug Administration (FDA), Japan's Foods for Specified Health Uses (FOSHU), Mexico's National Association of Food Supplements Industry (ANAISA), the European Food and Safety Authority (EFSA), the World Health Organization (WHO), the U.S. Department of Agriculture (USDA), the Food and Agriculture Organization of the United Nations (FAO) and the China Health Care Association (CHCA).

## *Intended Audience*

This report will be of particular interest to following stakeholders in the nutraceutical market:

- Food and beverage manufacturers and processors.
- Pharmaceutical manufacturers and processors.
- Research and development laboratories.
- Regulatory bodies such as the Food and Drug Administration (FDA), the U.S. Department of Agriculture (USDA), the European Food Safety Agency (EFSA), EUROPA, Codex Alimentarius, Food Safety Australia and New Zealand (FSANZ), commercial research and development (R&D) institutions, and financial institutions.
- Government agencies.
- Importers and exporters of nutraceutical ingredients.
- Intermediary suppliers.

## *Methodology*

A top-down approach was used to estimate the size of global nutraceutical markets. The key players in the global nutraceutical markets were identified through secondary research, and their market revenues were determined through primary and secondary research. This included study of the annual reports of top market players and interviews with key opinion leaders such as CEOs, directors and marketing professionals. The size of the global nutraceutical market was derived from the aggregation of the market shares of the major players. Estimated values are based on manufacturers' total revenues. Forecasts are based on an analysis of market trends such as nutraceutical production and consumption. Projected and forecasted revenue values are in U.S. dollars, unadjusted for inflation. The penetration of micro markets was established through secondary sources and validated through primary sources.

## *Geographic Breakdown*

In this report, the geographic regions considered for market analysis include:

### North America

- United States.
- Mexico.
- Canada.

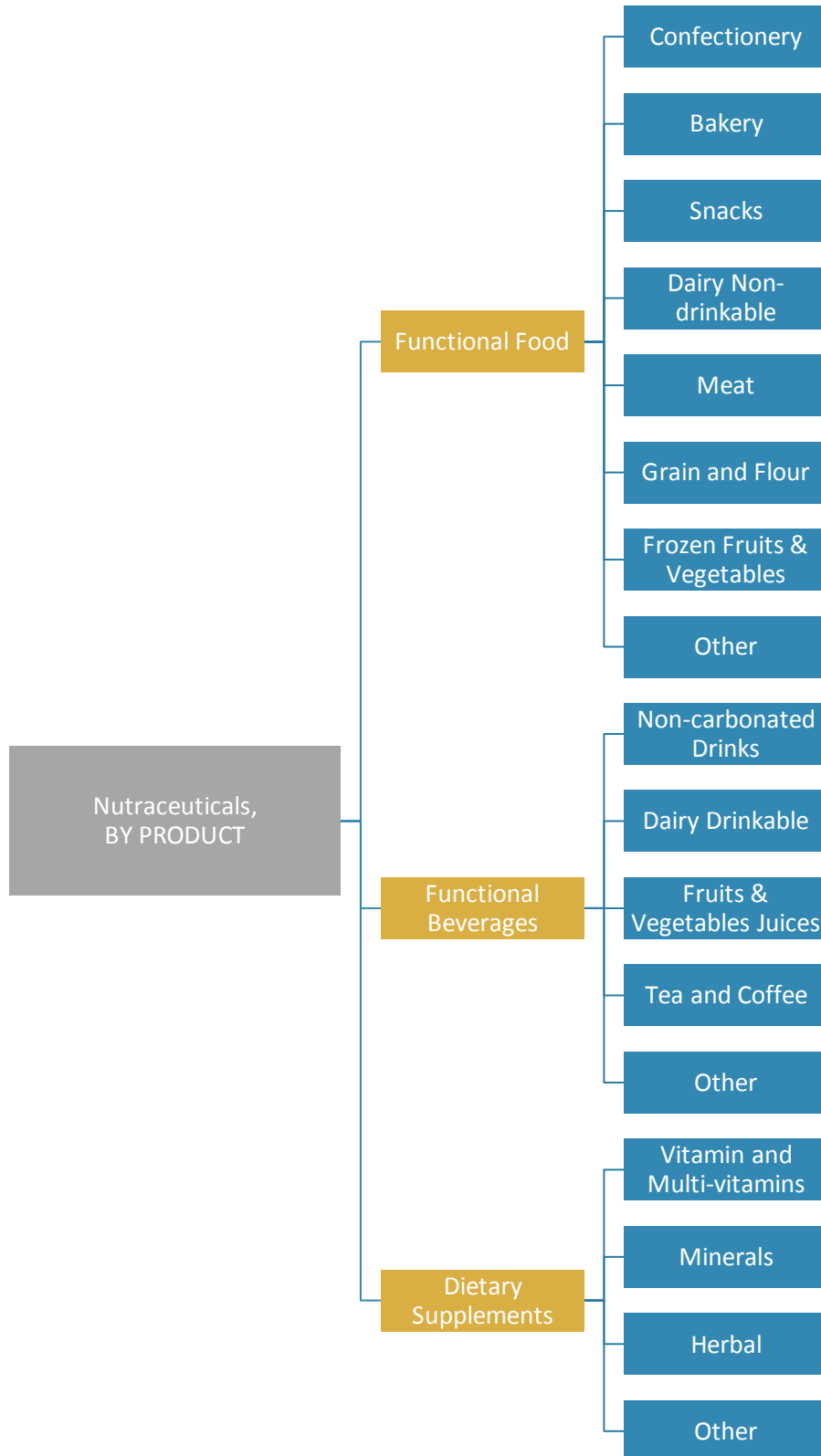
### Europe

- France.
- Germany.
- Italy.
- Spain.
- U.K.

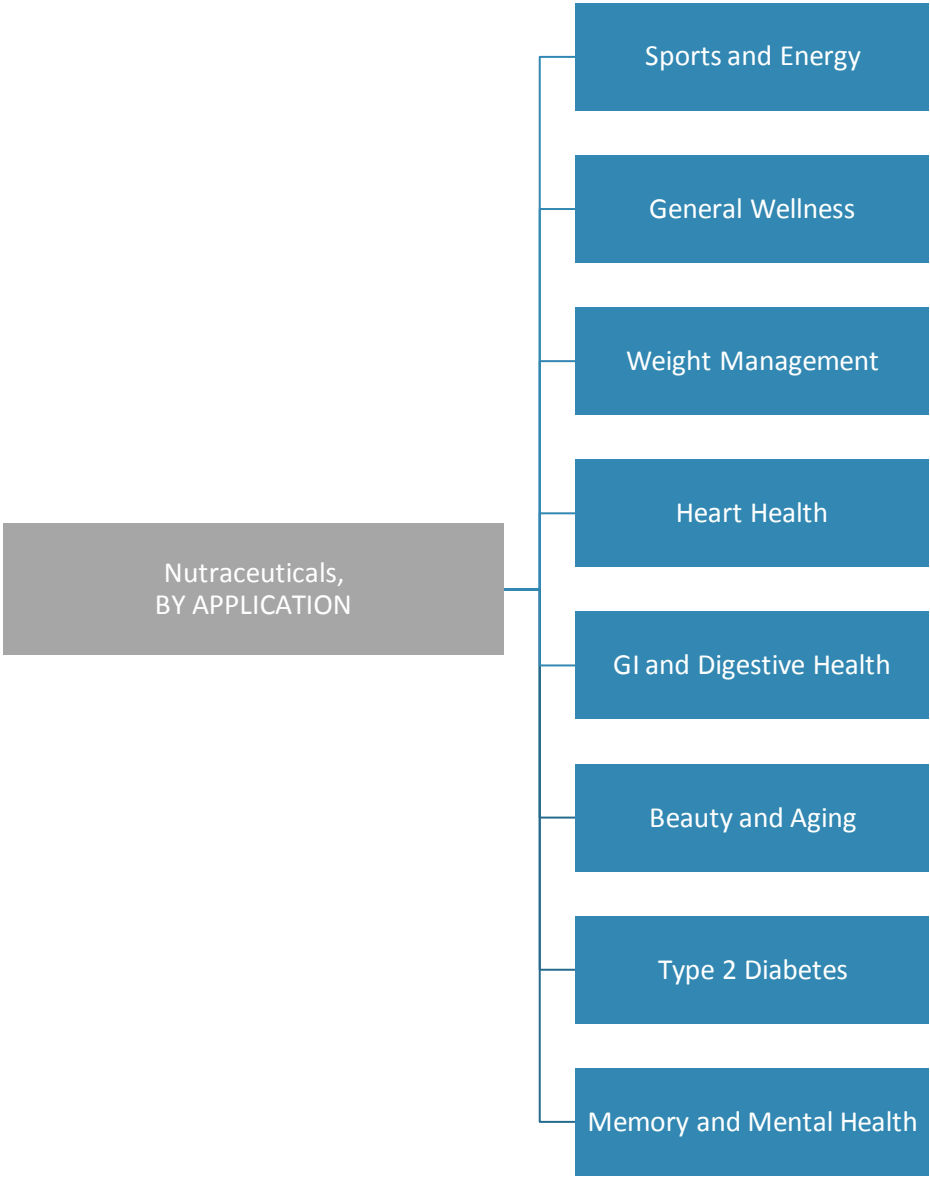
Asia-Pacific

- China.
- India.
- Japan.
- Australia.

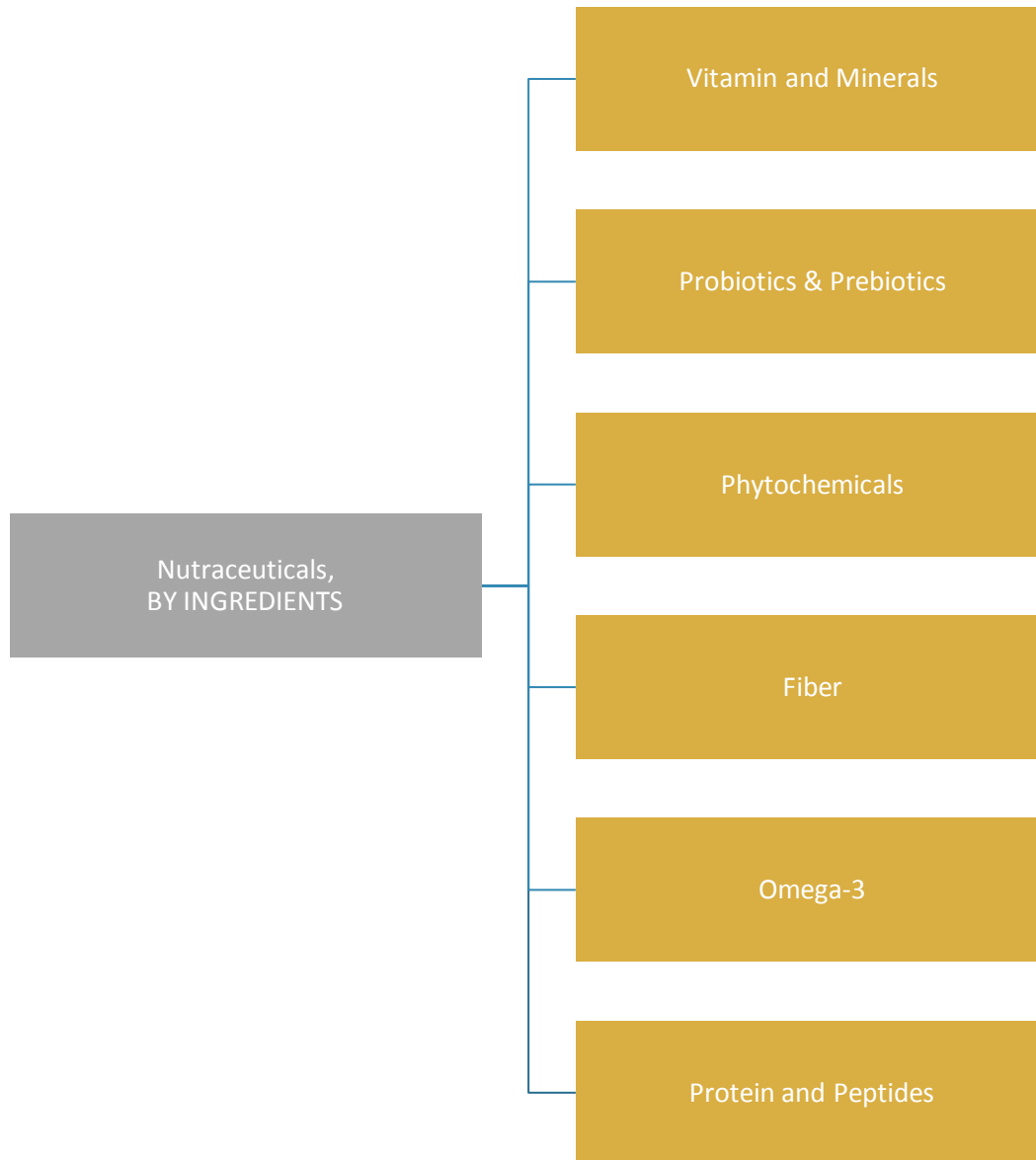
## Nutraceuticals, by Product



Nutraceuticals, by Application



## Nutraceuticals, by Ingredients





## *Analysts' Credentials*

Led by Research Head Karthik Arun, the BCC Research staff is comprised of expert analysts skilled in conducting primary research, secondary research and data analysis and who have decades of combined experience covering a wide range of industries, including healthcare, advanced materials and emerging technologies. Collectively, the team represents a diverse set of educational achievements with individual graduate work completed in fields such as microbiology, electrical engineering, business administration and surgery.

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## *Related BCC Research Reports*

- FOD011H *Global Markets and Technologies for Food Safety Testing*
- FOD027C *Weight Loss Markets for Products and Services*
- FOD047A *Energy Foods and Drinks: Global Markets*
- FOD009E *The Global Market for Food Additives*
- FOD043B *Nutrition and High Energy Supplements: The Global Market*

# Chapter 2: Summary and Highlights

The global nutraceutical market has grown exponentially in the last few years and this growth is expected to continue. The market is being driven by rising health concerns, an aging population and growing per capita income in developing countries such as China, India and Brazil. The global nutraceutical market is facing various challenges such as high prices for nutraceutical products and a lack of awareness about nutraceuticals. Due to exponential growth, there are many potential opportunities to enter the global nutraceutical market. There also is opportunity for contract manufacturers of nutraceutical products which would improve product manufacturing and delivery time. Furthermore, increasing industry regulation worldwide, new product launches and an upswing in acquisitions are enhancing global nutraceutical market growth.

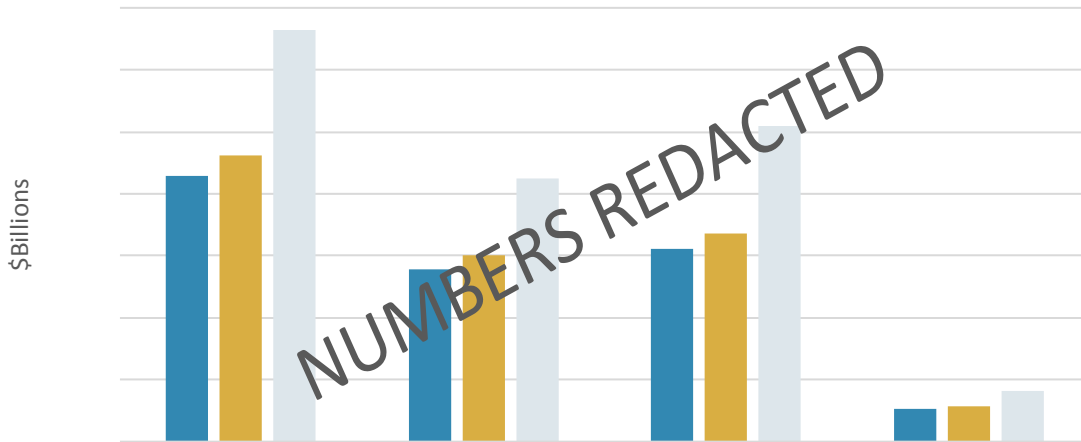
Summary Table:  
Global Nutraceutical Market, by Product, Through 2023  
(\$ Billions)

Product	2017	2018	2023	CAGR% 2018-2023
Functional Beverages	77.1			
Functional Food	69.6			
Dietary Supplements	67.5			
Total	214.2			

Source: BCC Research

Functional beverages dominated the global nutraceutical market with a REDACTED market share in 2017. The global functional beverage market was valued at REDACTED in 2017 and is expected to grow at a CAGR of REDACTED from 2017 through 2023 to reach REDACTED billion. The global dietary supplements market was valued at REDACTED billion in 2017 and is expected to reach REDACTED billion by 2023, growing at a CAGR of REDACTED from 2017 through 2023. The global functional food market was valued at REDACTED in 2017 and is expected to reach REDACTED by 2023, growing at a CAGR of REDACTED from 2017 through 2023. The production of foods with added health benefits is the main development within the global functional food market. New technology in the food industry, such as the development of genetically modified (GM) foods for specific functions requires nutrients, will increase revenues within this quickly-expanding industry.

Summary Figure:  
Global Nutraceutical Market, by Region, 2017-2023  
(\$ Billions)



Source: BCC Research

- Globally, nutraceutical consumers are opting for natural nutraceutical ingredients as they believe the bioavailability of these ingredients is higher while the risk of side effects is significantly lower.
- The global market is currently experiencing a period of growth post-recession. Even after the effect of the recession fades, the market is likely to remain in a growth phase and be driven by emerging nutraceutical markets such as India, China and Brazil, with China likely to become the world's largest nutraceutical market by 2030.
- Customization and personalization is the need of the hour for nutraceuticals, specifically in developed markets such as the U.S. and E.U. However, while complete personalization (based on genetic profile) is a long way away, companies are looking at new and innovative ingredients and/or delivery mechanisms to suit specific target groups.
- The U.S. market is currently focused on diversifying its product offerings to gain greater penetration among the Gen X and Gen Y population after having almost exhausted the baby boomer population.
- In Europe, however, the focus is more on innovation, research and development. The European market is also looking to consolidate and organize itself. European companies are looking to dominate the global nutraceutical market, as can be seen by their synergistic acquisitions worldwide.

- India is currently a nascent market for nutraceuticals, without a concrete business model in place. Both multinational corporations (MNC) as well as domestic companies in the pharmaceutical and food and beverage space have tested the market with a variety of launches, with some success. This has resulted in an increased number of product launches recently.
- However, in terms of ingredients, especially in the case of plant extracts and phytochemicals, Indian companies have entrenched their place as suppliers, both locally and globally.

**Table 1**  
**Overview of Definitions and Regulations for Nutraceuticals Products**

Country	Given Label	Definition	Regulating Body
United States of America	Dietary supplements	Any of the following which have a beneficial nutritional effect: <ul style="list-style-type: none"> <li>• Vitamins</li> <li>• Minerals</li> <li>• Botanicals and their extracts</li> <li>• Amino acids</li> <li>• Concentrates and extract</li> </ul>	Food and Drug Administration
European Union	Food supplements	<ul style="list-style-type: none"> <li>• Concentrated sources of nutrients</li> <li>• Other substances with a beneficial nutritional effect</li> </ul>	European Food Safety Authority
India	Foods for special dietary use	<ul style="list-style-type: none"> <li>• Plants/botanicals: Whole or extracts</li> <li>• Minerals, vitamins, amino acids, enzymes</li> <li>• Substances of animal origin</li> </ul>	Food Safety and Standards Act
Japan	Foods for specific health use	Any food that can provide and/or supplement any of the following: <ul style="list-style-type: none"> <li>• Nutrition</li> <li>• Sensory satisfaction</li> <li>• Beneficial physiological effect</li> </ul>	Japan Health and Nutrition Food Association
China	Health foods	Any food that: <ul style="list-style-type: none"> <li>• Is suitable for specific groups of people</li> <li>• Is able to adjust body functions</li> <li>• Should not aim at curing diseases or cause acute, sub-acute or chronic harm to the body</li> </ul>	state Food and Drug Administration

Source: BCC Research

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