

Ocean Expansion Feeds US Omega-3 Market

2/16/2005 - Ocean Nutrition Canada (ONC) has purchased a new production facility in Arcadia, Wisconsin, to meet growing demand of its omega-3 EPA/DHA ingredients from food and supplements manufacturers in the US.

The facility, which will supply US customers from mid 2005, is currently undergoing conversion from milk production. It effectively doubles the company's capacity and frees up the existing facility in Dartmouth, Nova Scotia to fulfill orders from Canada, Europe and Asia.

There are also plans to expand the Dartmouth site as and when increasing demand from overseas requires.

The company declined to comment on how much it is investing in its expansion, but VP of marketing and new product development Ian Lucas told NutraIngredients-USA.com that the Arcadia plant is expected to meet US demand for the next three to five years.

ONC's patented, microencapsulated technology for producing odorless, tasteless EPA (eicosapentaenoic acid) and DHA (docosahexaenoic acid) ingredients from fish oil has been commercially available for the past 10 months. According to Lucas, sales have increased since September, when the MEG-3 brand was introduced.

In the same month, consumer awareness of the health benefits of fatty acids was given a boost when the FDA issued a qualified heart health claim enabling manufacturers to label products containing omega-3 EPA and DHA as being heart healthy.

The MEG-3 brand will appear on the packaging of food and supplement products containing the ingredient and will *"represent the trusted source to consumers,"* according to Lucas.

He estimates that the retail market for supplements containing omega-3 is currently worth around \$300 million. It is still too early to estimate the value of omega-3 fortified foods, but Lucas says it is *"a huge market potential"*.

In both categories ONC claims to be the world's leading supplier of omega-3 ingredients.

"Consumers are embracing foods that are fortified with omega-3. The response has been tremendous," said Michael Hodgett, ONC's vice president of business development for healthy food ingredients.

The new Dietary Guidelines published last month aim to combat an EPA and DHA deficiency in the diets of Americans by advising they eat at least two meals of oily fish each week.

Lucas said that since people are slow to change their eating habits, adding omega-3 to everyday foods is an immediate, convenient alternative which delivers the nutritional benefits of oily fish without the smell or taste.