

## Omega-3 market to climb to \$7bn

2/23/2007 - With its United States market value swelling from approximately \$100m to more than \$2bn in four years, omega-3 enriched foods make up the strongest sector of the functional foods market - and there is still room for significant growth.

A new report from [Packaged Facts](#), *Omega-3 Fatty Acids and the US Food and Beverage Market*, predicts that foods with added [omega-3](#) will reach \$7b in sales by 2011. In 2006, this figure stood at \$2bn, and the boom over the past four years has followed the lipid ingredient's move into the mainstream.

According to the report, the [market](#) is still very much dominated by small entrepreneurial companies – meaning there could be opportunities for small and large formulators alike to get a slice of this bountiful business.

*"There are a handful of large international corporations getting involved," says the report. "But usually through a sub-brand that has a health and wellness halo around it."*

The report focuses on foods and beverages that are specially formulated to contain omega-3 fatty acids and it therefore does not include foods that, in their natural state, contain these lipids.

Mainstream traditional supermarkets account for about 50 percent of omega-3-enhanced foods and beverages. At 35 percent of market share, health and natural food stores are the second most important retail channel for this omega-3 category of products.

The report selected two different groups that are targeted by omega-3 marketers: very young children and aging adults. These products have been tailored especially around the cognitive benefits associated with the lipids.

The types of foods omega-3 appears in are also varied. Grain-based foods - such as bars, breads and cereals - dominate this omega-3 category and account for 86 percent of the market. Much farther down the line come eggs, a 6 percent share, followed by dairy at 4 percent.

However, this could change, as Package Facts projects that by 2011 dairy will account for a larger percentage of this share.

DHA and EPA are also predicted to dominate within the omega-3 category by 2011, outtaking ALA.

Package Facts estimates that in 2002 all omega-3 enhance foods were formulated with plant-based ALA (alpha-linolenic acid). But by late 2004, as formulators improved their manufacturing process for DHA (docosahexaenoic acid) and EPA (eicosapentaenoic acid), these essential fatty acids began appearing in foods and beverages.

While it was easier for grain-based food manufacturers to formulate using flaxseed sources of ALA for example, research and development has brought relatively flavorless versions of marine-sourced DHA and EPA to the food and beverage ingredients market.

Studies have favored longer chain omega-3 fatty acids DHA and EPA over the shorter-chain ALA. EPA and DHA are sourced from marine fish oils, though DHA is also sourced from microalgae.

The Packaged Facts report indicates however that consumers still associate omega-3 with fish oil. Which may be an indication that ingredients manufacturers trying to sell their non-fish versions of DHA will have to take marketing efforts up a notch.

The report highlights the issue of potential contaminants as a factor that could nudge consumers away from fish-derived omega-3 ingredients.

*"Worries about environmental pollutants and contaminants like heavy metals, however, may prompt some consumers to shy away from marine sources of omega-3s,"* says the report.