

# OPPORTUNITIES FOR SOUTH AUSTRALIA IN POLYPHENOLS

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FUNCTIONAL FOODS

This fact sheet presents a high level summary of the opportunities for South Australia to supply polyphenols to the eight countries analysed through the Functional and Luxury Foods Research Project.



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<b>CHINA</b>	There are no approved health claims for these products in China, but consumers believe green tea antioxidants are responsible for lowering cancer rates. There is a large domestic production industry for polyphenols in China, however minimal product differentiation will result in price competition.
<b>HONG KONG</b>	In Hong Kong, there is a growing demand for products containing polyphenols and flavonoids in line with the general increase in consumption of health-benefiting foods. Currently there is limited domestic production capacity for these items.
<b>INDIA</b>	India has a large polyphenol raw materials industry, and exports to other Asia Pacific region markets. Green tea polyphenols are the largest segment of the country's market and soy isoflavones are popular in the women's health segment (beverages and cereal bars). There is a growing interest in using green tea polyphenols in dairy products such as ice cream and a niche market in confectionery.
<b>INDONESIA</b>	The researchers did not indicate particular opportunities for polyphenols in Indonesia.
<b>JAPAN</b>	In Japan, there is a prevailing perception that the polyphenols in green tea is responsible for lowering cancer rates. There is significant domestic polyphenol production in Japan, which has created a highly competitive marketplace, very tight intellectual property protection, and low prices.
<b>MALAYSIA</b>	In Malaysia, there is a high penetration of green tea products and generally high acceptance of polyphenol products. At present, polyphenols are not marketed as active ingredients, nor are they contained in other functional foods (at significant quantities). There is no substantial domestic production of polyphenols or flavonoids in Malaysia.
<b>SINGAPORE</b>	In Singapore, there is high market penetration of green tea products and a very high consumer acceptance of the health benefits of polyphenols. Outside of green tea consumption, polyphenols are not marketed as active ingredients in other forms. There is limited domestic production of polyphenol functional foods or ingredients in Singapore.
<b>SOUTH KOREA</b>	In South Korea, polyphenols and flavonoids enjoy a strong demand and rate of consumer uptake. Similar to the probiotic market, there is a mature product development and production capacity in South Korea's domestic market.

## OPPORTUNITIES FOR SOUTH AUSTRALIA

South Australia is very well positioned to actively engage in the production of polyphenols both domestically and on a global scale due to the well-entrenched and stable wine and apple industries which produce as by-products the necessary components for polyphenol production. Having these mature industries co-located lends any future opportunities the chance to work closely with potential primary suppliers.

- China has a large and mature market for polyphenols mainly driven by green tea antioxidants. Significant domestic production of green tea polyphenols makes up over 90% of the polyphenols produced with the remaining being soy-based polyphenols. Opportunities may exist for soy and fruit-based polyphenol functional drinks as this market is expected to see strong growth in the mid-term.
- Hong Kong has seen growing demand for polyphenols and flavonoids with no significant domestic production to meet demand. Opportunities may exist for functional products highlighting the green and clean credentials of South Australia.
- Japan has a mature and innovative market for polyphenols with large multinational companies present and actively involved in market development. This is a market that could provide opportunities to identify emerging new technology and trends in polyphenol production and consumption.
- Malaysia and Singapore both have a high acceptance of antioxidants and isoflavones as functional foods. With limited domestic production and growing demand for foods high in these areas opportunities for South Australia to export to these countries may exist.

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