

OPPORTUNITIES FOR SOUTH AUSTRALIA IN PHYTOSTEROLS

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FUNCTIONAL FOODS

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



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CHINA	The Chinese phytosterol market is a key growth area, given the country's traditional focus on soy-based foods and the increasing incidence of heart health disease. China is leading the way in phytosterol fortification, attracting interest from a number of global players. China is also a large exporter of phytosterols to Europe, as concerns around US genetically-modified soy drives demand for Asian-sourced products.
HONG KONG	See findings for China.
INDIA	India's phytosterol market is largely focused on high-end premium segments for heart-healthy baked goods and processed dairy products, such as spreads. India's dairy market is looking to fortify its products further, and this serves as a key opportunity for South Australia to supply these products.
INDONESIA	The research did not indicate particular opportunities for phytosterols in Indonesia.
JAPAN	Phytosterol demand in Japan is mainly based on its presence in soy ingredients, and the focus of Japanese companies on producing soy-based functional food products from soy milks to cooking oils. The growing awareness of the benefits of these products has helped move phytosterols into the mainstream food sectors in Japan, further driving demand. The entry into fortified oils will emerge as a key growth opportunity, and future demand is also expected to increase from processed goods, as opposed to traditional options such as miso pastes.
MALAYSIA	Approximately 35% of Malaysia's population has high cholesterol, the primary risk factor for cardiovascular disease (the leading cause of death in Malaysia for the past 30 years). As such, Malaysians are very perceptive to foods and supplements that claim to reduce cholesterol levels. Soy bean products, a rich source of phytosterols, are a common component in the Malaysian diet, and are often added to dairy products such as milk, yoghurts, and margarine.
SINGAPORE	In Singapore, high cholesterol accounted for 1 in 3 deaths in 2010. As such, Singaporeans are very perceptive to foods and supplements that claim to reduce cholesterol levels. Soy bean products, a rich source of phytosterols, are a common component in the Singaporean diet, and are often added to dairy products such as milk, yoghurts, and margarine.
SOUTH KOREA	The South Korean market for phytosterols is currently small, but demand is likely to be driven by an increase in cardiovascular disease and fears over rising obesity levels. A local biotech company has also developed and patented a manufacturing technique that allows phytosterols to be added to foods that have high-fat content, including ice cream, mayonnaise and soups. Phytosterols are mainly found in heart-healthy beverages, cereal bars and baked goods. Currently the majority of products are imported however there is a growing domestic supply market.

OPPORTUNITIES FOR SOUTH AUSTRALIA

South Australia has an opportunity to export phytosterols as either a functional ingredient or as finished products. The ongoing clinical validation of phytosterol as a potential functional ingredient able to limit cholesterol absorption will potentially lead to further development of enriched milk and other spreads.

- Emerging concerns in the Chinese market relating to genetically modified soy-based phytosterol may open up niche markets for South Australian non-GM soy products with a strong certification system. Canola oil is also a major potential source for phytosterol components.
- India and South Korea have relatively undeveloped phytosterol markets with minimal uptake of phytosterol fortified products. There is a potential opportunity for niche premium South Australian products given the absence of major suppliers into the Indian market.
- The Japanese market for phytosterol fortified products reflects the fact that Japan has one of the highest daily consumption rates of phytosterols globally. However there is significant domestic production and Japan is

a mature competitive market. There are opportunities for South Australian companies to observe the Japanese market and assess the viability of new emerging uses of phytosterol as the Japanese market is a global leader in the development of soy-based functional foods. The addition of phytosterols into cooking oils is such an example.

- Malaysian and Singaporean markets are already regular consumers of soy products and fortified milk, yoghurts and margarine. These markets are very receptive to functional foods with a strong existing domestic manufacturing sector and Australian imports often struggle to compete. There is limited product differentiation between regular foods and functional foods in these markets.

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