



Marketing Environment 2017

Trends & Outlook in the Nutritional Marketplace



*the*WrightGroup™

© Copyright 2017 - 2018 Wright Enrichment, Inc.

TABLE OF CONTENTS

Economy	3
Demographics/ Psychographics	5
Millennials	6
Healthcare	7
Functional Foods	8
Functional Beverages	9
Nutrition Bars & Healthy Snacks	10
Supplement Industry	10
China	11
Cosmeceuticals	12
Pet Products / Feed Industry	13
About the Wright Group	14

ECONOMY

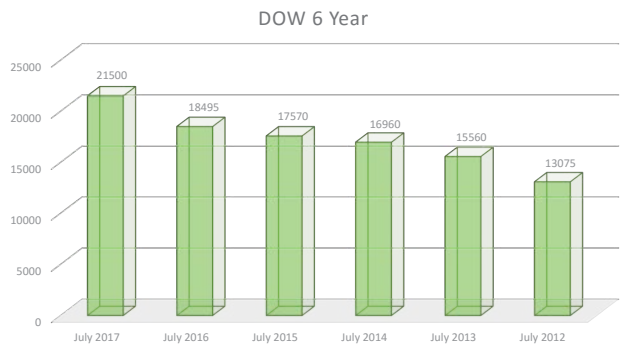
GDP GROWTH IS ESTIMATED TO BE ~ +2.1-2.2% IN 2017 AND 2018. IT HAS BEEN A VERY SLUGGISH, BUT LONG, RECOVERY BY HISTORIC STANDARDS



- **The U.S. population now stands at 323.1MM**, with 0.7% growth in 2016, the smallest increase since 1936-7. Even immigration has slowed, adding to the tightness in labor markets.
- There remains much uncertainty in the U.S. in the wake of the recent election. Trade, immigration, health care, regulatory and tax policies are all undergoing massive changes in perhaps the most politically divided atmosphere since the Civil War.
- The withdrawal from the Trans-Pacific Partnership and threatened changes to NAFTA will hurt U.S. agriculture, while appealing to voters in rust-belt states who have been penalized, in effect, by free trade. Canada and Mexico accounted for 31% of agricultural exports in 2016.
- On the positive side, strengthening labor markets, low interest rates, controlled inflation, rising disposable incomes, improving housing values, record-high household net worth and rising consumer confidence are creating a powerful tail wind.
- Unemployment has dropped to a 16-year low of 4.3% and some companies are finding it difficult to fill highly skilled positions. Still, there have been 80 consecutive months of job growth. Wage growth is at 2.5%, a bit above the inflation rate. The average U.S. wage is \$26.33 per hour, but 31% of small businesses have jobs they cannot fill.
 - The Fed raised the discount rate for the third time this year to a target of 1.0-1.25%.
 - The national debt now stands at \$20TR and likely headed higher. The last time the U.S. was debt-free was in 1835.
 - Core inflation remains tame at under the target rate of 2.0%, despite quantitative easing and some tightness in the labor market. The FAO food price index has fallen for five consecutive years. CPI is likely to rise 2.3% in 2017.
- The U.K. vote to leave the European Union (Brexit) is creating a “hot mess” in Europe, but it looks like the populist wave has subsided somewhat based on recent elections in France, Holland and Germany.

**Trade, immigration,
health care, regulatory
and tax policies are all
undergoing massive
changes**

- Oil prices have dropped to ~\$43-4/bbl, down 62% from 2014 levels despite production cutbacks by OPEC. The U.S. is now the world's largest oil producer at 9.3MM barrels/day. Prices may remain flat for at least 3 years according to some analysts.
- In 1973, oil represented 46% of energy use, falling to 31% in 2014. It has dropped further as natural gas, solar, nuclear and other alternative sources have been commercialized. In addition, proven natural gas reserves have increased from 120TR cubic meters in 1995 to 187TR cubic meters in 2015.
- The IMF has projected global growth at 3.5% in 2017. The World Bank projects 2.9% growth.
- U.S. household net worth is at \$95TR, the highest level ever due in large part to some recovery in home values as well as increases in the equity markets so far in 2017, where major indexes hit record highs in June
- Global Household net worth is estimated at \$257TR by the World Bank. This is 3.4X global GDP. The top 10% owns 89% of these assets. About 765MM people live on less than \$1.90/day.
- The Dow Jones hit a record high above 21,500 and the S&P 500 crossed 2,450 for the first time. The tech-heavy NASDAQ topped 6,300 for the first time.



- The retail environment is shifting dramatically as more consumer spending moves online. Amazon's recent acquisition of Whole Foods could be the opening shot in revolutionizing the \$800B U.S. grocery business.
- Amazon means fast, cheap, data-driven and innovative. Whole Foods means natural, experiential and expensive. It will be interesting to see how this combination shakes out.
- Major consumer packaged goods brands are finding it difficult to cope with these changes in retail and consumer preferences toward niche brands and alternative shopping formats. Several have formed venture groups to accelerate innovation by acquiring positions in small start-ups.

Economy Highlights:

- **Core inflation remains tame** at under the target rate of 2.0%
- **Dow Jones hit a record high** above 21,500 and the S&P 500 crossed 2,450 for the first time
- **Amazon's recent acquisition of Whole Foods** could be the opening shot in revolutionizing the \$800B U.S. grocery business.
- **Unemployment has dropped** to a 16-year low of 4.3%
- **U.S. is now the world's largest oil producer** at 9.3MM barrels/day



DEMOGRAPHICS / PSYCHOGRAPHICS

THE TOTAL U.S. POPULATION NOW STANDS AT 323.1MM. MINORITIES ARE 38% OF THE TOTAL. ABOUT 25% OF CHILDREN HAVE AT LEAST ONE IMMIGRANT PARENT.

- The U.S. age composition of the U.S. is as follows:

Amino Acids	Age in 2017	% Of Total
Recession Generation	0-6	8.7
iGeneration	7-21	19.4
Millennials	22-39	24.5
Generation X	40-51	15.2
Baby Boomers	52-70	22.9
Older Americans	71+	9.3

- Life expectancy in the U.S. declined by 0.1 years in 2015 for the first time since 1993 and the annual number of births fell 8% vs. 2007's peak.
- The U.S. median age is now 37.8 years old and will be 42 years old by 2045. In China, 10% of the population is now 65 and this will increase to 27% by 2045.
- Median income rose 5.2% to \$56,516 in 2016.
- The U.N. projects global population to be 10B by 2050, with 66% living in cities. Seven of the ten largest cities will be in Asia. By comparison:

- 1960 population was 3.0B with 30% in cities
- 2000 population was 6.1B with 45% in cities
- 2017 population is 7.3B with 52% in cities
- Food and water security will become increasingly important and fears of GMO crops will recede, at least in the developing world. ChemChina's recent \$43B acquisition of Syngenta is evidence of this.
- The global median age, currently at 30, will increase to 36 in 2050 and 42 in 2100. About 25% of the global population is now over 50 and 25% of Japan is over 60. This aging of the population will have a major impact on our food and health care systems globally. Also, there is the question of who will pay for it all?
- FAO is predicting a 50% increase in food, feed and biofuels demand by 2050, meanwhile, about 33% of food produced (1.3 billion MT) is wasted for various reasons.
- The change to a 2-child policy in China will have dramatic results longer term for domestic spending, especially on infant formula and baby foods, which are slated to grow at 10-15%.

The total U.S.
population now stands
at 323.1MM





MILLENNIALS

MILLENNIALS ARE NOW THE LARGEST POPULATION SEGMENT, BORN 1980-1997 AND AGED 21-38 IN 2017, ARE 75.4MM

STRONG (25% OF U.S. POPULATION), SLIGHTLY LARGER THAN THE BABY BOOMERS AT 23%. GLOBALLY, THE PROPORTION IS EVEN LARGER

- **They are very diverse, with 42% being something other than Caucasian.** Many are first generation Americans in prime acquisition mode.
- 76% have a generally positive view of business, but expects industry to be socially responsible and transparent. They tend to be distrustful of large multinational enterprises as well as institutions of all kinds.
- Tend to think of themselves as the “We” Generation rather than the “Me” Generation.
- Millennials are not as focused on disease prevention as the Baby Boomers, but on performance and good nutrition to support their current lifestyles. They show a definite preference for foods, beverages and alternate dosage forms over pills and capsules.
- “Snackification” and “Sportification” are major trends affecting many sectors of the food and supplement industries. Snacks are more like on-the-run mini-meals. Healthfulness and clean labels are growing in importance.
- At least 92% of Millennials have a snack for breakfast once per week; 50% have a snack in place of other meals at least 4 times per week and 25% do so every day (7x/week).
- Purchase criteria hierarchy, according to a recent Welch’s whitepaper is as follows:
 - Taste drives 80% of purchase
 - Nutrition & Health drives 52%
 - Convenience drives 49%
 - Price point is way down the list.
- More conscious of “green” products, locally produced foods, artisanal products, organics, ethical treatment of animals and fair trade and are willing to pay a premium for it.
- They are very loyal to brands sharing their values, and like to think of themselves as part of a community of users. They are drawn to the “newness” of brands and sample frequently. Baby Boomers and the older generation tend to be more brand-loyal and predictable.
- Millennials live on social media, as does their younger cohort, iGeneration or Generation Z. They want to be part of a network and some become “micro-influencers” that digital marketers covet using artificial intelligence tools to identify them.
- Reaching these micro-influencers is a great option for cash-strapped start-ups in the natural products industry. In combination with blogs, search engine optimization and other such tools, it can be like word-of-mouth on steroids
- Millennials’ attitude toward health care tends to be more transactional than relationship-based. They tend to view doctors as equals and search online for information when needed and rely heavily on friends for relevant information. There is rampant distrust of “experts” and conventional wisdom connected with large institutions.
- Leads to self-diagnosis and self-treatment with supplements and functional foods whose brand story resonates with what they are seeking. Only in an emergency do they tend to seek more professional help.

HEALTHCARE

U.S. HEALTH CARE EXPENDITURES IN 2016 ARE ESTIMATED TO BE ~\$3.4TR, WHICH IS ~17.8% OF GDP. GROWTH IS

ESTIMATED AT 5.6% 2016-2025. THIS IS ALMOST \$10,000 PER CAPITA. MEDICARE AND MEDICAID COST \$1.2TR IN 2015, 37% OF ALL HEALTH CARE EXPENDITURES.

- Health care inflation is likely to be 2.5 times general inflation for at least 10 years, regardless of what Congress comes up with as a replacement for Obamacare.
- This will be a major driver of the dietary supplement, functional food and other self-care markets for the foreseeable future.
- There are compelling economic reasons for people to do all they can to stay out of the traditional health care system wherever possible.
- Out of pocket spending on alternative treatments was over \$30.2B, according to the Centers for Disease Control. About \$14.7B was for visits and \$12.8B was for related supplements.
- Drug prices are under fire and consumers with weak insurance plans look to OTC and supplements as substitutes.
- Obesity and diabetes are epidemic and remain very serious problems in all developed countries. They are largely diet and lifestyle diseases.
- 46.8% of the population is living with dementia and is expected to double by 2037. Poor nutrition could be a root cause in some cases.

There are compelling economic reasons for people to do all they can to stay out of the traditional health care system wherever possible.



FUNCTIONAL FOODS

THE GLOBAL AGRICULTURE/FOOD COMPLEX IS AMONG THE WORLD'S LARGEST INDUSTRY, AT \$7.8 TR IN 2016, IT IS 10% OF GLOBAL GDP. ABOUT 30% OF FOOD PRODUCED IS WASTED, AND MALNUTRITION REMAINS A HUGE PROBLEM, BOTH FROM INSUFFICIENT FOOD AND TOO MUCH FOOD LEADING TO OBESITY.

- **About 45% of child deaths** under 6 can be traced to malnutrition..
- According to NBJ, U.S. sales of functional foods grew 8.0% to \$59.5B in 2016. Beverages remain 63% of this total. This sector is now 44% larger than dietary supplements. Channels are becoming more mainstream and almost all food has some “functional” element.
- Globally, the functional food/ beverage market is expected to hit \$190B in 2017. It largely depends depending on what is counted as “functional”.
- Organic products achieved global revenues of \$80B and U.S. revenues of \$43.3B in 2015 (\$39.3B was food); non-GMO and gluten-free remain major topics among functional food consumers which demonstrates how emotional this issue has become, even where science shows little if any benefit for most people.
- Global infant formula sales hit \$46.6B in 2015 with growth of 9.1%. China's market is the largest and is set to grow 5.4% per year through 2021, thanks in large part to the new 2-child policy. About 67% of Chinese mothers feed organic formula, mostly from outside the country due to safety concerns.
- FDA has started to permit the use of human milk oligosaccharides (HMOs) in the U.S. Abbott became the first, adding 2'-fucosyllactose to its Similac Pro-Advance and Pro-Sensitive products. It increases immune response to near breast-feeding levels.
- On average, consumers are using functional products to treat or prevent nine health conditions. WHO reports that 42% of adults have hypertension, 39% have high cholesterol and 6% have diabetes. Obesity is an ever increasing problem.
- Despite, & perhaps because of, so much information on the internet & elsewhere about nutrition & health, consumers are more confused than ever as to what is optimal given their health status. The industry has an important educational role to play here. Only 12% of consumers can make a specific association between a nutrient & a health condition which may be affected by it.

U.S. sales of functional foods grew 8.0% to \$59.5B in 2016

- Organic food products achieved global revenues of \$90B and U.S. revenues of \$39B in 2016. The U.S. market grew at 8.4% and is now 5.3% of all food sales.
- Global sales of all organic products are expected to reach \$238B by 2022. Organic foods are, by nature, non-GMO, accounting in some part for their rapid growth.
- “Clean-label” has become a major trend and its meaning has morphed to include not only artificial colors, flavors and preservatives, but fair trade, sustainability, social responsibility and business ethics. Kosher and Halal foods have benefited from this movement, with 80% of consumers being neither Jewish nor Muslim.
- The concept of GMOs remains very controversial with 39% of Americans believing they are potentially harmful. In the meantime, 90% of corn and soy grown in the U.S. is GMO. ChemChina has made a big bet on its future, acquiring Syngenta for \$43B. Feeding its growing population in the future is a more critical issue.
- Many vitamins and nutrients are made by fermentation or extraction processes from GMO crops such as soy



include amino acids, ascorbic acid, riboflavin, B-12, Q-10, beta-carotene, lycopene, natural vitamin E.

- The Centers for Disease Control reports that 15% of U.S. consumers have some food allergy and this seems to be increasing every year. Allergies in children have increased 50% since 1997 and now accounts for one in thirteen children. Snack time at school has become a quasi-political issue, and the food industry has responded.
- Protein has become a major trend, with 66% of consumers trying to increase their intake, up from 50% in 2014. Vegetarians and “flexitarians”, in particular, have growing

interest. There are an estimated 375MM vegetarians worldwide with unique micronutrient needs, especially iron, Coenzyme Q-10, B-12 and folic acid.

- Interesting new proteins, each with pluses and minuses are challenging whey, casein and soy for a spot at the table. Among these are algal, pea, rice, hemp and other plants.
- “Free-from” foods have been gaining ground again as consumers read labels for signs of ingredients that are perceived as harmful. The industry tends to go back and forth between absence of harm and presence of benefits.

FUNCTIONAL BEVERAGES

U.S. FUNCTIONAL BEVERAGE SALES WERE ~\$37.5B IN 2016 AND MAY REACH \$40B BY 2017. LINE EXTENSIONS BY THE MAJOR PLAYERS MAKES IT INCREASINGLY DIFFICULT TO FIND NICHE OF SUFFICIENT SIZE. BASICALLY, EVERYTHING HAS BECOME A NICHE.

- **Nearly 65% of beverage launches worldwide in 2016 had a health positioning.** It was 76% in the U.S.
- Bottled water has overtaken carbonated beverages as the leading product worldwide with 39.3 gallons per year, per capita vs. 38.5 for carbonated products.
- The combined global sports and energy drink market may hit \$64B by 2019, growing at a compound rate of 5.5%. The combined U.S. category revenues were \$25B in 2016. Energy beverages lead in terms of dollar sales since they are much higher priced. Sports nutrition products have become mainstream.
- The U.S. sports drink category was \$6.8B in 2015 with 7.8% growth. Gatorade and Powerade had 94% combined market share. It is set to expand to \$8.5B by 2020. 36% of U.S. adults consume sports drinks.
- Energy drinks will hit \$8.7B in 2017, driven in large part by the older end (27-34 years old) of the Millennial generation. Promotional dollars have moved away from extreme sports to golf and baseball as this target group has aged out of bungee jumping, etc.
- Grocery stores have also supplanted C-Stores as the primary channel.
- There is a definite trend toward “natural energy” in the wake of several instances of caffeine overdosing by teens and young adults. Ingredients of interest include green tea extract, l-theanine, B-vitamins, taurine, d-ribose and guarana.
- Protein drinks hit \$2.3B in 2016, according to NBJ. Liquid meal replacements will grow to \$6.5B by 2020.
- The global plant milk market will be \$16.3B by 2018, with compound growth of 10%/year according to Innova. It was \$7.4B in 2010. Almond milk is a \$1B product in the U.S., overtaking soy milk.
- Plant waters, 94% of which is coconut-based, grew 21% in 2016 to \$2.3B. Will be \$5.4B by 2020.
- Functional beverages, in particular, make a lot of sense in addressing an aging population. Flavoring and sweetening systems can mask the taste of problematic ingredients. They are also more convenient and easier to consume than pills.



NUTRITION BARS & HEALTHY SNACKS

NUTRITIONAL BARS HAVE BECOME MINI-MEALS FOR TIME PRESSED CONSUMERS, PARTICULARLY MILLENNIALS AND IGENERATION. HEALTHY SNACKS, BROADLY DEFINED ARE NOW A \$7.2B CATEGORY GROWING TO \$8.5B BY 2019. BARS ARE ABOUT 80% OF THIS MARKET, WITH PROTEIN CONTENT BEING THE MOST PREDOMINANT CLAIM.

- **About 72% of consumers purchase bars, and healthiness is the major positioning**, especially for high protein products. Between 2009-16, the number of adults using bars as snacks, breakfast or mini-meals has increased by 13%.
- The number one target for nutrition bars are adults aged 18-34 of both genders. Women over 55 are the second largest segment.
- Bars are very useful and convenient for “grazers” who snack throughout the day, sometimes as meal substitutes.
- As formal sit-down dining becomes less the norm, products such as bars, shakes, yogurt, jerky, etc. takes its place.
- Breakfast is extremely important as a consumption occasion, but nutrition bars have the advantage of serving any “day-part” unlike some foods and snacks.
- In 2016 as in 2015, it is estimated that virtually all new product introductions in this category had a health and wellness positioning.

SUPPLEMENT INDUSTRY

ACCORDING TO NBJ, THE U.S. DIETARY SUPPLEMENT INDUSTRY GREW 6.2% IN 2016 TO \$41.2B, UP FROM 5.9% IN 2015. THIS GROWTH WAS ACHIEVED DESPITE MANY AN EXPERT PREDICTING ITS DEMISE IN THE FACE OF MORE VIGOROUS REGULATORY SCRUTINY AND NEGATIVE MEDIA.

- **Global dietary supplement sales hit \$127.9B in 2016, up 6.1%.**
- Combined U.S. dietary supplements and functional foods surpassed \$100B for the first time. The combined market in 1994 was \$4B.
- Amazon, with its new Elements line of supplements coupled with their announced acquisition of Whole Foods may prove to be a real game changer. The new line features turmeric, calcium complex, vitamin D and vitamin K2.
- Vitamins were \$12.7B and minerals \$2.9B. In spite of this, there are still deficiencies in many population groups for Vitamin D, Vitamin B12, iodine and magnesium.
- Alternative delivery forms, especially gummies grew 12% to \$1.6B, 3.8% of the entire category. About 30% of Millennials favor dosage forms other than tablets and capsules.
- Herbs and botanicals rose 9% to \$7.5B, sports supplements were up 7.3% to \$3.6B and probiotics increased 17.1% to \$1.9B.
- Fish oil grew modestly at 1.9% but is still fairly flat.
- The composition of the dietary supplement market is:
 - Vitamins/minerals **38%**
 - Herbs/botanicals **18%**
 - Sports nutrition **14%**
 - Meal replacements **12%**
 - Specialties **18%**



- CRN has also launched a product registry initiative called the Supplement Online Library overseen by Underwriter's Laboratories (UL®) in order to document quality and provide more transparency to consumers as well as regulatory authorities. UL® has a ton of brand equity connected to safety.
- CRN reports in a recent survey that the 2 main rationales for consumers taking supplements are (#1) general health and wellness and (#2) energy.
- It is estimated that 71% of the U.S. adult population takes supplements regularly, 78% if occasional/seasonal users are counted. Consumers 55 and up are higher at 75%. These numbers have been consistent for five years.
- The continuing growth of vegetarian, vegan and flexitarian diets driven largely by Millennials also opens up opportunities for dietary supplementation.
- "Pill fatigue" is driving innovation in dosage forms, particularly for older Americans who are taking drugs in addition to supplements.
- The Chinese are showing more interest in competing in the finished product space with recent acquisitions of IVC, Perrigo, Vitatech and Doctor's Best.
- The new administration's tendency to lessen regulations may benefit the industry, at least in the short run, but more pressure is coming from the states to justify advertising claims.
- New concepts such as individualized nutrition based on nutrigenomics and nootropics/biohacking are beginning to be felt across several industry sectors.
- Use of prenatal vitamins has been shown to benefit the mother as well as the baby by promoting normal fat gain during the first five months of life. This may help prevent childhood obesity later on.
- In spite of all this, the industry continues to grow and "experts" are being ignored in favor of family members, TV doctors, Oprah, friends, neighbors and social media networks. Consumers are commitment to being proactive about their health, regardless of what the regulators and traditional health care providers might say.



CHINA

FALLING COMMODITY PRICES AND RESULTANT DECLINING FEED COSTS HAVE ACCELERATED RISING MEAT CONSUMPTION IN THE DEVELOPING WORLD. CHINA'S MEAT CONSUMPTION

HAS RISEN FROM 20KG TO 50KG/CAPITA 1989-2015. IT CONSUMES 50% OF THE WORLD'S PORK AND A RISING PERCENTAGE OF ITS POULTRY PUTTING DEMAND PRESSURE ON CERTAIN VITAMINS, AMINO ACIDS AND OTHER NUTRIENTS. ANIMAL FEED REPRESENTS 70%+ OF TOTAL WORLD VITAMIN USAGE.

- **China has 19% of the world's population and 7% of its arable land with which to feed its people.** Water quality has become a major issue, not to mention air quality. This has forced China to deal more aggressively with environmental problems and will put continuing pressure on the chemicals supply chain. There has been a high price for fast growth since 1980.
- Chinese GDP growth slowed to 6.7% in 2016 according to the IMF. The Chinese economy grew at an average of 10% annually for 33 years prior to this year. No other country in history has ever accomplished this.
- China's labor force is rapidly aging, especially in view of their one-child policy until recently. The middle class have become much better off, and much production has been shifted away from purely export market toward domestic consumption.
- Many Chinese consumers, however, prefer Western food and supplement brands because they do not trust local quality and safety standards. This particularly affects the infant formula market.



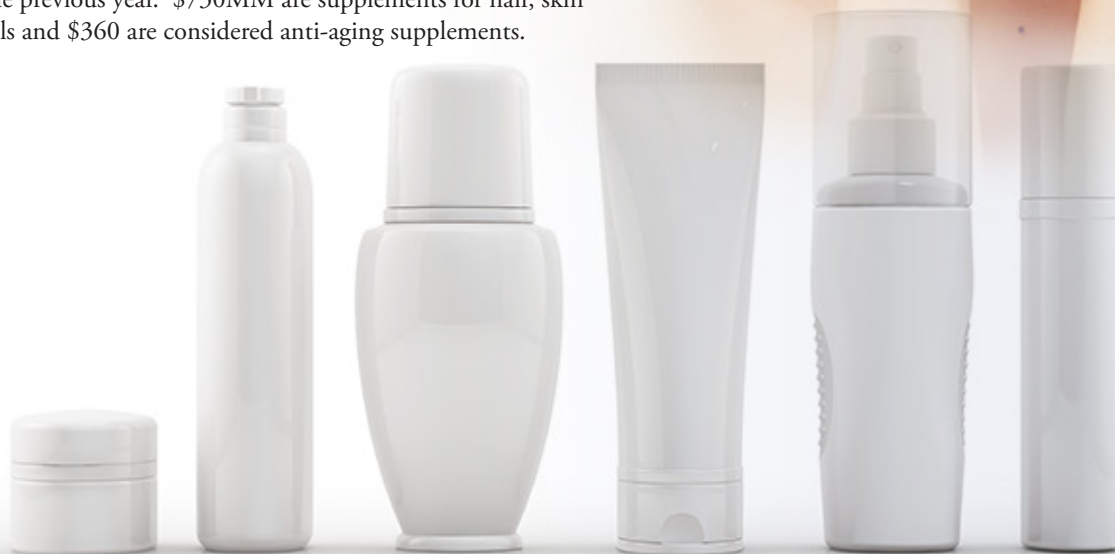
COSMECEUTICALS

EUROMONITOR ESTIMATES THE TOTAL GLOBAL MARKET AT \$4.0B IN 2016, GROWING TO \$7.4B

BY 2020. ASIA/PACIFIC IS THE MOST DEVELOPED MARKET, WITH EUROPE SECOND. NORTH AMERICA IS RELATIVELY UNDEVELOPED BUT MAY HAVE THE BEST GROWTH POTENTIAL.

- **Usage of beauty from within supplements are skewing younger as women adopt a prevention mindset.** Major players in this emerging space are Reserveage (Twinlabs), Hum Nutrition and YouTheory.
- Major ingredients used in these types of supplements include botanical extracts, lycopene, lutein/zeaxanthin, phytoene, phytofluene, biotin, vitamin C, vitamin E, panthenol, resveratrol, green tea extract, curcumin, hyaluronic acid, Coenzyme Q-10 and probiotics.
- The global collagen market has also benefited from this category, growing 7% to 3.2B in 2016. May be \$5B by 2023.
- The primary market driver is still women over 35, mostly concerned with skin health, hair, nails and overall anti-aging benefits, Sun protection and skin elasticity are major concerns
- NBJ put the U.S. ingestibles market at \$1.4B in 2015, up 8.5% from the previous year. \$730MM are supplements for hair, skin and nails and \$360 are considered anti-aging supplements.

The primary market driver (of cosmeceuticals) is still women over thirty-five



PET PRODUCTS/ FEED INDUSTRY

GLOBAL PET CARE SALES ROSE 4.7% TO HIT \$103.5B IN 2016. IT IS PROJECTED TO BE \$117B BY 2021. PET FOOD SALES, AT \$75.3B (\$45.2B DOG/\$26B CAT), IS 75% OF THIS TOTAL WITH NORTH AMERICA AT \$31.2B.

- Mars, Nestle, Del Monte and Colgate (Hills Science) have a combined market share of 75% with a number of niche players emerging in the premium segment.
- The trend toward humanization of pets continues unabated, with human grade ingredients, non-GMO, gluten-free and health claims mirroring the functional foods of their “pet parents”, which is what owners are now called.
- The U.S. pet supplement market is \$1.6B+ in 2016 and is expected to grow 5.3%/year through 2020; growth of 10%. Joint health supplements represent 39% of the total. Weight control and digestive health are also key segments. Dogs and cats represent 50% and horses the remaining 50%.
- In the ingredient space, omega-3, probiotics and biotin show the fastest growth.
- The overall animal feed industry grew to \$470B and 1.03 billion MT in 2016. China overall is the top feed producer at 187.2 million MT and the U.S. is number two at 169.2 million MT.
- About 70% of vitamins are used in feed, which is why we mention it in this paper. Its use really drives the market, especially from China’s perspective.



About The Wright Group

During the past 50 years, advances in technology and nutrition science have revolutionized the way products are developed and the methods in which they are manufactured. Despite these countless advances, one constant has remained the same, our commitment to delivering only the highest quality products in the industry.

Headquartered in Crowley, Louisiana USA, The Wright Group is an industry leader in the development of custom nutrient premixes, the microencapsulation of vitamins, minerals and omega-3, as well as, a complete line of direct compressible granulations.

One of The Wright Group's specialties is the hands-on development, formulation and manufacturing of custom nutritional blends or premixes. Our custom SuperBlend® premixes begin as a series of nutritional delivery targets intended to enrich a variety of product applications; including breakfast cereals, functional foods, dairy and non-dairy-based meal replacement beverages, nutrition bars, sports nutrition products, infant formulas and daily multivitamin supplements.

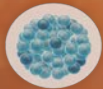
The Wright Group's value-added coating technology delivers superior performance

and stability of essential nutrients for a wide range of multi-functional ingredients. In addition to its innovative design, all SuperCoat® nutrients are rigorously tested throughout the entire production process, and are quality checked to ensure purity, potency and performance.

SuperTab® direct compression granulations combine the physical performance requirements sought by formulators with cost effective solutions sought by product managers. SuperTab® granulations deliver essential nutrients in uniform, free-flowing, granular powders ideal for high speed tableting processes.

Wright operates out of GFSI and FSSC22000 certified facilities. All of The Wright Group's nutrient solutions are thoroughly tested by our in-house laboratory to insure potency and performance, and a Certificate of Analysis accompanies all orders. In addition, a variety of testing options, including microbial analysis, are available.

The Wright Group combines quality, innovation service and value to make sure your product is the best it can be.



SUPERCOAT
Microencapsulated Nutrients



FUELING
YOUR
PRODUCTS
ENHANCING
YOUR
BOTTOMLINE

corporate headquarters

6428 Airport Road
P.O. Box 821
Crowley, LA 70526
Phone: (337) 783-3096
Toll-Free: (800) 201-3096
Fax: (337) 783-3802

Dr. Yi Wu, Ph.D
Chief Innovation Director
yiwu@wenrich.com

Kelli LeBlanc
Sales & Marketing Manager
marketingmgr@wenrich.com

central

Matthew Lentsch
Regional Sales Manager
Farmington, MN
Phone: (651) 245-4235
mlentsch@wenrich.com

east coast

Mitchell J. Telsey
Regional Sales Manager
Yardley, PA
Phone: (215) 801-3303
Fax: (215) 295-3814
mitch@wenrich.com

europe

Christian Raboud
Managing Director-Europe
Brig, Switzerland
Phone: [41] 79 7052979
chris@wenrich.com

canada

Calico Food Ingredients
Keith Mitchell
Unit 5
620 Cataraqui Woods Drive
Kingston, Ontario K7P 1T8
Canada
Ph: 613-634-6836
keith@calicofoods.com

west coast / western canada

Rena Cohen-First
West Coast Sales Director
Orange County, CA
Phone: (760) 798-6735
rena@wenrich.com

Patricia Struck
Regional Sales Manager
Orange County, CA
Phone: (949) 463-6964
tricia@wenrich.com

latin america

Victor Uribe
Managing Director, LATAM
Mexico City, Mexico
[52] (5) 554-168141
victor@wenrich.com

asia pacific

Wai Ming, Tsang
Managing Director, APAC
Shanghai, China
86-21-33104988
wmtsang@wenrich.com

rice industry

John Miller
Regional Sales Manager
Lenexa, KS
Phone: (913) 599-4269
johnm@wenrich.com

bakery industry

William (Bill) Gambel
V.P. Bakery & Milling
Parkville, MO
(816) 506-8977

Steve Schorn
Regional Sales Manager
Lenexa, KS
Phone: (785) 822-6374
steves@wenrich.com