



Global probiotics market trends and opportunities

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HC Insider explores the changes to the global probiotics market since Covid-19 created an increase in demand for products that improve your immune system.

While some industries are struggling with the impact of Covid-19, the pandemic accelerated growing consumer awareness of products that offer better immune system support. Consumers have become more health conscious since the beginning of the pandemic, and there has been significant growth in natural and organic solutions, with people trying to avoid medicinal intervention. According to a survey conducted last year by DuPont Nutrition and Biosciences, the number of US consumers taking probiotics increased by 66%, amounting to 25% of total supplement users (compared to 15% of total users six months prior).

Based on trends and data in the market, the global probiotic market is expected to be worth [\\$75.9 billion by 2027](#) (the market size was estimated at \$54.21 billion in 2020). The dietary supplement market is evolving towards an increased focus on microbiome health with consumers becoming increasingly open to using probiotics for managing their wellbeing beyond digestive health. Examples of new health indications for probiotics include skin health, metabolic health, bone health, mood/stress, and migraine headaches.

There is a new class of “biotics” now arriving on store shelves called postbiotics, which are inactivated microorganisms that have been clinically shown to provide a health benefit. Since postbiotics are already inactivated, they do not need any special handling or storage conditions and can be easily incorporated into foods, beverages, and dietary supplements. We will see more suppliers launching postbiotics in the future as this new market matures and consumers become educated on the documented health benefits of postbiotics.

Demand for digestive-related products in North America is growing, and food and

beverage producers are responding by aggressively launching products that offer positive digestive health benefits. With the onset of a growing awareness on ethical, environmental, and conscious eating habits, consumers across several demographics within the probiotic target segment are exploring flexitarian diets that include mainly plant-based whole foods.



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The challenges

While there has been exponential market growth, challenges remain. Our network believes fewer clinical trials have been able to take place because of Covid-19, while European regulations are becoming more stringent. Demand is increasing as consumer habits are changing quickly, but the pace of new clinical trials for probiotic strains is slowing down new product launches. Misinformation has also become a challenge. With the growing interest in the connection between diet and overall health, consumers are taking personal health and nutrition decisions into their own hands. Individuals are becoming more reliant on nutritional information from unqualified sources such as websites, social media, friends, and family. There are limited trusted sources available to the public to educate consumers about the science and efficacy of probiotics.

M&A activity and investment in R&D

Companies have been investing heavily in research and development in “biotics” (probiotics, prebiotics and postbiotics) and the related microbiome space. Over the past two years ADM developed plans to build a new probiotic production plant in Spain, DuPont launched a new probiotics fermentation unit as part of an overall \$100M investment, Chr Hansen agreed to acquire UAS Labs for \$530M, and Lallemand invested in expanding its bacterial production capacity. More recently we have seen Kerry announce their intent to acquire Spanish company Biosearch Life. Additionally, we have seen the desire for companies that are strongly established into

other markets to push and develop into the probiotic market in order to compete for the growing demand. For example, Novozymes has acquired US probiotic company Microbiome Labs (£95million) and a Co Cork probiotic company for €80 million to cater to both US and European markets.

The effect on talent

With relatively few probiotic suppliers, the talent pool remains small and highly sought after. There is a limited supply of individuals who have experience in probiotics or understand what customers value, what the competitive landscape looks like, and what it will take to win.

Because of this limited supply and high demand, various probiotic organisations have struggled to retain their talent as new entrants continue to approach and poach their talent. With an increasingly commoditised market, there is a high level of demand for commercial talent with backgrounds in bench science, applications or technical service who can help explain the differentiation of their products to customers. As more and more companies arrive on the scene to participate in “Probiotics 2.0,” it’s more important than ever for the incumbent companies to secure their existing talent, while at the same time creating the right work environment to attract new talent to join their ranks.

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