

Note: Key data/information in this sample page is hidden, while in the report it is not.

Thanks to probiotics-related foods' superior functions such as effectively promoting gastrointestinal peristalsis, an increasing number of domestic consumers like to pursue better-quality and healthier lifestyle. Among them, children and teenagers are the main consumer groups. Recently, women are gradually becoming the third largest consumer group, for they are much easier to suffer from gastrointestinal diseases under the great pressure of work than men.

For animal-use probiotics, the change of feed additives in China is also one of the key factors boosting domestic probiotics development.

Livestock farmers in China used to feed animals with antibiotics to guarantee the animals' health. This method did work in the past, effectively ensuring the farmers' interests. The animal antibiotics ever accounted for nearly xxx of the total consumption volume of antibiotics in China in 2006. However, the long-term use of the antibiotics in animal feeding results in many problems such as antibiotic-resistant crisis.

Recently, some livestock farmers gradually prefer to add probiotics into animal feed products, which can protect animals' health without any side effect such as drug-resistant problems, etc. But there are still many farmers adding antibiotics in animal feed products to lower the breeding cost. Meanwhile, the Chinese government plans to launch a ban on the use of antibiotics in feed. It seems that there is ample room for the development of feed-use probiotics industry in the future.

1.2.2 Overview of China's probiotics market

1.2.2.1 Development stage

China's probiotics industry is still at an early stage of development at present, though it has developed for about half a century. However, it has witnessed fast development in recent five years, with growth rate of around xxx by output in 2009-2012.

Animal-use probiotics market has a longer history than human-use probiotics market. Animal-use probiotics had been gradually developed during 1960s and 1970s with the defects of antibiotics used in animals being found. Currently, antibiotics are gradually forbidden in animal field in China even in the world. The usage rate of probiotics in feed industry is just about xxx in 2011, so there will be huge development potential in China for animal-use probiotics in the long run.

Human-use probiotics have been highly valued since 2000s in China, whilst the production of some probiotics products has been gradually industrialized. From then on, the output of human-use probiotics kept about xxx growth rate in China thanks to the increasing health awareness among consumers and vigorous publicity of the products. It's estimated that

human-use probiotics market will continue to grow at a good pace in the coming few years.

A crucial problem in probiotics industry in China is that there are few related laws and regulations stipulating the production and application both in human-use and animal-use probiotics. Hence, China's probiotics market is out of order and the quality and efficiency of the products cannot be guaranteed, leading to the low brand awareness. The development of China's probiotics industry seems to be challenged in the future.

1.2.2.2 Total market size

The total market size of probiotics in China kept increasing no matter in ingredients production level or finished products sales level in the past few years.

Note:

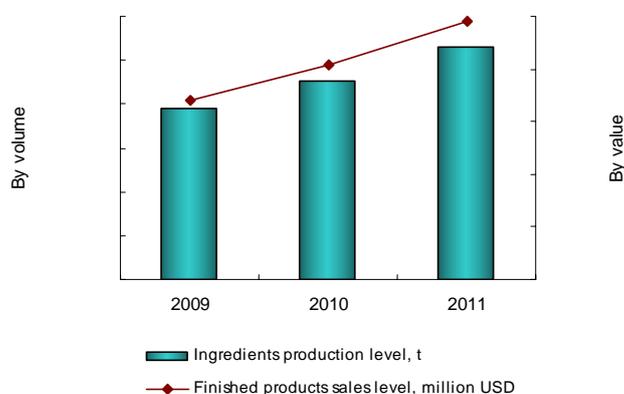
The term of ingredients specifies the original probiotics products such as lactobacillus, etc.

The term of finished products specifies the terminal probiotics products such as fermented milk, etc.

In ingredients production level, the total market size of probiotics increased from about xxx tonnes to about xxx tonnes with annual average growth rate of about xxx by volume during 2009-2011. Among these, the market size of human-use probiotics went up from about xxx tonnes to xxx tonnes during 2009-2011, and its market share kept rising from about xxx to xxx in these years. At the same time, the market size of animal-use probiotics climbed up to xxx tonnes as of 2011 with growth rate of about xxx. But animal-use's market share in the total's gradually declined during 2009-2011 due to higher growth of human-use probiotics'.

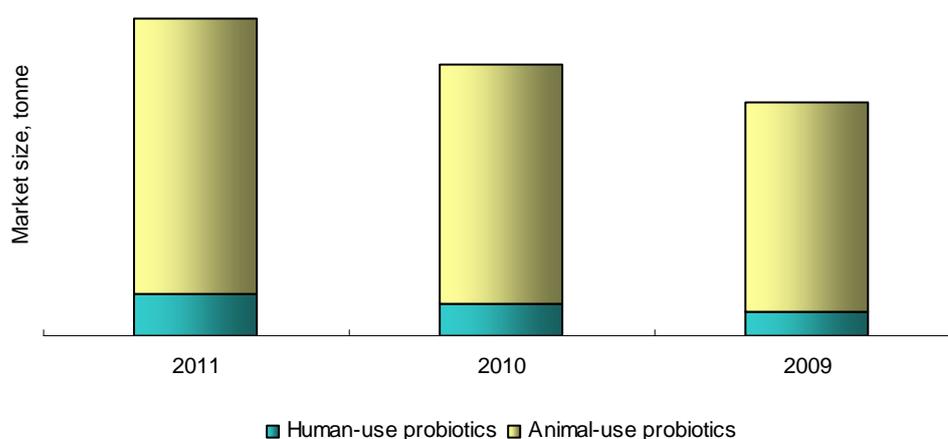
Meanwhile, in finished products sales level (by value), the total market size of probiotics rose from around USDxxx million to USDxxx million during 2009-2011. Human-use probiotics accounts for about xxx share with sales value of around USDxxx million in 2011, while animal-use probiotics takes up about xxx share with sales value of around USDxxx million.

Figure 1.2.2.2-1 Total market size of probiotics in different level in China, 2009-2011



Source: CCM

Figure 1.2.2.2-2 Domestic output of probiotics in China by types, 2009-2011



Source: CCM

1.2.2.3 Competition situation

On the whole, the competition of probiotics in domestic market is intense. But different types of probiotics have different features.

In human-use probiotics market, the competition mainly exists in foreign suppliers. There are some reasons. Firstly, foreign probiotics suppliers have a longer R&D and production history than domestic ones, with higher quality probiotics being provided; secondly, foreign probiotics suppliers are eager to set foot in domestic probiotics market. There is large development potential in domestic probiotics market, though it is immature and undeveloped. For instance, the consumption concepts of domestic consumers have changed much and their purchasing power is improved; thirdly, the number of domestic probiotics producers is small with no more than xx in 2011, and probiotics production in China remains far behind overseas production in quality and quantity.

In animal-use probiotics market, the competition is mainly from domestic suppliers. It's estimated that there are hundreds of animal-use probiotics producers in China in 2011. At the same time, the market size of downstream application fields is just USDxxx million in 2011, indicating that the level of competition seems sure to be fierce in such small market.

1.2.2.4 Supply and demand

In China, the supply of human-use probiotics and animal-use probiotics is sharply different.

In the past years, the supply of human-use probiotics from domestic producers failed to meet