



# NUTRITIONALS

FOR IMMEDIATE RELEASE

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## **NEW VENTURE TARGETS GLOBAL “FUNCTIONAL FOODS” MARKET**

New Zealand will enter the rapidly growing global market for functional foods enriched with Omega3 extracted from fish oil, as a result of the formation of a university-private sector commercial joint venture announced in Palmerston North today.

Speirs Nutritional Limited has been formed to develop, manufacture, market and license Omega3 technologies and food products to food and dietary supplement manufacturers world wide.

The new company is a joint venture between Massey University, the Riddet Centre, The Bio Commerce Centre of Manawatu and Speirs Foods, a division of the Palmerston North-based investment company, Speirs Group Limited.

Speirs Nutritional holds exclusive global rights to commercialise Omega3 technologies developed by the Riddet Centre to create innovative functional foods and food ingredients.

The Riddet Centre team led by Professors Paul Moughan and Harjinder Singh has developed an emulsion-based micro-encapsulation technology that allows the active ingredients of Omega3 in fish oil – the EPA and DHA molecules – to be incorporated into foods at very high levels without the presence of fish odours and tastes.

“The problem with existing Omega3 enrichment technologies is that they do not achieve a high level of incorporation in food products, and that makes it necessary to consume impractically large amounts of the enriched food to meet the required daily intake of omega 3 fatty acid,” says Professor Moughan.

“The new technology that we have developed means that the total daily Omega3 requirement for a defined health benefit can be met in a single daily serving,” he says.

“Fatty acids – such as Omega3 - are essential for normal growth in young children and animals, and have important health benefits for adults.

“The Health Claims Initiative in the United Kingdom has approved the use of the claim that if someone consumes three grammes weekly, or 0.45 grammes daily, long chain Omega3 polyunsaturated fatty acids, as part of a healthy lifestyle, it will help maintain heart health.

“The United States Food and Drug Administration has determined that there is supportive, but not conclusive, scientific evidence that suggests a reduction in coronary heart disease as a result of eating foods rich in Omega3 fatty acids.

“There is also promising research in train, suggesting that Omega3 has a positive effect on brain development and as an anti-inflammatory in the treatment or prevention of certain lower bowel disorders.

"The general view is that there are few food ingredients that can compete with omega 3 fatty acids in terms of research that supports its health benefits," Professor Moughan says.

Professor Singh commented that "The Speirs Nutritionals joint venture represents a substantial investment in Riddet Centre research and is a tangible example of types of university-industry innovation linkages encouraged by the Government."

The Riddet Centre is a partnership between Massey University, the University of Otago, and the University of Auckland. It is dedicated to fundamental research in foods, essential to the task of innovating the New Zealand economy.

Trials conducted by the Riddet Centre have demonstrated that its new technologies will incorporate Omega3 in a wide range of foods – including muesli snack bars, muffins, ice cream, mayonnaise, plain bread, flavoured yoghurt, smoothies, and pasteurised milk – without any detectable trace of fish flavour or odour.

The new company intends to produce and sell micro-encapsulated Omega3 emulsions to manufacturers of consumer food products in Asia, Australia, and New Zealand, and will be seeking licensing arrangements with partners in Europe and America to manufacture and sell the emulsion to other food and dietary supplement producers.

Speirs Nutritionals will invest \$2.7 million to establish a manufacturing facility at Marton in the Manawatu-Rangitikei region. The company will be managed on a day-to-day basis by Speirs Foods, a leading supplier of salads and fresh cut vegetables to New Zealand supermarkets and a business with more than 30 years' experience in the manufacture, marketing and distribution of fresh foods in New Zealand.

Speirs Nutritionals is expected to generate its first profit by 31 March 2008.

Welcoming the development today, Massey University's director of commercialisation, Gavin Clark, said: This is an exciting deal that has been facilitated by the close partnership between Massey University and the BioCommerce Centre. The innovative joint venture model will help to maximise the benefits to the nation of cutting edge R&D performed within the Riddet Centre."

The Bio Commerce Centre business development manager, Dean Tilyard, says:  
"We're pleased to have been involved in developing a compelling commercial case to keep this world-class technology in the region.

"Retaining commercial opportunities in the region is what The Bio Commerce Centre was set up to do, and this outcome is an important milestone in our development. This is an innovative commercial model that has come about because of the vision and creativity of all the partners," he said.

For the Speirs Group, executive chairman Nelson Speirs says , "Speirs Foods will derive substantial benefit from its involvement in a new joint venture that will enjoy a clear position of technological advantage in the rapidly growing world market for functional foods and dietary supplements.

"This development is one of a number of strategic initiatives we are taking to achieve sustainable, profitable growth in our business," he said.

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**Editors' Advice:**

**A signing ceremony marking the launch of the new venture will be held at 1.00pm today (Thursday, 9 November) in the Russell Room at Wharerata on the Massey University Campus, Palmerston North.**

For further directions and assistance please contact: Miriam (as above).