



Health Trends and Profiles of the Future Herbal Consumer



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INTRODUCTION

This market research report is part of on-going research to look at the potential of developing the medicinal herbs industry in Alberta. The Alberta New Crops Network (Medicinal Herb Stream) requested this information to help plan their industry growth strategy over the next three years. Market Researcher, Sarah Oliveira, researched and wrote this report for the Strategic Information Services Unit of Alberta, Agriculture, Food and Rural Development.

This research was undertaken to provide information and predict the growth in demand for medicinal herbs to treat or prevent diseases affecting the life span, lifestyle and quality of life of Canadians, especially the aging population. Potential opportunities for use of herbal treatments for the pet market and organic livestock community were also addressed.

This information will be used by the Alberta New Crops Network to assist its members in developing an identity in this area of new crops, and providing them with marketing support, education and networking opportunities to develop these new crops in Alberta.

Understanding the demand for herbs and the agricultural conditions in which these herbs can grow, along with knowing about their therapeutic effectiveness and application to health issues, will assist potential growers to be successful in developing new herbal crops.

HERBAL MARKET OVERVIEW¹

The herbal supplement market showed different levels of growth or losses for the Year 2000. Information Resources inc. (IRI, Chicago) showed dollar volume of herbal supplements sold fell 15% for the 52 weeks ending January 7, 2001 in food, drug and mass market outlets, totaling US \$591 million in sales for the year in the United States. The IRI data measured predominantly single-category herbal sales in grocery stores, pharmacies and mass merchandiser outlets such as Wal-Mart and K-Mart, but did not include club stores such as Costco, convenience stores, health food stores or the numerous direct marketing channels. Unit sales fell at a slightly higher rate (17%) to \$73.7 million, implying that prices maintained a modest upward trajectory.

Data from sales in natural food stores were more encouraging. Research conducted by Nutritional Business Journal (NBJ) in cooperation with Natural Foods Merchandiser (Boulder, Colo.) based on more than 640 store surveys indicated growth of 2.4% in herbal supplement sales in 2000. Spins (San Francisco) reported total herbal supplement sales growth in its panel of natural product supermarkets of 1.6% in 2000, although single herbs were down 6%.

¹ Nutrition Business Journal Volume VI – No. 3 March 2001

Annual store surveys by Whole Foods magazine (Plainfield, N.J.) indicated that the sale of herbs as a percentage of natural food store total sales continued to go up significantly, to 31% in 2000 from 25% in 1999 and 20% in 1995. Overall NBJ estimates that herbal supplement sales grew 1.5-2% in 2000, when modest growth of the fairly significant multilevel marketing channel (29% of US herbal industry counting exports), strong growth in the practitioner channel and specialty herb shops and other direct channels are counted.

Although herbal supplements fell in some areas and showed growth in other areas, this may just be showing the difference between where newcomers to the market are buying their herbs and where the “seasoned herbal users” continue to buy their herbs. As in any market where there is rapid growth of 20 and 30 % a year, eventually the market will fall and even out. This may be what is happening to the herbal market.

PROBLEMS FACING THE HERBAL MARKETS

There have been several theories put forth by industry experts to explain the decline or lack of growth in the herbal supplement market. In the March 2001 edition of the Nutrition Business Journal the following theories were covered:

THEORY ONE – IT’S THE MEDIA’S FAULT

Negative media coverage is considered one of the key reasons behind the herbal market decline. Media stories in the past year revealed products that reportedly failed to contain active ingredients or therapeutic dosages claimed on labels. Stories cautioning that St. John’s wort might interfere with prescription drugs ranging from immunosuppressants to birth control pills, caused sales of the popular herb to nose-dive. “Adverse reactions tend to be magnified out of proportion,” says Mark Blumenthal, founder and executive director of the American Botanical Council. “Consumers get this report that a man in Indiana had brain bleeding problems with ginkgo or whatever and that’s all you hear – one person out of millions using ginkgo, the top selling supplement in the country.”

THEORY TWO – OVERSUPPLY IS AT FAULT

Booming demand for herbal products lured many new players into the market in recent years, leading to a glut in supply. Michael McGuffin, president of the American Herbal Products Association, believes the flood of new products on the market, particularly in mass channels, simply outpaced demand – and the market reaction of the past couple of years should not trigger panic. “The current trend that we see is a correction,” he said. “It is not an abandonment of the goods by the core consumers. “

THEORY THREE – IT’S THE MASS-MARKET’S FAULT

“The mass market was responsible for the rapid rise in demand, but directly contributed to the decline in botanicals as well,” maintained Greg Ris, vice president of sales at Indena USA Inc. “In the mass market there were such price pressures to offer inexpensive products that quality was compromised. Consumers were not getting the therapeutic benefits they were expecting and passed it off as folklore.”

THEORY FOUR – IT’S THE CONSUMER’S FAULT

False expectations by consumers may have contributed to lack of satisfaction with herbal products. “The Wal-Mart shopper wants this to work just like aspirin, and it doesn’t,” said McGuffin. Unlike health food store shoppers, who tend to be more educated about natural products, mass-market shoppers may have unrealistic expectations that herbal supplements will produce instant results. Failure of retailers and manufacturers to educate mass-market consumers has contributed significantly to the problem.

THEORY FIVE – IT’S THE INDUSTRY’S FAULT

Quality Botanical Ingredients’ chief executive officer Joseph Schortz feels the industry failed the US consumer miserably by not policing itself, by offering products not of the highest standards, and by not educating the public as to what they should expect in pursuing alternative medicine. Addie Van Gesel, marketing brands manager for Leiner, also agreed that quality is an issue that has plagued the industry. Unscrupulous companies were willing to substitute inferior St. John’s wort and kava. A lot of people took those herbs and didn’t find the results they were looking for. He also explained that what the industry has failed to achieve to date is a consistent, recognizable botanical standard for herbs.

THEORY SIX – IT’S THE GOVERNMENT’S FAULT

Some in the industry have suggested the government could have done more to weed out and make examples of the industry’s bad apples, rather than allowing sensational headlines to cast doubt on the whole industry. “Existing laws are not being adequately enforced,” Blumenthal said. “The Food and Drug Administration (FDA) and the Federal Trade Commission have the authority to regulate claims and quality of these products. Any supplier who makes claims for content that it can’t meet is technically mislabeled...but the FDA is selectively enforcing the law.”

In Canada, Health Canada established the Office of Natural Health Products to address concerns regarding the use of natural health products such as herbs, minerals and vitamins. They will be the governing body for health products sold in Canada.

THEORY SEVEN – IT'S THE ECONOMY

Is it mere coincidence that the consistent fall in herbal sales at year's end and in early 2001 coincided with steep drops in the stock market, an energy crisis driving California into a recession, electoral jitters and falling consumer confidence in the US economy? Although most manufacturers would not like to think so, a significant portion of herbal users are more likely to deem herbal supplements a luxury rather than a necessity – and luxury items are the first to be dropped in hard times. It is assumed that at least some of the Canadian consumers who use herbs will be in the same mindset.

Although these theories seem to paint a grim picture of the state of the herbal industry we can also view these in a more positive light. By understanding these theories, the Alberta herb industry can take steps to address them without having to live through them.

- ◆ In order to gain consumer confidence Alberta herbs should be top quality or standardized.
- ◆ Increased consumer awareness and education is necessary to inform consumers that herbs are not a magic bullet that works instantly but rather they build up efficacy over time.
- ◆ More information is needed on labels.

Perhaps each of these theories have some relevance. Consumers and industry should question the media's sensationalized stories about people being harmed by drugs, even if it is one in a million. For example you should ask these questions. What are the facts? What is really being said? Is the story biased? Balanced? Does it provide both sides of the issue? Who is the source of the information? Is this a credible source?

With any new market, if there is money to be made people will enter it. When the huge amounts of money that were to be made is gone, these people have a tendency to fade out of the picture. This then leaves only the dedicated herb growers - if they have survived. Unfortunately, when trying to make a quick profit some people may not conduct business honestly and may actually harm the industry. There may have been herbs going into the market that were of inferior quality just like there were some companies that really didn't care as long as they made a profit.

With most consumers living in a prescription drug society and expecting immediate results from herbs, it is little wonder they were disappointed. Most mass markets have few if any employees educated enough about herbs to inform consumers about reasonable expectations and results related to herbal treatments. If government regulations allowed more information to be put on labels, the consumer could make better-informed choices.

Industry self-regulation is not an easy thing to achieve. With the amount of new entrants into the market in a short time, self-regulation is almost impossible without some government intervention.

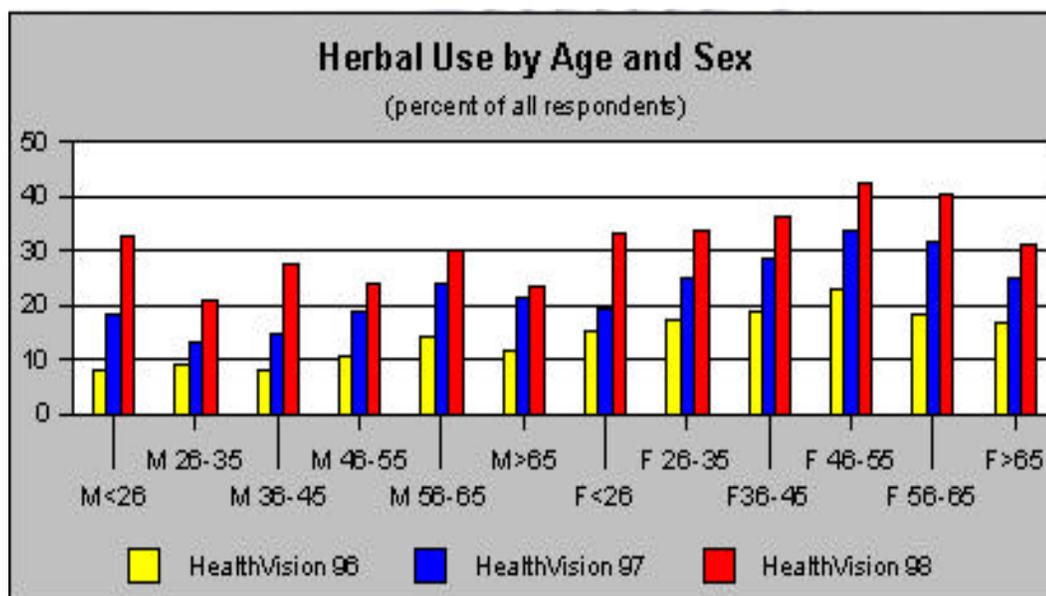
When the growth rate for herbs decreases to what may be considered a more normal rate, the companies in for a quick profit will likely exit leaving behind companies that are concerned with quality products and are working for the good of the industry.

CONSUMER PROFILE

THE HERBAL CONSUMER

According to the Nonprescription Drug Manufacturers Association of Canada (NDMAC), the largest percentage of herbal users are female, ages 46 to 55, followed closely by females in the 56 to 65 age group. Fig. 1 shows herbal use by age and sex. Although females aged 46 to 55 years old seem to be the largest group, the fastest growing group is males under 26. Females under 26 are another group that has grown relatively quickly. While older users (65+) showed a significantly higher than average use of alternative remedies to supplement their diets, younger users (18 to 26 years of age) indicated a significantly higher than average use to enhance performance, maintain weight loss and maintain their appearance. Although this age group has the largest growth rate, it remains to be seen whether herbal use is a fad with this group or not. If herbal remedies are proven to give positive results, this group may very well continue to use herbs throughout their lives for a variety of reasons.

Fig. 1 – Herbal Use by Age and Sex



Source: <http://www.ndmac.ca/research/F-health.html>

Using Statistics Canada's population estimation figures for the years 2001, 2006, 2011 and the Health Vision 98 figures for herbal use by age and sex with an estimated increase in herbal users by 1%, the following charts (Fig. 2 and Fig. 3) were created.

The chart depicts that the largest group of herbal users will be females aged 45 and over. The potential number of herbal users in this group for 2001 are 2.3 million users, rising to a possible 2.9 million in 2006 and a possible 3.7 million users in 2011. This is definitely an important group to consider and much of this report is concentrated on this segment of the population. Altogether there are many reasons to target this group of herbal users:

- ◆ Currently have the largest percentage of herbal users.
- ◆ Tend to use a wider variety of herbs.
- ◆ Are the fastest growing segment of the Canadian population.
- ◆ Are financially stable.
- ◆ Are interested in maintaining their health, remaining active, and seeking to prevent or alleviate the symptoms of the illnesses that plagued their parents.

Fig. 2 – Potential Female Herbal Users

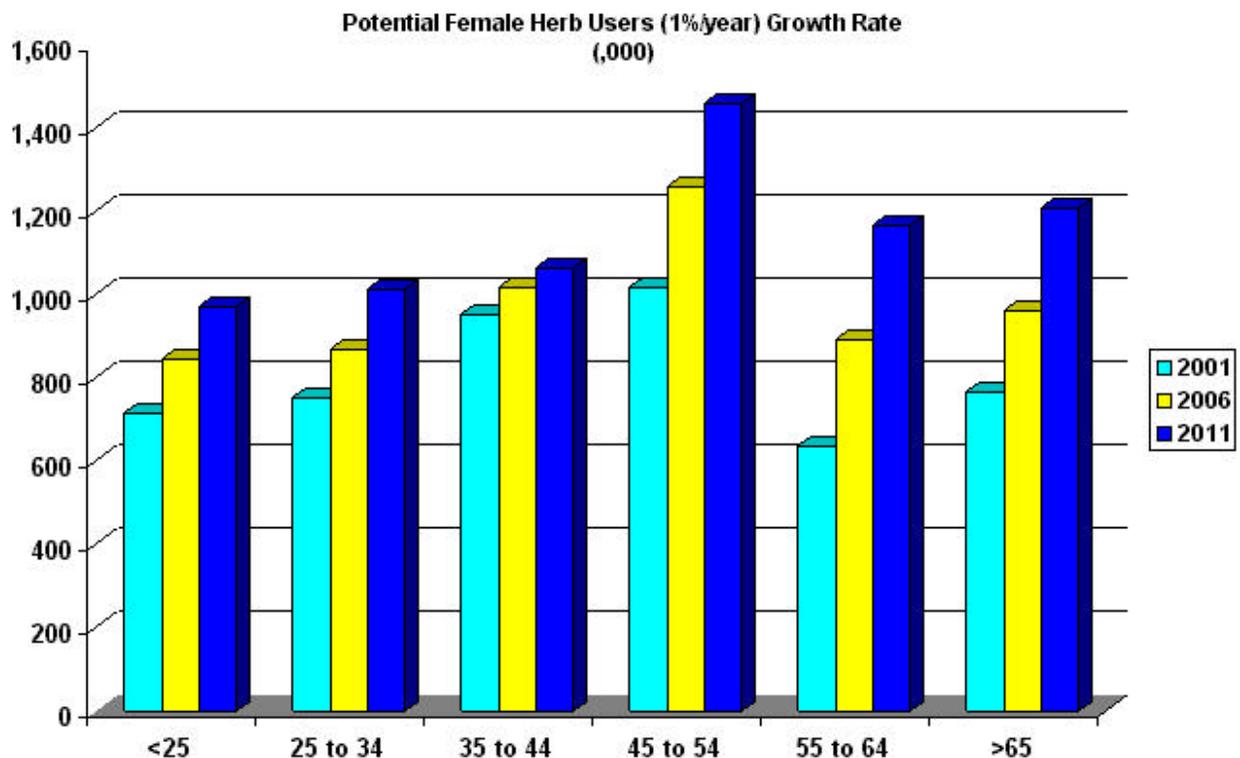
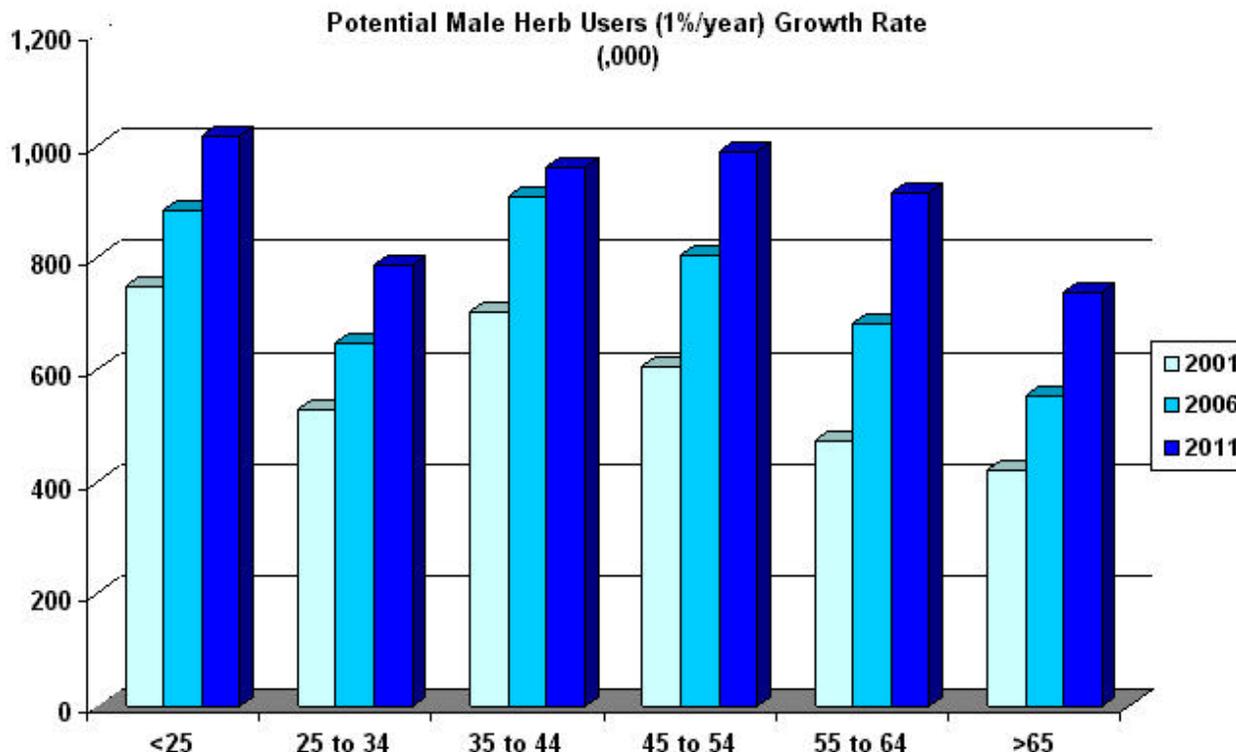


Fig. 3 – Potential Male Herbal Users



WHY DO CONSUMERS CHOOSE ALTERNATIVE REMEDIES?

Why do various groups use herbal remedies?

A survey done by NDMAC/AC Nielsen's Health Vision '97 revealed that Canadians choose to take herbal or homeopathic remedies for a wide variety of reasons, but primarily to alleviate symptoms of a disease or illness (57%), to prevent illness or disease (52%), and to improve their quality of life (41%). Canadians use herbal remedies to treat or prevent a wide array of health conditions as illustrated in Fig. 4. Treating colds, flu, and insomnia, boosting the immune system and relieving aches and pains are among the most common uses. Longer-term users are more likely to use alternative remedies to treat a greater variety of ailments.

drugstore (which they are familiar with) rather than a herbalist and a natural food store (which they may not be familiar with).

PREDICTING WHICH HERBS WILL HAVE POTENTIAL

There are several different ways that you may be able to predict which herbs will be used in the future or what herbs may be the next top sellers. Wolfgang Aulenbacher, vice-president (sales and marketing) at East Earth Herb in Eugene, Oregon, offers two possible scenarios². The first is to look at the pharmaceutical industry for guidance and ask what drugs have been successful and what herbs are considered an alternative to these drugs. The second method is to expand on research done by traditional herbalists in India, China and to some degree, South America. In these areas, traditional herbs have been used for years; this research may provide some insight as to which herbs will be next in demand.

According to the NDMAC herbal consumers use herbs to alleviate or prevent symptoms of a disease or illness. and to improve their quality of life. In order to predict what herbs these consumers may need, a look at the reasons patients visit their doctors and what medical conditions affect certain age groups was considered. Since Canada has an aging population and the average person is living longer, it made sense to look at diseases that afflict people as they age. This, combined with the fact that the largest group of herbal users is females between the ages of 45 to 65+, also made it important to consider. Since males in this same age group will also suffer to some degree the same ailments that females in this age group suffer, the overall target market can also include this group.

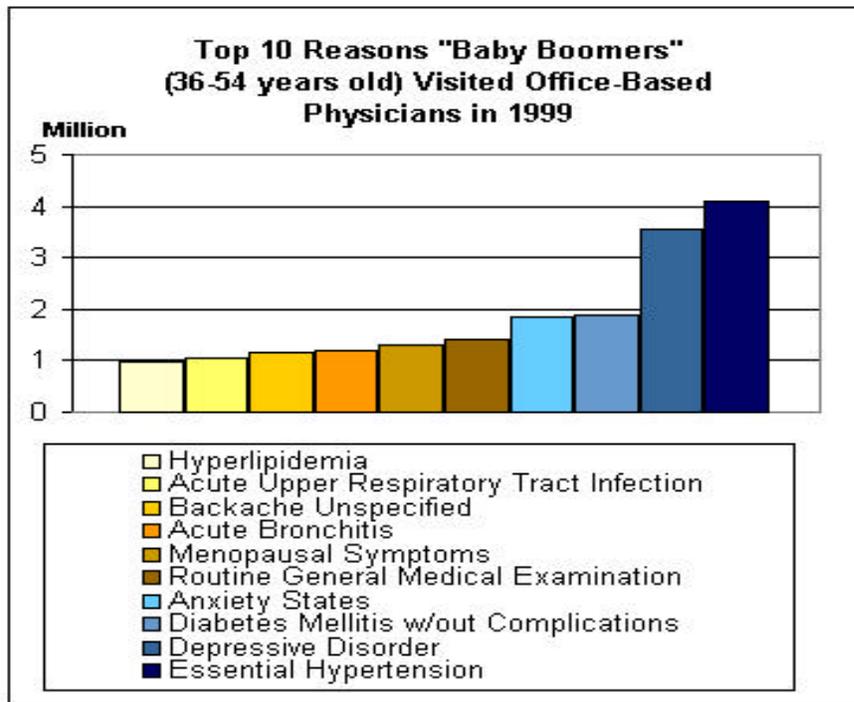
BABY BOOMERS (36 – 54 YEARS OLD)

In order to consider what herbs may be needed now and in the future a look at the reasons why baby boomers visited their doctors in 1999 was examined. Information for Fig. 6 was taken from the website of IMS Health Canada. IMS Health Canada³ is considered as a leading source of objective and authoritative information for the Canadian health care community.

² Nutrition Business Journal Volume VI – No. 3 March 2001

³ <http://www.imshealthcanada.com> Retrieved from the World Wide Web on May 4, 2001.

Fig. 5 – Top Ten Reasons “Baby Boomers” visit the Doctor



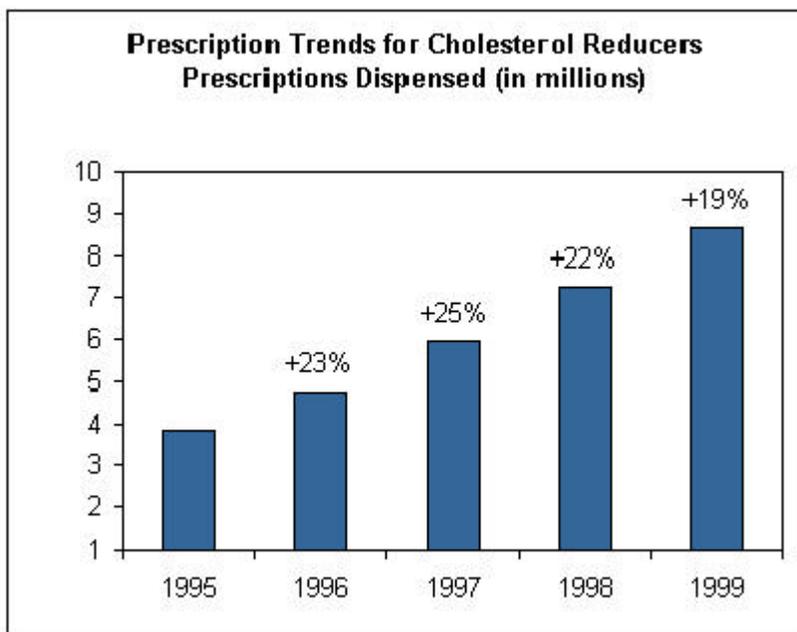
Source: <http://www.imshealthcanada.com>

HYPERLIPIDEMIA

This health condition accounted for just under one million physician visits in 1999. Hyperlipidemia is an elevation of lipids (fats) in the bloodstream including cholesterol, cholesterol esters (compounds), phospholipids and triglycerides.

Fig. 6 shows the trends in prescriptions of cholesterol reducers dispensed from 1995 to 1999.

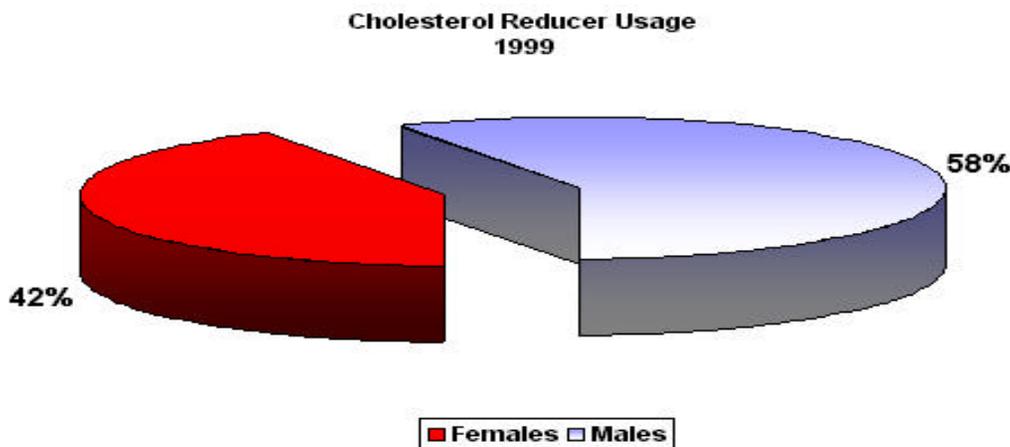
Fig. 6 – Increase in Prescription Trends for Cholesterol Reducers



Prescriptions for cholesterol reducers have steadily increased over the past five years. In 1995 there were just under 4 million prescriptions issued; by 1999 this number had increased to over 8 million.

The IMS website also showed the breakdown of this group by age and sex.⁴ You will notice that the largest group of users is the 45 to 64 year age group. Male users in this age group make up 55% while females are a bit lower at 48%. Looking at it from a prescription point of view this would mean that there were 4.9 million prescriptions given to men and 3.6 million prescriptions given to women.

Fig. 7 – Cholesterol Reducer Usage 1999



⁴<http://www.imshealthcanada.com> Retrieved from the World Wide Web on May 4, 2001

Fig. 8 – Male Use of Cholesterol Reducers

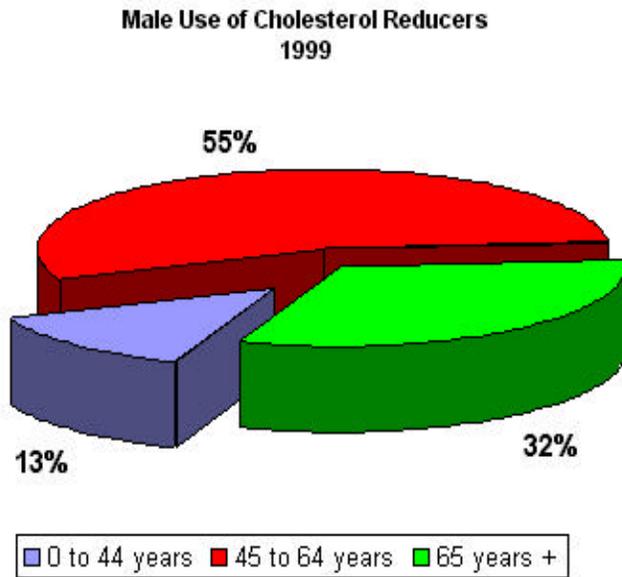
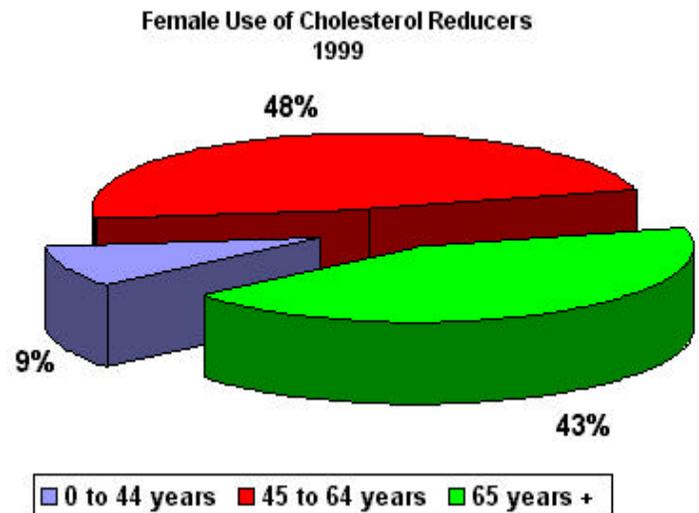


Fig. 9 – Female Use of Cholesterol Reducers



Further breakdown reveals that the largest age group for both males and females was the 45 to 64 years (Fig. 8 and Fig. 9). Males would be accountable for 2.7 million prescriptions (58%) and the females for 1.7 million (42%). The statins (a class or category of cholesterol reducing medication) as shown in Table 1 were the most recommended drugs in the cholesterol class based upon recommendations by physicians in 1999.

Table 1 – Percent Share of Market for Various Statins

Drug	% Share
Atorvastatin (Lipitor)	30%
Simvastatin (Zocor)	23%
Pravastatin (Pravachol)	18%
Fenofibrate (Lipidil)	7%
Cerivastatin (Baycol)	6%
Lovastatin (Mevacor)	5%
Fluvastatin (Lescol)	4%
Others	7%

Source: http://www.imshealthcanada.com/htmen/3_1_17.htm Retrieved from the World Wide Web May 5, 2001

If herbal remedies or herbs were available that acted in the same way as these cholesterol reducing drugs we could predict they would be a desirable alternative medicine.

MENOPAUSAL SYMPTOMS

In 1999, patient's visits to doctors for menopausal symptoms accounted for just over one million visits. As the number of postmenopausal women are rapidly becoming one of the largest population sectors in Canada, so too are the number of consumers searching for safe, natural approaches to treating the symptoms of menopause. According to Healthwell Exchange, the growing interest in natural menopausal treatments is partly because standard synthetic hormone replacement therapy has been linked to symptoms such as vaginal bleeding, bloating and breast tenderness, as well as higher risk of breast and endometrial cancers.⁵ These side effects sound almost worse than the symptoms they are supposed to be relieving namely hot flashes, night sweats, headaches, heat palpitations, depression, anxiety and vaginal dryness. Herbs that could help alleviate or decrease these symptoms would be considered advantageous for the Alberta herbal industry.

ANXIETY STATES AND DEPRESSIVE DISORDERS

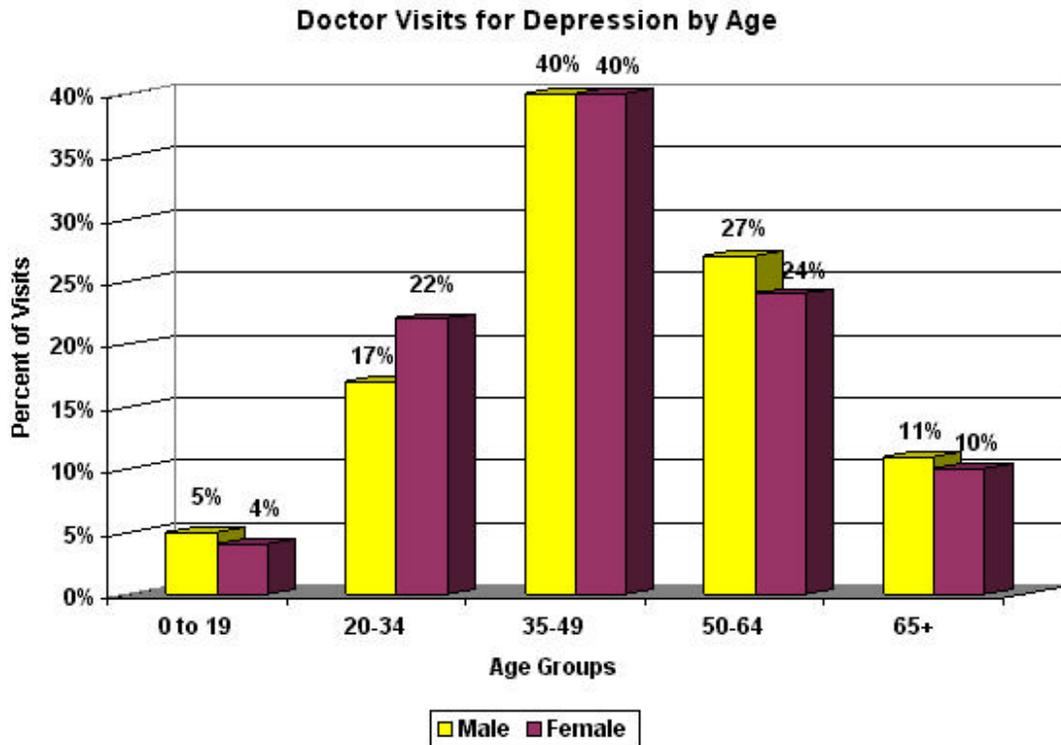
An estimated 10.67 million visits for depression, (both first and repeat visits) were made to office-based physicians in the 12 months ending June 2000. This represents a 22% increase over 1996. (See Fig. 10)

Depression and anxiety are both concerns that seem to be on the rise. Some of the depression and anxiety visits may be just part of menopausal symptoms in women but men in the 35 to 49 age group also show high levels of depression. Stress, which also leads to anxiety and depression, is on the rise.

Sixty-nine percent of prescriptions for depression involved SSRI's (selective serotonin reuptake inhibitors). With the growing number of people suffering from anxiety and depression herbs that alleviate these symptoms would likely have a good chance of success.

⁵Knittel, L. (April 17, 2001). Natural Menopausal Treatments: What's Hot, What's Not Retrieved April 17, 2001 from the World Wide Web: http://www.healthwellexchange.com/nfm-online/nfm_backs/Dec_99/hbc_menopause.cfm?path=ex&cat=135&mc=9

Fig. 10 – Doctor visits for Depression by Age and Gender

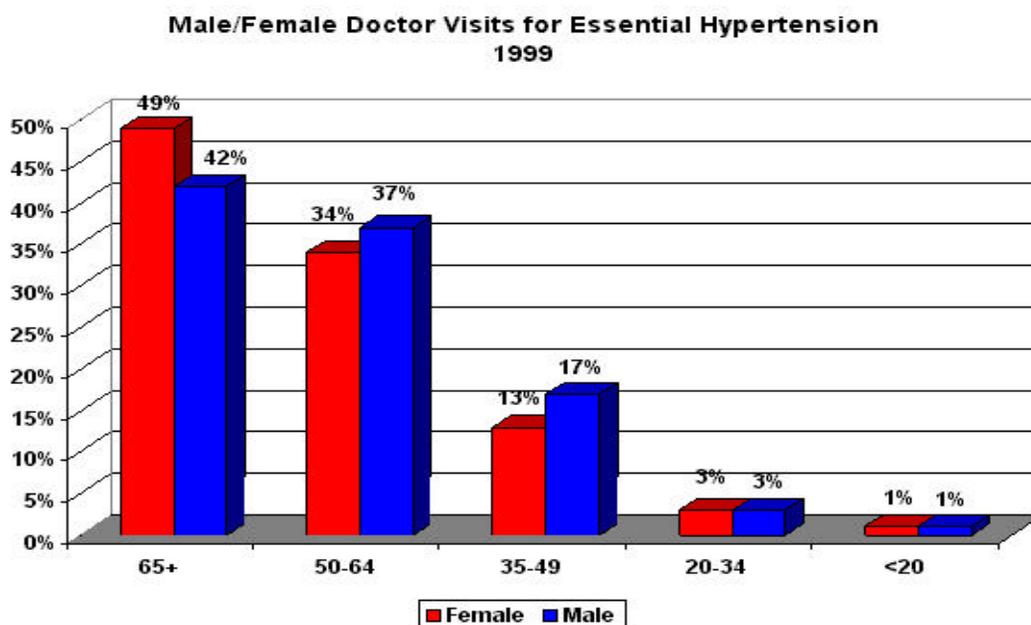


DIABETES MELLITUS WITHOUT COMPLICATIONS

Diabetes is another disease that becomes more prevalent with increased age. However, Type II diabetes which used to be considered age-related diabetes, is now showing up in younger individuals. One factor is thought to be the sedentary lifestyles of children. The percent of children who are overweight has increased over the past few years. This increase has been blamed on the lack of exercise (children spend more time on computers and less in active play) and unhealthy eating habits. There were 7.1 million patient visits in 2000. Fifty-one percent of visits were by males and 49% were by females. Table 2 under General Diseases gives a breakdown by age and by sex.

ESSENTIAL HYPERTENSION

Fig. 11 – Doctor Visits for Hypertension



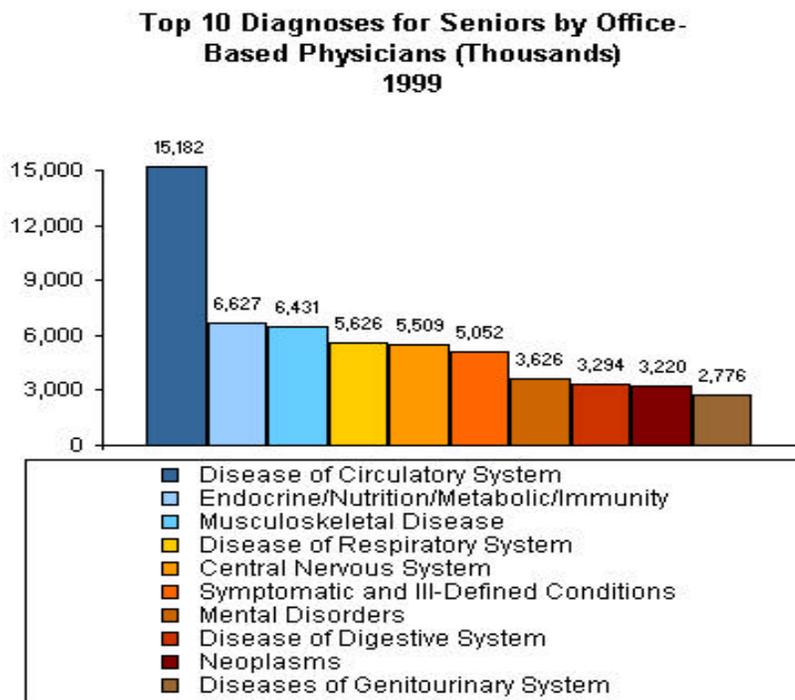
Source: IMS Health

Patient visits to office-based physicians for essential hypertension numbered 16 million in 1999, an increase of more than 23% since 1994. Female patients made 57% of visits while males made 43%. More than 82% of visits involved a drug recommendation.⁶ Essential hypertension was the most common reason baby boomers visited the doctor as illustrated by Fig. 11. Visits increase even more as the population aged. Again with the aging population we might predict that herbs that control high blood pressure would have a good chance of success.

⁶ http://www.imshealthcanada.com/htmen/3_1_14.htm June 13, 2001

SENIOR VISITS TO DOCTORS

Fig. 12 – Diagnoses for Seniors by Office-Based Physicians



Diseases of the circulatory system at almost 15.2 million physician visits were double the number of visits involving the endocrine/nutrition/metabolic/immunity system, the second highest diagnosis for seniors. Therefore, herbs that could enhance the circulatory system would seem a good bet to concentrate on.

ARTHRITIS

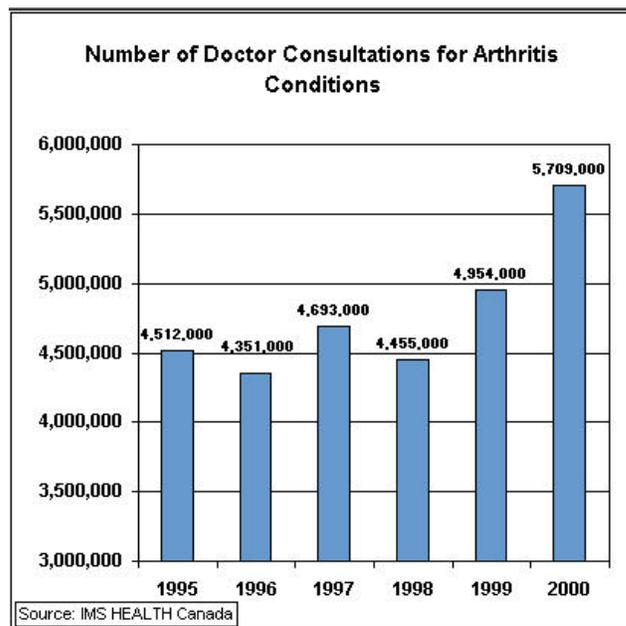
It is estimated that approximately 4 million Canadians suffer from some form of arthritis, making it the most prolific disease today. There are over 100 different

Table 2 – Percent of Canadians that have Arthritis by Age Group

	FEMALE	MALE
All ages	57%	43%
65+	49%	42%
50-64	34%	37%
35-49	13%	17%
20-34	3%	3%
Under 20/ unspecified	1%	1%

conditions that are actually arthritis, ranging from the better known forms like osteoarthritis (OA) affecting an estimated 1 in 10 Canadians and rheumatoid arthritis (RA), affecting 1 person in 100, to more obscure conditions such as fibromyalgia, lupus and even Lyme disease. These are all considered types of arthritis because of their common symptoms including chronic joint and musculoskeletal pain, which are usually the result of an inflammation of the joint lining.⁷ Fig. 13 shows the rise in arthritis visits to doctors.

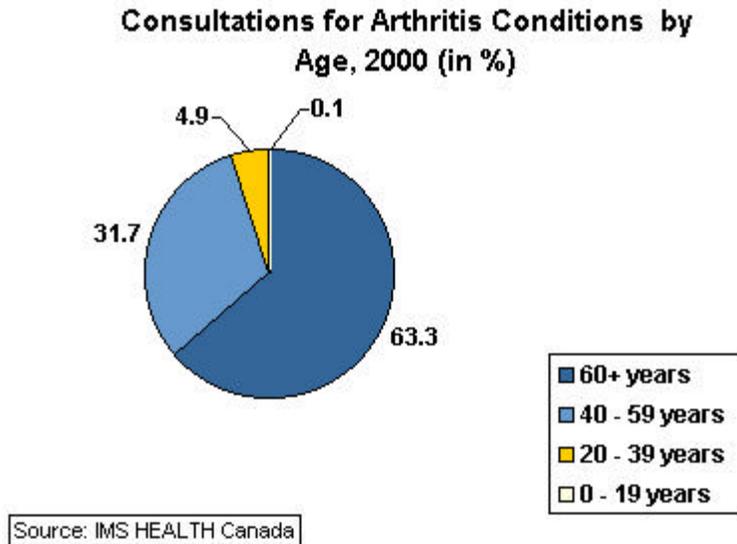
Fig. 13 – Number of Doctor Consultations for Arthritis Conditions 1995 - 2000



⁷ http://www.imshealthcanada.com/htmen/3_1_6.htm Retrieved from the World Wide Web June 13, 2001

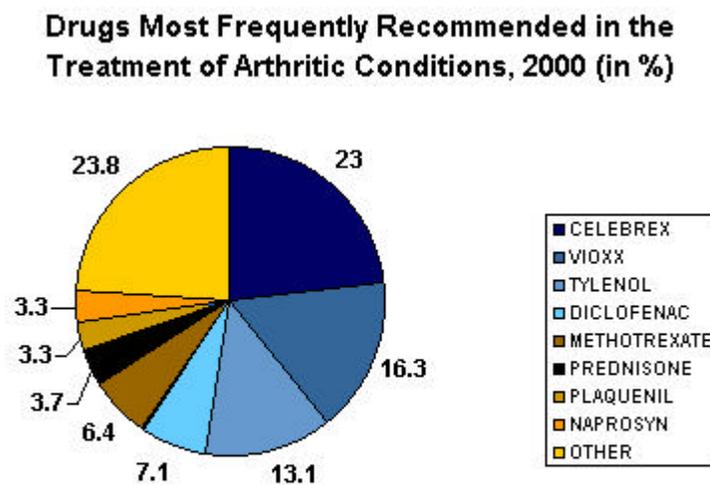
Arthritis is a condition that is more likely to affect people after they reach the age of 60 years. With the baby boomers aging and the general population living longer there will be more people taking medications and other treatments to relieve this condition. Fig. 14 shows that 63.3 % of consultations for arthritis conditions were in the 60+ age group.

Fig. 14 – Consultations for Arthritis Conditions by Age, 2000



The top drugs dispensed for arthritis is shown in Fig. 15.

Fig. 15 – Drugs Most Frequently Recommended for Arthritis



Of the almost 3.2 million prescriptions written to treat arthritic conditions in 2000, more than half were for a COX-2 inhibitor.

A COX-2 inhibitor works by specifically targeting the COX-2 enzyme (cyclo-oxygenase-2) believed to be responsible for pain and inflammation, without affecting the action of the COX-1 enzyme (cyclo-oxygenase-1) which is thought to be naturally protective of the stomach. The end result is pain relief without the associated stomach problems that often occur with prolonged use of NSAID (nonsteroidal anti-inflammatory drugs).⁸

ALZHEIMER’S DISEASE

Alzheimer’s Disease, the leading cause of dementia, affects mainly those over 65 years of age. Alzheimer’s leads to loss of memory, changes in mood and behavior and poor judgement and reasoning. Once thought of as senility, Alzheimer’s is not a normal part of aging as it gradually destroys vital nerve cells in the brain, the amount of damage increases over time.⁹ Again, as the population ages and lives longer, this disease will probably see an increase in victims. Since herbal users tend to take herbs to help prevent illnesses this may be an area where positive results could be achieved if an herbal blend or formula could be determined and proven effective.

OTHER DISEASES INCREASING IN THE GENERAL POPULATION

In its annual review of prescription and diagnoses of disease trends, IMS HEALTH Canada reports patient visits for depressive disorders show the largest increase among Canada’s leading diagnoses of illness and disease. Over the last six years (1995-2000), visits for depression have increased 36%.

Table 3 – Profile of Leading Diagnoses in Canada, 2000

**Table 1
PROFILE OF LEADING DIAGNOSES in CANADA, 2000**

	All Diagnoses	Hypertension	Depression	Diabetes	Acute Upper Respiratory Infection
Patient Visits	287,921,000	16,622,000	7,842,000	7,158,000	6,087,000
% Male	40%	43%	34%	51%	46%
% Female	60%	57%	66%	49%	54%
By Age Group					
Under 10	9%	<1%	<1%	<1%	36%
10-19	8%	<1%	4%	1%	14%
20-39	25%	4%	31%	7%	24%
40-59	29%	34%	47%	31%	15%
60+	28%	61%	16%	59%	12%

Source: IMSHealth, Canada

⁸ http://www.imshealthcanada.com/htmen/3_1_27.htm Retrieved May 4, 2001

⁹ http://www.imshealthcanada.com/htmen/3_1_2.htm Retrieved May 4, 2001

(Continuation of Table 3)

	Anxiety	Ear Infection (Otitis Media)	Acute Bronchitis	Asthma
Patient Visits	4,563,000	3,382,000	3,382,000	3,090,000
% Male	39%	52%	48%	43%
% Female	61%	48%	52%	57%
By Age Group				
Under 10	<1%	63%	11%	18%
10-19	3%	12%	9%	16%
20-39	33%	12%	26%	22%
40-59	41%	8%	29%	24%
60+	22%	4%	25%	18%

Depression now ranks second behind essential hypertension, and ahead of diabetes, acute upper respiratory infection, anxiety, otitis media, acute bronchitis and asthma.

Because depression does not have the stigma attached to it as it did 15 to 20 years ago the number of people getting treatment is growing.

Essential hypertension continues to be the number one reason Canadians visit a physician and accounts for 16.6 million visits; it showed the second largest increase over the 1995-2000 period, increasing by 24%.

Remember also that diseases that were not talked about even a year ago, are now becoming better understood and people feel more comfortable talking about them. This is due in part to consumers being better educated and fewer stigmas being attached to certain diseases. One that has been advertised on TV lately, that was never or rarely mentioned previously, is erectile difficulties for men. As the consumer becomes better educated regarding certain diseases or problems their willingness to speak about them and seek out treatment becomes greater.

PRESCRIPTION COSTS

Last year Canadians filled almost 291 million retail prescriptions at a total retail price of \$11 billion. This is equivalent to nine prescriptions per person or 28 per family at an average price of \$35.48 per prescription.

Table 4 shows the top ten prescribed drugs in Canada for the Year 2000 by brand name. The huge increase shown for Celebrex is partly due to it being a newly introduced drug.

Table 4 – Top Ten Prescribed Drugs in Canada in 2000

Top Ten Prescribed Drugs in Canada in 2000 *				
Medication	Type	Rx in (000s)	% Share	% Change 1-year
SYNTHROID	Hypothyroidism	5377	1.9	12.1
TYLENOL W/COD #3	Analgesic	4919	1.7	5.9
PREMARIN	Hormone Replacement	4881	1.7	1.7
CELEBREX	Anti-arthritis	3654	1.3	752.8+
LOSEC	Gastric ulcers	3576	1.3	16.1
NOVASEN	Analgesic/anti-clotting agent	3380	1.2	3.4
LIPITOR	Cholesterol lowering	3330	1.2	56
PAXIL	Anti-depressive	2859	1	23.9
NORVASC	Anti-hypertensive	2567	0.9	17.5
APO-AMOXI	Antibiotic	2547	0.9	21.3
TOTAL CANADIAN MARKET		283, 043	100%	7.7%

Another useful chart on the IMSHealth website showed the top 15 therapeutic classes of prescription drugs for the Year 2000 and the percent change over 1999.

Table 5 – Top 15 Therapeutic Classes in Canada, 1999 - 2000

Table 2
TOP 15 THERAPEUTIC CLASSES IN CANADA, 1999-2000

Rank 2000	THERAPEUTIC CLASS	TOTAL PRESCRIPTIONS 2000 (000s)	% CHANGE OVER 1999
1	CARDIOVASCULARS	39,006	10.6%
2	PSYCHOTHERAPEUTICS	32,360	9.3
3	HORMONES	26,166	5.1
4	ANTI-INFECTIVES	24,947	-2.4
5	ANALGESICS	19,197	1.2
6	ANTI-ARTHRITICS	14,134	23.0
7	BRONCHIAL THERAPY	13,950	2.6
8	ANTI-SPASMODICS	13,689	6.9
9	DIURETICS	10,704	9.4
10	CONTRACEPTIVES	10,689	0.9
11	CHOLESTEROL REDUCERS	10,375	19.7
12	DIABETES	9,729	8.8
13	NEUROLOGICAL DISORDERS	8,277	9.6
14	THYROID THERAPY	7,665	8.7
15	DERMATOLOGICALS	6,472	5.2

Source: IMS HEALTH

The largest percent of increases in types (classes) of therapeutic drugs for 1999 were for anti-arthritic (23%), cholesterol reducer (19.7%) and cardiovasculars (10.67%) followed closely by drugs for neurological disorders (9.6%) and psychotherapeutics (9.3%) increase. If it were possible to replicate the therapeutic effect of these drugs with herbs, then we might assume that these herbs could also be top sellers.

OTHER HERBAL MARKETS

Although most people think about human consumption of herbal remedies, there are other markets that should not be overlooked.

PET MARKET

One potentially huge market for herbal remedies that is steadily growing is the pet market. An article in the March 2001 American Demographics magazine had some interesting statistics on pet owners. Eighty-one percent of American women and nineteen percent of American men own pets. The largest pet owner groups are 45 to 54 years old at 27% and 35 to 44 years old at 24%. Because these pets are considered part of the family, often no expense is spared to ensure that the family pets are happy and well looked after. Pet owners spend money on outfits and presents for their pets. Altogether they spend a total of \$23 billion a year on their pets' needs and wants. Owners spend \$12 billion annually on traditional veterinary health care. And, following a human trend, alternative medicine for pets is also taking off. Eleven percent of pet owners have given their pets massages, seven percent have provided them with herbal remedies, five percent provide holistic/homeopathic medicine and two percent have pets who have received acupuncture.

The American Veterinary Medical Association's website has statistics for companion animals that show there were 52.9 million dogs and 59.1 million cats in the United States in 1996. Veterinary expenditure per animal was \$128.77 per dog and \$81.10 per cat. They also indicated there were four million horses and the average expenditure was \$96.55 per horse.

If you take the seven percent herbal remedy figure from American Demographics and combine it with the percentage of households that own pets from the American Veterinary Medical Association, the following figures would show the number of possible pets that could receive herbal remedy treatments.

Table 6 – Possible Number of Pets to Receive Herbs

American Pet Owners 1996		
	Households*	7% Herbal Use [#]
Dogs	31,200,000	2,184,000
Cats	27,000,000	1,890,000

*Source: <http://www.avma.org/cim/vstat5.htm>

Source: American Demographics (March 2001)

This is a market where more research should be done. Herbs listed on the Healthy pet website that have been used by veterinarians and pet owners to treat pets are: glucosamine and chondroitin, echinacea, aloe, ginger, vitamin C, milk thistle, Saint John's wort, ginkgo, slippery elm and others.

ORGANIC LIVESTOCK MARKET

Another market that may be worth investigating is the organic livestock market. The organic market has shown steady growth over the last few years. If this continues, there may be an opportunity to work with the farmers to supply herbal feeds with immune boosting herbs or herbs to combat common parasites or other ailments that may affect livestock for which owners cannot use regular pharmaceuticals.

RECOMMENDATIONS

What this means for Alberta.

Although the under 26 age group shows the fastest growth in the use of herbs or herbal remedies, it still remains to be seen if they will continue using herbs.

We know that 57 percent of herbal consumers take herbs to alleviate symptoms of a disease or illness and 52 percent use herbs for prevention. We know that people are living longer than ever before and are attempting to maintain their health. Seniors today are very different than those of previous generations. They have better health, more active lifestyles, and are financially better off than their parents were. Despite our careful attention to prevention of health problems, we know that as we grow older some diseases and ailments will still occur as the natural process of aging. For example, menopause is a fact of life that cannot be avoided although we may, to some extent, be able to lessen or alleviate some of its symptoms. And, arthritis is a common disease that occurs as we get older. As the large baby boomer generation ages, we will see more cases of arthritis and other arthritis-related problems. Although, essential hypertension and high cholesterol levels (hyperlipidemia) can be controlled somewhat through diet and an active lifestyle, in most cases, these conditions still require

therapeutic medical intervention. Other disorders that will continue to affect this aging population are diabetes, Alzheimer's disease and anxiety states and depressive disorders.

The aging baby boomer population, then, is the demographic market that Alberta's herbal industry should consider as its primary market. It is a large group that will continue to grow for the next few decades as baby boomers continue to age; this group also currently has the highest level of herbal use. Consequently, herbs that show promise in alleviating or reducing symptoms of the major diseases of this aging population should be made a research priority for Alberta's herbal industry.

Therefore, further industry development should center on research by credible scientific herbal researchers, food scientists, certified nutrition researchers, and reputable naturopathic physicians researching the therapeutic benefits of herbal remedies. Regulation and standardization developments by Health Canada should also be followed, to see what herbs have proven therapeutic qualities and the legitimate therapeutic claims that are allowed. Furthermore, the herbal industry should collaborate in research with agriculture crop specialists and agrologists to determine which herbs can be grown successfully in Alberta. These two major bodies of research will assist Alberta's growers to choose herbs that not only sell well because of consumer demand and need, but will also grow successfully in our climate and agriculture conditions.

FURTHER RESEARCH

Knowing what herbs to grow and what herbs will grow in Alberta is only one step in the process of making Alberta a successful herb-growing province. Further research should be done on the state of the industry in Alberta now and what needs to be done in order for the industry to grow. A thorough look at our competitive situation in Canada and exploration of other potential target markets (i.e. herbal therapeutic treatment for pets and organic feed and immunity therapies for livestock) should also be undertaken.