



## Why you should love offering Your Brand

### Both private label and dietary supplements are thriving now

#### Private Label Growth

According to IRI data, total U.S. sales of private label food grew about 7% in 2009. Private label sales grew at a compound annual growth rate (CAGR) of 14% between 2005-2009.

The *Nutrition Business Journal* reports that within the private label market, dietary supplements accounted for 52% of private label products sold in retail outlets in 2009; 16% were private label natural foods, 15% were private label organic foods, 7% were private label personal care and 10% were "other" private label products. Thus, providing Your Brand of dietary supplements is a key part of a retailer's offering, and helps the retailer compete against other stores.

Driving this surge in private label growth was believed to be the Great Recession and down economy. Consumers switched from purchasing brands to buying generic store brands to save money. However, this shift is likely here to stay: recent figures from Consumer Reports show the majority (97%) of consumers who switched were happy with their decision, and 80% say store brands are equal to or better than the national brands for quality and packaging. Thus, private label has increased its market share and won over consumers, ensuring continued growth for private label.

Manufacturers of private label have been keen to formulate their products in a way that not only matches the brand's quality and composition, but exceeds the consumer's standards by adding beneficial features or formulating a similar but better product.

#### Dietary Supplement Growth

The *Nutrition Business Journal* reports U.S. consumer sales of dietary supplements grew 7% in 2010. Across all three channels (food, drug, mass), vitamin sales were up 10.2% and units rose 7% in 2009, in the 52 weeks ending June 13, 2010, and covering food, drug and mass, excluding Wal-Mart, according to the SymphonyIRI Group.

This growth is attributed to an increase in general health awareness and due to the high cost of medical bills and pharmaceutical drugs. *Nutrition Business Journal* forecasts that "total U.S. nutrition industry growth will slow in 2009 and 2010 before picking up again in 2011." Dietary supplements are expected to grow 6% per year through 2013.

Top products in the industry were multis, calcium, fish oils, glucosamine/chondroitin, probiotics and CoQ10.

Both the private label and dietary supplement industries continue to grow. Vitamer Labs' line of natural and organic premium supplements have the quality and composition that the natural products consumer seeks. Our Double Verified Gluten Free program and logo on each bottle appeals to the growing gluten-free consumer. As a family-owned company for over 87 years, our core values are in line with retailers like you. Educate your shoppers on how Your Brand differs from the rest of the supplement set. Use the "Why We're Proud" document we created to help you enlighten your customers. Make sure your supplement section has unique products in addition to the "basics" within each category. By educating the consumer and providing sufficient quality choices within your dietary supplement set, the opportunity to generate customer loyalty from your customer base is significant. 📖

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### Upcoming Events

- Super Bowl Sunday is Feb. 6 – great opportunity for selling digestive enzymes!
- See us at booth #1473 at Expo West!
- Apr. 6 is Natural Products Day. Register by Mar. 30th to help lobby and support the industry!



### Monthly Promo's:

#### **Advanced Antioxidant Complex Veg Caps** (VL158) 60 ct

- ✓ Vegan
- ✓ Specialty antioxidants hard to obtain in the diet
- ✓ Activin® GSE, ALA, Turmeric, Quercetin, LuteMax® Lutein and green tea extract with EGCG

#### **CoQ10 200 mg Softgel** (VL165) 30 and 60 ct

- ✓ Easy to swallow softgel
- ✓ Safflower oil base

#### **Basic Multi® Veg Tabs** (VL514) 30, 60, 90, and 180 ct

- ✓ Vegetarian
- ✓ One per day, small tablet
- ✓ Essential for any set

#### **Multi-Flora Probiotic Veg Caps** (VL718) 60 ct

- ✓ Lactovegetarian
- ✓ Five popular strains, 8 billion active cells at the Best By date

**Buy in Dates: Jan 19–Feb 18th**

## Vitamer updates

- ✓ We are discontinuing **Natural Cleanse Complex** (VL441) but reformulated it into a new version and new product, **Colon Support** (VL720), which will be ready in a few months. We will run out of VL441 around the same time. The new product contains magnesium, apple pectin, fructooligosaccharides, Marshmallow root, Cascara sagrada, Slippery Elm, and citrus pectin. It offers 3 grams of fiber per serving!
- ✓ Our **Resveratrol 150 mg** vegetarian capsules (VL171) may appear slightly more purple than previous lots, due to a new ingredient supplier. Rest assured the specifications are the same and the product has not otherwise changed.
- ✓ We have added larger drop counts for three of our National Brand Comparison products — see note (right)
- ✓ Great news! Three of our products are now vegetarian — **Balanced B-100** (VL239), **Ultimate One®** (VL508), and **Iron Free Ultimate One®** (VL543). We changed the vitamin A and D sources in these multis to be from vegetarian sources (not from fish), and for the Balanced B-100, switched from gelatin to vegetarian capsules.
- ✓ Our 2011 Product Reference Guide (PRG) will be here soon — you will receive this updated catalog in the mail this month. It's a great resource for product and nutrition information. 🌿



We have added a new, larger size to the following products, available for sale now:

VL002 Ocu Complete® – now offered in a 120 ct in addition to the current 60 ct

VL125 Vitamin E with Selenium – now offered in a 120 ct in addition to the current 60 ct

VL542 Life Multi Complete® – now offered in a 180 ct in addition to the current 90 ct

### Why, you ask?

We compared our National Brand Comparison (NBC) line to recent SPINS data. We found that the larger “value” sizes of products in our NBC line were outselling the smaller drop counts. Thus, it will benefit the retailer to sell the size the consumer wants. What’s more, we polled our accounts who overwhelmingly supported adding the larger NBC sizes.

Order today! Fax your order to (800) 553-8773 or contact your Vitamer Account Manager.

Oh really? February is **National Chocolate Lover’s Month**. It’s a perfect time to promote our healthy chocolate products:

- **Chocolate** Show Me The Whey® Protein Powder (VL969)
- **Chocolate** Organic Soy Protein Powder (which uses 100% organic cocoa) (VL957)
- **Chocolate** Ultimate Soy Spirulina® Protein Powder (VL964)

Ask us for recipes using these products, or simply whip up a smoothie with milk, a banana and ice and demo it in the store.



*“We are indeed much more than what we eat, but what we eat can nevertheless help us to be much more than what we are.”*

—Adelle Davis (1904-1974)

## FDA Warning Letters—A Quick Summary

In 2010, 41 warning letters involving dietary supplement products were issued from the US Food and Drug Administration (FDA) for supplement Good Manufacturing Practices (GMP) violations. This is significantly less than the 73 issued in 2009, where the FDA's main focus appeared to zone in on marketing illegal swine flu (H1N1) products. More than 50% of the warning letters regarded swine flu claims, according to FDA legal specialists Ivan Wasserman and La Toya Sutton.

In 2010, there were 8 letters concerning cGMP violations, as the dietary supplement GMPs are in full effect for all manufacturers and marketers of these products.

On average, the FDA sends out about 38 letters per year (excluding the swine flu-related letters). Many of the warning letters involve drug/disease claims (see chart, right), and the majority of warnings involve claims made on websites. The FDA considers ANY statements or claims on dietary supplement websites to be labeling claims for the product.

Warning letters are sent by the FDA to manufacturers or marketers to inform them of FDA law/regulation violations. These may be discovered during an inspection or while reviewing product labeling, including website reviews. 🌿

A quick look at the number of FDA Warning Letters sent for various claims:

Target of Letter	Number of Letters
'Drug/Disease' claims	36
Claims made on websites	31
Other "drug/disease" claims	27
Heart Disease/cardiovascular claims	13
Cancer claims	13
Claims made on labels and labeling	10
Diabetes claims	9
Arthritis/Joint	9
GMP violations	8
Cold/Flu (other than H1N1) Claims	7
Technical labeling errors	7
H1N1 claims	5
Weight Loss	5
Claims made in metatags	5
Tainted products	1
Claims concerning "FDA approval"	1

Source: *NutraIngredients.com*

New estimates reveal that nearly 26 million Americans have diabetes, according to the Centers for Disease Control and Prevention. That's about 1 in 12 Americans. The new figure is a 9% increase from 2008. CDC fact sheet: <http://www.cdc.gov/diabetes>



In late 2010, Vitamer Labs manufactured 11 million children's multivitamins using donated ingredients from DSM, Alpha Packaging, Mold Rite Plastics, Domino Foods Specialty Ingredients and Batory Foods. This group has worked together to donate millions of children's multivitamins for nutrition projects in Honduras, the Dominican Republic, Laos and now throughout the world in Vitamin Angels' Thrive to Five program. Vitamer has donated over 40 million tablets since it began participating in this program in 2006.

## Over 100 new members of Congress need to know about the Natural Products Industry

Join us in lobbying, meeting representatives and staff of the U.S. Congress, and networking with industry peers on Wednesday, April 6th in Washington, D.C. The Natural Products Association is organizing this lobby day and registration is free. We will be in attendance, with Jane Drinkwalter (VP of Sales), Paul Goymerac (VP of Operations) and Beth Imhoff (Vitamer Account Manager) representing Vitamer Labs. To register and get more information, go to: [www.NPAinfo.org/NPD11](http://www.NPAinfo.org/NPD11) or fax in the insert in this newsletter. Registration deadline is Thursday, March 30th.





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*Mission Statement: We provide quality nutritional products and services, building our partners' brands to create consumer loyalty and generate profit. We foster long-term business relationships with our partners and co-workers in an environment of growth and sustainability*

thevip

**Q: Why do you no longer list “corn” on the “Contains no” list on the side of the label?**

A: In 2008, we started phasing out our previous “Contains No” statement on the side panel of our labels. The Food Allergen Labeling and Consumer Protection Act (FALCPA) created new requirements—and in order to fully meet customer demand and offer a clear picture of what our products do not contain, we phased in a label change to the “Contains No” statement to include (where applicable) artificial colors, flavors or preservatives; wheat, gluten, milk, eggs, peanuts, tree nuts, soy, crustacean shellfish and fish.

The items that are now removed from the full list are: corn, sugar, starch, grain and yeast. Many raw materials contain cornstarch and/or maltodextrin (from corn) as a sub-ingredient of one raw material. To allow more flexibility in our purchasing of raw materials (which helps avoid out-of-stocks), it is necessary to keep corn as an acceptable ingredient for our raw material standards. For customers concerned about sugar and starch, these ingredients would be clearly listed elsewhere on the label. Grain is now unnecessary and we do not add Candida or any other yeast to our products.



ask  
the  
dietitian

Questions? Email or call the Vitamer Technical Department at  
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