



BioNeutra - 2017 Finalist for ASTech Awards for Science and Technology

Bio Company finds millions in success with healthy sweetener

By 2019, Stats Canada predicts that more Canadian adults will be overweight than normal weight. That represents 14 million people and a healthcare problem that is only going to get worse, according to Dr. Jianhua Zhu, President and CEO of BioNeutra North America Inc.

With the marketplace needing an alternative to sugar, Edmonton-based BioNeutra took a unique approach to trying to help solve this global healthcare problem by not only providing a low calorie, natural sweetener, but also one that has some health benefits too.

“We’re a science-based company which sets us apart from some of our competitors,” says Zhu.

More than just a sweetener

BioNeutra’s flagship product, VitaFiber™ IMO, is a sweet natural fiber providing low calorie and soluble fiber for human digestive health. Instead of simply being a low calorie sweetener, VitaFiber™ was created to offer some health benefits to help combat a growing healthcare problem.

Digestion issues lead to a million doctor visits every year in Canada. Experts say our diets are fiber-starved, falling far short of the recommended daily dose of 38 g for men and 25 g for women. VitaFiber™ makes it easier for people to meet their fiber needs.

The impact of BioNeutra’s VitaFiber™ has been significant not only because of the health benefits but also as a result of its commercial success. With recent concern around Alberta’s need to diversify its economy, BioNeutra is growing Alberta’s agribusiness potential.

Cumulative sales over the past four years have totalled \$62 million, increasing from \$7.5 million in 2013 to \$26 million in 2016; nearly a 400% increase. BioNeutra has maintained profitability since 2012.

Zhu explains, “We sell VitaFiber™ to manufacturers in Europe, but primarily in the U.S. where it’s included in protein bars, ice cream, beverages and confectioneries. Our success with commercial customers is exploding, but we have had great online success as well. For two years we’ve been selling it through Amazon and Shopify and we’ve been getting rave reviews.

Long road to success

The development of VitaFiber™ has not been an overnight success. It’s the result of a 20-year, three-country, multimillion-dollar research program culminating in Canada. The unique patented process uses natural enzymes to change starch from cereal grains or tapioca into carbohydrates. This product resists digestion and provides food for the good bacteria living in the gut wall.

“To make it a healthy product, we first had to do a lot of testing to prove it was safe. Then we had to do a lot of testing to demonstrate its health benefits,” says Zhu. “We spent \$13 million in Canada in collaborative research projects including with the University of Alberta. Then we had to present our findings, which included studies and human clinical trials to health regulators. We submitted them to Health Canada, the FDA and the European Food Safety Authority. The result was that we were given permission to sell VitaFiber™ in 30 countries.”

Most biotech start-ups struggle to raise initial funding and BioNeutra was no exception.

“We had good science, but we didn’t have a dollar to start up”, says Zhu. So he reached out to family, friends and university colleagues. “I received money from people who had faith in me and what I was trying to do. One university department chairman told me, ‘I realize I might never see my money again, but I believe in you.’ That’s pretty humbling.”

In addition, the Alberta government became a key supporter in the beginning – seeing BioNeutra as a company committed to helping diversify the economy with the promotion of Alberta agribusiness. Zhu adds, “They were also prepared to partly fund university research that was beneficial to the company while also helping grad students gain research experience.”

For other bio entrepreneurs looking to take their ideas to market, Zhu has some key advice. “Be strategic in choosing your market and build on success. Keep tight control of your expenditures: whether your revenues are small or great, it’s important to keep your eye on the bottom line. Pursue awards: they provide peer and media recognition. It’s a cliché, but surround yourself with smart people. If you’re passionate, prove it. Stick to it and don’t give up. If you’re a university prof with a project that can be commercialized—go for it—otherwise it’s just pure research. Take the chance. And as you grow, display a healthy degree of skepticism regarding the many pitches that will come your way.”

As BioNeutra continues to grow their market share, the focus will still be on VitaFiber™ for the immediate future. “Given our sales growth, I can say it’s bright. We’re looking at other markets for VitaFiber™,” says Zhu. “We haven’t begun to tap international markets. Given our science and the approvals we’ve obtained, this is helping open doors for us. We want to be a global player.”