

## Sami Labs - Expanding Opportunities in Nutritional Market

Dr. Muhammed Majeed, Managing Director, Sami Labs Ltd tells us about nutraceutical market, contract farming, cosmeceutical segment, superfluid extraction etc with **Sajana Srinivas Gowda, Commodityindia.com.**



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### Can you brief us about Sami Labs?

Sami Labs was started in the year 1991. We are in the field of research, manufacture and export of medicinally useful products. Garcinia cambogia, also known as kokum in the local language, was the first product introduced by us. This was followed by a number of products in the Ayurveda field, in a standardised form. We buy all the raw materials from India, process it, add value and then export it.

Our main exporting destinations are Europe, America, Japan, Australia, South-East Asian countries. From US, we manage the South American Nations. We are also in the domestic market, where we sell products and also formulations for several companies.

**You specialise in Nutraceuticals. India holds 10% market share in the global Nutraceutical market, which is expected to be a \$250 billion industry by 2018. How big is this opportunity for India? Are we ready to take advantage of the market development?**

The term "Nutraceutical" came into existence in 1993. Prior to this, we had traditional medicine. The Dietary Supplement, Health and Education Act of 1994 (DSHEA) of the US Government helped to market these products in the US easily. Subsequently, European nations and Japan also added guidelines for the nutraceutical sector, which was followed by South-East



Asian countries as well as South American countries. It was first started by US and in a short span of five to six years it was accepted by people all over the globe.

The term nutraceuticals encompasses a number of products. Primarily they are meant to help or prevent the disease conditions. Today people can take a preventive supplement to manage diabetes or avoid cardio vascular complications. The market for nutraceuticals has a great demand, from America and other parts of the world as well as India. In the recent years, we are seeing a good demand from the Indian Market as well.

We are the first in this sector to bring out the idea of standardised

phytonutrients. Prior to us, there was no concept of phytonutrients as a marketable idea. One of the first products that was marketed

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as standardised phytonutrient was turmeric extract, a big commodity in India. In India, turmeric is mainly used in the food Industry, as a colouring agent. But we found out that the active ingredient in turmeric, the colour, would also be used as an effective phytonutrient.

Hence, we started the extraction of turmeric.

**Your company manufactures tetrahydro curcumin. What exactly is it? How is it different from the natural extract?**

We take out the natural curcumin and convert it synthetically (hydrogenation technology) into white colour material and call it as tetrahydro curcumin. The recent research has shown that the white colour curcumin preserves all the biological effects of the yellow colour curcumin and is more convenient to use. Some processes or products do not want the yellow colour of turmeric. Now they have a choice between the yellow curcumin and the white coloured tetrahydro curcumin, a powder mainly used in cosmetics as a skin lightener. It is also finding increasing applications in the oral nutraceutical market.

**Super critical fluid technology. What are the products manufactured using this technology?**

Supercritical Fluid Extraction (SFE) is the process of separating one component (the extractant) from another (the matrix) using supercritical fluids as the extracting solvent. The facility for the super critical fluid technology provided in India is on a commercial basis, based on the Indian Technology. We do not import the machineries from the European and the American

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market for this technology. This is a good development for the extraction industry. We are the first and the only company in India to adopt the technology, developed by IIT Mumbai, ten years ago.

We extract oil from coleus, which is a separate market for us. We also process ginger using this technology as the European nations prefer ginger without any solvent residues.

Super critical fluid extraction is an eco-friendly process. In this process, you do not release solvents into the atmosphere. We use carbon dioxide in this process, but it is completely a closed system. Carbon dioxide under pressure is a liquid, and when you release the pressure, it's a gas. Then it goes back into the storage tank. This process is mainly used for extraction of active components from spices and high value herbs.

### **Your company practises contract farming. How helpful are these for the farmers? What is the benefit for Sami Labs?**

In India, farmers cultivate crops according to the season. Prices of these commodities fluctuate. We have a contract farming arrangement with farmers, wherein we guide the farmers, provide them all inputs, work with them and provide a guaranteed price. Our main contract farmers are in Tamil Nadu. Recently, we have started with Karnataka and we want to

do it across the country. We are also doing the contract farming in Kenya and Uganda, Vietnam and Philippines.

We have contract farming for the herbs and medicinal plants. In the current season, we have also entered into a contract farming agreement for turmeric in about 10,000 acres in Tamil Nadu. We are not doing any organic farming, because of the simple reason, that the entire commodity we buy undergoes solvent extraction, carbon dioxide extraction process. So the organic nature is lost. However, we insist on reducing the use of pesticide. We urge farmers to use natural bio-pesticide. We work through the group, where the people interact

with the farmers daily, and if there is a need, they will suggest the right kind of bio pesticide.

### **You are also in the cosmeceutical industry. What is the demand in the domestic market?**

The demand for cosmeceutical industry in India is very big. People these days can afford high priced cosmetics, so they can also afford cosmeceuticals. First let me differentiate between cosmetics and cosmeceutical.

Cosmetics are used for the purpose of beauty or style, such products merely cover the skin, (in some case skincare products hydrate the skin and keep it moisturised or clean the skin, but do little else). Whereas,





Cosmeceuticals are used to actually improve and enhance the skin's appearance, by using biologically active ingredients. Spices are also used in the cosmeceutical industry.

### Can you brief us about Aquasol ingredient?

Ayurveda is all about Aquasol ingredient, which never uses solvents. There are some companies that would like to use water extracted material, which is nothing but aquasol. We extract the produce and export it in the form of powder. The end user can mix this powder in water and can make it as a solution. This is mainly used in the nutraceutical sector.

### What are the new activities happening in Sami labs?

Our major activities are in the cultivation of medicinal plants.

Some of them may be used as a commodity for others. But for us, it is a medicinal material. Any price fluctuation in the spices/herbs

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affects us very badly. So we are working with like minded people, like NGOs or groups to cultivate crops exclusively for us, for whom we give them a buy back guarantee.

### Can you comment on the spices cultivation in north east India?

We have a mental blockade, that north-east is remote, isolated and strife-prone. This idea is changing. People are now looking for the

opportunities in north-eastern states for investment or setting up companies. We have set up an office in Guwahati, Assam and are working with the locals. The raw materials available there are of greater value to us. We are also planning to setup a processing unit in one of the north eastern states.

### Comment on the cultivation of gac fruits?

Gac plant is an adopted plant to Indian soil. It's a South East Asian plant which can be cultivated in India also. It has been done on a scientific basis, because we have a great need for that fruit here. Earlier we used to import the fruit pulp, process it, add value to it and export

it. But now we are able to bring the seeds here, cultivate it, and adopt it to Bangalore and Salem climate, from which we make carotenoid rich product called Lycopene, which is widely used in the nutraceutical and medical sector.

