

30 Jun 2020 | Interviews

Stada's Nature's Aid Submits CBD Novel Food Application

by [David Ridley](#)

HBW Insight speaks exclusively to Chris Morrey, CEO of Stada's UK Nature's Aid subsidiary, about the company's experiments with CBD and its recently submitted EU novel food application.

A relatively new trend within the global consumer healthcare industry, the market for cannabidiol (CBD) food supplements is booming.

However, while the world's national medicines and food safety authorities decide how to regulate this new ingredient, many larger consumer health players seem reluctant to seize the CBD opportunity.

Meanwhile, fast-growing Stada Arzneimittel has been operating in the CBD space for almost two years, through its UK Nature's Aid subsidiary, acquired in 2016.

In this exclusive interview, Nature's Aid managing director Chris Morrey tells HBW Insight the story of Stada's entry into CBD, about its recently submitted Novel Foods application and what the future may hold for the UK's fast-moving CBD market.

Morrey also reflects on how Nature's Aid's growth strategy fits in with Stada's acquisition-fueled expansion plans, which have seen the company swallow up a basket of consumer health brands from the like of GSK and Takeda in the UK and Europe. (Also see "[Stada UK Head On COVID-19 Impact, Local Growth Strategy And OTC Brand Innovation](#)" - HBW Insight, 28 Apr, 2020.)

Q How did Nature's Aid, and by extension Stada, get into CBD?

A We launched our CBD range probably 18 months ago. We weren't first to market with it. It was area where we really took our time to make sure that the product that we brought to market was going to be on the right side of any legislation that was going to be put on the table. We wanted to make sure that our supplier network and the CBD we were getting was tested, audited and the product that was in the bottle was what it said on the label. When we launched our range there was little in the way of regulation and we were probably, within the health food store sector, the biggest company the market had seen up to that point. There were and still are a lot of new startup businesses which have been around for only a short time trying to jump on the bandwagon, also a lot of brands that were being imported from around the world that nobody knew of. We did pretty much everything we possibly could to give retailers the peace of mind that what was in the bottle was the product we said it was and that it wasn't over the maximum THC level (0.2mg). We did very well with it because we've got the trust of our consumer base in the Nature's Aid brand that has been built up over 40 years. When the legislation came out last year, we welcomed it because many of the products offered by these new companies weren't up to scratch. We had to align very slightly from a packaging point of view but not from a product perspective because our products have always been compliant.

Q Has Nature's Aid submitted Novel Food Applications for any of its CBD products?

A We've put in our application for Novel Food approval last month. It was really important to us to get that application in early, again to give retailers peace of mind and to back up what we've been saying for the last 18 months, that our products are as good as you will possibly get on the market with regards to the guidelines. We wanted to very much be one of the first to get the Novel Food approval. It's a case now of waiting for the approval between now and end of March 2021. Hopefully it won't take that long.

Q How important is it to have a product on the market with an established brand and big company behind it for consumers?

A It's very important. For consumers, the CBD market is very confusing. You've got products that seem relatively good value for money and then you've got other products that could cost £40 a bottle. All we can do, in the absence of any science-backed health claims, is offer a good, trustworthy product. Over the next twelve months there is going to be a real tidying up of the UK CBD market, and we'll see a lot of brands disappear. It'll be interesting to see how the Novel Foods Regulation shapes the European CBD landscape and which companies/brands are going to be left. The expense and complexity of the Novel Food applications will put off a lot of the smaller companies. That will be a shame for those that are trying to do the right thing, but just don't have the resources to put the applications in.

Q Is Nature's Aid's entry into CBD a kind of experiment for Stada, with an eye to rolling out CBD more widely across the group and in other markets?

A Without concentrating on CBD, one of the key strengths at Stada is the diverse product range. Everything from OTC to generics. We've got a huge diverse range of products and with the acquisitions we've done with Walmark and so on, there's huge opportunities across many portfolios for the Stada group. I would expect CBD to be one of those potential opportunities that may come along over the next 12 months. The key point is Nature's Aid is doing CBD and trying to do it well, legally, and with high quality products. Our CBD products are carrying not just the Nature's Aid brand, but the reputation of the whole Stada group. Likewise, what we learn, Stada learns. Clearly the group is interested in our experience with CBD in the UK, and we will pass on this experience. We're ahead of the game really because we've had the range now for 18 months, before all the publicity. As we go forward, we learn as we do, as with many areas, and we share this with the rest of the group. With Walmark coming on board – a leader in natural medicines in Central Europe – Stada brings both range innovation and market expertise to all our product portfolios. (Also see "[Stada Plots Eastern European Expansion With Walmark Deal](#)" - HBW Insight, 4 Nov, 2019.)

Q What's it been like for Nature's Aid, being part of the Stada group?

A The takeover and integration into Stada has been really positive. We do now what we

did 14 years ago but we've now got the support network of Stada as well to really make our lives easier. As you can imagine, from an internationalization perspective, Stada's expertise and presence in emerging markets like the Middle East have been helpful driving the Nature's Aid business to the next level. At a more local level, working with Thornton & Ross has helped us leverage our presence in pharmacy, a channel in which we have been looking to grow in the last few years. One of the big things for the previous owners was that they were very conscious that they wanted to leave the business to a company that had the same values. I've been in the business a long time, and what we do now day-to-day and the values we live by are the same values of that we have had for the past 14 years. So there are lots of positives. I like to think that we've also helped Stada, particularly from an innovation point of view. We both learn from each other. It's a really nice relationship.

Q How closely does Nature's Aid's growth strategy fit in with Stada's very ambitious growth strategy?

A I think we fit in really well. Our strengths and our growth over the last five years have come from our innovation, agility, entrepreneurship and first-to-market capabilities. These values tie really nicely into the global Stada values. We're as ambitious to grow as the rest of Stada is. But with the parent group's support, Nature's Aid will grow even stronger.