

Market Intelligence Digest

Volume 3 Issue No. 10 | March 2021



Highlights

- This issue focuses on next level sustainability, fermentation, cell helping address food insecurity, and premium proteins affordability of meat alternatives.
- The key opportunities for sustainable nutrition are “Attention to Meat Packaging,” “Localism Movement,” “Regenerative agriculture,” and “Plant Based Seafood.”
- This report shows the innovations in processing meat alternatives .

The Future of Animal Protein, Meat Alternatives: 2021 (Part 3)



Going local

34%

of Spanish consumers say they are shopping more from local businesses since the start of the outbreak

Base: Spain: 500 internet users aged 16+, June 3-9, 2020 Source: Lightspeed/Mintel; Mintel's Global COVID-19 Tracker

'Localism' movement will reinforce the need for domestic sourcing and supply chain transparency

Although the COVID-19 outbreak is global, many consumers have focused their attention on trying to help their local communities and businesses. The biggest opportunity for the meat and meat alternatives companies may be to focus close to home through sourcing practices.

More than four in 10 US consumers say they would pay more for brands that

support American farmers, and a similar proportion say they would pay more for food and drink products made with local ingredients. Local ingredients convey a sense of local pride and environmental responsibility, and are especially appealing since they can be a direct way of supporting farmers, who were unsung heroes and were heavily hit during the pandemic.

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Regenerative agriculture will appeal with its promise of biodiversity, soil health, and a future for farmers

COVID-19 re-emphasized the need for responsible farming and how human health is connected to protecting habitats. Regenerative farming will emerge as a solution to those concerns.

The concept takes sustainability from "doing no harm" to "building a better future," and not just taking less from the environment, but giving back to it. It offers a way to meet the needs of a diverse group of consumers for sustainability, health, and supporting the farming community without excluding animals from the equation.



Fungi, algae, and oats have potential to grow as sustainable ingredients

While many leading brands use soy, wheat, or pea, sourcing more diverse and sustainable ingredients can help brands attract a wider audience.



Kelp Akua launched three varieties of Kelp Jerky

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Plant-based seafood will be positioned as a sustainable solution to overfishing and water pollution

Plant-based seafood struggles to appeal to the mainstream consumer since fish is already seen as healthy. Focusing on tangible environmental concerns will be key to success.



Hooked Foods' motto is "like seafood but harmless" (Sweden)

In Five years and Beyond Intel's perspective

Next level sustainability

The future protein tool box will include animal, cultured, and plant-based proteins. To continue to stay relevant in this environment, companies will need to take an integrated food systems approach and invest in sustainability initiatives, such as putting more emphasis on reducing carbon footprint.

Fermentation, cell help address food insecurity

Fermentation technology, and eventually cellular agriculture, will be important solutions to meeting

the protein needs of the growing global population. Competitive pricing will be key to acceptance and widespread adoption of these offerings.

Premium proteins will become more affordable

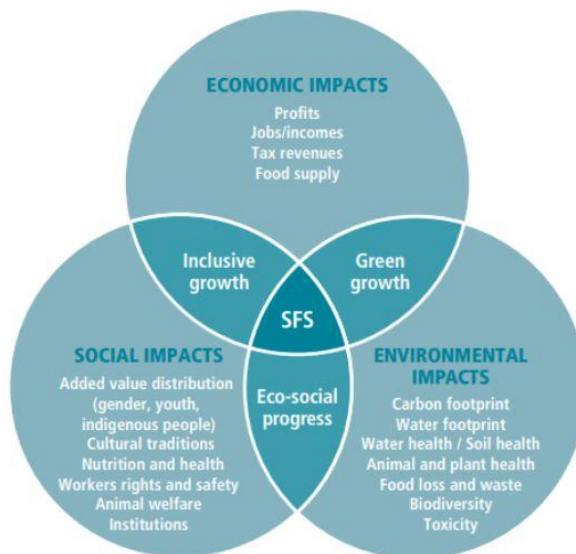
As plant-based and cultivated meat producers reach larger scales, prices will go down, which will result in some de-premiumization of products that are traditionally priced at a premium (e.g. affordable seaweed caviar and cultivated Wagyu beef).

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Protein innovation across all sources will be key to meeting the needs of the growing global population



Sustainability in food systems – FAO

Source: Food and Agriculture Organization of the United Nations

The problem of how we nourish ourselves while preserving the planet will require an integrated food systems approach. This means not only focusing the conversation around whether or not humans should eat meat but also solving critical global issues like food insecurity, habitat and biodiversity loss, and climate change.

As we look into the future, there's a need to shift the conversation away from the "animal proteins vs plant-based meat substitutes" debate and toward meeting the needs of the growing global population through a combination of animal, plant, blended, and cultured products in a

way that is sustainable. This will include helping vulnerable populations – low-income consumers, children, and the elderly – to gain access to nutrient-rich foods.



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Price parity will allow cultivated meats to reach a broader consumer base



As noted in the Mintel Trend Bannedwagon, consumers desire more knowledge of ingredients and production methods when they purchase food and drink.

It is especially true when consumers meet novel foods like cultured meat. More information is required before consumers are open to switching from their usual choices to alternative proteins.

Yet, as these offerings reach a larger scale, competitive pricing will be key to acceptance and widespread adoption.

Although there are already players in the cellular agriculture space that promise to deliver cultivated protein at price parity. For example, India's first cell-based meat startup ClearMeat is set to pilot its first product, cultivated chicken mince, and says that it already has reached price parity with regular chicken.

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TRADELINE

Some de-premiumization will occur as plant-based players scale up operations to lower the price



Meat alternatives producers like Impossible Foods and Beyond Meat are already making commitments to continue reducing their prices. As these and other companies reach a larger scale, meat players will face tougher price competition. As a sign of what's to come, plant-based food manufacturer Plant & Bean is opening Europe's largest plant-

based factory in UK to provide large scale manufacturing to lower the cost of meat-free foods.

As the cost of production goes down and believable replicas appear on the market, expect some de-premiumization of products that have been priced at a premium (e.g. affordable caviar alternative made from seaweed).

DTI –EMB recommends

Venturing in the meat alternative production would create more

opportunities for the growing meat-alternative market's future.



The Department of Trade and Industry - Export Marketing Bureau (DTI-EMB) is mandated to oversee the development, promotion and monitoring of Philippine exports. The DTI-EMB provides the exporters the enabling environment to make them globally competitive.

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