

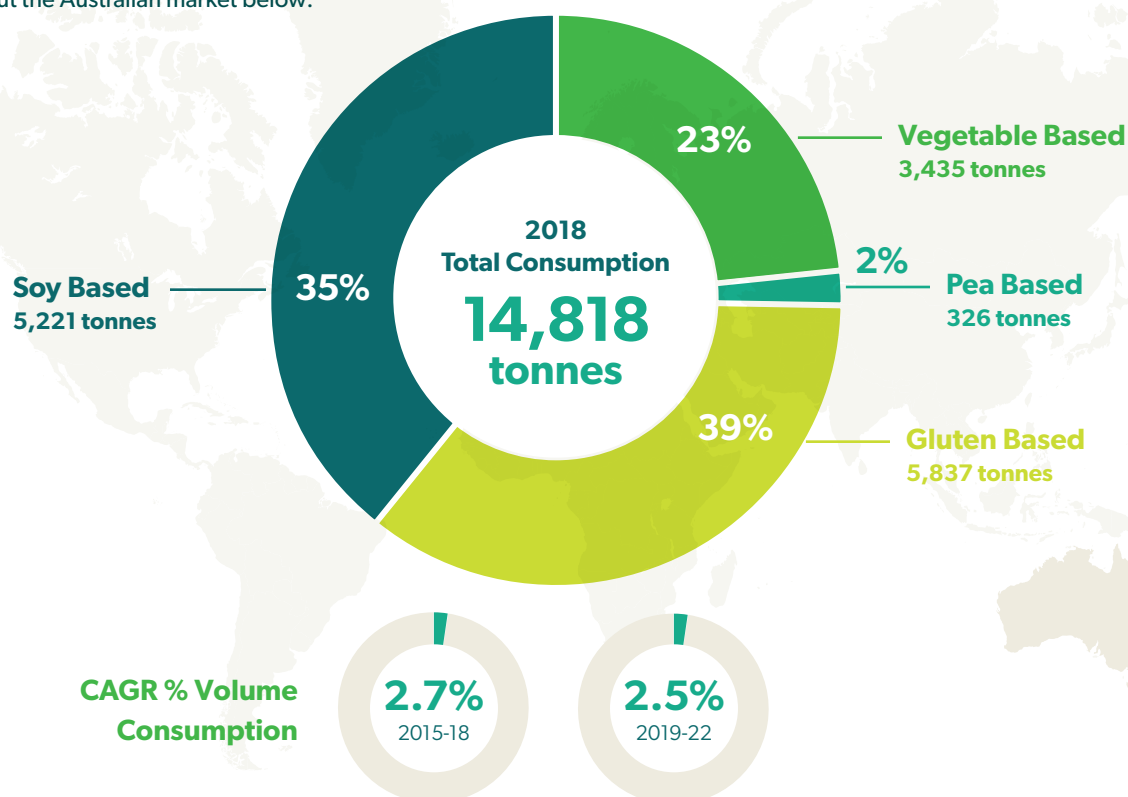


**PROTEIN
INDUSTRIES
CANADA**

COUNTRY OVERVIEW: AUSTRALIA

DEMAND FOR PLANT-BASED PROTEINS IN AUSTRALIA

Consumers in Australia are increasingly moving towards limiting their meat intake due to the industry's environmental impact. As a result, demand for plant-protein sources, such as soy, are driven by growing consumption of meat substitutes. To maintain their daily protein intake and enjoy traditional animal-based foods and dishes, Australian consumers are opting more for plant-based alternatives. This is driving innovation on the product side and increasing the share of shelf space for plant-based products. Read more about the Australian market below:



CAGR % Volume Consumption				
Year	Soy Based	Pea Based	Gluten Based	Vegetable Based
2015-18	2.6%	30.9%	1.9%	2.7%
2019-22	3.0%	12.3%	1.4%	2.3%

CAGR = Compound Annual Growth Rate

Information provided by Euromonitor: "Evaluating and Prioritizing Domestic and International Opportunities for Plant Proteins Report", commissioned by Protein Industries Canada.
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Demand for plant-protein sources, such as soy, are driven by growing consumption of meat substitutes

2018 total consumption of
plant-based protein products

14,813 tonnes

2018
total population

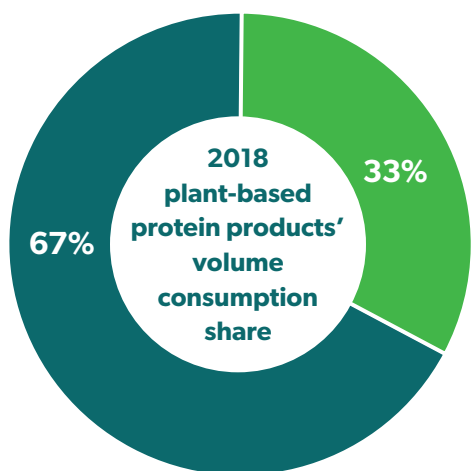
24,992,400

2018 foodservice consumption of
proteins, plant and animal-based

137,956 tonnes

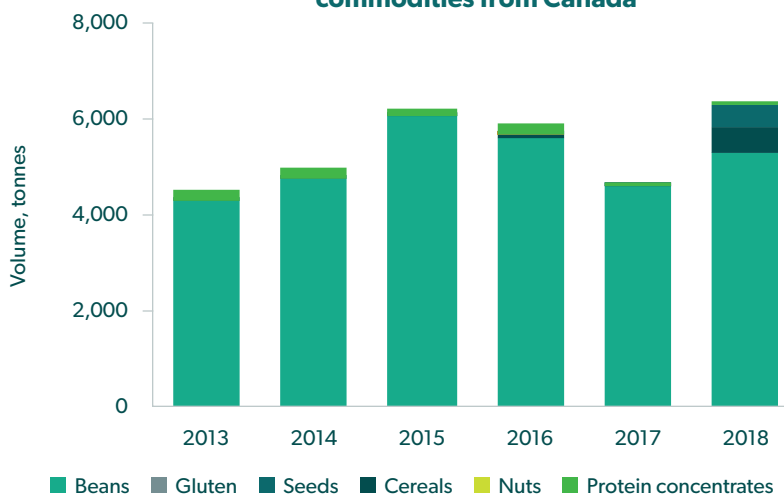
2013-18 CAGR import volume of
plant-based proteins from Canada

7.1%



■ Packaged food ■ Pet care

2013-18 import of plant-based protein commodities from Canada



Points of Comfort

- Consumers in Australia are increasingly moving towards **limiting their meat intake**, due to a rising awareness about its negative impact on both health and environment.
- 17.9% of respondents in the Euromonitor Lifestyles Survey in 2017 tried to cut down their meat intake against 11.5% in 2016¹.

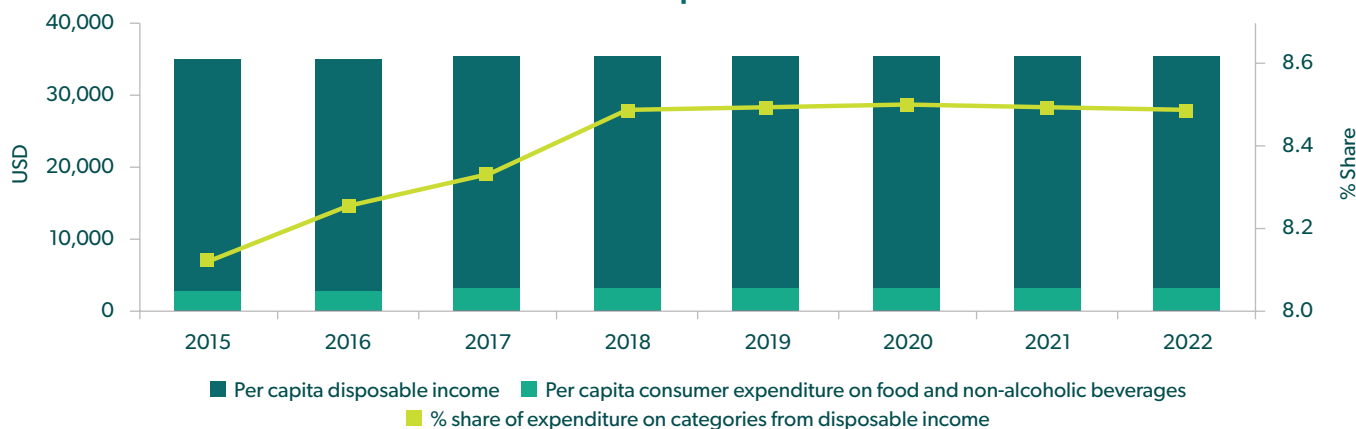
Points of Concern

- Australians are also actively cutting gluten in their diet with a rise in awareness of gluten intolerance or celiac disease.
- 9.4% of respondents of the Euromonitor Lifestyles Survey in 2017 avoided gluten and/or wheat against 7.2% in 2016².

¹Passport Consumers Lifestyles Survey number of respondents: 1,007 (2017)

²Passport Consumers Lifestyles Survey number of respondents: 1,007 (2017)

2015-22 per capita expenditure on packaged food and non-alcoholic beverages as a share of disposable income



Product innovation and rising consumer awareness fuels demand for plant-based food

Australians opt for plant-based protein sources to combat the ill-effects of the meat and dairy industry on environment

The recent series of wildfires during the 2019 Australian bushfire season raised **concerns regarding global warming**. As a result, an increasing number of Australians are cutting meat and dairy due to their **greenhouse gas footprint**. To maintain their daily protein intake and enjoy traditional animal-based foods and dishes, Australian consumers are opting more for plant-based alternatives.

Government agencies collaborate with plant-based protein companies to monetize demand for plant-based substitutes

Australians are opting for plant-based alternatives due to increased concerns over the detrimental effects of meat on health. In 2019, Australia's federal **scientific research agency CSIRO**¹ launched its plant-based meat venture V2Food **from a partnership** between Main Sequence Venture² and food retailer Competitive Foods Australia. The venture prepares hot dogs and sliders using protein from legumes and sells it across eatery chains such as Hungry Jack's.

Supermarkets increase shelf space for plant-based meat

A rising number of flexitarian and vegan consumers are rapidly driving demand for meat-free products. Their demand has particularly grown for **chilled meat substitutes**, which witnessed a value CAGR of **26.8%** over 2014-19. The rise in demand was supported by increased product availability in major supermarket chains such as Coles and Woolworth. Also, a **higher shelf space allocation** in outlets for plant-based substitutes provides Australians a wide range of brand options such as Beyond Meat and Quorn to choose from.

Innovations in plant-based protein product receives support from multinational exhibitions

Australia is rapidly emerging as a major market in terms of innovation in plant-based proteins. As a result, international event planner, Innovatek, plans to shift its plant-based protein innovation expo ProteinTECH from **New Zealand to Australia** in August 2020. The expo exhibits **new innovations** in extrusion and shear cell technology³ that enhance the texture of plant-based meats. It is also set to host founders of plant-based meat businesses as key speakers including Derek Sarno and Thomas King amongst others for knowledge sharing.

¹Commonwealth Scientific and Industrial Research Organisation

²CSIRO's investment fund

³These technologies use sequences of thermal and mechanical stresses on protein base such as soy flour or pea flour to create meat and seafood textures

⁴Derek Sarno is Co-Founder, Wicked Healthy LLC, the owner of brand Wicked Kitchen - He also serves as Executive Chef & Director of plant-based innovation for Tesco PLC. Thomas King is CEO, Food Frontier, an independent think-tank and industry advisor for alternative proteins in Australia and New Zealand.

Gauging consumer demand, brands launch plant-based alternatives for nutritional products



100% Vegan protein supplement, by Pure Blends

Protein ingredients: Pea, Hemp, Rice

What's happening: Plant-based, with lesser ingredients

100% Vegan protein supplement by Pure Blends was launched in 2018. The product was primarily positioned towards physically active consumers **in need of plant-based protein with minimal ingredients**. This supplement was increasingly sought after by consumers as it was plant-based and had just four ingredients.



Plant-based Milo, by Nestlé

Protein ingredients: Soy, Oats

What's happening: Alternatives to classic offerings

Launched in March 2020 by Nestlé Australia, the new plant-based Milo aims to offer an alternative to milk powder in its original format with soy and oats. Stepping into plant-based categories, Nestlé's R&D maintained a **prime focus on retaining the taste and texture while providing higher protein** content than regular Milo.



Vegan dog treats, by Rascals Treats

Protein ingredients: Chickpeas, Peas

What's happening: Vegan protein snacks for dogs

The brand Rascal Treats was launched in 2019 with a focus on plant-protein based treats for dogs. It started selling first in Canberra, but within a year expanded to four other cities too¹. Already offering **100% plant-protein based dog treats**, the brand also plans to offer vegan dog food, gauging the rising demand for vegan pet food.

¹Melbourne, Sydney, Newcastle, Orange