

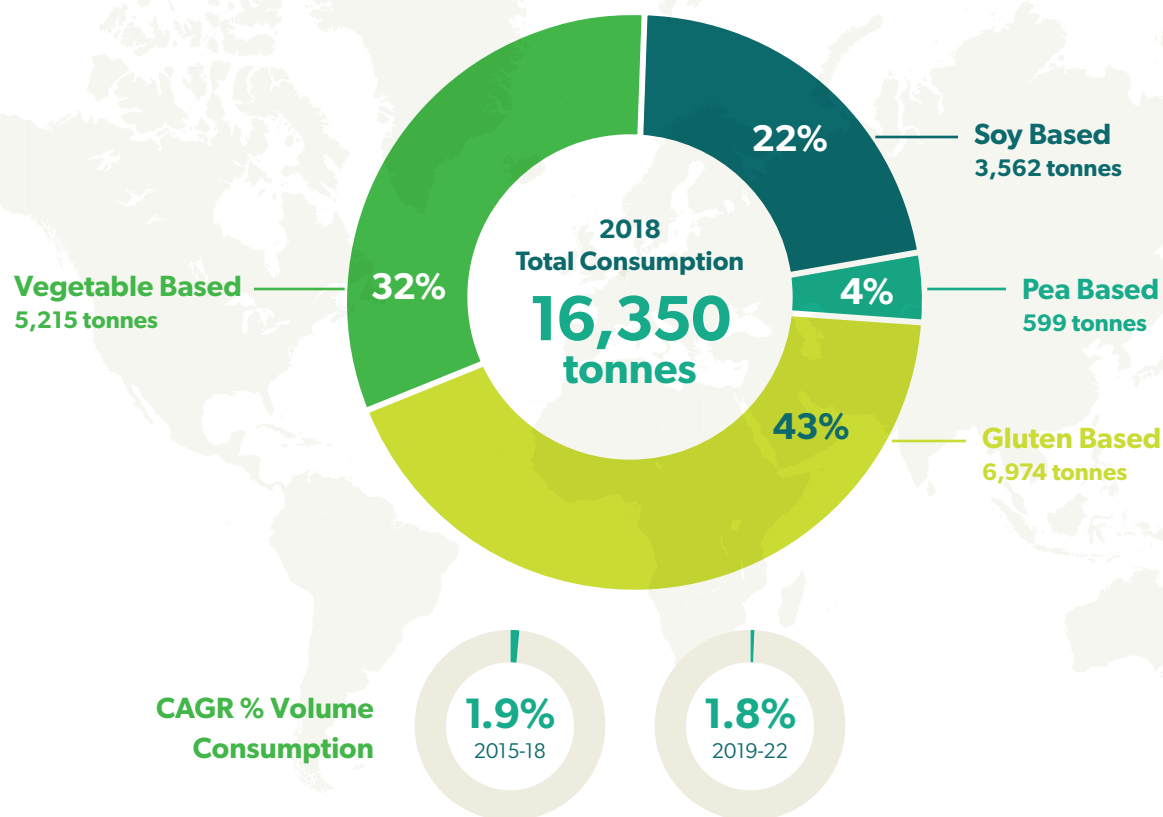


**PROTEIN
INDUSTRIES
CANADA**

COUNTRY OVERVIEW: NETHERLANDS

DEMAND FOR PLANT-BASED PROTEINS IN NETHERLANDS

Consumers in the Netherlands continue to grow demand for plant-based products, with a rising trend toward veganism. This demand has led to increased innovation in product formulation beyond soy. Private labels continue to lead the plant-based meat market with global companies making significant inroads. Learn more about current market trends here:



CAGR % Volume Consumption				
Year	Soy Based	Pea Based	Gluten Based	Vegetable Based
2015-18	4.8%	19.8%	0.8%	-0.1%
2019-22	4.0%	14.2%	0.1%	0.4%

CAGR = Compound Annual Growth Rate

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Consumers' rising environmental awareness fuels demand for plant-based protein

2018 total consumption of
plant-based protein products

16,345 tonnes

2018
total population

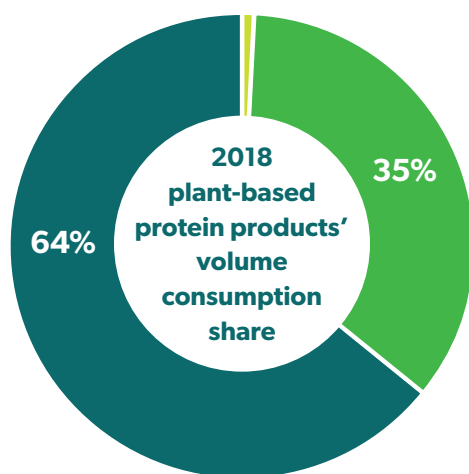
17,181,100

2018 foodservice consumption of
proteins, plant and animal-based

58,592 tonnes

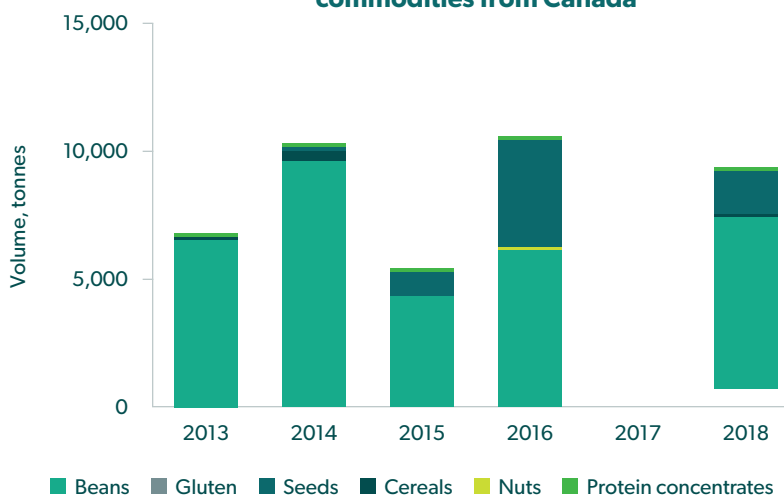
2013-18 CAGR import volume of
plant-based proteins from Canada

4.8%



Soft drinks Packaged food Pet care

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



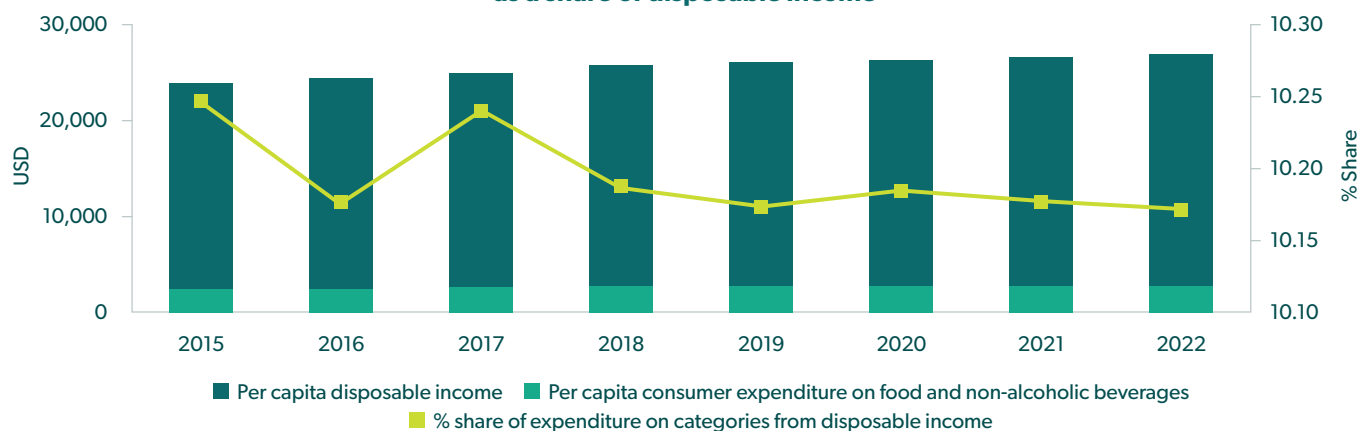
Points of Comfort

- Since 2016, there has been a rising demand for vegan products with the market witnessing value CAGR of 16.0% over 2017-19. The **processed meat category witnessed a decline** in value CAGR of 0.4% over 2014-19.

Points of Concern

- Consumers are becoming increasingly wary of gluten in their diet with a rise in awareness of gluten intolerance or celiac disease. Although it's growing from a small base, the free from gluten bread market grew at a strong value growth of 82.8% CAGR over 2014-19. This indicates limited potential for the growth of gluten as a protein source.

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



Influential marketing campaigns and industry collaborations promote plant-based meat

Consumers' need for plant-based alternatives, in variants other than soy, is driving innovation in product formulation

Vegan and plant-based diet trends are becoming increasingly popular in the Netherlands. Sustaining a strong growth of 17.4% value CAGR over 2014-19, plant-based milk witnessed a large degree of **innovation in terms of formulation**. This is driven by **consumers opting for a wider choice of flavours** and demanding plant-based milk alternatives from **sources other than soy**. In tandem with the strengthening demand, the plant-based milk brand Alpro saw rising number of consumers opt for nut-based milks such as almonds and hazelnut in 2019.

Campaigns using influential visual graphics drive consumers towards plant-based alternatives to meat and dairy

The Green Protein Alliance¹, launched its first national campaign in 2019 aimed at driving demand for a higher, more plant-based diet amongst consumers. With the slogan 'It is possible' the GPA tried to drive an urge to go vegan in meat consumers by **using images and texts to mirror a vegetable choice for each animal product** or recipe. The campaign made **consumers consciously think** about choosing a plant-based protein source instead of an animal based one. For instance, consumers were motivated to replace minced meat with lentils in dishes such as pasta Bolognese.

Private label players lead plant-based meat market owing to first mover advantage despite competing multinationals

Both international and private label brands are competing for share in the plant-based meat space. An international plant-based meat brand, Beyond Meat, launched their product Beyond Burger in the country in 2019 and the product was an instant success. Despite the **competition from global brands**, private label players retained their leading position in 2019 in plant-based meat. In 2018, the supermarket chains Albert Heijn and Jumbo added Vivera's plant-based steak to their offerings. The steak gained attention **in national press** as the **first brand to offer** steak made from wheat and soy.

Companies are resorting to inorganic growth to gain footing amidst rising competition within plant-based meat sellers

Competition amongst plant-based meat companies is expected to intensify primarily due to rise in consumer demand. Contemplating future growth in the field, Unilever in 2018 invested in the plant-based meat market by **acquiring domestic players** such as De Vegetarische Slager. Unilever's interest in the manufacturer stemmed from its soy, wheat and lupin-based offerings such as chicken pieces and smoked pecks.

¹Or GPA, is an alliance between retailers, Government of Netherlands, catering industry, food producers and knowledge partners in Netherlands, primarily focusing on the plant-based protein consumption market in the country

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TRENDING PRODUCTS WITH PLANT-BASED PROTEIN INGREDIENTS

Brands position their products as protein-rich alternatives to animal products to gain consumer attention



Plant-based ice cream, by Ben & Jerry's

Protein ingredients: Almond, Sunflower

What's happening: Gaining mind share at an early stage

Launched in the year 2018, plant-based ice cream by Ben & Jerry's was made available to consumers in multiple flavors. The product was positioned to **grab consumers' attention** at an early stage¹. Ben & Jerry's increased its value share of the plant-based ice cream market from 8.7% in 2018 to 10.5% in 2019.



Plant-based yogurt, by Danio and Activia (Danone)

Protein ingredients: Soy, Oats

What's happening: Alternatives to traditional products

Danone in January 2020 released plant-based varieties of its yogurt under brands Danio and Activia. Originally made from dairy, the new alternatives are instead made from soy and oats. Danone aims **at increasing its product offerings in line with growing vegan demand**.



De Green Goddess Bowl, by Uit De Keuken Van Maass

Protein ingredients: Soy, Chickpea, Pea, Wheat gluten

What's happening: Plant-based protein-rich for health conscious consumers

Uit De Keuken Van Maass launched De Green Goddess Bowl in March 2020 and positioned it as a **protein-rich substitute to meat**. Considering the **health-conscious** consumers, the product is sold as a vegetarian meal salad and was made available at dedicated vegan fridges of the supermarket chain Albert Heijn.

¹In the Netherlands, free from dairy (plant-based) ice cream alternatives only gained prominence starting from 2016 with the launch of Unilever's soy-based ice cream Swedish Glace. Information provided by Euromonitor: "Evaluating and Prioritizing Domestic and International Opportunities for Plant Proteins Report", commissioned by Protein Industries Canada. ©Euromonitor International Ltd. 2020. All rights reserved.