

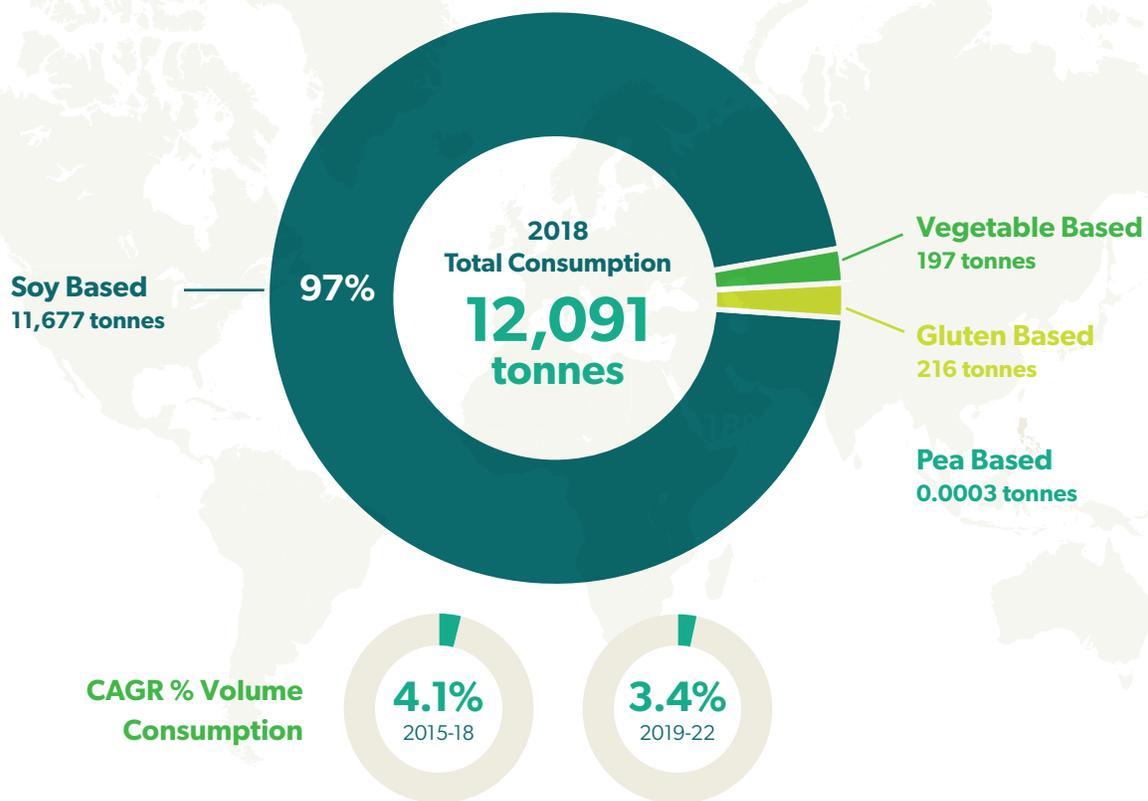


**PROTEIN
INDUSTRIES
CANADA**

COUNTRY OVERVIEW: PHILIPPINES

DEMAND FOR PLANT-BASED PROTEINS IN THE PHILIPPINES

There is a growing demand for soy-based proteins among emerging flexitarian Filipinos who wish to move away from a meat-heavy diet yet maintain their protein intake levels. This has fuelled a steady growth of the import of Canadian beans into the Philippines. Recently, companies have been setting up manufacturing plants in the country to fulfill increased demand of plant-based beverages, with premiums being paid for higher ingredient concentration. Read about the latest market trends below:



CAGR % Volume Consumption				
Year	Soy Based	Pea Based	Gluten Based	Vegetable Based
2015-18	4.1%	-15.7%	3.9%	7.7%
2019-22	3.3%	0.0%	4.4%	6.0%

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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Rising trend of “flexitarianism” is encouraging consumers to drop meat heavy diets

2018 total consumption of plant-based protein products

12,083 tonnes

2018 total population

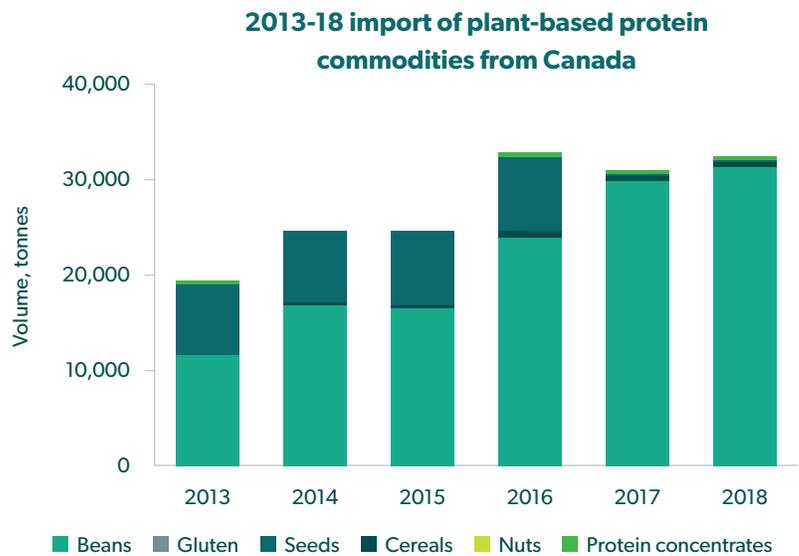
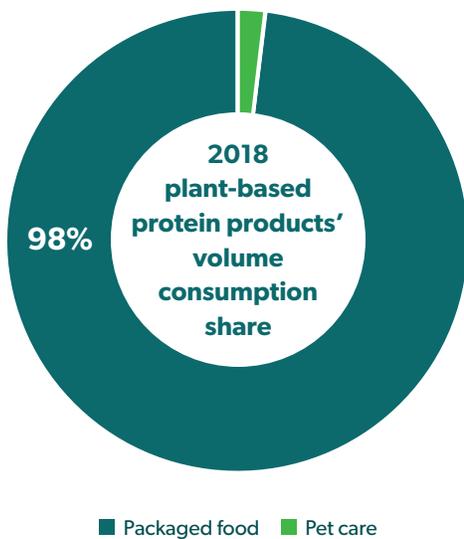
106,651,400

2018 foodservice consumption of proteins, plant and animal-based

52,468 tonnes

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

11.1%



Points of Comfort

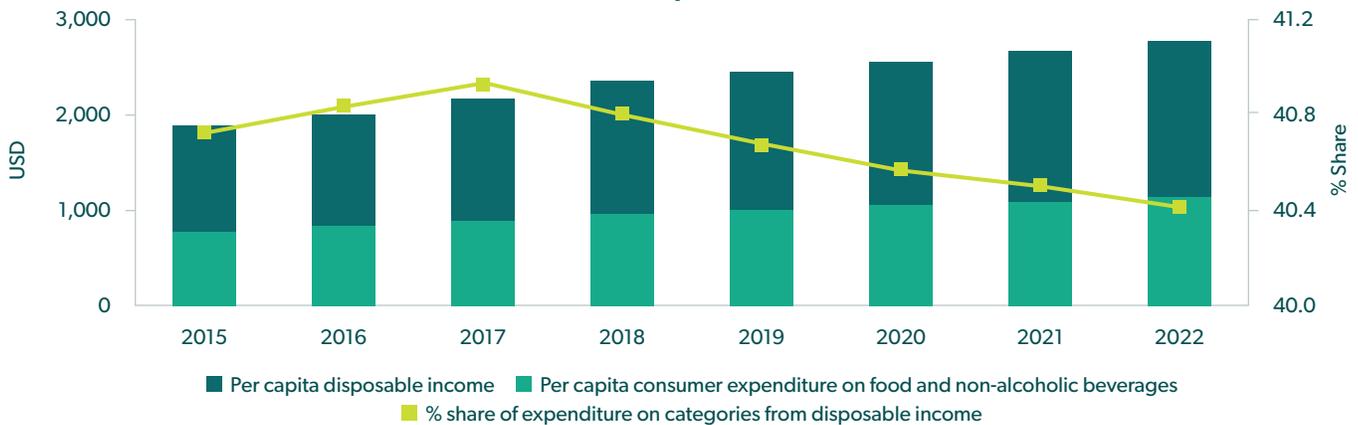
- There is a **growing demand for soy-based proteins** among emerging flexitarian Filipinos. They wish to move away from a meat-heavy diet yet maintain their protein intake levels. In line with this, there has been a gradual increase in import volume of seeds and beans from Canada, with annual imports having grown at 11.1% volume CAGR over 2013-18.

Points of Concern

- The Philippines remains a dominant market in the consumption of **red meat**. In 2019, the Philippines imported 23% more pork, and 39% more beef in volume terms¹, from the USA compared to 2017. This suggests the market will be slower to adopt vegetarianism or veganism.

¹U.S. Meat Export federation, 2019

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



Social factors are driving consumers to opt for plant-based milk alternatives

Influence from vegan groups motivates consumers to try plant-based alternatives

Filipinos are being **influenced by vegan groups aiming to spread health awareness** in the country. This is evidenced by 'Manila Vegans', a Facebook-based vegan group, that saw its members increase from 70 in 2014 to 36,000 in January 2020. Besides this, other annually organized **vegan fests**, such as VegFest Pilipinas, also encourage meat eating consumers to try meat alternatives. Such activities are increasing and are boosting the demand for plant-based meat and dairy substitutes.

Foodservice at premium hotels are experimenting with a wide range of plant-based alternatives

Owing to a rising demand for plant-based meat alternatives at hotels and restaurants, there has been a wide adoption of meat alternatives on menus. For instance, Beyond Meat's products are now offered at the **5-star hotel Grand Hyatt Manila**. The hotel has also initiated **Meatless Mondays¹**, serving options such as plant-based burgers and sausages and a plant-based version of Steamed OmniPork Buns using tofu instead of pork. These initiatives are thereby **fueling demand for plant-based alternatives via foodservice channels**.

Companies are setting up manufacturing plants to fulfill increased demand of soy-based milk

Growing from a small base, plant-based milk alternatives witnessed a strong growth of 13.4% value CAGR over 2014-19. This can largely be attributed to the **widespread acceptance of soy-based dairy alternatives** among Filipinos. In line with this, companies are increasingly establishing new manufacturing plants to support the rise in demand. In 2019, Vitasoy constructed a PHP1 billion factory at Pampanga, and plans to support parent company Vitasoy URC, Inc. to fulfill increased domestic demand of plant-based milk alternatives.

Plant-based milks see premiumization with higher ingredient concentration variants launched

Japanese company Tsukuba Dairy Products launched its premium almond milk in the Philippines in 2019. This premiumization was justified by the relatively higher almond content of 8-10%, when compared to 5-7% in similar products. The launch was largely driven by consumer **demand for higher almond content in almond milk**. Owing to its gluten-free and non-GMO nature, Tsukuba's almond milk is also being increasingly sought after by HoReCa² for vegan dessert making. This in turn is opening up new avenues for demand for premium plant-based products.

¹ Mondays dedicated to serving plant-based alternatives to real meat

² Hotel, Restaurant and Catering

In line with consumer demand, brands launch plant-based products with longer shelf-life and higher protein content



Vegan Tuna Belly, by The Superfood Grocer

Protein ingredients: Soy

What's happening: Health and convenience

The Superfood Grocer, an online retailer, recently launched Vegan Tuna Belly. This is a plant-based fish alternative prepared from textured soy protein as a solution to provide vegan alternatives to fish consumption. Besides being **cholesterol-free**, the product also has a **shelf life of one year**.



Plus Milky, by Vitasoy

Protein ingredients: Soy

What's happening: Plant-based milk tasting as real milk

Launched in February 2020 by Vitasoy, the soy-based milk alternative – plus Milky, is positioned to closely **resemble the taste and texture of dairy milk**. The product **does not have a soy taste and smell**, which is usually present in soy-based milks. Owing to these features, the product has been able to generate positive consumer attention.



Algenburger, by Dambert

Protein ingredients: Spirulina algae

What's happening: Better protein source than meat

Algenburger is an algae-based burger patty sold by Dambert as a replacement to meat in burgers. The brand claims that the **protein in this patty is 12 times more readily available** for absorption by body than the proteins in regular steak. It is also positioned as containing **60-70% protein** when compared to 25% in steak.