



schouten specialist in
plant-based protein

Our latest plant-based
market insights for you

March-April 2022

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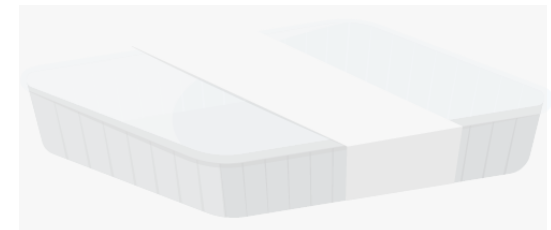
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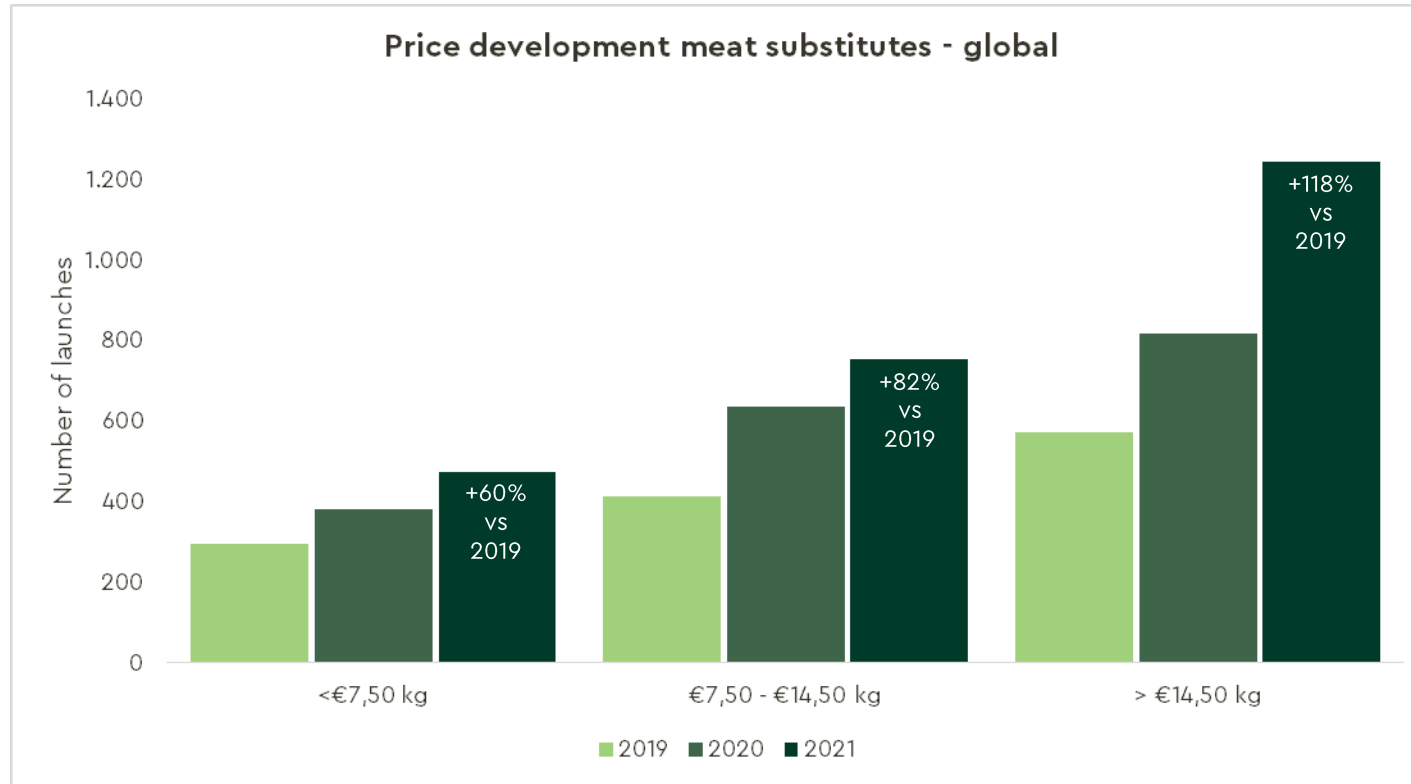
The plant-based price

The prices of meat substitutes are relatively high and are a barrier to buy them (more frequently).

We have reviewed multiple articles and data sources and we would like to share our findings in the next few slides.



We notice a global price increase in meat substitutes..



- The number of launched products with a kg price above €14,50 is large and is growing quickly.
- In North-America this development is stronger than in Europe.
- In conventional meat the number of launches is more equally spread across the different price ranges.
- The Good Food Institute indicates that plant-based proteins are frequently sold at a premium price, compared to animal based proteins.

... and these higher prices are quite often a barrier to buy.



20% of people in United States indicate that they don't eat plant-based because it's too expensive.

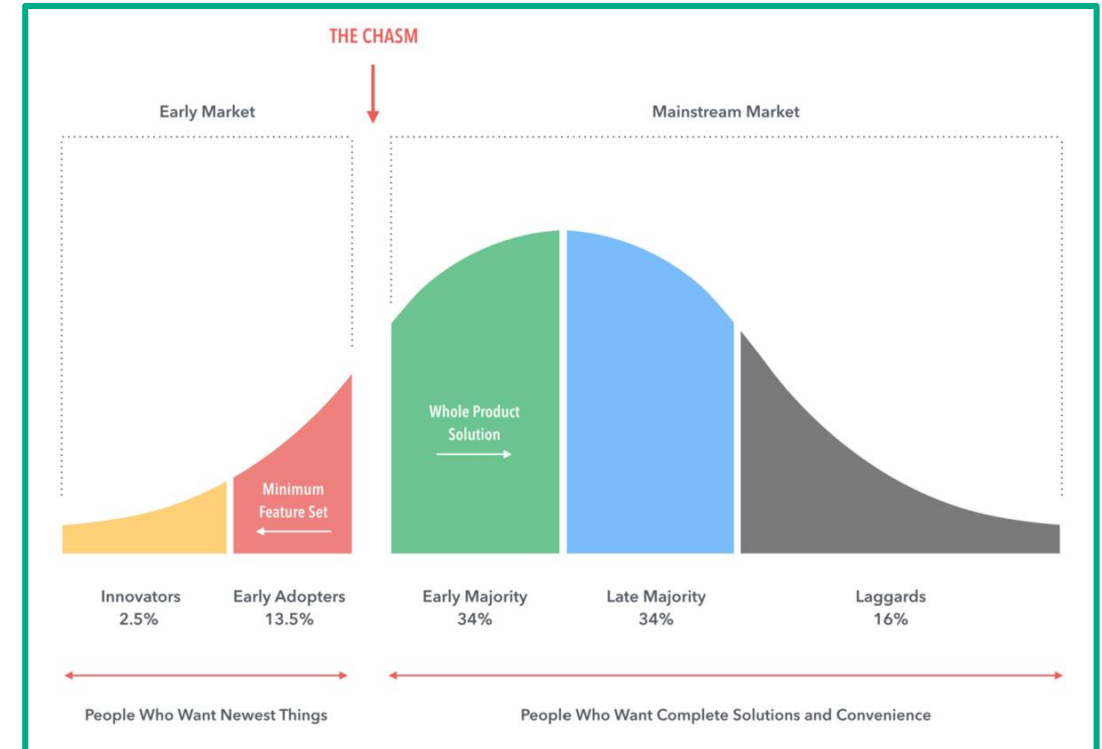


In Europe 52% thinks that plant-based products are too expensive. In Germany, England and the Netherlands this percentage is even somewhat higher.



Price: one of the barriers on the road to mainstream.

- As a category, meat substitutes is on the edge of a 'chasm'.
- Multiple barriers about plant-based are preventing the category to cross this 'chasm' and become mainstream.
- We believe that the relatively high price is one of the most important barriers.
- The Good Food Institute confirms that 'equality' in prices is crucial for a broader adoption of the category.



Conclusions and what now?

- BCG & Blue Horizon expect that the price of plant-based protein will be **equal** to the price of animal based proteins in 2023.
 - Next to that, the Good Food Institute says that the price gap between plant-based and animal based will shrink quickly. First concessions are already there.
 - Our expectation is that it will take to **at least 2025** until prices will be more or less equal, because:
 - It will take some time before economies of scale will arise for meat substitutes.
 - The price of conventional meat will not increase on short notice.
- Priority remains to invest in the intrinsic motivation of the consumer to at least make a part-time switch to plant-based.
- Marketing & innovation are the most important instruments to use.



The plant-based price

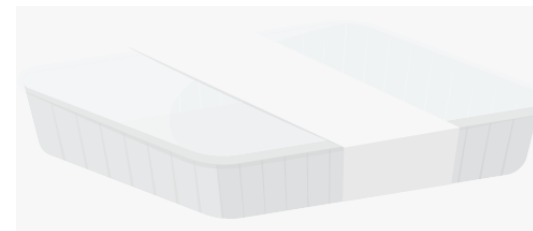
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Organic

- Organic is a topic that has been on the food industry agenda for several years. Also in meat substitutes we see multiple organic options.
- What is the importance of 'organic' in meat substitutes and are there any differences between countries?
- We have reviewed different sources and we will present the answer to the question above in the next slides.



Total organic* grows, but remains a niche.

Lots of growth expected...

14,5%

Expected yearly growth until 2025.

Estimated market size in 2025.

\$381
miljard

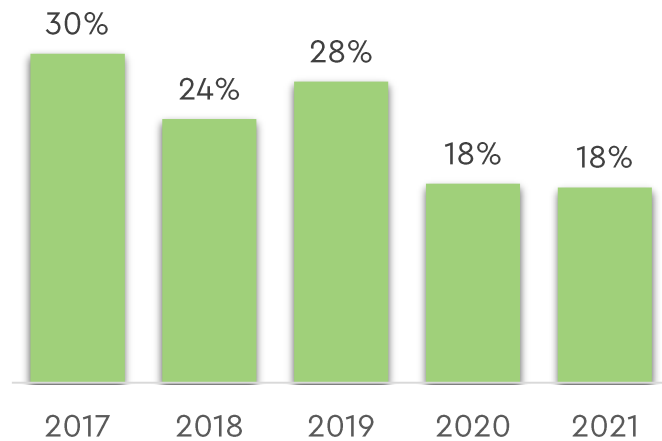
..but there still a lot to gain.

Unless huge interest and positive attitude towards organic, the consumption volume is still relatively small (approximately 4%).

Focussing on sustainability, health and social benefits help to increase the purchase frequency of organic products.

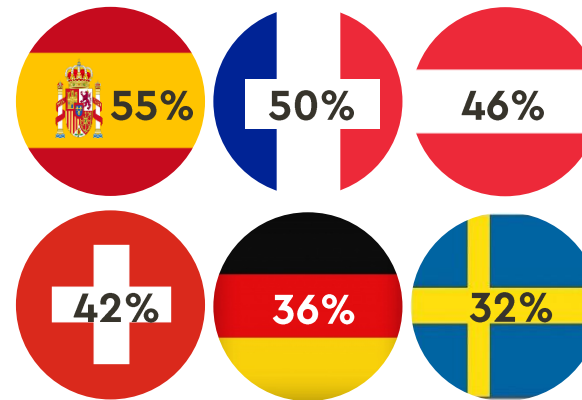
Launches of organic meat substitutes: large differences across countries.

Share of launches in meat substitutes with an organic - global

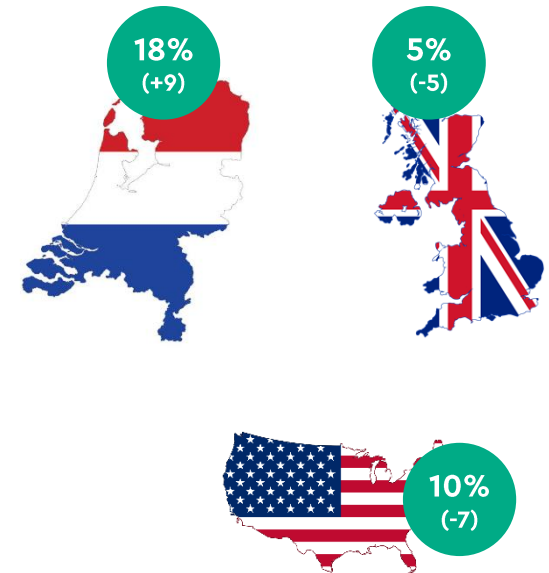


18% of launches in 2021 had an organic claim. The share has however decreased over the years.

Top 6 countries based on the share of organic launches within meat substitutes in 2021



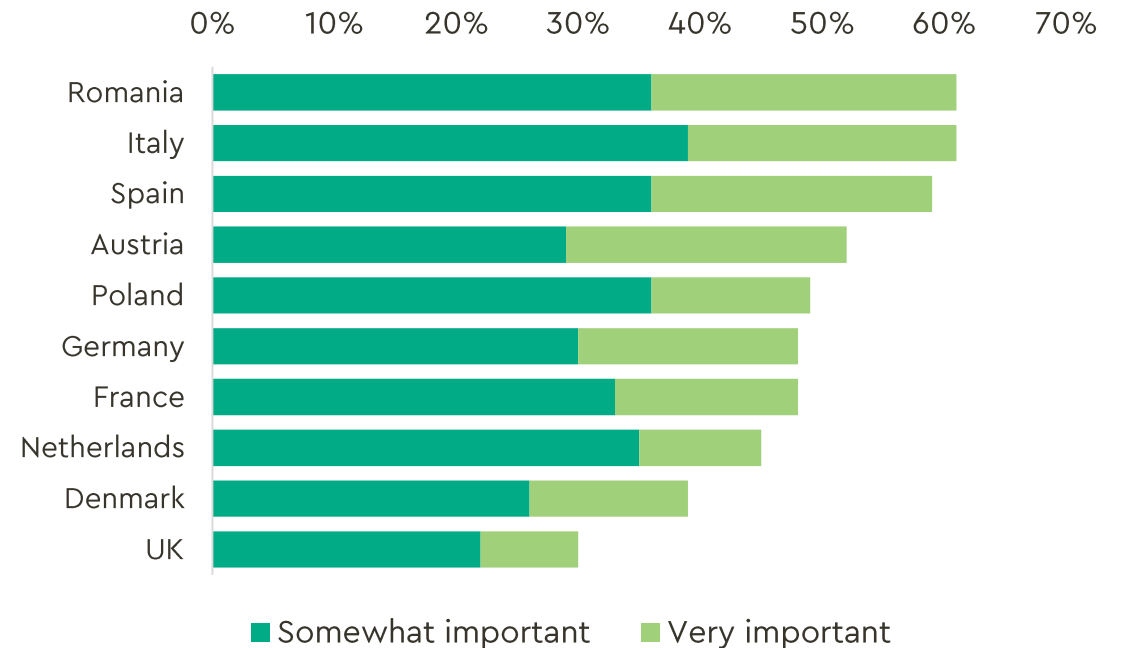
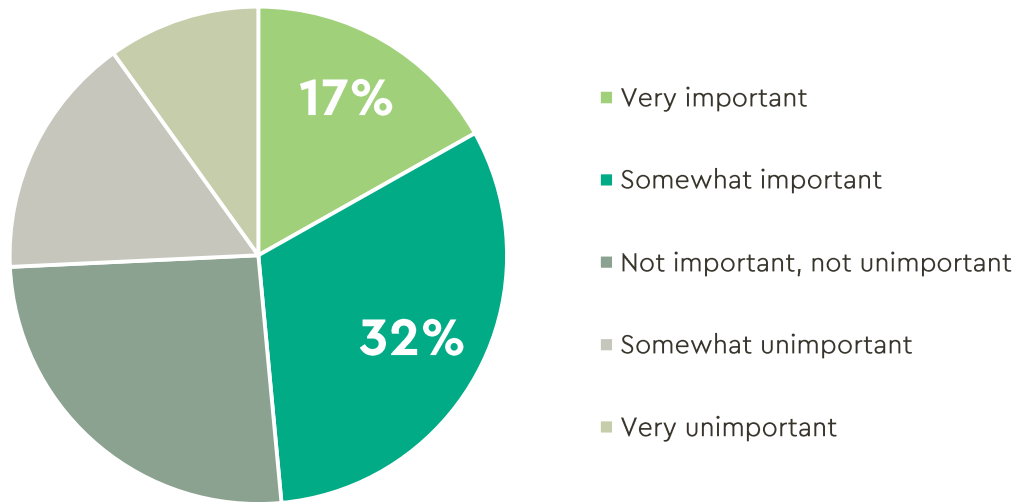
Only European countries among the highest ranks. The share of organic launches increased only France (+5 pt) and Sweden (+28 pt) compared to 4 years ago.



In other mature plant-based markets the share is relatively low. Only in NL the share increased compared to 4 years ago.

Almost half of all Europeans think organic label is important.

How important is an organic label for you when it comes to plant-based food products?



- Romanian and Italian people find an organic label relatively important.
- In the Netherlands, Denmark and UK the level of importance is lower.

Answer to the question

What is the importance of 'organic' in meat substitutes and are there any differences between countries?

- Unless the quick growth of the organic food market there's still a lot of growth potential.
- In meat substitutes organic doesn't seem to be fully adopted, except for some European countries.
- The importance of organic varies strongly across countries.

→ Organic or not? This is strongly depending on the country you're aiming for. Multinational approach will be difficult.



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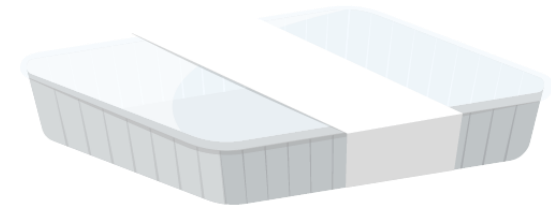


Organic

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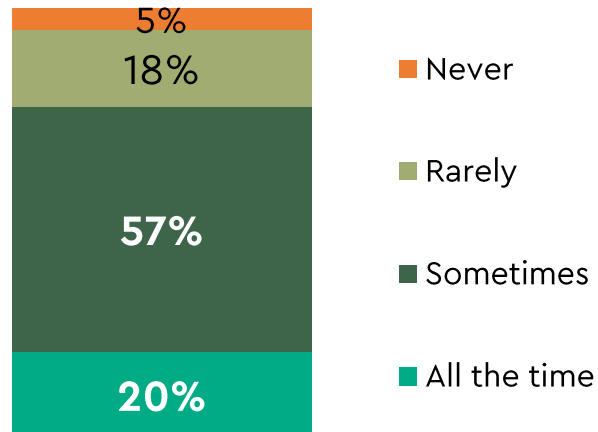
Packaging

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Differentiate with packaging? Yes!

When buying a meat alternative
77% of European shoppers pay
attention to the packaging all the
time or sometimes (characteristics,
product, sustainability).



Do you consider the packaging when you buy
meat alternatives?

Top 3 most important features of meat
alternative packaging:

- 1 Clear product info
- 2 See-through / transparent
- 3 Recyclable

In order to determine how sustainable
a packaging is, the material of the
pack and the claims are used most
often. Sustainability logos are less
relevant.



So?

- Packaging is really important to shoppers of meat alternatives.
 - They want to see the product and clear information about it. Packaging is preferably recyclable.
 - Sustainability claims are helpful, logo's are not.
- Innovation should go beyond new variants or flavors, innovativeness in the field of packaging will really prove valuable.
- Clear communication on packaging is crucial. Avoid unnecessary content, focus only on what's relevant.



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Questions? Feel free to reach out.

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List of used sources

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