The European market for Meat Substitutes

Challenges & Opportunities

Karine Chartier, Analyst Consumer Foods
Rabobank: Global leader in Food & Agribusiness

EUR 100bn committed to the Food & Agribusiness sector

EUR 11bn committed to the global Consumer Food industry

10 of the Top 15 global Consumer Food companies are Rabobank clients

Located in 40+ countries, providing global scale and local network

Dedicated expertise in Food & Agribusiness worldwide
RaboResearch Food & Agribusiness

One of the largest F&A research hubs in the world and the world’s leading F&A financial services provider

Unique combination of strategic business development and in-depth research

F&A coverage from farm to fork, across rural and wholesale sectors

A global network...

Broad knowledge of innovation, strategic development and risk-reward balances along the value chain

Vast global network with access to all players in the market

Global team of experts with real-time insights into local markets

of local experts
The rise of the flexitarian

Worldwide Google searches show how 'flexitarian' is increasingly popular

Sources: Google, Rabobank 2019
What is driving consumer interest in alternatives to meat?

**Push drivers**
- Health concerns
- Animal welfare and ethics
- Sustainability

**Pull drivers**
- Investors
- Growth of alternative proteins
- Curiosity
- Convenience
- Personal nutrition

Source: Rabobank 2019
Different types of alternatives – at different stages of market maturity

Tofu

Vegetarian burger/schnitzel etc

Impossible Burger/Beyond Meat

Hybrid

Insects/Lab-grown meat?

Established

Emerging

Source: Rabobank 2019
The current European meat substitutes market is substantial and growing.

<table>
<thead>
<tr>
<th>Year</th>
<th>Oats</th>
<th>Year</th>
<th>Oats</th>
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<th>Oats</th>
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<tbody>
<tr>
<td>2013</td>
<td>0.1 kg</td>
<td>2018</td>
<td>0.2 kg</td>
<td>2022</td>
<td>0.3 kg</td>
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<td></td>
<td>11.2%</td>
<td></td>
<td>6.9%</td>
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<table>
<thead>
<tr>
<th>Year</th>
<th>Fish</th>
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<th>Fish</th>
<th>Year</th>
<th>Fish</th>
</tr>
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<tbody>
<tr>
<td>2013</td>
<td>17.3 kg</td>
<td>2018</td>
<td>16.8 kg</td>
<td>2022</td>
<td>16.8 kg</td>
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<td></td>
<td>(0.5%)</td>
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<td>(0.0%)</td>
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<table>
<thead>
<tr>
<th>Year</th>
<th>Meat</th>
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<tr>
<td>2013</td>
<td>57.4 kg</td>
<td>2018</td>
<td>54.0 kg</td>
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<td>52.8 kg</td>
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<td>(1.2%)</td>
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<td>(0.6%)</td>
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</table>

Sources: Euromonitor, Rabobank 2019
Big differences between European countries (1/3)

2018 market size

- **Other**: 15%
- **6%**: [Country flag]
- **8%**: [Country flag]
- **10%**: [Country flag]
- **13%**: [Country flag]
- **16%**: [Country flag]
- **32%**: [Country flag]

**EUR 1.246 mln**

Sources: Euromonitor, Rabobank 2019
Big differences between European countries (2/3)

**UK**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>2013</td>
<td>236</td>
<td>396</td>
<td>748</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
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</tr>
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<td>2023</td>
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**NL**

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<th>NL 2023</th>
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<tr>
<td>2013</td>
<td>81</td>
<td>98</td>
<td>136</td>
</tr>
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<td>2018</td>
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</tr>
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<td>2023</td>
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**FRA**

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<td>25</td>
<td>126</td>
<td>248</td>
</tr>
<tr>
<td>2018</td>
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<td>2023</td>
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**IT**

<table>
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<th>IT 2018</th>
<th>IT 2023</th>
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<tbody>
<tr>
<td>2013</td>
<td>125</td>
<td>167</td>
<td>203</td>
</tr>
<tr>
<td>2018</td>
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<tr>
<td>2023</td>
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</tbody>
</table>

Sources: Euromonitor, Rabobank 2019
Big differences between European countries (3/3)

Reversal in growth trend 2017-2018:

- Products failed to achieve regular purchases
- Wider availability in supermarkets and discounters
- Many products being on promotions

Rapid changes and innovations in terms of quality/taste improvements might have a positive impact on the future growth rate

Sources: Euromonitor, Rabobank 2019
Europe: introducing the ‘baskets’

- **Big Food**
  - Nestlé
  - Monde Nissin
  - Bonduelle

- **Animal Protein**
  - Fleury Michon
  - PHW

- **Pure Play/Organic**
  - VEGETA
  - LIKE MEAT
  - NATURLI’

- **Private Label**
  - REWE Deine Kuche
  - TESCO

Source: Rabobank 2019
Europe: the tide is lifting all boats

Sources: Euromonitor, Rabobank 2019
How will the shelves look like in the (near) future?

- Growing shelf space?
- Products
  - What is being replaced?
  - Technology?
  - Ingredients?
- Chilled/frozen/shelf stable?
- Which brands?
  - Private Label?

Source: Rabobank 2019
Several factors might define who’s winning the battle for the centre of the plate

- Branding Power
- Manufacturing Capacity
- Innovation/technology
- Cost price
- Distribution Power

Source: Rabobank 2019
The European market: opportunities & challenges

Growing market

Room for everyone

Big Food and Private Label seem to be well positioned

Source: Rabobank 2019
Thank you for your attention
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