

MEDIA RELEASE
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AUSTRALIA'S PLANT-BASED MEAT INDUSTRY SURGES: JOBS AND REVENUE DOUBLE IN FY20 DESPITE ECONOMIC DOWNTURN

Despite COVID restrictions and lockdowns, consumer demand for plant-based meat products in Australia – such as meat-free burgers, sausages and ready meals – grew exponentially last year, according to a new [report](#) out today with modelling by Deloitte Access Economics.

Retail sales surged 46 percent in the year to June 2020, with the number of new jobs more than doubling (106 percent growth) in the emerging sector, and manufacturing revenues increasing from \$35 million to nearly \$70 million.

The report by Food Frontier, Australia's independent think tank on alternative proteins, further reveals that national retailers doubled the number of plant-based meat products on Australian grocery shelves last year to more than 200. This expansion of plant-based meat product ranges caters to growing consumer interest, as evidenced by the one-third of Australians who are limiting their meat consumption.ⁱ

Growing demand for meat alternatives being driven foremost by health concerns, which the report notes are expected to rise further post-pandemic.ⁱⁱ

At the same time, global investment in plant-based meat in 2020 reflected this rising demand, with US\$1.5 billion pouring in from international meat and FMCG giants, governments and venture capitalists.

Deloitte Access Economics' 2019 modelling for Food Frontier forecast that consumer sales in Australia's plant-based meat sector could hit \$3 billion annually by 2030, from its FY20 level of \$185 million – and create over 6,000 new jobs.

But Food Frontier CEO Thomas King says governments at all levels need to support investment in R&D and infrastructure for the burgeoning industry, as well as evidenced-based regulation to ensure a level playing field for new players in the market.

“With the right political will, Australia can build a multi-billion-dollar plant-based meat industry, enabling our food businesses and farmers to capitalise on fast-growing global demand for alternative proteins.”

Plant-based meats are forecast to command 10 percent of the US\$1.4 trillion global meat market by 2029 according to Barclays,ⁱⁱⁱ as the growing category of consumers dubbed 'flexitarians' choose meat alternatives more often.

According to recent reports, much of that growth will be in Asia – where consumer demand for alternatives like plant-based mince, poultry-style and pork-style products is expected to grow 200 percent over the next five years in China and Thailand alone.^{iv}

“Australia's plant-based meat companies are eyeing export opportunities and will be watching demand trends overseas closely, while some, including Fable Food Co, Fenn Foods and v2food, have already launched into Singapore, Japan, Korea and other Asian markets,” said King.

“Australia has the agricultural capacity, commercial appetite and research know-how to become an international leader in new protein industries including plant-based meat. To not make the early investments necessary to leverage these unique strengths would be a missed opportunity.”

Additional points from Food Frontier’s 2020 State of the Industry report:

- The number of Australian plant-based meat brands almost doubled from 10 to 19 in major retail and national foodservice outlets (supermarkets, restaurants and fast-food outlets) in FY20.
- Amidst the pandemic, Australian plant-based meat companies pivoted where necessary to achieve expansion plans. For example, amid dining closures Fable Food Co and v2food transitioned to home meal delivery through partnerships with local restaurants and Deliveroo, respectively; v2food paired deliveries with trial packs of its retail products.
- Australian foodservice sales were down 10 per cent due to the pandemic, including sales of plant-based meat. Given new plant-based meat products were introduced to menus just before pandemic-induced lockdowns, this sales channel has potential for considerable growth in 2021 and beyond.

The opportunity for Australia

Sector-wide interventions that will enable the plant-based meat sector to continue its upward trajectory, benefiting consumers, food businesses and crop farmers:

- **State governments** can bring jobs to their region and enable Australian farmers to generate more profit at the farmgate by supporting investments in the infrastructure necessary to process Australian crops into the ingredients used in plant-based meats.
- **Federal government** can support R&D that generates plant protein intellectual property, which will help to establish Australia as a global centre for alternative proteins and contribute to the nation’s goal of a \$100 billion food and fibre sector by 2030.
- **Retailers** can further growth in the plant-based meat category by supplying options that satisfy consumer tastes at more competitive prices and providing promotional support.

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The full report, *2020 State of the Industry: Australia’s Plant-Based Meat Sector*, is available for download at [FoodFrontier.org/reports](https://www.foodfrontier.org/reports)

About Food Frontier

Food Frontier is the independent think tank and expert advisor on alternative proteins in Australia and New Zealand. Food Frontier’s [previous reports](#) include a 2019 State of the Industry with first-ever economic modelling of the Australian plant-based meat sector to 2030; research on the health and nutrition of plant-based meats; and national Colmar Brunton research on consumer behaviour and dietary trends. www.foodfrontier.org

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ⁱ Kalocsay K, King T, Lichtenstein T, Weber J. Plant-based meat: A healthier choice? [Internet]. Melbourne: Food Frontier; 2020 Aug 12 [cited 2021 Feb 17]. Available from: <https://www.foodfrontier.org/reports>

ⁱⁱ Firmenich Global Covid 19 Food & Beverage Tracking Study. [Company presentation] Firmenich: Switzerland; 2020 Jun (cited 2021 Feb 19)

ⁱⁱⁱ Carving up the alternative meat market [Internet]. London: Barclays; 2019 Aug 11 [cited 2021 Feb 17] Available from: <https://www.investmentbank.barclays.com/our-insights/carving-up-the-alternative-meat-market.html>

^{iv} Plant-based meat alternatives set to thrive in the next five years [Internet]. UK: DuPont Nutrition & Biosciences; 2020 Dec 16 [cited 2021 Feb 18]. Available from: <https://www.dupontnutritionandbiosciences.com/news/plant-based-meat-alternatives-set-to-thrive-in-the-next-five-years.html>