

Investors see opportunity in plant-based foods; There's a host of start-up companies catering to those choosing their food on ethical grounds

Ontario Farmer
Tue Aug 6 2019
Page: A13
Section: News
Byline: Ian Cumming
Source: Ontario Farmer

Chicago -It's a panel of speakers, tackling an issue that is never featured at a livestock gathering.

The topic is 'Finding Opportunities For Plant-Based Dairy and Meat Alternatives' and it's aimed at investors in the profit driven food sector here at the Ag Tech Nexus conference, sponsored by Global AgInvesting.

A Canadian beef representative eager to get to know his competition got on a plane in Calgary to come and hear.

It's a sector in which his company -Archer Daniel's Midland (ADM) -has already invested huge money in plants in Brazil and North Dakota, to manufacture soy and pea protein respectively for these plant based foods, said Pierre Ganiere, Director of Venture ADM.

Manufacturing these foods "is, in the end, not a new trend, but it has been enabled by technology," said Ganiere. "It's a 60-year technology bringing new solutions to market."

"In 2013 it cost \$320 (US) a kg to manufacture fake meat products, today that cost is \$10 a kg," said Ganiere.

The emergence of "flexitarian" consumers, who are switching between being vegetarian and vegan, with some traditional meat and dairy in their diets, has meant growth in the plant-based sector, he said.

ADM is "looking at the next wave but it's difficult to find a product as good as soy," said Ganiere. "Whey protein to make ice cream is the next wave," predicted Ganiere.

There is an array of new startups out there along these lines, with ADM really focusing its potential future acquisition or partnering investments "in alternative dairy products," he said.

Plant-based milk now makes up "13 per cent of all retail milk," said Suneet Lad, from Chicago-Land Food and Beverage Consumers, who moderated the panel.

Elise Tresley's company, Mele, which she founded, has focused on finding the right unique mixture of fruits and vegetables to "make a milk to go," for busy consumers, she said.

She has an eye toward marketing "the perfect food for gut health," something that medical science says profoundly affects sleeping and emotions, she said.

They have gained a profitable marketshare through social media, said Tresley. The biggest challenge has been "finding the right substitutes that are nutritious and have flavour," she said. She sees her niche market as "food is medicine."

On an overall basis, "80 per cent of non-vegans are also consuming plant-based proteins," she said. "Every player in the ecosystem is behind this. So are retailers."

Lori Lefcourt, founded Uni-Creamer, which is a supplement plant protein used as a coffee creamer.

The success of its product has been driven by people leaving dairy due to "animal welfare issues and health alternatives, wanting a more sustainable way to eat," said Lefcourt.

Most of their sales are through "the food digital market," she said.

A surprise to their company has been an almost equal embracing of their product by consumers over 55 years of age as compared to those 35 to 45 years, she said. "We didn't anticipate this."

These older consumers state they "are doing it for health reasons, stopping to eat sugar," said Lefcourt.

Not all pea proteins "are created equally," warned Lecourt. He noted that the American grown product is being interchanged with that coming from China. There are also taste challenges in, "masking the pea flavour," she said.

Lisa Drawer, director of marketing at the Edlorg Corporation, which is known globally by those in the plant protein business as 'the dairy flavour company'.

Plant-based foods "have a lot of challenges" in meeting a concerned, informed consumers demands, said Drawer. These consumers are continually online looking for new products and reading labels to meet their diverse, ethical concerns, she said.

Such as adhering to a "clean label," which even sees GMO soy as being bad, having being sprayed with Roundup.

One of the major challenges is flavour, said Drawer. "Plant proteins have grainy, waxy characteristics," she said. "You need to have flavours on the onset, it's the number one thing in a taste test."

"Dairy is very complex," said Drawer. However many companies are "finding a sweet spot," with peas as the foundation, she said.

Government regulators, such as formulating regulations for labelling, are facing many challenges and, "I don't know where labeling is going to end up," said Drawer. "We're treading lightly at this stage."