



F R O S T & S U L L I V A N

FUTURE OF VEGAN AND PLANT BASED DIET IN THE MIDDLE EAST – CHALLENGES AND INNOVATIONS

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Overview & Key Developments Driving Demand

The Middle East region has experienced a surge in demand for both plant-based and vegan foods in past couple of years.

While a diet that is predominantly plant-based may occasionally also contain meat, fish, dairy products, and eggs, a vegan diet fully forbids the consumption of meat and animal-based products. Additionally, it implies that in terms of plant-based diet, you consume more whole foods as opposed to processed goods. The plant-based foods market could make up to USD \$ 8-9 billion by 2030¹ in MENA region at CAGR of more than 10%.

The Middle East region has experienced a plant-based revolution in past couple of years. According to market survey conducted by Toluna, 87% and 81% of respondents have tried plant-based F&B in UAE & KSA respectively. Improving quality of life, health issues, losing weight, gaining muscle are some of the key motivators for adopting plant based or vegan food in MENA region. A wide variety of plant-based products are available on supermarket shelves, restaurants are introducing previously unheard-of meat- and dairy-free options to their menus, and vegan social groups are drawing large followers. The demand for plant-based substitutes is rising quickly in the region as more brands are coming up with variety of products in the market and consumers are becoming more mindful about what they eat.

Many supermarkets in UAE and KSA now have well-known vegan products from the West, including Beyond Burger, Meatless Farm, Impossible Burger, V-Bites, Violife, and Quorn. Currently majority of these products are imported in region. With these imported products, it is also implied that even though plant-based substitutes are already more expensive than their animal-based equivalents, they are even more expensive in the Middle East region. However, with emphasis on local manufacturing increasing in the region, the scenario is changing. For example, Switch Foods, an Abu Dhabi-based manufacturer of plant-based meat has established Abu Dhabi's first plant-based meat plant to create soy-free and vegan kebabs, minced meat, kofta, sujak, and burger patties.

IFFCO introduced a brand called THRYVE in the UAE, which is claimed to be the Gulf Cooperation Council's first 100% plant-based meat venture². Starbucks stores in the UAE and Kuwait added vegan beef to their menu. Beyond Meat, a California-based provider of food technology, assisted in the launch.

Albatha Group, based in Sharjah, launched a line of vegan meat products under the Healthy Farm brand, including kebabs, burgers, meatballs and chunks. The business imports organic kale and spinach, among other ingredients, from the UAE for use in its products.

¹Bloomberg Intelligence "Plant-based Foods Market to Hit \$162 Billion in Next Decade".

²Gulfood Insights

Key Opportunities

- **Appealing customers desire to eat more plant-rich food:** RTE vegan patties, vegan burger, vegan cakes, organic juices, vegan-plant based porridges are among the most demanded plant based and vegan food in region. Restaurants and fast-food chains are developing and promoting plant based and vegan menu options in region. Domestic brands are also carving out a space in the plant-based market.
- **Boosting food security:** Supporting plant-based diets will also help in improving food security, especially if Middle Eastern businesses buy their products from regional farmers. A substantial quantity of resources, like land and water, are needed for animal husbandry. However, switching to plant-based ingredients would drastically cut down on this utilization. Exploring more environmentally friendly proteins, such as fermented protein, may help the Middle East region achieve greater food security and self-sufficiency.
- **Rising health consciousness:** Even though Arab households eat primarily meat, the market for plant-based alternatives in the region is expanding rapidly. The trend is mostly driven by increased health consciousness in the Middle East, as opposed to Western markets where demand is driven by growing concerns for animal welfare and environmental sustainability. Health is the biggest and most alluring hook in the area. Plant based products are free from Trans-fat and cholesterol which is boosting the demand for plant-based meat products.



Disruptions in market

Looking at the rising trend for plant based and vegan foods, many food manufacturers came up with innovative products in the region. A burger made with sunflower protein, fava beans, and peas was introduced by the UAE-based halal food producer **Al Islami**.

Americana, a major player in the local food sector, introduced Nabati, a line of five plant-based beef and poultry products that includes nuggets, meatballs, and patties. The first Egyptian company to do so was **Juhayna Food Industries**, one of the oldest dairy and juice producers in the nation, which also introduced a comprehensive line of plant-based milk.

Al Islami Foods, Blue Diamond Growers, Danone SA, Healthy Farm, Freakin' Healthy, KOITA Foods, Upfield BV, Kellogg Company are some other companies which are offering a range of innovative products in region. UAE has declared 2023 as the “Year of Sustainability” as it gets ready to host the COP28 climate meeting later in the year. Citizens will be encouraged to adopt plant-based diets as part of the nationwide campaign, as well as to waste less food.

Spinneys launched a “Power of Plants” initiative to encourage consumers to make more sustainable choices. Sales of plant-based foods have climbed 54% during the last three years at grocery stores.³

Current Challenges

01 High Cost of products: Plant based products must reach price parity with animal meat. Local sourcing and production of plant based, and vegan products will help in more flexibility, affordability, and availability of products. If the products are produced locally, volumes can be adjusted based on the actual demand in the region. Also, efficient production technology and government support will lead to the right price of products.

02 Taste and feel concerns: The sensory experience of plant-based food is a barrier to adoption for many consumers, particularly if they anticipate a flavour and feel similar to that of animal-based products. Plant based food has to taste delicious and smell good similar to animal meat. This would help in increasing demand and consumption of products.



³Good Food Institute (2021). 2020 U.S.retail market data for the plant-based industry.

Future Strategic Outlook

Plant based food or vegan meals which started as trend couple of years ago have slowly become mainstream food industry. As consumers become more aware of the fact that animal-based foods emit twice greenhouse gas emissions than those of plant-based foods, efforts will be made to consume more sustainable food. Consumers are also moving towards fewer ingredients and clean labels in plant based and vegan food. Dairy companies are diversifying to have a strong dairy free product range. Going forward, the industry will grow owing to new market entrants with innovative food products.



⁵Frost & Sullivan Analysis



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