



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

VEGANISM—A WAY OF LIFE

Preference for preventive health measures driving
demand for vegan and plant-based diets

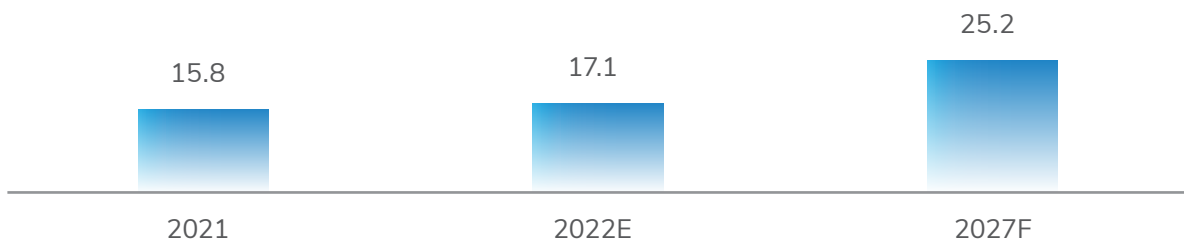
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The term “vegan” is derived from the combination of the first and last letters of “vegetarian.” Conventionally, the term “vegan” has been used to refer to diet specifically, but it extends beyond that. Vegan diets are plant-based and part of the veganism philosophy, which excludes cruelty to animals in any form for food, clothing, or any other purposes.

A vegan diet mainly consists of plant-based foods, including vegetables, legumes, grains, fruits, sprouts, plant-based dairy products, and nuts. Meat, dairy, poultry, seafood, and products containing any ingredient that originates from an animal are excluded from this diet

Fig 1.1 Global Vegan Market Size, USD Billion



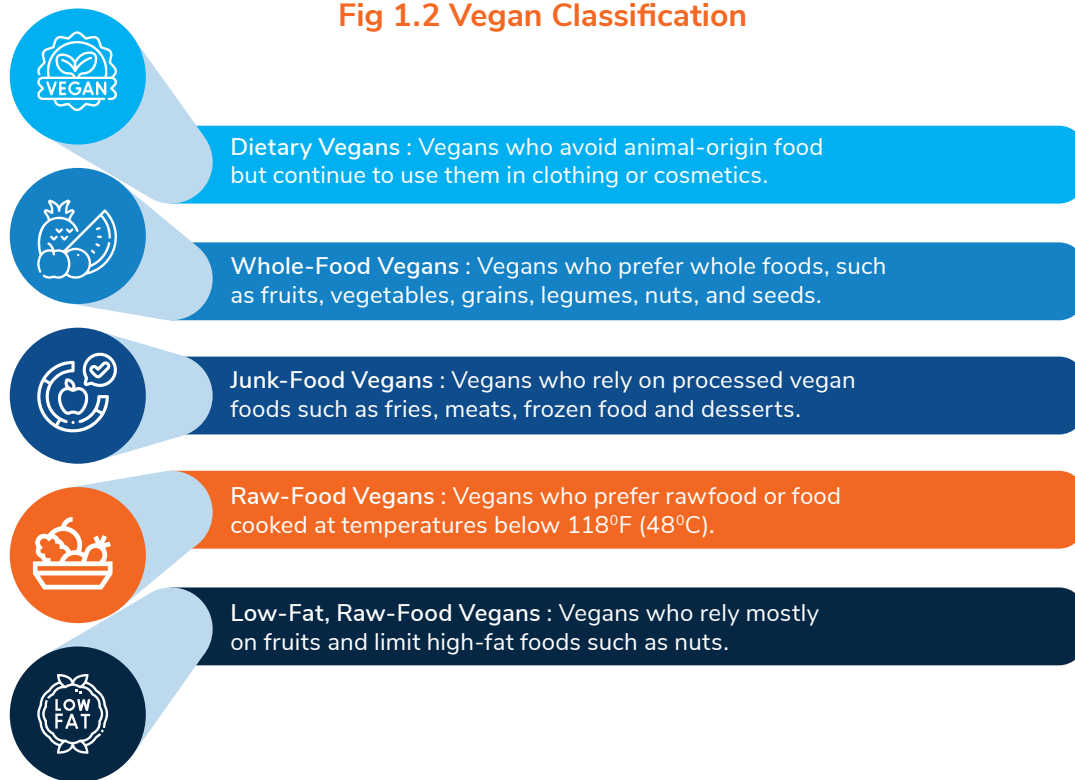
Source: Statista, Frost & Sullivan

The global vegan market will grow at a CAGR of 8% over the next five years to reach USD 25.2 billion. North America and Europe are traditional markets for these products. This industry has been booming in the Asia-Pacific region for the past couple of years.



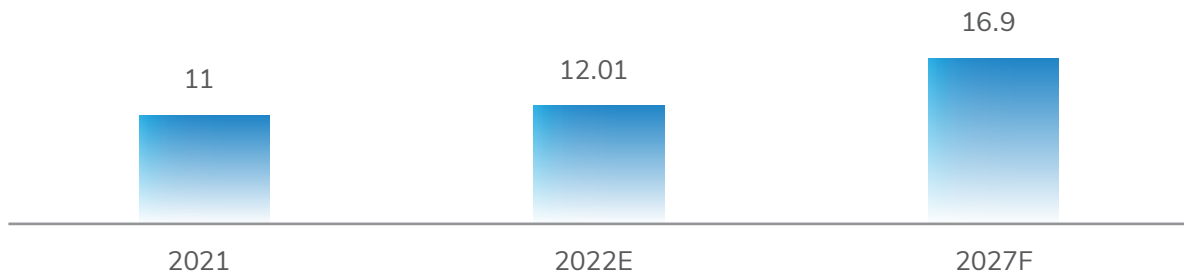
There are certain subsets for vegans based on diet that are recognized globally.

Fig 1.2 Vegan Classification



Plant-based proteins form a large portion of vegan diets. Global plant based protein industry is growing at a CAGR of 7%. Along with vegan and plant-based diets, demand for organic food has also spiked, especially post-COVID. Multinationals companies are now focusing on these categories, given the larger consumer interest and acceptance. Plant-based protein products are often marked as organic with high nutritional value and non-GMO labels.

Fig 1.3 Global Plant-based Protein Market Size, USD Billion



Source: Statista, Frost & Sullivan

Millennials' shifting preference toward preventive health measures by consuming protein rich food s is expected to positively impact the market.

Key Growth Drivers

- The increasing vegan trend due to changing food habits has led to a rise in the consumption of plant-based protein as an alternative to egg or whey protein.
- Consumers see plant-based proteins as a more sustainable source of protein with the perceived health benefits for obesity and cholesterol management.
- The wide application of plant-based proteins in pasta, cakes, and cookies has led manufacturers to innovate these products, which are usually made with eggs.
- The increasing demand for premium and healthy products such as seeded breads, smoothies, protein-rich cookies, and bars with natural, organic ingredients has led manufacturers to offer these categories with plant-based proteins instead of animal-origin proteins.
- Animal protein allergies from meat, seafood, and eggs have also led consumers to shift toward plant-based proteins.

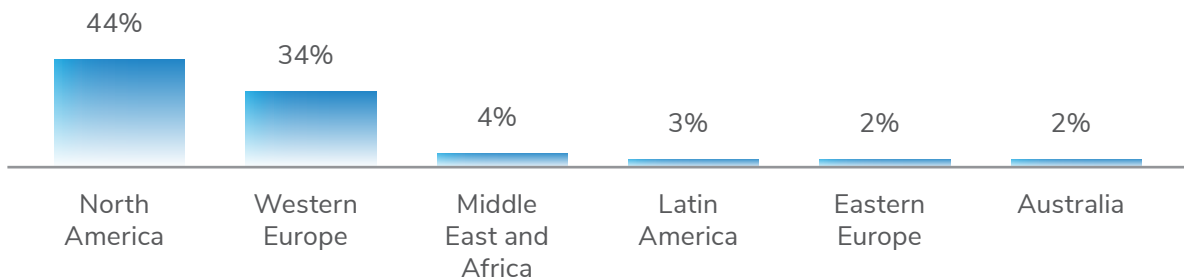
Plant-based Proteins in the GCC and Middle East Region

The Middle East and Africa plant protein market is growing at a CAGR of 10.3% from 2021 to 2027. Increasing demand for plant-based proteins in the food and beverages industry is a major driver for the Middle East and Africa plant-based protein market. Interest in plant-based eating and alternative proteins in the Middle East and Africa steadily rose post-pandemic and was further accelerated by consumers looking at healthier options.

South Africa is dominating in the Middle East and Africa plant-based protein market with the highest CAGR and market share due to an increased number of launches by major manufacturers in the region.

The Middle East and Africa have the lowest per capita sales of processed meat and dairy, so alternatives hold huge potential to address increasing demand. Affordable prices, trustworthy ingredients and halal certification are the keys to success in the region.

Fig 1.4 Market Value Shares of Plant-based Proteins, 2021



Key Players

Companies	Business Model/Products
WhatIF Foods	What IF foods makes products from regenerative crops that are good for the planet. Companies products include BamNut milk and noodles. BamNut, short for Bambara groundnut, is a resilient crop native to West Africa. It also has the potential to grow in Malaysia, Indonesia, Australia, India, and parts of the United States.
Blue Tribe	This Mumbai-based company offers plant-based sausages, kheema and nuggets. Products are aimed at non-vegetarian eaters who want a healthier, environment-friendly product without compromising on taste. Blue Tribe's scientists have identified what gives meat its unique texture and taste, so their products taste, look, feel, and cook exactly like meat.
HK Gourmet	After achieving a loyal customer base in the UAE food industry, HK Enterprises expanded its product line. In 2001, the gourmet/non-frozen division was started to provide customers with a one-stop solution for their food requirements. Today, it is one of the largest distributors of rice and the leading supplier of a vast range of food products to hotel and restaurant chains in the UAE.
Nuttino	Nuttino uses cashew nuts to create cheeses and spreads. They are all free of dairy, lactose, sugar, oils, and additives. A unique fermentation process is used to create the products.
Sigdal Bakeri	Sigdal Bakeri is in the alternative protein space and offers crispbreads made with oatmeal and spelt bran and packed with seeds such as sunflower, quinoa and kernels.

GCC Plant-based Proteins—Key Trends

Increased health awareness, Gen Z, millennials, investments by venture capitalists (VCs) and start-ups in the region, and product innovations coupled with government support are driving the growth of plant-based proteins in the region.



Young Consumers and Rising Health Awareness

With the average age across the states in the Gulf Cooperation Council (GCC) being just 27 years and over 20% of the total population currently under the age of 15, millennials and Gen Zs are an influential demographic driving consumer trends. They are now buying alternative proteins more than ever before as new products continue to launch in the market.



Govt. Increased Emphasis on Food Security

Authorities in the region are also concerned about food security. GCC governments are looking to bolster supply chain resilience in the wake of the coronavirus-related disruptions over the past year, with many initiatives in the UAE, Oman and Saudi Arabia underlining alternative protein development as key to their goals.



Plant-based Innovations and Product Introduction from Foodservices to Retail

Innovations in plant-based meat and protein sources are also driving growth in the GCC. Across the region, Israel is far advanced in terms of plant-based trends, and the country is home to many start-ups focused on food technology. There is also expected to be an exchange of knowhow between regions. In addition, an effective strategy used by manufacturers is launching plant-based meat and dairy to foodservice in the region first and then retail.



Increased Investments by VCs & Start-ups and Entrance of Global Players

There are several players supporting innovation in the alternative protein space, starting with several venture capitalists backing the most promising entrepreneurs and ventures. For example, KBW Ventures invested in Beyond Meat, Memphis Meats, Turtle Tree Labs and Bluenalu, etc. In addition, brands such as Violife, Brooklyn Creamery, Alpro and Daiya have also entered the market.



Increased Health Awareness Post-COVID-19

Health benefits are the main reason for consuming plant-based diets. Plant-based alternatives are deemed to be (and are marketed as) healthier compared to their dairy/meat counterparts. Concerns over climate change and sustainability are also driving growth. Consumption of plant-based products and alternative proteins has steadily risen and was accelerated by the COVID-19 pandemic, with people refocusing their attention on health and wellness.



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