



## Vegan revolution 4 Trends Affecting Agriculture Investments and Production



**Kieran Forde**

[Kforde@farrellymitchell.com](mailto:Kforde@farrellymitchell.com)



 **Quick read**

## Introduction

2019 is the “Year of the Vegan”, according to the Economist. Millennials are leading the trend and shifting the way businesses and governments think about veganism. With many studies outlining the health and environmental benefits of eating a plant-based diet, the growing shift towards sustainability is disrupting the industry.

Listed as one of the [six greatest ag challenges](#) by Chuky Jolley, the President of Meat Industry Hall of Fame, plant-based meat substitutes are becoming mainstream. There is still some confusion around the difference between veganism and vegetarianism and what each means for the agriculture industry.

According to [The Vegan Society](#), veganism is a lifestyle which demands the exclusion of not only meat but any animal derived products such as dairy and eggs for food, silk and leather for clothing or the use of animals for any other purposes to stop exploitation. Donald Watson, the co-founder of The Vegan Society, coined the term ‘Vegan’ in 1944. Since a vegetarian diet is only the elimination of meat, poultry, fish or food derived from animal slaughter, we could refer veganism as the strictest form of vegetarianism.

Popularity in the lifestyle is growing, yet becoming a vegan has never been easy. A vegan diet has a low amount of saturated fats and cholesterol, contains a high amount of micronutrients like vitamins, minerals, fibres and some healthy plant compounds. It can also lower the risk of developing type two diabetes, coronary heart diseases and some types of cancer. However, this kind of diet limits the amount of vitamin B12 and long-chain omega-3 fatty acids absorbed. Traditionally, veganism was more about ethics and environmental awareness than food and health concerns. Yet demand is increasing for broader product ranges and better-tasting plant-based meat substitutes and is reshaping the industry. Here are four trends that the *Vegan Revolution* is bringing.

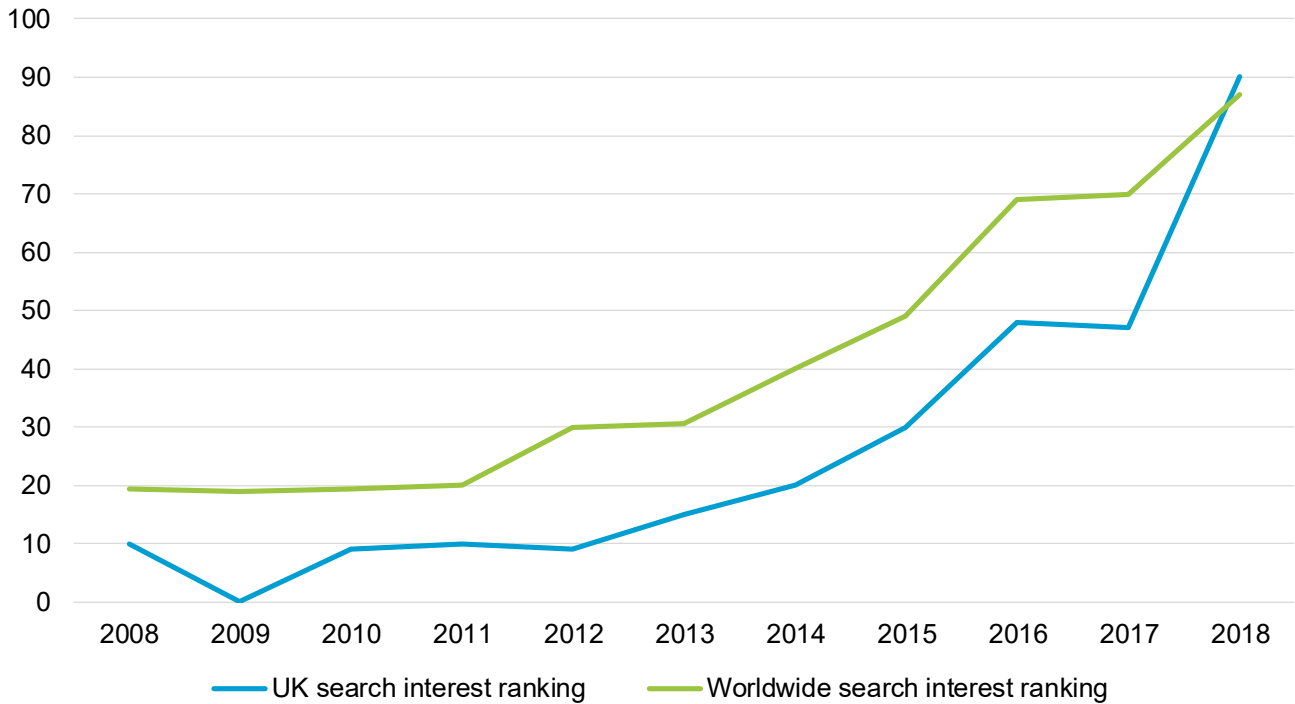
- Millennials are changing how business and government think about veganism
- Demand is increasing for broader product ranges & tasty plant-based meat produce
- The growing popularity of veganism has created some exciting opportunities within the food industry. Multinational giants are on the front foot to invest.
- Grains and unused parts of plants often used as animal feed can now go into the supply chain to meet this new demand, good for farmers producing such crops.
- Disruptive technologies produce molecules formerly only created by living organisms, driving the interest in cultured (lab-grown) meat.
- Veganism continues to influence environmental, health-conscious consumers

## A growing vegan market of changing tastes

According to a number of polls attempting to determine the number of vegans in America, [some](#) state that more than 1.5 million Americans over the age of 17 are vegan. Google searches for ‘vegan’ quadrupled between 2012 to 2017 and it also attracts three times more interest than ‘vegetarian’ and ‘gluten free’ searches.



**Figure 1**



“ Almond milk has experienced explosive popularity in recent years worldwide with a market value of \$1.86 billion in 2016, which is estimated to rise above \$5 billion by 2024.

A recent food industry [report](#) states that consumers of plant-based products and dairy alternatives are increasing rapidly, growing in sales by 20% in 2018 compared to 2017 and with a total sales topping \$3.3 billion. The vegan industry is no longer niche and has grown to be mainstream with a significant rise in the market worldwide. A vegan diet typically demands food based on fruits, vegetables, legumes, grains and other seeds, and there is also increasing demand from health-conscious consumers (who may not be strictly vegan) for plant-based dairy alternatives like almond, soy and rice milk.

Almond milk has experienced explosive popularity in recent years worldwide with a market value of \$1.86 billion in 2016, which is estimated to rise above \$5 billion by 2024. The Asia Pacific region is most likely to follow the trend, with sustainability and reducing ecological footprints without sacrificing taste acting as driving forces.

While the share of plant-based milk increased by 3.1%, dairy milk sales have declined by 5% and are [predicted to decline](#) another 11% globally by the year 2020.

With cash injections by investors and [philanthropists into the industry](#), a lot of money is going towards ensuring that lab-grown ‘clean meat’ tastes more like the real thing. And with an ever-increasing number of non-vegans opting for plant-based meat substitutes in efforts to reduce their meat intake but unwilling to sacrifice on taste, plant-based and cultured meat companies are [beginning to enjoy](#) new partnerships, new markets and an increasingly favourable regulatory landscape.



## Speciality products and food experiences

The growing popularity of veganism has created some exciting opportunities within the food industry. Multinational giants are on the front foot to invest.

- McDonald's launched the McVegan burger in Sweden and Finland in 2018 and it was a big success.
- Burger King just announced plans to roll out a vegan Impossible Whopper.
- Unilever acquired The Vegetarian Butcher in 2018 to expand its portfolio of vegan offerings.
- In 2016 Tyson Foods, the company best known for its chicken products and self-declared meat-eating consumer invested a 5% stake in Beyond Meat, a producer of plant-based meat substitutes. Tyson has since sold the stake in Beyond Meat as the company looks to develop its own line of alternative protein products.

The major motivation behind innovating and investing in the vegan industry is to limit animal cruelty and create a sustainable lifestyle. It's not just product producers that investors are noticing. The high street is booming with 'vegan butchers', vegan 'junk-food' and restaurants catering for vegan-only diets.

## Vegans are impacting agricultural production

Another factor encouraging adoption of a vegan lifestyle could also be the benefit of a circular economy, one that maximises the use of plants; improving economies of plant-based businesses by using of all plant parts instead of focusing on certain parts and feeding what's left to the animals. Grains and unused parts of plants that are often used as animal feed can now go into the supply chain to meet this new demand, which is good for farmers producing such crops. On the other hand, cattle farmers will be facing a different kind of challenge in the form of a new competitor.

## Getting technical with vegan investments

Opportunities for investments also lie in disruptive innovation and new technologies. We see this with the explosion of expertise in highly developed technologies like data analytics and machine learning for tissue engineering, cell culture and bioprinting that enable the development of cellular agriculture or synthetic biology. These technologies produce molecules that were formerly only created by living organisms, driving the interest in cultured (lab-grown) meat.

### Conclusion

The global food industry needs to take this into account and increase innovation within the category. However, a number of studies show that though it is a step in the right direction, veganism itself is not very sustainable. When considering the long-term impact, land availability coupled with the demand of a growing global population will be a challenge.

Since the vegan diet is known to leave natural resources underutilised, it raises another question; while veganism is ethical, is it efficient? Some experts recommend a predominantly vegetarian diet with the inclusion of a small amount of meat or dairy products as a successful and sustainable way to feed the growing population.

Traversing global dietary and cultural norms, veganism will continue to play a significant role in the buying habits of environmental and health-conscious consumers.



### Expert in this Insight

**Kieran Forde**

SENIOR CONSULTANT

[Kforde@farrellymitchell.com](mailto:Kforde@farrellymitchell.com)



## Contact Details

[www.FarrellyMitchell.com](http://www.FarrellyMitchell.com)

### EUROPE

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#### Dublin (Head Office)

Malachy Mitchell, Managing Director

#### Farrelly & Mitchell

Unit 5A, Fingal Bay Business Park, Balbriggan Co. Dublin Ireland. K32 EH70

**Telephone :** +353 1 690 6550

[mmitchell@farrellymitchell.com](mailto:mmitchell@farrellymitchell.com)

### MIDDLE EAST & NORTH AFRICA

---

#### United Arab Emirates

Chaitanya GRK, Regional Director (MENA)

#### Farrelly & Mitchell (MENA)

Unit 1001, 10th Floor, Swiss Tower, Cluster Y Jumeirah Lakes Towers, Dubai, United Arab Emirates

**Telephone :** +971 4 279 8331

**Mobile :** +971 551991356

[cgrk@farrellymitchell.com](mailto:cgrk@farrellymitchell.com)

### SAUDI ARABIA

---

#### Riyadh

Najeeb Alhumaid, Partner (Saudi Arabia)

#### Branch of Farrelly & Mitchell Business Consultants Ltd

Jarir Plaza Building, Suite 106, King Abdullah Road, Al Hamra District, Riyadh 12211-3857, Kingdom of Saudi Arabia

**Telephone :** +966 11 4634406

**Mobile :** +966 54 338 7199

[nalhumaid@farrellymitchell.com](mailto:nalhumaid@farrellymitchell.com)

### AFRICA (SSA)

---

#### Ghana

Stephen Awuah, Senior Manager, Africa (SSA)

#### Farrelly & Mitchell Ghana Limited

Utopia Office, 14 Senchi Street, Airport Residential Area, Accra Ghana

**Telephone:** +233 302 906850

**Mobile:** +233 59212 1723

[sawuah@farrellymitchell.com](mailto:sawuah@farrellymitchell.com)

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