

Seeing green: Plant-based alternatives are shaking up the food sector

By Bao Vuong

Rising demand for vegan food products is supporting takeaway food establishments and major food manufacturers, but is threatening the meat and dairy sector.

Several food manufacturers and takeaway chains have introduced new vegan products

Both takeaway chains and major food manufacturers have benefited from soaring demand for vegan food products over the past five years. As a result, several food manufacturers and takeaway chains have introduced new products to meet this demand. Vegan food products are also improving in quality at a rapid pace, with new plant-based alternatives to meat and dairy foods continuously being launched. Notably, popular food chains Hungry Jacks, Schnitz and Grill'd have all recently added plant-based options to their menus in an attempt to capitalise on rising demand for meat-free alternatives. These trends have contributed to growth for takeaway chains, with revenue for the Fast Food and Takeaway Food Services industry expected to grow at an annualised 3.3% over the five years through 2018-19, to \$20.1 billion.

Several food-based innovations have allowed food manufacturers to produce plant-based foods that mimic the taste and texture of animal-derived products. For example, Unilever recently introduced a plant-based alternative to its Magnum ice cream products that is completely dairy-free. In addition, companies such as Beyond Meat and Funky Fields are now producing meat alternatives realistic enough to be sold next to meat products in supermarkets. With meat prices rising,

plant-based alternatives have become increasingly competitive alternatives to traditional meat in terms of both quality and price over the past five years.

Although demand for plant-based foods has soared over the past five years, meat prices have also increased significantly. This trend has weakened local demand for meat products, which has led the meat sector to turn to overseas markets to sustain growth. Notably, the Australian Meat Processing industry is expected to generate nearly 70% of its revenue from export markets in 2018-19, with this percentage forecast to rise over the next five years. Nevertheless, surging demand for plant-based alternatives represents a growing threat to local demand for meat and dairy products. This trend will likely affect the long-term performance of the Australian Meat Processing, Beef Cattle Farming, Cheese Manufacturing, Butter and Dairy Product Manufacturing, and Milk and Cream Processing industries.

The number of individuals following a vegan diet in Australia is anticipated to continue rising over the next five years, further threatening the country's meat and dairy sectors. As a result, businesses in these sectors have become increasingly concerned about their position in the domestic market. These concerns have

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recently prompted meat and dairy sector lobby groups to call for a ban on plant-based food manufacturers using terms such as milk and cheese in their marketing.

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