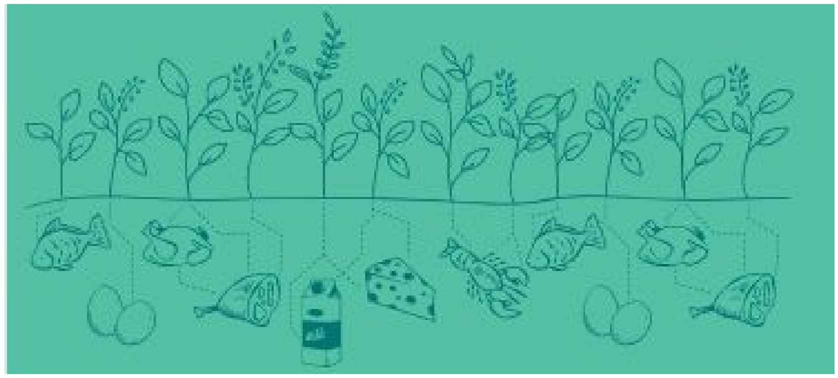

UNDERSTANDING THE INDIAN CONSUMER

Compiled for the Smart Protein Summit, October 2020

The Good Food Institute India

India is on the verge of a tremendous opportunity for both economic progress and improvement in the general well-being of its citizens. It is currently the world's 5th largest economy and is slated to be 3rd largest by 2030 after the US and China. Domestic consumption, which powers approximately 57% of GDP, was expected to grow to be a $6 trillion opportunity by 2030. Even though this will be seriously impacted by the current Covid-19 crisis in the shorter term, the long term prognosis on India as a consumption-led economy remains positive. This consumption growth will be supported by a 1.4 billion strong population that is younger than that of any other major economy.

The vision for the future of consumption in India is anchored in the growth of the upper-middle income and high-income segments, which will grow from being one in four households today, to one in two households by 2030, and the nearly 700 million people born through the late 1980s to the 2000s.This is a generation that aspires to a materially better life, backed by the ability to spend and make it a reality.

A massive increase in internet penetration will lead to more than a billion internet users in India by 2030. Online connectivity, and the resultant access to information, will drive aspiration and the desire to spend and upgrade consumption.

One of the most challenging and exciting implications for companies in India is to navigate through its unique combination of preferences, aspirations, and prudence that will require innovation specifically for this market. Indian youth, though modern in their appearance and consumption patterns, have a combination of liberal and conservative attitudes. Fresh home cooked meals are preferred to a higher degree compared to other countries like the US and China, for instance[1].

Cutting against the myth that India is a vegetarian country, 70% of Indians attest to eating 'non-veg' (a category which includes meat, seafood, and eggs.)[2] However, it has among the lowest per capita consumption of meat at 3.6 Kg - vastly lower than countries like the US and China. A dearth of verified data and With increased incomes and urbanisation, meat consumption per capita is poised for growth. Aspiration, taste, indulgence and affordability dominate the drivers of consumption, relative to health.[3] Meat consumption is also influenced by religious and social beliefs, and the government plays a role in some states by banning cow's beef. Meat is not always the centrepiece of a meal; it's a part of the meal. Those meals are often protein deficient, with about 6-8% protein intake vs the nutritionally recommended daily intake of 30%.

This varied and unique food scenario along with a retail landscape that is dominated by unorganised retail across grocery, food services industry and meat industry will have significant implications right from creating category awareness to developing a product mix and companies will need to look beyond western assumptions and rules of doing business to succeed in the smart protein market for India.

India has historically leapfrogged generations of technologies – the jump straight to mobile phones bypassing the stage of widespread landline connectivity is an widely cited example. E-commerce today is taking away market share from traditional retail at a rate which 'modern' organized retail has struggled to achieve for years. The Indian business landscape now abounds with numerous other indications of a similarly varied path to growth and the smart protein industry may be the next game changer in the country.[1]

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[1] Eating out frequency in India is much lower compared to countries like the US/China. An average chinese eats out at about 50 times a month while an average Indian eats out only 3-4 times in a month (Source : Westlife Annual report, 2019)
[2]Non Veg - (of food) not suitable for vegetarians; containing meat of different kinds including Fish, Eggs
[3]Source : Study on Early Adopter Profile for alternative protein by GFI, India

Table of Contents

1. India – An Overview

1 COUNTRY FACTS

India is the world's largest democracy, and accounts for 17% of the world's human population over just 2.4% of its surface area. According to UN estimates, India is expected to overtake China's in 2027 to become the world's most populous nation. Home to some of the world's most ancient surviving civilizations, the Indian subcontinent is both vast and varied in terms of people, language, and cultural traditions.

- **Population** : 1.37 Bn
- **Area** : 3.28 Mn Sq. Km (7th Largest in the World)
- **Major Languages** : Hindi, English and more than 20 other official languages. English is widely spoken in Business, Political and Commercial circles
- **Major Religions** : Hinduism(80%) Islam(14%) Christianity(2%), Sikhism(2%), Buddhism(1%)
- Comprises of 29 States and 8 Union Territories
- **Currency** : Indian Rupee (INR) 1 USD = Approx. INR 75

1.2. ECONOMY

India is the fastest-growing trillion-dollar economy in the world, with a nominal GDP of $2.94 trillion in 2019. It became the world's fifth-largest economy in 2019, overtaking the United Kingdom and France, and is likely to be the 3rd largest economy by 2030 after the US and China.

5th Largest Economy in the World by GDP

3rd Largest in the World by Purchasing Power Parity

GDP grew at an average 6.7% YOY in the last decade

Key Sectors
Services (54%)
Industries (29%)
Agriculture (17%)

1.3. MEDIA

India has a flourishing media landscape, with thousands of outlets operating in multiple languages. Its mass media consists of Television, Radio, Cinema, Newspapers, Magazines, Internet-based websites/portals and OTT (Over The Top). Estimated around USD 25 Bn in 2019[4], there are around 100,000 registered Newspapers and periodicals, close to 900 satellite TV Stations and 380 Pvt FM Radio stations.

India has a tele-density approaching 89% of households, 688 million internet subscribers and nearly 400 million smartphone users. per IRS, 2019[5], Television leads the charts with highest penetration followed by Internet and print media. As may be expected, the internet is the fastest-growing amongst all platforms.

Last One month usage - IRS, 2019

No of users in the last month	400 Mn	840 Mn	226 Mn	449 Mn
% Change - 2019 over 2017	-2%	7%	11%	123%

The rapid proliferation of mobile access is enabling on-demand, anytime-anywhere content consumption, and India's telecom industry is poised to become the primary platform for content distribution and consumption. Around 370 Mn internet users are on social media platforms in 2020 and the top social media networks in India are YouTube, Facebook, WhatsApp, Instagram, and Tiktok[6] (though the latter was banned in the country in 2020). Celebrity chefs, cooking videos, and trials are emerging as popular influences in food choices.

	facebook		Tik Tok	YouTube	
Monthly Active Users	313Mn	400 Mn	200 Mn	265 Mn	88 Mn

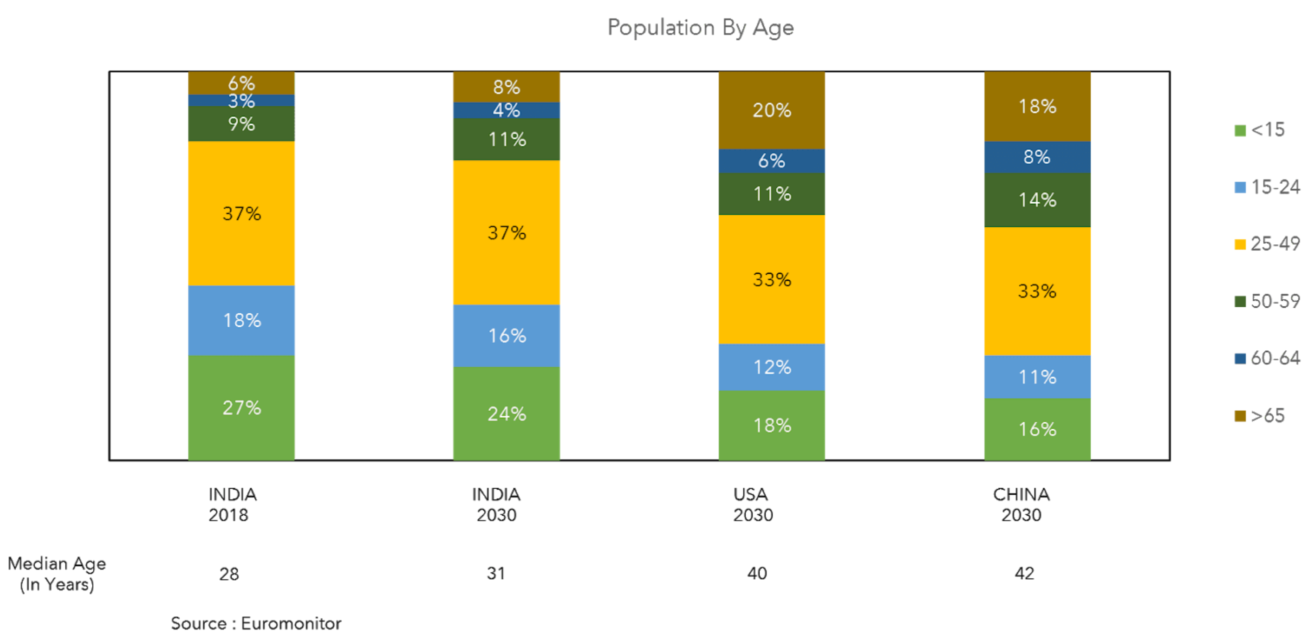
Source : Statistica and News articles

2. India – Consumer Profile

2.1. Demographics

2.1.1. Age:

India is the world's youngest country, with a median age of 28 in 2020 (and a male:female split of 51:49). 62% of the population is under the age of 35 today, and with a median age of 31 in 2030 (Vs 40 in the US and 42 in China), India will remain one of the youngest nations in the world with one of its largest working-age populations. In 2030, 77% of India's population will comprise of Millennials and Generation Z. Having grown up with better education, availed of better employment opportunities, and earned higher incomes as a natural consequence of economic growth, these consumers are likely to break away from the frugal attitudes of previous generations.



2.1.2. Education

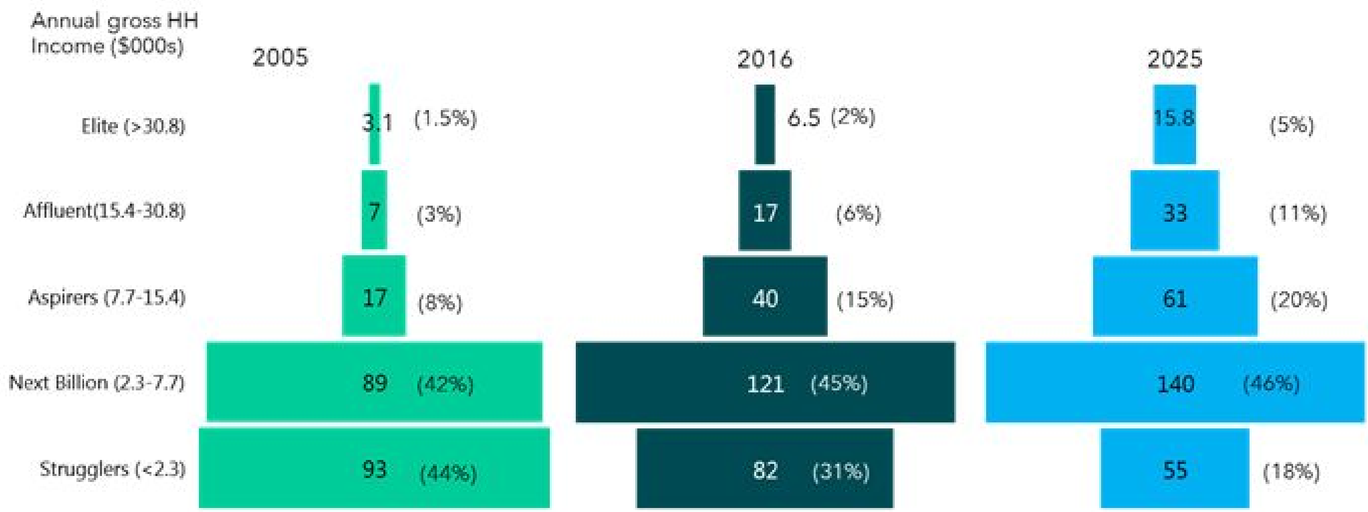
India has made significant progress in improving literacy rates over the years. Adult literacy rate stands at 74% in 2018, and the country is on track to achieve universal literacy for youth by 2030. The share of tertiary-educated[7] adults is growing in India. By 2030, tertiary-educated adults from India are expected to make up more than one-fifth of the tertiary-educated population across OECD (Organization for Economic Co-operation and Development) and G20 countries. The global population of university graduates is expected to nearly double over this decade to reach 300 million by 2030, and India will contribute 23% or 87 Mn towards this cohort.

2.1.3. Income

India falls under the 'Lower Middle Income Country' category with an average gross national per capita income of Rs.1,38,037 (Approx USD 2000) per the World Bank in 2019. It is the only country in the lower middle income group among the high potential BRIC countries. (Brazil, Russia, and China are all upper middle income countries.)

However, growth in income will transform India from a 'Bottom of the Pyramid' heavy economy to a firmly middle class heavy one in the next decade, with nearly 200m households in the middle class. The number of households in the Affluent and Elite clusters are also set to double between 2016 and 2025.

Evolution of the household income profile in India

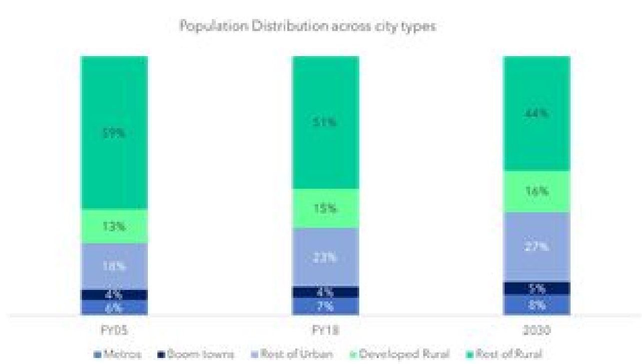


Source : BCG, The New Indian: the many facets of a changing consumer',

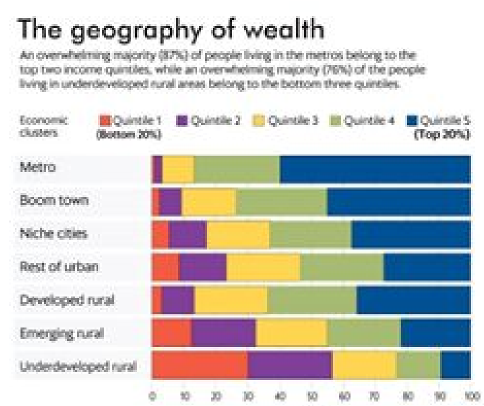
2.1.4. Urbanization

In 2017, 34% of Indians were living in urban areas as per the World Bank. By 2030, that is expected to rise to 40%. Rural per capita consumption will grow faster than urban areas, with consumers in rural areas mimicking consumption patterns of their urban counterparts.

The top nine metros and boom towns will be significantly richer than other cities. There are 46 cities with a population of greater than 1m, out of which 9 cities have a population greater than 4m. per the ice360 survey[8], an overwhelming majority of the people living in metros and boom towns fall under the top 2 quintiles of income, making these the most attractive markets for most consumer goods.



Source : Oxford Economics, Euromonitor and Price Projections based on ICE 360 Surveys
Future of consumption in fast growth consumer markets , INDIA by WEF with Bain & Company



Source : ICE360° Survey 2016 from People Research on India's Consumer Economy **(PRICE)**

3. Consumer Attitudes & Behaviors

3.1 Modern in appearance and consumption patterns

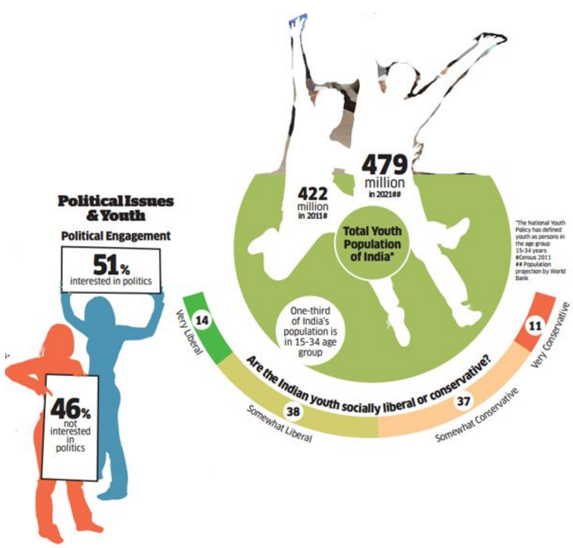
The Indian youth (15-34 Years) seems to be quite conscious about how they look, and are indeed breaking out of their predecessors' thrifty ways. 61% says they are somewhat or very fond of wearing stylish clothes. 59% were keen on acquiring the latest mobile phone. 39% said they liked applying fairness creams quite a lot. 33% watch a movie in a cinema hall at least once a month. 30% visit a café/restaurant regularly and 28% go to a mall or shopping complex regularly.

Are they Fond of	Wearing Stylish Clothes	Having Latest Phones	Wearing Stylish Shoes	Using Fairness Creams	Buying Deos/Perfumes
% in Very /Somewhat fond of	61%	59%	58%	39%	41%

Source: CSDS-KAS Report 'Attitudes, anxieties and aspirations of India's youth

3.2 High on Politics and Religion

Indian youth are fairly political and religious. While 46% of the youth (18 to 34 years) say they are not interested in politics, 51% say they do. About 79% pray regularly or occasionally, and 68% go to places of worship regularly or occasionally.



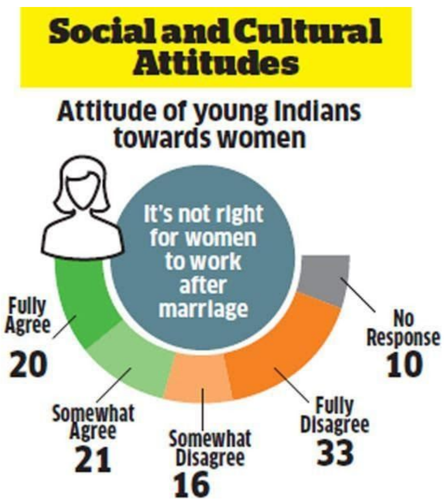
Religion and Youth

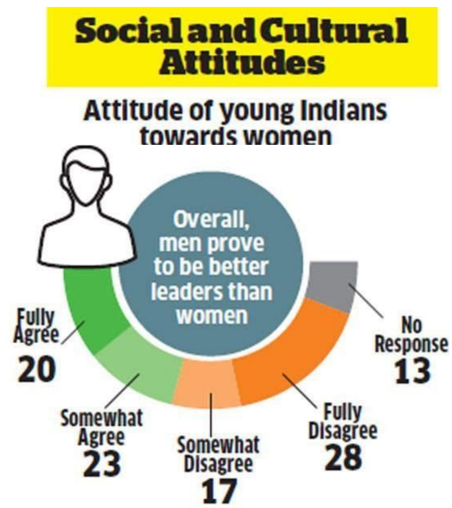
	Do puja/ namaz/ prayer	Go to places of worship	Watch TV religious show	Keep fasts	Read religious books
REGULARLY	38%	20%	13%	11%	8%
SOMETIMES	40%	48%	36%	35%	31%
ON FESTIVALS	14%	23%	13%	32%	13%
NEVER	7%	9%	36%	22%	45%

Source: CSDS-KAS Report 'Attitudes, anxieties and aspirations of India's youth , Representation by Economic times

3.3 Mix of Conservative and Liberal Attitudes

The Indian youth is complex, often carrying the remains of the past and clinging to traditions, and yet forging ahead, breaking a few old rules, and making new ones. Over the years, there has been relatively greater acceptance of women's participation in the 'public realm', in education or work. However, domestic equations are still more heavily tilted towards traditional roles. 51% of married men say that women should not work after marriage, and 54% of married women disagree with this and say women should work. 55% of men agree, fully or somewhat, that women should listen to their husbands, while 46% women disagree with it. 21% of youth fully agree that girls should not wear jeans, while 32% fully disagree with this. 18% of them fully agree that higher education is more important for boys than girls, 35% fully disagree.

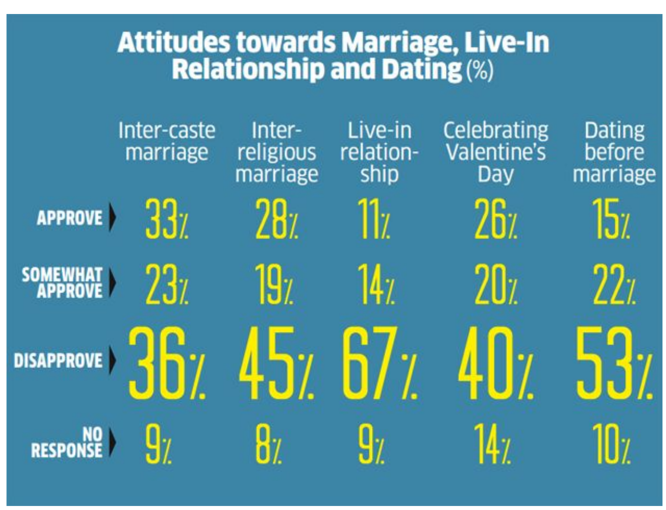




Source: CSDS-KAS Report 'Attitudes, anxieties and aspirations of India's youth , Representation by Economic times

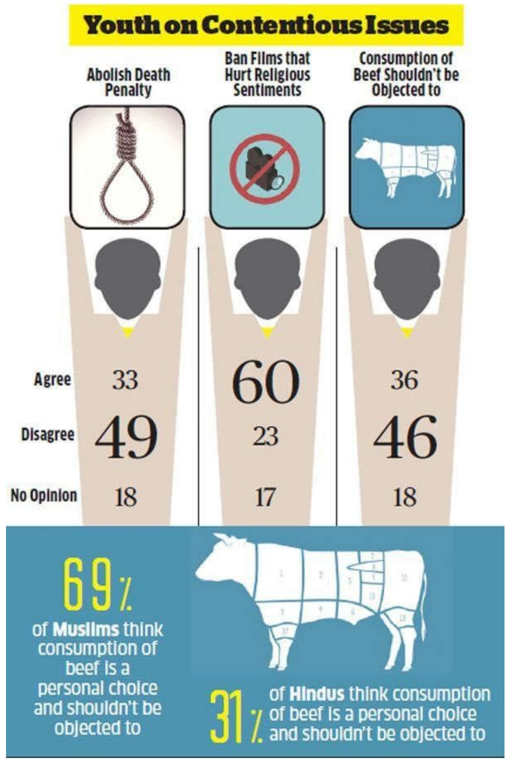
3.4 Conservative towards some key issues

When it comes to issues like homosexuality and consumption of beef, the youth tend to be even more conservative. Only about 25% approve of a homosexual relationship, with the majority either disapproving of it or refusing to comment on it. Only 36% of respondents believe that eating beef is a personal choice and should not be objected to. 60% of them think that films that hurt religious sentiments should be banned, and 67% of them disapprove of live-in relationships. About 84% of married youth have had an arranged marriage.



Attitudes towards Marriage, Live-In Relationship and Dating (%)

	Inter-caste marriage	Inter-religious marriage	Live-in relation-ship	Celebrating Valentine's Day	Dating before marriage
APPROVE	33%	28%	11%	26%	15%
SOMEWHAT APPROVE	23%	19%	14%	20%	22%
DISAPPROVE	36%	45%	67%	40%	53%
NO RESPONSE	9%	8%	9%	14%	10%



Source: CSDS-KAS Report 'Attitudes, anxieties and aspirations of India's youth
Representation by the Economic times

3.5. Mixed Bag on Exercise and Right Diet

Two-thirds (64%) of Indians say that they don't exercise. While nearly half (46%) of consumers say that leading a healthy lifestyle is their top priority, only 37% of them actually exercise. Mintel research reveals a lack of time is the top barrier for exercising, with nearly a third (31%) of consumers saying that they don't have time to exercise[9]. Younger age groups (<25 years) report not bothering much about their diet as an influencer of health[10].

3.6. Largely ignorant about environmental issues and animal cruelty

A majority of young people between the ages of 18 and 25 are neither aware of the negative effect of greenhouse gases nor understand how sustainable options such as renewable energy use can save the planet. 74% are not aware of the greenhouse effect, and 70% are not aware of renewable energy[11].

Awareness on animal cruelty and sustainability is a mixed bag - 46% of non-vegetarians report thinking about death and suffering of animals, and 38% think that eating meat is disrespectful towards life and the environment. 70%+ non-vegetarians love meals with meat, reporting that eating meat is one of the greatest pleasures in life and they have the right to eat meat per their position in the food chain. Not much of a difference is seen in attitudes by income groups/education, indicating that creating consumer awareness around animal cruelty and sustainability may be a very difficult task[12].

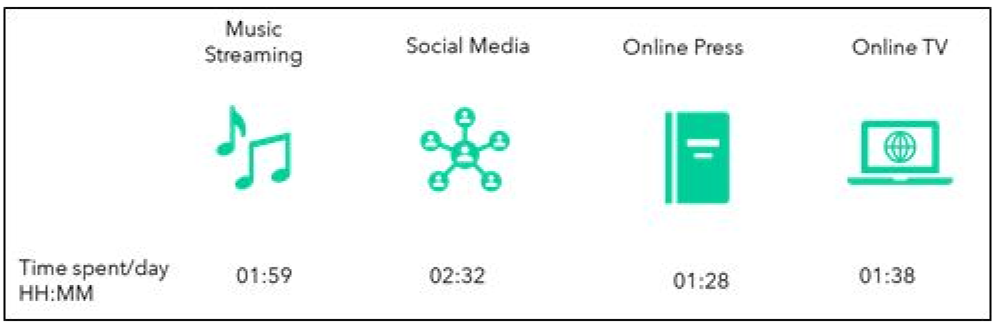
3.7. Heavily influenced by Idols, Role models and Celebrities

Along with the role models within the family like parents and siblings, the Indian youth is also highly influenced by politicians, sportspeople, and movie stars. The Prime Minister of the country Narendra Modi has a huge following among the youth, and is consistently ranked the top politician since 2013. Apart from him, Virat Kohli, Roger Federer and Christiano Ronaldo are highly-regard among sports stars[13].

Along with the celebrities, micro influencers in various fields like food, fashion, and technology are popular with consumers and could be used for creating awareness about different categories/brands with a specific target audience.

3.8. Mobile first consumers

With about 637 million internet users, India is the second largest online market in the world, ranked only behind China[14]. Access to the internet will extend to about 1.1 billion users by 2030. Nine out of 10 Indians over 15 years of age will be online by 2030. More than 80% of internet users in India primarily access the web through mobile phones, a figure expected to increase to more than 90% over the coming years. Internet usage today is more skewed towards the younger audience (<35 Years account for 75%), Male (70%) and Urban areas (70%). However, by 2030, The profile of India's connected consumers will be much more diverse.

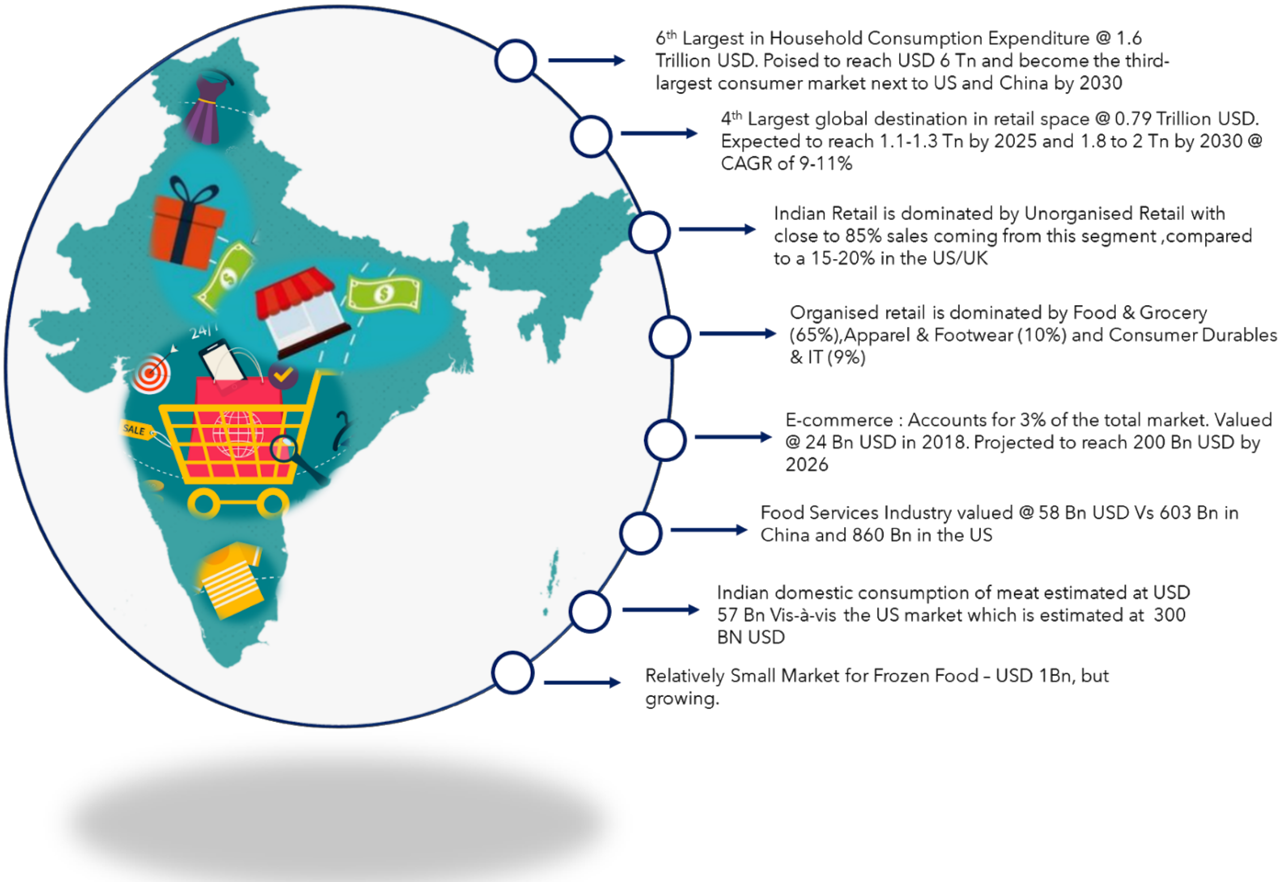


Source : globalwebindex.com

4. The India Consumption Story

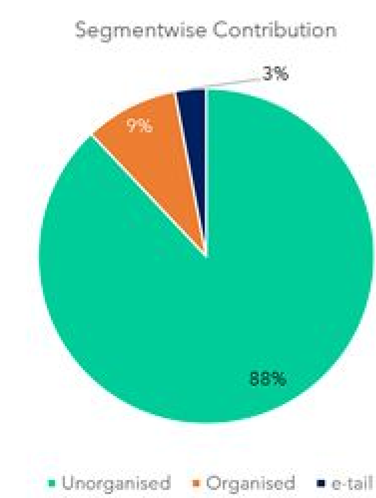
"India is one of the most attractive retail markets in the world," said Doug McMillion, President and CEO, Walmart, as Walmart acquired Indian e-commerce company Flipkart in 2018. Consumption has always been the driving force and pillar of India's growth story. For instance, presently, consumption has a share of 57 per cent in the total gross domestic product. It shows that consumption demand has a greater impact on the overall growth of the country.

With its size and growing middle class, India presents enormous business potential. According to a recent report published by the World Economic Forum, India is poised to become the third largest consumer market next to the U.S. and China by 2030. The report also states that consumer spending in India is expected to grow to USD 6 trillion by 2030.

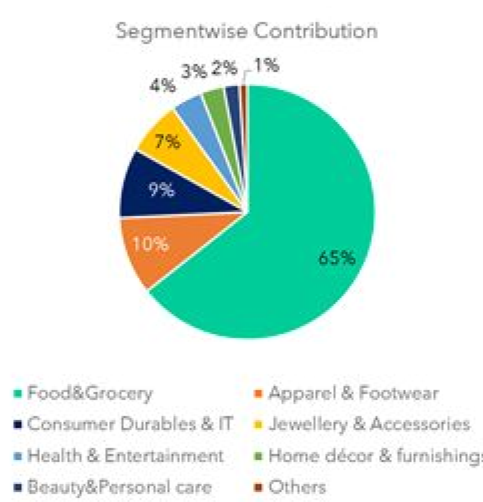


4.1 Retail

Indian Retail is dominated by unorganised retail (88% Vs 15-20% in the US/UK). Organised retail in India is also fragmented, with the top 5 players accounting for <5% of sales (as compared with a 25-30% market share in the US). E-commerce accounts for 25% of the organised market or 3% of the total market.



Source : Industry, IBEF



Organised retail is dominated by Food & Grocery retail (65%), followed by Apparel & Footwear (10%). A growing economy along with urbanisation and changing demographic profiles are leading to a faster shift towards organised retail and e-commerce.

Ecommerce is therefore growing at a rapid pace, and is projected to reach USD 200 B in 2026 (up from 24 bn USD in 2018, at a CAGR of 51%)[15]. This growth has been further fueled by Covid-19, with e-commerce seeing a lot of first time consumers and increase in spends even in categories which were traditionally offline.

4.1 FMCG

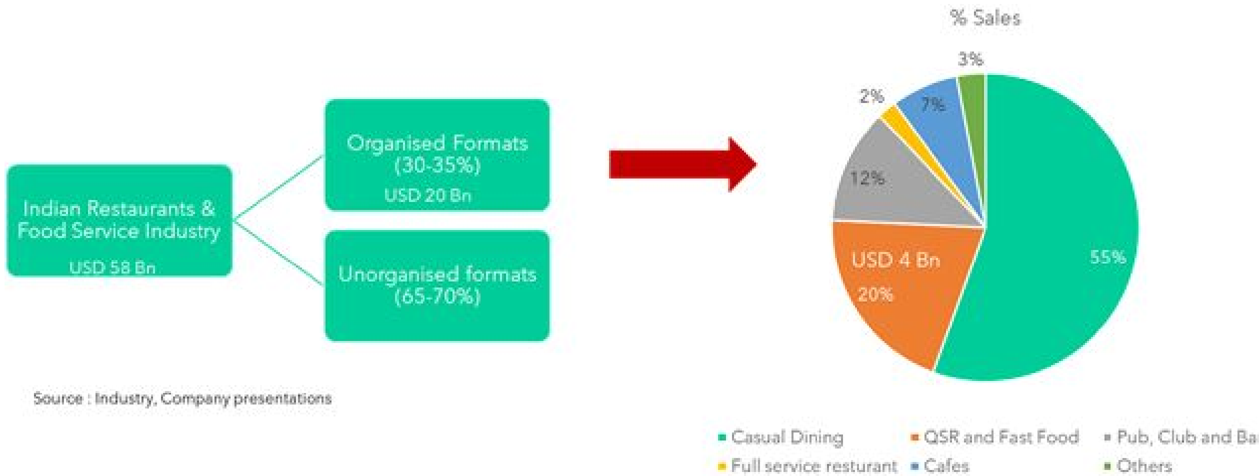
86% of the category sales come from Traditional Trade at an all India level. Organised Retail is big in metros (cities with 1Mn+ Population) contributing to 32% sales towards FMCG – 25% from Modern Trade Brick and Mortar outlets and 7% from e-commerce. Reliance retail, Aditya Birla Retail, Nilgiris are some of the big names in Modern Trade. Amazon, Grofers, Big Basket are some of the big online platforms for grocery. Reliance, is piloting ecommerce with a digital wholesale marketplace to serve urban areas to remote villages at various order sizes. Covid-19 gave a fillip to e-commerce with many consumers shopping for the first time online for grocery & essentials.[2]

4.3. Food Services Industry

Food services industry is growing leaps and bounds in India with the changes in consumer behavior. It was valued at INR 2,47,800 crores (Approx. 34 Bn USD) in 2013 which further grew to INR 3,37,500 crores (Approx. 45 Bn USD) in 2017 and is currently valued @ 58 Bn[16] . While the market is much smaller compared to its counterparts in the US (860Bn) and China (603Bn) eating out frequency is also on a rise. It used to be 2-4 times in a month in 2010 which increased to an average of 6.6 times in a month, in 2019. This number stands at 8-10 times for metros like Mumbai[17] .The average spends of a customer also increased from Rs 1000 to around Rs 2500, in a month during the same period.

[2] [15]Source: ASSOCHAM-Forrester study paper & Retail Association of India (RAI)

While the Food Service Industry has taken a big hit due to COVID-19, 80%+ consumers are likely to get back to Eating Out in a year or more [18].Organised food sector is expected to grow faster than the unorganised segment in the coming years, reaching a market share of 43% in 2022 from about 34% in 2017.



4.3.1 Quick Serve Restaurants and Fast Food

Indian QSR sales are expected to grow at 9.2% a year by 2022, while the global QSR industry is expected to sustain 6.5% growth from 2017-2026[19].

QSRs are split into Indian QSRs which serve typical Indian snacks, and Western QSRs which serve dishes like Burgers, Pizzas etc. Among western QSRs, Dominos, McDonalds, KFC, Burger King, Pizza Hut, and Starbucks are some of the leading players. The footprint of western QSR is smaller in India compared to the US or China, but they are growing at a faster pace.

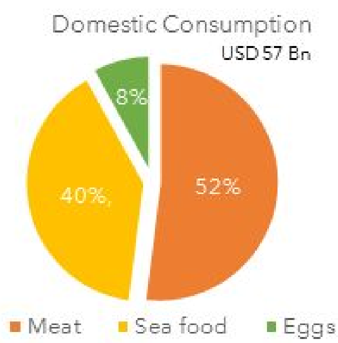
India is the 2nd largest market for Dominos after the US. Mcdonalds has plans to add 150-200 stores by 2022. Burger King plans to add approx 30 outlets every year. The Cafe segment is also growing with several domestic and international brands entering the market. Currently, there are approximately 100 chain cafes and bakery brands, with an estimated 2,800-3,000 outlets spread across the country.

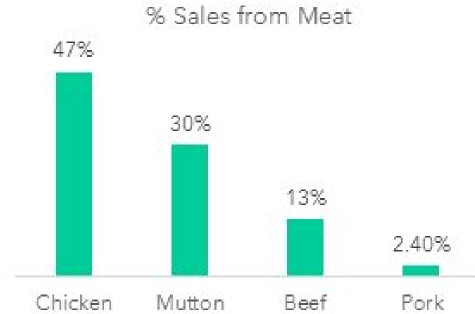
	No of Outlets	Operated by
McDonalds	461	West Life Devt (South&West), Sanjeev Agarwal ,MM Agarwal Group (North & East)
Dominos	1325	Jubilant Food works Ltd
Pizza Hut	422	Yum Brands, Devyani International
KFC	400	Yum Brands (10% of the outlets) ,Rest operated by Devyani International and Sapphire Foods
Burger King	202	Ever stone Capital
Starbucks	174	TATA Company

4.4 The Indian Meat Industry

Per estimates by Deloitte, the Indian 'non-vegetarian' market (consisting of meat, seafood, and eggs) is worth USD 67 Bn USD, of which USD 57 bn is domestic consumption and USD 10 Bn is exports. It is expected to grow at a CAGR of 13% to reach USD 123 bn by 2024. Of the current USD 57 bn domestic consumption, 52% comes from meat, 40% from seafood, and the rest 8% from eggs.

Within meat, Chicken accounts for nearly half of the sales (47%) followed by Mutton (30%), Beef (13%) and Pork (2.4%).





Distribution

Unorganised

- Accounts for 90% of sales
- Consumers prefer buying from them since they perceive the meat to be fresher as the butchers slaughter the animals before them.

Organised

- slowly gaining popularity due to quality assurance and hygiene
- Poultry leads the organised segment
- Some of the key brands are Venkys (INR 3000Crs+), Suguna (INR 9000Crs), Yummiez (approx. INR 500 Crs) and Zorabian (approx. 500 Crs)

Online Retail

- Heating up with nearly INR 1000 Crs (USD 140Mn) of investments in the past 2 years.
- Some of the key players being "Licious, Fresh to Home, Zapp Fresh, Tender Cuts".
- Most of them are operating in select metros for now.

Source : News articles, Company Annual reports

Some of the upcoming trends in the meat industry are

- Increase in demand for hygienic processing and quality
- Increase in demand for antibiotic and hormone free meat products
- Increased focus on raising animals naturally - right feed, no caging
- Innovations in meat sourcing – contract farming, app-based auctions for seafood

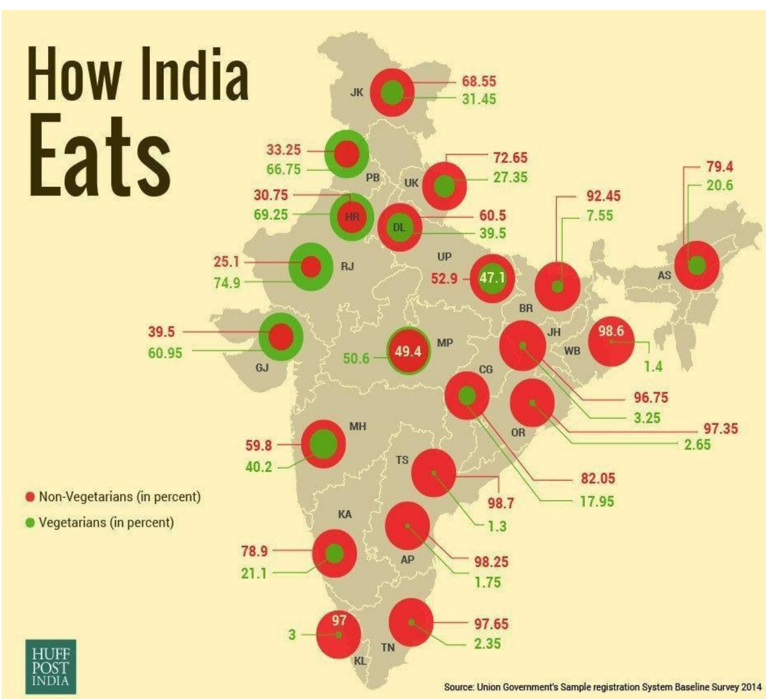
5. Eating Habits

5.1 Local tastes and cuisines dominate India

Indian cuisine consists of a variety of regional and traditional cuisines native to the Indian subcontinent. Given the diversity in soil, climate, culture, ethnic groups, and occupations, these cuisines vary substantially between different states and sometimes within a few miles in the same state. Indian cuisine has a ton of vegetarian options but Indians also love ‘non-vegetarian’ delicacies cooked out of fish, lamb, goat, chicken and other meats. Food has always been crucial to the culture of India.Most tier 1 and 2 cities in India have specialty restaurants serving up authentic local dishes of different Indian states to people who are missing home food or those keen to taste cuisines from different parts of the country. A lot of western QSRs have also tweaked their menus to make them more suitable for the Indian palate which can be seen with the addition of Aloo tikki (inspired by a famous indian fast food made out of Potato) and Spicy burgers at Mcdonalds and Pizza Chains adding Indian flavors and ingredients to their pizzas.

5.2 Most meals are home cooked and freshly made

Indian staple foods include Whole wheat Flour, Rice, Millets, Lentils and Pulses , which are cooked using locally available spices, herbs, vegetables, and fruits. Most meals are home cooked in India but new trends like ready-to-cook preparations and meal kits are on the rise. Covid has accelerated the growth of the ready to cook segment where consumers are trying to broaden their culinary engagement and bring home the joy of dining out. This trend which started with frozen peas a long time back, expanded to fresh packaged non-veg and potato products and now to Indian dishes like parathas (a type of indian bread), Rajma masala (a gravy made with kidney beans), Dal Makhni (made with lentils) and sweets



5.3 Over 70% Indians are non-vegetarians.

With approx. 200 Mn Households eating non vegetarian food, India is a huge market for meat/seafood or related categories.

1. Among the Omnivores. Eggs have the highest penetration with about 88%, followed by Poultry, Fish, and Mutton with 80%+ penetration. Beef and Pork has the lowest penetration with 34% and 26% respectively[21]
2. Some states are very high on non-vegetarian population - Andhra Pradesh, Tamil Nadu, Telangana, Kerala, Bihar, Jharkhand, West Bengal, Odisha
3. While Americans consume 3 burgers a week and have ONE hero category, India has multiple ‘national dishes’ - right from biryanis and fried rice (rice cooked with meat) to roasted chicken, tandoori chicken (chicken cooked on charcoal or firewood in a cylindrical oven),

[3] [21]Source : Study on Early Adopter Profile for alternative protein by GFI, India

chicken stew/korma, 'chicken 65' (diced and fried in batter), kebabs (cubes of meat marinated and cooked on a skewer), fried chicken, and home-style traditional gravies.

However, even the consumers who are omnivores are influenced by a lot of cultural, religious, and social pressures.

1. Certain meats are not accepted in some religions e.g. beef is not eaten by many Hindus and pork by Muslims. No meat is allowed in the Jain community.
2. Beef considered as the Poor man/Lower caste's meat
3. The Government also plays a key role in meat consumption with beef (cow meat) banned in most states. (20 out of 29 states in India currently have regulations prohibiting the sale of cow meat)
4. Non-Veg is not eaten on certain days in a week or certain times of year due to religious reasons.
5. Non-Vegetarian food is not accepted as In-home consumption in some households

5.4. Meat in India is not the entire meal, it's a part of the meal

In India, on most occasions meat is consumed as one component of a diverse plate (or 'thali', as it's known in Indic languages), rather than as a standalone entree or the centrepiece of the meal. It is consumed as an accompaniment along with rice or rotis (breads) typically made of wheat or other grains like millets. It is also cooked along with rice into *biryanis or pulao.* On the delivery platform Swiggy, one biryani is ordered every second in India.

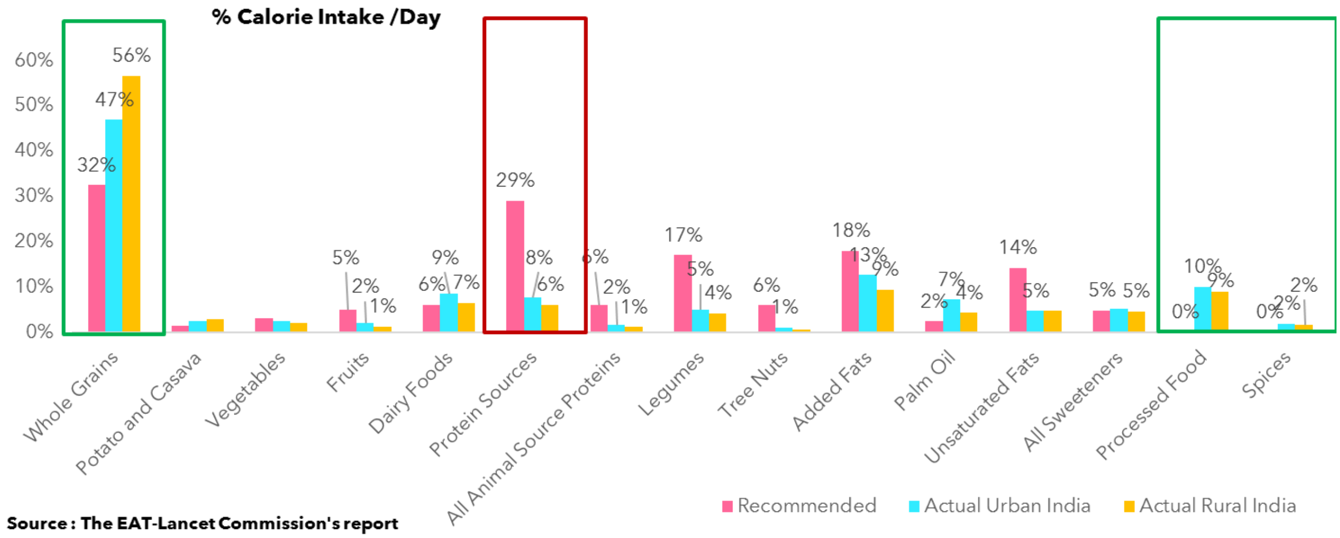
5.5. India is severely protein deficient

When we look at Indians' daily calorie intake, they consume more whole grains like wheat, rice and other cereals and less protein than recommended. Per the EAT Lancet Commission report, while the dietary recommendation for protein is about 30% of total calorie intake, Indians consume only 6-8%. This protein deficiency is driven by low frequency of consumption and low quantity of protein consumption.

Only 6% of the population has meat and seafood daily. About 40% has it once a week (37% Women and 43% Men) and approx. 28-29% have it occasionally. These trends remain the same across Genders, Age groups and Income groups, with a few important differences[22]. Men eat meat and seafood at least once a week at rates higher than women (49% Men Vs 43% Women). Additionally, the number of people consuming non-veg at least once a week increases with affluence, but drops at the highest quartile.

Catching up on rising demand for protein, there has been significant growth in the sports nutrition and protein supplements sector. Of the total launches seen in the sports nutrition category between 2015-2018 in India, 65% happened in 2018. Of them 93% carried functional claims. Specifically, 'weight and muscle gain' (69%), 'energy' (45%) and 'immunity' (22%)

[4] [22]Source NFHS 4 (National Family Health Survey) , 2016

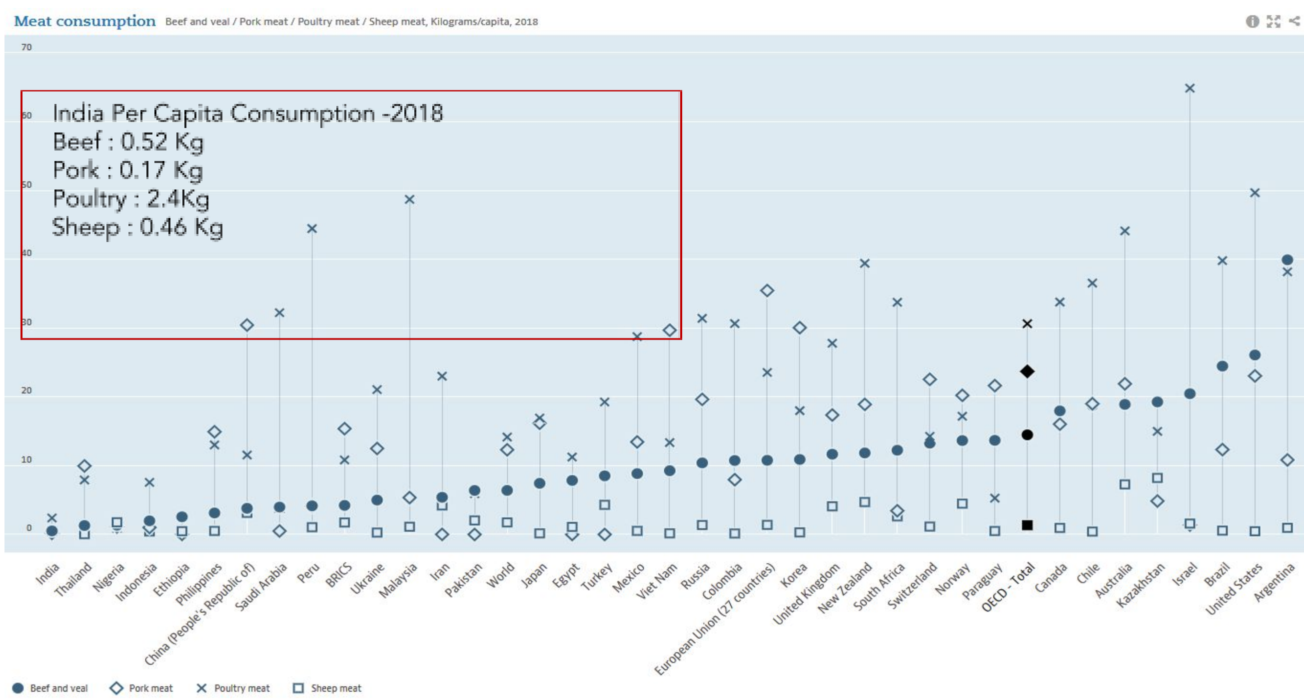


Source : The EAT-Lancet Commission's report

5.6. India's per capita consumption of meat is among the lowest in the world

Per OECD 2018 data, India's annual per capita meat consumption is 3.6 kg, compared with 99 kg in the US and 49 kg in China[23]. Poultry takes the majority of the share of the consumption with 2.4 Kgs, followed by Beef and Sheep. It's worth noting, however, that

Meat consumption is currently driven by taste, indulgence and aspiration, more than health. 70%+ nonvegetarians love meals with meat, and think that having meat is one of the greatest pleasures in life[24]. With the increase in Incomes and aspirations, per capita meat consumption is projected to increase in the coming years.



Source : OECD

5 [23] Source : OECD (Organisation for Economic Co-operation and Development)

[24] Source : Study on Early Adopter Profile for alternative protein by GFI, India

The confluence of these factors - rising incomes and the attendant increase in meat demand, coupled with the social and religious pressures associated with non-veg consumption - make India’s market ripe for the growth of alternative protein over the next years. That being said, more research and market tests are needed to determine the pathways for that growth.

We will release additional research on drivers for consumption of alternative proteins and characteristics of early adopters during October-November 2020. We hope you enjoy the Smart Protein Summit!
