

Voluntary Report – Voluntary - Public Distribution

Date: May 18,2020

Report Number: BR2020-0021

Report Name: Brazil's Plant-Based Food Trends

Country: Brazil

Post: Sao Paulo ATO

Report Category: Exporter Guide, Food Processing Ingredients, Food Service - Hotel Restaurant Institutional, Retail Foods, Competitor, Export Promotion Programs, Honey, Market Development Reports, Market Promotion/Competition, Product Brief, Promotion Opportunities, Sales Mission Evaluation, Snack Foods, Trade Show Announcement, Trade Show Closing, Trade Show Evaluation

Prepared By: Alexandre Vendemiatti

Approved By: Nicolas Rubio

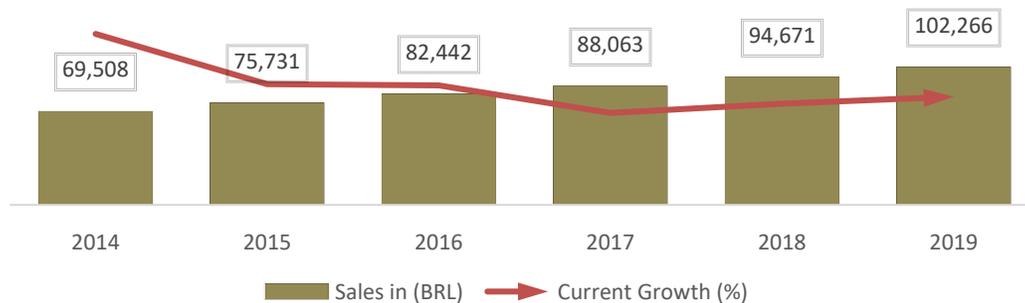
Report Highlights:

Brazil offers a variety of opportunities for American exporters of plant-based products. As the market evolves, plant-based products have become cheaper and more competitive against traditional food products. The country has seen an increasingly amount of people becoming vegetarian, which drives the demand for products free from animal protein. Industry players reported yearly growth rate above twenty percent in the last couple of years. Moreover, the segment is expected to increase in sales in 2020; however, the COVID-19 pandemic may prevent the sector from keeping the same or higher growth rate. Although it is still a niche, the market for plant-based foods have been evolving rapidly in the country and therefore it offers good opportunity for American exporters.

Brazil's Health and Wellness Market Overview

The global consumer trend towards a healthier and more natural lifestyle as well as the growing concern on environmental issues are factors that have increased the demand for healthy, natural, and convenient food products. Euromonitor International estimates a market size for the health and wellness food and beverage ¹ products in Brazil of US\$26 billion (R\$ 102 billion) in 2019, an increase of 8 percent compared to the previous year. It makes Brazil the sixth largest consumer in the world for this category of products.

Sales of Health and Wellness Products in Brazil (BRL Million)



Source: Euromonitor

Brazilian consumers are moving towards a more balanced diet and as a result, it increases the opportunities for new innovative food products. Moreover, many industry players are promoting plant-based food products for not only vegans and vegetarians consumers, but also anyone looking to add a plant-based protein on their diets. Therefore, the segment is slowly moving from a niche market into a mainstream industry targeting consumers in the middle and high-income classes.

Brazil Plant-Based Market

According to a research conducted by the Brazilian Institute of Public Opinion and Statistics (IBOPE) in 2018, 30 million people in Brazil consider themselves vegetarians, an increase of 75 percent compared to the same research conducted in 2012. Moreover, the research showed that 60 percent of all people interviewed would prefer to buy plant-based products if the price range were similar to animal-origin products of the same category.

The market for plant-based products reached a size that can no longer be overlooked by any food companies. Giants in the sector such as McDonald's, Burger King, Subway, JBS, BRF, Marfrig, Danone, and Nestlé joined the "veggie" wave with products and investments. In addition, new Brazilian start-ups are emerging and investing in the development of plant-based products in all different categories, such as dairy, meat, egg replacement, protein supplements, and others. The same is true in the supermarket sector, where large chains such as Grupo Pao de Açúcar (GPA) and Carrefour are increasingly offering organic and vegetarian products in their stores. Some retailers have their own brand of natural products such as Taeq from GPA and others are dedicating more space to the category. See below some plant-based products that can be found in supermarkets.

¹ Health and wellness is the aggregation of organic, fortified/functional, and naturally healthy food and beverages. It also includes alternative products for food intolerances.

Dairy Milk Substitutes Products



Soybean milk

Source: www.cocacolabrazil.com.br

Almond milk

Source: www.bluediamondalmonds.com.br

Meat Substitutes Products



Plant-Based Hamburger

Source: www.thenewbutchers.com.br

Soybean Based Hamburger

Source: www.ecobras.com.br

Plant-Based Frozen Foods



Shepherd's pie

Source: www.incrivelseara.com.br

Nuggets

Furthermore, manufacturers of plant-based products reported yearly growth rate above twenty percent in the last couple of years. The segment is expected to increase in sales in 2020; however, the COVID-19 pandemic may prevent the sector from keeping the same or higher growth rate. In addition, the Brazilian population may face a reduction in disposable income caused by the pandemic, thus lowering consumption of a variety of products and services. Despite the challenging economic situation, the market for vegetarian and organic products is growing in a fast pace and companies are optimistic about the future.

Channel

In a publication conducted by The Good Food Institute in 2018 with Brazilian consumers considered vegetarians, vegans, and/or flexitarians, purchase of plant-based products occurs mainly in retail stores. Also, industry players see a potential increase in sales in online stores for the next years due to change in habits caused by COVID-19 pandemic. However, the research shows that traditional shopping is a key factor to consider when it comes to reaching the target audience.

Challenge

Price is a decisive element for consumers. The price range of plant-based products must be competitive with the prices of similar animal protein products. However, this is still a challenge for the industry because the market is still new and not as mature as seen in some developed countries. Although this discrepancy tends to decrease as the market develops and demand for plant-based products grows, the current exchange rate against the U.S. dollar and the challenging economic environment may put additional tests for imported plant-based products.

Opportunities

Brazil offers a variety of opportunities for exporters of plant-based products. As the market evolves, plant-based products become cheaper and more competitive against traditional food products. Trending plant-based products in Brazil are the same ones found in the U.S. market, which has a plant-based sector more diversified and structured compared to Latin America countries.

Consumer demand for meat substitutes has grown over the past years as consumers have shown concern about how their lifestyle affects the planet. The reasons for shifting from animal-protein to plant-based diets are vast such as animal welfare, environment preservation, general health concerns, and others. As more consumers seek these alternatives, the market for plant-based proteins is rapidly growing. The largest meat processors and foodtech start-ups in Brazil have been heavily investing in plant-based products to supply the demand. Their portfolio includes hamburgers, sausages, nuggets, and other plant-based frozen foods.

Plant-based dairy substitutes are also trending in Brazil as an option to traditional food products. Plant milk is on the rise among Brazilian consumers. According to industry players, milk alternatives has been growing at a strong double-digit rate. Supermarkets of different sizes are adapting their shelves to dedicate more space for these products. Soybean, almonds, rice, oat, coconut are the most common milk alternatives found in retail stores. Moreover, another niche to be explored are plant-based cheeses, yogurts, and ice creams. The consumer perceives those products as healthier and the demand continues to grow as Brazilian consumers shifts its consumption habits towards a more balanced diet.

Consumption of nut products such as walnuts, almonds, and pistachios is high in Brazil and it continues to increase due to the demand for vegetable proteins. However, price is still a main challenge for tree nut products in the country. On the other hand, with higher imports from places like the United States, relatively lower prices are expected to drive the growth of walnuts, almonds, and pistachios to be three of the highest among nut categories over the next year.

Post Contact and Further Information

Please do not hesitate to contact the offices below for questions or comments regarding this report or to request assistance to export processed food products into Brazil:

U.S. Agricultural Trade Office (ATO)

U.S. Consulate General
Rua Thomas Deloney,381
04710-041 Sao Paulo, SP
Tel: (55 11) 3250-5400
Fax: (55 11) 3250-5499
E-mail: atosaopaulo@usda.gov

Office of Agricultural Affairs (OAA)

U.S. Embassy
Av. das Nacoes, quadra 801, lote 3
70403-900 Brasilia, DF
Tel: (55 61) 3312-7000
Fax: (55 61) 3312-7659
E-mail: agbrasil@fas.usda.gov

Attachments:

No Attachments.