



Deliciou Pty Ltd ACN 620 804 211
Level 7, 608E St Kilda Road, Melbourne VIC 3004 Australia

Executive Summary

We welcome the opportunity to make a submission to the Senate Rural and Regional Affairs and Transport Legislation Committee's inquiry into definitions of meat and other products as an opportunity to resolve conflict and ensure a good consumer outcome for Australians.

Australian consumers are not confused or conflicted by the clear labelling of plant-based protein products, and there is a clear incentive from the meat industry to attempt to squash competition. The push is not backed by clear evidence, and could be detrimental to the emerging plant-based protein industry which is an important alternative for people looking to eat a healthier diet which is more sustainable for the planet.

Deliciou is a global eCommerce and retail plant-based foods brand. Our products are sold in Coles and Woolworths as well as independent grocers across Australia. We export significant volume to the USA, UK and EU and we have direct-to-consumer eCommerce sales to over 140 countries.

- By 2040, 60% of global meat consumption is expected to come from non-conventional sources including plant-based and cultured meats¹.
- The intention of plant-based meat companies is not to capitalise on the benefits of animal products, but instead provide an alternative to traditional meat.
- The use of descriptors like 'chicken', 'mince', 'beef' and 'patties' are used as allowed in Food Standards Code Standard 1.2.2-2 to help consumers identify the flavour and texture they can expect, as well as product format for recipe application. It is in no way intended to convince consumers they are in fact purchasing meat and is most frequently included with the qualifiers 'Plant Based', '-free', '-style' or 'Vegan'.
- The use of livestock images on plant-based meat is extremely rare.
- Deliciou plant-based meats are free from unnatural additives and synthetic chemicals, as are many plant-based meats.
- Deliciou supports local and rural manufacturing through agricultural source materials which are processed into ingredients within our products, as well as local finished product co-manufacturing and packaging materials production creating direct and indirect jobs in Australia.

Source: (1) A.T. Kearney 2019, How Will Cultured Meat and Meat Alternatives Disrupt the Agricultural and Food Industry? (2) Credit Suisse Research Institute, The Global Food System: Identifying sustainable solutions; (3) FIAL 2019, Protein Market: Size of the Prize Analysis for Australia; (4) Campbell, T.C and Campbell T.M., 2016, *The China Study Revised and Expanded Edition*, BenBella Books, Inc, Dallas, TX. (5) <https://www.ipcc.ch/srccl/> 5.2.1 (6) <https://www.ipcc.ch/srccl/> 5.4.3



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Introduction

Deliciou's mission is to make plant-based eating easy and delicious for everyone. This mission is driven by the belief that eating more plants is better for our health, the environment and animal welfare.

Our company was founded in 2015 by Kjetil "KJ" Hansen, who from his kitchen table in Melbourne sought to develop delicious bacon flavoured seasoning products.

In 2018, Deliciou added even more seasoning flavours and reformulated all products to be 100% vegan and secured product ranging on retail shelves in Woolworths (AU) and Whole Foods Market (USA).

In February 2020, Deliciou launched revolutionary shelf-stable dehydrated Plant Based Chicken, followed by Plant Based Beef and Plant Based Pork. This range is now available in Coles, Woolworths and independent retailers Australia-wide and is exported to the USA where it is sold in Whole Foods Market.

A range of Seasoned Plant Based Mince meal bases launched on our ecommerce platform in Oct 2020 and will be available in Australian retail stores from September 2021.

In February 2021, Deliciou raised equity from a number of investors including leading plant-based protein fund Stray Dog Capital with a valuation of \$65 million.

Deliciou has a highly successful global eCommerce platform with sales in over 140 countries. A majority of sales are in the USA, UK, EU and Oceania markets. The company experienced 160% growth in 2020 versus 2019 and is forecast to grow 71% in 2021.

Economic Opportunities

Global meat demand is expected to increase by 100x as populations increase and the growing middle class seeks to include more protein in their diets².

Between 2018 and 2025, global per capita protein consumption is projected to grow by in excess of 25%³.

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The ability for current food production systems to meet increasing protein demand is reaching a critical inflection point. By 2040, 60% of global meat consumption is expected to come from non-conventional sources including plant-based and cultured meats¹.

Australia's agri-food sector is set to benefit from this reduction in meat consumption as wheat gluten is a key ingredient in textured wheat protein (TWP), a primary ingredient in many plant-based meat products. The high-quality wheat gluten produced in Australia is utilised in most of the TWP manufactured in Australia and the USA.

There are also significant opportunities to meet the global textured vegetable protein demand by utilising Australian pulses and proteins for novel TVP sources as the focus shifts from conventional soy sources to lentil, pea, faba bean and other novel sources. This generates opportunities for export across the raw material and finished goods markets and allows the market to move these agricultural ingredients from low-value commodities to high-value ingredients.

Labelling

Clear labelling that consumers understand is critical. Deliciou products clearly indicate that they are plant-based and vegan, and our plant-based meat range does not use images of animals.



Furthermore, review of plant-based meat products throughout the grocery store highlights that 100% of the 69 products found contain at least one classifying descriptor to indicate that the products are not animal-based, including 'Plant Based', '100% Meat Free', 'Vegan', 'Proudly Meat Free', and '-free'. Many also state '- Style' or indicate the plant origins of the primary ingredients within the products.

This satisfies the requirements of the Food Standards Code Standard 1.2.2-2 Name of food "*For the labelling provisions, the name of a food is (b) otherwise a name or description: (i) sufficient to*

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indicate the true nature of the food; and (ii) that includes any additional words this Code requires to be included in the name of food.” Additionally, it fulfills the ACCC Food descriptors guideline to the Trade Practices Act 2006.

Only four products across two brands within the 69 products found contained graphic representation of an animal. Of those two brands, one contained illustrations of animals and the other utilised a ‘window’ cut-out on the package in the shape of an animal. Both brands clearly stated ‘Plant Based’ or ‘-free’.

As a shelf-stable, long-life analogue of meat range, labelling the Deliciou products as mince assists with customer interpretation and expectations on how and when to use these products. Through the use of leaf stenciling and imagery, “plant” and “plant mix” terminology are effective in communicating the plant-based composition of the Deliciou products, preventing any confusion with animal-based meat products.

Should Delciou have to update our packaging to remove the ‘PLANT BASED CHICKEN/BEEF/PORK’, it would be devastating to our profitability and brand identity. It would cost upwards of \$200,000 to commission new artwork, write-off existing packaging, and re-photograph and update our digital assets including our website. Furthermore, we believe sales of this range would be impacted significantly, potentially 50% or more, if customers are not able to clearly identify what animal-based meats they are intended to replace. Sales decreases this substantial would prevent Deliciou's ability to perform in the Australian market, therefore all manufacturing and head office jobs would need to be off-shored to regions of the world that would support sales, for example the USA and UK.

Health

Arguments about the inherent health benefits of meat and animal product consumption are frequently made, however multi-generational studies consistently highlight the deleterious effects or correlations of animal products and health outcomes including obesity, heart disease, cancer (particularly breast, colon and prostate), and autoimmune diseases like MS. Plant-based diets are similarly associated with lower incidences of depression, osteoporosis and kidney stones⁴.

Furthermore, the global health crisis that is a result of climate change is directly linked to meat consumption, as evidenced by a special report commissioned by the United Nations Intergovernmental Panel on Climate Change. The report states ‘A systematic review found that higher consumption of animal-based foods was associated with higher estimated environmental impact, whereas increased consumption of plant-based foods was associated with an estimated

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lower environmental impact (Nelson et al. 2016⁸⁷¹). Assessment of individual foods within these broader categories showed that meat – especially ruminant meat (beef and lamb) – was consistently identified as the single food with the greatest impact on the environment, on a global basis, most often in terms of GHG emissions and/or land use⁵.

Furthermore, the report states 'products like red meat remain the most inefficient in terms of emissions per kg of protein produced in comparison to milk, pork, eggs and all crop products (IPCC 2014b⁶⁹⁸)'⁶.

Deliciou plant-based meats are manufactured with natural ingredients, primarily wheat and soy. They provide 20g protein per serve, 10% RDI of fibre, which is absent from traditional meat, are lower in fat than traditional meats and are fortified with B12 and Iron. They are also cholesterol free.

Conclusion

We believe plant-based meat companies are currently labelling their products in a way that is favourable to consumers and is clearly understood. We do not believe that this labelling results in any potential impairment of Australian meat category brand investment from the appropriation of product labelling.

We also believe that the plant-based meat sector supports Australian industry and agribusiness and will continue to grow. Furthermore, plant based meat benefits the health and wellbeing of people and the planet.

We strongly support industry-led development of voluntary labelling guidelines for plant-based meat products that are reflective of consumer expectations and consistent with the existing Food Standards Code.

We invite this submission to be made publicly available.

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