CATTLE COUNCIL OF AUSTRALIA

19 October 2021

Inquiry into the definitions of meat and other animal products - Written questions on notice

What independent peer-reviewed modelling on growth in comparative demand for both red-meat and alternative proteins over coming years has the red meat and livestock sector undertaken?

Regarding general peer-reviewed modeling on growth in comparative demand for red meat and alternative protein, we would like to draw attention to the work of R Tso[1] (2020) and his team when they highlight at the beginning of their report *"A Critical Appraisal of the Evidence Supporting Consumer Motivations for Alternative Proteins"*:

> *"In this review, we summarise the main evidence underlying the nutritional, sensorial, economical, ethical, and environmental reasons reported for the rise in consumer demand for alternative proteins. We found many of these reasons to lack a strong evidence base. For instance, evidence is emerging for the nutritional benefits of plant-based meat alternatives, but present claims are largely based on established evidence for plant-based diets."*

It is likely manufactured plant-based protein sales will increase as global total consumption of protein increases, with plant-based protein companies simultaneously seeking to cannibalise market share of conventional meat in the process. This commercial aspiration was well illustrated by the former Executive Chairman of Beyond Meat, Seth Goldman, when he stated that:

"When we think about competition, it's meat. Our goal has never been to be the top-selling veggie burger company, although we obviously want vegans and vegetarians to enjoy our products. But we've never aspired to be the leader of 5% of the market, we're going after the other 95%."[2]

What empirical peer-reviewed evidence is there that the category has been or will be materially damaged by the emergence of plant-based meat?

As noted in our submission, a University of Melbourne study[3] into plant-based proteins identified the prevalence of unverified and unsubstantiated credence claims made on product packaging. University researchers found that in these claims, companies discuss their products in relation to conventional meat products, presenting them as simultaneously better than and similar to meat. This research exposes the extent to which plant-based protein companies use piggyback marketing practices while simultaneously denigrating red meat category brands for maximum reputation damage to meat products.

[1] Tso R, Lim AJ, Forde CG. A Critical Appraisal of the Evidence Supporting Consumer Motivations for Alternative Proteins. *Foods*. 2020;10(1):24. Published 2020 Dec 23. doi:10.3390/foods10010024 https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7823589/

[2] https://www.foodnavigator-usa.com/Article/2018/01/12/An-estimated-70-of-Beyond-Burger-fans-are-meat-eaters-not-vegans-vegetarians-says-Beyond-Meat

[3] Lacy-Nichols, J., Scrinis, G. & Moodie, R. (2020). The Australian Alternative Protein Industry. [Report]. Future Food Hallmark Research Initiative. Melbourne, Australia.

14-16 Brisbane Ave, BARTON ACT 2600
Locked Bag 9, KINGSTON ACT 2604
cca@cattlecouncil.com.au | 1300 653 038
ACN: 625 194 096 | ABN: 54 625 194 096

"ABARES released forecasts this month that tips the value of livestock to rise to $33.5 billion, an increase of 8 per cent by the end of this financial year."

With the growth of plant-based meats in grocery stores occurring at the same time as these record figures, what independent peer-reviewed modelling do you have to support the assertion that plant-based meat will impair the animal meat category?

As noted in our submission, a recent University of Melbourne[4] study has identified the prevalence of unverified and unsubstantiated credence claims made on alternative proteins sold in Australia. Justifiably we are concerned over the representation of alternative products as having similar if not superseded benefits of consuming beef through misleading labelling practices.

The negative impact of manufactured plant-based proteins on meat sales was highlighted in a nationally representative survey of 1,000 Australians undertaken in July 2021 by ISO accredited market research agency, Pollinate[5]. This research, which was publicly released with full methodology and supporting data, revealed that:

- 6 in 10 consumers are being misled by the current packaging of manufactured plant-based proteins.
- 1 in 3 consumers think they've mistaken plant-based protein for animal meat due to its packaging in the past
- Almost 2 in 3 believe that other people may have also made the same mistake

How have you engaged with leading alternative protein representative organisations to discuss your concerns and a potential path forward, for example that recommended by the Minister for Agriculture's working group?

Cattle Council of Australia have met several times with Food Frontier (with the first meeting in 2018) to discuss the opportunities and challenges that we share. Cattle Council of Australia do not believe that a voluntary approach to this issue will resolve the current misleading marketing practices.

In regard to the Minister for Agriculture's working group, Cattle Council of Australia were not specifically invited to be a party to the working group, although we participated in the initial virtual meeting called by the Minister to identify the breadth of the issue which resulted in the working group being formed.

Verbal questions taken on notice

Could you provide me with any information on the amount of your industry that goes into unbranded products—into the grinding market or the food services market—that people would currently be eating beef or, for sheep producers, lamb or mutton, and the product could potentially be substituted without alerting customers?

Beef is one of the largest fresh meat proteins consumed through foodservice in value terms and has been growing steadily year-on-year. The foodservice sector is a key channel for beef as approximately 28% of domestic beef and veal supply is sold through this channel (Source: RIRDC/Fresh Agenda).

Could you tell me how much a year, of what is raised in levies from cattle producers, goes towards assurance systems around animal welfare guidelines, improving pasture composition and the traceability components so that you know where the animal has come from? Can you tell me the amount of levies collected from producers in the cattle industry?

[4] Lacy-Nichols, J., Scrinis, G. & Moodie, R. (2020). The Australian Alternative Protein Industry. [Report]. Future Food Hallmark Research Initiative. Melbourne, Australia.

[5] https://rmac.com.au/wp-content/uploads/2021/08/Pollinate-National-Consumer-Research.pdf

As outlined in MLA's Annual Investment Plan for 2021-22, our industry is planning to invest $304.9 million in research, development and marketing activities this financial year which includes $63 million collected from grassfed cattle levies.

MLA's projected 2021–22 investment by program is:

- Animal wellbeing - $5.3 million
- Capability building - $20.4 million
- Communication - $9.5 million
- Corporate services - $18.1 million
- Domestic market - $25.0 million
- Eating quality - $5.5 million
- Environmental sustainability - $39.1 million
- Feedlot - $5.8 million
- Integrity systems - $27.8 million
- International markets - $47.2 million
- Objective measurement - $14.5 million
- Producer adoption - $18.4 million
- Product and packaging innovation - $3.5 million
- Productivity (off-farm) - $15.0 million
- Productivity (on-farm) - $42.0 million
- Value chain information and efficiency - $7.8 million

Source: MLA Annual Investment Plan 2021-22