

# final report

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## **Review of Meat Floss – Identifying opportunities for Australian Red Meat (insights2innovations)**

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## Executive summary

This MLA Donor project company funded project was commissioned to gain a better understanding of the potential of meat floss to the Australian red meat industry.

In large parts of Asia, pork candied variant is the most popular floss. In Muslim majority countries such as Indonesia, beef floss is widely ranged and commonly called abon. Malaysian Muslims make and consume meat floss made from chicken or beef called serunding, which is a popular delicacy during Ramadan and Eid al-Fitr. In Muslim majority Hausa cuisine, dambu nama is a dry shredded beef snack, similar to Rousong. It is fried and heavily spiced in its preparation.

In the next five years in Australia, this important Asian Ethnic group of consumers will contribute a total of \$18.7 billion (or 28%) in sales for the grocery sector. This represents an increase of \$4.4 billion in incremental revenue, with Asian-born consumers making up 57% of this growth.

Source – Nielsen’s Ethnic-Australian Consumer Report – June, 2017

This report is a very brief review of meat floss – defining current and potential new usage occasions for Australian red meat.

Given the limited scope and budget for the project the majority of the findings in the report were researched using desktop research coupled with some trade visits in to predominately Asian local retailers in the greater Brisbane area. Typical category data on the volume and value of the category is not collected by any of the recognized market intelligence companies in Australia or across Asia. During the course of his research the project leader was surprised by the penetration of the category globally and the prices being achieved for various product offerings in a virtually unknown meat product category here in Australia. Included in the report is an overview of a simple process used to manufacture meat floss and an estimation of the costs associated with the purchase of a simple meat floss manufacturing unit.

This report tried to demystify what Meat Floss is and how it is currently used around the globe. The report clearly demonstrates the global reach of meat floss, particularly in the Asian and Muslim world, and the seemingly never ending usage occasions for the product offering. Interestingly, however, from the research carried out there does not seem to be a dominant player or branded offering for this “pantry stable” globally.

As a red meat value add product category meat floss seems to tick all the boxes. As you can see in the body of this report the price per kilo for products identified for this report range from a low of A\$47.92 per kg to an impressive A\$353.78 per kg. This certainly compared favourably when we could buy premium thick cut fillet steaks 250g for \$10.75 or \$42.99 per Kg at our local Woolworths.

As stated previously, none of the reputable market intelligence companies track this category so it is impossible to accurately gauge its actual size. However given the insatiable demand from consumers for protein and the well publicised impressive growth trends in pulled meats combined with the emergence of beef jerky as a protein snacking alternative, we would estimate that a market size of A\$120m could be achievable for Australian red meat industry in this high value category within the next 5 years.

Due to religious beliefs there are currently over 1 billion consumers unavailable to pork floss and this surely represents a business opportunity for a Australian red meat meat floss offering.

The project leader believes there are real opportunities for an Australian red meat value add offering in this category. As this report shows there is near global appeal for the product offering and today the offering is a pantry stable in a considerable amount of countries with seemingly endless usage occasions.

However, we believe a properly funded innovative approach to the category could potentially deliver a range of value add red meat offerings which Australian red meat could own across the Asian and Muslim world. These products range from

- **Garnishes**
  - Serve with sticky rice, boiled rice, porridge
  - As an addition to soups
  - other dishes such as rice and fried eggs
- **Fillers** – for sandwiches, cakes, buns
- **Snacking**
  - very processed floss
  - some fresher options at food stalls however not available in structured retail

To conclude, my recommendations to the Australian red meat industry regarding meat floss would be the following,

**Recommendation # 1**

Conduct consumer research in the targeted markets, Indonesia and Middle East on a product offering and an Australian brand to ensure we have the correct brand propositions and taste profiles.

**Recommendation # 2**

Work in conjunction with selected value add red meat supplier to develop an Australian meat floss branded offering, which will resonate with the Asian, focussing initially on predominately Muslim consumers.

**Recommendation # 3**

Based on the insights and findings from the above research we should formulate detailed launch plans plus route to market plans for executive approval on an action plan for the launch of a premium Australian Meat Floss branded proposition into the above test markets.

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# 1 Background

## 1.1 Introduction

This project aligns well with MLA's goal to increase the market demand for red meat via new high value product and market development which will translate into increased value and incremental volume back to producers.

Meat Floss also known as **meat wool, meat floss, pork floss, flossy pork, pork sung or yuk sung**, is a dried meat product with a light and fluffy texture like coarse cotton, originating from China. Meat *Floss* is used as a topping for many foods, such as congee, Tofu and savoury soy milk. It is also used as a filling for various buns and pastries, and as a snack food on its own. Meat floss is a very popular food item in Chinese cuisine and in cuisines right across Asia and beyond.

We know that Healthy superfood and Snacking are two of the biggest trends in food and health, affecting every category, every type of food and helping create a blurring of boundaries between categories/channels.

In addition, the Australian consumer is embracing Asian cuisine, Chinese food remains Australia's favourite cuisine four years running says a new report from Roy Morgan Research.

According to Roy Morgan, 2015 marked the fourth year in a row the Asian cuisine came out on top with 70.4 per cent of Aussies 14 + saying they enjoy the cuisine.

### IN THE PAST YEAR:



Figure 1: Source - Nielsen Homescan Data, 2016

The knock-on effects of this Australian consumer preference for Asian cuisine are currently being enjoyed by the horticultural sector right across the Australian supermarkets. We can see from the information that more than 1 out of every 3 (34.5%) of Australian households have purchased Asian vegetables in the last year, which is resulting in strong double digit growth in terms of volume and value for the horticultural sector.



Figure 2: Source - Nielsen Homescan Data, 2016

Surely it is time for the Australian red meat industry to investigate a fresh/HPP garnish offering in this space as this is how Asians consume Asian foods.

As we can see below the Australian red meat industry has successfully positioned Australian red meat as the imported red meat of choice globally and it has enjoyed considerable success across the key markets in Asia.

In addition, we know that Australian red meat has successfully marketed its product to many of those of the Muslim faith across Asia. Pew market research report, around 62% of the world's Muslims live in the Asia-Pacific region (from Turkey to Indonesia), with over 1 billion adherents. The largest Muslim population in a country is in Indonesia, a nation home to 12.7% of the world's Muslims, followed by Pakistan (11.0%), and India (10.9%).

These over 1 billion consumers are not available to the pork floss manufacturers due to religious beliefs.

**CORE BRAND IDEA**



**TRUE AUSSIE**

**True to the quality & integrity of Australian producers.**  
True Aussie is being authentic to this natural, pristine environment, this vast land and year round sunny climate.

True to the high food safety and animal welfare standards and professionalism, underpinned by our world leading industry systems. True to the Australian spirit.

*Figure 3: Source - Michael Edmonds - MLA, 2017*

Given the vast numbers of available consumers, the current range of meat floss products and seemingly never ending consumer usage occasions available, it is surprising that the Australian red meat industry does not offer consumers a premium Australian meat floss.

## 1.2 What is Meat Floss?

Well that depends on where you are in the world.

If you happen to be in Nigeria – Meat floss, commonly known as Dambu Nama is a delicious spicy-savoury Nigerian dried beef floss. Dambu is a popular meat snack in Northern Nigeria and its more commonly prepared during the Muslim *Sal-ah* celebrations. The choice meat for making this snack for *Sal-ah* is lamb but beef is also used. Dambu can be eaten on its own as a snack or in combination with other dishes such as rice and fried eggs.

If you happen to be in Malaysia – Meat Floss is referred to as Serundeng can be mixed with meat in dishes such as *serundeng daging* (beef serundeng), sprinkled on top of other dishes such as soto soup or covering all over *ketan* (sticky rice).

While in Indonesia, Beef floss is known locally as Abon. Abon is usually eaten as a side dish, a topping over rice, noodles or chicken porridge. It can also be referred to as serundeng as it usually tastes rather sweet because of the generous addition of coconut sugar, and it is commonly associated with Javanese cuisine. Serundeng fried coconut flakes as sprinkled dry condiment is also found in Betawi cuisine of Jakarta, and Makassar cuisine of South Sulawesi, usually applied upon soto, *ketan*, or burasa (rice in banana leaf cooked in coconut milk).

In Malaysia, the term *serunding* refers to meat floss, it can be mixed with grated coconut or not.

And of course, the Chinese also have their own name for Meat Floss. It has an interesting name in Chinese language: 肉松 literally means fluffy meat. *Rousong*, also known as meat wool, meat floss, pork floss, flossy pork, pork sung or yuk sung, is a dried meat product with a light and fluffy texture like coarse cotton, originating from China.

*Rousong* is used as a topping for many foods, such as congee, tofu, and savoury soy milk. It is also used as a filling for various buns and pastries, and as a snack food on its own. *Rousong* is a very popular food item in Chinese cuisine. One of the most common product offerings are the soft floss buns, with just one bite, you can taste the savoury meat floss and the super soft buns.

Although Meat Floss may have many different names across the globe the one thing we know for sure about Meat Floss is that it has endless usage occasions which makes it a veritable pantry staple globally.

Meat floss seems to be the garnish of choice in many Asian cuisines. Surely this is a market worth exploring for the Australian red meat industry.

A quality Australian garnish which is protein packed – seems like an interesting idea.



## 2 Project objectives

The project will undertake the following method:

1. Present desktop review (case studies) of current meat floss range in Asia and Australia – include market size, meat type and % finished product, ingredients, packaging format and process design and intended use and market pricing. Include consideration for which country and dish its commonly used and by which segment / persona of the market
2. Present value propositions for 3-5 opportunity spaces for Australian red meat floss variant beyond current paradigm. Include assumptions for what “job(s)” is being done by this new product/service offer and the addressable market size (i.e. desirability for where to play). Also include basic product cost / value multiplier for this created/capture value offer from an initial commodity red meat product being transformed into “floss” and positioning as premium Australian red meat offer (i.e. the viability and recommendations for industry to pursue and act on a meat floss).

### 3 Methodology

#### 3.1 How is Meat Floss Made?

Meat Floss is made by stewing cuts of meat in a sweetened soy sauce mixture until individual muscle fibres can be easily torn apart with a mechanical “fork”. This happens when the water insoluble collagen that holds the muscle fibres of the meat together has been converted into water-soluble gelatine. The teased-apart meat is then strained and dried in the oven. After a light drying, the meat is mashed and beaten while being dry-cooked in a large wok until it is nearly completely dry. Additional flavourings are usually added while the mixture is being dry fried.

Interestingly, five kilograms of meat will usually yield about one kilogram of floss.

As an example, for report purposes only

|                                   |             |
|-----------------------------------|-------------|
| Topside – Cost per Kg             | \$9.00      |
| Processing cost*                  | \$2.00      |
| Finished Cost of Goods – per Kg** | \$11.00     |
| Indicative RRP – per Kg***        | \$173.00    |
| <b>Value Multiplier</b>           | <b>x 16</b> |

\*Based on Jerky processing costs

\*\* Excluding packaging

\*\*\* Indicative mid-point based on Meat/Pork Floss products RRP's in this report

### 4 Results

#### 4.1 Market Size

After much searching online and various discussions with market research companies it seems that there is no volume/value market information available on the Meat Floss category. This is not surprising as currently much of the meat floss category is sold online and via traditional Asian grocery outlets and these are not monitored by the structured market research companies.

Based on the research we have carried out for this project we believe that while the market volume may be low in tonnage terms, the value of the category could be considerable and something worth further in depth investigation. These conclusions are arrived for the following reasons (a) the number of players in the market (b) the wide range of countries where the product is a staple (c) the vast range of usage occasions and (d) the current vast consumer demand for all great protein sources.

However, we believe the category is still in its infancy and untapped due to the poor positioning of existing consumer offering and practically zero communications regarding the established consumer benefits around the product offering.

The big question is what is the potential size of the prize for Meat floss?

If we all agree the consumer has an ever growing demand for protein and we recognised the trends in the pulled meat categories – then it may be fair to assume that there could be a lucrative market for meat floss.

**Recognised rapid growth trends exist for pulled meats**

**The impressive growth of pulled pork**

If you were to go back five years, chances are finding pulled pork dishes in Australia would've been extremely difficult if not essentially impossible. Now, however, it's a very different story. While you won't see it being served in every single cafe or restaurant, it's certainly managed to become a far more popular dish.

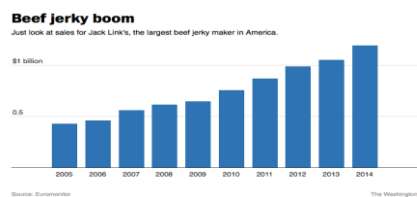


With operators incorporating pulled pork into sandwiches, noodle bowls and protein toppings for pizza, fries, baked potatoes and nachos, we've seen pulled pork really become that secondary topping, like bacon."

Source: FoMo - June, 2017

**Jerky is now trendy**

The market for jerky has ballooned into a nearly \$1.5 billion industry in the United States. Sales are up by 13 percent since 2013, and by 46 percent since 2009, according to data from market research firm IRI. Jack Link's, the largest jerky maker in America, now sells more than \$1 billion in meat snacks each year.



The demand for dried meat has risen to such heights that it now dwarfs that of other once comparable snacks. A recent report by market research firm Euromonitor found that jerky outsells seeds, party mixes, and pita chips—combined.

**Is Australian meat floss next?**

**Consumer are looking for NEW**



**We know there is recognised growth trend in pulled meats globally**

**Consumers are voting with their hard earned \$\$'s**

In addition, the protein shake market has become a very large category. So too has the protein bar market, which was already worth more than US \$500m in 2013. Sales of health and wellness bars, which often claim high protein content, are growing more than twice as fast as the overall food industry.

Given that we take the above factors on board and if the Australian red meat industry were to invest in market insights, product development and category building then it would not be unreasonable to believe there could be a A\$100 million plus category available for the industry within the next 5 years.

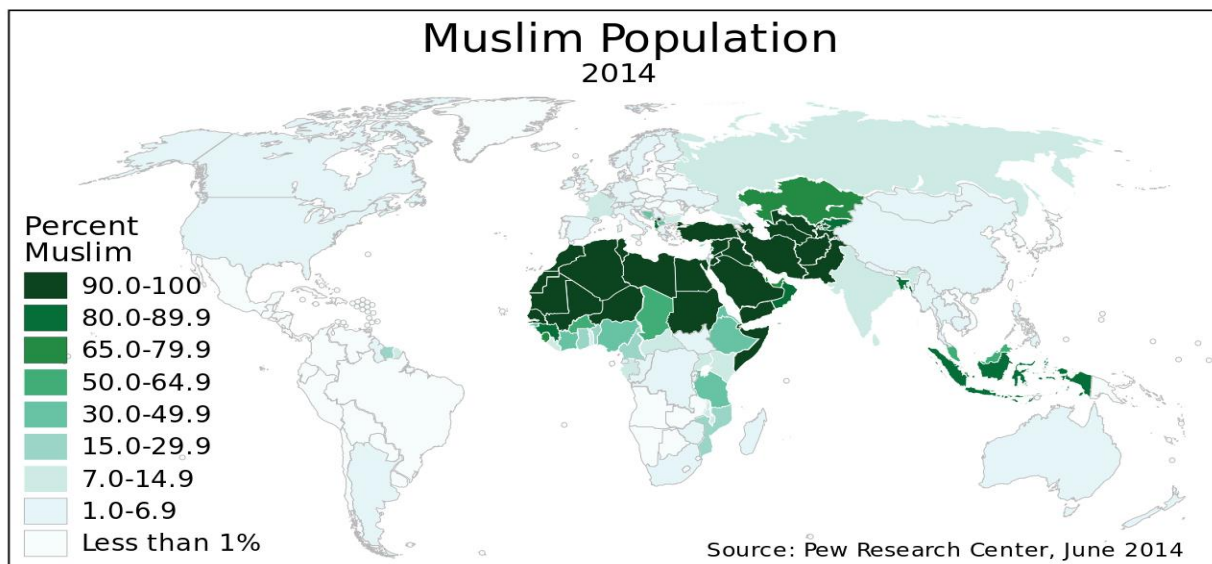
#### 4.1.1 Red Meat share of the Floss Market

Currently the meat floss market is dominated by our friends in the pork industry. However, we feel based on our limited research into this project that there could possibly be a lucrative niche market for Australian red meat floss offering to compete with pork floss in many markets but a sizable red meat floss market in the many pork free predominately Muslim markets in Asia.

**Muslim Southeast Asia** refers to those areas of Southeast Asia that have significant populations of Muslims. It includes:

- Most parts of Indonesia
- Peninsular Malaysia and Sabah
- Brunei
- Southern Philippines
- Southern Thailand
- Westernmost parts of Myanmar
- Majority Muslim in Singapore are Malay Singaporean

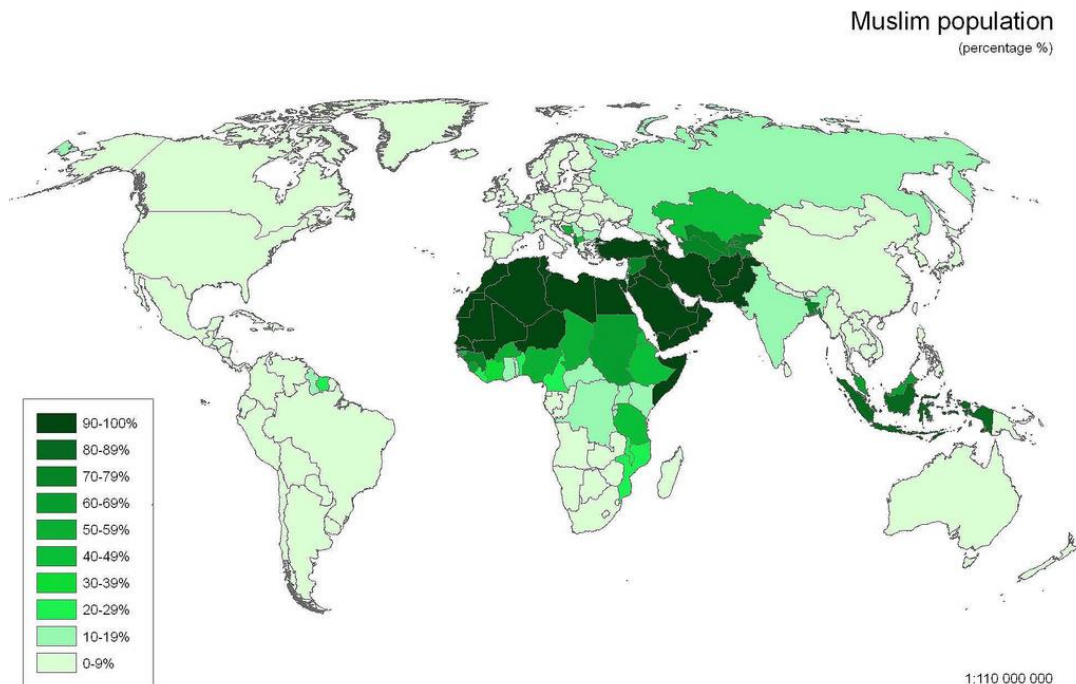
Culturally, it would also include the Cham people of Cambodia and Vietnam.



Source –

According to Pew market research, around 62% of the world's Muslims live in the Asia-Pacific region (from **Turkey** to **Indonesia**), with over 1 billion adherents. The largest Muslim population in a country is in **Indonesia**, a nation home to 12.7% of the world's Muslims, followed by **Pakistan** (11.0%), and **India** (10.9%).

However, this is not just a Muslim Asian opportunity for the Australian red meat industry given the ever-growing percentage of Muslims globally, as is demonstrated below.



## 4.2 Current Packaging Formats

Meat Floss currently comes in a wide assortment of product/packaging offerings.

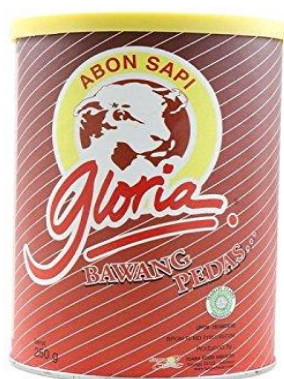
Please note, as pork floss is more widely distributed where we could not find a red meat floss alternative in a market we used pork floss for price/kilo benchmark purposes.

In Indonesia, there is a wide range of product offerings available and from desktop research carried out for this project the following products appears to have the widest distribution base. The product below has a distribution base which includes traditional grocery stores, supermarkets and online.



### About the Product

- Product of Indonesia
  - Halal certified product
  - Ready to serve to accompany your dish
  - Hot spicy chilli flavour
  - 3 x 100 gram per order
- AMAZON - 300g for US\$49.99



### About the Product

- Product of Indonesia
- Halal certified product
- Ideally used as a companion or a side dish sprinkling on rice and chicken porridge, or as a stuffing of bread, can also be enjoyed straight away or used as a snack
- Spicy hot flavour with chilli and fried red onion (shallot) for a more delicious side dish
- 250 gram per order for US\$ 54.19

## Thailand



### About the Product

- Flossy, Pueng Ngee Chiang Brand 145 g / pack
- Premium food/ snack from Thailand
- Ingredients: pork (95%), sauce (2%), sugar (2%), spices (1%).
- Easy and Ready to eat. High Protein and Nutritious.
- Serve with sticky rice, boiled rice, porridge
- High Quality & Services by Thai product.
- 145g for USD38.00
- Channel – Amazon
- Pork offering

## UK



### About the Product

- 60g Pack
- GBP- 5.99
- Country of Origin – Thailand
- Channel – Amazon
- Pork offering

*Pork floss is a dried meat product with a light and fluffy texture similar to coarse cotton, originating from China. It's always used as a topping for many foods, such as congee, tofu and savoury soy milk. It is also used as a filling for various buns and pastries, and as a snack food on its own. Pork floss is a very popular food item in Chinese cuisine.*

USA

About the Product



- Product of the USA
- 18oz (510g)
- This is the most delicious pork sung!
- Very crispy and tasty!
- Great for sandwiches or sprinkling over rice porridge soup
- Product of USA
- Channel – Amazon
- USD \$17.75

Taiwan



- Hsin Tung Yang Fried Pork Fiber Taiwan
- 新東陽 豬肉鬆 Shredded Fried Pork Meat Floss
- 150g
- Channel – ebay
- USD \$24.99

Thailand



- Size 100 g. (1 bag)
- Ingredients:
  - Lean pork 85%
  - Sugar 11%
  - Soy sauce 4%
- (Allergy Information: Contains Soybean and Wheat product)
  - Product of Thailand
  - Price – USD 23.00
  - Channel. ebay



### 4.3 Market Pricing – Price per kg

#### 4.3.1 Usage Occasions

Today I can buy a Premium Thick Cut Scotch Fillet Steak 250g from Woolworths online @A\$10.75 or A\$42.99 per kilo, this price/kilo pales into insignificance when compared to the prices currently being achieved for meat floss both pork and red meat varieties. Meat floss can be up to five times (5x) multiple versus observed scotch fillet prices.

We do understand there is a process and value add element to make meat floss however one would assume that given the price per kilo being achieved for meat floss this is a potentially lucrative value add opportunity for Australian red meat.

- Today – 01.06.2017

#### 4.3.2 Pricing per Kilo meat floss

|                                    | RRP- USD/Kg | Rate /AU\$ | AU\$/Kg |
|------------------------------------|-------------|------------|---------|
| ABON – DAGING SAPI (Indonesia)     | 166.63      | 1.35       | 225.27  |
| ABON Sapi – Gloria (Indonesia)     | 216.76      |            | 292.62  |
| Pueng Ngee Chiang Brand (Thailand) | 262.06      |            | 353.78  |
| Pork Floss (UK) - GBP 5.99 for 60g | 128.66      |            | 173.69  |
| USA Formosa brand 18oz Jar         | 35.50       |            | 47.92   |
| Tung Yang Fried Pork Fibre Taiwan  | 166.66      |            | 224.91  |
| S.KHONKAEN SHREDDED                | 230.00      |            | 310.00  |

X-Rate @ 1.6.2017

## 4.4 Meat Floss by Market

As communicated earlier in this report there is quite a variety of consumer usage occasions by country, however for the sake of simplicity for this report I have categorized them into three distinct occasions

- **Garnishes**
  - Serve with sticky rice, boiled rice, porridge
  - As an addition to soups
  - other dishes such as rice and fried eggs
- **Fillers** – for sandwiches, cakes, buns
- **Snacking**
  - very processed floss
  - some fresher options at food stalls however not available in structured retail

### Meat Floss Consumer usage occasions



Source - FoMo

Interestingly given that red meat is such a great source of natural protein there is little if any evidence of any supplier leveraging the consumer health benefits of meat floss, this maybe be in part due to the over processed nature of all products available today.

In the next five years in Australia, this important Asian Ethnic group of consumers will contribute a total of \$18.7 billion (or 28%) in sales for the grocery sector. This represents an increase of \$4.4 billion in incremental revenue, with Asian-born consumers making up 57% of this growth.

Source – Nielsen’s Ethnic-Australian Consumer Report – June,2017

## 5 Discussion

### 5.1 NPD Opportunities

California based Nutritionist Megan Mullin, says people are beginning to understand that;

“Healthy snacks are more like slow-burning fuel that helps you keep going all day. Having several snacks a day helps banish that post meal sleepiness that comes from consuming too many calories at one sitting. If you include protein in your snack, you'll derive an extra mental boost — protein-laden food like fish, meat, eggs, cheese, and tofu contain an amino acid that increases the production of neurotransmitters that regulate concentration and alertness”.

Today, snacks with all natural ingredients are rated very important by 45 %of global respondents and moderately important by 32%—the highest percentages out of the 20 health attributes included in the study (Nielsen, 2014) these are the product attributes, which red meat snacks have in abundance.

Consumer demand is driven primarily by taste and health considerations and consumers are not willing to compromise on either. The consumer at the point of purchase ultimately decides the right balance. Understanding the 'why before the buy' provides the foresight necessary to deliver the right product to the right consumer at the right time, so it is imperative that we get the product positioning and branding spot on to avail of the sizable business opportunity for the Australian red meat industry, here in Australia and throughout Asia.

In addition, the meat snack market is benefiting from rapidly growing interest in protein content. According to Innova Market Insights report, almost 15% of global meat snack launches in 2015 used protein claims. The global meat snacks market, other than the US and South Africa has remained underdeveloped. In the US, meat snacks are the fourth largest savoury snack category behind potato chips, tortilla chips and nuts/trail mixes

### The meaning of snacking and meals is changing

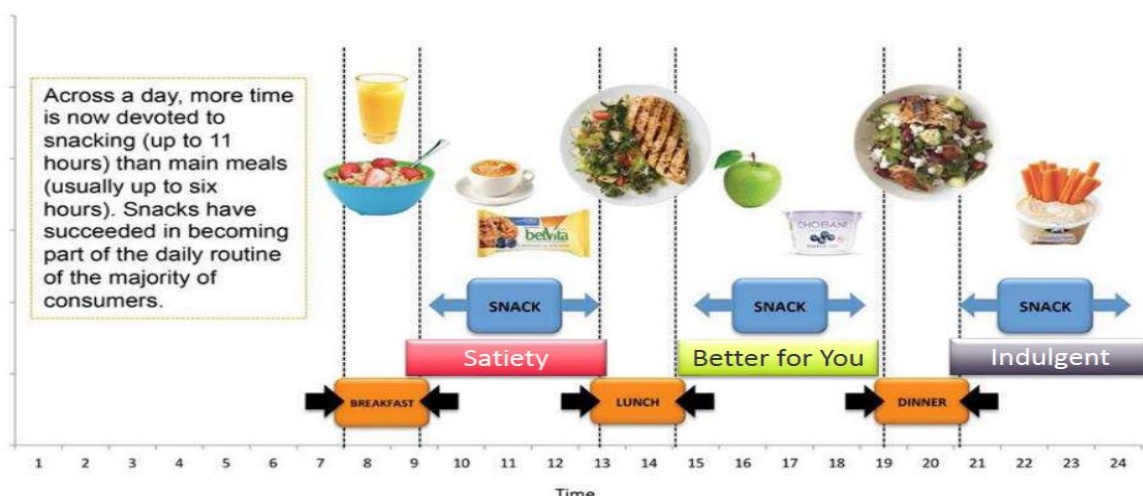


Figure 4: Kerry Foods

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*A recent survey by Nielsen found that one in ten consumers in the USA say they eat snacks instead of meals, a number which the research company expects will increase as consumers demand healthier options*

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Meat floss which is high in protein, low in calories, highly portable and can last for a long time ( even with HPP) can benefit greatly from its ability to double as both a practical and healthy snack. A recent trend among consumers of viewing protein as an active suppressant and energy booster has further helped beef jerky to be perceived as a smart snacking option, says Euromonitor, surely the same benefits can be assign to meat floss.

The opportunity also exists to reposition meat floss into a more premium potential fresh or HPP upmarket garnish or side of plate offering and away from what some people would perceive as lower quality meats.

We know thanks to Nielsen Homescan research that Asian Vegetables including (but not limited to) Pak Choi, Bok Choy, Choy Sum, Chinese Cabbage/Wom Bok, Gai Choy and Chinese Broccoli can be found in one-in-three (34.5%) Australian homes.

We know that meat floss in used throughout Asia as a topping/garnish on a range of Asian meals, we also know from Nielsen in Australia that Australian consumers are consuming increasing amount of Asian vegetables, up by 22% in the last year. We also know that more than one in three (34%) of Australian households purchased Asian vegetable in the last year.

So the consumer is actively engaging in Asian vegetables yet the Australian red meat industry do not, as of today, have a red meat garnish offering to accompany this rapidly growing meal occasion.



# ASIAN VEGETABLES GAINING GROUND IN AUSTRALIA



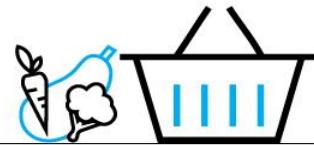
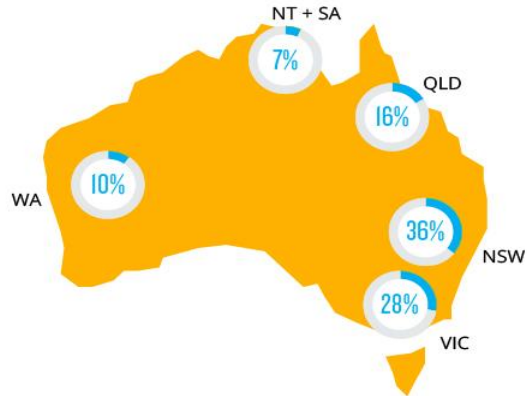
## IN THE PAST YEAR:



## ASIAN VEGETABLES PURCHASING METRICS BY HOUSEHOLD



## NSW AND VIC ACCOUNT FOR ALMOST TWO-THIRDS OF TOTAL \$ SALES FOR ASIAN VEGETABLES



*Asian Vegetables include (but not limited to): Pak Choi, Bok Choy, Choy Sum, Chinese Cabbage/Wom Bok, Gai Choy and Chinese Broccoli*  
 Source: Nielsen Homescan; 52 weeks ending 28 January 2017

Copyright © 2017 The Nielsen Company

The bottom line is that people are beginning to look at food and snacking as fuel to do a job for them and get them through their day and the Australian red meat industry needs to have value added product offerings in these categories.

### 5.1.1 Protein Balls

Imagine a meat floss “Bounce like” protein ball – the best protein you can buy



The global snack food market is enormous and expected to reach USD 620Bn per annum by 2021 (businesswire, 2016). However, snack cravings of consumers are changing and changing fast. Like most other FMCG categories the consumer is voting with their hard earned dollars and spending more on fresh and natural “better for you” snacking options. This is a trend which is only gathering momentum

Snack food has emerged as an alternative to full-fledged meals with the paradigm shift in consumer behavior patterns, the higher the disposable incomes because of the growing urbanization and increasing preference for convenience food have triggered the growth of the snack industry. The rising health consciousness among customers and government regulations regarding procurement of raw materials like vegetables, meat, etc. are restraining the growth of snack food consumption to some extent. Innovative product offerings regarding functional ingredients and organic foods may provide a future growth opportunity in the sector.

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*Snacking is no longer relegated to a bit in part in our diets but is now seen as being a significant contributor, meaning that for most it is required to have more ‘food credentials’*

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## US Snacking Segments: Value & Growth

| Total Volume Description    | Latest 52 Wks - W/E<br>12/26/15 | 2yr \$ CAGR |
|-----------------------------|---------------------------------|-------------|
| Meat Snacks                 | \$ 2,676,173,271                | 9.5%        |
| Bagged/Salty/Savory         | ★ \$ 31,346,605,166             | 3.5%        |
| Confectionary               | \$ 24,428,225,537               | 2.1%        |
| Bars                        | \$ 5,078,841,087                | 4.3%        |
| Bakery                      | \$ 19,480,062,711               | 2.4%        |
| Dairy                       | \$ 11,573,876,300               | 4.4%        |
| <b>Snacking Grand Total</b> | <b>\$ 94,583,784,072</b>        | <b>3.2%</b> |

Source: Nielsen AOD \$ volume – xAOC plus Convenience, 52 weeks ending 12/26/15

The opportunity exists to reposition meat floss into a more premium upmarket offering and away from what some people would perceive as lower quality meat. This transformation can happen for Australian meat floss, one needs to just look at the success of both the EPIC bar and the Krave brand, both took very different positions and were successful.



### 5.1.2 Healthy Superfood Garnish – Protein Packed Sprinkles

Given the never-ending consumer passion for real fresh sources of protein, an opportunity must surely exist for a premium red meat protein garnish.

If consumers are looking for something to toss onto your plates or salads aside from the standard fruit, rice or cheese, maybe they would consider a range protein rich sprinkle garnishes that will make everyday foods they choose just a bit more exotic. They'll make your salads, Pizzas and all meals even that much better — all with a protein hit.



Source - FoMo

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*Meal-Replacement Foods are Showing Strong Growth; Absence of Ingredients in foods is more Important than the Addition of them*

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### 5.1.3 Children’s Snacks – Fun size/Bite Size Protein

We all know that parents have the best intentions when looking for nutritious options for their children, but challenges related to lack of access or knowledge of nutritious foods have contributed to an alarming trend. According to the Centre’s for Disease Control and Prevention, childhood obesity rates in the U.S. have more than doubled in the past 30 years, with over one-third of children currently overweight or obese.

Parents face many practical challenges in providing healthy snack options to kids who are on-the-go and may not have access to refrigeration or re-heating capabilities. This often leads to snacking choices which lack the essential vitamins, minerals and protein a growing body needs. While snacking is essential to give kids the energy they need for the day, it’s important to provide snacks that contribute to daily intake goals of nutrients to support healthy growth and development.

The above dilemma facing parents is nothing new. Parents want to give children snacks but currently there are not enough healthy choices available that taste like snacks kids will eat.

Armed with the above information surely there is a product range based on Australian red meat which could be crafted into “on the go” great tasting snacking options for kids.



Potential bite size bites



Meat floss kids pie

#### 5.1.4 Meat Strings

We know the massive success enjoyed by pulled pork. Is there a potential for the development of a meat floss branded offering which could be targeted at kids which make meat fun for kids.



Protein pack toast



Protein packed lunch box options

"A recent trend among consumers of viewing protein as an effective appetite suppressant and energy booster has further helped jerky to be perceived as a smart snacking option," Euromonitor notes in its report. Surely the same rationale applies to meat floss.

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*New entrants are providing meat in more convenient formats, such as bars and jerky, and earning higher margins. In these products meat is often just one ingredient of many (although it may be the most important one) along with vegetables, fruits, and/or grains.*

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## 6 Conclusions

Ultimately at the end of this report I must answer the following simple questions:

**#1 -**

**Is there a need for this product?**

Is there an important unsatisfied consumer need?

Is there a job to be done?

Yes, I believe there is a niche market available for an Australian red meat floss. From our research, there does not seem to be a premium offering available in the category.

**#2**

**Can we address this need?**

Can we reliably deliver a competitively superior solution?

Surely the Australian red meat industry could develop and commercialise a range of meat floss which could fill a value add space Australia do not currently operate in today

**#3 -**

**Is it worth it?**

Can we sustainably create and capture value?

Yes, It will never be core however it does provide another value add red meat opportunity.

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*“Today, such is the degree to which snacking is becoming part of people’s everyday eating habits, that whatever food commodity you are in, you need to have a snacking variant”*

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Source: Professor David Hughes, Emeritus Professor of Food Marketing, Imperial College London

