

Project Summary – V.RMH.0129 - *Exploring impact acceleration through venture development: Thrive-MLA upcycled collagen for the USA market*

Overview

This summary details a project undertaken by SVG THRIVE and MLA as part of a larger effort to commercialize MLA IP by way of forming new businesses. Building on previous work where new venture leads were identified in the area of upcycled collagen, THRIVE and MLA sought in this project to validate market demand and lay foundations for initial commercial activity for a potential future venture. THRIVE supported MLA in achieving 3 objectives, covered in this final report:

1. Validate Upcycle business concept with potential customer(s) (ingredients and/or FMCG)
2. Scope pilot project(s) with potential customer(s)
3. Develop a venture development model to execute in partnership with THRIVE

THRIVE and MLA have partnered on open innovation initiatives over the past two years, proving out the value of an accelerated, alternative path to returning value to the red meat industry compared to traditional research and development. After multiple successful discovery efforts in 2021, MLA and THRIVE conducted a series of workshops the week of May 9th, 2022 to validate the initial market for a potential upcycled ingredients venture (Upcycle) and develop a broader venturing partnership between SVG THRIVE and MLA.

The week consisted of four touchpoints between MLA & THRIVE. A meeting with John Hartnett, CEO, SVG THRIVE, a workshop with leading USA ingredients manufacturer, blender and supplier (for the purpose of this report referred to as CX), live market observations in Chicago retail locations, and a concluding workshop with MLA and THRIVE. Progress was made on multiple fronts including securing submission of Australian produced beef collagen powders from current MLA Donor company partners to a leading USA lead (company CX). Discussion regarding business model behind certifying “upcycled” and other credentials such as “organic, grassfed, pasture raised etc were also considered. Market analysis of clinical validation for wellness claims was also undertaken on products as shown in the image below:





Summary of key learnings

There is likely value in the Australian collagen upcycle concept with or without a separate venture, though further evaluation is required to assess which partnership structure makes the most sense for all stakeholders involved.

There are synergies in a broader partnership between MLA and THRIVE to apply open innovation to the Australian red meat industry, namely in identifying opportunities to apply open innovation practices, programming to source, validate, and design new solutions, and investment to support scalable, commercial innovations.



Benefits to industry

Our work in this market validation exercise directly contributed value to the Australian red meat industry and producers in the following ways:

- Identified higher value market (collagen) for Australian red meat by-products and validated demand from potential buyer (CX).
- Connected CX to contract manufacturers in AUS for collagen POC – volumes of two types of collagen sent to CX for quality assessment.
- If assessment is positive, an agreement could open up a route to market for AUS red meat products that adds value to producers and boosts supply chain sustainability.

Future research and recommendations

- Assess structural options for UpcycleCo business model w/ THRIVE & CX.
- MLA to nurture CX & contract manufacturer relationship to support scaling of collagen supply agreement.
- Launch new venture to validate UpcycleCo ability to capture value in the market.
- If successful, explore expansion of upcycle concept to other value chain by-products.