

OPPORTUNITIES FOR SOUTH AUSTRALIA IN PROTEINS AND PEPTIDES

Australia is the second largest dairy exporter in the Asian Pacific region and is a major producer of proteins and peptides. The market in Australia for proteins and peptides is focused on deriving nutrition from proteins.



PREMIUM
FOOD AND WINE FROM OUR
CLEAN
ENVIRONMENT



FUNCTIONAL FOODS

This fact sheet presents a high level summary of the opportunities for South Australia to supply proteins and peptides to the eight countries analysed through the Functional and Luxury Foods Research Project.



Australia is the second largest dairy exporter in the Asian Pacific region and is a major producer of proteins and peptides. The market in Australia for proteins and peptides is focused on deriving nutrition from proteins. The market value of proteins and peptides in Australia for 2014 was estimated at USD826 million. The compounded annual growth rate is expected to remain at 5.6% until 2020.

CHINA	China's growing affluence, increasing incidence of bone health disease and the general trend towards dairy products has driven demand for animal proteins, including dairy and meat. Chinese consumers are becoming increasingly aware of the benefits that dairy products can provide, and milk and yoghurt are becoming more popular in the Chinese diet. China is now one of the world's largest dairy importers, suggesting the market for protein products in China will continue to be driven by dairy protein. Greater consumer awareness may increase the potential for protein-based snack bars in the Chinese market, but protein powders are still seen as a more viable weight management option.
HONG KONG	Hong Kong has a very similar market profile as China, with growing consumption of dairy and protein products.
INDIA	India's protein and peptides market is largely dominated by local manufacturers focusing mainly on milk, soy and egg proteins (included in sports nutrition products, such as protein bars). India has a large soy industry which is increasingly entering the processed food and convenience sector. The market is hampered by a lack of clarity in labelling for protein ingredients, due to an absence of specific regulations. This will hinder the growth of the protein market unless it is addressed.
INDONESIA	Indonesia's protein and peptide market is highly influenced by fears of malnutrition and a lack of local dairy supply. Indonesian consumers tend to focus on dairy protein supplementation for children and working adults, and protein supplementation in the fitness and weight management industries. There is a growing interest in Indonesia's upper middle class for protein bars and meal replacement products, including protein drinks.
JAPAN	The Japanese proteins and peptides market is largely driven by the nutritional needs of the country's ageing population. Protein products are witnessing particular growth, driven by growing interest in protein drinks for weight loss and muscle management, as well as snack foods, which are particular aimed at the children's market. The beauty drink segment is driving demand from collagen peptides in the premium category.
MALAYSIA	Both Malaysia and Singapore are emerging protein and peptide ingredient markets, being driven by a growing interest in healthy eating and weight management. In Malaysia, the protein ingredient category is expected to see particular growth, most notably in breakfast foods, as manufacturers aim to target this key product sector. The market for peptides in Malaysia is underdeveloped, but the market is growing steadily, driven by factors such as the rise in metabolic and cardiovascular diseases and technological advances in peptide processing.
SINGAPORE	Soy-based protein is in high demand in the largely Chinese demographic of Singapore where protein and peptide ingredient markets are growing in response to increasing interest in healthy eating and weight management. The market for peptides in Singapore is underdeveloped, but the market is growing steadily, driven by factors such as the rise in metabolic and cardiovascular diseases and technological advances in peptide processing.
SOUTH KOREA	The Korean market for proteins and peptides is largely focused on traditional foods, and soy protein forms the cornerstone of the market. Milk and eggs are also growing in popularity. In terms of functional foods, whey proteins dominate the sports nutrition sector (milkshakes and protein bars), driven by a healthy living trend amongst young Korean men. Children's nutrition is a growing sector for imported products, claiming both protein and other ingredient benefits.

OPPORTUNITIES FOR SOUTH AUSTRALIA

Protein and peptide ingredients range in sources, including but not limited to dairy (whey), plant (soy) and egg with preferences varying across markets.

- Increasing affluence and with it, increasingly weight conscious consumers, has been driving demand for proteins and peptides across Asian markets with opportunities to develop differentiated beverage and snack bar options.
- Limited awareness and affordability have been limiting factors in some markets suggesting that product penetration is likely to be more successful in targeted niche markets.

- There is more market diversity for protein and peptide demand in Japan giving more scope for entry of differentiated products.
- South Australia's reputation of a clean, green environment and Australia's strong food security requirements may be used as a point of difference and allow a premium price point.

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