

Innovator Exchange

Session 2 – Exploring Sustainability

PROJECT



04 November 2020

Topic 2



12:15 GMT (12.00 Start)

- Social Acceptability – What do Consumers want from their seafood and how well can alternative proteins and oils deliver?

Start the meeting:

<https://us02web.zoom.us/j/81147807523?pwd=eHhBSFFINEEwOUtzUXpLMjU1RWVlUT09>

ID of the Meeting: 811 4780 7523

Password: 141149



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What is acceptable to the Customer?



Topic 2

12:15 Introduction to the Topic

PX Study: 3000 people from five seafood markets (US, UK, France, Germany, China and Brazil) were asked what do consumers really really want from their Salmon and Shrimp

12:25 Meet the Innovator Introduction

- Nutri-San – 2 min
- QUESTIONS



04 November 2020

12:35 Discussion and Questions: Social Acceptability

- Do different markets want the same thing and can we communicate the ideas positively to influence purchase behaviour?
- What level of detail/information do customers want to see online and in supermarkets regarding their seafood and alternative proteins?
- How will the messages need to change or adapt due to COVID-19 with more people potentially shopping online?
- QUESTIONS



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The session will be recorded.

Introduction to the Topic

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12:15 GMT

What is acceptable to the Customer?

Thank You & Welcome

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Topic 2

Social acceptability risk assessment objectives

1. To understand **current consumer perception**, understanding and engagement with issues relating to the food chain in salmon and shrimp farming
2. To explore **consumer and societal acceptance of potential new ideas/claims** for more sustainable salmon and shrimp food
3. To understand current **barriers to engagement**, and identify ways to **communicate the ideas positively** and influence purchase behaviour
4. To understand the barriers to acceptance of new types of salmon and shrimp food in the supply chain by **expert retailers and food service**, and to explore ways of overcoming these barriers, through communication, evidence and so forth, (inc ASC/MSC/GAA standards)

For the quantitative survey among 3000 consumers (in France, Germany, US, UK, Brazil and China) gave their opinions.

Some differences across markets

This compares the strength of the farming claims between each of the different countries surveyed.

There are a few specific exceptions to the overall hierarchy in individual countries:

- Feed without antibiotics is particularly important in **Germany**.
- Feed made from seaweed and rich in Omega 3 is more important in **Brazil**.
- Feed which is high in DHA is more important in **China**.
- **French** respondents are especially interested in feed made from local ingredients.

		%					
	Total	UK	US	Germany	China	Brazil	France
Feed free from antibiotics	26	23	23	38	22	24	24
Feed that avoids antibiotics	14	15	14	14	10	14	13
System that naturally cleans water	13	12	15	13	13	15	7
Seaweed rich in Omega 3	11	11	13	9	9	16	6
Ingredients from managed areas	7	8	9	8	5	7	8
Feed for fish health, strength	7	9	11	9	3	9	3
Balanced nutrients for immunity	7	7	9	6	8	7	2
Feed made from insects	6	6	6	10	6	4	4
Feed from unused food products	6	6	7	3	5	5	8
Feed which is high in DHA	6	5	7	1	13	5	2
Feed from natural kelp forests	6	6	6	5	6	6	3
Feed with local ingredients	5	4	5	5	2	5	10
Sustainable protein, not soy	5	5	6	6	4	5	5
Digital monitoring of fish health	4	4	3	4	5	8	2
Sustainable insect protein	4	4	5	5	6	4	2
Feed made from unused food	4	4	5	5	1	5	3
Feed that's digested easily	3	3	4	3	2	6	3
Feed from seaweed-fed insects	3	4	4	3	4	3	2
Feed from GM plant protein	3	2	5	1	5	3	1
Feed from leftover trimmings	2	1	2	2	2	2	1
Protein from feathers, beaks, feet	1	1	1	1	1	1	1

Q7/ Q8/ Q9 Which of these claims for salmon or prawns/ shrimps do you find appealing?/ ...relevant?/ ...would make you more likely to purchase?

Base: 3000 users of salmon / shrimp

Source: Brand Legacy 2019

Recommendations for categories going forward (1 of 2)

<p>Cia Nutritional solutions creating net positive environmental effects using waste streams</p> <p><i>Insects fed on by-products</i></p> <p><i>Single Celled Proteins</i></p>	<ul style="list-style-type: none"> • Progress some areas behind the scenes, but manage communications carefully. • Look for more natural protein alternatives where possible, ideally with positive nutritional benefits to end consumer • Including some sustainable soy still acceptable to experts • Insects could be socially acceptable tomorrow, especially if it is explained that insects are a natural food for salmon and shrimp. However, to say that insects feed on waste is a detail too far for consumers • Treat 'waste' with care and avoid anything that sounds too scientific or unnatural. • Animal waste to be avoided. Could pursue yeast or algae but not a public comms story
<p>Cib Nutritional solutions creating health effects.</p> <p><i>Micro-Algae source of Omega 3 and Omega 6</i></p>	<ul style="list-style-type: none"> • Any feed that has a direct value on the nutritional value of the fish is very positive, especially mentions of omega 3 • However, the description needs to avoid becoming too processed or scientific. • GM still raises a red flag for consumers, though experts are more open
<p>Cic Nutritional solutions using inputs that create environmentally restorative effects.</p> <p><i>Macro-Algae food additives</i></p>	<ul style="list-style-type: none"> • Overall positive reaction, especially when the claims convey the sense of looking after the natural world, the ocean etc. • Seaweed association is strong- part of the current food chain

Recommendations for categories going forward (2 of 2)

<p>Ciid Technology solutions creating net positive effects</p> <p><i>Technology improving feed production</i></p>	<ul style="list-style-type: none"> • Ideas put simply – like using solar and wind power, or minimising plastics – are hard to disagree with and are seen as very positive initiatives, but don't appear to be directly related to solving the real issue
<p>Ciie Technology solutions increasing health, survival and growth. (Single Celled Proteins) <i>Technology for feed/food chemical quality</i></p>	<ul style="list-style-type: none"> • Use of antibiotics is not hugely associated with fish, but is a massive issue for the meat industry, so consumers very keen to avoid or minimise • Looking after the health of the fish in a natural way without chemicals is seen as positive, especially if it makes the fish more nutritious and safer to eat
<p>Ciif Integrated information systems increasing feed waste efficiencies.</p>	<ul style="list-style-type: none"> • Claims that detail the overall benefit to the health and strength of the fish are acceptable, though avoid too much technology • The idea of a self-cleaning environment is appealing- sounds natural, free of chemicals and more balanced
<p>Ciiig Innovations moving the whole farm production footprint off the land</p>	<ul style="list-style-type: none"> • Difficult to grasp by consumers who are not farming or ecology experts, even if it is the right thing to do

Conclusions

Overall, consumers are not that interested in how the feed of their salmon or shrimp is produced. This lack of engagement is the key barrier.

This is consistent across all six end use markets explored, with only marginal differences

The reputational risk will have to be managed first and foremost through the stakeholders: retailers and their suppliers/ farmers, and NGO specialists and respected standards such as ASC/GAA

Having said that, there are some rules of thumb going forward which will mitigate any potential social risk

Rules of success for the most appealing claims:

- Sound like they are naturally part of the food chain- seaweed, insects (for some)
- Deliver a nutritional benefit to the end consumer
- Help the fish stay healthy
- Don't sound too 'yukky' i.e. would be something you could imagine eating
- Safe to eat- antibiotics is a big topic

Barriers

- Topics which sound too scientific and unnatural
- Technology - needs to be handled with care
- Anything too far from human consumption- e.g. industrial waste
- High 'yuk' factor- chicken feathers, insects to some extent

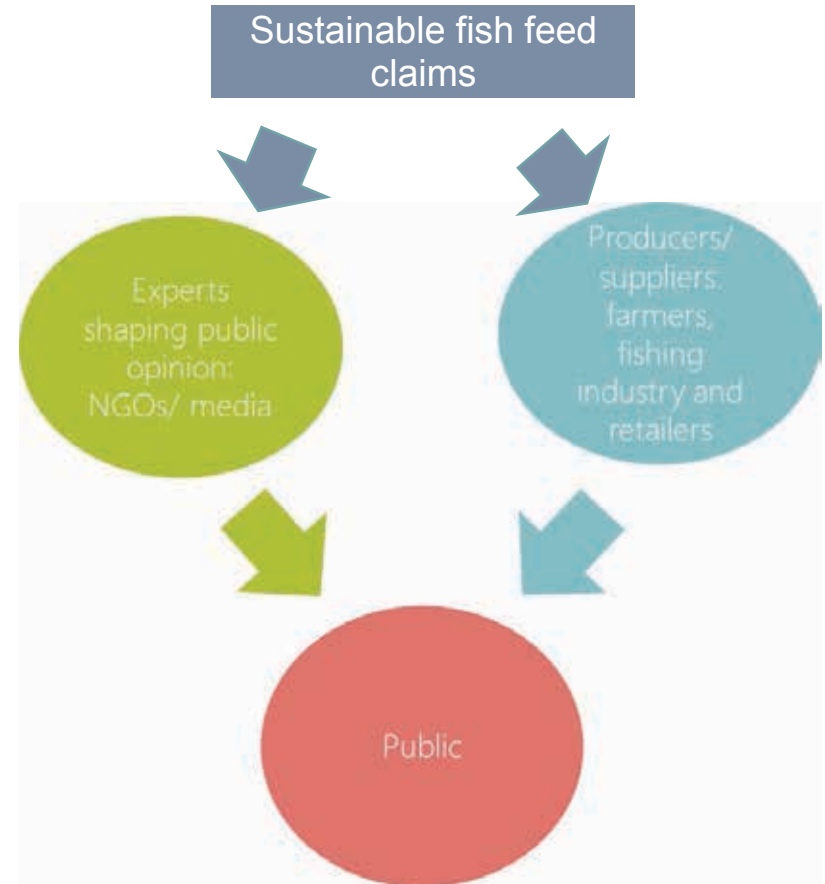
It is important to manage consumer communication proactively, so that consumers are made aware of the problem, are open to solving the problem and recognise that the proposed solution can bring them a clear benefit (healthy, safety, value)

In sum: the social risk needs to be managed via the expert stakeholders

With consumers, they don't want to think about what their fish is eating, so make it as natural, simple and safe as possible for them.

With the new feed sources, it's the farmers and stakeholders that have it on their radars

(Expert)



Meet the Innovator Introductions

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12:25 GMT

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Topic 2

Nutri-San

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Ecosystem Restoring - Additives Reducing Methane





1.0 Who We Are

HARNESSING THE NUTRITIONAL POWER OF SEAWEED

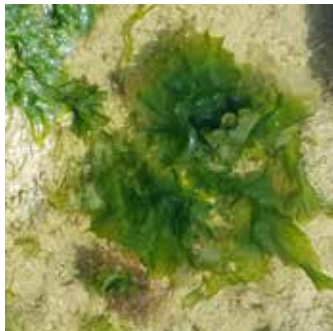
Nutri-San Limited is a seaweed technology business incorporated in Singapore with a manufacturing and distribution facility in Vietnam. The Company produces supplements which are made from a blend of natural seaweeds for the animal feed industry. The supplements eliminate the need for synthetic additives and pharmaceutically derived antibiotics that are widely used in current animal feed production.

2.0 Our Products

- Supplement made from a blend of seaweeds to enhance animal health and well being without damaging our planet.
- Methane reduction supplement made from a red seaweed for cattle.

2.1 Seaweed supplements. The Company has a range of products and feed ingredients that replace the need for synthetic additives, including pharmaceutically derived antibiotics and growth hormones.

2.2 Methane reduction seaweed. The Company is looking to farm and commercialise a red seaweed that has been proven to reduce methane emission in the rearing of cattle by up to 99%. The red seaweed will be farmed and harvested in Zanzibar with the support of the local government and UK Aid.





HARNESSING THE NUTRITIONAL POWER OF SEAWEED

3.0 Next Steps

The Company was incorporated in 2017 and has raised USD2.3m in cash at USD3m valuation through seed funding to complete Phase 1 which is proof of concept. Phase 1 included:

- Establishing a fully operational factory on the periphery of Ho Chi Minh City;
- Producing commercially viable and proven formulations for Cattle and Swine;
- Setting up seaweed supply chains across Vietnam, Indonesia and The Philippines;
- Winning a group of loyal clients in China, Hong Kong and Thailand and;
- Forming unique partnerships with universities and institutions, including RMIT University in Australia, Royal Agricultural University (RAU) in the UK and The Thai Livestock Department.

The Company is now seeking new funding to implement Phase 2. Phase 2 will capitalise on the partnership with RAU and the Zanzibar Project, establish the UK/European office and scale the Company.



CONTACT

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Questions

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Topic 1



More information
info@projectxglobal.com

For any funding interest the please
refer to Project X team or the SIV Team

Questions

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Topic 1

- What would the view be on customer acceptability across different species eg: Fish, Shellfish, Poultry and Pigs? (R)
(discounting current legal restrictions)
- If customers were faced with a cheaper product that was fed on fishmeal or soya vs a more expensive product that has been fed on a more sustainable feed do we think customers see the 'value' enough to pay extra? (R)
- Are customers interested to know what their Salmon is fed on pack? (R)
As currently isn't usually flagged specifically on pack or should it be talked about more from a corporate view of 'we don't use X in our feed' or 'all of our Salmon is fed on a diet of Y'
- Should we be led by consumer insight work or should we lead them? (R)
(e.g. if you tell a consumer their salmon is fed insects they are likely to say that's disgusting but it has to be balanced with reality that most don't realise the salmon is farmed let alone understand what it is normally fed on)



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What does the customer really really want?

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Topic 2

- **12:35 Questions:**
 - What do Consumers want from their seafood and how can well can alternative proteins and oils deliver?
 - Do different markets want the same thing and can we communicate the ideas positively to influence purchase behaviour?
 - What level of detail/information do customers want to see online and in supermarkets regarding their seafood and alternative proteins?
 - How will the messages need to change or adapt due to COVID-19 with more people potentially shopping online?
- QUESTIONS from participants



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The session will be recorded.

Thank you, Merci, Grazie, Danke, Gracias

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More information
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We would be happy to hear
from you.



We would be delighted to make available to you relevant Feed-X documentation that you might find of interest. This includes Summary of the Market Opportunity Report. Please contact us on Contact: info@projectxglobal.com for more details.