

Time is right for meat alternative start-ups

By James Ridler [↗](#)

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Now is the perfect time for start-ups in the alternative meat sector, as a growing number of investors look to fund businesses within the market, according to the head of investment at CPT Capital.

Speaking at the second day of YFoods' Food Tech Week at the Oval Space in London, CPT Capital investment director Costa Yiannoulis commented on the growth of venture capital funds that had been set up just to invest in companies producing alternative meat products.



"From the investment perspective, five-and-a-half/six years ago, when we started, there were a few NGOs [non-governmental organisations] – contrast that to now where you are seeing a lot of the big venture capital funds are coming all the way and investing in these companies, because there is a huge opportunity here," said Yiannoulis.

Venture funding

"In addition, you're seeing dedicated alternative protein funds now being raised. I can think of 12 or 13 people across Europe and the US that are raising funds just to invest in this space."

Existing meat businesses are also looking to invest in these start-ups, as they face the dilemma of not being able to compete with them in the future.

"Big companies are realising that they can't do research and development [into meat alternatives] very well and actually some of these start ups are a lot more nimble and agile than them," Yiannoulis explained.

"You see some of the big players setting up corporate venturing arms and hiring investors in so they can take a stake in these companies with a view to buying them further down the line, commercialising them and adding them to their product mix, because they are losing market share and can't do anything about it."

Proliferation

Yiannoulis also commented on the proliferation of alternative protein businesses, noting that the sector had exploded since his work with CPT and now boasted more than 30 different 'clean meat' manufacturers alone. This included producers making alternatives to meat, fish and even foie gras.

He added: *"Given the growth in investor interest and start-ups in this space, the support network will grow. Now, every corner you turn there's a new boot camp, accelerator or incubator to try and help innovative start-ups get*

every corner you turn there's a new boot camp, accelerator or incubator to try and help innovative start-ups get their first capital through."

Meanwhile, **the non-alcoholic adult drinks market is also being driven by start-ups** that aren't burdened by having to follow a pre-existing brand identity – like larger drinks businesses – and trying to create non-alcoholic versions of their products.

According to Johannes Le Roux, founder of The Duchess drinks brand, "*disruption is going to come from completely new brands that are 'born' alcohol-free*".



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