Follow-Up Questions for ProVeg International, Part Two (2018)

Does ProVeg offer staff trainings that are specifically focused on diversity and inclusion?

Dr. Melanie Joy, being an expert on the topic of diversity, coaches ProVeg executives and staffers on a regular basis. This year, she offered a series of workshops/discussion rounds on the topics of privilege, inclusion, and diversity to all staffers based on her essay series published on Plant Based News. The workshops/discussion rounds also included external insights from guest speakers like Christopher Sebastian who is a part-time lecturer on speciesism at Columbia University and focuses on examining the complex relationships between animal violence, environmental racism, classism, and capitalism.

Furthermore, attention is drawn on a regular basis to the topics of diversity and inclusion through short input videos during our all-staff meetings.

We recently offered two external seminars: “Critical Perspectives on Being White in The Workplace” and “Gender Equality.” At least three members from the executive team participated in each.

ProVeg has established an inclusivity working group which regularly updates staff on activities, news, workshops, etc. ProVeg actively supports establishing an official workers’ council, the most impactful and accepted institution regarding representation of workers’ rights in Germany. The topics of diversity and inclusion form a core part of this institution’s tasks, making these topics highly sustainable.

We would like to include a visual in our reviews showing how your program expenditure has changed over the last few years. Could you provide us with a budget breakdown for January to June 2018, similar to one you provided for your 2017 budget?

At the moment, we are not able to provide the budget in as much detail as we did for 2017. Nevertheless, you may find some rough estimates here. Please keep in mind that those preliminary numbers might not fully be representative, since for certain programs, some expenses might rather occur during the second half of the year.
Can you provide estimated expenses and your fundraising goal for 2019, if you have it?

We roughly estimate that our expenses for 2019 will be between 5-6 million euros, and we hope to raise between 6.5-8 million euros. If we currently had to name a specific fundraising goal for 2019, it’d be around 7.5 million euros.

In light of the fact that there are other sources of funding and incubation available for cultured and plant-based meat startups, why have you chosen to enter this field? What do you offer to startups that other funders cannot?

Compared to the U.S. (especially the bay area), Europe is a more challenging environment for startups. The business mentality and the higher standards of quality lead to more bureaucracy and a more risk-averse investment culture. For example, 52% of global exit volume and 60% of global exit value in the last 12 months involved U.S. startups. European exits accounted for 27% of exits and 30% of capital. However, the tide is changing, and the Berlin and London startup cultures are accelerating. The availability of incubators is still low, which means we can make a bigger difference by being first movers and by improving the otherwise poor environment for innovative food companies.

![Exits: Top 15 Countries](http://mindthebridge.com/mtb-cb-orrick-report-mas/)

Table 1: Source: [http://mindthebridge.com/mtb-cb-orrick-report-mas/](http://mindthebridge.com/mtb-cb-orrick-report-mas/)

Incubators and accelerators are an important factor in the European startup scene, but are mostly active only in the tech industry. Unlike in the U.S., they are predominantly state-funded and not
profit-oriented. According to Venionaire Capital, the Top 20 European Accelerators of 2017 focussed almost exclusively on tech, cloud solutions, and innovative software. Further, food incubators are mostly absent in Europe. There are a few incubators focusing on food technology or biotech, but they don’t really have a focus on the vegan or clean meat market. This is why we are needed. We are aiming to collaborate and build strong relationships with other incubators so that the startups we support will have the best chance for success. We will build an expert platform and invite all relevant players to network with us.

In order to develop new food products and find seed investment, founders need access to quality materials and kitchen space. This is often difficult due to strict regulations and high expenses. This produces a catch-22 in which founders need money to create revolutionary products, but they also need developed products to acquire business investment. The ProVeg Incubator will reduce these barriers to entry significantly.

Some other key obstacles are sales, distribution, customer acquisition, and product research and development. The availability of alternatives to meat, eggs, and dairy products does not yet meet the expectations of the general public and are not yet regarded as fully fledged. Hence, companies have to overcome not only the typical challenges of setting up a business, but also other specific obstacles of the food market.

According to the online German startup magazine NGIN Food, startups in the food industry face the following challenges. These are the same challenges that we will help our startups to tackle with the ProVeg Incubator:

- It’s a new and highly competitive market that requires expertise and product knowledge in the field of food production.
- It requires scalability.
- It's seen as a niche segment for a still rather small user base.
- There are high investment costs necessary for research, production, and approval.
- For a large group of consumers, taste is the main concern.

Why such an incubator in Berlin?

Berlin has been termed the “vegan capital of the world,” and is the place to be when it comes to plant-based lifestyles. Berlin offers more than 193 vegetarian restaurants with 63 being completely vegan, and even more cafés, supermarkets, and stores. Last year, the world’s biggest vegan summer festival celebrated its 10th anniversary in Berlin, with more than 65,000 visitors. Europe’s first scientific congress on plant-based nutrition for medical doctors, dietitians, and health care professionals, VegMed, takes place in Berlin. There is also the Plant-Based Institute for conscious culinary arts and even a new study program called Vegan Food Management.

Berlin is also Germany’s startup capital and one of the fastest growing startup hubs in the world. It has certainly become the prime location for startups in mainland Europe with 40,000 new companies founded every year. There are a number of good reasons why this is the case:
The cost of living is comparatively low:
- Cheap housing (rent is 216% higher in London)
- Cheap food (average lunch in Berlin: €8, compared to €19 in London)
- Cheap transportation (public transport is 109% more expensive in London)

Berlin is located in the heart of Europe, and is a melting pot of a diverse international community. The lingua franca of the startup community is English, and most young Germans speak English fluently.

According to expatistan.com, the cost of living in both San Francisco and New York City are about 57% higher than in Berlin. “If you look at startups that have the greatest impact on the world and where they’re coming from, Berlin is definitely number one!” - Serial entrepreneur Adeo Ressi, Head of The Founder Institute, in Forbes magazine

Why is ProVeg the right organization for building such an incubator?

_ProVeg’s Unique Combination of Expertise_

Over the past 10 years, ProVeg has continuously been working with startups and established companies, helping them replace animal products. We have an excellent grasp of the changing market needs and are ideally placed to help maximise the impact of new startups by connecting them to a widespread international network within the food industry.

Our partners are food producing companies, franchise and chain restaurants, catering firms, canteens, and also lawyers, investors, health insurances and the medical community (such as the Charité Berlin).

ProVeg is perfectly positioned to start an incubator due to our experience and recognition in the corporate world. Our department for Corporate Outreach and Services consists of experts in communication consulting for food manufacturers, caterers, and startups as well as product development and certification. Our programs include:

- **Corporate Outreach:** market research, vegan benchmarking, evaluating, and consulting
- **Food Services:** in-house workshops, product development, employee training, and sales support
- **Fairs and Events:** access to international trade fairs and B2C-events, e.g. the BIOFACH trade-fair or the VeggieWorld, the world’s largest exhibition for companies with about 700 exhibitors and startups
- **Test Community:** access to more than 20,000 testers who help improve vegan products
- **Startup support:** in-house workshops, large network with business consultants and coaches, newsletter and social media, access to market data
- **V-Label:** access to a wide range of V-Label customer contacts. Over 15,000 products from 1,400 licensees worldwide are now labelled with the V-Label.

Our Department for Political Outreach does lobbying on a national and international level in Berlin and Brussels. It advocates for an official legal definition of the terms "vegan" and
"vegetarian" as well as consumer-friendly sales denominations for meat and dairy alternatives. The ProVeg Political Outreach team also works on an international public health policy with several international organizations and has built up a strong network within the European Parliament over the years. Similar to the American Plant Based Foods Association, we aim to ensure a fair and competitive marketplace for vegan businesses by promoting policies that improve their conditions by engaging in education, eliminating disadvantages such as labeling restrictions, and changing the public debate.

Taken together, the ProVeg Incubator is an important puzzle piece that ties together the knowledge base of our previous projects. It’s a key step forward in stretching our influence over the European market and in establishing new companies and organization that will help with our goal of creating a vegan world.

After thoroughly analyzing the situation from different angles, we strongly believe this to be the right institution with the right idea, at the right place, and at the right time.
There are many more farmed fish than other species of farmed animals. Has ProVeg considered allocating more of their resources towards farmed fish advocacy?

China has about 50% of all farmed fish which is one of the reasons we’ve decided to focus on this country. We have made great progress establishing ourselves in China. This is part of our mid-term strategy to create maximum impact for as many animals as possible.

We also plan to support startups with a focus on fish and other marine animals with our new incubator. In addition, we generally include the downside of fish consumption when doing health, animal, or environment-related outreach.

We go even one step further by putting insects on the agenda. For example, we made sure concern for insects was included at a bid for an E.U.-funded project; one of the focus areas of our upcoming New Food Conference will be insects and how the development towards insect protein would be an unparalleled welfare disaster if insects are proven to be sentient.

**Questions We’ve Asked Previously**

Why does a significant portion of ProVeg’s outreach focus on dietary change, e.g. reducing meat consumption, rather than directly shifting public attitudes?

Though ProVeg International focuses largely on behavioral change, we recognize the importance of change in attitude towards farmed animals. Behavioral change can facilitate attitudinal change, or enable it in the first place: once individuals have reduced or eliminated their consumption of animals, they are less resistant to changing their general attitude towards farmed animals.

This seems to hold especially true for the animal issue. At ProVeg we believe that with regard to eating animals, changing attitudes will not go the same way as in other social justice cause areas. The overwhelming majority of people sit down at least three times a day to dine on animals. Here, change requires a massive change of daily behaviours. Given that attitudinal change doesn’t necessarily translate into behavioural change makes an approach focusing on attitudes alone even more difficult, it would seem.

However, we consider both approaches as complementary rather than mutually exclusive. Our focus on solutions as well as our strategic approach as a food awareness organisation make us quite natural candidates for the approach we have chosen.
Some would argue that the development of animal-free foods will be the key turning point for ending animal farming. What role does ProVeg play in facilitating these technologies?

ProVeg promotes the development and marketing of plant-based foods in our work with businesses. For example, our work with one of Germany’s largest meat producers has led them both to strengthen their line of plant-based meats and to spend millions of euros advertising them. We have also supported vegan startups and new businesses, including cafés, nutrition consulting services, and supermarkets. ProVeg’s Dutch branch also has extensive expertise and an impressive track record in this regard. ProVeg’s lobbying department also focuses on making sure the legal climate is as favorable as possible for plant-based foods.

ProVeg helped create and establish VeggieWorld fairs, which are Europe’s largest exhibitions for vegan foods and enterprises. VeggieWorld presents a counterweight to the established food fairs that are strongly influenced by the meat and dairy industries. It is a platform for producers to market and sell their vegan products and to directly reach their target groups and—crucially—to attract new customers to plant-based food. ProVeg is currently starting an incubator designed to encourage the development of plant-based and cell-based alternatives. The ProVeg Incubator is a first-of-its-kind program to exclusively cultivate and support disruptive startups that are reducing animal product consumption. We have a preference for companies innovating with plant-based and cultured animal products, but we also support other solutions to this big challenge. Startups benefit from access to our extensive network of industry partners, market researchers, and international investors, as well as our modern co-working space and infrastructure. We offer a four-month program with access to workshops, trade fairs, and beta testers.

ProVeg has now created the New Food Conference, Europe’s first conference on plant-based and cell-based food innovations. So far, there has been no relevant conference on the customer acceptance of plant-based and cultured meat (or similar products) in Europe. Our event will focus on consumer acceptance, shaping the European landscape, and raising positive media attention and public awareness of the issue. We also want to promote networking among our industry partners and a critical discussion—bringing together international stakeholders from the food industry, startups and investors, social and natural scientists, as well as the media, politicians and consumer centers.

All of ProVeg’s work in these areas so far has been focused mostly on plant-based foods, but with cell-based meat, dairy, and eggs becoming increasingly realistic alternatives, ProVeg now also actively promotes these options.