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How Alternative Proteins Can Support the Animal Agriculture Industry: Speaker Renée A. Vassilos at 2019 NIAA Annual Conference in April

NIAA News Release, March 11, 2019 - A featured speaker at the **NIAA 2019 Annual Conference**, to be held April 8-11 in Des Moines, Iowa, may sound a little provocative, but she has a very positive perspective.

“What I care about most is the profitability of farmers and ranchers,” says Renée A. Vassilos, an Agricultural Economist with Banyan Innovation Group, who will be a featured speaker at the continental breakfast on Wednesday, April 10th.

Her presentation, titled **How Alternative Proteins Can Support the Animal Agriculture Industry** fits into the Conference theme of **Animal Agriculture - Innovation, Technology & Consumer Engagement** by focusing on how the newest, most touted technology innovation, alternative proteins --- from insects to legumes to cell cultures--- are not something to view as a replacement for animal proteins, but just another competitor in a huge global protein market.

“Their slice of the global pie is very small,” says Vassilos. “The big picture is that alternative proteins are good for the animal agriculture industry if we use the competitive momentum, they are creating to foster adoption of innovation to grow the total value of the protein pie.”

“There is absolutely room in this growing space to let all the players thrive,” she says.

Particularly players who already have an incredible history of delivering high quality products that global consumers are wanting, which is exactly the position animal agriculture can take into the future.

“It is going to be hard, and it will require change,” Vassilos continues, “but there is lucrative opportunity for those who continue to develop what they do best.”

Everyone talks about how the customer wants to know more about the farmer, and farmers also want to be connected to their customers. “That’s why many are into the business they are in,” says Vassilos. “They have a passion for feeding people, and the opportunity presented by production diversification is for farmers to rebuild those connections which is very exciting.”

Vassilos will give several examples of how competition has impacted modern industries, and how success or disruption depends on how the established industries react to the newcomers. The challenge of competition can bring greater value to the whole.

One example is the coffee industry. When Starbucks entered the marketplace on a national and then international basis, it caused an uproar in the traditional areas of sales and marketing of coffee. However, the challenge of competition ultimately grew the size of the total coffee market (volume and value), starting with coffee beans, then coffee shops on every corner, and coffee-making paraphernalia for homes and businesses. It shook up a very old, established market and introduced new innovation in the market, expanding the market for all.

However, in another example, the outcome of competition and innovation was not profitable for the traditional industry. In the personal transportation industry, traditionally controlled by highly structured and expensive medallioned taxi-cab operations, personal autos driven by anyone needing part-time flexible work could suddenly be called up with a tap on a smart phone. Instead of finding a way to differentiate themselves from the amateur drivers, the taxi industry fought, disparaged and demanded the newcomers not

be allowed to operate. It didn't work, and Uber and Lyft now take a significant piece of that marketplace, which they helped grow significantly.

"That well-established industry was severely disrupted instead of becoming a player in the growing market for personal transportation," says Vassilos. "They had the infrastructure and personnel, but lacked the ability to adapt, to use technology and innovation to improve and grow, and take advantage of the growing industry."

Vassilos is not going to say, 'Here is the answer,' but she does believe that technology is key. She will be introducing one technology in her presentation which she feels is an innovation that will help beef and others with their bottom line.

Alternative proteins will support animal agriculture by forcing diversification into the space. "Every piece of beef, for example, is not equal," she says. Animal agriculture can continue to build out differentiation throughout the value chain, and introduce more and more diversified offerings to global customers, from the high end to the low end and in between.

"As the global economy continues to grow, there will be products that hit all types of price points," says Vassilos. "You eventually create more value because you are creating a greater diversification of products to sell. The bigger picture is that all of the players are benefiting from a larger volume of customers and growth in higher margin offerings."

Another thing about alternative proteins that Vassilos cautions, is that we don't know yet how the future of alternative proteins will turn out. There is a growing demand for them or seems to be according to placement in grocery store aisles, but what the time line is or if they will be a solution of the future remains to be seen.

"Keep your eye on the opportunity to grow your own bottom line for all of animal ag,"

says Vassilos. “Demand for protein is increasing and that is the most important takeaway. Of the total pie, the animal ag piece is enormous. And growing.”

For the agenda, please go [HERE](#). To register go [HERE](#). For hotel information, go [HERE](#).