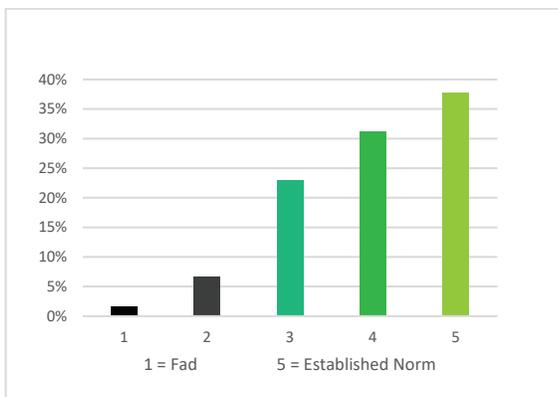


Looking into the Future of Feed

Introduction:

At Enterra, we want to understand our customers views and challenges, so we reached out to 61 key industry decision makers in the animal feed sector and conducted a 1 on 1 interview to learn how sustainable products impact their company, community, and consumer buying habits. The following information outlines the most common answers we received among participants, along with the numerical averages.

Sustainability: Fad or Established Norm?



Why is sustainability seen as an established norm?

- Consumers realize the importance
- Running out of traditional protein sources
- Driven by younger generations
- Environmental concerns
- Demand for sustainable feed products continues to grow

Highlights: Responses indicate that Sustainability is an established norm, driven by the consumer. The demand for sustainable products will continue for the foreseeable future as younger generations, environmental concerns, and lack of traditional protein sources drive sustainability to an established norm.

How challenging is it for the industry to meet the needs of society as it relates to sustainability?

1 = Easy Average = 3.53 5 = Hard

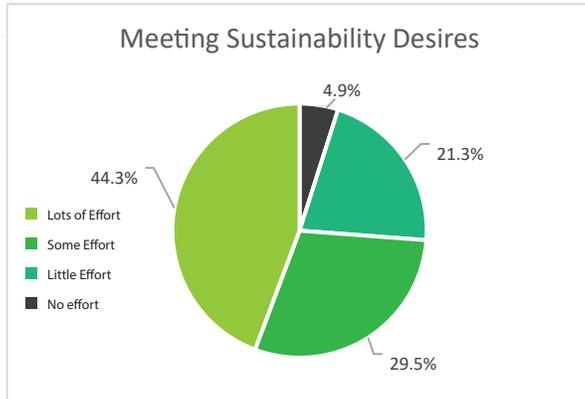
- Will become hard as bigger companies enter the market
- Having trouble keeping up with demand
- Limited options in sustainable protein products
- Not many suppliers in North America
- Consumer education

Highlights: The industry recognizes the challenges, however the demand for sustainable ingredients from a consistent, reliable, local source is key to overcoming the challenges driven by consumers.

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Where would you rate your company's efforts in looking for new and novel ingredients to meet sustainability desires?



Highlights:

The majority of key industry leaders believe that their company is taking proactive steps in looking for new and novel ingredients. Close to 75% of participants reported that their company efforts involve some or lots of effort when taking initiatives to meet sustainability desires.

What percentage of the industry is looking for new and novel ingredients to meet societies sustainable desires?

Average = 37%

Highlights: At 37%, key industry leaders believe that the industry as a whole is behind in looking for new and novel ingredients, when in fact the previous question showed that a large majority are engaged in meeting sustainability desires. This suggests that companies are underestimating the speed and the adoption of the industry in searching for new and novel ingredients to meet sustainability desires.

As the industry looks to the future, what do you see as the greatest challenges?

- Consumer education & acceptance of sustainable proteins
- Supply chain; security, reliability & access to ingredients
- Competition with traditional protein sources
- Standing out from the market
- Covid; changing buying patterns

Highlights: The greatest challenges for the industry isn't a lack of demand from the consumer for sustainable products, but rather providing a differentiated sustainable product offering.

Conclusions:

The survey provided insight into shared challenges among key industry leaders within the feed industry, and the consumers that are driving the industry towards sustainability. The main takeaway indicates that consumer education plays a crucial role in their buying habits. With the responses gathered, it solidifies that sustainability is an established norm, as the demand for sustainable feed options continues to grow. The majority of the survey participants indicate that their company is actively looking for new and novel ingredients to meet sustainability desires. The overall consensus shows that the majority of survey participants know that the demand and growth for sustainable animal feed ingredients has a strong potential, with consumers driving the importance.

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