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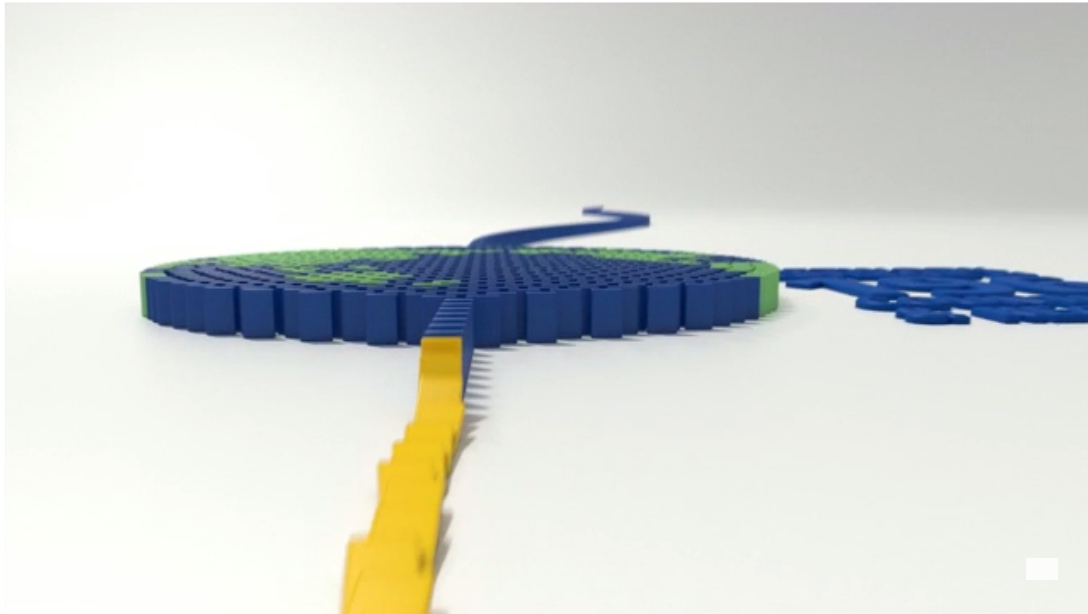
Food tech start-ups at TechInnovation seeking partnerships and funding

By: Trinity Chua
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SINGAPORE (Oct 9): Ricky Lin wants to start a food manufacturing facility in one of the most expensive cities in the world. In the past two years, Lin and his team have developed a plant-based meat alternative called Veego. It looks like frozen fish paste; has a texture slightly similar to meat; and can be steamed, air-fried or cooked in any other fashion imaginable. It also contains 18g of protein per 100g — slightly less than fish but more than bean curd.

Lin thinks Veego is likely to find a market among Singapore's institutional caterers, who are seeking healthier food options as society gets wealthier and more health-conscious. So he hopes to produce Veego here and sell it in bulk to these caterers.

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To do so, Lin needs to raise \$1.5 million. With this money, he will rent a factory space and produce 25 tonnes of meatless protein a month. “A lot of food tech [start-ups] do not want to see through the entire commercialisation process. They are more interested in the development [of the intellectual property rights],” he says on the sideline of this year's TechInnovation event, held on Sept 19 and 20. Organised by IPI Singapore, an innovation enabler established by the Ministry of Trade and Industry, the event aims to bring together technology providers and seekers.

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“I think that is why Singapore has not seen [any new] big brands, [in the vein of] **Creative Technology**,” says the former staff officer of the Singapore Armed Forces. “But we hope to be a big regional brand.”

Lin started his company, Life3 Biotech, two years ago with \$200,000 of his own money. If his pilot factory works, he plans to expand into neighbouring countries and start developing seafood alternatives. That puts him in good company. Several other food tech start-ups are looking to set up shop in Singapore ahead of a push into Southeast Asia. They include Lithuanian start-up FoodSniffer, US-based

Sophie's Kitchen and local player Alchemy Foodtech. All are raising funds and want to strike deals with local corporates, academic institutions and major food manufacturers.

"A lot of our technologies are based on work done by scientists from Asia," says Eugene Wang, founder of Sophie's Kitchen. His start-up makes plant-based seafood alternatives and has won a \$200,000 Startup SG grant from SPRING Singapore. "We believe Singapore can be the right location where all this research can be integrated."

A pilot country

Having staked a prime position in Southeast Asia's fintech market, Singapore is now drawing food tech plays too. At TechInnovation this year, a handful of food tech start-ups headlined talks and panel discussions. And they are pitching the country as the next food tech innovation hub.

Among them is Alchemy Foodtech, which has created a powdery blend of plant fibres called Diabetec. Diabetec can be shaped to resemble starchy foods such as rice, noodles or flour. A Diabetec-grain can be added to white rice to reduce the rice's glycemic index without changing its taste or texture, making it an alternative to coarse whole grains. According to founders Alan Phua and Verleen Goh, a 9% fibrous mix can reduce a food's GI from 80 to 68.

Alchemy Foodtech is one step away from commercialisation. It is currently running a clinical trial with National University Health System to test the effectiveness of the blend. "Once we can prove the efficacy of our product," says Phua, "we can gain the confidence and public backing of endocrinologists. They are the first people approached by individuals with diabetes."

Phua and Goh plan to work with local food manufacturers to market Diabetec. "No point fighting for shelf space. We want to reach as many people as possible, and the best way to do it is by working with existing industry players [that have market share]," explains Phua. The company is currently in talks with local rice manufacturers. Once commercialised, the Diabetec-blended rice would likely have the same price as brown rice.

Europe-based FoodSniffer has produced a handheld device that can sniff out foul gasses in uncooked chicken, meat and seafood. The device is already being sold in 36 countries. Its consumer version costs €90 (\$144) and can tell users within seconds whether uncooked food is safe to eat. The device has an 80% accuracy rate and detects over 100 organic compounds.

FoodSniffer wants to insert its device into refrigerators, which will then be able to detect whether meat or seafood items inside are spoiled. To commercialise the sensors, founder Augustas Alešiunas is not just seeking funds. He says he is in

talks with home appliance makers in Singapore to incorporate FoodSniffer's sensor in their refrigerators.

Growing demand for better food

According to Future Market Insights, the AsiaPacific functional food market is expected to grow 5.9% a year from 2016 to 2026 to reach US\$5 billion (\$6.8 billion). But industry players say there are significant hurdles ahead for start-ups looking to tap that market.

"Food tech innovations are relatively new in Singapore. Investors may need time to build their confidence in local capabilities," says William Chen, director of Nanyang Technological University's Food Science and Technology programme. "[If we have more] food technology experts in the preliminary assessment of the startups in their funding applications, [it would give investors more confidence in them]."

There is also a lack of infrastructure. Both Alchemy Foodtech and Life3 Biotech rely on labs and food production facilities in universities and polytechnics. "But we cannot always rent from them because it is very costly," says Life3 Biotech's Lin. "We hope the government can create a [sandbox] for us as they did for the ICT start-ups."

What Singapore lacks in infrastructure, however, it makes up in research expertise. And it stands as good a chance as most other cities in the development of a strong food tech ecosystem. "We haven't seen any Asian country leading the pack in food tech," says Isabelle Decitre, founder of food tech and agtech investment company ID Capital. "Singapore has a good chance to make a difference both as a hub and facilitator."

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SINGAPORE (Oct 19): DBS is starting coverage of Chip Eng Seng with a “buy” and target price of \$1.18 given the stock of the developer and builder is trading at a substantial discount to RNAV with an attractive yield. Founded in the 1960s as a construction company, Chip Eng Seng has expanded its scope and scale over the past five decades, gradually diversifying into property development, investments and hospitality businesses. In recent years, the group has been selectively acquiring projects in Singapore and overseas, which is ripe for the picking in FY17-18 as the property market exper....

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MAGIC LEAP RAISES US\$502 MIL, LED BY TEMASEK

(Oct 19): Magic Leap, the richly funded startup developing an augmented-reality device, has added more cash to its arsenal, though it has yet to release a product. The latest funding round of US\$502 million (\$682 million) was led by Temasek Holding, Singapore's state-owned investment company. Brazil-based Grupo Globo and Janus Henderson Investors also participated, along with Alibaba Group Holding, Fidelity Investments and other existing investors, Magic Leap said in a statement. This brings total funding for the Florida-based startup to more than US\$1.8 billion. See: Temasek mulling i....

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ESR-REIT ACQUIRES HYFLUX'S TUAS FACILITY FOR \$111 MIL IN SALE AND LEASEBACK DEAL

SINGAPORE (Oct 19): The manager ESR-REIT has entered into a sale and leaseback deal with Hyflux. ESR Funds Management will acquire 8 Tuas South Lane for a total of \$111 million and lease back a majority of the space to Hyflux Membrane Manufacturing for 15 years once the deal is completed. The property comprises of five detached factories, one block of eight-storey warehouse and four blocks of dormitory buildings. It is located near to Tuas Biomedical Park, off Tuas South Avenue and is accessible via the Pan Island Expressway, Kranji Expressway and Ayer Rajah Expressway. The propert....

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