

MEDIA RELEASE

ARE Report: China's Alternative Protein Sector Poised for Next Stage of Growth with Stronger Financial Support

New findings highlight need for capital to bridge the gap between innovation and industrial application, creating opportunities for investors, policymakers, and industry

30 June, 2026, Beijing — Stronger financing frameworks could unlock significant investment opportunities in China's alternative protein sector and position the industry as a critical contributor to the country's agri-food transition, according to new research from Asia Research & Engagement (ARE).

The report – [*Alternative Proteins: A Strategic Pillar and Financing Pathway for China's Agri-Food Transition*](#) – finds that alternative proteins are evolving beyond food innovation to become a strategic opportunity for China. As the country advances its "Greater Food" approach, dual-carbon goals, and biomanufacturing ambitions, alternative proteins can diversify protein supply, bolster national resilience, and support the transition to a lower-carbon food system.

China has already established a strong foundation. Plant-based foods benefit from established soy consumption traditions, advanced processing capabilities, and growing consumer awareness, while research, regulation, and demonstration projects continue to enhance the development of cultivated meat and fermentation-derived proteins.

The report finds that technological capacity is no longer the principal barrier. Instead, the challenge lies in connecting innovation with finance, industrial platforms, and market demand. Companies continue to encounter significant obstacles in pilot-scale production, demonstration, commercialisation, and market entry, with long development cycles, high capital requirements, and limited access to financing under traditional lending models.

Finance is a critical ingredient in scaling alternative proteins beyond laboratory research and into commercial production. The report calls for financial systems

that better reflect the sector's development stages and risk profile, positioning alternative proteins at the intersection of technology finance and green finance. As the frameworks for agricultural transition finance mature, alternative protein projects could increasingly become investments that financial institutions are able to identify, assess, support, and monitor.

To accelerate progress, the report recommends establishing a more integrated financing framework spanning research, pilot production, demonstration, and commercialisation. Priorities include:

- Clearer project identification standards across technology pathways and development stages.
- Financing mechanisms that support pilot-scale production and demonstration projects.
- Improved risk assessment tools to evaluate technology maturity, environmental performance, intellectual property, and regulatory readiness.
- Greater use of procurement models, supply chain finance, and capital market services to help companies scale.

The report also notes that metropolitan Beijing is well positioned to lead financing innovation. With strengths in research, policy, capital markets, and pilot infrastructure, coupled with a large talent pool, the city could develop an integrated model combining project identification, layered financing, risk pricing, and capital market support. Such an approach could provide a blueprint for agricultural transition finance and future food industry policy across the country.

Stella Chang, ARE's Director – Protein Transition/Sustainable Agri-Food (China), said: "The next stage of competition in alternative proteins will depend not only on technological breakthroughs but also on whether the financial system can understand and support the growth dynamics of this emerging sector. When projects can be identified, risks priced, and capital deployed effectively, alternative proteins can move from frontier technology to becoming a meaningful driver of China's agri-food transition."

ARE will continue supporting stronger connections between alternative proteins, green finance, and agri-food system transformation through independent research, investor engagement, policy dialogue, and cross-sector collaboration, helping advance the sustainable development of China's food system.

For media interviews and further enquiries, please contact:

Wani Diwakar

Asia Research & Engagement (ARE)

wani.diwakar@asiareengage.com

About Asia Research & Engagement (ARE)

ARE brings leading investors into dialogue with Asian-listed companies to address sustainable development challenges and help companies align with investor priorities. With decades of Asia experience, our cross-cultural team understands the region's unique needs. Our high-quality independent research, robust investor network, and engagement expertise, provide corporate leaders and financial decision makers with insights leading to concrete action.