Soy is a relatively new crop in the region, despite the fact that Argentina and Brazil are now one of the largest world exporters of soy beans. Both countries began planting soy seeds during the first decade of the 20th century. Brazil’s soy bean production had reached 100,000 metric tonnes in 1954, and ten times as much in 1969, and again by 1975, when it reached 10 million tonnes.

From the early 1970s the issue in Brazil became how to make better use of the local availability of the soy harvest. One avenue was to add value to exports and another to increase domestic consumption of soy-related products. Both would require innovative products, which was particularly hard in a region of the world that had only recently converted to consuming soy products. Ceval, the largest Brazil soy-crushing company, began operation in 1972.

Because soy was relatively new to the region, technology to turn it into food or beverages had to be developed, marketing techniques honed and strategic partnerships secured to distribute the products.

Background on soy-milk beverages and user-led innovation

In disadvantaged areas, nutritional standards are frequently substandard and low-cost soy products are likely candidates to improve nutrition. Soy milk consists of a water extract of whole soybeans. It contains water-soluble proteins and carbohydrates, and a large proportion of soybean oil is retained in the liquid. However, its consumption was never widespread, even in China. In the 1930s an
American physician-missionary, Dr Harry W. Miller, attempted to introduce soy milk to improve the nutritional status of infants and small children in China. Unfortunately, the plantation was destroyed in the 1937 China-Japan War, but local consumer resistance to the “beany taste” had already damaged the efficacy of market penetration of the drink.

Vitasoy had a different approach altogether. While essentially the same product, it was marketed in Hong Kong after the Second World War as a soft beverage and not a milk substitute. Both the marketing channels and the look of the bottle signaled to its soft-drink niche (see Figure 8.1), and by 1974 Vitasoy was more popular than Coca Cola in Hong Kong (Soyinfocenter, 2004).

Beaten by Vitasoy in Hong Kong, Coca Cola learned from Vitasoy and attempted to introduce a similar product, Saci, in Brazil in the