

Plant-Based Food Retail Market Overview

Presented by: Caroline Bushnell & Kyle Gaan



Presenters for today's webinar



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The Good Food Institute

Accelerating the shift to a sustainable, healthy, and just food system through three key areas of work:



Science and Technology

Advancing and open-sourcing the foundational science of plant-based and cultivated meat



Corporate Engagement

Consulting with the world's biggest food companies to help them capitalize on opportunities in the plant-based market



Policy

Advocating for fair regulation of plant-based and cultivated meat and lobbying for governmental investment in sustainable protein R&D



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We act as a force multiplier, bringing the expertise of our departments to the rest of the world.



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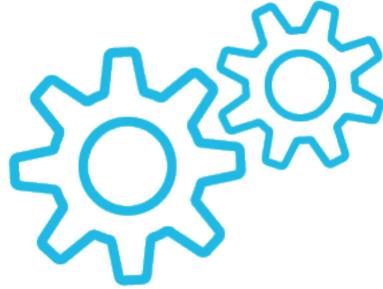
EUROPE
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90+ staff in 6 countries

How will we feed 10 billion people by 2050?



Sustainably



Efficiently



Safely

The solution? Make meat a better way

PLANT-BASED PROTEINS



FERMENTATION



CULTIVATED MEAT

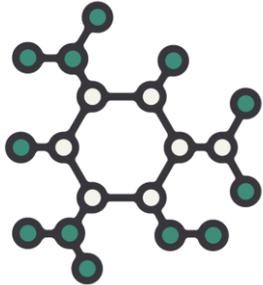


GFI services



Marketing & Strategy

- Global & regional market overviews
- Syndicated retail sales data
- Industry mapping
- Primary consumer research
- Consumer trends and insights
- Innovation guidance
- Menu and merchandising strategy
- Product marketing & positioning



Technical Expertise & Guidance

- Plant-based & cultivated technology
- Recombinant protein & synthetic biology
- Technical plan or research plan review
- Technical insights and exploration
- Research grant program
- Funding & investment opportunities

U.S. plant-based market overview

Plant-based market overview

Only products that are plant-based substitutes are included in this data. Inherently plant-based foods, such as chickpeas and kale, are not included. There are 7 high-level categories:



Tofu and tempeh



Plant-based meat



Plant-based milk



Plant-based eggs



Plant-based meals



Plant-based condiments
and dressings



Other plant-based
dairy

“Other plant-based dairy” includes:

- Cheese
- Yogurt
- Ice cream and frozen novelty
- Butter
- Creamers
- Ready-to-drink beverages
- Dairy spreads, dips, sour cream, and sauces

SPINS data covers the Natural, Specialty Gourmet, and MULO channels

Natural

- Full-format stores with \$2 million+ in annual sales and at least 50%+ of sales from natural/organic products
- Includes co-ops, associations, independents, large regional chains (excludes Whole Foods & Trader Joes)
- Examples: Sprouts, Erewhon, Earth Fare

Specialty Gourmet

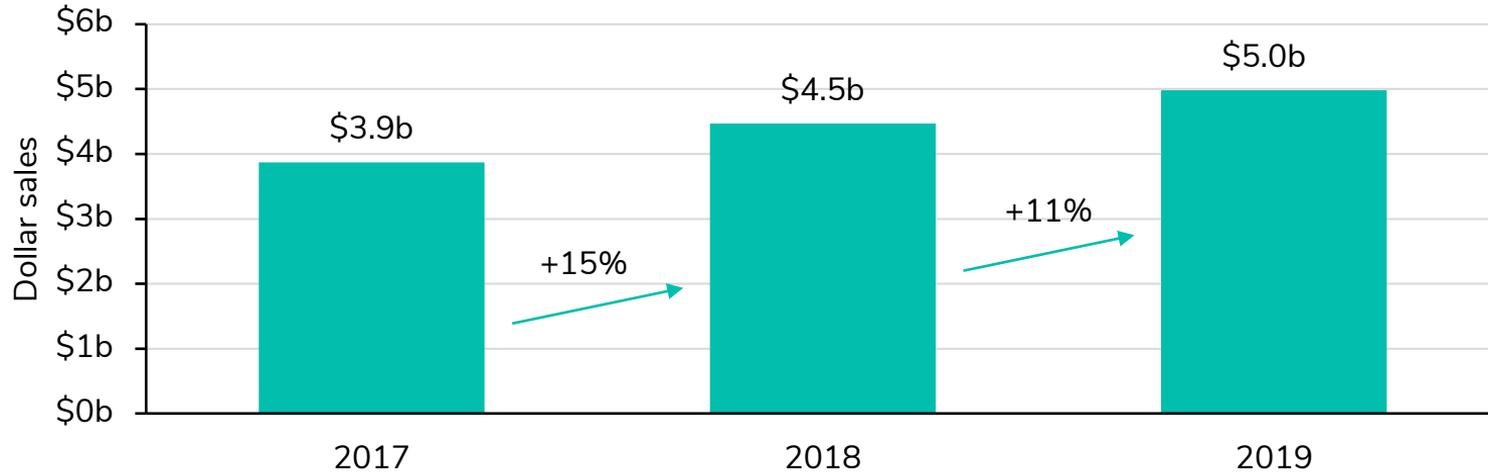
- Full-format supermarkets with more than \$2 million in annual sales
- SPINS-defined specialty items comprise at least 25% of overall volume
- High-end, experiential stores featuring full-service and fresh departments such as prepared foods, butchers, and on-site bakeries
- Examples: Gelson's, Heinen's, Busch's

MULO

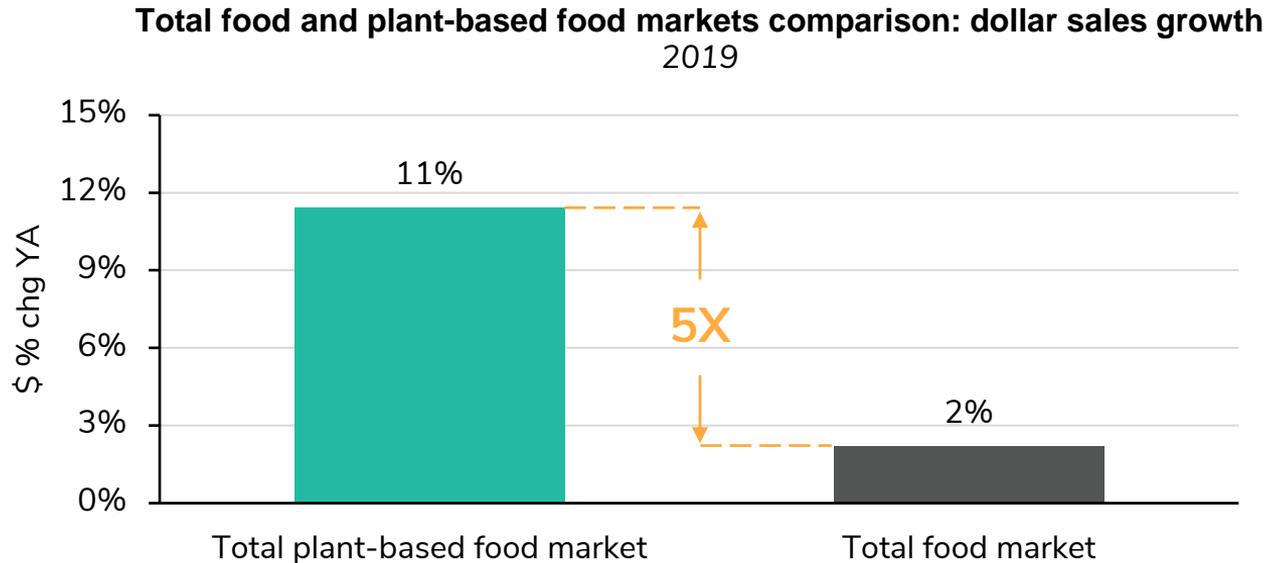
- The Conventional Multi Outlet Channel is comprised of over 104,000 retail locations spanning Grocery, Drug, Mass, Dollar, Military, and Club
- Includes 250+ corporate totals and banners
- SPINSScan Conventional provides reporting on Conventional Food, Drug, Mass and Multi Outlet Channels
- Examples: Publix, Walmart, Kroger, Target

U.S. retail sales of plant-based food are worth \$5 billion

Total U.S. plant-based food market

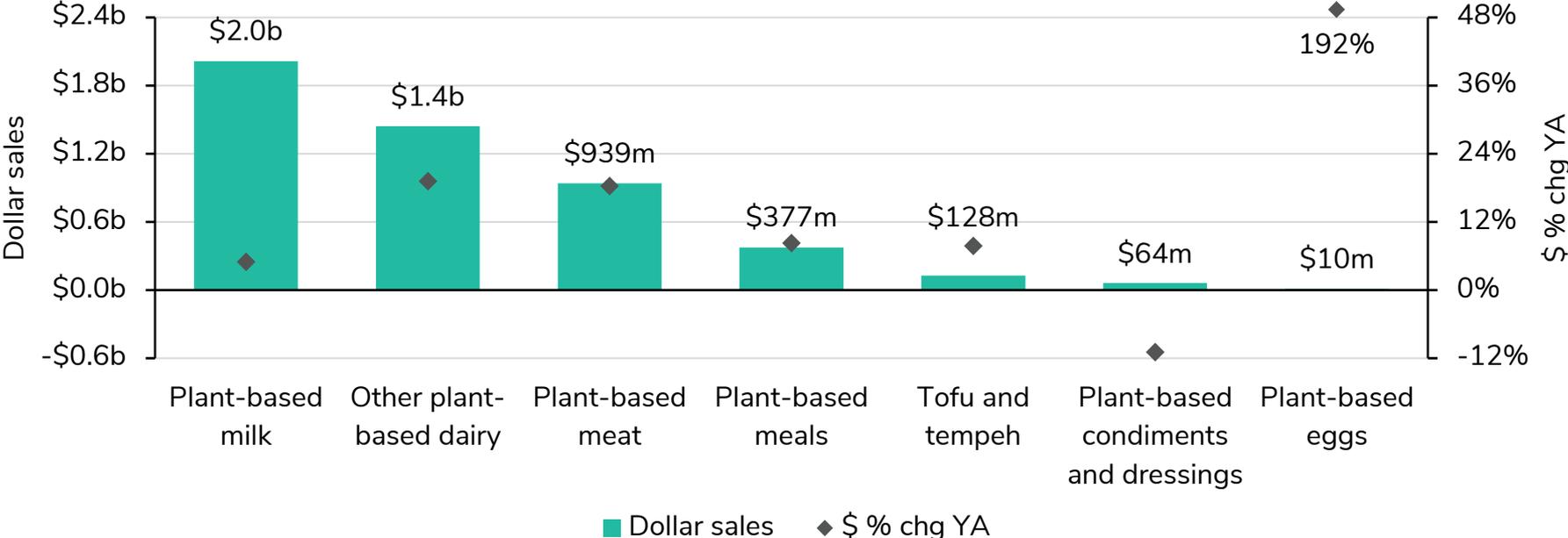


Plant-based foods grew 5 times faster than total food sales over the past year



Plant-based milk is the most developed category at \$2 billion

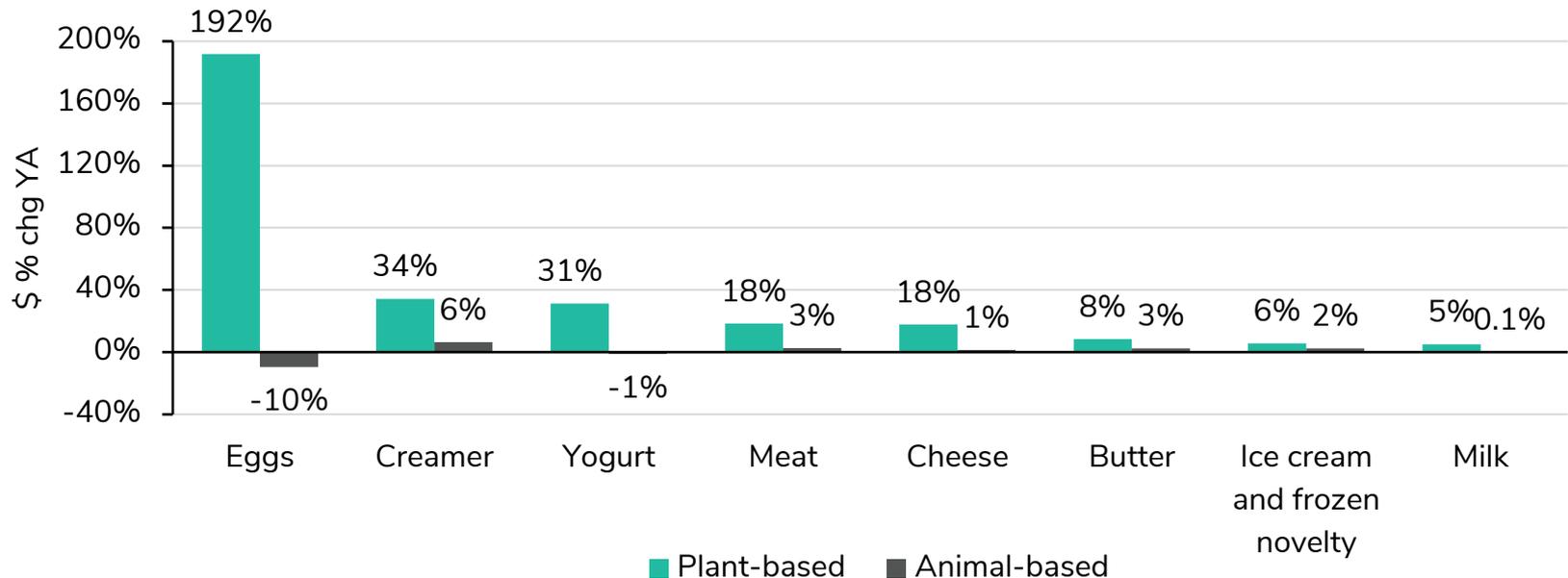
Total U.S. plant-based food dollar sales and dollar sales growth by category 2019



Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019

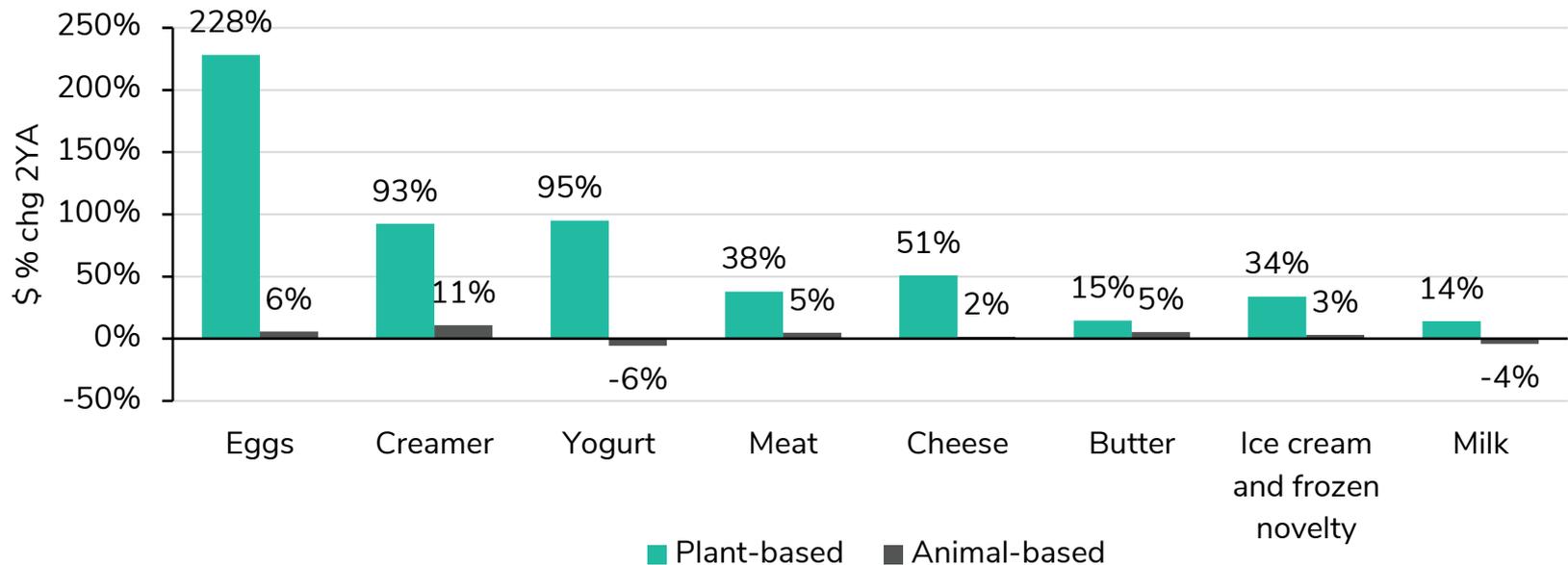
Plant-based food sales growth outperforms animal-based food sales growth across key categories

Animal-based and plant-based product comparison: dollar sales growth
2019



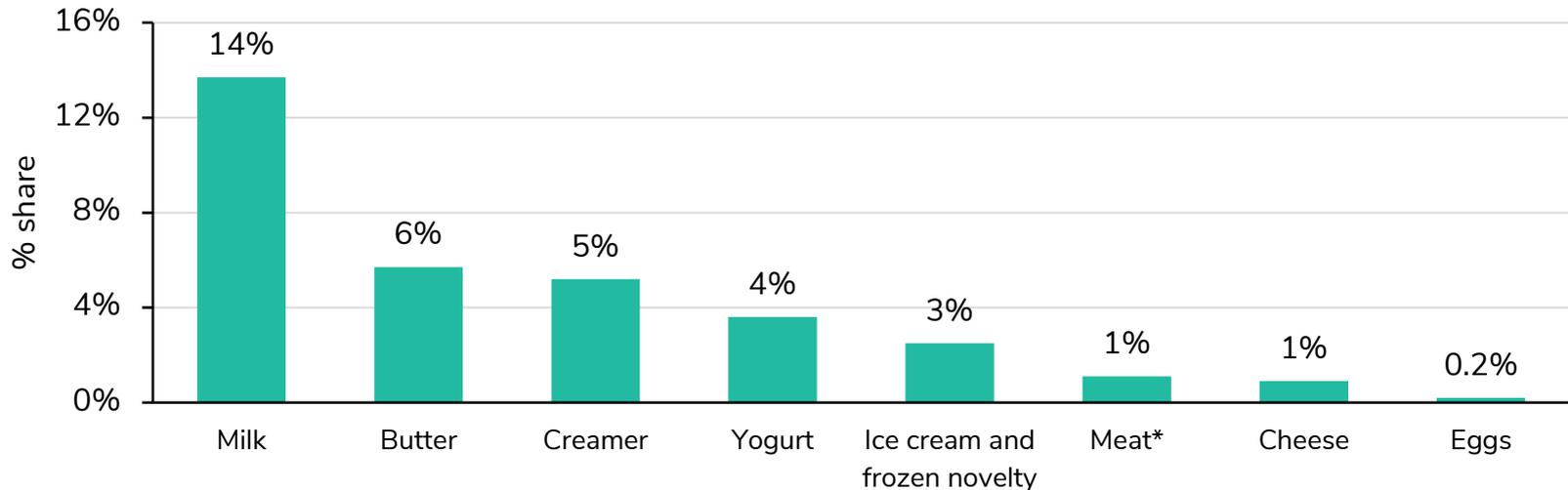
The two year sales growth comparison shows a clear trend towards plant-based products

Animal-based and plant-based product comparison: two-year dollar sales growth
2019



Plant-based milk has the greatest share of total market; other dairy categories are gaining share

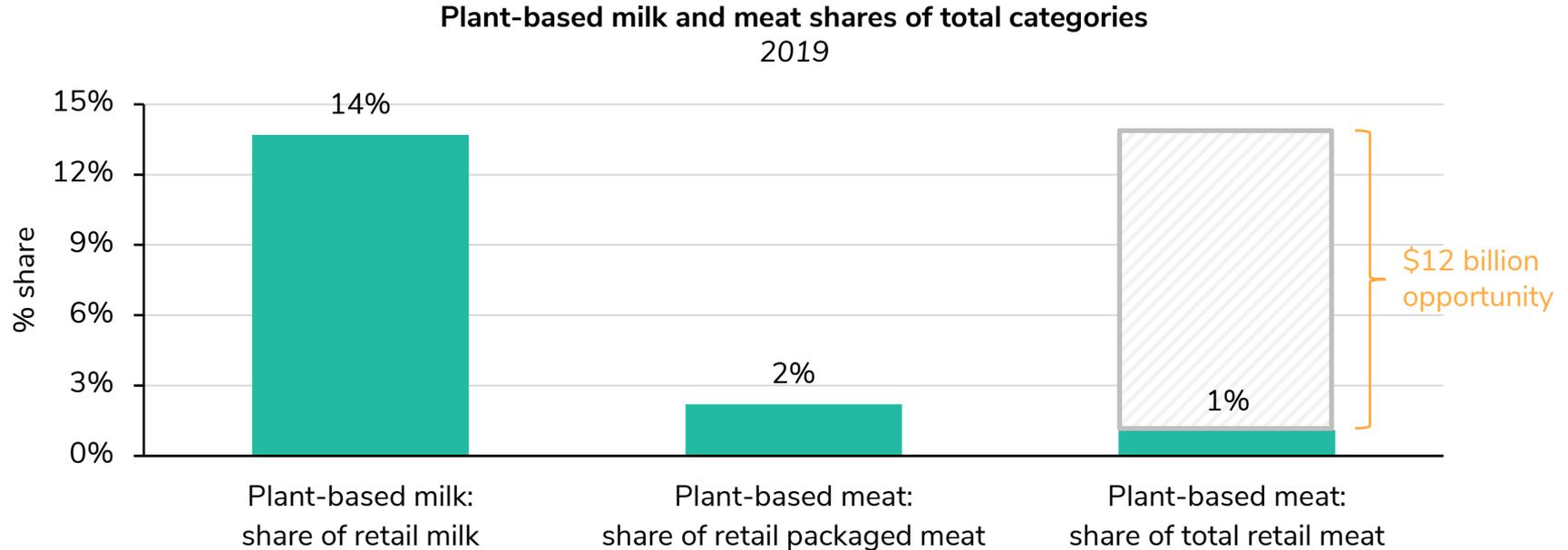
Plant-based share by category
2019



Note: SPINS does not report non-UPC meat counter sales. To account for this, the plant-based meat total retail share calculation uses the \$95 billion total meat market size reported by Nielsen, as this number includes both retail packaged meat sales and non-UPC meat counter sales

Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019; Nielsen (2019), *The F Word: Flexitarian Is Not a Curse to the Meat Industry*

There is a \$12 billion opportunity for plant-based meat to reach market share parity with plant-based milk

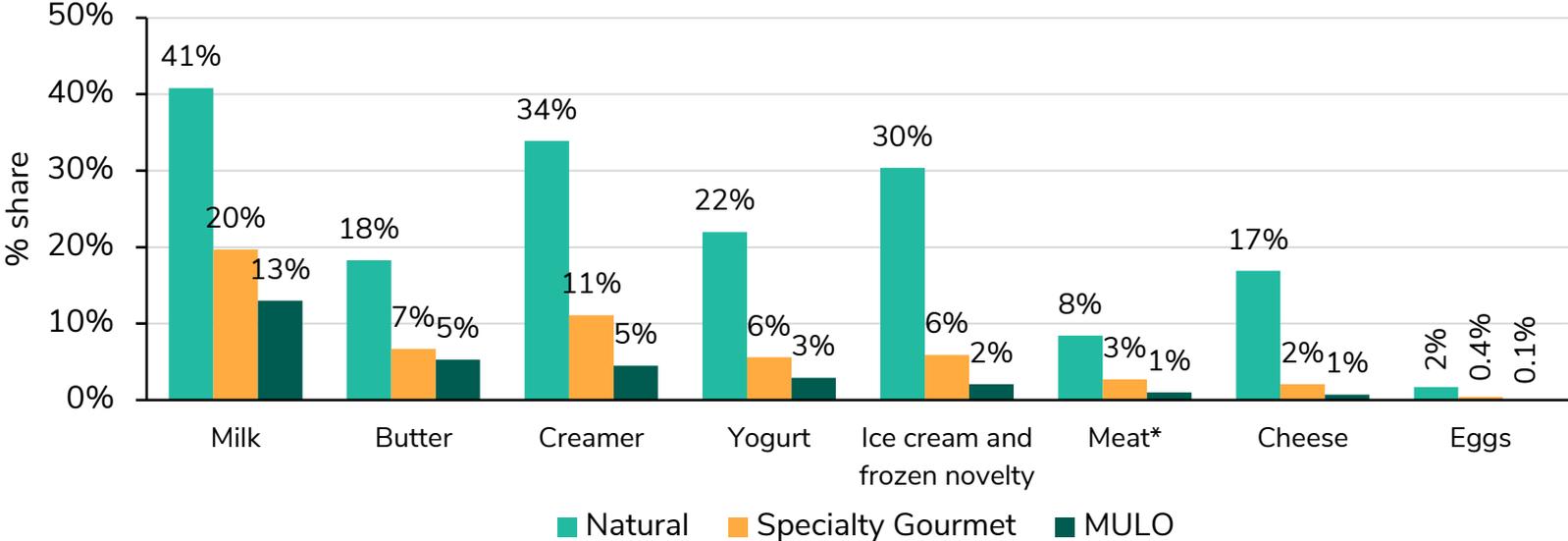


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Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019; Nielsen (2019), *The F Word: Flexitarian Is Not a Curse to the Meat Industry*

Plant-based foods have the largest share of their respective categories in the Natural channel

Plant-based share by category and channel
2019

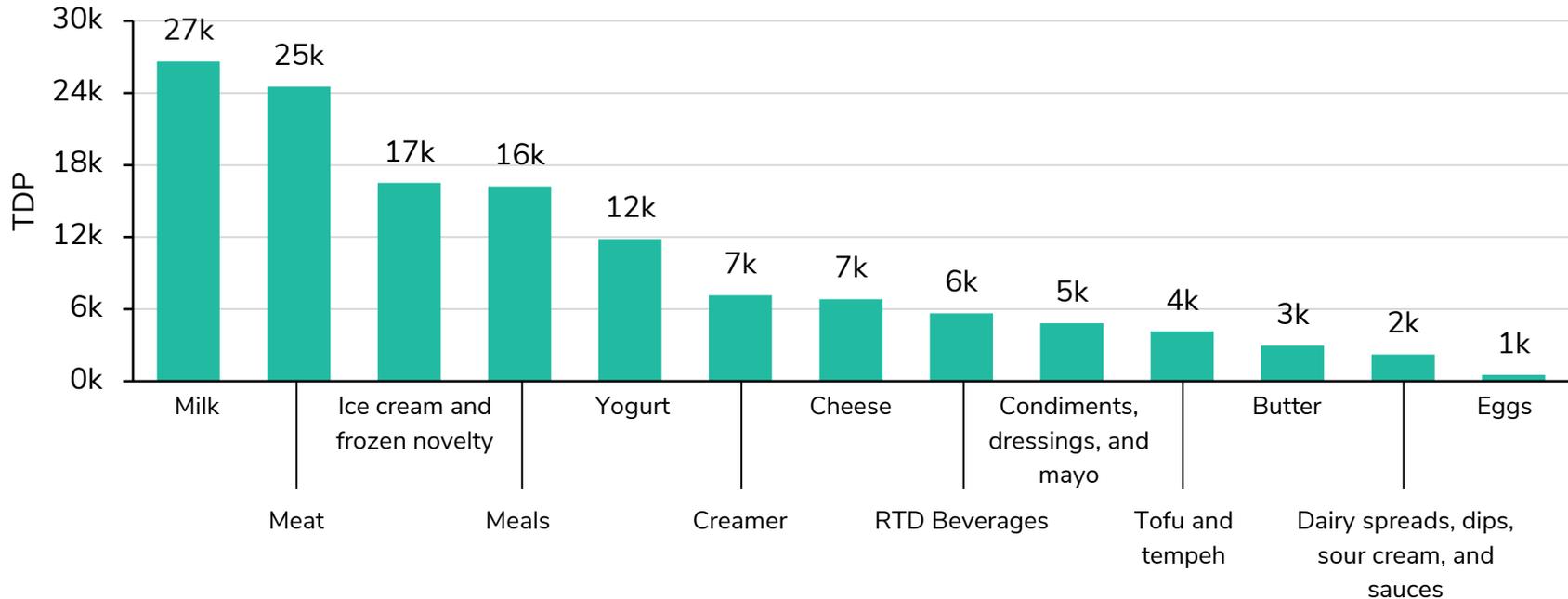


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Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019; Nielsen (2019), *The F Word: Flexitarian Is Not a Curse to the Meat Industry*

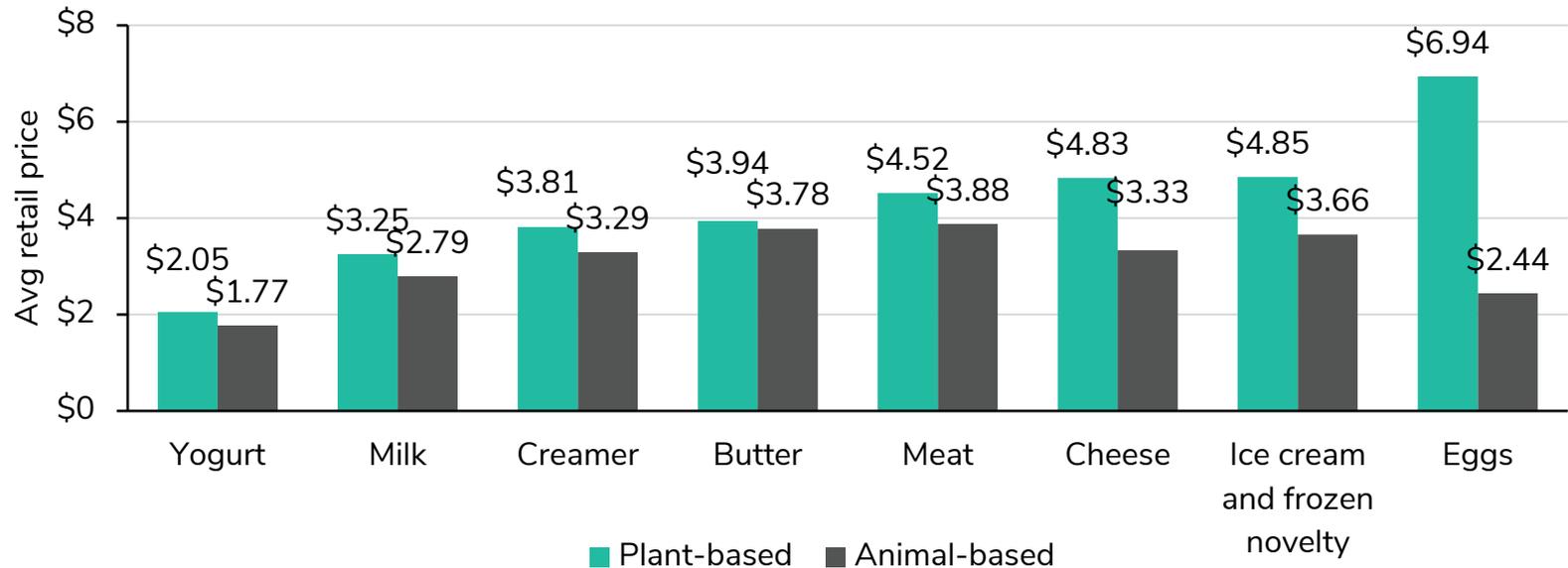
Plant-based milk has the highest distribution, with room for growth across categories

Total distribution points by plant-based category
2019



Plant-based products are sold at a premium when compared to their animal-based counterparts

Animal-based and plant-based product comparison: average retail price
2019

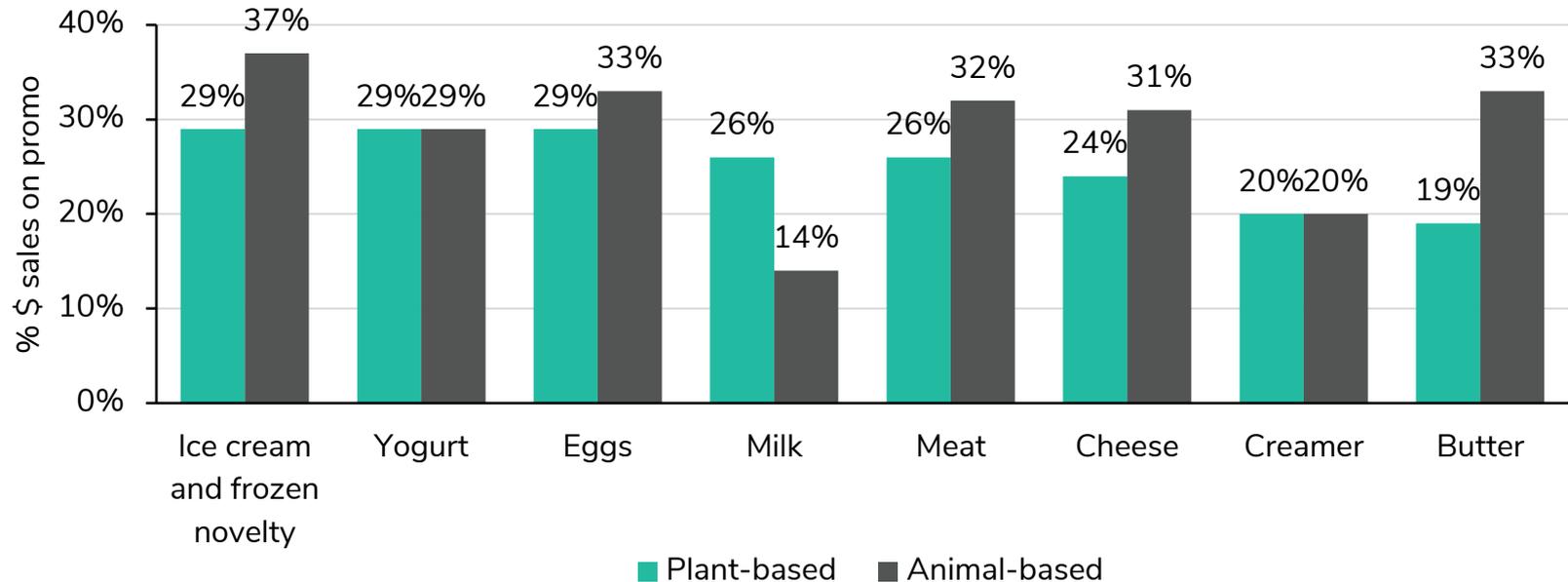


Note: Animal-based meat average price calculated using Nielsen August 2018 retail and counter sales data

Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019

Plant-based milk is the only category sold on promotion at a higher rate than animal-based categories

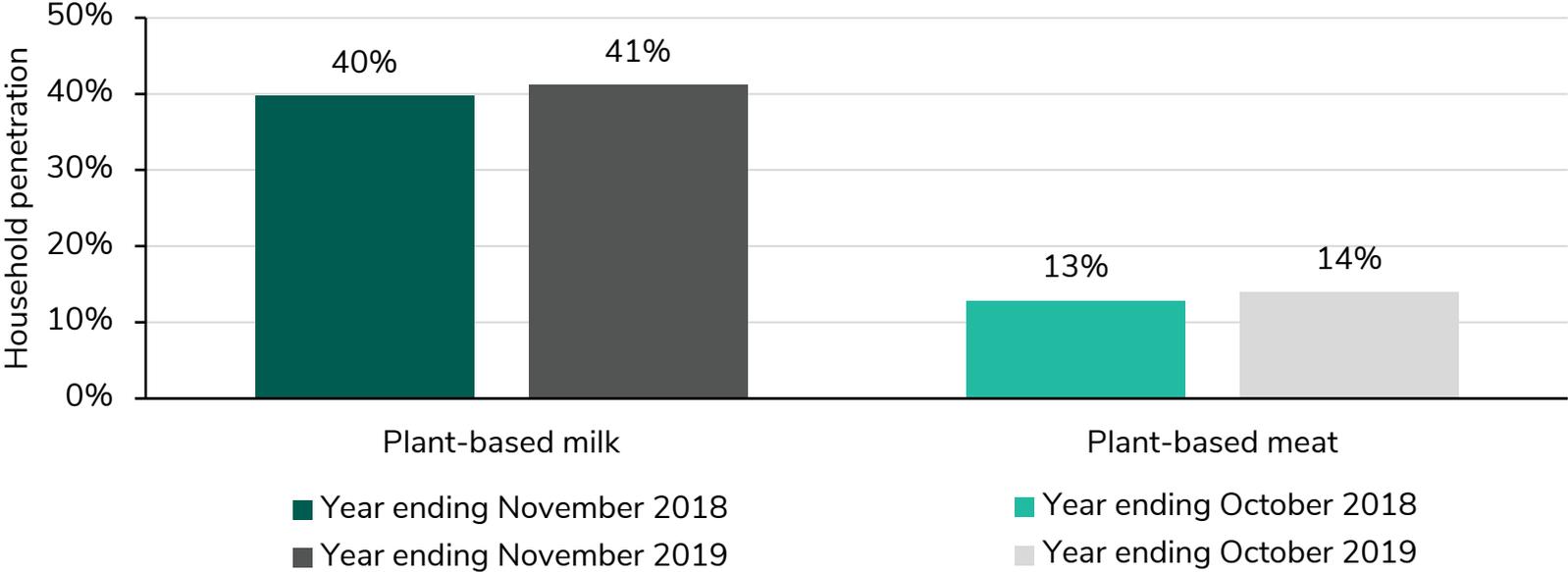
Percentage of dollar sales on promotion by plant-based category
2019



Purchasing dynamics

Household penetration of plant-based milk and plant-based meat stands at 41% and 14%, respectively

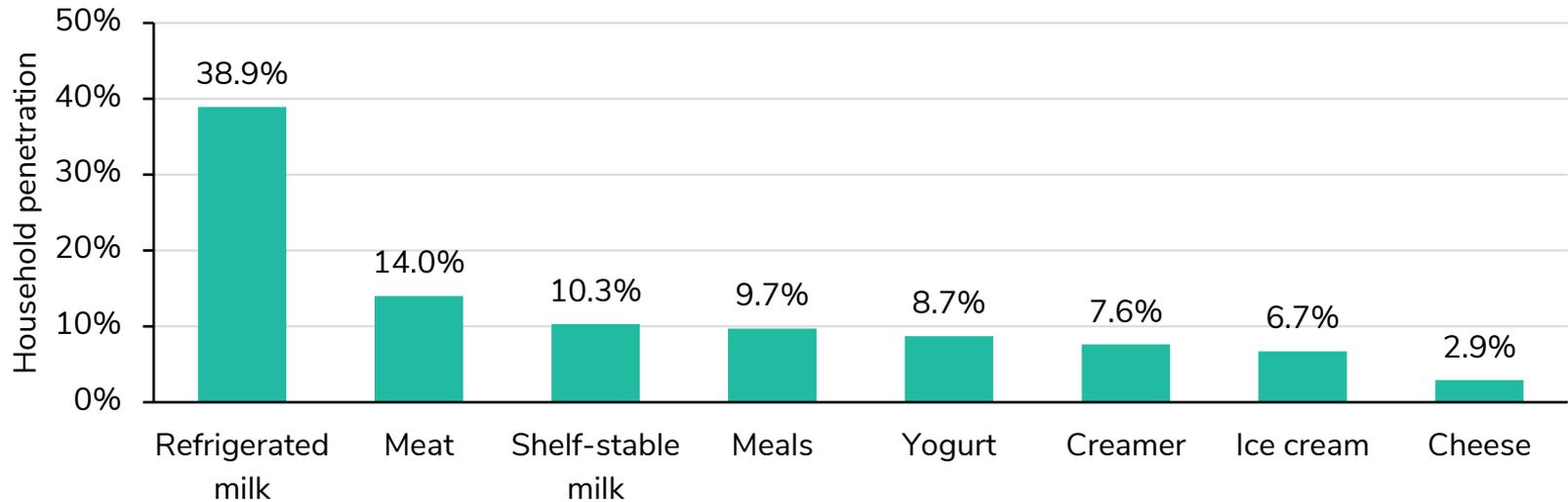
Household penetration of plant-based milk and plant-based meat



Source: IRI panel, total store view, all outlets, 52 weeks ending 12-01-2019; The Food Industry Association & IRI, "Understanding the Plant-Based Consumer" (January 2020) - IRI panel, all outlets, 52 weeks ending 11-03-19, NBD aligned

Many plant-based categories have room to grow in terms of household penetration

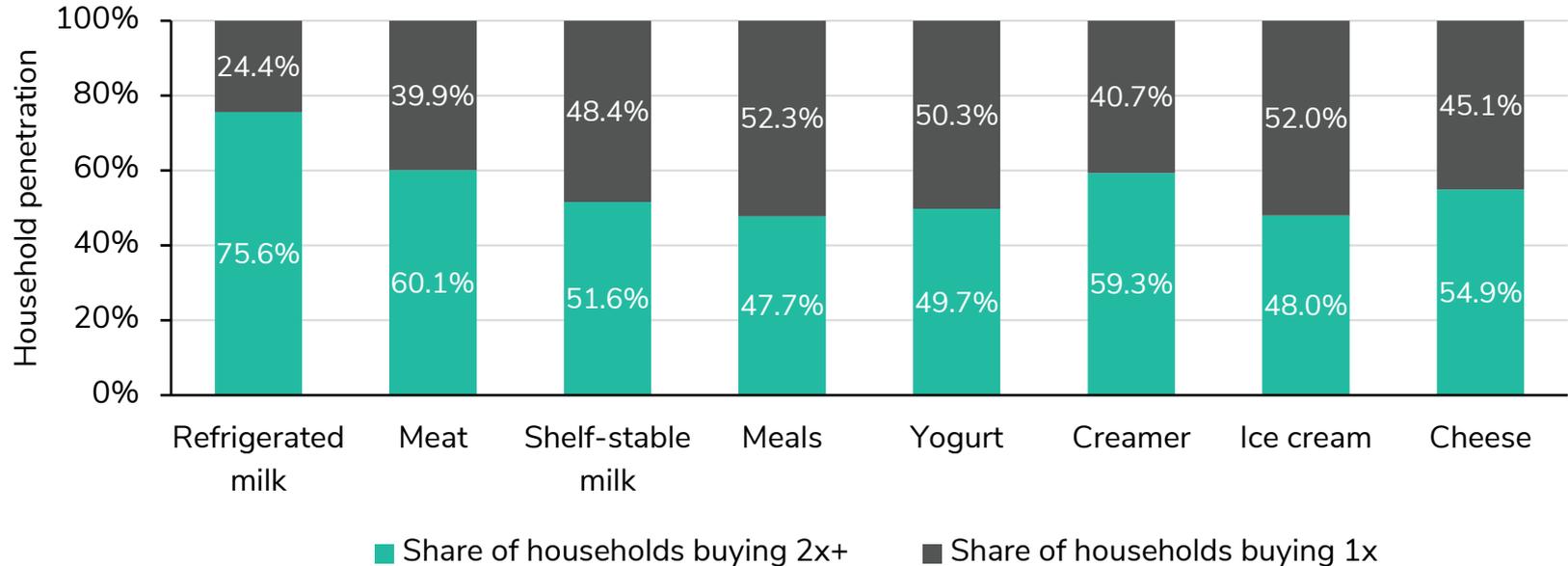
Household penetration of plant-based products
2019



% chg YA	5.1%	8.5%	-7.2%	11.5%	40.3%	18.8%	-10.7%	7.4%
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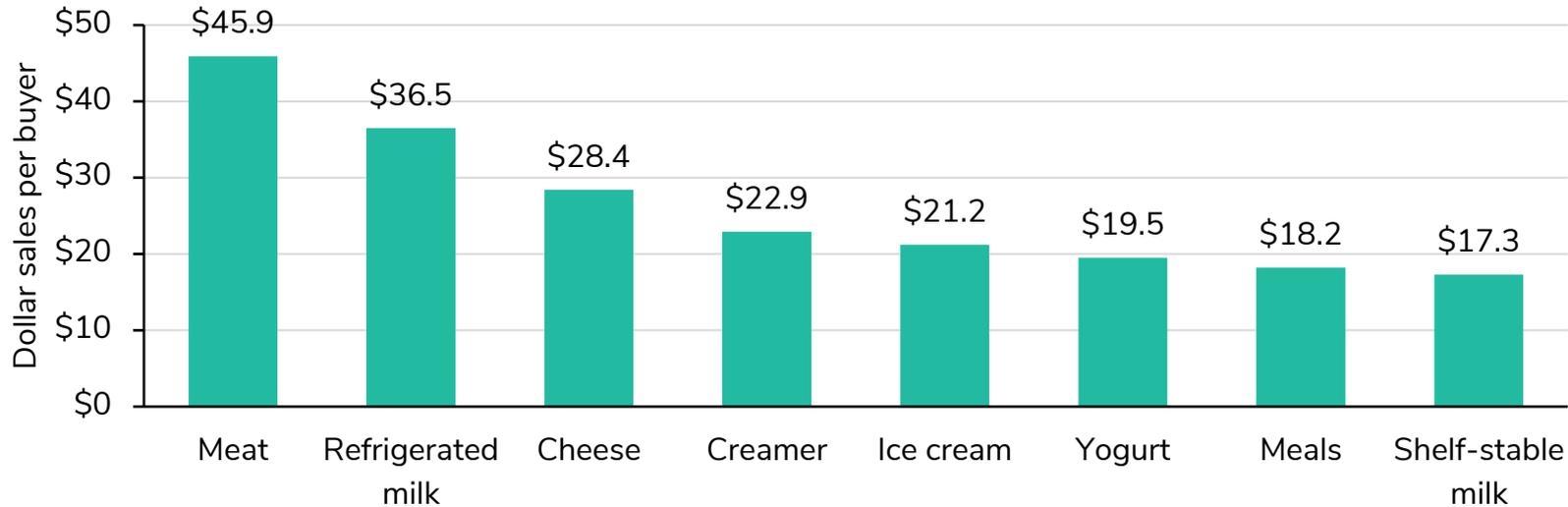
The majority of households are purchasing refrigerated plant-based milk and plant-based meat 2 or more times

Household penetration of plant-based products by 1x and 2x buyers
2019



Plant-based meat and refrigerated plant-based milk have the highest dollar sales per buyer

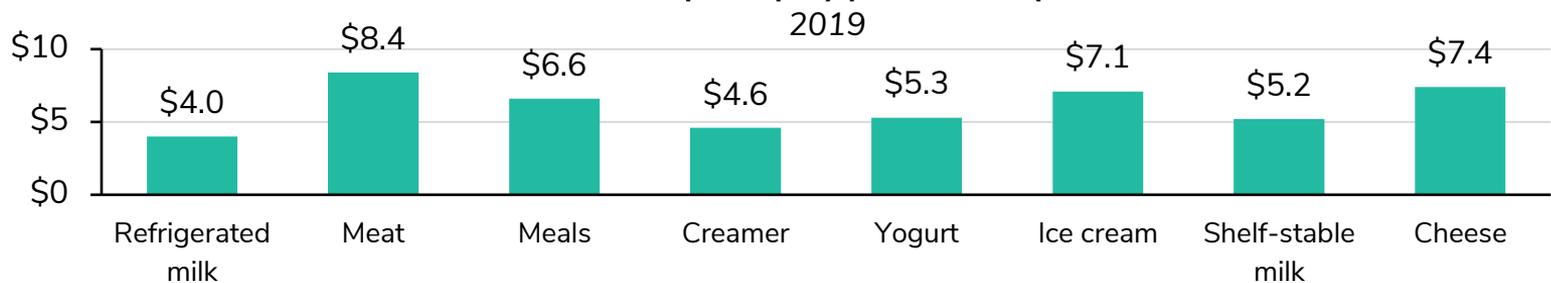
Dollar sales per buyer by plant-based product
2019



Dollar per buyer chg	\$0.8	\$0.5	\$2.5	\$2.9	\$2.4	-\$0.5	\$0.7	\$0.1
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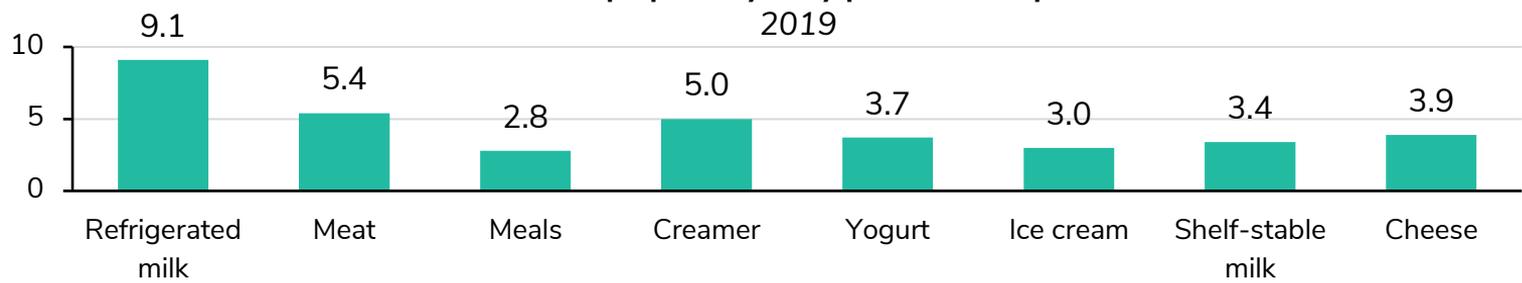
Plant-based meat, ice cream, and cheese experienced increases in both dollar sales per trip and product trips per buyer

Dollar sales per trip by plant-based product



% chg YA	-1.2%	0.3%	4.0%	15.9%	-3.0%	6.6%	0.1%	4.5%
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Product trips per buyer by plant-based product

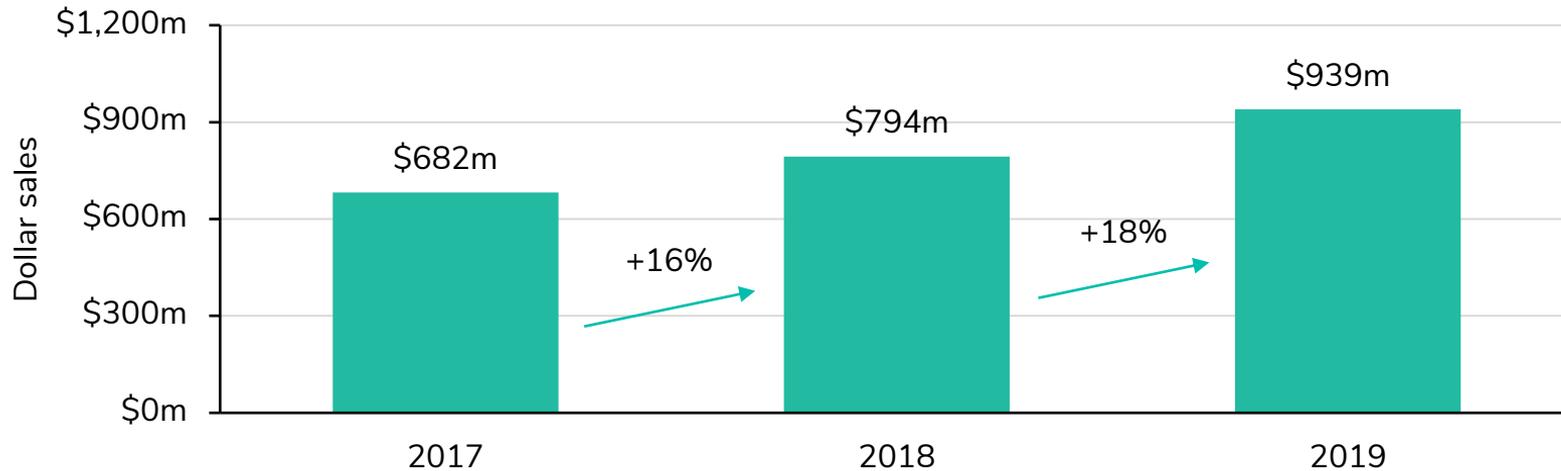


% chg YA	2.7%	1.4%	0.0%	-1.0%	0.3%	5.5%	0.4%	5.0%
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Plant-based meat

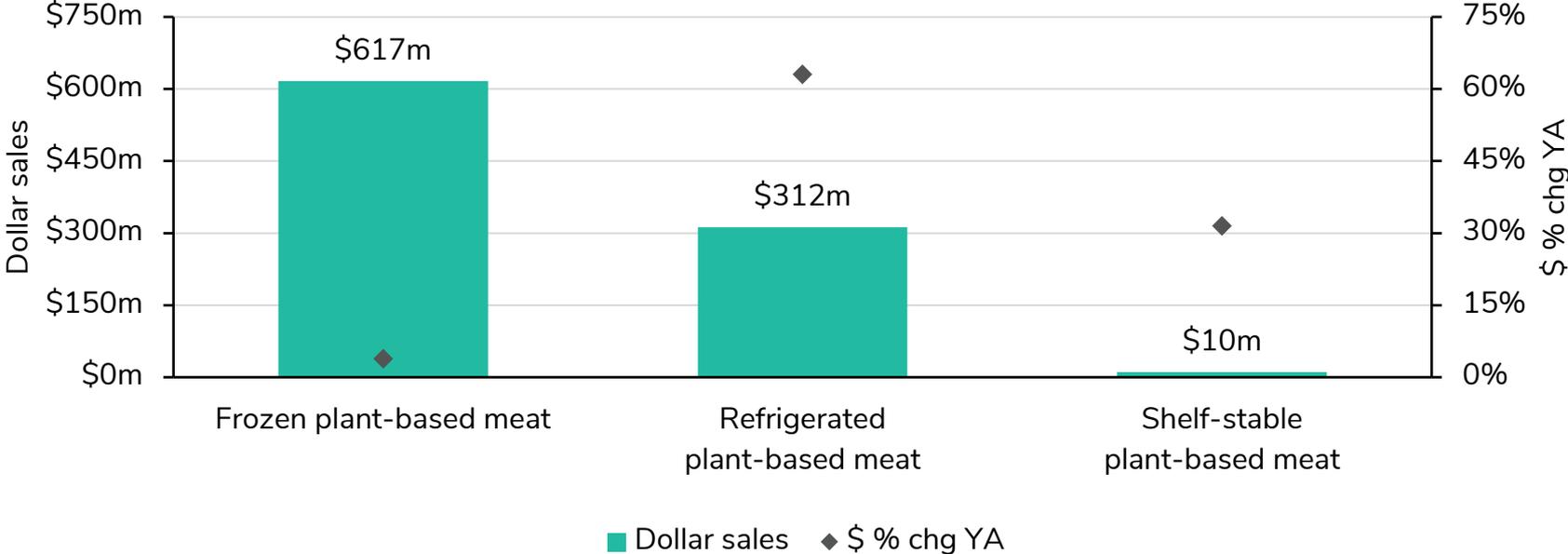
U.S. retail sales of plant-based meat are worth \$939 million

U.S. plant-based meat market



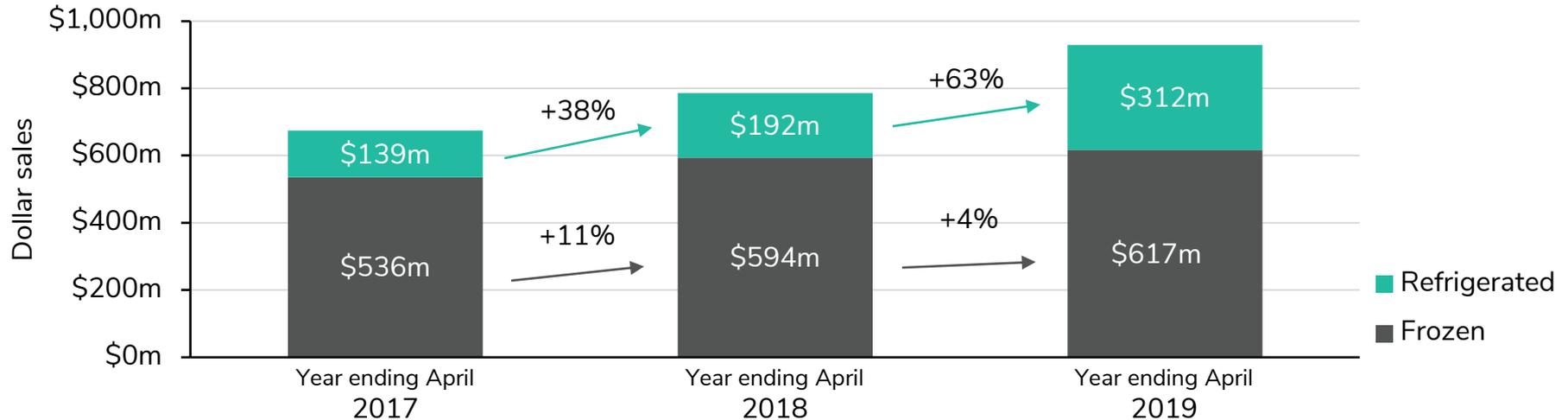
Plant-based meat category growth is being driven by refrigerated plant-based meat sales

Plant-based meat dollar sales and dollar sales growth by store section
2019



Refrigerated plant-based meat now makes up 33% of category sales and year over year growth is increasing

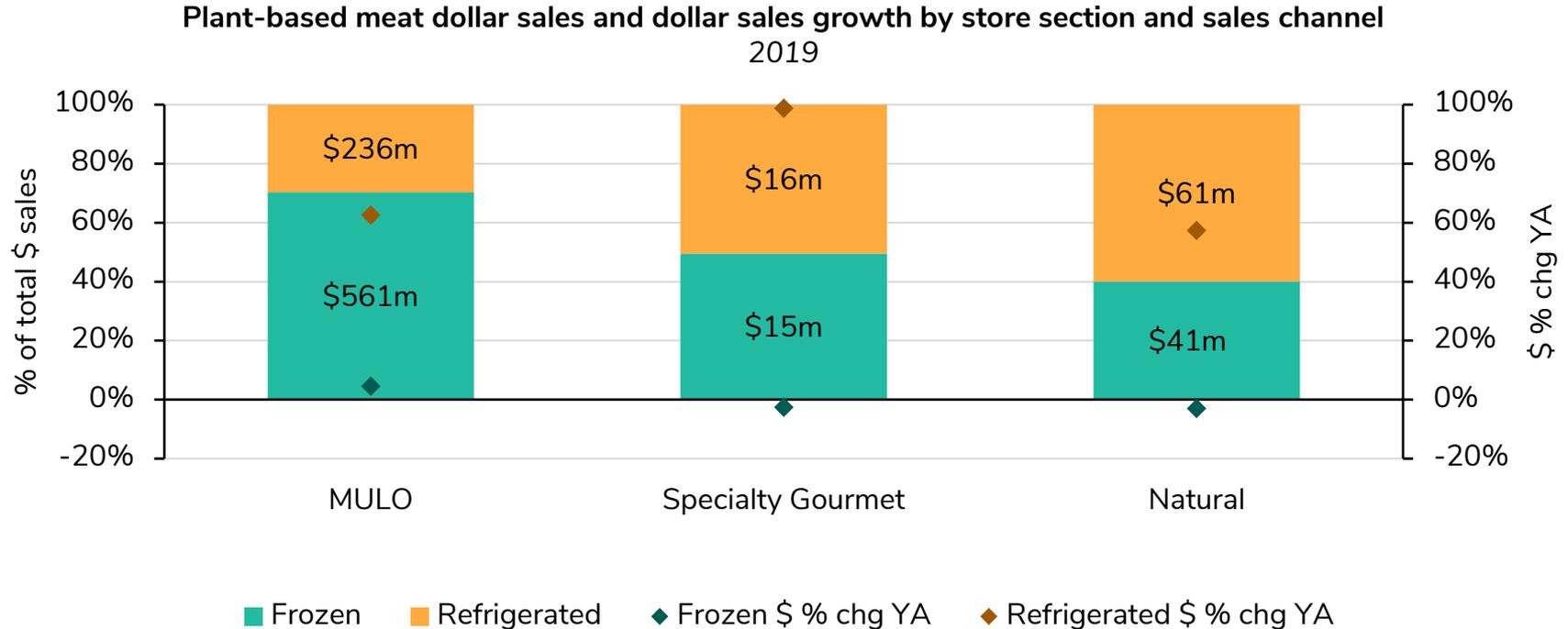
U.S. plant-based meat market by frozen and refrigerated categories



Note: Shelf-stable plant-based meat products excluded from this analysis

Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 104 weeks ending 12-29-2019

Refrigerated plant-based meat accounts for 60% of sales in the Natural channel

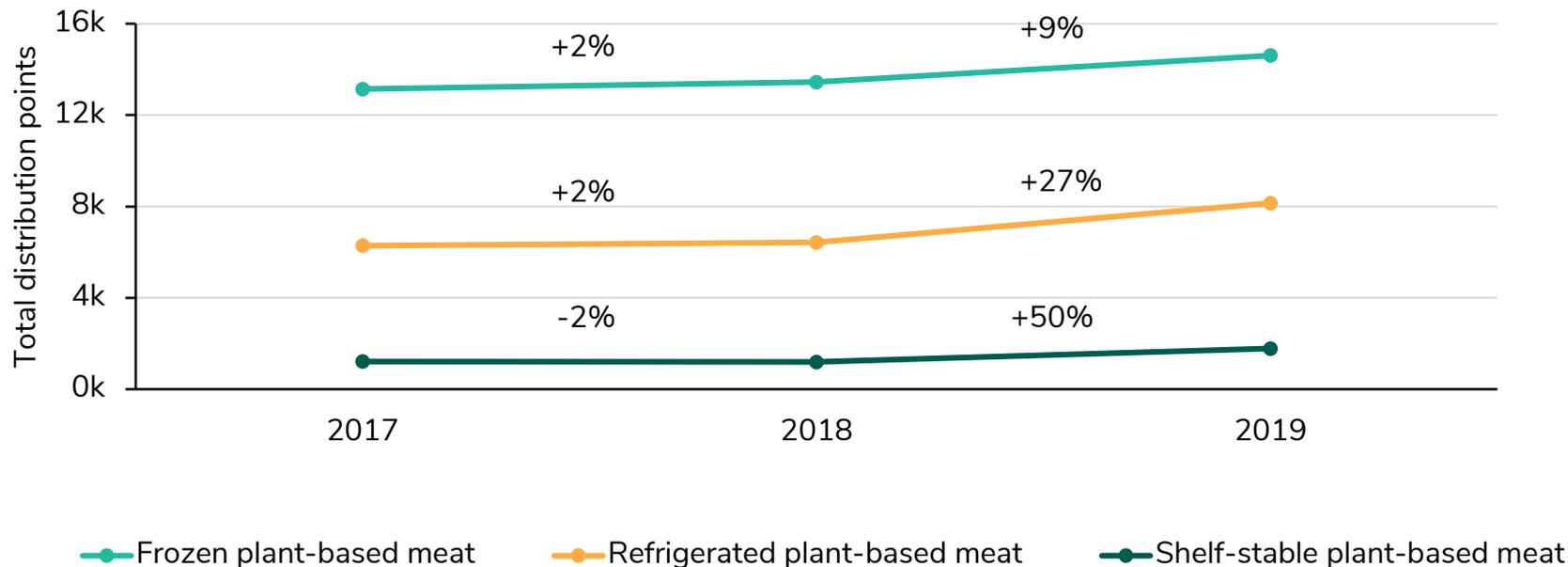


Note: Shelf-stable plant-based meat products excluded from this analysis

Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019

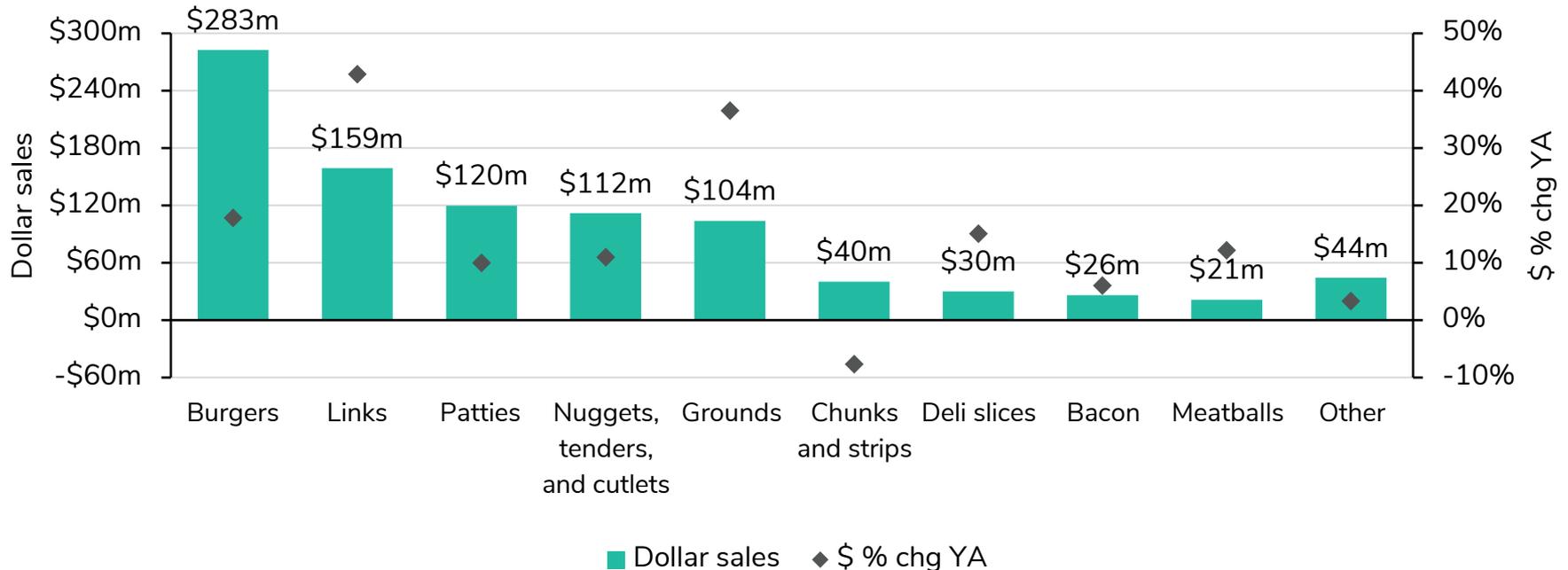
Total distribution points for plant-based meat have increased across all store sections

Plant-based meat total distribution points by department



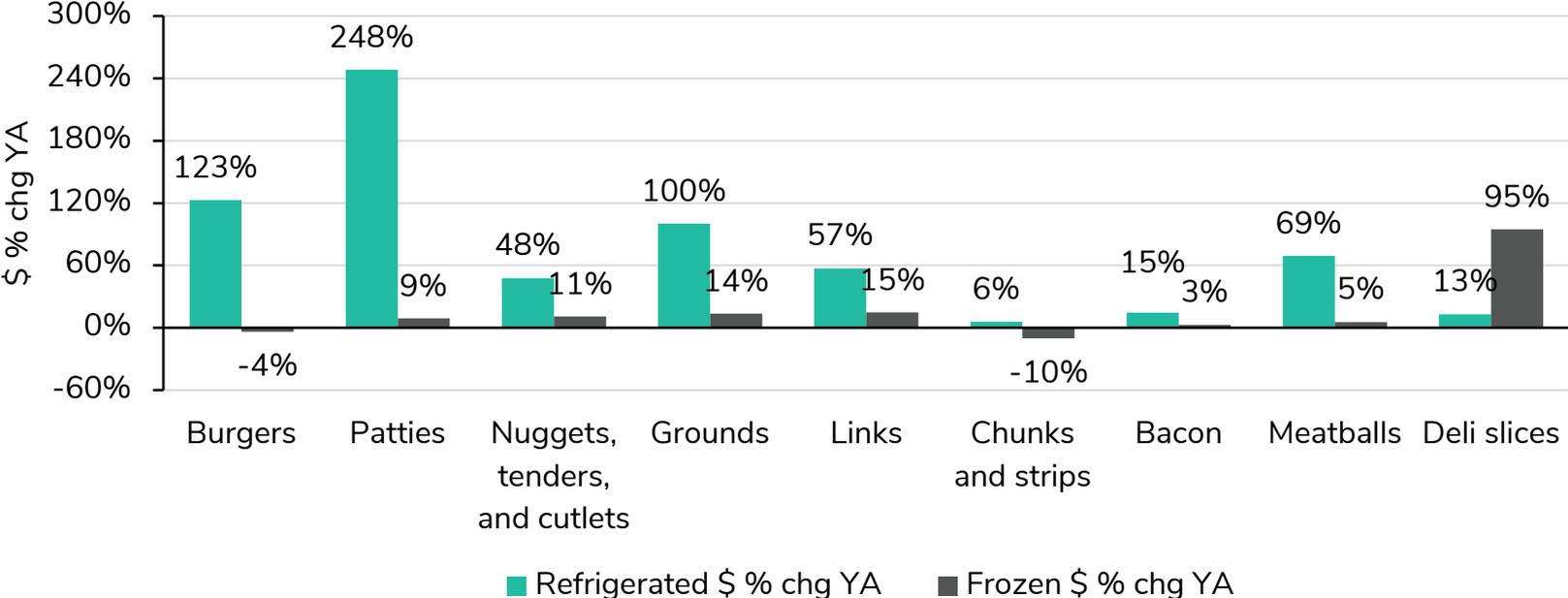
Burgers have the largest share of plant-based meat sales; links are the fastest growing

Plant-based meat dollar sales and dollar sales growth by product type
2019



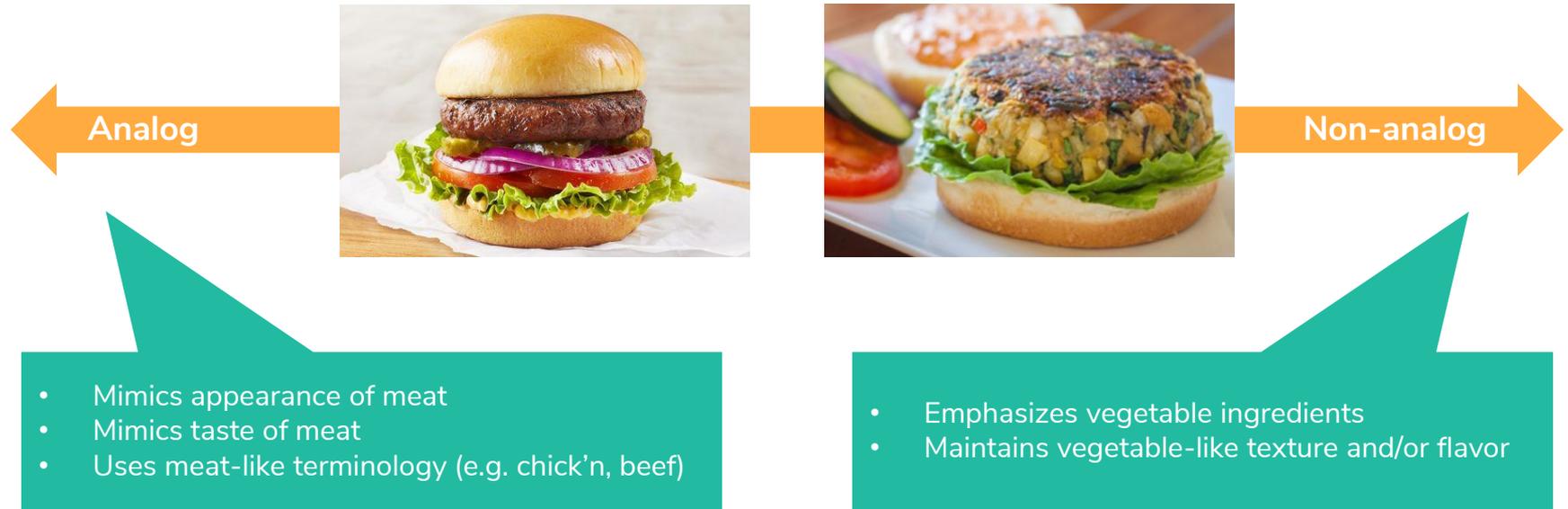
Refrigerated sales are driving growth across most plant-based meat product types

Plant-based meat product type dollar sales growth by store section
2019



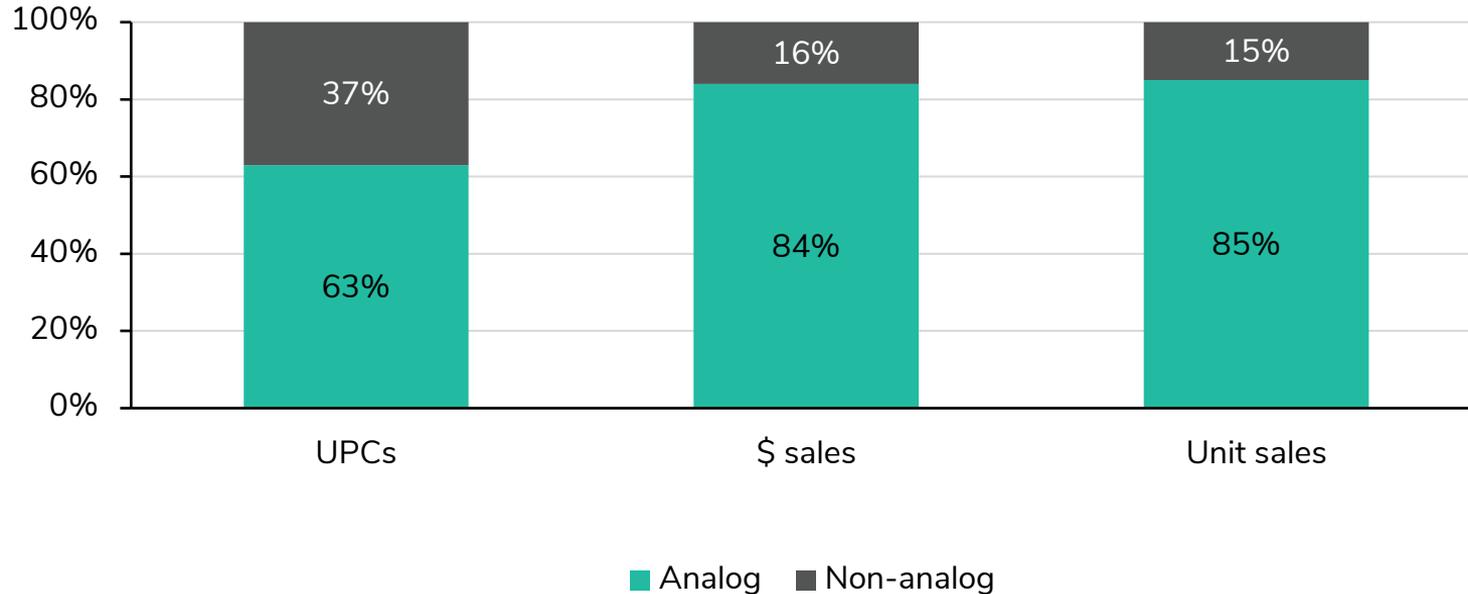
Source: SPINScan Natural and Specialty Gourmet (proprietary), SPINScan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019

Plant-based meat products vary in the degree to which they are analogs or non-analogs of animal-based meat

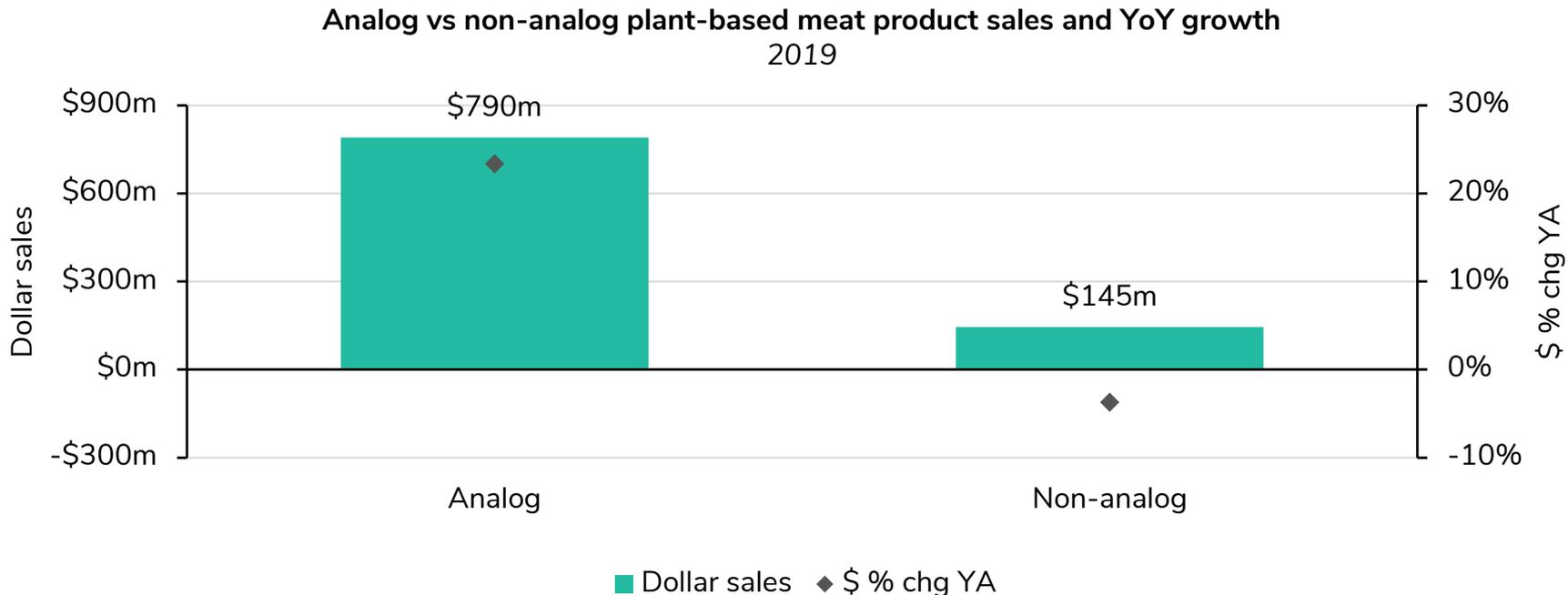


Analog plant-based meat products make up slightly more than 60% of UPC's but almost 85% of dollar sales

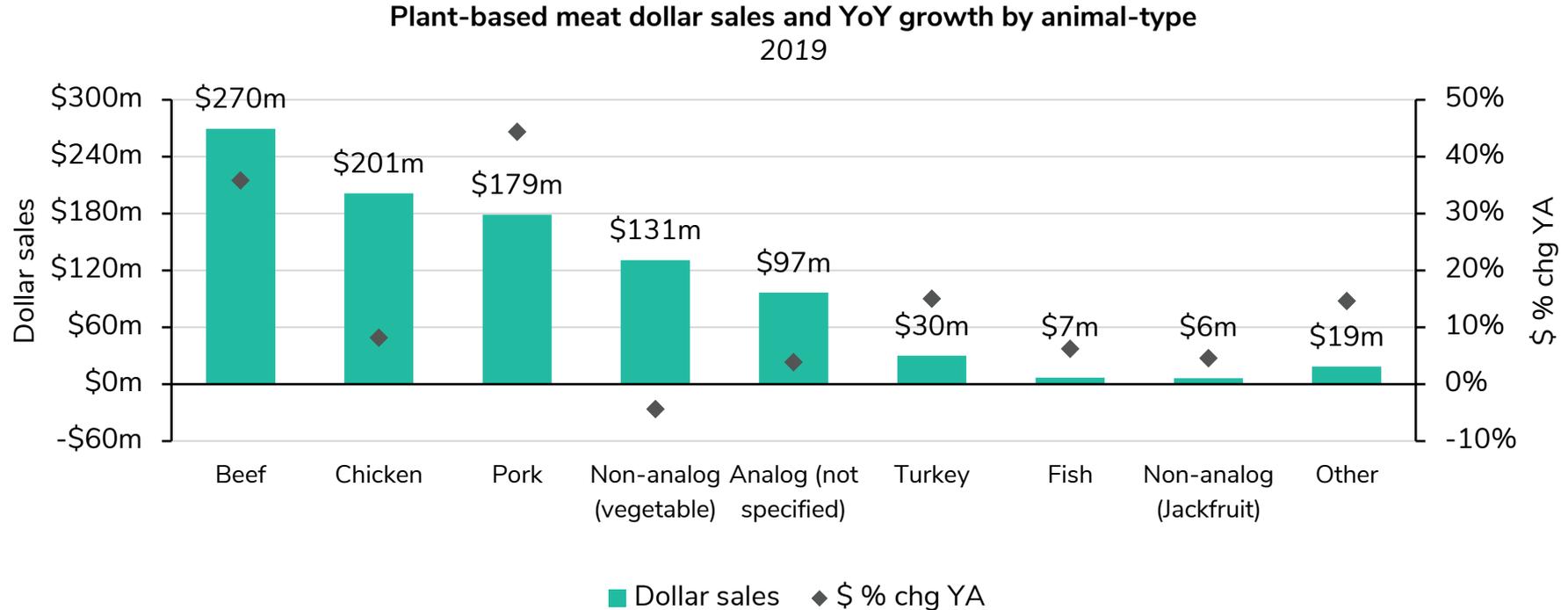
Analog and non-analog plant-based meat product comparison
2019



Products that are analogous to meat are growing faster than non-analogs

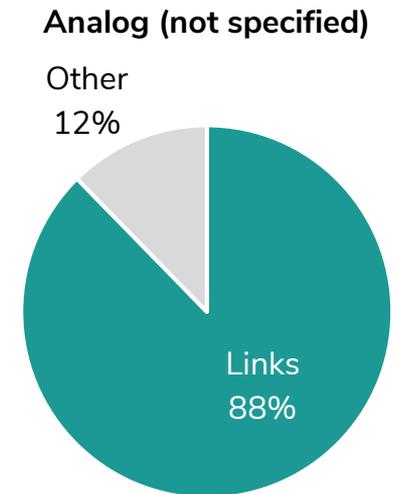
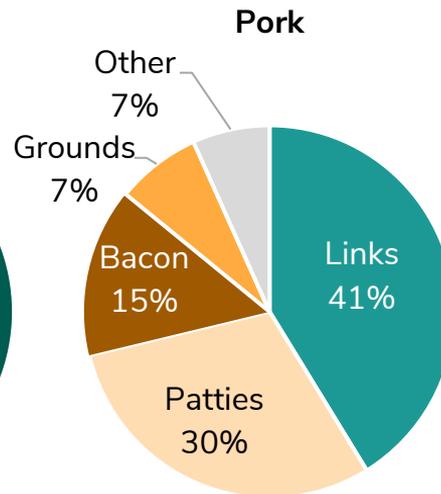
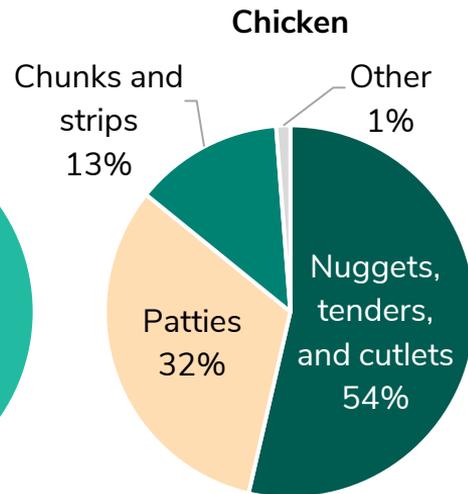
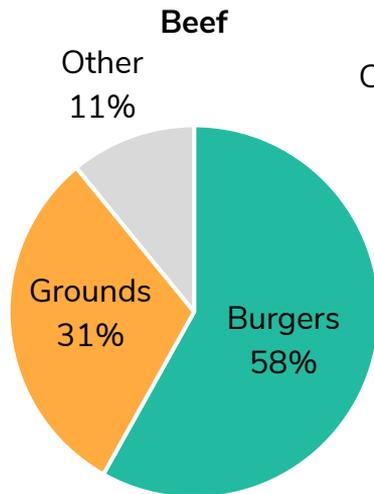


Plant-based versions of beef, chicken, and pork make up almost 70% of plant-based meat sales



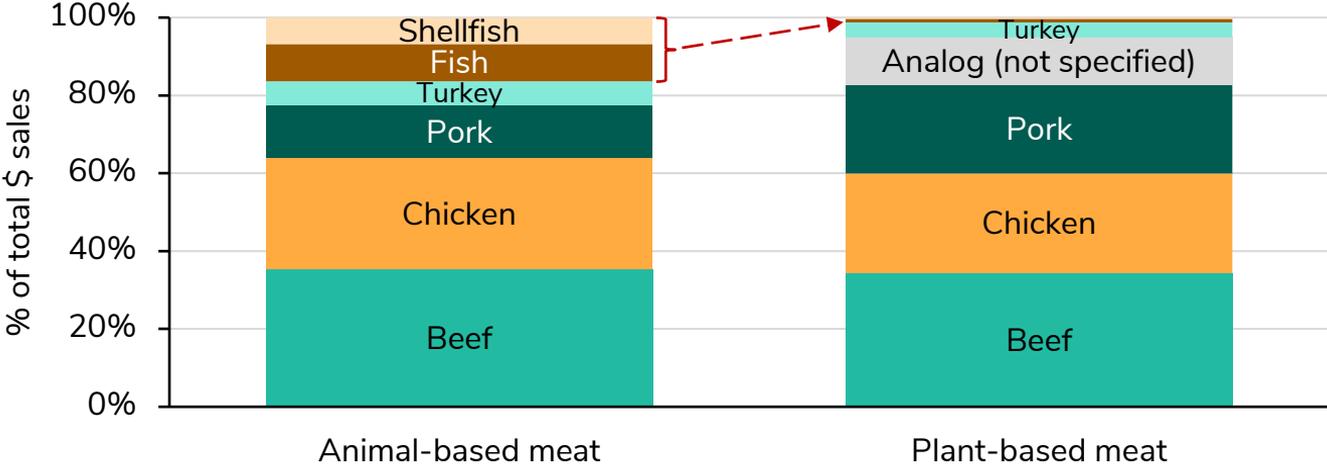
Beef-type products are concentrated in burgers and grounds, chicken-type products in nuggets and patties

Plant-based meat animal type by product type dollar sales
2019



Fish and shellfish are underrepresented in the plant-based meat market

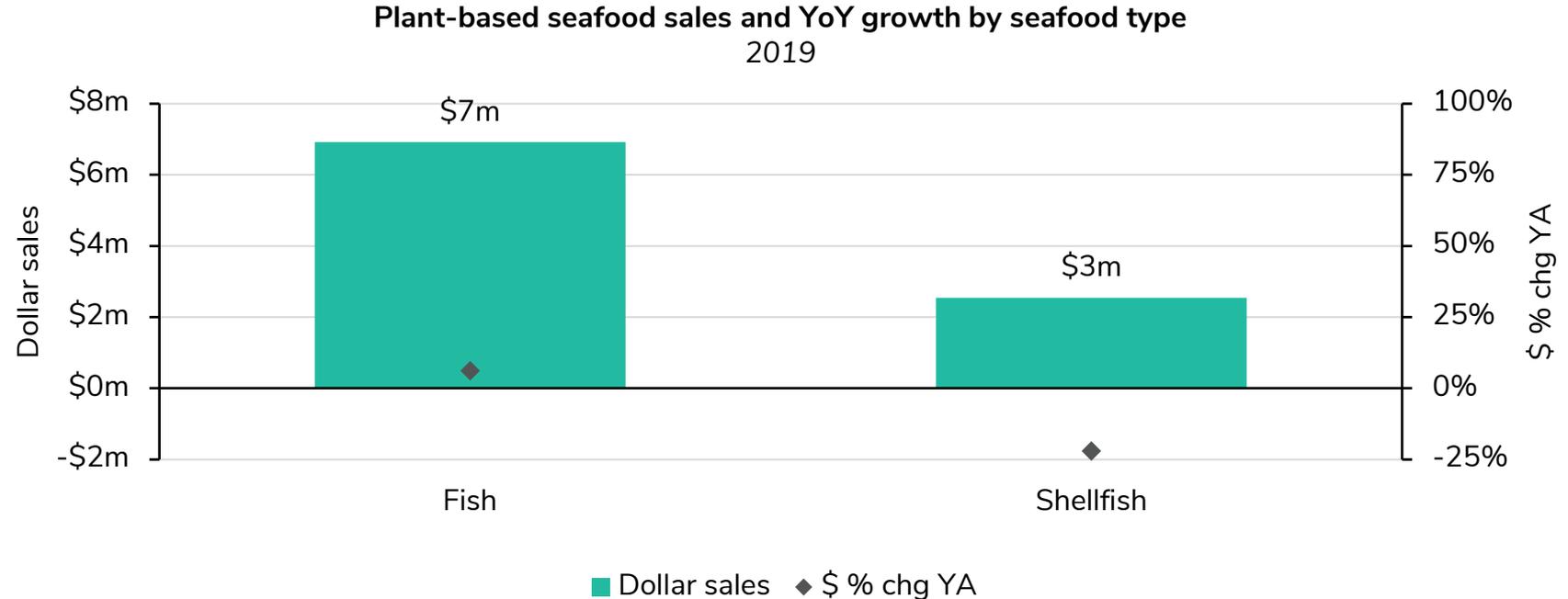
Animal-based and plant-based meat comparison: dollar sales by animal-type



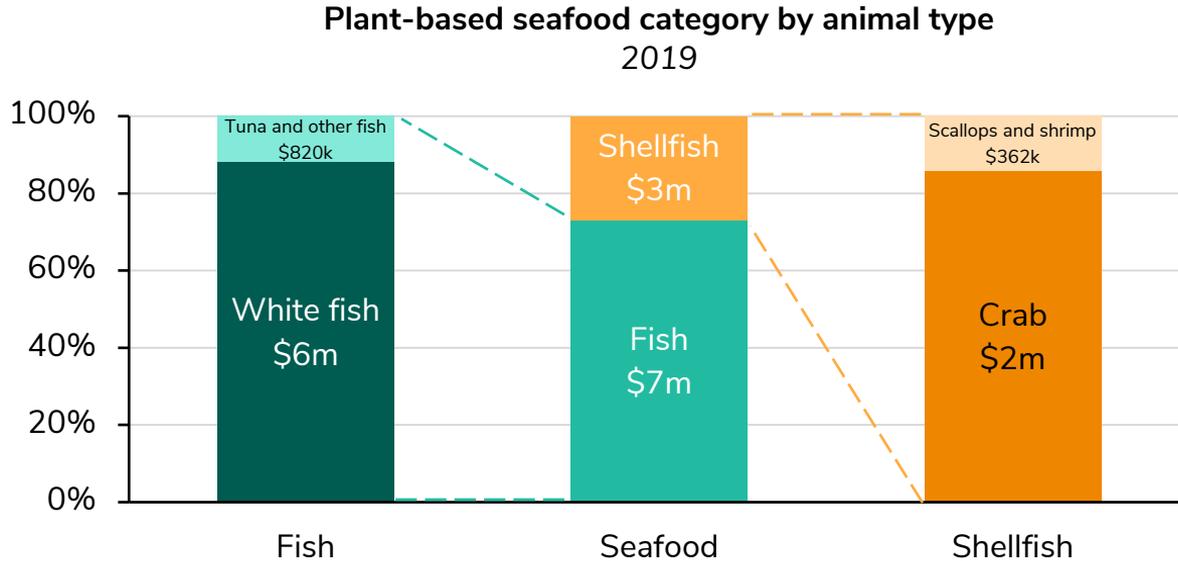
Note: Animal-based meat dollar sales for year ending August 2018; plant-based meat dollar sales for year ending December 2019

Source: Nielsen custom defined data set, xAOC + WFM, 52 weeks ending 8-11-2018; SPINScan Natural and Specialty Gourmet (proprietary), SPINScan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019

Plant-based fish makes up almost 70% of the plant-based seafood category



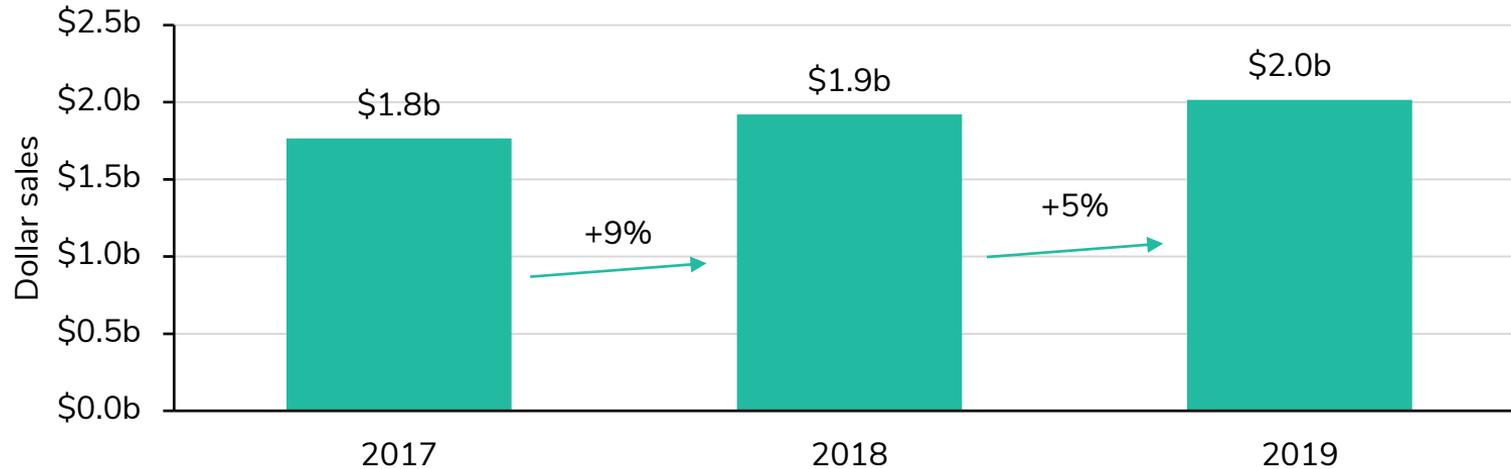
The plant-based fish and shellfish categories are both dominated by one animal type



Plant-based milk

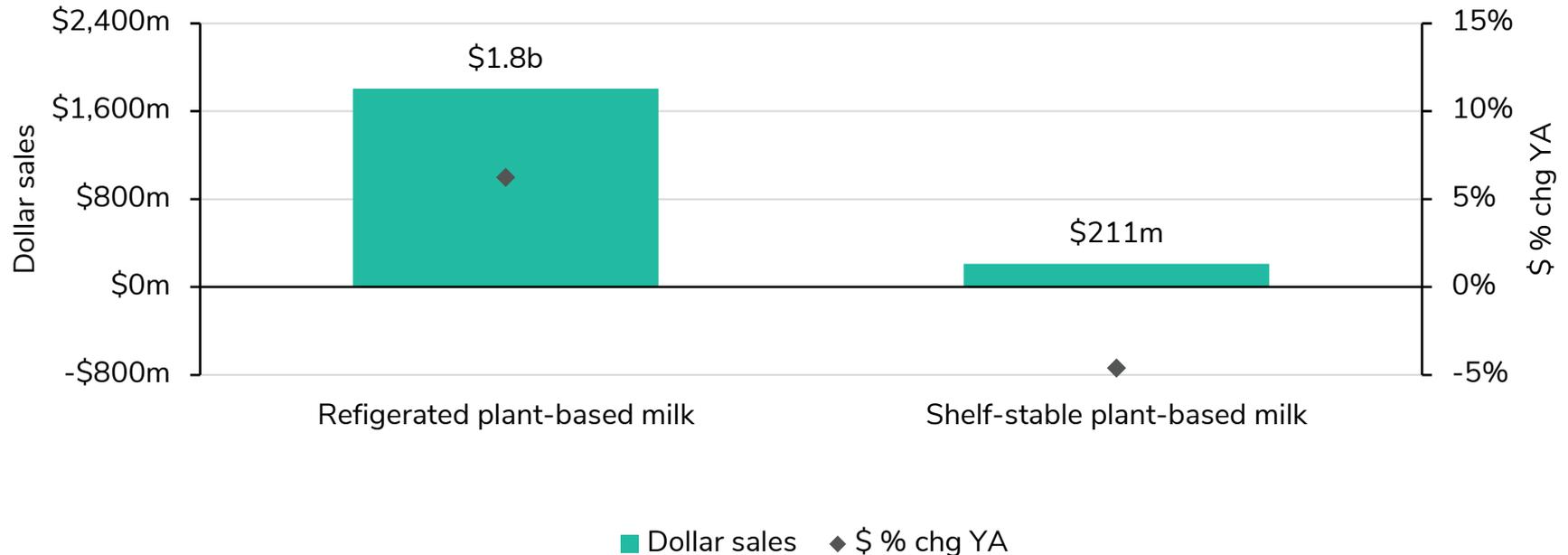
U.S. retail sales of plant-based milk are worth \$2 billion

U.S. plant-based milk market



Refrigerated plant-based milk sales make up the majority of the category and are driving category growth

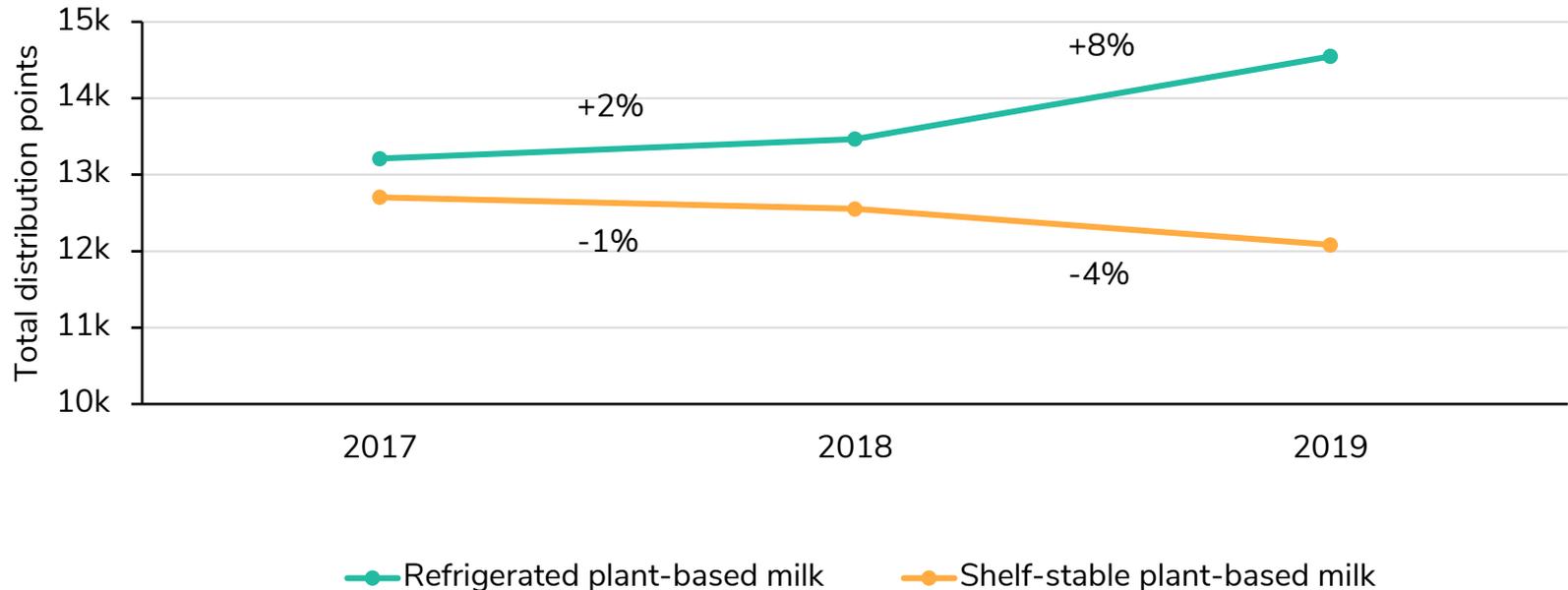
U.S. plant-based milk dollar sales and dollar sales growth by store section
2019



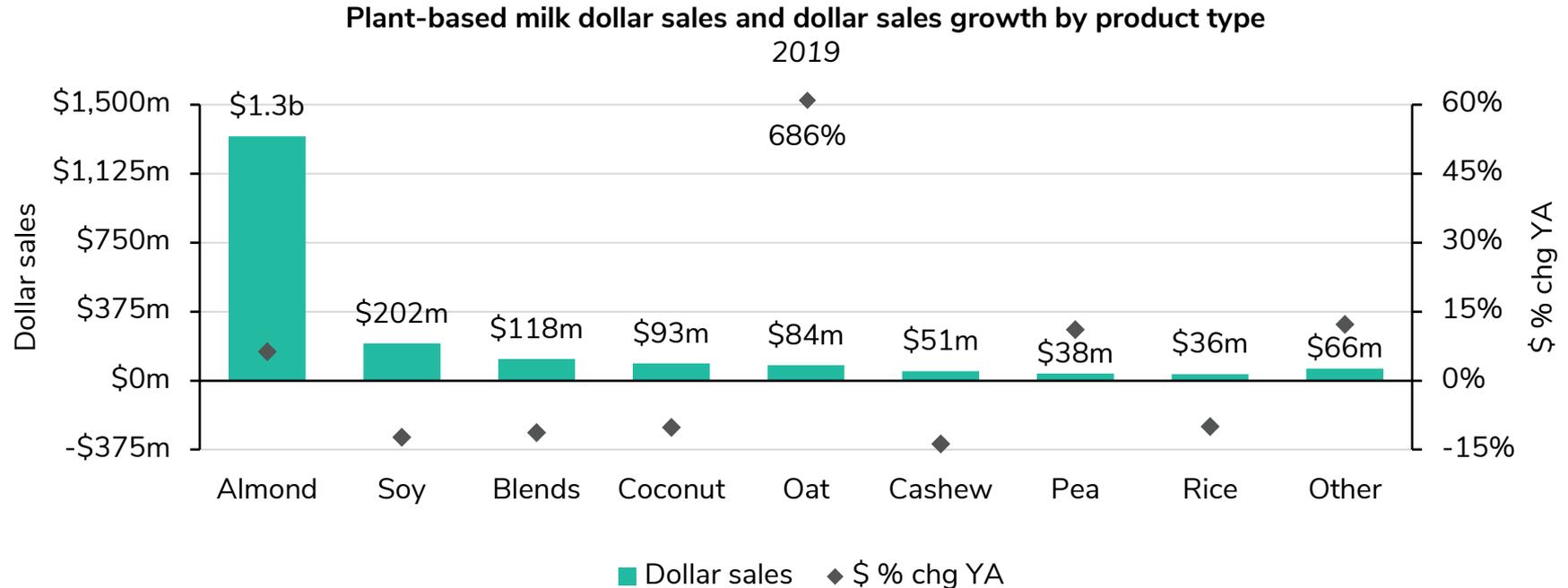


Refrigerated plant-based milk TDP growth has increased as volume moves to the fresh dairy case

Plant-based milk total distribution points by department

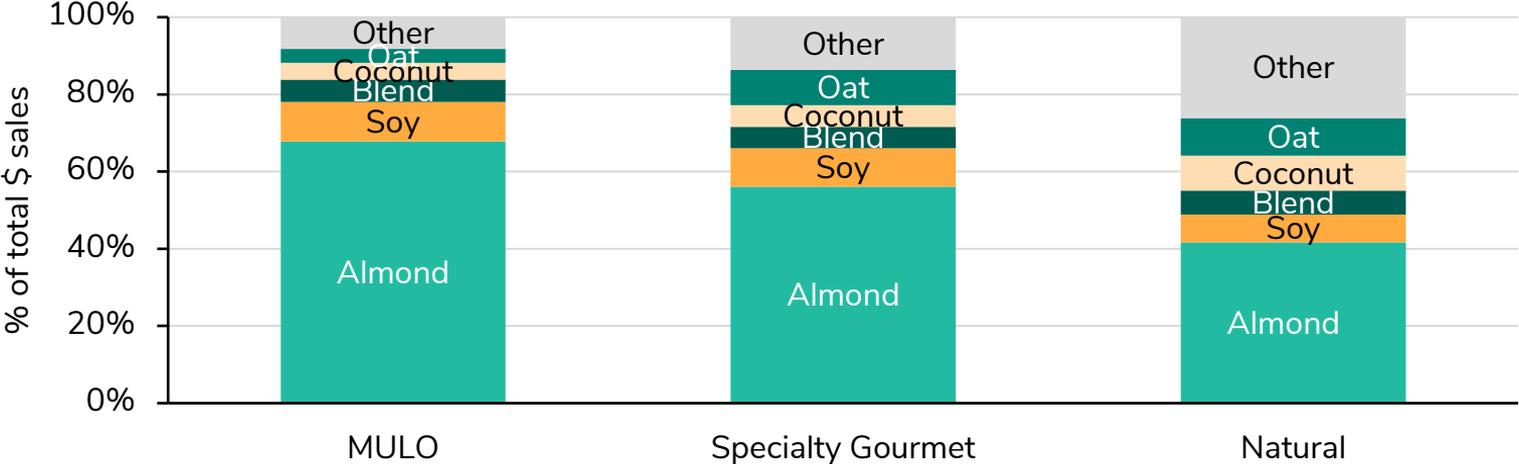


Almond milk makes up the majority of plant-based milk sales, but oat milk grew at 686% over the past year



Oat milk makes up a larger proportion of Natural channel sales

Plant-based milk sales by product type and sales channel
2019



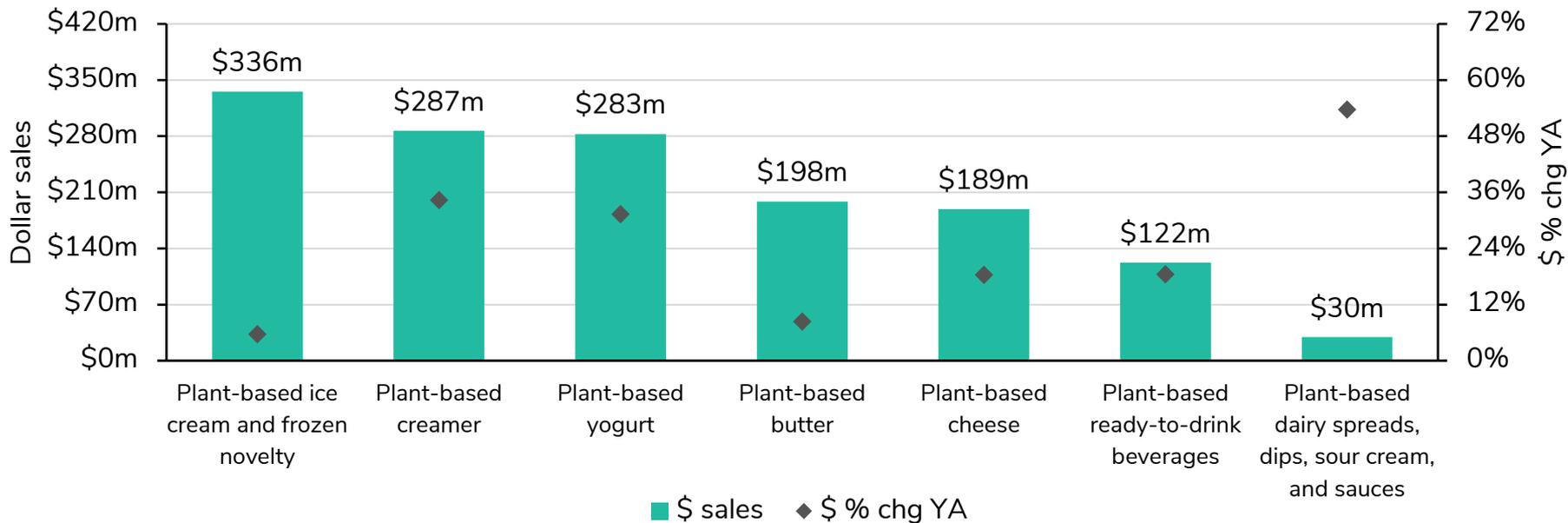
Note: "Other" category includes rice, pea, cashew, hemp, and flax milks

Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019

Plant-based other dairy

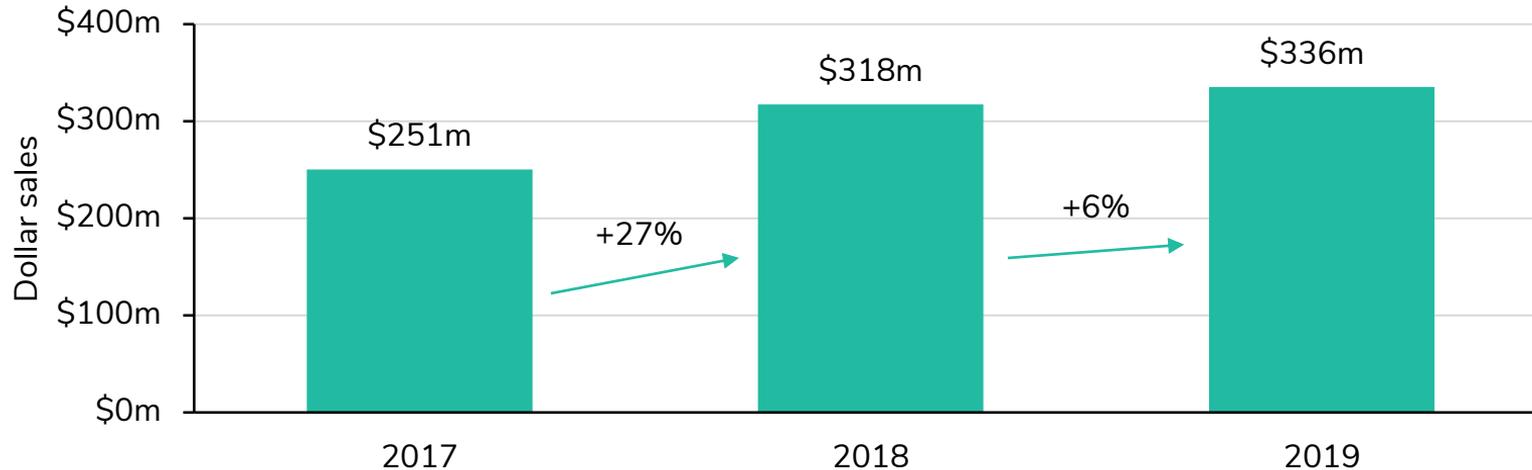
Plant-based ice cream and frozen novelty products are the largest of the other plant-based dairy categories

Other plant-based dairy category dollar sales and dollar sales growth 2019



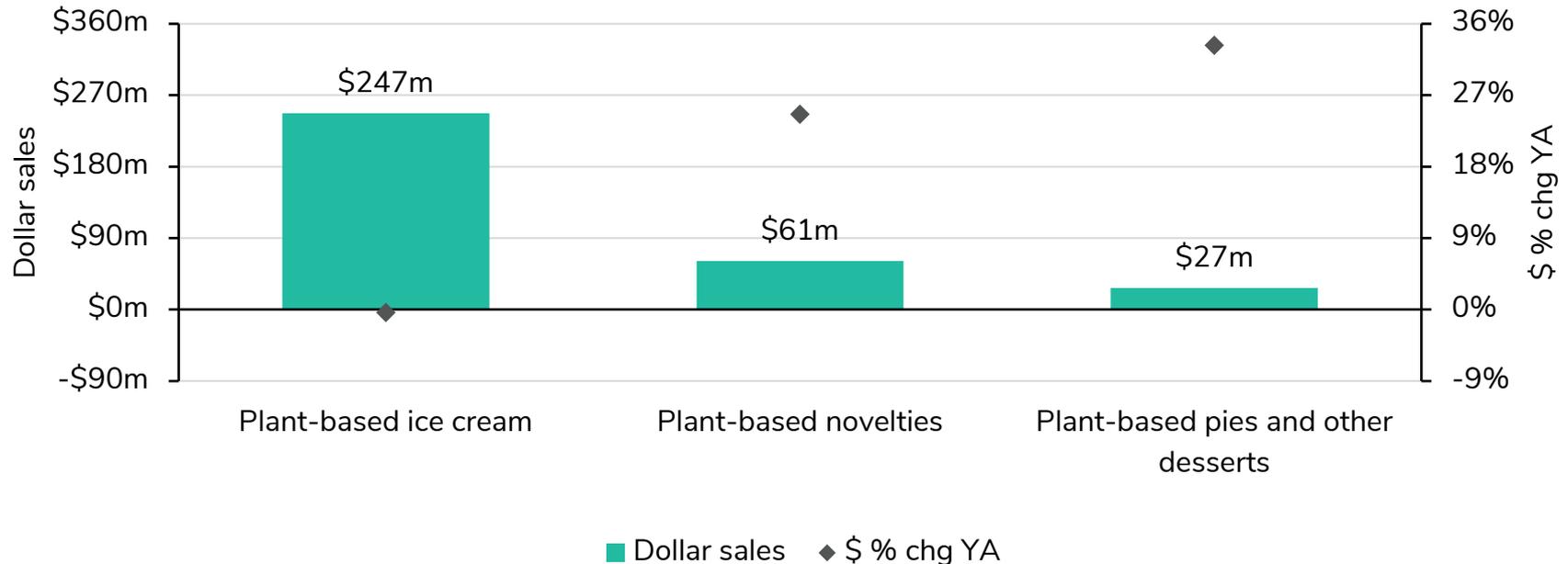
U.S. retail dollar sales of plant-based ice cream and frozen novelty products are worth \$336 million

U.S. plant-based ice cream and frozen novelty market



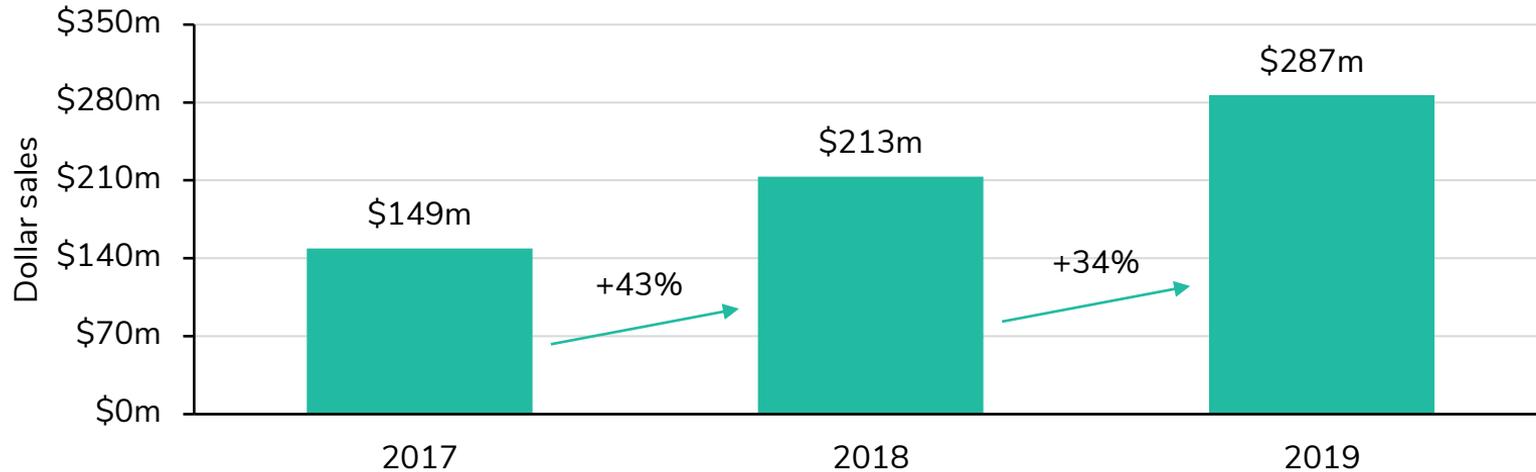
Plant-based ice cream makes up the majority of the category, although sales have stagnated

U.S. plant-based ice cream and frozen novelty dollar sales and dollar sales growth by store section
2019



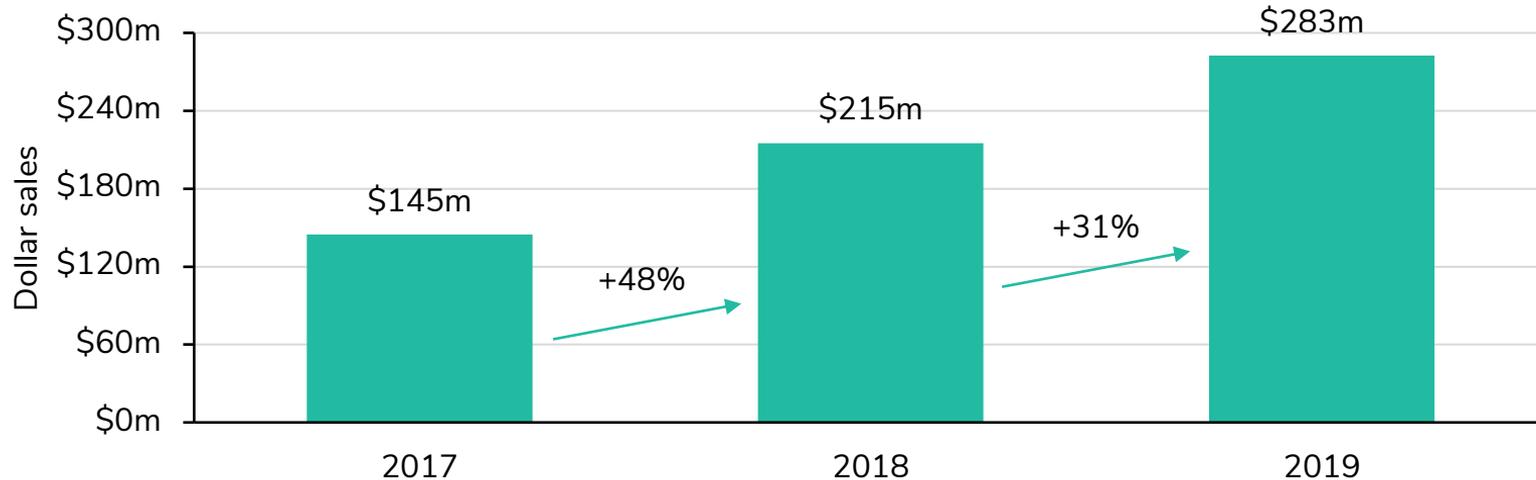
U.S. retail sales of plant-based creamer grew 34% to reach \$287 million

U.S. plant-based creamer market



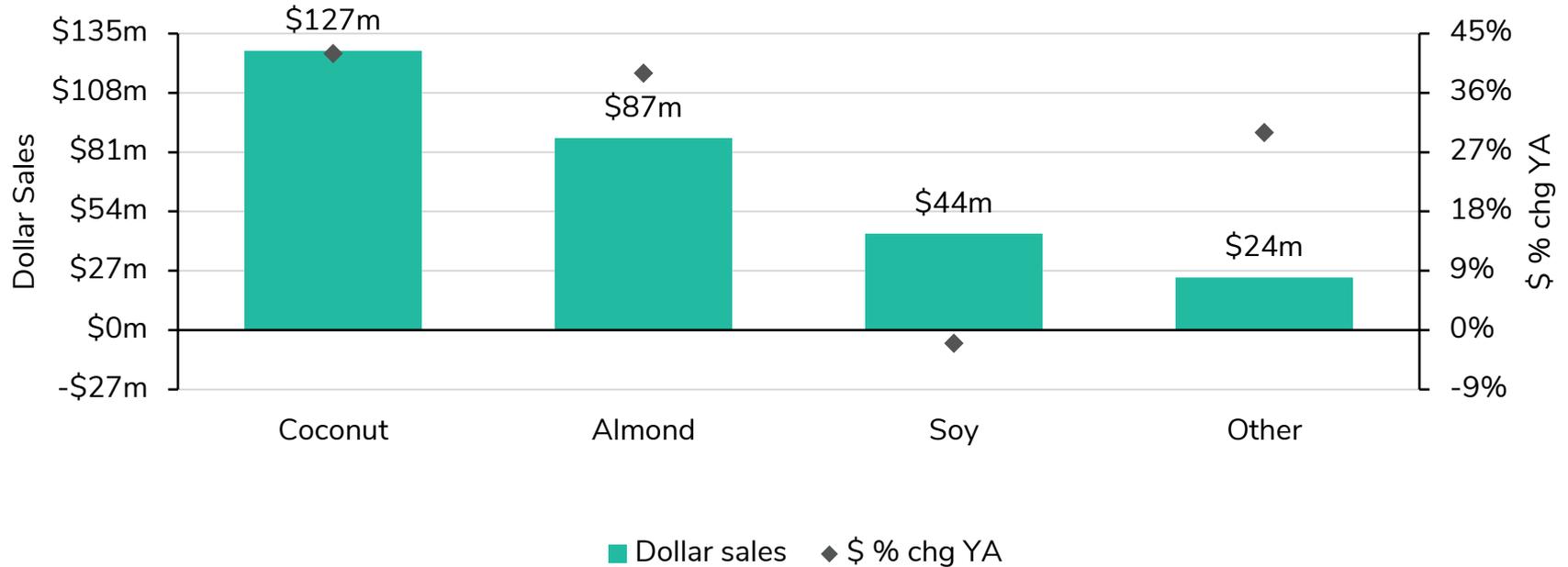
U.S. retail sales of plant-based yogurt grew 31% to reach \$283 million

U.S. plant-based yogurt market



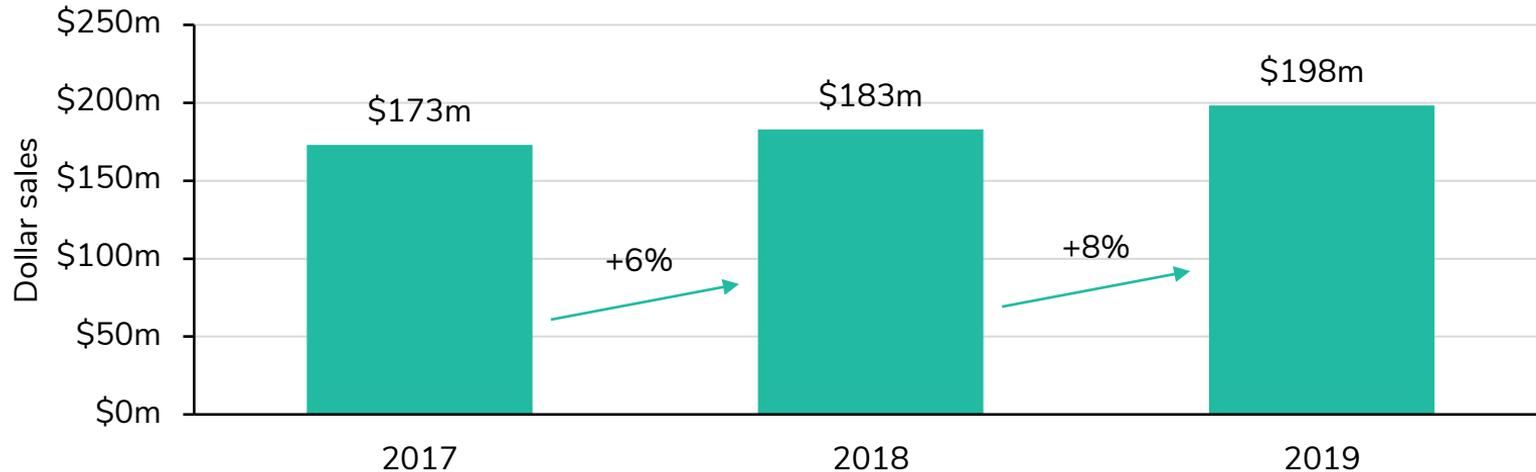
Coconut and almond yogurts make up ~76% of category sales, and are growing at 42% and 39% respectively

Plant-based yogurt dollar sales with dollar sales growth, by type
2019



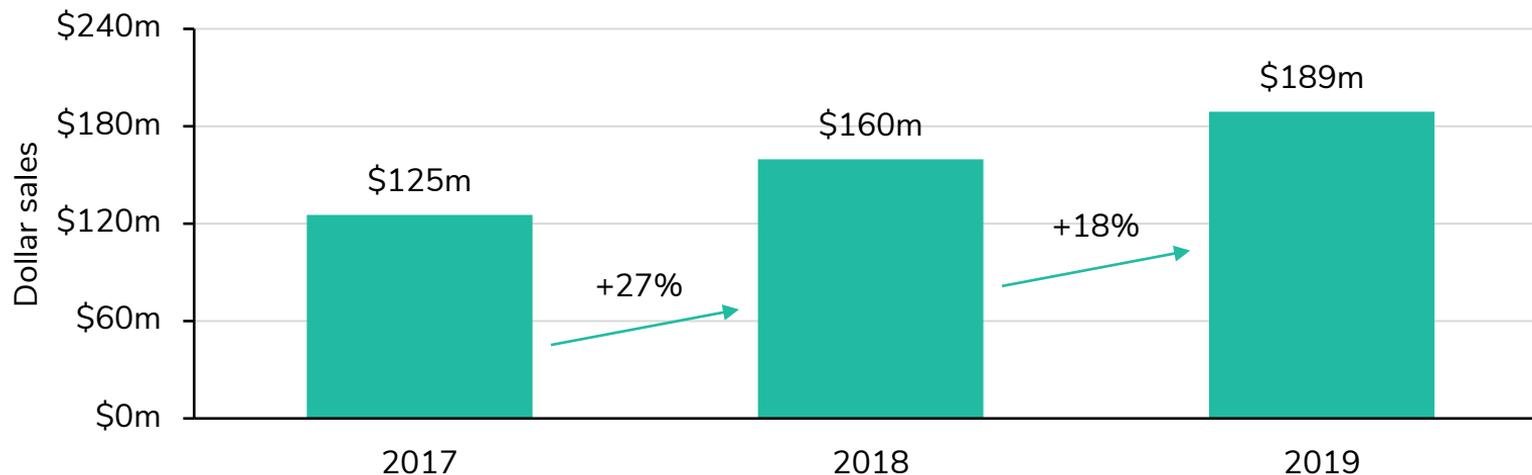
U.S. retail sales of plant-based butter grew 8% to reach \$198 million

U.S. plant-based butter market



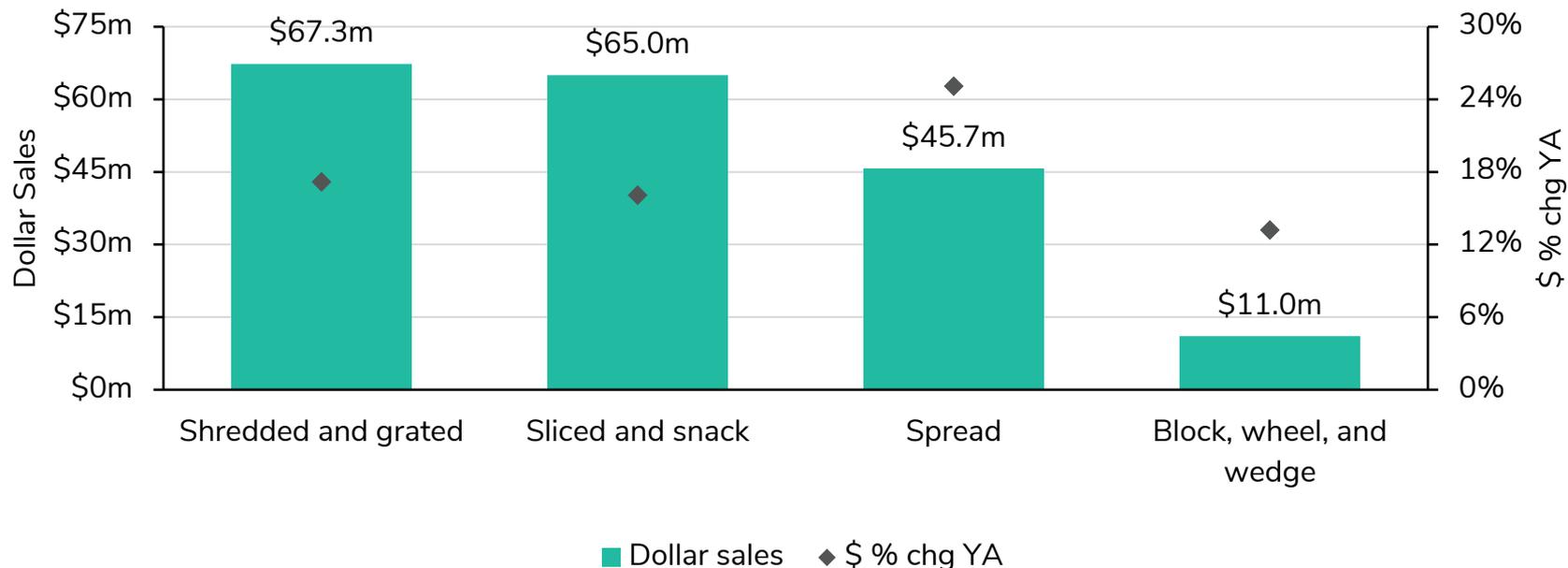
U.S. retail sales of plant-based cheese are worth \$189 million

U.S. plant-based cheese market



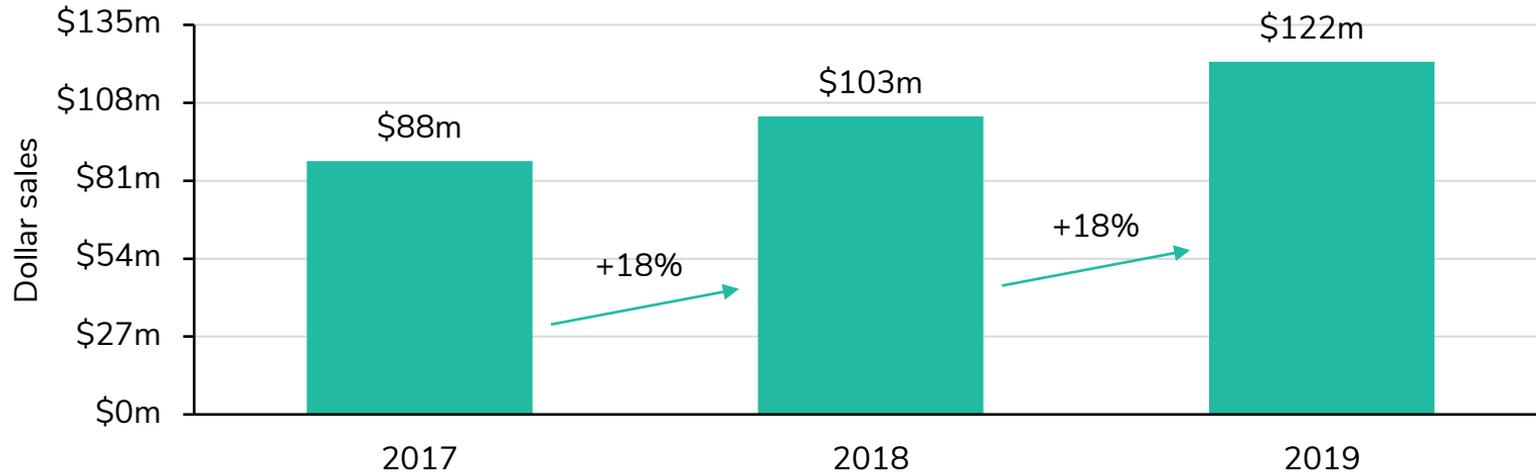
Shredded cheeses and sliced cheeses make up 70% of category sales and are growing at 17% and 16%, respectively

Plant-based cheese dollar sales with dollar sales growth, by type
2019

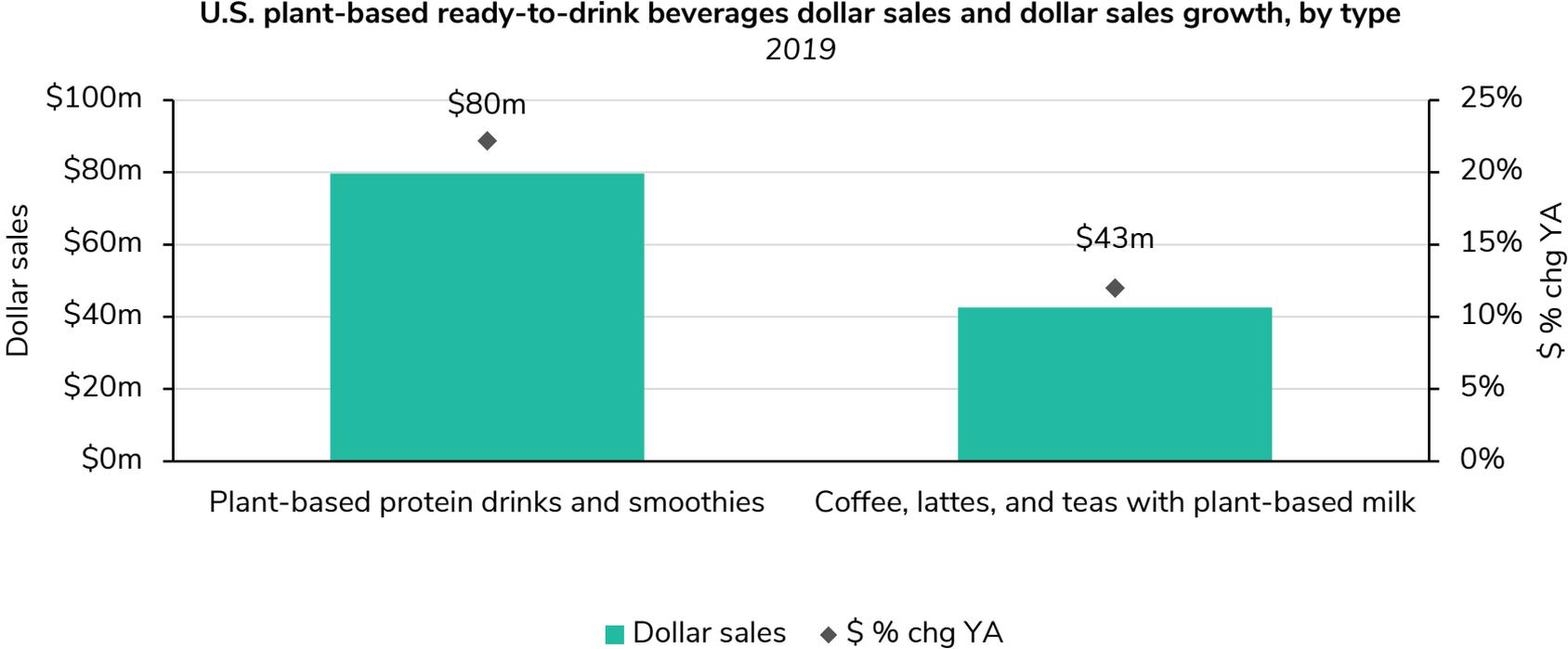


U.S. retail sales of plant-based ready to drink beverages grew 18% to reach \$122 million

U.S. plant-based ready-to-drink beverages market



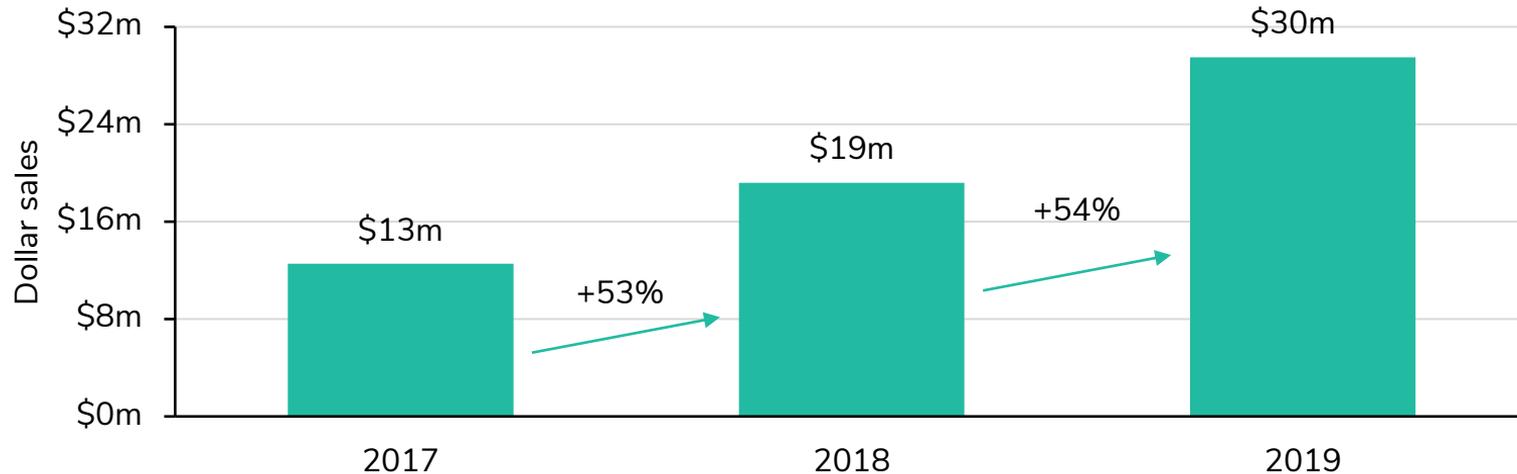
Protein drinks and smoothies make up 65% of plant-based RTD beverage sales and are driving category growth



Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019

U.S. retail sales of plant-based dairy spreads, dips, sour cream, and sauces grew 54% to reach \$30 million

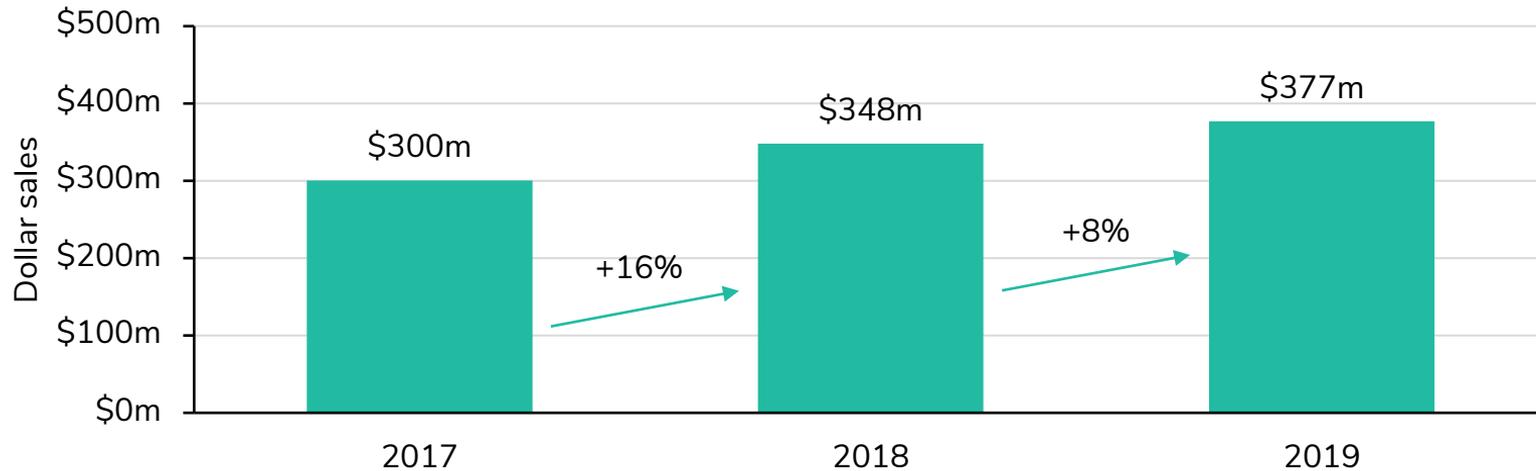
U.S. plant-based dairy spreads, dips, sour cream, and sauces market



Other plant-based categories

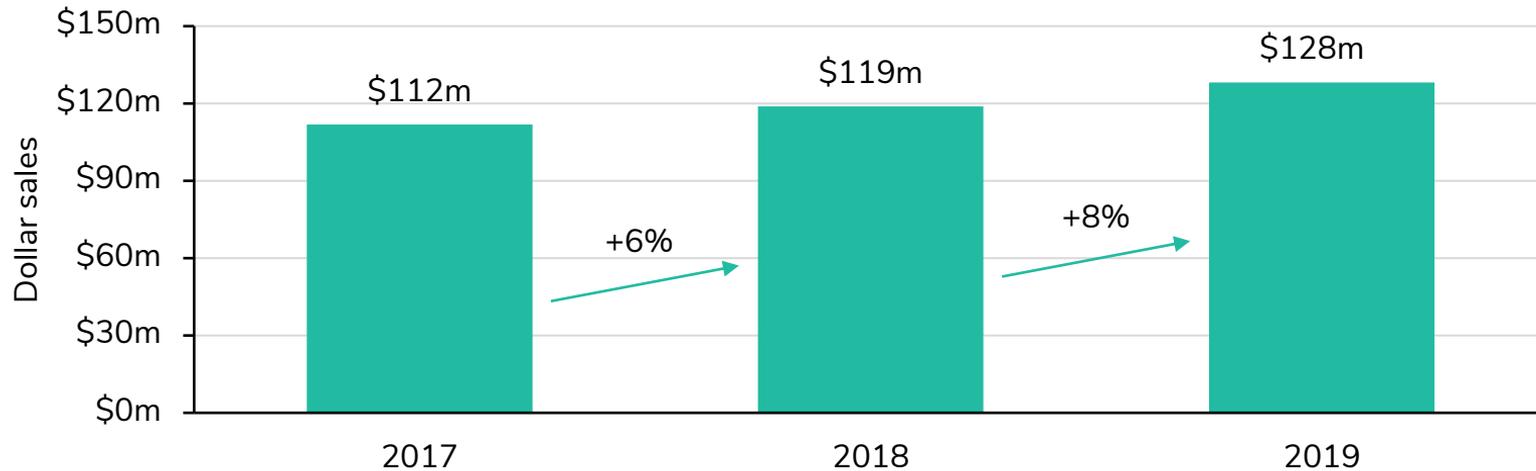
U.S. retail sales of plant-based meals grew 8% to reach \$377 million

U.S. plant-based meals market



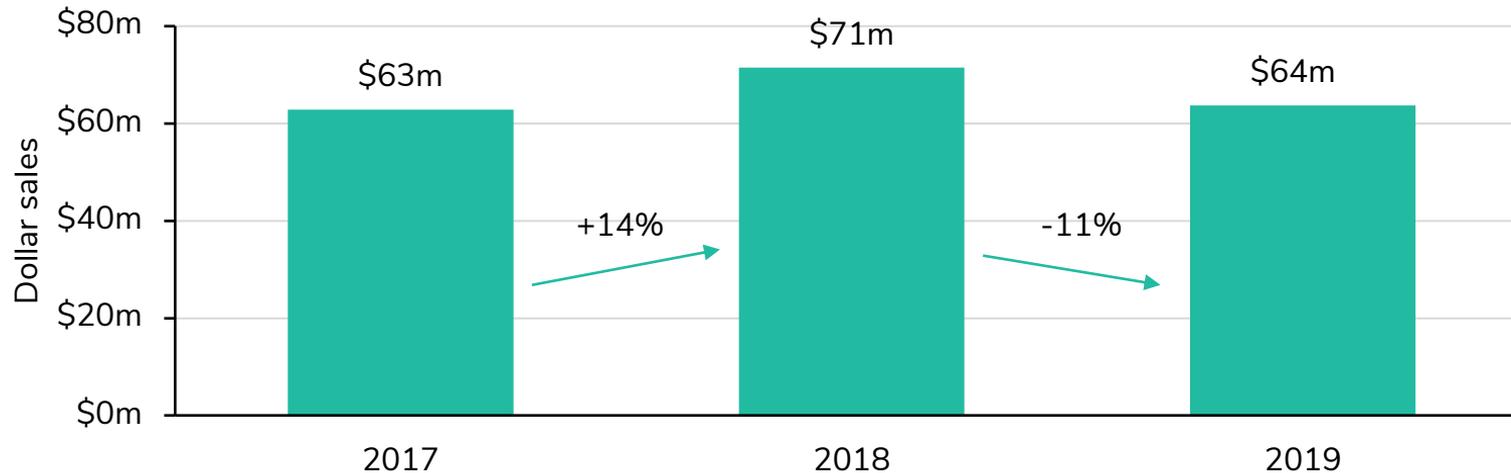
U.S. retail sales of tofu and tempeh grew 8% to reach \$128 million

U.S. tofu and tempeh market



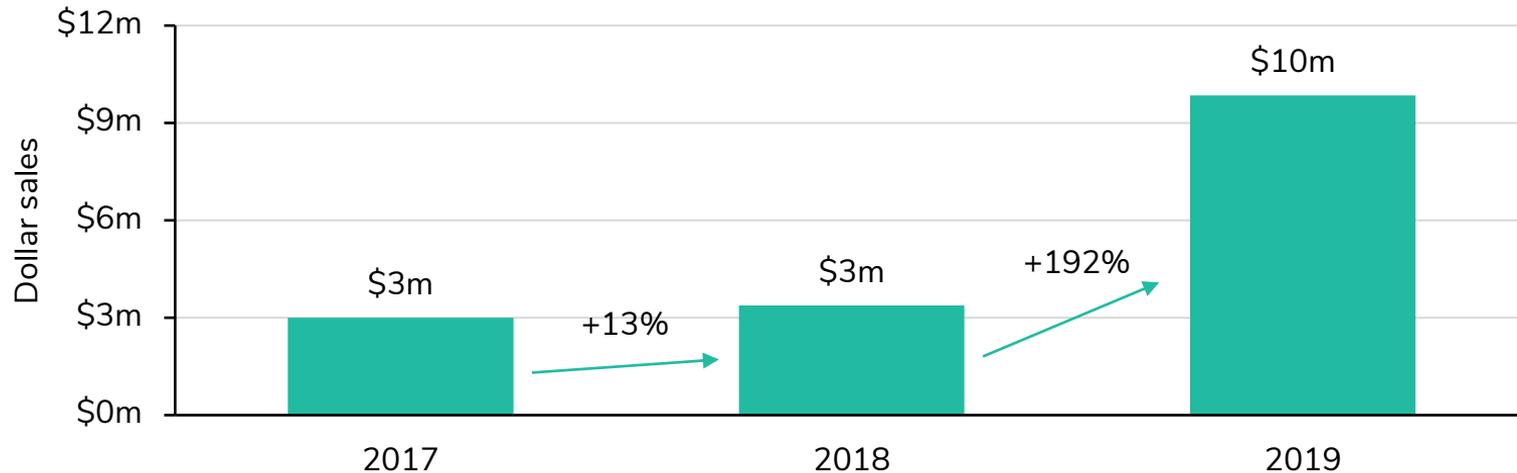
U.S. retail sales of plant-based condiments, dressings, and mayo declined 11% to \$64 million

U.S. plant-based condiments, dressings, and mayo market



U.S. retail sales of plant-based eggs are worth \$10 million and are rapidly growing

U.S. plant-based eggs market



Key takeaways

1. The plant-based food market reached \$5 billion in sales and grew at 11% over the past year, 5 times faster than total food sales growth
2. Plant-based categories are experiencing both high repeat purchase rates and an increasing percentage of repeat buyers
3. Refrigerated product sales are driving growth in the plant-based milk, meat, and egg categories
4. Plant-based products benefit from adjacency and should be displayed side-by-side with their animal-based counterparts
5. Analog plant-based products that closely match conventional products' taste, appearance, and packaging are driving plant-based food growth
6. There is room for innovation in whole muscle products that resemble premium animal cuts, particularly in chicken and fish

Q&A

Thank you for attending our webinar!



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