



## PLANT PALOOZA:

Tracking the trends  
in the fast-paced,  
plant-based segment

## Just a few short years ago, the concept of a plant-based lifestyle was decidedly niche, but not anymore.

As consumers embrace plant-based products, it has become a solid trend in mainstream food culture, according to research firm The Hartman Group. To meet this expanding demand, product formulators are stepping up to take the category to new heights – going well beyond the basics of dairy and meat alternatives – to cover new ground ranging from mushroom jerky to egg alternatives. And experts predict that the key to future success in the space is continued product innovation and diversification.<sup>1</sup>

The rise of plant-based products can be largely attributed to consumer demand spreading beyond vegans and vegetarians to a broader coalition looking for nutritious products that add more plants to their diet while also supporting values specific to environmental, social and animal-welfare concerns.<sup>2</sup> And rather than slowing things down, the COVID-19 pandemic accelerated the trend as more consumers interested in personal health and immune support became even more conscious of the impact of their dietary choices on the environment, as well as social and economic issues.<sup>3</sup>

Plant-based protein has been a particular draw for many people, with more than one third saying they are adding or increasing plant-based protein in their diets,<sup>4</sup> and more than half looking for products labeled as plant-based.<sup>5</sup>

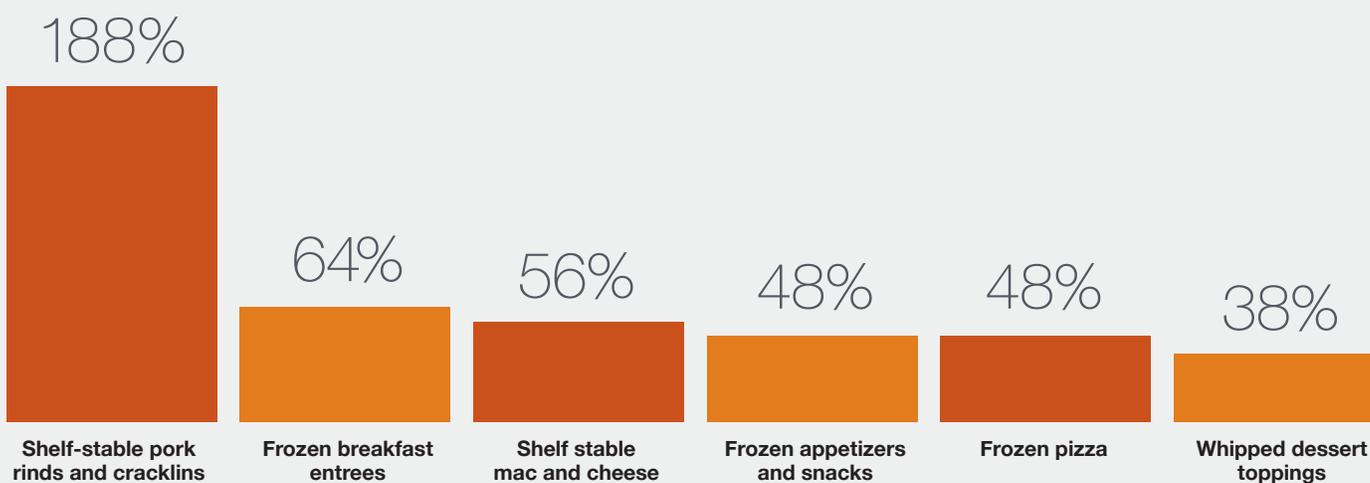
Other data also verify that the segment has seen explosive growth in the past couple of years. In a recent report from The Good Food Institute (GFI) and SPINS, the plant-based market has now reached \$7 billion and is growing at 27% year-over-year (which is more than double the rate for growth in the overall food and beverage market) between 2018 and 2020.<sup>6</sup> The study also noted that household penetration of plant-based products has now reached 57%.

### Innovation and growth

Plant-based dairy alternative products are still the largest category, accounting for 35% of the total plant-based market, with U.S. sales of \$2.5 billion in the category according to the custom data from GFI and SPINS, but plant-based meat alternatives have certainly been a strong driver of this overall growth as well. This category has now reached \$1.4 billion on growth of 45% in 2020.<sup>7</sup>

The success of these pioneering categories has prompted consumer acceptance and growth opportunities in a variety of product segments, as well as development of new plant-based alternatives across a wide spectrum ranging from snacks to seafood.

### Growth in new plant-based categories



SPINS analysts predict the expansion will continue in these and other plant-based categories, with important areas of innovation across numerous product segments.

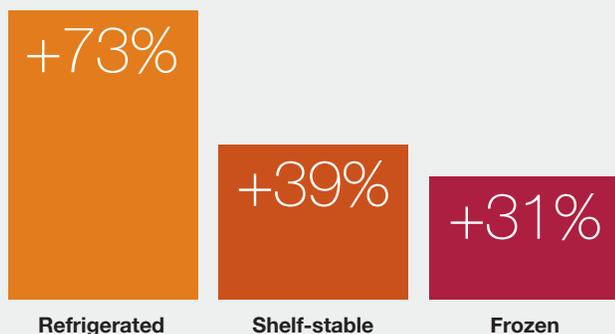
A key example is plant-based snacks. Americans are snacking more than ever, with nearly 60% of consumers now saying they snack at least daily... and one in four report that they snack multiple times a day.<sup>8</sup> As the boundaries between what defines a meal and a snack become increasingly blurred, consumers are looking for snacks that offer strong nutritional profiles, especially with protein. So plant-based snacking now goes way beyond fresh fruits and veggies to snacks like shelf-stable plant-based jerky alternatives and vegetable-based chips/pretzels.

Plant-based meat alternative snacks are seeing some of the strongest growth, jumping 57% in 2020. In fact, the SPINS report notes that plant-based jerky alternatives are growing at three times the rate of traditional meat-based jerky products. These products feature ingredients like mushrooms or combinations such as peas and jackfruit. Other growth categories, according to the report, include shelf-stable snacks featuring dried vegetables and seaweed.

Beyond the rise of alternative jerky, plant-based meat alternatives for eating occasions beyond snacking are also poised for continued growth and innovation. As consumers increasingly accept plant-based meat alternatives, new products are also cropping up in a variety of formats, including shelf-stable foods, refrigerated and frozen products.

According to the SPINS data, plant-based meat alternatives overall are performing well, with each of these categories seeing solid double-digit growth:

**Plant-based meat alternative growth:**



Source: SPINS. "Immunity Focus Continues: Plant-Based."



The frozen category is the most dominant, driving innovation with a next generation of prepared foods such as plant-based sausages, nuggets, corn dogs and seafood cakes alternatives.<sup>10</sup>

New types of plant-based meat alternatives are also now proliferating in stores, with new options including chicken, pork and seafood alternatives.<sup>11</sup>

Plant-based pork and fish alternatives will likely see continued innovation as consumers look to replace these animal-based products with more sustainable options. Although plant-based seafood alternatives have been slow to gain traction, formulators are making strides in mimicking these products' taste and texture, which will promote their acceptance and usage. In the shelf-stable category, for example, fishless tuna is now a top-growth segment, jumping 89% in 2020 according to the SPINS data, offering a plant-based alternative to the familiar shelf-stable tuna.

Plant-based products that meet consumer expectations for cheese have been a long time coming, but as these formulations successfully replicate taste, mouthfeel and the all-important melt factor of dairy cheeses, consumers are buying in here as well. Plant-based cheese alternatives are now growing at double the rate they did in 2019, with the category seeing new offerings in both format (shredded/grated, sliced/snack and block) as well as new cheese types such as feta, parmesan, gouda and cheddar.<sup>12</sup>

Plant-based dairy alternatives set the stage for all of these new categories, but even here, a fresh crop of innovation is entering the market, including rising options such as plant-based frozen desserts and plant-based creamer, butter and yogurt alternatives.<sup>13</sup>

SPINS analysts also predict a next era of plant-based beverages featuring more unique positioning that will go beyond a simple plant-based claim. As these products gained popularity, their plant-based position may no longer be enough to distinguish them in the market, so manufacturers will increasingly focus on consumer-friendly labels, fewer additives and sugars, and whole-food formulations to meet growing demands from discerning alt consumers.<sup>14</sup>

Although not new, egg alternatives are another emerging plant-based category. According to the GFI/SPINS data, this segment reached \$27 million on an increase of 168% in 2020, and it is likely to see growing interest as new ingredients and technologies strive to meet the same functionality as their animal-based counterparts.

In the end, it seems safe to say that few categories will be left unchanged by the plant-based revolution. As consumers continue to seek products from plant sources, the bar for plant-based will also become increasingly higher. Plant-based brands – regardless of category – will need to continue to evolve to deliver both great taste and solid nutritional value, as well as label-friendly products aligned with consumer sustainability values.

## Partner with Cargill for palate-pleasing, plant-based innovation.

Contact us at 1-800-932-0544 or [customerservice@cargill.com](mailto:customerservice@cargill.com).

### References

- <sup>1</sup> SPINS. "Immunity Focus Continues: Plant-Based." <https://www.spins.com/resources-plant-based-trends-and-innovations-2021/#report>
- <sup>2</sup> Balderrama, A. "Plant-Based Trends in Every Department: Seven Innovations to Watch for 2021." SPINS. February 5, 2021. <https://www.spins.com/resources-plant-based-trends-and-innovations-2021/#report>
- <sup>3</sup> International Food Information Council (IFIC). "2021 Food and Health Survey." May 19, 2021. <https://foodinsight.org/2021-food-health-survey/>
- <sup>4</sup> The Hartman Group. "Plant-Based Products are No Longer a Niche Lifestyle Choice." February 25, 2021. From the Health + Wellness 2021 Syndicated Study. <https://www.hartman-group.com/infographics/2138329310/plant-based-products-no-longer-a-niche-lifestyle-choice>
- <sup>5</sup> The Hartman Group. "Plant-Based Eating Trends." July 1, 2021. From Health & Wellness 2021: Reimagining Wellbeing Amid COVID-19." <https://www.hartman-group.com/infographics/2137711995/plant-based-eating-trends-label-scrutiny>
- <sup>6</sup> The Good Food Institute/SPINS data. "Plant-Based Foods in the U.S. are a \$7 Billion Industry." <https://gfi.org/marketresearch/>
- <sup>7</sup> Ibid.
- <sup>8</sup> Ibid. IFIC.
- <sup>9</sup> Ibid. SPINS.
- <sup>10</sup> Ibid.
- <sup>11</sup> Ibid.
- <sup>12</sup> Ibid.
- <sup>13</sup> Ibid. The Good Food Institute/SPINS.
- <sup>14</sup> Ibid. Balderrama. SPINS.

**Claims:** *The labeling, substantiation and decision making of all claims for your products is your responsibility. We recommend you consult regulatory and legal advisors familiar with all applicable laws, rules and regulations prior to making labeling and claims decisions.*