

# PLANTING THE SEED

Six sprouting reasons to be mindful of plant-based foods and beverages By Renée M. Covino

**PLANT PROTEIN** isn't just for vegetarians and vegans anymore.

From plant-based meat and dairy alternatives, to energy bars and beverages boasting plant protein, the "plant power" trend is growing among consumers at-large, which means the trend is growing among convenience store shoppers.

Do you have a "green" merchandising thumb?

If not, here are six reasons why you should start cultivating one:

## 1. Plant-Based Innovation Is Flourishing

Growing consumer interest in health, sustainability and ethics is propelling plant-derived ingredients and products into high popularity, according to Innova Market Insights. Gravitation toward plant-based diets in general, along with interest in vegan, vegetarian and flexitarian lifestyles and concerns over animal welfare, are contributing factors.

Four in 10 U.S. consumers increased their consumption of meat substitutes/alternatives during 2017, according to market researcher The NPD Group. And plant-based dairy alternatives are expected to comprise 40 percent of the total dairy/dairy alternatives market by

2021, reports market research firm Packaged Facts.

"Vegetarians and vegans together account for less than 15 percent of all consumers and their numbers do not grow very rapidly, but a growing number of consumers identify themselves as flexitarian and lessitarian, meaning they've cut back on their consumption of animal-based foods and beverages," said David Sprinkle, research director for Packaged Facts. "It is this group that is most responsible for the significant and ongoing shift from dairy milk to plant-based milk."

## 2. There's Much to Milk

In recent years, the plant-based dairy beverage alternatives category has expanded beyond nut- and legume-based milk alternatives like soy, rice, coconut and almond. The category now includes options made from cashews, hazelnuts, macadamia nuts, peanuts, pecans and tiger nuts. Additionally, there are non-dairy milks being offered that are sourced from bananas, cassava, oats, potatoes and more.



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## The Top Six Plant-Based Food Segments

- Tofu and tempeh
- Meat alternatives
- Milk alternatives
- Other dairy alternatives (cheese, yogurt, ice cream, novelty and frozen desserts, butter and “buttery” spreads, dips, dressings, sour cream, creamers, etc.)
- Egg substitutes and mayo
- Meals

Source: Nielsen (commissioned by the Plant Based Foods Association)



## 5. Big Meat Companies Are Making Big Plant Investments

Tyson Foods Inc., a company synonymous with chicken (and other meat) products, has a plan to make a substantial shift to alternative proteins, according to an August report in *Bloomberg Businessweek*. Tyson recently joined in the financing of Beyond Meat Inc., a leading national brand of plant-based protein products. Tyson is also reportedly formulating protein bowls made from ingredients such as quinoa, lentils and chickpeas for the company’s vegetarian brand, Green Street, set to hit stores in 2019.

And Tyson isn’t the only traditional meat player going the way of meat alternatives. Cargill Inc. and Hormel Foods Corp. are reportedly getting in on the animal-free development trend, too.

In fact, more food companies — big and small — are investing in plant-based food brands and lines, or launching their own. Among them:

- Unilever is launching Growing Roots, an organic, plant-based food brand that will support urban farming with each purchase. The product line includes snack bites and clusters made from organic ingredients like coconut, corn and seeds.
- Dean Foods Co. increased its ownership percentage and took a majority stake in Good Karma Foods, a leading brand of flaxseed-based milk and yogurt alternatives. Good Karma’s plant-based alternatives are said to be free of all major allergens and deliver strong nutritional benefits.
- J&J Snack Foods has a new plant-based treat: Corazonas Heartbar Oatmeal Squares.

And the innovation is far from over. Looking ahead, Packaged Facts expects several other new and novel non-dairy milks to find a wider audience, including barley milk, flax milk, hemp milk, pea milk and quinoa milk.

## 3. Convenience Is Playing a Role

In-home consumption of plant-based proteins has grown by 24 percent since 2015, according to NPDP. The heaviest users of plant-based foods are more convenience-oriented than others, the global information company found.

Other attributes of the heaviest users include:

- Those who are more likely to be on a diet;
- Consumers who have a medical condition;
- Consumers who tend to think of food as fuel; and
- Those who are less confident in their cooking skills.

## 4. Gone From Niche to Mainstream

“The plant-based foods industry has gone from being a relatively niche market to fully mainstream,” said Michele Simon, executive director of the Plant Based Foods Association (PBFA), which represents plant-based food companies.

2018 marked the second year that PBFA released Nielsen retail sales data. In July, the trade association that represents 114 of the nation’s leading plant-based food companies released new data showing robust sales in the plant-based foods industry, with dollar sales growth of 20 percent over the last year and sales now topping \$3.3 billion. Comparatively, overall food sales growth is around just 2 percent.

“The new data confirms what we are hearing and seeing every day from our members: sales are up, investment is increasing and new jobs are being created in the plant-based foods industry,” said Simon.

## THE U.S. CENSUS DIVISIONS THAT HAVE SEEN THE STRONGEST GROWTH IN CASE SHIPMENTS OF PLANT-BASED PROTEINS TO FOODSERVICE OPERATORS ARE:

- **Mountain/Pacific** (including Arizona and California)
- **South Atlantic** (including Florida, North and South Carolina)

Source: The NPDP Group



Available in nine varieties, the company touts that one square has the same amount of plant sterols found in 61 tomatoes, 36 bananas or 30 apples.

- thinkThin is making the move toward plant-based nutrition with the release of two plant-based product lines: High Protein Bars and Protein Powder Mixes.

"Food manufacturers and operators have improved the quality and taste of plant-based foods over the past several years and these foods are appealing to a variety of consumer segments for a variety of reasons," said David Portalatin, industry advisor for NPD's food sector. "It's clear by the growth of plant-based proteins that this category has mainstreamed beyond those consumers who choose a meatless diet."

#### 6. The Global Garden Is Growing

Plant-based product claims increased by 62 percent globally between 2013 and 2017,

## "The plant-based foods industry has gone from being a relatively niche market to fully mainstream."

— Michele Simon, Plant Based Foods Association

according to Innova Market Insights, with growth occurring on platforms such as plant proteins, active botanicals, sweeteners, herbs and seasonings, and coloring foodstuffs.

"The dairy alternatives market has been a particular beneficiary of this trend, with the growing availability and promotion of plant-based options to traditional dairy lines, specifically milk beverages and cultured products such as yogurt, frozen desserts and ice cream," said Lu Ann Williams, director of innovation at Innova.

The dairy alternatives category was largely pioneered by, and continues to be led by, beverages. Dairy alternative drinks accounted for more than 8 percent of all global dairy launches recorded by Innova in 2017, up from 7 percent in 2016. Global sales of dairy alternative drinks are set to reach \$16.3 billion in 2018.

The spoonable, non-dairy yogurt category also has seen strongly rising levels of interest, albeit from a smaller base. With a 48 percent compound annual growth rate for the 2013-2017 period, spoonable, non-dairy yogurt's share of overall dairy launches rose from less than 0.5 percent in 2012 to 1.5 percent in 2017.

According to Innova's consumer research, one in three U.S. consumers increased their consumption of plant-based milk/yogurt in the past two years. **csn**

## The Greenhouse Effect

A roundup of data highlights from the U.S. plant-based products arena

- Plant-based meat alternatives are growing by 24 percent (compared to 6 percent the previous year) topping \$670 million in sales. By comparison, animal meats are growing at 2 percent.
- Plant-based dairy alternatives, which includes plant-based cheeses, creamers, butter, yogurts and ice creams (but excludes milks), are experiencing explosive growth, up 50 percent.
- The plant-based milk category is up 9 percent (compared to 3 percent the previous year) and represents about half of the total dollar volume of all plant-based foods, at \$1.6 billion.
- Cow's milk dollar sales are down 6 percent, while plant-based milk now comprises 15 percent of total milk sales.
- Growth in plant-based creamers has been particularly impressive, with a 131-percent increase, reaching \$109 million in sales.
- Plant-based cheeses are growing at 43 percent, now at \$124 million in sales.
- Plant-based yogurts are growing at 55 percent, now at \$162 million in sales.

Source: Nielsen (all outlets for the 52-week period ended June 16, 2018)

