

What do People Want to Eat?

**Consumer Data &
Regenerative Agriculture**



PLANT BASED FOODS
INSTITUTE



OUR BOARD



WHO WE ARE

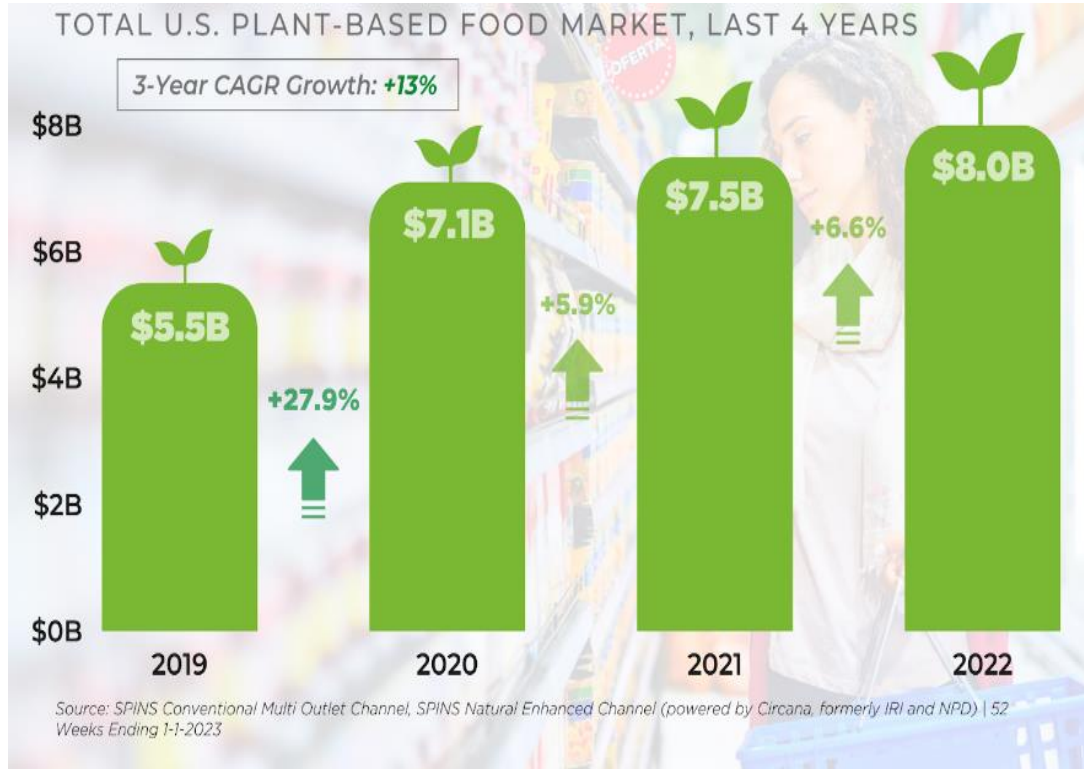
The Plant Based Foods Association is a member-based trade organization with the mission to champion, strengthen, and elevate our members and the plant-based foods industry. We currently represent over 350 plant-based food companies.

The Plant Based Foods Institute, our sister non-profit organization, is focused on driving a plant-based food system transition through policy and business strategies.

OUR VISION

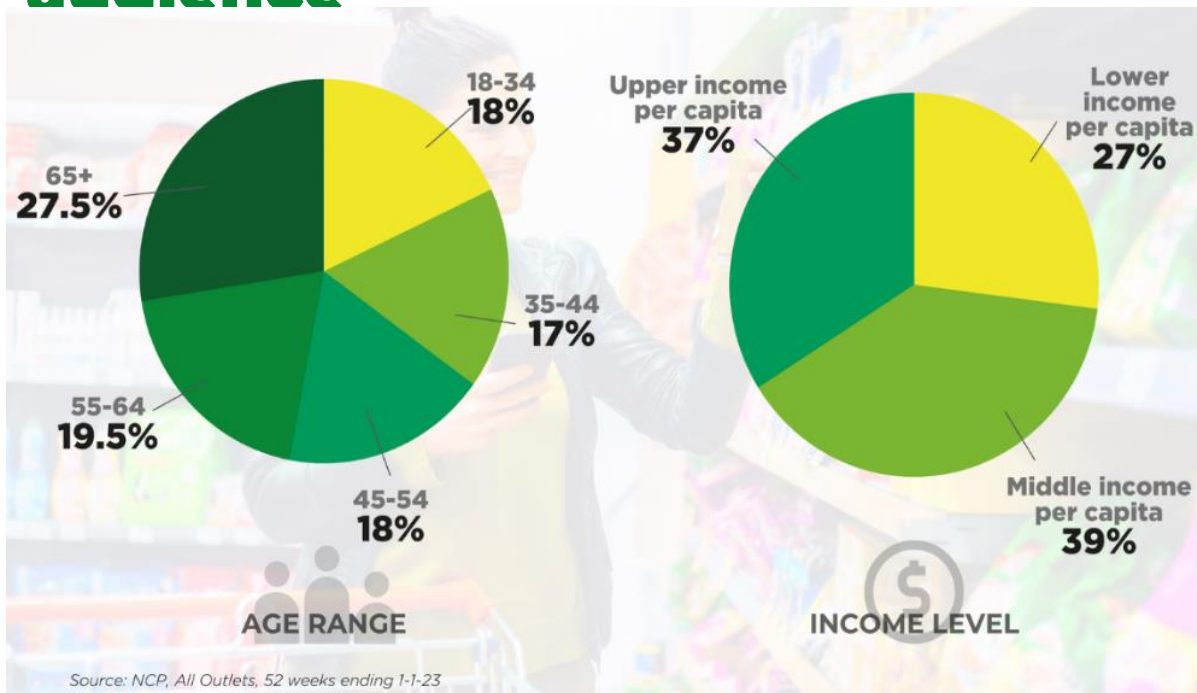
A world where values and business interests harmonize to create a plant-based food system that respects the dignity and health of all living beings and the planet.

Plant-based foods grew 6.6% to \$8 billion in 2022, demonstrating resilience and growth opportunity



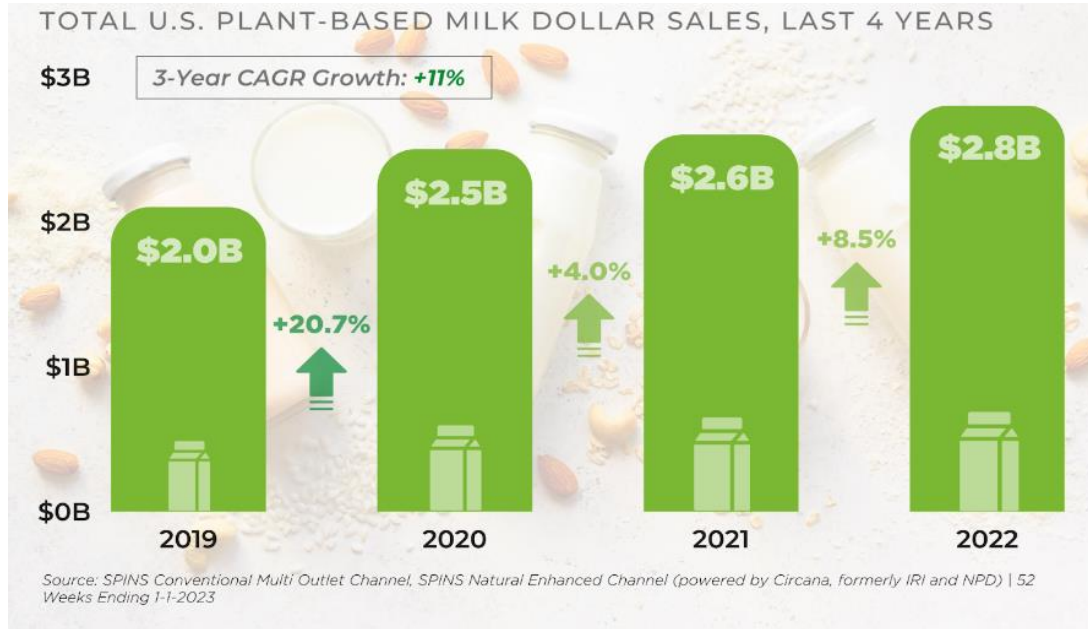
- Plant-based, animal-based and total food & beverage units all declined 3%
- Plant-based dollar share and unit share remained strong at 4.5%

Plant-based foods capture a wide audience



- **70% of total U.S. households are purchasing plant-based foods**, up from 66% prior year
- **80% of households are repeating purchases**

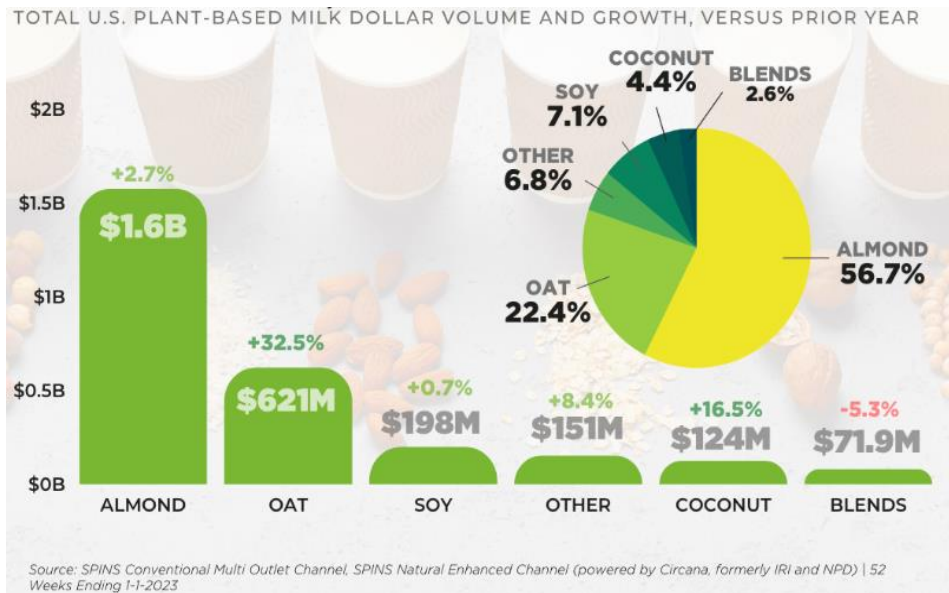
Plant-based milk market share holds steady at 15.3% of all milk sold



- Dollar sales grew 9% to **\$2.8 Billion**
- **40.6%** household penetration
- **75.7%** repeat rate
- **43%** of consumers are choosing plant-based milk over dairy milk¹
- **25%** of shelf space dedicated to plant-based milk allowing for innovation and variety, making it easy to find.

¹Understanding consumer shifts from animal-based to plant-based foods in the retail environment, PBFI, Kroger, 84.51. (2022) <https://pbfinstitute.org/migration/>

Plant-based milk offers a wide variety of ingredients

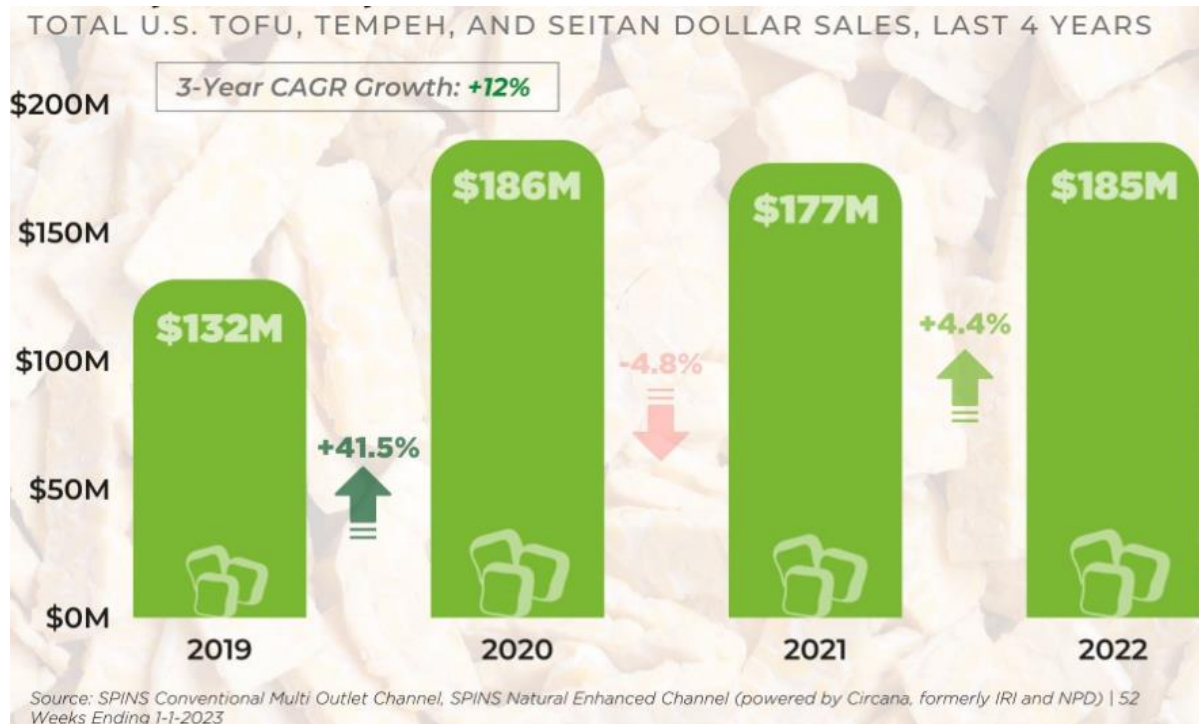


- Milk types continue to diversify.
- Virtually all milk types grew led by Oat and Coconut
- The “Other” category captures innovation with a plethora of ingredients

INNOVATIVE INGREDIENTS AND BLENDS

Hazelnut/Rice	Coconut	Almond	Oats with seeds
Kids' Chocolate Milk			Oat Flax
Hemp			Coconut
Keto Vanilla	Creme	Flax	Almond
Cashew			
Walnut	Pea		Sesame
	Pistachio		

Tofu, Tempeh & Seitan grew 40% over the last three years and 4.4% in 2022



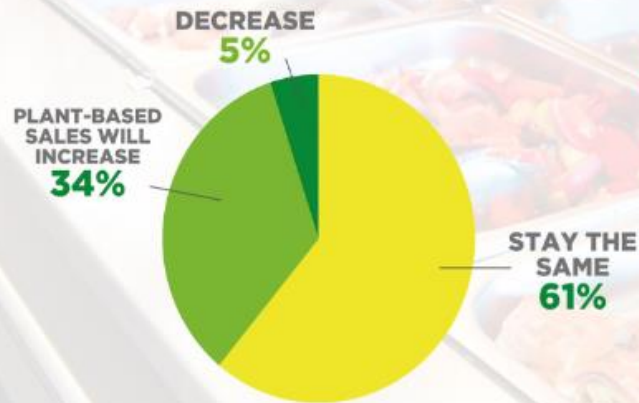
- Dollar sales grew **+4.4%** to **\$185 Million**
- Units remained **stable**
- Household penetration rate: **6.5%** Repeat rate: **56.3%**

Future plant-based optimism is high within Foodservice

- Within independent restaurants, 97% think plant-based sales will increase or stay the same.
- Consumers gravitate towards labels “plant-based” rather than “vegan” or “vegetarian”

¹ The Good Food Institute's 2022 State of the Industry Report on plant-based meat, eggs, and dairy, based on Circana data.

NEARLY 7X THE NUMBER OF OPERATORS THAT OFFER PLANT-BASED FOOD AND BEVERAGES ANTICIPATE HIGHER SALES THAN LOWER SALERS IN THE NEXT YEAR



95%

of operators who offer plant-based food and beverages anticipate sales of these items to increase or stay the same over the next year

Independent operators are nearly twice as likely as chain operators to believe that their sales of plant-based items will increase over the next year

	TOTAL n=286	RESTAURANT 159	ON-SITE 91	RETAIL 36	CHAINS 47	INDEPENDENT 112
Plant-based sales will increase	34%	37%	32%	28%	23%	43%
Plant-based sales will stay the same	61%	59%	63%	64%	72%	54%
Plant-based sales will decrease	5%	4%	5%	8%	4%	4%

Operator A8: [Among operators who offer plant-based beverages] How do you anticipate your operation's overall SALES/REVENUE of plant-based food and beverages to change over the next upcoming year?

STATISTICALLY HIGHER STATISTICALLY LOWER

Source: Datassential, Inc.

Foodservice responds to increasing consumer demand

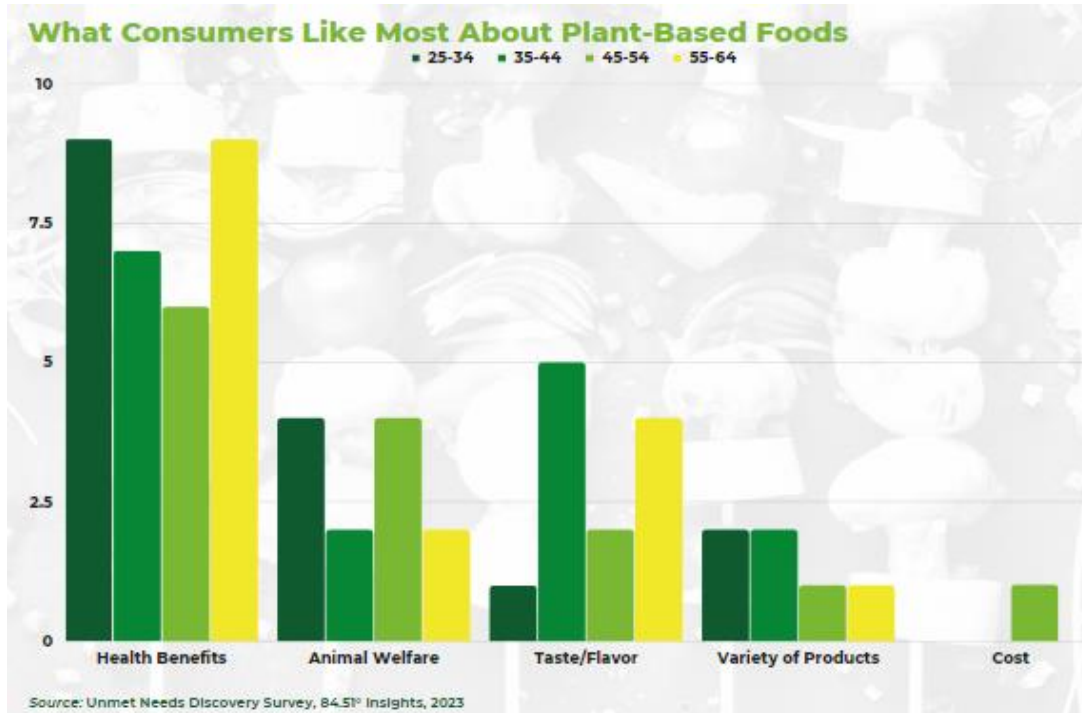
- **43%** of consumers agree that availability of plant-based menu items improves the restaurant experience always or at least some of the time
- **33%** say they will eat more plant-based foods in the upcoming year
- Trending plant-based menu items include **meat crumbles, seafood, eggs, cheese and cream cheese varieties**

"Having plant-based foods isn't a buzz or a trend, it's a need and a demand that we deliver with creativity and flavor. Creating equitable offers is part of our strategy with Sodexo's Campus commitment of 50% plant-based entrees by 2025. Inclusive options are key- having the 1:1 animal to plant entrée makes it approachable, relatable, and tempting to try. So, when we menu a Crispy Nashville Hot Chicken sandwich, our plant-based option is... you guessed it, a Crispy Nashville Hot Chicken Sandwich! Options like this draw in everyone, which is what we are aiming for- whether you are vegan, flexitarian, climatarian or are a heavy meat eater- it's just delicious food!"

- Jennifer DiFrancesco, Director, Culinary Innovation, Sodexo Campus



Health is the #1 driver to plant-based foods



- Across all age groups, consumers like the **health benefits** most about plant-based foods¹
- When consumers were asked why they eat plant-based foods, nearly **60%** cited that they believe plant-based foods are **healthier** than animal-based foods³

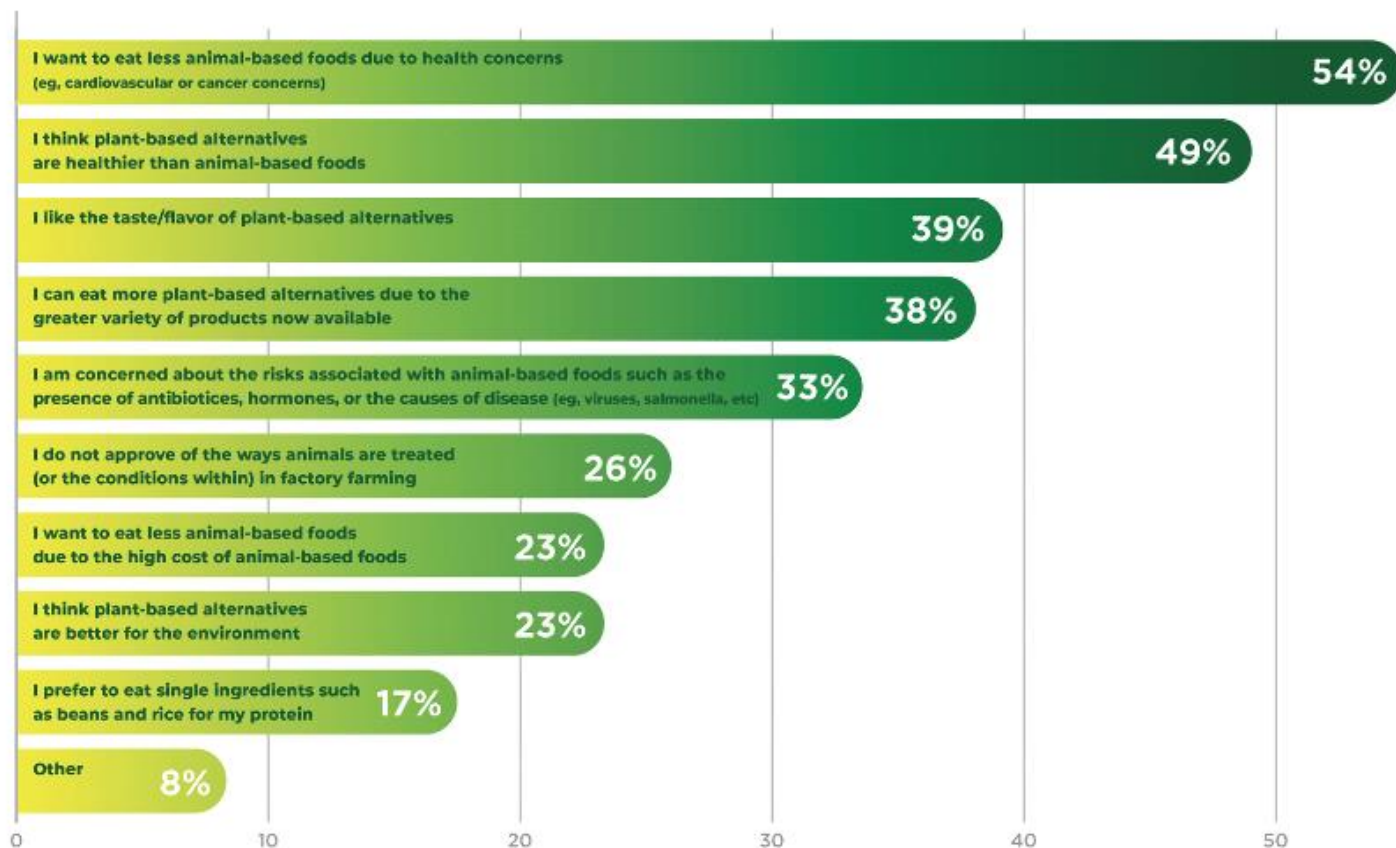
¹Unmet Needs: Insights and Solutions, PBFA and 84.51. (2023)

²The Power of Meat 2022, FMI and Foundation for Meat & Poultry Education & Research. (2022)

³JWH Consulting, LLC. Primary Online Quantitative Pulse Survey

⁴Making Healthier Choices, Sustainability, and Animal Welfare Are Top Motivators for These Plant-based Consumers. NPD (Oct 2021)

Reasons Why Shoppers are Decreasing Animal-Based Food Consumption In Favor of Plant-Based Foods

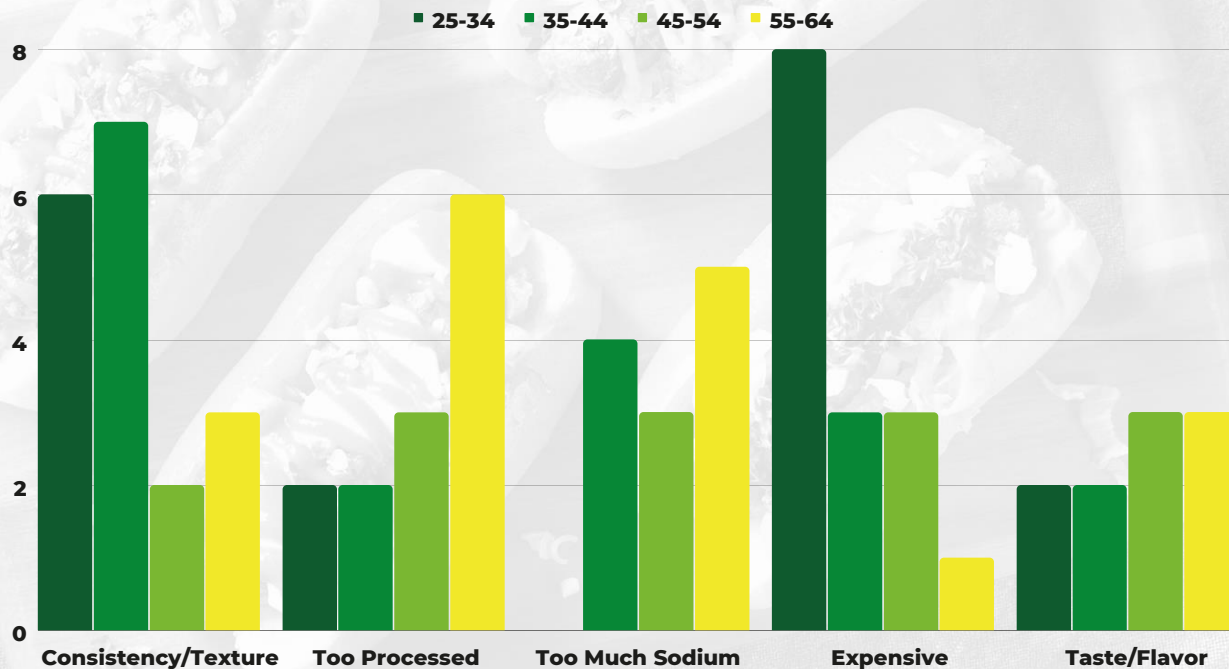


Source: Real Time Insights Custom Survey 5, 84.51% Insights, 2022



Consumers ages 25 - 34, price is the biggest pain point, while those ages 25 - 44 dislike the consistency/texture of plant-based foods most

What Consumers Dislike Most About Plant-Based Foods



Source: Unmet Needs Discovery Survey, 84.51° Insights, 2023



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A deeper dive into ingredient sentiment



Consumers called out that the amount of additive ingredients and excessive sodium in plant-based products is a problem that must be solved.



AGE 35-44: 68%	AGE 55-64: 63%
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54%

AGREED WITH THIS STATEMENT:

"I dislike that even though plant-based options are healthier...there are still hidden unhealthy ingredients that people are not aware of."

SOURCE: UNMET NEEDS DISCOVERY SURVEY, 84.51 - 2023



Cheese is the final frontier

Consumers are unhappy with the taste and texture of plant-based cheese, noting “plastic” or “unnatural” taste, “grainy” texture. They want cheeses that:



TASTE BETTER



**MELT WELL
TEXTURE**



HAVE A CREAMY

73%

AGREED WITH THIS STATEMENT:

“I wish there was a better plant-based cheese alternative that tasted like regular cheese, melted well, and didn't have a grainy texture.”

SOURCE: UNMET NEEDS DISCOVERY SURVEY, 84.51 - 2023



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What would make consumers buy or try new plant-based products?



Taste and/or healthy ingredients are table stakes for consumers to trial new products; consumers mention that reviews, samples, or promotions encourage trial.

71%

AGREED WITH THIS STATEMENT:

"I would want to know something about the taste and texture before purchasing. Review or sample in store."

SOURCE: UNMET NEEDS DISCOVERY SURVEY, 84.51 - 2023



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THANK YOU!



For more information, contact:

Nicole Negowetti

Managing Director, PBFi

nicole@plantbasedfoods.org



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