

WHAT'S NEXT FOR
PLANT-BASED?

Trends for 2023 and Beyond

TAKING A CLOSER LOOK AT PROJECTIONS IN PLANT-BASED

In recent years, the plant-based industry has been poised for significant growth — a trend that's only expected to continue in 2023 and beyond. At this time, **the global plant-based food market is predicted to see a compound annual growth rate (CAGR) of 12.4%, reaching \$95.52 billion by 2029.**¹

The ongoing plant-based movement indicates a considerable shift: not only in the way people are eating but also in how individuals view the relationship between their food choices, their well-being and the health of the planet.

We've previously explored how plant-based options have earned a seat at the food industry table,² but are they expected to keep their spot? Read on for a closer look at the factors influencing growth in the plant-based space, trends to keep an eye on and what's predicted for the future of the industry.



THE MAIN DRIVERS OF A BOOMING PLANT-BASED INDUSTRY

Whether or not the plant-based space has kept pace with its original market projections, the substantial growth of these products in the last decade is unmistakable. But, what exactly has been leading the charge behind this industry's progress?

The top five motivators contributing to the rise of plant-based products include:

1. AN INCREASING CONSUMER PREFERENCE FOR PLANT-BASED FOOD PRODUCTS

One of the major explanations of plant-based market growth is accredited to the changing consumer preference towards plant-based meats and meat alternatives. As an example, 65% of Americans reported eating products that attempt to mimic the flavour and texture of animal protein but are made with only plant products.³ While the primary reasons behind this surround health and sustainability, 33% of respondents liked the taste of these products and 34% were in pursuit of a high-quality protein source.

The popularity of meatless, plant-based diets has expanded dramatically in recent decades. With

countries like the UK, India, the U.S. and Australia leading the change, veganism and vegetarianism are steadily increasing globally.

Just look at the facts:

- Between 2004 and 2019, there was a **30-fold increase** in vegans in the U.S. — taking the number of individuals from 290,000 to almost 10 million.⁴
- As of 2022, **14% of adults** (7.2 million) in the UK are following a meat-free diet, with vegans representing approximately 1.4 million of these individuals.⁵

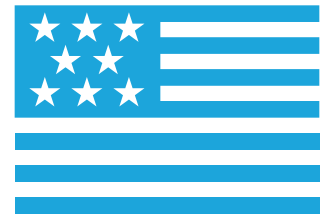
2. INNOVATION IN FOOD TECHNOLOGY

As consumers expand their palates and increasingly opt for plant-based foods, greater innovation and variety will be key factors in advancing this trend long term. Luckily, plant-forward innovation and technology-driven solutions are laying a strong foundation for gaining broader consumer acceptance.

With the considerable plant-based market growth in recent years, food tech investors are getting excited about the technologies and innovations that can promote further expansion of vegan lifestyles effectively. To achieve this, active investors and stakeholders have pinpointed the five main areas of focus as:

- Biomaterials.
- Democratised nutrition.
- Fertilisers.
- Mycelium.
- Solutions for fermentation and cell-based technologies.

ALMOST
10 MILLION
VEGANS



APPROXIMATELY
7.2 MILLION
INDIVIDUALS WITH A
MEAT-FREE DIET

3. VENTURE INVESTMENTS IN PLANT-BASED PRODUCT ORGANISATIONS

The plant-based food sector has been thriving in the past decade, which has been continuously demonstrated through growing vegan initiatives and interesting product launches from major companies; from Burger King's Impossible Whopper in 2019 to Taco Bell's recently launched Beyond Meat Carne Asada Steak.

This remarkable sector growth has resulted in investors becoming more and more interested in helping this industry continue to thrive. The majority of these funds go toward supporting the scaling-up of production capacity so organisations can meet variable demand. Because this venture capital is the backbone of financing early-stage businesses, this likely comes as good news for organisations and brands entering the space.

However, while growing investments are certainly an aid to the developing plant-based industry, this also means there's increasingly stiff competition for organisations to address. For brands in pursuit of attracting funders, it will be essential to build a sustainable competitive advantage and demonstrate the potential to endure.



“

When speaking with various buyers, we've become aware that the space for plant-based generally is decreasing. We experienced a huge explosion of growth for several years within this sector, with demand soaring and brands, big and small, fighting to establish themselves and secure shelf space. We're now seeing retailers delisting products and brands that aren't performing and focusing instead on the consistent performers.

JOE HILL, CO-FOUNDER OF ONE PLANET PIZZA

”

4. AN INCREASING GENERAL AWARENESS OF HEALTH

Today, more and more of our attention is shifting toward our health and the significant impact food plays in the process. Consequently, consumers are gradually recognising the value of a plant-based diet for their health, providing nutrient-dense meals packed with fibre, healthy fats, protein, vitamins and minerals.

Overall, a better understanding of nutrition and health knowledge contributes to individuals implementing and promoting healthier dietary behaviours. And, increasing consumer awareness of the health benefits of a plant-based lifestyle is quickly driving interest and application.

Moreover, there's also a growing intolerance for animal protein among consumers, depending on the relatedness of the animal food protein to a human protein — in other words, its evolutionary distance from a human equivalent.⁶ This can include a range of intolerances and allergies, such as Alpha-gal syndrome: an allergy to red meat and other products made from mammals.⁷

Why does this matter? An allergy to meat has historically been considered rare, yet it's become increasingly commonplace over the past two decades.⁸ Recent years, in particular, have seen a significant amount of cases reported with continually rising numbers due to increased recognition of the diagnosis.



5. THE WIDESPREAD AVAILABILITY OF PLANT-BASED PRODUCTS

Meat substitutes and other plant-based alternatives are becoming increasingly available. This is making it easier to find these products in the retail space and in foodservice with fast-food organisations progressively introducing plant-based menu items to meet growing consumer demand. While there's still work to be done in terms of availability and price accessibility in the plant-based space, 42% of global consumers consider themselves flexitarians⁹ and 65% of the Gen Z population wants to pursue a more plant-forward diet¹⁰ — effectively driving the mainstream plant-based shift.

6. THE PUSH TO IMPROVE ENVIRONMENTAL HEALTH

Plant-based diets, in comparison to diets rich in animal products, are considerably more sustainable. This is because the production of these products requires fewer natural resources and is less taxing on the environment. Not only are plant-based dietary patterns linked to improved environmental health but red and processed meat actually has the highest ecological impact, producing the greatest share of greenhouse gas emissions and requiring the most irrigation water, cropland and fertiliser.¹¹

“

Consumers want to know where their food comes from. This is shining a light on animal abuse issues, environmental issues, unsafe business practices and dangerous working conditions within the legacy meat industry.¹²

CURT ALBRIGHT, MANAGING MEMBER AND FOUNDER OF CLEAR CURRENT CAPITAL

”



The driving causes behind plant-based market growth are increasingly apparent. Yet, it's equally important to recognize the factors that are restricting the anticipated expansion of this market (or at least to some extent). The main barriers to adoption of a vegan diet include:



A comparatively higher price range:

Plant-based meat alternatives are typically associated with higher costs, as these products have less subsidiary funding and are often considered specialty items. However, the true cost of any diet varies from person to person, which means a plant-based diet is mostly dependent on lifestyle and how this commitment to veganism is implemented.



A continued consumer preference for animal-based products:

Although consumers are making the transition to a plant-based diet for health and environmental reasons, regular consumers of these products are still looking for better tasting and a wider range of products. Consumer expectations even go beyond this, pursuing an experience that's as close to eating meat as possible.¹³



A predisposition of individuals to opt for soy and gluten-free products:

Growth in the plant-based space is also limited by the assumption that it would be too difficult to maintain an overlapping (soy, gluten and meat-free) diet. While this wouldn't be without its hurdles, it's more than possible to adhere to a plant-based, soy and gluten-free lifestyle.

HOW HAS PLANT-BASED PERFORMED AGAINST EXPECTATIONS SO FAR?



With these emerging trends and accompanying obstacles in mind, it's beneficial to consider whether the plant-based space is meeting the projections set in years past. Let's take a closer look at the state of the plant-based alternatives market today.

In the U.S., the plant-based industry — which encompasses all businesses that produce or use plant-based products — was worth **\$3.7 billion in 2017**.¹⁴ And, as experts considered the increasing awareness of the health benefits of plant-based products and the growth in consumers interested in veganism or vegetarianism, the industry was forecasted to reach **\$6.4 billion by 2022**.

Were these predictions met? The short answer is: **Yes.**



The retail market for plant-based foods exceeded expectations and was valued at **\$7.4 billion by 2021**.¹⁵ This indicated a 6% growth in plant-based food dollar sales from the previous year — where plant-based food sales had grown three times faster than total food sales.

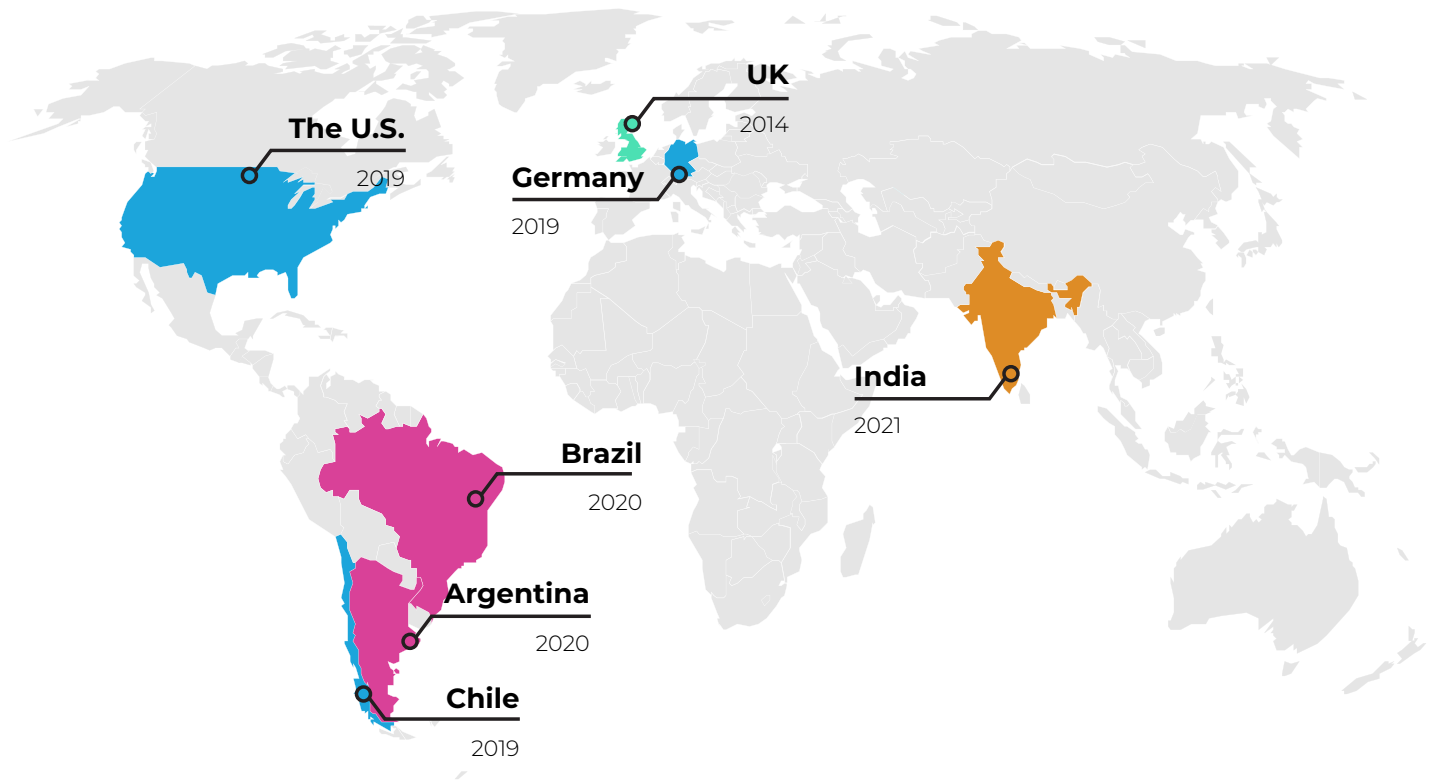
In the UK, retail sales of vegetarian food and drink products amounted to an estimated **657 million British pounds in 2017**. When the category is combined with plant-based alternatives sales for that year, sales grow to **885 million pounds**.¹⁶

With predictions of significant growth, the estimated retail sales cumulatively came to **1.5 billion pounds in 2020**¹⁷ — essentially doubling in value. Now, the combined plant-based alternatives market in the EU and the UK, which includes all products created for the purpose of replacing meat or dairy, is projected to grow at a CAGR of 6.8% to reach **6.6 billion pounds by 2025**.¹⁸

THE IMPACT OF PLANT-BASED INITIATIVES AND CAMPAIGNS

These numbers demonstrate clear, global growth in the industry, but facts and figures can only go so far when telling the story of plant-based. And, while it's important to understand the reasoning behind opting for plant-based products (namely for health, animals and the environment), the paths to making this transition are varied. In fact, there are a host of campaigns across countries today that are dedicated to building awareness and promoting the benefits of a plant-based lifestyle.

For example, **Veganuary** — started by a non-profit organisation in the UK in 2014 — has now become an annual challenge that promotes and educates about veganism by encouraging people to follow a plant-based lifestyle for the month of January. With over 2 million UK participants in Veganuary 2022,¹⁹ up dramatically from 500,00 in 2021, the growing commitment to supporting environmentally-conscious lifestyles is evident. This campaign has quickly gained traction, increasing global reach every year with participants joining from:



At the end of the day, the challenge saw sign-ups from 228 countries and territories in 2022²⁰ — and that’s no easy feat! But, Veganuary isn’t the only campaign that’s designed to encourage individuals to go plant-based. Other valuable initiatives include, but aren’t limited to:

- **7-Day vegan:** Vegan bloggers, writers, athletes and more came together to create this straightforward challenge: commit to a plant-based diet, removing meat, poultry, seafood, dairy and eggs, for seven straight days (of your choosing).
- **Challenge 22:** Starting the same year as Veganuary, an animal protection and cruelty-

free NGO from Israel known as Animals Now established Challenge 22. This campaign was designed to help motivate individuals to try a vegan lifestyle for 22 days, providing an online platform for community support along the way.

- **21-Day Vegan Kickstart:** Created by a non-profit organisation, the Physicians Committee for Responsible Medicine, this evidence-based program promotes a short-term immersion experience that’s intended to inspire longer-term modifications. Throughout the duration of the three-week challenge, participants can access meal plans, recipes, grocery lists, videos, nutrition tips and cooking demonstrations for the best results.

- **Meatless Monday:** In 2003, the Founder of The Monday Campaigns, Sid Lerner, started the Meatless Monday campaign. This is a global movement encouraging people to implement Meatless Monday in schools, hospitals, workplaces, community centres and their daily lives — for personal health and the health of the planet. Individuals can take advantage of plant-based recipes and guides to accomplish this effectively.
- **Institutions going plant-based:** With the heightening awareness of food today and the benefits a plant-based diet can offer, organisations are pushing for menu changes, expecting vegan meals to be readily available. This is especially true for schools and hospitals, which are valuable hubs for building healthy communities.

Plant-based initiatives ultimately promote the benefits of veganism to different audiences

through unique campaigns — minimising the misconceptions that vegan food isn't as tasty and a plant-based diet is too expensive. They also represent a growing general awareness about food and the resulting drive for healthier lifestyles.



IS PLANT-BASED ON TRACK FOR STAGGERING 2030 PREDICTIONS?

The plant-based industry has charted impressive growth in recent years. 2020 alone saw almost double-digit growth in the plant-based market. At the time, this accelerated development was attributed to a rapid expansion in consumer adoption and an overall favourable environment for grocery purchases as a result of the pandemic.²¹

These booming numbers generated staggering projections for the future: With the global plant-based food market worth **\$44.2 billion dollars as of 2022**, it's anticipated to reach **\$77.8 billion by 2025** and **more than double its current value by 2030**.²²

But, is the plant-based market keeping pace with these initial outlooks?



“

Buyers are taking far fewer risks, partly in response to the cost of living crisis which is impacting how people are shopping.

JOE HILL, CO-FOUNDER OF ONE PLANET PIZZA

”

While some sources report that emerging shoppers in the plant-based category are continuing to create massive demand for innovative products that can encourage a healthy lifestyle, this isn't exactly true across the board. In fact, last year was challenging for some plant-based products.

“

We went from a pandemic into record inflation, and for a sector that's still gathering its feet and is still sort of in the first set of downs, that's a very difficult set of conditions to navigate.²³

ETHAN BROWN, CEO OF BEYOND MEAT

”



But, not all brands in the plant-based sector are experiencing the same concerns — for some, it's just the opposite. Amid falling category sales, the leading vegan meat brand Impossible Foods saw more than a 50% growth in retail sales in 2022, claiming the spot as the best-selling product by volume of any plant-based meat brand.²⁴

While stagnant sales from last year caused experts, researchers and consumers alike to wonder if the interest in a plant-based lifestyle has peaked, however, **this isn't the case.**

The recent deceleration in market growth isn't a representation of less interest in the vegan lifestyle. Instead, it was determined that consumers were reducing their plant-based food and drink consumption due to ongoing supply chain disruptions and rising inflation.²⁵ In the coming years, healthy sales growth is not only expected to return, but also continue to accelerate by 2024 as inflation and the supply chain return to normal.²⁶ This future growth may be especially lucrative for less mature product categories, such as plant-based seafood or chicken, which have plenty of opportunities for higher penetration among consumers.



“

I think the general interest in plant-based as a category remains strong, even if the individual companies are losing share.

OREY CHAFIN, ASSOCIATE PARTNER AT KEARNEY

”

The future momentum of the global plant-based market is slated to progress on account of:

-  Increasing consumer adoption.
-  Product innovation that supports improved taste and texture.
-  The introduction of new products.
-  Widening availability and accessibility of plant-based products.
-  The continued consumption of products among individuals following a plant-based diet.
-  Population growth putting a strain on non-plant-based resources.
-  Increasing general awareness of health.
-  Growing sustainability initiatives.

So, **what does this all mean?**

The unprecedented growth in the plant-based industry in 2020 was just that — unprecedented. Changing consumer priorities and preferences, in combination with the global pandemic, helped retail sales and future projections of the plant-based market soar.

Today, organisations and consumers are navigating record inflation, a rising cost of living and ongoing supply chain disruptions. As a result, the remarkable growth seen at the beginning of the decade is steady.

Looking ahead, the demand for plant-based products is expected to pick up again, and consumers are driving the trend. Vegan, millennial, and Gen Z consumer groups, who are generally the early adopters of plant-based food alternatives, are taking the lead towards a plant-based lifestyle — on account of animal welfare, sustainability and health and environmental concerns.

Despite slow-downs in growth, the plant-based space is still on track. But, whether the original forecast is met by 2030 or not, one thing is clear: plant-based is here to stay and innovation in the industry will be key to carving the path forward.



SOURCES

1. CISION PR Newswire, "Plant-based Food Market Report 2022: Increasing Incidences of Intolerance for Animal Protein Driving Demand," Retrieved from [Plant-based Food Market Report 2022: Increasing Incidences of Intolerance for Animal Protein Driving Demand](#)
2. Plant-Based World Pulse, "How Plant-Based Earned a Seat at the Table," Retrieved from [How Plant-Based Earned a Seat at the Table](#)
3. International Food Information Council, "Consumption Trends, Preferred Names and Perceptions of Plant-Based Meat Alternatives," Retrieved from [Consumption Trends, Preferred Names and Perceptions of Plant-Based Meat Alternatives](#)
4. Ipsos Retail Performance, "Vegan Trends in the U.S.," Retrieved from [Vegan Trends in the U.S.](#)
5. Finder, "How Many Vegetarians and Vegans are in the UK?," Retrieved from [How Many Vegetarians and Vegans are in the UK?](#)
6. Science Daily, "Animal Protein Allergies Explained," Retrieved from [Animal Protein Allergies Explained](#)
7. Mayo Clinic, "Alpha-gal Syndrome," Retrieved from [Alpha-gal Syndrome](#)
8. ScienceDirect, "Meat Allergy and Allergens," Retrieved from [Molecular Immunology](#)
9. Green Queen, "42% of Global Consumers are Flexitarians & Driving Mainstream Plant-based Shift," Retrieved from [42% of Global Consumers are Flexitarians & Driving Mainstream Plant-based Shift](#)
10. Supermarket News, "Gen Z is Leading a Generational Shift in Plant-based Food Purchasing," Retrieved from [Gen Z is Leading a Generational Shift in Plant-based Food Purchasing](#)
11. Harvard T.H. Chan School of Public Health, "Healthy Plant-based Diets Better for the Environment Than Less Healthy Plant-based Diets," Retrieved from [Healthy Plant-based Diets Better for the Environment Than Less Healthy Plant-based Diets](#)
12. Forbes, "Investors Are Looking Toward Plant-Based Food — But What Are They Seeing?," Retrieved from [Investors Are Looking Toward Plant-Based Food — But What Are They Seeing?](#)
13. Kerry, "Kerry Research Into Plant-Based Alternatives Reveals Sustainability and Health Are Top Drivers For Flexitarians, But But Taste is Key To Consumer Preference" Retrieved from [Kerry Research Into Plant-Based Alternatives Reveals Sustainability and Health Are Top Drivers For Flexitarians, But But Taste is Key To Consumer Preference](#)
14. Trio Plant Based, "The Plant-Based Industry: A Growing Sector Of The Economy," Retrieved from [The Plant-Based Industry: A Growing Sector Of The Economy](#)
15. Good Food Institute, "U.S. Retail Market Data for the Plant-based Industry," Retrieved from [U.S. Retail Market Data for the Plant-based Industry](#)
16. Statista, "Sales revenue of vegetarian food and drink products and plant-based alternatives in the United Kingdom from 2010 to 2020," Retrieved from [Vegetarian & plant-based food product sales UK 2020](#)
17. United States Department of Agriculture, "Overview of the Plant-Based Food and Beverage Market in the United Kingdom," Retrieved from [Overview of the Plant-Based Food and Beverage Market in the United Kingdom](#)
18. ING Global Markets Research, "Growth of Meat and Dairy Alternatives is Stirring Up the European Food Industry," Retrieved from [Growth of Meat and Dairy Alternatives is Stirring Up the European Food Industry](#)
19. BCG, "The Untapped Climate Opportunity in Alternative Proteins," Retrieved from [www.bcg.com/publications/2022/combating-climate-crisis-with-alternative-protein](#)
20. Veganuary, "Veganuary takes World By Storm With Participants in Nearly Every Country," Retrieved from [Veganuary takes World By Storm With Participants in Nearly Every Country](#)
21. Food Service, "Pandemic Fuels Demand for Plant-Based Foods," Retrieved from [Pandemic Fuels Demand for Plant-Based Foods](#)
22. Statista, "Value of the Plant-Based Food Market Worldwide From 2020 to 2030," Retrieved from [Pandemic Fuels Demand for Plant-Based Foods](#)
23. CNN, "Is Beyond Meat Beyond Saving?," Retrieved from [Is Beyond Meat Beyond Saving?](#)
24. Food Dive, "Impossible Foods Hires Chief Demand Officer to Continue Growth Path," Retrieved from [Impossible Foods Hires Chief Demand Officer to Continue Growth Path](#)
25. U.S. Bank, "How Supply Chain Constraints Contribute to Today's Inflation," Retrieved from [How Supply Chain Constraints Contribute to Today's Inflation](#)
26. Packaged Facts, "Meat, Poultry and Seafood Alternatives: Plant-Based and Cell-Cultured Types," Retrieved from [Meat, Poultry and Seafood Alternatives: Plant-Based and Cell-Cultured Types](#)



plantbasedworldpulse.com