Plant-Based Strategies for Retail: An overview of leading plant-based assortment, merchandising, and marketing tactics at top U.S. retailers

September 15, 2020
Agenda

Introduction & overview of the plant-based market  
with Caroline Bushnell, Associate Director of Corporate Engagement, GFI

Strategies and insights from the Good Food Retail Report  
with Emma Ignaszewski, Corporate Engagement Strategist, GFI

Insights from Whole Foods Market on winning with plant-based foods  
with Parker Brody, Sr. Global Category Manager, Whole Foods Market

Covid-19: Plant-based sales data, consumer perceptions and behavior  
with Kyle Gaan, Research Analyst, GFI
The Good Food Institute

GFI is a 501(c)(3) nonprofit working to create a sustainable, healthy, and just food system through three key areas of work:

Science and Technology
Bridging gaps in scientific research, funding, and talent across the alternative protein sector.

Corporate Engagement
Helping the food industry and investor communities put delicious, affordable alternative proteins on every menu and in every food retailer.

Policy
Advancing government investment in sustainable proteins as well as fair regulation and legislation.

GFI officially earned GuideStar’s 2019 and 2020 Platinum Seal of Transparency—obtained by less than 1% of nonprofits—reflecting our commitment to maximum impact, efficiency, and inclusion.

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

United States
Brazil
India
Israel
Europe
Asia Pacific

90+ staff in 6 countries
How will we feed 10 billion people by 2050?

Sustainably

Industrialized animal agriculture is in the top 2-3 most significant contributors to the world’s most pressing environmental issues such as water use, air pollution, and loss of biodiversity.

Industrialized animal ag is responsible for 14.5% of greenhouse gas emissions—a higher share than the entire transport sector.

Source: United Nations, Livestock’s Long Shadow (report)

Efficiently

It takes nine calories of food fed to a chicken to produce one calorie of meat.

75% of agricultural land is used for raising and feeding livestock yet only provides 1/3 of the global protein supply.

Sources: World Resources Institute (calorie formula); UN FAO (land use)

Safely

Animals in the United States consume more than 2x as many medically important antibiotics as humans do.

Based on current trends, medical experts expect 10 million annual deaths from antimicrobial resistance (AMR) in 2050, a 14-fold increase over current deaths.

Sources: FDA (animal-consumed antibiotics); IMS Health (human-consumed antibiotics); United Nations IAGC (AMR)
GFI’s Approach: Accelerating alternative proteins

The Challenge
Current meat, egg, and dairy production is unsustainable and inefficient. It is a key driver of climate change, environmental degradation, and antibiotic resistance.

GFI’s Solution
We can create meat, eggs, and dairy more sustainably and efficiently by making them from plants, cultivating them directly from cells, or producing them by fermentation.

Instead of asking consumers to give up the foods they love, GFI is accelerating the transition to alternative proteins by helping companies make products that are delicious, affordable and accessible.
The Plant-Based Market
Veggie → Plant-based 2.0
Plant-based 2.0 is reframing the meat and dairy categories

**MEAT**
- PLANT-BASED MEAT
- ANIMAL-BASED MEAT

**DAIRY**
- PLANT-BASED DAIRY
- ANIMAL-BASED DAIRY
The opportunity is with omnivores and flexitarians

Source: Mattson
Consumers are actively trying to **reduce meat consumption** and eat more plant-based foods.

60% of consumers want to reduce their meat consumption.  
**Source:** Aramark

54% of consumers reported they are trying to consume fewer animal-based foods and more plant-based foods.  
**Source:** IPSOS
Millennials & Gen X are highly engaged in plant-based meat

79% of millennials eat meat alternatives

- 30% eat meat alternatives every day
- 50% eat meat a few times per week
- 37% plan to buy more meat alternatives next year

IRI: Millennials + Gen X drove 67% of plant-based protein volume sales, versus 57% of meat categories sales, for the 52 weeks ending 5/20/2018

They spend 61% more than the average shopper.

Source: SPINS

Plant-based shoppers are valuable.
This is a consumer shift, not a fad

Meat substitutes accounted for 14% of global meat launches in the first nine months of 2018, up from 6% in 2013.

Source: Mintel, 2018; Supermarket News, 3/18/19; Innova
The top 6 U.S. meat companies are all active in plant-based and/or cultivated meat

<table>
<thead>
<tr>
<th>Manufacturing</th>
<th>Tyson</th>
<th>JBS</th>
<th>Cargill</th>
<th>Smithfield</th>
<th>Hormel</th>
<th>Conagra</th>
</tr>
</thead>
<tbody>
<tr>
<td>Launch of a plant-based product or product line</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment</th>
<th>Tyson</th>
<th>JBS</th>
<th>Cargill</th>
<th>Smithfield</th>
<th>Hormel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Known investments in a plant-based or cultivated meat company</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

“This [plant-based] segment has surged since we entered the space. We fully expect this is where the majority of the growth will reside in the future.”

- Michael H. McCain, President & CEO, Maple Leaf Foods
Venture capital is flowing into plant-based food companies

Plant-based food investments by capital invested and deal count
2011 – August 2020

Source: GFI custom PitchBook analysis of plant-based food companies located and/or selling in the U.S. (including fungi) excluding IPO, Merger/Acquisition, and Buyout/LBO.
The global plant-based meat market is projected to reach at least $100b if not $370b by 2035

### U.S. plant-based meat market projections

<table>
<thead>
<tr>
<th>Source</th>
<th>Projected market size</th>
<th>By year</th>
<th>Projected share of U.S. meat market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo</td>
<td>$12b-$15b</td>
<td>2029</td>
<td>4%</td>
</tr>
<tr>
<td>Grizzle</td>
<td>$34b</td>
<td>2030</td>
<td>10%</td>
</tr>
<tr>
<td>Bernstein</td>
<td>$30b-$41b</td>
<td>2030</td>
<td>12%</td>
</tr>
</tbody>
</table>

### Global plant-based meat market projections

<table>
<thead>
<tr>
<th>Source</th>
<th>Projected market size</th>
<th>By year</th>
<th>Projected share of global meat market</th>
</tr>
</thead>
<tbody>
<tr>
<td>UBS</td>
<td>$85b</td>
<td>2030</td>
<td>6%</td>
</tr>
<tr>
<td>J.P. Morgan</td>
<td>$100b</td>
<td>2035</td>
<td>7%</td>
</tr>
<tr>
<td>A.T. Kearney</td>
<td>$370b</td>
<td>2035</td>
<td>23%</td>
</tr>
</tbody>
</table>

Note: U.S. share calculations assume $341 billion U.S. total meat market size; global share calculations assume $1.4 trillion global total meat market, except for A.T. Kearney which assumes $1.6 trillion global total meat market.

Source: Business Times (May 2019); J.P. Morgan (May 2019); A.T. Kearney (2019); Grizzle (May 2019); UBS (July 2019)
How we define plant-based foods

For the purpose of this report, plant-based products are defined direct replacements for animal-based products, such as plant-based meat, seafood, eggs, and dairy.

Includes:
- Biomicicked meat, eggs, and dairy (e.g. Beyond Meat)
- Functional meat replacement made from plants (e.g. tofu, tempeh, jackfruit, seitan)
- Meals with animal ingredient replacements (e.g. Amy’s frozen meals)
- Fungi- and algae-based products (e.g. Quorn)

Does not include:
- Inherently plant-based food (e.g. kale, chickpeas)
- B2B ingredient companies (e.g. Trophic, duckweed)
U.S. retail sales of plant-based food were worth $5 billion in 2019

Note: the data presented on this slide is based on custom-GFI plant-based categories that were created by refining standard SPINS categories. Due to the custom nature of these categories, the presented data will not align with standard SPINS categories.

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

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

2019

Dollar sales

- $0.6b
- $0.6b
- $0.6b
- $1.2b
- $1.8b
- $1.8b
- $2.4b

Plant-based milk: $2.0b
Other plant-based dairy: $1.4b
Plant-based meat: $939m
Plant-based meals: $377m
Tofu and tempeh: $128m
Plant-based condiments and dressings: $64m
Plant-based eggs: $10m

$ % chg YA
-12%
0%
12%
24%
36%
48%

Note: the data presented on this slide is based on custom-GFI plant-based categories that were created by refining standard SPINS categories. Due to the custom nature of these categories, the presented data will not align with standard SPINS categories.

Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-2019
Plant-based sales are growing 14 times faster than total food sales.

Source: IRI
Plant-based food sales growth outperforms animal-based food sales growth across key categories

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

<table>
<thead>
<tr>
<th>Product</th>
<th>Plant-based % chg 2YA</th>
<th>Animal-based % chg 2YA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eggs</td>
<td>228%</td>
<td>6%</td>
</tr>
<tr>
<td>Creamer</td>
<td>93%</td>
<td>11%</td>
</tr>
<tr>
<td>Yogurt</td>
<td>95%</td>
<td>-6%</td>
</tr>
<tr>
<td>Meat</td>
<td>38%</td>
<td>5%</td>
</tr>
<tr>
<td>Cheese</td>
<td>51%</td>
<td>2%</td>
</tr>
<tr>
<td>Butter</td>
<td>34%</td>
<td>15%</td>
</tr>
<tr>
<td>Ice cream and frozen novelty</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Milk</td>
<td>14%</td>
<td>-4%</td>
</tr>
</tbody>
</table>

Note: the data presented on this slide is based on custom-GFI plant-based categories that were created by refining standard SPINS categories. Due to the custom nature of these categories, the presented data will not align with standard SPINS categories.

Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 104 weeks ending 12-29-2019
Household penetration of plant-based categories continues to grow, with plant-based milk at 41%
There is a $12 billion opportunity for plant-based meat to reach market share parity with plant-based milk.

**Plant-based milk and meat shares of total categories 2019**

- **Plant-based milk:** 14% share of retail milk
- **Plant-based meat:** 2% share of retail packaged meat
- **Plant-based meat:** 1% share of total retail meat

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*
Good Food Retail Report
Good Food Retail Report

www.gfi.org/retail-report

• Benchmarking top U.S. retailers on plant-based sales strategies
• Case studies & best practices
• Highlights & awards
Areas of Focus

Product Assortment
Across 11 different plant-based meat, egg, and dairy categories...
- How many unique SKUs are on the shelves?
- How many private label SKUs are on the shelves?

Merchandising
- Where are products merchandised?
- Are there aisle signage and shelf tags conveying information about these products?

Marketing
- Is the retailer engaging in cross-category promotions of plant-based food?
- Is the language being used to characterize the category the most effective language?
About the benchmarking

Retailers

- Walmart Inc.
- The Kroger Co.
- Albertsons Cos. Inc.
- Ahold Delhaize USA
- Publix Super Markets Inc.
- H. E. Butt Grocery Co.
- Wakefern Food Corp.
- Amazon (as Whole Foods Market)
- Southeastern Grocers LLC
- Meijer Inc.
- Target Corp.
- Wegmans Food Markets Inc.
- Hy-Vee Inc.

Product Categories

- Refrigerated plant-based meat
- Frozen plant-based meat
- Refrigerated plant-based milk
- Plant-based cheese
- Plant-based yogurt (including kefir)
- Plant-based butter
- Plant-based ice cream and frozen novelty
- Plant-based creamers
- Plant-based eggs
- Plant-based spreads (i.e., cream cheese, sour cream)
- Frozen plant-based meals

Note: Companies are audited & awarded at banner level.
Results from small format (Aldi, Trader Joe’s) and warehouse club (Costco, BJ’s, Sam’s Club) retailers are not published in this first edition—publication is forthcoming.
Product Assortment: Key Strategies

Stock a wide assortment of plant-based meat, egg, and dairy products to meet consumer demand. Top retailers offer:
• 150+ plant-based meat SKUs
• 380+ plant-based dairy & egg SKUs

Develop compelling private-label products, prioritized by the size, growth, and household penetration of the respective plant-based and animal-based categories.

Give customers a chance to sample professionally prepared plant-based products by adding them to foodservice and prepared foods offerings to drive trial.

Source: Good Food Retail Report, 2019
Product Assortment: Key Considerations

If it’s not on the shelf, merchandising and marketing won’t matter.

Almost 5,000 unique plant-based products were sold in the United States in 2019.

Customers are looking for diversity in:
• Product types (e.g., plant-based beef, chicken, pork, fish)
• Product formats (e.g., grounds, sausages, patties, nuggets, strips, shreds)
• Flavors
• Unit sizes

Also relevant are the size and growth of animal-based categories—including those that have yet to see extensive market disruption from plant-based products.

Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 52 weeks ending 12-29-19.
Product Assortment: Key Considerations

Household penetration of plant-based categories
Year ending October 2019

Source: IRI panel, all outlets, 52 weeks ending 11-03-19, NBD aligned
Product Assortment: By the Numbers

500+

Maximum Total SKUs
The retailer with the most total products had more than 500 unique plant-based meat, egg, and dairy options.

80%

10+ Refrigerated Meat SKUs
More than 80% of retailers offered at least 10 different refrigerated plant-based meat SKUs.

100+

Plant-Based Meat Products
Leading retailers had 100+ plant-based meat products across the refrigerated and frozen sections.

70+

Milk SKUs
Leading assortments boast 70–90 plant-based milk SKUs.
Top U.S. retailers offer **plant-based meat** and **dairy** products in private-label lines.

<table>
<thead>
<tr>
<th>Category</th>
<th>Walmart</th>
<th>Kroger</th>
<th>Albertsons</th>
<th>Ahold Delhaize</th>
<th>Whole Foods Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other dairy</td>
<td>![Walmart Other Dairy Product]</td>
<td>![Kroger Other Dairy Product]</td>
<td>![Albertsons Other Dairy Product]</td>
<td>![Ahold Delhaize Other Dairy Product]</td>
<td>![Whole Foods Other Dairy Product]</td>
</tr>
</tbody>
</table>

Source: Good Food Retail Report, 2019
Top U.S. banners are delivering plant-based protein of some type in prepared foods.

Source: GFI, Good Food Retail Report
More than a third of the banners benchmarked featured **plant-based meat** in at least one of the following sections:

- Fresh deli & prepared foods
- Grab & go
- Salad bar
- Hot Bar
- Restaurant-style foodservice

Source: GFI, Good Food Retail Report
Product Assortment: New formats & departments

Bristol Farms: Plant-based butcher

Wegmans: Plant-based random weight patties
Whole Foods: Plant-based meat in the hot bar

Kroger: Home Chef Meal Kit

Wegmans: Meals2Go App
<table>
<thead>
<tr>
<th>Key Takeaways: Prepared Foods &amp; Retail Foodservice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attract &amp; retain the plant-based consumer</strong> by offering meal options that span <strong>protein types, flavors, and levels of engagement</strong> (from create &amp; cook to ready-to-eat).</td>
</tr>
<tr>
<td><strong>Take advantage of trends</strong>, but also craft plant-based meals with <strong>tried-and-true center-of-plate concepts</strong>.</td>
</tr>
<tr>
<td><strong>Tap into growing categories like plant-based meat analogues</strong> that taste, cook, and sizzle like their animal-based counterparts.</td>
</tr>
<tr>
<td><strong>Label and market plant-based products</strong> using evidence-driven tactics like <strong>plant-based, protein-forward language</strong> and emphasis on taste.</td>
</tr>
<tr>
<td><strong>Take advantage of choice-based user interfaces</strong> (whether in-person or digital) to <strong>offer easy swap-outs</strong>.</td>
</tr>
<tr>
<td><strong>Leverage both own-brand innovation</strong> and <strong>branded partnerships</strong> to inspire trial and drive on-shelf sales.</td>
</tr>
</tbody>
</table>
Merchandising: Key Strategies

Merchandise plant-based sets integrated or integrated-segregated with the conventional set to make products more accessible to the mainstream shopper.

Leverage “plant-based” aisle signage and shelf tags to communicate store location and product features to customers.

Showcase plant-based categories in endcaps and special displays, especially alongside analogous animal products.

Results: Merchandising

<table>
<thead>
<tr>
<th>Banner</th>
<th>Star Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Giant Food</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Target</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Albertsons</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Meijer</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Whole Foods</td>
<td>★★★★★</td>
</tr>
<tr>
<td>King Soopers</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Ralphs</td>
<td>★★★★★</td>
</tr>
<tr>
<td>ShopRite</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Safeway</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Vons</td>
<td>★★★★</td>
</tr>
<tr>
<td>H-E-B</td>
<td>★★★★</td>
</tr>
<tr>
<td>Winn-Dixie</td>
<td>★★★★</td>
</tr>
<tr>
<td>Food Lion</td>
<td>★★★★</td>
</tr>
<tr>
<td>Wegmans</td>
<td>★★★★</td>
</tr>
<tr>
<td>Stop &amp; Shop</td>
<td>★★★★</td>
</tr>
<tr>
<td>Walmart</td>
<td>★★★★</td>
</tr>
<tr>
<td>Kroger</td>
<td>★★★★</td>
</tr>
<tr>
<td>Harris Teeter</td>
<td>★★★★</td>
</tr>
<tr>
<td>Publix</td>
<td>★★</td>
</tr>
<tr>
<td>BI-LO</td>
<td>★★</td>
</tr>
<tr>
<td>Fred Meyer</td>
<td>★★</td>
</tr>
<tr>
<td>GIANT Food Stores</td>
<td>★★</td>
</tr>
<tr>
<td>Hy-Vee</td>
<td>★</td>
</tr>
</tbody>
</table>

Source: Good Food Retail Report, 2019
Integrated-Segregated Merchandising

Benefits:
• Plant-based options are easily found in go-to areas.
• Plant-based and animal-based products are easily compared.
• Consumers have the opportunity to appreciate premium products and trade up.
Merchandising: Heinen’s Merchandising Shifts

+43% in plant-based dollar sales, YOY
A recent study from Kroger and the Plant Based Foods Association placed a 3-foot plant-based meat section in the meat aisle. The results? **Plant-based meat sales increased by 23% compared to control stores.**
Merchandising: Shelving, Aisle Signage, and Shelf Tags
Aisle Signage and Shelf Tags

King Soopers

Target

Sprouts
Protein Department of the Future
Merchandising: By the Numbers

**Meat Aisle Presence**
65% of retailers merchandised at least one refrigerated plant-based meat product in the meat aisle.

**Multiple Integrated Categories**
91% of retailers extended an integrated or integrated-segregated merchandising strategy to multiple categories beyond plant-based milk.

**Aisle Signage for Plant-Based Meat**
57% of retailers featured aisle signage for plant-based refrigerated or frozen meat products.

**Preferred Language**
Of that group, approximately 31% deployed inclusive language, such as “plant-based” or “plant-powered,” instead of limiting language, such as “vegan” or “vegetarian.”
E-Commerce Strategies

Use menu sub-categories.

List plant-based products alongside their conventional counterparts.

Minimize clicks to access a category.

Cross-list to retain customers.

Describe categories and subcategories with recommended language.

Assign all relevant attribute tags.
E-Commerce Strategies: King Soopers

Dairy and Eggs

- Milk and Plant-Based Milk
- Cheese
- Yogurt
- Cream and Creamer
- Butter and Margarine
- Eggs and Egg Substitutes
- Sour Cream and Dips
- Refrigerated Dough and Crust
- Pudding and Gelatin
Marketing: Key Strategies

Create cross-category, thematic, plant-based promotions.

Market around taste by upping the indulgence factor and featuring plant-based options as alternatives to animal-based.

Appeal to more customers by using inclusive terms, such as “plant-based” and “plant-protein,” instead of restrictive terms, such as “vegan” or “vegetarian.”

Leverage wellness and nutrition programs, as well as seasonal campaigns, and offer an in-store demo program to increase exposure.

Results: Marketing

<table>
<thead>
<tr>
<th>Banner</th>
<th>Star Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole Foods</td>
<td>★★★★★</td>
</tr>
<tr>
<td>ShopRite</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Stop &amp; Shop</td>
<td>★★★★★</td>
</tr>
<tr>
<td>King Soopers</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Ralphs</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Kroger</td>
<td>★★★★★</td>
</tr>
<tr>
<td>Target</td>
<td>★★★★★</td>
</tr>
<tr>
<td>BI-LO</td>
<td>★★★★</td>
</tr>
<tr>
<td>Giant Food</td>
<td>★★★★</td>
</tr>
<tr>
<td>Fred Meyer</td>
<td>★★★★</td>
</tr>
<tr>
<td>Publix</td>
<td>★★★★</td>
</tr>
<tr>
<td>Winn-Dixie</td>
<td>★★★★</td>
</tr>
<tr>
<td>Safeway</td>
<td>★★★★</td>
</tr>
<tr>
<td>Harris Teeter</td>
<td>★★★</td>
</tr>
<tr>
<td>GIANT Food Stores</td>
<td>★★★</td>
</tr>
<tr>
<td>Wegmans</td>
<td>★★★</td>
</tr>
<tr>
<td>Hy-Vee</td>
<td>★★★</td>
</tr>
<tr>
<td>H-E-B</td>
<td>★★★</td>
</tr>
<tr>
<td>Food Lion</td>
<td>★★★</td>
</tr>
<tr>
<td>Walmart</td>
<td>★★</td>
</tr>
<tr>
<td>Vons</td>
<td>★</td>
</tr>
<tr>
<td>Albertsons</td>
<td>★</td>
</tr>
<tr>
<td>Meijer</td>
<td>★</td>
</tr>
</tbody>
</table>

Source: Good Food Retail Report, 2019
## Marketing: By the Numbers

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plant-Based Promotions</strong></td>
<td>78%</td>
</tr>
<tr>
<td>78% of retailers had at least one plant-based category promotion or marketing event.</td>
<td></td>
</tr>
<tr>
<td><strong>Plant-Based Alongside Conventional Products</strong></td>
<td>39%</td>
</tr>
<tr>
<td>39% of retailers featured plant-based products next to animal-based products in a promotion.</td>
<td></td>
</tr>
<tr>
<td><strong>In-Store Displays</strong></td>
<td>57%</td>
</tr>
<tr>
<td>57% of retailers showcased plant-based products in endcaps, displays, or product sampling.</td>
<td></td>
</tr>
<tr>
<td><strong>Preferred Language</strong></td>
<td>65%</td>
</tr>
<tr>
<td>65% of retailers used inclusive language, such as “plant-based” or “plant-powered,” instead of limiting language, such as “vegan” or “vegetarian” in marketing materials.</td>
<td></td>
</tr>
</tbody>
</table>
Marketing: Campaigns

Sprouts email campaign

Plant-Based Tastes Great!!

With a variety of flavorful and satisfying items to choose from, going plant-based has never been easier.

Learn More

No Need to Sacrifice Flavor...

Many of your favorite products are plant-based, too!

Frozen Treats

✓ Indulgent
✓ Satisfying
✓ Irresistibly creamy
Marketing: Promos & Content

Aldi flyer with plant-based products

Whole Foods website and social content

Your Guide to Vegan Grilling

Vegan favorites that are smoky, savory and satisfying.
Marketing: Store Magazines

The Kroger Co.—Live Naturally

The Kroger Co.—Live Naturally

Ahold Delhaize—Savory Magazine
**Product Assortment**

- Offer products featuring a diversity of protein types, formats, flavors, and price ranges across plant-based meat, egg, and dairy categories.
- Take advantage of the rise of plant-based via private label product development.
- Leverage prepared foods & foodservice to increase trial and drive sales.

**Merchandising**

- Merchandise products integrated-segregated or integrated with the conventional set.
- Display aisle signage and shelf tags to help customers locate products.

**Marketing & Promotions**

- Promote plant-based at a cross-category level.
- Feature plant-based alongside conventional categories in marketing.
- Use language that drives higher purchase intent like “plant-based” or “plant protein.”

Download the full report at [www.gfi.org/retail-report](http://www.gfi.org/retail-report)
Agenda

- Plant-Based Consumers + WFM
- Current & Future Plant-Based Products
- White Space & Opportunities
Plant-Based Consumers + WFM

• State of the business

• Consumer cross-shop

• Importance of Plant-Based options
Current & Future Plant-Based Products

- Category growth across the entire store
- Consumer expectations
- Cross-Section of health, environmental & animal welfare
White Space & Opportunities

• Invention vs. Innovation

• Customer obsession

• Quality Standards & the future of food
Effects of Covid-19 on the plant-based food industry
Plant-based meat has experienced strong growth in both dollar and volume sales.
Plant-based meat dollar sales growth has consistently outperformed animal-based meat dollar sales growth.

Plant-based and animal-based meat comparison: Increase in dollar sales growth vs same week in the previous year
March 1, 2020 – May 10, 2020

The animal-based and plant-based meat categories grew 45% and 86%, respectively, for the 9-week period ending May 10.

Source: The Analogue Dish, “Sales up, yes, but market share down for alt-meat in retail surge” (May 2020) - 210 Analytics LLC using IRI data; The Analogue Dish, “Refrigerated plant-based alt-meat products sales outpace frozen” (June 2020) - 210 Analytics LLC using IRI data.
Fresh plant-based meat sales growth has massively outperformed fresh animal-based meat sales growth

Plant-based and animal-based fresh meat comparison: Increase in sales growth vs same week in the previous year

March 21, 2020 – June 20, 2020

Source: Supermarket Perimeter, “Nielsen releases sales numbers for fresh perimeter products week of March 28” (April 2020), “Fresh departments still going strong amid COVID-19 for the week of April 4” (April 2020), “Grocery sales still elevated, but down from Easter week sales” (April 2020), “Above-average grocery sales continue, food prices rise” (May 2020); “Grocery sales start to slow, remain elevated over last year” (June 2020), “Consumers buy more seafood as meat prices rise” (June 2020); “Perimeter department sales continue downward trend into June” (June 2020); “Final Nielsen COVID-19 grocery report shows continued double-digit growth” (June 2020).
Plant-based milk sales are projected to grow by 9% in 2020, animal-based milk sales are projected to decline by 5%.

On a 15-year long-term CAGR basis from 2005-2020, animal-based milk's market size declined 1.5%, while plant-based milk's grew 6.7%.

Source: Nutritional Outlook, "Plant-based dairy alternative sales grow during COVID-19 pandemic" (July 2020) – Analysis by Cargill and Euromonitor.
Oat milk as a subcategory has massively outperformed animal-based milk

Oat milk and animal-based milk comparison: Increase in sales growth vs same time period in the previous year

March 7, 2020 – March 28, 2020

Source: NPR. “America’s Shopping List Here’s What We’re Buying The Most” (March 2020); Supermarket Perimeter, “Nielsen releases sales numbers for fresh perimeter products week of March 28” (April 2020)
Oat milk maintained its strong sales growth performance through June

Source: Supermarket Perimeter, “Perimeter department sales continue downward trend into June” (June 2020); “Final Nielsen COVID-19 grocery report shows continued double-digit growth” (June 2020)
Plant-based meat companies performed well during the initial months of Covid-19

- 66% increase in March sales, driven by frozen plant-based protein products
- Sales increased by 65% from March 13, 2020 to April 19, 2020, compared to the same period in 2019
- 38% of buyers were first time customers
- Sales increased 40% from February through April
- Sales of plant-based ham grew 631% compared to the same period last year

Source: Forbes, "Alternative Meat Sales Soar Amid Pandemic" (May 2020)
Plant-based meat companies have been performing well over the past few months

- Reports in early May indicated Impossible Foods products were being added to 777 retail locations in California, Nevada and the Chicago area, a 500% percent increase in grocery stores selling the Impossible Burger
- Impossible announced expansions into Publix, Walmart, and Trader Joes over the course of July and August
- Impossible products are now available in 9,200 retail stores nationwide

- Beyond Meat’s first quarter net revenues increased 141 percent from the previous year to more than $97 million
- Beyond’s U.S. retail sales increased 194.9% over the course of Q2 2020
- Beyond products currently available in 25,000 retail stores nationwide
- 4.9% of U.S. households tried Beyond Meat products by the end of June, up from 3.5% in January
- 50% of those who bought Beyond products bought them again, up from 45% in January

Source: The Hill, “Demand for plant-based meat alternatives soars amid coronavirus” (May 2020); CNBC, “Beyond Meat’s U.S. grocery sales nearly triple, offsetting restaurant losses” (August 2020); Food Dive, “With more retail expansions, plant-based meat gets closer to ubiquity” (August 2020); Yakima Herald, “Beyond Meat’s Q2 sales jump as more try plant-based burgers” (August 2020)
Plant-based companies raised $741 million in investment capital in Q1 2020 alone

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>rebellious foods</td>
<td>$6 million</td>
</tr>
<tr>
<td>IMPOSSIBLE</td>
<td>$500 million</td>
</tr>
<tr>
<td>plantible</td>
<td>$4.6 million</td>
</tr>
<tr>
<td>the LIVEKINDLY co.</td>
<td>$200 million</td>
</tr>
</tbody>
</table>

Effects of Covid-19 on consumer motivations/perceptions
Health concerns are top of mind for consumers during Covid-19

**Consumer perceptions during Covid-19**
August 2020

- Concerned about being less active/gaining weight: 51%
- Concerned about mental health: 35%

**Consumer intent during Covid-19**
August 2020

- Plan to purchase more health-related items: 48%
- Already purchasing more health-related items: 31%

Gen Z and Millennials are more likely to report they will not buy animal-based meat due to fears of Covid-19.

Almost one quarter of consumers report eating more plant-based meals due to Covid-19

Changes in types of meals eaten due to Covid-19

Consumers aged 18-24 are the largest age group to eat more plant-based meals during the pandemic (29% vs 23%)

Source: Self, “Personal Spending Habits During Covid-19” (May 2020)
92% of first-time plant-based meat buyers during Covid-19 are likely to continue purchasing plant-based meat.
Q&A

- **Caroline Bushnell**, Associate Director of Corporate Engagement, GFI
- **Emma Ignaszewski**, Corporate Engagement Strategist, GFI
- **Parker Brody**, Sr. Global Category Manager, Whole Foods Market
- **Kyle Gaan**, Research Analyst, GFI

Contact the GFI team at corporate@gfi.org.