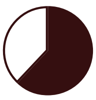
Tirlán MR&I NEWS
Market research and analysis from around the globe.

THE GROWING APPEAL AND CHALLENGES OF PLANT-BASED PRODUCTS

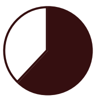
A Global Perspective

In recent years, there has been a noticeable shift in dietary habits worldwide, with an increasing number of consumers turning to plant-based products for reasons ranging from health consciousness to environmental concerns.

This trend has not only gained traction among niche groups such as vegetarians and vegans but has also become mainstream, with plant-based alternatives firmly establishing themselves as a staple in weekly shopping lists.



62%
of US households purchase plant-based products

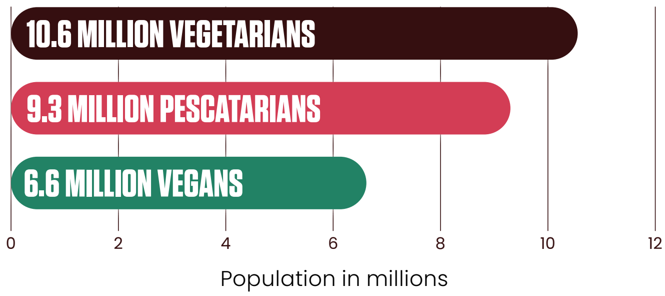


62%
of consumers are actively attempting to reduce their meat intake

In the United States, for example, 62% of households purchase plant-based products, while a substantial portion of consumers (62%) are actively attempting to reduce their meat intake[1], indicating a widespread shift towards plant-based eating habits.

In the EU, 26.5 million consumers now identify as pescatarian, vegetarian, or vegan[2], indicating a significant shift towards plant-centric diets. Particularly among younger generations, there is a growing preference for plant-based alternatives. Globally 51% of consumers claim to be actively looking to avoid animal-based sources of protein in any format[3], reflecting a long-term transition towards plant-based offerings.

NUMBER OF CONSUMERS FOLLOWING A MEATLESS DIET IN SELECTED PARTS OF THE EUROPEAN UNION



Source: Forecast number of consumers following a meatless diet in selected parts of the European Union (EU-27) form 2023 to 2033, by type.

statista

YEAR 2022: US$ 12.6 billion

YEAR 2029 PROJECTION: US$ 23 billion (+83%)

The global milk alternative market is valued at US$12.6 billion in 2022 and is forecasted to reach US$23 billion by 2029[4]. While some regions may experience stagnating or declining sales, overall growth remains robust, especially in Asian and Middle Eastern/African countries where plant-based claims are gaining traction.

However, despite the promising outlook, the plant-based industry faces several challenges.

Competition for the plant-based dollar is intensifying, with taste, texture, functionality, and price emerging as key factors influencing consumer preferences.

Stagnating sales in the sector are having a considerable commercial impact with some consolidation evident in the market.

However, as Gen Z transition to their full purchasing power, the plant-based food market is forecasted to return to growth.

In response to evolving consumer demands, and a notable shift away from almond and soy[5], the focus has transitioned towards ingredients like oats, which have seen a surge in popularity in plant-based categories such as milk, yogurt, and ice cream.

Oat-based dairy launches have witnessed rapid expansion, leveraging the ingredient's health benefits, taste profile, and environmental sustainability.

While price increases and softer growth figures may present temporary setbacks, plant-based milks, including oat-based varieties, continue to appeal to consumers seeking healthier and environmentally friendly alternatives.

As sustainability messaging becomes increasingly important, the plant-based industry must also prioritise taste, functionality, and affordability to maintain its momentum and drive future growth in the evolving food landscape.

> *"However, as Gen Z transition to their full purchasing power, the plant-based food market is forecasted to return to growth."*

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ABOUT TIRLÁN MR&I

An expert team which is provocative, energetic and nimble that adds value through driving insight led growth aligned to our internal customers' strategies and priorities through a thorough understanding of consumers, categories, markets and customers.

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References:

1. Dairy Products and Alternatives: Euromonitor from trade sources/national statistics, Euromonitor
2. Forecast number of consumers following a meatless diet in selected parts of the European Union (EU-27) form 2023 to 2033, by type. Statista
3. Top Ten Trends for 2024 - Global Report. FMCG Gurus
4. Dairy Products and Alternatives: Euromonitor from trade sources/national statistics, Euromonitor
5. Circana, SPINS

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