Industry Trends
Alternative Meat

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What are the consumer drivers?

Consumer desire	Concern
Health	Saturated fats, cholesterol
Transparency	Where does my food come from?
Additive fear	Antibiotics and hormones in our food
Sustainability	Climate change and planetary wellness
Feeding efficiency	Sufficient supply to feed the growing population
Creature kindness	Fair and humane animal treatment

Source: Innova Market Insights, 2019

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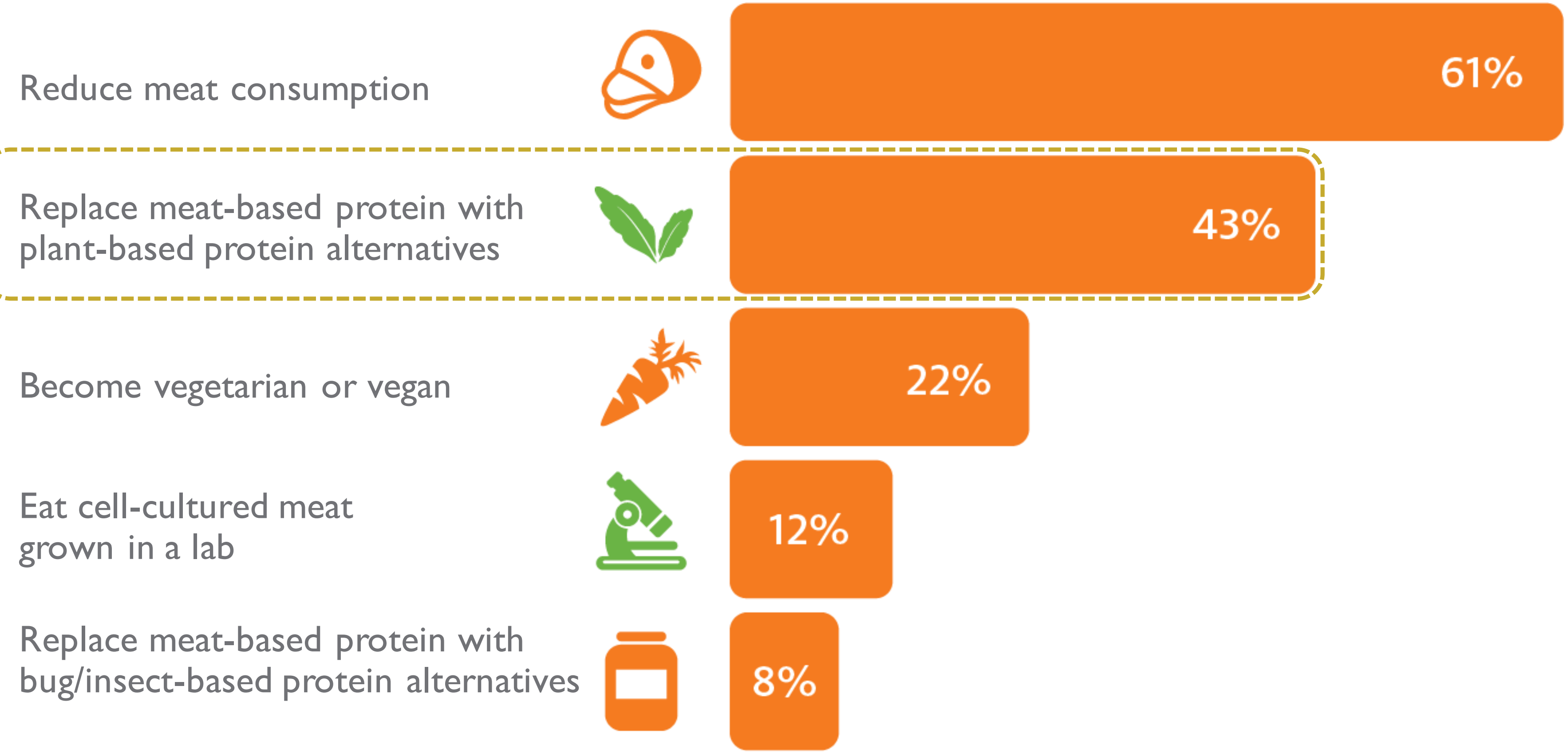
Some old habits do change – and are changing quickly

QUESTION: What are consumers willing to do to alter the impact of livestock on climate change?



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Source: Homescan U.S. survey, Nielsen, December 2018

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By 2054, plant protein is expected to be 1/3 of all protein[1]

Plant-based food and beverage market in the U.S. is growing **5 times more** than total food sales (11% vs. 2%) [2]

GROWTH OF PLANT-BASED ALTERNATIVES BY CATEGORY		
Category	Dollars	Growth
Milk	$2B	5.0%
Meat	$939M	18.4%
Meals	$377M	8.3%
Ice Cream	$336M	5.7%
Creamer	$287M	34.3%
Yogurt	$283M	31.3%
Butter	$198M	8.4%
Cheese	$189M	18.3%
Tofu and Tempeh	$128M	7.8%
Ready-to-Drink Beverages	$122M	18.4%
Condiments, Dressings and Mayo	$64M	10.9%
Spreads, Dips, Sour Cream and Sauces	$30M	53.7%
Eggs	$10M	191.7%
TOTAL PLANT-BASED FOODS	$5.0B	11.4%

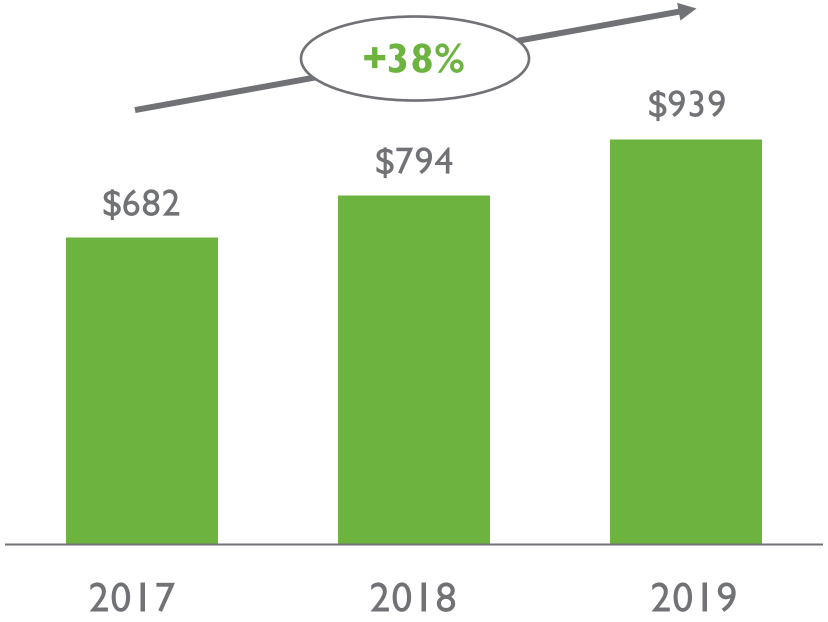
Source: 52 weeks ending December 2019, Commissioned data from SPINS

plantbasedfoods.org

Source: 1. PBFA, 2018; 2. Plant-Based Foods Association (PBFA), 12/2019

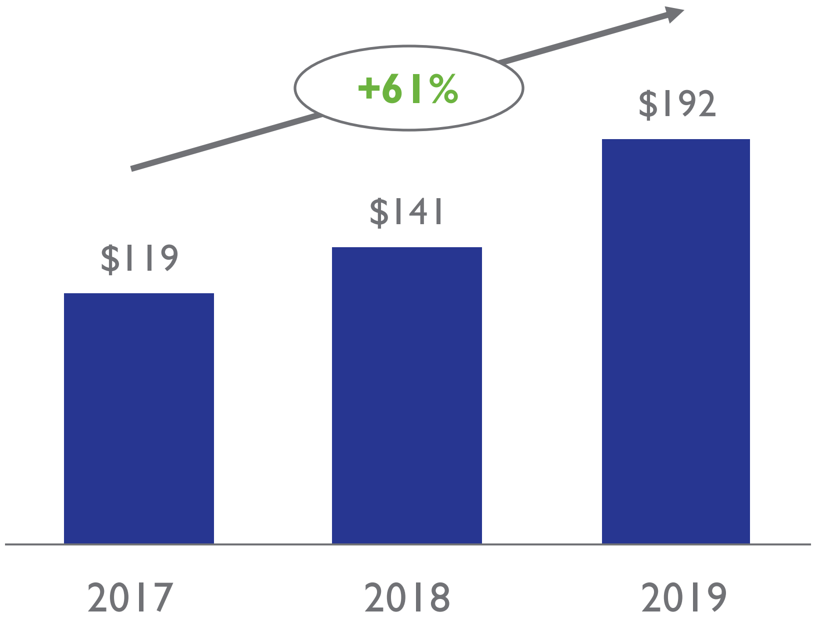
What is the growth opportunity?

U.S. plant-based meat market (mm)



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

Foodservice plant-based protein sales U.S. (mm)



Source: SupplyTrack®, 12ME March 2019

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Who are the target consumers?

3 primary markets/consumers

Vegans, vegetarians & whole food, plant-based	Flexitarian	Meat primary
$5B		$200B
Currently eating meat alternatives	Eating a mixture of plant-based sources, meats/meat alternatives	Consumers who are primarily meat consumers; currently not consuming meat alternatives

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Source: Innova Market Insights, 2019

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COVID-19 impact on plant-based proteins

8 in 10 consumers changed their eating habits due to COVID-19*

CAUSE → **EFFECT**

- Virus has worse outcomes for people with underlying medical conditions
- Restaurant and other foodservice closures
- Animal-derived products' impact on health and the environment
- Animal-derived products' high dependence on labor – making plant-based protein less prone to staffing scarcity[1]

- **30% of consumers report eating more protein from plant sources since the start of COVID-19[2]**
- **18% of consumers report eating more plant alternatives to animal meat[3]**
- **24% of consumers report eating more plant-based dairy[4]**

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Source: 1. GlobeNewswire *COVID-19 Impact on Alternative Protein Industry*: Meticulous Research® Viewpoint; [*2,3,4.] International Food Information Council's (IFIC) 2020 Food and Health Survey, June 2020

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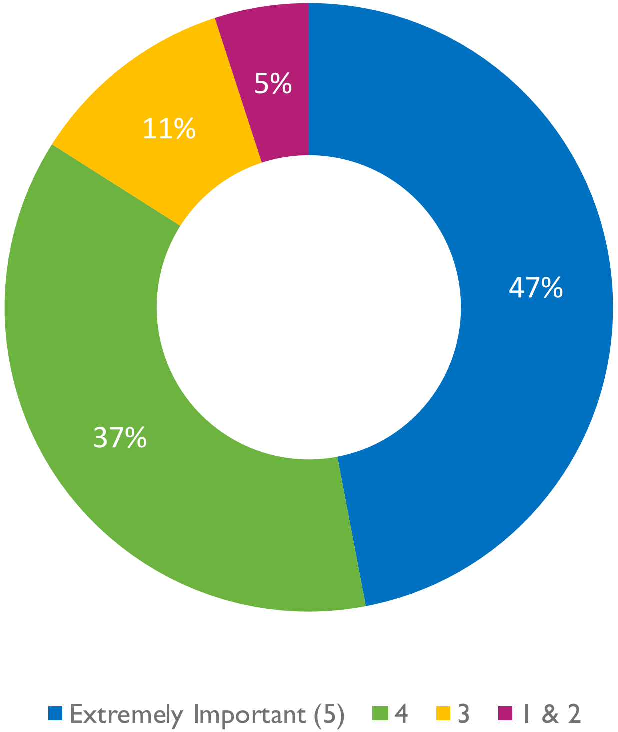
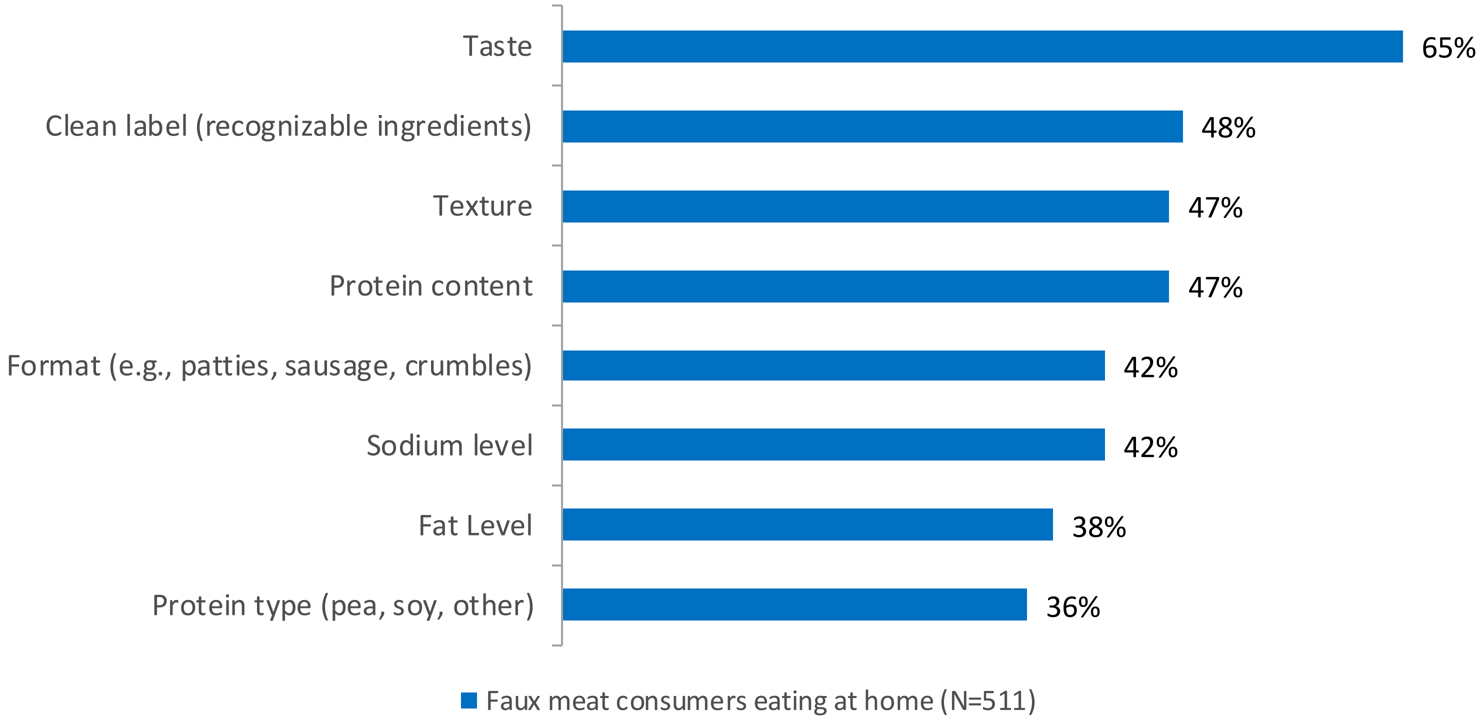
Faux meat purchase drivers

NOT SURPRISINGLY, TASTE IS THE MOST IMPORTANT FACTOR IN BRAND SELECTION BY A LARGE MARGIN, FOLLOWED BY CLEAN LABEL, TEXTURE AND PROTEIN CONTENT

Importance of Ingredients in Faux Meat Selection



Extremely Important Factors in Selecting Faux Meat



Q18: How important are each of the following factors in selecting a meat alternative intended to mimic meat? **Top Box Summary** (5-point scale)
Q23: How important are the ingredients when you are deciding which "meat alternative intended to mimic meat" to buy?
Sample source: U.S.