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plant-based protein

The latest plant-based
market insights for you

November – December 2023

In this update

- A lot has been said about plant-based meat substitutes in the last couple of years.
- More recently, the sentiment is turning a bit more towards negative.
- This update's aim is to summarize the most important developments and to provide some guidance for plant-based companies.



...mittelalten Ägypten
...gefunden worden.
...die Minge err-
...die Antiken-
...er Anfang
...nahe Luxo-
...symboli-
...der Zeit

News update

News update

Bad news around plant-based meat in America ...

Two leading American plant-based meat companies have shared declining results in the last months.

Sales at vegan burger maker Beyond Meat fall by almost a third

US firm cuts revenue forecast as consumers opt for cheaper options amid cost of living crisis



📷 Beyond Meat says sales fell 30.5% to \$102.1m in the quarter to 1 July, missing analysts' expectations. Photograph: Richard Drew/AP

Impossible Foods Plans to Lay Off About 20% of Workers

- Workforce reduction follows another round of cuts in October
- Buyouts were also offered to workers at end of last year



Impossible Foods signage at a grocery store in Los Angeles. Photographer: Patrick T. Fallon/Bloomberg

News update

... but certainly also in Europe!

Vegan mince company Meatless Farm collapses due to 'lack of demand'

It comes amidst a slump in the overall demand for meat-free products.

Georgina Pellant - 14th June 2023



Northern vegan food company Meatless Farm has entered administration and made its staff redundant, citing a lack of demand for meat-free products.

Multiple well known European plant-based companies have gone bankrupt in 2023.

Plant & Bean appoints administrators

By Gwen Ridler

05-Jun-2023 - Last updated on 05-Jun-2023 at 13:05 GMT



Plant & Bean has appointed administrators after struggling with rising energy and raw material costs

RELATED TAGS Plant-Based

Market & Trends

Plant-Based. The Death Knells of an Industry, or the Calm After the Storm?

June 12, 2023



Bookmark



©Meatless Farm

Today in the UK, the unfortunate news regarding Meatless Farm's mass redundancies arrived, as sadly predicted over the past week. And right on cue, conventional media was ready and waiting with sharpened knives, eager to apply the now tried and tested narrative that this signifies the demise of an industry: "It comes amid a wider slowdown in the market for vegan food," slates the anti-vegan Telegraph.

News update

Fortunately, there's good news too.

Meatless Farm off the chopping block as VFC Foods confirms takeover

By Flora Southey

21-Jun-2023 - Last updated on 23-Jun-2023 at 15:17 GMT



Today (21 June), vegan food company VFC Foods announced it is acquiring Meatless Farm and retaining the brand. Image source: VFC Foods

RELATED TAGS [Meatless Farm](#) [Plant-Based Meat](#) [M&A](#) [Meat Alternatives](#)

Part of these companies have been acquired by other plant-based companies.

RESTRUCTURES & RECEIVERSHIPS

Heather Mills picks up Plant & Bean meat alternatives factory from administration

By Ed Devlin | 3 July 2023

Mills – the founder of plant-based group VBites – purchased the Lincolnshire factory and associated equipment from administrators at Interpath for an undisclosed sum

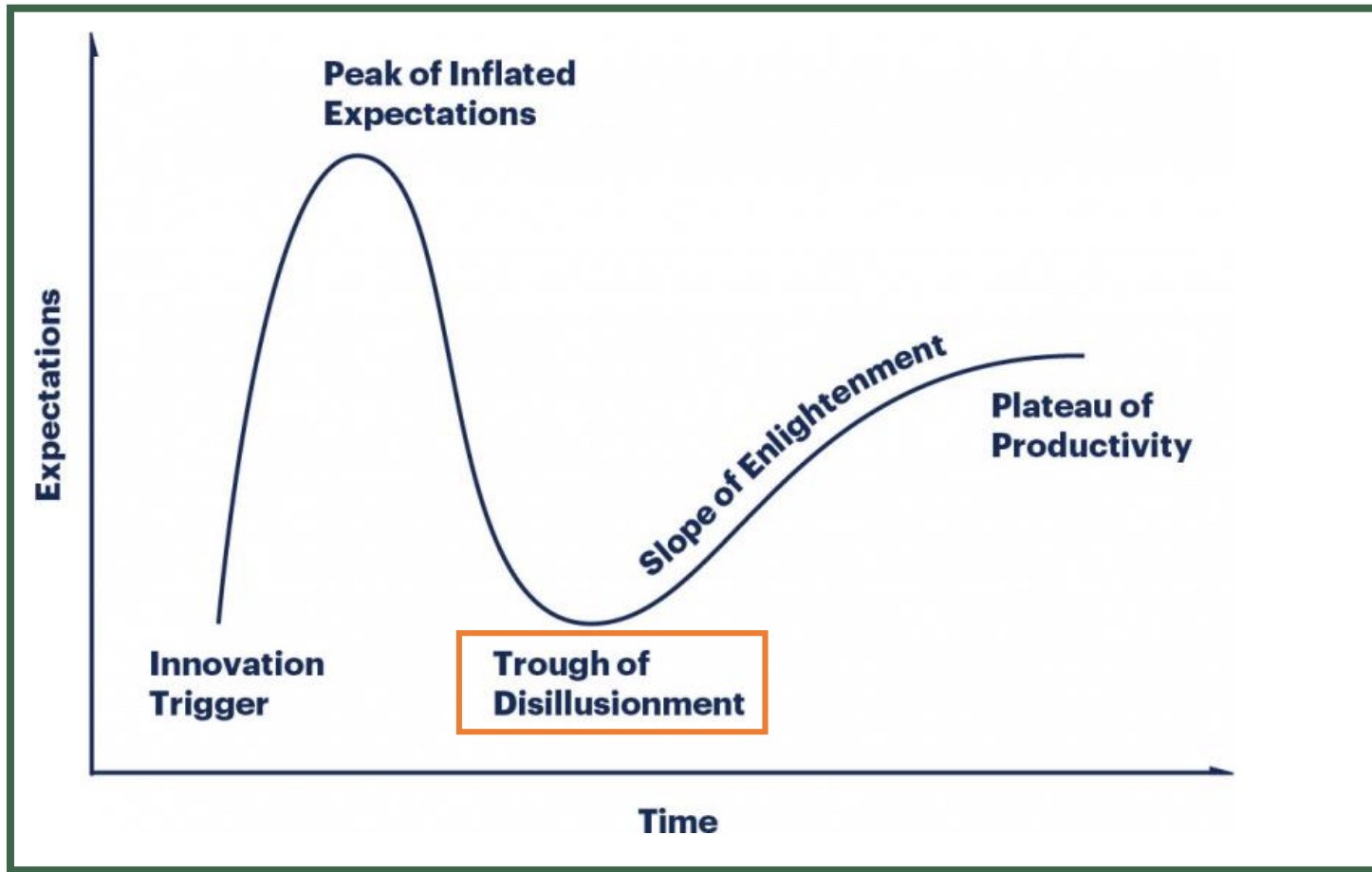


A close-up photograph of a person's hand holding a small, young plant seedling. The seedling has a thin green stem and two bright green, heart-shaped leaves. The hand is cupped around the base of the plant, which is still in a small amount of dark soil. The background is a soft-focus view of green trees and foliage, suggesting an outdoor setting. The overall lighting is natural and slightly diffused.

Trough of disillusionment

Trough of disillusionment

Expectations have been huge, but decreased strongly.



The Gartner Hypecycle is a very useful theory to give some guidance to the category.

Plant-based meat substitutes appear to be in the

Trough of disillusionment.

After a explosive first growth, expectations have fallen back again.

Trough of disillusionment

Companies have added too little value so far.

- Consumer expectations are not met, especially on taste, nutritional values, price and texture.
- Plant-based alternatives are still on average 2-3x more expensive as compared to traditional products.
- Plant-based companies face structural profitability challenges.



Trough of disillusionment

Plant-based players need to go back to the drawing board.

Five recommendations to leave the Trough of Disillusionment:

1

Focus on **less processed products** rather than trying to mimick meat products.

Emphasize the **positive features** of plants in stead of communicating the negative effects of meat consumption.

2

3

Sustainability advantages are not enough anymore. Among others, **taste, price** and **clean label** are crucial for meat substitutes.

Don't try to find the huge launches, but **slight changes** that might have bigger effects (e.g. plant-based ingredients in ready meals).

4

5

Investigate improvement opportunities in the full chain. E.g. less isolates (but more plant) or another presentation on shelf.



What now?

What now?

- No need to panic, but be aware of crucial changes that are needed to make plant-based meat substitutes strongly growing again.
- Re-evaluate strategies for product innovation and communication.
 - Less focus on mimicking meat, more on plant advantages.
 - Put taste, price and clean label at the top of the priority list.
- Need help? Get in touch with Schouten!



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Do you have any questions or remarks, get in touch via
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Kees van den Heuvel
Trade Marketeer



Source overview

- Sales at vegan burger maker Beyond Meat fall by almost a third - <https://www.theguardian.com/business/2023/aug/08/sales-at-vegan-burger-maker-beyond-meat-fall-by-almost-a-third>
- Impossible Foods Plans to Lay Off About 20% of Workers - <https://www.bloomberg.com/news/articles/2023-01-30/impossible-foods-plans-to-lay-off-about-20-of-employees#xj4y7vzkg>
- Vegan mince company Meatless Farm collapses due to 'lack of demand' - <https://theman.com/business/meatless-farm-collapses/>
- Plant & Bean appoints administrators - <https://www.foodmanufacture.co.uk/Article/2023/06/05/plant-bean-latest-manufacturer-to-enter-into-administration>
- Plant-Based. The Death Knells of an Industry, or the Calm After the Storm? - <https://vegconomist.com/market-and-trends/plant-based-the-death-of-an-industry/>
- Meatless Farm off the chopping block as VFC Foods confirms takeover - <https://www.foodnavigator.com/Article/2023/06/21/Meatless-Farm-acquired-by-VFC-Foods>
- Heather Mills picks up Plant & Bean meat alternatives factory from administration - <https://www.thegrocer.co.uk/restructures-and-receiverships/heather-mills-picks-up-plant-and-bean-meat-alternatives-factory-from-administration/680789.article>
- ABN AMRO – Kansen voor vlees- en zuivelvervangers. Naar een maar plantaardig dieet.
- Gartner - <https://www.gartner.com/en/research/methodologies/gartner-hype-cycle>
- FMCG CEOs: Is Plant-Based Dead? - <https://www.linkedin.com/pulse/fmcg-ceos-plant-based-dead-frederic-fernandez/>
- A Path for Plant-based Meat out of the Trough of Disillusionment: Consolidation Seems Inevitable in Europe - <https://research.rabobank.com/far/en/sectors/consumer-foods/a-path-for-plant-based-meat-out-of-the-trough-of-disillusionment.html>