

# Plant-Based Grows Amid COVID-19

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By Amanda Baltazar on Aug. 19,  
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Photograph courtesy of Jungle Jim's

COVID-19, which has upended all aspects of American life, has brought with it a bonus: It has boosted sales of an already growing category—plant-based foods.

Panic buying early in the pandemic, more cooking at home and a focus on health at a time when it's of a premium have helped plant-based foods reach the masses.

And it's resonating across all categories. Each plant-based food category started the year stronger than at the end of 2019, according to the Plant Based Foods Association (PBFA), San Francisco. Overall, it says, plant-based foods are up 11.4%, “and COVID-19 has led to further exponential growth for all categories of plant-based food during the first 16 weeks of 2020,” says Julie Emmett, senior director of retail partnerships for PBFA.

In the longer term, launches of these products have grown too. Products claiming to be “plant-based,” “100% plant,” “plant-powered” or to include “plant protein” grew by 51.4% between 2018 and 2019, according to Netherlands-based Innova Market Insights.

This all trickles down to great opportunities for center store, both on the shelves and in the freezers. The top categories for shelf-stable products are cold cereal, chocolate candy, fresh bread and rolls, snack/granola bars, snack nuts/seeds/corn nuts and salty snacks,

according to market research firm IRI, Chicago. In the freezer, it's frozen novelties, frozen meat and frozen vegetables.

Frozen foods constitute 26% of plant-based food sales, according to the PBFA, led by frozen meat (up 32% compared to last year), frozen entrees (up 24%) and frozen desserts (up 15%). Last year, dollar sales of plant-based ice cream grew three times faster than dollar sales of animal-based ice cream, according to The Good Food Institute's SPINS market research.

At stores owned by Carlisle, Pa.-based The Giant Co., some of the biggest increases in plant-based options have been in milks, canned meat, pasta and salty snacks, as well as frozen categories such as ice cream, meatless and meals, says VP of Center Store Merchandising Rebecca Lupfer. There's a lot of innovation, she says, in shelf-stable meat alternatives, such as Good Catch tuna and Gardein soup, as well as typically gluten-based products being replaced with legumes or cruciferous vegetables.

Growth, she adds, is coming from plant-based versions of traditionally animal-based products, "but traditionally plant-based products are also seeing growth, presumably driven by key messaging on packaging and plant-based being a buzzword."

At Harmons, West Valley City, Utah, "some of the strongest performing brands are plant-based," says Grocery Buyer Kimball Wilson, especially chips and snacks like Beanitos. However, "ice cream and novelties are the big winners right now," she says.

## **What's Resonating**

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Consumers are buying plant-based products for a number of reasons: they're less harmful to the environment; they're more humane; the companies are often known for treating their employees fairly; they're trendy; they're often healthy alternatives; and they're innovative.

"The top motivation behind plant-based purchases is taste and discovery," says Shelley Balanko, SVP, business development, The Hartman Group, Bellevue, Wash. "So condiments and snacks make sense; they're an easy vehicle for consumers to experiment, and they cost less."

Cool Beans, which is owned by BeyondBrands, New York, has a line of three frozen burritos. A clean label was important to Mark Duskow, chief operating officer and co-founder of BeyondBrands. "It's very easy to be vegan and be unhealthy; there's a lot of highly processed food out there," he says. "We're looking to offer people a cleaner alternative."

What consumers are seeking is real, simple, ingredients in products that taste good, says Whitney Bembenick, director of marketing and innovation for Indianapolis-based Endangered Species Chocolate. Those attributes, she says, are more critical than other factors such as organic, natural or clean label.

“We’ve seen increases in frozen meat alternatives, like veggie burgers, and shelf-stable staples, like plant-based soups and baked beans,” says Justin Neal, VP of sales for Amy’s Kitchen in Santa Rosa, Calif. “Plant-based offerings were already on a double-digit growth trajectory, but the global pandemic really accelerated this growth rate.”

At the same time the pandemic amplified consumers’ focus on health and wellness it also increased their appetite for comfort foods. “We see a lot of consumer interest in plant-based comfort food classics, like macaroni and cheese, pizza and burgers,” adds Neal.

Amy’s currently offers 135 plant-based offerings, and most recently launched a new line of Vegan Bowls that are recreations of comfort food favorites.

Lupfer of Giant also believes taste and texture are key. She said she’s also seeing growth in blended meat/plant-based products, such as Perdue’s chicken nuggets with plant proteins and Applegate Farms’ blended burgers.

“To a vegan, natural/clean label and organic are extremely important. For someone who is a newer plant-based customer or a flexitarian, natural, clean and organic is not as important,” Lupfer says. But the biggest issue right now is glyphosate-free within plant-based product attributes, she adds

At Harmons, both plant-based versions of animal foods and original plant-based foods are doing well. “Most vegans don’t want meat-like things, and they’ll buy the traditional plant-based foods that are not trying to imitate something,” Wilson says. “The more conventional consumer [wants] the plant-based versions of the animal products, and that’s where we’re seeing the huge increase. It’s about the excitement of brands like Impossible and Beyond and what they’re doing to mimic real meat in texture, taste and price.”

Having said that, plant-based products do seem to have a health halo around them. “Plant-based does not always mean healthier, but rather the perception of healthier,” says Sally Lyons-Wyatt, executive and practice leader, client insights, for IRI.

## **National Brand vs. Niche**

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Two factors, from a brand perspective, are driving the growth of plant-based center store products: national brands with plenty of marketing clout; and nimble, innovative niche brands.

Plant-based has become more mainstream, with national brands such as Beyond Meat, Quorn and Blue Diamond the major players, says Andrea Cook, natural foods manager for Jungle Jim's International Market, Fairfield, Ohio. However, she adds, die-hard "health-conscious consumers still often prefer the independent smaller brands." Companies such as No Evil Foods, Three Trees and Yeah Dawg are performing very well, she adds.

What consumers are mostly looking for from these brands, Cook says, is plant-based versions of foods that have traditionally been made with animal products, while traditional plant-based products such as tofu, tempeh and seitan are taking "a significant backseat."

The small brands, says Wilson of Harmons, "are nimble and are passionate about what they're doing. They often make a quality and clean label because they're making it for the lifestyle they want to live and that's the consumer they're targeting. With big brands it's more about efficiency."

Private label is doing well too. According to PBFA, it's growing by double digits, "driven by retailers launching a plethora of new items," Emmett says.

## **Brand Promos**

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COVID-19 may have boosted plant-based sales at retail, but that's no thanks to in-store demos and samplings, which are not an option for the short term. Instead, Cool Beans is leaning heavily on in-store promotions and BOGOs, as well as social media and blog posts by influencers and engaging content on its own social media accounts.

"Education is key for prompting consumer trial within plant-based," says Lupfer. Giant uses shelf tags and promotions/callouts to help customers find plant-based products. The retailer has also successfully introduced new plant-based items via its Free Friday promotions (free products on its app), she adds.

Harmons gave a big push to plant-based foods in early August, when its entire ad was plant-based. Wilson is such a believer in the small brands, that he waived their advertising fee. "When I look at the innovation of the smaller brands, those are the ones I wanted in this ad," he says, adding that there was also some promotional spend from the big companies.

Cook of Jungle Jim's Cook said she expects "plant-based to be one of the biggest consumer trends in the next decade. "The public has an eye on both personal and environmental health, both of which are impacted by the animal-based product industry in different ways," she says.

## **Center Store**



Photograph courtesy of Albertsons Cos.

Ahead of National Ice Cream Day on July 19, Albertsons Cos. and ultra-filtered milk brand Fairlife are launching new treats in the frozen aisle.

Boise, Idaho-based Albertsons has introduced 13 new Own Brands items in the ice cream aisle, including plant-based and sorbet options and Signature Select Unicorn Cotton Candy Ice Cream, a pink and blue ice cream with sprinkles and the flavor of cotton candy.

“We’re passionate about innovating based on shoppers’ needs, desires and the latest consumer trends. With these new items, we delivered something to surprise and delight every customer,” said Chad Coester, SVP of Own Brands. “Our new ice creams and frozen desserts give a spoonful of satisfaction and excitement with each bite. And we can all use a little fun.”

Signature Select Unicorn Cotton Candy Ice Cream is just one of four new 1.5-quart Signature Select ice cream varieties. The others are Cinnamon Churro Ice Cream with Honey Bun Swirl, Lemon Cheesecake Ice Cream and Black Raspberry Chip Ice Cream.

The retailer also launched nine new varieties under its Open Nature brand, offering consumers dairy-free and plant-based offerings. The new items are:

- Oat Non-Dairy Vanilla Caramel
- Oat Non-Dairy Oatmeal Cookie
- Oat Non-Dairy Blueberry Oatmeal Crumble
- Coconut Non-Dairy Toasted Coconut

- Coconut Non-Dairy Peanut Butter Chip
- Coconut Non-Dairy Chocolate Salted Caramel
- Strawberry Sorbet
- Peach Sorbet
- Passion Fruit Sorbet

Both Signature Select and Open Nature items can be found in the frozen dessert section in select Albertsons, Safeway, Vons, Jewel-Osco, Shaw's, Acme, Tom Thumb, Randalls, United Supermarkets, Pavilions, Star Market, and other banners in the Albertsons Cos. family of stores.

Meanwhile, Fairlife, an ultra-filtered milk brand distributed by Atlanta-based Coca-Cola Co., is entering the ice cream category with the launch of Fairlife Light Ice Cream.

Made with ultra-filtered milk, Fairlife Light Ice Cream comes in seven lactose-free flavors: Vanilla, Chocolate, Cookies & Cream, Chocolate Peanut Butter, Double Fudge Brownie, Java Chip and Mint Chip. The varieties have 8 or 9 grams of protein, depending on the flavor, and 40% less sugar than traditional ice cream, according to the brand.

Fairlife Light Ice Cream has an SRP of \$4.98 per 14-ounce container and is available in select grocery chain stores, including Albertsons Cos., Big Y Foods, Food City, Food Lion, Harris Teeter Supermarkets, Hy-Vee, Lowes Cos., Lucky Stores, Raley's Supermarkets, Safeway, Save Mart Supermarkets, Vons, Walmart and WinCo Foods. Distribution is expected to expand to include more grocery, retail and convenience stores nationwide.

[Center Store Dairy Retailers](#)

## **Podcasts**

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