

Editor's note

Over the past decade, the global plant-based food market has grown substantially. This has been largely driven by companies launching products that appeal to mainstream consumers by mimicking the taste, texture, and functionality of conventional animal products. In 2023, new distribution around the world led to pockets of regional sales growth, particularly in markets where plant-based categories are still emerging. Yet a number of challenges persisted in more mature markets, including the United States, where retail dollar and unit sales for plant-based foods declined from 2022.

In the United States, plant-based price increases coincided with elevated inflation and tightened consumer budgets, and purchase dynamics indicated weakening consumer engagement in many plant-based categories. Plant-based meat sales declined more sharply than plant-based food sales overall, and surveys of lapsed consumers showed that plant-based meat products are largely not meeting consumer expectations, particularly in regard to taste, texture, and price. Funding constraints, scaling complexities, and a rise in misinformation and disinformation all posed additional obstacles to growth.

Yet U.S. consumers say they'd be more willing to eat plant-based meat if it tasted better, became more affordable, and overall provided a clear value. There also remain strong consumer tailwinds supporting a shift toward increasing consumption of plant-based foods. None of the challenges facing plant-based foods are insurmountable, but they do require significant increases in government and private sector support, with an eye toward meeting consumer needs. Companies can innovate to improve the eating experience of their products and optimize production to deliver better affordability. The industry can collaborate to better communicate the benefits of plant-based meat and the unique value of their products to consumers.

The past year saw progress made up and down the supply chain. New products with improved health propositions hit the shelves. Large companies released plant-based alternatives to popular branded products, leveraging those brands' equities. Research continued to optimize plant protein cultivation, take advantage of agricultural by-products, and create processes and ingredients that more closely match the sensory attributes of conventional meat, seafood, egg, and dairy products.

Despite tough market conditions, the stark realities of our food system remain: Global meat consumption is projected to rise significantly by 2050, and animal agriculture alone accounts for between 11 and 20 percent of greenhouse gas emissions. Taken together, these projections point to the urgent need for the kinds of solutions provided by alternative proteins.

If the world is to achieve our climate, biodiversity, public health, and food security goals, reimagining the way meat is made will be as essential as the global transition to renewable energy. When compared to conventional meat, alternative proteins dramatically reduce emissions, feed more people with fewer resources, reduce pandemic and antibiotic-resistance risks, and free up lands and waters around the world for restoration and recovery.

GFI's annual State of the Industry Reports equip food system stakeholders with an in-depth understanding of the alternative protein market and its challenges and opportunities. These reports also serve as a global call to action:

Alternative proteins are agricultural innovations that, with proper levels of government and private support, will help ensure planetary and public health, transforming our global food system for the better.