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INGREDIENTS®



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## Finding Opportunity in the Plant-Based Foods Category

It's been a tumultuous 2024 for the plant-based meat industry, and we're only half-way through the year. Here's what happening:

- Beyond Meat reported a [16.1% decrease in volumes](#) in the first quarter of 2024, and its U.S. foodservice revenues fell 16.2%.
- A comprehensive report from the Good Food Institute (GFI) showed declines in 2023 unit sales in 11 of the 16 plant-based food categories.
- There's been a constant stream of negative news calling plant-based meats everything from "ultra-processed" to "unhealthy."

The headlines haven't been great, but the plant-based category is not just meat mimics. There's a whole world of plant-based foods, including cheeses, dips, milks and baked goods. We scoured [Good Food Institute's 2023 State of the Industry Report, Plant-based: Meat, seafood, eggs, and dairy](#), and found some good news in an eye-opening chart that showed dollar and unit sales growth for 16 plant-based food categories for the 52-week ending December 3, 2023. There were three big bright spots:

- Plant-based creamers outperformed the entire industry, claiming a 10% increase in dollar sales and a 4% increase in unit sales.
- Plant-based protein powders also reported increases in both dollar and unit sales.
- The plant-based baked goods and desserts category reported \$105 million in sales, an 8% increase. Unit sales for the category increased 1%.



What do these three categories have in common? For many consumers, they are necessary indulgences that warrant paying a premium price. Coffee needs cream, fitness enthusiasts will pay for quality protein powders, and everyone wants to indulge in baked goods and desserts, even vegans.

Contrast this with plant-based meats. According to the GFI report, there's a 156% price premium in plant-based chicken compared to chicken. In milk, it's a 104% premium for plant-based products. Plant-based eggs? A shocking 317% premium. Amid inflationary times, consumers aren't willing to pay plant-based premiums on products they don't consider indulgences.

As product development plans for 2025 start to take shape, [Bluegrass Ingredients' Agile Kitchen™](#) Team is focusing on these three key plant-based categories that are primed for growth.

## Plant-Based Creamers are the Cream of the Crop

The plant-based creamer category is booming and diversifying with new players, new products and a greater variety of flavors. According to the GFI report, the category has only a 15% household penetration, so there is significant room to grow. Even better news, there is a 65% repeat buy rate, ranking it only behind plant-based milk in repeat rate.

We've seen this growth firsthand with sales and new product developments in two of our key product lines:

- **[Non-Dairy Creamer Powder](#):** Used to add creaminess and flavor to products, and delivered in a convenient powder format that reduces shipping and storage costs.
- **[Oat Milk Powder](#):** Used in a variety of plant-based creamers as the base ingredient or a flavor enhancement.

Looking to enter the plant-based creamer category? Contact us and we'll provide your team with trend and product development insight.

## Plant-Based Baked Goods, Desserts Prove Indulgence is Key

Vegans love croissants. And pies. And brioche buns. Sure, that's most likely an overgeneralization, but the plant-based baked goods and desserts category is showing positive growth behind products that are competitively priced and indulgent.

We've been working in two areas to improve the quality of plant-based baked goods:

- **[Fruit Powders](#):** In plant-based desserts, fruit powders perform two key roles. They provide flavor, and they also can mask flavors of some plant-based egg products that may carry off flavors. We've been using our [citrus powders](#) in everything from scones to snack cakes to muffins.



- **Shortening Powders:** We carry a comprehensive line of shortening powders derived from coconut, corn and palm oil. In plant-based baked goods, these powders can replace butter and reduce storage and shipping costs.

Maintaining the indulgence factor is key when formulating plant-based bakery foods. [Our Agile Kitchen™ Team](#) has developed many plant-based formulas that consumers crave for their indulgence.

## Improving the Quality of Plant-Based Cream Cheese, Sour Cream and Dips

We think this is the most interesting category in the plant-based segment. Its performance wasn't great (2% drop in dollar sales and a 4% drop in unit sales) in 2023, but the potential is massive especially considering the diverse eating occasions in the category.

We've been working on a variety of cream-based dips without the cream. Our [Creamy Vegan Garlic and Herb Dip](#) uses two of our core plant-based ingredients:

- BGI Vegan Sour Cream NP19146-2
- BGI Vegan Cheez Concentrate CNC0016

Combined with a vegan mayo base, these two ingredients provide much of the flavor base of the dip. When creating it, our team's goal wasn't to mimic a traditional cream-base dip, but to make it better.

Bluegrass Ingredients approaches all of its plant-based product development in the same manner. We're not looking to replicate traditional animal-based ingredients. We're striving to make them better. [Contact us](#) to get started on your next new plant-based product development.



**The Agile Kitchen at Bluegrass** is a creative space that blends innovation and insights to deliver formulations and products that align with pressing consumer trends. Bluegrass Ingredients food scientists and culinary experts partner with customers to use these powders and all our products to invent and improve the future of food.

### Delivering Great Taste

Bluegrass Ingredients operates at the cutting edge of taste and flavor trends. **The Bluegrass Agile Ingredient Innovation®** Model is custom built to help brands and flavor houses achieve the rapid food innovation they need to stay ahead of today's dynamic consumer taste and dietary demands.

#### Contact Us

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