FMI
THE VOICE OF FOOD RETAIL
Feeding Families Enriching Lives

FMI is the trade association that serves as the voice of food retail.
We assist food retailers in their role of feeding families and enriching lives.

The Association:

Our members are food retailers, wholesales and suppliers of all types and sizes

FMI provides comprehensive programs, resources and advocacy for the food, pharmacy and grocery retail industry

ASSET PROTECTION
CENTER STORE
COMMUNICATION
CONSUMER & COMMUNITY AFFAIRS
EDUCATION
FOOD SAFETY & DEFENSE
FRESH FOODS
GOVERNMENT RELATIONS
HEALTH & WELLNESS
INDEPENDENT OPERATOR
INFORMATION SERVICE
PRIVATE BRANDS
RESEARCH
SUPPLY CHAIN
SUSTAINABILITY
TECHNOLOGY
WHOLESALER

Fresh @ FMI

FMI is committed to the growth and success of fresh companies and their partners. FMI provides resources and networks that support the interests of member companies throughout the global, fresh produce supply chain, including family-owned, private and publicly traded businesses as well as regional, national and international companies.

Emphasis on fresh

- Produce
- Meat
- Seafood
- Deli/In-store, fresh prepared foods and assortments
- Bakery
- Floral

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Food Marketing Institute
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FMI Fresh Foods

Research and Education

In-depth information, trends and insights to foster innovation, take advantage of new opportunities and help develop winning strategies

Networking

Share ideas, explore best practices and develop business relations

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Understand what is going on in Washington and make your voice heard

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THE VOICE OF FOOD RETAIL
Feeding Families Enriching Lives

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Comprised of FMI Member companies, Retailers and Wholesalers

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- All participants in FMI meetings and events are expected to comply with applicable antitrust and competition laws.
- Avoid discussions of sensitive topics that can create antitrust concerns.
  - Agreements to fix prices, allocate markets, engage in product boycotts and to refuse to deal with third parties are illegal.
  - Discussions of prices (including elements of prices such as allowances and credit terms), quality ratings of suppliers, and discussions that may cause a competitor to cease purchasing from a particular supplier, or selling to a particular customer, should be avoided.
  - No discussion that might be interpreted as a dividing up of territories.
- It is important to avoid even the appearance of unlawful activity.
- Questions or concerns? Please consult with FMI staff.

Understanding the Plant-Based Consumer

A DEEPER LOOK INTO PLANT-BASED PURCHASE TRENDS, DEMOGRAPHICS, PERCEPTIONS AND USAGE

January 16, 2020

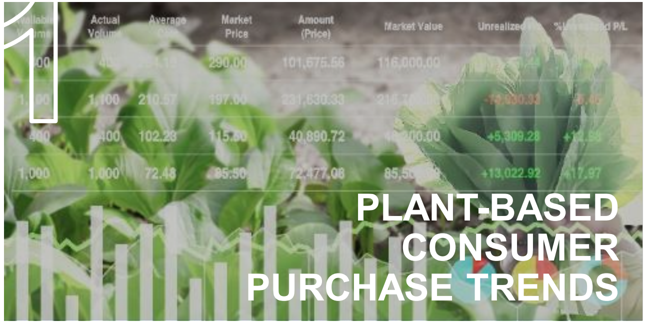
IRi Growth delivered.

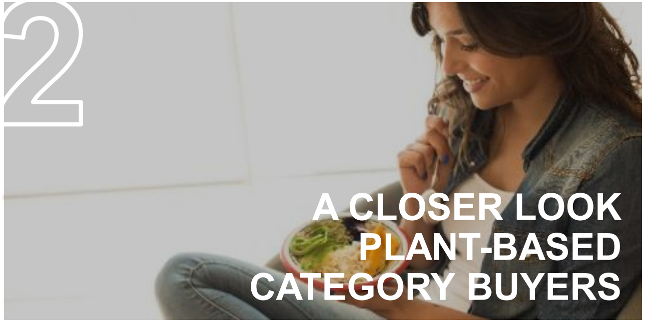
Today’s Presentation Leader

Mary Fair-Taylor
Principal, Market and Shopper Intelligence

- Seasoned Insights leader with 25+ years of CPG industry experience
- At IRI for five years; currently leads a Market and Shopper Intelligence (MSI) Field team, which cross consults across multiple clients within the Dairy / Bakery / Perishables vertical
- Specialties include: consumer panel, shopper targeting and activation, Survey / Segmentation, eCommerce, Innovation and Shopper Analytics

Today’s Discussion





Before We Get Started…

Total U.S. All-Outlets

18 Product Categories

52 Weeks Ending November 3, 2019

Fixed Weight

Universe Examined

1. Protein Supplements
2. RFG Milk
3. Meat (Refrigerated, Frozen and Shelf Stable)
4. FZ Meals
5. Yogurt
6. Creams/ Creamers
7. Ice Cream/ Sherbet
8. SS Milk
9. Processed & Natural Cheese
10. FZ Novelties
11. Protein Bars
12. RFG & SS Salad Dressings
13. RFG Whipped Toppings
14. Cream Cheese/ Cheese Spread
15. Sour Cream
16. Margarine
17. RFG Desserts
18. RFG Dips

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PLANT-BASED CONSUMER PURCHASE TRENDS

The CAGR Growth of Plant-Based Options Has Been 14 Times Compared to the Total Store

Dollar Sales, CAGR Growth % – 2015-2018

	Total Store Edible		Plant-Based Edible	
	$ Sales	% Chg	$ Sales	% Chg
Latest 52 Wks	$526.2B	+2.4%	$4.0B	+11.3%

Source: IRI POS, MULOC, 52 Weeks ending 11-03-19, for CAGR CY 2015- CY 2018

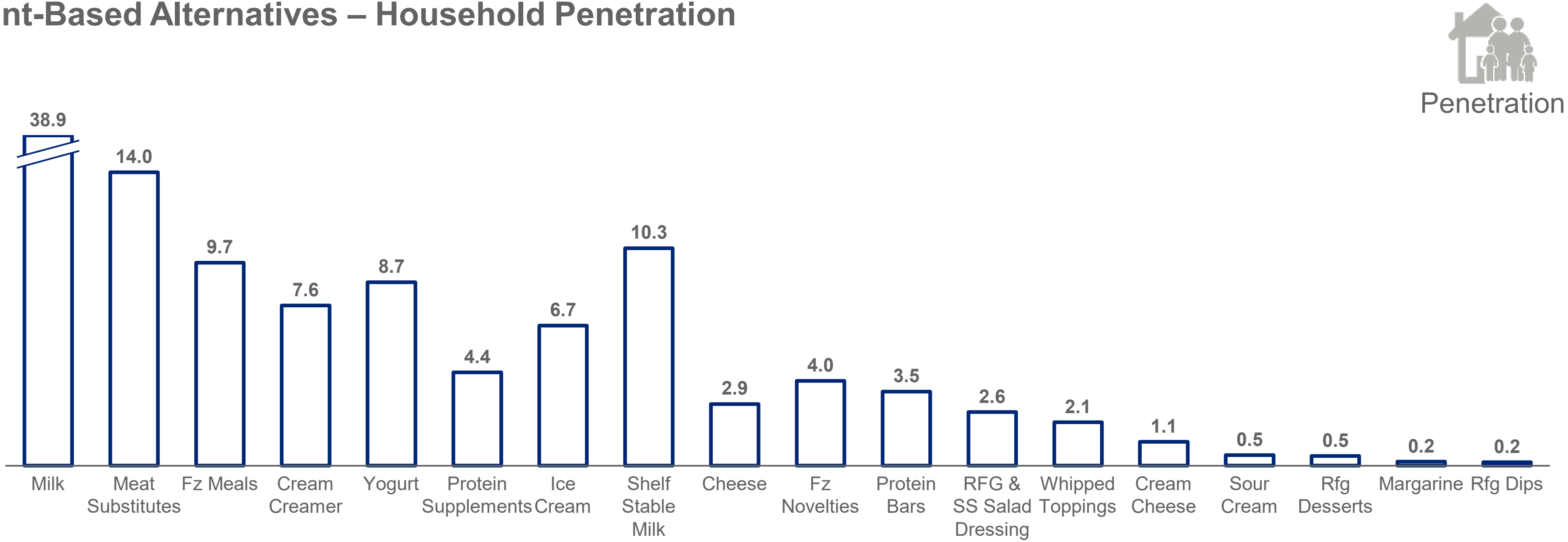
Strong Double-Digit Dollar Growth Was Seen Across Nearly All Plant-Based Segments Explored

Plant-Based Dollar Sales, % Change vs YA

Source: IRI POS, MULOC, 52 Weeks ending 11-03-19

Fueling Growth, More Households are Purchasing Plant-Based Across the Store

Plant-Based Alternatives – Household Penetration



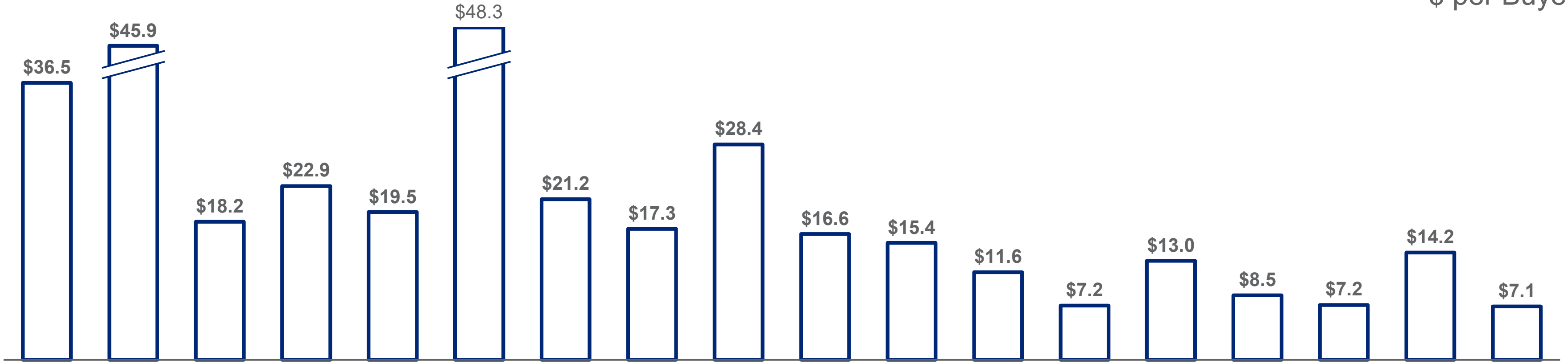
	Milk	Meat Substitutes	Fz Meals	Cream Creamer	Yogurt	Protein Supplements	Ice Cream	Shelf Stable Milk	Cheese	Fz Novelties	Protein Bars	RFG & SS Salad Dressing	Whipped Toppings	Cream Cheese	Sour Cream	Rfg Desserts	Margarine	Rfg Dips
% HH Pen Chg	1.9	1.1	1.0	1.2	2.5	-0.1	-0.8	-0.8	0.2	1.3	0.3	0.7	1.4	0.3	0.0	0.3	0.1	-

Source: IRI Panel, All Outlets, 52 Weeks ending 11-03-19, NBD Aligned

Not Only is Household Penetration Up, But Also Buy Rates Have Increased Across Most Segments

Plant-Based Alternatives – Dollar Sales Per Buyer

$ per Buyer



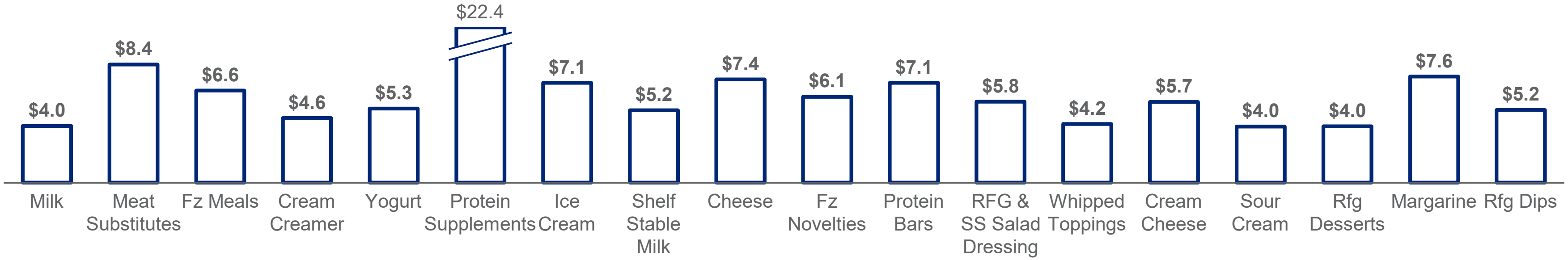
	Milk	Meat Substitutes	Fz Meals	Cream Creamer	Yogurt	Protein Supplements	Ice Cream	Shelf Stable Milk	Cheese	Fz Novelties	Protein Bars	RFG & SS Salad Dressing	Whipped Toppings	Cream Cheese	Sour Cream	Rfg Desserts	Margarine	Rfg Dips
Dollar Per Buyer Chg	$0.5	$0.8	$0.7	$2.9	-$0.5	$0.7	$2.4	$0.1	$2.5	-$0.8	$1.3	$0.1	$0.9	$1.4	$0.5	-$2.1	$6.3	-

Source: IRI Panel, All Outlets, 52 Weeks ending 11-03-19, NBD Aligned

Trips per Buyer Drove Buying Rate Increases Across Most of the Categories

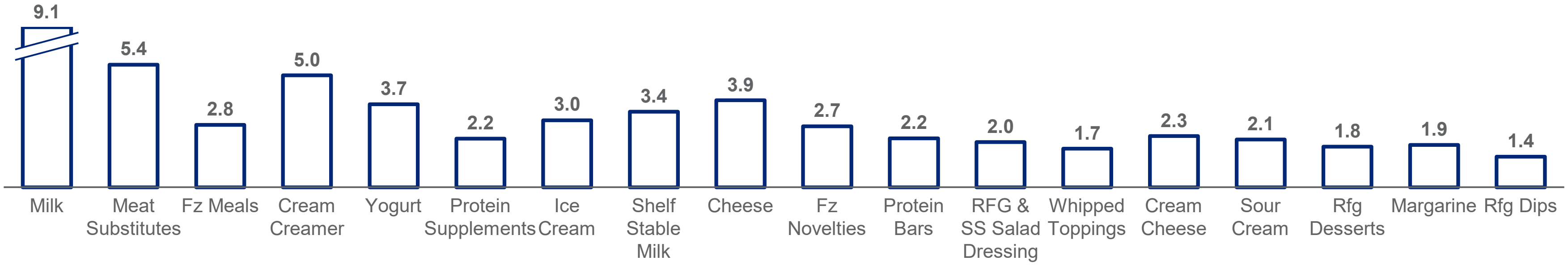
Plant-Based Alternatives – Dollar Sales Per Trip & Product Trips per Buyer

Dollars per Trip



-1.2%	0.3%	4.0%	15.9%	-3.0%	-3.3%	6.6%	0.1%	4.5%	1.7%	6.2%	2.0%	-4.2%	5.6%	2.7%	-11.1%	24.3%	-

Trips per Buyer



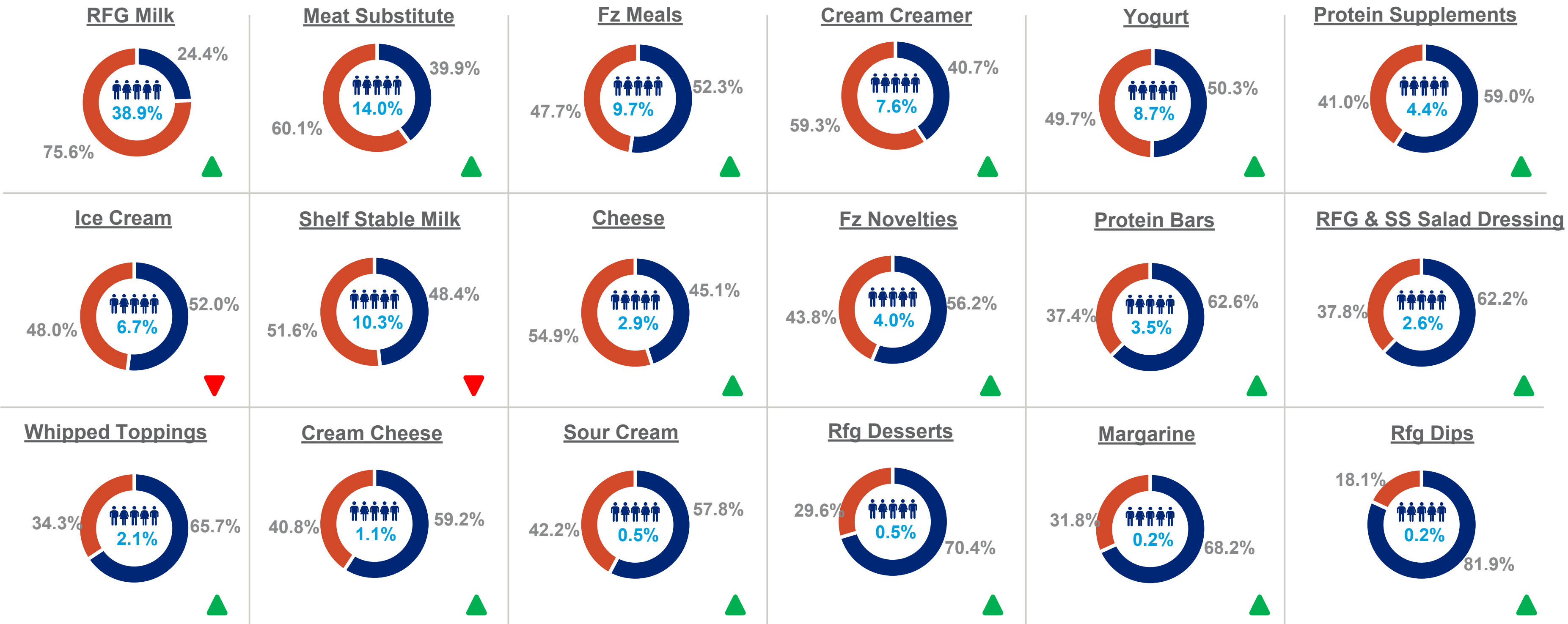
2.7%	1.4%	0.0%	-1.0%	0.3%	4.8%	5.5%	0.4%	5.0%	-6.0%	2.6%	-1.5%	18.7%	5.6%	3.1%	-12.3%	45.4%	-

Source: IRI POS, MULO+C, 52 Weeks ending 9-09-18

Source: IRI Panel, All Outlets, 52 Weeks ending 11-03-19, NBD Aligned

Nearly All Plant-Based Categories Experienced an Increase in Repeat Buyers

Plant-Based Alternatives – HH Penetration 1x & 2x Buyers



Share of % HHs Buying 1x
Share of % HHs Buying 2x+

% Total HH Buying
Growing/Declining 2x Buyers

Source: IRI Panel, All Outlets, 52 Weeks ending 11-03-19, NBD Aligned

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A CLOSER LOOK – PLANT-BASED CATEGORY BUYERS

• Milk • Meat Substitutes
• Yogurt • Ice Cream

GROWTH TRENDS / CATEGORY OVERVIEW

RFG Plant-Based Milk

The Largest Plant-Based Category, Plant-Based RFG Milk Sales Continue to Grow

TOTAL RFG MILK

$15.2B

-0.5% vs. year ago

PLANT-BASED RFG MILK

$1.7B

5.3% vs. year ago

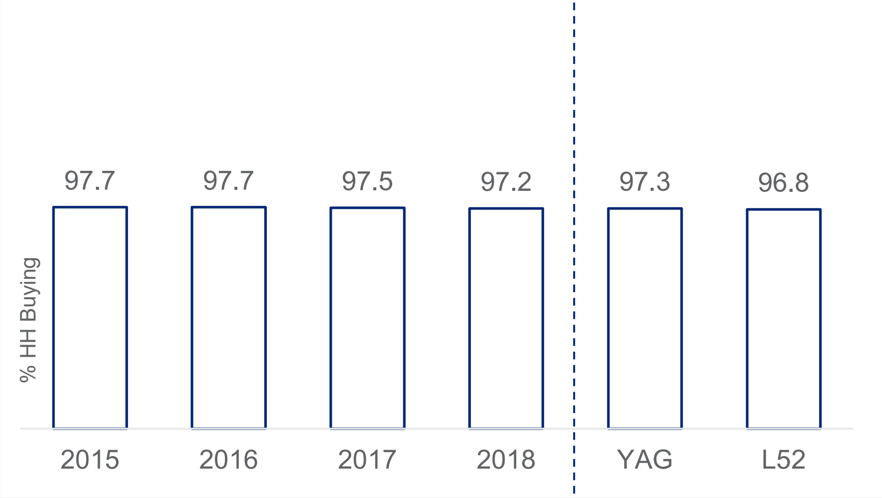
$526B TOTAL EDIBLE SALES **2.4%** vs. year ago

Source: IRI POS, MULOC, 52 Weeks ending 11-03-19

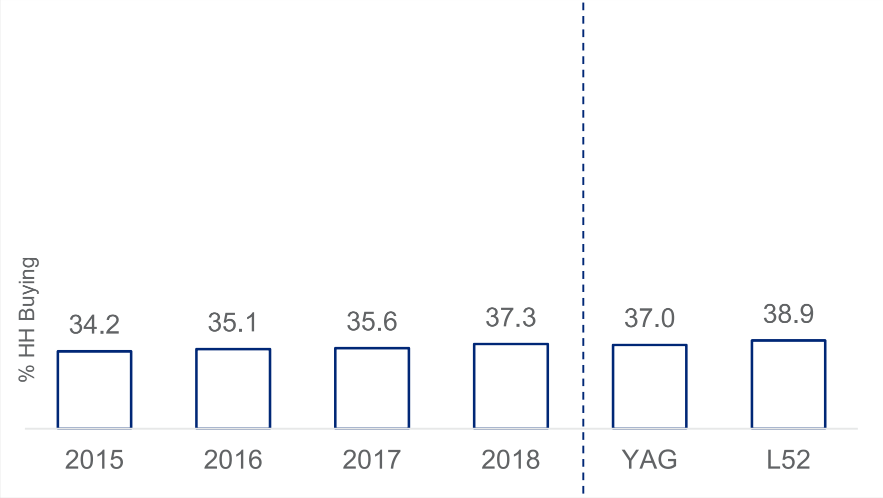
Total RFG Milk Penetration Has Been Trending Downward, While RFG Plant-Based Milk has Continued to Grow its Buyer Base

RFG Milk and RFG Plant-Based Milk | Penetration Trend | Total U.S. All Outlet
CY 2015 – CY 2018; L52 WE 11-3-19

TOTAL RFG MILK



RFG PLANT-BASED MILK

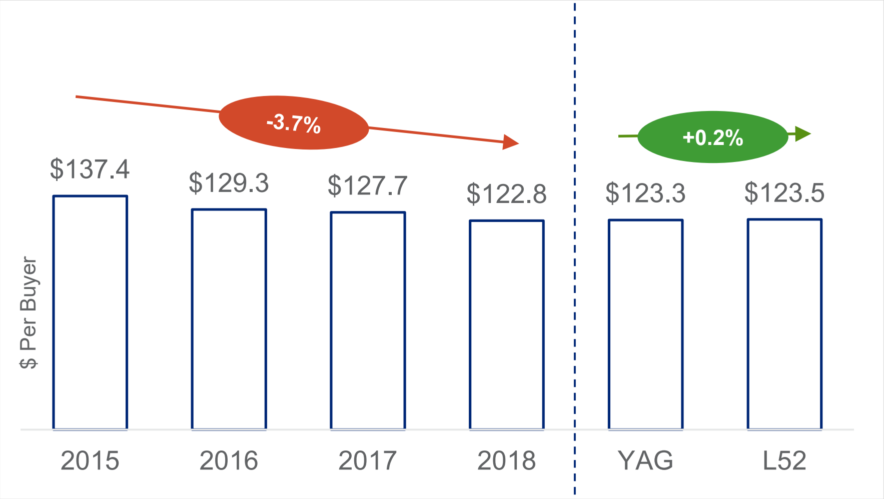


Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19, NBD Aligned

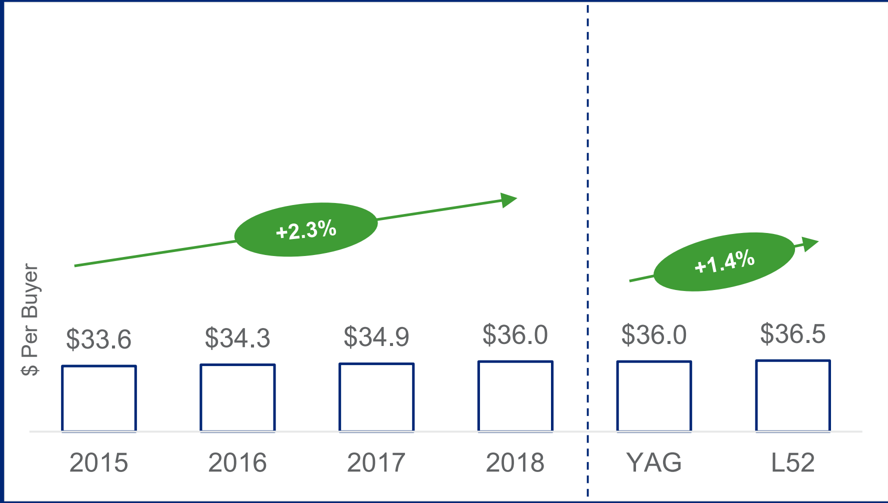
RFG Milk's Buying Rate Has Leveled Out, While RFG Plant-Based Milk's Buying Rate Continues to Steadily Increase

RFG Milk and RFG Plant-Based Milk | Buying Rate Trend | Total U.S. All Outlet
CY 2015 – CY 2018; L52 WE 11-3-19

TOTAL RFG MILK



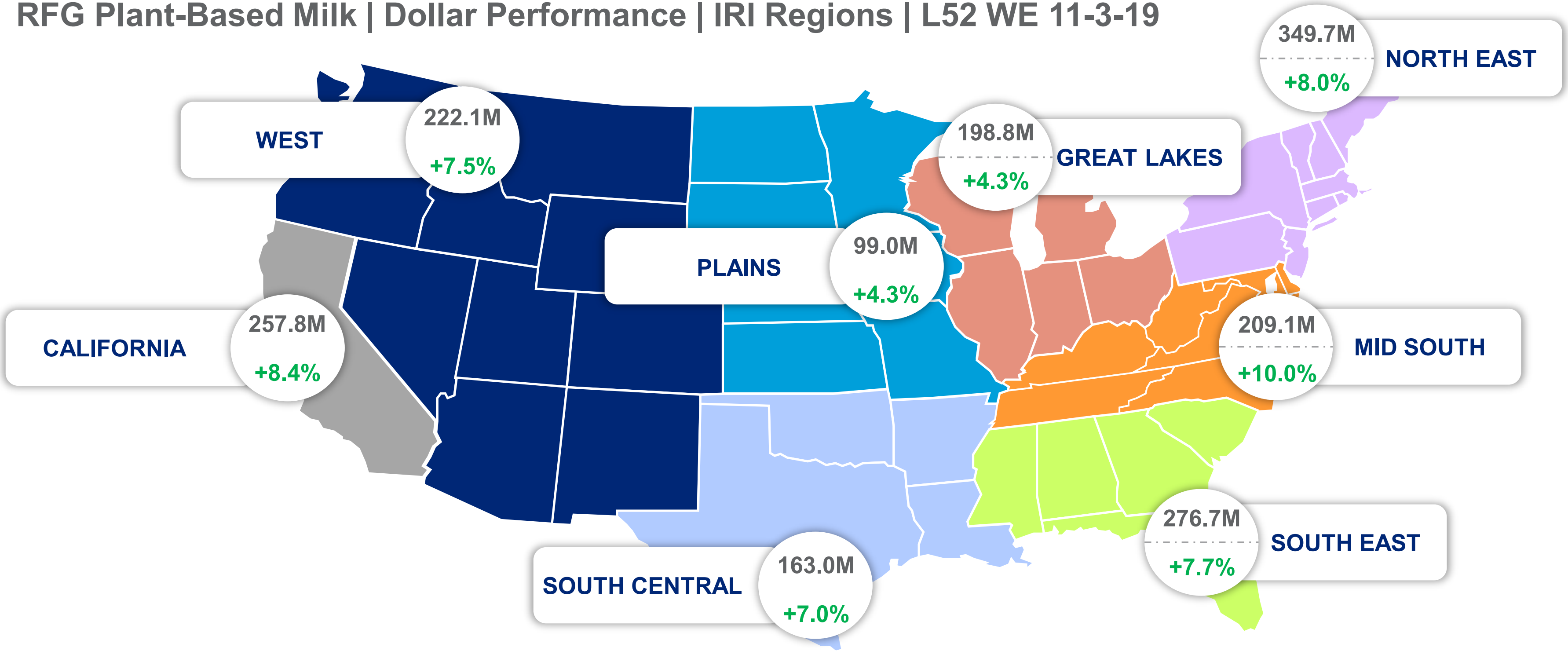
RFG PLANT-BASED MILK



Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

RFG Plant-Based Milk Has Posted Growth in All IRI Regions

RFG Plant-Based Milk | Dollar Performance | IRI Regions | L52 WE 11-3-19



Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

RFG Plant-Based Milk Skews Toward Millennials With Children and Hispanics

RFG Plant-Based Milk | Demographics | Total U.S. All Outlet | L52 WE 11-3-19

	Cohorts	Dollar Index	Dol share %	Buyer share %
Generation	Generation Z (Born 1997 and After)		0.0%	0.0%
Generation	Millennials (Born 1981-1996)	124	30.9%	30.3%
Generation	Generation X (Born 1965-1980)	111	32.6%	32.0%
Generation	Boomers (Born 1946-1964)	85	28.4%	29.3%
Generation	Seniors and Retirees (Born 1925-1945)	66	8.0%	8.1%
Income	Income lt $15K	75	6.0%	6.5%
Income	Income $15-24.9K	80	8.4%	8.2%
Income	Income $25-34.9K	87	9.8%	10.2%
Income	Income $35-49.9K	91	11.9%	12.5%
Income	Income $50-69.9K	106	15.2%	14.9%
Income	Income $70-99.9K	112	18.2%	17.6%
Income	Income ge $100K	115	30.6%	30.0%
Children	Child - None	88	60.4%	63.2%
Children	Child - 1+	125	39.6%	36.8%

	Cohorts	Dollar Index	Dol share %	Buyer share %
HH Size	1 Person HH	73	19.4%	22.1%
HH Size	2 Person HH	94	30.9%	31.4%
HH Size	3 Person HH	120	18.3%	17.2%
HH Size	4 Person HH	123	17.6%	16.5%
HH Size	5+ Person HH	125	13.8%	12.8%
HH Head Age	HH Age 18-24	80	0.6%	0.8%
HH Head Age	HH Age 25-34	123	22.4%	22.3%
HH Head Age	HH Age 35-44	125	21.0%	19.8%
HH Head Age	HH Age 45-54	105	20.0%	20.1%
HH Head Age	HH Age 55-64	88	17.2%	18.1%
HH Head Age	HH Age 65+	73	18.8%	18.9%
Hispanic Ethnicity	Total Hispanic	125	15.9%	15.2%
Hispanic Ethnicity	Non Hispanic / Unknown	96	84.1%	84.8%

Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

GROWTH TRENDS / CATEGORY OVERVIEW

Meat Substitutes

Although Only 2% of Total Meat Sales, Plant-Based Meat Substitutes Posted Double-Digit Growth YOY

MEAT

$47.6B

2.8% vs. year ago

PLANT-BASED MEAT SUBSTITUTE

$759.6M

11.8% vs. year ago

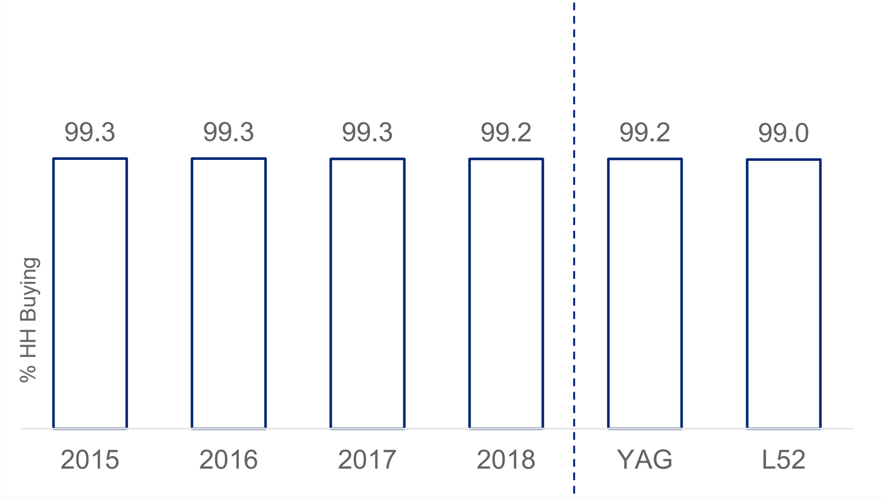
$526B TOTAL EDIBLE SALES 2.4% vs. year ago

Source: IRI POS, MULOC, 52 Weeks ending 11-03-19

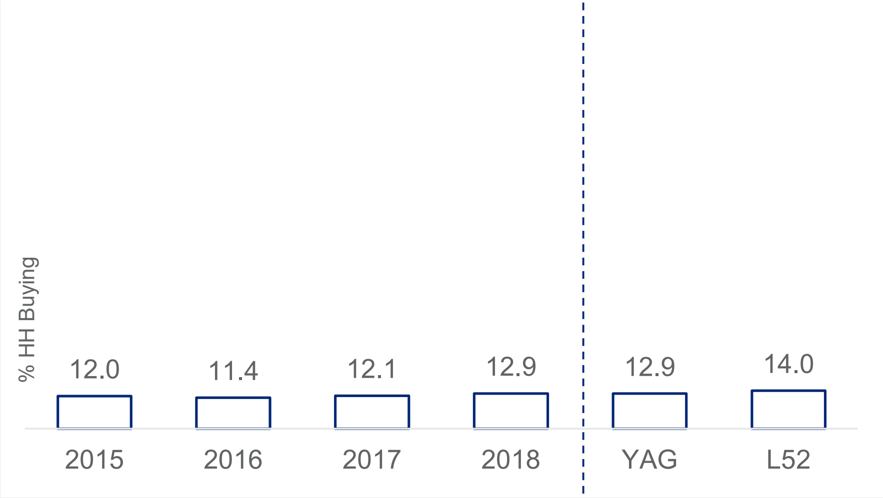
Plant-Based Meat Substitute's Penetration Has Seen Consistent Growth Since 2016

Meat and Plant-Based Meat Substitute | Penetration Trend | Total U.S. All Outlet
CY 2015 – CY 2018; L52 WE 11-3-19

TOTAL MEAT



PLANT-BASED MEAT SUBSTITUTE

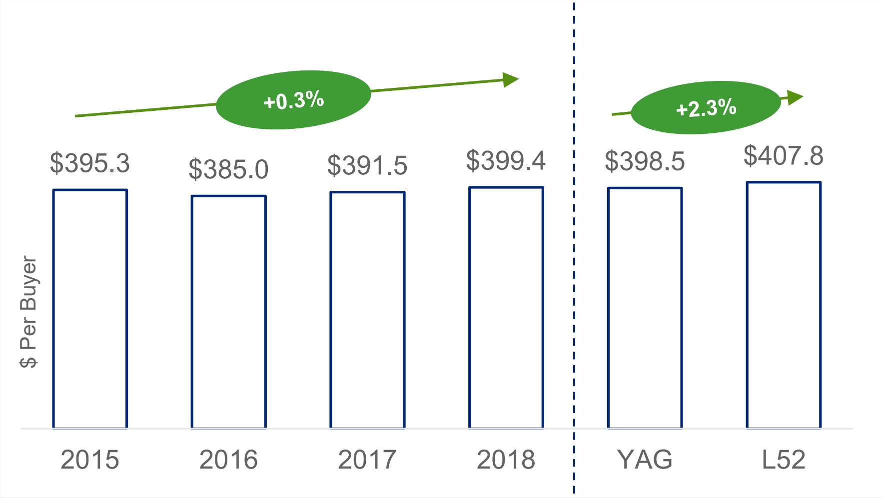


Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

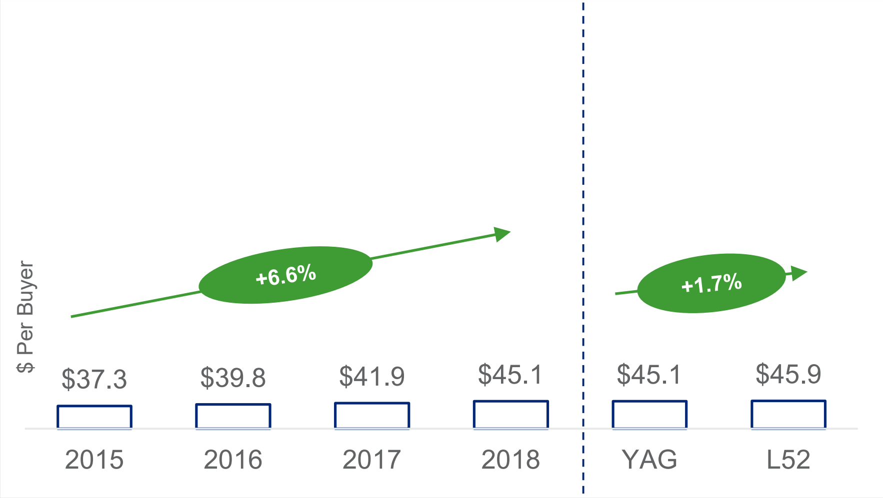
Plant-Based Meat's Buying Rate has also Seen Considerable Increases

Meat and Plant-Based Meat Substitute | Buying Rate Trend | Total U.S. All Outlet
CY 2015 – CY 2018; L52 WE 11-3-19

TOTAL MEAT



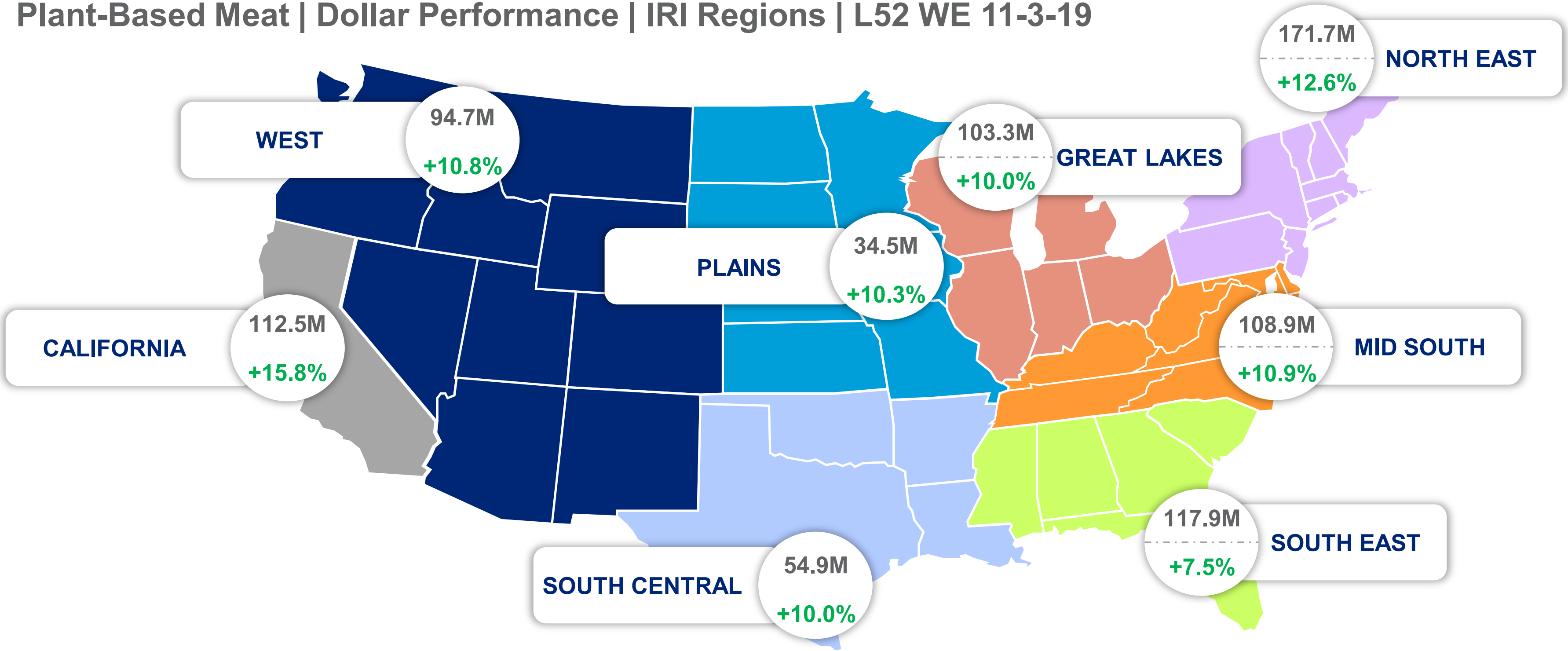
PLANT-BASED



Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

Plant-Based Meat Has Posted Strong Growth in All IRI Regions

Plant-Based Meat | Dollar Performance | IRI Regions | L52 WE 11-3-19



Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

Plant-Based Meat Skews to Millennial and Gen X Households with Higher Incomes

Plant-Based Meat | Demographics | Total U.S. All Outlet | L52 WE 11-3-19

	Cohorts	Dollar Index	Dol share %	Buyer share %
Generation	Generation Z (Born 1997 and After)		0.0%	0.0%
	Millennials (Born 1981-1996)	118	29.5%	28.2%
	Generation X (Born 1965-1980)	124	36.3%	33.6%
	Boomers (Born 1946-1964)	82	27.6%	29.7%
	Seniors and Retirees (Born 1925-1945)	53	6.5%	8.2%
Income	Income lt $15K	82	6.5%	6.1%
	Income $15-24.9K	63	6.6%	7.5%
	Income $25-34.9K	78	8.8%	8.8%
	Income $35-49.9K	95	12.5%	12.0%
	Income $50-69.9K	104	14.9%	14.4%
	Income $70-99.9K	100	16.3%	17.3%
	Income ge $100K	129	34.4%	33.8%
Children	Child - None	98	66.8%	68.4%
	Child - 1+	104	33.2%	31.6%

	Cohorts	Dollar Index	Dol share %	Buyer share %
HH Size	1 Person HH	78	20.7%	24.4%
	2 Person HH	110	35.9%	33.8%
	3 Person HH	116	17.7%	16.5%
	4 Person HH	115	16.4%	14.9%
	5+ Person HH	85	9.4%	10.4%
HH Head Age	HH Age 18-24		0.0%	0.0%
	HH Age 25-34	121	22.0%	20.8%
	HH Age 35-44	128	21.7%	19.2%
	HH Age 45-54	118	22.4%	21.7%
	HH Age 55-64	87	16.9%	17.9%
	HH Age 65+	65	16.6%	19.7%
Hispanic Ethnicity	Total Hispanic	98	12.5%	14.3%
	Non Hispanic / Unknown	100	87.5%	85.7%

Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

GROWTH TRENDS / CATEGORY OVERVIEW

Plant-Based Yogurt

While a Small Percentage of Total Yogurt Sales, Plant-Based Yogurt Provided a Bright Spot in the Category, Posting Strong Growth

TOTAL YOGURT

$7.2B

-1.0% vs. year ago

PLANT-BASED YOGURT

$205.5M

35.2% vs. year ago

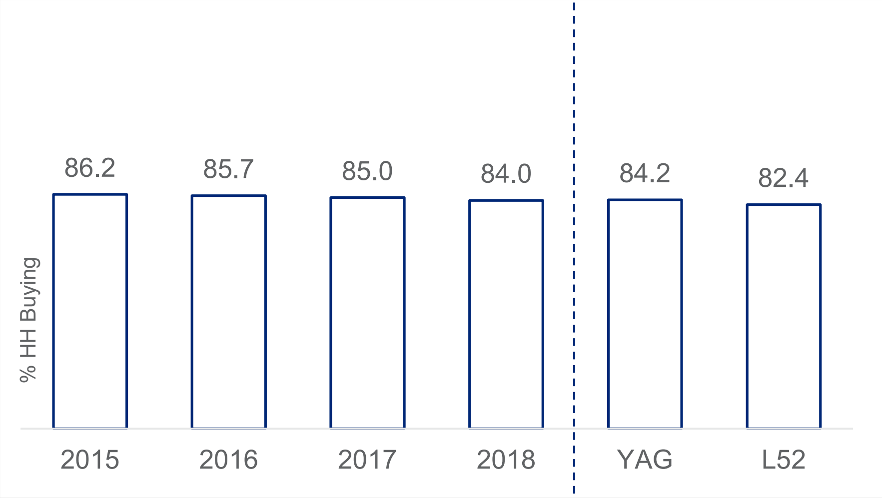
$526B **TOTAL EDIBLE SALES** **2.4%** vs. year ago

Source: IRI POS, MULOC, 52 Weeks ending 11-03-19

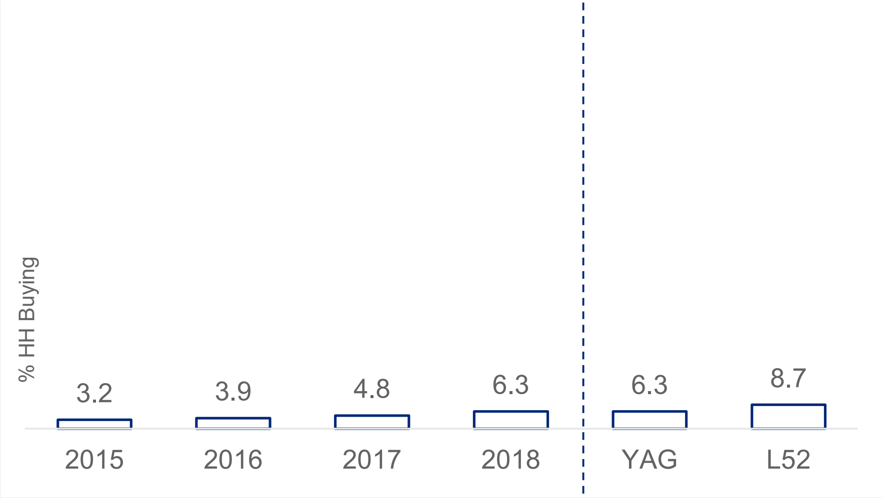
While Yogurt Category Penetration has Slowly Declined Over the Past 5 Years, Plant-Based Yogurts Have Seen a Steep Increase in Households Purchasing

Yogurt and Plant-Based Yogurt| Penetration Trend | Total U.S. All Outlet
CY 2015 – CY 2018; L52 WE 11-3-19

TOTAL YOGURT



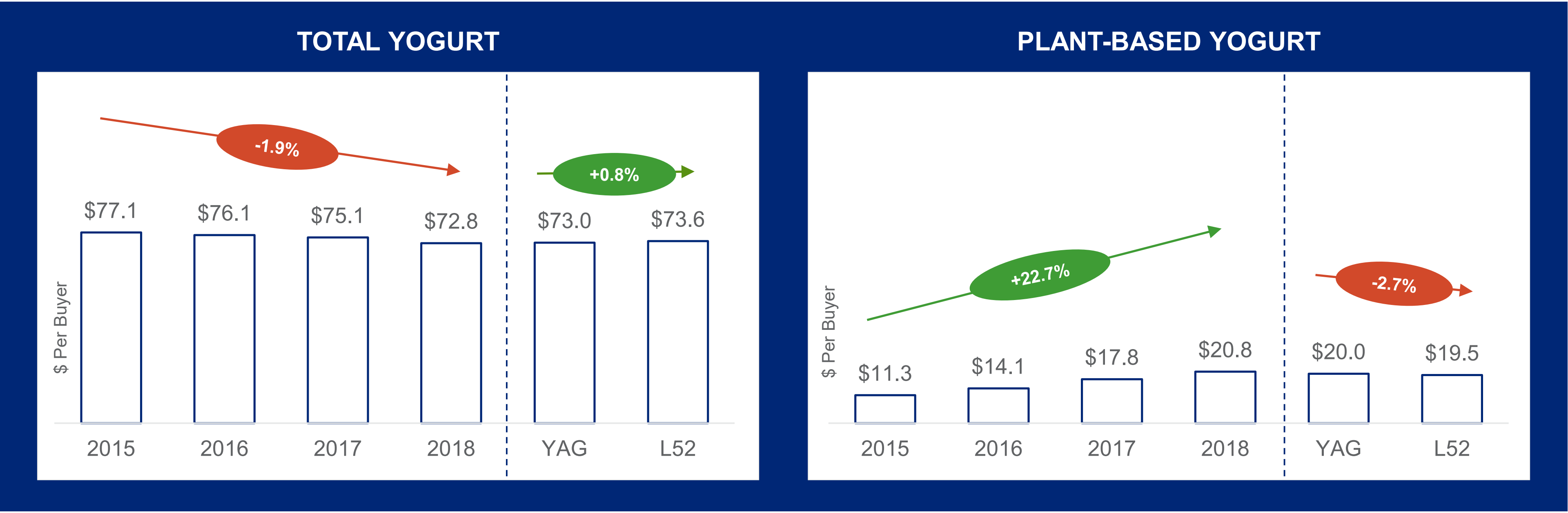
PLANT-BASED YOGURT



Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

Buying Rate Declines for Total Yogurt Stabilized in L52 Weeks, While Plant-Based Yogurt Gains Cooled Off

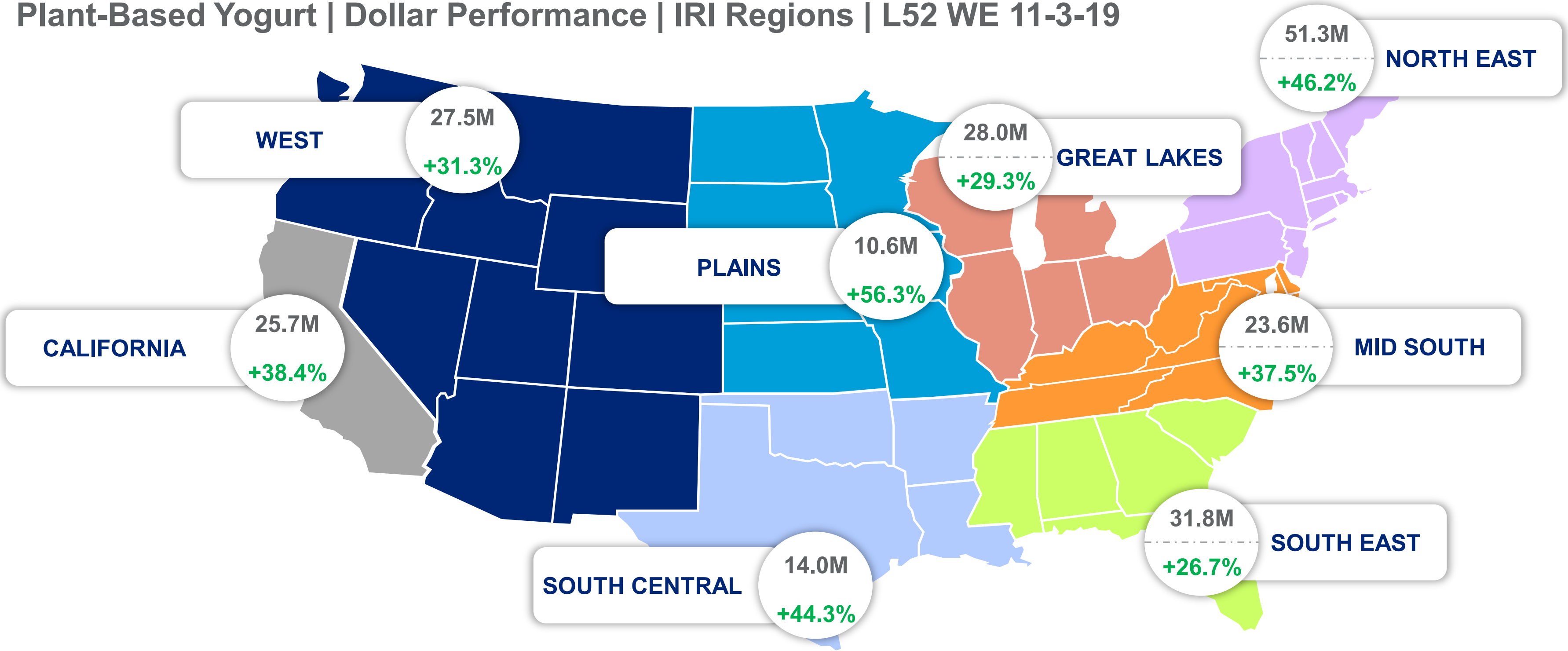
Yogurt and Plant-Based Yogurt| Buying Rate Trend | Total U.S. All Outlet
CY 2015 – CY 2018; L52 WE 11-3-19



Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

Plant-Based Yogurt Posted Strong Growth Across IRI Regions

Plant-Based Yogurt | Dollar Performance | IRI Regions | L52 WE 11-3-19



Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

Plant-Based Yogurt Skews to Millennials & Gen X High Income Households with Children

Plant-Based Yogurt | Demographics | Total U.S. All Outlet | L52 WE 11-3-19

	Cohorts	Dollar Index	Dol share %	Buyer share %
Generation	Generation Z (Born 1997 and After)		0.0%	0.0%
	Millennials (Born 1981-1996)	149	37.1%	34.4%
	Generation X (Born 1965-1980)	122	35.7%	33.8%
	Boomers (Born 1946-1964)	70	23.3%	26.1%
	Seniors and Retirees (Born 1925-1945)	27	3.3%	5.5%
Income	Income lt $15K	63	5.0%	5.0%
	Income $15-24.9K	68	7.1%	7.1%
	Income $25-34.9K	71	7.9%	8.8%
	Income $35-49.9K	83	10.9%	11.8%
	Income $50-69.9K	108	15.5%	14.6%
	Income $70-99.9K	101	16.4%	17.4%
	Income ge $100K	139	37.1%	35.4%
Children	Child - None	84	56.9%	62.7%
	Child - 1+	135	43.1%	37.3%

	Cohorts	Dollar Index	Dol share %	Buyer share %
HH Size	1 Person HH	68	18.1%	21.2%
	2 Person HH	91	29.9%	31.2%
	3 Person HH	118	18.1%	18.7%
	4 Person HH	147	21.0%	17.4%
	5+ Person HH	117	12.9%	11.5%
HH Head Age	HH Age 18-24		0.0%	0.0%
	HH Age 25-34	152	27.6%	25.3%
	HH Age 35-44	144	24.3%	21.5%
	HH Age 45-54	112	21.4%	21.5%
	HH Age 55-64	67	13.0%	16.8%
	HH Age 65+	51	13.0%	14.2%
Hispanic Ethnicity	Total Hispanic	114	14.6%	13.4%
	Non Hispanic / Unknown	98	85.4%	86.6%

Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

GROWTH TRENDS / CATEGORY OVERVIEW

Plant-Based Ice Cream

Total Ice Cream/Sherbet and Plant-Based Ice Cream Sales Remained Flat L52 Weeks

TOTAL ICE CREAM / SHERBET

$6.8B

-0.9% vs. year ago

PLANT-BASED ICE CREAM / SHERBET

$170.8M

0.0% vs. year ago

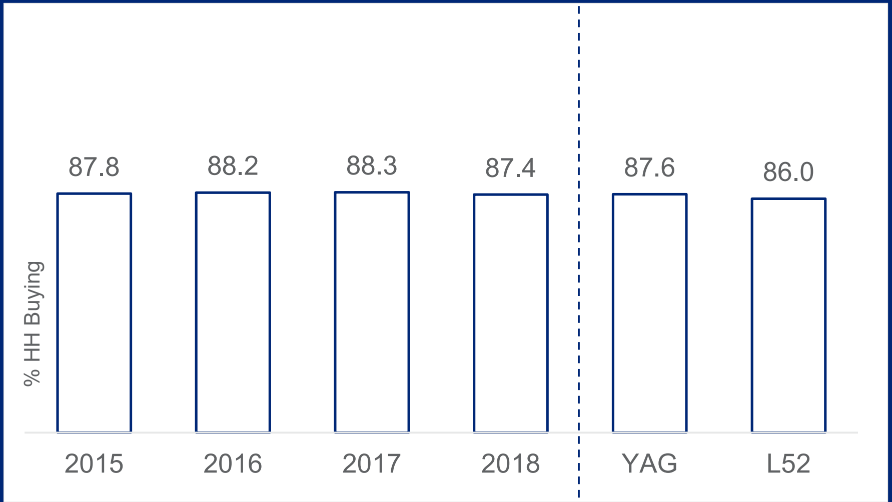
$526B **TOTAL EDIBLE SALES** **2.4%** vs. year ago

Source: IRI POS, MULOC, 52 Weeks ending 11-03-19

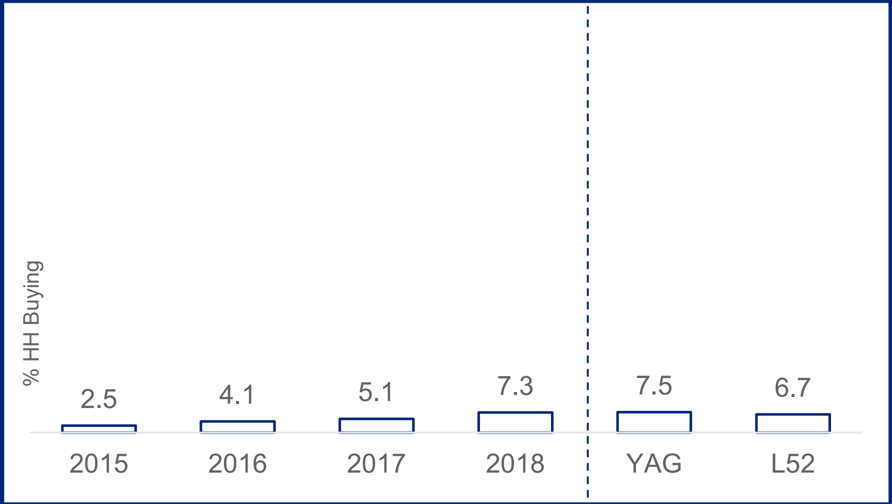
Plant-Based Ice Cream Household Penetration Reversed its Growth Trend in L52 Weeks

Ice Cream / Sherbet and Plant-Based Ice Cream| Penetration Trend | Total U.S. All Outlet CY 2015 – CY 2018; L52 WE 11-3-19

TOTAL ICE CREAM



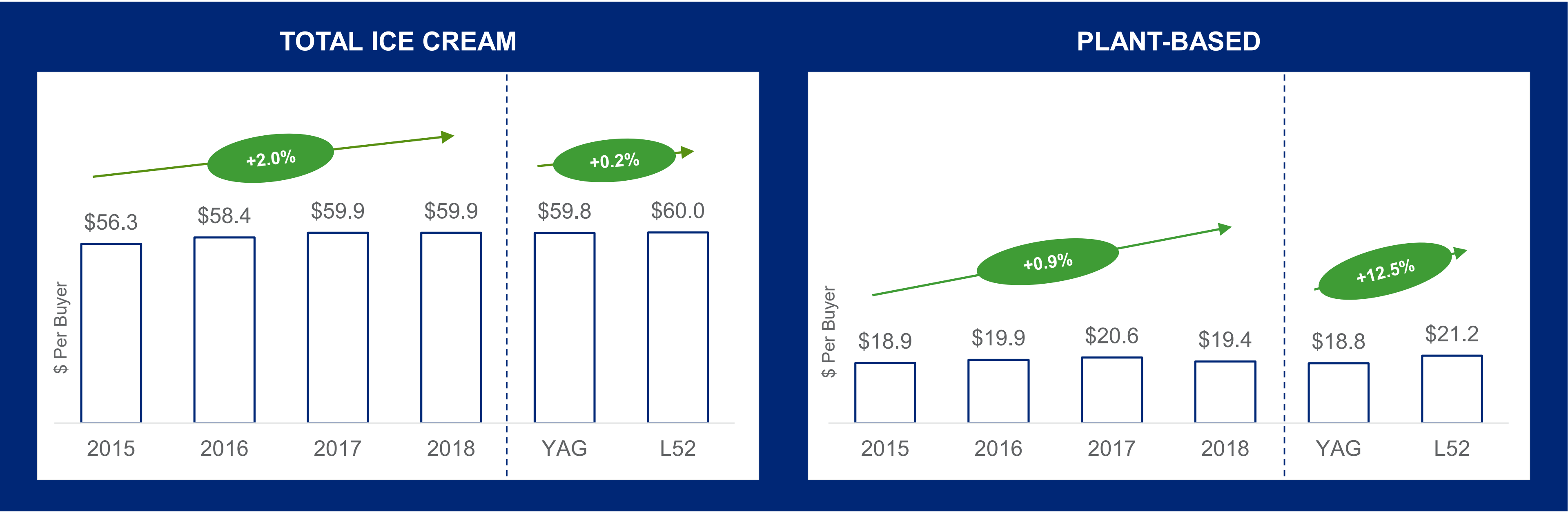
PLANT-BASED ICE CREAM



Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

While Fewer Households Purchased Plant-Based Ice Cream, Buyers Remaining Purchased More per Household in L52 Weeks

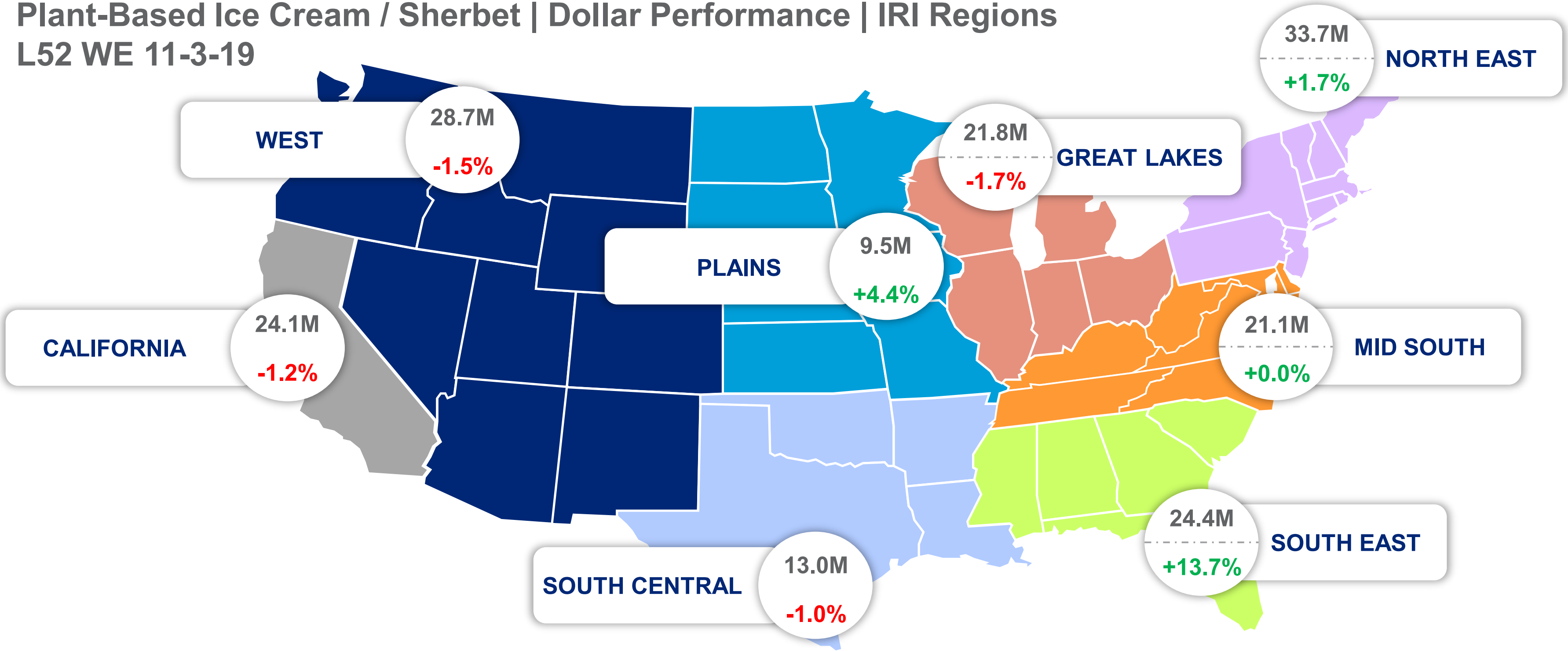
Ice Cream / Sherbet and Plant-Based | Buying Rate Trend | Total U.S. All Outlet
CY 2015 – CY 2018; L52 WE 11-3-19



Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

Regional Performance was Mixed, with Plant-Based Ice Cream Experiencing Dollar Gains on the East Coast and Plains Region

Plant-Based Ice Cream / Sherbet | Dollar Performance | IRI Regions
L52 WE 11-3-19



Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

Plant-Based Ice Cream Skewed to Millennial and Gen X Households with Above Average Incomes

Plant-Based Ice Cream / Sherbet | Demographics | Total U.S. All Outlet | L52 WE 11-3-19

	Cohorts	Dollar Index	Dol share %	Buyer share %
Generation	Generation Z (Born 1997 and After)		0.0%	0.0%
	Millennials (Born 1981-1996)	127	31.4%	33.6%
	Generation X (Born 1965-1980)	117	34.1%	33.2%
	Boomers (Born 1946-1964)	80	27.0%	26.4%
	Seniors and Retirees (Born 1925-1945)	59	7.3%	6.5%
Income	Income lt $15K	72	5.8%	5.6%
	Income $15-24.9K	54	5.8%	7.2%
	Income $25-34.9K	79	8.9%	9.8%
	Income $35-49.9K	87	11.5%	12.5%
	Income $50-69.9K	92	13.2%	14.2%
	Income $70-99.9K	111	18.0%	16.4%
	Income ge $100K	139	36.8%	34.3%
Children	Child - None	97	66.2%	64.5%
	Child - 1+	106	33.8%	35.5%

	Cohorts	Dollar Index	Dol share %	Buyer share %
HH Size	1 Person HH	91	24.3%	23.6%
	2 Person HH	102	33.3%	30.8%
	3 Person HH	107	16.3%	18.1%
	4 Person HH	113	16.0%	16.6%
	5+ Person HH	90	10.0%	10.9%
HH Head Age	HH Age 18-24		0.0%	0.0%
	HH Age 25-34	129	23.2%	25.0%
	HH Age 35-44	119	20.0%	21.1%
	HH Age 45-54	115	21.9%	20.4%
	HH Age 55-64	85	16.7%	16.1%
	HH Age 65+	67	17.4%	16.4%
Hispanic Ethnicity	Total Hispanic	88	11.3%	13.0%
	Non Hispanic / Unknown	102	88.7%	87.0%

Source: IRI Panel, Total U.S. All Outlet, 52 Weeks ending 11-03-19 , NBD Aligned

3 PLANT-BASED ATTITUDES AND USAGE SURVEY EXCERPTS: DAIRY CATEGORIES

Background | Objectives | Parameters – Panel Survey

Utilizing the results of an IRI panel survey conducted in January 2019, this report examines attitudes and usage of dairy products vs. plant-based items

Categories

- **Milk** (dairy and plant-based)
- **Yogurt** (dairy and plant-based)
- **Cream/Creamers** (dairy and plant-based)
- **Ice Cream** (dairy and plant-based)

Key Areas

The study profiled dairy, plant-based buyers, and dual buyers, including:

- **Who** in the household is consuming the products.
- **When, where, and with what else**?
- **Drivers:** What are the key factors driving purchase for dairy and plant-based products?
- **Purchase barriers** to both dairy and plant-based products.

Study Methodology: Who We Interviewed

Online Survey Fielded Among National Consumer Panel
January, 2019 | Time Period Base = 26 w/e 1/13/19

1,250 Respondents Who Buy Dairy Products
653 Respondents Who Buy Non-Dairy Products

Respondents could purchase a variety of dairy and non-dairy products, but were separated into 12 groups:

- Buyers who only purchase dairy milk; only purchase non-dairy milk; or purchase both types
- Buyers who only purchase dairy yogurt; only purchase non-dairy yogurt; or purchase both types
- Buyers who only purchase dairy cream / creamers; only purchase non-dairy cream / creamers; or purchase both types
- Buyers who only purchase dairy ice cream; only purchase non-dairy ice cream; or purchase both types

Executive Summary

Plant-Based Dairy Alternative Purchases Fueled by Special Diets

The leading reasons consumers purchase plant-based items is to address special diets.

The Most Prevalent Diets in Households Purchasing Plant-Based Products Exclude Dairy Products:

41% *dairy-free*

44% *vegan*

22% *lactose-free*

DAIRY ITEMS ARE MORE PREFERRED FOR:

taste

family appeal

familiarity

among buyers of both dairy and plant-based items

Leading Barriers to Buying Dairy Products

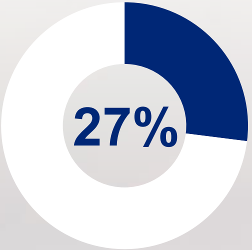
digestion

health perceptions

63% *of plant-based exclusive product buyers* **say...** ***nothing*** *would motivate them to buy a dairy version*

Online Survey Fielded Among National Consumer Panel January, 2019 | Time Period Base = 26 w/e 1/13/19

Diet is the Leading Reason Consumers Purchase Plant-Based Products

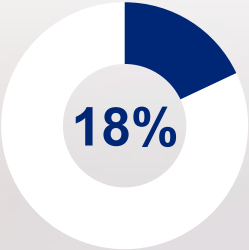


Of **total respondents** who purchased plant-based products during the past six months say it's because ***they or their family have food / drink allergies or sensitivities.***

n=653

This rises to ***37% of Hispanics*** *(vs. 26% non-Hispanics)*

n=79



Of **total respondents** who purchased plant-based products during the past six months say it's because ***they or another adult in the family are on a dairy-free diet.***

n=653

6% of **total respondents** say they purchase plant-based products during the past six months because their ***children are on a dairy-free diet.***

n=653

Q1. Please tell us the reasons why you have purchased plant based products during the past six months. (Select all that apply)
Online Survey Fielded Among National Consumer Panel January, 2019 | Time Period Base = 26 w/e 1/13/19

Women are 2x More Likely Than Men to be on Plant-Based Diets, Which Impacts Their Dairy Purchases

Household Members on Special Diet:
Male vs. Female – Among Those Who Purchased Plant-Based Products

Women are 2x More Likely Than Men to be on Plant-Based Diets

Base: Respondents whose household members are on a vegan / dairy-free / another type of diet n=197

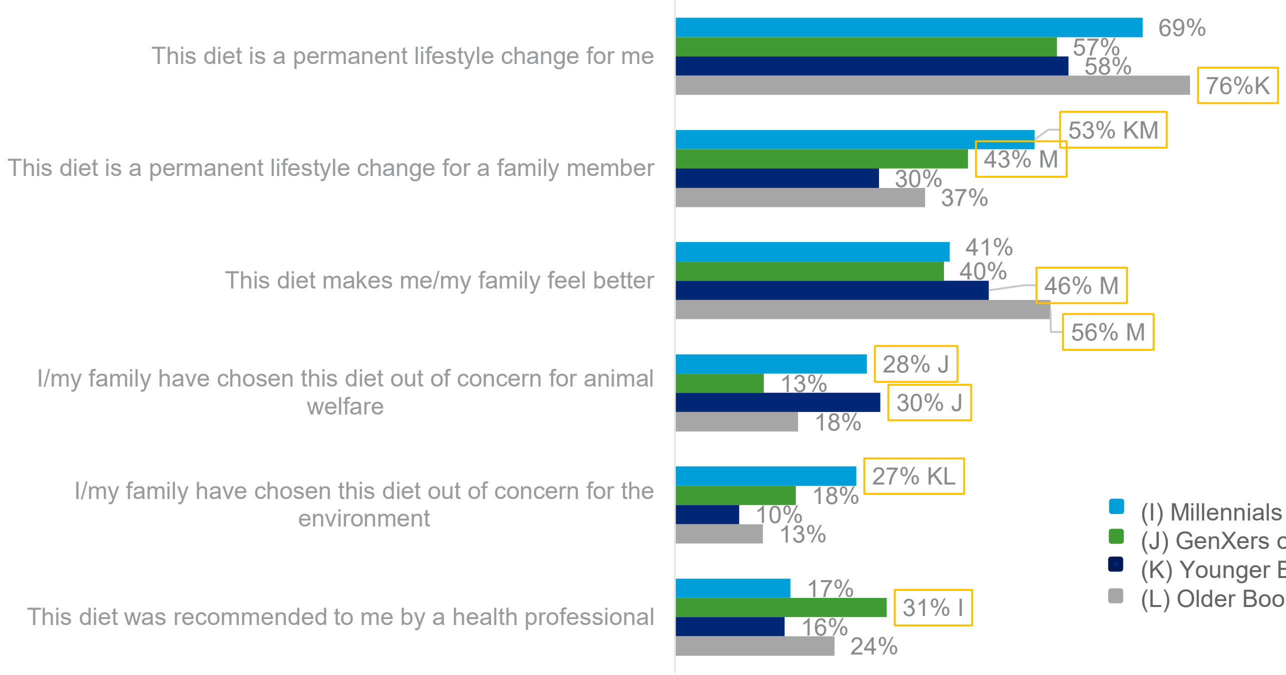
85% **of respondents reporting they or another *adult* household member are on a dairy-free, vegan, etc. diet, are *WOMEN***
base: all respondents on a dairy-free, vegan diet who purchased plant-based products n=197

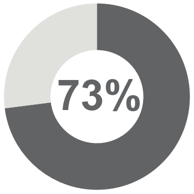
42% **of respondents reporting they or another *adult* household member are on a dairy-free, vegan, etc. diet, are *MEN***
base: all respondents on a dairy-free, vegan diet who purchased plant-based products n=197

Q2a. Please tell us who in your household is on this diet, including yourself. (Select all that apply)
Q2. You mentioned you/your family members are on a specific diet. Please tell us which diets you and/or your household members are on. (Please select all that apply)

Older Boomers are on Special Diets Because They Feel Better; Millennials Indicate it's a Permanent Change for a Family Member, for Socially Conscious Reasons

Attitudes of Those on Special Diets by Generation





At **73%, *households without kids*** are more likely to indicate the diet is a permanent lifestyle change ***for themselves*** (vs. 49% of households with children).

Base: Total respondents who have HH members on vegan, dairy-free, other types of diets n=221

Yellow boxes indicate statistically higher at 90% CL

Q2b. Would you say this is a short-term diet, or a lifestyle (permanent) change for your/your family? Please tell us more about your diet choices. (Select all that apply)

Online Survey Fielded Among National Consumer Panel January, 2019 | Time Period Base = 26 w/e 1/13/19

Dairy Purchases are Driven by Taste and Trust
Plant-Based Purchases Driven by Perceived Health and Special Diet

Purchase Drivers – Dairy and Plant-Based Buyers

Q1.
Please tell us the reasons why you have purchased <product> during the past six months?

	Dairy	Plant-Based Alternatives
Taste	**70%**	40%
Trust	**60%**	26%
Health	50%	**73%**
Diet	4%	**47%**

Online Survey Fielded Among National Consumer Panel January, 2019 | Time Period Base = 26 w/e 1/13/19

Color coding indicates statistical difference

Among the Dual Buyers, Dairy Purchases are Driven by Family Appeal, Flavor and Ingredient Usage While Plant-Based by Diet, Social Consciousness, and Shelf Life

Purchase Drivers – Dual Buyers

Q10.
You indicated you purchase both dairy-based and plant-based versions of Milk. We'd like to better understand why you choose product over the other. Please indicate the reasons for your purchase.

Family Appeal	**49%**	13%
Flavor/Taste	**46%**	39%
Use as ingredient	**45%**	19%
Health	37%	**60%**
Buy for myself	12%	**43%**
Longer shelf life	7%	**41%**
Socially conscious	6%	**42%**
Diet	5%	**64%**

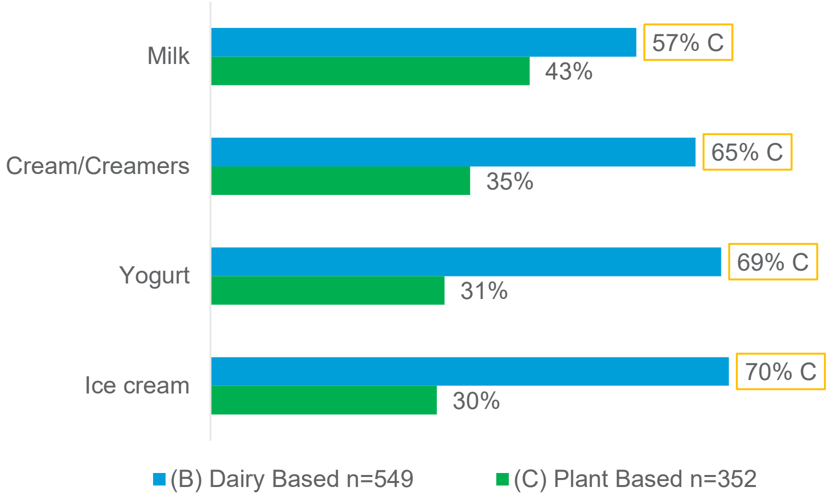
Online Survey Fielded Among National Consumer Panel January, 2019 | Time Period Base = 26 w/e 1/13/19

Color coding indicates statistical difference

Consumers Who Purchase Both Dairy and Plant-Based Products Typically Purchase Dairy; Leading Reasons are Based on Taste and Family Satisfaction

Consumers Who Purchase Both Dairy and Plant-Based Products, and Reasons Why – Purchase Barriers

Base: Respondents Who Buy Both Dairy & Plant-Based Products



	Respondents who typically purchase dairy products n=1184	Respondents who typically purchase plant-based alternatives n=613
Tastes Better	78%	48%
Household Staple	52%	1%
Better Texture	50%	23%
Satisfies Family	47%	19%

*Millennials and GenXers are more likely than other groups to purchase **both types of products**, because they have larger households and are buying to please many.*

*Dual buyers who have kids in the household are more likely to buy **dairy milk, ice cream and creamers**.*

Yellow boxes indicate statistically higher at 90% CL

Q4. For each of the following categories, please tell us if you typically purchase dairy-based or plant-based dairy alternatives, or both. (Select one per row)

Q5/Q7. You indicated you typically purchase these dairy products. Please tell us the reasons you choose to buy this dairy products instead of plant-based alternatives. (Select all that apply)

Q6/Q8. You indicated you typically purchase these plant-based alternative dairy products. Please tell us the reasons you choose to buy this plant-based alternative instead of dairy products. (Select all that apply)

Online Survey Fielded Among National Consumer Panel January, 2019 | Time Period Base = 26 w/e 1/13/19

Plant-Based Milk is Popular in the Morning, But Evening Snacking On Yogurt and Ice Cream is Less Than Dairy Versions

Time of Consumption by Daypart: Plant-Based Alternatives

	(C) Plant-Based alternative "milk" n=310	(E) Plant-Based cream/ creamers n=198	(G) Plant-Based yogurt n=206	(I) Plant-Based ice cream alternatives n=206
Morning meal / breakfast	**84% GI**	**87% GI**	**44% I**	8%
Morning snack	**11% I**	**15% I**	**22% CEI**	3%
Mid-day meal / lunch	**17% I**	**18% I**	**27% CEI**	6%
Afternoon snack	17%	14%	**41% CEI**	20%
Evening snack	**25% E**	15%	**26% E**	**68% CEG**
Evening meal / supper	**23% EGI**	**16% G**	10%	14%
Night time snack (post-evening snack)	**13% E**	6%	**12% E**	**21% CEG**

Online Survey Fielded Among National Consumer Panel January, 2019 | Time Period Base = 26 w/e 1/13/19

Q21. Thinking of all members of your family, and all occasions on which they have actually used this product that you know of, for what meal or at what time of day did you or others typically use ...? (Select all that apply)

4 | WRAP UP

Wrap Up & Conclusions

- While currently a small proportion of their respective categories, consumer interest in plant-based eating is **on trend and growing**
- Dollar Sales growth was seen across Regions, with **sales strength in the Northeast**
- **Affluent Millennials and GenXers** are more likely to purchase plant-based products, including those appealing to children
- Key **motivators** to purchasing plant-based are **health and special diets** due to food / drink allergies or sensitivities, **particularly among women and Hispanics**
- While **Dairy products are preferred for taste, family appeal and familiarity**, barriers to purchasing include digestion and health perceptions

Questions
& Answers

FOR MORE INFORMATION, CONTACT US

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Plant-Based Foods:
Insights into Innovations, Growth and Shopper Trends

The Plant-Based Tipping Point

On-Demand Recording
www.fmi.org/webinars

Participants should view this webinar to gain insights into:
- What is driving increasing interest in plant-based foods and alternative proteins.
- How food companies are rethinking meat for the flexitarian consumer.
- How to market and merchandise plant-based products for your customers.
- How to capitalize on a consumer shift toward plant-based proteins.

https://www.fmi.org/events-education/webinars/webinar-recordings/view/webinar-recordings-public/2019/11/12/the-plant-based-tipping-point

The Surge of Plant-Based Foods

On-Demand Recording
www.fmi.org/webinars

Participants should view this webinar to gain insights into:
- The plant-based market size.
- Plant-based sales by key categories and growth rates.
- Core brands winning in plant-based foods.
- Innovation that is contributing to growth and what's on the horizon.

https://www.fmi.org/events-education/webinars/webinar-recordings/view/webinar-recordings-public/2019/11/19/the-surge-of-plant-based-foods

thank you!

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