# Tesco scales back plant-based meat growth target amid shifting consumer tastes



Tesco, the UK's largest supermarket chain, has recently signalled a retreat from its ambitious target of achieving a 300% growth in plant-based meat sales by the end of 2025. This goal, initially established in 2020 as part of Tesco's sustainability strategy, was centred on diminishing the environmental impact of the average UK shopping basket. However, the company has expressed concerns over slowing sales in the plant-based meat category, which have been exacerbated by rising living costs and changing consumer preferences.

Upon reviewing its latest sustainability report, Tesco revealed that while there had been an initial surge in sales of plant-based meats—up 130% from 2018 figures by the end of 2021—this growth has significantly diminished, tapering to 94% by 2024. Consumer enthusiasm appears to have waned as issues surrounding product quality and pricing come to the forefront. The supermarket has noted that many of its customers are now gravitating towards more natural, unprocessed alternatives, including whole foods like lentils, chickpeas, and vegetables. This shift is starkly illustrated by the rise of ‘veg-led’ dishes, which now account for 40% of all plant-based sales.

The decline in interest in plant-based meats isn't an isolated phenomenon. Notably, Quorn, one of the leading brands in meat alternatives, has faced similar challenges. As reported, Quorn's parent company, Marlow Foods, recorded a £15.5 million loss last year primarily due to shrinking sales in supermarkets. With a decrease in volume sold across its product lines, the company has had to implement restructuring measures, including job cuts. This situation is mirrored by Beyond Meat in the US, which has also seen its stock plummet and cut its annual forecasts amidst ongoing losses and reduced demand. The economic environment, reflecting high inflation and budget constraints, has compounded these challenges, making plant-based options less attractive in a competitive market dominated by lower-cost meat alternatives.

The struggles of these companies are indicative of a broader trend affecting the plant-based food sector. Many consumers, facing tightening budgets, are re-evaluating their shopping habits. Instead of seeking meat substitutes, they are opting for traditional, less expensive meat products or simply choosing to prepare meat-free meals that do not rely on pre-packaged alternatives. Nathan Ward, a business unit director at Kantar, emphasised that the trend is not about a complete abandonment of plant-based eating; rather, it’s a transition toward simpler, more cost-effective vegetarian options.

This shift has had a ripple effect across the industry. Unilever's plant-based brand, the Vegetarian Butcher, has reportedly struggled to maintain market interest, prompting the company to consider divesting the brand. The contraction of the plant-based meat sector has led to a 10.9% reduction in meat alternative product lines across major retailers, with analysts advising brands to focus on streamlining their offerings to remain competitive. As consumers increasingly prefer fresh produce over ultra-processed items, many major food companies are reassessing their positions within this rapidly evolving marketplace.

The implications for Tesco's growth target are stark. With the latest reports indicating burgeoning sales in non-alternative plant-based products combined with an overall decline in the obsession with meat substitutes, the supermarket chain may need to pivot its focus if it hopes to retain relevance in a market where consumer preferences are shifting conspicuously. This recalibration, paired with ongoing economic pressures, poses a fresh challenge for companies aiming to fulfil sustainability commitments amidst varying consumer appetites.

### Reference Map

1. Paragraphs 1, 2, 3, 4, 5
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Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.just-food.com/news/tesco-rows-back-on-300-plant-based-meat-growth-target/> - Please view link - unable to able to access data
2. <https://www.reuters.com/business/beyond-meat-withdraws-annual-forecasts-targets-q2-sales-below-estimates-2025-05-07/> - Beyond Meat has withdrawn its annual sales forecast due to ongoing macroeconomic volatility and high inflation in the U.S., which have worsened already weak consumer demand for plant-based meat products. The company had previously projected $320 million to $335 million in revenue for the year. Its first-quarter revenue dropped by 9.1% to $68.7 million, falling short of analyst expectations. Weak performance was particularly noticeable in the U.S., with retail and foodservice revenues declining 15.4% and 23.5%, respectively. The company’s stock, which has declined for four consecutive years and is down 33% in 2025 alone, fell 5.5% in after-hours trading following disappointing quarterly results and a weaker outlook for the second quarter, projected at $80 million to $85 million against a $93.5 million estimate. CEO Ethan Brown cited economic uncertainty and reduced household budgets as key contributors to slowing demand. Meanwhile, Beyond Meat’s international segments in both retail and food service showed growth. The company also reported a wider-than-expected first-quarter loss of 69 cents per share and announced a $100 million debt financing agreement with the Ahimsa Foundation. Packaged food giant Unilever is similarly facing challenges with its plant-based brand, Vegetarian Butcher.
3. <https://www.reuters.com/business/retail-consumer/unilever-faces-battle-reduce-plant-based-meat-exposure-2025-02-25/> - Unilever is struggling to attract buyers for its plant-based meat business, the Vegetarian Butcher, amid declining consumer interest in processed vegetarian products. Despite hopes of replicating the success of Beyond Meat and Impossible Foods, Unilever's brand has been hit by a shift towards fresh produce and criticism of plant-based meats as 'ultra-processed.' The market's decline has led Unilever to consider selling the loss-making Vegetarian Butcher, which generates around €50 million in annual sales. However, industry experts suggest it may struggle to fetch an attractive price. Both Unilever and Nestle, which also faces similar challenges with its plant-based products, are focusing on fewer, more profitable brands. The decline in valuations for plant-based food brands, compounded by price sensitivity among cost-conscious consumers, presents further difficulties. The U.S. market for meat substitutes has shrunk, and investor confidence in the potential of meat alternatives remains challenged by their pricing relative to animal protein products.
4. <https://www.theguardian.com/business/2023/oct/13/quorn-maker-supermarket-sales-marlow-foods-beyond-meat> - The maker of the meat alternative Quorn dived £15.5m into the red last year amid soaring costs and a slowdown in sales at supermarkets. Middlesbrough-based Marlow Foods said sales to supermarkets and other retail outlets slid 4.3% last year, while total sales rose only 1.3% to £228m because of higher sales to takeaway groups and restaurants after the end of Covid lockdowns. The growth was well behind inflation, indicating that the volume of items sold fell. Quorn is the latest meat-free producer to reveal financial difficulties as the cost of living crisis and return to office working, university lecture halls and schools have shifted buying habits and burst the fake meat bubble. The volume of Marlow’s Quorn and Cauldron items sold in supermarkets plunged almost 11% and 23% respectively in the year to 15 July, according to Nielsen IQ data published by the Grocer trade journal in its latest report on the sector. In August, Beyond Meat, whose plant-based products include burgers that appear to bleed and imitations of sausages and meatballs, lowered its annual revenue forecast after quarterly sales slumped by almost a third. The vegan specialists, including Meatless Farm of Leeds and Lincolnshire-based Plant & Bean, which supplied companies including Quorn and Tesco’s Wicked Kitchen, called in administrators earlier this year as they battled lacklustre sales and hefty cost increases. Meanwhile, Sweden’s Oatly, the Swiss food company Nestlé and the London-based Innocent Drinks, which is owned by Coca-Cola, are among those that have pulled vegan products from sale in the UK this year. Marco Bertacca, the chief executive of Quorn Foods, said there had been “huge changes in consumer behaviour and turbulence in the global economy” last year, with inflationary pressure on costs, particularly on energy, glucose and egg albumen needed for its products, having “a significant impact” on the company.
5. <https://www.thegrocer.co.uk/plant-based/meat-free-growth-tailing-off-as-retailers-shrink-ranges/677580.article> - The number of meat alternative lines in the traditional big four and Waitrose fell 10.9% during the six months to 20 March. Meat-free ranging in the major mults has shrunk by over 10% in the past six months, in a sign of a category slowdown. The number of meat alternative lines on sale in the traditional big four and Waitrose fell 10.9% during the 26 weeks to 20 March, analysis of Assosia data by The Grocer has revealed. Bearing the brunt of this rationalisation was The Tofoo Co, which suffered a 42.9% decrease in range volumes. Unilever’s The Vegetarian Butcher was another big casualty, losing 31.6% of its lines in six months. The Tofoo Co’s owner and MD, David Knibbs said, ”at the end of 2022 we took the tough decision to reduce our range of Tofoo products and we have temporarily come out of frozen to concentrate our focus and energy on our core SKUs”. He emphasised that the range reduction had not had a “detremiental effect” on performance but in fact the brand was in growth.
6. <https://www.foodnavigator.com/Article/2024/09/25/Alternative-meat-producer-Quorn-s-2023-profits-slump> - Marlow’s losses exceeded £60m as the business continues to restructure in an alternative and plant-based meat market that’s only recently lost its sales spring. It's last pre-tax profit was in 2021, when £7.1m was generated. Revenues dropped 6.9% to £204.9m for the year to 31 December 2023, with sales plummeting to a near six-year low. International sales also slumped by 7.9% to £43.7m, driven mostly by a poor performance in Europe, where they dropped 6.9% to £28.7m, while the rest of the world was down £15m. Marlow Foods is owned by Philippines-based Monde Nissin and makes and sells Quorn products across the UK, Europe, Australia, South East Asia and the US. Quorn's profits up in foodservice Foodservice, a division recently renamed Quorn Pro, meanwhile, offered hope as sales rose 4.7% to £27.9m. The business would focus on such growth areas, including its burgeoning Marlow Ingredients division, which supplies mycoprotein as an ingredient to other food makers and created £300k of revenue for the period. Supermarket retail sales were a big sting in revenues, slipping 8.6% to £170.7m. Though Marlow would redouble efforts and focus on growing its retail market share, which has crept up in the past two years. Its global quick service restaurant arm would also remain a priority, despite revenues down 11% to £6m. Marlow already counts Pizza Hut, KFC, Costa Coffee and Greggs as QSR customers, though a recent order reduction from Greggs hit performance and was only slightly offset by KFC’s take-up of Marlow’s vegan chicken. A frozen food first with Quorn's Cheesy Nacho Nuggs.
7. <https://www.foodnavigator.com/Article/2024/04/02/consumers-aren-t-swapping-plant-based-meat-for-meat> - The cost-of-living crisis is contributing to the plant-based slowdown. As consumers tighten the purse strings, they’re less likely to splash out on plant-based meat alternatives – which often come with premium price tags. So what are they eating instead? When consumers are trying to cut costs, are they throwing cheaper meat-based products in the shopping basket instead? That’s not what retail insights suggest in the UK. The last ten years have seen the plant-based meat market surge, in both product volume and sales. In the UK, this trend aligns with consumers cutting down on meat consumption for predominantly health and environmental reasons. But that upwards trajectory started to slow around 2021. There’s been ‘pullback’ from meat-free as an alternatives category, explained Nathan Ward, business unit director at data and insights consultancy Kantar. The trend is not specific to the UK alone. Globally, plant-based meat players – even category pioneers such as Beyond Meat – have been suffering. That is not to say that amid cost-of-living pressures consumers are swapping out plant-based meat for meat. Kantar’s consumer data suggest that consumers are continuing to remove meat from their diets, they’re just going about it a different way. The plant-based meat market is generally almost as expensive, if not as expensive as meat products, Ward told us during FoodNavigator’s recent Positive Nutrition Digital Summit. “Consumers are seeing that and putting different things into their [basket]. “A great example of this would be consumers dropping meat from a pasta dish and just using a sauce or adding cheese to that dish. They’re moving away from having a meat alternative with it and having a more meat-free meal that doesn’t…contravene quality.” Ward continued: “We are seeing people eat differently, and the cost-of-living crisis has been a big driver.