# Tesco’s target for 300% growth in plant-based meat sales falls short amid shifting consumer habits



Tesco's ambitious target to achieve 300% growth in plant-based meat sales by the end of 2025 now appears increasingly elusive. The UK’s largest supermarket chain has recently acknowledged that sales growth in this sector is slowing significantly, raising questions about the sustainability of past forecasts. Initially set as part of Tesco's 2020 sustainability goals aimed at reducing the environmental impact of grocery shopping, this target was grounded in robust sales growth from 2018 figures. However, the sharp rise in consumer interest seen during the pandemic is now a distant memory, and the company has recognised discrepancies between expectations and current market realities.

According to Tesco's latest sustainability report, sales of plant-based meat alternatives have indeed increased since the 2018 baseline—initially soaring by 130% by late 2021. Yet, this figure has since waned, now reflecting a growth of only 94% by 2024. This deceleration highlights broader market challenges, including rising costs, inflationary pressures, and shifting consumer preferences. These variables together suggest that while the plant-based sector remains present and relevant, its previous momentum is faltering.

Amid growing budget constraints, many consumers are opting for more affordable meat-free meals rather than plant-based meat alternatives. Tesco pointed out a notable shift towards "protein diversity", where shoppers increasingly choose whole food sources like lentils, beans, and vegetables over meat substitutes. The retailer noted that vegetable-led dishes now account for 40% of all plant-based sales, according to market industry data, showing that the focus is shifting from meat alternatives to dishes where vegetables take center stage. This aligns with recent insights indicating that even though meat consumption is declining, consumers are not necessarily filling the gap with pricier plant-based meats.

This market contraction has not only affected Tesco but has also reverberated through the wider industry. Brands such as Quorn and Beyond Meat have reported significant financial challenges, driven in part by ongoing declines in consumer interest in plant-based products. Quorn, a major player in the UK meat-free market, has faced several impairment charges related to its meat-alternative business, prompting a restructuring that includes job cuts. Meanwhile, Beyond Meat has recently borrowed $100 million to support its dwindling cash flow, coping with continuing losses while cutting its sales guidance for the upcoming quarters.

Market dynamics illustrate that while initial consumer enthusiasm for plant-based options catalysed an influx of brands into the space, over-saturation has led to reduced interest and sales. Reports indicate that the number of meat alternative product lines across major UK retailers has declined by approximately 10.9% over six months, suggesting that the marketplace is recalibrating in response to consumer demand and economic pressures. There is also a notable reluctance among consumers to switch from traditional meats to plant-based options owing to concerns regarding taste and quality, which raises fundamental questions about the strategies brands must adopt moving forward.

In an environment marked by high prices and economic uncertainty, sustaining the growth of plant-based meat could prove challenging. The previously flourishing niche is now at a crossroads where companies must reassess their offerings and adapt to changing preferences that favour affordability and nutritional diversity over mere replication of meat products. As the food industry grapples with these significant shifts, Tesco's intention to push for a more sustainable future will necessitate a nuanced understanding of consumer behaviour and market trends.

### Reference Map

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

## Bibliography

* <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
* <https://www.fooddive.com/news/plant-based-meat-sales-slowdown/610268/> - This article discusses the slowdown in plant-based meat sales, highlighting factors such as premium pricing and market saturation. It notes that plant-based meats are often more expensive than their animal-based counterparts, which can deter consumers. The piece also mentions that the initial surge in plant-based meat popularity led to an influx of companies entering the market, resulting in oversupply and reduced consumer interest. The article emphasizes the need for the industry to address these challenges to sustain growth.
* <https://www.thegrocer.co.uk/plant-based/meat-free-growth-tailing-off-as-retailers-shrink-ranges/677580.article> - This article reports on the decline in meat-free product offerings among major UK retailers, with a 10.9% reduction in the number of meat alternative lines over six months. It highlights that brands like The Tofoo Co and The Vegetarian Butcher have experienced significant cuts in their product ranges. The piece suggests that market saturation and changing consumer preferences, influenced by factors like inflation and cost-consciousness, are contributing to this trend.
* <https://www.thegrocer.co.uk/top-products/meat-free-2023-plant-based-feels-brunt-of-tight-budgets/686245.article> - This article examines the challenges faced by the plant-based meat market in 2023, noting a 4.2% decline in volume and a £38.4 million drop in value sales. It attributes the downturn to budget constraints, with consumers opting for cheaper sources of nutrition. The piece also mentions the struggles of brands like Quorn and Beyond Meat, which have faced sales declines and financial difficulties, leading to restructuring and cost-cutting measures.
* <https://www.foodnavigator.com/Article/2024/04/02/consumers-aren-t-swapping-plant-based-meat-for-meat> - This article explores consumer behavior amid the cost-of-living crisis, noting that while consumers are reducing meat consumption, they are not necessarily substituting it with plant-based meat alternatives. Instead, they are opting for more affordable, meat-free meals. The piece highlights that plant-based meats are often priced similarly to or higher than animal products, leading consumers to choose other options to maintain quality while cutting costs.
* <https://www.foodbusinessnews.net/articles/24486-plant-based-meat-market-at-a-crossroads-amid-declining-sales> - This article discusses the challenges facing the plant-based meat market, including a nearly 21% decrease in volume sales over a 52-week period ending July 2, 2023. It attributes the decline to high prices, inflationary pressures, and consumer skepticism regarding taste and texture. The piece also notes that investments in the category have slowed, with a 41% decrease in funding for plant-based meat, seafood, eggs, and dairy companies in 2022.
* <https://www.supermarketperimeter.com/articles/10131-plant-based-meat-sales-continue-to-decline> - This article highlights the ongoing decline in plant-based meat sales, citing a nearly 21% decrease in volume sales over a 52-week period ending July 2, 2023. It attributes the downturn to high prices, inflationary pressures, and consumer concerns about taste and texture. The piece also mentions that investments in the category have slowed, with a 41% decrease in funding for plant-based meat, seafood, eggs, and dairy companies in 2022.