

# Here's Why You Should Turn Your Business Vegan In 2018



EDITOR'S PICK

**Katrina Fox** Contributor 

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Impossible Foods' plant-based Impossible Burger is currently sold in over 150 eateries in the US. IMPOSSIBLE FOODS

No longer relegated to the fringes of society where for so long it was mocked for being 'weird' or 'extreme', veganism is going mainstream. Finally recognized for its positive impact on sustainability and animal welfare without the need to sacrifice taste or style, vegan living is starting to become the norm.

The continued proliferation of vegan and plant-based business stories and developments that have occurred during the past year demonstrate that this movement is just getting started in making its mark – and entrepreneurs are leading the way.

Here are some of the key reasons you should consider veganizing your business in 2018:

## **The numbers speak for themselves**

Sales of plant-based food in the US [went up by 8.1%](#) during the past year, topping \$3.1 billion, according to research carried out by Nielsen for the Plant Based Foods Association (PBFA) and the Good Food Institute.

Plant-based dairy alternatives are expected to represent [40% of the combined total of dairy and dairy alternative beverages within three years](#), up from just 25% in 2016, according to research firm Packaged Facts. The company predicts new types of dairy-free milks to find wider audiences in 2018, including barley, hemp, pea, flax and quinoa.

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Vegan cheese has taken off in a big way, with the global market estimated to [be worth just under \\$4 billion by 2024](#), growing at a compound annual growth rate of 7.6% from 2016 to 2024, according to a report by research firm Bharat Book.

The humble pea is revolutionizing the plant-based sector as global revenues of pea protein are estimated to be [worth \\$104 million by 2026](#), according to Future Market Insights.

While plant-based milk sales grew 3.1%, [cow's milk sales declined 5%](#) and are [projected to drop another 11% through 2020](#), according to Mintel. Market Watch reports that Dean Foods, the largest supplier of dairy milk in the US, recently [posted a third-quarter net income of just \\$1.4 million, down from \\$14.5 million](#) in the same period a year ago. This downward trend is not confined only to the US: Australia's largest supplier of dairy products, Murray Goulburn, announced [a 22% drop in milk sales](#) in the past financial year. Meanwhile Elmhurst, one of the longest-running dairies on the US east coast, decided in 2017, after 92 years, to [cut its losses](#) and switch to producing solely plant-based milks.

The egg industry is starting to feel the pinch too. Shares in Cal-Maine Foods, an egg producer since 1969 in Jackson, Mississippi in the US, [saw its shares drop 7% in July this year](#), after the company reported its first annual loss in more than 10 years. CEO Adolphus Baker blamed the growth in popularity of egg alternatives.

Finally, the global meat substitutes market is expected to [garner a revenue of \\$5.2 billion by 2020](#), registering a compound annual growth rate of 8.4% during the forecast period 2015-2020, according to Allied Market Research.

## **These key developments and players are signs that this market will continue to grow**

Competition is heating up in the race to produce plant-based burgers that look, feel and taste like their animal-based counterparts, even to the point of ‘bleeding’ red juice. American startups Impossible Foods and Beyond Meat continue to lead the way. The Impossible Burger is currently served at more than 150 eateries in the US, while the Beyond Burger, whose investors include Bill Gates, Leonardo DeCaprio, Twitter co-founders Biz Stone and Evan Williams, and meat company Tyson Foods, is available in more than 5,000 grocery stores across the US as well as on menus at selected restaurants such as the Veggie Grill Chain. In December 2017, Beyond Meat released its [Beyond Sausage](#) which it claims mimics the taste and texture of pork, but with less fat and sodium and higher protein than traditional sausages. On the other side of the pond, three companies in the UK, two of which are backed by Gates, [are working on bringing their vegan burgers to market](#). British startup Moving Mountains claims it will be the first to get its B12 Burger into stores there. [Article continues]

Hampton Creek continues to innovate with its plant-based versions of egg products, including mayonnaise and its [newest release Just Scramble](#), a vegan egg made from mung beans which the company says saves at least 65% more fresh water than conventional egg products and emits 24% fewer greenhouse gases.

Vegan cheese brand Kite Hill [secured \\$18 million investment](#) from General Mills and is on a mission to have its products sold in the dairy cases in more supermarkets across the US.



Beyond Meat released its vegan Beyond Sausage in December 2017. BEYOND MEAT

Miyoko's Kitchen has rebranded to simply Miyoko's, named after its founder, vegan cheese pioneer Miyoko Schinner. The company [recently opened its new, larger premises in Petaluma, California](#) after receiving \$6 million from JMK Consumer Growth Partners, and will be ramping up its production in 2018.

According to CB Insights, at least [seven of the 15 most well-funded food and beverage startups](#) are plant-based.

'Vegan butcher' was named [a top new job trend for 2017](#) by Time Money.

Plant-based fast food [is on the increase](#). As well as [McDonald's rolling out a vegan burger](#) in its stores in Sweden and Finland, vegan chains Veggie Grill, Plant Power Fast Food and by Chloe. opened more locations throughout 2017 and are set to do the same in 2018.

The 'grab and go' market in the UK saw café chain Pret a Manger make its pop-up, plant-based Veggie Pret store in central London permanent, open a second location in east London and announce [a third one for 2018](#). British department store chain Marks & Spencer [introduced two vegan sandwiches](#), and iconic US plant-based meat brand Tofurky [launched its range of four vegan sandwiches](#) in the UK.



Daily Harvest, a New York-based subscription service specializing in frozen, plant-based, one-step-prep foods, [secured \\$43 million investment](#) from Lightspeed Venture Partners and VMG Partners who join existing celebrity investors Gwyneth Paltrow and Serena Williams.

Plant-based was noted by Organic Authority as [the biggest trend at trade show Natural Products Expo West](#) in Anaheim, California this year, while the UK held its [first ever vegan trade show VegFestUK Trade](#) at Olympia in London

### **Even animal agriculture industries are taking notice**

Plant-based meat substitutes is one of the [“six greatest ag challenges for 2018,”](#) according to Chuck Jolley, the president of the Meat Industry Hall of Fame.  
[Article continues]

Germany’s agricultural minister Christian Schmidt [called for a ban this year on the labeling of plant-based proteins as vegan ‘meat’](#). Schmidt has a problem with products with names such as ‘vegetarian schnitzel’ and ‘curry sausage’, arguing that they are “completely misleading and unsettle consumers”.

In the US the [Dairy Pride Act](#), a bill introduced by Senator Tammy Baldwin of Wisconsin and Congressman Peter Welch of Vermont earlier this year, calls on the FDA to stop plant-based dairy alternatives from being labeled as ‘milk’.



The global vegan cheese market is estimated to be worth just under \$4 billion by 2024. 123RF

Rather than resist the inevitable, smart animal agriculture businesses are getting in on the plant-based revolution by buying or investing in plant-based brands. Tyson Foods, the top US meat producer, [increased its investment](#) in Beyond Meat this year, after initially having taken [a 5% stake](#). Canada's largest meat distributor Maple Leaf Foods bought popular plant-based brands [Field Roast](#) and [Lightlife Foods](#). Nestle acquired [Sweet Earth Foods](#) (which was founded by a former Burger King board chairman). Dean Foods [struck an investment and distribution deal](#) with plant-based milk and yoghurt startup Good Karma. Japanese pharmaceutical company Otsuka [bought plant-based cheese brand Daiya](#). Danone, a multinational food company with a focus on dairy, [completed its purchase of plant-based pioneer WhiteWave](#) (becoming DanoneWave), and Saputo, Canada's largest dairy processor, [is on the lookout for an opportunity to buy a plant-based milk company](#).

In Denmark Naturli Foods created a plant-based minced meat which has been taken on by the country's largest retailer Dansk Supermarked Group. The product, which translates as 'Minced Veggie', will be [sold in the supermarket chain's 600 stores in the new year](#). Meanwhile, Dutch meat company Zwanenberg Food Group, which has been in business since 1929, is [shifting half its focus on to plant-based proteins](#) with the aim of 50% of its turnover to come from non-meat products such as vegetarian snacks, soups and sauces.

International finance group Rabobank said that recent growth in plant-based and clean meat should [serve as a "wake-up call to the animal protein sector"](#) and encouraged the meat industry to invest in alternative proteins. Rabobank also estimates that within five years alternative protein could represent a third of protein demand in the EU.

Campbell Soup Company [left the Grocery Manufacturers Association and joined the Plant-Based Foods Association](#) and Walmart encouraged its suppliers to create [more plant-based products](#).

Responding to these developments, Bruce Friedrich, executive director at the Good Food Institute, said: "The growth of the plant-based sector in 2017 exceeded even my optimistic projections. The news from the meat industry itself was especially encouraging and 2018 is sure to continue the accelerating growth of plant-based meat."



US brand Tofurky launched four vegan sandwiches in the UK in 2017. PIOTR-KOWALCZYK FOR TOFURKY

## But wait, it's not just all about food

While the plant-based food sector is experiencing tremendous growth, interest in animal-free products is being piqued in other sectors too. Vegan fashion is cited as a major trend for 2018 in [The Future 100 Report](#) by global research firm J. Walter Thompson Intelligence. We've seen the creation of alternatives to leather made from [pineapple waste](#), [apple peels](#), [mushrooms](#), [kombucha](#) and [wine](#) as well as the [first biofabricated leather brand](#) and [vegan silk](#).

Luxury car manufacturers are responding to the demand for cruelty-free materials, with Tesla [reported to have removed animal-based leather](#) as an option for its seats and Bentley [exploring alternative materials to leather](#) to cater for high-wealth ethical consumers.

Joshua Katcher, instructor of fashion at Parsons The New School and founder of men's fashionwear store Brave Gentleman in New York, is most excited about biofabrication. "This coming year 2018 will definitely be about celebrating visionary solutions to some of the fashion industry's most calamitous impacts: animal skins and hairs," he said. "I also think we'll see a lot of innovation around mycelium (fungus) textiles from companies like Mycoworks and entirely new ways of making synthetics from recycled and biodegradable materials like 10XBeta's recycled CO<sub>2</sub> polyurethane-leather and Mango Materials' biopolyester made from bacteria."

Beauty brands [are removing animal products from their formulations](#) and even condom makers are recognizing this growing market and making their products

vegan. The [Green Condom Club](#) in Switzerland, [Hanx](#), a luxury brand created by a female gynecologist in the UK, and Australian brand [Hero Condoms](#), all launched this year

Next-level high-tech products include 3D printed vegan [cheese](#), [candies](#) and [pizza crusts](#).

It's a brave new business world, one in which growing numbers of consumers will continue to demand sustainable and ethical products. If you're about to start a business, it's worth making your products vegan-friendly from the start. If you already have a business, consider veganizing it by removing any animal-based ingredients or components (this includes bee products, wool and silk). Going a step further by gaining certified vegan status from the [Vegan Society](#) (UK) or [Vegan Action](#) (US) will help to set your brand apart from those that merely pay lip service to ethics.

The plant-based revolution is here to stay. Make sure you don't get left behind.

Katrina Fox is the founder of [VeganBusinessMedia.com](#), author of [Vegan Ventures: Start and Grow an Ethical Business](#) and host of the [Vegan Business Talk](#) podcast.