

The Power Behind Produce IN PLANT-BASED Living

A WHOLE INGREDIENTS APPROACH



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Summary

The produce department is the ***epicenter of opportunity*** right now for the plant-based movement. No one retailer in particular has set the standard or blue print, and the moment is now to take center stage and reap the rewards. Other departments like dairy and meat have taken the gamble on leaning into the category early on and have proven profitability for years to come. Covid has accelerated this forecast and amplified category initiatives. We look to the data to see what is working and we've analyzed which of these strategies could be seamlessly integrated into existing produce department formats with simple modifications to support seamless integration. We also recognize that drivers in other departments, like protein, might not be our calling card. Clean eating is our department's narrative, and we promote that through education, health benefits, and assortment. Merchandising and marketing tells this story and guides the consumer towards cleaner plant-based products that target key drivers for the category. Set Melissa's up as your MVP to deliver home runs and help you set records and category benchmarks for the industry. Melissa's brings support by offering strategy, data, marketing, and most importantly, plant-based variety to drive profits.

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Plant-Based Defined

\$85 BILLION MARKET EXPECTED BY 2030
according to investment firm UBS.

Plant-based or plant-forward eating patterns focus on foods primarily from plants. This includes not only fruits and vegetables, but also nuts, seeds, oils, whole grains, legumes and beans. While experts consider a plant-based diet completely free of animal products, consumers have found the term to be more inclusive than vegan or vegetarian ... there is no hard line to quit animal products, just a gentle nudge towards produce.

The foundations of this trend are found in the produce department.

Why are you letting meat and dairy lead the movement?

Now is the time to seize this opportunity!

Produce is the epicenter for opportunity. Companies like Beyond Meat and Impossible Burger acknowledge that

their products address the

concerns over animal welfare and sustainability for the consumer

more than they do for health and wellness. Their products are still highly processed and still not competitive in relation to health benefits.

Your produce department has the potential to tap into all three conversations.



How to Participate in the Conversation



The overarching theme that produce can really tap into is clean eating; minimally processed foods that provide maximum nutritional benefits — fruits and veggies! The idea is to consume foods that are as close to their natural state as possible.

Purchase Motivations

ANIMAL WELFARE: Tofu, Soy Cheese, Soyrizo, Soy Ground, Soy Taco

SUSTAINABILITY: Organics

HEALTH & WELLNESS: Full department participation (the main driver for this category)

Consumer Trends

Gen Z and millennials are proactive about their health and consume plant-based protein to reduce their health risks. Baby boomers consume alternative products as a reaction to their health conditions. Health and innovation are driving the growth, and target customers are drawn to product differentiation, and assortment.

KNOW YOUR CONSUMER

The plant-based consumer **spends 61% more** than the average shopper.

#MEATLESSMONDAYS

Compared to a year ago, 59% of consumers eat meatless meals at least once a week.

More veggies?

According to 41% of consumers who are eating more vegetables, yes please.

Covid 19: **Accelerant for Plant-Based Adoption**

U.S. retail sales of plant-based food have significantly outpaced total food sales during the pandemic, according to research from Spins, in partnership with the Plant Based Foods Association. Plant-based food sales were up 90% in the 16 weeks ending April 19, compared to the year prior. In addition, in the four weeks following peak panic buying, total plant-based food sales grew at 27%, which is 35% faster than total retail food.

According to a poll from Rethink Priorities in conjunction with the Humane Society of the United States, just over half of consumers think the food industry should focus on meat-free options to address potential meat shortages from plant closures and processing slowdowns. The poll of 998 people was conducted at the end of May.

“Covid is shining a light for consumers to start evaluating their own choices and whether or not they want to continue to buy meat,”


Josh Balk, vice president of farm animal protection for the Humane Society, told Bloomberg.


As consumer interest in plant-based meat has picked up in recent years, it seems the pandemic might have accelerated it.

Protein Driving the Category

Protein continues to be a driving force in the conversation around plant-based. The DRI (Dietary Reference Intake) is 0.8 grams of protein per kilogram of body weight, or 0.36 grams per pound.

FOR THE AVERAGE SEDENTARY
MALE & FEMALE

 **56**
GRAMS
PER DAY

 **46**
GRAMS
PER DAY

Recommendation: Highlight texture, variety and health benefits over protein.

High/Rich/Excellent is a government rating for nutrients in food based on Recommended Amounts Customarily Consumed (RACC). High protein produce listed below is based off per 1 cup serving.

PLANT-BASED PROTEIN MYTHS DEBUNKED

MYTH: "Only rich people can make the transition — it's just too expensive"

REALITY: Following a plant-based diet can actually be more affordable than an omnivorous one, because meat is expensive. Not to mention, a plant-based diet includes lots of grains, beans and potatoes, which are a few of the cheaper items you can buy.

MYTH: "You Can't Get Enough Iron on a Plant-Based Diet"

REALITY: You can. Especially when you eat items such as legumes (lentils, soybeans), grains (quinoa, brown rice, oatmeal), nuts and seeds (pistachio, pine, sunflower, cashew) and an assortment of vegetables (collard greens, tomatoes).

MYTH: "Dairy Products are the Only Way to Get Calcium"

REALITY: You can get more than enough calcium through leafy greens, vegetables, fruits, legumes and a few nuts and seeds, as well as a calcium supplement if needed.

High Protein Vegetables

Edamame, Lentils, Chickpeas, Fava Beans, Six Bean Medley, Red Kidney Beans, Green Peas, Quinoa, Brussels Sprouts, Yellow Corn, Potatoes, Asparagus, Broccoli, Avocado

Meat Alternatives

Mushrooms, Tofu, Jackfruit, Eggplant, Lentils, Beans, Cauliflower, Potatoes, Beets, Edamame, Quinoa

High Protein Fruits

Guavas, Avocados, Apricots, Kiwifruit, Jackfruit, Blackberries, Grapefruit, Oranges, Bananas, Cantaloupe, Raspberries, Peaches

When you look at these as replacements, the total grams of protein per serving compared to meat is significantly lower.

Merchandising Strategies

Remind consumers how produce fits into health goals of the plant-based movement. The success of merchandising is being built off of the core

Reposition Fresh Produce

Build upon current trend. Destination sets grab attention, just don't limit yourself to one area in the department.

Utilize Chefs and Dietitians

Promote healthier eating and capture eating experiences through culinary inspired sets or fresh cut and convenience items.

products that have a proven ability to sell. Retailers are leaving money on the table when they isolate plant-based sets in hard-to-find areas.

Use in-store POS

Display signage in produce and outside the department. Sticker key players so shoppers can connect your products to the trend throughout the department.

Be Bold

Do not allow protein to define produce. Instead, lean in to clean eating and health benefits.

Educational Marketing

Storytelling is critical to the success of produce insertion into the plant-based conversation. Consumers need to look at the familiar in new ways to gain confidence and agency to shop differently. Health experts can speak to reading labels: this is how you capture and convert the Beyond Meat consumers. Nutritionists and dietitians can educate on health benefits of cleaner plant-based offerings in produce. And chefs really tell the story through creative alternative recipes - a picture is worth a thousand words ... and a video shows them how it's done.

Digital media captures your consumer before they even enter the store and will prove to be a valuable platform to leverage.

Once the customer is in the store, POS tells them where to go when department associates might not be available to do so.



Follow the Dollars

But Create Your Own Path

Meat and dairy have opened the floodgates to plant-based profits. But remember, what works for other departments might not apply ... like protein. Own the produce narrative of being cleaner and better for the consumer. Also recognize what works for other departments that CAN work for you, like convenience, but don't lose sight of the newly established narrative. Convenience might look like a culinary inspired one-stop destination set, or bringing your fresh cut crew into the conversation. Prepping ingredients for a plant-based burger offers a cleaner alternative to competing departments. Additionally, this option taps into offering an experience for the consumer.

For many families right now, preparing dinner is a part of the entertainment for the evening. You can motivate the shopper to feel participatory but not having them bite off more than they can chew.

Melissa's has done the research, analyzed the data, and created strategies to drive not only profits to the produce department but the movement as a whole. Think of us as your plant-based concierge service - we're here to support you and make it happen. We offer variety, education, marketing, demos, social media, merchandising strategies and more. We have all the tools to set you up for success. We have the strategy and the products to get you where you need to be. It's time to dominate the category!

PRODUCT LIST

GRAINS/LEGUMES	VEGETABLES	FRUIT	CONVENIENCE
Edamame	Eggplant	Guava	Soy Taco
Lentils	Brussels Sprouts	Tropical Avocado	Soy Ground
Chickpeas	Yellow Corn	Sapurana Mango	Soyrizo
Fava Beans	Dutch Yellow [®] Potatoes	Kiwifruit	Almond Cheese
Six Bean Medley	White Asparagus	Jackfruit	Tofu
Red Kidney Beans	Baby Broccoli	Grapes	Kim Chee
Quinoa	Colorful Cauliflower	Charentais Melon	Spicy Edamame
Polenta	Beets	Citrus	Clean Snax [®]
Hatch Pecans	Tomatoes	Dragonfruit	Dried Mushrooms
Pine Nuts	Shishito Peppers	Passion Fruit	
Organic Walnuts	Asian Essentials	Cherimoya	
Red Walnuts	Shallots	Tai Nung Papaya	
	Jicama	Strawberry Papaya	
	Fioretto	Young Coconut	

