



Photo: Wildbrine

Plant-based butter's share of the spreads market is rising as consumers increasingly focus on health and the environment. What is behind the growth and what ingredients are used to provide a butter flavour without using any dairy ingredients?

Ile Kauppila

Plant butters on the ascent

Butter's reputation among consumers has been something of a roller coaster. Once reviled as a source of bad cholesterol, new scientific reviews have brought on a semi-renaissance for dairy butter in the last decade. Despite this, butter alternatives continue to grow in popularity.

Margarine, a butter-like product produced from plant oils, was originally marketed as a healthier alternative to butter. However, the presence of *trans* fats and high saturated fat content – particularly in earlier margarine products – tarnished margarine's name as well. Although product development has found ways to mitigate these issues, the word "margarine" still carries the baggage of its past.

Now, a new challenger is rising in the field of dairy butter alternatives. Plant-based butters – or plant butters – are popping up in dairy aisles in increasing numbers, and their market share is growing. Good Food Institute data shows plant butter sales in the USA grew 15% in only two years between 2017-2019,

reaching a value of US\$198M.

Chris Glab, co-founder of California-based fermented foods producer Wildbrine and its WildCREAMERY plant-based creamery, tells *Oils & Fats International* that he expects the growth to continue. According to him, we are seeing a "sustained, long-term trend to healthy, plant-based food alternatives."

That category also includes plant butters. Like the plants its oils are sourced from, the plant butter market is rooted in good soil and is growing stronger.

Plant butter or margarine?

Some people – many consumers included – have questioned whether there is any meaningful difference between products labelled as 'margarine' and 'plant butter'. Indeed, the two spreads appear similar at a glance. Both are dairy butter alternatives based on a variety of plant oils and fats. However, a deeper look at the ingredients reveals subtle but significant differences.

"For me, the main difference is that the new plant butters use real, whole, ▶



Photo: Adobe Stock

The COVID pandemic has led to an increase in home cooking and demand for grocery-purchased foods, with consumers paying more attention to the health and environmental impact of food

minimally processed ingredients,” explains Glab. “Many margarines, and particularly the original margarines that pioneered the category, used cheaper ingredients that were refined and highly processed, along with other artificial functional ingredients to assist in cost reduction or extended shelf life.”

Glab says that among the ingredients in some margarines are hydrogenated fats, sodium benzoate, potassium sorbate and mono- and diglycerides. Some of them, say both Glab and health information service Healthline, even include dairy-based ingredients – the product that margarine is supposed to replace. They can also contain soyabean oil or soya lecithin, which is a relatively common allergen.

The ghost of *trans* fats also still hangs over even modern margarines. The hydrogenation processes used to produce some margarines can create *trans* fats, which the American Heart Association has linked to heart disease and stroke.

“Many of the newer plant-based butters use oils that are considered better for you; oils that are not hydrogenated,” says Glab.

Considering the ingredients

When it comes to picking the ingredients, plant butter producers have a plethora of options available. The plant butter market is divided into several segments based on the main ingredient. In nut butters, almonds and cashews are the leading raw materials, notes Fior Markets. Coconut

oil-based butters can also be placed into this category.

In vegetable oil-based products, Expert Market Research data shows that olive, canola, palm and avocado oils are popular ingredients. Finally, in the plant milk category, soya milk leads the way with some 40% market share, says Future Market Insights (FMI). Other popular plant milks include oat, rice, corn, pea, flax and hemp.

The choice of the main ingredient for plant butter production, according to Glab, comes down to three main considerations. A functional raw material must:

1. Be minimally processed and towards the top of the list of healthiest oils and fats.
2. Have high performance that mimics the functional properties of butter.
3. Have a neutral taste that does not overpower the intended buttery flavour of the product.

Glab stresses the importance of the main ingredient's flavour profile. He says that formulating new plant butters is technically “fairly straightforward,” but the challenge arises with the product's taste.

“The real challenge is getting the flavour right,” explains Glab. “That dairy taste comes from lactobacillus-based fermentation of milk. How do you get that fermented dairy taste without using any dairy?”

Each plant butter producer has

developed their own methods to tackle this issue. Wildbrine, for example, has based its method on the company's previous experience in producing fermented vegetable food, such as sauerkraut.

“We developed a proprietary plant-based culture to flavour our dairy-alternative products. We utilise the very same lactobacillus fermentation to deliver that distinctive cultured dairy-like taste, but produced from a fermentation of whole plant ingredients,” says Glab.

Shifting consumer preferences

Plant butters, and other plant-based dairy and meat alternatives, were considered exclusively vegan products for a long time. As such, the market was limited in scope, as most omnivores stuck to either butter or old-fashioned margarine. However, according to both Glab and several market research companies, this landscape is changing fast.

One of the driving causes behind the expansion of the plant butter market is consumers' increasing focus on health. As mentioned, butter and margarine still carry some of their old stigma, and consumers see plant butters as a healthier replacement. Medical research supports this view somewhat; a report by health awareness group Switch4Good, for example, shows that a tablespoon of butter contributes roughly 30% of the daily recommended saturated fat intake for a 2,000 calorie diet.

“While some people are switching to plant-based butters for health reasons, the trend is driven by more than just health. It has taken on expanded participation to include flexitarians who may eat some animal-derived foods,” Glab notes. As such, plant butters are in general no longer perceived as strictly vegan products.

Glab also believes that no food product has escaped the effects of the ongoing COVID-19 pandemic, and plant butter is no exception. However, in this case, the pandemic may have been a boon. Due to government lockdowns in many parts of the world, people have increasingly resorted to home cooking. Together with this shift, they have begun paying more attention to what goes into their food.

“The pandemic has given consumers more time to research foods and the various impacts of the food they purchase and consume – on health, on the environment, on other living inhabitants of the planet. The pandemic has generally increased the demand on all grocery-purchased foods. As COVID-19 has accelerated many broad trends, it has

definitely also accelerated the sustained, long-term trend to healthy, plant-based food alternatives,” says Glab.

Concerns over animal welfare and the environment have further fuelled interest in plant butters. While some plant butter raw materials, like soya, are produced through industrial agriculture methods, Glab notes that, in general, the use of non-processed plant oils minimises plant butters’ environmental impact. Wildbrine and other plant butter producers also strive to use every part of the plant, either in food production or to fuel their factories.

A fast-growing market

Plant butters do appear to have a promising future ahead. Fior Market Research states that in 2018, the global plant butter market stood at US\$1.23bn and was poised to reach US\$1.77bn by 2026. However, this projection came before the pandemic hit, and reality has proven it to be too cautious. According to FMI, the market had already reached a total value of US\$2.4bn in 2020. By 2030, it could be worth as much as US\$5.1bn.

What every market research organisation does agree on is that steady growth will continue. Their expectations vary, but generally they predict the global plant butter market to see an annual CAGR of just short of 5%. Based on data from Market Research Future, this growth will rival or even surpass that of dairy butter, which is projected to see a CAGR of 4.52%.

This growth will be strongest in North America, driven partially by increasing numbers of people identifying as vegan. Between 2014-2017, the number of vegan consumers in the USA grew from 1% of the population to 6%. Behind North America, Europe is the second largest market base, followed by Asia Pacific. Key market players include Conagra Brands Inc, ForA: Butter, I Can’t Believe It’s Not Butter, Miyoko’s, Naturli Foods AS, WayFare Foods, and Wildbrine.

The market is characterised by a high number of both mergers and acquisitions and new product launches, alongside players exiting the segment – for example, Califia Farms told *Oils & Fats International* that it was discontinuing its plant butter products.

Is it ‘butter’?

Another boost for plant butter came in August 2020 in the USA. That was when producers finally received some clarity on a question that has haunted the market for a long time: can plant butters be called ‘butter’?

Sweet spreads market expected to grow

Plant butters aren’t the only spreads that are undergoing interesting developments. The sweet spreads market – including products such as peanut butter, jams, and chocolate spreads – is seeing a boost in certain segments. Other products in this category, however, are not necessarily doing so well.

In general, the sweet spreads market is growing, although not quite at the pace of plant butters. Market analysts agree the sector will see a CAGR of somewhere between 3-4% over the next five years.

Future Market Insights (FMI) projects North America to dominate the market, with Asia Pacific to follow. Europe, Latin America, Africa, and the Middle East

will see moderate growth up to 2030. The biggest challenge the market faces is raw material supply. Cocoa, sugar and fruits are all currently fetching high prices, notes IMARC Group.

But while plant butters are driven by health concerns, more indulgent options are thriving in sweet spreads. Transparency Market Research puts chocolate spreads as the leading category, while *The Grocer* notes that jams and peanut butter are also seeing increased value sales. Products that fall in the middle of the healthy-indulgent axis are struggling; sales of yeast spreads, such as Marmite and honey have fallen.

Intense product development and experimentation is a characteristic of the sweet spreads sector. Producers are launching new spreads to keep consumers interested, and the trick seems to be working. Increasing consumption of sweet spreads among older age groups is boosting the market, says 360 Market Updates.

Another defining trait of the market is its high fragmentation. Some of the big players include Conagra Brands, Ferrero Group, JM Smucker Co, Kraft Heinz and Unilever, but none of them dominates. Competition is fierce, which is further fuelling the drive towards new products.

For producers, the sweet spreads segment is currently challenging. Consumers, though, can look forward to new, tasty products to spread on their morning toast.



Chocolate spreads are the leading product in the sweet spreads market, which is seeing growth
Photo: Pixabay

Miyoko’s Creamery, a California-based plant butter producer, received positive news at a US district court when Judge Richard Seeborg ruled against a complaint by the California Department of Food and Agriculture, which claimed that Miyoko’s was misleading consumers by labelling its products as ‘vegan butter’.

According to the court, it was not misleading for Miyoko’s to call its product ‘butter’ if the word was preceded by a qualifier such as ‘vegan’ or ‘plant-based’.

The court also ruled that it was acceptable to call the butters ‘lactose-free’ and ‘cruelty-free’.

However, Seeborg did not allow Miyoko’s to call its butters ‘hormone-free’ due to the fact that plants contain their own hormones and, as such, the claim was misleading.

Additionally, the slogan ‘revolutionising dairy with plants’ was not approved as Seeborg ruled that there was no “direct interaction” between dairy and plant butter, and therefore plant butter could

not reasonably “revolutionise” its dairy equivalent.

In the future, however, plant and dairy butters might move closer together, according to Glab. He sees the products as moving towards collaboration, if all players in the market are willing to do so. That may very well be, considering facts such as the 30% butter deficit in France and the resulting tripling of butter prices to €7,000/tonne, as highlighted by FMI.

“The next generation of plant-based butters will bring together a collaboration between traditional dairy, food science, and – maybe the most important element – real-food culinary arts, supported by food science,” Glab says.

The dairy and plant butter segments could eventually merge into one simple ‘butter’ market. But for the time being, plant butter is expected to take up an increasing amount of space in the dairy aisle.

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