

Big meat is gobbling up fake meat companies

Conglomerates have bought out several smaller companies as the meat substitute market is predicted to grow rapidly



Meat alternatives at a supermarket in London. Big meat companies have been investing heavily in the alternative protein market. Photograph: Nathaniel Noir/Alamy

Big meat and food conglomerates threaten to push out smaller producers of meat alternatives in the same way they have affected other food industries, according to two recent reports.

Meat companies such as JBS and Cargill have invested heavily in plant-based proteins and laboratory-grown meats in recent years and bought out

several smaller companies, according to a [report](#) published Tuesday by the non-profit Food & Water Watch and a March [report](#) from IPES-Food, a coalition of food systems experts.

The animal meat conglomerates are joining other food giants that already control about 80% of the meat alternative market, including Kellogg's, which owns the MorningStar Farms brand, and Conagra, which owns Gardein.

"With most of these products you won't see the parent company's name on the label," said Philip Howard, an associate professor at Michigan State University and lead author of the IPES-Food report. People buying meat alternative products "may not realize they're supporting those big companies", he added.

The [meat substitute market is predicted to grow rapidly](#), from \$4.2bn in sales in 2020 to \$28bn in 2025, according to IPES-Food. Much of that growth will come from the already robust plant-based meat industry, the report said, but several conglomerates have also invested hundreds of millions to develop [lab-grown meat](#) – meat produced in bioreactors without the need to slaughter animals.

Both plant-based and lab-grown meat producers say their products are better for the environment than meat. Plant-based alternatives have a median carbon footprint [93% smaller](#) than beef, according to a report from Johns Hopkins University. And German scientists have said [replacing even 20% of the world's beef](#) consumption with microbial proteins such as Quorn could cut deforestation in half.

Even as the meat industry [downplays the value of fake meat](#), as pressure grows from climate scientists and other experts to [dramatically reduce](#) meat consumption, some big meat companies may be looking for other revenue streams.

Cargill [has been active](#) in the sector, investing in lab-grown meat company Aleph Farms and creating its own plant proteins. Tyson Foods is selling plant-based meats under its Raised & Rooted brand and has invested in several plant-based and lab-grown meat companies.

JBS, the world's biggest meat company, last year bought lab-grown meat firm BioTech Foods and also [Dutch plant-based meat company Vivera](#), which has the corporate tagline: "Life is better when you eat less meat."

"They're covering their bases because this is an area that's growing very quickly," Howard said. "These companies have gotten big and powerful by using every strategy they can."

[Graphic showing America's biggest meat companies' investment in plant-based and lab-grown meat companies](#)

US federal regulators are doing little to stop consolidation in the alternative meat sector, said Amanda Starbuck, research director for Food & Water Watch, who added that it could end up looking similar to [the beef industry](#), where four companies – JBS, Cargill, Tyson Foods and National Beef Packing – control 85% of the industry.

"Plant-based meat brands are hardly an alternative to the current system if they continue to entrench corporate power," concludes the Food & Water Watch report. "It shows the futility of voting with your dollar," Starbuck said.

It's a concern echoed in the IPES-Food report, which says corporate control threatens to undermine gains from reducing reliance on animals by replicating some of the problems of the traditional meat industry, including mass-produced, monocultured ingredients and energy-consuming methods. Increases in meat alternatives could "reinforce the power relations that keep current systems in place, and fail to address the question of how systemic

changes will be achieved," notes the report.

With big companies likely to consolidate control of the meat alternative industry, Howard worries the landscape will resemble the US craft beer industry. While the [US has nearly 9,000 breweries](#), the vast majority are tiny and can't distribute beer beyond their neighborhood bars, and alcohol conglomerates have snapped up most of the larger craft brewers.

Smaller producers could find it difficult to get the grains and other plants needed for meat alternatives, said Celia Homyak, co-director of UC Berkeley's Alternative Meats Lab. Big companies "are going to capture all of these ingredients and take them away from these smaller companies that are doing the innovation," Homyak said. "They have the power of money and size."

But she also sees benefits in increased interest from big meat companies. Corporate investment and a smaller industry aren't necessarily bad, Homyak said. "We need more people to be entering this space, and obviously it will shrink down because you can't have a million players," she said. "I'm not actually that worried about the big conglomerates coming in because it shows these larger corporations think this industry is valid."



'Beyond Burger' patties made from plant-based substitutes for meat products sit alongside packages of ground beef in New York City. Photograph: Angela Weiss/AFP/Getty Images

At least 1,300 startups were producing meat alternatives as of six months ago, said Zak Weston, a senior supply chain manager with the Good Food Institute, a non-profit that advocates for fewer animal-based proteins. "There is a lot happening right now in the ecosystem, and large companies are playing a role. And we think that's a positive," Weston said.

But some worry investment from big meat companies will stifle innovation in an industry that depends on it.

The industry is better off with smaller companies without corporate ties, said Dan Staackmann, who founded Upton's Naturals 16 years ago. The Chicago-based company, which Staackmann says has never taken outside money, sells vegan proteins in stores and restaurants around the country.

"You take that money and suddenly someone's looking over your shoulder,"

he said. "I can do more with \$100,000 than some of these companies can do with \$100m, and I think that's the same with a lot of entrepreneurs. You just can't steer a large ship quickly enough in a changing market like this one."

But independence may be fleeting for many producers, said Howard, the Michigan State professor. Conglomerates have partnerships with major grocery chains and distributors, he said, so anyone looking to expand their meat alternatives beyond their neighborhood will feel pressure to sell.

"It's going to be very difficult for those small and medium-sized firms to stay in business," Howard said. "We have economic systems that reinforce the position of the rich and powerful. Just breaking into supermarket shelves is very difficult for smaller producers."

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