

FRIDAY BY Noon

*This Week's Hot Topics in
Food, Bev, and Ag*



“But the chipotle comes out better for the burn: a pepper that died so it could live.”

— *Eater's Gustavo Arellano on the state of Mexican food in the US.*

Beyond a Billion



On Monday morning, vegan chicken and beef substitute maker Beyond Meat [announced](#) the launch of its initial public offering. News spread quickly that the IPO would value the company at up to \$1.2 billion, helped no doubt by backing from Bill Gates, Kleiner Perkins, and former McDonald's CEO Don Thompson.

- CNBC [covered](#) the news, adding several observations about American sentiment towards plant-based meats, including a [Nielsen study](#) that suggests nearly 40% of Americans are trying to eat more plant-based foods.
- Meat industry insider *Meatingplace* quickly [reported](#) the news, adding that the company would invest proceeds in marketing and manufacturing capabilities.

- The FAIRR Initiative, a UK-based investment adviser specializing in livestock ESG (environmental social governance), [tweeted](#) that Beyond Meat’s IPO is “more evidence of the tremendous potential of #AlternativeProteins.”
- In addition to the IPO announcement, *Food Navigator* [shared](#) the news that Beyond Meat was expanding operations into Canada.
- However, on Wednesday, Tyson Foods took away some of Beyond Meat’s momentum by selling its 6.5% stake in the company. Axios [posted](#) a statement provided by Tyson indicating they plan to launch their own alternative protein product this summer.

Stopping Stop & Shop



In mid-April, *Supermarket News* [reported](#) that roughly 31,000 United Food & Commercial Workers (UFCW) in 240 stores walked off the job in a dispute over wages, pension, and healthcare benefits. The strike caught the attention of prominent food media because recent food supply chain workforce flare-ups have occurred primarily on farms (because of immigration issues), in processing (because of immigration and worker safety issues) and in foodservice (because of low wages and sexual harassment). Comparatively, recent labor relations within the retail workforce have been quiet.

- *Bloomberg* [covered](#) the strike, noting that it’s the largest US private sector strike in many years.
- *The Boston Globe* [compared](#) physical traffic to Stop & Shop locations during the strike, using mobile phone data from Skyhook that indicated it was down as much as 75%.
- An NPR: The Salt summary late last week [noted](#) that Democratic presidential candidates Joe Biden and MA Senator Elizabeth Warren stood by the UFCW.
- Early this week, *The New York Times* [reported](#) on a tentative agreement between the union and management.
- Winsight Media/Grocery Business [reported](#) that the strike cost Stop & Shop parent Ahold Delhaize \$200 million in sales and \$100 million in profits.
- Activist group Fight For 15 [tweeted](#) a link to a *New Republic* article [summarizing](#) the situation and said this strike “emboldens workers across the public and private sector. People get energized when they see other people standing up and winning. They can inspire more people to walk out in 2019.”

Big Box Cattle



Late last year, Costco broke ground on its own chicken processing plant in Fremont, Nebraska making it the “first company to assume the risks associated with farm-to-fork meat production” (*Meat & Poultry*). Now Walmart is taking similar risks with beef, [announcing](#) on Wednesday that

they are “developing an end-to-end supply chain for Angus beef.” As retailers compete to differentiate themselves with strategies like offering unique private label products and experimenting with food delivery, some leaders are seeking to secure their own supply of commodity products. In its new beef supply chain, Walmart will partner directly with specific ranchers, packers and processors to supply case-ready beef products to 500 stores in the Southeast.

- Texas rancher Bob McClaren of Prime Pursuits, one of the suppliers chosen, commented, “This bold vision gives Walmart a special place at the table by contributing to the most enjoyable and memorable moments in the lives of its customers.”
- Walmart’s statement [cited](#) “clean labels, traceability and transparency,” as the reasons behind this move, but Reuters’ Tom Polansek [quoted](#) a former Tyson executive and beef expert who characterized the move as “a play for the millennials.”
- *The Wall Street Journal’s* Jacob Bunge [consulted](#) Jeremy Scott, an analyst with Mizuho Securities, who said the move is “definitely going to create some waves and may change up the game a bit on the beef side, because traceability is the next big thing.”



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Worth Reading

Some important points of view worth checking out this weekend.

"CONSIDER THE CHIPOTLE"

Eater’s Gustavo Arellano [dives](#) into Chipotle’s comeback from the depths of food safety blunders to a category leader changing how we define Mexican cuisine. He claims to have stumped CEO Brian Niccol when he asked to compare Chipotle, the burrito chain, to chipotle, the shriveled, smoked version of the spicy jalapeno pepper. Arellano said “The newish boss seems to be doing to Chipotle what people do to make a chipotle: roast it so that it

can transform and live ... plans for a digital push, continued expansion, and new menu items meant the chain's brightest days were still to come." Also in Eater this week, [several great articles](#) defining the state of Mexican food in the US.

UNCURED MEANS ... CURED?

Washington Post food columnist Tamar Haspel [posted](#) a perspective detailing bacon brands sold in retail as "uncured": "It says 'uncured' in big letters, and you buy it because you think it's better for you, being free of nitrates and nitrites...But guess what? It isn't better for you. It does have nitrates and nitrites. Sometimes, higher levels than conventionally cured meats." Haspel explains in detail the marketing and labeling loopholes some meat brands use to define "good" and differentiate themselves.

MEAL KIT SUSTAINABILITY

On Tuesday, *Science Direct* [posted](#) the results of a *Resources, Conservation and Recycling* study on the environmental impact of meal kits (from companies like Blue Apron and HelloFresh) compared with grocery meals. Largely focused on the environmental impact of the food waste from grocery meals versus the packaging from meal kits, the study found meal kits to be more environmentally friendly. NPR: The Salt [covered](#) the study and quoted its two University of Michigan authors, both of whom suggested that consumers too often focus on single use plastic rather than food waste.

TASTY NEOLOGISMS

Merriam-Webster [announced](#) its 640 new words for 2019, and 17 of them are food-related. Some of the stand-outs include "bhut jolokia," "ghost pepper," "chai latte," "umami," and "cheesemonger." *Food & Wine* [celebrated](#) the news and commented, "We're still stuck on the fact that 'chai latte' wasn't already in there."

WHO'S A JERKY?

The Wall Street Journal's Anne Marie Chaker [covered](#), "the jerkification of the snack aisle: Entrepreneurs are making chewy, marinated bits out of everything from shiitake mushrooms to bananas. Not to be outdone, meat-based brands are coming out with new approaches, from 'biltong' — a style from South Africa — to pork carnitas." After a carnivorous boom a few years ago, many jerky brands are surfing the meatless trend, evoking "humans' deep-rooted desire to chew things."

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The [Intel Distillery](#) is your essential source for food industry analysis and intelligence. As we work through beta-testing, we will share some of our thinking with you every week on Fridays, by noon (Central Time, of course). We welcome your feedback.

