

BRIEF

Purple Carrot sells \$4M stake to Fresh Del Monte

By **Cathy Siegner** • May 8, 2018

Dive Brief:

- Plant-based meal kit company Purple Carrot has attracted a \$4-million equity investment from Fresh Del Monte Produce. According to Food Business News, the four-year-old company will be looking to get its meal kits into the retail channel and for other expansion opportunities.
- Purple Carrot briefly sold meals at select Whole Foods stores in 2016.
- “Purple Carrot has tremendous growth momentum in the fast-growing plant-based food segment with a well-known brand and an authentic connection with its customers,” Mohammad Abu-Ghazaleh, chairman and CEO of Fresh Del Monte, said in a release. “We believe there will be significant opportunities for our teams to create increased value through product mix and channel expansion.”

Dive Insight:

Fresh Del Monte's investment shows confidence in the plant-based meal trend, especially given the chance to bolster Purple Carrot's at-home delivery with retail availability. Food Business News reported that the meal kit company expects plant-based consumption to double to \$25 billion in 2020 and the meal kit market to go from \$1.6 billion in 2016 to \$35 billion in 2025.

Andy Levitt, founder and CEO of Purple Carrot, called the \$4-million stake "an important step forward" for his company. “Helping people eat more plant-based foods represents our

differentiated, purpose-driven commitment to making the planet and the people who live on it healthier," he said in a release.

Both companies are looking to diversify and expand growth opportunities. While Fresh Del Monte is well-positioned in the fresh and canned fruit and vegetable sectors — thanks in part to its recent \$361-million purchase of Mann Packing with its organic vegetable offerings — the stake in Purple Carrot adds a trendy, better-for-you element to its portfolio.

As for Purple Carrot, the investment brings needed heft to its plan to enter the retail channel. It also builds on the \$5-million investment it received two years ago from WindSail Capital to gather research on consumer dietary preferences.

After an initial surge in popularity, the meal kit industry has struggled with high operational costs, low subscriber numbers and fickle consumer loyalty. As a result, differentiation within the space has been crucial to attracting and retaining customers.

Purple Carrot had some luck in late 2016 when Whole Foods agreed to put Purple Carrot meal kits in some of its Northeast U.S. stores as a four-month trial run. Even though CEO Andy Levitt has said the experience went well, the company opted instead to push its TB12 Performance Meals developed with Tom Brady, quarterback for the New England Patriots.

"We gained a whole host of learnings from that experience and would be poised to introduce or reintroduce our meals at the retail level when the right partnership presents itself," Levitt told Food Navigator last fall.

Because of its unique positioning, Purple Carrot's brand appears to be a strong contender in the beleaguered meal kit space. According to Tech Crunch, if company success is gauged on how much investment funding they have attracted, Purple Carrot, along with Plated (bought by Albertsons), Blue Apron (also trying to enter the retail space), Hello Fresh (looking to break even in the U.S.) and Chef'd (partnering with Innit on customized meals) are among the healthier ones.

As the predicted shakeout continues in the meal kit business, Purple Carrot seems to be well-positioned to take advantage of growing interest in plant-based meals. And, with this new cash injection, it may be able to enter the more lucrative retail market sooner rather than later.

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 Food Business News

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 Food Navigator

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