

“Food as Medicine” is on the Rise

This week I had the pleasure of speaking alongside PepsiCo’s Chief Medical Officer Antonio Tataranni about the future of Food as Medicine. Food as Medicine has been of increasing interest to early-stage VCs, a category historically stunted by insurance and pricing challenges. However, I believe we’re at a turning point.

The # of companies being created that fall into our Food as Medicine or Medical Food verticals is relatively small today. However, IP filings in these categories is worth noticing.

IP Filings in “Food as Medicine” by country:

Country	IP Filings
AT	3
AU	305
BE	6
BR	20
CA	96
CH	4
CN	13020
DD	3
DE	240
DK	42
EA	3
EP	705
ES	540
FI	19
FR	10
GB	8
HU	8
IE	2
IL	2
IT	1

JP	1886
KR	582
LU	2
MX	12
NL	7
NZ	2
PL	3
PT	1
RU	806
SK	3
SU	13
TW	416
US	6120
WO	110
Grand Total	25000

In contrast, food startups are getting funding all over the world. In 2020 we saw a little over 10,000 new companies, about 1,000 of those were focused on food and beverage. The most active breakdown is as follows:

USA	491
CA	113
NY	65
TX	33
Colorado	29
Illinois	21
Florida	20
WA	16
PA	15
MA	14
OR	14
NC	13
UK	59
CAN	49
Ontario	20
India	34
DE	28
Netherlands	27
Spain	23
FR	22
Israel	17
Swiss	14

NZ	13
AUS	11
IRL	10

The biggest hubs are USA, UK, and Canada. As governments step in to stimulate new export opportunities, especially at the university level, I suspect we'll see these numbers shift.

How do we define Food as Medicine?

By our standards, Food as Medicine is something that can be covered by insurance and has real studies to support the efficacy of the business/products. That being said, we also look at food programs and supplements businesses with studies behind them or who are in the process of running tests but have not yet been able to receive insurance coverage.

Why is timing right for Food as Medicine?

The primary reason I believe timing is right for early-stage investment is because we are just now starting to see food businesses receiving insurance coverage. It's still an arduous journey but insurance companies are starting to see this as a way to support their customers and reduce long term costs associated with chronic conditions caused by poor nutrition (diabetes, hypertension, etc.)

We are also seeing startups working to solve the nutrition problem we have globally from several angles:

- 1) Better methods to test foods and supplements. F&B is not subject to the rigorous testing pharmaceuticals go through, so creating trust with consumers is challenging. There is a gap that startups are attempting to fill with alternatives to clinical trials to bring efficacy to the space.
- 2) Creative methods for reducing price of food for patients who need to dramatically change their diets but can't afford it. I believe the way we look at the whole category Food as Medicine will change as entrepreneurs find new angles to tackle access to proper nutrition.

How do we invest in these companies?

We're looking to invest at moment of inception, pre-seed, seed in companies focused on Food as Medicine as described above. Where Food as Medicine does not apply, we also invest in food & beverage companies that create a delightful moment (through our [Joyance](#) portfolio).

[Examples within our portfolio]

Microbiome or gut focused food/bev:

Wild Wonder

Thryve

Mybacs

Ombre

Superfoods/plant proteins:

Mushlabs
Meati
Planted.
Hamama
Proper Good

Lab grown foods:

Finless
Mission Barns
Orbillion
Novel Farms
Gourmey
Cultured Decadence
Peace of Meat
Melibio
Blue Farm

Preventative healthcare/nutrition:

Lark
Digbi Health
Sigrid
Pollie
Edifice Health

How do we work with other stakeholders & corporations?

When larger corporations get involved, it accelerates consumer education and adoption. For example, PepsiCo just invested in one of our portfolio companies in the wearables space and their efforts are helping consumers better understand their health through sweat analysis.

We're focused on helping portfolio companies find the right partners to help them grow beyond our initial investment. In food as medicine that often means working with insurance providers to help companies make sure they're framing their offering correctly and running the studies that help them prove their product/service drives down insurance costs.

Summary

Consumers have been paying close attention to their nutrition for a long time, but money is funneling into the Food as Medicine sector now to solve two problems:

- 1) Longevity -- how do we live longer?
- 2) Impact -- how do we feed our increasing population without destroying the planet?

Ultimately, I think we're all trying to find ways to live longer AND *better* while improving our world for the next generation.