Manna Tree Partners Makes Maiden Investment in Ethical Egg Producer Vital Farms

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by Lynda Kiernan

Vail, Colorado-based asset manager Manna Tree Partners (Manna) has chosen Vital Farms, an ethical producer of eggs and butter, as the recipient of its first investment.

Founded on a single farm in Austin, Texas, in 2007 with 20 hens, Vital Farms’ core mission is to create and coordinate a network of family farms that operate within a well-defined structure of agricultural practices centered on the ethical treatment of animals.

This funding follows $8 million the company raised in 2015, $4.5 million raised in 2014, and $2.3 raised in 2013 – all from unidentified private equity firms.
Today, Vital Farms is the largest national brand of pasture-raised eggs and butter, partnering with more than 200 small family egg farmers. At each operation, each pasture-raised hen has 108 square feet of outdoor land on which to forage. In addition, hens are fed a Non-GMO Project verified and antibiotic-free feed formulated for their specific needs. Collectively the hens fertilize the pasture themselves, and with regular rotation keeping the pasture in fresh grass, there is never a need for pesticides, herbicides, or agri-chemicals.

In 2015 the company introduced pasture-raised butter, and in 2018 it added hard-boiled eggs. That same year, the company’s sales grew by 58 percent year-over-year. This year, Vital Farms is adding ghee to its product line-up, which is available in more than 10,000 stores nationwide.

“We are excited to welcome Manna to the Vital Farms family,” said Matt O’Hayer, founder of Vital Farms. “The Manna team brings expertise, a deep network, and a passion for our mission, all of which will support us as we continue to grow.”

Vital Farms is an example of what can be achieved as U.S. egg producers are finding it challenging to convert to cage-free production by 2025. New housing systems are needed for more than 300 million egg-laying hens. At this time, the industry has met this goal for only about a quarter of the country’s hens, with the Egg Industry Center at Iowa State University stating that only 17 percent of U.S. eggs, including organic eggs, are now cage-free, reports Bloomberg.

“It’s an entirely different way of raising animals, said Christine McCracken, protein analyst with Rabobank. “It takes some learning on how to do that well. It’s a slow conversion.”

Aside from time, with expectations that the conversion will cost companies approximately $7 billion, the conversion will also need capital.

Manna was formed by Gabrielle Rubenstein, the daughter of David Rubenstein, a co-founder of Carlyle Group. After graduating from Harvard in 2010, Gabrielle studied agricultural economics and agribusiness management through a
program at Purdue and Indiana Universities and as a person with food allergies, launched Manna Tree Partners in 2018 to invest in companies with a focus on healthy food production.

Together with CIO Ross Iverson, and COO Brent Drever, the team sources deals through a network of partners, and leverages their combined experience and operational background to build a portfolio of companies that balance the need for healthy food and a transparent supply chain with growing valuable enterprises.

“Vital Farms is the perfect company to partner with for our first investment,” said Gabrielle Rubenstein. “We are philosophically aligned with the management team, they have a demonstrated track record of success, and they are committed to responsible growth. Manna is excited to support Vital Farms as they introduce more people to healthy food that is delicious and ethically-sourced.”

– Lynda Kiernan is Editor with GAI Media and daily contributor to GAI News. If you would like to submit a contribution for consideration, please contact Ms. Kiernan at lkiernan@globalaginvesting.com.
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