

Three Strategic Plays for Food & Beverage Investors in the MAHA Era



1. MAHA Commission Unveils Sweeping Strategy to Make Our Children Healthy Again". U.S. Department of Health and Human Services (HHS). September 9, 2025.

The Trump administration's "Make America Healthy Again" (MAHA) agenda has crossed the threshold from wellness rhetoric to market-moving policy.¹ The MAHA Commission is rewriting the rules on ultra-processed foods, overhauling the Generally Recognized as Safe (GRAS) system, and redirecting US federal food spend (e.g., programs like SNAP, NSLP, WIC) toward what it defines as "real food."

For the food and beverage (F&B) industry, this is not risk-mitigation theater. Trillions in incumbent CPG market cap face exposure to new ultra-processed foods (UPF) definitions. Billions in LP capital and federal dollars are flowing into regenerative agriculture and food-as-medicine infrastructure. The consumer base is simultaneously health-maximizing and budget-constrained, forcing innovation across both premium and affordable clean-label segments.



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The revaluation has already begun. Certified seed-oil-free products grew 216% year-over-year through 2025; Sprouts Farmers Market delivered 10.2% comparable store sales growth in Q2 2025; Mad Capital's regenerative agriculture fund closed at \$78.4 million (seven times its first fund) while the broader regenerative capital market raised over \$650 million in Q1 2025 alone.²

Most importantly, this momentum is likely to outlast the current administration. MAHA accelerates structural forces that predate it, such as chronic disease burden crushing healthcare economics, payer incentives shifting toward prevention, institutional capital seeking sustainable assets, and consumer distrust of opaque ingredients. These dynamics persist regardless of political cycles. MAHA simply compresses the timeline, and companies that would have had a decade to adjust now have 24 to 36 months.

There are three verticals that offer F&B investors strategic opportunities to convert MAHA from compliance burden into growth thesis:

1

Seed-oil-free and clean-label product reformulation, which builds the infrastructure for mainstream consumers to abandon seed oils, artificial dyes, and opaque problematic additives without budget strain;

2

Food-as-medicine (FaM) platforms and corporate partnerships, which own the rails connecting ingredients, meals, biomarkers, and payer economics; and

3

Regenerative agriculture and transition finance, which secures advantaged ingredient pipelines for decades by de-risking farmer transition to regenerative production

Seed-oil-free and Clean-label Product Reformulation

MAHA's GRAS reform and government-wide UPF definition target the precise ingredients that digital label-scanning apps and influencers have trained consumers to avoid: refined seed oils, artificial colors, and unpronounceable additives. The "it's safe

2. "Mad Capital closes \$78m oversubscribed fund to bridge the gap between Wall St. and regen ag". AgFunderNews. September 17, 2025.



because it's legal" era is collapsing. Trust in regulatory bodies has deteriorated, and social media now plays a far greater role in shaping consumer perception of safety. The movement has escaped the wellness echo chamber, with certified seed-oil-free products growing 216% in sales between 2024 and 2025 and over 200 products across 40+ brands now carrying Seed Oil Free Alliance certification.

The proof points are compelling.



Steak 'n Shake switched its fries from vegetable oil to 100% beef tallow in early 2025 and delivered double-digit lift in same-store sales directly linked to the tallow switch.³



PepsiCo has positioned over 60% of its U.S. food portfolio without synthetic dyes, with Lay's and Tostitos committing to complete dye removal by end-2025. The company is simultaneously rolling out olive- and avocado-oil chips, repositioning Lay's around "real potatoes, oil, and salt."



Talo Organic in Los Angeles built devoted demand around 100% seed-oil-free, grass-fed menus. Their tallow-fried items routinely sell out, and the company recently raised capital to expand, proving that seed-oil-free economics work at restaurant scale.

Investors should concentrate capital in three sub-verticals: alternative fats & oils infrastructure, including rendering and refining capacity for tallow and animal fats meeting QSR-scale logistics; clean-label formulation technology, targeting startups replacing synthetic dyes, emulsifiers, and stabilizers with natural or physical-process solutions; and certification and signaling platforms that can standardize across portfolio companies.

Risk management requires acknowledging that tallow and specialty oils run three to five times more expensive than commodity soybean or canola, presenting operational challenges around rancidity, storage, and yield variation. Mitigation lies in prioritizing investments in processing efficiency, long-life formulations, and vertical integration.

3. "Steak n Shake to Use 100% Beef Tallow". PR Newswire. January 16, 2025.

Anchor brand positioning on transparency (e.g., “here’s what’s in it and why”) rather than miracle health claims, and keep explicit politics at arm’s length to avoid culture-war territory that could alienate segments of your global consumer base.

Food-as-medicine Platforms and Corporate Partnerships

MAHA’s policy approach explicitly call for aligning Medicaid and federal program incentives around health outcomes, not services delivered. Produce prescriptions, medically tailored meals (MTMs), and nutrition incentives all feature prominently.

The broader food-as-medicine market is inflecting, with a projected \$11.5 billion global market by 2031, growing at 12.2% CAGR; complementary medical foods markets forecast to reach \$33–34 billion by 2030. Widespread MTM implementation could also save \$32.1 billion annually while preventing 3.5 million U.S. hospitalizations, according to a 2025 Health Affairs analysis.⁴

Season Health integrates medically tailored meals, dietitian support, and digital condition-specific management for diabetes, hypertension, obesity, and high-risk pregnancy. Pilots with health plans delivered meaningful A1c reductions within 90 days and high engagement, leading payers to position FaM as a core population-health intervention. Medically tailored meal providers like God’s Love We Deliver and Food & Friends report 50%+ volume growth in recent years and estimated 70% reductions in ER visits for some populations. Faeth Therapeutics, recently acquired by Sensei Biotherapeutics, raised \$92 million total including \$25 million in 2025, achieved an 80% response rate in Phase 2 oncology trials, a powerful proof of concept for metabolically targeted nutrition.⁵

4. “Medically Tailored Meal Programs Could Yield Significant Health Care Savings Across 49 States, Analysis Finds”. Tufts Now. April 7, 2025.

5. “Faeth Therapeutics’ \$92 Million Total Funding Powers PIKTOR Phase 2 Following 80% Response Rate in Endometrial Cancer”. Business Wire. October 27, 2025.

Investors can engage at three layers: consumer experience, with meal-delivery and grocery partners manufacturing and distributing MTMs at scale, including your brands reformulated for FaM use; clinical & data, with platforms handling eligibility,



care plans, and outcome measurement; and biometric & metabolic tools, with CGM-based or lab-based monitoring platforms closing the loop between food and biomarkers.

The approach should be to identify one or two FaM platforms already working with Medicaid or large health systems, initiate discussions on co-developed meal lines and data-sharing agreements linking purchase behavior to biomarker change, and structure CVC equity or venture-debt investments with tranche triggers tied to clinical outcomes. Risk mitigation requires co-investing with specialized FaM platforms and health-policy experts rather than building the full stack inside a CPG organization, co-funding rigorous pilots with academic partners, and prioritizing programs serving Medicaid, Medicare, and safety-net populations.

Regenerative Agriculture and Transition Finance

MAHA's SNAP/NSLP realignment creates a demand shock for regeneratively produced whole foods. The bottleneck is not consumer interest but rather farmer transition risk, working-capital gaps, and certification friction. The U.S. has seen organic acreage decline 10.9% from 2019 to 2021 despite steady organic retail growth, driven by drought, transition risk, and compliance costs.⁶

A proposed MAHA SNAP realignment redirecting even 50% of current UPF/sugar-sweetened beverage spending into fresh produce would redirect billions in annual demand. Yet 36-month transition timelines, unpredictable yields, and debt structures built for high-input monoculture lock most farmers out of regenerative shifts.

The proof points demonstrate institutional momentum. Mad Capital's Perennial Fund II closed at \$78.4 million in September 2025 (7x larger than Fund I) bringing total AUM to approximately \$100 million (2). The fund provides flexible operating, land, and equipment loans plus technical assistance to regenerative organic farmers. Trailhead Capital's \$50 million fund explicitly targets regenerative food and agriculture, with 20+ portfolio

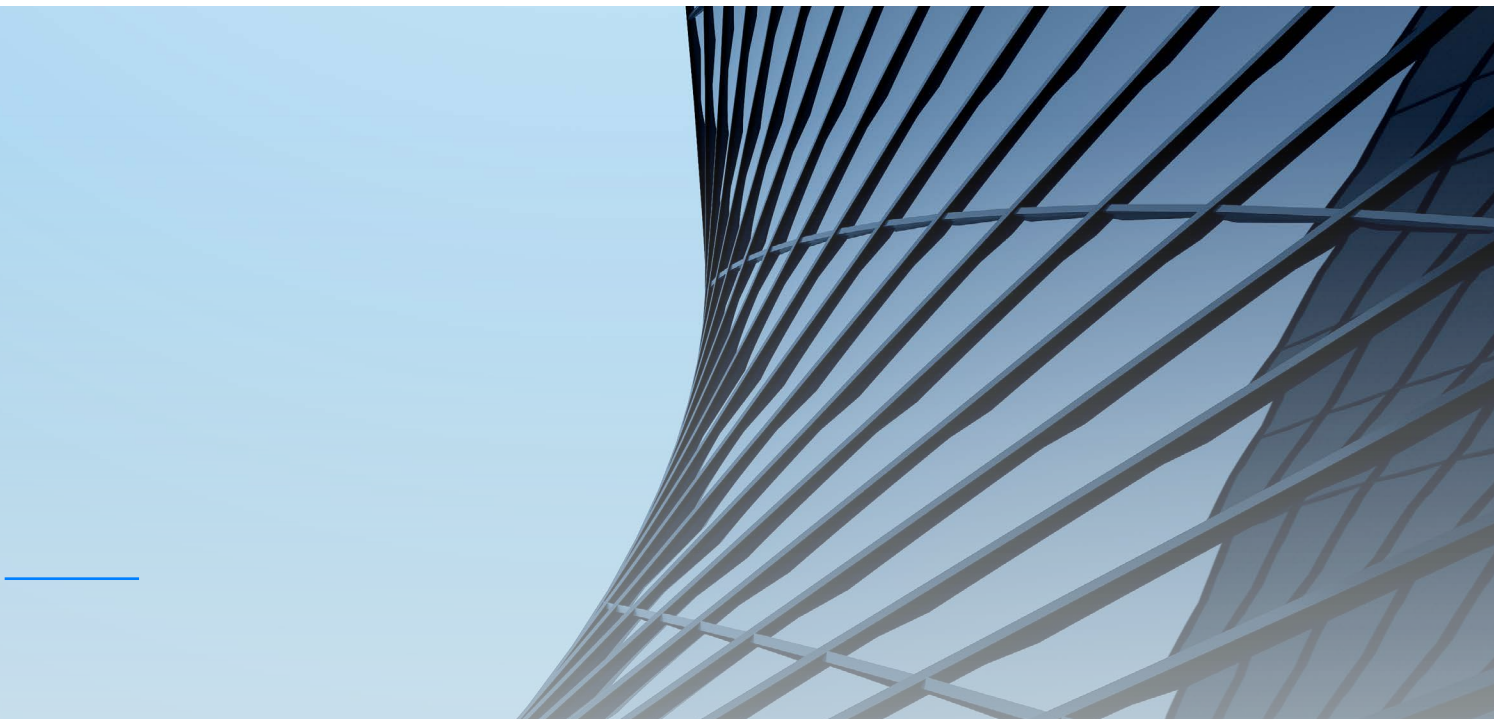
6. "USDA Created Organic Assistance Programs From 2021--23 in Response to Disruptions, Decreased Organic-Transitioning Acreage". USDA Economic Research Service. March 25, 2024.

companies spanning soil diagnostics, inputs, and supply-chain platforms. Sustainability bonds referencing regenerative agriculture grew from \$1.4 billion in 2023 to \$4.1 billion in 2024, signaling large CPG sustainability targets driving demand.⁷

Corporate investors should consider LP or co-GP positions in regenerative funds such as Mad Capital and Trailhead-style vehicles, alongside direct investment in enabling technology, such as soil-health measurement and precision-ag platforms measuring nutrient density and input efficiency. Building regenerative supply guarantees means identifying top ingredients where regenerative supply is both reputationally important and commercially material, quantifying expected MAHA-aligned demand, and co-designing regenerative transition programs offering offtake agreements or floor-price contracts. Pair CVC capital in regen funds with R&D support for processing tech handling more variable regenerative crops.

Risk management requires co-investing in technical assistance alongside credit, diversifying across geographies and crop types, prioritizing credible certifications like Regenerative Organic Certified, and locking in five- to ten-year offtake frameworks. Treat regenerative investments as strategic infrastructure, not short-term margin plays.

7. "Emerging Market Green Bonds 2023". International Finance Corporation (IFC). 2024.



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Conclusion

MAHA rewrites the economics of food and beverage investment. The three strategic considerations outlined here each address distinct nodes in the value chain where demand, capital, and policy are aligning. Seed-oil-free reformulation captures the consumer-facing transparency wave. Food-as-medicine infrastructure monetizes the payer shift toward outcome-based reimbursement. Regenerative transition finance secures the upstream supply advantage that will define cost and quality positioning for decades.

The 90–180 day action plan is straightforward: Run a MAHA exposure audit across the portfolio, mapping ingredients and channels against likely UPF definitions and additive bans. Stand up a cross-functional MAHA taskforce mandated to produce a five-year investment roadmap. Open dialogues with key counterparties — one FaM platform, one regenerative fund, and one seed-oil-free infrastructure startup. Within 180 days, launch at least one pilot in each solution lane and formalize MAHA-aligned KPIs into CVC governance: ingredient risk reduction, regenerative acres linked to portfolio brands, and health-outcome improvements tied to products in FaM programs.

Companies treating MAHA as a compliance exercise will spend the next 36 months defending market share. Companies treating it as a growth thesis will spend that time building advantaged positions in the categories where the future is being written. The question is not whether MAHA will reshape portfolios, but whether investors will shape them proactively or react defensively.

STRATEGIC VERTICALS	WHAT TO INVEST IN	WHY NOW	KEY RISKS
1 Seed-Oil-Free & Clean-Label	Alternative fats infrastructure, clean-label formulation tech, certification platforms	216% growth in seed-oil-free products; Sprouts 10.2% comp growth; consumer trust in FDA collapsing	Tallow costs 3-5x more; health claim backlash; political polarization
2 Food-as-Medicine	MTM delivery platforms, clinical data systems, biometric monitoring tools	\$11.5B market by 2031; Medicaid shifting to outcomes-based reimbursement; \$32B potential savings	Healthcare regulatory complexity; long payer sales cycles; clinical efficacy burden
3 Regenerative Agriculture	Regen fund LP positions, soil-health tech, multi-year offtake agreements	Mad Capital raised \$78M (7x growth); \$4.1B in sustainability bonds; SNAP/NSLP demand shock coming	Climate vulnerability; regen-washing risk; corporate budget cycle mismatch

F&B Investor Action Plan

TIMEFRAME	ACTIONS	DELIVERABLES
Next 90 Days	- Run MAHA exposure audit across portfolio - Stand up cross-functional MAHA taskforce (CVC, R&D, regulatory, sustainability) - Open dialogues with key counterparties	- Ingredient/channel risk map vs. UPF definitions - Five-year investment roadmap mandate - Initial partnerships: 1 FaM platform, 1 regen fund, 1 seed-oil-free startups
Next 180 Days	- Launch clean-label/seed-oil-free reformulation pilot - Launch food-as-medicine pilot with payer/health system - Launch regen supply pilot with multi-year offtake - Formalize MAHA-aligned KPIs into CVC governance	- Track sales, margin, brand metrics on reformulation - Measure health outcomes tied to products - Secure regenerative offtake for priority ingredient - KPIs: ingredient risk reduction, regen acres, health outcomes
Year 1-2	- Scale capital into top-performing plays - Begin sunseting high-risk investments	- Deploy capital to plays with best financial return + regulatory resilience + brand equity - Exit UPF-dependent, contentious additive, brittle supply chain positions