NXP RESEARCH DESK · CANARY 01a + 01b · v1.1 ADDENDUM · MAY 2026

THE CANARY IS LEADING US TO GOLD.

v1.1 refresh — what's new since the April 2026 v1.0 issue. Five weeks of new evidence. Rotation cadence, tailwind compounding, retailer-led MAHA enforcement, oral GLP-1.

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+5	6	23	$30–55B
Weeks elapsed	New tailwind hits	States restricting SNAP	Annual food at risk (GLP-1)

THE THESIS, FIVE WEEKS LATER

v1.0 closed with one line: Big Food isn't reformulating, it's restocking. Five weeks of new evidence sharpens that to a posture, not a forecast: the canary isn't dying — it's leading us to gold. Below: what holds, what shifts, and the seven data points that moved.

WHAT HOLDS

01a Rotation thesis: 91 transactions, $36B acquired into BFY, $138B shed from legacy, $102B net legacy outflow. Cadence call (“compressed five-year cycle into eighteen months”) now corroborated by sell-side. Wave 4.0 archetype unchanged.
01b Tailwind × Wave matrix scores: hold. GLP-1 punishes 1.0/2.0, rewards 4.0; MAHA mandates 3.0 subtraction; UPF indicts the matrix itself; Gen-Z/SNAP rewards 3.0 on shelf.

WHAT SHIFTS

Two of four tailwinds intensified materially. GLP-1 and MAHA both go from ++ on Wave 4.0 to ++ with conviction. The change isn't direction — it's gradient and timing. Oral GLP-1 compresses the rebound window to zero; retailer-led MAHA enforcement now leads federal action by 6–12 months; state-level SNAP momentum is structurally insulated from federal politics.

WHAT'S NEW — AT A GLANCE

#	WHAT MOVED	EVIDENCE	WHICH PAPER
1	Bankers call H2 2026 the deal flurry	BMO Capital Markets, May 7 — Q1 slower than expected, pent-up demand to unleash in H2; matches 01a cadence call.	01a
2	Trade press now names the rotation as one story	FoodNavigator, Mediapost, PwC — first wave of meta-coverage framing Unilever / Kraft Heinz / Mars-Kellanova / Mondelēz as a single structural rotation.	01a
3	Oral GLP-1 erases the rebound window	FoodNavigator, May 18 — Lilly's orforglipron (Foundayo) FDA-approved; maintains 75–79% of injectable weight loss. CPG playbook must shift from indulgence rebound to nutrient density.	01b T#1
4	MSU sizes the food impact: $30–55B / yr	MSU Product Center, May 21 — plus 2.5–3M fewer truckloads of food per year by 2031. Hardest-hit: savoury snacks, sweets, baked goods, dairy.	01b T#1
5	Retailer-led MAHA enforcement (the new front)	Target removed cereals with artificial colors May 17; Kraft Heinz launched Jell-O Simply May 20 (dye-free, 25% less sugar) — biggest recipe change in the brand's 130-year history.	01b T#2
6	SNAP tracker hits 23 states	USDA approved Montana waiver May 22; 9 more states queued for late 2026, KS / WY 2027, NV 2028. Tailwind #2 is now structural, not federal-dependent.	01b T#2
7	UPF framework solidifies	Healthy Eating Research expert panel (May 12) publishes a recommended UPF definition + policy package; trade press adopting it as default reference while FDA / USDA continue to stall.	01b T#3

Read: the rotation thesis (01a) gets cadence confirmation; the tailwind thesis (01b) compounds. Two of the four tailwinds intensified materially in five weeks.

01a UPDATE · THE ROTATION

Deal count holds at 91. No new BFY rotation announcement this window. The signal that matters isn't a new deal — it's the cadence forecast and the trade-press narrative locking into place.

CADENCE FORECAST — H2 2026 IS THE BREAK

BMO Capital Markets' Andrew Siegler (May 7): Q1 deal flow slower than expected, but bankers see pent-up demand to buy + invest unleashing in H2 2026.[1] Matches the 01a cadence call: the Mars–Kellanova / Ferrero–WK Kellogg two-step compressed five years of expected M&A into eighteen months; H2 is when the next compressed cycle starts.

WATCH LIST — NEXT “DISCLOSED” DEALS

WATCH ITEM	WHAT TO TRACK
Kraft Heinz separation close	H2 2026 target. Sept 2025 announcement explicitly cited GLP-1 + processed-food consumer shift.
Mondelēz → Hershey re-engagement	CEO Van de Put publicly: M&A getting harder as targets dwindle. Hershey re-emerges as Mondelēz's most-cited target.
Barry Callebaut cocoa-spin chatter	Sell-side floating a cocoa-segment spin / partial monetization to redeploy into specialty + premium.
Nestlé carve-outs (Blue Bottle / Herta / Waters)	Three named candidates in active motion in 2026 per Nestlé IR commentary; would extend 01a's seven-divestiture streak.
Unilever → McCormick close	$44.8B combined-entity valuation announced; mid-2027 close. By close, the cohort has converted to its first true food pure-play.

THE META-NARRATIVE — NOW LOCKED

FoodNavigator (Apr 2)[2], Mediapost (Mar 20)[3], and PwC (Feb 10)[4] each independently framed Unilever / Kraft Heinz / Mars-Kellanova / Mondelēz as one rotation story — the same structural read 01a v1.0 made the deal-by-deal case for. Trade press converging on a single narrative is a leading indicator that institutional LPs and corp-dev teams are pricing the rotation as fact, not hypothesis.

[1] BMO Capital Markets — F&B M&A: What to expect in 2026 (May 7, 2026)

[2] FoodNavigator — Big Food’s big sell-off: who’s cutting loose and why (Apr 2, 2026)

[3] Mediapost — Unilever may spin off food division (Mar 20, 2026)

[4] PwC — How CPG leaders can refocus for growth (Feb 10, 2026)

01b UPDATE · THE TAILWINDS

Two of four tailwinds intensified materially in five weeks. The Tailwind × Wave Effect Matrix scores from v1.0 still hold — GLP-1 and MAHA both go from ++ on Wave 4.0 to ++ with conviction. What changed isn't the scores; it's the magnitude of the gradient.

TAILWIND #1 · GLP-1 — NOW MORE STRUCTURAL, NOT LESS

Two May data points reset the upside case for tailwind 1. (a) Eli Lilly's orforglipron (brand: Foundayo) became the first oral GLP-1 FDA-approved with maintenance data — 75–79% of injectable weight loss preserved on the pill.[1] The implication for CPG: the rebound window many companies were counting on may not exist. Bimbo redesigning bread, Chobani's high-protein line, and the $3.5B GLP-1 beverage category are the early shape of the winning playbook — design for the new physiology, don't wait for the old one to come back.

(b) MSU Product Center sized the agri-food impact: $30–55B in annual food sales at risk; 850K–1M fewer truckloads of food in 2026 alone, projected to 2.5–3M fewer truckloads / year by 2031.[2] Biggest declines: savoury snacks, sweets, baked goods, dairy. Most threatened farm commodities: corn, soybeans, sugar. This is the first credible supply-chain-level sizing of the GLP-1 demand shock.

TAILWIND #2 · MAHA — ENFORCEMENT NOW RETAILER-LED

While FDA and USDA continue to stall on a federal UPF definition,[3] the action moved to retailers and brands: Target removed cereals with artificial colors from shelves May 17 (executing a February 2026 pledge),[4] and Kraft Heinz launched Jell-O Simply May 20 — no FD&C colors, no artificial sweeteners, 25% less sugar, real fruit juice. The biggest recipe change in the brand's 130-year history.[5] The new pattern: retailer-led enforcement is now ahead of regulation, which means the de-facto MAHA timeline is faster than the de-jure one.

SNAP tracker also moved. USDA approved Montana's waiver May 22 (23rd state); 9 more queued for late 2026, KS / WY 2027, NV 2028.[6] The relevant insight isn't the count — it's that tailwind 2 is now structurally insulated from federal politics. State-level momentum compounds independent of who controls FDA / USDA.

TAILWIND #3 · UPF — EXPERT FRAMEWORK BECOMES DEFAULT REFERENCE

Healthy Eating Research's expert panel (May 12) published a recommended UPF definition + policy package for the US.[7] Trade press is adopting it as the default reference architecture in the absence of federal action.[8] The expert framework distinguishes harmful UPFs from doctor-recommended ones (infant formula, certain breads) — which both sharpens the regulatory target and de-risks the better-for-you category from being lumped in with the 1.0 cohort. Wave 4.0 wins because the new framework rewards matrix change, not just ingredient subtraction.

[1] FoodNavigator — Oral GLP-1 (Foundayo) impact on F&B (May 18, 2026)

[2] MSU Product Center — GLP-1 impact on agri-food system (May 21, 2026)

[3] NYT — MAHA UPF definition stalled (May 3, 2026)

[4] Newsweek — Target pulls cereals with artificial colors (May 17, 2026)

[5] TheStreet — Jell-O Simply launches dye-free (May 20, 2026)

[6] Food Fix — Montana SNAP waiver approved (May 22, 2026)

[7] Global Food Research Program — Expert UPF definition + policy package (May 12, 2026)

[8] FoodNavigator-USA — Trade press absorbs UPF expert framework (May 22, 2026)