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THE CANARY IN THE GOLD MINE

What Big Food's divestitures tell us about the next decade of emerging brands — a deal-by-deal audit of the ten largest consumer food portfolio managers, 2019 through April 2026.

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91	$36B	$138B	$102B
Total transactions	Acquired into BFY	Shed from legacy	Net legacy outflow

THE THESIS IN ONE BREATH

Big Food isn't reformulating. Big Food is restocking.

From January 2019 through April 2026, the ten largest consumer food portfolio managers announced 44 material divestitures of legacy brands and 47 acquisitions of better-for-you, functional, premium, or emerging brands. The structural pattern is consistent across the cohort: old SKUs go to private equity and pure-play strategics, and capital redeploys into the brands the rotation is currently pricing as winners — functional beverages, VMS, clean-label condiments, premium pet, organic snack bars, Gen-Z-native confection, plant-based protein delivery.

The cleanest expression is Kellogg. In October 2023 the company quarantined its North American cereal business into a separate public entity (WK Kellogg Co) so the surviving Kellanova could trade like a growth snack company. Within 24 months Mars absorbed Kellanova for $35.9B[1] and Ferrero absorbed WK Kellogg for $3.1B[2]. The company that invented the American cereal aisle no longer exists.

THE BUYER-LAG READ

This rotation is what Big Food's lagging acquisition function looks like in motion. Major food acquirers underwrite at maturity, not at emergence — the same dynamic that governs how big pharma acquires phase-3 assets after structural risk is retired. The $35.1B deployed into BFY 2019–2026 is buying the wave that has reached acquirer-maturity. The audit below documents the magnitude. The structural diagnosis of which wave is being bought — and which wave the next $35B will buy — is the work of the companion Pantry Waves framework.

TOTAL DEALS	BUY ($B)	SELL ($B)	NET OUTFLOW
91	$35.1	$136.9	$101.8

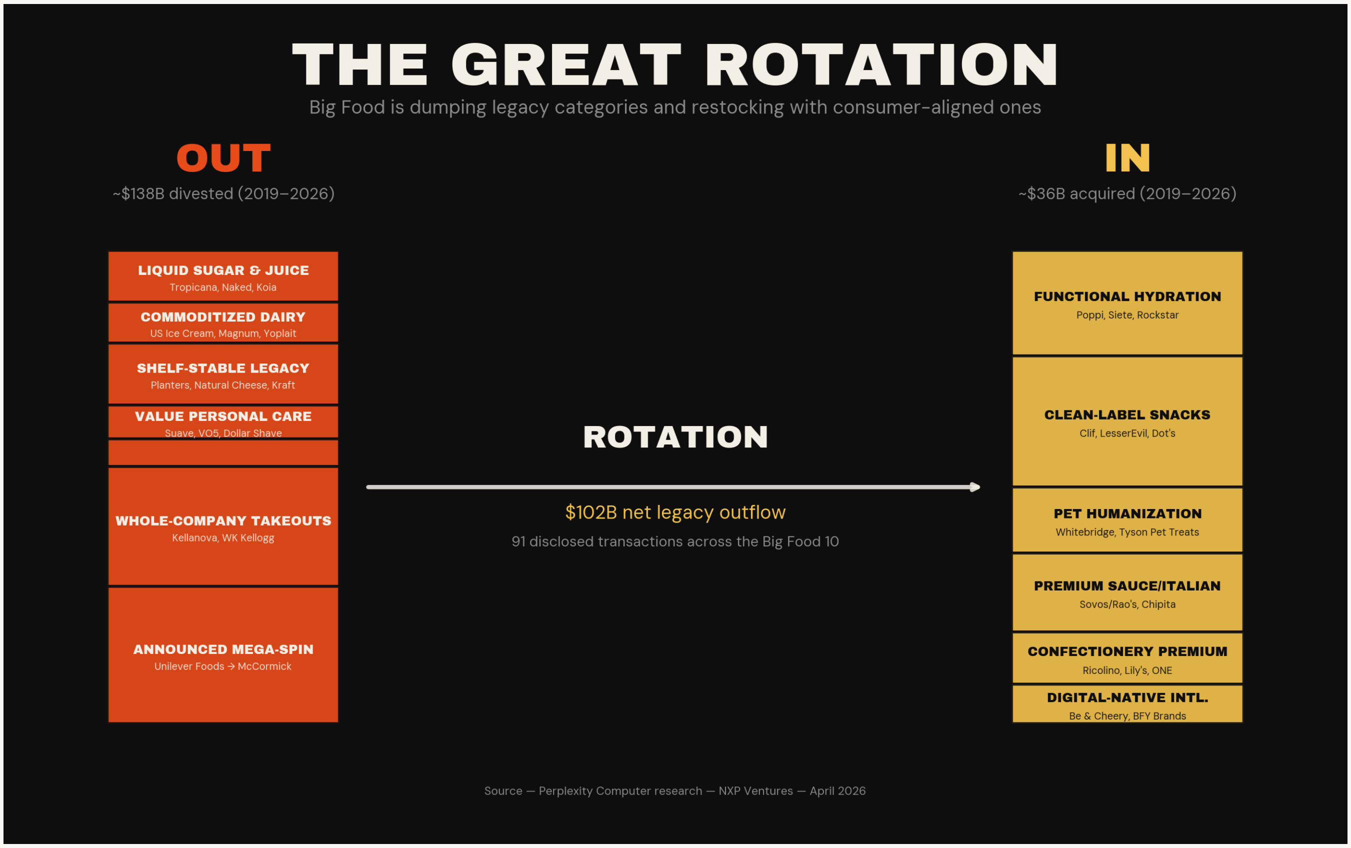

FIGURE 1 · The great rotation — disclosed category flows, 2019–2026.

WHAT ROTATION ACTUALLY LOOKS LIKE

The cohort is not moving in a single direction — this is not "everyone's buying bars." Different players are rotating along different axes, and the axis tells you where each one thinks the consumer is going.

AXIS	EXECUTOR	SHED	ACQUIRED	WAVE
Sugar → functional	PepsiCo	Tropicana, Naked, Dole juice (~$3.3B)	Poppi $1.95B, Rockstar $3.85B, Siete $1.2B	3.0
Food → beauty	Unilever	Tea $5.1B, Ice Cream $9.1B, Foods → McCormick $44.8B (announced)	OLLY, Liquid I.V., Nutrafol, K18, Grüns	3.0
Commodity dairy → VMS	Nestlé	US Ice Cream $4B, Waters NA $4.3B, Galderma $10.1B	Bountiful $5.75B, Vital Proteins, Orgain	3.0 / 4.0
Cheese & nuts → taste	Kraft Heinz	Natural Cheese $3.3B, Planters $3.35B	Primal Kitchen, Just Spices, Hemmer	3.0
Human food → premium pet	General Mills	NA Yogurt $2.1B, Helper, Muir Glen	Tyson Pet Treats $1.2B, Whitebridge $1.45B	2.5
Cereal → growth snacks	Kellogg	Keebler $1.3B, then both halves	(both halves were acquired out)	—
Gum → cakes & protein	Mondelēz	Developed-market Gum $1.35B	Clif $2.9B, Chipita $2.0B, Ricolino $1.3B	2.5
Pantry → premium Italian	Campbell	Bolthouse $510M, Arnott's $2.2B, Pop Secret	Sovos / Rao's $2.7B	2.5
Confection → BFY confection	Hershey	Krave Jerky	Lily's $425M, ONE $397M, LesserEvil $769M, Dot's $1.2B	3.0 / 4.0
Legacy pantry → prune	Conagra	Wesson, Lender's, Peter Pan, Chef Boyardee $600M	FATTY Smoked Meat Sticks	3.0

TABLE 1 · Rotation axes — each row encodes a distinct consumer thesis playing out inside one portfolio manager. WAVE column applies the Pantry Waves classification: 3.0 = clean / subtraction, 2.5 = organic / premium vintage, 4.0 = outcomes / nutrient density.

Read down the right column. Every acquirer is betting on one or more of five consumer vectors: (1) functional ingredients (prebiotics, electrolytes, collagen, protein, stevia), (2) clean-label provenance (organic, paleo, grain-free, non-GMO, Latino-heritage), (3) premium pricing power (Rao's, Edgard & Cooper, K18, Seattle's Best), (4) culturally-native DTC equity (Poppi, Sour Strips, Siete, Grüns), and (5) pet humanization.

Read down the left column. Every divestor is shedding one or more of four categories: (1) liquid sugar, (2) commoditized dairy, (3) shelf-stable processed legacy, and (4) value-tier personal care.

THE FOUR ARCHETYPES

Not every portfolio manager is rotating at the same tempo or with the same conviction. The cohort sorts cleanly into four archetypes — each visible in the matrix below.

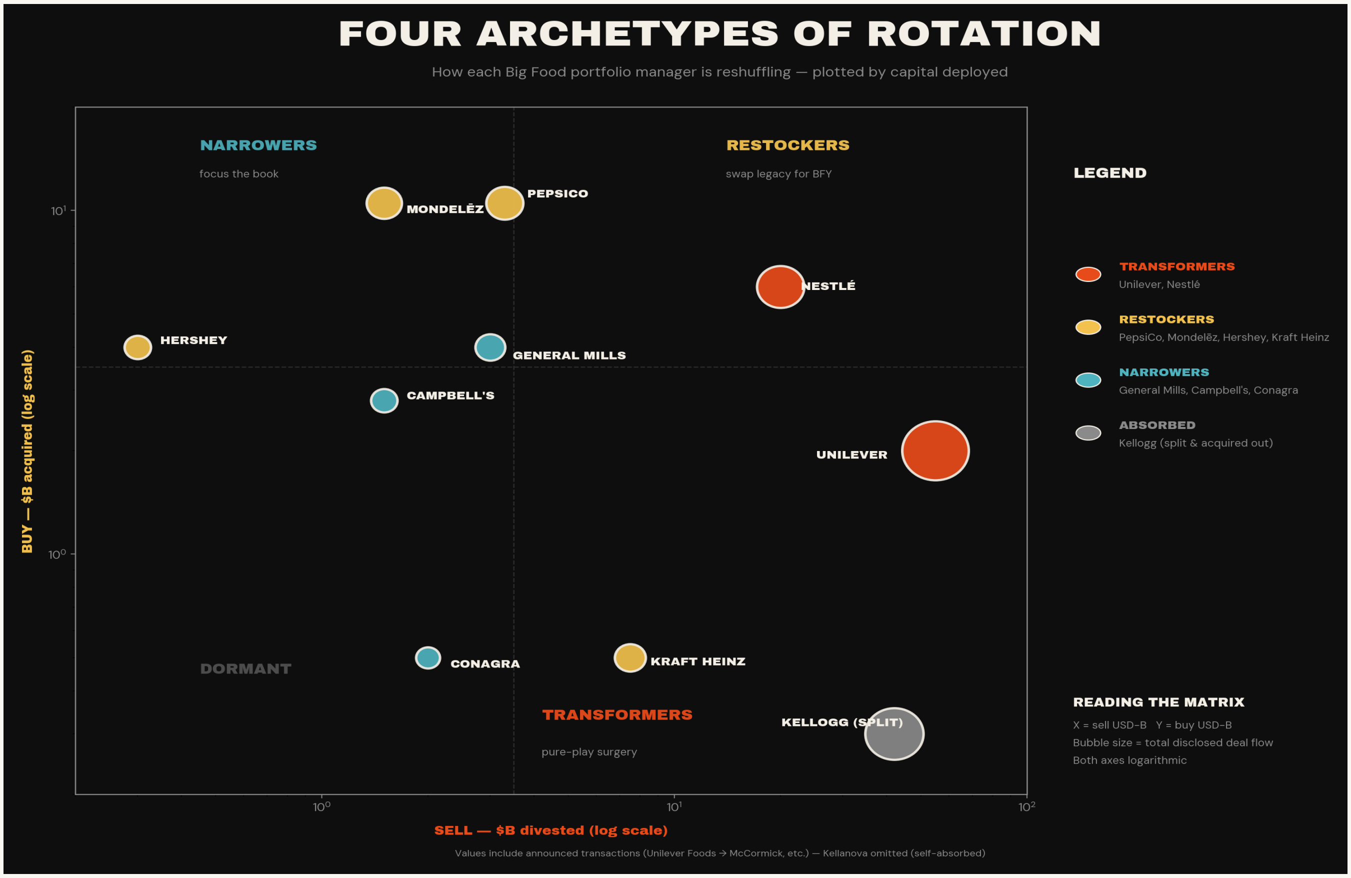

FIGURE 2 · Capital deployed by archetype — both axes log scale.

ARCHETYPE 1 — THE PURE-PLAY TRANSFORMERS

Unilever, Nestlé, Kellogg

These three companies are the most radical. They are not reshaping portfolios at the edges — they are reclassifying themselves as different kinds of companies.

Unilever is exiting food entirely. After shedding tea to CVC for $5.1B[3] and spinning off ice cream as the Magnum Ice Cream Company (~$9.1B market cap at listing, December 2025)[4], Unilever announced in April 2026 that it is combining its remaining Foods division with McCormick at a $44.8B combined-entity valuation[5]. By mid-2027 the company that owned Hellmann's, Knorr, and Lipton will be a beauty / wellbeing / home-care pure-play.

Nestlé is seven divestitures deep — Galderma $10.1B[6], US Ice Cream $4B[7], Waters NA $4.3B[8], Herta, Yinlu, Gerber value, Freshly write-off — with three more in active motion in 2026. The offset: a $5.75B Bountiful Company deal and a staged build-up in Health Science via Vital Proteins, Orgain, and Essentia. Nestlé is migrating from "food conglomerate" to "nutrition, coffee, and pet."

Kellogg chose the nuclear option. On October 2, 2023, the 117-year-old company split into two public entities[9] — the global snack engine (Kellanova) and the North American cereal legacy (WK Kellogg Co). Within 24 months both halves were taken private. There is no longer a Kellogg Company. This is the most unambiguous vote of no confidence in legacy packaged food issued by any incumbent in the last decade.

ARCHETYPE 2 — THE RESTOCKERS

PepsiCo, Mondelēz, Hershey, Kraft Heinz

These four are not abandoning food — they're swapping the shelf. Every dollar of acquisition is pointed at a clearly articulated consumer thesis, and divestitures, while less dramatic, happen at pace.

PepsiCo is the cleanest expression of the restocker play: sold Tropicana juice for $3.3B in 2021[10] and bought Poppi prebiotic soda for $1.95B in 2025[11]. Juice out, prebiotics in. Plus Siete for $1.2B[12], Rockstar for $3.85B[13], and the Sabra full buyout. Even the partial Rockstar walk-back (US/Canada rights to Celsius for $585M in August 2025)[14] is a rotation, not a retreat — trading owned IP for distribution partnership with a faster brand.

Mondelēz is the most acquisitive in the cohort: nine buys in seven years, anchored by Clif Bar $2.9B[15], Chipita $2.0B[16], and Ricolino $1.3B[17]. One conspicuous shed: developed-market gum to Perfetti Van Melle for $1.35B[18], a category in secular decline. Mondelēz is betting on premium snacking + emerging-market cake/pastry scale.

Hershey has quietly rebuilt its portfolio around BFY confection and premium snacks. Lily's $425M[19], ONE $397M[20], LesserEvil $769M[21], Sour Strips for Gen-Z DTC, Dot's + Pretzels Inc. $1.2B[22]. The lone divestiture — Krave Jerky, 2020[23] — is instructive: a failed BFY bet gets unwound and the capital redeploys into a better-aligned BFY bet.

Kraft Heinz is the contrarian. It rotated early — shedding natural cheese for $3.3B in 2020[24] and Planters for $3.35B in 2021[25] — and pivoted toward a "taste elevation" thesis via Primal Kitchen, Just Spices, Hemmer, and Assan. A planned September 2025 corporate split[26] was paused in February 2026 after a $5.85B net loss. Kraft Heinz is the cautionary note: rotation without consumer-aligned brand equity doesn't save you.

ARCHETYPE 3 — THE NARROWERS

General Mills, Campbell, Conagra

These three are pruning legacy aggressively but their BFY reinvestment is narrower and more category-specific — pet for General Mills, premium Italian for Campbell, almost nothing for Conagra.

General Mills sold its entire North American yogurt business for $2.1B[27], plus Helper, European Yoplait, Muir Glen, and its Brazil business — then redeployed into premium pet (Tyson Pet Treats $1.2B[28], Whitebridge $1.45B[29], Edgard & Cooper $436M[30], Fera Pets). This is a conviction bet that the fastest-growing category adjacent to human food is pet humanization.

Campbell shed Bolthouse Farms $510M[31], Arnott's $2.2B[32], Emerald Nuts, Pop Secret, Garden Fresh, and noosa. The single biggest acquisition — Sovos Brands (Rao's) for $2.7B in August 2023[33] — is the textbook premium-Italian BFY play. Campbell is a smaller-scale version of the Mondelēz + PepsiCo thesis.

Conagra is the narrowest: six divestitures, one meaningful BFY acquisition (FATTY Smoked Meat Sticks). Conagra's rotation is dominated by pruning legacy ambient (Wesson, Lender's, Peter Pan, Chef Boyardee[34]) — but the reinvestment engine is quieter.

ARCHETYPE 4 — THE ABSORBED

Kellanova and WK Kellogg, as of 2026, no longer exist as independent portfolio managers. Their brands are now scattered across Mars and Ferrero. This matters because it tells you the natural buyer for legacy packaged food at scale in this era is no longer a diversified conglomerate — it's a confectionery pure-play (Mars, Ferrero) with a sweet-snacking thesis and the patience of private ownership.

BRAND-LEVEL PORTFOLIO ROTATIONS

Eight representative rotations — what each portfolio manager sold and what they bought to replace it. Each card in Figure 3 pairs the legacy assets shed on the OUT side with the BFY brands acquired on the IN side, with disclosed deal values and totals per card.

WAVE READ — 2.5 organic / premium-vintage (Hu, Lily's, Sovos/Rao's, Annie's-era natural). 3.0 clean-label / subtraction (Siete, Poppi, LesserEvil, Health Warrior, FATTY, Bountiful core). 4.0 outcomes / nutrient-density / matrix-change / biomarker (Garden of Life Dr. Formulated, Solely, MaryRuth, GLP-1-aligned).

FIGURE 3 · Brand-level portfolio rotations — the full deal-by-deal table lives in the accompanying workbook.

WHERE THE LEGACY WENT

The other half of the thesis is who's absorbing the castoffs. This matters because it tells you what's investable on the other side of the trade.

BUYER ARCHETYPE	REPRESENTATIVE DEALS	THESIS
Private equity	Butterfly Equity (Bolthouse $510M), KKR (Arnott's $2.2B), CVC (Ekaterra $5.1B), PAI (Tropicana JV $3.3B), One Rock/Metropoulos (Nestlé Waters $4.3B), Yellow Wood (Suave, Elida), Brynwood (Chef Boyardee $600M)	Cash-flow stability of declining-but-profitable legacy brands; operational turnaround; eventual resale or roll-up
Confectionery pure-plays	Ferrero (Keebler $1.3B, WK Kellogg $3.1B), Mars (Kellanova $35.9B), Perfetti Van Melle (Mondelēz gum $1.35B)	Private-company patience + sweet-snacking category focus; willingness to run scale legacy brands without growth-stock pressure
Category consolidators	Lactalis (Kraft Heinz natural cheese $3.3B, GIS yogurt $2.1B), Hormel (Planters $3.35B), Sodiaal (European Yoplait)	Pure-play category dominance: cheese, meat snacks, dairy
Strategic combinations	McCormick (Unilever Foods $44.8B announced)	Reverse Morris Trust structure; strategic scale in sauces & seasonings

TABLE 2 · Buyer-side taxonomy. The exit market is structurally supported on both the strategic and financial sides.

Implication for founders and VCs. The exit market for better-for-you and emerging brands is structurally supported on both sides. Big Food is a motivated, programmatic buyer with visible appetite at every price point from ~$50M (Sour Strips, FATTY) to ~$2B (Clif, Sovos/Rao's) to $5B+ (Bountiful, Horlicks). And when a brand doesn't fit, there's a deep PE + category-consolidator bid waiting to absorb it.

THE SIGNAL FOR NXP

1. THE CAPITAL IS REAL AND PROGRAMMATIC

This is not vibes or press releases — this is ~$36B of disclosed buy-side capital deployed into BFY/emerging in seven years across the cohort, against a backdrop of ~$138B of shedding. Big Food's M&A functions are structurally oriented toward emerging brands. Every one of the ten companies has a venture arm, accelerator, or explicit portfolio-transformation mandate. The rotation is institutional, not opportunistic.

2. THE WINNING VECTORS ARE THE ONES WE UNDERWRITE

Functional beverages (Poppi), prebiotics, greens (Grüns), electrolyte hydration (Liquid I.V. scaled to $1B+ inside Unilever), protein delivery (ONE, Fulfil, Grenade, Clif), clean-label condiments (Primal Kitchen, Rao's), premium pet, stevia/low-sugar indulgence (Lily's, LesserEvil), grain-free / Latino-heritage (Siete). These are the consumer white-spaces our portfolios are already positioned against. The cohort is validating the thesis with cash.

3. THE EXITS ARE PRICED

Median BFY acquisition with a disclosed price sits around $600M–$1.5B — a band that is achievable for Series A/B brands with 3–5 years of category dominance and clean margin structure. Outliers at $2B–$5B require category-defining positioning (Clif organic, Rao's, Bountiful VMS suite, Horlicks India). This gives us a real, triangulated exit-value framework when we underwrite new food-system investments.

4. THE WAVE BEING BOUGHT IS NOT THE WAVE COMING NEXT

The rotation is structural and at scale. The wave the $35B is buying is, by Pantry Waves' read, the wave that has reached acquirer-maturity — not the wave with the most durable forward economics. NXP's positioning is calibrated to that distinction. The Canary documents the rotation magnitude; the framework predicts where the next rotation goes. Forward-deployed capital sits between the two windows.

The old portfolio is emptying. The shelf is being restocked. The question for NXP is simple: which of the next ten brands the framework predicts will be absorbed into this machine are already in our pipeline?

METHODOLOGY & CAPITAL CONTRIBUTION SCHEDULE

Scope. January 2019 through April 2026. 91 transactions total (47 acquisitions + 44 divestitures/spin-offs).

Disclosed-value totals. Include both cash consideration and equity/market-cap values for demergers. Unilever Foods → McCormick ($44.8B combined entity), Magnum Ice Cream demerger ($9.1B market cap), Kellanova/Mars ($35.9B), and WK Kellogg/Ferrero ($3.1B) are structural events — they inflate divestiture totals but accurately reflect the scale of legacy repositioning.

Undisclosed deals. Roughly 30–35% of transactions are undisclosed; included in deal counts but not in dollar totals.

Minority investments. Venture-arm bets (PepsiCo Greenhouse, General Mills 301 INC, Unilever Ventures, Nestlé Health Science option stakes, Kraft Heinz Evolv Ventures, Mondelēz SnackFutures) are tracked separately, not counted in the 47-acquisition headline which is restricted to controlling-stake transactions.

Kellogg family. Counted as a single portfolio manager continuum across the pre-October-2023 Kellogg Company, post-split Kellanova, and WK Kellogg Co.

Capital Contribution Schedule. All dollar amounts reflect disclosed announced deal value in USD. Where sources quoted EUR/GBP/other currencies, values were converted at contemporaneous spot rates.

Data sources. Company press releases, SEC 6-K/8-K filings, and Tier-1 trade press (Reuters, WSJ, FT, Food Dive, Food Business News, PR Newswire). Deal-by-deal URLs live in the accompanying Excel workbook.

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Prepared for internal NXP Ventures review. Supporting deal-by-deal data in the companion Big_Food_Capital_Rotation.xlsx workbook.