

EAT JUST INC.: FOOD TECH AND CULTURED MEAT FOR A NEW FOOD SYSTEM^{1, 2}

"Our mission is to build a food system where everyone is eating well. Eating well means eating food that nourishes our bodies. Eating food that strengthens the planet. Eating food that tastes exceptionally good—and is JUST for all."³
Eat Just Inc., 2017.

Eat Just Inc. (formerly named Hampton Creek) was founded in December 2011 by Josh Tetrick (the current CEO) and Josh Balk⁴. Tetrick and Balk had been friends since their teenage years. By that time, Balk was working with food companies to help them adopt animal welfare practices, which included eliminating battery cages for chickens. His work deeply impressed and inspired Tetrick, and they decided to found the company with the aim of creating healthy, affordable, sustainable and delicious food, using plant proteins as building blocks.

The start-up focused on developing and leveraging cutting-edge technology to develop new foodstuffs that would be similar (or even better) in taste, functionality and nutrition properties to animal based products, but without using animals. This would contribute to satisfy the growing demand for meat and animal products (such as eggs) in the world, while alleviating the negative environmental consequences of raising cattle, and other problems (antibiotic use, animal diseases, food borne illnesses, etc.)

The main technological tool of the company was the so-called *plant discovery platform*, a set of processes, technologies and software tools that allowed to scan plants in order to isolate their proteins and other nutrients, measure and test their molecular characteristics and functionalities (such as gelation, foaming, aeration, sugar reduction, water binding, oil binding or emulsification) and build a comprehensive dataset that could be queried to find the building blocks (i.e., plant components) with the required properties to develop a new product.

¹ Case by the Research Division of the San Telmo Business School, Spain. Prepared by Professor Jose Antonio Boccherini Bogert. To be used as a basis for class discussion rather than to illustrate effective or ineffective handling of an administrative situation.

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² All internet sources cited in this cases were accessed between February 28, 2019 and April 25, 2019.

³ <https://medium.com/justforall/meat-and-seafood-but-without-the-animal-851c07b38759>.

⁴ Josh Balk was the Vice President of farm animal protection at The Humane Society of the United States (an animal protection organization). Balk previously worked with Compassion Over Killing (another organization advocating against factory farming and promoting vegetarian eating).

This was the approach followed to develop JUST Egg, a plant-based egg substitute launched by the company in 2018. The team identified a protein from the mung bean (a legume widely used and cultivated in Asia and India) that made the product scramble like an egg. JUST Egg was by 2019 the last of a series of successful launches over time, where the egg had been replaced by a specific protein from a plant, which provided the same functionality: JUST Mayo and dressings (yellow pea - creamy texture) and cookie dough (sorghum – boosted moisture).

The next step, and the most ambitious so far, was cultured meat. The idea was to use stem cells, extracted from an animal feather, tissue or blood sample, and feed those cells in a lab so that they would proliferate to grow a piece of meat (real meat, not a substitute). This project was a major leap forward towards making the founders' vision a reality: developing a new food system, to make it easy for everyone to eat well, without slaughter or confinement of animals.

The vision and the path were already set, but many doubts and decisions still lay ahead, and many hurdles had to be overcome. Would cultured meat be accepted by consumers, or would it be seen as a *Frankenfood*⁵? How to cope with regulatory approvals and potentially unfavorable labelling requirements? How to deal with lobbying efforts from sectors that could feel threatened? Would Eat Just manage to reduce the cost of cultured meat to make it commercially viable? How to reach the required scale? What were the right communication, branding, production and distribution strategies?

Eat Just's plan required heavy technology and R&D investments. They managed to raise \$250 million so far, but investors could quickly become impatient, success was inherently uncertain and fulfilling the long-term vision would require more funds. How to secure the required funding in the future?

And finally, what was the right strategy to become a profitable and long lasting corporation? How to build a sustainable competitive advantage in a growing ecosystem of food-tech start-ups that also promised to bring about a food revolution?

When they looked at the achievements over the last 7 years, Tetrick and his team realized that the initial dream had already turned into a solid and promising project. Now it was time to scale-up and make it a reality.

JOSH TETRICK⁶ AND EAT JUST INC.

"When you're doing something new, you must have a beginner's mind and approach the world with the curiosity of a child."
Josh Tetrick

Joshua Stephen Tetrick was born on March 23, 1980 in Birmingham, Alabama. *"I was all rearing to be a professional football player my whole life and then realized after a little*

⁵ *Frankenfood* was a term used by oppositors to vilify genetically modified foods (from genetically engineered plants or animals), implying that they were not natural and potentially harmful.

⁶ Most biographic notes have been extracted from Wired (2016).

bit that I probably wasn't good enough to play in the National Football League. I ended up studying sociology and government at Cornell, and I didn't really know what I wanted to do." Tetrick won a Fulbright scholarship that allowed him to work in Nigeria and South Africa and later he enrolled at the University of Michigan Law School. Around this time he was diagnosed with hypertrophic cardiomyopathy, which meant that he could no longer play football. *"If I think of moments in my life that were utterly devastating, that was one of them."* He headed to Liberia to help reform investment laws while working on campaigns to help children get back into school.

*"Through those experiences I realized that I wanted to focus on things that the world actually needed. So I got back to the U.S. and had a good call with my best friend in the world, Joshua Balk about using capitalism for good and he started telling me about food. And the more he told me about our food system the more I was just stunned at how environmentally degrading it is. I've been vegetarian since I was 21 and that's due to the impact of Balk, talking to me how animals are raised."*⁷

The beginning

The old friends started thinking – what if processed foods didn't need eggs at all? Eggs provide many important properties to a product: structure, leavening, richness, color, and flavor. They contribute to thickening in sauces and mayo. But Balk thought, *"If there were a plant-based egg product that had the same taste and texture as normal eggs, but less expensive... That's a huge market opportunity."*

So Balk and Tetrick founded Hampton Creek Foods in 2011. Influenced by Balk's work, the initial idea was to *"create a model that makes an element of the food system, the global intensive egg industry, completely obsolete."*⁸ In fact, the initial logo of the company pictured an egg with a plant inside (Exhibit 1).

Tetrick invested 37,000 USD of his own money. Soon he convinced Khosla Ventures⁹, a venture capital firm, to provide 500,000 USD of seed capital. Other financing rounds followed and by 2019, the company had already raised 250 million USD¹⁰.

In 2013 Bill Gates endorsed the start-up by describing it as one of the three companies that would be shaping the future of food.

Speeding up

"I want to go faster, much faster than we're going right now because I have no idea how long I'm going to live, because life is very fragile and I'm in a rush." – Josh Tetrick

⁷ Quotations whose authorship is not specified in this text are statements by Josh Tetrick.

⁸ The company was often described in the press as an "egg replacing start-up", e.g. Forbes (2014).

⁹ Kosla Ventures was an American venture capital firm focused on early stage companies in high tech sectors, founded by Vinod Koshla, co-founder of Sun Microsystems.

¹⁰ Investors included Temasek Holdings (a Singapore state owned holding company), Mitsui (one of the world's biggest corporations, based in Japan), Li Ka-shing (a Hong Kong magnate, investor, and philanthropist), Khosla Ventures, the Heineken family, Jerry Yang (Yahoo Co-founder) and Marc Benioff (founder, chairman and co-CEO of Salesforce.com).