

"5 Facilities in 5 Years"; the AppHarvest SPAC (What's a SPAC?)



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COMING UP THIS WEEK:

- Revol Greens Expansion
- AppHarvest SPAC
- Wage & Benefit Survey
- Trade Shows Coming Up
- Mucci's Snazzy Virtual Booth



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Revol Greens Expansion: "5 Facilities in 5 Years"

An awful lot of CEA news dropped last week and one of the big items included the expansion plans of Minnesota-based leafy greens grower **Revol Greens**. The company announced last week it closed a \$68 million funding round for a total of \$215 million, which propels the company toward its next facility in Texas: a whopping 20-acre greenhouse with space for up to 80 acres. At full capacity they say it would be the largest leafy greens operation in the world, and it would be the third Revol Greens operation, joining a 10-acre greenhouse in Owatonna, Minnesota, and a soon-to-be-open 16-acre greenhouse in Tehachapi, California (which, by the way, has the potential for 64 total acres).

I reached out to Revol CEO Mark Schulze, who told me they chose Texas in part because of the reach for a large demographic of customers (more than 20 million within an hour or two drive time).

"Our mission is to do five facilities in five years, so this is the next step," he says of the central Texas region where they're looking to acquire land. "The second thing is that a lot of our customers that we're serving here have got distribution centers in those areas, so they can reach out beyond that area quite conveniently."



The first Revol Greens facility, located in Minnesota.

I asked Mark about growing in Texas vs. Minnesota, which have vastly different climates. He says they learned a lot about growing in a volatile climate, as Minnesota can get down to negative 20, and extremely dry in the winter and extraordinarily hot and humid in the summer.

“We have learned how to grow and adjust to climate in pretty much all conditions,” he adds. “Texas will definitely be hotter all the time and a little more arid, but we believe we can successfully manage the climate in Texas.”

The goal is for the new, 20-acre facility there to be highly automated with as few touches as possible.

“We’re focused on automating the vast majority of our production system product,” he says. “We clearly employ a lot of people, but there are certain things from a food safety quality that we prefer to see automated. Harvest through packing will be largely automated.”

Another interesting note about Revol Greens is it’s one of the few hydroponic growers that offer a pack of Romaine lettuce heads in its product list, along with other popular items like butter lettuce, spring mix, arugula, green leaf and sweet butter.

On the current timeline, Mark estimates construction could begin in mid-2021 with the idea of completing the first phase by the end of the year. Meanwhile, with the goal of five facilities in mind, I asked for a hint about where they might look next. He pointed to Revol Greens’ media kit, which highlights where Revol will cover with its three locations. What’s not highlighted are the Pacific Northwest and east of the Mississippi. Is this the beginning of a national leafy greens brand?

“We would love to be that,” he says. “It would be a national brand with regionalized supply. It’s very important to us that it’s being produced regionally where we get the true benefit of the CEA experience for the consumer.

“You do have to lay down the footprint for it to be national and that is a goal of ours.”



AppHarvest SPAC (What's a SPAC?)

The other big news last week involved the AppHarvest announcement it would enter into an agreement with Novus Capital Corp. to take AppHarvest public with a combined valuation of \$1 billion (with a 'b') pro forma equity value.

There's a lot to unpack here, but first a refresher on AppHarvest: it's a 60-acre CEA greenhouse located in Morehead, Kentucky, that expects to have its first tomato harvest in early 2021.

Founder Jonathan Webb recently announced AppHarvest will be part of a larger AgTech campus in Morehead ([you can read about those details HERE](#)) and even more recently announced heavy hitters like Martha Stewart; Dave Chen, CEO of Equilibrium Capital; and Impossible Foods CFO David Lee as new board members. It's already attracted more than \$120 million from investors and the move to go public could bring in another \$475 million.

"We are excited to transition AppHarvest to a public company and raise nearly a half a billion dollars in the process," Jonathan said in a media release. "This will allow us to pursue our mission of transforming agriculture. A mission that's become even more important since the global pandemic exposed how a rapidly increasing reliance on imports jeopardizes food security."

So where does the SPAC come in? It stands for Special Purpose Acquisition Company and is often referred to as a "blank-check deal." Investment lingo is not my jam, so I'm going with CNBC's description: "Special purpose acquisition companies, or SPACs, raise money from investors through an IPO and then attempt to merge with a private company to take it public."



CNBC also interviewed Jonathan and Martha on the SPAC and what it means for the company. [CLICK HERE](#) or on the image to watch the interview.

I'm interested to hear thoughts about this development. Email me [HERE](#) and let me know what you think!



Wage & Benefit Survey

It's that time of year again: we want to know what your wage and benefits structure looks like. If you have a greenhouse or a retail operation, please fill out one of these easy-to-answer surveys:

Growers: www.surveymonkey.com/r/gtwage2020

Retailers: www.surveymonkey.com/r/gpwage2020

We always add a little incentive to the mix and this year it's a Yeti cooler. If that interests you, make sure you leave your email at the end of the survey so we can contact you if you win!

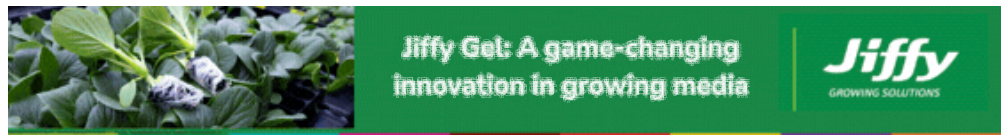
Special thanks to our survey sponsor [Florasearch](#) (who, by the way, lists greenhouse vegetables, medicinals and microgreens in its list of expertise for key employee searches).



Trade Shows Coming Up

With just about all the trade shows going virtual, it's difficult to keep up with the dates for each. I wanted to point out a couple of key events coming up within the next few weeks:

- **Canadian Greenhouse Conference**—This isn't a trade show this year, but more virtual educational conference with a new variety showcase. There are a couple of CEA items on the agenda and the webinars start Wednesday, October 7 at 10:00 a.m. [CLICK HERE](#) to see the full schedule and [CLICK HERE](#) and scroll down to register. By the way, did I mention it's FREE?
- **PMA Fresh Summit**—While the main dates are October 13-15, there are early access options that have already started. [CLICK HERE](#) for the full schedule and to register.
- **GreenTech Live & Online**—Looking for AI, robots, LEDs or any other high-tech automation? This is the event you need, running October 20-22. Normally held at the RAI in Amsterdam, this year's event isn't quite live—there will be presentations made from a stage that will be live broadcasted, but attendees will be watching virtually. [CLICK HERE](#) for more and to register.



Mucci Farms' Snazzy Virtual Booth

Speaking of virtual trade shows, one of the most challenging aspects of a virtual show is engaging someone who's interested in your product. In fact, it's probably THE most challenging part. How do you incorporate videos, images, fact sheets and other information without losing the person clicking through? And how do you catch their eye immediately so they don't just keep scrolling by ... click ... click ... click.



Mucci Farms may have solved that issue with the booth it just unveiled for PMA Fresh Summit. [CLICK HERE](#) or on the image to check it out.

So far, it's the best virtual booth I've seen at an online trade show. It should be no surprise, though, because it was also the best booth we saw at the United Fresh trade show last year in person.

As always, feel free to email me at jpolanz@ballpublishing.com with comments, questions, news and views.

Until next time, stay safe and be healthy,

Jennifer Polanz
Editor-at-Large
Inside Grower

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