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AppHarvest in the News

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Pictured: The Berea location, pictured, consists of 15 acres for hydroponic leafy greens.

There's been a lot written about AppHarvest in consumer and trade press since going public in 2020 and the company continued to make headlines in the first part of 2023 with multiple actions.

After a difficult Q3 2022 report showing $543,000 in net sales versus a $24 million net loss, which was partially due to health issues in the crop and supply chain disruptions (based on the Q3 earnings call with investors), the company reported a couple of big changes. One, in late December, AppHarvest announced it finalized the sale-leaseback of its new Berea, Kentucky, indoor leafy greens farm for $127 million. Here are the details according to the announcement:

"AppHarvest has entered an agreement with Mastronardi Berea LLC, a joint venture between Mastronardi Produce and COFRA Holding, for the sale-leaseback of its Berea high-tech indoor farm for leafy greens for approximately $127 million with an initial lease rate of 7.5% over 10 years, with four renewal terms of five years each. Mastronardi Produce is AppHarvest's exclusive marketing and distribution partner, which has sold AppHarvest's produce including tomatoes, leafy greens and strawberries, into some of the top national grocery store chains, restaurants and food service outlets. Some of the proceeds of the sale-leaseback will be used to repay the previously announced $30 million bridge loan from Mastronardi Produce to AppHarvest and the first two years of prepaid rent at the Berea facility."

The second move was to officially open its Richmond farm, planting half of the available space with Campari brand tomatoes. (An update on all the operating facilities in a minute.)

And, third, at the beginning of January, the company named CEA veteran and AppHarvest board member Tony Martin chief operating officer (COO). Prior to joining AppHarvest, Tony spent 12 years with Windset Farms, a CEA greenhouse producer with more than 250 acres in the U.S. and Canada.

"I expect Tony's extensive background in controlled environment agriculture and his track record for optimizing the efficiency of core operations and consistently achieving revenue growth will help us accelerate our path to profitability," AppHarvest Founder & CEO Jonathan Webb said in the announcement.

In case you've lost track, AppHarvest now has four facilities in Kentucky:

Berea—15 acres for leafy greens production

Somerset—30 acres for strawberries and cucumbers

Richmond—60 acres for tomatoes

Morehead—60 acres for tomatoes

I’ve been watching this company from the start, and I’ll keep an eye and an ear out for more news as I hear it.