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OPINION



Renee DeGross Valdes
The Steering Column

It takes time for Fed rate changes to hit car buyers

Car buyers need some relief. For now, it's wait and see.

The Federal Reserve cut the nation's key banking rate by half a percentage point in September. That is the first cut in more than four years, and economists predict more cuts could come. But the trickle-down effect of the most recent cut will take time to reduce consumer car loan rates, and it can't reach wallets fast enough.

"It is not likely that auto loan rates will decline much before year's end," Cox Automotive chief economist Jonathan Smoke said of the Sept. 18 rate cut.

Effects on car loans

When the Federal Reserve's rate-setting committee cuts its key interest rate for overnight loans between banks, the reduction takes time to make its way through the economy, including on car loans. The Fed committee doesn't meet again until Nov. 6-7.

Smoke and other economists believe additional cuts, if they come, could help push down car loan rates further, making cars more affordable for shoppers. Most buyers must finance a vehicle, as few shoppers maintain enough cash for an outright purchase.

Interest rates on new and used vehicles have remained stubbornly high during the past several years. Data from Dealertrack, a sales and finance systems provider to many U.S. car dealers, showed in late September the average new car loan interest rate is more than 9% in its most recent monthly report. Used car loans are well above 13%. The Dealertrack averages are volume-weighted, taking the total average over the month.

Consumers feel the pinch. Average monthly new car payments peaked at \$795 in December 2022. In August, they fell to \$737 a month. High interest rates make up a portion of that expense.

All this happened at a time when used car prices began rising because inventory was tight. A Cox Automotive analysis of vAuto data shows that the average used list price was \$25,172 in August. For used car buyers, it's not a good time to shop. For new car shoppers, it's a buyer's market for several brands, including Buick, Dodge, Lincoln, Mitsubishi, Ram and Mini.

How carmakers and dealerships respond

In the face of higher interest rates on new vehicles, auto manufacturers increased their incentives to lure shoppers. The latest report by Kelley Blue Book said incentives reached their highest level all year at \$3,450 in August, accounting for 7.2% of the average transaction price of \$47,870.

Carmakers sought additional ways to entice consumers, including special financing deals and lease offers. For example, qualified shoppers with good credit could obtain a lower interest rate of 4.49% APR financing on certified pre-owned 2019 to 24 Subaru Crosstrek SUVs last month.

On new cars, more manufacturers offered 0% financing deals, such as Volkswagen on its 2024 Tiguan models that they need to sell as 2025 editions start to arrive on dealer lots.

What if your credit looks less than stellar? You'll be stuck with those higher interest

Avocados continued on D3



After two years of developing Mission MightyMe puffs with the help of a famed food scientist and a business executive/nonprofit owner, an Atlanta couple went to market with the nut butter puffs in March 2020. PHOTOS BY MIGUEL MARTINEZ/ABC

Meet the Atlanta startup on a mission to end childhood nut allergies

Now at Target: Mission MightyMe's puffs, which introduce nuts to babies as research now supports.

By Mirtha Donastorg
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It's a moment many parents fear — their child has developed a nut allergy and now the most innocuous foods have to be eyed with suspicion. Was that food cooked with peanut oil? Was that snack made in a facility that also processes tree nuts?

But an Atlanta husband and wife team is trying to change that reality.

Catherine and J.J. Jaxon want to end what they call the food allergy epidemic through their startup, Mission MightyMe. They have created nut butter puffs to expose children early to peanuts and tree nuts and hopefully prevent them from developing allergies in the future.

The startup recently reached a major milestone: Target has started stocking its products.

Peanut allergies are the most

common food-induced cause of a dangerous allergic reaction known as anaphylaxis, which can cause a constriction of airways, swelling of lips, fainting and more, according to the Mayo Clinic.

The Jaxons have first-hand experience with food allergies — their eldest daughter is allergic to most nuts. When their first two children were born, pediatricians advised parents to avoid giving young children nuts, but their daughter still developed an allergy.

"We sort of just adjusted to being a food allergy family," Catherine Jaxon told The Atlanta Journal-Constitution. "Made sure we were prepared, had an EpiPen (which delivers the drug epinephrine to counter the effects of anaphylaxis) in every backpack and assumed our whole family will just have to avoid nuts (in) the future."

But by the time their third child, James, was born, the guidance started to change. A landmark study published in 2015 found giving children peanut products early in life actually reduced their

Startup continued on D3



Mission MightyMe founders J.J. and Catherine Jaxon are thrilled that Target began stocking their product in August. "We saw it as a very clear opportunity to get our products in front of more and more people at a reasonable price, and so we jumped at it," J.J. said.

Decision to let Mexico inspect its avocados criticized



The California Avocado Commission said the presence of U.S. officials inspecting avocados in Mexico "greatly reduces the opportunity of others to game the system." ASSOCIATED PRESS/2024

California farmers say it could result in pests reaching U.S. crops.

Associated Press

MEXICO CITY — California avocado growers are fuming about a U.S. decision to hand over pest inspections of Mexican orchards to the Mexican government.

Inspectors hired by the U.S. Department of Agriculture have been guarding against imports of avocados infected with insects and diseases since 1997, but they have also been threatened in Mexico for refus-

ing to certify deceptive shipments in recent years. Threats and violence against inspectors have caused the U.S. to suspend inspections in the past, and California growers question whether Mexico's own inspectors would be better equipped to withstand such pressure.

"This action reverses the long-established inspection process designed to prevent invasions of known pests in Mexico that would devastate our industry," the California Avocado Commission wrote in an open letter to U.S. Secretary

Avocados continued on D3

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When the eldest daughter of J.J. and Catherine Jaxon was born, doctors advised against giving young children nuts. But the girl still developed a nut allergy, and by the time their third child was born, research pointed to the benefits of introducing nuts to children early to help prevent allergies. MIGUEL MARTINEZ/AJC

Startup

continued from D1

chance of developing an allergy. In 2017, the National Institute of Allergy and Infectious Diseases officially changed its stance and encouraged parents to feed peanut products to young kids.

In a follow-up study published in May this year, children fed peanut products from infancy to the age of 5 were 71% less likely to develop peanut allergies.

As the Jaxons looked to feed their youngest son peanuts and tree nuts, now they had a new problem: how to introduce the food in a way that wasn't a choking hazard because no baby food contained nuts. The American Academy of Pediatrics recommends mixing smooth peanut butter into a puree or feeding foods made with peanut butter.

"Catherine had this light bulb moment one night," J.J. Jaxon recalled. "She was holding up this container of (rice) puffs that had

just come in – that James ate all the time but do nothing for him – and this jar of mixed nut butter, and she said, 'Why can't somebody just put these two together?' And honestly ... I looked right back at her and said, 'Yeah, somebody should, but it's not us.'"

In 2018, after years of waiting for big food brands to make a nut butter puff, the two decided to do it themselves. They brought on Dr. Gideon Lack, one of the researchers behind the landmark study that helped change pediatric peanut guidelines, and business executive and food allergy nonprofit founder Todd Slotkin as co-founders. Dr. Lack also serves as the company's scientific adviser.

They spent about two years developing Mission MightyMe's first puffs. In March 2020, the company went to market and now have four flavors of puffs, all manufactured in the United States: organic peanut butter, organic peanut butter banana, mixed nut butter and organic peanut butter strawberry.

Puffs have become very popular snack foods for kids. The Mission MightyMe puffs are made with nuts mixed with rice flour, peanut or other nut flours and fruits, depending on the variety.

After four years of only being sold online, two Mission MightyMe products – the organic peanut butter puffs and mixed nut butter puffs – are now available at select Target shelves and on the retail giant's website.

"Our original plan wasn't to launch in Target nationwide. We had a plan that built things out a little more slowly, but the opportunity came to us in a really organic kind of way where they showed significant interest," J.J. Jaxon said. "We saw it as a very clear opportunity to get our products in front of more and more people at a reasonable price, and so we jumped at it."

The founders funded the business entirely themselves until March of this year, when they raised \$2.35 million from investors. Most of the company's financial backers are based in Atlanta and are primarily fam-

ily offices, though the Jaxons did not disclose specific investors. They are using the funding to add employees, and increase production and marketing.

Ultimately, the Jaxons hope Mission MightyMe becomes a mass market pantry staple for the whole family, not just a niche snack. Being stocked in Target is an important first step.

"This is really the fruition of so much work and so much of our early dream about this company and these products," Catherine Jaxon said. "Our goal was to normalize having foods that contain peanuts, tree nuts and other common allergens on the baby aisle, because we know until that process is normalized, the food allergy rates are not going to come down."

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